ANNUAL REPORT OF ACS GROUP 2014

ACS
ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

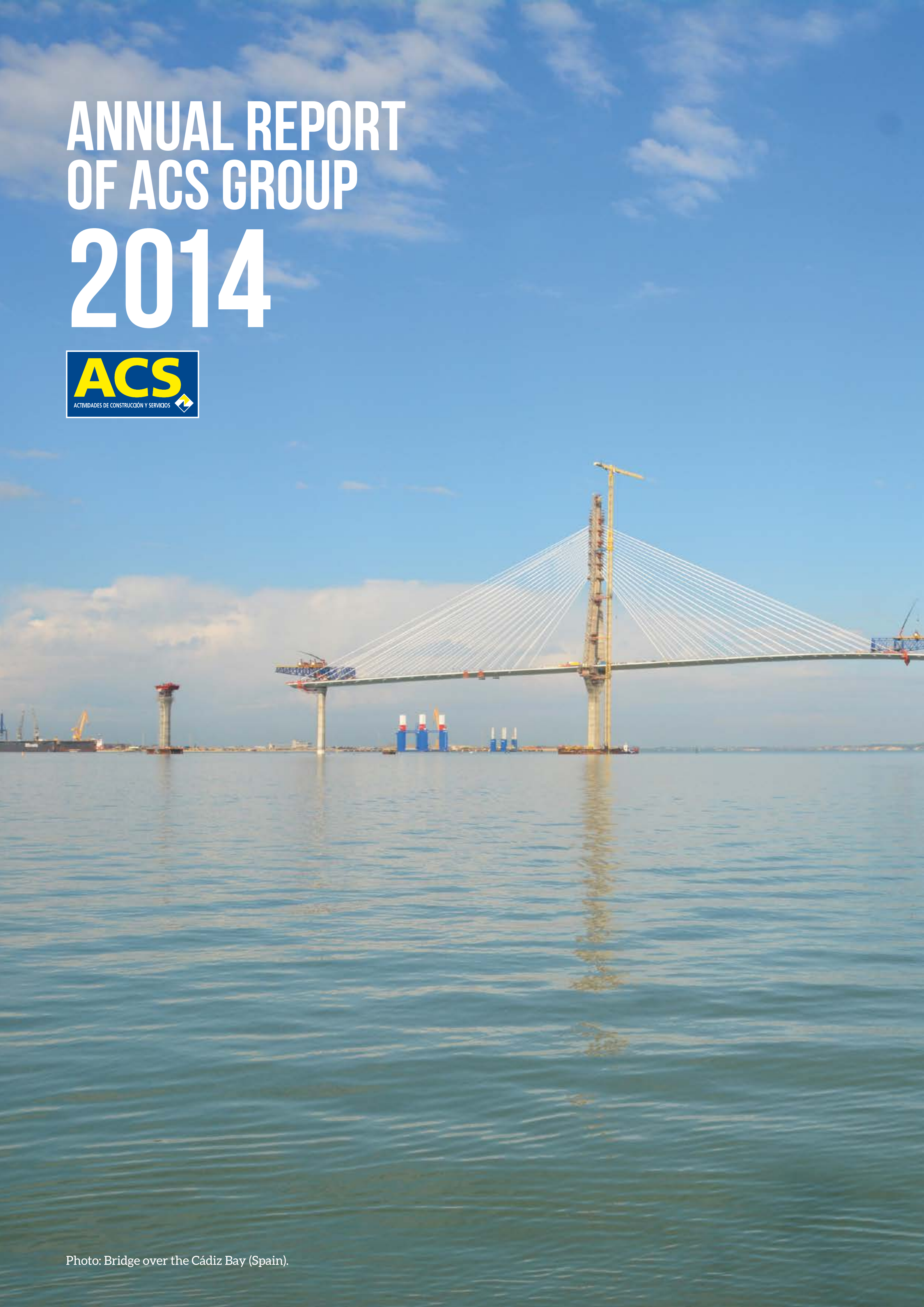

Photo: Bridge over the Cádiz Bay (Spain).

ACTIVITY REPORT OF ACS GROUP 2014

ACS
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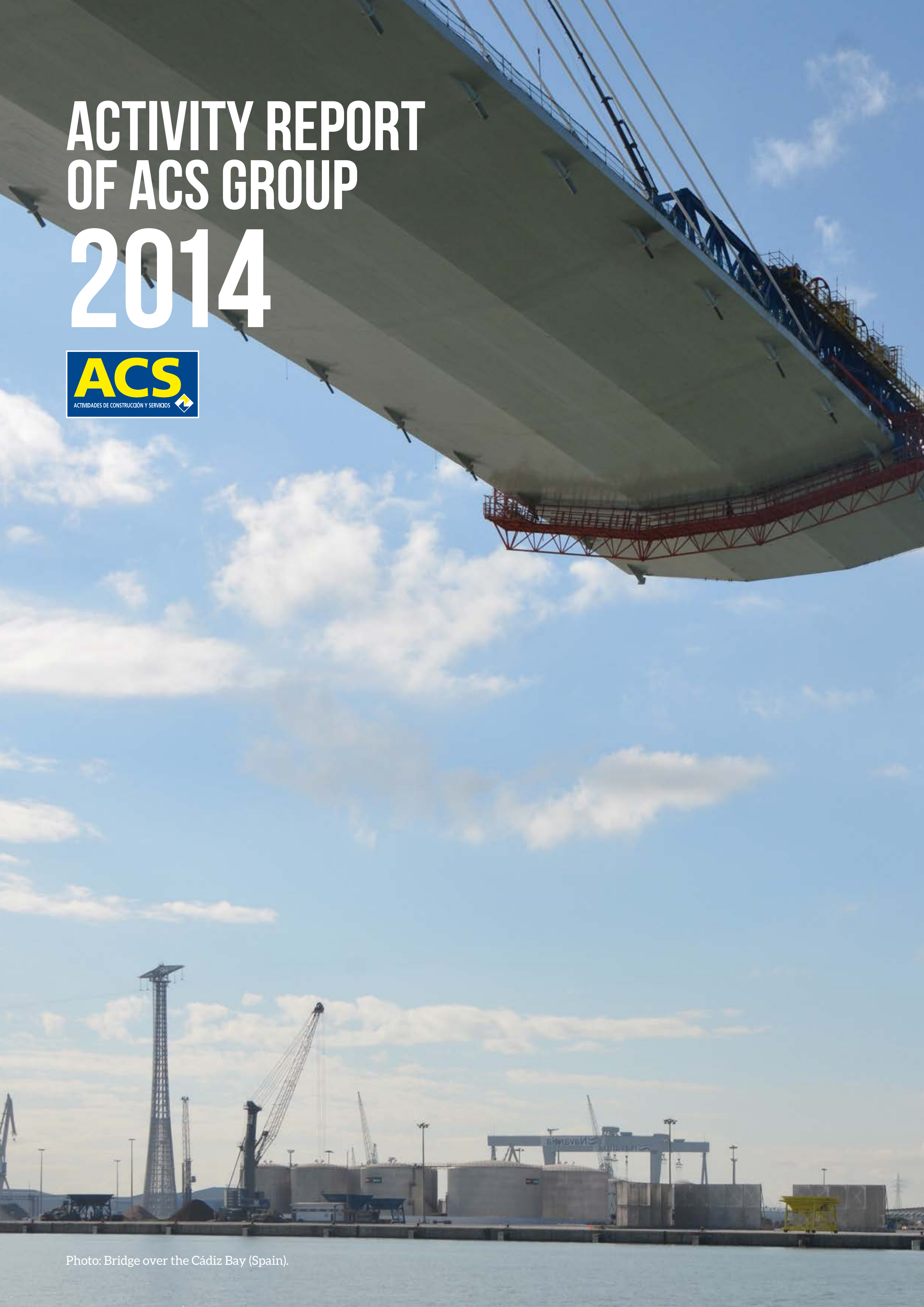


Photo: Bridge over the Cádiz Bay (Spain).

MAIN FIGURES OF THE ACS GROUP

FINANCIAL AND OPERATING DATA

MILLION EUROS	2009(1)	2010(2)	2011	2012(3)	2013(4)	2014
TURNOVER	15,387.4	14,328.5	28,471.9	38,396.2	35,178.0	34,880.9
GROSS OPERATING PROFIT (EBITDA)	1,429.3	1,431.7	2,317.7	3,088.4	2,832.5	2,466.3
NET OPERATING PROFIT (EBIT)	1,073.9	1,039.2	1,333.3	1,579.4	1,639.7	1,597.8
ATTRIBUTABLE NET PROFIT	1,946.2	1,312.6	961.9	-1,927.9	701.5	717.1
CASH-FLOW (*)	2,301.5	1,705.1	1,946.4	-418.8	1,894.3	1,585.6
DIVIDENDS PAID	653.2	618.2	613.9	639.2	398.0	318.0
NET INVESTMENTS/(DIVESTMENTS)	(1,327.2)	2,317.2	2,901.9	(2,285.2)	494.3	(313.0)
TOTAL ASSETS	31,361.2	34,184.5	47,987.6	41,563.4	39,965.4	39,320.7
EQUITY	4,507.9	4,442.4	6,191.3	5,711.5	5,488.9	4,897.9
SHAREHOLDERS' EQUITY	4,219.6	4,178.5	3,319.1	2,656.5	3,267.9	3,033.5
NON- CONTROLLING INTERESTS	288.3	263.8	2,872.2	3,055.0	2,221.0	1,864.4
TOTAL NET DEBT (5)	9,089.3	8,003.1	9,334.2	4,952.0	3,811.1	3,722.3
NET DEBT WITH RECOURSE	219.4	956.6	3,368.7	3,569.5	2,553.9	2,739.6
NON RECOURSE FINANCING	8,870.0	7,046.5	5,965.5	1,382.4	1,257.2	982.7
ORDER BOOK (6)	28,581.0	27,602.0	74,333.4	74,587.9	59,363.0	63,320.3
NUMBER OF EMPLOYEES	137,015	89,039	162,262	162,471	157,689	210,345

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

DATA PER SHARE

EUROS	2009(1)	2010(2)	2011	2012(3)	2013(4)	2014
EARNINGS	6.26	4.38	3.24	-6.62	2.26	2.31
GROSS DIVIDEND**	2.050	2.050	1.968	1.112	1.153	1.150
CASH-FLOW	7.40	5.70	6.56	-1.44	6.11	5.10
SHAREHOLDERS' EQUITY	13.57	13.96	11.19	9.12	10.53	9.76

(**) The final amount of the gross dividend of 2014 will be determined according to the scrip dividend result.

STOCK MARKET DATA

	2009	2010	2011	2012	2013	2014
LISTED SHARES	314,664,594	314,664,594	314,664,594	314,664,594	314,664,594	314,664,594
MARKET CAPITALIZATION (MILLION EURO)	10,953.3	11,036.7	7,205.7	5,991.1	7,872.8	9,115.7
YEAR-END CLOSING PRICE	34.81 €	35.08 €	22.90 €	19.04 €	25.02 €	28.97 €
ANNUAL REVALUATION	6.62%	0.76%	-34.71%	-16.86%	31.41%	15.79%

KEY RATIOS

	2009(1)	2010(2)	2011	2012(3)	2013(4)	2014
OPERATING MARGIN	7.0%	7.3%	4.7%	4.1%	4.7%	4.6%
NET MARGIN	12.6%	9.2%	3.4%	-5.0%	2.0%	2.1%
ROE	50.0%	32.5%	23.3%	n.a.	22.7%	22.0%
GEARING (6)	201.6%	180.2%	150.8%	86.7%	69.4%	76.0%
DIVIDEND YIELD	5.9%	5.8%	8.6%	5.8%	4.6%	4.0%

(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.
(3) 2012 data have been reestated as a result of the entry into force of the revised IAS 19, which applies retroactively.
(4) 2013 data have been reestated as a result of the entry into force of the IFRS 10, 11 and 12 new standards. Additionally there has been a reclassification of the results from John Holland and Leighton Services as discontinued operations in both exercises after its sale.
(5) In 2014, total net debt includes the proceeds pending to be collected obtained after the sale of John Holland and Leighton Services in December 2014, accounted in the balance sheet by 31st of December 2014 as Accounts receivable.
(6) Includes the order book proportional to the stake in joint ventures that the Group does not fully consolidate.
(7) Gearing: Net Debt / (Shareholders'Equity+Non-controlling interests).

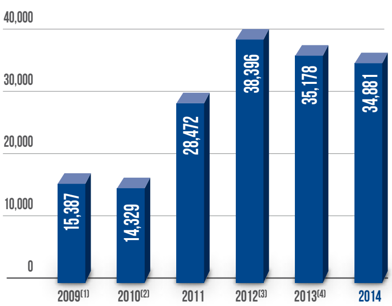
MAIN FIGURES OF THE ACS GROUP

INTERNATIONAL PRESENCE

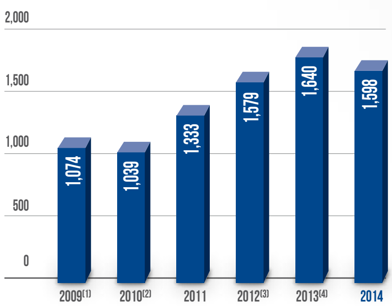
MAIN COUNTRIES IN WHICH ACS GROUP IS PRESENT

ALGERIA	CZECH REPUBLIC	INDONESIA	PANAMA	THE NETHERLANDS
ANGOLA	DOMINICAN REPUBLIC	IRELAND	PERU	TURKEY
ARGENTINA	ECUADOR	ITALY	PHILIPPINES	UNITED ARAB EMIRATES
AUSTRALIA	EGYPT	JAPAN	POLAND	UNITED KINGDOM
AUSTRIA	EL SALVADOR	LUXEMBURG	PORTUGAL	UNITED STATES
BELGIUM	FRANCE	MALAYSIA	QATAR	VENEZUELA
BOLIVIA	GEORGIA	MEXICO	ROMANIA	
BRAZIL	GERMANY	MONGOLIA	SAUDI ARABIAN	
CANADA	GREECE	MOROCCO	SINGAPORE	
CHILE	GUATEMALA	NEW ZEALAND	SOUTH AFRICA	
CHINA	HONDURAS	NICARAGUA	SPAIN	
COLOMBIA	INDIA	NORWAY	SWEDEN	

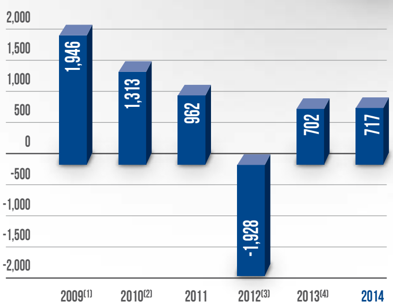
TURNOVER
MILLION EUROS



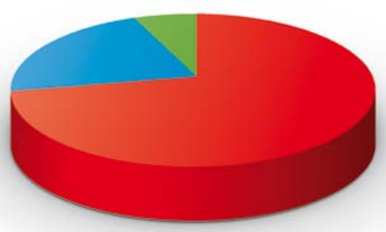
NET OPERATING PROFIT (EBIT)
MILLION EUROS



ATTRIBUTABLE NET PROFIT
MILLION EUROS

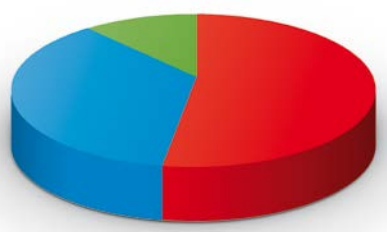


2014 TURNOVER BY AREA OF ACTIVITY (5)



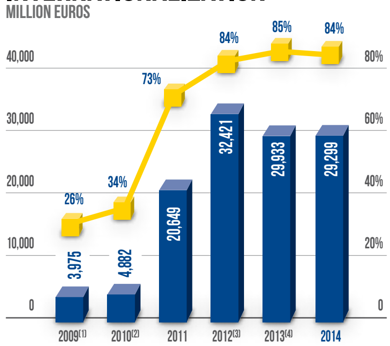
CONSTRUCTION: **74%**
INDUSTRIAL SERVICES: **19%**
ENVIRONMENT: **7%**

2014 GROSS OPERATING PROFIT (EBITDA) BY AREA OF ACTIVITY (5)



CONSTRUCTION: **53%**
INDUSTRIAL SERVICES: **36%**
ENVIRONMENT: **11%**

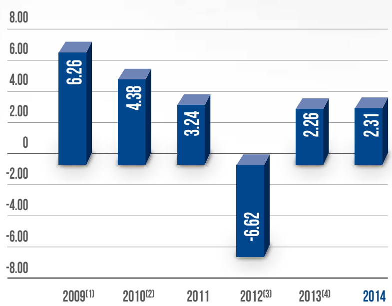
INTERNATIONALIZATION
MILLION EUROS



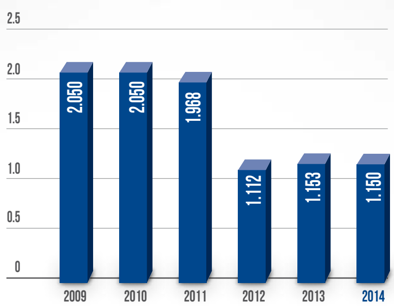
INTERNATIONAL TURNOVER
% INTERNATIONAL OVER TOTAL

(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.
(3) 2012 data have been reestated as a result of the entry into force of the revised IAS 19, which applies retroactively.
(4) 2013 data have been reestated as a result of the entry into force of the IFRS 10, 11 and 12 new standards. Additionally there has been a reclassification of the results from John Holland and Leighton Services as discontinued operations in both exercises after its sale.
(5) Percentages are calculated considering the sum of activities included the graph. Construction includes Dragados, HOCHTIEF and Iridium.

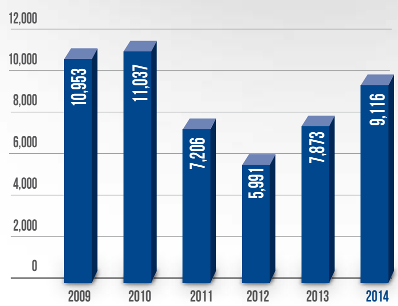
EARNINGS PER SHARE
EUROS



DIVIDEND PER SHARE
EUROS



MARKET CAPITALIZATION
MILLION EUROS



CONSTRUCTION 2014 (1)
MILLION EUROS

TURNOVER	25,820
INTERNATIONAL	94.5%
GROSS OPERATING PROFIT (EBITDA)	1,323
MARGIN	5.1%
NET PROFIT	223
MARGIN	0.9%
ORDER BOOK(2)	45,135
EMPLOYEES	74,440

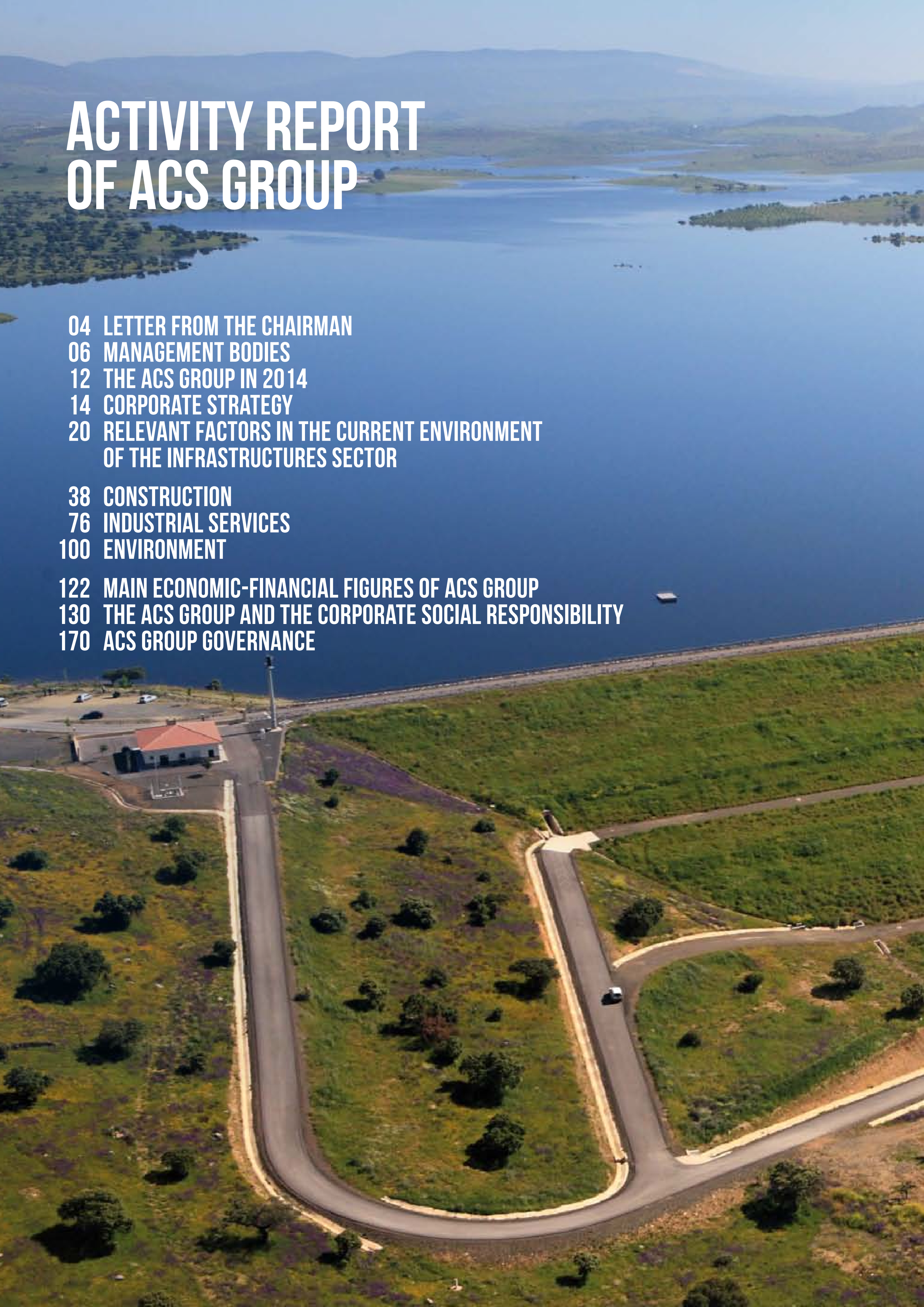
INDUSTRIAL SERVICES 2014
MILLION EUROS

TURNOVER	6,750
INTERNATIONAL	63.5%
GROSS OPERATING PROFIT (EBITDA)	902
MARGIN	13.4%
NET PROFIT	420
MARGIN	6.2%
ORDER BOOK	8,021
EMPLOYEES	41,272

ENVIRONMENT 2014
MILLION EUROS

TURNOVER	2,338
INTERNATIONAL	26.1%
GROSS OPERATING PROFIT (EBITDA)	291
MARGIN	12.4%
NET PROFIT	72
MARGIN	3.1%
ORDER BOOK	10,164
EMPLOYEES	94,581

(1) Construction includes the activity of Dragados, Hochtief and Iridium
(2) Construction order book includes the order book porportiional to the stake in joint ventures that the Group does not fully consolidate.



ACTIVITY REPORT OF ACS GROUP

LETTER FROM THE CHAIRMAN

DEAR SHAREHOLDER

For the fourth consecutive year, ACS Group has maintained a position of global leadership in infrastructure development, as the most international construction company in the world. This strong international establishment gives us a very important advantage that allows us to compete in the main infrastructure investment processes at global level.

The results obtained by the Group in 2014 also bear witness to this. Sales reached 34,881 million euros, equally distributed between the different regions in which we operate. With 34% of the total, North America is the greatest contributor, followed by Australia with 27% and Europe with 26%. For its part, Asia accounts for 8% of the total turnover, South America 5% and Africa 1%. In short, more than 87% of our activity takes place in countries with developed economies.

Meanwhile, the portfolio of works at the end of 2014 was 63,320 million euros, after falling 6.7% over the year. By regions, Asia Pacific accounts for 34% of the total, with projects in Australia, Hong Kong, Macao and the Middle East. Europe represents 31% of the portfolio, while North America, with a growing presence in the United States, Canada and Mexico, contributes 27%. South America's share is 7%, following the attainment of several large contracts in Peru, Colombia and Brazil, and Africa weighs in with the remaining 1%.

This important international presence has yielded positive operating results for ACS Group in 2014, generating a gross operating profit of 2,466 million euros and increasing net profit by 2.2% to 717 million euros, fulfilling our objectives.

I would also like to reiterate our strong cash-generation capacity thanks to the development of our operating activities and our resolute policy of disinvestment in non-strategic assets, amongst which the sales of John Holland and the Services area of Leighton, the share capital reduction in Iberdrola and the sale of various infrastructure and energy concessions must be highlighted. As a whole, the operating activities and disinvestments generated resources to the value of 3,447 million euros in 2014, which has enabled us to continue with our ambitious investment programme, reduce our debt and remunerate our shareholders in a sustainable manner.

Specifically, the investments undertaken by the Group in 2014 reached 2,310 million euros and, in addition to the operating investments and the various concession projects that we are promoting across the world, they include the increase of our shareholdings in HOCHTIEF and Leighton, which now stand at 61% and 70%, respectively.

Similarly, the efforts to reduce the net debt of the Group continue to form an important part of our strategy. The net debt of ACS at the close of the 2014 financial year reached 3,722 million euros, equivalent to 1.5 times the gross operating profit obtained in the year and constituting a 60% reduction since 2011, when we began our financial deleveraging process. This is a strategy that we are continuing to apply in 2015, as demonstrated by the recent sale of renewable energy assets with the listing of Saeta Yield on the stock exchange and the agreement with GIP, involving a net cash inflow of approximately 500 million euros.

The strategic and operational development of our Group has been recognised by capital markets, as reflected by the evolution of the share price of ACS in 2014. The share price at the year-end was 28.97 euros, showing a yearly appreciation of 15.8%, considerably greater than the IBEX35 and EuroStoxx50 indexes, which increased by 3.7% and 1.2%, respectively. Furthermore, the total shareholder return of ACS in 2014 increased to 20.1%, also taking into account the dividends paid during the year.

Undoubtedly, the transformation that HOCHTIEF and Leighton are carrying out has been one of the motors for the good operating and financial performance of ACS. In the past two years we have worked intensely on the introduction of our culture, appointing new experienced management teams in both companies, simplifying their corporate structures through the creation of specialised divisions to promote competitiveness in their activities, and implementing our risk control systems to boost operating margins and increase cash generation. Additionally, we have continued with our policy of disinvestment in non-strategic assets and, simultaneously, we have increased our stake in both companies, which are basic strategic pillars for our future growth at global level.

Also, in 2014 we continued to demonstrate our commitment to sustainability, as evidenced by the increase in investments related to areas of Corporate Social Responsibility, which reached 398 million euros, the recognition of our ethics and professional integrity policies at global level by the Dow Jones Sustainability Index, and the efforts exerted by all the companies of the Group in social actions, voluntary work and philanthropy.

Ultimately, the progress made in 2014 enables us to maintain our industrial competitiveness, improve our financial strength and pursue our strategic objectives. The more than 210,000 people who make up ACS Group are fully trained and prepared to successfully negotiate the growth opportunities offered to us by the markets in which we operate, and to continue to offer attractive returns to 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 since 1989

EXECUTIVE VICE CHAIRMAN

MR. ANTONIO GARCÍA FERRER
CIVIL ENGINEER
Member of the Board of Directors of ACS since 2003

VICE CHAIRMAN

MR. PABLO VALLBONA VADELL
NAVAL ENGINEER AND MBA FROM THE IESE
Member of the Board of Directors of ACS since 1997
Vice Chairman of Consulnor
Member of the Board of the Fundación Juan March

MEMBER OF THE BOARD OF DIRECTORS

MR. JOSÉ MARÍA LOIZAGA VIGURI
ECONOMIST
Member of the Board of Directors of ACS since 1989
Chairman of Cartera Industrial REA
Vice Chairman of Zardoya Otis

MR. AGUSTÍN BATUECAS TORREGO
CIVIL ENGINEER
Member of Board of Directors of ACS 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 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 since 2003

MR. JAVIER ECHENIQUE LANDIRIBAR
B.A. IN ECONOMICS
Member of the Board of Directors of ACS 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
Member of the Board of Directors of ENCE
Member of the Board of Directors of Repsol

IBEROSTAR HOTELES Y APARTAMENTOS, S.L.
Represented by:

MS. SABINA FLUXÀ THIENEMANN
B.A. IN BUSINESS ADMINISTRATION
Member of the Board of Directors of ACS since 2009
Co-Executive Vice Chairwoman and Chief Executive Officer of Grupo Iberostar

MR. JOAN-DAVID GRIMÀ I TERRÉ

DOCTORATE IN ECONOMICS AND BUSINESS STUDIES

Member of the Board of Directors of ACS since 2003
Member of the Board of Directors of Cory Environmental Holdings Limited (UK)

MR. PEDRO LÓPEZ JIMÉNEZ

CIVIL ENGINEER

Member of the Board of Directors of ACS since 1989
Member of the Supervisory Board of HOCHTIEF, Chairman of the Human Resources Committee of HOCHTIEF and of the Appointment Committee of HOCHTIEF
Member of the Board of Directors of Leighton
Member of the Board of Directors of GHESA

MR. EMILIO GARCÍA GALLEGO

CIVIL ENGINEER AND LAWYER

Member of Board of Directors of ACS since 2004

MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN

CIVIL ENGINEER

Member of the Board of Directors of ACS since 2001
Chief Executive Officer (CEO) of Corporación Financiera Alba
Member of the Board of Directors of Acerinox
Member of the Board of Directors of Banca March
Member of the Board of Directors of Indra
Member of the Board of Directors of Inversis
Member of the Board of Directors of BME

MR. JAVIER MONZÓN DE CÁCERES

B.A. IN ECONOMICS

Member of the Board of Directors of ACS since 2003
Chairman of Honour of Indra

MR. MIQUEL ROCA I JUNYENT

LAWYER

Member of the Board of Directors of ACS since 2003
Secretary non-member of the Board of Directors of Abertis Infraestructuras
Secretary non-member of the Board of Directors of Banco de Sabadell
Member of the Board of Directors de Endesa

MS. MARÍA SOLEDAD PÉREZ RODRÍGUEZ

B.S. IN CHEMISTRY AND PHARMACY

Member of the Board of Directors of ACS since 2004

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 since 1989
Member of the Supervisory Board of Hochtief
Member of the Board of Directors of Leighton

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. 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., Ginés Navarro, S.A. and Auxini, S.A.

MR. ANTONIO GARCÍA FERRER
EXECUTIVE VICE CHAIRMAN

Born in 1945. Civil Engineer.

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

MR. JOSÉ LUIS DEL VALLE PÉREZ
GENERAL SECRETARY

Born in 1950. Lawyer and State Attorney

From 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 since 1989 and has been the Secretary General to the Board of Directors since 1997.

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.

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 BODIES

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)
Chairman and Chief Executive Officer (CEO) of Leighton Holdings

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

Mr. José Ignacio Legorburo Escobar
Member of the Vorstand* of HOCHTIEF AG.
Chief Operating Officer (COO)

Mr. Nikolaus Graf von Matuschka
Member of the Vorstand* of HOCHTIEF AG.
Chief Executive Officer (CEO) of HOCHTIEF Solutions

Mr. Adolfo Valderas
Chief Operating Officer (COO) of Leighton Holdings

Mr. Javier Loizaga Jiménez
Chief Financial Officer (CFO) of Leighton Holdings

Mr. Malcolm Ashcroft
Deputy Chief Financial Officer (Deputy 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 North America

Mr. Fernando Bolinaga Hernández
Manager of South America

IRIDIUM

Mr. Juan Santamaría Cases
Chief Executive Officer (CEO)

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. Cristóbal González Wiedmaier
Finance Manager

ENVIRONMENT

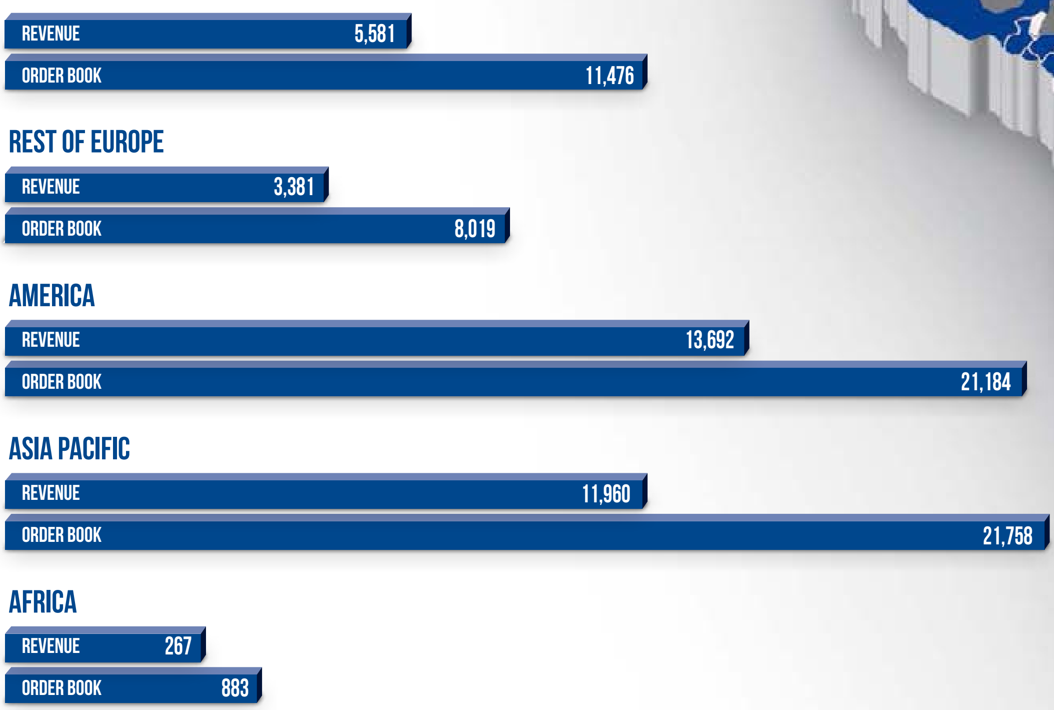
Mr. José M.ª López Piñol
Chief Executive Officer (CEO) of Urbaser

Mr. Cristobal Valderas
Chief Executive Officer (CEO) of Clece

* Executive Board.

THE ACS GROUP IN 2014

A WORLDWIDE LEADER IN THE INFRASTRUCTURE DEVELOPMENT SECTOR



MILLION EUROS

REVENUE
34,881
MILLION EUROS

CONSTRUCTION: **74%**
INDUSTRIAL SERVICES: **19%**
ENVIRONMENT: **7%**

ORDER BOOK*
63,320
MILLION EUROS

CONSTRUCTION: **71%**
INDUSTRIAL SERVICES: **13%**
ENVIRONMENT: **16%**

* Includes the order book proportional to the stake in joint ventures that the Group does not fully consolidate.

EBITDA
2,466
MILLION EUROS

NET PROFIT
717
MILLION EUROS

GROSS INVESTMENTS
2,310
MILLION EUROS

EMPLOYEES
210,345

WORLDWIDE LEADER IN CONSTRUCTION

ENR

THE TOP 250 INTERNATIONAL CONTRACTORS

RANK 2014	RANK 2013	FIRM	2013 REVENUE $ MIL. INT'L	TOTAL
1	1	**GRUPO ACS,** Madrid, Spain†	44,053.8	51,029.3
2	2	**HOCHTIEF AG,** Essen, Germany†	34,845.0	37,012.8
3	3	**BECHTEL,** San Francisco, Calif., U.S.A.†	23,637.0	30,706.0
4	4	**VINCI,** Rueil-Malmaison, France†	20,292.6	54,107.0
5	5	**FLUOR CORP.,** Irving, Texas, U.S.A.†	16,784.3	22,144.1
6	6	**STRABAG SE,** Vienna, Austria†	15,392.0	18,023.0
7	7	**BOUYGUES,** Paris, France†	14,789.0	35,993.0
8	9	**SKANSKA AB,** Stockholm, Sweden†	14,141.1	18,446.5
9	10	**CHINA COMMUNICATIONS CONSTRUCTION GROUP LTD.,** Beijing, China†	13,162.5	54,181.7
10	11	**TECHNIP,** Paris, France†	12,243.0	12,399.0

Source: ENR The top 250 global contractors.

WORLDWIDE LEADER IN CONCESSIONS

PUBLIC WORKS FINANCING

World's Largest Transportation Developers

2014 SURVEY OF PUBLIC-PRIVATE PARTNERSHIPS WORLDWIDE

Ranked by Number of Transportation Concessions Developed Worldwide Since 1985*

Company	Operating or Under Const.	# Sold or Expired	Bid Pursuits	# Operating or Under Construction In: U.S.	Canada	Home Country	All Other
ACS Group/Hochtief (Spain)	56	47	49	2	6	19	29
Macquarie Group (Australia)	43	16	14	5	1	1	36
Global Via-FCC-Bankia (Spain)	43	5	2	1	1	29	12
Abertis (Spain)	38	16	na	0	0	11	27
Vinci (France)	36	6	16	1	2	12	21
Hutchison Whampoa (China)	34	5	na	0	0	12	22
Ferrovial/Cintra (Spain)	33	23	35	6	2	9	16
Bouygues (France)	27	3	11	1	1	10	15
NWS Holdings (China)	26	1	na	0	0	26	0
EGIS Projects (France)	25	1	16	0	1	5	19
Sacyr (Spain)	22	20	9	0	0	14	8
OHL (Spain)	21	17	23	0	0	8	13

Source: Public Works Financing.

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.

ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

PROFITABILITY COMMITMENT INTEGRITY EXCELLENCE TRUST

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

TECHNICAL ENGINEERING CAPABILITIES

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 concessional assets, high-voltage lines, desalination plants.

CONTRACTING CULTURE

- Client Knowledge.
- Flexibility.
- Global clients.

ENTREPRENEURSHIP

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

THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

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 four fields of action:

- RESPECT FOR ETHICS, INTEGRITY AND PROFESSIONALISM IN THE GROUP'S RELATIONSHIP WITH ITS STAKEHOLDERS.
- RESPECT FOR THE SOCIAL, ECONOMIC AND ENVIRONMENTAL SETTING.
- PROMOTION OF INNOVATION AND RESEARCH IN ITS APPLICATION TO INFRASTRUCTURE DEVELOPMENT.
- CREATION OF EMPLOYMENT AND WELL-BEING, AS AN ECONOMIC MOTOR FOR SOCIETY.

To face up to the challenge of coordinating the **ACS Group's Corporate Responsibility** policy, given its characteristics of operational decentralisation and geographical scope, a project related to the ACS Group's Corporate Responsibility over the coming years, known as **Project one**, was developed in 2013.

Project one seeks to promote good management practices and is framed in the Group's general strategy, focused on reinforcing ACS's world leadership.

The promotion of good management practices focuses on the following major areas:

THE GROUP'S POSITION IN TERMS OF ETHICS.

oneEthics

IN TERMS OF EFFICIENCY, INVOLVING CLIENT, QUALITY, SUPPLIER, ENVIRONMENTAL AND R&D+I POLICIES.

oneEfficiency

AND IN TERMS OF EMPLOYEES, PERSONNEL, HEALTH AND SAFETY AND SOCIAL ACTION POLICIES OF THE ACS GROUP.

oneEmployees

In practice, Project one analyses and evaluates the performance of the Group and its companies in relation to a scorecard of control indicators, aligned with Dow Jones Sustainability Index requirements, which is supervised by independent external consultants and inspectors who qualify the inclusion of improvements periodically, both at the functional and procedural levels.

HISTORY

1983	1986	1988	1989	1992	1996	1997	1997
Construcciones Padrós, S.A.	OCISA	SEMI	cobra GRUPO	OCP CONSTRUCCIONES	AUXINI CONSTRUCCION	GINES NAVARRO CONSTRUCCIONES S.A.	VIAS
Founded in 1968	Founded in 1942	Founded in 1919	Founded in 1948	Founded in 1992	Founded in 1945	Founded in 1930	Founded in 1928
Construction company based in Badalona (Spain), restructured and relaunched after acquisition. It was the seed for today's ACS Group.	Spanish construction company, the acquisition of which represented a leap in size for the Group in the 80s.	A company specialised in power lines, developer of the Spanish grid, the Group's first diversification into industrial services.	A leading industrial services company in Spain and Latin America, acquired in the market to lead the Group's expansion in this area.	The result of the merger between Ocisa and Construcciones Padrós, creating one of Spain's 10 biggest companies at the time.	State-owned construction company, increasing the Group's domestic presence.	One of Spain's most important construction companies, specialised in civil works.	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

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.

2003

Clece

Founded in 1992

Initially focusing on providing cleaning services for public organisations, it has become Spain's leading multiservices Company

2011

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.

2011

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.

2011

Leighton Holdings

Founded in 1949

A subsidiary of HOCHTIEF, which holds a 69.62% of the company's shares at December 31, 2014, acquired in 1983. It is Australia's leading construction company and a world leader in mining concessions.

RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

THE INFRASTRUCTURE SECTOR IS KEY FOR ANY COUNTRY'S ECONOMIC AND SOCIAL DEVELOPMENT. THE ANALYSIS OF THE MAIN FACTORS, WHICH INFLUENCE THE INFRASTRUCTURE SECTOR, IS FUNDAMENTAL TO IDENTIFY INVESTMENT OPPORTUNITIES.

RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

THE ACS GROUP, PRESENT ON THE MAIN MARKETS OF THE WORLD, IS A KEY ACTOR OF THE INFRAESTRUCTURES SECTOR.

The infrastructure sector is one of the fundamental pillars of any country's economic and social development. The ACS Group is present in the main global markets in the infrastructure sector and therefore macroeconomic, geographic, political, demographic and social development factors, among others, must be analysed in order to identify their specific characteristics as well as the risks and opportunities which may determine the evolution of the investment in infrastructure in the various regions.

MACROECONOMIC ENVIRONMENT

The main factors which influence the infrastructure sector are: the country's economic growth (measured by GDP performance), the portion of gross domestic product which is allocated to investment and how these investments are financed (measured by public spending and debt).

In 2014, according the International Monetary Fund's estimates[1], global gross domestic product grew by 3.3% due to increased stability in the financial markets and lower risk premiums in advanced countries. Although growth rates in emerging countries continue to be high, they have been affected by geopolitical problems and a drop in the prices of energy resources.

In 2015 the performance of oil prices will be one of the determining factors in the development of the global economy. Oil-importing countries will improve their acquisition capacity, which will positively affect the public deficit due to the decrease in energy subsidies. However, oil-exporting countries expect a slowdown in growth due to a decline in international trade, lower commodity prices and higher interest rates in many emerging countries.

1 "World Economic Outlook", International Monetary Fund, January 2015.

Consequently, the IMF expects 2015 GDP to grow 3.5% globally, 20 basis points above 2014.

Within the components of gross domestic product, the percentage allocated to investment at the global level[2] stood at 24.8% in 2014 and is expected to reach 25.2% in 2015. Although emerging countries demonstrate the highest investment levels over their GDP, the drop in commodity prices and the activity slowdown affect them. The IMF insists on the need for advanced countries to increase investment rates to drive growth and to attend a demand of infrastructures which, due to lack of investment, are running deficit.

The measures adopted by advanced countries to reduce public deficit are expected to have positive results in the coming years and, together with the drop in crude oil prices, the increased stability of the financial markets and the increased availability of financing as a result of the liquidity injections introduced by the central banks, in the future these fiscal consolidation measures are expected to diminish. Despite this, public spending in advanced and emerging economies is expected to continue its downward trend. This implies a trend of greater participation by the private sector in financing infrastructure, mainly through public-private partnerships.

2 "World Economic Outlook", International Monetary Fund, October 2014.

	% GDP CHANGE					% INVESTMENT OVER GDP				
%	2012	2013	2014E	2015E	2016E	2012	2013	2014E	2015E	2016E
WORLWIDE	**3.4%**	**3.3%**	**3.3%**	**3.5%**	**3.7%**	**24.5%**	**24.5%**	**24.8%**	**25.2%**	**25.6%**
EUROPEAN UNION	-0.3%	0.2%	1.4%	1.8%	2.0%	18.8%	18.1%	18.4%	18.6%	18.9%
UNITED STATES	2.3%	2.2%	2.4%	3.6%	3.3%	19.2%	19.3%	19.8%	20.5%	21.1%
CANADA	1.7%	2.0%	2.4%	2.3%	2.1%	24.7%	24.3%	23.8%	24.0%	24.2%
LATIN AMERICA	2.9%	2.7%	1.2%	1.3%	2.3%	20.6%	20.4%	20,.0%	20.1%	20.6%
AUSTRALIA	3.6%	2.3%	2.8%	2.9%	3.0%	29.1%	27.6%	26.9%	26.7%	26.3%
ASEAN-5*	6.2%	5.2%	4.5%	5.2%	5.3%	29.7%	29.1%	28.4%	28.5%	29.0%
CHINA	7.7%	7.7%	7.4%	6.8%	6.3%	47.7%	47.8%	47.7%	47.4%	47.0%
INDIA	4.7%	5.0%	5.8%	6.3%	6.5%	34.7%	31.4%	32.2%	32.6%	32.9%
UNITED ARAB EMIRATES	4.7%	5.2%	4.3%	4.5%	4.4%	19.1%	20.2%	22.3%	22.7%	23.6%

	% FISCAL (DEFICIT)/SURPLUS					% PUBLIC EXPENDITURE OVER GDP				
%	2012	2013	2014E	2015E	2016E	2012	2013	2014E	2015E	2016E
WORLWIDE										
EUROPEAN UNION	-4.2%	-3.2%	-3.0%	-2.5%	-1.8%	49.1%	48.7%	48.2%	47.4%	46.7%
UNITED STATES	-8.6%	-5.8%	-5.5%	-4.3%	-4.2%	37.8%	36.6%	36.9%	36.3%	36.0%
CANADA	-3.4%	-3.0%	-2.6%	-2.1%	-1.7%	44.8%	44.5%	44.0%	43.8%	43.6%
LATIN AMERICA	-3.2%	-3.4%	-.9%	-3.7%	-3.5%	33.8%	34.0%	34.5%	34.0%	33.8%
AUSTRALIA	-3.5%	-3.5%	-3.3%	-1.8%	-1.0%	36.8%	37.4%	37.6%	36.6%	36.0%
ASEAN-5*	-2.3%	-2.1%	-2.7%	-2.6%	-2.4%	22.9%	22.8%	22.6%	22.4%	22.2%
CHINA	0.2%	-0.9%	-1.0%	-0.8%	-0.8%	28.2%	29.1%	28.4%	28.1%	27.9%
INDIA	-7.4%	-7.2%	-7.2%	-6.7%	-6.5%	26.9%	27.0%	26.7%	26.2%	26.0%
UNITED ARAB EMIRATES	13.7%	10.7%	10.5%	10.3%	9.8%	22.5%	24.0%	22.8%	22.2%	22.0%

* Indonesia, Malaysia, Singapore, Philippines and Thailand
Source: "World Economic Outlook", International Monetary Fund, October 2014 and January 2015.

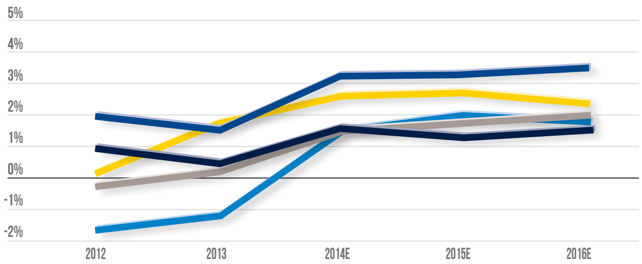
RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

By geographic areas, the macroeconomic forecasts for the **European Union** are positive as a result of the stabilisation of the financial markets, more neutral fiscal policies which are driving internal demand, supported by a drop in oil prices, and increased competition arising from the euro's depreciation. Despite this, growth in the second half of 2014 did not meet expectations because investment levels came in below estimate. According to IMF data, in 2014 the European Union's GDP grew 1.4% compared to 0.2% in 2013 and growth in 2015 is expected to be 1.8%. Within the European Union, the recovery prospects for countries are uneven; in Spain the increase in international and domestic demand, driven by improved competitiveness and drop in the risk premium will enable GDP to grow in 2% in 2015; in other central European countries such as Germany, growth levels will remain stable with respect to previous years thanks to low unemployment levels and their economic strength; however, in countries such as France and Italy, recovery continues but more slowly than expected. For Eastern European countries, after the slowdown in growth in recent years, the IMF expects healthier recovery prospects due to the stronger domestic demand, increased investment and, as in the case of Poland, lower unemployment rates. In terms of investment, it is expected to grow very moderately supported by the economic recovery and reduced deficit, although the related public spending will continue to decline.

EVOLUTION OF THE MAIN MACROECONOMIC INDICATORS IN EUROPE

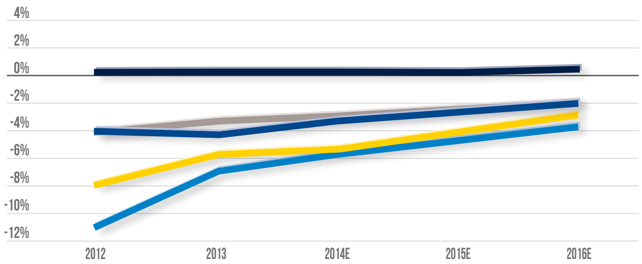
GDP EVOLUTION

% GDP ANNUAL CHANGE



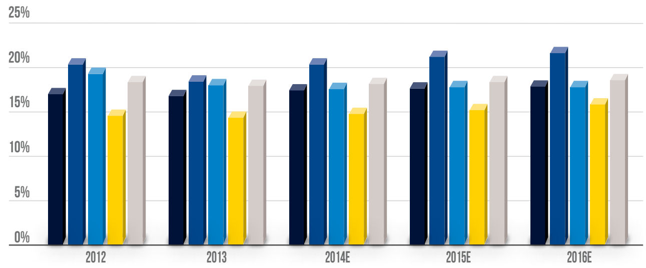
FISCAL (DEFICIT)/SURPLUS EVOLUTION

% FISCAL (DEFICIT)/SURPLUS



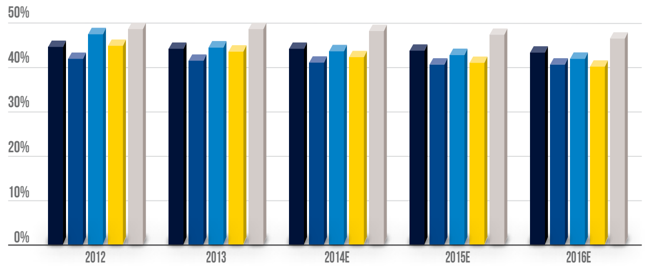
INVESTMENT EVOLUTION

% 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 2014 and January 2015.

Public investment in infrastructure can drive for an economic growth in countries with idle resources and defined investment needs.

In **America**, significant growth is expected in activity[3] in the United States, from 2.4% in 2014 to 3.6% in 2015, driven by lower unemployment rates, growth in domestic demand due to lower oil prices and fiscal adjustments, although the dollar's appreciation with respect to the euro could affect its competitiveness. The progressive increase in the percentage of GDP allocated to investment in the United States must also be emphasised. In 2015 it is expected to reach 20.5%, which would entail growth of more than 7% in a country characterised by an infrastructure system with much room for improvement.

In Canada growth and investment prospects remain stable, supported by economic growth in the United States and improved competitiveness due to Canadian dollar's depreciation. However, there is some uncertainty regarding the real estate market's performance after the significant increase in housing prices in recent years.

In Latin America, the drop in oil prices and other commodities will negatively impact the performance of its domestic product. This, together with the slowdown in international demand and weaker than expected domestic demand, will entail 1.3% growth in GDP in 2015, less than that registered in recent years.

According to the IMF, in the **Asia Pacific** area, Australia will continue to register solid growth above that of other advanced economies. In 2015 it is expected to grow by 3%, driven by a increase in exports which will offset the decrease in mining activity.

In China, although growth rate estimates continue to be the highest worldwide, there has been a slowdown due less investment after the significant growth experienced in recent years. Thus, the sector is moving towards stabilisation, which will affect not only the growth of the country's gross domestic product (6.8% in 2015 compared to 7.4% in 2014), but also the region's prospects given China's influence on international trade. India, however, continues to maintain its solid growth prospects due to the strength of its domestic demand and its technological development. Growth in Middle Eastern countries such as the United Arab Emirates, will slow down due the drop in oil product prices, although the country's fiscal reserves are expected to help it maintain stable investment levels.

INFRASTRUCTURE NEEDS AND DEMAND

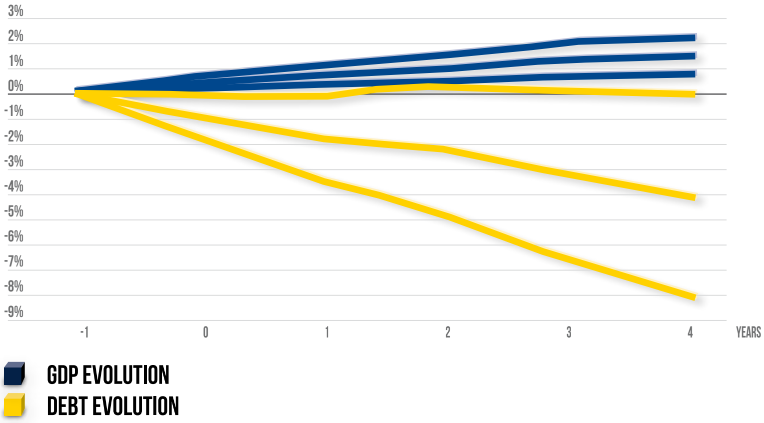
The infrastructure sector is necessary for the proper economic and social development of countries and, as indicated by the IMF[4], right now when interest rates are low and demand is moderate, public investment in infrastructure can drive for medium-term economic growth and benefit economic performance in countries with clearly defined investment needs and idle resources. According to the IMF's estimates, a 1% increase in the percentage of GDP allocated to investment in advanced countries would have a +0.4% impact on GDP in the first year and +1.5% impact on GDP growth four years after the investment is made. In terms of debt ratios, if the investment is made in an efficient manner, the effect resulting from the increase in GDP may offset the increased debt.

3 "World Economic Outlook", International Monetary Fund, January 2015.

4 "World Economic Outlook. Chapter 3. Is It Time for an Infrastructure Push? The Macroeconomic Effects of Public Investment", IMF, October 2014.

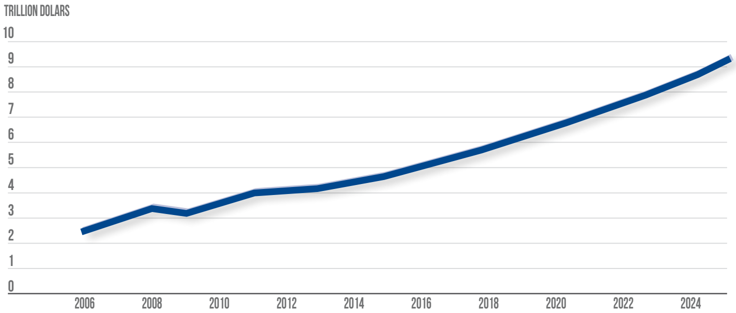
RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

THE EFFECTS OF PUBLIC INVESTMENT ON ADVANCED ECONOMIES



Source: "World Economic Outlook", IMF, October 2014.

EVOLUTION OF GLOBAL SPENDING ON INFRASTRUCTURES



Source: Oxford Economics.

In this respect, the investment deficit in advanced countries, especially in maintenance material, is leading to a deterioration in the quality of infrastructure systems which directly effects the economy's competitiveness. In emerging countries, the lack of infrastructure creates bottle necks which slow down and are detrimental to growth at medium/long term.

According to PWC's[5] report prepared by Oxford Economics, 9 trillion US dollars will be needed annually by 2025, compared with 4 trillion US dollars in 2012, in capital and infrastructure projects related to natural resources, energy generation, industry, transportation and social infrastructure. In cumulative terms, 78 trillion US dollars will be invested in the 2014-2025 period.

According to this report, increased demand for natural and energy resources will lead the areas of natural resource extraction (oil, gas, coal, metals and other materials)and processing to be one of the sectors with the most growth until 2025, with an annual growth rate of 5% in the extraction sector, while the processing sector (refineries, chemical industries, etc.) will represent 21.3% of the global infrastructure market in 2025 compared to the current 18.8%.

5 "Capital project and infrastructure spending. Outlook to 2025", PWC, 2014.

In civil and building infrastructures, i.e., those comprised mainly of transportation and logistics infrastructures, as well as those related to housing and public services (hospitals, schools, water and waste management, etc.), certain key factors take on particular relevant such as:

- Rapid growth in emerging countries and increased demand for social infrastructures in advanced countries. Initially, these investment needs are focused on water, electricity, energy and transportation infrastructure distribution systems and, as countries' social and economic development takes hold, investment turns towards improved quality of life and technological development.

- Demographic growth, global urbanisation and population ageing which will determine investment needs. According to the United Nations, currently 1.5 million people move from rural to urban areas each week and by 2030, 60% of the world's population is expected to reside in cities which presents the challenge of adapting civil and logistical infrastructures. Another factor to take into account in advanced countries is population ageing. According to the United Nations in 2050, 21% of the population will be over 60 years of age compared with 10% in 2010, which requires the adaptation of health and care infrastructures.

- The increase in investments to benefit sustainability and efficiency in an environment affected by rapid growth in demand and limited resources.

By geographic areas, in 2025, more than the 50% of worldwide infrastructure investment is expected to come from emerging economies[6]. More specifically, the Asia Pacific region, led by China, will represent around 60% of global infrastructure spending. Although Western Europe is expected to recover pre-crisis investment levels in 2018, in 2025 its share in the global market is expected to be 10% compared to its current 20%.

INVESTMENT IN AUSTRALIA: FROM MINING TO CIVIL INFRASTRUCTURES

In recent years, Australia has stood out as a result of the solid growth of its GDP and due to the significant investment efforts it has made. The outlook for Australia in the 2015-2016 period remain above the average for advanced countries, but will be affected by fluctuations in commodity prices and mining products which represent close to 10% of Australia's GDP.

According to the BIS Shrapnel study[7], mining and gas investments, after reaching a peak investment in 2013/2014 period, will decrease around 12% annually over the next four years. Despite this, only in energy and raw material explorations, 59 projects have been announced for a total of between 75,000 million and 95,000 million Australian dollars and another 138 projects for a total of 146,000 million Australian dollars are in the viability phase.

On the other hand, according to BIS Shrapnel production in the mining sector is expected to increase by 7.4% annually until 2017/2018 and, thus, investments and expenses are going to be focused on the operation and maintenance of existing infrastructures, with a particular focus on improving production efficiency and reducing costs.

As indicated by the Reserve Bank of Australia[8], after ten years of increasing investments in new mining explorations, right now a transition to the production and efficiency optimisation phase is under way. In this connection, the BIS Shrapnel report projects that the contract mining segment will experience cumulative annual growth of 4.8% annually until 2018, while that of the maintenance sector will be 6.5%.

6 "Capital project and infrastructure spending. Outlook to 2025", PWC, 2014.
7 "Mining in Australia 2014 to 2029", BIS Shrapnel, November 2014.
8 "The Domestic Outlook and the Role of Mining", RBA, November 2014.

RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

Likewise, in Australia in recent years, investment in transportation and logistics, civil building, as well as other investments in public works whose weight has increased with regard to the total, has grown significantly due to the notable infrastructure needs generated by the economic growth. Given its role as raw material exporter, according to the Australian government, road and rail transport will grow by 80% and 90%, respectively, over the next 20 years. In addition, according to the OECD, the population of Australia will increase by 25% until 2030 and the majority of this population will be concentrated in coastal cities. In order to handle this increase in demand, more investment in infrastructures will be needed and, in the event this does not occur, the economic cost[9] of problems due to lack of infrastructures in the cities will amount to 20,400 million Australian dollars in 2020.

The drop in commodity prices in 2014 and the economic slowdown influenced the infrastructure sector's performance, however, due to the significant need for investments the sector is expected to recover.

Australian Prime Minister Tony Abbott has remarked that infrastructure development is a government[10] priority and has committed to investing 50,000 million Australian dollars between 2014 and 2020 in order to improve the country's transport network. Taking into account the government's investments and private investment as a result of this plan, this figure will increase up to 125,000 million Australian dollars. As part of this programme, in May 2014, 11,600 million Australian dollars worth of investments in strategic infrastructures were announced.

9 "State of Australian Cities", Department of Infrastructure and Transport, 2013.

10 "Investment Opportunities in Australian Infrastructure", Australian Government, 2014.

SUMMARY OF THE BACKLOG FOR EXPLORATION PROJECTS RELATED TO NATURAL AND ENERGY RESOURCES AUSTRALIA

	ANNOUNCED		FEASIBILITY STAGE		COMMITTED		COMPLETED	
	NUMBER OF PROJECTS	RANGE (AUD MN)	NUMBER OF PROJECTS	RANGE (AUD MN)	NUMBER OF PROJECTS	RANGE (AUD MN)	NUMBER OF PROJECTS	RANGE (AUD MN)
ALUMINIUM, BAUXITE, ALUMINA	2	0-500	2	1,750	-	-	-	-
COAL	9	10,769-12,019	39	54,019	9	5,483	-	-
COPPER	3	5,290-5,540	9	6,022	-	-	1	250
GOLD	6	730-1,480	13	2,451	1	246	1	74
INFRASTRUCTURE	7	16,500-21,000	14	10,043	10	9,944	1	81
IRON ORE	11	15,019-22,519	18	24,978	6	12,045	-	-
LEAD, ZINC, SILVER	-	-	4	565	3	2,029	1	360
LNG, GAS, OIL	7	23,500-25,500	7	29,700	13	197,113	1	429
NICKEL	1	0-250	7	5,828	-	-	-	-
URANIUM	6	2,010-3,760	1	315	-	-	-	-
OTHER COMMODITIES	7	1,376-1,876	24	8,270	2	845	-	-
TOTAL	59	75,194-94,444	138	146,740	44	227,705	5	1,194

Source: "Resources and Energy Major Projects", Bureau of Resources and Energy Economics, October 2014.

According to this same report, despite public effort, annual investment in transportation infrastructures in Australia stands at 4% of the GDP. With this growth, the Business Council of Australian expects that 760,000 million Australian dollars will be needed in the next ten years.

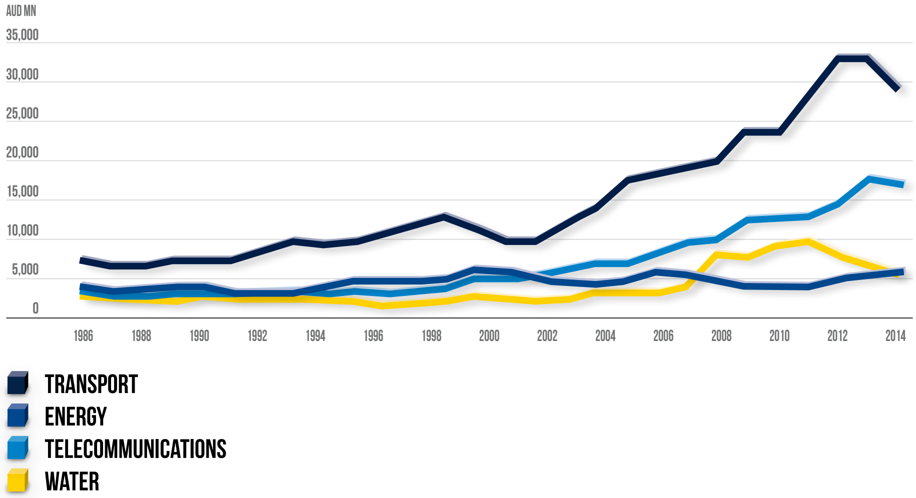
Thus, a joint public-private investment system is increasingly necessary in order to meet the infrastructure financing needs. In this respect, Australia has extensive experience in the sector of public-private partnerships, and since the 1980s has carried out more than 127 projects for a total investment of 60,000 million Australian dollars[11] in roads, water infrastructures, energy assets, public infrastructures, etc.

Furthermore, the "Superannuation Funds", Australian pension funds, are active investors in the infrastructure sector given the essential characteristics of these assets. Currently these funds, with managed assets totalling 1.62 trillion Australian dollars, are the third largest in the world and the largest in Australia. They are expected to grow in a sustained manner over the next 20 years to 7.6 trillion Australian dollars[12], representing important financing opportunities for the sector.

11 "Investment Opportunities in Australian Infrastructure", Australian Government, 2014.

12 "Why Australia? Benchmark Report", Australian Government, January 2015.

PERFORMANCE OF INFRASTRUCTURE CONSTRUCTION ACTIVITY IN AUSTRALIA



Source: "Australian Infrastructure Statistics. Yearbook 2014", Bureau of Infrastructure, Transport and Regional Economics.

RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

OUTLOOK FOR THE CONSTRUCTION SECTOR IN THE UNITED STATES

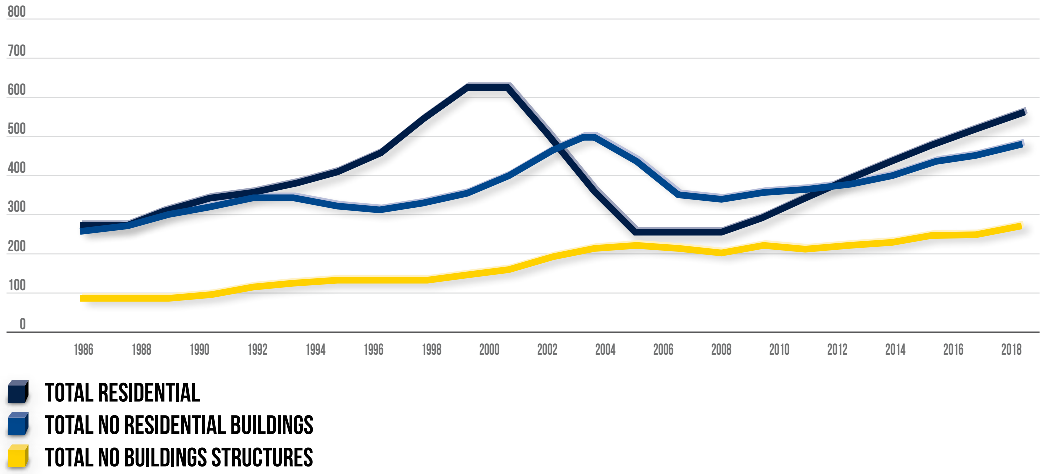
According to the IMF Corporation[13], the construction sector in the United States is beginning to show clear signs of recovery with estimated growth rates of 6%-7% for the 2014-2018 period, providing support for this new expansion and recovery cycle. Although, according to this report, the most significant growth rates in the sector are expected to continue to emanate from residential building with a compound annual growth rate of 8.7% for the 2014-2018 period, it will grow less than it did between 2011 and 2014 with respect to civil works and non-residential building, whose outlook for growth in the 2014-2018 period stand at around 5%.

One of the challenges faced by the infrastructure sector is not the lack of demand since, historically, low levels of investment in this sector have led to a progressive deterioration of the existing network, but rather the need to seek out financing for these projects. In this respect, the ASCE estimates that by 2020 the investments necessary to maintain, expand and improve transportation, water, waste management and electricity transmission system infrastructures will total 3.6 trillion US dollars in order to meet infrastructure investment needs in the United States in 2020. However, according to the same association, the financing deficit for the projects necessary until 2020 is 1.6 trillion US dollars. If these investment levels are not met, the cost for companies will be 1.2 trillion US dollars and for citizens will be 611,000 million US dollars.

13 "U.S. Markets Construction Overview 2015", IMF, December 2014.

PERFORMANCE OF THE CONSTRUCTION SECTOR IN THE UNITED STATES BETWEEN 1996 AND 2018

MILLIONS OF CURRENT DOLLARS



Source: U.S. Markets Construction Overview 2015, IMF, December 2014.

More specifically, the investment deficit in the transportation infrastructure sector is seriously affecting the country's competitiveness and its citizens. According the US Department of Transportation,[14] the quality of the roads has dropped to number 16 worldwide (compared to number 8 in 2008); more than 65% of the roads in the United States are below optimal quality; more than 25% of bridges need urgent repairs in order to withstand current traffic; and 45% of United States citizens do not have access to public transportation systems. As a result of the foregoing, it is estimated because of the lack of infrastructures[15], citizens spend 120,000 million US dollars in extra fuel, traffic accidents have increased (33,000 since 2013, of which one third were influenced by the poor state of the roads) and an annual increase of 27,000 million US dollares in transportation expenses.

This lack of investment, together with losses in the Highway Trust Fund' and the Transit Trust Fund, the main sources of public financing for transportation infrastructure investments, led the United States' Government to draft a bill in 2014 called "Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act" ("Grow American Act"), which was expanded in the 2016 budget proposals made by President Obama in February 2015.

With this programme, the United States Federal Government expects to invest 476,000 million US dollars in the next six years which will be distributed as follows:

- 317,000 million US dollars will be invested in the highway system and road safety;
- 115,000 million US dollars will be invested in transit systems and expand transportation options;
- 18,000 million US dollars for a multi-modal freight program that strengthens the country's exports and trade;
- 28,600 million US dollars for rail projects which improve the connections between key cities and reduce travel times.

In addition to these investments, the Grow Act will also implement tools and resources to encourage regional coordination and local decision making, as well as policy reforms to improve project delivery, investment efficiency and innovation.

The Grow America Act will also incentivise public-private partnership projects and attract private investment in transportation infrastructure. Thus, 6,000 million is expected to be granted through TIFIA ("Transportation Infrastructure Finance and Innovation Act"), which provides loans with better financing conditions for these types of projects.

14 "Beyond traffic 2045", US Department Transportation, 2014.

15 "An economic analysis of transportation infrastructure investment", The Council of Economic Advisers, July 14.

OVERALL INVESTMENT NEEDED IN INFRASTRUCTURE UP TO 2020

BILLION US DOLLARS	TOTAL NEEDS	ESTIMATED FUNDING	FUNDING GAP
LAND TRANSPORT	1,723	877	846
WATER/WASTERWATER INFRASTRUCTURE	126	42	84
ELECTRICITY	736	629	107
AIPORTS	134	95	39
INLAND WATERWAYS AND MARINE PORTS	30	14	16
DAMS	21	6	15
WASTE TREATMENT	56	10	46
LEVEES	80	8	72
GREEN AREAS	238	134	104
RAIL	100	89	11
SCHOOLS	391	120	271
TOTALS	**3,635**	**2,024**	**1,611**
YEARLY INVESTMENT NEEDED	454	253	201

Source: "2013 Report Card for America´s Infrastructure", American Society of Civil Engineers, 2013.

RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

It is estimated that through this programme, 60,000 million US dollars worth of loans will be provided for these types of projects. This sector has significant growth potential since, according to a report from the United States Department of Treasury,[16] between 2007 and 2013, 22,700 million US dollars were invested, taking into account both public and private investment, in public-private partnership transportation infrastructure projects, representing only 2% of the total capital invested over the same period in highways. In addition, in July 2014 the United States Department of Transportation opened the "Build America Transportation Investment Center" to evaluate possible investors in these types of projects.

Another one of the challenges the public-private partnership projects sector faces is the promulgation of laws authorising these types of projects in all states (currently, they only exist in 33 States and Puerto Rico) and their standardisation in order to promote these types of contracts between the various states.

16 "Expanding our Nation's Infrastructure through Innovative Financing", US Department Treasury, September 2014..

THE CONSTRUCTION SECTOR IN SPAIN

In Spain, the improved macroeconomic environment in 2015 will be reflected in the performance of the growth prospects for the construction sector. According to Euroconstruct[17], after a 2.4% decline in the sector in 2014, the sector will begin to recover in 2015 with growth of 1.8%, while in 2016 and 2017 this increase will be 3.6% and 5%, although determining factors of a structural nature continue to exist (excess supply, restriction on public spending, etc.) which may affect the sector's performance.

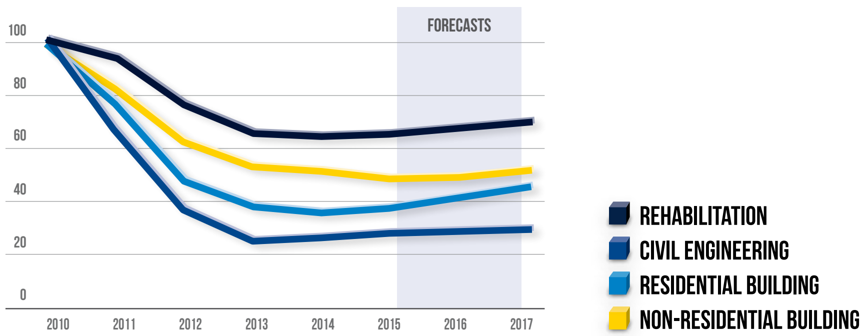
Residential building would grow 5% in 2015, 9% in 2016 and 11% in 2017 after being the sector hardest hit by the crisis and after market prices readjust. For non-residential building, recovery is slower. In 2015 it is expected to continue to fall by 5.5% and in 2016 grow by 2% once again.

Lastly, in 2014 the civil engineering segment grew by 2.6% and in 2015 it is expected to grow by 5.4% in part due to the elections scheduled for this year. In 2016 and 2017, fluctuations of +2.4% and +3.5% are expected given the government's commitment to restraint as a result of the tax deficit. Despite this, economic improvement provides a more significant margin for budget allocation and in this respect, the loans allocated to infrastructure policy in the General State Budget for 2015 amount to 6,141 million euros, 12.6% more than those of 2014. Real investments in infrastructures, considering both the government's contribution and that of public entities and private and state-owned companies, total investment would grow 8.8% to 9,469.3 million euros, of which more than 4,127.8 million euros will be allocated to high speed, commuter and conventional rail networks.

17 ITEC-Euroconstruct, November 2014.

EVOLUTION OF THE DIFFERENT SUB-SECTOR IN THE SPANISH MARKET

PRODUCTION INDICES AT CONSTANT PRICES, BASE 2010=100



Source: ITEC-Euroconstruct, November 2014.

INVESTMENTS ALLOCATED IN INFRASTRUCTURES IN SPAIN ACCORDING TO 2014 AND 2015 GENERAL STATE BUDGET

MILLIONS EUROS	BUDGET 2014			BUDGET 2015			
INFRAESTRUCTURES	GOVERNMENT	PUBLIC ENTITIES AND PRIVATE AND STATE-OWNED COMPANIES	TOTAL	GOVERNMENT	PUBLIC ENTITIES AND PRIVATE AND STATE-OWNED COMPANIES	TOTAL	% TOTAL VAR.
ROADS	1,646.9	382.0	2,028.8	1,721.3	370.5	2,091.7	3.1%
RAILWAYS	107.4	3,554.4	3,661.8	21.0	4,106.8	4,127.8	12.7%
PORTS	2.5	776.5	779.0	2.8	863.9	866.7	11.2%
AIRPORTS	12.6	550.3	562.9	12.6	527.0	539.6	-4.1%
HYDRAULICS	806.9	660.7	1,467.6	868.7	716.4	1,585.1	8.0%
COAST AND ENVIRONMENT	164.5	0.0	164.5	218.0	0.0	218.0	32.5%
OTHERS	38.7	2.0	40.7	38.7	2.0	40.7	0.0%
TOTAL	2,779.5	5,925.8	8,705.3	2,882.2	6,587.1	9,469.3	8.8%

Source: General State Budget.

RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

INVESTMENTS IN ENERGY INFRASTRUCTURE AND RELATIONSHIP TO FLUCTUATIONS IN THE PRICE OF OIL

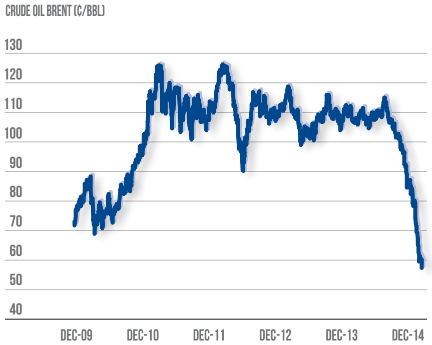
In 2014 the price of oil dropped considerably, especially in the last quarter of the year when the Crude Oil Brent price fell by 50.2% to $57.33/barrel at 31 December.

This drop in prices can be explained by the situation in Europe, energy efficiency policies and the slowdown in growth in China and other emerging countries which have contributed to the global decline in demand for oil. With regard to supply, excess production was created due to an increase in fracking in the United States and an increase in production which exceeded expectations in countries such as Libya and Angola. According to IEA, in the fourth quarter of 2014 this over production reached around 0.9 million barrels per day, while in the same quarter of the previous year, there was a deficit of 1.0 million barrels per day.

With these prices, the profitability of the investment in new wells decreases and according to various companies and analysts[18] average investment of the main companies in the sector is expected to fall 20% in 2015. This decline in investment will mainly affect regions with non-conventional production sources due to the fact that they are less profitable and the upstream sector (exploration, drilling and extraction). In regions with capacities arising from improved efficiency, such as Mexico, and in midstream (liquefication, transport and storage) the "downstream" (refineries, regasification plants, etc.) sectors the impact will be less.

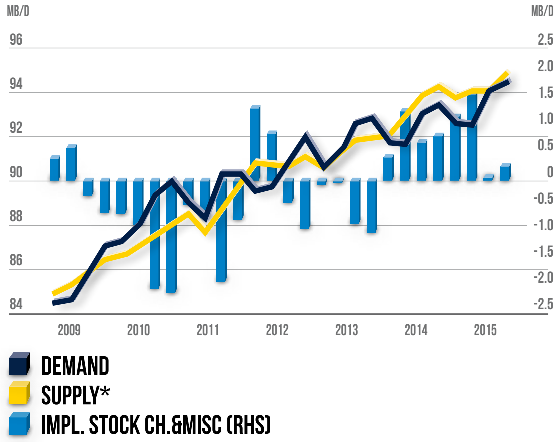
18 Joseph LaVorgna, Deutsche Bank's chief US economist, December 2014. Conocco Philips, December 2014, Pemex, January 2015.

FLUCTUATIONS IN THE PRICE OF CRUDE OIL BRENT BETWEEN 2010 AND 2014



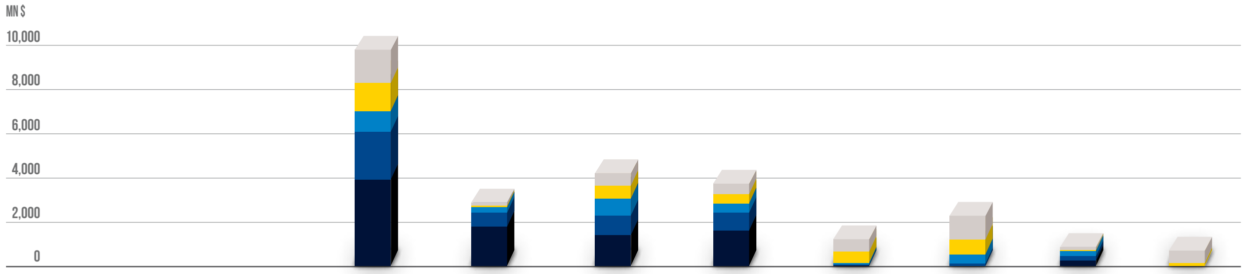
Source: Factset.

EVOLUTION OF GLOBAL OIL DEMAND/ PRODUCTION BETWEEN 2009 AND 2015



* OPEC production assumed at 30 mb/d thtough forecast period.
Source: "Oil Medium market Report 2015", IEA, January 2015.

ESTIMATED INVESTMENT BETWEEN 2012 AND 2050*



PRICE OF CRUDE OIL BRENT/ INVESTMENT BY TYPE PF PROJECT (MN $)	CONVENTIONAL	ARTIC	DEEP WATER ONLY	ULTRA DEEP WATER ONLY	SHALE OIL	OIL SANDS	EXTRA HEAVY OIL	*TIGHT LIQUIDS*
ABOVE 150$/BARREL	3,970	1,793	1,466	1,685	24	61	233	8
120$/BARREL-150$/BARREL	2,142	646	887	843	48	91	272	9
100$/BARRIL-120$/BARREL	1,004	255	743	336	122	451	187	23
80$/BARRIL-100$/BARREL	1,175	69	639	464	441	601	56	133
60$/BARRIL-80$/BARREL	1,472	67	456	451	560	1,084	91	456

* In the estimates, it is not included the investment from national oil companies.
Source: "Carbon supply cost curves oil capital expenditures", Carbon Tracker Initiative, May 2014.

Due to the decline in investment, production is expected to drop off in the next six to eight months. Although forecasts for oil prices are still uncertain, most organisations and analysts agree that the price of crude oil will increase in 2015 due to a decline in production.

The IEA[19] points out that, despite excess production in the short term, the structural problems in the derivative market related to the higher cost and increased complexity of projects in an attempt to meet growing demand in the commodities market, which is increasingly limited and dependent on a small number of producers, must not be forgotten. However, fossil fuel's reduced weight in the energy mix, long-term stabilisation of consumption and greater use of oil for transport and in the petrochemical industry will cause demand to increase from 90 million barrels of oil per day in 2013, to 104 million barrels of oil per day in 2040. As a result, the IEA predicts that until 2030 an annual investment of 900,000 million US dollars will be necessary in order to explore for and produce oil and gas.

At a global level, it is estimated[20] that until 2035 the investment necessary in energy infrastructures will reach 2 trillion dollars per year, and annual spending on energy efficiency measures will reach 550,000 million dollars This would entail a total accumulated investment of 48 trillion dollars in the period or which, around 23 trillion will be allocated to the fossil fuel sector, 10 trillion to energy generation and 7 trillion to energy transmission and distribution systems. According to this report, more than two thirds of the investment will be made in emerging countries, although the deterioration and ageing of the infrastructures and the environmental policies will also entail significant infrastructure requirements in developed countries.

19 "World Energy Outlook", IEA, November 2014.
20 "World Energy Investment Outlook", IEA, June 2014.

RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

THE EUROPEAN UNION'S ENVIRONMENTAL COMMITMENT

Environmental activity in the European Union will continue to advance towards the objectives set by the European Commission for 2020 in the fight against climate change and energy efficiency which are:

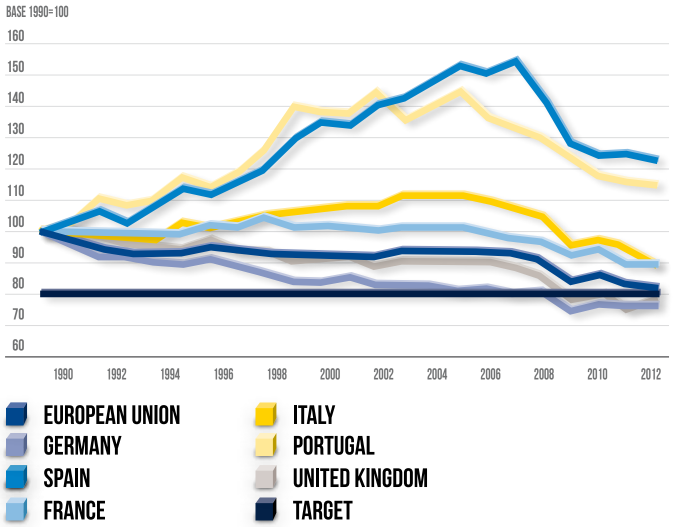
- A 20% reduction in emissions of greenhouse gases compared to 1990.
- Increasing consumption of energy generated from renewable sources to 20% of total consumption in the European Union.
- Improving energy efficiency in the European Union by 20%.

For compliance with these goals in the field of waste management, the European Union issued a directive which set targets in all Member States for 2020 to increase the reuse and recycling of household waste up to 50% and to reuse, recycle and recover up to 70% of construction, demolition and other non-hazardous waste. These targets aim by 2020 to eliminate the burying of household waste in landfills and to ensure that incineration is used only for waste that cannot be recycled.

Compliance with these objectives in European countries is highly unbalanced and, therefore, significant investments and efforts will have to be made in order to reach the objectives set for 2020.

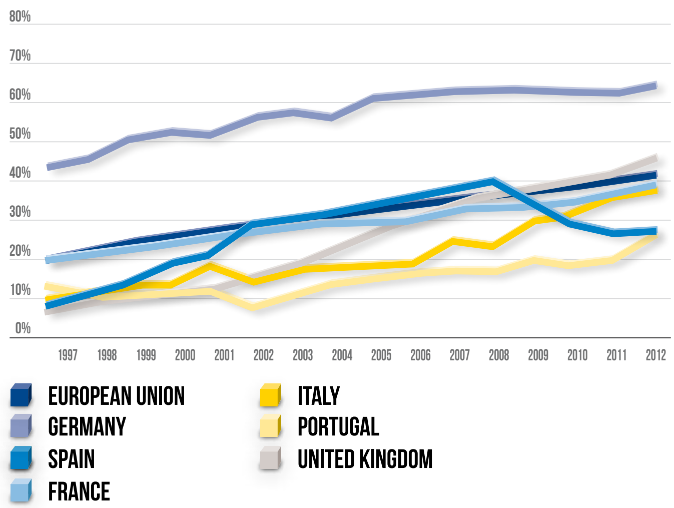
The European Union's commitment to the environment is firm and within that commitment, waste management is very significant, and in this area, the European Union is analysing new legislative proposal, focused on the promotion of a higher reduction of the burying of waste and on the increase of the material recovery and the energy recovery from the waste.

EVOLUTION OF GREENHOUSE GASES EMISSIONS



Source:Eurostat.

EVOLUTION OF RECYCLING RATE OF MUNICIPAL WASTE

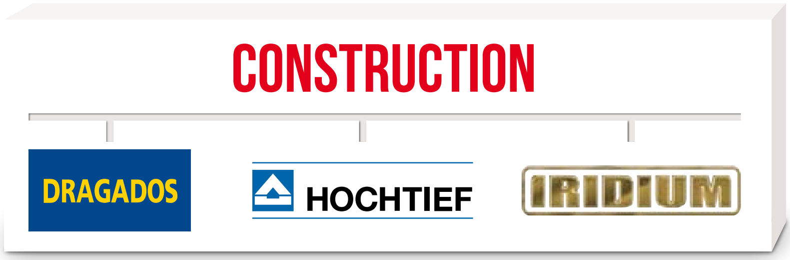


Source:Eurostat.

CONSTRUCTION

THE CONSTRUCTION ACTIVITY DEVELOPS CIVIL WORKS, BUILDING AND MINING PROJECTS, DIRECTLY FOR CLIENTS OR UNDER A CONCESSION SYSTEM THROUGH PUBLIC-PRIVATE PARTNERSHIP CONTRACTUAL MODELS.

CONSTRUCTION



The ACS Group carries out its activity in the **Construction area** through the three leading companies in this area, **Dragados**, **HOCHTIEF** and **Iridium**, which in turn encompass an extensive group of companies.

This area is focused carrying out all types of **Civil Works** projects (activities related to the development of infrastructures, such as motorways, railways, maritime and airport works), **Building** (residential, social infrastructure and facilities) and projects related to the **Mining** sector (contracts for the provision of mining services, as well as the infrastructure required for mining activities).

These projects are carried out 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 activity, from project conception through financing, construction and start-up to operation.

In 2014 the Construction area has followed a strategy based on maximising operating efficiency and profitability, strict monitoring and control of the risks associated with each project and optimisation of this area's financial strength.

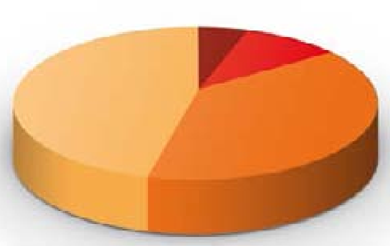
The ACS Group's construction area has a highly-decentralised structure and significant diversification in terms of geography and activities. Due to the complementary nature of the different companies, the Group is able to take on large and complex projects in more than 30 countries around the world, thereby positioning itself as one of the leading construction companies globally.

MAIN FIGURES

In 2014 **revenue** from the ACS Group's Construction area amounts to 25,820 million euros, a 2.1% drop in sales with respect to 2013. The year-on-year decline is explained in part by the average depreciation of the Australian dollar and is affected by HOCHTIEF's asset sale in 2013 and Dragados' acquisition of the US companies Prince Contracting and J.F. White Contracting. If all of these effects were eliminated, Construction sales would have fallen by 1.4%.

By market, in 2014 sales in Spain stabilised, growing 1.6% compared to 2013 and accounting for 5% of the amount of total revenue. International revenue fell by 2.3% with respect to 2013. In Europe, revenue decreased by 25.8% due to the sale of Hochtief's Services and Real Estate business and the restructuring of its backlog. In the Asia Pacific area sales dropped 1.6% due to the average depreciation of the Australian dollar and reduced activity in the mining area. Revenue from America grew 5.4% due to an operational improvement and the acquisition of the new companies mentioned above, and now represents 40% of the total sales in this area.

REVENUE BREAKDOWN BY GEOGRAPHICAL AREA



SPAIN: **5%**
REST OF EUROPE: **10%**
AMERICA: **40%**
ASIA PACIFIC: **45%**

CONSTRUCTION

MILLION EUROS	2013*	2014	% VAR.
REVENUE	26,365	25,820	-2.1%
EBITDA	1,656	1,323	-20.1%
MARGIN	6.3%	5.1%	
EBIT	674	704	4.4%
MARGIN	2.6%	2.7%	
NET PROFIT	189	223	18.1%
MARGIN	0.7%	0.9%	
ORDER BOOK **	43,507	45,135	3.7%
MONTHS	19	19	
EMPLOYEES	87,457	74,440	

* Dec-13 figures have been restated as a result of the entry into force of the IFRS 10, 11 and 12 new standards, aditionally there has been a reclassification of the results from John Holland and Leighton Services as discontinued operations.

**Includes the order book proportional to the stake in joint ventures that the Group does not fully consolidate.

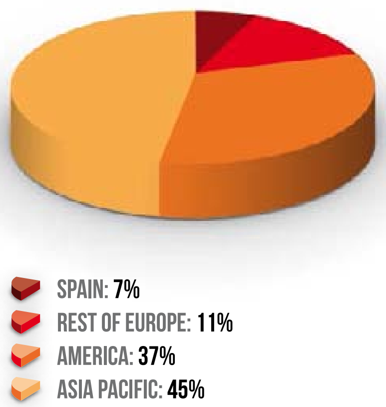
CONSTRUCTION

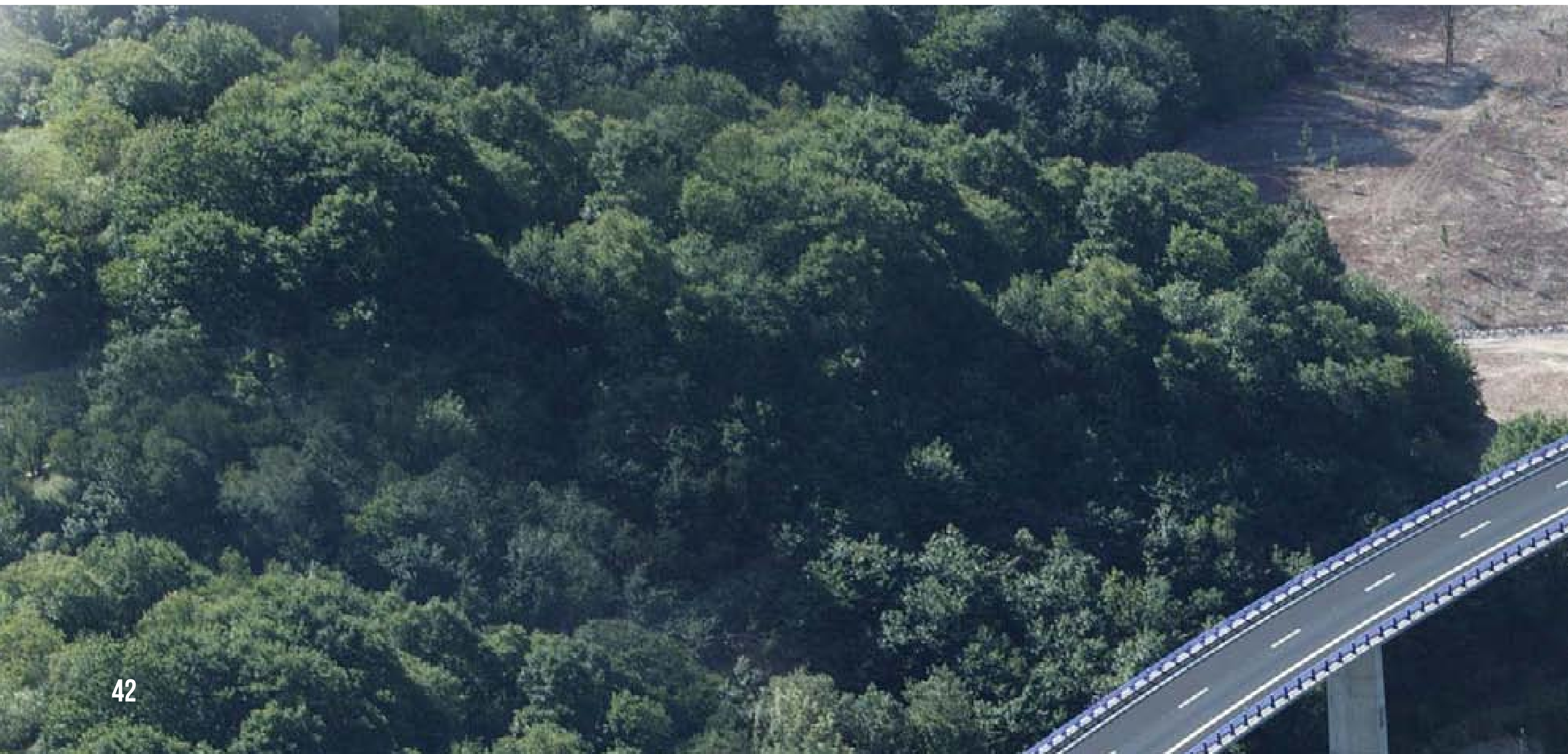
NET PROFIT FOR THE CONSTRUCTION AREA HAS GROWN BY 18.1% COMPARED WITH THE PREVIOUS YEAR. MEANWHILE THE BACKLOG HAS INCREASED 3.7%.

EBITDA for the Construction area amounted to 1,323 million euros in 2014 with a sales margin of 5.1%. As a result, in 2014 **net profit** totalled 223 million euros, a year-on-year increase of 18.1%.

The Construction activity **backlog** amounted to 45,135 million euros in December 2014, representing a coverage ratio of 19 months of sales. In 2014 the backlog increased by 3.7% with respect to the previous year. In America the backlog increased by 35.9% due to the incorporation of Prince and J.F. White and large projects being awarded in this area and now represents 37% of the Group's total backlog. Asia Pacific continues to be the Group's main area accounting for 45% of the backlog projects at 2014 year end despite the 9.5% decrease in the backlog with respect to 2013 as a result of the decline in contracting in the mining segment.

ORDER BOOK BREAKDOWN BY GEOGRAPHICAL AREA





DRAGADOS

Dragados is dedicated to developing Civil Works infrastructures (motorways, railways, maritime, water and airport infrastructure) and (residential and non-residential) Building projects.

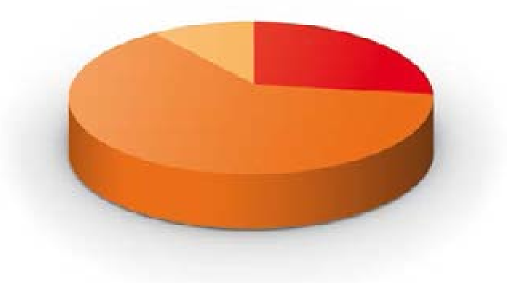
In addition to being the leading Construction company in Spain, it carries out important infrastructure projects in other European countries such as Poland (through its Polish subsidiary, Pol Aqua), Portugal, the United Kingdom and Ireland. In recent years, Dragados has also consolidated its position in the United States and Canada, thanks to the activity of its North American subsidiaries, Schiavone, Pulice, John P. Picone and the recently acquired Prince Contracting and J.F.White Contracting. In addition, Dragados has extensive experience executing projects in Latin America, especially in Peru, Colombia, Chile, as well as Argentina and Venezuela, where it has its own subsidiaries (Dycasa and Dycvensa).

CONSTRUCTION

Dragados' strategy is focussed on maintaining its leadership position in Spain as it continues to consolidate its business in international markets, all the while maintaining strict control over risks and costs, allowing it to maximise operational efficiency and ensuring the profitability of projects.

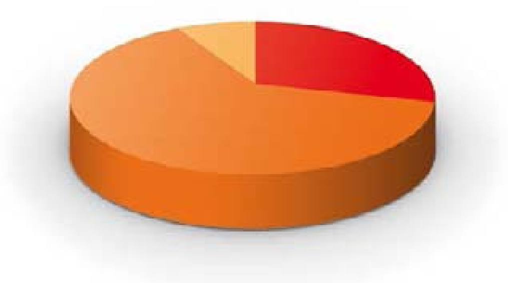
In 2014 Dragados recognised 3,643 million euros in revenue, 3.1% less than in 2013. The activity in Spain began to show signs of stabilisation and grew 2.5% with respect to the previous year. Sales in foreign markets decreased by 6.1% due to the completion of projects in the United States and Canada. Dragados' backlog stands at 9,431 million euros, which represents 31 months of activity coverage, with 66% of the backlog coming from Civil Works projects awarded internationally.

DRAGADOS REVENUE BREAKDOWN BY TYPE OF ACTIVITY



DOMESTIC CIVIL WORKS: **26%**
INTERNATIONAL CIVIL WORKS: **63%**
BUILDING: **11%**

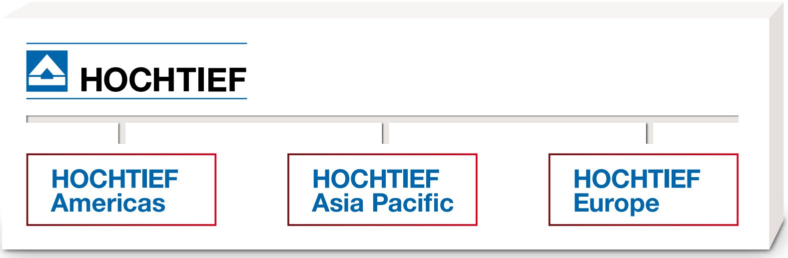
DRAGADOS ORDER BOOK BY TYPE OF ACTIVITY



DOMESTIC CIVIL WORKS: **27%**
INTERNATIONAL CIVIL WORKS: **66%**
BUILDING: **7%**

DRAGADOS

MILLION EUROS	2013	2014	% VAR.
REVENUE	3,760	3,643	-3.1%
EBITDA	319	295	-7.5%
MARGIN	8.5%	8.1%	
EBIT	234	257	9.5%
MARGIN	6.2%	7.0%	
NET PROFIT	101	103	1.6%
MARGIN	2.7%	2.8%	
ORDER BOOK	7,622	9,431	23.7%
MONTHS	24	31	
EMPLOYEES	11,746	12,244	



HOCHTIEF

HOCHTIEF is one of the world's leading construction groups with more than 140 years' of 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 and, according to Engineering News-Record (ENR) magazine, it is one of the most internationalised companies in the sector. HOCHTIEF's activity is focused on the development of projects in the transportation, energy and social and urban infrastructure sectors, as well as executing contracts in the mining sector.

HOCHTIEF's extensive experience in the market, its size and the synergies between its various areas of activity, allow it to tackle very complex projects, both directly as well as under concession systems, since its comprehensive focus produces results which are particularly beneficial in public-private partnership projects.

HOCHTIEF's commercial activities are divided into the three large geographical areas in which the company operates: HOCHTIEF Americas, HOCHTIEF Asia Pacific and HOCHTIEF Europe.

HOCHTIEF's strategy is aimed at the infrastructure sector, and seeks to continuously improve its risk management, maximise profitability and optimise its financial structure with the support of its excellent staff and through highly-specialised solutions.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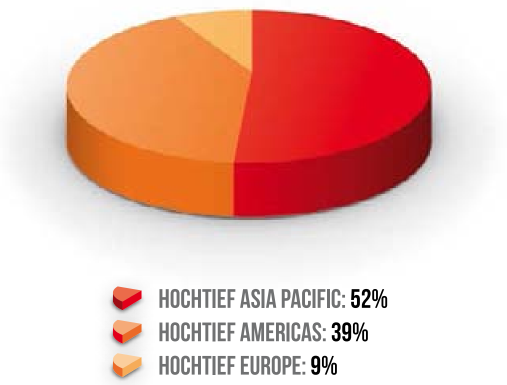
CONSTRUCTION

In 2014 HOCHTIEF has continued with its restructuring process through the divestment of its non-strategic businesses with the sale of John Holland, Leighton Services and most of its HOCHTIEF Europe Real Estate assets.

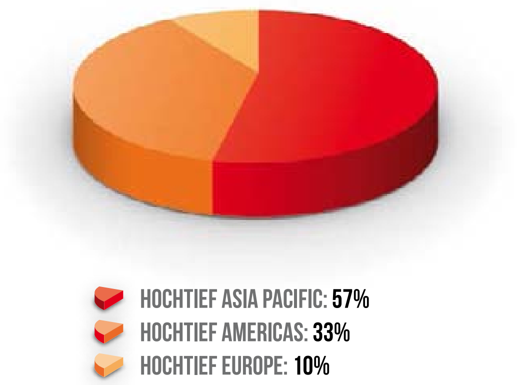
In 2014 HOCHTIEF's **revenue** stood at 22,099 million euros, 1.8% more than in the previous year. By division, HOCHTIEF Americas sales increased by 8.5% with respect to 2013, while HOCHTIEF Asia Pacific activity decreased by 1.9% due fundamentally to the average depreciation of the Australian dollar. HOCHTIEF Europe sales suffered a 30.3% fall due to the sale in 2013 of the Services and most of its Real Estate activity and the restructuring of its backlog.

In 2014 HOCHTIEF's **backlog** stands at 35,704 million euros, which is equivalent to 19 months of activity. Of particular note is the 25% increase in HOCHTIEF Americas' backlog supported by the sector's positive evolution, especially in the building area.

HOCHTIEF REVENUE BREAKDOWN BY DIVISION



HOCHTIEF ORDER BOOK BREAKDOWN BY DIVISION



HOCHTIEF*

MILLION EUROS	2013	2014	% VAR.	CONSOLIDATION ADJUSTMENTS 2013	CONSOLIDATION ADJUSTMENTS 2014
REVENUE	22,499	22,099	-1.8%	0	0
EBITDA	1,086	906	-16.6%	201	101
MARGIN	4.8%	4.1%		n.a.	n.a.
EBIT	375	456	21.6%	43	(4)
MARGIN	1.7%	2.1%		n.a.	n.a.
NET PROFIT (HOCHTIEF A.G.)	171	252	47.0%		
MARGEN	0.8%	1.1%			
NET PROFIT (CONTRIBUTION TO ACS)**	91	150	65.5%	6	(30)
ORDER BOOK***	35,884	35,704	-0.5%		
MONTHS	19	19			
EMPLOYEES	75,433	61,949			

* Data presented according to ACS management criteria. Dec-13 figures have been restated as a result of the entry into force of the IFRS 10, 11 and 12 new standards, aditionally there has been a reclassification of the results from John Holland and Leighton Services as discontinued operations.
** HOCHTIEF contribution to ACS Group during 2013 and 2014 fully integrated consolidation. Neither in 2013 nor in 2014, financial expenses related to Hochtief´s acquisition were included.
*** Includes the order book proportional to the stake in joint ventures that the Group does not fully consolidate

HOCHTIEF. RESULTS BY BUSINESS AREA*

MILLION EUROS	HOCHTIEF AMERICAS 2013	2014	% VAR.	HOCHTIEF ASIA PACIFIC 2013	2014	% VAR.	HOCHTIEF EUROPE 2013	2014	% VAR.	CONSOLIDATION / ADJUSTMENTS* 2013	2014	TOTAL 2013	2014	% VAR.
REVENUE	7,944	8,615	8.5%	11,623	11,397	-1.9%	2,819	1,966	-30.3%	112	121	22,499	22,099	-1.8%
EBITDA	83	121	45.6%	1,122	917	-18.3%	(62)	(73)	-17.6%	(57)	(58)	1,086	906	-16.6%
MARGIN	1.0%	1.4%		9.7%	8.0%		-2.2%	-3.7%				4.8%	4.1%	
EBIT	55	97	77.1%	504	524	4.0%	(124)	(105)	15.3%	(60)	(61)	375	456	21.6%
MARGIN	0.7%	1.1%		4.3%	4.6%		-4.4%	-5.3%				1.7%	2.1%	
NET PROFIT	59	63	6.3%	184	265	44.1%	32	(81)	n.a.	(104)	4	171	252	47.0%
MARGIN	0.7%	0.7%		1.6%	2.3%		1.1%	-4.1%				0.8%	1.1%	
ORDER BOOK	9,279	11,603	25.0%	22,469	20,355	-9.4%	4,138	3,747	-9.5%			35,884	35,704	-0.5%

* Data presented according to ACS management criteria. Dec-13 figures have been restated as a result of the entry into force of the IFRS 10, 11 and 12 new standards, aditionally there has been a reclassification of the results from John Holland and Leighton Services as discontinued operations. The results from the Airports activity, sold during 3Q13, have been included in the Holding accounts.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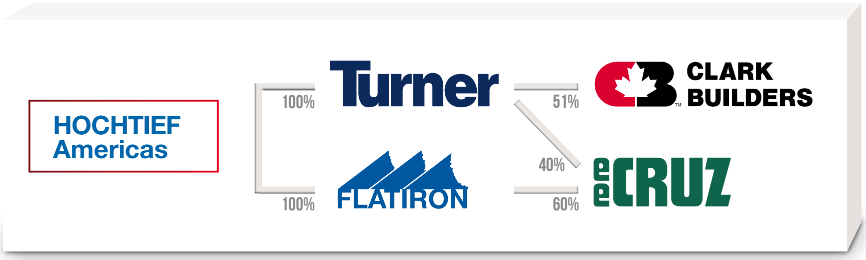
CONSTRUCTION



HOCHTIEF AMERICAS

The HOCHTIEF Americas division concentrates and coordinates HOCHTIEF's activities in the North American market through its four companies (Turner, Flatiron, E.E. Cruz and Clark Builders). Each one of these companies is specialised in different segments and regions and, as a whole, they serve the building, civil works and infrastructure construction sectors in the United States and Canadian markets.

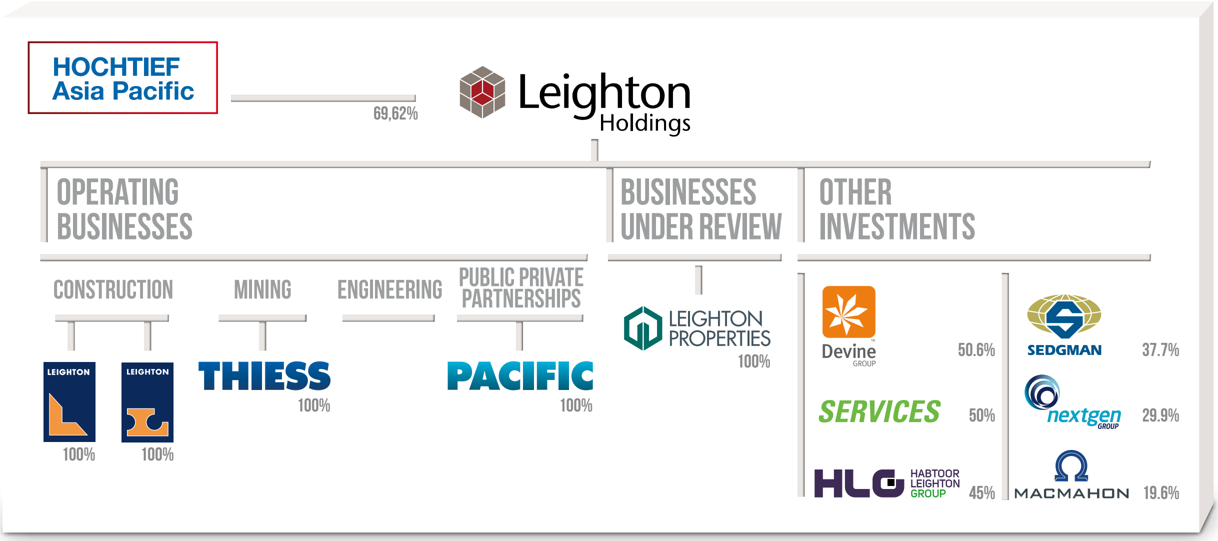
HOCHTIEF's North American subsidiaries improved their operating results in 2014 thanks to the sector's positive trend in these markets, as well as these subsidiaries' consolidated position and recognised experience, enabling them to grow at significant rates, especially in the building sector.

Turner continues to hold its own as a leading general builder in the United States, as reflected in the latest ENR magazine ranking. The company is among the leaders in the categories of healthcare, education, offices, commercial properties, cultural facilities, sports facilities and hotels. Likewise, it is first in the green building category for the seventh time running. Turner is thus the market leader in sustainable construction, holding first place in the Top 100 Green Building Contractors in the United States. The HOCHTIEF subsidiary is also first in the Top Green Building Construction Firms ranking published by Building Design and Construction magazine for the eighth time in a row. Turner has a staff of more than 1,500 LEED[21] certified professionals who are qualified to inspect and certify green building projects.

In turn, Flatiron, which specialises in civil works projects, is among the top 20 companies in the transportation infrastructure and civil construction categories according to ENR's ranking. The measures implemented at Flatiron to improve the management of project risks, as well as the efficiency of contract management, are already bearing fruit. New IT tools have also been deployed to improve project reporting. Likewise, sustainable infrastructure project certification plans are being launched in the United States which are similar to those already established for building and the Presidio Parkway in San Francisco–which Flatiron is currently constructing–is the company's first project which will obtain Greenroads certification.

HOCHTIEF aims to further enhance synergies in the North American market through cooperation among the Group companies and the exchange of technical expertise, and continue its role as a promoter of innovation. This mainly includes developing and improving virtual design and construction services, known as Building Information Modelling (BMI).

21 LEED (Leadership in Energy and Environmental Design) is the rating system of the US Green Building Council and defines the specific standards to be met in the construction of "green" buildings.



HOCHTIEF ASIA PACIFIC

The Australian group Leighton Holdings, together with its subsidiaries, is a leader in the Australian, Asian, and Middle Eastern construction markets with projects in more than 20 countries. Through its operating units, the Leighton Group carries out projects in the areas of building, civil works and natural resources, in addition to being the largest mining contractor in the world.

In 2014 the ownership interest in Leighton increased to 69.62%, thereby demonstrating the confidence in the Leighton Group's current capabilities and potential, as well as its excellent market position.

In 2014 Leighton continued its strategic reorientation process which requires the rationalisation of its operating activities. The company has realigned its operations at a strategic and organisational level, establishing a new operating structure divided into four segments: construction, public-private partnership projects, engineering and mining, which will help to eliminate overlaps in responsibilities and reduce costs. Likewise, it aims to consolidate Leighton's expertise in public-private partnership projects, which will allow the Group to offer comprehensive services in this segment which has enormous potential for growth. In-house engineering and design capabilities are going to be expanded through the engineering segment.

CONSTRUCTION

The mining segment will be pooled in Thiess, and Leighton Contractors will serve the construction activity. The restructuring will also enhance the Group's ability to monitor and manage risk, thereby optimising project results. The goal of harmonising the operating structures is to further promote existing synergies between the different Group divisions.

As part of the strategic reorientation process, Leighton has continued to sell its non-strategic activities. Thus, in December 2014, a binding agreement was signed for the sale of Leighton's subsidiary John Holland to CCCC International Holding Limited (CCCI). Likewise, on 17 December, Leighton agreed to sell 50% of its services subsidiary to various Apollo Global Management LLC's subsidiary funds. The funds from the sale of these assets will be used to strengthen the balance sheet and reduce debt, as well as for investment in growth segments such as public-private partnership projects.

Leighton's performance in 2014 has been positive thanks to winning major contracts in the energy, transportation and social and urban infrastructure segments. In this respect, the company is being more selective when seeking out contracts and will continue to systematically improve the focus of its risk management, with the goal of generating sustainable profit which results in cash recovery.

New opportunities are expected to arise in the public-private partnership project segment given that the number of projects being tendered is increasing, especially in the healthcare and education sector, with the government as the main driver. Leighton also aims to continue asserting its position as a top global contract miner in Australia and Asia.

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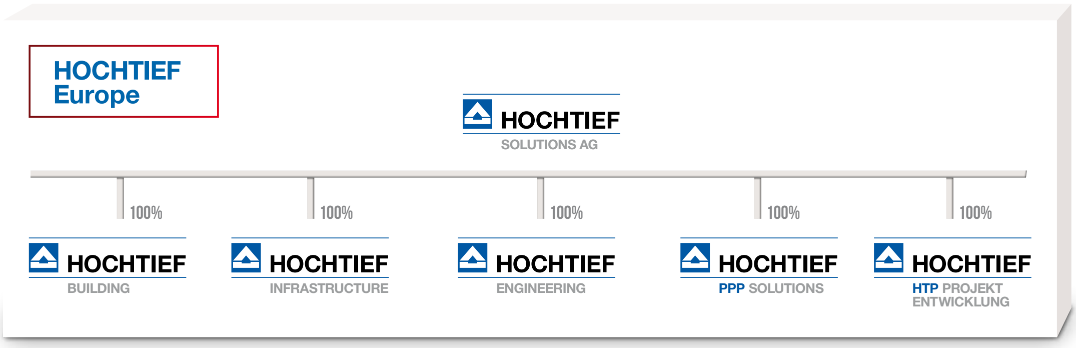


HOCHTIEF EUROPE

The HOCHTIEF Europe division combines the core business in Europe and selected high-growth regions around the world. Since 2014, the four new subsidiaries (HOCHTIEF Building, HOCHTIEF Infrastructure, HOCHTIEF Engineering and HOCHTIEF PPP Solutions) and HOCHTIEF Projektentwicklung GmbH, under the common name of HOCHTIEF Solutions AG, have carried out this division's operating activities.

HOCHTIEF Building's building construction the building construction market in Germany and surrounding countries, HOCHTIEF Infrastructure offers a wide range of transportation and energy infrastructure services in Europe and select regions throughout the world, HOCHTIEF Engineering offers its clients its expertise in planning, technical consulting and design management in the transportation, energy and building infrastructure segments, while HOCHTIEF PPP Solutions designs, finances, constructs and manages transportation, energy and social infrastructure public-private partnership projects, only offering this service when HOCHTIEF is also commisioned with the construction works in a manner that increases the value to society .

The aim of these more rationalised and flexible structures in which the various technical specialisations are grouped within the same unit, is to promote the competitive advantages of each one of the companies, as well as to continue to improve efficiency and risk management.

In this context of rationalisation and creation of structures focused on activities deemed strategic, certain operating units were divested. Thus, in March 2014, the sale of its 50% ownership interest in Aurelis Real Estate was completed. HOCHTIEF also divested the construction logistics and security services business unit of Streif Baulogistik that same month. The remaining Streif Baulogistik businesses —crane leasing and formwork technology—continue to operate under the TRINAC brand. In July, the property management activities were sold to Vincitag. In October, HOCHTIEF sold Formart, a residential real estate developer, to fund manager ActivumSG. At the same time, the offshore assets were sold to GeoSea, a subsidiary of DEME Group which acquired all of HOCHTIEF's jack-up vessels and pontoons. With closing expected to take place in the first half of 2015, the sale is subject to the usual conditions, as well as approval by the authorities.

HOCHTIEF wants to continue consolidating its position in Germany, as well as in other European countries such as Scandinavia, the Netherlands, and the United Kingdom. It also expects to continue carrying out activities in Middle Eastern countries such as Qatar, Saudi Arabia and Oman where forecasts are solid and there is significant growth potential. HOCHTIEF Europe is likewise focusing on improving processes and risk management in order to maximise profitability and the visibility of results.

CONSTRUCTION

IRIDIUM

Iridium manages concession contracts and transportation infrastructure and public facility public-private partnerships, both nationally and internationally.

For another year, Iridium, together with the rest of the ACS Group, has maintained its privileged position as a global benchmark in infrastructure development and management. The reports published by the specialised magazine Public Works Financing once again recognise this, continuing to rank ACS highest among the leading concession groups worldwide, both according to number of assets, as well as investment volume.

With an accumulated experience of over 45 years, Iridium operates by implementing a strict risk control policy. Thus, Iridium identifies, assesses and minimises each specific risk of the different projects.

In 2014 the infrastructure sector stabilised and made progress on its recovery as a result of improved macroeconomic indicators in countries with significant debt problems and a drop in risk premiums in certain eurozone countries. Consequently, finance costs decreased, leading investors to perceive less risk. Ireland is a clear example. In 2014 Iridium was awarded the N25 Road contract–the first project awarded by the Irish government after its recovery-in this market.

In 2015 investor interest in the market is expected to continue, mainly due to low interest rates and the high level of liquidity worldwide. Likewise, greater political stability in certain eurozone countries and less uncertainty with respect to election results in certain countries and their potential effect on macroeconomic policies will enable the foundation to be laid for sustained interest in the sector over the coming years. Iridium will therefore continue to monitor and select markets, projects and opportunities in Europe which meet the aforementioned parameters.

This market context has allowed Iridium to continue its development, expansion and internationalisation strategy while remaining loyal to market and business selection principles which are summarised as follows: ensuring the proper functioning of the legal framework which guarantees protection of the investment and legal stability at long term; ensuring transparent and sound contracting processes which

promote the perception of tender processes as entirely legal; favourable socio-economic environments which provide incentives for private investment; facilitating competitive processes; consolidated, stable political and economic systems which minimise risk for private investment; and guaranteeing the existence of clear, efficient, transparent and appropriate risk assignment mechanisms.

Given this market situation framework and the company's activity strategy, North American continues to be the Group's target and priority market. Currently, the seven projects awarded to Iridium in North America exceed 9,000 million US dollars: the A-30 autoroute in Montreal, in operation since 2012; the South Fraser Perimeter Road in Vancouver (opened to traffic in December 2013), in addition to the I-595 Express in Florida (opened to traffic in March 2014), the Windsor Essex Parkway in Ontario, closure of the Edmonton ring road (North East Anthony Henday) in Alberta, the new light rail transit in Ottawa and the Portsmouth Bypass (Ohio).

PUBLIC WORKS FINANCING™

World's Largest Transportation Developers

2014 SURVEY OF PUBLIC-PRIVATE PARTNERSHIPS WORLDWIDE

Ranked by Number of Transportation Concessions Developed Worldwide Since 1985*

Company	Operating or Under Const.	# Sold or Expired	Bid Pursuits	# Operating or Under Construction In: U.S.	Canada	Home Country	All Other
ACS Group/Hochtief (Spain)	**56**	**47**	**49**	**2**	**6**	**19**	**29**
Macquarie Group (Australia)	**43**	**16**	**14**	**5**	**1**	**1**	**36**
Global Via-FCC-Bankia (Spain)	**43**	**5**	**2**	**1**	**1**	**29**	**12**
Abertis (Spain)	**38**	**16**	**na**	**0**	**0**	**11**	**27**
Vinci (France)	**36**	**6**	**16**	**1**	**2**	**12**	**21**
Hutchison Whampoa (China)	**34**	**5**	**na**	**0**	**0**	**12**	**22**
Ferrovial/Cintra (Spain)	**33**	**23**	**35**	**6**	**2**	**9**	**16**
Bouygues (France)	**27**	**3**	**11**	**1**	**1**	**10**	**15**
NWS Holdings (China)	**26**	**1**	**na**	**0**	**0**	**26**	**0**
EGIS Projects (France)	**25**	**1**	**16**	**0**	**1**	**5**	**19**
Sacyr (Spain)	**22**	**20**	**9**	**0**	**0**	**14**	**8**

IRIDIUM

MILLION EUROS	2013	2014	% VAR.
REVENUE	106	77	-26.9%
EBITDA	50	21	-59.0%
EBIT	22	-4	n.a.
NET PROFIT	-9	0	n.a.
NUMBER OF EMPLOYEES	278	247	

CONSTRUCTION

In addition, the ACS Group is pre-qualified for three projects in the United States and four in Canada: The SH 288 Toll Lanes Project in Harris County (Texas), the Illiana Expressway (Indiana), the Illiana Expressway (Illinois), the Eglinton Crosstown LRT (Ontario), the Resource Recovery Center (British Columbia), the Champlain Bridge (Quebec) and the Edmonton LRT (Alberta) with an investment of 12,000 million US dollars.

The company can also consider 2014 as the year Latin America was consolidated as a key foundation for business development over the next decade. This consolidation translated into four new infrastructure projects being awarded in 2014 totalling more than 7,000 million US dollars: Line 2 of the Lima Peru underground railway, two toll roads in Colombia (Conexión Pácifico 1 near Medellín and Mulaló–Loboguerrero near Cali) and the Los Libertadores border facility in Chile. Together with the Puerto Mont–Pargua toll road in Chile, which is already operating, the project backlog in Latin America consists of five strategically diversified concessions which together form a solid foundation for future growth. In this geographic area, the company has been pre-qualified for projects amounting to more than 3,000 million euros. Chile, Peru and Colombia are benchmarks with regard to being well positioned to benefit from the advantages of public-private partnerships in the development of large infrastructures. Thus, in Chile, the new government has reaffirmed its commitment to concessions, announcing a pipeline of 25 infrastructure projects amounting to 4,600 million US dollars during its term in office. In Peru, the current government has promoted policies to make use of private financing to improve the country's infrastructure and the Ministry of Transport and Communication (MTC) is successfully implementing its 19,000 million dollar 2011-2016 Infrastructure Investment Plan, approximately 50% of which is being carried out through public private partnerships. The Fourth Generation (4G) Highway Concession Program for the construction, rehabilitation, operation and maintenance of 27 road corridors with an investment of nearly 50,000 million dollars and a 10-year time line in Colombia is of particular note.

With respect to Australia, it remains one of the most interesting markets for Iridium, with an infrastructure package which, together with the public private partnership, will amount to approximately 125,000 million Australian dollars during the 2014-2019 period.

Shown below is a detail of the projects making up the Group's current backlog at 31 December 2014:

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	71
AUTOPISTA DEL HENARES (R2 Y M50)	35.0%	SPAIN	HIGHWAYS	OPERATION	87	2039	898	81
ACCESOS MADRID (R3/R5 Y M50)	19.7%	SPAIN	HIGHWAYS	OPERATION	90	2049	1,679	55
REUS-ALCOVER	100.0%	SPAIN	HIGHWAYS	OPERATION	10	2038	72	16
SANTIAGO BRIÓN	70.0%	SPAIN	HIGHWAYS	OPERATION	16	2035	118	14
AUTOVÍA DE LOS PINARES	63.3%	SPAIN	HIGHWAYS	OPERATION	44	2041	96	17
AUTOVÍA MEDINACELI-CALATAYUD	95.0%	SPAIN	HIGHWAYS	OPERATION	93	2026	183	23
AUTOVIA DEL CAMP DEL TURIA (CV 50)	65.0%	SPAIN	HIGHWAYS	CONSTRUCTION	20	2043	110	10
AUTOVÍA DEL PIRINEO (AP21)	72.0%	SPAIN	HIGHWAYS	OPERATION	45	2039	226	58
AUTOVÍA DE LA SIERRA DE ARANA	40.0%	SPAIN	HIGHWAYS	CONSTRUCTION	39	2041	200	16
EMESA (MADRID CALLE 30)	50.0%	SPAIN	HIGHWAYS	OPERATION	33	2040	221	48
EJE DIAGONAL	100.0%	SPAIN	HIGHWAYS	OPERATION	67	2042	406	154
A-30 NOUVELLE AUTOROUTE 30	50.0%	CANADA	HIGHWAYS	OPERATION	74	2043	1,329	80
CAPITAL CITY LINK (NEAH)	25.0%	CANADA	HIGHWAYS	CONSTRUCTION	27	2046	1,095	13
FTG TRANSPORTATION GROUP	50.0%	CANADA	HIGHWAYS	OPERATION	45	2034	530	11
WINDSOR ESSEX	33.3%	CANADA	HIGHWAYS	CONSTRUCTION	11	2044	925	8
RUTA DEL CANAL	51.0%	CHILE	HIGHWAYS	OPERATION	55	2050	176	18
AUTOPISTA CONEXIÓN PACÍFICO 1	40.0%	COLOMBIA	HIGHWAYS	CONSTRUCTION	50	2039 (1)	1,076	79
MULALÓ LOBOGUERREROS	40.0%	COLOMBIA	HIGHWAYS	CONSTRUCTION	32	2044	805	57
AUTOPISTA JÓNICA (NEA ODOS)	33.3%	GREECE	HIGHWAYS	CONSTR. / OPERATION	380	2037	1,391	64
CENTRAL GREECE	33.3%	GREECE	HIGHWAYS	CONSTR. /OPERATION	231	2038	1,146	22
CRG WATERFORD - SOUTHLINK	33.3%	IRELAND	HIGHWAYS	OPERATION	23	2036	321	22
CRG PORTLAOISE - MIDLINK	33.3%	IRELAND	HIGHWAYS	OPERATION	41	2037	328	23
N25 NEW ROSS BYPASS	50.0%	IRELAND	HIGHWAYS	CONSTRUCTION	14	2043	173	12
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%	U.K.	HIGHWAYS	OPERATION	22	2030	309	8
PORTSMOUTH	40.0%	USA	HIGHWAYS	CONSTRUCTION	35	2053	496	18
I595 EXPRESS	50.0%	USA	HIGHWAYS	OPERATION	17	2044	1,352	82
TOTAL HIGHWAYS (KM)					**2,532**		**17,120**	**1,233**
FIGUERAS PERPIGNAN - TP FERRO	50.0%	SPAIN - FR	RAILWAYS	OPERATION	45	2057	1,206	66
LÍNEA 9 TRAMO II	50.0%	SPAIN	RAILWAYS	OPERATION	11	2042	724	35
LÍNEA 9 TRAMO IV	10.0%	SPAIN	RAILWAYS	OPERATION	11	2040	613	6
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
RIDEAU TRANSIT GROUP (LIGTH RT OTTAWA)	40.0%	CANADA	RAILWAYS	CONSTRUCTION	13	2048	1,442	21
METRO DE LIMA LÍNEA 2	25.0%	PERU	RAILWAYS	CONSTRUCTION	35	2049	3,885	25
TOTAL RAILWAYS (KM)					**299**		**9,669**	**175**
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	2032	17	3
COMISARÍA DEL VALLÉS (BARBERÁ)	100.0%	SPAIN	POLICE STATION	OPERATION	9,269	2032	16	4
LOS LIBERTADORES	100.0%	CHILE	BORDER FACILITY	CONSTRUCTION	32,011	2030	70	8
PUBLIC FACILITIES (M^2)					**205,729**		**279**	**41**
HOSPITAL MAJADAHONDA	55.0%	SPAIN	HOSPITALS	OPERATION	749	2035	257	19
HOSPITAL SON DURETA	49.5%	SPAIN	HOSPITALS	OPERATION	987	2039	306	17
HOSPITAL DE CAN MISSES (IBIZA)	40.0%	SPAIN	HOSPITALS	OPERATION	297	2042	130	13
CENTROS DE SALUD DE MALLORCA	49.5%	SPAIN	HEALTH CENTRE	OPERATION	N.A.	2021	19	3
PUBLIC FACILITIES (NUMBER OF BEDS)					**2,033**		**711**	**52**
INTERCAMBIADOR PLAZA DE CASTILLA	4.4%	SPAIN	TRANSFER STATIONS	OPERATION	59,650	2041	167	3
INTERCAMBIADOR PRÍNCIPE PÍO	8.4%	SPAIN	TRANSFER STATIONS	OPERATION	28,300	2040	66	1
INTERCAMBIADOR AVDA AMÉRICA	12.0%	SPAIN	TRANSFER STATIONS	OPERATION	41,000	2038	75	1
TRANSFER STATIONS (M^2)					**128,950**		**307**	**5**
IRIDIUM APARCAMIENTOS	100.0%	SPAIN	PARKINGS	CONST./OPERATION (2)	15,715	2058	49	49
SERRANO PARK	50.0%	SPAIN	PARKINGS	OPERATION	3,297	2048	130	24
TOTAL PARKINGS (NUMBER OF PLACES)					**19,012**		**179**	**73**
TOTAL CONCESSIONS							**28,266**	**1,579**

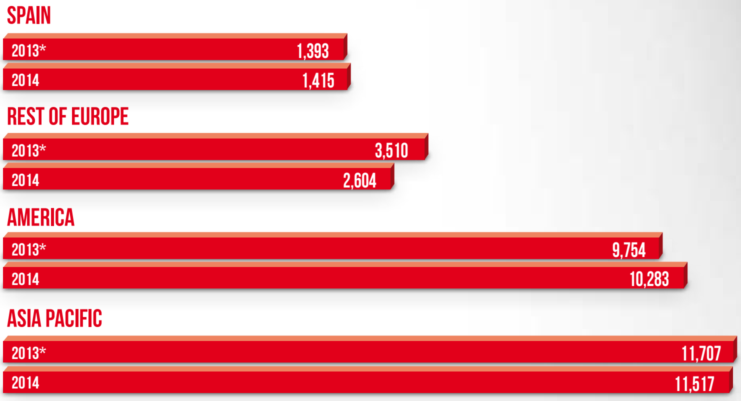
* The investment paid already by ACS up to December 2014 accounted for 1,200 million euros, while 379 milllion euros where pending.
(1) Extendable by 2044
(2) Cover main contracts managed by Iridium Aparcamientos

CONSTRUCTION

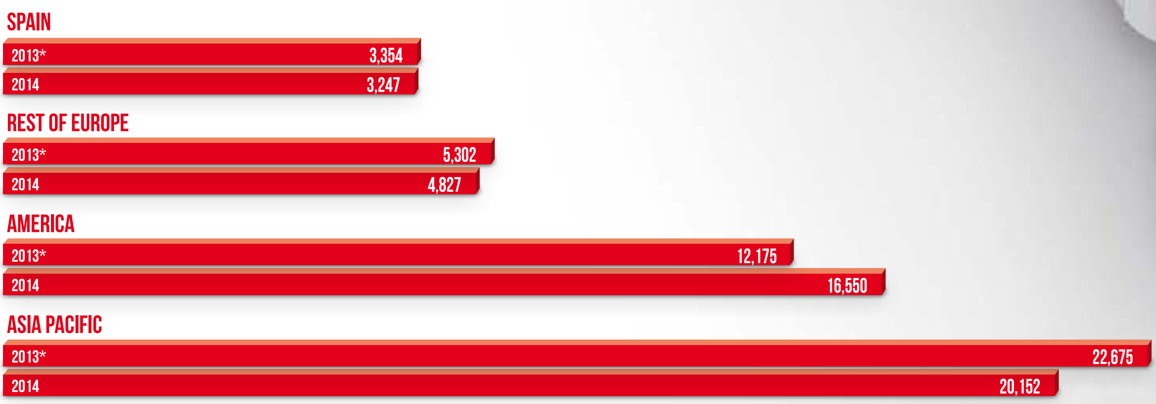
THE ACS GROUP'S CONSTRUCTION ACTIVITY IN 2014*

MILLIONS EUROS

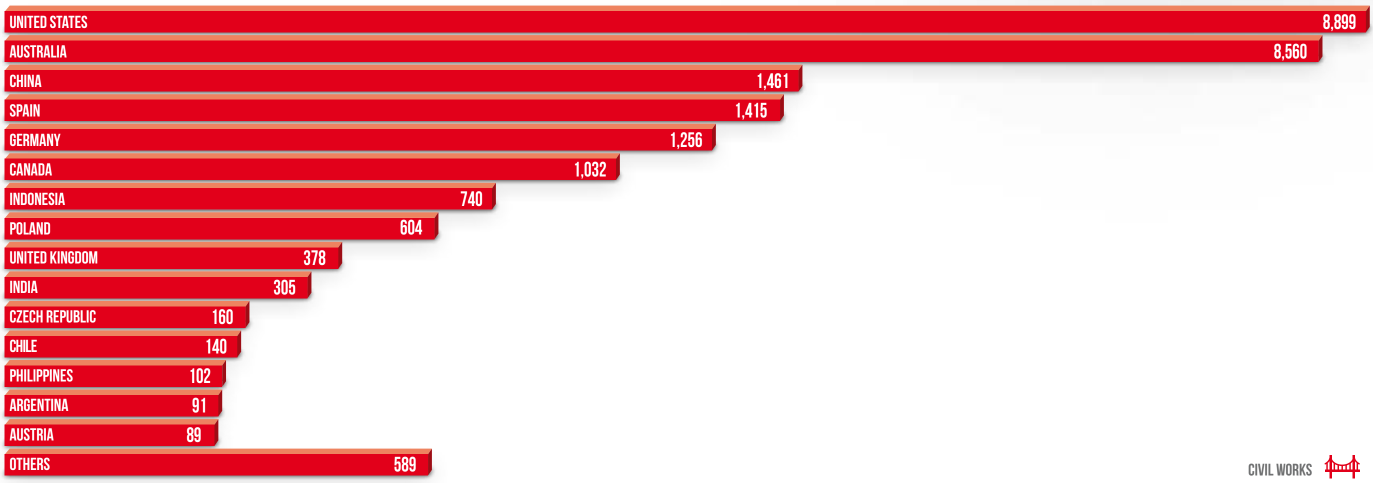
REVENUE

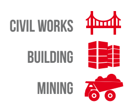


ORDER BOOK



2014 REVENUE BREAKDOWN BY COUNTRY





* Main countries where the Construction area reported ongoing projects or new awarding projects.
2013 figures have been restated as a result of the entry into force of the IFRS 10, 11 and 12 new standards, aditionally there has been a reclassification of the results from John Holland and Leighton Services as discontinued operations.

1 **NEW SOUTH WALES, AUSTRALIA**
DESIGN, BUILDING, FINANCING AND OPERATION FOR A 15 YEAR PERIOD OF THE RAPID TRANSIT TRAIN SERVICE NORTH WEST RAIL LINK PROJECT IN NEW SOUTH WALES.
VALUE **1,850** MILLIONS EUROS

2 **LIMA, PERU**
WORKS FOR THE CONSTRUCTION OF LINE 2 AND STRETCH FROM AV. FAUCETT-AV GAMBETTA OF THE LIMA SUBWAY NETWORK.
VALUE **900** MILLIONS EUROS

3 **DOHA, QATAR**
DESIGN AND CONSTRUCTION OF A 56KM HIGHWAY PLUS FIVE INTERCHANGES OF NEW ORBITAL HIGHWAY IN DOHA (QATAR).
VALUE **684** MILLIONS EUROS

4 **HONG KONG**
CONSTRUCTION OF A PASSENGER CLEARANCE BUILDING FOR HONG KONG'S INTERNATIONAL AIRPORT.
VALUE **607** MILLIONS EUROS

5 **NEW ZEALAND**
CONTRACT FOR THE DESIGN AND CONSTRUCTION OF THE 27 KM TRANSMISSION GULLY MOTORWAY AND OPERATION AND MAINTENANCE CONTRACT FOR A PERIOD OF 25 YEARS.
VALUE **560** MILLIONS EUROS

6 **COLOMBIA**
CONSTRUCTION, REHABILITATION AND UPGRADING WORKS IN THE PACIFIC HIGHWAY 1.
VALUE **439** MILLIONS EUROS

7 **UNITED ARAB EMIRATES**
WORKS FOR THE PROJECT "JEWEL OF THE CREEK" IN DUBAI COMPRISING OF BUILDINGS, MARINA, BRIDGES AND LANDSCAPING WORKS.
VALUE **420** MILLIONS EUROS

8 **GERMANY**
PROJECT FOR THE CONSTRUCTION OF THE MOTORWAY A7 BETWEEN HAMBURG AND BORDESHOLM.
VALUE **406** MILLIONS EUROS

9 **AUSTRALIA**
CONTRACT TO DESIGN AND CONSTRUCT SYDNEY'S NEW NORTHERN BEACHES HOSPITAL.
VALUE **365** MILLIONS EUROS

10 **UNITED STATES**
PROJECT FOR THE CONSTRUCTION OF THE SEGMENTS 2 AND 3 OF THE CALIFORNIA HIGH SPEED RAILWAY SYSTEM, LOCATED WITHIN THE COUNTIES OF FRESNO, TULARE, AND KINGS AND THE CITIES OF HANFORD, CORCORAN AND ALLENSWORTH AND WITH A LENGHT OF AROUND 100 KILOMETERS.
VALUE **357** MILLIONS EUROS

11 **AUSTRALIA**
CONSTRUCTION OF STRUCTURAL, MECHANICAL, PIPING, ELECTRICAL AND INSTRUMENTATION WORKS FOR THE ROY HILL IRON ORE MINE, WESTERN AUSTRALIA.
VALUE **224** MILLIONS EUROS

12 **DOHA, QATAR**
SUPPLY AND INSTALLATION OF 120 KILOMETERS OF DUCTILE IRON PIPES IN THE MEGA RESOERVOIR CORRIDOR MAIN 1 PROJECT TO SUPPLY WATER IN DOHA.
VALUE **219** MILLIONS EUROS

13 **OHIO, USA**
DESIGN AND CONSTRUCTION OF A HIGHWAY AROUND THE CITY OF PORTSMOUTH IN SCIOTO COUNTY.
VALUE **172** MILLIONS EUROS

14 **POLAND**
PROJEC FOR THE CONSTRUCTION OF THE S7 NATIONAL ROAD IN THE RANDOM RINGROAD WITH THE VOIVODATO MAZOWIECKIE BORDER.
VALUE **163** MILLIONS EUROS

15 **GERMANY**
WORKS FOR THE CONSTRUCTION OF THE RAILWAY TUNNEL CALLED ARGE TUNNEL RASTATT.
VALUE **156** MILLIONS EUROS

16 **UNITED STATES**
BUILDING OF THE NEW STOCKTON COURTHOUSE IN CALIFORNIA.
VALUE **149** MILLIONS EUROS

17 **CHILE**
BUILDING OF THE NEW HEALTH COMPLEX OF CLINICA CRUZ BLANCA SALUD.
VALUE **89** MILLIONS EUROS

18 **PONTEVEDRA, SPAIN**
PROJECT FOR THE CAPACITY EXPANSION OF THE HIGHWAY AP-9 BETWEEN CANGA AND TEIS IN THE STRECHT OF THE RANDE OVER THE ESTUARY OF VIGO.
VALUE **85** MILLIONS EUROS

CONSTRUCTION

EUROPE

In 2014 Construction revenue in Europe totalled 4,019 million euros, representing 15% of sales.

Dragados and Iridium occupy a leading position in the construction and concessions sectors in Spain, and HOCHTIEF is one of the leading companies in the German construction sector. Furthermore, in the rest of Europe, the ACS Group's Construction companies have a strong presence and proven track record in implementing projects in countries such as Poland, the United Kingdom and Ireland, and countries in Central European, such as Austria and the Czech Republic.

Sales in Spain for 2014 stand at 1,415 million euros, growing 1.6% with respect to 2013. This market, which represents 5% of Construction sales, is beginning to show signs of stabilising.

The following are among some of the most significant projects executed by Dragados in Spain in 2014 in the areas of Civil Works and Building:

- Construction of the viaduct over the Ulla River which will connect the provinces of Pontevedra and A Coruña to the Atlantic axis of the high speed railway network.
- Building of the new Hospital Universitario La Fe in Valencia.
- Remodelling and expansion of the current intermodal transportation hub and public car park located on Avenida de America in Madrid.
- Construction of the railway platform in Tolosa (Guipúzcoa) as part of the new high speed railway line in the Basque Country.
- Expansion of port of Tazacorte on the island of La Palma.
- Duplication of the AS-17 carriageway between San Miguel de la Barreda and Riaño in Langreo, Asturias, with a length of 1.2 kilometres and the construction of 4 new viaducts.

In Europe, both Dragados and Iridium in Spain, as well as HOCHTIEF in Germany, occupy a leading position in their respective sectors.

- Building of the Centro Polivalente Barceló in Madrid which includes a municipal library, sport centre, market and a three floor underground car park for residents.

- Construction of 11.9 kilometres of tunnels, rails and overhead power cables of Line 9 of the Barcelona underground railway which includes section II between Parc Logístic and Zona Univerisitària and section IV between Gorg and Havaneres.

- Construction of 8.5 kilometres of the electricity interconnection tunnel between France and Spain for the passage of two high-voltage continuous current lines. The project also includes the construction of two technical buildings and the provision of control and safety installations for the tunnel.

- Project to complete the Tous dam which includes plating and injecting the intermediary drain, water interpretation centre, replacement and upgrading of communication systems and environmental activities.

- Construction of the CaixaForum building in Zaragoza.

In addition, Iridium manages 14 motorways, 4 railway works and 10 public and social facility assets in Spain.

In the other European countries, revenue amounts to 2,604 million euros, 25.8% down on the year-on-year figure due to the sale of assets in 2013 and the restructuring of the European backlog. The Construction activity in this area represents 10% of total sales and is carried out through Dragados' subsidiaries in countries like Poland, the United Kingdom and Ireland where in recent years it has been awarded significant contracts related to the development of transportation infrastructures, as well as through HOCHTIEF Europe which is focused on executing building and civil engineering projects in countries such as Germany, Austria, the Czech Republic, Poland, the United Kingdom and Sweden.

CONSTRUCTION

The following are some of the projects being carried out 2014 in these countries:

- Project to expand and upgrade the ring road in northern Stockholm, Norra Länken (Sweden). The project includes the construction of two 1.2 kilometres long tunnels, the interchange section and the construction of a six lane bridge (three in each direction).
- Modernisation and widening of the A-4 motorway near Vienna, including upgrading four bridges and adding one lane in each direction over a 7 kilometres section (Austria).
- Building of the new headquarters of the French company Technip in Düsseldorf (Germany).
- Construction of the "Lehel Höfe" residential complex comprised of 105 dwellings and 113 car park spaces, in addition to other complementary facilities (Germany).
- Development of the construction project of the Cherbourger Strasse in Bremerhaven (Germany).
- Design and construction of the Halstenbenk institute in the German state of Schleswig-Holstein and its subsequent operation until 2033 (Germany).
- Project to increase the capacity of Bank station where five of the most important underground railway lines converge in the financial centre of London (Central Line, Northern Line, District Line, Circle Line and DLR) (United Kingdom).
- Construction of a new railway line, which will travel through the city of London from east to west, featuring 118 kilometres of lines, of which 21 kilometres are in underground tunnels (United Kingdom).
- Construction of section 5 of the S8 motorway in the section between Sieradz Poludnie and Lask with a length of 33.5 kilometres (Poland).
- Modernisation of the number 1 railway line between Koluszki and Czestochowa (Poland).
- Installation of flood protection in Racibòrz (Poland).
- Project for the construction and installation of a gas pipeline between Świnoujscie and Szczecin (Poland).

In 2014 Iridium continued to manage six motorways in Europe, specifically in Ireland, the United Kingdom and Portugal and was awarded the concession contract for the project to finance, design, construct, operate and maintain the N25 New Ross Bypass for 25 years in Ireland. It also signed agreements for restructuring the Nea Odos and Central Greece motorways concession contracts executed in 2013, through which the ACS Group significantly reduced its exposure in both projects and maintained the original profitability expectations for the capital invested in the concession companies. Iridium is likewise involved in the high-speed railway line construction project in Portugal.

The backlog in Europe, including Spain along with the rest of European countries, amounts to 8,074 million euros, representing 18% of the total Construction backlog for 2014. One of the countries which has experienced the most growth in Europe is Poland. The backlog has increased by 19.5% with major awards for the execution of transportation infrastructure projects by Dragados' subsidiaries, for example, construction of the S7 national road in the final section of the Radom ring road bordering Voivodato Mazowieckie for 163 million euros, the execution of building projects by HOCHTIEF Europe and the Wiśniowy Business Garden II office complex for 63 million euros.

NUEVO HOSPITAL UNIVERSITARIO LA FE IN VALENCIA

PROJECT EXECUTION DATES
2013-2014.

LOCATION
Valencia (Spain).

TYPE OF WORKS
Non-residential building.

AMOUNT
380 million euros.

COMPANIES INVOLVED IN THE PROJECT
Dragados S.A. (70%),
Edificaciones Ferrando S.A. (15%),
Becsa (15%).

FULL PROJECT DESCRIPTION
The Nuevo Hospital La Fe is being built to transfer all of the activity from the old Hospital La Fe in Valencia to the new hospital complex. It will become the hospital of reference in the Valencian Community.

The hospital will have 1,000 beds in individual rooms.

The new building will provide hospital coverage to 1,275,000 people. 360,000 users will be assigned to it and it will have 7,000 workers.

The hospital will also have ambulatory care with 195 external consultation centres, 113 day hospital units, 120 home hospitalisation beds, 60 outpatient care units and 39 emergency boxes.

The works include the construction of four buildings. The first consists of a tower with 10 floors dedicated to laboratories and research. The second building, for care and hospital services has 11 floors, including the basement. The third building dedicated to administration and teaching is comprised of three floors. The fourth building where the installations are located has two floors. The four buildings are connected by the basement which they all share.

The building is located on a 177,500 m^2 plot of land of which it occupies 61,100 m^2. The building's total built area is 266,900 m^2, including the car park and installations areas.

CONSTRUCTION

ENLARGEMENT OF THE A-7 HIGHWAY IN HAMBURG

CLIENT
Federal Republic of Germany.

PROJECT EXECUTION DATES
Construction between 2015-2018
(subsequent management over 30 years).

LOCATION
Hamburg (Germany).

TYPE OF WORKS
Civil Works (Railways).

AMOUNT
Cost of construction: 600 million euros
(Hochtief's share 460 million euros).

COMPANIES INVOLVED IN THE PROJECT
HOCHTIEF Infrastructure, KEMNA BAU and KEMNA's subsidiary, Tesch Straßenbau GmbH & Co. KG.

FULL PROJECT DESCRIPTION
Via Solutions Nord GmbH & Co. KG is a consortium formed by HOCHTIEF PPP Solutions GmbH, a subsidiary of HOCHTIEF Solutions of the Dutch infrastructure fund, as the institutional investor, and by KEMNA BAU Andreae GmbH & Co. KG, which will plan, finance and modernise 65 kilometres of the A7 federal motorway between the Hamburg-North East and Bordesholm intersections. Similarly, it will manage and maintain the section between Hamburg and Neumünster for 30 years.

The project involves widening said section of the motorway from six to eight lanes, and also includes the construction or refurbishment of 72 overpasses and bridges. In addition, a noise protection tunnel is to be built in the section at Schelsen. Likewise, a new highway maintenance depot—which will also be the headquarters of the operating company-will be constructed in the community of Nützen, at the Kaltenkirchen interchange.

The construction work, which will be handled by a joint venture between HOCHTIEF Infrastructure, KEMNA BAU and KEMNA subsidiary, Tesch Straßenbau GmbH & Co. KG, will take approximately four years. Once completed, an approximately six-kilometre section between Neumünster and Bordesholm will be handed over to the federal state of Schleswig-Holstein. The remaining 59 kilometres will be operated and maintained by the consortium led by HOCHTIEF until 2044.

ENLARGEMENT OF THE BANK STATION IN LONDON UNDERGROUND (LONDON)

CLIENT
London Underground.

TYPE OF WORKS
Civil Works (Railways)

PROJECT EXECUTION DATES
2013-2021.

AMOUNT
314 million euros.

LOCATION
London (United Kingdom).

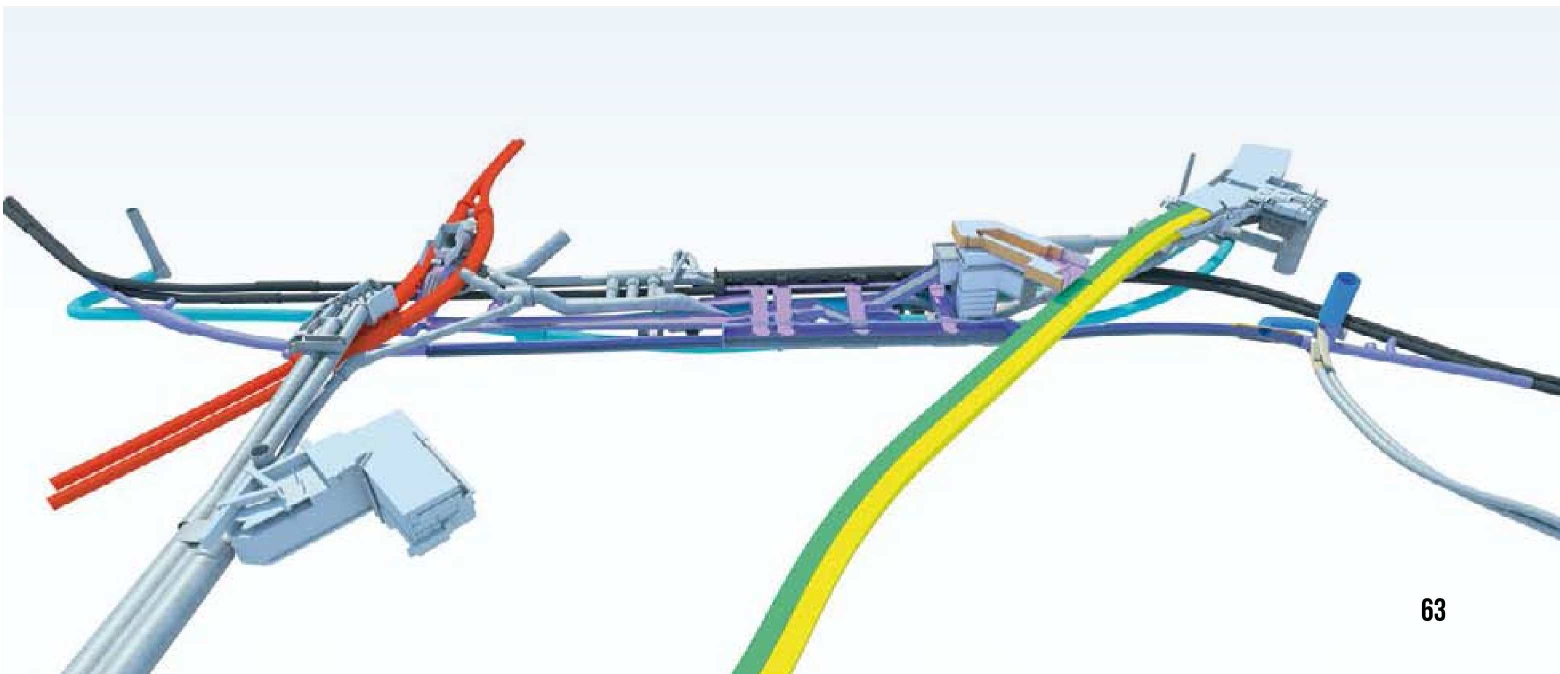
COMPANIES INVOLVED IN THE PROJECT
Dragados.

FULL PROJECT DESCRIPTION
The purpose of the project is to expand the capacity of Bank station where five of the most important underground railway lines converge in the financial centre of London (Central Line, Northern Line, District Line, Circle Line and DLR). The projects main units are:

- Development of the design, from the conceptual phase when the contract is awarded up to structural detail.
- Preparation of documentation and support for the London Underground team in the application process for the relevant licences (Transport and Works Act Order, TWAO).
- Demolition of the six existing buildings on the plot of land proposed for the new entrance to the station.
- Construction of a pit with 45 metres deep secant pile walls to accommodate lifts, escalators and the rest of the electromechanical equipment which will serve the station.
- Construction of a 12 metres wide and 40 metres deep temporary access pit made of gunned concrete for excavation work.
- Excavation of the new Northern Line southbound running tunnel (570 metres long) and interchange tunnels (gunned concrete).
- New connections between the 5 existing underground lines.
- Building of the new Northern Line platform.
- Electromechanical installations, through the commissioning and start-upon the station.

The project is currently in the design phase. Almost one and a half years after the contract was awarded, the Dragados team is working with the client's team (London Underground, all based out of the same office) to implement the project proposal based on which we were awarded the project.

The construction work is expected to begin in early 2016.

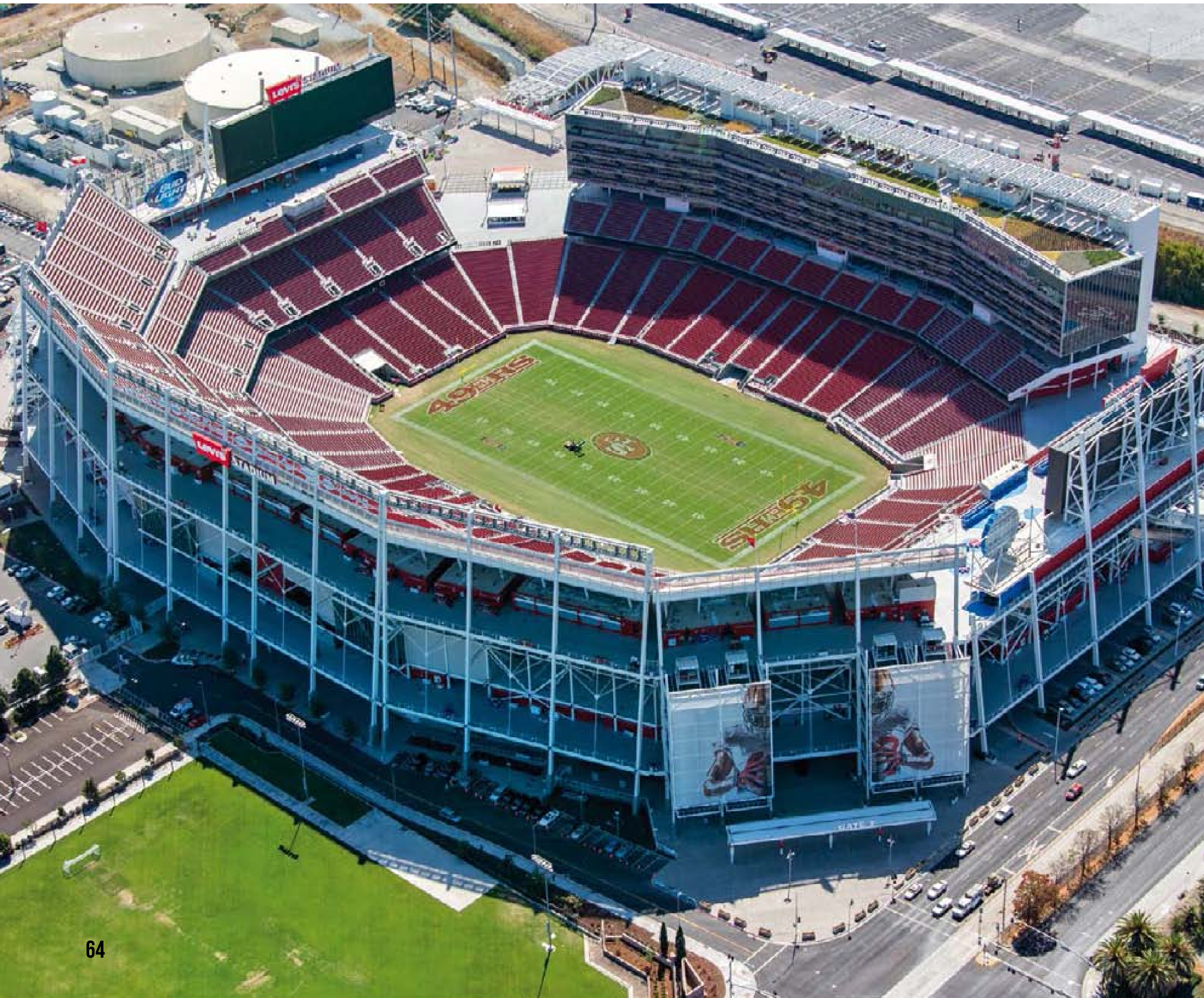


CONSTRUCTION

AMERICA

In America, the ACS Group's Construction area carries out the activities of civil engineering, infrastructure development and building in the United States and Canada, where it continues to lead the infrastructure concessions market. Similarly, it has experience executing projects in Latin American in countries such as Argentina, Chile, Peru, Colombia and Venezuela.

Thanks to the commercial efforts of all of the Construction subsidiaries of the ACS Group, activity in America has registered 5.4% growth with respect to 2013. As a result, revenue stands at 10,283 million euros and represents 40% of the total sales in the area, making it the second largest market in terms of the Construction activity.



The construction activity in America has increased by 5.4% with respect to 2013, reaching a revenue of 10,283 million euros.

In 2014 sales in the United States and Canada exceeded 9,900 million euros, representing a year-on-year growth in revenue of 6.1%. This data confirms the growing consolidation of the Group in the civil engineering and building market in these countries, thanks to the organic growth of the Group's subsidiaries operating in this sector: Pulice, Picone, Flatiron, Turner, E.E.Cruz and Clarks Builder, as well as the recent acquisitions by Dragados of Prince Contracting (Florida) and JF White Contracting (Massachusetts) to strengthen its positions in this strategic market.

Certain of the most significant projects carried out in the United States and Canada in 2014 by these companies were:

- Construction of the framework of the 96th Street station of the Second Avenue metro in Manhattan (New York, United States).
- Project for the construction of two cross pontoons to join the State Route 520 floating bridge with the Montlake neighbourhood in Seattle (United States).
- Expansion of the Clark Art Institute complex in Williamstown, Massachusetts (United States).
- Works for the construction of the Levi´s American football stadium in Santa Clara (United States).
- Construction of the James Cancer Hospital and the Solove Research Institute at Ohio State University in Columbus (United States).
- Project for the expansion of terminal 2 at San Diego International Airport (United States).
- Construction of the Northeast Anthony Henday Drive highway in Edmonton, Alberta (Canada).
- Execution of SR 303L construction project on the stretch between Camelback Road and Glendale Avenue (Arizona, United States).
- Construction work on the two twin 6.2 kilometres long tunnels for the Eglinton-Scarborough Crosstown Light Rapid Transit Line (LRT) in Toronto (Canada).
- Construction of light rail transit in the city of Ottawa, Canada, with a length of over 12.5 kilometres and 13 stations, 3 of which are underground.
- Expansion and upgrading work on the Calaveras dam in the United States.
- Excavation and construction work on the 72nd Street subway station structure in New York (United States).

In addition, with regard to concessions, Iridium has continued to consolidate its position in the market; in March 2014 the I-595 Express entered into service and in September 2014 the Ohio Department of Transportation awarded the Portsmouth Bypass project which entails a total investment of 560 million US dollars to the consortium which ACS Infrastructure Development, an Iridium subsidiary in the United States, is an investor. Currently, the seven projects managed by Iridium in the United States and Canada exceed 9,000 million dollars. In addition, Iridium is pre-qualified for three projects in the United States and four in Canada: The SH 288 Toll Lanes Project in Harris County (Texas), the Illiana Expressway (Indiana), the Illiana Expressway (Illinois), the Eglinton Crosstown LRT (Ontario), the Resource Recovery Center (British Columbia), the Champlain Bridge (Quebec) and the Edmonton LRT (Alberta) with an investment of 12,000 million dollars.

In addition to the above, ACS Group companies were awarded major projects in 2014 in the United States and Canada. Of note, due both to its size and significance, was the project awarded to Dragados for the construction of segments 2 and 3 of the high speed railway system in California with an approximate length of 100 kilometres.

CONSTRUCTION

Other projects obtained in this area in 2014 were the construction of the I-85 and I-385 interchange in Greenville (South Carolina) and the building of the new courthouse in Stockton, California. As a result, the backlog in the United States and Canada has grown by 27% with respect to 2013 and now represents 32% of the area's total backlog.

In Latin America, the Construction area carries out mainly civil engineering projects such as roads, railway or water projects and has a strong presence in Argentina and Chile, where Dragados has its own subsidiaries in addition to executing projects in developing countries with high growth potential such as Colombia and Peru. In this area in 2014 Dragados executed projects such as the construction of the new road between Bogota and Villavicencio, repair work on railway lines in Colombia and construction work on the waste treatment plant in Bahía de las Vizcachas, Chile.

In addition, HOCHTIEF is entering this sector with the development of complex projects, as demonstrated by the construction of the BBVA tower in Mexico and the Alto Maipo hydropower plant in Chile.

As regards concessions, in 2014 Iridium consolidated its activity in Latin America after being awarded four projects for an amount exceeding 4,000 million euros in Colombia, Peru and Chile. Among these projects, of particular note is the contract awarded in March 2014 to the consortium which is 25% owned by Iridium to design, construct, finance, operate and maintain line 2 of the Lima underground railway and the branch of line 4 which will extend to the Lima airport, with an investment of nearly 3,300 million euros to construct 35 underground stations over 35 kilometres. Also in March the consortium which is 40% owned by Iridium was awarded the project to construct, rehabilitate and upgrade the Conexión Pacífico 1 motorway with an investment of 1,200 million euros. In addition, the consortia in which Iridium is an investor were awarded the project for the new road which will connect Mulaló and Loboguerrero (Colombia), the estimated length of which is 32 kilometres; and the construction of the new Los Libertadores border facility in Chile. These four new projects, together with the Puerto Montt–Pargua toll road project in Chile, which is already operating, compose a solid base for the business' future growth which is expected to continue over the coming years since the company is pre-qualified for projects in the area in excess of 3,000 million euros.

WIDENING OF THE I-595 HIGHWAY BETWEEN FORT LAURDEDALE AND MIAMI

CLIENT
Florida Department of Transportation.

PROJECT EXECUTION DATES
Construction: 2009-2014, maintenance for 30 years.

LOCATION
Florida (United States).

TYPE OF WORKS
Civil Works (Roads).

AMOUNT
Initial investment of 1,383 million euros.

COMPANIES INVOLVED IN THE PROJECT
ACS Infrastructure Development, Dragados USA.

FULL PROJECT DESCRIPTION
The I-595 project in Florida entails widening and improving 17 kilometres of Interstate I-595 and 4 kilometres of the Florida Turnpike. The project also includes the construction of three tolled reversible express lanes on the I-595 median, as well as reconstruction of the S-84 entrance and exit ramps and improving the connections with I-75, SR-7 and the Florida Turnpike. The connections between the entrance and exit ramps and the interstate have improved with the construction of seven braided ramps. The concessionaire is responsible for the design, construction, financing, operation and maintenance of this project. The construction phase was 5 years and the subsequent operation and maintenance for 30 years. The initial investment was 1,383 million euros. The concessionaire received 5 annual final acceptance payments for a total of 571 million euros, as well as monthly availability payments, which will be reviewed annually according to the concession contract, amounting to 62 million euros a year. In March 2014 the tolled reversible express lanes were successfully opened to traffic and since then the concessionaire has been operating and maintaining the interstate.

CONSTRUCTION

ESPANSION AND REHABILITATION OF THE NORTH EAST ANTHONY HENDAY DRIVE IN EDMONTON

CLIENT
Alberta Ministry of Transportation (Canada).

PROJECT EXECUTION DATES
Construction between 2012-2016, subsequent 30 year concession contract.

LOCATION
Edmonton, Alberta (Canada).

TYPE OF WORKS
Civil Works (Roads).

AMOUNT
1,540 million Canadian dollars.

COMPANIES INVOLVED IN THE PROJECT
Meridiam Infrastructure NEAH ULC (50%, subsidiary of Meridiam Infrastructure North America Inc.), ACS NEAH Partner Inc. (25%, subsidiary of ACS Infrastructure Canada Inc.) and HOCHTIEF NEAH Partner Inc. (25%, subsidiary of HOCHTIEF PPP Solutions GmbH).

The project's construction has been subcontracted to a joint venture comprised of FLATIRON (33.75%), DRAGADOS (33.75%), AECON (22.5%) and LAFARGE (10%).

FULL PROJECT DESCRIPTION
Located in Edmonton, Alberta (Canada), the project consists of the concession contract for the design, construction, financing, operation, maintenance and rehabilitation of the Northeast Anthony Henday Drive project. The project consists of the construction of 9 km of new freeway and the rehabilitation of 18 km of existing freeway on the Edmonton ring road.

In total 46 bridges and overpasses will have to be constructed, comprised of 37 highway bridges, 8 railway bridges and 2 bridges over the Saskatchewan River. The road will be comprised of six-lane and eight-lane freeway in both directions and will traverse the section between Manning Drive and the southern portion of Whitemud Drive. When completed, the road will greatly reduce congestion and commute times throughout Edmonton. The extreme winter weather conditions, which include temperatures below -38 °C, must be taken into account in relation to this project.

WIDENING AND UPGRADE OF THE ROUTE 5, PUERTO MONTT - PARGUA SECTION

CLIENT
Republic of Chile, Ministry of Public Works, General Directorate of Public Works.

PROJECT EXECUTION DATES
2010 - 2050.

LOCATION
Los Lagos region. The communities of Puerto Montt, Calbuco and Maullín (Chile).

TYPE OF WORKS
Civil Works (Roads).

AMOUNT
4,125 million UF.

COMPANIES INVOLVED IN THE PROJECT
CV Chile S.A. (Iridium subsidiary in Chile) (51% ownership interest).

FULL PROJECT DESCRIPTION
Concession project to widen, upgrade, conserve and operate Route 5, from Puerto Montt to the village of Pargua in the Los Lagos region for a total length of 55 km.

Its area of influence spans the sectors located next to Route 5 between Puerto Montt and Pargua, extending to the cities and villages located towards the south of Puerto Montt, including villages such as Chinquihue, Maullín, Calbuco, Pargua, and also the northern portion of Isla Grande de Chiloé (Chacao, Ancud, Dalcahue, Castro). The project meets the toll road standard from the start of the concession at kilometre 1,023.6 until the Chayahue interchange at kilometre 1,074.3 by upgrading and rehabilitating the existing carriageway and constructing a second carriageway. It also includes upgrading the existing access carriageway to Pargua between the Chayahue interchange and the access ramp to the ferry, as well as constructing a new Chayahue interchange and new Carelmapu detour with separate carriageways between this interchange and the future Chacao bridge at kilometre 1,081.1. The concession includes the construction work and the maintenance of all pre-existing works and the new works executed by the concessionaire under the conditions and standards established in the tender specifications for the construction and operation phases.

Toll: Initially four toll collection areas were established, one on the main road (Calbuco) and three on lateral roads (Trapén, Calbuco and Maullín).

CONSTRUCTION

ASIA PACIFIC

The Asia Pacific region, with revenue of 11,517 million euros in 2014 and a project backlog of 20,512 million euros, remains the main area for Construction activities, and represents 46% of the division's total sales and 45% of the total Construction backlog. In 2014, as part of the Hochtief's strategic reorientation policy, John Holland and the Services business were divested, which reduced this area's ownership interest with regard to the Group's total. The goal of this strategic reorientation is to take advantage of the significant investment opportunities in this area, since it is one of the Group's main growth areas for the Construction activity in the coming years.

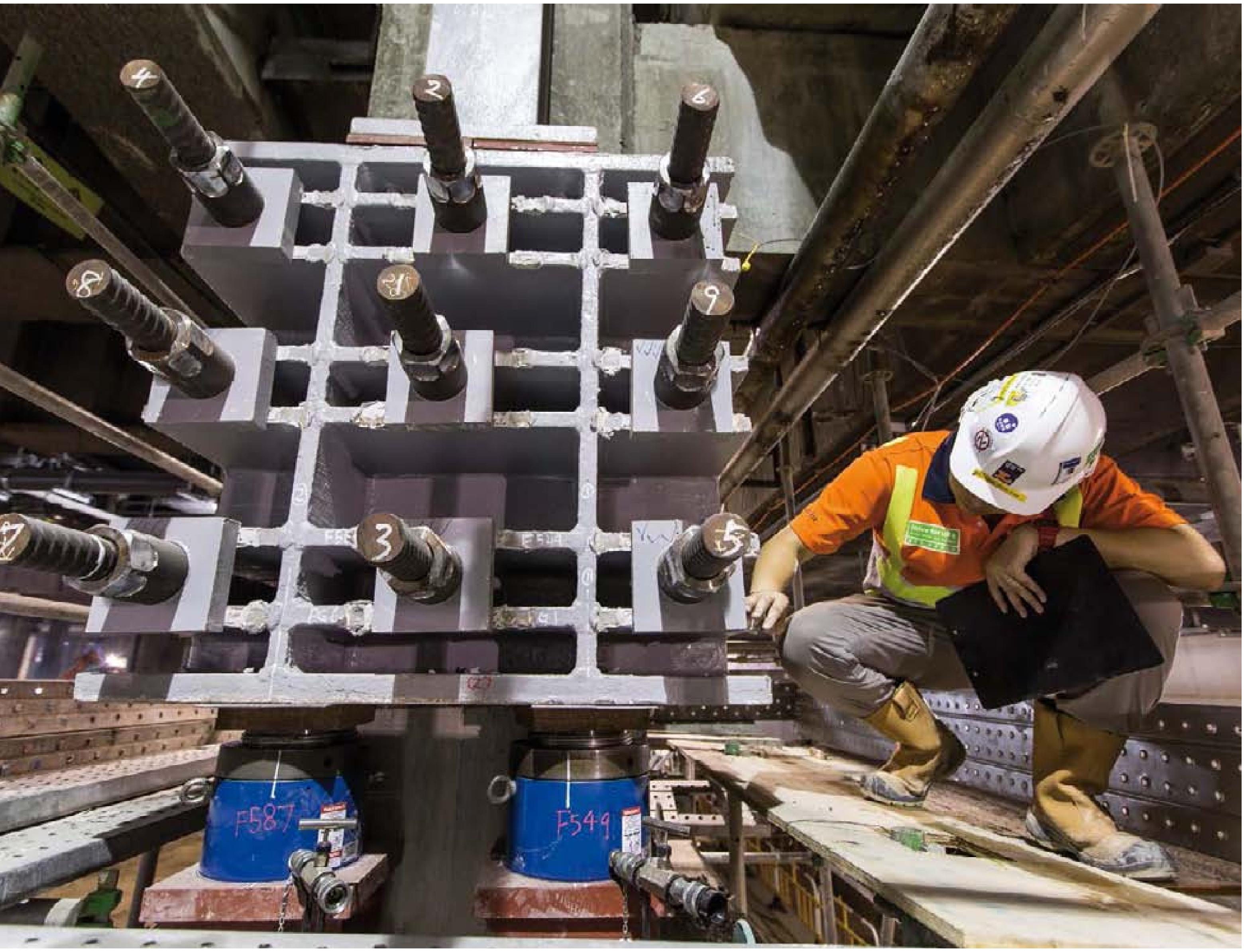
The activity in this area is focused on the development of facilities for mining operations, transportation infrastructure, building and public facilities, telecommunications and infrastructure for oil and gas projects.

These projects are mainly carried out through Leighton and its subsidiaries, Leighton Contractors, Thiess, and Habtoor Leighton Group. Dragados is also participating in projects in this area, both as a sole contractor and as an associate with other Leighton companies. With regard to concessions, Australia is one of the most interesting markets for Iridium and Leighton would like to promote its public-private partnership business there since it is a market with significant potential for growth.

Sales for the Construction area in Australia and New Zealand stood at 8,562 million euros and among the projects undertaken this year, the following are of note:

- Execution of the North West Rail Link light railway projects in Sydney, by Thiess and Dragados Australia.
- Design and building of the Northern Beaches Hospital in Sydney.
- Works to widen and upgrade State Highway 16 in Auckland, the project consists of improving 4.5 kilometres of the existing six-lane highway for flood prevention and to increase its traffic capacity.
- Execution of the Kings Square project which consists of the construction of four 20-floor office towers in Perth's financial district.
- Design and construction of the expansion of the M4 motorway in Sydney.
- Construction of a new 30-floor building which will house Leighton's new offices in Sydney.
- Provision of mining services in the Mt. Owen Coal Mine in New South Wales.
- Structure construction work, mechanical work and installation of piping systems, as well as electricity systems and instrumentation for the Roy Hill iron mine in Western Australia.
- Execution of the Moreton Bay Rail Link project, consisting of 12.6 kilometres which will connect the Brisbane railway network with the Moreton Bay region.

CONSTRUCTION



Leighton also carries out its activities in Southeast Asian countries, as well as in two of Asia's main powers, China and India. Thus, in 2014 the Group's subsidiaries were awarded the project to construct the passenger terminal building at Hong Kong International Airport and to construct infrastructure for tunnels, systems and complementary works for the Central-Wan Chai Bypass in Hong Kong. Likewise, the Group carries out important projects in the Middle East through its subsidiary Habtoor Leighton Group with a presence in Qatar and the United Arab Emirates. In 2014 it obtained major projects in this area such as the design and construction of 56 kilometres and 5 interchanges on the New Orbital Highway in Doha; supply and installation of 120 kilometres of pipes for the Mega Reservoir Corridor Main 1 projects for water supply in Doha; and works for the construction of the "Jewel of the Creek" complex in Dubai.

MANAGEMENT OF THE MT OWEN MINING COMPLEX IN NEW SOUTH WALES

CLIENT
Hunter Valley Coal Corporation
(a subsidiary of Xstrata Plc).

PROJECT EXECUTION DATES
1996-2015.

LOCATION
New South Wales (Australia).

TYPE OF WORKS
Mining.

AMOUNT
1,300 million Australian dollars
(at 30 June 2014).

COMPANIES INVOLVED IN THE PROJECT
Thiess.

FULL PROJECT DESCRIPTION
Thiess is executing a contract by Xstrata's Plc's subsidiary Hunter Valley Coal Corporation Pty Limited (HVCC) to operate the Mt Owen Complex, located 25 kilometres north-west of Singleton in the Hunter Valley (New South Wales). The Mt Owen Complex consists of the main pit in the north known as the Mt Owen Coal Mine, and the smaller Mt Owen West Pit (formerly, Ravensworth East Mine). The Mt Owen West Pit is situated midway between Muswellbrook and Singleton.

Thiess' scope of works at the Mt Owen Coal Mine includes the design and construction of the mine and infrastructure, including the coal washing and processing plant. Under the agreement, Thiess will purchase mobile equipment and operate the mine through its programmed life.

At the Mt Owen West Pit, Thiess will be responsible for the operations of the site. This includes the mining, stock piling and loading of coal for both domestic and export markets. Planned total production level is set at 1.2 million tonnes annually, with 600,000 tonnes annually contracted to Macquarie Generation and the remainder to be sold to the export market.

CONSTRUCTION

OFFICE SITE OF KINGS SQUARE IN PERTH

CLIENT
WA State Government, City of Perth and the Federal Government.

PROJECT EXECUTION DATES
2011-2015.

LOCATION
Perth (Australia).

TYPE OF WORKS
Building.

AMOUNT
533 million Australian Dollars

COMPANIES INVOLVED IN THE PROJECT
Leighton Properties.

FULL PROJECT DESCRIPTION
Leighton Properties is developing a new office site in Perth's Central Business District (CBD): constructing four office towers of up to 20 floors, the completion of which is set for 2015.

The Kings Square project is strategically located within the 5,200 million dollar Perth City Link precinct–one of Australia's most significant CBD urban renewal developments. The site sits on top of Perth's primary transport hub–the underground train station and at the junction of four commuter cycle paths. It is also in close proximity to the city's entertainment and cultural precincts including the newly completed Perth Arena and Northbridge's William Street and Perth Cultural Centre.

Kings Square is a master planned precinct that will create an extension of King Street linking St Georges Terrace to Wellington Street.

Upon completion, the buildings will offer more than 60,000 m^2 of modern office space together with storage units, restaurants and shops. Traffic will run underground, creating a pleasant public space that offers locals new opportunities to interact.

Featuring efficient energy systems, the towers are targeting both a Five Star Green Star rating and a Five Star NABERS Energy rating. The systems being incorporated include software which will measure the project's environmental impact throughout the course of its useful life.

HUNG HOM STATION OF HONG KONG UNDERGROUND

CLIENT
MTR Corporation Limited.

PROJECT EXECUTION DATES
2013 - 2018.

LOCATION
Hong Kong.

TYPE OF WORKS
Civil Works (Railways).

AMOUNT
655 million US dollars (at 30 June 2014).

COMPANIES INVOLVED IN THE PROJECT
Leighton Asia.

FULL PROJECT DESCRIPTION
Leighton Contractors (Asia) Limited, which belongs to Leighton Asia, India and Offshore, was awarded Contract 1112 from MTR Corporation for the construction of a fundamental component of the Shatin to Central Link (SCL) in Hong Kong.

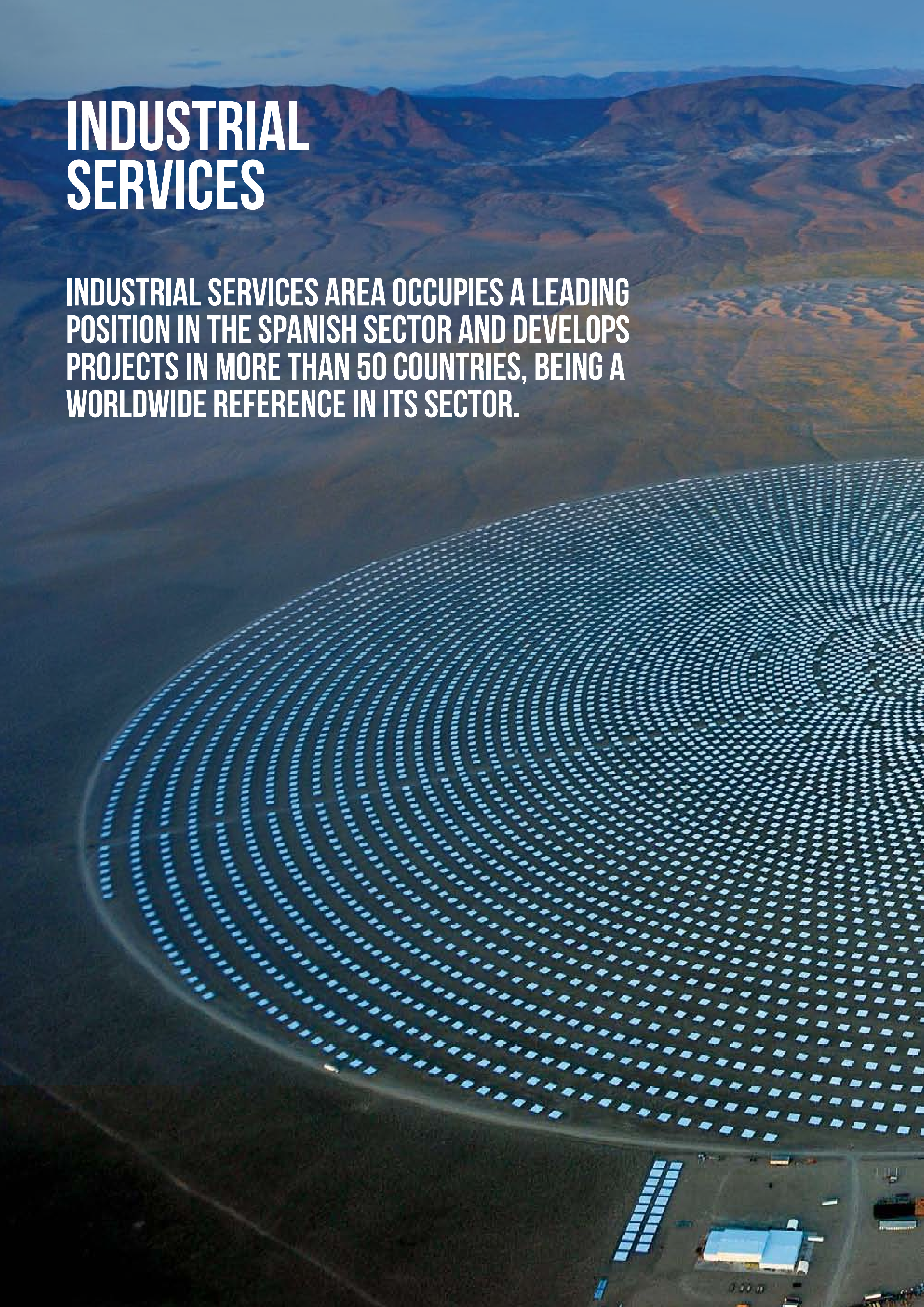
Contract 1112 is a fundamental component for the execution of the Shatin to Central Link (SCL), a 17 kilometres railway connection which provides service to New Territories, Kowloon and the Hong Kong Island.

Works comprise the permanent and temporary works for Hung Hom Station, Hung Hom Stabling Sidings, the South and North Approach Tunnels to the new platforms, and reprovisioning, repair and upgrading work. The existing Hung Hom Station will require integration with the new platforms, with extensive underpinning and modification of the existing podium structure of the station required. We will also demolish the International Mail Centre, MTR Freight Operations Building and a number of railway ancillary facilities to make way for the construction.

A notable challenge on this project is that the major civil engineering works are to be constructed beneath the existing podium slab, with reduced headroom within a range of 5 metres to 7 metres. Construction must also take place under and within an operating railway station, with no disruption to services.

INDUSTRIAL SERVICES

INDUSTRIAL SERVICES AREA OCCUPIES A LEADING POSITION IN THE SPANISH SECTOR AND DEVELOPS PROJECTS IN MORE THAN 50 COUNTRIES, BEING A WORLDWIDE REFERENCE IN ITS SECTOR.



INDUSTRIAL SERVICES

THE ACS GROUP IS ONE OF THE MAIN GLOBAL COMPETITORS IN THE FIELD OF APPLIED INDUSTRIAL ENGINEERING.

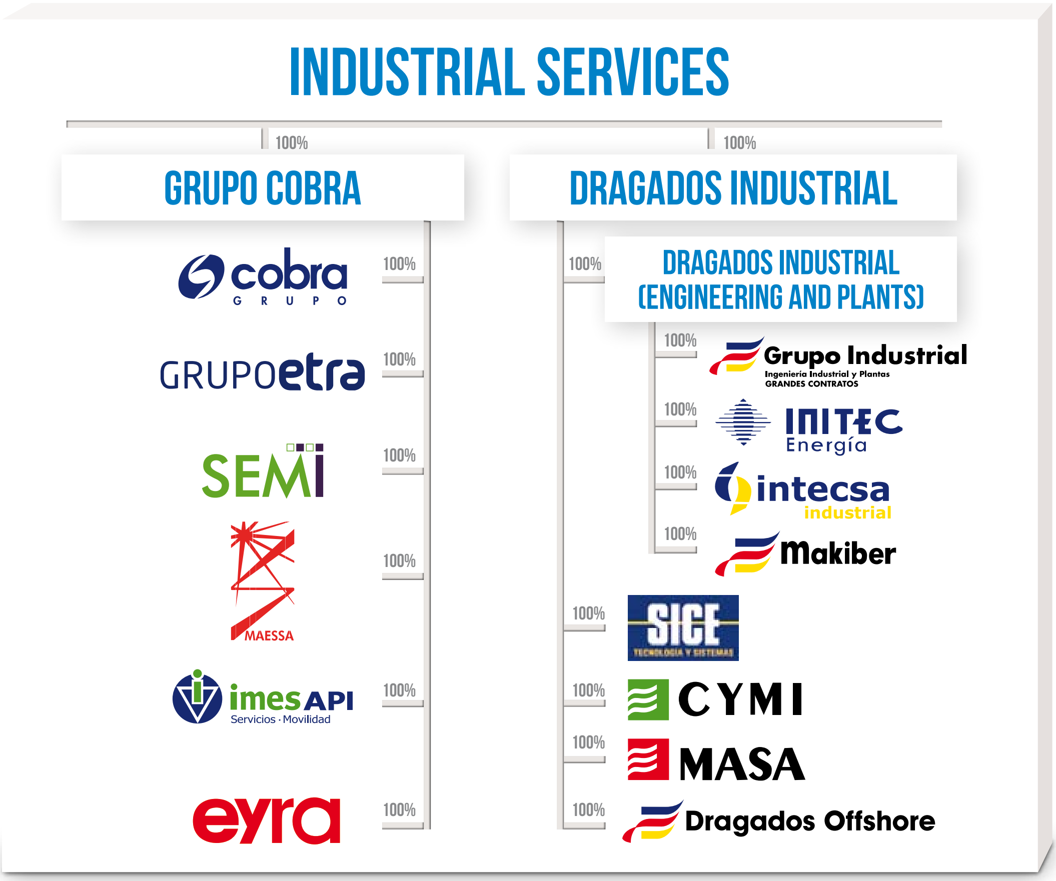
The activity of ACS Group **Industrial Services** area is focused on the development, construction, maintenance and operation of energy, industrial and mobility infrastructures through a large group of companies.

The **Industrial Services area** is one of the main global competitors in the field of applied industrial engineering, with projects in more than 50 countries. It is at the forefront of the Spanish market, with extensive experience and steady involvement in executing projects and providing services in Latin America where it occupies a leading position in several of the most significant countries such as Mexico and Peru. In Europe, the Industrial Services area is consolidating its position in the performance of projects and services and is increasingly involved in the remaining geographic areas, such as the Middle East, where the Group has been awarded significant industrial engineering projects in recent years, North America, Africa, and Asian Pacific countries.

Over the next few years, the Industrial Services area will continue the consolidation of its position and leadership in the countries in which it already has strong implementation, combining it with sustainable expansion toward new geographical markets with strong potential for growth, making use of the synergies arising from joint action with other ACS Group subsidiaries, such as the Dragados, HOCHTIEF, and Leighton companies.

Likewise, the Industrial Services area will continue to focus on consolidating its position as a global benchmark in the sector. It seeks to efficiently and profitably combine Industrial Support activities which provide greater recurrence and stability with the activity of integrated projects, which, being specialised and specific solutions for each client, contribute higher profitability levels.

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, sustainable mobility, 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 off shore wind power generation, HVDC power transmission technology, and electric vehicle charging infrastructure.



INDUSTRIAL SERVICES

MAIN FIGURES

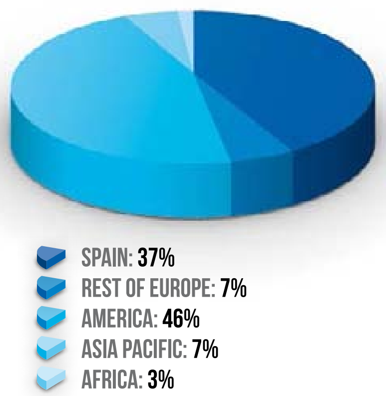
In 2014, the ACS Group's Industrial Services area turnover was 6,750 million euros, a 4.5% decrease with respect to the previous year. Sales in international markets, which represent 63% of total turnover, dropped by 1% due to the decrease of activity in Europe and Africa. America, which continues to be the primary area of activity representing 46% of sales, grew by 3.7% with respect to 2013. This lower increase in activity with respect to previous years is due to the completion of some works in this area. Of particular note is the increase of activity in Asia Pacific, thanks to the major contracts awarded in previous years in the Middle East and other countries in this area (Australia, Japan, India).

Furthermore, activities in Spain stand at 2,466 million euros, 10% less than 2013.

INDUSTRIAL SERVICES

MILLION EUROS	2013	2014	% VAR.
SALES	7,067	6,750	-4.5%
EBITDA	937	902	-3.8%
MARGIN	13.3%	13.4%	
EBIT	881	810	-8.0%
MARGIN	12.5%	12.0%	
NET PROFIT	418	420	0.5%
MARGIN	5.9%	6.2%	
ORDER BOOK	7,413	8,021	8.2%
MONTHS	13	14	
NUMBER OF EMPLOYEES	41,272	41,635	

REVENUE BREAKDOWN BY GEOGRAPHICAL AREA



The activities in the ACS Group's Industrial Services area combine two fundamental lines of business: 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.

The ACS Group's activity in EPC Projects focus on the execution of "turnkey" or EPC projects for 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.

The ACS Group also has outstanding experience in developing and taking a stake in concession assets, basically related to energy, such as wind farms, thermal solar plants (either with central tower or with parabolic trough concentrators and storage based on molten salt technology), transmission lines, purifying plants and desalinating plants.

At 31 December 2014, the ACS Group held stakes in 18 wind farms in Spain, with a gross installed capacity of 547.7 MW and 9 wind farms abroad, with gross installed capacity of 230.8 MW. In thermal solar energy, the ACS Group had 6 plants in operation , with 299.5 MW of installed power, as well as a 10% stake in two other plants of 49.9 MW each. Outside Spain it has a stake in the Tonopah thermal solar plant in the United States, with an installed power of 110 MW, which is the largest tower thermal solar plants with molten salt storage in the world.

22 EPC stands for Engineering, Procurement and Construction.

INDUSTRIAL SERVICES

Total energy production generated from renewables from plants operated by the ACS Group in Spain amounted to 2,290.9 GWh, divided into 1,127.4 GWh in wind farms and 1,163.5 GWh from solar thermal. In Portugal the energy produced by wind farms was 294.07 GWh during 2014, while in Mexico the production was 368.21 GWh.

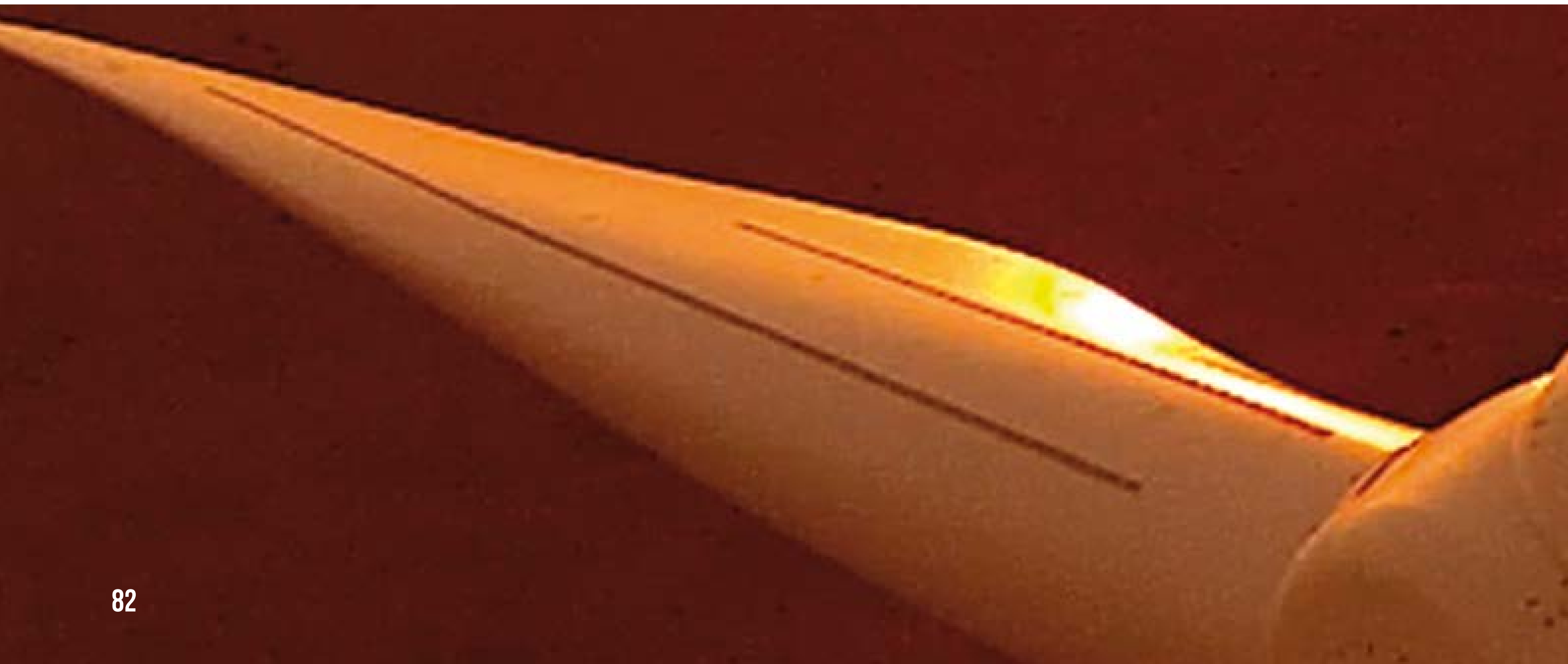
In early 2015, the ACS Group restructured these energy assets through the creation and flotation of its subsidiary Saeta Yield S.A., comprising the mature energy assets of the ACS Group. The ACS Group sold 51% of Saeta Yield on the market to qualified institutional investors, and 24.4% to Global Infrastructure Partners, a fund specialising in infrastructures.

Simultaneously, the ACS Group reached an agreement with Global Infrastructure Partners for the sale of 49% of a recently created company for the development of energy assets, comprising the renewable energy assets over which Saeta Yield holds a right of first offer, in order to invest in future energy projects.

With these two operations, the Group has restructured its stake in these assets, remaining the industrial shareholder of reference in Saeta Yield to promote its profitable growth, and strengthening the rotation strategy of the mature assets developed by the Group.

In addition, the ACS Group also has a stake in several concession projects for the management and maintenance of high-voltage lines in Brazil, with secured financing from the Banco Nacional de Desenvolvimento Economico e Social do Brasil (BNDES), and in Peru. At 31 December 2014, the ACS Group held stakes in 8 transmission lines, with a total length of 3,421 kilometres, and the Sete Lagoas electricity substation.

The ACS Group has also been developing equipment and technologies for water purification and desalination since 1983, as 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. The ACS Group had stakes in two desalination plants at 31 December 2014 –one in Spain and one in Algeria– with a capacity of 272,000 m^3/day of water production for human consumption.



ENERGY CONCESSIONAL ASSETS IN SPAIN AT 31 DECEMBER 2014

WIND FARMS	NUMBER OF WIND FARMS	INSTALLED CAPACITY (MW)
WIND FARMS IN OPERATION [1]	18	547.7
WIND FARMS UNDER CONSTRUCTION	-	
SOLAR THERMAL PLANTS	**NUMBER OF PLANTS**	**INSTALLED CAPACITY (MW)**
SOLAR THERMAL PLANTS IN OPERATION [2]	6	299.5
STAKE IN SOLAR THERMAL PLANTS IN OPERATION [3]	2	99.8
SOLAR THERMAL PLANTS UNDER CONSTRUCTION	0	
PHOTOVOLTAIC PLANTS	**NUMBER OF PLANTS**	**INSTALLED CAPACITY (MW)**
PHOTOVOLTAIC PLANTS IN OPERATION	1	3.5
OTHER CONCESSIONAL ASSETS	**NUMBER**	**CAPACITY**
DESALINATION PLANTS	1	72,000 M^3/DAY
WATER TREATMENT PLANTS	30	20,715 M^3/DAY

INTERNATIONAL ENERGY CONCESSIONAL ASSETS AT 31 DECEMBER 2014

WIND FARMS	NUMBER OF WIND FARMS	INSTALLED CAPACITY (MW)
WIND FARMS IN OPERATION [4]	**9**	**230.8**
WIND FARMS IN OPERATION IN MEXICO	1	102.0
WIND FARMS IN OPERATION IN PORTUGAL	8	128.8
WIND FARMS UNDER CONSTRUCTION	**2**	**53.0**
WIND FARMS UNDER CONSTRUCTION IN PERU	1	33.0
WIND FARMS UNDER CONSTRUCTION IN PORTUGAL	1	20.0
SOLAR THERMAL PLANTS	**NUMBER OF PLANTS**	**INSTALLED CAPACITY (MW)**
SOLAR THERMAL UNDER CONSTRUCTION	1	110.0
PHOTOVOLTAIC PLANTS	**NUMBER OF PLANTS**	**INSTALLED CAPACITY (MW)**
PHOTOVOLTAIC PLANTS IN OPERATION	1	10 MW
ELECTRICITY TRANSMISSION ASSETS	**NUMBER**	**KILOMETRES**
TRANSMISSSION LINES	8	3,421
ELECTRICAL SUBSTATION	1	
OTHER CONCESSIONAL ASSETS	**NUMBER**	**CAPACITY**
COMBUSTION CYCLE	1	223 MW
WATER TREATMENT PLANTS	1	1,754,000 M^3/DAY
DESALINATION PLANTS	1	200,000 M^3/DAY

(1) The average stake is 89.6%.
(2) The average stake is 100%.
(3) The average stake is 10%.
(4) The average stake is 85.9%.

INDUSTRIAL SERVICES

THE INDUSTRIAL SERVICES' ORDER BOOK IN 2014 INCREASED BY 8.2% COMPARED TO 2013.

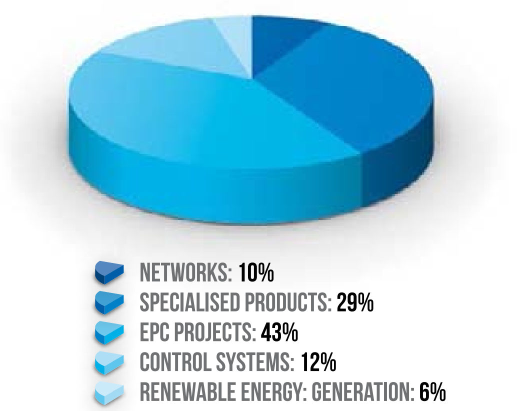
Turnover in the EPC Projects activity was up 1.8% on 2013, mainly due to the evolution of the major contracts awarded in the international market. In the activity of Support Services to Industry, turnover decreased by 11.1%, while sales of Renewable Energy Generation increased by 18.5% over the previous year due to the commissioning of a new thermal solar plant in Spain and the greater contribution from wind farms.

The diversification of the businesses operating in the Industrial Services area enables it to achieve a balanced business mix which is capable of facing changes in situation and retaining its profitability.

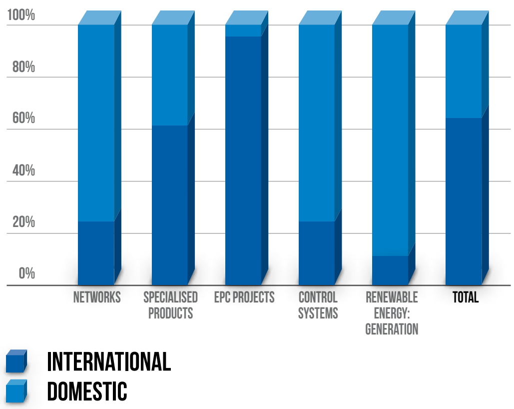
REVENUE BREAKDOWN BY ACTIVITY

MILLION EUROS	2013	2014	% VAR.
SUPPORT SERVICES	3,904	3,471	-11.1%
NETWORKS	647	661	2.2%
SPECIALISED PRODUCTS	2,396	1,965	-18.0%
CONTROL SYSTEMS	862	845	-2.0%
EPC PROJECTS	2,873	2,923	1.8%
RENEWABLE ENERGY: GENERATION	343	406	18.5%
CONSOLIDATION ADJUSTMENTS	(53)	(50)	n.a.
TOTAL	7,067	6,750	-4.5%

REVENUE BREAKDOWN BY ACTIVITY



REVENUE BREAKDOWN BY MARKET



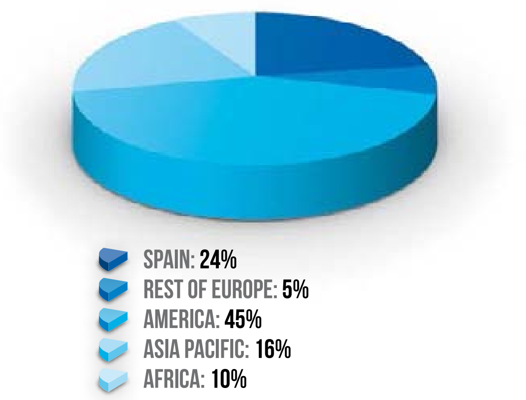
In this way the EPC Projects activity (representing 43% of the total) combines with the Specialised Products activity, (29% of the total) which features technologically complex businesses with higher margins such as Networks, Control Systems and Energy Generation that contribute greater stability and visibility to the Industrial Services area with their recurrence.

The geographic diversification of these activities, supported by the company's technological capacity and experience, especially in EPC Projects and Specialised Products areas, with turnover outside Spain of 92% and 61% respectively contributes greater stability in the case of fluctuations in the domestic market.

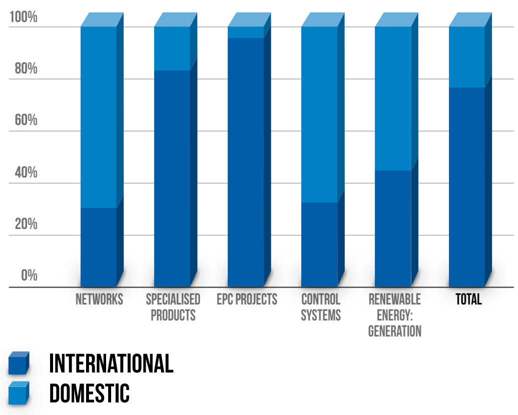
In 2014, the Industrial Services area recorded an **EBITDA** of 902 million euros, representing a 13.4% margin on sales. The **ordinary net profit** during 2014 increased by 0.5% compared to 2013, standing at 420 million euros.

The Industrial Services' **order book** reached 8,021 million euros in 2014, 8.2% higher than that recorded in 2013, driven by the major contracts awarded in the international sphere, especially those related to the field of energy and the development of turnkey industrial plants in Latin America and countries like Saudi Arabia and South Africa. So, in 2014 EPC Project's and Specialised Products' activity represented 77 % of the total order book, with 94% and 83% respectively of their order book projects located abroad.

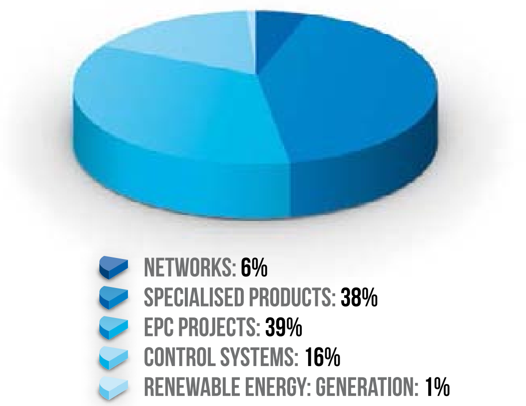
ORDER BOOK BREAKDOWN BY GEOGRAPHICAL AREA



ORDER BOOK BREAKDOWN BY TYPE OF ACTIVITY



ORDER BOOK BREAKDOWN BY TYPE OF ACTIVITY



ORDER BOOK BREAKDOWN BY ACTIVITY

MILLION EUROS	2013	2014	% VAR.
SUPPORT SERVICES	4,508	4,833	7.2%
NETWORKS	474	474	0.1%
SPECIALISED PRODUCTS	2,792	3,071	10.0%
CONTROL SYSTEMS	1,242	1,288	3.7%
ENERGY PROJECTS	2,451	3,097	26.4%
RENEWABLE ENERGY: GENERATION	455	92	-79.8%
TOTAL	7,413	8,021	8.2%

INDUSTRIAL SERVICES

INDUSTRIAL SERVICES ACTIVITY*

MILLION EUROS

REVENUE

	2013	2014
SPAIN	2,739	2,466
REST OF EUROPE	693	482
AMERICA	3,014	3,126
ASIA PACIFIC	210	443
AFRICA	411	234

ORDER BOOK

	2013	2014
SPAIN	2,327	1,937
REST OF EUROPE	597	370
AMERICA	3,310	3,626
ASIA PACIFIC	841	1,247
AFRICA	337	842

2014 REVENUE BREAKDOWN BY COUNTRY

SPAIN	2,466
MEXICO	1,549
SAUDI ARABIA	358
PERU	309
UNITED STATES	294
BRAZIL	245
PORTUGAL	205
UNITED KINGDOM	126
CHILE	117
GUATEMALA	92
ARGENTINA	90
PANAMA	81
OTHERS	819

EPC PROJECTS
SPECIALISED PRODUCTS
CONTROL SYSTEMS
NETWORKS

* Main countries where Industrial Services has reported ongoing projects or new awards.

1 **MADRID**
COMPREHENSIVE AND ENERGY MANAGEMENT OF URBAN INSTALLATIONS IN THE CITY OF MADRID.
AMOUNT 549 MILLION EUROS

2 **MEXICO**
EPC PROJECT FOR THE CONSTRUCTION OF NEW PLANTS (SOUR WATER TREATMENT PLANT AND HYDROGEN PRODUCTION PLANT) AND REBUILDING OF THE MIDDLE DISTILLATES HYDROSULFURATION PLANT AND DIESEL HYDRODESULFURATION PLANT.
AMOUNT 284 MILLION EUROS

3 **MEXICO**
REMODELLING OF THE COMBINED CYCLE THERMAL POWER PLANT IN TULA DE ALLENDE.
AMOUNT 266 MILLION EUROS

4 **BRAZIL**
EPC PROJECT FOR THE CONSTRUCTION OF THE GUAIMBE PHOTOVOLTAIC PLANT WITH AN INSTALLED CAPACITY OF 150 MW IN THE NORTHERN AREA OF SAO PAULO.
AMOUNT 212 MILLION EUROS

5 **BRAZIL**
EPC PROJECT FOR THE CONSTRUCTION OF THE DRACENA PHOTOVOLTAIC PLANT WITH AN INSTALLED CAPACITY OF 120 MW IN THE NORTHERN AREA OF SAO PAULO.
AMOUNT 174 MILLION EUROS

6 **MEXICO**
PROJECT FOR THE REBUILDING OF THE UREA PLANTS AND OTHER ANCILLARY INSTALLATIONS IN THE PAJARITOS INDUSTRIAL COMPLEX IN COATZACOALCOS AND VERACRUZ MUNICIPALITIES.
AMOUNT 173 MILLION EUROS

7 **SAUDI ARABIAN**
CONTRACT FOR THE CONSTRUCTION OF NEW FACILITIES WITHIN THE MA'ADEN PHOSPHATE COMPANY (MPC) COMPLEX FOR STORAGE AND INTERCONNEXION TO THE RAS AL-KHAIR PORT.
AMOUNT 162 MILLION EUROS

8 **MEXICO**
EPC PROJECT FOR THE CONSTRUCTION OF THE HA-LITORAL-A2 QUATER PLATFORM.
AMOUNT 104 MILLION EUROS

9 **GUATEMALA**
DESIGN, SUPPLY AND CONSTRUCTION OF THE RENACE III HIDROELECTRIC PLANT IN ALTA VERAPAZ.
AMOUNT 97 MILLION EUROS

10 **ECUADOR**
WORKS FOR THE REHABILITATION AND IMPROVEMENT OF THE ESMERALDAS OIL REFINERY INCLUDING THE CONSTRUCCION OF OIL -GAS STORAGE TANKS, SOUR WATER TREATMENT PLANT AND REPARATION AND MANTEINANCE OF OIL- GAS SOTRAGE TANKS.
AMOUNT 95 MILLION EUROS

11 **DOMINICAN REPUBLIC**
EPC PROJECT FOR THE DEVELOPMENT OF "LOS COCOS III" WINDFARM IN DOMINICAN REPUBLIC.
AMOUNT 83 MILLION EUROS

12 **PERU**
THERMAL POWER STATION CONSTRUCTION WITH AN INSTALLED CAPACITY OF 182 MW IN THE CERRO VERDE MINE.
AMOUNT 67 MILLION EUROS

13 **PANAMA**
EPC PROJECT FOR THE CONSTRUCTION OF THE PENONOMÉ WINDFARM.
AMOUNT 49 MILLION EUROS

14 **JAPAN**
CONSTRUCTION OF PHOTOVOLTAIC PLANT OF 32 MW, INCLUDING AN EVACUATION LINE OF 8 KM AND ELECTRICAL SUBSTATION IN FUKURODA.
AMOUNT 46 MILLION EUROS

15 **EGYPT**
MECHANICAL EPC CONTRACT FOR SUEZ THERMAL PLANT WITH AN INSTALLED CAPACITY OF 650 MW.
AMOUNT 43 MILLION EUROS

16 **CHILE**
SUPPLY AND MAINTENANCE OF THE COMMUNICATIONS SYSTEM FOR LINES 6 AND 3 OF SANTIAGO DE CHILE SUBWAY NETWORK.
AMOUNT 43 MILLION EUROS

17 **SAUDI ARABIAN**
OPERATION AND MAINTENANCE OF THE TROLLEYBUS OF THE RYHAD UNIVERSITY.
AMOUNT 24 MILLION EUROS

18 **GEORGIA**
WORKS FOR THE IMPROVEMENT OF THE WATER SUPPLY NETWORK OF THE CITIES OF ANAKLIA, KUTAISI AND POTI.
AMOUNT 14 MILLION EUROS

INDUSTRIAL SERVICES

EUROPE

The Industrial Services area registered sales of 2,948 million euros in 2014, representing 44% of the total turnover in the area. The order book totalled 2,307 million euros.

In 2014, the Industrial Services area continues to be a leading company in Spain in the field of applied engineering. This fact, along with strong business diversification, has enabled it to partially offset the cuts in investment, both public and private, even though turnover has been affected by the completion of projects, particularly in the field of renewable energies. Turnover in the domestic market stood at 2,466 million euros, while contracting during the year exceeded 2,000 million euros. During 2014, the Group continued to execute significant projects, such as:

- Comprehensive energy management of the urban installations in the city of Madrid, under the concession modality, as well as integration and operation of the control centres that manage the installations (mobility, lighting, tunnels, etc.).
- Project for the construction and subsequent maintenance of the electrification installations (catenary and substations) for the high-speed railway line in the Olmedo-Zamora-Pedralba stretch.
- Contract for the design, installation, and subsequent maintenance of the safety systems of the Madrid underground.
- Works for the enlargement of the drinking water processing station in Lérez (Pontevedra).
- Project for the adaptation of the BBVA data processing centre no. 1 in Madrid.
- Contract for installation and maintenance of telephone, broadband services, voice and television networks for Movistar in various Spanish provinces.
- Contract for metre reading for the company ENDESA in the regions of Catalonia, the Balearics, Andalusia, and the Canary Islands.

In 2014, the Industrial Services area continues to be a leading company in Spain in the field of applied engineering with a turnover of 2,466 million euros.

In the rest of Europe, ACS Group's Industrial Services area is present in major European countries such as Portugal, the United Kingdom, France, Italy, Ireland, Poland and some Eastern countries, developing power generation projects as well as projects related to control systems and other specialised installations. Sales in this area represent 7% of the total turnover with billing of 482 million in 2014, while the order book for the rest of Europe stood at 370 million euros, accounting for 5% of the total order book.

Some of the main projects carried out in this region in 2014 are the following:

- Construction of a photovoltaic plant with 49.9 MW of installed capacity in West Raynham (United Kingdom).

- Works for the improvement of the water distribution network in the towns of Anaklia, Kutaisi and Poti in Georgia.

- Assembly of the heat recovery boiler at the Mittelsbüren combined cycle plant in Bremen (Germany).

- Implementation of 46 km of drinking water pipes, construction of four tanks, three pumping stations, and two chlorination plants in Mures (Romania).

- Assembly of a process steam generation boiler (142tph) and power assembly in the BASF chemical plant in Antwerp, Belgium.

- Control and security system installations in the tunnel under the Vistula river (Poland).

- Construction and commissioning of the Great Island combined cycle plant in Ireland, with an installed capacity of 450 MW. This contract was made in a joint venture with Dragados.

INDUSTRIAL SERVICES

COMPREHENSIVE AND ENERGY MANAGEMENT OF URBAN INSTALLATIONS IN THE CITY OF MADRID (LOTS 1 AND 2)

CLIENT
Madrid City Council.

PROJECT EXECUTION DATES
2014-2022.

LOCATION
Madrid (Spain).

PROJECT TYPE
EPC projects.

TOTAL AMOUNT
645 million euros

COMPANIES INVOLVED IN THE PROJECT
TBA LUZ MADRID
SICE, Imesapi, Etralux, Urbalux and Citelum Ibérica.

FULL PROJECT DESCRIPTION
The Madrid City Council awarded Lots 1 and 2 to the TBA Madrid Centro and the TBA Luz Madrid Oeste, respectively, for the provision of "Comprehensive and energy management of urban installations in the city of Madrid."

The period of execution is 8 years from the date of formalisation of the contract, and is envisaged for a maximum period of two years.

The object of this contract is the management of the public service of comprehensive energy management of the urban installations in the city, under the concession modality.

Lot 1: comprises the central area within the M-30 motorway in the municipality of Madrid, and includes the Centro, Arganzuela, Retiro, Salamanca, Chamartín, Tetuán, Chamberí, Fuencarral –El Pardo (in part) and Moncloa– Aravaca (in part) districts. It includes public lighting and mobility control systems through traffic light installations in the aforementioned territory, as well as all the ventilation, fire prevention, safety, and tunnel surveillance systems all over the city, as well as first response equipment in tunnels.

Lot 2: comprises the west area outside the M-30 motorway, and includes the Fuencarral – El Pardo (partially) and Moncloa –Aravaca (partially), Latina, Carabanchel, Usera and Villaverde districts.

It includes public lighting and mobility control systems through traffic light installations in the aforementioned territory, as well as all the ornamental water installations in the municipality. With this plan, annual consumption of power in Madrid will be reduced by 36%, equal to the annual consumption of electricity of 226,000 homes, which equals savings of 115 million euros during the contract's 8-year term.

The project involves management of all the power-consuming urban installations: traffic lights, ornamental fountains, tunnels and service galleries, etc. Energy improvement will be managed by the same manager.

In 2014 and 2015, 225,000 light points will be renewed, 84,000 new luminaires with LED technology will be installed, and the electronic equipment of a further 124,000 units will be changed. In addition, new consumption-reducing systems will be installed in 194 of the 430 ornamental water installations.

Saving 36% in power also entails preventing the emission of more than 168,000 tonnes of carbon dioxide (CO_2) into the atmosphere. This is the largest lighting project undertaken in the world in terms of number of light points involved.


REGE CAROLO III
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INDUSTRIAL SERVICES

AMERICA

America remained the source area of internationalisation for Industrial Services in 2014, with a revenue of 3,126 million euros, representing 46% of this division's total sales. The total order book in this area amounts to 3,626 million euros, which represents a 9.5% growth with respect to the previous year, thanks to the contracts awarded for projects related to oil and gas, as well as the development of power generation projects, mainly in Latin America.

In Latin America, the ACS group is a reference company in the applied engineering sector, holding a leading position in several of the most significant countries, such as Mexico and Peru. Turnover in this area exceeded 2,800 million euros and the order book in this area stood at 3,480 million, implying a growth of 12.3% on the previous year, primarily due to the awarding of major contracts in the main countries in the area.

In Mexico, activity in 2014 increased by 23.3%, reaching 1,549 million euros, while the order book increased by 4.2% with respect to 2013, reaffirming the group's strong presence in Mexico where it is a leader in the development of engineering projects applied to the oil, gas and electricity sectors. The main awards in Mexico during 2014 include the remodelling of the combined cycle plant comprising two 275 MW units, and the development of power transmission and distribution systems in different points of the country. It also has a stake in the execution of major projects related to oil products, such as the construction and remodelling of operating units in the Miguel Hidalgo Refinery in Tula de Allende, and the construction of the HA-Litoral-A2 offshore living quarters platform. Likewise, there are possibilities for growth in other segments in the industrial area, as evidenced by the award in 2014 of the contract for the renovation of several industrial plants for Pro-Agroindustria.

In the remaining Latin American countries, the Group has a sound presence in countries such as Brazil, Peru, Chile, Argentina, Colombia, Ecuador or Panama, where it is developing projects for electricity generation, hydroelectricity and other renewable energies along

with electricity transmission projects, and projects related to oil products, mobility systems and water networks or treatment. For example, in Brazil, during 2014, two photovoltaic plants, among others, were awarded in the State of Sao Paul, with an installed capacity of 270 MW.

The projects executed in 2014 include:

- Turnkey project for execution of the Parnaiba II combined cycle plant with gross installed capacity of 517 MW, comprising two 168 MW gas turbines, two heat recovery boilers, a 179 MW steam turbine, and the common installations (Brazil).

- Project for retrofitting the Manzanillo I electric power plant (Mexico).

- Execution of detailed engineering, construction and commissioning of the CCR Platforming process unit, auxiliary services and integration into the PEMEX Cangrejera petrochemical complex in Veracruz (Mexico).

- Various construction contracts for the installation of transmission lines and substations for the South Brazil Power Transmission System in the states of Paraná, Santa Catarina, and Rio Grande do Sul (Brazil).

- Project for the development of a 28 MW coal-based power plant in San Pedro de Macoris, Dominican republic.

- Development of the turnkey project for the Tres Hermanas wind farm with installed capacity of 90 MW (Peru).

- Construction of the Larraynaga hydroelectric plant in Jinotega (Nicaragua).

- Works for the engineering, supply, construction, and testing of two oil product storage tanks with capacity for 600,000 barrels at the Coveñas plant (Colombia).

- Maintenance of ENTEL data networks for services to companies in various regions in Chile.

- Turnkey project for the construction of a 70 MW photovoltaic plant in the Atacama desert (Chile).

- Installation and maintenance of broadband, basic line, television, and fibre optic services for Movistar in Argentina.

- Supply and installation of boarding equipment for 3,000 buses, as well as other supplementary services for Consorcio de Transportes Metropolitano in Recife (Brazil).

In the United States, during 2014, projects continued to be developed in the energy field, such as the Tonopah solar thermal plant, and projects related to transport infrastructures, such as works for the Silver Line railway project that will link Dulles International Airport in Washington to Loundoun County, awarded in 2014. The presence of the Industrial Services area is still developing in this market, thus offering great growth prospects. Therefore, the goal is to consolidate the group's position in one of world's major infrastructure markets, particularly in relation to mobility and renewable energy infrastructures. The United States Federal Government's renewable energy policies, particularly solar power, will strongly determine the Group's rate of development in this market.

INDUSTRIAL SERVICES

REMODELLING OF THE COMBINED CYCLE THERMAL POWER PLANT IN TULA DE ALLENDE

CLIENT
Comisión Federal de Electricidad.

PROJECT EXECUTION DATES
2015-2017.

LOCATION
Tula de Allende (Hidalgo, Mexico).

PROJECT TYPE
EPC projects.

AMOUNT
266 million euros.

COMPANIES INVOLVED IN THE PROJECT
Cobra Instalaciones y Servicios, S.A. de C.V.
Avanzia Instalaciones , S.A. de C.V.
Initec Energía, S.A.

FULL PROJECT DESCRIPTION
Renovation and modernisation of combined cycle packages 1 and 2 in the Tula thermal power plant, which comprise two units with 275 MW installed power each, located in the municipality of Tula de Allende in the state of Hidalgo.

The project consists of the replacement of the existing gas turbogeneration units and heat recovery units, as well as the renovation and modernisation of the other equipment and systems that currently constitute the Tula combined cycle plant, thus obtaining increased thermal efficiency, increased unit availability, and an extension of the plant's useful life. Scope includes engineering, supply, construction, testing, commissioning, servicing, procedures, permits, and any other factors required for correct execution of the project.

PROJECT FOR THE DEVELOPMENT OF CLEAN FUELS IN THE ULTRA LOW SULPHUR DIESEL (DUBA) PHASE IN TULA

CLIENT
PEMEX.

PROJECT EXECUTION DATES
2014-2017.

LOCATION
Inside the Miguel Hidalgo Refinery, in Tula, Hidalgo, Mexico.

PROJECT TYPE
EPC projects.

AMOUNT
284 million euros.

COMPANIES INVOLVED IN THE PROJECT
Cobra Instalaciones México, S.A. de C.V.
Cobra Instalaciones y Servicios, S.A.
Dragados Industrial, S.A.
Dragados Offshore, S.A.
Dragados Offshore de México, S.A. de C.V.
Intecsa Ingeniería Industrial, S.A.

FULL PROJECT DESCRIPTION
Execution of the works, which are part of the package known as clean fuels in their Ultra Low Sulphur Diesel phase. The project includes the development of four new plants and the modernisation of a further five plants.

The works, which will be carried out through the subsidiaries Cobra, Dragados, and its offshore investee, consist of the engineering, construction, and commissioning of various units. They include several regeneration units, a bitter water processing plant, and a hydrogen production plant, as well as the modernisation of the five main diesel hydrodesulphuration plants.

The project also includes the auxiliary integration services required for these new plants, such as the modernisation of the hydrodesulphuration plants, and the adaptation of the sites in the Miguel Hidalgo Refinery in Tula de Allende, Hidalgo.

INDUSTRIAL SERVICES

ETEN SIMPLE CYCLE THERMAL PLANT

CLIENT
Planta de Reserva Fría de Generación de Etén, S.A.

PROJECT EXECUTION DATES
2011 – 2015.

LOCATION
Eten (Peru).

PROJECT TYPE
EPC projects.

AMOUNT
102 million euros.

COMPANIES INVOLVED IN THE PROJECT
Planta de Reserva Fría de Generación de Etén, S.A., Cobra Infraestructuras Internacional, S.A. and Cobra Instalaciones y Servicios, S.A.

FULL PROJECT DESCRIPTION
The project consists in the installation of a gas turbine for power generation, for net total capacity exceeding 200 MW to be exported to the SEIN electricity network, using a B5 diesel turbine for outdoor operation, fuel storage and distribution systems, and water processing system for the process, as well as the basic structures required for the development and correct operation of the power plant.

The outdoor heavy-duty dual gas turbine will be cutting-edge and high-efficiency, and will have a ground-breaking combustion system, making it possible to achieve low NOx and CO emissions. The turbine generator will supply power to the exterior network through a number of isolated phase bars and a step-up transformer.

The cycle turbogenerator will receive a B5 diesel supply exclusively in the initial phase, although there is the possibility of using natural gas as fuel in the future. To this end, the gas turbine as well as the plant will provide the space required for installation of the regulation and measurement station, as well as the auxiliary gas turbine systems for pre-treatment of natural gas.

Both diesel and water will be supplied to the plant in tankers, so the installation of a tanker unloading system for each one will be required. The turbine will be equipped with a combustion system with reduced NOx emissions based on the injection of demineralised water.

ASIA PACIFIC AND AFRICA

In 2014 the Asia-Pacific, Middle East and Africa region has experienced the largest growth in the Industrial Services area. Sales stand at 677 million euros, up 9% on the previous year. The order book reached 2,089 million euros, an increase greater than 77% with respect to 2013, thanks to the award of major projects in the area, both in countries in which the group has a consolidated presence and in Saudi Arabia, where a new project for the installations of a phosphate mine has been awarded. Projects were also awarded in new regions, such as the construction of two photovoltaic plants in Japan.

In 2014, the contracts awarded in previous years continued to be developed, including:

- Development of the turnkey contract for the construction of the Ilanga thermal solar plant, with installed capacity of 100 MW (South Africa).
- Contract for the engineering, supply, and construction of a fertiliser plant, more specifically, diammonium phosphate (DAP), producing 1.5 million tonnes per year, in the industrial city of Ras al Khair (Saudi Arabia).
- Turnkey contract for the implementation of the "Ibn Sina" plastics plant in Saudi Arabia, with production capacity of 50,000 tonnes of polyoxymethylene. The scope of the work includes the engineering of details, purchase management, and construction of a polyoxymethylene (POM) plant, as well as the auxiliary and offsite services.
- Supply of logistics materials and equipment to strengthen the healthcare and hospital network in more than 70 locations in the Republic of Angola.
- Turnkey contract for the installation of the entire naturally originated radioactive material (NORM) management, processing, and storage during well drilling operations in oil and gas prospecting by the Dhabi National Oil Company's (ADNOC) subsidiaries in the United Arab Emirates.
- Extension of the drinking water systems in the towns of Bangangté, Bana, Bafang, Bangou, Bansoa, and Foumban in Cameroon.
- Demolition of a waste water purification plant and construction of a new one in Sauel (Tunisia).

In short, Africa, Asia-Pacific and the Middle East represent significant expansion opportunities for the Industrial Services area, given its investment needs in energy and mobility infrastructures in countries such as India, South Africa, Australia, United Arab Emirates and Saudi Arabia.

INDUSTRIAL SERVICES

32 MW FUKURODA PHOTOVOLTAIC PLANT

CLIENT
Gestamp Solar Japón.

PROJECT TYPE
EPC projects.

PROJECT EXECUTION DATES
2014-2015.

AMOUNT
46 million euros.

LOCATION
Japan.

COMPANIES INVOLVED IN THE PROJECT
MAETEL.

FULL PROJECT DESCRIPTION
In June 2014, Maetel signed with its client Gestamp Solar Japón the contract for the execution of the turnkey project for the Fukuroda photovoltaic plant with installed capacity of 32 MW, as well as execution of the high-voltage evacuation underground line, and substations for elevation and interconnection with the Japanese power network. Once the plant is complete, it will be operated and maintained for 3 years.

The plant is located on a former golf course, in the Ibaraki district (Japan), and is designed for the local seismic conditions, as well as for wind conditions in the country, which is in the path of typhoons.

The photovoltaic plant comprises 126,400 modules installed on a fixed structure.

The supporting structure of the photovoltaic modules is anchored to the ground by means of special screws.

The photovoltaic plant will generate an annual 34 Gwh on average, sufficient power for 11,000 homes. During its useful design life, the plant will produce 846 million kwh, preventing the emission of more than 263,000 tonnes of CO_2 into the atmosphere.

VARIOUS ELECTRICAL SYSTEMS INSTALLATION PROJECTS FOR INDIA'S RAILWAY

CLIENT
Rail Vikas Nigam Ltd (RVNL) and Core.

PROJECT TYPE
Specialised installations.

PROJECT EXECUTION DATES
2013 - 2018.

AMOUNT
69 million euros.

LOCATION
India.

COMPANIES INVOLVED IN THE PROJECT
Cobra.

FULL PROJECT DESCRIPTION
ACS, through its engineering subsidiary Cobra, was awarded in 2013 and 2014 various projects for the installation of railway systems in India.

These projects consist of the design, supply, installation, and commissioning of the flexible air catenary, electrification, signalling, and traffic control systems, and associated works for the installation of the railway network power systems between Amla–Chhindwara, Raipur-Khariar, Khariar-Titlagarh, Bina-Kota, Anikpur-Satna, Satna-Jabalpur, and Jharsuguda-Dungripali.

In these projects, Cobra will carry out the electrification of a total of 1,935 km of railway, the construction of 13 power substations for power supply, 59 switching stations, and the installation of Supervisory Control And Data Acquisition (SCADA) systems.

ENVIRONMENT

THE ENVIRONMENT AREA OF THE ACS GROUP CARRIES OUT THE ACTIVITIES OF ENVIRONMENTAL SERVICES, FACILITY MANAGEMENT AND LOGISTICS SERVICES.

ENVIRONMENT

ENVIRONMENT

urbaser Clece

In the **Environment area**, the ACS Group carries out its **Environmental Services** mainly through Urbaser, its **Facility Management** through Clece, and its **Logistics Services** through Sintax.

The **Environment Services** activity is divided into two main areas, **Urban Services and Waste Treatment**.

The **Urban Services** area focuses on urban solid waste collection and cleaning services (including selective collection programs, beach cleaning and office cleaning), landscaping, collecting and processing construction and demolition waste and integral water cycle management.

Urbaser covers the entire value chain in the provision of **Waste Treatment** services, from the design, development and implementation of the project to the construction, financing and operation of plants for sorting, processing and recycling waste, biomethanization, energy recovery, landfills and landfill degasification, in addition to generating power from materially unrecoverable waste. In this field, Urbaser is a world leader with numerous facilities in different countries, and the treatment of industrial, hazardous and household waste.

Urbaser's extensive 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. In the coming years, it will continue to target development in the United States and Canada. Urbaser has an in-depth understanding of the different processes applicable for the correct management of waste, applying in each case the best available technology, with industrially proven processes designed to recover waste optimally, always within an environmentally sustainable framework.

The **Facility Management** activities include the services required for optimum operation of properties for public or private use (maintenance of installations, cleaning, and auxiliary services), activities related to the green market (gardening, reforestation, environmental recovery, educational activities, environmental disclosure, and development of natural heritage sites), care for social groups with a dependent status, airport services, as well as new activities with a strong future like social restoration and energy efficiency.

MAIN FIGURES

Revenue in the Environment area in 2014 stood at 2,388 million euros, amounting to 31.3% growth. In this respect, it needs to be borne in mind that all the 2014 operating figures have been affected by the consolidation through global integration of Clece from 1 July 2014.

Spain remains the primary market in the Environment area, representing 74% of total sales in 2014, driven by the consolidation of Clece's global integration in the second half of the year. Most of its activity takes place in the domestic market. Internationally, sales in the area were affected by exchange rate evolution, particularly in Latin America, with a 3.6% decline in activity outside of Spain. In comparative terms, that is, without considering the exchange rate impact or Clece's consolidation, sales in international markets grew by 7% with respect to 2013, thanks to the increasing consolidation of these activities and the major contracts awarded in previous years in countries such as France and the United Kingdom, as well as Chile, Argentina, and Venezuela.

ENVIRONMENT

ENVIRONMENT

MILLION EUROS	2013	2014*	% VAR.
REVENUE	1,781	2,338	31.3%
EBITDA	275	291	5.7%
MARGIN	15.4%	12.4%	
EBIT	123	135	9.4%
MARGIN	6.0%	5.8%	
OPERATING PROFIT	58	72	24.4%
MARGIN	3.2%	3.1%	
ORDER BOOK	8,443	10,164	20.4%
MONTHS	57	41	
NUMBER OF EMPLOYEES	28,545	94,581	

* Clece's consolidation by global integration since 1 July 2014.

The Environment area groups its activities into Waste Treatment, Urban Services, Facility Management, and Logistics.

The revenue of the **waste treatment** services stood at 523 million euros, representing 22% of the Environment activity in 2014.

In 2014, **Urban Services** revenue reached 1,031 million euros, implying a decrease of 7.8% compared to 2013, and accounting for 44% of total activity.

The Logistics area covers the remaining multimodal transport assets. This activity had a turnover of 134 million euros in 2014.

The **Facility Management** activities performed through Clece reached 650 million euros in 2014, including sales in the second half of the year only.

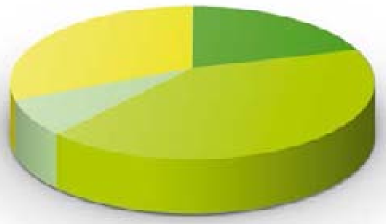
EBITDA of the Environment area grew by 5.7% with respect to last year, standing at 291 million euros in 2014, with a margin over sales of 12.4%. This decrease in the margin on sales with respect to 2013 is due to the change in the business mix resulting from the inclusion of the Facility Management business, which, like Urban Services, includes intense activities in terms of labour, although they are based on medium- and long-term recurring contracts, so they enhance visibility by generating income and sustained returns. Meanwhile Waste Treatment activities are mainly capital-intensive of the concession type with higher returns.

In 2014, the **net profit** in the Environment area was 72 million euros, 24.4% higher than 2013.

The ACS Group Environment area's **order book** stood at 10,164 million euros in 2014, 20.4% more than 2013, equal to 41 months of production. This growth comes from the domestic market, which increased by 40% due to the inclusion of the Clece order book.

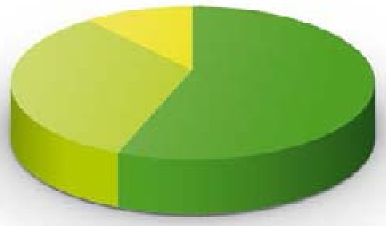
In international markets the order book stands at 871 million euros, 1.9% less than 2013, representing 75 months of activity arising from the award of major contracts in international markets, mainly in the field of Waste Treatment and Urban Services in the United Kingdom, Mexico and Argentina in recent years. By type of activity, the Waste Treatment area represents 60% of the total portfolio, while Urban Services represents 23% and Facility Management represents 17%.

TURNOVER BREAKDOWN BY TYPE OF ACTIVITY



- WASTE TREATMENT: **22%**
- URBAN SERVICES: **44%**
- LOGISTICS: **6%**
- FACILITY MANAGEMENT: **28%**

ORDER BOOK BREAKDOWN BY TYPE OF ACTIVITY



- WASTE TREATMENT: **60%**
- URBAN SERVICES: **23%**
- FACILITY MANAGEMENT: **17%**

ENVIRONMENT

MILLION EUROS	2013	2014*	% VAR.
SALES	1,781	2,338	31.3%
WASTE TREATMENT	533	523	-1.9%
URBAN SERVICES	1,118	1,031	-7.8%
LOGISTICS	130	134	2.4%
FACILITY MANAGEMENT	0	650	n.a.

ENVIRONMENT

MILLION EUROS	2013	2014*	% VAR.
ORDER BOOK	8,443	10,164	20.4%
WASTE TREATMENT	5,868	6,072	3.5%
URBAN SERVICES	2,575	2,384	-7.4%
FACILITY MANAGEMENT	0	1,708	n.a.

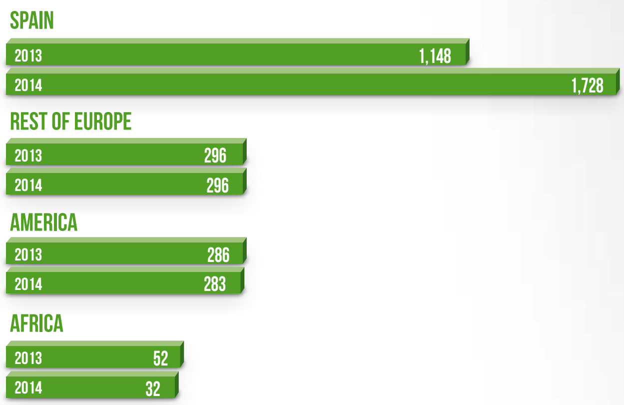
* Clece's consolidation by global integration since 1 July 2014.

ENVIRONMENT

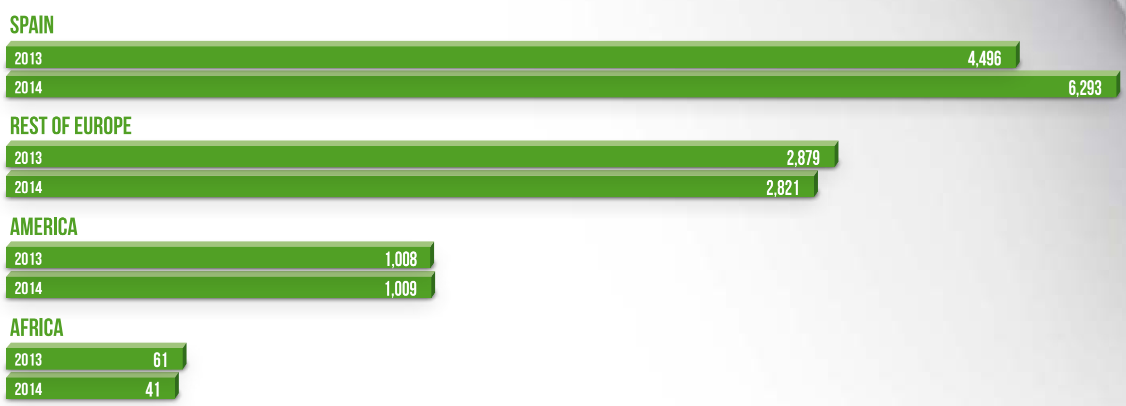
ENVIRONMENT ACTIVITY*

MILLION EUROS

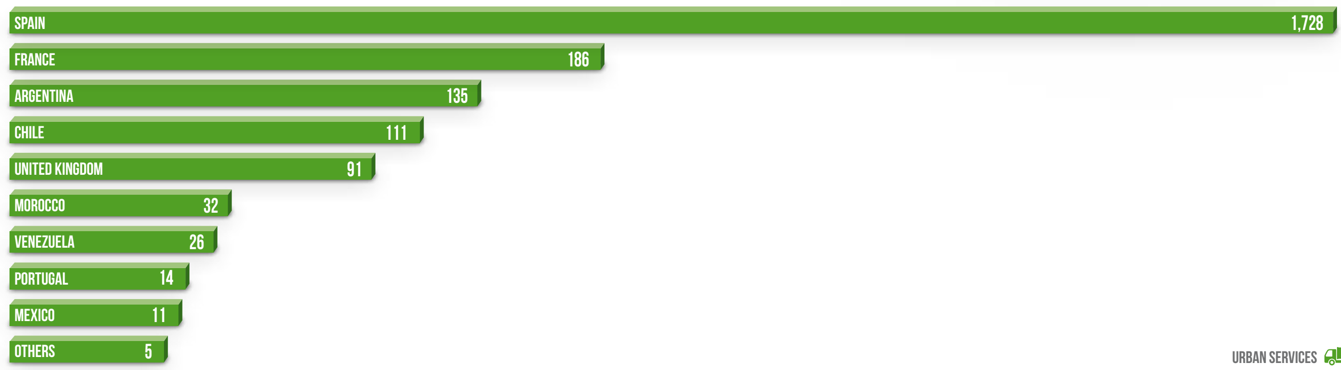
REVENUE



ORDER BOOK



REVENUE BREAKDOWN BY COUNTRY



URBAN SERVICES
WASTE TREATMENT
FACILITY MANAGEMENT

* Main countiries where the Evironment Area has reported ongoing projects or new awards.

1 **BARCELONA, SPAIN**
EXTENSION OF THE STREET CLEANING AND URBAN WASTE COLLECTION CONTRACT FOR THE EASTERN AREA OF BARCELONA (SPAIN).
AMOUNT 99 MILLION EUROS

2 **LANZAROTE, SPAIN**
CONTRACT FOR THE MANAGEMENT OF THE WASTE TREATMENT IN THE ZONZAMAS PLANT (LANZAROTE, SPAIN).
AMOUNT 71 MILLION EUROS

3 **MADRID, SPAIN**
CONTRACT FOR THE PUBLIC CLEANING SERVICES IN MADRID (SPAIN).
AMOUNT 56 MILLION EUROS

4 **LANZAROTE, SPAIN**
CONTRACT FOR STREET CLEANING AND URBAN WASTE COLLECTION IN THE MUNICIPALITY OF ARRECIFE (LANZAROTE, SPAIN).
AMOUNT 54 MILLION EUROS

5 **ZARAGOZA, SPAIN**
EXTENSION OF THE CONTRACT FOR THE MANAGEMENT OF THE URBAN WASTE TREATMENT PLANT IN ZARAGOZA (SPAIN).
AMOUNT 43 MILLION EUROS

6 **MADRID, SPAIN**
CONTRACT FOR HOME CARE SERVICES IN THE CITY OF MADRID (SPAIN).
AMOUNT 41 MILLION EUROS

7 **HAMPSHIRE, UNITED KINGDOM**
CONTRACT FOR HOME CARE SERVICES FOR THE HAMPSHIRE COUNTY (UNITED KINGDOM).
AMOUNT 37 MILLION EUROS

8 **LOGROÑO, SPAIN**
MANAGEMENT OF A SENIOR RESIDENTIAL HOME IN LOGROÑO (SPAIN).
AMOUNT 35 MILLION EUROS

9 **MADRID, SPAIN**
CONTRACT FOR THE SOLID URBAN WASTE COLLECTION IN SURROUNDING AREA OF MADRID CITY (SPAIN).
AMOUNT 32 MILLION EUROS

10 **SEVILLA, SPAIN**
MANAGEMENT OF HOME CARE SERVICES IN THE CITY OF MADRID (SPAIN).
AMOUNT 30 MILLION EUROS

11 **VALENCIA, SPAIN**
EXTENSION OF THE CLEANING CONTRACT FOR CENTERS RUN BY THE REGIONAL MINISTRY OF EDUCATION OF THE GENERALITAT VALENCIANA (SPAIN).
AMOUNT 27 MILLION EUROS

12 **ARGENTINA**
CONTRACT FOR THE SOLID URBAN WASTE COLLECTION AND STREET CLEANING SERVICES IN THE MUNICIPALITY OF LO BARNECHEA (ARGENTINA).
AMOUNT 27 MILLION EUROS

13 **GIRONA, SPAIN**
URBAN WASTE COLLECTION, STREET AND BEACH CLEANING SERVICES IN TORROELLA DE MONTGRI (GIRONA, SPAIN).
AMOUNT 24 MILLION EUROS

14 **CORONEL, CHILE**
STREET CLEANING AND WASTE COLLECTION IN THE MUNICIPALITY OF CORONEL (CHILE).
AMOUNT 15 MILLION EUROS

ENVIRONMENT

ACTIVITIES IN 2014

SPAIN

In Spain, Urbaser has developed and manages the following **facilities for the treatment, recovery and disposal of urban solid waste** in the **Waste Treatment and Urban Services area:**

- 36 Plants for the pre-treatment of urban solid waste, with capacity to treat 6,585,077 tonnes.
- 4 Energy recovery plants, with capacity to treat 1,163,000 tonnes and an installed electrical power of 101.35 MW.
- 14 plants for biomethanization of organic fractions, with capacity to treat 889,230 tonnes, an installed capacity of 37.54 MW and an average annual production of 88.95 Hm^3 biogas.
- 41 Composting plants with capacity to treat 2,358,733 tonnes.
- 71 Transfer plant installations with capacity to transfer 3,256,156 tonnes.
- 34 Packaging treatment facilities, with capacity to treat 380,261 tonnes.
- 37 Controlled landfills, with an annual theoretical dumping capacity of 5,214,997 tonnes.
- 11 landfill degasification installations with an average annual production of 143,88 Hm^3 of biogas, and an installed capacity of 39.75 MW.

Urbaser consolidated itself in the waste treatment sector, increasing the quantity of recyclable products recovered in the plants, as well as achieving better yield in biogas production from anaerobic digestion of organic fractions from urban solid waste, an activity in which Urbaser is a world leader.

Another highlight in 2014 was the award of the construction of the Zonzamas Environmental Complex on the island of Lanzarote, and of its operation for 15 years, for a total contract amount of 71 million euros. Operation of the Meruelo landfill for 8 years was also awarded for 5 million euros.

Furthermore in 2014 works for the sealing of the San Fernando de Henares industrial waste landfill, the sealing of the Arico landfill in

Tenerife, the sealing of the Zaragoza landfill, as well as the sealing of the landfill and preparation of the new dumping cell in Ibiza were completed.

Furthermore, it launched the automation for the Valsequillo packaging plant in Antequera (Malaga), which now has facilities with capacity to treat 10,000 tonnes per year of selectively collected packaging; and the update of the urban waste and light packaging treatment plant in the Camipiña 2000 Environmental Complex located in Marchena (Sevilla), which has a treatment capacity of 80,000 tonnes of waste per year.

As part of the group's policy of strengthening its position as a leader in the domestic market of urban solid waste treatment, Urbaser has increased its stake in the following companies:

- Ecoparc de Barcelona, S.A., an urban solid waste treatment concessionaire in Barcelona's southern metropolitan area, with a treatment capacity of 85,000 tonnes of organic fraction and 180,000 tonnes of other fraction per year.
- TIRSSA, a concessionaire of the Viladecans transfer plant, where more than 300,000 tonnes of waste are transferred from the Barcelona metropolitan area, which is also the major shareholder in Ecoparc del Besós, S.A.
- Ecoparc del Besós S.A., an urban solid waste treatment concessionaire in the northeast of Barcelona's metropolitan area, with a treatment capacity of 80,000 tonnes of organic fraction, 180,000 tonnes of other fraction, and 20,000 tonnes of packaging per year.
- TIRME, S.A., a municipal waste treatment concessionaire on the island of Majorca, which has cutting-edge facilities, including an energy recovery plant adapted to treat the different municipal waste produced on the island that treats about 700,000 tonnes per year. TIRME is in turn the largest shareholder in MAC INSULAR S.A.
- MAC INSULAR S.A., a construction and demolition waste treatment concessionaire, with facilities for voluminous waste, and tyres in Majorca.

ENVIRONMENT

Urbaser places great emphasis on its R&D+i policy with the objective of distinguishing itself through the technological level of its solutions, as well as supporting our client's urban sustainability. In this sense, Urbaser has invested heavily in the creation of the ground-breaking "Alfonso Maíllo" Technological Innovation Centre for waste treatment in Spain that was certified by AENOR in 2013 under standard UNE 166.002 for R&D+i Management, where the group has its laboratory to study the implementation of the latest technologies.

Activity in the **construction and demolition waste sector** continues to be influenced by the current economic environment in the construction sector, even though the five facilities Urbaser manages in Madrid started to improve slightly in the last quarter of 2014.

The **integral management of industrial wastes** area, through the company Sertego, has an operational and logistics network consisting of 14 laboratories, 34 transfer centres and 20 treatment facilities, a dedicated fleet of 268 vehicles and 320 collaborating agents, enabling it to handle around 711,000 tonnes of waste per year. Its main features include four plants for regenerating waste oils to obtain base oil from which to manufacture new lubricating oils, fuel production from Marpol residue from ships and the recovery and treatment of packaging and other industrial waste, allowing around 110,000 tonnes of managed waste to be recovered. Furthermore, for waste that cannot be recovered, Sertego has six landfills for hazardous and non-hazardous industrial waste, and has started activity in the thermal biomass sector.

In **urban solid waste collection activity** in 2014, over 5,000,000 tonnes of waste were collected in cities such as Madrid, Barcelona, Buenos Aires, and Santiago de Chile, among others.

The **street cleaning** activity has been awarded the urgent cleaning service in Madrid, amounting to 56 million euros, the street cleaning and collection service in Arrefice, Lanzarote, with a turnover of 54 million euros, and the collection, road/beach cleaning contract in Toroella de Montgrí for 24 million euros.

In **management of green spaces**, covering both landscaping and the maintenance of these areas, Urbaser provided services for over 50,000,000 square metres. In this area, it is worth noting the award of the service contract for the comprehensive maintenance of the gardens, parks and green zones of Fuenlabrada for 8 million euros, green area maintenance in San Fernando de Henares, in Madrid, for 4 million euros.

Socamex, the company that oversees the **integral water cycle**, manages the following facilities:

- 207 Industrial water purifying stations for 1,337,369 cubic metres per day for the equivalent of 5,922,619 inhabitants.

- 19 Sewage operations for the equivalent of 1,385,000 inhabitants.

- 15 Water supply facilities for 312,834 cubic metres per day for the equivalent of 505,319 inhabitants.

- 10 Drinking water treatment plants at 287,694 cubic metres per day for the equivalent of 421,819 inhabitants.

- 7 analysis and control laboratories for the equivalent of 1,659,605 inhabitants and certified under UNE EN ISO 9001.

- A central laboratory certified under UNE EN ISO 9001 and 14001 and accredited by UNE EN ISO 17025 for potable water, waste water and sludge. This laboratory is accredited as a collaborating body of the water authority.

- 4,490 kilometres of sewer systems managed under the various contracts.

- 24 self-filling cistern trucks for industrial cleaning, cleaning of drainage, and transportation of hazardous waste to third parties.

ENVIRONMENT

The activity related to the integral water cycle at European level faces the challenge of making the services more sustainable, primarily by optimizing the management and energy efficiency of each of the processes. On the legislative front, the need is maturing to increase the quality requirements for the use of sewage sludge in agriculture, in order to guarantee proper sanitation prior to application. Urbaser has in-house technology and patents in the field of energy use and the treatment of sludge that have kept up with the evolution of the market.

Nationally, the need for implementing and upgrading the water infrastructure, and therefore the sector is progressing towards the creation of a sustainable technical-economic model, bringing together public and private participation. Furthermore, Socamex develops many R+D+I projects, whose results are applied to its activities and designs, thus improving their competitiveness. The lines of action in the field of R+D+I include recovery of energy from waste water through the optimisation of the anaerobic digestion of WWTP sludge.

In the **Facility Management** area, Clece, which specialises in staff management and resource optimisation, has an extensive portfolio of activities, which can be divided into three main areas: Social Services, Integrated Services, and Environmental Services.

The **Social Services** area specialises in the provision of social services in close partnership with public administrations. The activity has consolidated itself as the company driver, representing more than 30% of the turnover. The following stand out due to their growing demand: the help-at-home service, where Clece serves more than 70,000 people; management of almost 100 nursing homes, day centres, and other social-healthcare centres; and management

of nursery schools. To provide all of these services in the various social spheres, Clece has more than 23,000 professionals with extensive experience. Some of the main 2014 contracts were awarded in these areas, such as the renewal of major contracts like the Sevilla City Council home care services or that of the Valladolid City Council, with 2,700 and 1,463 users, respectively.

Individually, or under the **Integrated Services** modality, Clece is in charge of all kinds of auxiliary services, from cleaning to the maintenance of technical facilities, through security, logistics, and energy efficiency, among others, at all types of properties and facilities (airports, stations, public buildings, hospitals, etc.).

As Clece's original pursuit, cleaning is the activity with the longest history and weight at the company, which is reflected in major contracts in quantitative and qualitative terms, such as the cleaning service contract for the properties and facilities of the Police Department and the Guardia Civil, awarded in 2014, and the hospital platform contract in the province of Almeria, comprising more than 50 healthcare centres.

In this field, maintenance and energy services are also offered, as they are one of the activities with the best growth prospects.

In **Environmental Services**, Clece operates with the Talher brand, which in 2014 celebrated its 35th anniversary, and was also awarded major contracts, such as the Ecoembes (packaging waste management company) educational project in primary and secondary schools; and the management of the Cuenca "Dinosaur Route."

ENVIRONMENT

MANAGEMENT OF THE WASTE TREATMENT SERVICE IN THE ZONZAMAS ENVIRONMENTAL COMPLEX

CLIENT
Excelentísimo Cabildo Insular de Lanzarote.

PROJECT TYPE
Waste Treatment.

PROJECT EXECUTION DATES
2014-2029.

AMOUNT
71 million euros.

LOCATION
Lanzarote (Canary Islands, Spain).

COMPANIES INVOLVED
Tirzonzamas (Tratamiento Integral De Residuos Zonzamas, S.A.). (100% Vertresa).

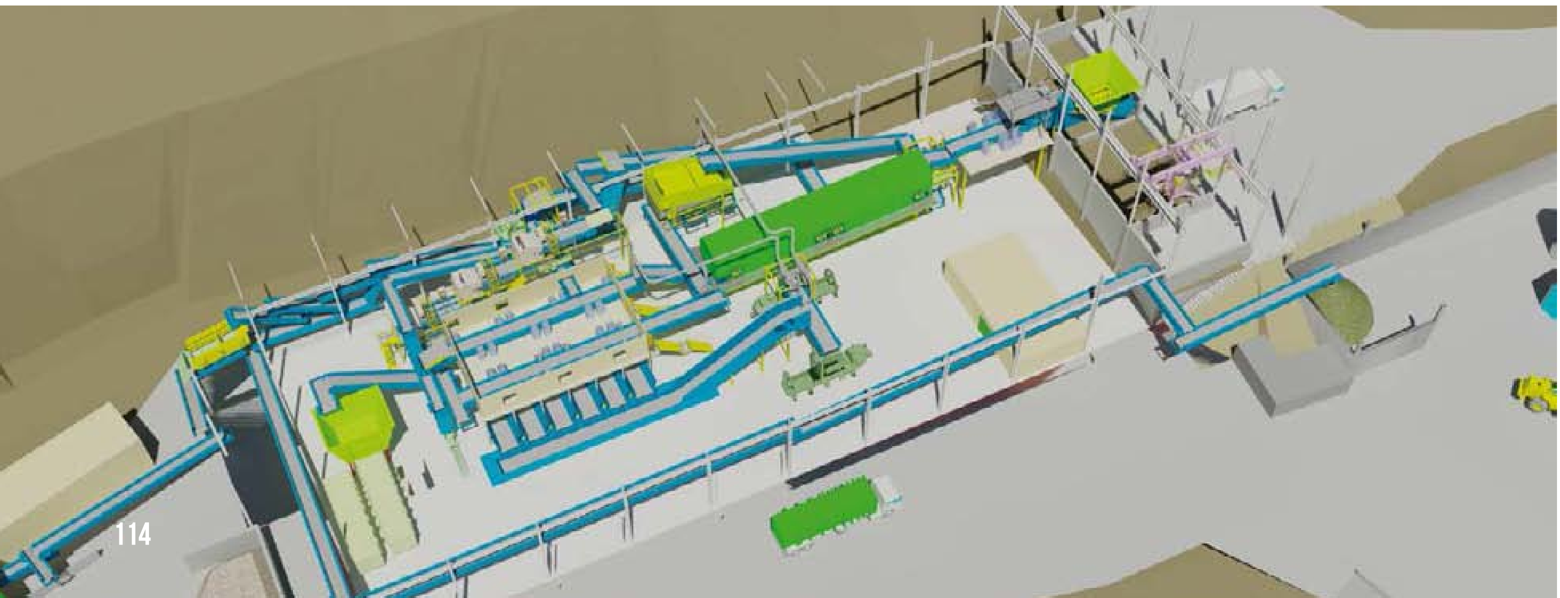
PROJECT DESCRIPTION
In the Zonzamas Environmental Complex, in response to the governing waste management principles, mechanisms are established and collected to maximise the use of waste through the increase of reuse and recycling, the optimisation of the operation and performance of the facilities, and thus a decrease in the percentage of waste targeted for removal. This complex is designed to treat up to 126,000 t/year, and no waste can be sent to landfill that has not been previously treated.

The pre-treatment plant is expected to receive 100,000 t/year of urban solid waste and 900 t/year of packaging waste. The plant has a new automated classification line of 35 t/h of urban solid waste and 4 t/h of packaging.

The biomethanisation plant is designed for 30,000 t/year of organic fraction of total waste, and 6,000 t/year of WWTP sludge, in which various actions will be performed on critical elements that restrict its operation, as well as the improvement of performance through the inclusion of organic matter separated at the pre-treatment plant and the implementation of an organic supply line from the selective collection.

Finally, energy use from biogas, both from landfill degasification and from the biomethanisation through two 1MW cogeneration engines, which in addition to the production of electricity enable use of the cooling water.

The main goal of the actions to be performed is to achieve the 100% self-sufficiency of the complex, providing an environmentally sustainable, reliable, modern, and proven technical solution for waste treatment on the island of Lanzarote.



CLEANING SERVICE FOR THE NATIONAL POLICE AND GUARDIA CIVIL

CLIENT
Ministry of the Interior.

PROJECT TYPE
Facility Management.

EXECUTION DATES
2014-2016.

AMOUNT
158 million euros (extension included).

LOCATION
Spain.

COMPANIES INVOLVED
Clece, S.A.

PROJECT DESCRIPTION
The project includes general and glass cleaning services, floor treatment and DDD in the various areas of the 3,540 properties and facilities held by the Police Department and the Guardia Civil in Spain. Clece has performed these services since 1997, which confirms the high level of loyalty generated in these customers.

The term of the contract, for a value of 113 million euros, is 30 months, which may be extended to one year for an additional 45 million euros. To guarantee optimal execution of the service, Clece has a team of 5,500 professionals and applies various methodologies and techniques, adapting to the hygienic-sanitary needs in each area.

The contract has strengthened Clece's strong presence in the cleaning sector, and its relevance is growing in the field of administration. The concession was made through a public tender by the State Secretariat for Security in the Ministry of the Interior for the centralised contracting of these services. Other institutions, such as the Ministry of Defence, have also entrusted Clece with the overall cleaning of their premises in a unified manner.

ENVIRONMENT

THE REST OF EUROPE, AMERICA AND NORTH AFRICA

In the international field, the main Waste Treatment and Urban Services activities where Urbaser has focused its efforts include tendering for contracts in the United Kingdom, France, Latin America, the United States and Canada. It is also starting to explore contracts in Asia.

Urbaser has developed and manages the following **facilities for the treatment, recovery and disposal of urban solid waste:**

- 8 Plants for the pre-treatment of urban solid waste, with the capacity to treat 1,643,400 tonnes.
- 4 Energy recovery plants, where 935,000 tonnes were treated, with an installed electrical power of 90.90 MW.
- 6 plants for biomethanization of organic fractions, with the capacity to treat 511,973 tonnes, an installed capacity of 21,48 MW and an average annual production of 58.49 Hm^3 biogas.
- 9 Composting plants, with the capacity to treat 780,661 tonnes.
- 11 Transfer plant installations with the capacity to treat 2,710,400 tonnes.
- 3 Packaging treatment facilities with the capacity to treat 150,000 tonnes.
- 24 Controlled landfills, with an annual theoretical dumping capacity of 4,493,802 tonnes.
- 3 landfill degasification installations with an average annual production of 110.07 Hm^3 of biogas, and an installed capacity of 28.37 MW.

In 2014, Urbaser completed the construction of the Essex biostabilisation plant, in the United Kingdom. This facility has a treatment capacity of 417,000 tonnes of waste per year through the pre-treatment processes for the recovery of recyclable waste, maturation through a bucket wheel, refining and treatment of effluents. In addition, in 2014 construction began on the Herefordshire and Worcestershire energy recovery plant, with the capacity to recover energy from 190,000 tonnes of waste. These two facilities, together with the Gloucestershire energy recovery plant, whose construction will likely begin next year, reflect Urbaser's success and consolidation in the British market.

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 2014 Urbaser continued operation of the biogas plant in Calais, overseeing the anaerobic digestion of 25,000 tons of solid waste per year, as well as management of the integrated municipal solid waste plant in Marseille which began commercial operation in 2010. In 2014, it started the commissioning of the biomethanisation plant in Bayonne, which incorporates pre-treatment, biomethanisation and composting processes for 85,000 tonnes per year of urban solid waste, 20,000 tons per year of bulk waste, 6,500 tons per year of green waste and classification of 15,000 tons of packaging per year. This contract includes the operation of the facility for a period of 6 years and its overall turnover amounts to 98 million euros.

In 2015, Urbaser, together with its Portuguese investee SUMA, S.A., was awarded the contract for the reprivatisation of Empresa Geral de Fomento, S.A. This company is the majority shareholder in eleven intermunicipal systems that have been the concessionaires for 20 years, managing packaging waste and treating urban solid waste. It serves more than six million residents, handling more than three million tonnes per year, with annual revenues of 170 million euros.

In Chile, through the company KDM, the capacity of the plant to generate power from biogas in the Loma de los Colorados landfill continues to increase. The plant currently has an installed capacity of 22.8 MW. In the industrial waste area, KDM has become a reference in comprehensive management of the waste produced by mining companies.

In Morocco, the company SERTEGO was awarded the contract to manage the marpol waste of the ships in Tangiers harbour.

ENVIRONMENT

Regarding **Urban Services** activity, Urbaser has been awarded a contract in France to provide collection of urban waste in the city of Paris for 30 million euros, and collection of urban waste in Val de Garonne, for 7 million euros. Furthermore, services awarded in previous years continue to be provided, such as the cleaning of the city of Paris, collection of domestic waste in Olonnes, door-to-door collection of domestic and recyclable waste in La Rochelle (Charente-Maritime), domestic waste collection in Boucle de Seine, domestic waste collection in Ville de Joinville le Pont, domestic waste management in the Communauté de Comune Ardene Rives de Meuse, as well as waste collection and road cleaning in Marseilles.

In the United Kingdom, Urbaser continues to provide waste collection services, road cleaning, and beach cleaning in Gosport, serving a population of 80,000 residents. This contract amounts to a billable total of 26 million euros. It also provides cleaning services in Waltham Forest, London, serving a population of 250,000 citizens. This contract amounts to a billable total of 48 million euros.

Noteworthy in urban waste collection is the award in Chile of contracts for the following services: collection and road cleaning in the town of Lo Barneachea, for 27 million euros, collection and road cleaning in the town of Coronel, for 15 million euros, Urban Waste collection in Nanacagua, for 10 million euros, and the contract for road cleaning and sweeping in Santiago de Chile, for 3 million euros.

URBAN WASTE COLLECTION, STREET CLEANING AND MECHANISED BIN COLLECTION IN PARIS (FRANCE)

CLIENT
Ville de París.

EXECUTION DATES
2014-2019.

LOCATION
Paris (France).

PROJECT TYPE
Urban Services.

AMOUNT
30 million euros.

COMPANIES INVOLVED
Urbaser, Urbaser Environnement (20%).

PROJECT DESCRIPTION

This comprises door-to-door collection of domestic waste in the City of Paris. Waste collection takes place in district number 13 of Paris for a 5-year term.

Collection is daily 7 days a week, and includes the provision of the collection equipment. The contract includes the study of the possibility of collection 6 days per week.

The staff assigned to this contract is approximately 80 employees, who, together with the more than 24 motorised collection vehicles, provide the client with a reduction of the noise and CO_2 resulting from the service. The vehicles will comply with the EURO 6 Antipollution Standard that came into force on 1 January 2014, by which the vehicles must be fuelled by Vehicular Natural Gas. The services proposed by Urbaser to the City of Paris enable the client to meet its environmental and financial goals.

MAIN ECONOMIC AND FINANCIAL FIGURES

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

ACS GROUP GOVERNANCE

MAIN ECONOMIC AND FINANCIAL FIGURES

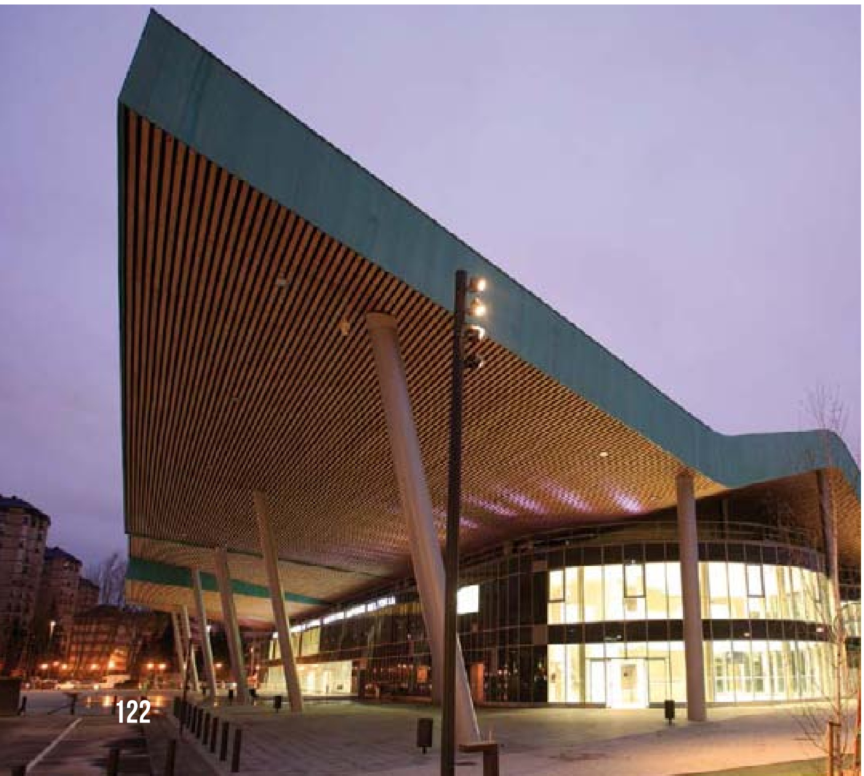
PERFORMANCE OF THE ACS GROUP IN 2014

KEY OPERATING & FINANCIAL FIGURES

Million Euro	2013	2014	Var.
Turnover	35,178	34,881	(0.8%)
Backlog	59,363	63,320	6.7%
Months	19	20	
EBITDA	2,833	2,466	(12.9%)
Margin	8.1%	7.1%	
EBIT	1,640	1,598	(2.6%)
Margin	4.7%	4.6%	
Attributable Net Profit	702	717	2.2%
EPS	2.26 €	2.31 €	2.0%
Cash Flow from Activities	1,086	824	(24.1%)
Net Investments	494	(313)	n.a.
Investments	2,502	2,310	(7.7%)
Disposals	2,008	2,623	30.6%
Total Net Debt *	3,811	3,722	(2.3%)
Businesses Net Debt	3,126	3,129	0.1%
Project Financing	685	593	(13.4%)

NOTE: Data presented in accordance with ACS Group management criterion. The balance sheet, the income statement and the statement of cash flows in 2013 have been restated as a result of the entry into force of IFRS 10, 11 and 12. The main effect is the application of IFRS 11 which has affected the affiliate Leighton. The IFRS establishes the need to conduct an analysis of whether the joint agreement is structured through a separate vehicle and whether it represents a distribution of net profits or a right or obligation to a proportionate part of its assets or liabilities, respectively. The income statement for the sale of the businesses of John Holland and Leighton Services has also been restated, considering them discontinued operations in both years. In addition, Clece was fully consolidated as of 1 July 2014.

* Net debt includes amounts pending collection for the sale of John Holland and Leighton Services in December 2014, listed on the Balance Sheet as at 31/12/2014 under the heading Accounts Receivable.



HIGHLIGHTS

ACS Group sales for the year 2014 amounted to EUR 34,881 million, representing a slight drop of 0.8% compared to 2013 figures. Without taking into account the impact caused by exchange rate fluctuations or variations due to changes in the scope of consolidation other than those that gave rise to the restatement of income therefrom as discontinued operations, sales fell by 1.8%. Activity outside Spain represents 84.0% of sales.

Meanwhile, the backlog at the end of 2014 totalled EUR 63,320 million, reflecting an increase of 6.7% in the last twelve months. The rise in the U.S. dollar and changes in the scope of consolidation in the last few quarters have permitted this positive performance. Without considering these effects the backlog would have decreased in value by 2.9%.

FOREX & PERIMETER CHANGES IMPACT

Million Euro	2013	2014	Var.	Var. Comp.*
Backlog	59,363	63,320	6.7%	(2.9%)
Direct	53,689	56,472	5.2%	(4.1%)
Proportional**	5,674	6,849	20.7%	9.9%
Work Done	37,205	37,088	(0.3%)	(1.2%)
Direct	35,178	34,881	(0.8%)	(1.8%)
Proportional**	2,027	2,207	8.9%	5.2%
EBITDA	2,833	2,466	(12.9%)	(3.9%)
EBIT	1,640	1,598	(2.6%)	3.1%

* Comparable change not including the effects of exchange rate, changes in the scope of consolidation and the FleetCo effect.
** Backlog and production equal to the proportional participation in the joint ventures which the Group has not fully consolidated.

EBITDA for the Group totalled EUR 2,466 million in 2014, representing a decrease of 12.9% compared to the 2013 figure, while EBIT decreased by 2.6% to EUR 1,598 million.

The fall in the EBITDA was affected by changes in the scope of consolidation, the effect of the exchange rate for different currencies and the impact of the start-up of FleetCo, the Leighton company that holds the operational assets associated with its mining services, for which the financial leasing arrangement has been replaced with an operating lease. Without the impact of all these effects, the EBITDA would have decreased by 3.9%. Meanwhile, the EBIT, adjusted for the aforementioned effects, increased by 3.1%. The main causes of this reduction in operating margins were:

- The organisational, operational and backlog restructuring that Hochtief Europe, Flatiron and Leighton are carrying out, which are expected to begin yielding results as of 2015.

- The impact of the drop in mining activity in Leighton, whose contribution margin is substantially greater than any other business.

- The reduction in Industrial Services activity as a consequence of the slow-down in investments in the sector, affected by the marked drop in oil prices over the last three quarters.

Leighton has made a provision to reduce the on-balance sheet operational risk by EUR 458 million. It has also recorded the gains obtained from the sale of John Holland and Leighton Services (EUR 409 million after taxes) as a profit from discontinued operations.

The net profit attributable to the Group totalled EUR 717 million, representing an increase of 2.2%, broken down by area of activity as follows:

NET PROFIT PER AREA OF ACTIVITY

Million Euro	2013	2014	Var.
Net Profit Construction	189	223	18.1%
Net Profit Industrial Services	418	420	0.5%
Net Profit Environment	58	72	24.4%
Net Profit Corporation	37	2	n.a.
Net Profit	702	717	2.2%

MAIN ECONOMIC AND FINANCIAL FIGURES

The net debt at the end of 2012 was EUR 3,722 million, 2.3% lower than in December 2013. This figure includes amounts pending collection for the sales of John Holland and Leighton Services, which amount to EUR 1,108 million and are entered on the balance sheet as Accounts Receivable.

THE FOLLOWING SIGNIFICANT EVENTS OCCURRED DURING 2014:

- On 12 December 2013 the ACS Board of Directors approved the distribution of an interim dividend of EUR 0.446 per share, which was distributed during the month of February 2014 using the flexible dividend system.

  In addition, the General Shareholders' Meeting held on 29 May 2014 approved the distribution of a final dividend of EUR 0.71 per share. This dividend was paid during the month of July by means of the flexible dividend system, whereby 40.89% of ACS shareholders decided to sell their rights to ACS, which represented a total gross amount of EUR 91 million. On 30 July 3,875,019 shares were also issued to shareholders who chose remuneration in shares. The same number of shares was subsequently retired.

- On 31 January 2014 Hochtief, A.G. sold 50% of its share in aurelis Real Estate as part of its non-strategic asset divestment strategy.

- On 10 March 2014 the Australian company Hochtief Australia Holding Ltd (wholly owned by ACS Group member Hochtief, A.G.) announced the launch of a proportional takeover bid of the Australian company Leighton Holdings Ltd. The transaction was completed on 12 May 2014, with the result of an increase in Hochtief A.G.'s share in Leighton to 69.62%. Hochtief, A.G.'s investment in this transaction entailed a disbursement of EUR 617 million.

- On 20 March 2014, ACS, Actividades de Construcción y Servicios, S.A. formalised the renewal of the Euro Commercial Paper (ECP) programme for a maximum amount of EUR 750 million, which has been registered with the Irish Stock Exchange. Through this programme, ACS can issue notes with maturities between 1 and 364 days, thereby facilitating the diversification of the lines of financing on the capital market.

- On 27 March 2014 ACS Actividades Finance 2, B.V. (a Dutch subsidiary wholly owned by ACS, Actividades de Construcción y Servicios, S.A.) issued bonds that are exchangeable for Iberdrola shares for EUR 405.6 million, with a maturity date of 27 March 2019 and a fixed annual nominal interest rate of 1.625%, payable quarterly in arrears.

  On 9 December 2014, ACS announced an offer to pay a cash incentive to all holders of bonds exchangeable for Iberdrola shares maturing in 2018 and 2019, which resulted in the early redemption of EUR 593.8 million, which breaks down into:

  – EUR 170.3 million for the issue of bonds that mature in 2019, with an incentive of EUR 30.7 million; and

  – EUR 423.5 million for bonds issued in October 2013 that mature in 2018, with an incentive of EUR 55.5 million.

  At the end of 2014, ACS Group held a total of 89 million shares in Iberdrola on its balance sheet, maturing in 2018, pledged as security for bonds with a face value of EUR 532 million.

- On 8 May, Urbaser refinanced a syndicated loan for EUR 506 million with 19 national and international banks. The syndicated loan was extended for three more years to November 2017, and the amount was increased to EUR 600 million.

- During 2014 Dragados acquired two companies in the United States, Prince Contracting LLC (Florida) and JF White Contracting (Massachusetts), to boost its operations in North America. In total the two companies had a turnover of EUR 304 million in 2013 and contributed an initial backlog of EUR 525 million.

- In the month of August 2014 the ACS Group closed the acquisition of 25% of Clece S.A. for EUR 121 million with different funds administrated by Mercapital Private Equity, rendering void all previous contracts and agreements signed with them related to Clece. Following this transaction, ACS now holds 100% of Clece's capital with the consequent change to the consolidation method for this company in the Group, changing from the share method to the full consolidation method. The total company value considered was EUR 542 million.

- On 27 August 2014, Iridium reached an overall agreement valued at EUR 175.2 million, which includes the sale of 805 shares in different concession assets such as the Madrid Interchange Stations, Hospital de Majadahonda and Barcelona Metro Line 9, as well as a co-determination agreement for other Spanish motorway assets in which the Group is a controlling shareholder, and also including certain call options exercisable in subsequent periods.

- On 4 October 2014, Royal Decree-Law 13/2014 was enacted to regulate the procedure for acceptance of withdrawal, with the consequent termination of the natural gas exploitation and underground storage concession known as "Castor" and the hibernation of the facilities whose management was assigned to the company Enagás Transporte, S.A.U. The law also establishes the compensation to Escal UGS for its investment in the project (EUR 1,350.7 million), which was paid on 11 November, and for the compensation rights accrued, which include the financial remuneration and the operating and maintenance costs incurred from the provisional start-up to the date on which the Royal Decree-Law came into effect, as well as the operating and maintenance costs since the date the Royal Decree-Law came into effect, which will be paid in accordance with the applicable legislation in each case.

- On 12 December, Leighton announced the agreement to sell its subsidiary John Holland to China Communications Construction Company. The sale price reflected a business value for 100% of the company of AUD 1,075 million, subject to a series of adjustments. In addition, on 17 December, Leighton agreed to the sale of 50% of its subsidiary services to several funds affiliated with Apollo Global Management LLC. The sale price implied a business value by 100% of the company's AUD 1,075 million, subject to a series of adjustments.

  The two transactions combined represented gains after taxes of EUR 409 million, which is recorded for accounting purposes as a net profit from discontinued operations in 2014. Moreover, the ordinary contribution of the net profit from both businesses is listed under the same heading and amounts to EUR 129 million.

  These transactions have permitted a reduction in the Group's net debt by EUR 823 million, which is the difference between the EUR 1,108 million of the divestment, the funds for which are pending collection (considered a lower net debt) and the EUR 285 million that both companies held as a net cash balance from their sale and, as such, deconsolidated from the balance sheet as at 31 December 2014.

MAIN ECONOMIC AND FINANCIAL FIGURES

- On 18 December 2014 the ACS Board of Directors approved the distribution of an interim dividend of EUR 0.45 per share. It was distributed using the flexible dividend system during the month of February 2015. In this process, 40.46% of the rights of cost-free allocation were acquired by ACS under a purchasing commitment undertaken by the company. For the rest of the shareholders a total of 2,616,408 shares were issued on 24 February, which were retired simultaneously as approved at the General Shareholders' Meeting on 29 May 2014.

- On 13 February 2015, ACS, Actividades de Construcción y Servicios, S.A., signed a financing agreement with a syndicate of banks comprising forty-three Spanish and foreign institutions, for a total amount of EUR 2,350 million, divided into two tranches (tranche A being a loan for an amount of EUR 1,650 million and tranche B being a line of credit for an amount of EUR 700 million) with a maturity date of 13 February 2020. This is to be used, in the amount required, to pay off the existing syndicated loan signed on 9 February 2012 for a principal amount of EUR 1,430.3 million, and three loans granted to finance the acquisition of shares in Hochtief A.G. for a total principal amount of EUR 694.5 million.

- On 21 January 2015, ACS Group reached an agreement with Global Infrastructure Partners for the sale of a recently created energy asset development company, integrating the renewable energy assets over which Saeta Yield S.A. holds a right of first offer. This transaction is pending approval by the competent regulatory bodies.

- On 16 February 2015, Saeta Yield was listed on the Stock Exchange. With this transaction ACS Group sold 51.78% of the company to the market. In addition, under the agreements reached with Global Infrastructure Partners, it sold 24.4% of Saeta Yield. The combination of these two transactions brought a net cash inflow of EUR 361 million, after subtracting the prior capital increase, the redemption of intra-group loans and the expenses associated with the transaction.

SIGNIFICANT EVENTS SUBSEQUENT TO YEAR-END

- On 13 February 2015, ACS, Actividades de Construcción y Servicios, S.A. signed a financing agreement with a syndicate made up of forty-three Spanish and foreign banks for a total amount of EUR 2,350 million, divided into two tranches (tranche A being a loan for an amount of EUR 1,650 million and tranche B being a line of credit for an amount of EUR 700 million) with a maturity date of 13 February 2020. This is to be used, in the amount required, to pay off the existing syndicated loan signed on 9 February 2012 for a principal amount of EUR 1,430.3 million, and three loans granted to finance the acquisition of shares in Hochtief, A.G. for a total principal amount of EUR 694.5 million.

- On 21 January 2015 the ACS Group reached an agreement with Global Infrastructure Partners for the sale of 49% of a recently created energy asset development company, integrating the renewable energy assets over which Saeta Yield, S.A. holds a right of first offer. This transaction is pending approval by the competent regulatory bodies.

- On 16 February 2015, Saeta Yield was listed on the stock exchange. With this transaction the ACS Group sold 51.78% of the company to the market. In addition, under the agreements reached with Global Infrastructure Partners, it sold 24.4% of Saeta Yield. The combination of these two transactions brought a net cash inflow of EUR 361 million, after subtracting the prior capital increase, the redemption of intra-group loans and the expenses associated with the transaction.

- On 16 March 2015, ACS, Actividades de Construcción y Servicios, S.A, issued notes in the Euro market for the amount of EUR 500 million, with a total demand of EUR 1,337 million, under the Euro Medium Term Note Programme (EMTN Programme), approved by the Central Bank of Ireland and approved in its most recent draft on 11 March 2015. The issue matures at five years and the disbursement date if planned for 1 April 2015, with an annual coupon of 2.875% and an issue price of 99.428%. The Notes are expected to be admitted to trading on the Irish Stock Exchange.

MAIN ECONOMIC AND FINANCIAL FIGURES

CONSOLIDATED INCOME STATEMENT OF THE ACS GROUP

CONSOLIDATED INCOME STATEMENT

Million Euro	2013	%	2014	%	Var.
Net Sales	35,178	100.0 %	34,881	100.0 %	(0.8%)
Other revenues	571	1.6 %	623	1.8 %	9.1%
Total Income	35,749	101.6 %	35,504	101.8 %	(0.7%)
Operating expenses	(25,318)	(72.0 %)	(25,276)	(72.5 %)	(0.2%)
Personnel expenses	(7,598)	(21.6 %)	(7,761)	(22.3 %)	2.2%
Operating Cash Flow (EBITDA)	2,833	8.1 %	2,466	7.1 %	(12.9%)
Fixed assets depreciation	(1,145)	(3.3 %)	(824)	(2.4 %)	(28.0%)
Current assets provisions	(48)	(0.1 %)	(45)	(0.1 %)	(7.7%)
Ordinary Operating Profit (EBIT)	1,640	4.7 %	1,598	4.6 %	(2.6%)
Impairment & gains on fixed assets	(199)	(0.6 %)	(4)	(0.0 %)	n.a.
Other operating results	98	0.3 %	(634)	(1.8 %)	n.a.
Operating Profit	1,539	4.4 %	960	2.8 %	(37.6%)
Financial income	362	1.0 %	354	1.0 %	(2.4%)
Financial expenses	(1,122)	(3.2 %)	(1,036)	(3.0 %)	(7.7%)
Ordinary Financial Result	(760)	(2.2 %)	(682)	(2.0 %)	(10.2%)
Foreign exchange results	(23)	(0.1 %)	(24)	(0.1 %)	2.0%
Changes in fair value for financial instruments	555	1.6 %	234	0.7 %	(57.9%)
Impairment & gains on financial instruments	101	0.3 %	163	0.5 %	61.1%
Net Financial Result	(126)	(0.4 %)	(309)	(0.9 %)	144.8%
Results on equity method	96	0.3 %	132	0.4 %	37.4%
PBT of continued operations	1,509	4.3 %	782	2.2 %	(48.1%)
Corporate income tax	(425)	(1.2 %)	(319)	(0.9 %)	(25.0%)
Net profit of continued operations	1,084	3.1 %	464	1.3 %	(57.2%)
Profit after taxes of the discontinued operations	163	0.5 %	464	1.3 %	184.3%
Consolidated Result	1,247	3.5 %	928	2.7 %	(25.6%)
Minority interest	(545)	(1.6 %)	(211)	(0.6 %)	(61.4%)
Net Profit Attributable to the Parent Company	702	2.0 %	717	2.1 %	2.2%

NET CASH FLOWS

NET CASH FLOWS

	2013			2014			Var.	
Million Euro	Total	HOT	ACS ex HOT	Total	HOT	ACS ex HOT	Total	ACS ex HOT
Cash Flow from Operating Activities before Working Capital	1,958	1,075	884	1,395	845	550	(28.8%)	(37.7%)
Operating working capital variation	(873)	(583)	(290)	(571)	(89)	(482)		
Cash Flow from Operating Activities	1,086	492	594	824	756	68	(24.1%)	(88.5%)
1. Payments due for investments	(2,502)	(1,668)	(834)	(2,310)	(1,367)	(943)		
2. Cash collected from disposals	2,008	1,912	96	1,515	416	1,099		
Cash flow from Investing Activities	(494)	244	(738)	(795)	(951)	156	60.9%	n.a.
1. Treasury stock acquisition	(98)	0	(98)	(358)	(48)	(310)		
2. Dividends paid	(398)	(180)	(218)	(318)	(151)	(167)		
3. Other financial sources	634	(128)	763	(11)	(60)	49		
Other Cash Flows	139	(308)	447	(688)	(259)	(428)	n.a.	n.a.
Total Cash Flow generated/(Consumed)	730	427	302	(659)	(454)	(205)	n.a.	n.a.

Note1: The cash flow statement for the year 2013 has been restated due to the entry into force of IFRS 10, 11 and 12. The main effect is the application of IFRS 11, which has affected the affiliate Leighton, with the consequent impact on Hochtief, A.G.
Note 2: The heading "Collections from Disposals" does not include the payment of EUR 1,108 million related to the sale of John Holland and Leighton Services.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2013 AND 2014

CONSOLIDATED BALANCE SHEET

Million Euro	2013	%	2014	%	Var.
Intangible Fixed Assets	4,950	12.4 %	5,042	12.8 %	1.9%
Tangible Fixed Assets	2,607	6.5 %	2,658	6.8 %	2.0%
Investments accounted by Equity Method	1,366	3.4 %	1,231	3.1 %	(9.9%)
Long Term Financial Investments	2,508	6.3 %	2,462	6.3 %	(1.8%)
Long Term Deposits	559	1.4 %	404	1.0 %	(27.8%)
Financial Instruments Debtors	41	0.1 %	6	0.0 %	(84.2%)
Deferred Taxes Assets	2,380	6.0 %	2,196	5.6 %	n.a.
Fixed and Non-current Assets	**14,412**	**36.1 %**	**14,001**	**35.6 %**	**(2.8%)**
Non Current Assets Held for Sale	5,310	13.3 %	3,822	9.7 %	(28.0%)
Inventories	1,827	4.6 %	1,522	3.9 %	(16.7%)
Accounts receivables	11,316	28.3 %	11,611	29.5 %	2.6%
Accounts receivables (proceeds on sale of discontinued ops.)	0	0.0 %	1,108	2.8 %	0.0 %
Short Term Financial Investments	2,980	7.5 %	1,893	4.8 %	(36.5%)
Financial Instruments Debtors	12	0.0 %	34	0.1 %	183.9%
Other Short Term Assets	185	0.5 %	162	0.4 %	(12.4%)
Cash and banks	3,924	9.8 %	5,167	13.1 %	31.7%
Current Assets	**25,554**	**63.9 %**	**25,320**	**64.4 %**	**(0.9%)**
TOTAL ASSETS	**39,965**	**100 %**	**39,321**	**100 %**	**(1.6%)**
Shareholders' Equity	3,803	9.5 %	3,452	8.8 %	(9.2%)
Adjustments from Value Changes	(535)	(1.3 %)	(418)	(1.1 %)	(21.8%)
Minority Interests	2,221	5.6 %	1,864	4.7 %	(16.1%)
Net Worth	**5,489**	**13.7 %**	**4,898**	**12.5 %**	**(10.8%)**
Subsidies	50	0.1 %	60	0.2 %	20.1%
Long Term Financial Liabilities	7,411	18.5 %	6,091	15.5 %	(17.8%)
Deferred Taxes Liabilities	1,381	3.5 %	1,269	3.2 %	(8.1%)
Long Term Provisions	1,795	4.5 %	1,764	4.5 %	(1.7%)
Financial Instruments Creditors	498	1.2 %	197	0.5 %	(60.5%)
Other Long Term Accrued Liabilities	188	0.5 %	155	0.4 %	(17.6%)
Non-current Liabilities	**11,324**	**28.3 %**	**9,535**	**24.2 %**	**(15.8%)**
Liabilities from Assets Held for Sale	3,878	9.7 %	2,891	7.4 %	(25.5%)
Short Term Provisions	1,108	2.8 %	1,342	3.4 %	21.2%
Short Term Financial Liabilities	3,863	9.7 %	6,204	15.8 %	60.6%
Financial Instruments Creditors	71	0.2 %	78	0.2 %	10.9%
Trade accounts payables	13,677	34.2 %	13,962	35.5 %	2.1%
Other current payables	556	1.4 %	411	1.0 %	(26.0%)
Current Liabilities	**23,153**	**57.9 %**	**24,888**	**63.3 %**	**7.5%**
TOTAL EQUITY & LIABILITIES	**39,965**	**100 %**	**39,321**	**100 %**	**(1.6%)**

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

SUSTAINABILITY IN THE ACS GROUP

The ACS Group 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.

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 four fields of action:

1. RESPECT FOR ETHICS, INTEGRITY AND PROFESSIONALISM IN THE GROUP'S RELATIONSHIP WITH ITS STAKEHOLDERS.
2. RESPECT FOR THE SOCIAL, ECONOMIC AND ENVIRONMENTAL SETTING.
3. PROMOTION OF INNOVATION AND RESEARCH IN ITS APPLICATION TO INFRASTRUCTURE DEVELOPMENT.
4. CREATION OF EMPLOYMENT AND WELL-BEING, AS AN ECONOMIC MOTOR FOR SOCIETY.

This performance and all the Group's activities are impregnated with the corporate values ACS has developed over its 30 years of history and form the basis of the actions of all the Group's employees:

- ACHIEVING PROFITABILITY
- RESPECTING INTEGRITY
- COMMITMENT TO THEIR WORK
- SEEKING THE CLIENT'S TRUST
- EXCELLENCE IN THEIR PROFESSIONAL ACTIVITIES

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

Construction,

Environment and

Industrial Services,

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 activity.

PROFITABILITY AND INTEGRITY, TOGETHER WITH COMMITMENT TO STAKEHOLDERS, ESPECIALLY COMMITMENT TO CLIENTS, AND OPERATIONAL EXCELLENCE, ARE THE ACS GROUP'S IDENTIFYING FEATURES.

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

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.

APPLICATION LEVEL
GRUPO ACS
MAR 2015
SERVICE

PROJECT ONE

Project one seeks to promote good management practices and is framed in the Group's general strategy, focused on reinforcing ACS's world leadership. The objective of Project one is to promote the eminently industrial nature of ACS's activities by spreading its corporate culture.

The promotion of good management practices focuses on the following major areas:

THE GROUP'S POSITION IN TERMS OF ETHICS.

one ethics

IN TERMS OF EFFICIENCY, INVOLVING CLIENT, QUALITY, SUPPLIER, ENVIRONMENTAL AND R&D+I POLICIES.

one efficiency

IN TERMS OF EMPLOYEES, PERSONNEL, HEALTH AND SAFETY AND SOCIAL ACTION POLICIES OF THE ACS GROUP.

one employees

The process of promoting good practices is divided into two phases implemented every year; a first one in which the Project focuses on the production of a detailed analysis of the position of the Group's different companies in terms of Corporate Responsibility and the on the aforementioned management areas, performing an assessment based on the Dow Jones Sustainability Index.

The second phase is where the implementation of a series of strategies and good practices in each company is recommended. These are a result of the Group's strategic vision, in line with the aforementioned company values and represent an area for substantial improvement.

The results expected from Project one can be summarised as:

- Continuing redefinition of a repository of non-financial, best governance, environmental and social best practices.
- Regular assurance of their implementation in the various Group companies and of the monitoring of their management indicators.
- Aligning the ACS Group with the Dow Jones Sustainability Index, in which the Group appears currently in its European scope.
- The creation of the Corporate Responsibility Report, including a summary of ACS's governance, environmental and social policies.

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

ETHICS

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.

Currently, the ACS Group has equipped itself with two corporate tools: the Code of Conduct and the Ethical Channel, which are widely adopted in the various business areas, and a control system reporting to the Board of Directors, called the Code of Conduct Monitoring Committee.

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[23] 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.

23 The ACS Group's Code of Conduct can be seen at http://www.grupoacs.com/index.php/es/c/responsabilidadcorporativ_eticayprofesionalidad

The basic principles for action in 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.

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

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:

- Prevention of corruption and bribery.
- Equal opportunities.
- Non-discrimination .
- Confidentiality in information management, when applicable.
- Avoidance of anti-competitive practices.
- 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.
- Channels for appropriate reporting of those inappropriate practices identified (Ethical Channel).

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.

MANAGEMENT PRINCIPLES

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:

- Allocation of responsibilities as regards supervision of the company's performance in this field This responsibility falls to the Code of Conduct Monitoring Committee, reporting to the Board of Directors.

- Establishing procedures which enable the prevention, detection, notification and eradication of bad practices in this field In this regard, specific initiatives are defined in Group companies were additional risks (operational, geographical or mixed) are detected, to expand on the Code of Conduct at the same time as promoting training in fields related to Ethics and encouraging use of the Ethical Channel.

- The knowledge and understanding by the company's people of what is expected of them in relation to ethics and integrity. Companies representing 87.0% of Group employees report the existence of a specific training plan in matters of Human Rights, Ethics and Integrity and Conduct. A total of 845 training courses, attended by 17,105 employees, were given in this field in ACS in 2014. Indeed, the level of penetration of training in terms of Human Rights, Ethics and Integrity and Conduct has reached 36.0% of the Group's total number of employees. Each trained employee received an average of three hours of training during the year.

- The adoption of good practices has begun to be promoted relating to performance assessment in terms of Ethics and variable remuneration according to parameters related to the control of Ethical risks. As such, formal, documented commitments to the Universal Declaration of Human Rights are included in companies representing 86.9% of ACS employees. Additionally, compliance with the precepts of the Code of Conduct is confirmed in 41.2% of employee performance assessments.

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

- Establishing commitments which make clear the behaviour expected of the people who make up the company. An outstanding cultural characteristic in compliance terms in the ACS Group is the adoption of "Zero Tolerance" policies to breaches in this field. Companies representing 98.9% of Group employees report the existence of such a policy.

- Supervision and monitoring of the whole process by means of audits or inspections by independent companies. Companies representing 41.1% of Group employees perform periodic (annual or at least biennial) independent external audits.

- Promotion and monitoring of ethical standards in suppliers and subcontractors. ACS Group companies representing 91% of sales explicitly include compliance with the ACS Code of Conduct in the contracts they sign with Suppliers and Subcontractors. Furthermore, 23% internally or externally verify such compliance. Companies representing 76% of ACS's sales promote and positively assess their suppliers' adherence to international standards such as the Global Compact, UN and ILO conventions, etc.

- In terms of avoiding monopoly practices, the ACS Group sets itself against such practices, through its Code of Conduct, and assesses annually the level of risk this aspect represents. In 2014, the Group's Contract managers reported that anti-monopoly policies were developed in companies representing 33.5% of total turnover. Leighton, in turn, published a detailed antitrust policy as part of its Code of Conduct, affecting 32% of ACS Group sales. This policy can be found on its website.

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.

- 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 anyone to notify 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**

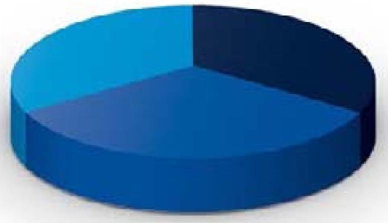
- or the postal address, **Canal Ético, Grupo ACS, Av. Pío XII 102, 28036 Madrid, Spain.**

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.

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

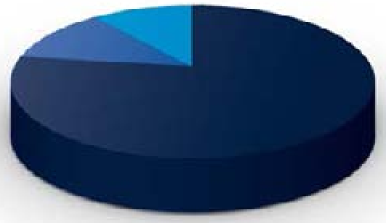
A total of nine communications were received in 2014, all via digital channels. The details of the communications received are as follows:

SOURCE OF COMMUNICATIONS



- EMPLOYEES: **3**
- SHAREHOLDERS: **3**
- THIRD PARTY: **3**

COUNTRY OF ORIGIN

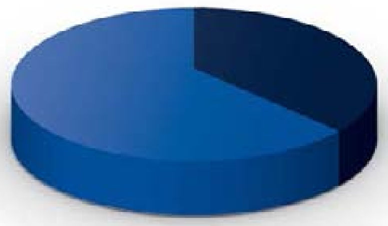


- SPAIN: **7**
- BOLIVIA: **1**
- ANGOLA: **1**

REASON FOR COMMUNICATION

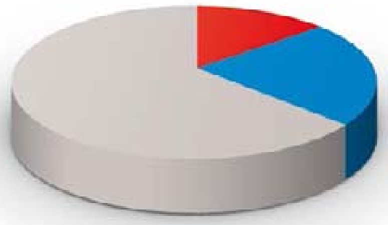
- INFORMATION RESQUEST: **3**
- COMPLAINT: **6**

METHOD OF RESOLUTION



- INFORMATION PROVIDED: **3**
- INADMISSIBLE: **6**

COMMUNICATIONS PER AREA OF ACTIVITY



- CONSTRUCTION: **1**
- INDUSTRIAL SERVICES: **2**
- ENVIRONMENT: **0**
- INDIVIDUALS: **6**

MANAGEMENT INDICATORS

In terms of Ethics, the ACS Group has established that the following management indicators are material, measurable, relevant and representative of the function analysed and form a part of the process for universal application of the good practices developed by Project one.

MAIN MANAGEMENT INDICATORS - ETHICS

	2012	2013	2014	Objective for 2015
Percentage of total ACS Group employees who have received at least one course in Human Rights, Ethics, Integrity or Conduct during their career with the company (% of total ACS employees)	9%	38%	36%	> 2013
Level of implementation in the ACS Group of regular external audits to confirm the degree of compliance with the Code of Conduct (% of total ACS employees)	n.a.	33%	41%	n.a.
Level of implementation in the ACS Group of contractual clauses on the compliance with the Code of Conduct in contracting with suppliers and subcontractors (% of sales)	83%	90%	91%	> 2013
Level of implementation in the ACS Group of regular external audits to confirm the degree of compliance with the Code of Conduct by suppliers or contractors (% of sales)	35%	17%	23%	n.a.
Communications received by the Ethical Channel	11	27	9	n.a.

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

EFFICIENCY

The ACS Group has identified a series of non-financial functional areas which are key to carrying out its business, forming part of the production process and with which it generates a significant part of its profitability and productivity in its operating companies. These are the areas of Clients and Contracting, Quality, the Environment, Suppliers and R&D+i.

These functional areas exist in all the Group companies and they have heads who are responsible for collaborating in preparing this report annually. These are the people responsible for defining the main policies for controlling and reducing costs and promoting and achieving Group revenue.

CLIENTS AND CONTRACTING

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.

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 2014, companies representing 33.0% 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:

- Monitoring of client needs.
- Periodic measurement of client satisfaction.
- Promotion of commercial activity.

ACS's key client relationship management policy is the measurement of their satisfaction. Companies representing 23.4% of ACS Group sales carry out this type of process, either in a standalone form or within the framework of quality management systems. Furthermore, Group companies representing 23.7% of sales implement measures and plans to improve client satisfaction.

MAIN MANAGEMENT INDICATORS - CLIENTS

	2012	2013	2014	Objective for 2015
Number of client satisfaction surveys carried out	1,290	2,979	3,134	> 2013
Number of client satisfaction surveys received	860	1,279	1,338	> 2013
Percentage of client responses of "satisfied" or "very satisfied" over the total number of surveys RECEIVED (%)	86.23%	86.91%	87.11%	> 2013
Number of complaints received from clients	2,839	26,506	34,259	< 2013
Number of complaints dealt with	98.8%	100.0%	99.9%	= 2013
Number of complaints satisfactorily resolved (proportion of those received)	85%	97%	99%	=/> 2013

THE ACS GROUP AND THE 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 72.0% of ACS Group sales presented some form of quality management system in 2014. In this period and as a consequence of these systems, the ACS Group invested a total of €6.7 million in promoting quality, representing a 37.0% increase over the amount recorded for the previous year.

These quality systems are audited regularly in order to certify Group activities, mainly according to the ISO 9001 standard, held by companies representing 69.1% of the Group's sales.

MANAGEMENT PRINCIPLES

Cada compañía del grupo adapta sus necesidades a las características específicas de su tipo de producción, pero se han identificado una serie de líneas de actuación comunes dentro de los sistemas de gestión de calidad:

- **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.

The quality management for the ACS Group's various companies sets general quality objectives for the following financial year. In 2014, companies representing 72.8% of ACS Group sales defined formal objectives in this respect.

PRODUCTION CERTIFIED UNDER ISO 9001

	2012	2013	2014
Construction	67.1%	65.6%	61.2%
Industrial Services	92.0%	93.5%	94.2%
Environment	89.2%	81.7%	81.2%
ACS Group	72.5%	71.8%	69.1%

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.

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.
- Implementing tools to improve quality.
- Improving specific performance indicators.
- 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.

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 60.2% of ACS Group sales carried out at least one initiative of this type in 2014.

MAIN MANAGEMENT INDICATORS - QUALITY

	2012	2013	2014	Objective for 2015
Percentage of sales from activities certified under the ISO 9001 standard (%)	72.5%	71.8%	69.1%	> 2013
Number of Quality audits per million euros of turnover	0.041	0.037	0.040	> 2013
Intensity of investment in measures to promote and improve Quality (€ investment per € million of turnover)	348	123	188	> 2013

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

SUPPLIERS

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

As a characteristic differentiating the Group from its competitors, it is important to highlight the distinct decentralisation of purchasing and supplier management departments in this area. There are a variety of systems in ACS in this aspect, which vary according to operating company needs. From a central, reference, corporate department, which defines policies and prices, to the most complete decentralisation where the works managers themselves define their needs and meet them using a common, widespread policy.

Furthermore, Group companies face three different types of suppliers or subcontractors:

- 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 suppliers of services and materials contracted by the ACS Group, whether through a central purchasing department or in a decentralised manner by works managers, detailed management and control processes are defined, which share the following points in common in all Group companies:

- There are specific standards and a system for management, classification and approval of suppliers and subcontractors and risk control.
- The level of compliance with these systems is assessed.
- Collaboration with suppliers and transparency in contractual relationships are promoted.
- The purchasing system supports suppliers in driving a broad policy in its comparison which promotes the participation of various suppliers in selection processes. Given that the works managers tend to use the same suppliers, a study of common suppliers has been started to put decisions into objective terms and give access to new suppliers in different parts of the world.
- Visible purchasing portals for all services are being developed, offering a wide range of products from different suppliers. This is a real aid to cost saving (because the most competitive prices are identified) and to controlling material consumption by employees or works managers. In Spain this portal helps local suppliers to sell their products domestically, promoting their development and growth.

MANAGEMENT PRINCIPLES

Companies representing 96.4% of ACS Group have a formal system for approving suppliers and subcontractors, in line with a series of clearly established criteria, which is subsequently used by the project works managers and provides them with information on the suitability or otherwise of a supplier to fulfil the anticipated task. The main concepts used for approving suppliers, both in the formal systems and informally are:

- Cost, payment and collection term, experience, professional prestige and technical capability.
- History of fulfilment of contractual clauses in their prior relationship with ACS.
- Additional non-financial criteria (see table attached):

LEVEL OF IMPLEMENTATION OF NON-FINANCIAL CRITERIA IN SUPPLIER APPROVAL (% OF ACS GROUP SALES)

	2012	2013	2014
Adherence to the ACS Group Code of Conduct	82.7%	90.2%	90.8%
Adherence to international standards as regards human rights and labour rights	67.1%	76.6%	76.0%
Adherence to standards for fulfilment of commitments in ethical, social and environmental matters	67.1%	76.6%	76.0%
Certification in quality aspects (ISO9001)	67.1%	30.0%	96.6%
Certification in environmental aspects (ISO14001, EMAS or similar)	67.1%	95.0%	97.1%
Analysis of labour standards and practices of suppliers and subcontractors	71.2%	77.8%	81.6%

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

Additionally, companies representing 66.6% of ACS sales specifically promote the use of recycled and/or certified construction materials in the supplier approval process, offering the client this type of option when the type of procurement is decided. The table attached shows the materials covered by these initiatives, their level of consumption and the total percentage of Group clients which decided to use recycled or certified sources.

Within the approval system, an after the fact analysis is carried out on suppliers. This process feeds back into the approval system. This system, which seeks to guarantee compliance with contractual clauses and agreements, 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 15.2% of ACS Group sales report carrying out internal audits of suppliers (affecting and average of 0.8% of suppliers) and 17.0% report that they carry out independent audits (affecting an average of 1.9% of suppliers). Specifically, compliance with the ACS Group Code of Conduct by suppliers is verified internally or externally in companies representing 23.0% of Group sales.

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 classified as not approved in the database.
- Companies representing 97.2% of ACS Group sales immediately cancel contracts or relationship agreements with suppliers if breaches occur in clauses related to performance.

Companies representing 55.7% of ACS Group sales have carried out an analysis to identify whether they have critical suppliers. Specifically, a supplier is defined as critical when it concentrates a significantly higher percentage of procurement or subcontracting costs than the average for the rest of the company's suppliers.

As a result of this analysis, and due to the characteristics of its business, it has been found that in several of the ACS Group's main companies, the suppliers are highly atomised, geographically dispersed and do not reach the critical mass to be determined as critical. On the contrary, in companies representing 87.1% of Group sales, such critical suppliers have been detected.

In these companies, the main data from the analysis of critical suppliers are as follows:

- 26.2% of the suppliers to these companies are covered by this analysis.
- Of these, 15.1% are considered critical suppliers.
- These suppliers represent 47.7% of the total costs for Group companies with critical suppliers.
- Almost all these suppliers consider ACS to be a key client to their business.

MAIN MANAGEMENT INDICATORS - SUPPLIERS

	2012	2013	2014	Objective for 2015
Analysis of supplier and subcontractor criticality	49.6%	59.9%	55.7%	> 2013
Inclusion of compliance with the Code of Conduct in supplier and subcontractor contract clauses	82.7%	90.2%	90.8%	> 2013
Existence of formal systems for supplier and subcontractor approval	47.3%	95.8%	96.4%	> 2013
Carrying out of internal audits on suppliers and subcontractors	6.6%	8.2%	15.2%	> 2013
Development of corrective plans for suppliers and subcontractors to improve their performance in economic, social or environmental matters	54.0%	4.2%	66.2%	> 2013

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

TECHNOLOGICAL DEVELOPMENT. R&D+I IN THE ACS GROUP

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 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 91.2% of ACS Group sales in 2014.

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 68.9% of Group sales. Furthermore, independent audits are carried out in companies representing 33.6% 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.

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.

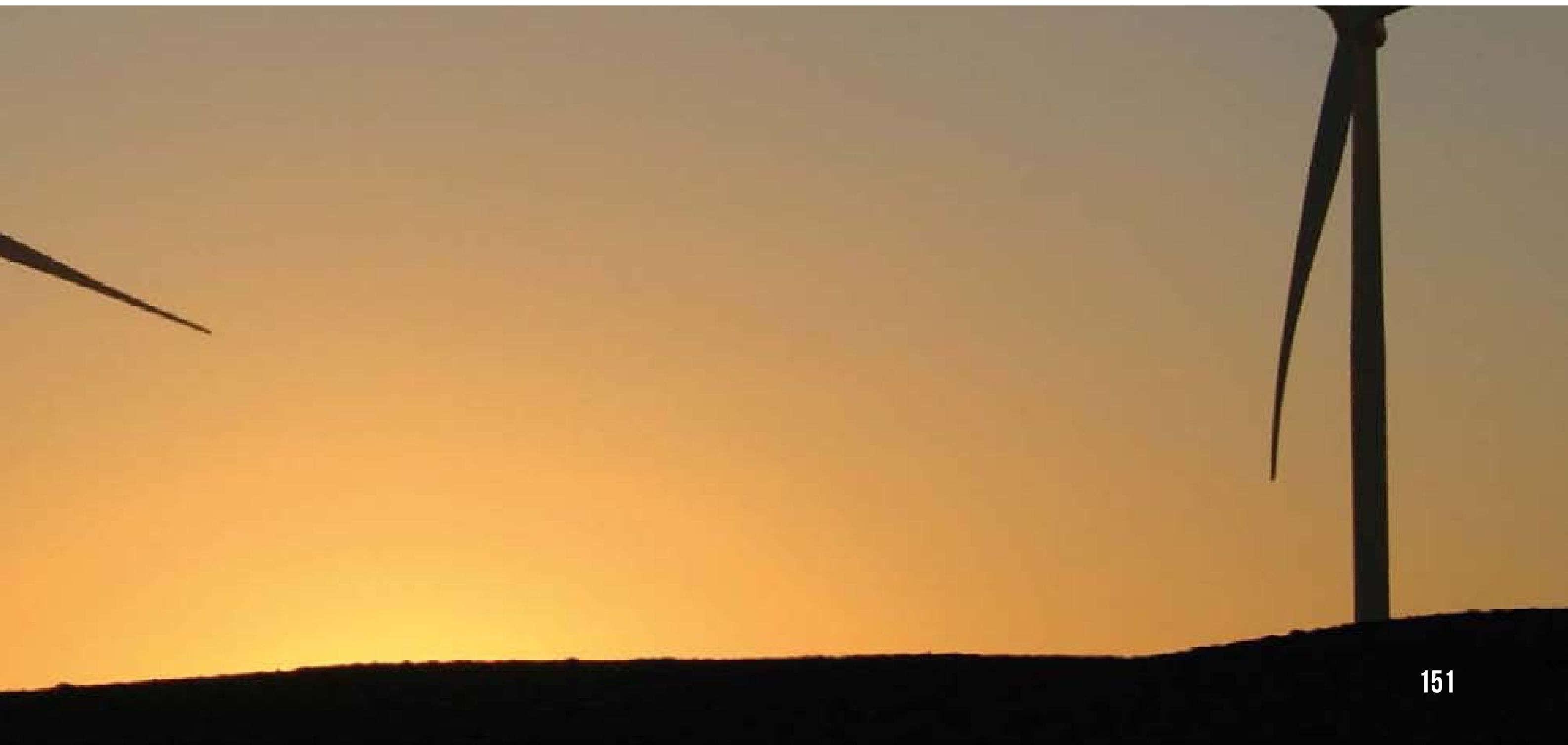
At 31 December 2014, the ACS Group had 281 projects in progress and had registered 11 patents during the year. Over the past 10 years, the Group has registered a total of 54 patents.

Furthermore, collaboration with external organisations is crucial for the success of the projects tackled. Hence ACS Group companies collaborate with research and technological centres and with universities, as well as will other diverse centres, institutes or institutions related to R&D+i. These prestigious international research institutions complement the ACS Group's own research capabilities.

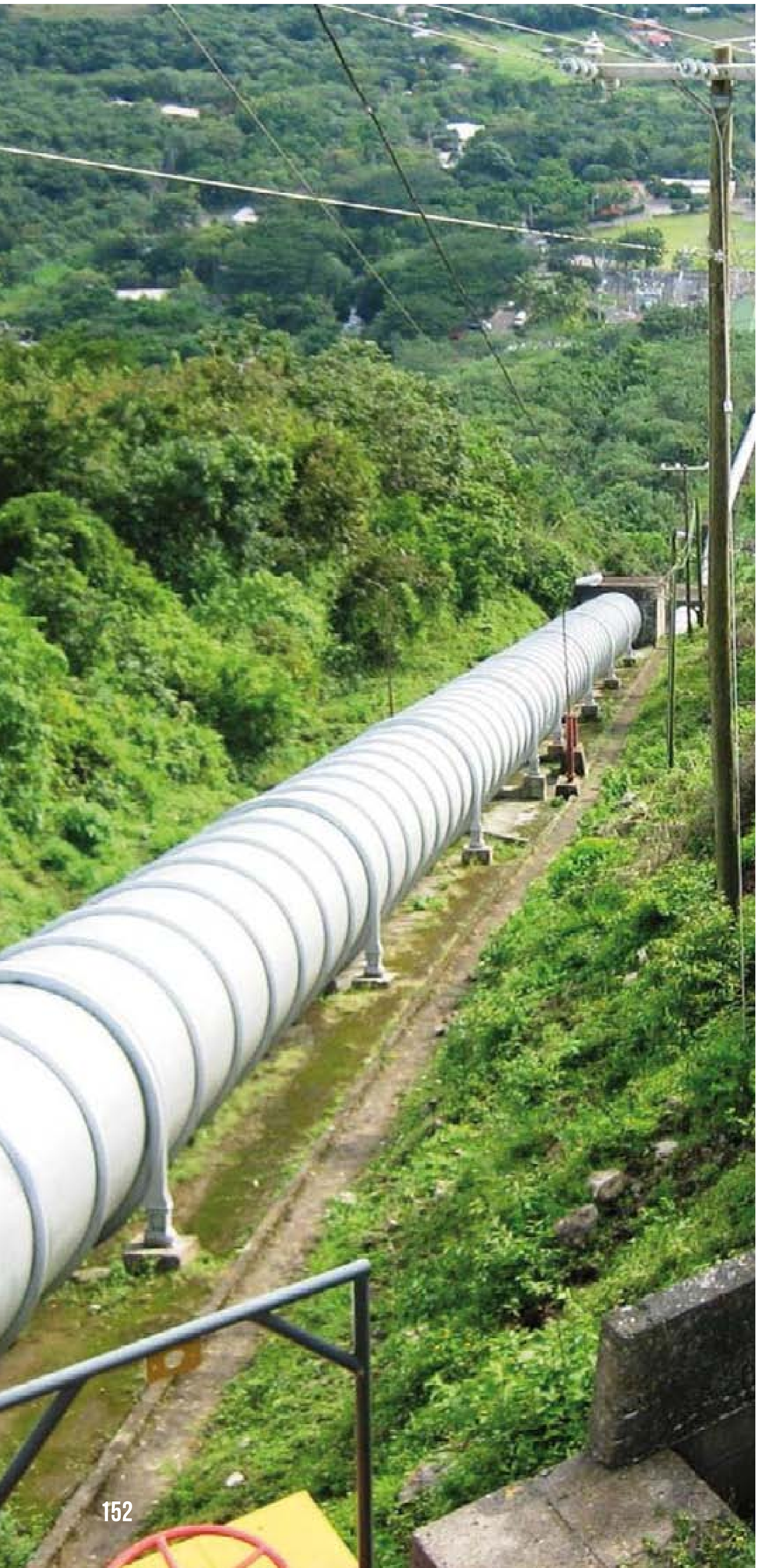
The ACS Group invested a total of €54.8 million in research, development and innovation in 2014, which represents an increase of around 10.9% compared to 2013.

MAIN MANAGEMENT INDICATORS - R&D+I

	2012	2013	2014	Objective for 2015
Investment in R&D+i (€ million)	49.0	49.4	54.8	> 2013
Level of implementation of a specific R&D+i department	87.0%	90.3%	91.2%	> 2013
Level of implementation of a formal system for R&D+i management	60.4%	71.5%	68.9%	> 2013



THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY



ENVIRONMENT

The ACS Group 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 programmes to individually improve each company.

MANAGEMENT PRINCIPLES

The following is a map outlining the main common features of ACS Group company management models and summarising their initiatives and degree of implementation:

LEVEL OF IMPLEMENTATION OF GOOD ENVIRONMENTAL MANAGEMENT PRACTICES IN THE ACS GROUP

EXPRESSED AS % OF SALES	2012	2013	2014
Implementation of an environmental management system	55.8%	98.1%	97.7%
Implementation of ISO 14001 certification	68.0%	65.7%	63.9%
Implementation of certifications other than ISO 14001	10.6%	11.2%	1.2%
Existence of specific targets for reducing CO_2 emissions	71.3%	71.8%	73.1%
Execution of projects to reduce waste generation	73.2%	93.0%	94.1%
Existence of plans to reduce water consumption	15.1%	81.0%	81.3%
Setting of objectives to minimise the impact of the company's activities on biodiversity	32.8%	57.6%	15.7%
The remuneration of workers, middle management and/or executives is linked to the achievement of formal environmental objectives	25.0%	17.4%	16.9%
There is some kind of non-economic incentive/recognition for the achievement of formal environmental objectives	0.1%	46.5%	42.0%
The environmental management system has been audited by an external independent third party*	55.8%	98.1%	97.7%
Number of environmental audits carried out in your company	724	2,182	1,183
Number of environmental incidents which occurred	967	731	860
Existence of a system for collecting data on environmental near misses	33.0%	81.1%	79.2%
Existence of a centralised database to collect data on environmental matters	71.6%	77.5%	88.8%

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

The significant level of implementation of an environmental management system, present in companies representing 97.72% 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 63.89% 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, and as summarised in the Management Principles table, 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.
- They implement projects for certification and/or independent external auditing.
- They carry out environmental audits.
- They have some kind of centralised database for collecting environmental data.
- They have a system for collecting incidents, non-conformities or near misses related to the environment.
- Companies representing 96.67% of the ACS Group's sales have carried out some kind of environmental initiative that has led to cost savings, and 30.65% have carried out environmental initiatives that have led to an increase in revenues.

Specifically and operationally, the main environmental measures revolve around four key risks, 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 Other certifications cover 1.17% of Group sales.

MAIN INDICATORS

MAIN MANAGEMENT INDICATORS - ENVIRONMENT

	2011	2012	2013	2014	Objective for 2015
Percentage of sales covered by ISO 14001 Certification	72.6%	68.0%	65.7%	63.9%	> 2013
Total Water consumption (m^3)	5,577,931	10,067,651	18,460,840	20,152,730	N/A
Ratio: m^3 of Water / Sales (€ million)	151.3	262.2	465.9	566.7	< 2013
Direct emissions (Scope 1) (tCO_2 equiv.)	1,742,344	322,758	3,771,674	5,798,392	N/A
Scope 1 Carbon Intensity Ratio: Emissions / Sales (€ million)	47.3	8.4	95.2	163.0	< 2013
Indirect emissions (Scope 2) (tCO_2 equiv.)	151,738	392,331	302,158	463,901	N/A
Scope 2 Carbon Intensity Ratio: Emissions / Sales (€ million)	4.1	10.2	7.6	13.0	< 2013
Indirect emissions (Scope 3*) (tCO_2 equiv.)	13,620	1,451,662	7,103,265	10,718,982	N/A
Scope 3* Carbon Intensity Ratio: Emissions / Sales (€ million)	0.4	37.8	179.3	301.4	< 2013
Total Emissions (tCO_2 equiv.)	1,907,702	2,166,750	11,177,096	16,981,275	N/A
Total Carbon Intensity Ratio: Total Emissions / Sales (€ million	51.7	56.4	282.1	477.5	< 2013
Non-hazardous waste sent for management (t)	1,168,706	1,274,102	3,115,431	8,746,743	N/A
Ratio: Tonnes of non-hazardous waste / Sales (€ million)	31.7	33.2	78.6	246.0	< 2013
Hazardous waste sent for management (t)	186,989	88,182	268,137	176,526	N/A
Ratio: Tonnes of hazardous waste / Sales (€ million)	5.1	2.3	6.8	5.0	< 2013

The ACS Group environmental information includes data from Leighton. In 2013 it contains information from January 2013 to December 2013 (inclusive), and in 2014 it contains the information for the period from July 2013 to June 2014 (inclusive). The data on this table corresponding to Leighton (for the period from July 2013 to June 2014) are: ISO 14001 (100%), Scope 1 CO_2 Emissions: (5,362,111 tonnes), Scope 2 CO_2 Emissions: (271,610 tonnes), Scope 3 CO_2 Emissions: (2,747,782 tonnes).

At HOCHTIEF in 2014 hazardous and non-hazardous waste amount to 150,363 tonnes and 8,213,595 tonnes respectively. These figures include data from Leighton.

In terms of water consumption reported, an increase has been noted as a result of the international growth of Cobra. Also, figures do not include information from Leighton, as available data consists of estimates based on the cost of the resource. Consumption estimated by Leighton using this method totalled 12.5 million m^3 in 2013 and 37 million m^3 in 2014.

A methodology has been adopted in this report to account for CO_2 emissions in all years under which Urbaser classifies the emissions from water and waste treatment centres as indirect under Scope 3, as it does not own or have operational control over these facilities, as included in the international GHG Protocol (Appendix F) and EPE Protocol (waste sector methodology) standards Urbaser has invoked to calculate its Carbon Footprint. The Public Authorities, as the owners of the facilities, impose the operating requirements, with the management companies limiting themselves to operating them temporarily.

The Scope 3 emissions include calculations for travel by employees. In addition, HOCHTIEF and Leighton include emissions calculated for the Supply Chain (Cement, Wood, Scrap and Steel).

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

EMPLOYEES

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. Some of the fundamental principles governing the Group companies' corporate human resources policies are based on the following common actions:

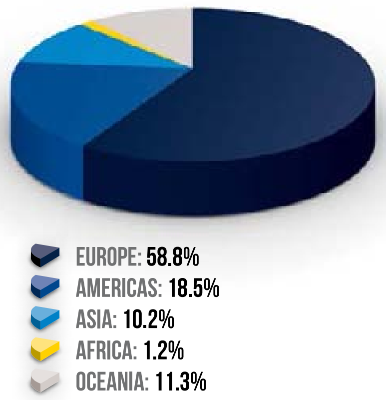
- ATTRACTING, RETAINING AND MOTIVATING TALENTED INDIVIDUALS.
- PROMOTING TEAMWORK AND QUALITY CONTROL AS TOOLS TO DRIVE EXCELLENCE AS WORK WELL DONE.
- ACTING QUICKLY, PROMOTING THE ASSUMPTION OF RESPONSIBILITIES AND MINIMISING BUREAUCRACY.
- SUPPORTING AND INCREASING TRAINING AND LEARNING.
- INNOVATING 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 210,345 people, of whom 110,267 work in Spain and 100,078 abroad. Of all the employees, 36,394 people are of a different nationality to that of their company's head office. The ACS Group has employees in more than 80 countries, in which it promotes its workers' economic and social development.

PERSONNEL BY GEOGRAPHIC AREA



NUMBER OF EMPLOYEES BY AREA OF ACTIVITY

	2013	2014	Var.
Construction	87,457	74,440	-14.9%
Industrial Services	41,635	41,272	-0.9%
Environment	94,319	94,581	0.3%
Corporate Unit	52	52	0.0%

PERSONNEL BY PROFESSIONAL CATEGORY AND AREA OF ACTIVITY

	Construction	Industrial Services	Environment	Corporate Unit	Total
University graduates	19,000	3,936	1,485	32	24,453
Junior college graduates	3,107	3,512	2,395	46	9,020
Non-graduate line personnel	4,740	6,078	3,775	0	14,593
Administrative staff	4,071	2,519	1,593	10	8,193
Other staff	43,522	25,227	85,333	4	154,086

TYPES OF CONTRACT

	2011	2012	2013	2014
Permanent Contracts	95,325	100,132	94,056	82,740
Temporary Contracts	66,937	62,339	129,407	127,605

PERSONNEL BY PROFESSIONAL CATEGORY AND GENDER

	Women	Men	Total
University graduates	5,713	18,740	24,453
Junior college graduates	3,167	5,853	9,020
Non-graduate line personnel	4,062	10,531	14,592
Administrative staff	5,530	2,663	8,193
Other staff	60,154	93,932	154,086
Total	**78,626**	**131,718**	**210,345**
Proportion of ACS Group total	*37.4%*	*62.6%*	

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

MANAGEMENT PRINCIPLES

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. Companies representing 86.9% of Group employees express their formal, documented commitment to the Universal Declaration of Human Rights in the development of their Human Rights policy.

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 57.0% of ACS Group employees have formal programmes to ensure equality of opportunities. These Equality Plans include specific actions 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. A total of 1,205 women were reported in management posts in the company in 2014 (12.0% of total management personnel).

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, 4,824 disabled people were working in the ACS Group at 31 December 2014.

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 590 in 2014 (5.9% of the Group's total management personnel).

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, 27.7% are members of trade unions or union organisations.

Furthermore, in companies representing 74.6% of ACS Group employees protocols or policies were developed to minimize situations where union rights or rights of association are prohibited or violated in certain countries, it being ACS Group policy to promote good labour practices and respect for the legislation in force.

Companies representing 91.42% 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:

- 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.
- Reduced 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.

DEVELOPMENT OF HUMAN RESOURCES

% OF TOTAL EMPLOYEES	2012	2013	2014
Employees covered by a formal professional development system	84.7%	87.8%	89.2%
Employees in posts defined according to a formal competency map	14.5%	33.1%	35.4%
Employees subject to performance assessment processes	36.3%	55.5%	51.3%
Employees covered by variable remuneration systems	90.4%	91.3%	91.5%
Of these, the percentage of variable remuneration systems that include aspects related to Corporate Responsibility	47.4%	21.6%	23.0%
Level of coverage of working environment surveys (% of total employees)	50.5%	31.7%	1.6%
Satisfied or very satisfied employees (out of total surveys performed)	78.8%	84.9%	66.2%

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

The performance assessment models in ACS companies are based on the competences and parameters for each work post, as described in the management systems.

Each ACS Group company manages its professionals' development independently, adapting this to its needs and the specific nature of its activities. A significant majority of ACS Group companies 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.

TRAINING[25]

	2011	2012	2013	2014
Total teaching hours given	943,890	2,273,361	3,457,414	2,581,675
Teaching hours per employee (over total employees)	5.8	14.0	15.5	12.3
Employees participating in training activities	55,613	114,822	180,143	148,168
Teaching hours per employee (over employees trained during the year)	17.0	19.8	19.2	17.4
Investment in training (€ million)	18.6	87.2	158.2	130.5
Investment in training per employee (over total employees) (€)	114.6	536.6	708.0	620.6
Investment in training per employee (over employees trained during the year) (€)	334.7	759.3	878	881

25 The contribution from Leighton is included in the information for 2012, 2013 and 2014. This was not included in the 2011 report.

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 91.61% of Group employees report the existence of tools for managing development of human resources such as training platforms, on-line training or even agreements with training centres.

MAIN MANAGEMENT INDICATORS - PEOPLE

	2012	2013	2014	Objective for 2015
Percentage days lost through absenteeism	4.1%	1.4%	1.3%	< 2013
Employees covered by a formal professional development system	84.7%	87.8%	89.2%	> 2013
Employees in posts defined according to a formal competency map	14.5%	33.1%	35.4%	> 2013
Employees subject to performance assessment processes	36.3%	55.5%	51.3%	> 2013
Employees covered by variable remuneration systems	90.4%	91.3%	91.5%	> 2013
Investment in training per employee (over total employees) (€)	536.6	708.0	620.6	> 2013
Percentage of total current Group employees who have received at least one course in Human Rights, Ethics, Integrity or Conduct during their career	8.7%	38.1%	36.0%	> 2013

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

SAFETY IN THE WORKPLACE IN THE ACS GROUP

The prevention of occupational risks[25] 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.

26 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 31/12/14. In order to weigh the data of 2013 Clece employees are included amounting to 65,774 people at 31/12/2013. The concepts of occupational risk prevention and safety at work are used indistinctly.

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.
- Definition and spreading worldwide of shared, homogeneous standards which enable assessment of Group companies in Safety terms.
- Variable remuneration depending on the success of the risk prevention and safety policy.

The great majority of Group companies report the existence of a health and safety management function and system which deals with the implementation of the policy and of the action plans developed in accordance with the priorities identified. In general, these ACS Group companies share a series of characteristics in risk prevention management:

- Development of systems for management of prevention according to the OHSAS 18001 reference standard. This policy was reported by companies representing 82.80% of Group employees.
- The existence of systems audited internally and/or externally, in addition to the audits regulated by law (96.70% 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 97.06% of the Group's employees.
- A worldwide system affecting 96.79% of ACS's people.

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

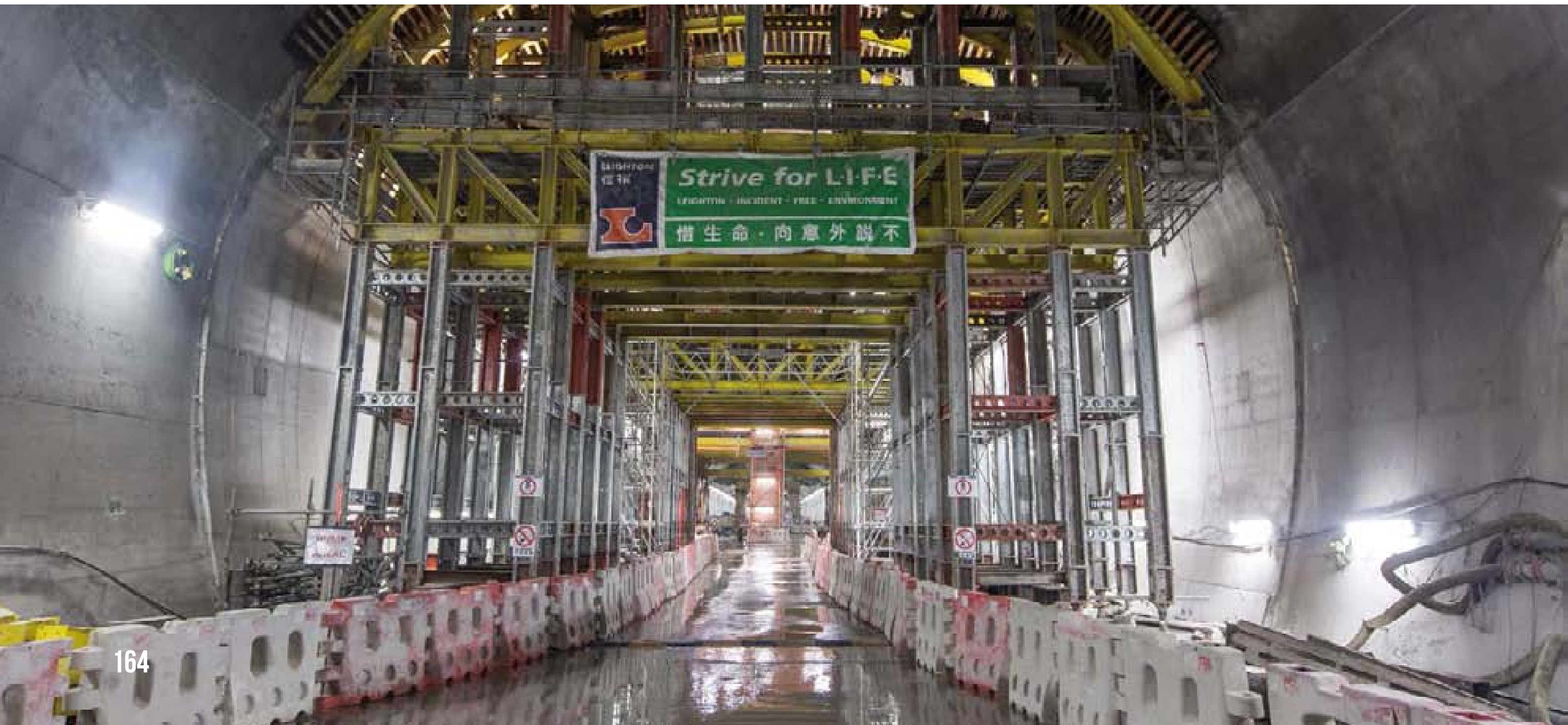
In line with the risk prevention policy, and within these Group companies' management systems, these are the main common characteristics:

- There are systems for regular assessment of the risks to which workers are exposed in companies representing 82.80% of ACS Group employees.
- Risk prevention plans are defined which take in the improvements detected in these assessment procedures (97.06% of Group employees).
- Systems which could have resulted in an incident are identified and recorded (analysis of near misses) in companies representing 96.94% of ACS's employees.
- Workers' and managers' remuneration are referenced to fulfilment of formal targets as regards health and safety in 57.42% of the ACS Group.
- There are integrated computerised systems in the great majority of Group companies, 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.

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. In 2014, there were 2,858 people in this category.



SPENDING ON HEALTH AND SAFETY

	2011	2012	2013	2014
Spending (€ million)	26.6	220.1	171.7	197.4
Spending per employee (€)	163.7	1,354.8	768.5	938.3

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.

TRAINING IN HEALTH AND SAFETY

	2012	2013	2014
Employees who have received training in Health and Safety matters during the year (%)	58.9%	66.9%	65.4%
Employees who have received training on Health and Safety matters during their career with the company (%)	71.2%	94.2%	96.6%

ACCIDENT RATE INDICES EMPLOYEES

	2011	2012	2013	2014
Frequency	24.43	27.84	19.07	15.18
Construction	10.09	10.70	4.23	2.40
Industrial Services	21.27	16.83	11.95	11.27
Environment	67.93	64.89	39.79	42.69
Severity	0.75	0.73	0.55	0.38
Construction	0.33	0.27	0.12	0.08
Industrial Services	0.51	0.54	0.31	0.31
Environment	2.30	1.63	1.16	1.02
Incident rate	22.63	30.20	33.24	37.29
Construction	9.31	8.47	8.13	9.37
Industrial Services	25.32	22.39	22.11	22.82
Environment	87.37	109.29	61.00	65.10

MAIN MANAGEMENT INDICATORS - HEALTH AND SAFETY

	2012	2013	2014	Objective for 2015
Percentage of total employees covered by OSHAS 18001 certification	88.9%	75.4%	82.8%	> 2013
Frequency Rate	27.84	19.07	15.18	< 2013
Total number of Accidents with employee time off	4,723	7,321	7,801	< 2013
Spending per employee on Safety (€)	1,354.82	768.49	938.31	> 2013
Employees who have received training on Health and Safety matters during their career with the company (%)	71.2%	94.2%	96.6%	> 2013

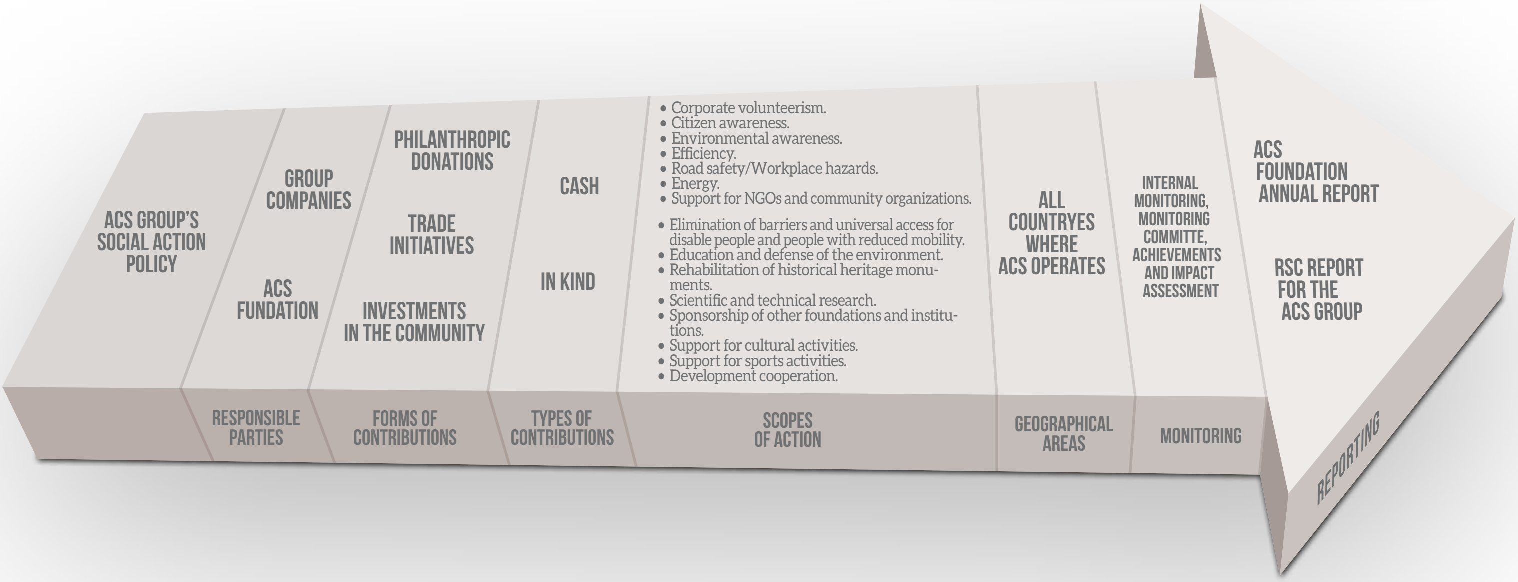
THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

SOCIAL ACTION IN THE ACS GROUP

A commitment to the betterment of society is part of the ACS Group's mission. To contribute to this goal, ACS establishes a Social Action Policy tied to its business strategy, because it is the best way to create real shared value for all stakeholders.

This Policy seeks to promote the ACS Group's Social Action, which will help the company achieve the following objectives:

- PROMOTE THE GROWTH OF THE BUSINESS AND ITS SUSTAINABILITY
- MPROVE THE RECOGNITION AND REPUTATION OF THE COMPANY
- INCREASE THE SATISFACTION OF EMPLOYEES AND ASSOCIATES
- CONTRIBUTE TO THE IMPROVEMENT OF THE SOCIETY IN WHICH THE ACS GROUP OPERATES



The ACS Group's Social Action Policy is governed by an Action Plan, which sets the procedures for implementation in the Group's various business areas. It has been drafted in accordance with the guidelines and recommendations of the London Benchmarking Group (LBG); it includes the extensive experience gained over the years by the ACS Foundation and covers the current actions by the companies of the ACS Group.

The ACS Group's Social Action Policy will be carried out by both Group companies and the ACS Foundation, with each having differentiated functions and different contributions.

- Group companies: each Group company will have the freedom to select its own social action activities provided they are linked to experience acquired in its business and contribute to the objectives of this policy. The employees of the company may subsequently become involved in these corporate volunteer activities.

  In order to operatively implement this Policy, each company will appoint a social action supervisor. This individual will launch the initiatives, act as contact person for employees wishing to participate in the programmes, coordinate the activities, and conduct the monitoring of the indicators needed to measure the impact of these initiatives.

- ACS Foundation: The Foundation will carry out its own activities, according to its statutes, and may support any Group companies that request assistance for their voluntary corporate initiatives, if appropriate.

Social Action contributions may be in cash or in kind.

The activities under the ACS Group's Social Action Policy will be covered by the following categories:

- Community investments: long-term collaboration with NGOs or community organizations to address various social needs. This category will include Foundation activities that meet this description and citizen awareness activities carried out in Group companies' corporate volunteer programmes.

- Trade Initiatives: support for sponsorship and patronage activities conducted by the Foundation or Group companies. An effort will be made for sponsored initiatives to follow the guidelines of the Social Action Policy.

- Philanthropic donations: occasional support for NGOs or community organizations in response to their occasional or emergency needs. This kind of donations will be carried out primarily by the Foundation, but will also include in-kind support provided for these causes to employee volunteers from the different companies, who have requested and received this support.

- Furthermore, the ACS Foundation may carry out any additional initiatives in accordance with its bylaws, as its Board determines.

The ACS Group's Social Action Policy will be the same for all Group companies and the Group Foundation, and may be implemented and carried out in all countries where the ACS Group operates.

Responsibility for the Social Action policy shall rest with the Executive Vice President of the ACS Group, member of the Board of Directors and Vice President of the ACS Foundation.

THE ACS GROUP AND THE CORPORATE SOCIAL RESPONSIBILITY

SOCIAL ACTION IN ACS GROUP COMPANIES

In 2014 companies representing 54.14% of ACS employees carried out Social Action initiatives. For this purpose a total of €4,251,468 has been invested. 9,405 people have benefited from these actions.

The development of social action in 2014 is still in its initial stages, and not in vain, since the Group's general policy was approved in May 2014. The goal of the Group's Human Resources offices is to have efforts increase substantially in 2015, just as in previous years.

ACS FOUNDATION

The ACS Foundation, whose formal social action policy is detailed in its founding charter, is guided by several action principles:

- 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.

The ACS Foundation was created to return part of the profits generated by our business to society to improve the quality of life of its citizens in any physical, human, training, cultural or environmental aspect and in support of human rights and the achievement of millennium goals.

To carry out this Social Action, the ACS Group's Board approves a budget annually to make it possible to implement projects framed in the Foundation's ideology and charter, which are executed by the institutions that receive them. An agreement is drawn up with each of them to define each party's obligations, so guaranteeing complete transparency in the management of the Foundation.

In 2014, the ACS Foundation spent €4,010 million, equivalent to 94.5% of its budget. A budget of €4.350 million has been approved for 2015.

Category	Amount allocated
€ million	
Elimination of barriers (disability)	0.696
Environment	0.242
Research	0.683
Promotion of cultural activities	1.118
Aid to other foundations and institutions	0.810
Others[27]	0.461
TOTAL	**4.010**

27 Personnel and other costs for actions, such as training, payment of teachers, publishing of materials, etc.

ACS GROUP GOVERNANCE

ACS GROUP SHAREHOLDERS

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 2014, 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.

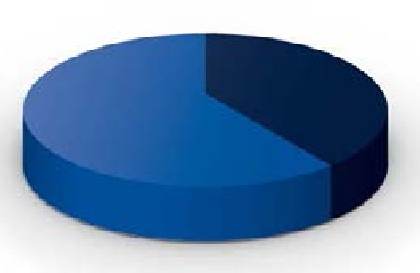
ACS's shares are represented by means of book entries and admitted to trading in all Spain's Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia). You can access the main data relating to the company's ownership structure in real time through the company's corporate website, www.grupoacs.com, and that of the Spanish Stock Market Commission (C.N.M.V.), www.cnmv.es, as reflected in the following table as at 31 December 2014:

Shareholder's name or corporate name	Number of shares	Percentage of the total number of sharess
Corporación Financiera Alba, S.A	43,682,967	13.88%
Inversiones Vesán, S.A	39,397,625	12.52%
Iberostar Hoteles y Apartamentos S.L.	17,741,012	5.64%
Mr. Alberto Cortina Alcocer	12,098,318	3.84%
Mr. Alberto Alcocer Torra	10,240,773	3.25%

The information obtained from IBERCLEAR, the Spanish Central Securities Depository, for the call to the company's most recent General Shareholders' Meeting, held on 29 May 2014, showed a total of 48,646 shareholders. There were 42,779 resident minority shareholders, who held 15.4% of the share capital. There were 5,867 non-resident shareholders and domestic institutional shareholders with a remaining stake of 84.6%.

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:

SHARE OWNERSHIP



MAJOR SHAREHOLDERS*: 39%
FLOATING CAPITAL: 61%

* Representation on the Board.

ACS STOCK

	2012	2013	2014
Closing Price	€19.04	€25.02	€28.97
Appreciation of ACS shares	-16.86%	31.41%	15.79%
Appreciation of the IBEX35	-4.66%	21.42%	3.66%
Maximum closing price	€25.10	€25.02	€34.39
Minimum closing price	€10.38	€16.76	€24.97
Average price over the period	€16.77	€21.11	€28.95
Total volume (thousands)	227,383	201,945	252,049
Average daily volume of shares (thousands)	888	792	992
Turnover (€ million)	3,812	4,248	7,376
Average daily turnover (€ million)	14.89	16.66	29.04
Number of shares (millions)	314.66	314.66	314.66
Capitalisation at the end of the period (million)	5,991	7,873	9,116

ACS is a company committed to generating value for its shareholders, both from the point of view of dividend distribution and share price appreciation. In terms of total shareholder return, an investor who bought one share in ACS on 31 December 1996, just before the creation of ACS in its current form, would have obtained, at the end of 2014, annual profitability of 25.17%. If he or she had invested €100 on that day, at the end of 2014 he or she would have had €5,685, meaning that the investment would have multiplied by 56.85. Total shareholder return includes stock market appreciation and the dividends paid by the ACS Group.

ACS GROUP GOVERNANCE

ACS GOVERNANCE STRUCTURE

It is laid down in the Company's 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 (21) members. 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 2014, ACS's Board of Directors was made up of 17 Board Members: 4 executive members, 7 members representing major shareholders, 5 independent members and 1 external member.

The Group promotes all the policies necessary to ensure equality of opportunities and to avoid implicit bias and any discrimination in selection processes not just for members of the Board of Directors, but also for any work position and to guarantee that the applicants meet the competence, knowledge and experience requirements to carry out their work, as stated in point 1.3.1 of the ACS Code of Conduct. As of 31 December 2014, two of the 17 members of the Board of Directors of the ACS Group are women, or 11.8%.

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[28]	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 Landiríbar	1951
Sabina Fluxá Thienemann	1980
Joan-David Grimà i Terré	1953
José María Loizaga Viguri	1936
Pedro López Jiménez	1942
Emilio García Gallego	1947
Santos Martínez-Conde Gutiérrez-Barquín	1955
Javier Monzón de Cáceres	1956
Miquel Roca i Junyent	1940
María Soledad Pérez Rodríguez	1943
José Luis del Valle Pérez	1950

28 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

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 the main functions detailed in the ACS Group's Corporate Governance Report (Section C.2.3), outstanding among which are the accounting control functions, supervision of compliance with the ACS Group Code of Conduct and risk management, among others.

Finally, the Appointments and Remuneration Committee has the main functions detailed in the ACS Group's Corporate Governance Report (Section C.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, among others.

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 2014 was €13.44 million, 1.9% of the company's 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, both of which are summarised here, is shown in the Annual Corporate Governance Report.

Remuneration to the Board of Directors	**Thousands euros**
Remuneration to the Board of Directors.	11,396
Value of the overall remuneration corresponding to rights accumulated by the Board Members as regards pensions.	2,047
Overall remuneration to the Board of Directors.	**13,443**
Total remuneration of Senior Executives (52 Executives).	**26,153**

ACS GROUP GOVERNANCE

The detail of individualised remunerations to the Board of Directors is delivered to the General Shareholders' Meeting in the Annual Remuneration Report, which is also available via the CNMV.

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 D.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.

Attendance at Shareholders' Meetings	2009 Ordinary	2010 Ordinary	2010 Extraordinary	2011 Ordinary	2012 Ordinary	2013 Ordinary	2014 Ordinary
Shareholders Present	208	213	115	179	216	226	273
Quorum Shareholders Present	7.66%	19.44%	19.93%	20.55%	20.05%	20.19%	7.31%
Shareholders Represented	2,763	2,776	2,183	2,792	2,368	2,214	1.933
Quorum Shareholders Represented	70.88%	58.22%	57.11%	54.41%	51.40%	55.06%	62.89%
Quorum Total	78.54%	77.66%	77.04%	74.96%	71.45%	75.25%	70.2%

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 significant events is restricted, until made public, to the minimum number of identified people.

ECONOMIC AND FINANCIAL REPORT OF ACS GROUP 2014

ACS
ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

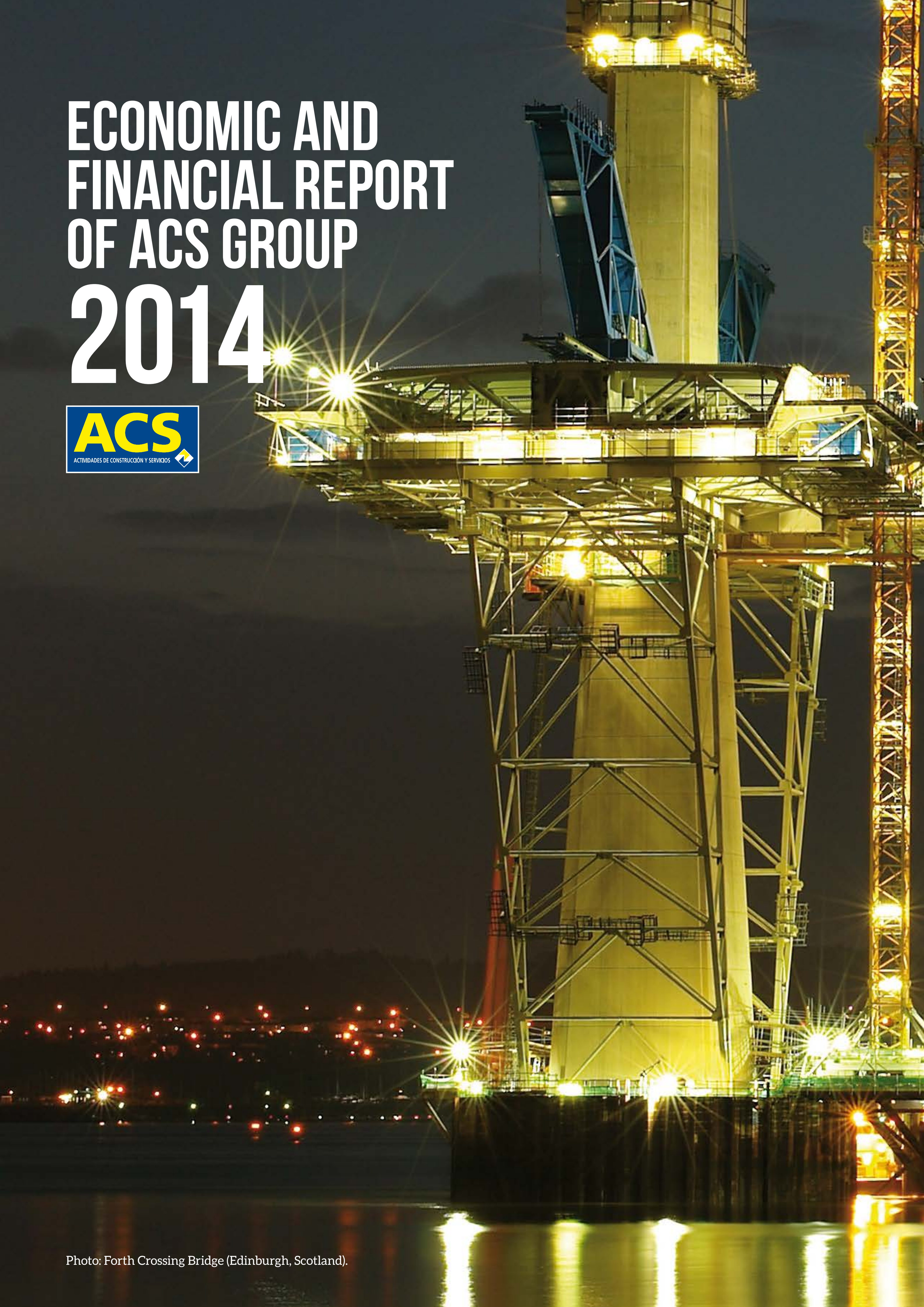


Photo: Forth Crossing Bridge (Edinburgh, Scotland).

ECONOMIC AND FINANCIAL REPORT OF ACS GROUP

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP

1. PERFORMANCE OF THE ACS GROUP IN 2014

1.1. HIGHLIGHTS

KEY OPERATING & FINANCIAL FIGURES

Million Euro	2013	2014	Var.
Turnover	35,178	34,881	(0.8%)
Backlog	59,363	63,320	6.7%
Months	19	20	
EBITDA	2,833	2,466	(12.9%)
Margin	8.1%	7.1%	
EBIT	1,640	1,598	(2.6%)
Margin	4.7%	4.6%	
Attributable Net Profit	702	717	2.2%
EPS	2.26 €	2.31 €	2.0%
Cash Flow from Activities	1,086	824	(24.1%)
Net Investments	494	(313)	n.a.
Investments	2,502	2,310	(7.7%)
Disposals	2,008	2,623	30.6%
Total Net Debt *	3,811	3,722	(2.3%)
Businesses Net Debt	3,126	3,129	0.1%
Project Financing	685	593	(13.4%)

NOTE: Data presented in accordance with ACS Group management criterion. The balance sheet, the income statement and the statement of cash flows in 2013 have been restated as a result of the entry into force of IFRS 10, 11 and 12. The main effect is the application of IFRS 11 which has affected the affiliate Leighton. The IFRS establishes the need to conduct an analysis of whether the joint agreement is structured through a separate vehicle and whether it represents a distribution of net profits or a right or obligation to a proportionate part of its assets or liabilities, respectively. The income statement for the sale of the businesses of John Holland and Leighton Services has also been restated, considering them discontinued operations in both years. In addition, Clece was fully consolidated as of 1 July 2014.

* Net debt includes amounts pending collection for the sale of John Holland and Leighton Services in December 2014, listed on the Balance Sheet as at 31/12/2014 under the heading Accounts Receivable.

ACS Group sales for the year 2014 amounted to EUR 34,881 million, representing a slight drop of 0.8% compared to 2013 figures. Without taking into account the impact caused by exchange rate fluctuations or variations due to changes in the scope of consolidation other than those that gave rise to the restatement of income therefrom as discontinued operations, sales fell by 1.8%. Activity outside Spain represents 84.0% of sales.

Meanwhile, the backlog at the end of 2014 totalled EUR 63,320 million, reflecting an increase of 6.7% in the last twelve months. The rise in the U.S. dollar and changes in the scope of consolidation in the last few quarters have permitted this positive performance. Without considering these effects the backlog would have decreased in value by 2.9%.

FOREX & PERIMETER CHANGES IMPACT

Million Euro	2013	2014	Var.	Var. Comp.*
Backlog	59,363	63,320	6.7%	(2.9%)
Direct	53,689	56,472	5.2%	(4.1%)
Proportional**	5,674	6,849	20.7%	9.9%
Work Done	37,205	37,088	(0.3%)	(1.2%)
Direct	35,178	34,881	(0.8%)	(1.8%)
Proportional**	2,027	2,207	8.9%	5.2%
EBITDA	2,833	2,466	(12.9%)	(3.9%)
EBIT	1,640	1,598	(2.6%)	3.1%

* Comparable change not including the effects of exchange rate, changes in the scope of consolidation and the FleetCo effect.
** Backlog and production equal to the proportional participation in the joint ventures which the Group has not fully consolidated.

EBITDA for the Group totalled EUR 2,466 million in 2014, representing a decrease of 12.9% compared to the 2013 figure, while EBIT decreased by 2.6% to EUR 1,598 million.

The fall in the EBITDA was affected by changes in the scope of consolidation, the effect of the exchange rate for different currencies and the impact of the start-up of FleetCo, the Leighton company that holds the operational assets associated with its mining services, for which the financial leasing arrangement has been replaced with an operating lease. Without the impact of all these effects, the EBITDA would have decreased by 3.9%. Meanwhile, the EBIT, adjusted for the aforementioned effects, increased by 3.1%. The main causes of this reduction in operating margins were:

- The organisational, operational and backlog restructuring that Hochtief Europe, Flatiron and Leighton are carrying out, which are expected to begin yielding results as of 2015.
- The impact of the drop in mining activity in Leighton, whose contribution margin is substantially greater than any other business.
- The reduction in Industrial Services activity as a consequence of the slow-down in investments in the sector, affected by the marked drop in oil prices over the last three quarters.

Leighton has made a provision to reduce the on-balance sheet operational risk by EUR 458 million. It has also recorded the gains obtained from the sale of John Holland and Leighton Services (EUR 409 million after taxes) as a profit from discontinued operations.

The net profit attributable to the Group totalled EUR 717 million, representing an increase of 2.2%, broken down by area of activity as follows:

NET PROFIT PER AREA OF ACTIVITY

Million Euro	2013	2014	Var.
Net Profit Construction	189	223	18.1%
Net Profit Industrial Services	418	420	0.5%
Net Profit Environment	58	72	24.4%
Net Profit Corporation	37	2	n.a.
Net Profit	702	717	2.2%

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP

The net debt at the end of 2012 was EUR 3,722 million, 2.3% lower than in December 2013. This figure includes amounts pending collection for the sales of John Holland and Leighton Services, which amount to EUR 1,108 million and are entered on the balance sheet as Accounts Receivable.

The following significant events occurred during 2014:

- On 12 December 2013 the ACS Board of Directors approved the distribution of an interim dividend of EUR 0.446 per share, which was distributed during the month of February 2014 using the flexible dividend system.

- In addition, the General Shareholders' Meeting held on 29 May 2014 approved the distribution of a final dividend of EUR 0.71 per share. This dividend was paid during the month of July by means of the flexible dividend system, whereby 40.89% of ACS shareholders decided to sell their rights to ACS, which represented a total gross amount of EUR 91 million. On 30 July 3,875,019 shares were also issued to shareholders who chose remuneration in shares. The same number of shares was subsequently retired.

- On 31 January 2014 Hochtief, A.G. sold 50% of its share in aurelis Real Estate as part of its non-strategic asset divestment strategy.

- On 10 March 2014 the Australian company Hochtief Australia Holding Ltd (wholly owned by ACS Group member Hochtief, A.G.) announced the launch of a proportional takeover bid of the Australian company Leighton Holdings Ltd. The transaction was completed on 12 May 2014, with the result of an increase in Hochtief A.G.'s share in Leighton to 69.62%. Hochtief, A.G.'s investment in this transaction entailed a disbursement of EUR 617 million.

- On 20 March 2014, ACS, Actividades de Construcción y Servicios, S.A. formalised the renewal of the Euro Commercial Paper (ECP) programme for a maximum amount of EUR 750 million, which has been registered with the Irish Stock Exchange. Through this programme, ACS can issue notes with maturities between 1 and 364 days, thereby facilitating the diversification of the lines of financing on the capital market.

- On 27 March 2014 ACS Actividades Finance 2, B.V. (a Dutch subsidiary wholly owned by ACS, Actividades de Construcción y Servicios, S.A.) issued bonds that are exchangeable for Iberdrola shares for EUR 405.6 million, with a maturity date of 27 March 2019 and a fixed annual nominal interest rate of 1.625%, payable quarterly in arrears.

  On 9 December 2014, ACS announced an offer to pay a cash incentive to all holders of bonds exchangeable for Iberdrola shares maturing in 2018 and 2019, which resulted in the early redemption of EUR 593.8 million, which breaks down into:

  - EUR 170.3 million for the issue of bonds that mature in 2019, with an incentive of EUR 30.7 million; and

  - EUR 423.5 million for bonds issued in October 2013 that mature in 2018, with an incentive of EUR 55.5 million.

  At the end of 2014, ACS Group held a total of 89 million shares in Iberdrola on its balance sheet, maturing in 2018, pledged as security for bonds with a face value of EUR 532 million.

- On 8 May, Urbaser refinanced a syndicated loan for EUR 506 million with 19 national and international banks. The syndicated loan was extended for three (3) more years to November 2017, and the amount was increased to EUR 600 million.

- During 2014 Dragados acquired two companies in the United States, Prince Contracting LLC (Florida) and JF White Contracting (Massachusetts), to boost its operations in North America. In total the two companies had a turnover of EUR 304 million in 2013 and contributed an initial backlog of EUR 525 million.

- In the month of August 2014 the ACS Group closed the acquisition of 25% of Clece S.A. for EUR 121 million with different funds administrated by Mercapital Private Equity, rendering void all previous contracts and agreements signed with them related to Clece. Following this transaction, ACS now holds 100% of Clece's capital with the consequent change to the consolidation method for this company in the Group, changing from the share method to the full consolidation method. The total company value considered was EUR 542 million.

- On 27 August 2014, Iridium reached an overall agreement valued at EUR 175.2 million, which includes the sale of 80% shares in different concession assets such as the Madrid Interchange Stations, Hospital de Majadahonda and Barcelona Metro Line 9, as well as a co-determination agreement for other Spanish motorway assets in which the Group is a controlling shareholder, and also including certain call options exercisable in subsequent periods.

- On 4 October 2014, Royal Decree-Law 13/2014 was enacted to regulate the procedure for acceptance of withdrawal, with the consequent termination of the natural gas exploitation and underground storage concession known as “Castor” and the hibernation of the facilities whose management was assigned to the company Enagás Transporte, S.A.U. The law also establishes the compensation to Escal UGS for its investment in the project (EUR 1,350.7 million), which was paid on 11 November, and for the compensation rights accrued, which include the financial remuneration and the operating and maintenance costs incurred from the provisional start-up to the date on which the Royal Decree-Law came into effect, as well as the operating and maintenance costs since the date the Royal Decree-Law came into effect, which will be paid in accordance with the applicable legislation in each case.

- On 12 December, Leighton announced the agreement to sell its subsidiary John Holland to China Communications Construction Company. The sale price reflected a business value for 100% of the company of AUD 1,075 million, subject to a series of adjustments.

  In addition, on 17 December, Leighton agreed to the sale of 50% of its subsidiary services to several funds affiliated with Apollo Global Management LLC. The sale price implied a business value by 100% of the company’s AUD 1,075 million, subject to a series of adjustments.

  The two transactions combined represented gains after taxes of EUR 409 million, which is recorded for accounting purposes as a net profit from discontinued operations in 2014. Moreover, the ordinary contribution of the net profit from both businesses is listed under the same heading and amounts to EUR 129 million.

  These transactions have permitted a reduction in the Group’s net debt by EUR 823 million, which is the difference between the EUR 1,108 million of the divestment, the funds for which are pending collection (considered a lower net debt) and the EUR 285 million that both companies held as a net cash balance from their sale and, as such, deconsolidated from the balance sheet as at 31 December 2014.

- On 18 December 2014 the ACS Board of Directors approved the distribution of an interim dividend of EUR 0.45 per share. It was distributed using the flexible dividend system during the month of February 2015. In this process, 40.46% of the rights of cost-free allocation were acquired by ACS under a purchasing commitment undertaken by the company. For the rest of the shareholders a total of 2,616,408 shares were issued on 24 February, which were retired simultaneously as approved at the General Shareholders’ Meeting on 29 May 2014.

- On 13 February 2015, ACS, Actividades de Construcción y Servicios, S.A., signed a financing agreement with a syndicate of banks comprising forty-three Spanish and foreign institutions, for a total amount of EUR 2,350 million, divided into two tranches (tranche A being a loan for an amount of EUR 1,650 million and tranche B being a line of credit for an amount of EUR 700 million) with a maturity date of 13 February 2020. This is to be used, in the amount required, to pay off the existing syndicated loan signed on 9 February 2012 for a principal amount of EUR 1,430.3 million, and three loans granted to finance the acquisition of shares in Hochtief A.G. for a total principal amount of EUR 694.5 million.

- On 21 January 2015, ACS Group reached an agreement with Global Infrastructure Partners for the sale of a recently created energy asset development company, integrating the renewable energy assets over which Saeta Yield S.A. holds a right of first offer. This transaction is pending approval by the competent regulatory bodies.

- On 16 February 2015, Saeta Yield was listed on the Stock Exchange. With this transaction ACS Group sold 51.78% of the company to the market. In addition, under the agreements reached with Global Infrastructure Partners, it sold 24.4% of Saeta Yield. The combination of these two transactions brought a net cash inflow of EUR 361 million, after subtracting the prior capital increase, the redemption of intra-group loans and the expenses associated with the transaction.

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP

1.2. CONSOLIDATED INCOME STATEMENT OF THE ACS GROUP

CONSOLIDATED INCOME STATEMENT

Million Euro	2013	%	2014	%	Var.
Net Sales	35,178	100.0 %	34,881	100.0 %	(0.8%)
Other revenues	571	1.6 %	623	1.8 %	9.1%
Total Income	35,749	101.6 %	35,504	101.8 %	(0.7%)
Operating expenses	(25,318)	(72.0 %)	(25,276)	(72.5 %)	(0.2%)
Personnel expenses	(7,598)	(21.6 %)	(7,761)	(22.3 %)	2.2%
Operating Cash Flow (EBITDA)	2,833	8.1 %	2,466	7.1 %	(12.9%)
Fixed assets depreciation	(1,145)	(3.3 %)	(824)	(2.4 %)	(28.0%)
Current assets provisions	(48)	(0.1 %)	(45)	(0.1 %)	(7.7%)
Ordinary Operating Profit (EBIT)	1,640	4.7 %	1,598	4.6 %	(2.6%)
Impairment & gains on fixed assets	(199)	(0.6 %)	(4)	(0.0 %)	n.a.
Other operating results	98	0.3 %	(634)	(1.8 %)	n.a.
Operating Profit	1,539	4.4 %	960	2.8 %	(37.6%)
Financial income	362	1.0 %	354	1.0 %	(2.4%)
Financial expenses	(1,122)	(3.2 %)	(1,036)	(3.0 %)	(7.7%)
Ordinary Financial Result	(760)	(2.2 %)	(682)	(2.0 %)	(10.2%)
Foreign exchange results	(23)	(0.1 %)	(24)	(0.1 %)	2.0%
Changes in fair value for financial instruments	555	1.6 %	234	0.7 %	(57.9%)
Impairment & gains on financial instruments	101	0.3 %	163	0.5 %	61.1%
Net Financial Result	(126)	(0.4 %)	(309)	(0.9 %)	144.8%
Results on equity method	96	0.3 %	132	0.4 %	37.4%
PBT of continued operations	1,509	4.3 %	782	2.2 %	(48.1%)
Corporate income tax	(425)	(1.2 %)	(319)	(0.9 %)	(25.0%)
Net profit of continued operations	1,084	3.1 %	464	1.3 %	(57.2%)
Profit after taxes of the discontinued operations	163	0.5 %	464	1.3 %	184.3%
Consolidated Result	1,247	3.5 %	928	2.7 %	(25.6%)
Minority interest	(545)	(1.6 %)	(211)	(0.6 %)	(61.4%)
Net Profit Attributable to the Parent Company	702	2.0 %	717	2.1 %	2.2%

1.2.1. REVENUE AND BACKLOG

Sales for 2014 amounted to EUR 34,881 million, showing a slight fall of 0.8% compared to 2013 sales. This figure would be EUR 39,172 million, practically the same figure as the previous year, if we include the sales of John Holland and Leighton Services in 2013 and in 2014, re-classified as discontinued operations following the divestment of both businesses in December 2014. The distribution of sales by geographical area shows the diversification of the Group's sources of income, where the Americas represented 39.3% of sales, Asia Pacific 34.3% and Europe 25.7%. Spain represented 16.0% of the Group's total sales.

SALES PER GEOGRAPHICAL AREAS

Million Euro	2013	%	2014	%	Var.
Spain	5,245	14.9 %	5,581	16.0 %	6.4%
Rest of Europe	4,498	12.8 %	3,381	9.7 %	(24.8%)
America	13,054	37.1 %	13,692	39.3 %	4.9%
Asia Pacific	11,917	33.9 %	11,960	34.3 %	0.4%
Africa	463	1.3 %	267	0.8 %	(42.4%)
Total	35,178		34,881		(0.8%)

SALES PER GEOGRAPHICAL AREAS

(inter area of activity adjustments excluded)

	Construction			Industrial Services			Environment		
Million Euro	2013	2014	Var.	2013	2014	Var.	2013	2014	Var.
Spain	1,393	1,415	1.6%	2,739	2,466	(10.0%)	1,148	1,728	50.5%
Rest of Europe	3,510	2,604	(25.8%)	693	482	(30.5%)	296	296	(0.0%)
America	9,754	10,283	5.4%	3,014	3,126	3.7%	286	283	(0.9%)
Asia Pacific	11,707	11,517	(1.6%)	210	443	110.8%	0	0	n.a.
Africa	1	1	n.a.	411	234	(43.0%)	52	32	(38.9%)
Total	26,365	25,820	(2.1%)	7,067	6,750	(4.5%)	1,781	2,338	31.3%

In Construction there was a notable stabilising of activity in Spain. In Europe and Asia Pacific it saw negative rates of growth, affected by the sale of Hochtief, A.G.'s Services business of and the devaluation of the Australian dollar, respectively.

The area of Industrial Services shows a reduction in its activity in Spain as a consequence of the completion of various projects, mainly the construction of solar thermal plants. The Americas experienced growth arising from activity in Mexico. There was strong growth in the Middle East, which will continue with the development of new projects in Saudi Arabia. In both the Rest of Europe and Africa there was a fall in activity with the completion of significant projects (Bremen and South Africa).

Environment sales include Clece's operations since 1 July, with activity limited almost entirely to Spain.

The total backlog, which amounts to EUR 63,320 million, recorded an increase of 6.7%.

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP

BACKLOG PER GEOGRAPHICAL AREAS

Million Euro	Dec 13	%	Dec 14	%	Var.
Spain	10,177	17.1 %	11,476	18.1 %	12.8%
Rest of Europe	8,778	14.8 %	8,019	12.7 %	(8.6%)
America	16,494	27.8 %	21,184	33.5 %	28.4%
Asia Pacific	23,516	39.6 %	21,758	34.4 %	(7.5%)
Africa	398	0.7 %	883	1.4 %	121.6%
Total	59,363		63,320		6.7%

BACKLOG PER GEOGRAPHICAL AREAS

	Construction			Industrial Services			Environment		
Million Euro	Dec 13	Dec 14	Var.	Dec 13	Dec 14	Var.	Dec 13	Dec 14	Var.
Spain	3,354	3,247	(3.2%)	2,327	1,937	(16.8%)	4,496	6,293	40.0%
Rest of Europe	5,302	4,827	(9.0%)	597	370	(38.0%)	2,879	2,821	(2.0%)
America	12,175	16,550	35.9%	3,310	3,626	9.5%	1,008	1,009	0.1%
Asia Pacific	22,675	20,512	(9.5%)	841	1,247	48.2%	0	0	n.a.
Africa	0	0	n.a.	337	842	149.6%	61	41	(33.1%)
Total	43,507	45,135	3.7%	7,413	8,021	8.2%	8,443	10,164	20.4%

The development of Construction in the Americas was notable, with the incorporation of Prince and White and the good performance in procurement in Dragados, with major projects in Ohio and California, as well as in Turner and Flatiron. In Europe, Hochtief, A.G. reduced its backlog as part of its operational restructuring, while in Asia Pacific the decrease was in mining activity.

Industrial Services reduced its backlog in Spain as a consequence of the completion of renewable energy projects, while in the rest of Europe certain projects were finalised and have not been replaced. Conversely, growth in the Americas was mainly in Mexico and Brazil, while growth in Asia was in the Middle East, especially Saudi Arabia. Last of all, the Middle East backlog grew mainly as a consequence of the incorporation of Clece.

1.2.2. OPERATING RESULTS

OPERATING RESULTS

Million Euro	2013	2014	Var.
EBITDA	2,833	2,466	(12.9%)
EBITDA Margin	8.1%	7.1%	
Depreciation	(1,145)	(824)	(28.0%)
Construction	(946)	(623)	(34.2%)
Industrial Services	(56)	(56)	(0.3%)
Environment	(141)	(145)	2.3%
Corporation	(1)	(1)	(16.9%)
Current assets provisions	(48)	(45)	(7.7%)
EBIT	1,640	1,598	(2.6%)
EBIT Margin	4.7%	4.6%	

The Group's EBITDA for 2014 totalled EUR 2,466 million, representing a drop of 12.9% compared to the same period of 2013, while EBIT was EUR 1,598 million, a drop of 2.6%. The main reasons for this decline in operating margins were:

- The organisational, operational and backlog restructuring that Hochtief Europe, Flatiron and Leighton are carrying out, which are expected to begin yielding results as of 2015.
- The impact of the drop in mining activity in Leighton, whose contribution margin is substantially greater than any other business.
- The reduction in Industrial Services activity as a consequence of the slow-down in investments in the sector, affected by the marked drop in oil prices over the last three quarters.

The Construction depreciation and amortisation charge includes the higher value of certain assigned assets generated as a result of the Hochtief, A.G. purchase price allocation ("PPA"), the gross amount of which amounted to EUR 104.9 million at December 2014, i.e., 45.8% less than in the previous year. The impact of the start-up of FleetCo also reduced the depreciation and amortisation charge for Leighton.

The heading of Other Results includes the provision for the total amount of EUR 458 million made by Leighton ("Contract Debtors Provision") to reduce the on-balance sheet risk related to its operating activity.

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP

1.2.3. FINANCIAL RESULTS

FINANCIAL RESULTS

Million Euro	2013	2014	Var.
Financial income	362	354	(2.4%)
Financial expenses	(1,122)	(1,036)	(7.7%)
Ordinary Financial Result	(760)	(682)	(10.2%)
Construction	(321)	(293)	(8.6%)
Industrial Services	(156)	(145)	(6.9%)
Environment	(59)	(54)	(8.5%)
Corporation	(224)	(190)	(15.1%)

Ordinary financial results fell by 10.2% in 2014. Financial expenses fell by 7.7% as a result of the reduction in interest rates that occurred in the year. Meanwhile, the financial revenue of the ACS Group fell by 2.4% as a consequence of the impact of the lower dividend from Iberdrola.

FINANCIAL RESULTS

Million Euro	2013	2014	Var.
Ordinary Financial Result	(760)	(682)	(10.2%)
Foreign exchange Results	(23)	(24)	2.0%
Impairment non current assets results	555	234	(57.9%)
Results on non current assets disposals	101	163	61.1%
Net Financial Result	(126)	(309)	144.8%

Net financial results included the change in the fair value of financial instruments amounting to EUR 234 million, mainly due to the fluctuation in value of Iberdrola's derivatives.

The impairment and gains or losses on disposal of financial instruments, which amounts to EUR 163 million, include the gains before taxes and non-controlling interests on the sales of Iridium, for transactions involving the redemption of bonds exchangeable for Iberdrola shares and, on the negative side, losses for the sale of certain assets and provisions in Hochtief, A.G.

1.2.4. INCOME FROM EQUITY-ACCOUNTED METHOD

Income from associates accounted for using the equity method includes mainly the contribution of Hochtief, A.G., Iridium and Urbaser to concession projects. The gains and losses arising from various projects in Leighton and Hochtief Americas carried out in collaboration with other shareholders through shared management joint ventures are also included.

EQUITY METHOD

Million Euro	2013	2014	Var.
Results on equity method	96	132	37.4%
Construction	74	106	43.3%
Industrial Services	3	7	118.8%
Environment	19	19	0.7%

1.2.5. NET PROFIT ATTRIBUTABLE TO THE GROUP

Net attributable profit at the end of 2014 amounted to EUR 717 million, representing a 2.2% increase.

NET PROFIT PER AREA OF ACTIVITY

Million Euro	2013	2014	Var.
Net Profit Construction	189	223	18.1%
Net Profit Industrial Services	418	420	0.5%
Net Profit Environment	58	72	24.4%
Net Profit Corporation	37	2	n.a.
Net Profit	702	717	2.2%

The profit after taxes from discontinued operations in both years corresponds to the contribution of John Holland and Leighton Services, and in 2014 includes the gains after taxes obtained from the sale of said assets, amounting to EUR 409 million, while in 2013 includes the gains obtained from the sale of Leighton Telecommunications Services for a value of EUR 82 million.

Profit attributable to non-controlling interests amounting to EUR 211 million relates mainly to the non-controlling interests of Hochtief, A.G., arising from the full consolidation in the ACS Group, as well as the non-controlling interests from Hochtief, A.G. as a result of the consolidation of Leighton.

The effective tax rate, once the net contributions of financial assets are adjusted and accounted for using the equity method, amounts to 34.7%. The effect on the ACS Group of the change to tax schedules in Spain entailed expenses of EUR 127 million.

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1.3. CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2013 AND 2014

CONSOLIDATED BALANCE SHEET

Million Euro	Dec 13	%	Dec 14	%	Var.
Intangible Fixed Assets	4,950	12.4 %	5,042	12.8 %	1.9%
Tangible Fixed Assets	2,607	6.5 %	2,658	6.8 %	2.0%
Investments accounted by Equity Method	1,366	3.4 %	1,231	3.1 %	(9.9%)
Long Term Financial Investments	2,508	6.3 %	2,462	6.3 %	(1.8%)
Long Term Deposits	559	1.4 %	404	1.0 %	(27.8%)
Financial Instruments Debtors	41	0.1 %	6	0.0 %	(84.2%)
Deferred Taxes Assets	2,380	6.0 %	2,196	5.6 %	n.a.
Fixed and Non-current Assets	**14,412**	**36.1 %**	**14,001**	**35.6 %**	**(2.8%)**
Non Current Assets Held for Sale	5,310	13.3 %	3,822	9.7 %	(28.0%)
Inventories	1,827	4.6 %	1,522	3.9 %	(16.7%)
Accounts receivables	11,316	28.3 %	11,611	29.5 %	2.6%
Accounts receivables (proceeds on sale of discontinued ops.)	0	0.0 %	1,108	2.8 %	0.0 %
Short Term Financial Investments	2,980	7.5 %	1,893	4.8 %	(36.5%)
Financial Instruments Debtors	12	0.0 %	34	0.1 %	183.9%
Other Short Term Assets	185	0.5 %	162	0.4 %	(12.4%)
Cash and banks	3,924	9.8 %	5,167	13.1 %	31.7%
Current Assets	**25,554**	**63.9 %**	**25,320**	**64.4 %**	**(0.9%)**
TOTAL ASSETS	**39,965**	**100 %**	**39,321**	**100 %**	**(1.6%)**
Shareholders' Equity	3,803	9.5 %	3,452	8.8 %	(9.2%)
Adjustments from Value Changes	(535)	(1.3 %)	(418)	(1.1 %)	(21.8%)
Minority Interests	2,221	5.6 %	1,864	4.7 %	(16.1%)
Net Worth	**5,489**	**13.7 %**	**4,898**	**12.5 %**	**(10.8%)**
Subsidies	50	0.1 %	60	0.2 %	20.1%
Long Term Financial Liabilities	7,411	18.5 %	6,091	15.5 %	(17.8%)
Deferred Taxes Liabilities	1,381	3.5 %	1,269	3.2 %	(8.1%)
Long Term Provisions	1,795	4.5 %	1,764	4.5 %	(1.7%)
Financial Instruments Creditors	498	1.2 %	197	0.5 %	(60.5%)
Other Long Term Accrued Liabilities	188	0.5 %	155	0.4 %	(17.6%)
Non-current Liabilities	**11,324**	**28.3 %**	**9,535**	**24.2 %**	**(15.8%)**
Liabilities from Assets Held for Sale	3,878	9.7 %	2,891	7.4 %	(25.5%)
Short Term Provisions	1,108	2.8 %	1,342	3.4 %	21.2%
Short Term Financial Liabilities	3,863	9.7 %	6,204	15.8 %	60.6%
Financial Instruments Creditors	71	0.2 %	78	0.2 %	10.9%
Trade accounts payables	13,677	34.2 %	13,962	35.5 %	2.1%
Other current payables	556	1.4 %	411	1.0 %	(26.0%)
Current Liabilities	**23,153**	**57.9 %**	**24,888**	**63.3 %**	**7.5%**
TOTAL EQUITY & LIABILITIES	**39,965**	**100 %**	**39,321**	**100 %**	**(1.6%)**

1.3.1. NON-CURRENT ASSETS

Intangible assets include goodwill amounting to EUR 2,894 million, of which EUR 1,389 million arose from the acquisition of Hochtief, A.G. and EUR 781 million from the merger of ACS with Dragados.

The following items in the balance sheet include the exposure of ACS in Iberdrola:

Non-current financial assets include the shares of the direct ownership interest of ACS in Iberdrola (89 million shares at 31/12/14) at market price, after the redemption of bonds made in December 2014. All shares are pledged in the exchangeable bonds issued in October 2013 and March 2014.

Non-current payables for financial instruments includes the following derivatives for Iberdrola shares:

- An equity swap with Natixis for 164 million shares over which ACS maintains the usufruct right.
- A put spread for a notional amount of 453 million underlying shares.

Non-current deposits include, mainly, those acting as collateral in the related derivative instruments, both the equity swap and the put spread, related to the ownership interest in Iberdrola.

The balance of investments accounted for using the equity method includes various ownership interests in associates of Hochtief, A.G., Clece became fully consolidated as of the third quarter of 2014.

The net balance of deferred taxes amounts to EUR 927 million and relates mainly to tax losses in prior years and tax credits.

1.3.2. ASSETS HELD FOR SALE

The Group maintains its rotation strategy for investments in projects which, once they have reached their operating maturing, are totally or partially disposed.

ASSETS HELD FOR SALE DECEMBER 2014

Million Euro	Renewable energy	Energy Concessions	Other assets	Total
Assets Held for Sale	3,337	274	211	**3,822**
Liabilities from Assets Held for Sale	2,635	171	84	**2,891**
Net Assets Held for Sale	**701**	**104**	**127**	**931**
Net Debt from Assets Held for Sale	2,001	134	78	**2,213**
EBITDA from Assets Held for Sale	285	4	7	**296**
Net Debt/EBITDA	7.0x	30.9x	10.8x	**7.5x**

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The net debt corresponding to these projects held for sale amounts to EUR 2,213 million, while the gross operating profit obtained from these assets in 2014 amounted to EUR 296 million.

On 16 February 2015 Saeta Yield, the company that comprises part of the renewable energy assets of the ACS Groups deemed to be assets held for sale as at 31 December 2014, was listed on the stock exchange.

An agreement was also reached with Global Infrastructure Partners for the creation of a company that comprises the rest of the renewable energy assets over which Saeta Yield holds a right of first offer.

Both the share in Saeta Yield and the development company created together with GIP will be consolidated by the equity method on the accounts of the ACS Group as of the first quarter of 2015. This represents a deconsolidation of the debt held for sale for renewable energy assets of EUR 1,966 million, as well as a reduction in the on-balance sheet net debt of EUR 506 million.

1.3.3. WORKING CAPITAL

WORKING CAPITAL EVOLUTION

Million Euro	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14
Construction	(1,045)	(21)	51	(346)	(585)
Industrial Services	(1,091)	(977)	(1,026)	(759)	(867)
Environment	72	132	125	180	88
Corporation	(7)	24	157	47	7
Total	(2,071)	(842)	(693)	(877)	(1,356)

Note: 2013 data restated as a consequence of entry into force of IFRS 11.

Net working capital to 31 December 2014 decreased its credit balance by EUR 715 million. This figure includes impairment losses in operating working capital of EUR 571 million in the period, affected by a temporary situation of a rise in the debit balance and a drop in advances in Industrial Services, arising mainly from its activity in Mexico, and from the increase in debit balance among Dragados and Leighton customers.

At year end factoring and securitisation amounted to EUR 477 million.

1.3.4. NET DEBT

NET DEBT DECEMBER 31, 2014

Million Euro	Construction	Industrial Services	Environment	Corporation / Adjustments	ACS Group
LT loans from credit entities	1,068	418	871	101	2,458
ST loans from credit entities	1,311	1,087	386	2,125	4,909
Debt with Credit Entities	2,380	1,505	1,256	2,226	7,367
Bonds	2,672	0	0	1,018	3,689
Non Recourse Financing	212	61	320	390	983
Other financial liabilities	99	85	1	0	184
Total External Gross Debt	5,362	1,652	1,577	3,633	12,223
Net debt with Group's companies & Affiliates	53	(152)	(211)	268	(42)
Total Gross Debt	5,414	1,500	1,366	3,901	12,182
ST & other financial investments	955	241	312	677	2,184
Cash & Equivalents*	4,458	1,601	214	2	6,275
Total cash and equivalents	5,413	1,842	526	679	8,460
NET DEBT	2	(341)	839	3,223	3,722

(*) Includes account receivable totalling EUR 1,108 million for the sale of John Holland and Leighton Services.

The ACS Group's total net debt at year end amounted to EUR 3,722 million, i.e., 2.3% lower than in December 2013.

This figure includes, as a reduced debt, the account receivable of EUR 1,108 million for the sale of John Holland and Leighton Services which, after subtracting the net cash balance of the companies sold for an amount of EUR 285 million, represented a net debt reduction of EUR 823 million.

Corporation had net debt of EUR 3,223 million. This figure includes a debt of EUR 532 million in bonds exchangeable for Iberdrola shares, and, at the end of the year, various bilateral loans, the financing for the acquisition of the ownership interest that ACS holds in Hochtief, A.G., cancelled in February 2015, and the syndicated loan with a maturity date in July 2015.

These last two have been refinanced on 13 February 2015, replaced by a financing agreement with a syndicate of banks, for a total amount of EUR 2,350 million, divided into two tranches (tranche A being a loan for an amount of EUR 1,650 million and tranche B being a line of credit for an amount of EUR 700 million) which will mature in five years.

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP

1.3.5. EQUITY

EQUITY

Million Euro	Dec 13	Dec 14	Var.
Shareholders' Equity	3,803	3,452	(9.2%)
Adjustments for Changes in Value	(535)	(418)	(21.8%)
Non-controlling interests	2,221	1,864	(16.1%)
Equity	5,489	4,898	(10.8%)

Equity for the ACS Group amounts to EUR 4,898 million at year end, representing a 10.8% drop since December 2013. The performance of Shareholders' Equity has been affected by the purchase of treasury stock in the period and the increased share in Leighton Holdings and in Hochtief, A.G.

The final dividend in the period charged to 2013 income, was paid in July 2014, approved at the AGM on 29 May, and the interim dividend was charged to 2014 profit, paid in February 2015.

Adjustments for changes in value amount to EUR 418 million and include mainly the impact of the change in interest and exchange rate hedges on certain capital intensive assets.

The balance of non-controlling interests includes both the holdings of the non-controlling shareholders in Hochtief, A.G. 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. The reduction is after Hochtief, A.G.'s increased share in Leighton in the period.

1.3.6. NET CASH FLOWS

NET CASH FLOWS

	2013			2014			Var.	
Million Euro	Total	HOT	ACS ex HOT	Total	HOT	ACS ex HOT	Total	ACS ex HOT
Cash Flow from Operating Activities before Working Capital	1,958	1,075	884	1,395	845	550	(28.8%)	(37.7%)
Operating working capital variation	(873)	(583)	(290)	(571)	(89)	(482)		
Cash Flow from Operating Activities	1,086	492	594	824	756	68	(24.1%)	(88.5%)
1. Payments due for investments	(2,502)	(1,668)	(834)	(2,310)	(1,367)	(943)		
2. Cash collected from disposals	2,008	1,912	96	1,515	416	1,099		
Cash flow from Investing Activities	(494)	244	(738)	(795)	(951)	156	60.9%	n.a.
1. Treasury stock acquisition	(98)	0	(98)	(358)	(48)	(310)		
2. Dividends paid	(398)	(180)	(218)	(318)	(151)	(167)		
3. Other financial sources	634	(128)	763	(11)	(60)	49		
Other Cash Flows	139	(308)	447	(688)	(259)	(428)	n.a.	n.a.
Total Cash Flow generated/(Consumed)	730	427	302	(659)	(454)	(205)	n.a.	n.a.

Note1: The cash flow statement for the year 2013 has been restated due to the entry into force of IFRS 10, 11 and 12. The main effect is the application of IFRS 11, which has affected the affiliate Leighton, with the consequent impact on Hochtief, A.G.
Note 2: The heading "Collections from Disposals" does not include the payment of EUR 1,108 million related to the sale of John Holland and Leighton Services.

Cash flows from operating activities gave rise to a cash generation of EUR 824 million. This figure represents a drop of 24.1% compared to 2013 due to the following:

- Cash flows from operating activities before working capital fluctuations totalled EUR 1,395 million, of which EUR 845 million came from Hochtief, A.G. and EUR 550 million came from the other activities of ACS. The fall in this figure is due to a reduction in mining activity, which is more capital intensive and has a bigger contribution margin, and due to the reduction in Industrial Services activity, due mainly to the drop in investments in the oil and gas sector.

- The operating working capital required funds totalling EUR 571 million, of which EUR 89 million came from Hochtief, A.G. and EUR 482 million came from the other activities of ACS, mainly from Construction and Industrial Services activities. This figure represents an improvement of EUR 776 million in the fourth quarter of 2014. In year-on-year terms, Leighton has performed positively since finalising certain projects in Australia that generated underclaims, while in Industrial Services operating working capital has suffered temporary impairment losses as a consequence of the increase in accounts receivable in Mexico in 2014.

1.3.7. INVESTMENTS

INVESTMENTS

Million Euro	Operating Capex	Investments in Projects & Financial	Total Investments	Operating Disposals	Financial Disposals	Total Disposals	Net Investments
Construction	625	901	1,526	(152)	(1,604)	(1,757)	(230)
Dragados	50	73	123	(11)	(9)	(20)	102
Hochtief, A.G.	575	791	1,367	(141)	(1,383)	(1,524)	(157)
Iridium	0	37	37	0	(213)	(213)	(176)
Environment	120	228	347	(7)	(6)	(13)	335
Industrial Services	32	183	215	(7)	(252)	(259)	(45)
Corporation & others	0	221	222	0	(594)	(594)	(373)
TOTAL	777	1,532	2,310	(167)	(2,456)	(2,623)	(313)

The total investments of the ACS Group amounted to EUR 2,310 million, while divestments represented EUR 2,623 million.

Operating investments in Construction relate mainly to the acquisition of machinery for mining contracts by Leighton (EUR 443 million net of operating divestments), which show a significant reduction due to decreased mining activity and more efficient management thanks to the creation of FleetCo.

The total investment in concession projects and financial investments in Construction activity totalled EUR 901 million and mainly include Hochtief, A.G.'s proportional takeover bid for Leighton (EUR 617 million), the purchase by Dragados of Prince and White, and Iridium's investments and Hochtief, A.G.'s joint ventures. The financial divestments in Hochtief, A.G. relate mainly to the sale of John Holland and Leighton Services and the sale of real estate in Europe, while Iridium's divestments relate to the sale of various motorways, the Seville underground and other public-private contracts.

The investments in Industrial Services projects were used mainly for the completion of renewable energy assets in the course of construction (EUR 91 million). Meanwhile, divestments relate mainly to the sale of Escal UGS´s receivables due to withdrawal from the concession of the Castor Project (EUR 240 million).

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Environmental Services allocated EUR 121 million to the purchase of 25% of Clece and EUR 37 million to increase its share in Tirme. In addition, Urbaser is constructing a waste treatment plant in Essex, to which it has allocated EUR 43 million, and other assets in Chile with an investment of EUR 29 million in the period.

Corporation includes the purchase of shares in Hochtief, A.G. in the amount of EUR 212 million, equal to 5%. ACS Group's share in Hochtief, A.G. at year's end was 61.4%.

1.3.8. OTHER CASH FLOWS

In the period, ACS allocated EUR 358 million to the purchase of treasury shares, to be used for payment of the flexible dividend. In addition, it paid cash dividends totalling EUR 160 million.

Hochtief, A.G. and Leighton paid their non-controlling shareholders EUR 151 million in dividends.

1.4. PERFORMANCE OF BUSINESS AREAS

1.4.1. CONSTRUCTION

CONSTRUCTION

Million Euro	2013	2014	Var.
Turnover	26,365	25,820	(2.1%)
EBITDA	1,656	1,323	(20.1%)
Margin	6.3%	5.1%	
EBIT	674	704	4.4%
Margin	2.6%	2.7%	
Net Profit	189	223	18.1%
Margin	0.7%	0.9%	
Backlog	43,507	45,135	3.7%
Months	19	19	
Net Investments	(101)	(230)	128.2%
Projects & financial (Gross)	870	901	
Working Capital	(1,045)	(585)	(44.0%)
Net Debt	405	2	n.a.
ND/Ebitda	0.2x	0.0x	

Total Construction sales amounted to EUR 25,820 million, representing a 2.1% decrease. This figure includes the activity of all ACS construction companies, including the contributions of Hochtief, A.G. and Iridium, the ACS Group's Concession activity. This figure was affected by the consolidation as discontinued operations of John Holland and Services in Leighton in both 2013 and 2014.

Part of this fall in sales is the result of the mild depreciation of the Australian dollar and was affected by the sale of assets by Hochtief, A.G. in 2013 (Facility Management in Europe) and the acquisition of Prince and White by Dragados in 2014. Without these effects, Construction sales would have fallen by 1.4%.

The EBITDA stood at EUR 1,323 million 20.1% lower than the 2013 figure, affected by various extraordinary factors, exchange rate fluctuations, changes to the scope of consolidation and the impact of the start-up of FleetCo. Eliminating all these effects, Construction EBITDA would have fallen by 4.4%. The man causes of this drop are:

- The organisational, operational and backlog restructuring that Hochtief Europe, Flatiron and Leighton are carrying out, which are expected to begin yielding results as of 2015.
- The impact of the drop in mining activity in Leighton, whose contribution margin is substantially greater than any other business.
- The convergence of Dragados' gross margin towards more moderate rates and the reduced contribution of Iridium due to the sale of assets in 2014.

Net operating profit for the year, EUR 704 million, was heavily affected by the fall noted above in the EBITDA level. Construction EBIT was also affected, but positively, by the reduced impact of the depreciation and amortisation of the assets assigned in the acquisition of Hochtief, A.G., amounting to EUR 104.9 million during the year, 45.8% lower than in 2013. There was also a reduction in depreciation and amortisation in Leighton, resulting from the start-up of FleetCo and the drop in mining activity in Australia.

Net profit in Construction amounted to EUR 223 million, and includes, in negative terms, the provision for a total amount of EUR 458 million made by Leighton ("Contract Debtors Provision") to reduce the on-balance sheet risk associated with its operating activity and, in positive terms, the gains obtained from the sale of John Holland and Leighton Services in December 2014.

Activity in Spain has begun showing signs of stabilising. Sales were down the rest of Europe as a result of the sale of Services and Real Estate in Hochtief, A.G. and the restructuring of its backlog. In the Americas growth came mainly from the United States, while sales dropped off in the Asia Pacific region as a result of the exchange rate and the aforementioned reduced mining activity in Australia.

CONSTRUCTION - SALES PER GEOGRAPHICAL AREAS

Million Euro	2013	2014	Var.
Spain	1,393	1,415	1.6%
Rest of Europe	3,510	2,604	(25.8%)
America	9,754	10,283	5.4%
Asia Pacific	11,707	11,517	(1.6%)
Africa	1	1	n.a.
Total	**26,365**	**25,820**	**(2.1%)**

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CONSTRUCTION- BACKLOG PER GEOGRAPHICAL AREAS

Million Euro	Dec 13	Dec 14	Var.
Spain	3,354	3,247	(3.2%)
Rest of Europe	5,302	4,827	(9.0%)
America	12,175	16,550	35.9%
Asia Pacific	22,675	20,512	(9.5%)
Africa	0	0	n.a.
Total	43,507	45,135	3.7%

The backlog at year end amounted to EUR 45,135 million, 3.7% higher than that recorded twelve months earlier, as a consequence of the growth in the Americas, with the incorporation of Prince and White, and the positive performance in procurement at Dragados, with major projects in Ohio and California, as well as at Turner and Flatiron. In Europe, Hochtief, A.G. reduced its backlog as part of its operational restructuring, and in the Asia Pacific region the reduction occurred mainly in mining activity.

CONSTRUCTION- REPORT OF THE CONSOLIDATED GROUP

	Dragados			Iridium			Hochtief, A.G. (Contribution to ACS)			Adjustments		Total		
Million Euro	2013	2014	Var.	2013	2014	Var.	2013	2014	Var.	2013	2014	2013	2014	Var.
Sales	3,760	3,643	(3.1%)	106	77	(26.9%)	22,499	22,099	(1.8%)			26,365	25,820	(2.1%)
EBITDA	319	295	(7.5%)	50	21	(59.0%)	1,086	906	(16.6%)	201	101	1,656	1,323	(20.1%)
Margin	8.5%	8.1%		47.4%	26.6%		4.8%	4.1%				6.3%	5.1%	
EBIT	234	257	9.5%	22	(4)	n.a.	375	456	21.6%	43	(4)	674	704	4.4%
Margin	6.2%	7.0%		20.6%	(5.7%)		1.7%	2.1%				2.6%	2.7%	
Net Financial Results	(40)	(48)		(70)	(57)		(211)	(188)		(0)	0	(321)	(293)	
Equity Method	5	3		23	16		153	75		(106)	11	74	106	
Other Results.	(49)	(68)		(3)	35		214	(521)		173	(0)	335	(554)	
EBT	150	144	(4.1%)	(28)	(11)	59.5%	530	(177)	n.a.	110	7	762	(37)	n.a.
Taxes	(52)	(39)		18	9		(158)	45		(56)	(5)	(249)	11	
Profit from Disc. Operations	0	0		0	0		174	538		(10)	(73)	163	464	
Minorities	3	(2)		1	2		(454)	(255)		(38)	40	(488)	(215)	
Net Profit	101	103	1.6%	(9)	0	n.a.	91	150	65.5%	6	(30)	189	223	18.1%
Margin	2.7%	2.8%		(8.8%)	0.2%		0.4%	0.7%				0.7%	0.9%	
Backlog	7,622	9,431	23.7%	n.a.	n.a.		35,884	35,704	(0.5%)			43,507	45,135	3.7%
Months	24	31		n.a.	n.a.		19	19				20	21	

Note: The "Adjustments" column includes adjustments due to the PPA, amortisation of the PPA and the resulting impact on taxes and non-controlling interests.

Dragados's activity in Spain stabilised, while there was a drop in activity in Dragados International due to the completion of significant projects in the United States and Canada, which will be replaced by new concessions added to the portfolio in the last few months.

Hochtief, A.G.'s contribution to the net profit of ACS, after subtracting non-controlling interests, amounts to EUR 150 million, proportionate to its effective ownership interest in the period, which amounted to 61.4% at 2014 year end.

HOCHTIEF, A.G.

	America			Asia Pacific			Europe			Holding		Total		
Million Euro	2013	2014	Var.	2013	2014	Var.	2013	2014	Var.	2013	2014	2013	2014	Var.
Sales	7,944	8,615	8.5%	11,623	11,397	(1.9%)	2,819	1,966	(30.3%)	112	121	22,499	22,099	(1.8%)
EBITDA	83	121	45.6%	1,122	917	(18.3%)	(62)	(73)	17.6%	(57)	(58)	1,086	906	(16.6%)
Margin	1.0%	1.4%		9.7%	8.0%		(2.2%)	(3.7%)				4.8%	4.1%	
EBIT	55	97	77.1%	504	524	4.0%	(124)	(105)	(15.3%)	(60)	(61)	375	456	21.6%
Margin	0.7%	1.1%		4.3%	4.6%		(4.4%)	(5.3%)				1.7%	2.1%	
Net Financial Results	(19)	(14)		(178)	(157)		(23)	(13)		9	(4)	(211)	(188)	
Equity Method	46	31		(9)	11		56	34		60	0	153	75	
Other Results.	13	(5)		(87)	(493)		154	11		134	(33)	214	(521)	
EBT	94	108	15.3%	230	(115)	n.a.	63	(73)	n.a.	143	(98)	530	(177)	n.a.
Taxes	(22)	(30)		(94)	(15)		(23)	(12)		(19)	103	(158)	45	
PAT of the d. operations	0	0		174	538		0	0		0	0	174	538	
Minorities	(12)	(15)		(126)	(143)		(8)	4		(228)	0	(374)	(154)	
Net Profit	59	63	6.3%	184	265	44.1%	32	(81)	n.a.	(104)	4	171	252	47.0%
Margin	0.7%	0.7%		1.6%	2.3%		1.1%	-4.1%				0.8%	1.1%	

Hochtief Americas' operations performed notably well as a result of the completion of contracts in the year. Leighton was affected in terms of EBITDA by the fall of the Australian dollar and the drop in mining activity, which is more capital intensive and has a higher contribution margin. Meanwhile, Europe and Corporation include non-recurring expenses in 2014 and a lower contribution from sales of assets.

1.4.2. INDUSTRIAL SERVICES

INDUSTRIAL SERVICES

Million Euro	2013	2014	Var.
Turnover	7,067	6,750	(4.5%)
EBITDA	937	902	(3.8%)
Margin	13.3%	13.4%	
EBIT	881	810	(8.0%)
Margin	12.5%	12.0%	
Net Profit	418	420	0.5%
Margin	5.9%	6.2%	
Backlog	7,413	8,021	8.2%
Months	13	14	
Net Investments	388	(45)	n.a.
Working Capital	(1,091)	(867)	(20.6%)
Net Debt	(621)	(341)	(45.0%)
ND/Ebitda	-0.7x	-0.4x	

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP

Industrial Services sales amounted to EUR 6,750 million, representing a 4.5% decrease compared to 2013, resulting from the drop in activity in Europe and the Americas (completion of projects in the U.S., Panama and the Dominican Republic).

INDUSTRIAL SERVICES - SALES PER GEOGRAPHICAL AREAS

Million Euro	2013	2014	Var.
Spain	2,739	2,466	(10.0%)
Rest of Europe	693	482	(30.5%)
America	3,014	3,126	3.7%
Asia Pacific	210	443	110.8%
Africa	411	234	(43.0%)
Total	7,067	6,750	(4.5%)

EPC Projects grew slightly as a result of the completion of various projects, especially renewable energy projects in Spain and the United States, as well as projects in Central America, which have not been replaced by the activity related to recent contract awards.

INDUSTRIAL SERVICES - TURNOVER BREAKDOWN BY ACTIVITY

Million Euro	2013	2014	Var.
Support Services	3,904	3,471	(11.1%)
Networks	647	661	2.2%
Specialized Products	2,396	1,965	(18.0%)
Control Systems	862	845	(2.0%)
EPC Projects	2,872	2,923	1.8%
Renewable Energy: Generation	343	406	18.5%
Consolidation Adjustments	(53)	(50)	
TOTAL	7,067	6,750	(4.5%)
Total International	4,328	4,284	(1.0%)
% over total sales	61.2%	63.5%	

Revenues derived from renewable energy generation showed an 18.5% increase as a result of the start-up of a new solar thermal plant in Spain and the increased contribution made by wind farms.

INDUSTRIAL SERVICES - BACKLOG PER GEOGRAPHICAL AREAS

Million Euro	Dec 13	Dec 14	Var.
Spain	2,327	1,937	(16.8%)
Rest of Europe	597	370	(38.0%)
America	3,310	3,626	9.5%
Asia Pacific	841	1,247	48.2%
Africa	337	842	149.6%
Total	7,413	8,021	8.2%

The backlog increased by 8.2% to EUR 8,021 million. The backlog outside Spain now represents 75.9% of the total.

INDUSTRIAL SERVICES - BACKLOG PER ACTIVITY

Million Euro	Dec 13	Dec 14	Var.
Support Services	4,507	4,833	7.2%
Networks	474	474	0.1%
Specialized Products	2,792	3,071	10.0%
Control Systems	1,242	1,288	3.7%
EPC Projects	2,451	3,097	26.4%
Renewable Energy: Generation	455	92	(79.8%)
TOTAL BACKLOG	7,413	8,021	8.2%
Total International	5,086	6,085	19.6%
% over total sales	68.6%	75.9%	

EBITDA was calculated at EUR 902 million, 3.8% lower than in 2013 (a 2.1% drop in comparable terms), increasing the margin on sales to 13.4%, showing an improvement in the margins as a result of the larger contribution of renewables to the total figure.

EBIT fell by 8.0% to EUR 810 million, with a margin of 12.0% due to a higher level of provisions aimed at reducing on-balance operating risks, which in 2014 amounted to EUR 35.4 million.

Net profit in the area totalled EUR 420 million, 0.5% higher than in 2013, boosted by a reduction in financial expenses and a lower tax rate on the activity.

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP

1.4.3. ENVIRONMENT

ENVIRONMENT

Million Euro	2013	2014	Var.
Turnover	1,781	2,338	31.3%
EBITDA	275	291	5.7%
Margin	15.4%	12.4%	
EBIT	123	135	9.4%
Margin	6.9%	5.8%	
Net Profit	58	72	24.4%
Margin	3.2%	3.1%	
Backlog	8,443	10,164	20.4%
Months	57	41	
Net Investments	173	335	93.0%
Working Capital	72	88	23.5%
Net Debt	660	839	27.2%
ND/Ebitda	2.4x	2.6x	

Sales in the Environment area grew by 31.3% as a result of the incorporation of Clece by full consolidation as of 1 July 2014. In comparable terms, without this effect or the impact of exchange rate fluctuations, sales would have fallen by 1.1%.

EBITDA amounted to EUR 291 million, representing a 5.7% increase. Without the effect of the incorporation of Clece and without the negative impact of exchange rates, there would have been a 1.6% drop as a result of the reduction in activity in Urban Services. Net profit increased by 24.4%, which without the effect of exchange rate fluctuations would be 21.6%. This growth is the result of an improvement in the contribution from Waste Treatment activity, as well as some lower financial expenses.

ENVIRONMENT - SALES BREAKDOWN

Million Euro	2013	2014	Var.
Waste Treatment	533	523	(1.9%)
Urban Services	1,118	1,031	(7.8%)
Logistics	130	134	2.4%
Facility Management	0	650	n.a.
Total	1,781	2,338	31.3%
International	633	610	(3.6%)
% over total sales	35.5%	26.1%	

The capital intensive waste treatment activity, which includes recycling, treatment and incineration plants, landfills and methane production and other renewable energy production facilities, recorded a slight decrease in turnover of 1.9%.

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 dropped by 7.8% as a result of the process of rationalisation of unprofitable contracts undertaken in 2013.

Logistics activities include the Group's logistics and transport assets.

Facility Management includes Clece's activity. In annualised terms, the company's sales, which occur almost entirely in Spain, increased by 7% to EUR 1,304 million.

International sales fell by 3.6% due to the impact of the exchange rate, mainly in Latin America. Without this effect, or the consolidation of Clece, international sales would have increased by 7.2%. At the end of 2014 they represented 26.1% of the total.

ENVIRONMENT - SALES PER GEOGRAPHICAL AREAS

Million Euro	2013	2014	Var.
Spain	1,148	1,728	50.5%
Rest of Europe	296	296	(0.0%)
America	286	283	(0.9%)
Asia Pacific	0	0	n.a.
Africa	52	32	(38.9%)
Total	1,781	2,338	31.3%

The Environment backlog was EUR 10,164 million, equivalent to more than three years of production, up 20.4% on the previous year. Without the effect of the consolidation of Clece and the exchange rate, it would have fallen by 5.3%.

ENVIRONMENT - BACKLOG BREAKDOWN BY ACTIVITY

Million Euro	Dec 13	Dec 14	Var.
Waste Treatment	5,868	6,072	3.5%
Urban Services	2,575	2,384	(7.4%)
Facility Management	0	1,708	n.a.
Total	8,443	10,164	20.4%
International	3,947	3,871	(1.9%)
% over total backlog	46.8%	38.1%	

The international backlog, which relates mainly to waste treatment, represents 38.1% of the total.

ENVIRONMENT - BACKLOG PER GEOGRAPHICAL AREAS

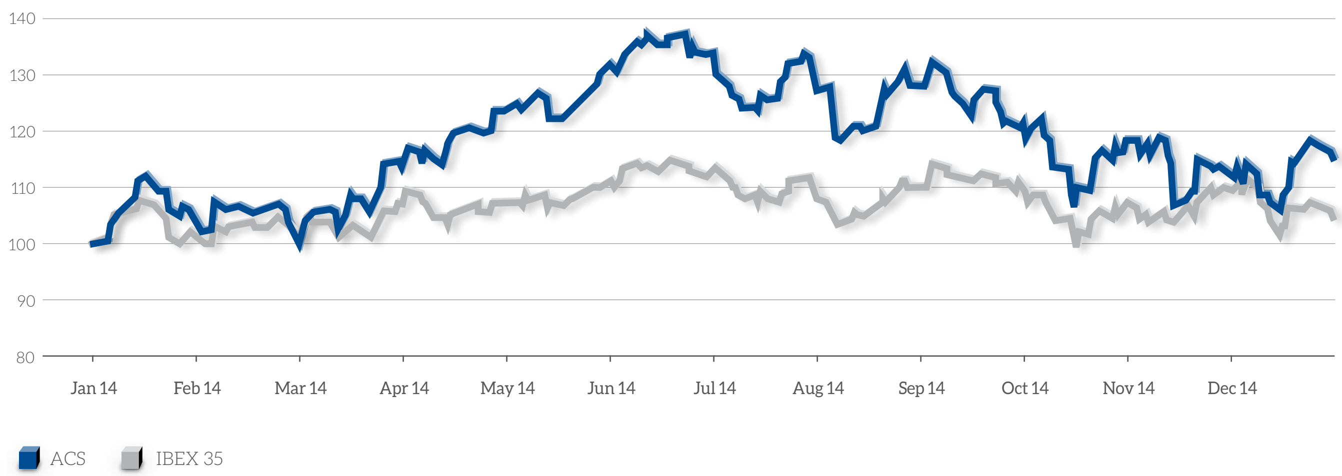
Million Euro	2013	2014	Var.
Spain	4,496	6,293	40.0%
Rest of Europe	2,879	2,821	(2.0%)
America	1,008	1,009	0.1%
Asia Pacific	0	0	n.a.
Africa	61	41	(33.1%)
Total	8,443	10,164	20.4%

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP

2. STOCK MARKET PERFORMANCE

2.1. STOCK MARKET INFORMATION FOR 2014

STOCK MARKET INFORMATION FOR 2014

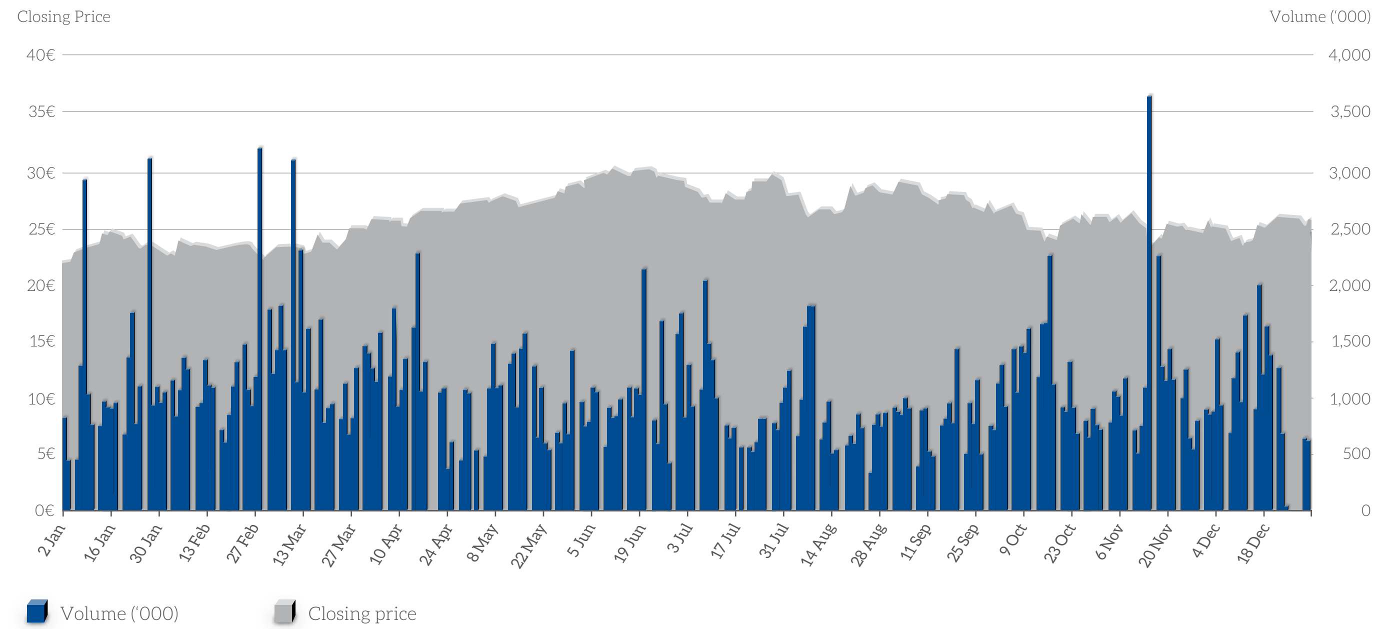


The detail of the ACS Group's main market data is as follows:

ACS SHARES DATA (YTD)

	2013	2014
Closing price	25.02 €	28.97 €
Performance	31.41%	15.79%
Maximum in the period	25.20 €	34.50 €
Maximum Date	30-Dec	23-Jun
Minimum in the period	16.68 €	24.56 €
Minimum Date	06-Feb	06-Jan
Average in the period	21.04 €	29.26 €
Total volume (´000)	201,976	252,294
Daily average volume (´000)	792	989
Total traded effective (EUR mn)	4,249	7,383
Daily average effective (EUR mn)	16,66	28.95
Number of shares (mn)	314.66	314.66
Market cap (EUR mn)	7,873	9,116

STOCK MARKET INFORMATION FOR 2014



2.2. TREASURY SHARES

At 31 December 2014, the ACS Group had 6,919,380 treasury shares, accounting for 2.2% of its share capital. The detail of the transactions performed in the year is as follows:

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

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP

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 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.

The most important matters in the year regarding financial risks related to liquidity are as follows:

- Refinancing of corporate loans by signing a financing agreement for a total amount of EUR 2,350 million, divided into two tranches (tranche A being a loan for an amount of EUR 1,650 million and tranche B being a line of credit for an amount of EUR 700 million) with a maturity date of 13 February 2020.
- Issuance of a bond exchangeable for Iberdrola shares for an amount of EUR 405.6 million with a maturity date of 27 March 2019, partially redeemed together with the bond issued in October 2013 thanks to the positive performance of the prices of the underlying asset.
- Issuance of an unrated bond by Hochtief, A.G. for EUR 500 million with a maturity date in May 2019.
- Renewal of the Euro Commercial Paper (ECP) programme for EUR 750 million.
- Renewal of Urbaser's syndicated loan for EUR 600 million to 2017.
- The combined line of credit and security of EUR 2,000 million held by Hochtief, A.G. with an international syndicate of banks to 31 December 2013 has had its maturity date extended to April 2019.
- Lastly, credit risk, which arises from defaulted trade receivables, is managed by means of the preventive assessment of the solvency rating of the Group's potential customers, both at the beginning of the relationship for each work or project and throughout the duration of the contract, evaluating the credit rating of the amounts receivable and reviewing the estimated recoverable amounts from those considered to be doubtful.

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, A.G. (www.hochtief.com) details its inherent risks 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 2014, especially those arising from:

- The internationalisation of the Group's activities.
- The impact of moderate growth in Asia Pacific.
- The economic and financial uncertainties in Europe.
- The low expectations for growth in the investment in infrastructures in Spain as a result of the government's plans to cut public investment.

4. CORPORATE SOCIAL RESPONSIBILITY

The ACS Group is a worldwide reference in the infrastructure development industry, and it is deeply committed to economic and social progress in the countries where it is present.

In order to coordinate the Corporate Responsibility of the ACS Group, in view of the fact that its operations are decentralised and that the Group covers a broad geographic area, the one project was developed which seeks to promote good management practices and to spread corporate culture. The non-financial management areas on which it has an impact are ethics, efficiency and employees.

The detail of the results of Corporate Responsibility 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.

4.1. ETHICS

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 Group has developed and implemented its General Code of Conduct which is applicable to its employees, suppliers and subcontractors. In addition, training initiatives are carried out in order to inform all three groups of the Code, as well as the implementation of the ACS Group Ethics Channel which enables any person to communicate inappropriate conduct or breaches of the Code of Conduct if there were to occur.

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP

4.2. EFFICIENCY

The ACS Group has identified a series of functional non-financial areas which are key to the performance of its business, which form part of the production process and which generate a significant portion of its profitability and productivity in the operating companies.

Purchasing and Production

The commitment to clients is one of the ACS Group's most important corporate values. Practically all of the ACS Group companies have a customer management system managed by its purchasing management. The management aspects common to the whole ACS Group are as follows:

- Monitoring of client needs.
- Periodic measurement of client satisfaction.
- Promotion of the commercial activity.

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. 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 aimed at improving the quality of the services provided.
- Specific actions are carried out in collaboration with suppliers and subcontractors.

The decentralised nature of the Group's management of its purchases and suppliers requires detailed monitoring and control processes which have the following commonalities in all of the companies:

- Implementation of specific standards and a system for management, classification, approval and control of supplier and subcontractor risk.
- Analysis of the level of compliance with these systems.
- Collaboration with suppliers and transparency in contractual relationships.

Research, development and innovation 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 the Group makes year after year. This effort leads to tangible improvements in productivity, quality, customer satisfaction, occupational safety, the obtaining of 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 takes place through a system which, in the largest companies and in general, follows the guidelines in the UNE 166002:2006 standard and is audited by independent specialists. This program is based on three premises 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.

Environmental protection

The ACS Group has 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 Group carries out its activities in accordance with the law, by adopting the most efficient measures to reduce these effects, and by reporting its activity in the mandatory environmental impact studies.

Additionally, it adapts processes so that a high percentage of the Group's activity is certified to the ISO 14001 standard, which involves an additional commitment required by the law in respect of good environmental practice.

ACS has on-going action plans in their companies to specifically reduce the environmental impact. 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.

4.3. EMPLOYEES

Human Resources

As of 31 December 2014, the ACS Group employed a total of 210,345 people, 33,473 of whom are university graduates.

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.

Health and Safety

The prevention of occupational risks is one of the strategic pillars of all ACS Group companies. 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:

- 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.

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP

5. SIGNIFICANT EVENTS SUBSEQUENT TO YEAR-END

On 13 February 2015, ACS, Actividades de Construcción y Servicios, S.A. signed a financing agreement with a syndicate made up of forty-three Spanish and foreign banks for a total amount of EUR 2,350 million, divided into two tranches (tranche A being a loan for an amount of EUR 1,650 million and tranche B being a line of credit for an amount of EUR 700 million) with a maturity date of 13 February 2020. This is to be used, in the amount required, to pay off the existing syndicated loan signed on 9 February 2012 for a principal amount of EUR 1,430.3 million, and three loans granted to finance the acquisition of shares in Hochtief, A.G. for a total principal amount of EUR 694.5 million.

On 21 January 2015 the ACS Group reached an agreement with Global Infrastructure Partners for the sale of 49% of a recently created energy asset development company, integrating the renewable energy assets over which Saeta Yield, S.A. holds a right of first offer. This transaction is pending approval by the competent regulatory bodies.

On 16 February 2015, Saeta Yield was listed on the stock exchange. With this transaction the ACS Group sold 51.78% of the company to the market. In addition, under the agreements reached with Global Infrastructure Partners, it sold 24.4% of Saeta Yield. The combination of these two transactions brought a net cash inflow of EUR 361 million, after subtracting the prior capital increase, the redemption of intra-group loans and the expenses associated with the transaction.

On 16 March 2015, ACS, Actividades de Construcción y Servicios, S.A, issued notes in the Euro market for the amount of EUR 500 million, with a total demand of EUR 1,337 million, under the Euro Medium Term Note Programme (EMTN Programme), approved by the Central Bank of Ireland and approved in its most recent draft on 11 March 2015. The issue matures at five years and the disbursement date if planned for 1 April 2015, with an annual coupon of 2.875% and an issue price of 99.428%. The Notes are expected to be admitted to trading on the Irish Stock Exchange.

6. OUTLOOK FOR 2015

The ACS Group expects to increase its net profit in 2015 by maintaining a moderate gearing ratio.

In order to achieve these objectives, the ACS Group will continue to grow in all of its developed reference markets. It will do so in North America, Pacific Asia and Latin America by taking advantage of the opportunities which arise as a result of its privileged position and in Europe by retaining its roots. Likewise, it will continue to invest in infrastructure development projects.

The ACS Group will promote more measures to increase the profitability of its operating companies, standardising the risk control system and strengthening the growth of its activities with high added value in new markets.

One of the ACS Group's objectives also is to improve in terms of financing efficiency, promoting adequate management of working capital and increasing access to capital markets in order to, thus, reduce its finance costs and diversify its sources of financing.

7. COMPLIANCE WITH ARTICLE 262.1 OF THE SPANISH COMPANIES LAW FOR THE AVERAGE PAYMENT PERIOD FOR SUPPLIERS

As detailed in the Note 23 of the Report, the average period in which the ACS Group paid its suppliers in 2014 was 128 days (this was 93 days in 2013). The Group breached the maximum payment period in only 24% of payments made (21% in 2013). In the beginning of 2015 the Group established measures geared towards meeting statutory periods, and the review of the internal procedure governing vendor management, as well as the development of the instructions necessary to establish internal selection, approval and signing off processes.

8 ANNUAL CORPORATE GOVERNANCE REPORT

In accordance with corporate law, the Annual Corporate Governance Report is attached for reference purposes, which is available on the CNMV website, and which forms an integral part of the 2014 Directors' Report.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2014

ASSETS

Thousands of euros	Note	31/12/2014	31/12/2013 (*)
NON-CURRENT ASSETS		14,000,876	14,411,592
Intangible assets	04	4,620,123	4,491,505
Goodwill		2,894,222	2,726,108
Other intangible assets		1,725,901	1,765,397
Tangible assets - property, plant and equipment	05	2,499,928	2,434,559
Non-current assets in projects	06	753,143	757,470
Investment property	07	62,207	63,922
Investments accounted for using the equity method	09	1,231,256	1,366,466
Non-current financial assets	10	2,227,705	2,317,846
Long term cash collateral deposits	22	404,180	559,432
Derivative financial instruments	22	6,414	40,692
Deferred tax assets	26.05	2,195,920	2,379,700
CURRENT ASSETS		25,319,859	25,553,787
Inventories	11	1,522,355	1,827,001
Trade and other receivables	12	12,719,329	11,315,953
Trade receivables for sales and services		9,869,610	10,130,157
Other receivable		1,409,856	1,082,950
Receivables from the sale of discontinued operations		1,108,112	-
Current tax assets	26	331,751	102,846
Other current financial assets	10	1,892,686	2,980,141
Derivative financial instruments	22	34,010	11,981
Other current assets	13	162,206	185,155
Cash and cash equivalents	14	5,167,139	3,923,960
Non-current assets held for sale and discontinued operations	03.09	3,822,134	5,309,596
TOTAL ASSETS		39,320,735	39,965,379

(*) Data restated
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 2014.

EQUITY AND LIABILITIES

Thousands of euros	Note	31/12/2014	31/12/2013 (*)
EQUITY	15	4,897,888	5,488,908
SHAREHOLDERS' EQUITY		3,451,843	3,802,827
Share capital		157,332	157,332
Share premium		897,294	897,294
Reserves		1,881,249	2,111,618
(Treasury shares and equity interests)		(201,122)	(64,958)
Profit for the period of the parent		717,090	701,541
ADJUSTMENTS FOR CHANGES IN VALUE		(418,331)	(534,914)
Available-for-sale financial assets		65,760	27,927
Hedging instruments		(532,015)	(442,697)
Exchange differences		47,924	(120,144)
EQUITY ATTRIBUTED TO THE PARENT		3,033,512	3,267,913
NON-CONTROLLING INTERESTS		1,864,376	2,220,995
NON-CURRENT LIABILITIES		9,534,953	11,323,513
Grants	16	59,745	49,748
Non- current provisions	20	1,763,509	1,794,809
Non-current financial liabilities		6,090,901	7,411,353
Bank borrowings, debt instruments and other marketing securities	17	5,386,591	6,171,352
Project finance with limited recourse	18	491,308	1,035,693
Other financial liabilities	19	213,002	204,308
Derivative financial instruments	22	196,758	497,868
Deferred tax liabilities	26.05	1,268,739	1,381,273
Other non-current liabilities		155,301	188,462
CURRENT LIABILITIES		24,887,894	23,152,958
Current provisions	20	1,342,220	1,107,675
Current financial liabilities		6,203,509	3,863,246
Bank borrowings, debt instruments and other held-for-trading liabilities	17	5,669,702	3,593,400
Project finance with limited recourse	18	491,389	221,447
Other financial liabilities	19	42,418	48,399
Derivative financial instruments	22	78,258	70,552
Trade and other payables	23	13,962,196	13,677,296
Suppliers		7,988,149	8,745,384
Other payables		5,725,181	4,602,275
Current tax liabilities	26	248,866	329,637
Other current liabilities	24	411,064	555,849
Liabilities relating to non-current assets held for sale and discontinued operations	03.09	2,890,647	3,878,340
TOTAL EQUITY AND LIABILITIES		39,320,735	39,965,379

(*) Data restated
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 2014.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

Thousands of euros	Note	31/12/2014	31/12/2013 (*)
REVENUE	27	34,880,860	35,177,951
Changes in inventories of finished goods and work in progress		(12,385)	(41,447)
Capitalised expenses of in-house work on assets	27	38,449	8,881
Procurements	28.01	(22,538,088)	(22,694,475)
Other operating income		622,740	570,851
Staff costs	28.02	(7,761,394)	(7,597,987)
Other operating expenses		(2,814,852)	(2,644,493)
Depreciation and amortisation charge	04,05,06 and 07	(824,005)	(1,144,551)
Allocation of grants relating to non-financial assets and others	16	6,490	5,014
Impairment and gains or losses on the disposal of non-current assets	03.09	(3,900)	(199,240)
Other profit or loss	28.07	(634,274)	98,431
OPERATING INCOME		959,641	1,538,935
Finance income	28.06	353,613	362,340
Financial costs		(1,036,007)	(1,121,995)
Changes in the fair value of financial instruments	22 and 28.05	233,550	555,295
Exchange differences		(23,856)	(23,389)
Impairment and gains or losses on the disposal of financial instruments	29	163,441	101,426
FINANCIAL RESULT		(309,259)	(126,323)
Results of companies accounted for using the equity method	09	131,824	95,934
PROFIT BEFORE TAX		782,206	1,508,546
Income tax	26.03	(318,591)	(424,871)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		463,615	1,083,675
Profit after tax from discontinued operations	(**)	464,115	163,250
PROFIT FOR THE PERIOD		927,730	1,246,925
Profit attributed to non-controlling interests	15.07	58,666	(431,005)
Profit from discontinued operations attributable to non-controlling interests	15.07	(269,306)	(114,379)
PROFIT ATTRIBUTABLE TO THE PARENT		717,090	701,541
(**) Profit after tax from discontinued operations attributable to non-controlling interests	03.09	194,809	48,871

EARNINGS PER SHARE

Euros per Share	Note	31/12/2014	31/12/2013
Basic earnings per share	31	2.31	2.26
Diluted earnings per share	31	2.31	2.26
Basic earnings per share from discontinued operations	31	0.63	0.16
Basic earnings per share from continuing operations	31	1.68	2.10
Diluted Basic earnings per share from continuing operations	31	1.68	2.10

(*) Data restated
The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated income statement at 31 December 2014.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

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

(*) Data restated
(**) The only item of income and expense recognized directly in equity which cannot be subsequently subject to transfer to the income statement is the corresponding actuarial gains and losses.
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 2014

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

Thousands of euros	Share capital	Share premium	Retained earnings and other reserves	Treasury shares	Adjustments for changes in value	Profit/(Loss) attributed to the Parent	Non-controlling interests	TOTAL
Balance at 31 December 2012	157,332	897,294	4,828,866	(574,696)	(725,840)	(1,926,438)	3,054,990	5,711,508
IAS 19 revised	-	-	1,495	-	-	(1,495)	-	-
Balance at 31 December 2012	157,332	897,294	4,830,361	(574,696)	(725,840)	(1,927,933)	3,054,990	5,711,508
Income/(expenses) recognised in equity	-	-	22,322	-	190,926	701,541	329,425	1,244,214
Capital increases/(reductions)	3,927	-	(3,927)	-	-	-	-	-
Stock options	-	-	5,391	-	-	-	-	5,391
Distribution of profit from the prior year								
To reserves	-	-	(1,927,933)	-	-	1,927,933	-	-
2012 acquisition of bonus issue rights	-	-	(192,709)	-	-	-	-	(192,709)
To dividends	-	-	-	-	-	-	(383,173)	(383,173)
Treasury shares	(3,927)	-	(261,303)	509,738	-	-	-	244,508
Treasury shares through investees	-	-	(142,811)	-	-	-	(112,501)	(255,312)
Additional ownership interest in controlled entities	-	-	(70,035)	-	-	-	(147,448)	(217,483)
2013 bonus issue rights	-	-	(140,970)	-	-	-	-	(140,970)
Change in the scope of consolidation and other effects of a lesser amount	-	-	(6,768)	-	-	-	(520,298)	(527,066)
Balance at 31 December 2013 adjusted	157,332	897,294	2,111,618	(64,958)	(534,914)	701,541	2,220,995	5,488,908
Income/(expenses) recognised in equity	-	-	(64,327)	-	116,583	717,090	342,948	1,112,294
Capital increases/(reductions)	3,219	-	(3,219)	-	-	-	-	-
Stock options	-	-	5,153	-	-	-	-	5,153
Distribution of profit from the prior year								
To reserves	-	-	701,541	-	-	(701,541)	-	-
2013 acquisition of bonus issue rights	-	-	(90,965)	-	-	-	-	(90,965)
Remaining allotment rights from 2013 accounts	-	-	71,497	-	-	-	-	71,497
To dividends	-	-	-	-	-	-	(114,838)	(114,838)
Treasury shares	(3,219)	-	(170,192)	(136,164)	-	-	-	(309,575)
Treasury shares through investees	-	-	(29,680)	-	-	-	(18,624)	(48,304)
Additional ownership interest in controlled entities	-	-	(466,369)	-	-	-	(490,216)	(956,585)
2014 bonus issue rights	-	-	(141,599)	-	-	-	-	(141,599)
Change in the scope of consolidation and other effects of a lesser amount	-	-	(42,209)	-	-	-	(75,889)	(118,098)
Balance at 31 December 2014	157,332	897,294	1,881,249	(201,122)	(418,331)	717,090	1,864,376	4,897,888

The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated statement of changes in equity at 31 December 2014.

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

Thousands of euros	31/12/2014	31/12/2013 (*)
A) CASH FLOWS FROM OPERATING ACTIVITIES	824,023	1,085,885
1. Profit/(Loss) before tax	782,206	1,508,546
2. Adjustments for:	1,429,828	1,161,667
Depreciation and amortisation charge	824,005	1,144,551
Other adjustments to profit (net) (Note 03.23)	605,823	17,116
3. Changes in working capital	(570,866)	(873,483)
4. Other cash flows from operating activities:	(817,145)	(710,845)
Interest payable	(1,060,604)	(1,112,011)
Dividends received	256,971	384,776
Interest received	247,612	235,062
Income tax payment/proceeds	(261,124)	(218,672)
B) CASH FLOWS FROM INVESTING ACTIVITIES	(190,666)	(115,699)
1. Investment payables:	(1,419,881)	(2,118,945)
Group companies, associates and business units	(376,553)	(534,687)
Property, plant and equipment, intangible assets and property investments	(843,009)	(1,297,517)
Other financial assets	(160,283)	(202,218)
Other assets	(40,036)	(84,523)
2. Divestment:	1,229,215	2,003,246
Group companies, associates and business units	192,237	1,816,439
Property, plant and equipment, intangible assets and investment property	171,132	150,111
Other financial assets	865,384	33,663
Other assets	462	3,033
C) CASH FLOWS FROM FINANCING ACTIVITIES	416,224	(1,496,073)
1. Equity instrument proceeds (and payment):	(1,195,235)	(476,556)
Acquisition	(1,242,626)	(942,222)
Disposal	47,391	465,666
2. Liability instrument proceeds (and payment):	1,874,161	(1,251,044)
Issue	5,339,790	2,685,747
Refund and repayment	(3,465,629)	(3,936,791)
3. Dividends paid and remuneration relating to other equity instruments:	(317,984)	(397,979)
4. Other cash flows from financing activities:	55,282	629,506
Other financing activity proceeds and payables:	55,282	629,506
D) EFFECT OF CHANGES IN EXCHANGE RATES	193,598	(204,385)
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,243,179	(730,272)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	3,923,960	4,654,232
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5,167,139	3,923,960

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

CASH AND CASH EQUIVALENTS AT YEAR END

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

(*) Data restated
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 2014.

CONSOLIDATED FINANCIAL STATEMENTS

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

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 Construcción 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 Construcción y Servicios, S.A. is obliged to prepare, in addition to its own individual financial statements, the Group's consolidated financial statements, which also include the interests in joint agreements and investments in associates.

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

1. The business of constructing all kinds of public and private works, as well as the provision of services, for the conservation, maintenance and operation of motorways, freeways, 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.

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.

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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, annual general meetings 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.

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.

CONSOLIDATED FINANCIAL STATEMENTS

02. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND BASIS OF CONSOLIDATION

02.01. BASIS OF PRESENTATION

The consolidated financial statements for 2014 of the ACS Group were prepared:

- By the directors of the Parent, at the Board of Directors' Meeting held on 24 March 2015.
- 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 2014 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 2014, 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 2014 (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.

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

On 1 January 2014, the ACS Group restated its 2013 consolidated financial statements for comparison purposes as a result of the entry into force of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interest in Other Entities", in conjunction with the revised IAS 27 "Consolidated and Separate Financial Statements" and IAS 28 "Investment in Associates and Joint Ventures" which are applied retroactively. The basic change addressed by IFRS 10, 11 and 12 with regard to the current standard is the elimination of the option of proportionately consolidating jointly controlled entities, which would then be accounted for using the equity method. IFRS 10 has changed the definition of control as it was understood prior to its entry into force, so that the new definition of control consists of three required elements: power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use that power to affect the amount of the investor's returns. Besides this noteworthy amendment, IFRS 11 also changes the approach of analysing joint arrangements in certain contexts. In the past, under IAS 31, the conclusion depended, to a large extent, on the legal structure of the agreement, whereas under 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 arrangements, the standard has not had a significant impact on the ACS Group. The first application of IFRS 11 on the ACS Group involves the reclassification of jointly controlled entities and joint operations in Leighton under the equity method.

For these reasons, and in accordance with IAS 1, the restated data for the corresponding comparative period of the previous year is presented.

The information contained in these consolidated summary financial statements corresponding to the year ended 31 December 2013 is presented solely for the purposes of comparison thereof with the information relating to the year ended 31 December 2014. This comparative data is affected by:

- The entry into force of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", in conjunction with the revised IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures", as explained in Note 02.01.

- Sale of the John Holland and Thiess Services & Leighton Contractors ("Services") businesses belonging to Leighton, a subsidiary of the Hochtief Group, considered as a discontinued operation as explained in Note 02.01, which was subjected to the application of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". As this involves significant business lines (approximately 10% of revenue) located in the geographical area of Australia, the Group considers as appropriate the classification of such activities as discontinued operations, as they are classified in the consolidated financial statements of Leighton and its parent company Hochtief, A.G.

  The following have been applied in accordance with IFRS 5:

  a) All items of the income statement are reclassified and presented in a single line, "Profit after tax from discontinued operations" means the contribution to net profit after tax and minority interests.

  b) In the statement of cash flows, a break down must be conatined therein or in the notes, the effect arising from the discontinued operation for both 2014 and 2013.

As a result of the foregoing, the effect of the aforementioned restatements is detailed in the income statement in the note on discontinued operations. However, in the statement of financial position, assets and liabilities associated with this activity, in accordance with IFRS 5, are not a restatement of the previous year figures.

The notes to the financial statements include events or changes that are material to an explanation of changes in financial position or consolidated results of the ACS Group since the date of publication of the Group's Consolidated Financial Statements.

The effect on the Statement of Financial Position at 31 December 2013, following the entry into force of IFRS 10, 11 and 12 is as follows:

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS

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

EQUITY AND LIABILITIES

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

The effect on the Consolidated Income Statement at 31 December 2013, following the entry into force of IFRS 10, 11 and 12 and the treatment of the sale of the John Holland and Thiess Services & Leighton Contractors ("Services") business is as follows:

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

CONSOLIDATED FINANCIAL STATEMENTS

The effect on the Statement of Cast Flows at 31 December 2013 is as follows:

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

CASH AND CASH EQUIVALENTS AT YEAR END

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

The ACS Group's consolidated financial statements for 2013, (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 29 May 2014.

The 2014 consolidated financial statements of the ACS 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 2014 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 ACS 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 obligations to employees (Note 03.12).
- The market value of the derivatives (such as equity swaps, put 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).
- The recovery of deferred tax assets (Note 26).
- Financial risk management (Note 21).

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 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.

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 2013 Financial Statements.

Except for the entry into force of new accounting standards, the bases of consolidation applied in 2014 are consistent with those applied in the 2013 consolidated financial statements.

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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

The 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 2014 and 2013 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 control, i.e. in accordance with IFRS 10, when it has the power to lead their relevant activities, it is exposed to variable revenues as a result of their stake in the subsidiary, and is able to exercise said power in order to influence its own revenues, either directly or through other companies it controls.

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.

Likewise, the ACS Group at 31 December 2014 has an effective interest of less than 50% in companies considered subsidiaries, whose assets do not exceed EUR 10 million, with the exception of Petrolíferos Tierra Blanca, S.A. de C.V. As at 31 December 2013, it held no effective interest of less than 50% in companies considered subsidiaries.

The main companies of the ACS Group with dividend rights of more than 50% which are not fully consolidated include: Autovía de La Mancha, S.A. Concesionaria JCC Castilla La Mancha, Inversora de la Autovía de la Mancha, S.A., Autovía del Pirineo, S.A., Concesionaria Santiago Brión, S.A., Eix Diagonal Concessionària de la Generalitat de Catalunya, S.A., Reus-Alcover Concessionària de la Generalitat de Catalunya, S.A. and Autovía de los Pinares, S.A. FTG Fraser Transportation Group Partnership and Sociedad Concesionaria Ruta del Canal, S.A. and Benisaf Water Company, Spa. 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.

An agreement was reached in August 2014 with the Dutch fund manager DIF Infrastructure III for the sale of the 80% interest held by the ACS Group in the following projects: Intercambiadores de Transporte de Madrid (through the

the company Desarrollo de Estacionamientos Públicos, S.L.), Hospital de Majadahonda, S.A., Hospital de Majadahonda Sociedad Explotadora, S.L. and Línea 9 Tramo IV, S.A. (Barcelona metro). This agreement was subject to certain conditions precedent relating primarily to obtaining the relevant regulatory approvals and approvals from the funders of the projects. In December, these conditions were met in relation to the Intercambiadores de Transporte de Madrid and Línea 9 Tramo IV, S.A. assets, thus completing these sales.

Additionally, on the dates mentioned above, a “Call Option & Co-Management” agreement was concluded with the same investor on the companies Autovía de La Mancha, S.A., Concesionaria JCC Castilla La Mancha, Inversora de la Autovía de la Mancha, S.A., Autovía del Pirineo, S.A., Concesionaria Santiago Brión, S.A., Eix Diagonal Concessionària de la Generalitat de Catalunya, S.A., Reus-Alcover Concessionària de la Generalitat de Catalunya, S.A. and Autovía de los Pinares, S.A. The effective date of this agreement was linked to the completed sale of at least one of the three concession assets listed in the previous paragraph. This agreement grants DIF Infrastructure III the option to acquire 50% of those companies for a period of five years. The price would be set at the time of exercising the option as the higher of the net book value of the investment in these concession companies and the market value thereof, as estimated by an independent third party. It also gives DIF Infrastructure III, during the term of the option, a right of veto over any decision affecting the operation of the aforementioned concession companies. The main mechanisms by which that right is articulated are set out below:

With regard to the management of Autovía de La Mancha, S.A., Concesionaria JCC Castilla La Mancha, Inversora de la Autovía de la Mancha, S.A., Autovía del Pirineo, S.A., Concesionaria Santiago Brión, S.A., Eix Diagonal Concessionària de la Generalitat de Catalunya, S.A., Reus-Alcover Concessionària de la Generalitat de Catalunya, S.A. and Autovía de los Pinares, S.A., DIF can veto any decision relating to (i) appointment, renewal, removal or replacement of the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Operating Officer (COO), (ii) approval of the distribution of dividends and reserves not approved in the business plan, (iii) any change in business activity, (iv) approval of the business plan and budget (in the absence of agreement between the parties, the budget for the previous year shall be increased by 3%), (v) refinancing or restructuring or rebalancing agreements, (vi) changes in financial policies (coverage, leverage...), etc.

Based on that set forth in IFRS 10, paragraphs 7 et seq., ACS considers that the signing of the “Call Option & Co-Management”, while not meaning a change in the exposure of ACS to the financial performance arising from the investee, it does involve the loss by ACS of the ability to direct the relevant activities of the concession operators due mainly to the existence of a right of veto by DIF on activities that significantly affect the performance of the investees. In the specific case of the concession operators, the activities that have the most significant effect on performance are related to changes in the financing agreements or related derivatives thereof, and changes in the concession agreements (rebalancing agreements), both subjects over which the investor has the right of veto.

In both cases, the purchase and sale agreement of Sociedad Concesionaria Ruta del Canal, S.A., executed in 2012 included various clauses and addenda which determined how the governing bodies of the aforementioned companies would be comprised after the sale and purchase transactions, and what their decisions and competencies would be. In that case, the main decisions related to the company’s operations always require the affirmative vote of the non-controlling shareholders. The main mechanisms pursuant to which this agreement is articulated are as follows:

- In the case of Sociedad Concesionaria Ruta del Canal, S.A., 77.5% of the shareholders in the Annual General Meeting must vote in favour of the resolutions adopted with respect to matters for which it has sole responsibility, such as: (i) changes to the bylaws, (ii) approval of financing plans for the concession company, (iii) modification, cancellation or termination of the Concession Agreement, (iv) allocation/distribution of the results for the year, (v) appointment of the Company’s auditor, (vi) approval of the financial statements, (vii) provision of guarantees, (viii) dissolution of the Company, (ix) approval of non-monetary contributions, (x) decrease in the number of members of the Board.

  Likewise, with regard to the Board, the Company’s Governing Body, the decisions must be taken by a qualified majority, taking into account that the non-controlling shareholders must always vote in favour of matters which are the sole responsibility of the Board. Some of the most important matters are as follows: (i) approval of modifications of the Concession Agreement, Related Agreements or Financing Documents, (ii) creation, sale or acquisition of subsidiaries, (iii) acquisition or disposal of assets, (iv) arrangement of guarantees, (v) authorisation of changes to the accounting policies, (vi) changes to the dividend policy or (vii) approval of the annual budget.

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Therefore, this agreement means the investor and ACS exercise joint control over such projects, so that from the time of entry into force thereof, the ACS Group has recognised these investments in its consolidated accounts under the equity method. In those cases where there has been a change in consolidation method, we updated the income statement by the cumulative effect on equity of the fair valuation of hedging instruments.

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 for the year is presented under "Profit attributed 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 and disposals, as well as increases and decreases in ownership interest.

d) Joint agreements

Contracts executed using the form of Spanish Unincorporated Joint Ventures (Uniones Temporales de Empresas - UTEs) or similar entities that meet the IFRS 11 requirements are consolidated using the proportional integration method, and in cases of joint control, there is direct control by partners in the assets, liabilities, revenues, expenses and join and several liability therein.

Within the joint agreements in which the ACS Group operates, mention should be made of the Uniones Temporales de Empresas 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.

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 III contain relevant information on the relevant joint ventures.

e) Associates

The companies over which the ACS Group maintains significant influence or joint control are consolidated using the equity method in those cases where they do not meet the requirements of the IFRS 11 to be classified as Joint Agreements.

Exceptionally, the following entities 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. Of note in this regard are the concession operators for motorways in Greece, Nea Odos Concession Société Anonyme and Central Greece Motorway Concession, S.A., which as a result of the agreements reached with the other partners, bring the lack of significant influence to an end. Therefore, the investments are recognised as available-for-sale financial assets under valuation adjustments to equity.

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 "Results of companies accounted for using the equity method", in proportion to the percentage of ownership. Previously, 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.

Note 09 and Appendix III contain relevant information on the material entities.

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 2014 are described in Appendix IV.

Acquisitions, sales, and other corporate transactions

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

As a result of the launch in March 2014, by Hochtief, A.G., of a proportionate takeover bid over the Australian company Leighton Holdings Ltd in order to increase its current ownership interest from 58.77% to a maximum of 73.82%, at an ex-dividend price per share of AUD 22.50, payable in cash, on 9 May 2014, upon completion of the offer period, Hochtief, A.G. has secured 69.62% of Leighton, which represents an increase of 10.85% on the ownership interest at 31 March 2014 and a payment of EUR 617 million, whose impact, being previously consolidated under the full consolidation method, materialises in the net equity of the ACS Group.

Mention must be made of the acquisition that took place during the second half of 2014, of 25% of Clece, S.A. realised through different funds managed by Mercapital Private Equity, all previous contracts and agreements signed with the latter concerning the management of Clece Group remaining ineffective, as do the purchase option held by such funds on the ACS Group's ownership interest in Clece, S.A. As a result of this transaction, the ACS Group has regained control

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over the group, now holding 100% of the ownership interest in Clece, SA, thus giving rise to the the consequent change in consolidation method, changing from consolidation under the equity method to full consolidation. Therefore, for the purposes of comparison of the information, it must be taken into account that the consolidated income statement for the year 2014, unlike what occurred in 2013, it includes the results for the first half of the financial year for Clece Group under the heading "Results of companies accounted for using the equity method", while revenues and expenses for the last six months of 2014 are recorded, depending on the nature thereof, under the various headings of the consolidated income statement.

In line with accounting standards (IFRS 3.42), the ACS Group has assessed the fair value of the prior interest at the time of the full consolidation of the Clece Group. In relation to the fair value at the time of the takeover, the ACS Group has not considered that the price paid for the 25% acquired through the funds managed by Mercapital Private Equity, is representative of the fair value of the investment, given that the price paid for the interest acquired includes the cost of cancellation of the purchase option, which the funds held on around 75% of Clece, as well as a premium for regaining control over the Clece Group. In addition, and as part of the "Purchase Price Allocation", ACS has drawn up an assessment of the Clece Group in relation to the estimated fair value.

At that time, in accordance with IFRS 3, it was necessary to make an assessment so as to recognise separately from goodwill, the fair value of the identifiable assets and liabilities assumed from the Clece Group ("Purchase Price Allocation" or PPA) the date of acquisition. A provisional allocation has been made in line with the standard, there being a period of twelve months, provided therein, to complete the final allocation of the purchase of assets. The provisional allocation of the identified assets and liabilities assumed through the acquisition of Clece is as follows:

Thousands of euros	Carrying Amount	Allocation of net assets	Fair value of net assets
Tangible assets - property, plant and equipment	65,351	-	65,351
Real estate investments	662	-	662
Intangible assets	1,796	141,490	143,286
Other non-current assets	25,009	-	25,009
Current assets	339,541	-	339,541
Non-current liabilities	(14,794)	(42,447)	(57,241)
Current liabilities	(276,216)	-	(276,216)
Total net assets	**141,349**	**99,043**	**240,392**
Non-controlling interests	(4,923)	-	(4,923)
Fair value of the fully acquired net assets (100%)	**136,426**	**99,043**	**235,469**
Fair value of assets relating to non-controlling interests			(1,942)
Fair value of the net assets of the acquirer			**237,411**
Fair value at the time of the takeover			353,313
Goodwill (Note 04.01)			115,902

- The main assets to which a higher value was attributed relate to the service portfolio and the relationships with customers, whose balances are amortised based on the useful life taken into account and whose effect on amortisation in the six month period ending at 31 December 2014 amounted to EUR 4,698 thousand.

- The Clece Group sales for the 2014 financial year amounted to EUR 1,304,285 thousand and net profit attributable to the parent company was EUR 32,871 thousand. Similarly, the Clece Group sales for the 2013 financial year amounted to EUR 1,218,941 thousand and net profit attributable to the parent company for that year was EUR 31,761 thousand.

Concerning sales in 2014, mention must be made of the ownership interested secured in Metro de Sevilla in the amount of EUR 60,149 thousand with a pre-tax profit amounting to EUR 12,708 thousand (see Notes 9 and 29), the sale realised during the second half of 2014 of 80% of its holdings in various concession assets such as Intercambiadores de Transporte de Madrid and Línea 9 Tramo IV of the Barcelona metro with an after tax profit amounting to EUR 47,085 thousand, and the sale by Hochtief, A.G., on 31 January 2014, of the 50% ownership interest held in aurelis Real Estate at a price close to its book value at 31 December 2013 price, the sale. in December 2014, of 100% of John Holland and 50% of the Leighton Services business amounting to EUR 1,108,112 thousand (see Note 03.09) pending payment at year end and which is recorded under the heading “ Receivables from the sale of discontinued operations” in the attached Statement of Financial Position.

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

In 2013 the most relevant disposals of ownership interest in the share capital of subsidiaries, joint agremeents or associates related to the sale of 70% of Leighton’s telecommunication assets for a profit before tax and non-controlling interests of Hochtief and ACS of EUR 154,282 thousand in June 2013, the sale of all of the airports managed by Hochtief to a subsidiary of the Canadian pension fund, Public Sector Pension Investment Board, for EUR 1,083 million completed in September 2013 and the sale of the facility management business of Hochtief, which were sold to Spie, S.A. in September with financial impact from 1 January 2013, for a price of EUR 236 million (see Note 29).

On 23 July 2013, Dragados, S.A., a wholly-owned subsidiary of ACS, Actividades de Construcción y Servicios, S.A., launched a delisting takeover bid over its Polish investee, Przedsiębiorstwo Robót Inżynieryjnych POL-AQUA, S.A., which was completed on 19 September with the acquisition of 8.3 million shares, representing 30.8% of the share capital, for EUR 6.9 million. Subsequently, a compulsory purchase process was carried out on the remaining 3.82% of the share capital to reach 100%. The aforementioned transaction entailed the recognition of EUR 3.8 million directly in equity, corresponding to negative reserves for the surplus paid over the value of the non-controlling interests acquired at said date.

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:

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- 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. Those 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 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 profit or loss" 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 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.

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. OTHER 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.

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03.03. 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 not yet used to acquire 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.

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 consolidated income.

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 the 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 l non-current debt. The debt servicing of these credit facilities or loans is supported mainly by the cash flows to be generated by the project in the future and by security interests in the project's 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 the 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.

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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 concession operators were built by Group companies, and no infrastructures were 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.

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 motorways 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 concession operator, 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 motorways, 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 consolidated statement of financial position 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 "Tangible assets - property, plant 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.

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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.

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.

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 "Adjustments for changes in value" is transferred to profit or loss as gains or losses on the corresponding financial assets.

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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.

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 DISCONTINUED OPERATIONS

At 31 December 2014, non-current assets held for sale relate mainly to the renewable energy activities (wind farms and solar thermal plants), and those from Hochtief as they are certain assets of PT Thiess Contractors in Indonesia. In all the above cases a formal decision was made by the Group to sell these assets, and a plan for their sale was initiated. These assets are currently available for sale and the sale is expected to be completed within a period of 12 months from the date of their classification as assets held for sale as has occurred subsequent to year end for assets related to renewable energies following the IPO of Saeta Yield, S.A. (see hereinafter in this same Note 03.09).

The main changes in the year 2014 arise as a result of:

- The sale of the ownership interest held in John Holland and Thiess Services & Leighton Contractors ("Services"), both non-controlling interests of Leighton, a subsidiary of Hochtief, in December 2014, which has been recognised in the accompanying consolidated income statement as a discontinued operation.

- An agreement was reached in August 2014 with the Dutch fund manager DIF Infrastructure III for the sale of the 80% interest held by ACS in the following projects: Intercambiadores de Transporte de Madrid (through the company Desarrollo de Estacionamientos Públicos, S.L.), Hospital de Majadahonda, S.A., Hospital de Majadahonda Sociedad Explotadora, S.L., and Línea 9 Tramo IV, S.A. (Barcelona metro). This agreement was subject to certain conditions precedents relating primarily to obtaining the relevant regulatory approvals and approvals from the funders of the projects. In December, these conditions were met in relation to the Intercambiadores de Transporte de Madrid and Línea 9 Tramo IV, S.A. items, thus completing these sales, which involved the recognitition of an overall gain of EUR 47,085 thousand under "Impairment and gains or losses on the disposal of financial instruments" in the accompanying consolidated income statement. This gain reflects the effect of the revaluation of the percentage that ACS holds in such projects, as stated in paragraphs 9 and 22 of IAS 28 states, since, according to the shareholder agreements, the structure of the Governing body and the minority interest held by ACS therein, the loss of influence over the management of Intercambiadores de Transporte de Madrid and Línea 9 Tramo IV was considered to be significant.

  Additionally, on the dates mentioned above, a "Call Option & Co-Management" agreement was concluded with the same investor on the companies Autovía de La Mancha, S.A., Concesionaria JCC Castilla La Mancha, Inversora de la Autovía de la Mancha, S.A., Autovía del Pirineo, S.A., Concesionaria Santiago Brión, S.A., Eix Diagonal Concessionària de la Generalitat de Catalunya, S.A., Reus-Alcover Concessionària de la Generalitat de Catalunya, S.A. and Autovía de los Pinares, S.A. The effective date of this agreement was linked to the completed sale of at least one of the three concession assets listed in the previous paragraph. This agreement grants DIF Infrastructure III the option to acquire 50% of those companies for a period of five years. The price would be set at the time of exercising the option as the higher of the net book value of the investment in these concession companies and the market value thereof, as estimated by an independent third party. It also gives DIF Infrastructure III, during the term of the option, a right of veto over any decision affecting the operation of the aforementioned concession companies. The main mechanisms by which that right is articulated are set out below:

  With regard to the management of Autovía de La Mancha, S.A., Concesionaria JCC Castilla La Mancha, Inversora de la Autovía de la Mancha, S.A., Autovía del Pirineo, S.A., Concesionaria Santiago Brión, S.A., Eix Diagonal Concessionària de la Generalitat de Catalunya, S.A., Reus-Alcover Concessionària de la Generalitat de Catalunya, S.A. and Autovía de los Pinares, S.A., DIF can veto any decision relating to (i) appointment, renewal, removal or replacement of the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Operating Officer (COO), (ii) approval of the distribution of dividends and reserves not approved in the business plan, (iii) any change in business activity, (iv) approval of the business plan and budget (in the absence of agreement between the parties, the budget for the previous year shall be increased by 3%), (v) refinancing or restructuring or rebalancing agreements, (vi) changes in financial policies (coverage, leverage...), etc.

  Based on the provisions of IFRS 10, paragraphs 7 *et seq.*, ACS considers that the signing of the "Call Option & Co-Management", while not meaning a change in the exposure of ACS to the financial performance arising from the investee, it does involve the loss by ACS of the ability to direct the relevant activities of the concession operators due mainly to the existence of a right of veto by DIF on activities that significantly affect the performance of the investees. In the specific case of the concession operators, the activities that have the most significant effect on performance are related to changes in the financing agreements or related derivatives thereof, and changes in the concession agreements (rebalancing agreements), both subjects over which the investor has the right of veto.

  Therefore, this agreement means the investor and ACS exercise joint control over such projects, so that from the time of entry into force thereof, the ACS Group has recognised these investments in its consolidated accounts under the equity method. In those cases where there has been a change in consolidation method, we updated the income statement by the cumulative effect on equity of the fair valuation of hedging instruments. The aggregate amount of such update amounted to EUR 73,341 thousand.

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- Escal UGS, S.L. as a result of the renouncing of the concession approved by Royal Decree-Law 13/2014, of 3 October, adopting urgent measures in relation to the gas system and ownership of nuclear power plants, is no longer considered an asset held for sale.
- The sale of the ownership interest in aurelis Real Estate at the end of January 2014 by Hochtief, with no significant results for the ACS Group in 2014.

The main changes in 2013 were the following:

- On 28 June 2013, Leighton Holding completed the sale to Ontario Teachers' Pension Plan of approximately 70% of its telecommunication assets which included the companies Nextgen Networks, Metronode and Infoplex. The sale price entailed valuing 100% of the aforementioned assets (EUR 590 million) for a profit before tax of EUR 154,282 thousand (see Note 29).
- The sale of all of the airports managed by Hochtief, A.G. to a subsidiary of the Canadian pension fund, Public Sector Pension Investment Board, for EUR 1,083 million completed in September 2013 for a profit before tax of EUR 122,701 thousand.
- Additionally, in June 2013, the sale of the Facility Management business was included as assets held for sale. They were sold to Spie, S.A. in September 2013 with financial impact from 1 January 2013, for a price of EUR 236 million and profit before tax of EUR 157,755 thousand.
- At year end 2013, aurelis Real Estate was also included which was sold in January 2014, as well as certain assets of PT Thiess Contractors in Indonesia, from the subsidiary, Hochtief, A.G. which was held at 31 December 2014.

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

In this sense, the ACS Group's divestment materialised, subsequent to year end, through the IPO of 51.78% Saeta Yield, S.A. (company belonging to the ACS Group and holder of a group of renewable energy assets) and the agreement reached with funds managed by the infrastructure investment fund Global Infrastructure Partners (GIP), who will additionally acquire up to 24.40% of Saeta Yield, S.A. Similarly, and under the same agreement, GIP will have a 49% ownership interest in a company that will be developed and into which the renewable energy assets of the Industrial Area of the ACS Group will be integrated, and on which Saeta Yield, S.A. will hold a right of first offer. The economic terms of these interests have been set, respectively, depending on the price at which Saeta Yield, S.A. shares have been offered to the market and depending on the specific assets that are acquired by the development ocmpany. This process has highlighted the commitment that the ACS Group held in the sale of renewable assets and on which, once regulatory uncertainties had dissipated to acceptable levels for investors with the approvals of the most recent Royal Decres in 2014, has culminated the effective sale thereof.

Discontinued operations

For 2014, the John Holland and Thiess Services & Leighton Contractors ("Services") in Leighton was considered a discontinued operation. As a result of this discontinued operation, it was also reclassified in the comparative income statement for the year 2013 in accordance with IFRS 5. During the 2013 financial year, the ACS Group did not hold any discontinued operation.

a) John Holland

At 12 December 2014, Leighton sold 100% of its interest in the capital of John Holland to CCCC International Holding Limited. Since Leighton no longer exercises control over John Holland, the transaction has been recorded as a disposal of a fully consolidated entity, according to the requirements of IFRS 10 as follows: the amount of the total consideration receivable is EUR 491,665 thousand paid in cash (AUD 723.9 million has not been received at the date of preparation of these financial statements) less the book value of the net assets of John Holland amounting to EUR 204,749 thousand (AUD 301.5 million) and the updated adjustments for changes in value of EUR 726 thousand, resulting in a profit before tax of EUR 287,642 thousand. The contribution of John Holland since 1 January 2014 until 12 December 2014 to the turnover of the ACS Group was EUR 2,168,544 thousand and EUR 24,798 thousand in net after tax profit tax for the Group is recorded as a discontinued operation.

Thousands of euros	31/12/2014
Gain on disposal	
Cash consideration net of transaction costs	491,665
Carrying amount on disposal	(204,749)
Recycling of reserves	726
Net gain on disposal of controlled entities before tax	**287,642**
Carrying value of assets and liabilities of entities and businesses disposed	
Cash and cash equivalents	224,959
Trade and other receivables	572,421
Current tax assets	204
Inventories: consumables	4,958
Assets held for sale	1,494
Investments accounted for using the equity method	8,897
Deferred tax assets	18,746
Property, plant and equipment	151,391
Intangibles	24,587
Trade and other payables	(743,275)
Provisions	(59,633)
Net assets disposed	**204,749**
Cash flows resulting from sale	
Cash consideration (not received at the reporting date)	-
Cash disposed	(224,959)
Net cash outflow	**(224,959)**

b) Thiess Services & Leighton Contractors business (“Services”)

On 17 December 2014, Leighton sold 50% of its share in Services to the funds managed by the Apollo Global Management, LLC subsidiaries, and entered into a joint business agreement with Apollo. As a result of Leighton’s no longer controlling the Services business, the transaction was registered as a sale of globally consolidated entities, and the purchase of a share in a joint business that is consolidated by the share method. The transaction was registered in accordance with IFRS 10 requirements as follows: the total consideration was EUR 584,493 thousand (AUD 860.6 million), including EUR 430,120 thousand in cash (AUD 633.3 million, which had not been received as of the date of preparation of these financial statements), and a 50% fair value which remains at EUR 154,373 thousand (AUD 227.3 million), minus the net book value of the net assets of the Services of EUR 216,218 thousand, and the recycling of the

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adjustments due to changes in value for EUR 5,072 thousand, which entails earnings before tax for EUR 373,347 thousand. The part of the results that is attributable to recognition of the investment made at its fair value is EUR 186,673 thousand, and the part of the results that is attributable to the investment sold is EUR 186,674 thousand. The contribution from Services from 1 January 2014 to 17 December 2014 to the ACS Group's turnover was EUR 1,520,223 thousand and EUR 104,423 thousand of the Group's net earnings after tax which was recorded as a discontinued operations.

Thousands of euros	31/12/2014
Gain on disposal	
Cash consideration net of transaction costs	430,120
Non-cash consideration	154,373
Carrying amount on disposal	(216,218)
Recycling of reserves	5,072
Net gain on disposal of controlled entities before tax	**373,347**
Carrying value of assets and liabilities of entities and businesses disposed	
Cash and cash equivalents	60,658
Trade and other receivables	352,491
Current tax assets	272
Inventories: consumables	31,446
Investments accounted for using the equity method	9,237
Deferred tax assets	14,127
Property, plant and equipment	30,291
Intangibles	41,294
Trade and other payables	(267,906)
Provisions	(54,130)
Interest bearing liabilities	(272)
Non controlling interests	(1,290)
Net assets disposed	**216,218**
Cash flows resulting from sale	
Cash consideration (not received at the reporting date)	-
Cash disposed	(60,658)
Net cash outflow	**(60,658)**

The breakdown of the results from discontinued operations, including the impact of the depreciation of the assets assigned to the businesses sold in the PPA process performed in 2011 by the ACS Group, in the periods ending at 31 December 2014 and 2013, is as follows:

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

This entire sale operation is pending collection at 31 December 2014 for the amount of EUR 1,108,112 thousand specified in the section “Receivables from the sale of discontinued operations” in the Consolidated Statement of Financial Position appended. As of the date of formulation of these financial statements, the amount was pending collection.

The companies that were de-registered as a result of this operation are specified in Appendix IV.

The breakdown of the effect of the discontinued operations on the statement of cash flows at 31 December 2014 and at 31 December 2013 was as follows:

Thousands of euros	31/12/2014	31/12/2013
	JH and the Service Business	JH and the Service Business
Cash flows from operating activities	(198,737)	(455,526)
Cash flows from investing activities	(27,576)	359,010
Cash flows from financing activities	(2,785)	(26,766)
Net cash flows from discontinued operations	**(229,098)**	**(123,282)**

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Non-current assets classified as held for sale

2014

At 31 December 2014, the lines of business relating to the renewable energy assets and power transmission lines are included under the Industrial Services activity area. The assets of PT Thiess Contractors are included in the Construction activity area. In addition to the aforementioned assets and liabilities, certain not very significant assets and liabilities identified for sale in the ACS Group companies are included as non-current assets and liabilities associated with non-current assets.

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

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

Regarding renewable assets, urgent measures have been adopted since 2013 to guarantee the financial stability of the electricity system affecting the remuneration framework for renewable energy which the majority of the electricity production facilities of the ACS Group in Spain had availed themselves of. The ACS Group made a preliminary estimate of the impact that the aforementioned urgen measures might have on the Group's wind farms and solar thermal plants of the Group and recorded it in the 2013 financial statements.

In order to prepare the impairment test, the ACS Group used internal projections, estimated based on this new regulation, discounting the cash flows to an average weighted average cost of capital (WACC) of 7%, considering the remuneration established in the draft ministerial order, the only current regulatory reference, based on the age of the assets and the remuneration for operating and maintenance costs. On this basis, the ACS Group recognised in late 2013 an impairment loss of EUR 199,256 thousand which was added to the existing one for EUR 300,000 thousand provided the previous year. Therefore, at 31 December 2013, the assets related to renewable energies were provisioned at EUR 499,256 thousand. In 2014, after the final approval of the remuneration parameters for the Group facilities (Order IET/1045/2014 of 16 June), the impact of this new published regulation was recalculated, and significant differences were found with respect to the global valuation performed in accordance with the aforementioned draft ministerial order.

In this context, regarding their classification as held for sale, in previous years the Group found that the exceptional criteria established in IFRS 5 in order to continue to classify them as held for sale were met based on the following 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 which prevented their sale, although the Group' remained strongly committed to continuing the process once the aforementioned uncertainties were settled.

These aspects, which developed in a favourable manner in 2014 with the final publication in June of Order IET/1045/2014, of 16 June, made it possible to dissolve the uncertainties to levels that are acceptable for investors, which, together with the Group's strong commitment to sell these assets, made it possible to close their sale in February 2015. These assets remained registered as held for sale at 31 December 2014 given that the formal conditions for their sale had not been yet met. The aforementioned sale operation has an impact on EUR 1,827,454 thousand in non-current assets held for sale and EUR 1,412,852 thousand in liabilities associated with said assets. Their receivable value was higher than the cost registered at close of 2014.

At 16 February 2015, the ACS Group proceeded to sale 51.78% of its share in its subsidiary Saeta Yield, S.A. in the stock exchange market, with the consequent registration of the information brochure for the listing of securities in the CNMV. Saeta Yield currently manages 689 MW in operation distributed among 16 wind farms and 3 thermal plants, all of them in Spain, which were included as assets held for sale at 31 December 2014. In addition, the ACS Group has granted Saeta a tag along right over certain assets, as well as over those which it may develop in the future in the field of energy infrastructures through its industrial division. Saeta has also been granted a call option over three of these assets, 3 thermal plants in Spain, which were included as assets held for sale at 31 December 2014, as well as joint control over said assets, which will be recorded as joint agreements in the year after the date in which they cease to be considered as assets held for sale. The effect of the agreement over the three assets is subject to approval of the competition authorities and the exit from the Saeta Stock Exchange.

Therefore, the total value of the non-current assets held for sale, if the operation have been performed prior to the close of 2014, would amount to EUR 1,509,268 thousand, and that of the liabilities associated with them would amount to EUR 1,222,634 thousand.

At 31 December 2014, Escal UGS, S.L.'s participation in the Castor undeground gas storage facility was de-registered from the heading "Non-current assets held for sale and discontinued operations", which has been recorded through global integration as a result of the waiver of the concession approved by Royal Decree-Law 13/2014, of 3 October, adopting urgen measures regarding the gas sstem and ownership of nuclear plants, and thus the reasons for which its was recorded through the participation method ceased to exist. This situation is a result of the decision taken on 25 June 2014 by which Escal UGS waived its rights to the concession for operation of the "Castor" natural gas underground facility, granted by Royal Decree 855/2008, of 16 May. This was due to the fact that in the last months of 2013 certain events took place which led to the suspension of gas injection and extraction in the plant by order of the Spanish Ministry of Industry, Energy, and Tourism, thus preventing the start of commercial operation and the plant's connection to the gas system.

To this end, in accordance with the stipulations in the documents signed on 30 July 2013 on the occasion of the issue of the bond programme supporting the financing of the Castor storage facility, Escal UGS started the process to obtain the prior authorisation from the European Investment Bank, which was obtained on 18 July 2014. In accordance with the provisions in the Ministerial Order 3995/2006, of 29 December, amended by 2805/2012 of 27 December, the company Escal UGS, partially owned by the ACS Group, filed the relevant waiver of its rights to the concession for operation of the "Castor" natural gas underground storage facility, granted by Royal Decree 855/2008, of 16 May. This waived was approved by Royal Decree-Law 13/2014, of 3 October.

In accordance with said RDL, the facilities were hibernated, the concession for operation of the natural gas storage facility became extinguished, and management of the facility was assigned to the company Enagás Transpored. The sum of EUR 1,350,729 thousand was recorded as the net value of the investment described in section 3 of article 5 of the Order ITC/3995/2006, of 29 December, establishing compensation for the natural gas underground storage facilities included in the basic network. This amount was paid in a single payment to Escal UGS, S.L., and was used to cancel the "Project Bond" for the Castor Project issued under the guarantee of the PBCE (Project Bond Credit Enhancement) programme of the European Investment Bank. This refund entailed the recycling in the profit and loss account of the interest rate coverage that the company had in its financing for EUR 105,702 thousand before tax and minority interests. In addition, the remuneration rights accrued by Escal UGS, S.L. in the period between the order for the start of provisional service and the date of coming into force of this royal decree-law are pending collection. These remuneration rights will include financial compensation, payment of the operation and maintenance costs incurred, including maintenance costs from the suspension of operation, in the terms established in Order ITC/3995/2006, of 29 December, and other applicable regulations. As a result of this refund, and given that the requirements for

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consolidation under the equity method of Escal UGS, S.L. are no longer in force, the ACS Group has proceeded to consolidate under the full consolidation method.

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

If the floating of 51.78% of Saeta Yield. S.A. had taken place before the end of year, the net debt associated with the renewable assets would have been reduced by EUR 1,435.8 million at 31 December 2014.

2013

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

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

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

The ACS Group's ownership interest in the aforementioned company is 66.67%. However, the Directors considered that in 2013 it did not have control over the business based on the following circumstances:

- The activity and the control mechanisms of Escal UGS, S.L. are regulated by the protocol agreement between ACS Servicios Comunicaciones y Energía, S.L., Castor UGS, L.P. (owners of 33.33% of the shares) and Enagás, S.A. entered into in 2007. Pursuant to this agreement, ACS undertook to sell to Enagás and Enagás undertook to purchase from ACS, 50% of its ownership interest once the condition regarding the inclusion of the facilities into the gas system is met (entry into commercial service of the plant and start of operations and access to the system's remuneration). The agreement included the possibility that Enagás might enter into the shareholder structure prior to the facilities entering into the system.

- The sale price of the aforementioned ownership interest was set as the present value of the cash flows of the Escal UGS, S.L. business plan discounted to the financing rate for remuneration established by the applicable regulation. The price floor (minimum value) will be the nominal value of the funds contributed by ACS to the project, i.e., ACS was not exposing itself to any "risk" in a literal sense.

- The business of Escal UGS, S.L. consisted of developing an integrated product which included the design, construction, financing, operation and maintenance of the financed project. All of the decisions related to the significant activities to be carried out were basically grouped in the following two differentiated phases: on the one hand the construction phase and on the other hand the operating phase.

IFRS 10 has changed the definition of control which existed until it came into force, in such a way that the new definition of control has three conditions that must be met: power over the investee, exposition or the right to the variable results of the investment, and the ability to use said power in such a way that it might have an influence on the amount of said returns. However, the conclusion in this case is similar to that of IAS 27, which established that the control over the business, considered as a whole, is the power to manage a company's financial and operating policies in order to obtain profit from its activities. The concept of "financial and operating policies" is not defined as such therein, although it should be understood that they are comprised of the policies which guide the Company's main activities, such as sales, human resources or the manufacturing process itself.

Taking into account the company object of Escal UGS, S.L., it must be understood that the operating policies begin to be implemented effectively from the time the facility enters into service, at which point, in accordance with the agreements entered into by the parties, ACS had no control over them whatsoever. That is to say, taking into account the unique characteristics of the operations and the importance of the transaction, the directors considered that the ACS Group did not have control over the business' significant activities which, logically, focused mainly on the operations phase of gas storage, which did not take place after the waiver, with the construction activity consisting only of performing the activities necessary for the business' entry into service, which was an integral part of the mandatory planning and is, consequently, considered basic storage for the purposes of that set forth in article 59.2 of Law 34/1998, of 7 October, on the Hydrocarbons Sector. Thus, it was a facility which is considered part of national strategy and unique, forming part of a strongly regulated sector. This is why the Directors consider, on the badis of the commitment of exit at the launch of the main business, that the Group has not control over the relevant main business activities, neither during the construction phase nor during the operation phase. Thus, ACS' substantive exercise of its voting rights is, in practice, limited during the construction phase.

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

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

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

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

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.

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 2014 and 2013 are summarised in Note 15.04. Treasury shares were deducted from equity in the accompanying statement of financial position at 31 December 2014 and 2013.

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 Construcción y Servicios, S.A. shares to certain employees.

In accordance with IFRS 2, the options granted are considered equity-settled share-based payment. Accordingly, they are measured at their fair value on the date they are granted and charged to income, with a credit to equity, over the period in which they accrue based on the various periods of irrevocability of the options.

Since market prices are not available, the value of the share options has been determined using valuation techniques taking into consideration all factors and conditions that would have been applied in an arm's length transaction between knowledgeable parties (Note 28.03).

In addition, the Hochtief Group has granted options on Hochtief, A.G. shares to management members.

03.11. GOVERNMENT 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 relevant decisions granting the subsidies was provided to the relevant competent 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.

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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 20).

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.

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 2014 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.

The main legal proceedings and claims open at 31 December 2014 were those related to the Radial 3 and Radial 5 (R3 and R5) concessions (see Note 36). Likewise, claims have been made by the customer due to the increase in the costs for the Leighton Gorgon Jetty & Marine STR projects and other projects in Iraq (see Note 12).

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. Turner'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 non-current assets.

The restatement of the defined benefit plans are recognised directly in the consolidated income statement during the period in which they arise. The current cost for the year is recognised under staff costs. The effect of interest on the increase in pension obligations, diminished by anticipated returns on plan assets, is reported in net investment and interest income.

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.

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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.

03.15. FINANCIAL DERIVATIVES

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 "Changes in the fair value of financial instruments".

- **Cash flow hedges**
  Changes in the fair value of the derivatives are recognised, in respect of the effective portion of the hedges, in equity under "Adjustments for changes in value" in the accompanying consolidated statement of financial position. Hedges 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. The fair value includes the valuation of the counterparty credit risk in the case of assets or, in the case of liabilities, the ACS Group itself, in accordance with IFRS 13 which entered into force in 2013.

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.

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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 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 customer advances in "Trade and other payables" 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

Group companies recognise as the outcome from the rendering of services for each year the difference between production (valued at the sale price of the services provided during the period, which are covered by the initial contract entered into with the customer or in approved modifications or addenda thereto, and of services which have not yet been approved but there is reasonable assurance of recovery) and the costs incurred in the year.

Price increases 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. INCOME 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 if it is probable that the consolidated companies will have sufficient future taxable profits against which they can be utilised.

The deferred tax assets and liabilities recognised are reassessed at 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).

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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 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.

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 rate between the functional currency and the foreign currency 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 2014 and 2013 are as follows:

	Average exchange rate		Closing exchange rate	
	2014	2013	2014	2013
1 U.S. Dollar (USD)	0.757	0.752	0.827	0.728
1 Australian Dollar (AUD)	0.680	0.717	0.676	0.648
1 Polish Zloty (PLN)	0.238	0.238	0.233	0.241
1 Brazilian Real (BRL)	0.321	0.345	0.311	0.308
1 Mexican Peso (MXN)	0.057	0.059	0.056	0.056
1 Canadian Dollar (CAD)	0.684	0.726	0.712	0.685
1 British Pound (GBP)	1.247	1.178	1.289	1.205
1 Venezuela Bolivar (VEB)	0.121	0.123	0.132	0.116
1 Argentine Peso (ARS)	0.092	0.135	0.099	0.112
1 South Africa Rand (ZAR)	0.070	0.077	0.071	0.070

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 the functional currency of which 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

Given the economic situation in Venezuela and in accordance with the definition of hyperinflationary economy provided by IAS 29, the country has been classified as hyperinflationary since 2009 and at the end of 2014 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 2014 and 2013, and the volume of transactions in the years 2014 and 2013 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 2014 and 2013 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.

The breakdown of "Other adjustments to profit (net)" in the consolidated statement of cash flows is as follows:

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

(*) Data restated.

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It should also be pointed out, for purposes of comparison, that when drafting the consolidated cash flow statement for 2014, the amount corresponding to cash and cash equivalents that were de-registered as a result of the sale of John Holland and the Leighton Services business were included in the cash flows for investment in group companies, affiliates, and business units as a disinvestment for EUR 285,617 thousand (AUD 420.5 million), which will reduce at the time of collection the value of the disinvestment pending collection, which amounted to EUR 1,108,112 thousand at 31 December 2014, the latter being recorded in the heading "Receivables from the sale of discontinued operations" in the Consolidated Financial Statement appended.

Payments for equity instruments recognised under cash flows from financing activities include, not only the acquisitions of ACS treasury shares but also, mainly, the increase in the ownership interest of Hochtief and Leighton (the latter being a consequence of the launch in March 2014 by Hochtief, A.G. of a proportional takeover as described in Note 02.02.f), carried out in 2014 and 2013.

The amount included under "Other cash flows from financing activities" includes, mainly, the monetisation of the Iberdrola "call spread" and "put spread" carried out in 2013 mentioned in Note 10.01.

03.24. ENTRY INTO FORCE OF NEW ACCOUNTING STANDARDS

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

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

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

		Mandatory application in the years beginning on or after:
APPROVED FOR USE IN THE EUROPEAN UNION		
IFRS 10 Consolidate financial statements (published in May 2011)	Replaces the current IAS 27 consolidation requirements.	Annual periods beginning on or after 1 January 2014 (1)
IFRS 11 Joint arrangements (Published in May 2011)	Replaces the IAS 31 consolidation requirements.	Annual periods beginning on or after 1 January 2014 (1)
IFRS 12 Disclosure of interests in other companies (published in May 2011)	Single standard establishing the disclosures relative to interests in associated affiliates, joint ventures, and non-consolidated entitities.	Annual periods beginning on or after 1 January 2014 (1)
IAS 27 (Reviewed) Separate financial statements (published in May 2011)	The standard is reviewed, as after the issue of IFRS 10 it will not include only an entity's separate financial statements.	Annual periods beginning on or after 1 January 2014 (1)
IAS 28 (Reviewed) Investment in associates and joint ventures (published in May 2011)	Parallel review with respect to the issue of IFRS 11. Joint agreements	Annual periods beginning on or after 1 January 2014 (1)
Transition rules: Amendment to IFRSs 10, 11, and 12 (published in June 2012)	Clarification of the transition rules for these standards.	Annual periods beginning on or after 1 January 2014 (1)
Investment companies: Amendment to IFRS 10, IRFS 12 and IAS 27 (published in October 2012)	Exception in the consolidation for parent companies that meet the definition of investment companies.	Annual periods beginning on or after 1 January 2014
Amendment to IFRS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities (published in December 2011)	Additional clarifications of the rules for offsetting financial assets and liabilities in IAS 32.	Annual periods beginning on or after 1 January 2014
Amendment to IAS 36 - Recoverable Am ount Disclosures for Non-Financial Assets (published in May 2013)	Clarifies when certain disclosures are required and extends those required when the recoverable value is based on the fair value minus sale costs.	Annual periods beginning on or after 1 January 2014
IAS 39 – Novation of derivatives and hedge accounting (published in June 2013)	Amendments determin in which cases and under which criteria the novation of a derivative does not require the disruption of hedge accounting.	Annual periods beginning on or after 1 January 2014

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

(2) New standards, amendments and interpretations whose application is mandatory subsequent to the calendar year beginning 1 January 2014 (applicable from 2015 onwards):

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

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

		Mandatory application in the years beginning on or after:
APPROVED FOR USE IN THE EUROPEAN UNION		
IFRIC 21 – Levies (published in May 2013)	Interpretation of when to recognise a liability for tax or levies conditional upon the entity's participation in an activity on a specific date.	17 June 2014 (2)
Amendment to IAS 19 - Defined Benefit Plans: Employee Contributions (published in November 2013)	The amendment is issued to facilitate the possibility of deducting these contributions from the service cots in the same period in which they are paid if certain requirements are met.	1 July 2014
Improvements to IFRS 2010-2012 Cycle and 2011-2013 Cycle (published in December 2013)	Minor amendments to a number of standards.	1 July 2014
NOT APPROVED FOR USE IN THE EUROPEAN UNION		
IFRS 9 – Financial instruments (last stage published in July 2014)	Replacement of the requirements for classification, valuation, recognition, and de-registration in financial asset and liabilities accounts, hedge accounting, and impairment in IAS 30.	1 January 2016
IFRS 15 – Revenue from contracts with customers (published in May 2014)	New standard for recognition of revenues (replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18, and SIC-31)	1 January 2016
Amendment to IAS 16 and IAS 38 – Acceptable depreciation and amortisation methods (published in May 2014)	Clarifies the acceptable methods for amortisation and depreciation of tangible and intangible assets.	1 January 2016
Amendment to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations (published in May 2014)	Specifies the way to record the purchase of a share in a joint venture whose activitiy constitutes a business.	1 January 2016
Improvements to IFRSs 2012-2014 Cycle (published in September 2014)	Minor amendments to a number of standards.	1 January 2016
Amendment to IFRS 10 and IAS 28 – Sale or contribution of assets between and investor and its affiliate/joint venture (published in September 2014)	Clarification regarding the result of these operations if they are businesses or assets.	1 January 2016
Amendment to IAS 27 -Equity Method in Separate Financial Statements (published in August 2014)	Equity in an investor's separate financial statements is allowed.	1 January 2016
Amendment to IAS 16 and IAS 41; Bearer platns (published in June 2014)	Bearer plants will be measured at fair value less costs to sell.	1 January 2016

(2) The European Union endorsed IFRIC 21 (EU Bulletin of 14 June 2014), replacing the date of entry into force established by IASB (1 January 2014) by 17 June 2014.

The Group is in the process of analysing the impact of these standards, however they are not expected to have a significant impact. IFRS 9 replaces IAS 39, which was completed in several phases. The IASB published the first part of IFRS 9 in 2 with a new model for the classification and valuation of financial assets, to which requirements for financial liabilities and de-registration from accounts were added in 2010. Later in 2013, IFRS 9 was extended as a result of the phase relating to Hedge accounting. On 24 July 2014, IASB issued the pending part, pertaining to the new model for impairment and certain changes restricted to classification and valuation. Thus IFRS 9 is now completed.

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04. INTANGIBLE ASSETS

04.01. GOODWILL

The detail by line of business of the changes in goodwill in 2014 and 2013 is as follows:

Thousands of euros

Line of Business	Balance at 31/12/2013 (*)	Change in consolidation method	Additions	Disposals and allocations	Impairment	Exchange differences	Balance at 31/12/2014
Parent	780,939	-	-	-	-	-	780,939
Construction	1,778,890	(7,677)	17,515	-	(10,000)	18,928	1,797,656
Industrial Services	76,603	-	7,706	-	(9,366)	1,945	76,888
Environment	89,676	76,553	72,839	(1,618)	-	1,289	238,739
Total	2,726,108	68,876	98,060	(1,618)	(19,366)	22,162	2,894,222

Thousands of euros

Line of Business	Balance at 31/12/2012	Change in consolidation method	Additions	Disposals and allocations	Impairment	Exchange differences	Balance at 31/12/2013 (*)
Parent	780,939	-	-	-	-	-	780,939
Construction	1,617,777	181,899	-	(1,705)	(12,776)	(6,305)	1,778,890
Industrial Services	76,748	-	758	(405)	-	(498)	76,603
Environment	84,358	5,751	-	(39)	-	(394)	89,676
Total	2,559,822	187,650	758	(2,149)	(12,776)	(7,197)	2,726,108

(*) Data restated

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

The most significant addition to the Goodwill this year was the acquisition of a 25% share in Clece for EUR 115,902 thousand (see Note 02.02 f)). The sale of John Holland and of 50% of the share in the Leighton Services business should also be mentioned, as they involved the de-registration of EUR 44,900 thousand from the Goodwill associated with the purchase of Hochtief, in addition to the assets assigned as the value of the works portfolio and the list of clients associated with them under the heading "Other intangible assets" in the financial statement appended, for EUR 195,182 thousand (see Note 2.02).

In the case of goodwill, each year the ACS Group the carrying amount of the related company or cash-generating unit (CGU) against its value in use, determined by the discounted cash flow method.

In relation to the goodwill arising from the purchase of Hochtief, A.G. in 2011, in accordance with IAS 36.80, the aforementioned goodwill has been assigned to the main cash-generating units which are Hochtief Asia Pacific and Hochtief Americas. The value of thegoodwill assigned to the Cash-Generation Unit (CGU) Hochtief Asia Pacific was EUR 1,102 million whereas EUR 287 million was assigned to the Hochtief Americas CGU. In 2014, 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 for 2015 to 2017 made according to the Hochtief business plan for this line of business and the estimates for 2018 and 2019, discounting the free cash flows at a weighted average cost of capital (WACC) of 8.4%, and using a perpetual growth rate of 2.5%. The weighted average cost of capital (WACC) gives rise to a premium on the long-term interest rate return (Australian Ten-year Bond) published by Factset at 30 September 2014, of 490 basis points. Likewise, perpetual the growth rate used corresponds to the CPI estimated for Australia for 2019 published by the IMF in its World Economic Outlook in October 2014.

The in-house forecasts for the Asia Pacific business are based on historical data and on Hochtief's in-house forecasts until December 2017, and estimates in line with forecasts for previous years are used for the 2018-2019 period.

As regards the sensitivity analysis of the impairment test of the goodwill assigned to Hochtief's Asia Pacific business, the main aspect is the fact that the goodwill test withstands a discount rate of up to approximately 13.5%, representing a range of 510 base points, as well as a perpetual growth rate of minus 5%. It would support an annual drop in cash flow of approximately 40% with respect to the flows forecast.

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.

With regard to the Hochtief Americas CGU, the following basic assumptions were used:

i. Forecasts used for the division for 5 years, until 2017, according to the Hochtief Business Plan and estimates for the 2018-2019 period.
ii. Perpetual growth rate of 2%, according to the IMF estimate with regard to the CPI for the US in 2019, based on the World Economic Outlook report published by the IMF in October 2014.
iii. Discount rate of 7.4%.

As regards the sensitivity analysis of the impairment test of the goodwill assigned to Hochtief's Americas business, the main aspect is the fact that the goodwill test, even assuming a cash position of zero euros, withstands a discount rate of up to approximately 14.5%, representing a range of 710 basis points, as well as a perpetual growth rate of minus 4.5%. It would support an annual drop in cash flow of more than 50% with respect to the flows forecast.

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 area according to the following breakdown:

Thousands of euros

Cash Generating Unit	Goodwill assigned
Construction	554,420
Industrial Services	188,720
Environment	37,799
Total Goodwill	**780,939**

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In order to measure the various business generating units, in the case of Dragados Construction, Industrial Services, and Environment the valuation is carried out using the discounted cash flow method. ACS Servicios y Concesiones is measured using an EV/EBITDA multiple and Concessions is measured conservatively as one time its book value at September 2014.

The discount rate used in each business unit is its weighted average capital cost. In order to calculate the discount rate of each business unit the yield of 10-year Spanish government bonds 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 gross debt is the consolidated actual effective cost of the debt of each business unit at September 2014 and the tax rate used is the theoretical tax rate for Spain. The perpetual growth rate (g) used is the CPI increase in 2019 for Spain according to the IMF report issued in October 2014.

The key assumptions used to measure the most significant cash-generating units were as follows:

- Dragados Construction:
  - Sales: compound annual growth rate in the 2013 (last year closed)-2019 period of 1.4%.
  - EBITDA Margins: average margin from 2014 to 2019 of 7.1% and final margin of 7%.
  - Amortisations/Operating investments: convergence at a ratio to sales up to 1% in the last year forecast.
  - Working capital: maintain the days of the working capital for the period, calculated in line with the close of September 2014.
  - Perpetual growth rate of 1.3%.
  - Cash flow discount rate of 6.2%.

- – Industrial Services:
  - Sales: compound annual growth rate in the 2013 (last year closed) to 2019 period of 0.2%.
  - EBITDA Margins: average margin from 2014 to 2019 of 12.6% and final margin of 11.5%.
  - Amortisations/Operating investments: convergence at a ratio to sales up to 1.7% in the last year forecast.
  - Working capital: maintain the days of the working capital for the period, calculated in line with the close of September 2014.
  - Perpetual growth rate of 1.3%.
  - Cash flow discount rate of 5,8%.

After testing the impairment of each of the cash-generating units to which the goodwill arising from the merger with Dragados Group in 2003 is assigned, it has been determined, with the aforementioned assumptions that under no circumstances is the estimated recoverable amount of the cash-generating unit less than its carrying amount, as there is no evidence of its impairment.

Similarly, a sensitivity analysis was carried out for all divisions by considering different scenarios for the two key parameters in determining the value through discount cash flows, which are the perpetual growth rate (g) and the discount rate used (weighted average cost of capital) of each of the cash-generating units. No reasonable scenario gave rise for the need to recognise an impairment loss. By way of example, the impairment tests on the main cash-generating units, such as Dragados Construction and Industrial Services, withstand increases in the discount rates of 800 and 1,000 basis points, respectively, without any impairment being recognised. Likewise, the aforementioned tests withstand deviations in budgeted cash flows of 62% for Dragados Construction and 67% for Industrial Services.

The remaining goodwill, excluding that generated by the merger between ACS and the Grupo Dragados 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 90,507 thousand (EUR 76,603 thousand at 31 December 2013), which relates to 20 companies from this business area, the most significant relating to the acquisition of Midasco, LLC for EUR 14,273 thousand (EUR 14,273 thousand at 31 December 2013).

In the Environment area, total goodwill amounted to EUR 238,739 thousand (EUR 89,676 thousand at 31 December 2013), relating to more than 50 different companies, the largest amount being related to the aforementioned purchase of a 25% share in Clece for EUR 115,902 thousand, followed by 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-Agua for EUR 14,572 thousand (EUR 25,182 thousand at 31 December 2013), Pulice for EUR 51,125 thousand (44,995 thousand at 31 December 2013), John P. Picone for EUR 44,694 thousand (EUR 39,335 thousand at 31 December 2013), and Schiavone for EUR 49,360 thousand (EUR 43,442 thousand at 31 December 2013), as well as J.F. White for EUR 19,645 at 31 December 2014 for the acquisitions carried out during the year. With the exception of the goodwill of Pol Aqua, which was partially amortised in 2014 in the amount of EUR 10,000 thousand and in 2013 in the amount of EUR 12,776 thousand, the differences in the goodwill arose as a result of translation differences with the US dollar.

In these areas, the calculated impairment test is 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.

According to the estimates and projections available to the directors of the Group and of each of the companies concerned, the projected cash flows attributable to these cash-generating units (or groups of units) to which the goodwill is allocated will make it possible to recover the net value of the goodwill recognised at 31 December 2014 and 2013.

The main change in 2013 corresponded to the goodwill from the acquisitions carried out by Hochtief, A.G. for a total mount of EUR 181,639 thousand, in particular the acquisition of a 39.9% share in Welspun Contractors Private Limited.

The losses in value pertaining to the ACS Group's goodwill in 2014 amount to EUR 19,366 thousand (EUR 12,776 thousand in 2013).

04.02. OTHER INTANGIBLE ASSETS

The changes in this heading in the consolidated statement of financial position in 2014 and 2013 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 2013	13,283	33,084	445,189	2,448,452	2,940,008	(867,286)	(92,359)	1,980,363
Changes in the scope of consolidation	(3,365)	509	(5,388)	417	(7,827)	10,573	-	2,746
Additions or charges for the year	901	1,896	41,630	51,907	96,334	(271,497)	(55,005)	(230,168)
Disposals or reductions	(321)	(687)	(1,703)	(52,504)	(55,215)	4,955	41,346	(8,914)
Exchange differences	(5)	(348)	(36,153)	(12,154)	(48,660)	13,787	1,673	(33,200)
Transfers to/from other assets	26	(27)	(30,002)	109,646	79,643	(25,367)	294	54,570
Balance at 31 December 2013	10,519	34,427	413,573	2,545,764	3,004,283	(1,134,835)	(104,051)	1,765,397
Changes in the scope of consolidation	(2,039)	4,677	(24,754)	145,422	123,306	2,903	-	126,209
Additions or charges for the year	1,206	2,900	27,010	5,479	36,595	(294,269)	(560)	(258,234)
Disposals or reductions	-	(1,767)	(16,761)	(212,329)	(230,857)	213,486	16,438	(933)
Exchange differences	-	251	12,090	16,085	28,426	(8,936)	(4,828)	14,662
Transfers to/from other assets	13	861	198	80,399	81,471	(17,171)	14,500	78,800
Balance at 31 December 2014	9,699	41,349	411,356	2,580,820	3,043,224	(1,238,822)	(78,501)	1,725,901

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Additions in 2014 amounts to EUR 36,595 thousand (EUR 96,334 thousand in 2013), mainly corresponding to Hochtief at the amount of EUR 25,714 thousand (EUR 41,648 thousand in 2013) and Environment at the amount of EUR 7,285 thousand (EUR 11,367 thousand in 2013).

Of particular note under this heading is the assignation of Clece at fair value to intangible assets at the amount of EUR 141,490 thousand, included under the heading "Other intangible assets" (see Note 02.02 f). Business combinations focused on businesses characterised by the existence, among others, of a significant client portfolio, thus establishing a recurring relationship over time with its most significant client. In these cases, the ACS Group believes that, according to IFRS 3, part of the capital gains must be assigned to contractual relationships with clients. This valuation gives rise to the generation of an intangible asset, which must be amortised within the period in which said contractual relationship is estimated to be maintained, proportionally to the forecast cash flows.

Regarding the sale of John Holland and Thiess Services & Leighton Contractors ("Services"), the Leighton assets mainly related to the value of the works portfolio and the relationship with clients associated with them that were identified and assigned as a result of the PPA (Price Purchase Allocation) performed when a goodwill arose in the process of Hochtief's first global consolidation. The amount of the assets de-registered for this notion, included in the "Other intangible assets" is EUR 195,182 thousand.

In 2014 the losses on items classified as other intangible assets amounting to EUR 560 thousand relating for the most part to the Construction area (EUR 5,027 thousand at 31 December 2013) were recognised under "Impairment and gains or losses on the disposal of non-current assets" in the accompanying consolidated income statement. No impairment losses were reversed in the income statements for 2014 and 2013.

The main assets recognised under "Other intangible assets" relate to Hochtief's construction backlog (mainly due to contracts in the Americas and Pacific Asia), prior to deteriorations and impairments, amounting to EUR 603,655 thousand, to the various trademarks of the Hochtief Group amounting to EUR 221,096 thousand and to the contractual relationships with clients of the Hochtief Group amounting to EUR 722,779 thousand generated in the first consolidation process (PPA).

No significant development expenditure was recognised as an expense in the consolidated income statement for 2014 and 2013.

At 31 December 2014, 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 54,457 thousand (EUR 50,017 thousand at 31 December 2013). Trademarks are not amortised systematically, but are checked for possible impairment annually. No impairment losses were recognised in this connection in 2014 or 2013.

There were no material intangible asset items whose title was restricted in 2014 and 2013.

05. PROPERTY, PLANT AND EQUIPMENT

The changes in this heading in the consolidated statement of financial position in 2014 and 2013 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 2013	734,516	5,094,594	985,592	100,419	6,915,121	(3,938,307)	(25,837)	2,950,977
Changes in the scope of consolidation	41,302	87,406	72,479	(468)	200,719	(86,270)	-	114,449
Additions or charges for the year	55,639	884,075	80,922	40,092	1,060,728	(880,542)	(20,749)	159,437
Disposals or reductions	(41,637)	(1,082,943)	(80,824)	(867)	(1,206,271)	760,496	(27)	(445,802)
Exchange differences	(37,125)	(442,163)	(27,673)	(1,320)	(508,281)	301,243	487	(206,551)
Transfers from/to other assets	(19,578)	(313,981)	(25,766)	(44,651)	(403,976)	266,020	5	(137,951)
Balance at 31 December 2013 (*)	733,117	4,226,988	1,004,730	93,205	6,058,040	(3,577,360)	(46,121)	2,434,559
Changes in the scope of consolidation	(24,424)	(301,088)	81,271	5,147	(239,094)	133,353	(622)	(106,363)
Additions or charges for the year	26,891	597,103	134,468	40,064	798,526	(578,508)	(2,494)	217,524
Disposals or reductions	(29,211)	(621,460)	(166,731)	(3,162)	(820,564)	621,020	418	(199,126)
Exchange differences	12,478	308,433	23,301	143	344,355	(190,704)	(986)	152,665
Transfers from/to other assets	15,829	2,071	37,897	(23,835)	31,962	(30,674)	(619)	669
Balance at 31 December 2014	734,680	4,212,047	1,114,936	111,562	6,173,225	(3,622,873)	(50,424)	2,499,928

(*) Data restated

In 2014 and 2013 items of property, plant and equipment were acquired for EUR 798,526 thousand and EUR 1,060,728 thousand respectively.

In 2014 the most noteworthy additions relate to the Construction area amounting to EUR 609,653 thousand, mainly from Hochtief as the result of acquiring equipment for the Leighton mining operations in Leighton for EUR 565,243 thousand, to Environment for EUR 127,990 thousand mainly due to the inclusion of Clece, as well as the acquisition of renewal of machines and equipment and to the Industrial Services area for EUR 60,860 thousand for the acquisition of machinery and equipment to carry out new projects.

In 2013, the most relevant acquisition by division were mainly due to the Construction area for EUR 941,084 thousand, mainly from Hochtief, amounting to EUR 871,908 thousand for the acquisition of equipment for Leighton's mining activities, to Industrial Services for EUR 42,713 thousand for the acquisition of machinery and equipment to carry out new projects, and to the Environment area for EUR 76,921 thousand, mainly for the incorporation of its activity in Chile.

In 2014 and 2013 gains on the disposal of non-current assets totalled a net carrying amount of EUR 199,126 thousand and EUR 445,802 thousand, respectively, which did not generate significant results from disposals. The most significant disposal in 2014 relates to the effect of the sale of the Streif Baulogistik (Hochtief Europe) assets.

At 31 December 2013, the Group had formalised contractual commitments for the future acquisition of tangible assets for EUR 145,935 thousand, including EUR 137,395 thousand, mainly corresponding to activities relating to mining in Leighton. The commitments at 31 December 2014 amounted to EUR 29,633 thousand.

Losses from impairment of value recognised in the consolidated income statement at 31 December 2014 amount to EUR 2,355 thousand, mainly corresponding to the sale and impairment of Dragados machinery (EUR 1,909 thousand

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at 31 December 2013, mainly corresponding to the sale and impairment of Dragados machinery). No losses from value impairment were reverted and recognised in the 2014 and 2013 income statements.

Operating expenses relating directly to property, plant and equipment capitalised in the course of construction were not material in 2014 or 2013.

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 2014 or 2013.

At 31 December 2014, there were restrictions on technical equipment and machinery of the Australian subsidiary, Leighton, amounting to EUR 111,022 thousand (EUR 126,419 thousand at 31 December 2013). In addition to the aforementioned restrictions, the ACS Group has mortgaged land and buildings with a carrying amount of approximately EUR 68,092 thousand (EUR 74,868 thousand in 2013) to secure banking facilities granted to the Group.

At 31 December 2014 the Group had recognised a net EUR 1,983,921 thousand, net of depreciation, relating to property, plant and equipment owned by foreign companies and branches of the Group (EUR 1,988,385 thousand in 2013).

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 2013	1,258	430,644	81,444	513,346	(35,181)	(15)	478,150
Balance at 31 December 2014	19,286	313,150	104,932	437,368	(48,935)	(22)	388,411

The decrease in assets under finance leases in 2014 relates mainly to the Leighton machinery.

06. NON-CURRENT ASSETS IN PROJECTS

The balance of "Non-current assets in projects" in the consolidated statement of financial position at 31 December 2014, includes the costs incurred by the fully consolidated companies in the construction of transport, service and power plant infrastructures 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. To better understand its activities relating to infrastructure projects, the Group considers it more appropriate to present its infrastructure projects in a grouped manner, although they are broken down by type of asset (financial or intangible) in this note.

All the project investments made by the ACS Group at 31 December 2014 are as follows:

Thousands of euros

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

The changes in this heading in 2014 and 2013 were as follows:

Thousands of euros	2014			2013		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
Beginning balance	966,047	(208,577)	757,470	919,964	(190,071)	729,893
Changes in the scope of consolidation	102,910	(33,182)	69,728	22,961	(1,196)	21,765
Additions or charges for the year	101,359	(53,009)	48,350	143,468	(54,142)	89,326
Exchange differences	7,387	298	7,685	(6,204)	1,113	(5,091)
Disposals or reductions	(66,215)	65,288	(927)	(4,122)	(14,866)	(18,988)
Transfers	(168,017)	38,854	(129,163)	(110,020)	50,585	(59,435)
Ending balance	943,471	(190,328)	753,143	966,047	(208,577)	757,470

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 the year 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 - 2040	322,767	(86,285)	236,482
Highways/roads	2026	187,585	(33,761)	153,824
Water management	2028	33,571	(10,742)	22,829
Total		543,923	(130,788)	413,135

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Thousands of euros	2014			2013		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
Beginning balance	555,025	(97,025)	458,000	614,617	(106,242)	508,375
Changes in the scope of consolidation	94,571	(31,940)	62,631	-	-	-
Additions or charges for the year	8,382	(40,454)	(32,072)	43,666	(38,023)	5,643
Exchange differences	704	298	1,002	(1,275)	1,113	(162)
Disposals or reductions	(18)	-	(18)	2,199	-	2,199
Transfers	(114,741)	38,333	(76,408)	(104,182)	46,127	(58,055)
Ending balance	543,923	(130,788)	413,135	555,025	(97,025)	458,000

The concession assets identified as financial assets, as a result of the Group not assuming the demand risk, and the changes in the balance of this heading in the year are as follows:

Thousands of euros

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

Thousands of euros

	2014	2013
Beginning balance	190,263	112,521
Changes in the scope of consolidation	6,018	-
Investment	30,504	85,546
Finance income	17,108	11,990
Collections	(10,997)	(13,433)
Disposals or reductions	(474)	(1,463)
Exchange differences	6,382	(4,898)
Transfers from/to other assets	(4,035)	-
Ending balance	234,769	190,263

In accordance with the measurement bases of IFRIC 12 and Note 03.04, the amount of financial remuneration included under "Revenue" amounted to EUR 28,453 thousand in 2014 (EUR 31,323 thousand in 2013), of which EUR 11,345 thousand corresponding to concession assets identified as financial assets are classified as "Non-current assets held for sale and discontinued operations" (EUR 19,333 thousand in 2013).

The borrowing costs accrued in relation to the financing of the concessions classified under the financial asset model are immaterial in 2014 and 2013.

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 2013 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 - 2032	107,723	(41,384)	66,339
Wind farms	-	44,268	(8,645)	35,623
Highways/roads	2026	31	(23)	8
Energy transmission	-	8,924	(8,924)	-
Other infrastructures	-	3,833	(564)	3,269
Total		164,779	(59,540)	105,239

Thousands of euros	2014			2013		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
Beginning balance	220,759	(111,552)	109,207	192,826	(83,829)	108,997
Changes in the scope of consolidation	2,321	(1,242)	1,079	22,961	(1,196)	21,765
Additions or charges for the year	56,362	(12,555)	43,807	15,699	(16,119)	(420)
Exchange differences	301	-	301	(31)	-	(31)
Disposals or reductions	(65,723)	65,288	(435)	(4,858)	(14,866)	(19,724)
Transfers	(49,241)	521	(48,720)	(5,838)	4,458	(1,380)
Ending balance	164,779	(59,540)	105,239	220,759	(111,552)	109,207

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

In 2014 and 2013 investments were made in non-current assets in projects for EUR 101,359 thousand and EUR 143,468 thousand, respectively. The main additions of assets in projects made in 2014 relate to the Industrial Services business amounting to EUR 61,268 thousand, mainly in wind farms (EUR 29,364 thousand in 2013), and to the Environment business related to waste treatment amounting to EUR 44,125 thousand (EUR 115,220 thousand in 2013).

In addition to the aforementioned investments, the entry into the consolidation perimeter of Ecoparc del Besós is an addition of EUR 97,722 thousand under this heading in the financial statement in 2014.

In 2014 and 2013 no significant divestments were performed.

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

At 31 December 2014 and 31 December 2013, the Group had entered into contractual commitments for the acquisition of non-current assets in projects amounting to EUR 17,010 thousand and EUR 36,645 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).

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07. INVESTMENT PROPERTY

The changes in this heading in 2014 and 2013 were as follows:

Thousands of euros	2014	2013
Beginning balance	63,922	71,086
Changes in the scope of consolidation	662	-
Sales	(844)	(3,335)
Charges for the year	(3,147)	(3,160)
Transfers from/to other assets	1,614	(669)
Ending balance	62,207	63,922

The Group's investment property relates mostly to subsidized 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 9,026 thousand in 2014 (EUR 9,386 thousand in 2013). The average occupancy level of the aforementioned assets was 62% (58% in 2013) with an average rentable area of 175,549 square metres (174,557 square metres in 2013).

The direct operating expenses arising from investment properties included under "Other operating expenses", amounted to EUR 8,304 thousand in 2014 (EUR 9,202 thousand in 2013).

There were no contractual commitments for the acquisition, construction or development of investment property, or for repairs, maintenance and improvements.

At the beginning of 2014, the gross carrying amount was EUR 113,159 thousand and accumulated depreciation (increased by accumulated impairment losses) amounted to EUR 49,237 thousand. At year-end, the gross carrying amount and accumulated depreciation were EUR 113,344 thousand and EUR 51,137 thousand, respectively. There were no material differences with respect to fair value in the accompanying consolidated financial statements.

08. JOINT AGREEMENTS

The main aggregates included in the accompanying consolidated financial statements relating to UTEs and EIAs for 2014 and 2013, in proportion to the percentage of ownership interest in the share capital of each joint venture, are as follows:

Thousands of euros	2014	2013
Net asset	2,722,948	2,565,734
Pre-tax profit or loss	367,974	277,635
Income tax expense (-) / income (+)	(44,944)	(52,391)
Post-tax profit or loss	321,110	225,241
Other comprehensive income	6,979	8,188
Total comprehensive income	209,283	213,524

The identification data relating to the main ACS Group's unincorporated joint ventures are detailed in Appendix II.

09. INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The detail, by type of entity, of the consolidated companies accounted for by the equity method at 31 December 2014 and 2013 is as follows:

Thousands of euros	2014	2013
Associates	523,641	753,593
Jointly controlled entities	707,615	612,873
Total	1,231,256	1,366,466

The changes in the balance of this heading were as follows:

Thousands of euros	2014	2013 (*)
Beginning balance	1,366,466	1,731,614
Additions	219,863	629,287
Disposals	(317,196)	(76,802)
Change in consolidation method	(180,058)	(368,100)
Profit for the year	131,824	95,934
Changes in the equity of associates		
Exchange differences/other	52,389	(662,468)
Cash flow hedges	(29,088)	261,164
Transfer to non-current assets held for sale/discontinued operations	135,503	2,449
Distribution of dividends	(148,447)	(246,612)
Ending balance	1,231,256	1,366,466

(*) Data restated

The detail, by line of business, of the investments in companies accounted for by the equity method at 31 December 2014 and 2013 is as follows:

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

(*) Data restated

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Construction

At 31 December 2014 and at 31 December 2013, in the Construction area the ownership interest from the Hochtief Group accounted for using the equity method are noteworthy amounting to EUR 747,633 thousand (EUR 545,909 thousand at 31 December 2013).

In 2014, the share in Metro de Sevilla was sold for EUR 60,149 thousand, with earnings of EUR 12,708 thousand before tax, as well as the change of consolidation method for the companies Autovía de la Mancha, S.A., Concesionaria JCC Castilla la Mancha, Inversora de la Autovía de la Mancha, S.A., Autovía del Pirineo, S.A., Concesionaria Santiago Brion, S.A., Eix Diagonal Concessionària de la Generalitat de Catalunya, S.A.and Reus-Alcover Concessionària a de la Generalitat de Catalunya, S.A., which, after the end of the comanagement agreement described in Note 02.02 c) have become fully consolidated by the participation method.

Environment

The main change took place in the second half of 2014 after the purchase by the ACS Group of a share of approximately 25% in Clece, S.A., various from funds managed by Mercapital Private Equity, annulling all the previous contracts and agreements signed with them pertaining to Clece. After this operation, the ACS Group is the owner of 100% of Clece capital, with the ensuing change in the method of consolidation of this company in the ACS Group, which will go from the current equity method to the global integration method. The total value of the company used for this transaction was EUR 542 million. Its book value was EUR 285,608 thousand at 31 December 2013.

Clece's earnings by the equity method during the first half of 2014 submitted to the ACS Group were EUR 9,188 thousand.

The current and non-current assets, current and non-current liabilities, equity, sales and pre-tax profit, corporate income tax and results for the year, and total results of the relevant entities included under this heading, as well as the ownership interest of the ACS Group in said entities, are presented in Appendix III.

Also detailed in the table below are the associated companies and the joint agreements which are not material:

Thousands of euros	Associates		Jointly controlled entities	
	2014	2013	2014	2013
Carrying amount	249,091	246,045	470,400	446,565
Profit before taxes	20,702	38,617	222,706	148,274
Income taxes	(7,245)	(10,362)	(9,182)	(6,905)
Profit after taxes	13,457	28,254	213,524	141,368
Other comprehensive income	(6,050)	100,749	3,595	34,389
Total comprehensive income	7,407	129,003	217,119	172,570

10. FINANCIAL ASSETS

The detail of the balance of this heading in the consolidated statements of financial position in 2014 and 2013 is as follows:

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

10.01. EQUITY INSTRUMENTS

The detail of the balance of this heading at 31 December 2014 and 2013 is as follows:

Thousands of euros	31/12/2014	31/12/2013
Iberdrola, S.A.	497,695	872,256
Xfera Móviles, S.A.	79,206	79,206
Other smaller investments	208,319	146,073
Total	785,220	1,097,535

In accordance with IAS 39 these investments are considered to be available-for-sale financial assets. They have been measured at cost since there is no reliable market for them, except for in the case of Iberdrola, S.A.

Iberdrola, S.A.

The most significant equity instruments relate to Iberdrola.

At 31 December 2014, the ACS Group holds 88,921,671 shares representing 1.4% of the share capital of Iberdrola, S.A. (188,188,889 shares representing 3.02% of the share capital of Iberdrola, S.A. at 31 December 2013). The consolidated average cost amounted to EUR 4.147 and to 4.134 per share at 31 December 2014 and at 31 December 2013, respectively.

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

The most relevant operations in relation to the ownership interest in Iberdrola in 2014 were as follows:

On 13 March 2014, ACS Actividades Finance 2 B.V. (the Dutch subsidiary in which ACS, Actividades de Construcción y Servicios, S.A. holds a 100% share) has notified that, once the accelerated book-building process has ended, the amount,

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interest rate, exchange price, and other final conditions for an issue of bonds exchangeable for Iberdrola shares have been established as follows:

- The final amount of the issue amounted to EUR 405.6 million.
- The bonds, which were issued simultaneously, will expire on 27 March 2019, unless they are exchanged or amortised in advance. The amortisation price at bond maturity will be 100% of the nominal, unless they are exchanged.
- The bonds will accrue a 1.625% annual nominal fixed interest to be paid quarterly in arrears.
- The bonds will be exchangeable, at the bondholders' choice, by 63,187,412 existing ordinary Iberdrola shares representing approximately 0.9914% of its share capital. However, as established in the terms and conditions of the bonds, the issuer may choose, when the bondholders exercise their conversion right, to deliver the corresponding number of Iberdrola shares, cash, or a combination of both.
- The price of the bond exchange is EUR 6.419 for every Iberdrola share, which represents a 32.5% premium over the weighted average of the quoted price of said shares from the announcement of the Issue until the latter is fixed. The company will have the right, from 17 April 2017 (3 years and 21 days from the closing date) to opt to amortise in advance the bonds simultaneously if the value of the Iberdrola shares exceeds 130% of the exchange price in force for at least 20 trading days in any period of 30 consecutive trading days.
- Bondholders have the amortisation option on the third year or if a change in control of ACS takes place.
- Bonds are listed in the Freiverkehr unregulated market of the Frankfurt Stock Exchange.

In December 2014, the ACS Group make an offer for early exchange of the issues of bonds exchangeable for Iberdrola, S.A. shares, both for the issue by ACS Actividades Finance B.V. of EUR 721,100 thousand and for the issue by ACS Actividades Finance 2 B.V. of EUR 405,600 thousand. As a result of this offer, of the issue performed by ACS Actividades Finance B.V. bonds were exchanged for the amount of EUR 423,500 thousand, with EUR 297,600 thousand remaining in circulation. This cancellation involved payment of an incentive the fixed and variable amount of which was EUR 55,498 thousand. Of the issue performed by ACS Actividades Finance 2 B.V., bonds were exchanged for the amount of EUR 170,300 thousand, the amount of the bonds remaining in circulation after the exchange being EUR 235,000 thousand. This cancellation entailed payment of an incetive the fixed and variable amount of which amounted to EUR 30,741 thousand. For these cancellations, bondholders received 100,906,096 Iberdrola shares, which resulted in the recycling of the heading "Adjustments for change in value" of EUR 152,845 thousand recorded under the heading "Impairment and gains or losses on the disposal of financial instruments" in the consolidated income statement appended (see Note 29).

In 2013 the most significant transactions in relation to the ownership interest in Iberdrola were as follows:

On 22 October 2013, ACS, Actividades Finance, B.V. (a Dutch subsidiary wholly owned by ACS, Actividades de Construcción y Servicios, S.A.) issued bonds that are exchangeable for Iberdrola shares for a nominal amount of EUR 721,100 thousand (see Note 17), with the following characteristics:

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

- The bondholders will have the option of redeeming the bonds in the third year or if there is any change of control of ACS.

- The bonds are listed in the open market (Freiverkehr) on the Frankfurt Stock Exchange.

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

The ACS Group had several financial derivative contracts with various financial institutions over Iberdrola (call spreads), which offered an exposure on an underlying asset of 597,286,512 Iberdrola shares. As a result of the increase in the quoted price of the aforementioned underlying asset, on 20 December 2013 the parties agreed to replace the previous structure with a new one (put spread), which has the same exposure profile and maturity periods, however the strike price and the price of the 595,601,946 Iberdrola shares of the underlying asset were slightly adjusted as a result of the changes in Iberdrola's dividend policy until said date. This change enabled the ACS Group to monetise the value of these derivatives for a total of EUR 856.5 million included in the consolidated statement of financial position at 2013 year-end. The market value at 31 December 2014, in which Iberdrola's listed price exceeded by more than 15% the maximum value in the year of the put spread entails the absnce from the record of a liability for this notion, whereas at 31 December 2013 it amounted to EUR 62,896 thousand (see Note 22).

Following these transactions, at 31 December 2014, the ACS Group only held the aforementioned 4% ownership interest in Iberdrola, S.A., corresponding to 88,921,671 shares that are pledged in the two exchangeable bonds and the following derivative financial instruments, which were measured at fair value through profit or loss at 2013 year-end:

- A group of financial derivatives with an underlying of 452,568,115 Iberdrola, S.A. shares that limit the ACS Group's exposure to fluctuations in the market of the aforementioned company's shares (see Note 22).

- An equity swap signed with Natixis on 164,352,702 Iberdrola, S.A. shares (see Note 22), in which the ACS Group continues to hold the usufruct rights over said shares with maturity extended until 31 March 2018.

With regard to the impairment of the 1.4% ownership interest in Iberdrola, S.A., given that at 31 December 2014 and 31 December 2013 the quoted price was considerably greater than the carrying amount, the ACS Group did not consider there to be any indications of impairment and, therefore, did not perform any impairment test to verify a such possibility.

Xfera Moviles, S.A. (Yoigo)

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

The book value at 31 December 2014 and 2013 of the share in Xfera amounts to EUR 198,376 thousand, corresponding, after the cleanup performed before sale in 2006 to the Telia Sonera Group, with the contributions made in 2006 and later years, including the participation loans associated with it recorded as "Other loans", the Group having recorded very significant provisions relative to said share in previous years. In relation to the aforementioned sale transaction, there is an unrecognised contingent price and in certain scenarios, call and put options on the ownership interest of ACS, the conditions of which are not likely to be met.

In order to calculate the recoverable value of this investment in the last quarter of 2014, the ACS Group used the discounted cash flow method, on the basis of the company's internal projections until 2019, using the weighted average cost of capital (WACC) of 7.5% as the discount rate and a perpetual growth rate of 1.3% in accordance with the 2019 Spanish CPI estimate made by the IMF. A sensitivity analysis was also performed taking into consideration different

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discount rates, a perpetual growth rate negative deviations of up to minus 10% in the business plan estimates for the company. The impairment test is sentitive to variations in its key assumptions, but both in the baseline and in the rest of the scenarios considered with a reasonable degree of sensitivity, the recoverable value of this investment was, in any case, above its carrying value.

Other investments

At 31 December 2014, other investments relates mainly to non-controlling interests including, among others, the ownership interests held by subsidiaries of Hochtief amounting to a net EUR 129,374 thousand (EUR 75,008 thousand at 31 December 2013).

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 2014, is as follows:

Thousands of euros	Current	Non-current				
	2015	2016	2017	2018	2019 and subsequent years	Total non-current
Loans to associates	112,599	578,696	443	2,031	428,347	1,009,517

The detail of the balances of "Loans to associates" and of the scheduled maturities at 31 December 2013, is as follows:

Thousands of euros	Current	Non-current				
	2014	2015	2016	2017	2018 and subsequent years	Total non-current
Loans to associates	87,391	501,162	12,553	747	258,729	773,191

"Non-current loans to associates" relates mainly to the loans granted to Habtoor Leighton Group amounting to EUR 436,679 thousand (EUR 373,990 thousand at 31 December 2013).

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

Regarding this loan and investment in the Habtoor Leighton Group, provisions were made that partially cover the ACS Group's exposure in the accompanying condensed financial statements.

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 2014, is as follows:

Thousands of euros	Current	Non-current				
	2015	2016	2017	2018	2019 and subsequent years	Total non-current
Other loans	86,560	231,135	7,628	8,769	71,439	318,971

The detail of the balances of "Other loans" and of the scheduled maturities at 31 December 2013, is as follows:

Thousands of euros	Current	Non-current				
	2014	2015	2016	2017	2018 and subsequent years	Total non-current
Other loans	127,647	253,510	10,335	5,834	53,918	323,597

Non-current loans include mainly the debt that continues to be refinanced to local corporations amounting to EUR 55,380 thousand (see Note 12) (EUR 62,806 thousand at 31 December 2013) and the participating loans to Xfera Móviles, S.A., amounting to EUR 119,170 thousand at 31 December 2013.

These loans earn interest tied to Euribor plus a market spread.

10.04. DEBT SECURITIES

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

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10.05. OTHER FINANCIAL ASSETS

At 31 December 2014, "Other financial assets" included short-term deposits amounting to EUR 398,757 thousand (EUR 1,178,777 thousand at 31 December 2013). This amount includes the amounts contributed to meet the coverage ratios of certain financing for the ownership interest in Hochtief amounting to EUR 16 thousand (EUR 359 thousand at 31 December 2013) (see Note 18) and certain derivatives arranged by the Group amounting to EUR 139,812 thousand (EUR 306,380 thousand at 31 December 2013) (see Note 22). These amounts earn interest at market rates and their availability depends on the compliance with the coverage ratios.

The balance of this heading also includes the current account with the securitisation SPV for the amount of EUR 74,430 thousand (EUR 49,192 thousand as at 31 December 2013) (see Note 12) and the balance of the reserve accounts relating to activity of the projects.

Impairment losses

In 2014 no significant impairment losses took place. In the same period in 2013 the impairment losses on financial assets amounted to EUR 20,498 thousand (see Note 29).

There were no significant reversals due to the impairment of financial assets in 2014 or 2013.

11. INVENTORIES

The detail of "Inventories" is as follows:

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

(*) Data restated

Inventories at 31 December 2014 mostly relates to the EUR 919,505 thousand (EUR 1,159,342 thousand at 31 December 2013) contributed by the Hochtief Group, including work in progress amounting to EUR 753,619 thousand (EUR 940,735 thousand at 31 December 2013), and mainly real estate (land and buildings), of Hochtief and its Australian subsidiary Leighton, of which EUR 455,208 thousand were restricted at 31 December 2014 (EUR 422,276 thousand at 31 December 2013). In addition to the aforementioned restrictions, inventories with a carrying amount of EUR 6,479 thousand in 2014 (EUR 7,672 thousand in 2013) 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 2013, relating to the various ACS Group companies, amounted to EUR 3,159 thousand and EUR 197 thousand in 2014, respectively (EUR 236 thousand and EUR 7,552 thousand in 2013).

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:

2014

Thousands of euros	Construction	Industrial Services	Environment	Corporate unit and adjustments	Balance at 31/12/2014
Trade receivables for sales and services	6,184,789	2,858,821	732,801	229	9,776,640
Receivable from group companies and associates	97,704	10,029	8,113	(22,876)	92,970
Other receivables	431,881	898,370	148,108	(68,503)	1,409,856
Receivables from the sale of discontinued operations	1,108,112	-	-	-	1,108,112
Current tax assets	161,178	77,920	13,881	78,772	331,751
Total	7,983,664	3,845,140	902,903	(12,378)	12,719,329

2013

Thousands of euros (*)	Construction	Industrial Services	Environment	Corporate unit and adjustments	Balance at 31/12/2013
Trade receivables for sales and services	6,864,750	2,627,006	446,822	568	9,939,146
Receivable from group companies and associates	134,691	75,083	3,508	(22,271)	191,011
Other receivables	367,692	593,613	118,558	3,087	1,082,950
Current tax assets	55,092	32,846	16,543	(1,635)	102,846
Total	7,422,225	3,328,548	585,431	(20,251)	11,315,953

(*) Data restated

At 31 December 2014, the value of the disinvestment pending collection as a result of the sale of John Holland and Leighton Services business amounting to EUR 1,108,112 thousand was recorded under "Receivables from the sale of discontinued operations".

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 2014 and 2013, is as follows:

2014

Thousands of euros	Construction	Industrial Services	Environment	Corporate unit and adjustments	Balance at 31/12/2014
Trade receivables and notes receivable	4,159,893	1,706,448	625,610	4,727	6,496,678
Completed work pending certification	2,817,216	1,268,038	134,151	-	4,219,405
Allowances for doubtful debts	(792,320)	(115,665)	(26,960)	(4,498)	(939,443)
Total receivables for sales and services	**6,184,789**	**2,858,821**	**732,801**	**229**	**9,776,640**
Advances received on orders (Note 23)	(1,489,097)	(1,155,226)	(22,875)	-	(2,667,198)
Total net trade receivables balance	**4,695,692**	**1,703,595**	**709,926**	**229**	**7,109,442**

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2013

Thousands of euros (*)	Construction	Industrial Services	Environment	Corporate unit and adjustments	Balance at 31/12/2013
Trade receivables and notes receivable	3,140,903	1,596,222	340,256	5,048	5,082,429
Completed work pending certification	3,984,189	1,135,076	127,460	17	5,246,742
Allowances for doubtful debts	(260,342)	(104,293)	(20,894)	(4,496)	(390,025)
Total receivables for sales and services	**6,864,750**	**2,627,005**	**446,822**	**569**	**9,939,146**
Advances received on orders (Note 23)	(904,370)	(969,422)	(15,159)	-	(1,888,951)
Total net trade receivables balance	**5,960,380**	**1,657,583**	**431,663**	**569**	**8,050,195**

(*) Data restated

At 31 December 2014, retentions held by customers for contract work in progress amounted to EUR 644,276 thousand (EUR 530,232 thousand at 31 December 2013).

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 to EUR 211,714 thousand at 31 December 2014 (EUR 258,886 thousand 31 December 2013).

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 in 2013.

The balance of "Trade receivables and notes receivable" was reduced by the amounts received from the "CAP-TDA 2 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 265,582 thousand at 31 December 2014 (EUR 198,954 thousand at 31 December 2013), of which EUR 74,430 thousand (EUR 49,192 thousand at 31 December 2013) 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 2014 and 2013 that represented more than 10% of total revenue.

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 2014 and 2013:

Thousands of euros

Allowance for doubtful debts	Construction	Industrial Services	Environment	Corporate unit and adjustments	Total
Balance at 31 December 2012	(189,585)	(92,154)	(21,191)	(4,494)	(307,424)
Charges for the year	(108,647)	(12,860)	(4,961)	(3)	(126,471)
Reversals/Excesses	35,163	16,509	2,301	-	53,973
Changes in scope and other	2,727	(15,787)	2,957	-	(10,103)
Balance at 31 December 2013	(260,342)	(104,292)	(20,894)	(4,497)	(390,025)
Period provisions	(558,808)	(25,415)	(3,610)	-	(587,833)
Reversals/Excesses	11,830	14,159	2,670	-	28,659
Changes in scope and other	15,000	(117)	(5,126)	(1)	9,756
Balance at 31 December 2014	(792,320)	(115,665)	(26,960)	(4,498)	(939,443)

A concentration of credit risk is not considered to exist since the Group has a large number of customers engaging in various activities.

This heading includes in 2014 the amount of the provision made for Leighton for EUR 458,457 thousand (see Note 28.07). This amount is included in the Statement of Financial Position as at 31 December 2014 reducing thus the amount of the heading “Trade receivables for sales and services”.

The net trade receivables balance at 31 December 2014 amounted to EUR 7,109,442 thousand (EUR 8,050,195 thousand at 31 December 2013), of which EUR 878,239 thousand (EUR 737,122 thousand at 31 December 2013) relate to domestic activity and EUR 6,231,203 thousand (EUR 7,313,073 thousand at 31 December 2013) to international activity.

With regard to domestic activity, EUR 694,302 thousand (EUR 393,870 thousand at 31 December 2013), 79% of the balance (53% of the balance at 31 December 2013) relates to the net balance receivable from the Spanish public authorities, the remainder relating to the private sector, without large concentrations thereof.

With regard to foreign activities, the majority arises from the private sector amounting to EUR 5,108,952 thousand (EUR 6,345,880 thousand at 31 December 2013), the majority of which relate to the Hochtief Group. This figure includes amounts which were outstanding but not impaired at 31 December 2014 of which EUR 155,470 thousand was up to 30 days overdue, EUR 44,532 thousand between 31 and 90 days overdue and EUR 106,973 thousand more than 90 days overdue (EUR 113,127 thousand was up to 30 days overdue, EUR 47,857 thousand between 31 and 90 days overdue and EUR 105,669 thousand more than 90 days overdue at 31 December 2013) .

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 latter case, it is worth noting the substantial increase in costs and executed works pending certification related to the Gorgon Jetty & Marine STR project and other projects in Iraq, for which the customers’ claims are under negotiation. These claims have been recognised in the consolidated financial statements at their expected recoverable amount.

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In the Environment 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 2014, this amount totalled EUR 55,380 thousand (see Note 10.03) (EUR 62,806 thousand at 31 December 2013), which was included under the heading "Other Loans", and matures as follows:

Thousands of euros

2016	2017	2018	2019 and subsequent years	Total
47,516	1,897	1,839	4,128	55,380

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 26,518 thousand (EUR 65,553 thousand at 31 December 2013) reflect their fair value and there are no restrictions as to their use.

15. EQUITY

15.01. SHARE CAPITAL

At 31 December 2014 and 31 December 2013, 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 shareholders at the Annual General Meeting held on 29 May 2014 authorised, pursuant to that set forth in article 297 of the Consolidated Text of the Spanish Companies Law –Texto Refundido de la Ley de Sociedades de Capital–, the Company's Board of Directors to increase the share capital by up to 50% at the date of this resolution on one or several occasions, and at the date, in the amount and under the conditions freely agreed in each case, within five years following 29 May 2014, and without having previously submitted a proposal to the shareholders at the Annual General Meeting. Accordingly, the Board of Directors may set all of the terms and conditions under which capital is increased as well as the features of the shares, investors and markets at which the increases are aimed and the issue procedure, freely offer the unsubscribed shares in the preferential subscription period; and in the event of incomplete subscription, cancel the 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.

Pursuant to that set forth in article 506 of the Consolidated Text of the Spanish Companies Law, the Board of Directors was expressly empowered to exclude preferential subscription rights in full or in part in relation to all or some of the issues agreed under the scope of this authorisation, where it is in the interest of the company and as long as the par value of the shares to be issued plus any share premium agreed is equal to the fair value of the Company's shares based on a report to be drawn up at the Board's request, by an independent auditor other than the Company's auditor, which is appointed for this purpose by the Spanish Mercantile Registry on any occasion in which the power to exclude preferential subscription rights is exercised.

Additionally, the Company's Board of Directors is authorised to request the listing or delisting of any shares issued, in Spanish or foreign organised secondary markets.

Similarly, at the Annual General Meeting held on 29 May 2014, the shareholders resolved to delegate to the Board of Directors the power to issue fixed income securities, either simple and exchangeable or convertible, and warrants on the Company's, or other companies', newly issued shares or shares in circulation, as follows:

1. Securities which the Board of Directors is empowered to issue may be debt securities, bonds, notes, and other fixed-income securities of a similar nature, both simple and, in the case of debt securities and bonds, exchangeable for Company shares or shares in any other of the Group companies or other companies and/or convertible into Company shares or share in other companies, as well as warrants over newly issued shares or Company shares outstanding or shares outstanding of other companies.

2. Securities may be issued on one or more occasions within five years following the date of this agreement.

3. The total amount of the issue or issues of securities agreed under this delegation, whatever their nature,, 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 EUR 3 billion.

4. By virtue of the authorisation granted herein to the Board of Directors, the Board will establish, for every issue, without limitation, the following: its amount, within the aforementioned limit; the location, date, and currency of the issue, establishing its equivalent in euros, if applicable; its denomination, be they bonds or debt securities, subordinate or not, warrants, or any other lawful security; the interest rate, dates, and procedures for payment; in the case of the warrants, the amount and mode of calculation, if applicable, of the premium and the exercise price; its nature as perpetual or amortisable; and, in the latter case, the term of amortisation and the maturity dates; the type of repayment, premiums, and batches; guarantees; the form of representation, be they titles or annotations in account; right of preferential subscription, if applicable, and subscription system; applicable legislation; the request for admission to trading in official or non-official secondary markets, organised or not, national or foreign, of the securities issued; the appointment, if relevant, of the Commissioner and the approval of the rules governing the legal relationships between the Company and the Syndicate of the holders of the securities issued.

These authorisations are similar to those granted by the shareholders in the Annual General Meeting held on 25 May 2009, on the basis of which ACS, Actividades de Construcción y Servicios, S.A., in 2013 formally executed a Euro Commercial Paper programme for a maximum amount of EUR 500 million, which was renewed on maturity for another Euro Commercial Paper programme for a maximum amount of EUR 750 million, the total balance of both programmes amounted to EUR 529,820 thousand at 31 December 2014 (see Note 17.01). Likewise, based on the aforementioned delegation of powers, the Board of Directors took into consideration and provided guarantees in relation to the issue

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of bonds exchangeable for Iberdrola shares carried out by ACS, Actividades Finance BV amounting to EUR 721,100 thousand in 2013, as well as that performed by ACS Actividades Finance 2 B.V. for the amount of EUR 405,600 thousand in the first quarter of 2014 (see Notes 10.01 and 17.01).

The Ordinary Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A., held on 29 May 2014 resolved, among others, a capital increase and a capital reduction.

In this regard, it was agreed to increase the share capital up to a maximum of EUR 366 million with a charge to the Company's voluntary reserves, not exceeding EUR 224 million in the first execution, or EUR 142 million in the second execution, delegating undistinguishably in the Executive Committee, the Chair of the Board of Directors, and the Secretary Director for execution of the agreement. The dates scheduled for the capital increase were, for the case of the first capital increase, within the following three months from the date of the Annual General Meeting held in 2014, and, should a second capital increase take place in the first quarter of 2015, on the dates in which the ACS Group has traditionally distributed the complementary dividend and the interim dividend.

Regarding the capital reduction, the decision adopted by the shareholders in the Annual General Meeting consists in reducing the capital through amortisation of the Company's treasury shares by a nominal amount equal to the nominal amount for which the capital increase described in the previous paragraphs is executed. Execution of these agreements, in one or two occasions, is delegated in the Board of Directors, simultaneously to each of the capital increases.

In addition to the authorisation of the capital reduction described in the previous paragraph, the Annual General Meeting held on 29 May 2014 agreed, among others, to expressly authorisetotal or partial use of the Company's treasury shares or subsidiaries' treasury shares for disposal or amortisation, delivery to company or group workers, employees, or directors and plans for reinvestment of the dividend or similar instruments. The Board of Directors is granted the power for its execution by the Annual General Meeting.

More specifically, by virtue of this delegation, it was agreed on 18 June 2014 to perform the capital increase for a maximum amount of EUR 224 million. This capital increase was aimed, as in many Ibex companies, to establish an alternative remuneration system enabling shareholders to receive ACS released shares or cash through sale of the corresponding free allotment rights that are traded in the stock exchange, or else sale them to ACS at a given price on the basis of a formula approved by the Meeting.

In this regard, on 22 July 2014, ACS, Actividades de Construcción y Servicios, S.A. decided to perform the first capital increase with a charge to reserves approved by the Annual General Meeting of 29 May 2014, with a final number of 3,875,019 ordinary shares with a nominal value of EUR 0.5 per unit, the nominal amount of the capital increase being EUR 1,937,509.50.

After year end, ACS, Actividades de Construcción y Servicios, S.A., by virtue of the power of delegation granted by the shareholders in the Annual General Meeting held on 29 May 2014, and as approved by the Board of Directors on 18 December 2014, decided to proceed to the second capital increase with a charge to reserves for a maximum of EUR 142 million (equal to EUR 0,45 per share), which was approved by the aforemendion Annual General Meeting in order for shareholders to be able to choose between continuing to receive remuneration in cash or in Company shares. After the period of negotiation of the free allocation rights corresponding to the second released capital increase, the irrevocable commitment of purchase of rights assumed by ACS has been accepted by holders of 40.46% of free allocation rights, which has led to the acquisition by ACS of rights for a total gross amount of EUR 57,296. The final number of ordinary shares with a nominal value of EUR 0.5 per unit issued on 17 February 2015 (see 15.04) is 2,616,408, the nominal amount of the corresponding capital increase being EUR 1,308,204. On the same date a capital reduction of ACS, Actividades de Construcción y Servicios, S.A. was executed for the amount of EUR 1,308,204, via redemption of 2,616,408 treasury shares and a contribution for the same amount of EUR 1,308,204 from the reserve established in section c) of article 335 of the Spanish Companies Law, which is the par value of the redeemed shares (see Note 15.04).

On 18 March 2014, a capital reduction was executed by ACS, Actividades de Construcción y Servicios, S.A. for the amount of EUR 1,281,423, through the amortisation of 2,562,846 treasury shares with the provision of EUR 1,281,423, of the reserve envisaged in section c) of article 335 of the Spanish Companies Law, which is equal to the nominal value of the amortised shares (see Note 15.04).

On 10 September 2014 a reduction of the ACS, Actividades de Construcción y Servicios, S.A. was carried out for EUR 1,937,509.50 through the amortisation of 3,875,019 treasury shares, with the provision of a reserve for EUR 1,937,509.50, as established in section c) of article 335 of the Spanish Companies Law, equal to the nominal value of the amortised shares (see Note 15.04).

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

In this regard, the Company resolved in increase share capital to a maximum of EUR 504 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 142 million, indistinctly granting the Executive Commission, the Chairman of the Board of Directors and the Director Secretary the power to execute the resolution. The capital increase is expected to take place, in the case of the first increase, within the two months following the date of the Annual General Meeting held in 2013 and, in the case of the second increase, within the first quarter of 2014, thereby coinciding with the dates on which the ACS Group has traditionally distributed the final dividend and the interim dividend.

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

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

Specifically, and by virtue of this delegation, on 20 June 2013 the Company resolved to carry out the first capital increase for a maximum amount of EUR 362 million. This capital increase was aimed at establishing an alternative remuneration system, as in many Ibex companies, that would allow shareholders to receive bonus shares from ACS or cash through the sale of the related 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, in 2013 the Parent increased its share capital by EUR 3,926,818.50 relating to 7,853,637 ordinary shares of EUR 0.5 par value each. Subsequent to the aforementioned capital increase and during the same year, share capital was reduced by EUR 3,926,818.50 relating to 7,853,637 ordinary shares of EUR 0.5 par value each through the retirement of the Parent's treasury shares (see Note 15.04).

In addition, by virtue of this delegation, on 12 December 2013 the Company resolved to carry out a second share capital increase for a maximum amount of EUR 142 million for the same purpose as that of the first increase mentioned above. After a period of negotiating the bonus issue rights relating to this second increase, 2,562,846 ordinary shares of EUR 0.5 par value each were issued in February 2014 for a nominal amount of EUR 1,281,423.

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. After year end, shares of its investeed Saeta Yield, S.A. are listed in the Spanish stock exchanges.

At 31 December 2014, the shareholders with an ownership interest of over 10% in the share capital of the Parent were Corporación Financiera Alba, S.A. with an ownership interest of 13.88% and Inversiones Vesan, S.A. with an ownership interest of 12.52%.

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15.02. SHARE PREMIUM

At 31 December 2014 and 2013, the share premium amounted to EUR 897,294 thousand and there had been no changes therein in the previous two years.

The Consolidated Text of the Spanish 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 2014 and 2013 is as follows:

Thousands of euros	Balance at 31/12/2014	Balance at 31/12/2013
Reserves of the Parent	2,649,135	2,319,377
Reserves at consolidated companies	(767,886)	(207,759)
Total	1,881,249	2,111,618

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 2014 and 2013 is as follows:

Thousands of euros	Balance at 31/12/2014	Balance at 31/12/2013
Legal reserve	35,287	35,287
Voluntary reserves	815,548	547,913
Capital redemption reserve fund	10,812	7,593
Reserve for redenomination of share capital in euros	162	162
Goodwill reserve	247,247	206,039
Retained earnings	1,540,079	2,141,954
Accumulated losses	-	(619,571)
Total	2,649,135	2,319,377

Legal reserve

Under the Consolidated Text of the Spanish 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 2014 and 2013.

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 Text of the 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 2014 and 2013, in accordance with that established in Article 335.c of the Consolidated Text of the Spanish Companies Law, ACS, Actividades de Construcción y Servicios, S.A. arranged a "restricted reserve for retired capital" amounting to EUR 10,812 thousand (EUR 7,593 thousand at 31 December 2013), 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 31/12/2014	Balance at 31/12/2013
Construction	(77,737)	223,551
Environment	783,010	748,984
Industrial Services	631,385	706,852
Corporate Unit	(2,104,544)	(1,887,146)
Total	(767,886)	(207,759)

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 2014 and 2013 were as follows:

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

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On 18 March 2014, a capital reduction of ACS, Actividades de Construcción y Servicios, S.A. was executed for the amount of EUR 1,281,423, by redemption of 2,562,846 treasury shares for a book value of EUR 61,898 thousand with a charge to unrestricted reserves and with an allocation for the same amount of EUR 1,281,423, from the reserve envisaged in section c) of article 335 of the Spanish Companies Law, which is the par value of the redeemed shares (See Note 15.01).

On 22 July 2014, ACS, Actividades de Construcción y Servicios, S.A. decided to perform the first execution of the capital increase with a charge to reserves approved by the shareholders of the Annual General Meeting held on 29 May 2014, with a final number of 3,875,019 ordinary shares with a nominal value of EUR 0.5 per unit , the nominal amount of the capital increase being EUR 1,937,509.50.

On 10 September 2014, a capital reduction was executed by ACS, Actividades de Construcción y Servicios, S.A. for the amount of EUR 1,937,509.50 through the amortisation of 3,875,019 treasury shares with a carrying value of EUR 114,303 thousand with a charge to unrestricted reserves and with the allocation of the same amount of EUR 1,937,509.50 of the reserve envisaged in section c) of article 335 of the Spanish Companies Law, equal to the nominal value of the amortised shares (see Note 15.01).

On 17 February 2015, a capital reduction was executed by ACS, Actividades de Construcción y Servicios, S.A. for the amount of EUR 1,308,204, through the amortisation of 2,616,408 treasury shares with a provision of equal value to the reserve envisaged in section c) of article 335 of the Spanish Companies Law (see Note 15.01).

As a result of the decision adopted by the shareholders of the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A., held on 10 May 2013, the Company resolved on 12 December 2013 to carry out the the second capital increase, establishing the maximum reference value at EUR 142 million with a charge to Company reserves in order for shareholders to be able to opt to continue receiving remuneration in cash or in Company shares. After the decision period granted to the shareholders, on 13 February 2014 capital was increased by 2,562,846 shares, for a nominal amount of EUR 1,281,423.

On 24 January 2013, the ACS Group sold a total of 20,200,000 treasury shares amounting to EUR 360,166,000 to three entities with a negative effect on equity of EUR 170,698 thousand. In addition, the Group entered into certain derivative contracts for the same number of ACS shares, payable only in cash and within a period of two years that may be extended for a further year (see Note 22).

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

The average purchase price of ACS shares in 2014 was EUR 29.52 per share and the average selling price of the shares in 2014 was EUR 27.94 per share (EUR 20.27 and EUR 25.46 per share, respectively, in 2013).

15.05. INTERIM DIVIDEND

On 15 January 2015, ACS, Actividades de Construcción y Servicios, S.A., using the powers granted to it by the shareholders at the Annual General Meeting of the comapny held on 29 May 2014, as approved by the Board of Directors of 18 December 2014,, resolved to carry out a second share capital increase with a charge to reserves for a maximum amount of EUR 142 million (equal to EUR 0,45 per share), which was approved by the aforementioend Annual General Meeting in order for shareholders to be able to opt to continue receiving remuneration in cash or to receive new Company shares. After the negotiation period for the free allocation rights corresponding to the second released capital increase, the irrevocable commitment to purchas eof rights assumed by ACS was accepted by the holders of 40.46% of the free allocation rights. After the decision-making period granted to the shareholders, on 12 February 2015 the following events occurred:

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

Nonetheless, the ACS Group, in accordance with the instructions of the ESMA by way of the European Enforcers Coordination Sessions (EECS), recorded under "Other current assets" in the consolidated statement of position appended at 31 December 2014 for the maximum amount of the potential liability at the aforementioned date for 100% of the fair value of the dividend approved which amounted to EUR 141,599 thousand (see Note 24), although the final amount was EUR 57,296 thousand. For this reason, EUR 84,303 thousand were reverted in 2015 into the ACS Group's assets.

15.06. ADJUSTMENTS FOR CHANGES IN VALUE

The changes in the balance of this heading in 2014 and 2013 were as follows:

Thousands of euros	2014	2013
Beginning balance	**(534,914)**	**(725,840)**
Hedging Instruments	(89,318)	359,109
Available-for-sale financial assets	37,833	27,773
Exchange differences	168,068	(195,956)
Ending balance	**(418,331)**	**(534,914)**

The adjustments for hedging instruments relate to the reserve set up for the effective portion of changes in the fair value of the financial instruments designated and effective as cash flow hedges. They relate mainly to interest rate hedges and, to a lesser extent, foreign exchange rate hedges, tied to asset and liability items in the 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 arose mainly as a result of the transactions carried out in relation to the ownership interest in Iberdrola, S.A. (see Note 10.01).

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 2014 relates exclusively to the difference arising in the period from 2004 to 2014, 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.

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The main translation differences, by currency, were as follows:

Thousands of euros	Balance at 31/12/2014	Balance at 31/12/2013
U.S. Dollar (USD)	59,371	(25,812)
Australian Dollar (AUD)	92,175	(13,921)
Polish Zloty (PLN)	(432)	560
Brazilian Real (BRL)	(5,861)	22,359
Mexican Peso (MXN)	6,646	(24,605)
Canadian Dollar (CAD)	(634)	836
British Pound (GBP)	417	(2,409)
Venezuelan Bolivar (VEB)	(17,139)	(22,842)
Argentine Peso (ARS)	(39,021)	(34,607)
Colombian Peso (CLP)	(6,747)	(5,463)
Peruvian Sol (PEN)	2,462	(1,267)
Chinese Yuan (CNY)	-	106
Algerian Dinar (DZD)	(51)	(5,702)
Other currencies	(43,262)	(7,377)
Total	47,924	(120,144)

In addition to the balance of translation differences at 31 December 2014, the balance of "Adjustments for changes in value" include a loss of EUR 532,015 thousand for hedging instruments (EUR -442,697 thousand at 31 December 2013) and a gain of EUR 65,760 thousand for assets available for sale (EUR 27,927 thousand at 31 December 2013).

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 2014 and 2013 is as follows:

Thousands of euros	Balance at 31/12/2014			Balance at 31/12/2013		
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	1,526,485	(54,325)	269,306	1,600,390	373,633	114,379
Industrial Services	66,973	(12,776)	-	21,039	50,978	-
Environment	60,278	8,435	-	54,182	6,394	-
Total	1,653,736	(58,666)	269,306	1,675,611	431,005	114,379

Non-controlling interests mainly relates to the full consolidation of Hochtief which includes both the ownership interests of the non-controlling shareholders of Hochtief as well as the non-controlling interests included in the statement of financial position of the German company, amounting to EUR 933,052 thousand at 31 December 2014 (EUR 1,028,085 thousand at 31 December 2013), which mainly relate to the non-controlling shareholders of Leighton Holdings.

”Non-controlling interests” in the accompanying consolidated statement of financial position reflects the proportionate share of the equity of Group companies in which there are non-controlling shareholders. The changes in 2014, by item, were as follows:

Thousands of euros	
Balance at 31 December 2013	2,220,995
Profit for the year from continuing operations	(58,666)
Loss for the year from discontinued operations	269,306
Dividends received	(114,838)
Change in scope of consolidation	(338,399)
Changes in share capital and other	(246,330)
Adjustments for changes in value	132,308
Balance at 31 December 2014	1,864,376

The reduction in the balance of this heading is mainly due to the purchase of Leighton shares by the Hochtief Group and of Hochtief shares by ACS.

The changes in 2013, by item, were as follows:

Thousands of euros*	
Balance at 31 December 2012	3,054,990
Profit for the year from continuing operations	431,005
Loss for the year from discontinued operations	114,379
Dividends received	(383.173)
Change in scope of consolidation	(445,517)
Changes in share capital and other	(334,730)
Adjustments for changes in value	(215,959)
Balance at 31 December 2013	2,220,995

(*) Data restated

The detail of this balance at 31 December 2014, 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	788,457	738,028	(54,325)	269,306	1,741,466
Industrial Services	51,997	14,976	(12,776)	-	54,197
Environment	24,976	35,302	8,435	-	68,713
Total	865,430	788,306	(58,666)	269,306	1,864,376

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The detail of this balance at 31 December 2013, 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	681,795	918,595	373,633	114,379	**2,088,402**
Industrial Services	50,124	(29,085)	50,978	-	**72,017**
Environment	30,458	23,724	6,394	-	**60,576**
Total	762,377	913,234	431,005	114,379	2,220,995

At 31 December 2014, 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		
Gasoductos y Redes Gisca, S.A.	47.50%	Spie Capag, S.A.
Autovía del Camp del Turia, S.A.	35.00%	Sedesa Concesiones (30%)
FTG Holding Limited Partnership	33.32%	Fraser SAIF Acquistion Company (33.31%)
Industrial Services		
Procme, S.A.	25.46%	José Reis Costa
Serpista, S.A.	49.00%	Temg Mantenimiento, S.A. (10%) Iberia, S.A. (39%)
Dragados-Swiber Offshore, S.A.P.I. de C.V.	49.00%	Swiber Offshore Construction Pte. Ltd.
Sistemas Sec, S.A.	49.00%	Compañía Americana 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
Demarco, S.A.	50.00%	Waste Investment, S.A. (39.81 %) S.A. Holding INC (10.19%)
KDM, S.A.	50.00%	Kiasa, S.A.
Starco, S.A.	50.00%	Holding INC (40.70%)
Urbana de Servicios Ambientales, S.L.	30.00%	Construcciones Sánchez Domínguez (20%)
Residuos Industriales de Zaragoza, S.A.	36.30%	Orbe Concesiones y Servicios, S.L.
Ecoparc del Besós, S.A.	54.00%	Fomento de Construcciones y Contratas, S.A. (31%)
Vertederos de Residuos, S.A.	16.03%	Fomento de Construcciones y Contratas, S.A.

In addition, according to the available information, at 31 December 2014, the sole non-controlling shareholder of Hochtief, A.G. with an ownership percentage greater than or equal to 10% is Qatar Holding Luxembourg (11.1%), there being no non-controlling shareholders in the case of Leighton Holdings, Ltd.

16. GRANTS

The changes in the balance of this heading in 2014 and 2013 were as follows:

Thousands of euros	2014	2013
Beginning balance	**49,748**	**54,215**
Changes in the scope of consolidation	14,613	(864)
Exchange differences	(2)	-
Additions	17	853
Transfers	(89)	(1,008)
Recognition in income statement	(4,542)	(3,448)
Ending balance	**59,745**	**49,748**

Changes in perimeter are mainly due to the change in the method of consolidation of Ecoparc del Besós, S.A. from the participation method to the global integration method for the amount of EUR 13,240 thousand.

The grants related to assets recognised in the consolidated income statement (recognised under "Allocation of grants relating to non-financial assets and others" in the consolidated income statement) amounted to EUR 6,490 thousand before tax in 2014 (EUR 5,014 thousand in 2013). The timing of recognition in profit or loss is detailed as follows:

Thousands of euros	2014			2013		
	< 1	2 - 5	> 5	< 1	2 - 5	> 5
Grants related to assets	6,934	21,851	30,960	6,114	17,183	26,451

17. BANK BORROWINGS, DEBT INSTRUMENTS AND OTHER MARKETABLE SECURITIES

17.01. DEBT INSTRUMENTS AND OTHER MARKETABLE SECURITIES

At 31 December 2014, the ACS Group had non-current debentures and bonds issued amounting to EUR 2,928,519 thousand in non-current issues and EUR 760,847 thousand in current issues (EUR 2,619,916 thousand and EUR 600,462 thousand in current issues, respectively, at 31 December 2013) from Leighton, Hochtief and ACS. The most significant changes at 31 December 2014 with regard to 31 December 2013 are those performed by Hochtief and ACS, as follows:

- The operation performed by Hochtief in May 2014 consists in a bond issue with no credit rating for EUR 500 million with maturity in 2019 and an annual 2.625% coupon. This issue is listed in the Luxembourg Stock Exchange and in all the German stock exchanges.

- On 13 March 2014, ACS Actividades Finance 2 B.V. (the Dutch subsidiary entirely owned by ACS, Actividades de Construcción y Servicios, S.A.) has reported that, once the accelerated book- building process has been completed, the amount, interest rate, exchange price, and other final conditions have been established for an issue of bonds exchangeable into Iberdrola shares, as follows:

  - The final amount of the issue was EUR 405.6 million.
  - The bonds, which were simultaneously issues, shall come into maturity on 27 March 2019, unless they are exchanged or amortised in advance. The amortisation price on bond maturity will be 100% of the nominal, unless they are exchanged.

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- The bonds will bear an annual nominal fixed interest of 1.625% to be paid quarterly in arrears.
- The bonds will be exchangeable, at the bondholders' choice, for 63,187,412 existing ordinary Iberdrola shares representing approximately 0.9914% of its share capital. Nonetheless, as established in the terms and conditions of the bonds, the issuer may opt, when the bondholders exercise their right of conversion, to deliver the corresponding number of Iberdrola shares, cash, or a combination of both.
- The exchange price of the bonds is EUR 6.419 for each Iberdrola share, which represents a premium of 32.5% over the weighted average of the listed price of said shares from the announcement of the Issue to the time of its fixing. The company will be entitled, from 17 April 2017 (3 years and 21 days from the closing date) to the option of early amortisation of the bonds simultaneously if the value of the Iberdrola shares exceeds 130% of the exchange price in force for at least 20 trading days in any period of 30 consecutive trading days.
- Bondholders have an amortisation option in the third yewar of if a change of control over ACS takes place.
- Bonds are listed in the non-regulated Freiverkehr market of the Frankfurt Stock Exchange The listed value at 31 December 2014 was EUR 245,630 thousand.

• In December 2014, the ACS Group made an offer for early exchange of the issues of bonds exchangeable for Iberdrola, S.A. shares, both for the issue by ACS Actividades Finance B.V. of EUR 721,100 thousand and for the issue by ACS Actividades Finance 2 B.V. of EUR 405,600 thousand. As a result of this offer, for the issue performed by ACS Actividades Finance B.V. bonds have been exchanged for the amount of EUR 423,500 thousand, with EUR 297,600 thousand remaining in circulation. This cancellation has led to payment of an incentive whose fixed and variable amount was EUR 55,498 thousand. For the issue performed by ACS Actividades Finance 2 B.V. bonds amounting to EUR 170,300 thousand were exchanged, the amount of the bonds remaining in circulation after the exchange being EUR 235,300 thousand. This cancellation led to payment of an incentive whose fixed and variable amount was EUR 30,741 thousand. For these cancellations, bondholders were given 100,906,096 Iberdrola shares, which has yielded positive net earnings from the incentives for EUR 79,570 thousand, recorded under the heading "Impairment and gains or losses on the disposal of financial instruments" in the consolidated income statement appended.

The main issues at 31 December 2013 were as follows:

• Corporate bond issue launched by Hochtief, A.G on 14 March 2013 for a nominal amount of EUR 750 million maturing in March 2020 and with an annual coupon of 3.875%.

• On 22 October 2013, ACS Actividades Finance B.V. (a Dutch subsidiary wholly owned by ACS, Actividades de Construcción y Servicios, S.A.) issued bonds that are exchangeable for Iberdrola shares for a nominal amount of EUR 721,100 thousand. The listed value at 31 December 2014 amounts to EUR 329,175 thousand, following the aforementioned redemption.

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

At 31 December 2014, the issues outstanding under the aforementioned programmes amounted to EUR 529,820 thousand (EUR 310,194 thousand at 31 December 2013). This programme was renewed for EUR 750 million in March 2015.

In addition to that mentioned above, noteworthy under this heading is the issue by Leighton of certain ten-year guaranteed bonds for a nominal amount of USD 500 million (maturity in November 2022) at a fixed annual rate of 5.95% and a carrying amount of EUR 416,265 thousand (EUR 354,907 thousand at 31 December 2013). In 2010 Leighton issued a bond of USD 350 million with an equivalent value in euros of EUR 291,386 thousand (EUR 251,689 thousand at 31 December 2013). This bond has three tranches with maturities in 2015, 2017 and 2020, and interest rates ranging from 4.51% to 5.78% based on the maturity. This heading also included a bond issued in 2009 amounting to EUR 181,538 thousand at 31 December 2013, with a nominal value of AUD 280 million maturing at five years, and with a fixed coupon of 9.5% which was fully repaid in 2014. In 2008 Leighton Holdings issued USD 280 million through a private placement. The first tranche was repaid at its due date in 2013. The other tranches mature in 2015 and 2018, with an interest rate which varies between 7.19% and 7.66%. The carrying amount of this private placement at 31 December 2014 amounted to EUR 140,698 thousand (EUR 121,760 thousand at 31 December 2013). Finally, the debentures and bonds issued include EUR 34,736 thousand (EUR 91,137 thousand at 31 December 2013) relating to various additional bonds with floating interest rates held by Leighton Holdings.

The detail, by maturity, of these debentures and bonds at 31 December 2014 is as follows:

Thousands of euros	Current	Non-current				
	2015	2016	2017	2018	2019 and subsequent years	Total non-current
Debentures and bonds	760,848	619,126	-	561,711	1,747,682	2,928,519

The detail, by maturity, of these debentures and bonds at 31 December 2013 is as follows:

Thousands of euros	Current	Non-current				
	2014	2015	2016	2017	2018 and subsequent years	Total non-current
Debentures and bonds	600,462	131,988	-	600,560	1,887,368	2,619,916

17.02. LOANS AND CREDIT FACILITIES

The detail of the bank borrowings at 31 December 2014 and the repayment schedules are as follows:

Thousands of euros	Current	Non-current				
	2015	2016	2017	2018	2019 and subsequent years	Total non-current
Bank loans in euros	3,909,089	318,353	737,013	45,191	225,046	1,325,603
Foreign currency loans	904,593	118,866	467,057	52,016	280,410	918,349
Finance lease obligations	95,172	116,307	61,815	16,906	19,092	214,120
Total	4,908,854	553,526	1,265,885	114,113	524,548	2,458,072

The detail of the bank borrowings at 31 December 2013 and the repayment schedules are as follows:

Thousands of euros	Current	Non-current				
	2014	2015	2016	2017	2018 and subsequent years	Total non-current
Bank loans in euros	2,588,249	2,429,954	162,478	38,413	208,705	2,839,550
Foreign currency loans	287,330	264,753	14,672	4,481	192,897	476,803
Finance lease obligations	117,359	76,565	93,362	44,555	20,601	235,083
Total	2,992,938	2,771,272	270,512	87,449	422,203	3,551,436

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The ACS Group's most significant bank loans are as follows:

- On 9 February 2012 ACS, Actividades de Construcción y Servicios, S.A. entered into a contract with a syndicate of banks, comprised of 32 Spanish and foreign entities, for the refinancing of the syndicated loan which now matures in July 2015. At 31 December 2014 and 2013, the amount arranged totalled EUR 1,430,300 thousand, and became classified as current at 31 December 2014 (see Note 32). On 13 February 2015, ACS, Actividades de Construcción y Servicios, S.A. entered into a financing contract with a syndicate of banks, comprised of forty-three Spanish and foreign entities, for a total amount of EUR 2,350 million, divided into two tranches (loan tranche A amounting to EUR 1,650 million and liquidity facility tranche B amounting to EUR 700 million), maturing on 13 February 2020. Its purpose, in the corresponding amount, is to cancel the currently syndicated loan, signed on 9 February 2012, for a principal amount of EUR 1,430.3 million and three loans granted to finance the acquisitio nof Hochtief, A.G: shares for a total principal amount currently in force of EUR 694.5 million.

- The long-term financing from the investee Hochtief, A.G. amounted to EUR 619,614 thousand (EUR 708,375 thousand at 31 December 2013). The bank financing amount includes EUR 50,000 thousand of bilateral financing formalised at 13 December 2012 at a fixed interest rate, initially maturing in four years. This heading also included in 2013 EUR 44,500 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 which was repaid in advance on 26 May 2014. 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 which was also repaid in advance on 26 May 2014. Four loans contracted 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, the principle of which amounted to EUR 30,000 thousand at 31 December 2013 was also paid on 26 May 2014. Of the 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, was paid upon its maturity in 2013, 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 which at 31 December 2014 and 31 December 2013 were unused. In addition, there are bank loans amounting to EUR 946,146 thousand (EUR 117,981 thousand at 31 December 2013) arising from Leighton Holding.

- Likewise, also noteworthy within the rest of the debt with credit institutions is the long-term financing obtained (and renewed before 31 December 2013) for the acquisition of Hochtief, A.G. shares for a nominal amount of EUR 200,000 thousand maturing on 24 July 2015 and EUR 250,000 thousand maturing on 30 March 2015 through the SPV Major Assets, S.L., both with an in rem guarantee secured by Hochtief, A.G. shares deposited therein, which at 31 December 2014, amounted to 13,948,778 shares. Of this financing, EUR 140,000 thousand were amortised in 2014. This financing was repaid on 20 February 2015 by the aforementioned financing contract and the aforementioned guarantees were released. In addition, EUR 200,000 thousand maturing in February 2014 through the special-purpose vehicle Equity Share, S.L. with a collateral over the Iberdrola shares were cancelled on maturity and the aforementioned guarantee was released.

- At 8 May 2014 the Group renewed the syndicated loan with Urbaser for EUR 600,00 thousand (EUR 506,300 thousand at 31 December 2013), maturing at 28 May 2017, so it was classified as non-current at 31 December 2014.

- On 30 October 2014, Dragados, S.A. and its subsidiaries Dragados USA, Inc., Dragados Construction USA, Inc., Dragados Canadá Inc., and Dragados Inversiones USA, S.L. signed a syndicated loan agreement for the amount of USD 420 million. The loan is repaid in four biannual payments of equal amount, the first of which is due on 30 April 2018.

- The ACS Group held mortgage loans amounting to EUR 54,559 thousand at 31 December 2014 (EUR 55,739 thousand at 31 December 2013).

- At 31 December 2014 the Group companies had been granted credit facilities with limits of EUR 6,507,855 thousand (EUR 5,531,848 thousand in 2013), of which the amount of EUR 3,355,609 thousand (EUR 3,066,426 thousand at 31 December 2013) were undrawn. These credit facilities sufficiently cover all the Group's needs in relation to its short-term commitments.

At 31 December 2014, the current and non-current bank borrowings in foreign currency amounted to EUR 1,822,942 thousand (EUR 764,133 thousand in 2013), of which EUR 551,776 thousand were in US dollars (EUR 370,684 thousand in 2013), EUR 946,147 thousand were in Australian dollars (EUR 117,981 thousand in 2013) EUR 80,368 thousand were in Canadian dollars (EUR 77,978 thousand in 2013), EUR 81,505 thousand were in Chilean pesos (EUR 74,205 thousand in 2013), EUR 63,946 thousand were in Brazilian reals (EUR 46,837 thousand in 2013), EUR 20,930 thousand were in Moroccan dirham (EUR 20,770 thousand in 2013), EUR 3,998 thousand were in Indian rupee (EUR 6,680 thousand in 2013), EUR 6,533 thousand were in Polish zloty (EUR 11,009 thousand in 2013), EUR 24,655 thousand were in Argentine pesos (EUR 3,311 thousand in 2013), EUR 18,930 thousand were in Colombian pesos (EUR 10,611 thousand in 2013), and EUR 7,440 thousand were in Venezuelan bolivars (EUR 8,056 thousand in 2013).

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 2014 the Group's euro loans and credits bore average annual interest of 3.55% (4.20% in 2013). Foreign currency loans and credits bore average annual interest of 5.87% (5.44% in 2013).

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 2014 and 2013 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 2014, 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 2014 and 2013, were as follows:

2014

Thousands of euros	Within one year	Between two and five years	More than five years	Balance at 31/12/2014
Present value of minimum lease payments	95,172	195,029	19,091	309,292
Unaccrued finance charges	12,079	9,807	2,517	24,403
Total amounts payable under finance leases	107,251	204,836	21,608	333,695

2013

Thousands of euros	Within one year	Between two and five years	More than five years	Balance at 31/12/2013
Present value of minimum lease payments	117,359	214,483	20,600	352,442
Unaccrued finance charges	15,041	14,711	2,885	32,637
Total amounts payable under finance leases	132,400	229,194	23,485	385,079

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

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at the contract date. All leases are on a fixed repayment basis. The contingent rental payments were not material at 31 December 2014 or at 31 December 2013. The main change between years relates to the creation by Leighton in the last quarter of 2013 of Fleetco, the company responsible for managing the fleet of mining activity machinery, which after acquiring the assets from Leighton leases them back to Leighton under an operating lease agreement.

The Group's finance lease obligations are secured by the lessors' charges on the leased assets.

18. PROJECT FINANCE WITH LIMITED RECOURSE

"Project finance with limited recourse" borrowings on the liability side of the statement of financial position includes, in addition to the financing for the acquisition of Hochtief, A.G., repaid on 20 February 2015, 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 2014, is as follows:

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

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

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

The detail, by maturity, of non-current financing at 31 December 2014 and 2013 is as follows:

Thousands of euros	Maturity in				
	2016	2017	2018	2019 and subsequent years	Total
Balance at 31 December 2014	36,776	44,382	28,441	381,709	491,308

Thousands of euros	Maturity in				
	2015	2016	2017	2018 and subsequent years	Total
Balance at 31 December 2013	641,915	28,120	25,601	340,057	1,035,693

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 Cariátide, S.A. entered into a refinancing agreement with a bank syndicate for a nominal amount of EUR 602,000 thousand until 24 July 2015. In 2014, the Group has amortise EUR 182,000 thousand from this financing.

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 2013, 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 16 thousand at 31 December 2014 (EUR 359 thousand at 31 December 2013). These funds reduced the limited recourse financing and was recognised on the asset sided of the statement of financial position under "Other current financial assets" (see Note 10.05).

This financing was repaid on 20 February 2015 (see Note 32) through the renewal of the syndicated loan mentioned in the foregoing paragraphs and consequently the existing guarantees and the aforementioned coverage ratios over the Hochtief shares were released.

Project financing

Project financing most notably includes that from Hochtief, A.G. 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, A.G. and Leighton. Year-on-year reduction is a consequence of the sale of certain real estate companies by Hochtief. At 31 December 2014, this financing maintains collaterals by Hochtief, A.G. for the amount of EUR 1,633 thousand, with capital and subordinated debt pending disbursement on said date of EUR 19,147 thousand and contingent contribution amounting to EUR 9,769 thousand.

At 31 December 2014, other project financing most notably included that relating to Urbaser Limited, for the amount of EUR 153,831 thousand at 31 December 2014 (EUR 102,973 thousand at 31 December 2013). The purpose of the loan is to finance the project for the construction and operation of the waste treatment plant in the county of Essex (United Kingdom). At 31 December 2014, bank guarantees relating to this financing were provided for the amount of EUR 20,143 thousand.

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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 5.59% in 2014 and 5.32% in 2013.

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 2014. With the exception of that specifically mentioned in the foregoing paragraphs in connection to each of the most relevant financings, at 31 December 2014 the guarantees given as collateral amounted to EUR 14,992 thousand, and amounts pending contribution were EUR 39,579 thousand as capital and EUR 58,393 thousand in the form of subordinated debt.

In 2014 and 2013 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 31/12/2014		Balance at 31/12/2013 (*)	
	Non-current	Current	Non-current	Current
Non-bank borrowings at a reduced interest rate	52,343	5,949	73,934	6,587
Payable to associates	36,020	35,072	19,485	35,673
Other	124,639	1,397	110,889	6,139
Total	213,002	42,418	204,308	48,399

(*) Data restated

At 31 December 2014, “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 2014 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 2013 (*)	427,179	13,932	1,331,903	21,795	1,794,809
Additions or charges for the year	44,937	164	114,332	2,026	161,459
Reversals and amounts used	(42,499)	(3,257)	(297,965)	(15,000)	(358,721)
Increases due to the passing of time and the effect of exchange rates on discount rates	140,855	-	26	-	140,881
Exchange differences	23,938	-	21,499	-	45,437
Changes in the scope of consolidation	(28,364)	494	7,514	-	(20,356)
Balance at 31 December 2014	**566,046**	**11,333**	**1,177,309**	**8,821**	**1,763,509**

(*) Data restated

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.

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 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 at 31 December 2014 to EUR 12,750 thousand (EUR 14,417 thousand at 31 December 2013) and EUR 186,607 thousand (EUR 191,761 thousand at 31 December 2013), respectively. The actuarial assumptions used in 2014 and 2013 valuations detailed above, are as follows:

Annual rate of increase of maximum 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

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The interest rates applied since the pension obligations were externalised ranged from a maximum of 5.93% to a minimum 1.70%. The interest rate applied was 1.70% in 2014 and 3.66% in 2013.

The aforementioned amounts relating to pension obligations recognised under "Staff costs" in the consolidated income statement for 2014, gave rise to expenditure of EUR 34 thousand in 2014 (income of EUR 113 thousand in 2013). The income is a result of the rebate received by the Parent from the insurance company due mainly to certain insured persons reaching the age envisaged in the actuarial calculations without having retired.

Additionally, ACS, Actividades de Construcción 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 2014 of EUR 3,769 thousand and was recognised under "Staff costs" in the consolidated statement of financial position. In 2013 the contribution in this connection amounted to EUR 3,669 thousand. The portion relating to the Parent's directors who performed executive duties in 2014 amounted to EUR 1,798 thousand (EUR 1,805 thousand in 2013) (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 "Non-current provisions – Provisions for pensions and similar obligations" in the accompanying consolidated statement of financial position, in accordance with IFRSs.

Defined benefit plans

Under defined benefit plans, the Company's obligation is to provide agreed benefits to current and former employees. The main pension obligations in Germany consist of direct commitments under the current 2000+ pension plan and deferred compensation plans. The 2000+ plan in force since 1 January 2000 consists of a basic pension in the form of a modular defined contribution plan and a supplementary pension linked to company performance. 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%. The pension amount at retirement is the sum total of the pension components vested each year. In isolated instances, length-of-service and final salary pension arrangements are still in existence for executive staff, although except at Executive Board level such arrangements have no longer been offered since 1995. Benefits comprise an old-age pension, an invalidity pension, and a surviving dependants' pension, and in almost all cases are granted as a lifelong annuity.

Up to 31 December 2013, employees in Germany additionally had the option of deferred compensation in a company pension plan. The deferred compensation was invested in selected investment funds. The pension amount is based on the present value of acquired fund units at retirement, subject to a minimum of the deferred compensation amount plus an increment that is guaranteed by Hochtief and ranges from 3.50% down to 1.75% annual. There is a choice at retirement between a lump sum payment and an annuity for five or six years.

Outside of Germany, there are defined benefit plans at Turner in the USA and Hochtief UK in the United Kingdom. The plan at Turner was frozen as of 31 December 2003, and no new entitlements can be earned under it. Benefits comprise an old-age pension, an invalidity pension, and a surviving dependants' pension. There is a choice at retirement between a lifelong annuity and a lump sum payment.

Commitments at Turner also include post-employment benefits in the form of medical care for pensioners. Hochtief UK has a length-of-service, final salary pension plan. For each year of service, 1/75th of the eligible final salary is granted as a monthly pension. Benefits comprise an old-age pension, an invalidity pension, and a surviving dependants' pension.

Defined benefit obligations in the Hochtief Group were made up as follows as of 31 December 2014:

Thousands of euros	Germany	USA	UK
Active Members	144,137	87,107	11,212
Final salary	(19,613)	-	(11,212)
Not final salary	(124,524)	(87,107)	-
Vested benefits	171,419	44,594	15,110
Current benefits payments	521,605	100,762	15,069
Similar obligations	91	48,827	-
Total	**837,252**	**281,290**	**41,391**
Duration in years (weighted)	**14.8**	**8.3**	**20.0**

Defined benefit obligations in the Hochtief Group were made up as follows as of 31 December 2013:

Thousands of euros	Germany	USA	UK
Active Members	131,025	76,456	8,495
Final salary	(16,973)	-	(8,495)
Not final salary	(114,052)	(76,456)	-
Vested benefits	129,228	48,555	12,012
Current benefits payments	459,716	77,728	12,943
Similar obligations	82	38,909	-
Total	**720,051**	**241,648**	**33,450**
Duration in years (weighted)	**13.1**	**8.1**	**22.0**

Plan assets

There are no statutory or regulatory minimum funding requirements for pension plans in Germany. Domestic pension obligations are entirely funded. The funded plans take the form of a contractual trust arrangement (CTA).

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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 in the capital market in accordance with investment principles set out in the trust agreement. The investment guidelines and decisions are based on the findings of an asset liability matching (ALM) study compiled by outside specialists at regular intervals of three to five years. This uses Monte Carlo simulation to model the development of the pension liabilities and other key economic factors over a very long forward horizon and in numerous combinations. Based on the ALM study, a range of criteria are then applied to determine the optimum asset allocation in order to ensure that pension liabilities can be met in the long term. To assure an optimum conservative risk structure, we have also established risk overlay management using the services of a professional external overlay manager who is given a fixed risk budget and works fully autonomously in a clearly structured risk overlay management process. Hochtief aims to ensure full funding of pension obligations and to fund new vested benefits on the basis of current service cost annually or at least on a timely basis. The companies pay in additional amounts from time to time in the event of any shortfall. Pension commitments in Germany in excess of the contribution assessment ceiling applied in the statutory pension insurance scheme are additionally covered using pension liability insurance. Pension liabilities from deferred employee compensation are funded by the purchase of retail fund units. Funding of the obligations served by Hochtief Pension Trust e.V. as of 31 December 2014 is about 60% (71% at 31 December 2013); the figure for Germany as a whole is about 64% (75% at 31 December 2013). It should be noted in this connection that the size of pension obligations has increased significantly in recent years due to the low level of market interest rates and that the funding ratio will go up again when interest rates recover.

The frozen defined benefit obligations in the Turner Group are likewise managed in a pension fund. Plan assets are administered in trust by BNY Mellon and serve exclusively to fund the plan. The trust's independence is reviewed annually and attested to by auditors. Investment decisions are not made by the trust but by a special committee. The investment of plan assets is based on a regularly compiled ALM study. The investment objectives are to maximize the funding ratio and reduce volatility in the funding ratio. With the pension obligations fully funded, high-risk investments in equities are to be reduced in favour of fixed-interest bonds. These ideally perform in line with plan liabilities, thus ensuring full funding. There is no statutory minimum funding requirement, but low funding levels result in higher contributions to the Pension Benefit Guarantee Corporation, hence maximum funding is aimed for. The funding of obligations covered by plan assets at Turner as of 31 December 2014 is about 91% (96% at 31 December 2013); funding at Turner overall is about 75% (80% at 31 December 2013). Funding of plan assets at Hochtief UK is likewise on a trust basis. Statutory minimum funding requirements apply. If funding is insufficient to make up a funding shortfall, an additional restructuring plan is drawn up. Plan funding is reviewed at least once every three years. Funding of pension obligations at Hochtief UK is about 81% (86% at 31 December 2013).

Defined benefit obligations are covered by plan assets as follows:

Coverage of defined benefit obligations by plan assets

Thousands of euros	31/12/2014		31/12/2013	
	Defined benefit obligation	Plan assets	Defined benefit obligation	Plan assets
Uncovered by plan assets	50,159	-	44,707	-
Partially covered by plan assets	1,039,671	711,133	894,256	696,492
Incompletely covered by plan assets	**1,089,830**	**711,133**	**938,963**	**696,492**
Fully covered by plan assets	70,103	71,559	56,186	66,482
Total	**1,159,933**	**782,692**	**995,149**	**762,974**

Actuarial assumptions

The size of pension provisions is determined on an actuarial basis. This necessarily involves estimates. Specifically, the actuarial assumptions used are as follows:

Percent	2014			2013		
	Germany	USA	UK	Germany	USA	UK
Discount factor *	2.00	3.85	4.00	3.50	4.65	4.60
Salary increases	3.00	-	2.15	3.25	-	2.20
Pension increases *	1.75	-	4.48	2.00	-	4.52
Health cost increases	-	5.00	-	-	5.00	-

(*) 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 the USA (Turner Group) in 2004 due to the changeover in pension arrangements. Biometric mortality assumptions are based on published country-specific statistics and experience. Domestically, they are determined using the Prof. Dr. Klaus Heubeck 2005 G tables. Turner uses the RP-2014 floorless Mortality Tables classified by rentiers/non-rentiers with a generational improvement using the MP-2014 scale published by the Society of Actuaries (SOA); Hochtief UK uses the S2PxA CMI_2013 year of birth mortality tables with (1.25%) men and (1.00%) women.

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	2014			2013		
	Germany	Other countries	Total	Germany	Other countries	Total
Defined benefit obligations at start of year	720,051	275,098	995,149	817,209	279,475	1,096,684
Current service cost	6,667	1,652	8,319	9,841	2,089	11,930
Past service cost	1,515	-	1,515	813	-	813
Gain on settlements	-	(1,158)	(1,158)	-	-	-
Interest expense	24,304	12,942	37,246	27,032	10,642	37,674
Remeasurements						
Actuarial gains / (losses) arising from changes in demographic assumptions	-	7,379	7,379	-	3,963	3,963
Actuarial gains / (losses) arising from changes in financial assumptions	139,474	22,692	162,166	265	(26,806)	(26,541)
Actuarial gais / (losses) arising from changes in experience adjustments	1,543	(2,336)	(793)	3,882	131	4,013
Benefits paid from Company assets	(482)	(1,794)	(2,276)	(594)	(2,103)	(2,697)
Benefits paid from fund assets	(37,539)	(18,800)	(56,339)	(36,721)	(13,030)	(49,751)
Settlements paid from fund assets	-	(9,096)	(9,096)	-	-	-
Employee contributions	-	187	187	842	189	1,031
Effect of transfers	(2,041)	-	(2,041)	(120)	-	(120)
Consolidation changes	(16,240)	-	(16,240)	(102,398)	31,069	(71,329)
Currency adjustments	-	35,915	35,915	-	(10,521)	(10,521)
Defined benefit obligation at end of year	837,252	322,681	1,159,933	720,051	275,098	995,149

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Changes in the market value of plan assets

Thousands of euros	2014			2013		
	Germany	Other countries	Total	Germany	Other countries	Total
Plan assets at start of year	540,833	222,141	762,974	602,115	191,612	793,727
Interest on plan assets	18,832	10,266	29,098	20,471	7,374	27,845
Plan expenses paid from plan assets recognized in profit or loss	-	(944)	(944)	-	(927)	(927)
Remeasurements						
Return on plan assets not included in net interest expense/income	11,761	12,629	24,390	(4,279)	17,840	13,561
Difference between plan expenses expected and recognized in profit or loss	-	-	-	-	(11)	(11)
Employer contributions	15,548	743	16,291	48,046	717	48,763
Employee contributions	-	187	187	842	189	1,031
Effect of transfers	(1,328)	-	(1,328)	(8)	-	(8)
Benefits paid	(37,539)	(18,800)	(56,339)	(36,721)	(13,030)	(49,751)
Settlements paid	-	(9,096)	(9,096)	-	-	-
Consolidation changes	(10,249)	-	(10,249)	(89,633)	26,490	(63,143)
Currency adjustments	-	27,708	27,708	-	(8,113)	(8,113)
Plan assets at end of year	537,858	244,834	782,692	540,833	222,141	762,974

Investing plan assets to cover future pension obligations generated actual returns of EUR 53,488 thousand in 2014 (EUR 41,406 thousand in 2013).

The pension provisions are determined as follows:

Reconciliation of pension obligations to provisions for pensions and similar obligations

Thousands of euros	31/12/2014	31/12/2013
Defined benefit obligations	1,159,933	995,149
Less plan assets	782,692	762,974
Funding status	377,241	232,175
Adjustments arising from limit in IAS 19.58	-	-
Assets from overfunded pension plans	1,456	10,296
Provision for pensions and similar obligations	378,697	242,471

The fair value of plan assets is divided among asset classes as follows:

Composition of plan assets 31 December 2014:

Thousands of euros	Fair value		Total	%
	Quoted in an active market	Not quoted in an active market		
Equities				
U.S. equities	40,599	-	40,599	5.19
European equities	78,110	18,616	96,726	12.36
Emerging market equities	52,960	-	52,960	6.77
Other equities	15,422	-	15,422	1.97
Bonds				
U.S. government bonds	-	-	-	-
European government bonds	123,453	-	123,453	15.77
Emerging market government bonds	39,022	-	39,022	4.99
Corporate bonds	190,253	12,361	202,614	25.89
Other bonds	-	-	-	-
Investment funds	45,148	-	45,148	5.77
Real estate	-	31,573	31,573	4.03
Insurance policies	-	78,834	78,834	10.07
Commodities	32,362	-	32,362	4.13
Cash	18,880	-	18,880	2.41
Other	-	5,099	5,099	0.65
Total	**636,209**	**146,483**	**782,692**	**100.00**

Composition of plan assets at 31 December 2013:

Thousands of euros	Fair value		Total	%
	Quoted in an active market	Not quoted in an active market		
Equities				
U.S. equities	46,595	-	46,595	6.11
European equities	88,720	18,616	107,336	14.07
Emerging market equities	48,679	-	48,679	6.38
Other equities	16,231	-	16,231	2.13
Bonds				
U.S. government bonds	-	-	-	-
European government bonds	118,979	-	118,979	15.59
Emerging market government bonds	39,442	-	39,442	5.17
Corporate bonds	169,035	11,822	180,857	23.70
Other bonds	-	-	-	-
Investment funds	43,505	-	43,505	5.70
Real estate	-	33,391	33,391	4.38
Insurance policies	-	73,792	73,792	9.67
Commodities	38,342	-	38,342	5.03
Cash	15,606	-	15,606	2.04
Other	115	104	219	0.03
Total	**625,249**	**137,725**	**762,974**	**100.00**

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As of 31 December 2014, anticipated pension payments for future years are as follows:

Thousands of euros	
Due in 2015	59,060
Due in 2016	59,523
Due in 2017	59,927
Due in 2018	60,606
Due in 2019	60,122
Due in 2020 to 2024	291,771

Pension expense under defined benefit plans is made up as follows:

Thousands of euros	2014			2013		
	Germany	Other countries	Total	Germany	Other countries	Total
Current service cost	6,667	1,652	8,319	9,841	2,089	11,930
Past service cost	1,515	-	1,515	813	-	813
Gain on settlements	-	(1,158)	(1,158)	-	-	-
Total personnel expense	**8,182**	**494**	**8,676**	**10,654**	**2,089**	**12,743**
Interest expense for accrued benefit obligations	24,304	12,942	37,246	27,032	10,642	37,674
Return on plan assets	(18,832)	(10,266)	(29,098)	(20,471)	(7,374)	(27,845)
Net interest expense / income (net investment and interest income)	**5,472**	**2,676**	**8,148**	**6,561**	**3,268**	**9,829**
Plan expenses paid from plan assets recognized in profit or loss	**-**	**944**	**944**	**-**	**927**	**927**
Total amount recognized in profit or loss	**13,654**	**4,114**	**17,768**	**17,215**	**6,284**	**23,499**

In addition to the expenses recognized in profit or loss, the Consolidated Statement of Comprehensive Income includes EUR 157,772 thousand in actuarial gains recognised in 2014 before deferred taxes and after consolidation changes and exchange rate adjustments (EUR 62,585 thousand in actuarial gains recognized in 2013). Before deferred taxes, the cumulative amount of actuarial losses is EUR 471,587 thousand (EUR 313,815 thousand in 2013).

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 31 December 2014 came to EUR 48,827 thousand (EUR 38,909 thousand at 31 December 2013). Healthcare costs accounted for EUR 1,416 thousand (EUR 1,838 thousand at 31 December 2013) of the current service cost and EUR 2,004 thousand (EUR 1,614 thousand at 31 December 2013) of the interest expense.

Sensitivity analysis

Pension obligations in the Hochtief Group are subject to various risks. The main risks result from general changes in interest and inflation rates; there is no unusual risk inherent in the pension obligations.

One major risk is interest rate risk. For defined benefit plans, (notional) contributions are calculated into benefits using a table of fixed interest rates, independent of the current market interest rate. Hochtief, A.G. thus bears the risk of general capital market interest rate changes with regard to the determination of benefits. Pension obligations have increased significantly in recent years due to the generally low level of capital market interest rates. The correspondingly large impact is due to the relatively long term of the obligations.

There is also inflation risk. By law, company pensions in Germany must be raised level with the inflation rate at least every three years. German company pensions under the 2000+ plan rise at a fixed 1% annual., hence only older pension commitments are subject to inflation risk in the pension phase. Turner plans are free from inflation risk as the main defined benefit plan was frozen and no more adjustments to the company pension are made.

In addition, there is longevity risk. The granting of lifelong pensions means that Hochtief, A.G. bears the risk of pensioners living longer than actuarial calculations predict. This risk normally cancels out collectively across all pension plan members and only comes into play if general longevity is longer than expected.

The impact of the stated risks on the defined benefit obligations under a corresponding change in actuarial assumptions is shown in the sensitivity analysis that follows.

Impact on the defined benefit obligation

Thousands of euros	31/12/2014					
	Germany		Other countries		Total	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate +0,50% / -0,50%	(56,560)	64,496	(15,332)	16,767	(71,892)	81,263
Discount rate +1,00% / -1,00%	(106,949)	137,612	(29,511)	35,329	(136,460)	172,941
Salary increases +0,50% / -0,50%	329	(315)	514	(478)	843	(793)
Pension increases +0,25% / -0,25%	21,016	(21,500)	1,081	(1,121)	22,097	(22,621)
Medical costs +1,00% / -1,00%	-	-	73	(67)	73	(67)
Life expectancy +1 año	36,406	n/a	6,575	n/a	42,981	n/a

Thousands of euros	31/12/2013					
	Germany		Other countries		Total	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate +0,50% / -0,50%	(43,509)	49,666	(12,732)	13,193	(56,241)	62,859
Discount rate +1,00% / -1,00%	(83,023)	104,909	(25,066)	26,912	(108,089)	131,821
Salary increases +0,50% / -0,50%	557	(438)	369	(342)	926	(780)
Pension increases +0,25% / -0,25%	16,324	(15,565)	818	(638)	17,142	(16,203)
Medical costs +1,00% / -1,00%	–	–	2	(3)	2	(3)
Life expectancy +1 año	28,164	n/a	5,605	n/a	33,769	n/a

Defined contribution plans

Under defined contribution plans, the Company pays into a state or private pension fund voluntarily or in accordance with statutory or contractual stipulations. It has no obligation to pay further contributions.

There are defined contribution plans at Turner, Flatiron, and E.E. Cruz in the USA as well as at Leighton in Australia. Depending on length of service and salary level, between 3% and 6% of an employee's salary is paid into an external fund. In addition, Turner employees have an option to pay up to 25% of their salaries into an investment fund as part of a 401 (k) plan. Turner tops up the first 5% of the deferred compensation by up to 100% 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. The defined contribution plans at Flatiron and E.E. Cruz are likewise 401 (k) plans. All non-union employees are entitled. Flatiron pays a contribution in the amount of 6.0% of the wage or salary, while E.E. Cruz doubles one-third of employee contributions, in each case up to the statutory maximum. In Australia, since 1 July 2014 Leighton has paid 9.50% (previously 9.25%) of the wage and salary total into the statutory pension (superannuation) scheme. The contribution rate is expected to rise incrementally up to 12.0% by 2025. Employees have a choice of investment funds and bear the investment risk. They are able to pay top-up contributions on a voluntary basis. Tax relief is granted on top-up contributions.

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In relation to Hochtief, EUR 182,071 thousand was paid into defined contribution plans in 2014 (EUR 201,972 thousand in 2013), mostly in the Leighton Group EUR 148,689 thousand (EUR 169,061 thousand in 2013) and the Turner Group EUR 30,731 thousand) (EUR 29,572 in 2013). An additional EUR 66,366 thousand was paid into state pension schemes in 2014 (EUR 86,617 thousand in 2013). Costs of defined contribution plans are reported as part of personnel expenses.

In addition to the aforementioned contributions to pension plans, Hochtief has made long term provisions for EUR 180,911 thousand (EUR 332,517 thousand at 31 December 2013) which are fundamentally due to provisions for stock options, awards for seniority, early retirement agreements and similar.

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 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, although numerous, represent scantly material amounts when considered individually based on the size of the ACS Group. 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 judgements 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.

Regarding litigation, the claim relative to Alazor Inversiones, S.A. (Alazor) should be pointed out. Alazor is the single shareholder of Accesos de Madrid, C.E.S.A., the awardee of the concessionaries Radial 3 and Radial 5 (R3 and R5). In February 2014, a notice of guarantee enforcement towards ACS, Actividades de Construcción y Servicios, S.A. amounting to EUR 73,350 thousand (including both the principal and the interest), which has been consigned, although claims remain open which the Company foresees will be settled in a favourable manner for the Company.

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 motorway 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 motorway 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.

At 31 December 2014, the breakdown of provisions for third-party liabilities, by line of business, is as follows:

Line of Business	Thousands of euros
Construction	505,158
Industrial Services	162,087
Environment	193,468
Corporate unit	316,596
Total	**1,177,309**

The most significant provisions in the Construction area relate to the Hochtief Group, for which period provisions were made at 31 December 2014 amounting to EUR 268,995 thousand (EUR 321,396 thousand at 31 December 2013) 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 10.02). Lastly, the provisions under Corporation at 31 December 2014 cover the risks associated with international activity and related to the contingent liabilities indicated in Note 36.

The changes in current provisions in 2014 were as follows:

Thousands of euros Current	Provision for termination benefits	Provision for contract work completion	Operating allowance	Total
Balance at 31 December 2013 (*)	**10,817**	**69,866**	**1,026,992**	**1,107,675**
Additions or charges for the year	17,916	7,796	1,146,184	1,171,896
Amounts used	(7,773)	(15,018)	(697,466)	(720,257)
Reversals	(2,254)	(9,087)	(84,813)	(96,154)
Exchange differences	(112)	(26)	37,934	37,796
Changes in the scope of consolidation	707	208	(159,651)	(158,736)
Balance at 31 December 2014	**19,301**	**53,739**	**1,269,180**	**1,342,220**

(*) Data restated

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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.

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 risk.

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)
	50	(8,709)	83,129
2014	-50	8,709	(83,129)
	50	(2,517)	114,643
2013	-50	2,517	(114,643)

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 before taxes:

Thousands of euros		2014		2013	
Functional currency	Currency	5%	-5%	5%	-5%
AUD	USD	-56.2	56.2	6.8	-6.8
EUR	USD	15.9	-15.9	14.7	-15.9
EUR	MXN	4.0	-4.0	0.3	-0.3
EUR	GBP	2.7	-2.7	1.7	-1.7
QAR	EUR	-2.4	2.4	3.1	-3.1
EUR	PLN	1.9	-1.9	2.4	-2.4

Effect on equity before tax:

Thousands of euros		2014		2013	
Functional currency	Currency	5%	-5%	5%	-5%
EUR	USD	33.0	-33.0	29.0	-29.0
EUR	PEN	10.4	-10.4	3.7	-3.7
EUR	MXN	9.1	-9.1	0.6	-0.6
EUR	BRL	8.2	-8.2	7.6	-7.6
EUR	DZD	7.4	-7.4	7.1	-7.1

Following is the breakdown of the major foreign currencies of the financial assets and liabilities of the ACS Group:

Thousands of euros At 31 December 2014	US Dollar (USD)	Brazilian Real (BRL)	Moroccan Dirham (MAD)	Chilean Peso (CLP)	Mexican Peso (MXP)	Australian Dollar (AUD)	Other currencies	Balance at 31/12/2014
Marketable securities (portfolio of short- and long-term investments)	97,905	-	-	17,007	31	-	20,574	135,517
Loans to associates	11,827	-	-	2,169	-	492,609	487	507,092
Other loans	69,826	-	-	12,498	907	22,558	2,685	108,474
Bank borrowings (non-current)	275,968	515	-	36,963	93,347	1,235,438	132,266	1,774,497
Bank borrowings (current)	97,133	44,381	14,390	67,071	32,899	784,505	87,239	1,127,618

Thousands of euros At 31 December 2013	US Dollar (USD)	Brazilian Real (BRL)	Moroccan Dirham (MAD)	Chilean Peso (CLP)	Mexican Peso (MXP)	Australian Dollar (AUD)	Other currencies	Balance at 31/12/2013
Marketable securities (portfolio of short- and long-term investments)	243,615	-	-	1,597	13,590	-	3,679	262,481
Loans to associates	12,462	3,142	-	1,326	-	415,806	10	432,746
Other loans	108,764	4,684	-	2,476	1,038	47,947	17,639	182,548
Bank borrowings (non-current)	175,468	881	-	63,016	133,153	995,676	114,662	1,482,856
Bank borrowings (current)	36,998	36,208	15,290	30,227	20,949	382,207	80,045	601,924

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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 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 this connection, in 2014, certain transactions were carried out which significantly reduced the liquidity risk of the ACS Group. Noteworthy were the following:

- The renewal in February 2015 of the syndicated loan of ACS, Actividades de Construcción y Servicios, S.A. for EUR 2,350 million until 2020, insuring the existing syndicated financing of the syndicated loan as well as repayment of the bank financing of the ownership interest in Hochtief through Cariátide and Major Assets.
- The issue of an Iberdrola exchangeable bond exchangeable amounting to EUR 405.6 million maturing on 27 March 2019.
- The issue of a bond with no credit rating by Hochtief for EUR 500 million, maturing in May 2019.
- The renewal of the issue of the Euro Commercial Paper (ECP) programme for EUR 750 million.
- The Urbaser syndicated loan for EUR 600 million until 2017.
- The combined credit line and guarantee for EUR 2,000,000 thousand (the tranche pertaining to guarantees amounts to EUR 1,500,000 thousand and the cash tranch is EUR 500,000 thousand) which Hochtief, A.G. had with an international syndicate of banks at 31 December 2013 and which had a five-year term until 13 December 2016, was extended on maturity to April 2019, and its conditions were improved to current market levels, thus becoming much more favourable for Hochtief.
- The cancellation of bonds exchangeable for Iberdrola shares amounting to EUR 593.8 million.
- The strengthening of the financial situations by the sale of the John Holland business and Thiess Services & Leighton Contractors businesses ("Services") as well as the floating of Saeta Yield in February 2015.

These refinancing transactions improved 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 on 29 May 2014 and for a period of five years the ACS Group authorised the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. to increase the share capital, as well as the issuance of debt securities, simple, exchangeable or convertible, etc. as detailed in Note 15.01.

At its Annual General Meeting held in 2011, the shareholders of Hochtief 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.

The status of defaulting clients that are not impaired at 31 December 2014 and 2013 is detailed below:

Thousands of euros	31/12/2014			
	< 30 days	between 30 and 90 days	> 90 days	Total
Public Sector	**94,961**	**146,019**	**204,573**	**445,554**
State	7,923	61,530	42,293	**111,746**
Autonomous Communities	21,513	13,371	29,295	**64,179**
Municipalities	53,721	37,247	103,489	**194,457**
Autonomous organizations and Government Companies	11,804	33,871	29,497	**75,171**
Private Sector	**199,108**	**131,473**	**190,859**	**521,440**
Total	**294,069**	**277,492**	**395,432**	**966,993**

Thousands of euros	31/12/2013			
	< 30 days	between 30 and 90 days	> 90 days	Total
Public Sector	**52,024**	**57,000**	**173,283**	**282,307**
State	2,584	630	1,515	**4,729**
Autonomous Communities	4,097	5,641	51,948	**61,686**
Municipalities	33,702	43,349	96,741	**173,792**
Autonomous organizations and Government Companies	11,641	7,380	23,079	**42,100**
Private Sector	**164,030**	**74,962**	**140,565**	**379,557**
Total	**216,054**	**131,962**	**313,848**	**661,864**

It is the opinion of the Directors that the foregoing matured balances, particularly those related to public bodies, over which interest accrual rights exist, would not entail significant losses for the Group.

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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, Actividades de Construcción y Servicios, S.A. 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 income statement (positive in the case of an increase in share price and negative if this is not the case).

With regard to the exposure to price fluctuations of the shares of Hochtief, A.G. and, Iberdrola, S.A. itself, during the exposure to this risk with Iberdrola, S.A. was reduced as a result of the partial divestment indicated in Note 10.01 and the other transactions mentioned in said 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, 18 and 28.03) and the contribution of funds from the loans from Cariátide, S.A. y Major Assets, S.L. After year end the bank refinancing of Hochtief's ownership interest through Cariátide, S.A. and Major Assets, S.L. was repaid, cancelling the existing guarantees.

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 2014 and 2013 was adequate, the detail being as follows:

Thousands of euros	31/12/2014	31/12/2013 (*)
Net recourse debt including receivables from the sale of discontinued operations	2,739,596	2,553,925
Non-current bank borrowings	2,458,072	3,551,436
Current bank borrowings	4,908,855	2,992,937
Issue of bonds and debentures	3,689,366	3,220,378
Other financial liabilities	255,420	252,707
Long term deposits, other current financial assets and cash	(7,464,005)	(7,463,533)
Receivables from the sale of discontinued operations	(1,108,112)	-
Project financing	982,697	1,257,140
Equity	4,897,888	5,488,908
Leverage (including receivables from the sale of discontinued operations)	76%	69%
Leverage to net recourse debt including receivables from the sale of discontinued operations	56%	47%

(*) Data restated

At 31 December 2014, the heading "Receivables from sale of discontinued operations" included the value of the disinvestment pending collection as a result of the sale of John Holland and Leighton's Services business, amounting to EUR 1,108,112 thousand.

Estimate of fair value

The breakdown at 31 December 2014 and 2013 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 31/012/2014	Level 1	Level 2	Level 3
Assets	**1,886,405**	**1,157,325**	**607,667**	**121,413**
Equity instruments	860,832	584,990	154,429	121,413
Debt securities	985,149	572,335	412,814	-
Financial instrument receivables				
Non-current	6,414	-	6,414	-
Current	34,010	-	34,010	-
Liabilities	**275,016**	**-**	**275,016**	**-**
Financial instrument receivables				
Non-current	196,758	-	196,758	-
Current	78,258	-	78,258	-

Thousands of euros	Value at 31/12/2013	Level 1	Level 2	Level 3
Assets	**2,588,558**	**1,920,898**	**608,562**	**59,098**
Equity instruments	1,164,619	954,286	151,235	59,098
Debt securities	1,371,266	966,612	404,654	-
Financial instrument receivables				
Non-current	40,692	-	40,692	-
Current	11,981	-	11,981	-
Liabilities	**568,420**	**-**	**562,475**	**5,945**
Financial instrument receivables				
Non-current	497,868	-	497,868	-
Current	70,552	-	64,607	5,945

Level 2 of the Fair Value Hierarchy includes all of the ACS Group's financial derivatives, as well as the other assets and liabilities which are not listed in organised markets.

They are measured internally and on a quarterly basis, using customary financial market techniques and compared, as appropriate, with the measurements received from the counterparties.

In this connection, based on the nature of the derivative, the use of the following methodologies is noteworthy:

- For Interest rate hedges the zero-coupon rate curve is used, determined based on the deposits and rates that are traded at the closing date, and obtaining from that the discount rates and applying it to the schedule of future flows of collections and payments.

- Derivatives the underlying asset for which 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, repo costs and market interest rates and estimated dividends.

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- For those derivatives whose underlying asset is quoted on an organised market, but for which the intention of the Group is to hold them to maturity, either because the derivative forms part of financing agreement or because its arrangement substitutes the underlying assets, the measurement is based on the calculation of its intrinsic value at the closing date.

La variación de instrumentos financieros recogidos en la jerarquía de Nivel 3 durante el ejercicio 2014 es la siguiente:

Thousands of euros	01/01/2014	Comprehensive income	Transfer Level 2	Others	31/12/2014
Assets – Equity instruments	59,098	6,508	46,723	9,084	**121,413**
Liabilities – Financial instrument receivables	5,945	-	-	(5,945)	-

No derivative instruments measured at fair value through profit or loss were transferred between levels 1 and 2 of the fair value hierarchy in 2014 and 2013. Transfers of derivatives valued at fair value between Level 2 and Level 3 for EUR 46,723 thousand correspond mainly to shares in Central Greece Motorway Concession, S.A. and Nea Odos Concession, S.A. which ceased to be consolidated in December 2013.

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

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 2014 and 2013, based on the nature of the contracts:

2014

Thousands of euros	Notional value	2015	2016	2017	2018	2019	Subsequent years	Net fair value
Interest rate	1,958,166	83,877	818,865	20,691	397,884	-	636,849	(97,191)
Exchange rate	929,564	483,284	232,725	3,555	210,000	-	-	(7,620)
Price	-	-	-	-	-	-	-	-
Non-qualified hedges	2,190,746	118,926	1,538,920	-	-	297,600	235,300	(129,781)
TOTAL	5,078,476	686,087	2,590,510	24,246	607,884	297,600	872,149	(234,592)

2013

Thousands of euros	Notional value	2014	2015	2016	2017	2018	Subsequent years	Net fair value
Interest rate	3,216,078	1,505,877	973,392	112,832	31,327	-	592,650	(71,608)
Exchange rate	591,351	516,104	48,410	26,837	-	-	-	4,633
Price	-	-	-	-	-	-	-	-
Non-qualified hedges	4,643,996	644,337	3,278,549	-	-	721,110	-	(448,772)
TOTAL	8,451,425	2,666,318	4,300,351	139,669	31,327	721,110	592,650	(515,747)

The notional amount for non-current assets and liabilities held for sale relating to renewable energy and concession activities at 31 December 2014 was as follows:

Thousands of euros	Notional value	2015	2016	2017	2018	2019	Subsequent years
Interest rate	1,541,940	2,819	-	-	-	-	1,539,121

The notional amount for non-current assets and liabilities held for sale relating to renewable energy and concession activities at 31 December 2013 was as follows:

Thousands of euros	Notional value	2014	2015	2016	2017	2018	Subsequent years
Interest rate	2,099,781	2,819	-	-	198,741	-	1,898,221

The following table shows the fair value of the hedging instruments based on the nature of the contract, at 31 December 2014 and 2013 (in thousands of euros):

Thousands of euros	2014		2013	
	Assets	Liabilities	Assets	Liabilities
Interest rate				
Cash flows	-	97,191	5,002	76,610
Non-efficient	-	-	-	-
Exchange rate	1,880	9,500	10,645	6,012
Price	-	-	-	-
Non-qualified hedges	38,544	168,325	37,026	485,798
TOTAL	40,424	275,016	52,673	568,420

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. Also, 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.

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 2014 and 31 December 2013 (see Notes 17 and 18).

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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 768,000 thousand were arranged maturing in July 2015.

- The syndicated financing of the Urbaser Group is hedged by interest rate swaps amounting to EUR 600,000 thousand, which mature on 28 May 2017.

- The volume of interest rate hedging derivatives related to the financing of Hochtief, A.G. amounted to EUR 16,306 thousand (EUR 444,432 thousand at 31 December 2013). The decrease is due to early maturity of the financing as described in Note 17.

Noteworthy are the following hedges in relation to limited recourse project and debt financing:

- The derivative liabilities relating to solar thermal plants, wind powered facilities and motorway 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.

These companies are classified as held for sale.

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 Hochtief Europa (subsidiary of the Hochtief group) for a notional amount of EUR 562,980 thousand, which mature between 2015 and 2017.

In the case of Industrial Services, the most significant derivatives relate to exchange rate hedges for foreign projects for a nominal amount of EUR 89,607 thousand in 2014, which mature in 2015 (EUR 58,839 thousand in 2013, which mature in 2014).

Price hedges

There were no price hedges in 2014 and 2013.

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.

With regard to liabilities related to financial instruments the most significant at 31 December 2014 and 31 December 2013 relates to the fair value of the equity swap on Iberdrola, S.A. shares (see Note 10.01). The fair value thereof at 31 December 2014 amounted to EUR 62,537 thousand (EUR 217,466 thousand at 31 December 2013). In addition, other liabilities relate to the derivative included in the outsourcing to a financial institution of the 2010 share option plan amounting to EUR 32,599 thousand (EUR 57,458 thousand at 31 December 2013). The financial institution acquired these shares on the market for delivery to management who are beneficiaries of this Plan in accordance with the conditions included therein, at the exercise price of the option. The changes in fair value of these instruments is included under "Changes in the fair value of financial instruments" of the accompanying consolidated income statement (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 2014 and 31 December 2013, the ACS Group held other derivatives that did not qualify for hedge accounting, which included the measurement at fair value of the financial instruments that are settled by differences and whose negative market value amounted to EUR 31,021 thousand (EUR 55,879 thousand at 31 December 2013), as well as the put spread over 452,568,115 Iberdrola shares (595,601,946 shares at 31 December 2013). Market valuation at year end does not entail th recording of liabilitieis, while at 31 December 2013, it entailed EUR 62,896 thousand. The amounts provided as collateral relating to the derivatives arranged by the Group mentioned above amounted to EUR 538,498 thousand at 31 December 2014 (EUR 554,337 thousand at 31 December 2013) and were included under "Long term cash collateral deposits" in the accompanying consolidated statement of financial position. These amounts are remunerated at market rates. The short-term portion is indicated in Note 10.05 for the amount of EUR 139,812 thousand.

In accordance with that indicated in Note 15.04, in January 2013 the ACS Group sold three entities for a total of 20,200,000 treasury shares, by entering into certain derivative contracts for an equal number of ACS shares that can only be settled in cash in a two-year period that may be extend an additional year, and that were settled in 2013.

With regard to this objective, in 2013 the Group settled the transaction in the second half of 2013, with a profit of EUR 58,400 thousand (see Note 28.05). Only a limited risk was maintained at 31 December 2014, as well as for 31 December 2013, for 14.1 million shares at 50% of the drop in the quoted price between EUR 23.90 and EUR 17.83 per share, and for 3.4 million shares at 50% of the drop between EUR 23.90 and EUR 18.38 per share.

With regard to the issues of bonds exchangeable into Iberdrola shares amounting to EUR 532,900 thousand (see Note 17), of particular note is the existence of derivatives implicit in the financing whose fair value at 31 December amounts to EUR 38,654 thousand (EUR 49,714 thousand at 31 December 2013), recorded under "Long term derivative financial instrument" in the consolidated income statement appended.

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

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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 1,922,787 thousand in 2014 (EUR 1,052,632 thousand in 2013) (see Note 12), and the amount of the work certified in advance was EUR 744,411 thousand in 2014 (EUR 836,319 thousand in 2013).

Disclosures on deferred payments to suppliers Additional Provision Three.

In relation to the disclosures required by Additional Provision Three of Law 15/2010, of 5 July (pursuant to the new text of final provision two of law 31/2014 on the reform of the Spanish Companies Law), there were balances payable to suppliers that were past due by more than the legal maximum payment period at 31 December 2014 amounting to EUR 270,888 thousand (EUR 187,832 thousand at 31 December 2013).

This balance relates to Spanish consolidated group companies which due to their nature are trade creditors with payables to suppliers of goods and services and included under the heading "Current liabilities" in the consolidated statement of financial position at 31 December 2014 and 2013. 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 60 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 (ICAC) resolution of 29 September 2010 implementing the duty of disclosure regulations provided in Law 15/2010 of 5 July:

	2014		2013	
	Thousands of euros	%	Thousands of euros	%
With maximum legal period	2,821,854	76%	4,176,636	79%
Other	890,563	24%	1,143,761	21%
Total	3,712,417	100%	5,320,397	100%
Weighted average period past due (PMPE)	128 days		93 days	
Deferrals exceeding maximum legal limit at 31 December	270,888		187,832	

PMPE is understood to be the "Weighted average period past due" of payments, 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 details of "Other current liabilities" at 31 December 2014 and 2013 are as follows:

Thousands of euros	Balance at 31/12/2014	Balance at 31/12/2013 (*)
Advance payments received	60,618	33,481
Payable to non-current asset suppliers	16,905	44,863
Interim dividend payable (Note 15.05)	141,599	141,425
Deposits and guarantees received	4,272	2,105
Other	187,670	333,975
Total	411,064	555,849

(*) Data restated

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.

- **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 road 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 Construcción y Servicios, S.A., and also groups mainly investments in Iberdrola, S.A. and Xfera Moviles, S.A.

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.

The following is the business segment reporting before the allocation of expenses to subsidiaries in the income statement.

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25.02.01. INCOME STATEMENT BY BUSINESS SEGMENT: 2014

Thousands of euros	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Revenue	**25,819,562**	**2,338,219**	**6,750,015**	**(26,936)**	**34,880,860**
Changes in inventories of finished goods and work in progress	(28,198)	15,423	390	-	**(12,385)**
Capitalised expenses of in-house work on assets	1,838	10,214	26,397	-	**38,449**
Procurements	(18,159,556)	(572,261)	(3,836,816)	30,545	**(22,538,088)**
Other operating income	508,879	75,528	71,772	(33,439)	**622,740**
Staff costs	(5,141,884)	(1,259,914)	(1,327,238)	(32,358)	**(7,761,394)**
Other operating expenses	(1,674,514)	(332,598)	(819,340)	11,600	**(2,814,852)**
Depreciation and amortisation charge	(622,679)	(144,609)	(55,748)	(969)	**(824,005)**
Allocation of grants relating to non-financial assets and other	899	4,544	1,046	1	**6,490**
Impairment and gains or losses on the disposal of non-current assets	5,471	1,504	(10,900)	25	**(3,900)**
Other profit or loss	(567,228)	(7,348)	(59,111)	(587)	**(634,274)**
Operating income	**142,590**	**128,702**	**740,467**	**(52,118)**	**959,641**
Finance income	168,825	44,168	110,781	29,839	**353,613**
Finance costs	(462,171)	(97,845)	(255,848)	(220,143)	**(1,036,007)**
Changes in the fair value of financial instruments	6,226	-	(59,910)	287,234	**233,550**
Exchange differences	(765)	(2,818)	(20,303)	30	**(23,856)**
Impairment and gains or losses on the disposal of financial instruments	2,006	3,524	(6,949)	164,860	**163,441**
Financial result	**(285,879)**	**(52,971)**	**(232,229)**	**261,820**	**(309,259)**
Results of companies accounted for using the equity method	106,069	18,950	6,805	-	**131,824**
Profit before tax	**(37,220)**	**94,681**	**515,043**	**209,702**	**782,206**
Income tax	11,170	(14,510)	(108,088)	(207,163)	**(318,591)**
Profit for the period from continuing operations	**(26,050)**	**80,171**	**406,955**	**2,539**	**463,615**
Profit after tax from discontinued operations	464,115	-	-	-	**464,115**
Profit for the period	**438,065**	**80,171**	**406,955**	**2,539**	**927,730**
Profit attributed to non-controlling interests	54,325	(8,435)	12,776	-	**58,666**
Profit from discontinued operations attributed to non-controlling interests	(269,306)	-	-	-	**(269,306)**
Profit attributable to the parent	**223,084**	**71,736**	**419,731**	**2,539**	**717,090**

25.02.02. INCOME STATEMENT BY BUSINESS SEGMENT: 2013

Thousands of euros (*)	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Revenue	**26,364,700**	**1,781,206**	**7,067,065**	**(35,020)**	**35,177,951**
Changes in inventories of finished goods and work in progress	(43,370)	1,847	76	-	(41,447)
Capitalised expenses of in-house work on assets	4,310	4,526	46	(1)	8,881
Procurements	(17,947,482)	(509,197)	(4,268,542)	30,746	(22,694,475)
Other operating income	455,151	58,709	53,994	2,997	570,851
Staff costs	(5,523,411)	(778,596)	(1,269,080)	(26,900)	(7,597,987)
Other operating expenses	(1,689,527)	(297,476)	(648,526)	(8,964)	(2,644,493)
Depreciation and amortisation charge	(946,109)	(141,388)	(55,884)	(1,170)	(1,144,551)
Allocation of grants relating to non-financial assets and other	194	3,342	1,478	-	5,014
Impairment and gains or losses on the disposal of non-current assets	12,161	(469)	(210,933)	1	(199,240)
Other profit or loss	(92,797)	1,802	192,439	(3,013)	98,431
Operating income	**593,820**	**124,306**	**862,133**	**(41,324)**	**1,538,935**
Finance income	191,157	38,068	100,336	32,779	362,340
Finance costs	(512,197)	(96,729)	(256,190)	(256,879)	(1,121,995)
Changes in the fair value of financial instruments	3,473	-	478	551,344	555,295
Exchange differences	5,850	(2,967)	(26,260)	(12)	(23,389)
Impairment and gains or losses on the disposal of financial instruments	406,102	(3,755)	(14,379)	(286,542)	101,426
Financial result	**94,385**	**(65,383)**	**(196,015)**	**40,690**	**(126,323)**
Results of companies accounted for using the equity method	74,005	18,819	3,110	-	95,934
Profit before tax	**762,210**	**77,742**	**669,228**	**(634)**	**1,508,546**
Income tax	(248,558)	(13,682)	(200,665)	38,034	(424,871)
Profit for the period from continuing operations	**513,652**	**64,060**	**468,563**	**37,400**	**1,083,675**
Profit after tax from discontinued operations	163,250	-	-	-	163,250
Profit for the period	**676,902**	**64,060**	**468,563**	**37,400**	**1,246,925**
Profit attributed to non-controlling interests	(373,633)	(6,394)	(50,978)	-	(431,005)
Profit from discontinued operations attributed to non-controlling interests	(114,379)	-	-	-	(114,379)
Profit attributable to the parent	**188,890**	**57,666**	**417,585**	**37,400**	**701,541**

(*) Data restated

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25.02.03. STATEMENT OF FINANCIAL POSITION BY BUSINESS SEGMENT: 2014

ASSETS

Miles de euros	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
NON-CURRENT ASSETS	8,701,209	2,474,324	863,017	1,962,326	14,000,876
Intangible assets	3,454,797	774,634	115,031	275,661	4,620,123
Goodwill	2,303,481	238,739	76,888	275,114	2,894,222
Other intangible assets	1,151,316	535,895	38,143	547	1,725,901
Tangible assets-property, plant and equipment / Property investments	1,795,164	600,692	159,073	7,206	2,562,135
Non-current assets in projects	221,820	437,854	93,468	1	753,143
Non-current financial assets	2,177,084	536,861	361,780	787,416	3,863,141
Other current assets	1,052,344	124,283	133,665	892,042	2,202,334
CURRENT ASSETS	14,227,569	1,821,761	9,726,824	(456,295)	25,319,859
Inventories	1,266,664	63,855	192,510	(674)	1,522,355
Trade and other receivables	7,983,660	902,902	3,845,141	(12,374)	12,719,329
Other current financial assets	1,342,527	631,637	393,963	(475,441)	1,892,686
Derivative financial instruments	5,266	-	-	28,744	34,010
Other current assets	101,283	9,249	50,080	1,594	162,206
Cash and cash equivalents	3,350,280	214,118	1,600,885	1,856	5,167,139
Non-current assets held for sale and discontinued operations	177,889	-	3,644,245	-	3,822,134
TOTAL ASSETS	22,928,778	4,296,085	10,589,841	1,506,031	39,320,735

EQUITY AND LIABILITIES

Thousands of euros	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
EQUITY	4,923,546	1,305,353	822,910	(2,153,921)	4,897,888
Equity attributed to the Parent	3,181,912	1,236,640	768,713	(2,153,753)	3,033,512
Non-controlling interests	1,741,634	68,713	54,197	(168)	1,864,376
NON-CURRENT LIABILITIES	5,979,920	1,568,597	891,016	1,095,420	9,534,953
Grants	1,538	56,531	1,677	(1)	59,745
Non-current financial liabilities	3,789,639	1,150,590	559,880	590,792	6,090,901
Bank borrowings, debt instruments and other marketable securities	3,504,371	870,572	418,420	593,228	5,386,591
Limited recourse project financing	152,962	279,467	58,879	-	491,308
Other financial liabilities	132,306	551	82,581	(2,436)	213,002
Derivative financial instruments	39,672	52,054	3,842	101,190	196,758
Other non-current liabilities	2,149,071	309,422	325,617	403,439	3,187,549
CURRENT LIABILITIES	12,025,312	1,422,135	8,875,915	2,564,532	24,887,894
Current financial liabilities	2,020,730	534,453	1,094,216	2,554,110	6,203,509
Bank borrowings, debt instruments and other marketable securities	1,546,718	385,917	1,086,755	2,650,312	5,669,702
Limited recourse project financing and debt	59,231	40,164	2,479	389,515	491,389
Other financial liabilities	414,781	108,372	4,982	(485,717)	42,418
Derivative financial instruments	8,071	2,791	1,896	65,500	78,258
Trade and other payables	8,503,716	780,018	4,759,770	(81,308)	13,962,196
Other current liabilities	1,429,532	104,873	192,648	26,231	1,753,284
Liabilities relating to non-current assets held for sale and discontinued operations	63,263	-	2,827,385	(1)	2,890,647
TOTAL EQUITY AND LIABILITIES	22,928,778	4,296,085	10,589,841	1,506,031	39,320,735

25.02.04. STATEMENT OF FINANCIAL POSITION BY BUSINESS SEGMENT: 2013

ASSETS

Thousands of euros (*)	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
NON-CURRENT ASSETS	8,640,938	2,182,587	740,279	2,847,788	14,411,592
Intangible assets	3,662,421	458,881	95,086	275,117	4,491,505
Goodwill	2,284,715	89,676	76,603	275,114	2,726,108
Other intangible assets	1,377,706	369,205	18,483	3	1,765,397
Tangible assets-property, plant and equipment / Property investments	1,865,555	468,815	155,981	8,130	2,498,481
Non-current assets in projects	288,412	375,852	93,205	1	757,470
Non-current financial assets	1,829,117	804,657	295,121	1,314,849	4,243,744
Other current assets	995,433	74,382	100,886	1,249,691	2,420,392
CURRENT ASSETS	15,359,989	1,495,206	9,231,988	(533,396)	25,553,787
Inventories	1,529,910	46,606	258,493	(8,008)	1,827,001
Trade and other receivables	7,422,221	585,429	3,328,549	(20,246)	11,315,953
Other current financial assets	2,052,492	543,538	907,542	(523,431)	2,980,141
Derivative financial instruments	11,981	-	-	-	11,981
Other current assets	133,116	10,810	39,301	1,928	185,155
Cash and cash equivalents	2,926,134	190,821	790,645	16,360	3,923,960
Non-current assets held for sale	1,284,135	118,002	3,907,458	1	5,309,596
TOTAL ASSETS	24,000,927	3,677,793	9,972,267	2,314,392	39,965,379

EQUITY AND LIABILITIES

Thousands of euros (*)	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
EQUITY	5,276,099	1,287,511	912,440	(1,987,142)	5,488,908
Equity attributed to the Parent	3,187,525	1,226,935	840,423	(1,986,970)	3,267,913
Non-controlling interests	2,088,574	60,576	72,017	(172)	2,220,995
NON-CURRENT LIABILITIES	5,765,207	752,970	699,376	4,105,960	11,323,513
Grants	1,871	45,897	1,981	(1)	49,748
Non-current financial liabilities	3,427,536	379,167	408,351	3,196,299	7,411,353
Bank borrowings, debt instruments and other marketable securities	3,086,316	128,809	316,601	2,639,626	6,171,352
Limited recourse project financing	202,645	250,358	23,760	558,930	1,035,693
Other financial liabilities	138,575	-	67,990	(2,257)	204,308
Derivative financial instruments	44,138	21,027	1,599	431,104	497,868
Other non-current liabilities	2,291,662	306,879	287,445	478,558	3,364,544
CURRENT LIABILITIES	12,959,621	1,637,312	8,360,451	195,574	23,152,958
Current financial liabilities	1,964,263	1,014,801	669,397	214,785	3,863,246
Bank borrowings, debt instruments and other marketable securities	1,370,724	834,400	665,649	722,627	3,593,400
Limited recourse project financing and debt	193,919	12,758	1,289	13,481	221,447
Other financial liabilities	399,620	167,643	2,459	(521,323)	48,399
Derivative financial instruments	19,195	637	28	50,692	70,552
Trade and other payables	8,927,383	510,798	4,308,301	(69,186)	13,677,296
Other current liabilities	1,195,136	59,845	409,260	(717)	1,663,524
Liabilities relating to non-current assets held for sale	853,644	51,231	2,973,465	-	3,878,340
TOTAL EQUITY AND LIABILITIES	24,000,927	3,677,793	9,972,267	2,314,392	39,965,379

(*) Data restated

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The detail of revenue from Construction is as follows:

Thousands of euros	2014	2013 (*)
Spain	1,414,833	1,392,825
Dragados	1,346,290	1,313,980
Hochtief	-	-
Concessions	68,543	78,845
International	24,404,729	24,971,875
Dragados	2,296,910	2,446,330
Hochtief	22,099,054	22,498,675
Concessions	8,765	26,870
Total	25,819,562	26,364,700

(*) Data restated

The detail of revenue from Industrial Services is as follows:

Thousands of euros	2014	2013
Networks	660,622	646,539
Specialized facilities	1,965,157	2,395,788
Integrated projects	2,922,967	2,872,450
Control systems	844,749	862,097
Renewable energy: generation	406,179	342,823
Eliminations	(49,659)	(52,632)
Total	6,750,015	7,067,065

Of the total revenues from Industrial Services, EUR 4,284,459 thousand related to international operations in 2014 and EUR 4,327,601 thousand in 2013, representing 63.5% and 61.2%, respectively

The detail of revenue from the Environment area is as follows:

Thousands of euros	2014	2013
Environment	1,554,791	1,650,837
Logistics	133,489	130,369
Facility Management	649,939	-
Total	2,338,219	1,781,206

Total revenue from the Environment area amounted to EUR 610,271 thousand relating to international operations in 2014 and EUR 633,131 thousand in 2013, representing 26.1% and 35.5% respectively.

Revenue is allocated on the basis of the geographical distribution of clients.

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

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

(*) Data restated

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 2014 and 2013 is as follows:

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

(*) Data restated

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

NET AMOUNT OF TURNOVER BY GEOGRAPHICAL AREA

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

(*) Data restated

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	
	2014	2013	2014	2013 (*)
Revenue	5,581,401	5,245,344	29,299,459	29,932,607
Segment assets	14,607,314	15,932,767	24,713,421	24,032,612
Total net investments	(664,652)	200,891	855,318	(85,192)

(*) Data restated

The assets at 31 December 2014 and 2013, by geographical area, are as follows:

Thousands of euros	31/12/2014	31/12/2013 (*)
Europe	**19,211,810**	**21,388,839**
Spain	14,607,314	15,932,767
Germany	2,006,732	2,906,781
Rest of Europe	2,597,764	2,549,291
Rest of geographic areas	**20,108,925**	**18,576,540**
Americas	8,904,332	7,838,768
Asia	3,302,928	4,854,198
Australia	7,702,639	5,607,265
África	199,026	276,309
TOTAL	39,320,735	39,965,379

(*) Data restated

The additions to non-current assets, by line of business, were as follows:

Thousands of euros	2014	2013
Construction	651,720	983,145
Environment	254,577	203,508
Industrial Services	132,014	113,867
Corporate unit and adjustments	17	10
Total	1,038,328	1,300,530

26. TAX MATTERS

26.01. CONSOLIDATED TAX GROUP

Pursuant to current legislation, ACS, Actividades de Construcción 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. 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	2014	2013 (*)
Consolidated profit before tax	782,206	1,508,546
Net profit from equity accounted investments	(131,824)	(95,934)
Permanent differences	74,467	(156,622)
Taxable profit	724,849	1,255,990
Tax at 30%	217,455	376,797
Tax credits and tax relief	(60,692)	(72,310)
Effect of different standard tax rate in other countries	6,428	11,474
Current tax income expense	163,191	315,961
Effective rate, excluding equity method	25.09%	22.37%

(*) Data Restated

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The permanent differences for 2014, which increase the tax expense, are due to various items including, fundamentally, impairments and other expenses which, in accordance with applicable legislation, are not deductible for tax purposes, as well as the difference between the accounting cost on the consolidated balance sheet attributable to certain assets for sale and their tax cost. Similar items existed in 2013, yet the balance of permanent differences was the opposite, due to the existence of certain exempt capital gains obtained by the sale of assets by the Hochtief Group.

The 2014 tax credits include the credits for double taxation, in particular the EUR 28,738 thousand (EUR 30,233 thousand in 2013) corresponding to the Iberdrola, S.A. dividends as well as the tax incentives, mainly for R&D, obtained in Spain and other countries for the re-investment of gains.

26.03. DETAIL OF INCOME TAX EXPENSE

The detail of the income tax expense is as follows:

Thousands of euros	2014	2013 (*)
Current income tax expense (Note 26.02)	163,191	315,961
Expense/(income)relating to adjustments to prior year's tax	13,845	11,045
(Income) arising from the application of prior year's deferred tax assets	(13,774)	(3,733)
Expense arising from deferred tax assets generated in the year and not capitalised	23,961	68,307
Tax expense (income) due to impact on defferred taxes from changes in legislation	123,614	-
Expense / (Income) other adjustments to tax for the year	7,754	33,291
Final balance of the corporation tax expense	318,591	424,871

(*) Data Restated

The expense of EUR 123,614 thousand, incurred in 2014 due to legislative changes, almost entirely corresponds to the impact of revaluing assets and liabilities for deferred taxes contained in the consolidated balance sheet, and belonging to Spanish entities, from the nominal Corporate Income Tax rate of 30% in Spain until 2014, to the new tax rates approved by the new Income Tax Law, of 28% for items for application in 2015 and 25% for all others. In this respect, although the new Act enters into force in 2015, the new accounting regulations establish that, due to having been approved in 2014, financial statements for this financial year must recognise the full impact.

The expense of assets due to differed taxes generated for the year and not recognised fundamentally originates from the criteria prudently undertaken to not recognise the tax assets associated to tax losses and the temporary difference due to non-deductible financial expenses, incurred by companies of the Group resident in Germany.

Moreover, the taxes expense for results from discontinued operations affecting the net results thereof, without prejudice to not being included in the itemisation of this attached Profit and Loss statement, is as follows:

Thousands of euros	2014	2013 (*)
Profit before taxes from discontinued operations	724,955	256,466
Permanent differences	144,510	54,254
Taxable profit	869,465	310,720
Tax at 30%	260,840	93,216

(*) Data restated

Permanent differences which increase the tax expense are fundamentally owing to the difference between the consolidated balance sheet, accounting cost attributable to assets sold and their tax cost.

The tax expense for on-going operations and discontinued operations for 2014 amounts to EUR 579,341 thousand (EUR 518,087 thousand in 2013), which represents an effective levy with respect to pre-tax profit, without results included by the equity method, of 42.12% for 2014 (31.04% in 2013), the calculation of which is significantly affected by non-recurring items, as has been stated.

26.04. TAX RECOGNISED IN EQUITY

In addition to the tax effects recognised in the consolidated income statement, a credit of EUR 18,715 thousand was recognised directly in the Group's equity (a charge of EUR 179,924 thousand in 2013). These amounts relate to tax effects due to adjustments of assets available for sale, with a charge of EUR 18,559 thousand in 2014 (a charge of EUR 24,732 thousand in 2013), cash flow derivatives, with a charge of EUR 13,676 thousand in 2014 (EUR 130,701 thousand in 2013), and actuarial losses, with a credit of EUR 50,990 thousand (charge of EUR 24,491 thousand in 2013).

26.05. DEFERRED TAX

The detail of the main deferred tax assets and liabilities recognised by the Group and of the changes therein in 2014 and 2013 is as follows:

Thousands of euros

			Charge/credit to equity				Business combinations		
	Balance at 31 December 2013	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 2014
Assets	**2,379,700**	**(183,359)**	**50,990**	**(3,372)**	**1,916**	**(11,293)**	**26,272**	**(64,934)**	**2,195,920**
Temporary differences	1,176,802	53,898	50,990	(3,372)	1,130	(12,532)	20,804	(64,398)	1,223,322
Tax losses	852,881	(142,301)	-	-	786	1,239	-	(536)	712,069
Tax credits	350,017	(94,956)	-	-	-	-	5,468	-	260,529
Liabilities	**1,381,273**	**(107,630)**	**-**	**559**	**3,345**	**242**	**1,483**	**(10,533)**	**1,268,739**
Temporary differences	1,381,273	(107,630)	-	559	3,345	242	1,483	(10,533)	1,268,739

Thousands of euros

			Charge/credit to equity				Business combinations		
	Balance at 31 December 2012	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 2013
Assets	**2,467,104**	**(67,711)**	**(24,491)**	**(2,091)**	**298**	**15,669**	**15,643**	**(24,721)**	**2,379,700**
Temporary differences	1,307,981	(103,479)	(24,491)	(2,091)	263	19,921	(2,571)	(18,731)	1,176,802
Tax losses	808,466	36,500	-	-	35	(4,344)	18,214	(5,990)	852,881
Tax credits	350,657	(732)	-	-	-	92	-	-	350,017
Liabilities	**1,232,499**	**146,890**	**-**	**1,239**	**-**	**(2,703)**	**11,473**	**(8,125)**	**1,381,273**
Temporary differences	1,232,499	146,890	-	1,239	-	(2,703)	11,473	(8,125)	1,381,273

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Deferred tax assets and liabilities have not been offset.

The tax loss carryforward includes, mainly, EUR 525,497 thousand (EUR 683,551 thousand in 2013), for the tax asset related to the consolidated tax loss of the ACS Tax Group in Spain arising in 2012, which arose mainly due to the impairments and losses arising from the investment in Iberdrola, S.A., and which has no expiry under the new Income Tax Law.

In addition, the breakdown of the deferred tax assets and liabilities at year end due to temporary differences is as follows:

Thousands of euros	31/12/2014	31/12/2013
Deferred tax assets arising from:		
Asset valuation adjustments and impairment losses	49,972	22,414
Other provisions	398,642	345,122
Pension costs	177,083	128,496
Income with different tax and accounting accruals	37,781	55,866
Business combinations	55,521	92,632
Financial expenses not deductible	77,580	90,983
Other	426,743	441,289
Total	**1,223,322**	**1,176,802**
Deferred tax liabilities arising from:		
Assets recognised at an amount higher than their tax base	490,030	591,584
Income with different tax and accounting accrual	380,076	362,198
Other	398,633	427,491
Total	**1,268,739**	**1,381,273**

Pursuant to regulations in force, deferred tax assets due to temporary difference are not subject to expiry.

In turn, deductions on pending tax credits corresponding to the Spanish Tax Group itemised as balance sheet assets, for the amount of EUR 257,057 thousand (EUR 343,451 thousand in 2013) expire according to the type as determined in the Income Tax Law. Amounts pending application in 2014 mainly correspond to deductions generated between 2010 and 2014 for reinvestment of gains and R&D+I expenses, whose statutory expiry periods are 15 and 18 years respectively.

The deferred tax assets have been 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 particular, the key assumptions used in the preparation of the recoverability test for the tax credits subject to expiry, i.e. mainly those corresponding to deduction on the tax credit of the tax group indicated in the foregoing paragraph, are the following:

- Profit before tax, in calculable terms of taxable profit, of the business areas in Spain which, with respect to 2014, increases between 2015 and 2019 at annual rates of 6-9%, and from 2020, at a rate of 3%.
- Continuation of the current scope of companies of the Tax Group, with the sole change being the exit of the companies sold prior to the preparation of these financial statements.

It is worth noting that significant negative deviations between the aforementioned profits and the estimates used in the impairment test, in overall terms, i.e., that may not be offset by subsequent positive deviations within the expiration period, could represent a recoverability risk with regard to the tax credit linked to deductions subject to expiry.

In terms of the tax credit linked to the aforementioned 2012 consolidated tax losses of the Tax Group in Spain, it is estimated that, despite the absence of a statutory expiry period, in accordance with the aforementioned recoverability hypothesis, this shall be applied in shorter periods than the expiry of deductions.

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 credits 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 and temporary differences in financial expenses amounting to EUR 1,018,050 thousand (EUR 1,387,832 thousand in 2013), and to municipal taxes amounting to EUR 914,280 thousand (EUR 1,376,328 thousand in 2013) were not recognised.

26.06. TAX AUDIT

According to legislation in force, taxes cannot be considered definitively settled until the submitted declarations have been audited by the tax authorities, or until the statute of limitations period has passed.

Specifically, as at year end, the 2006 to 2013 financial years for the Spanish companies of the Tax Group for the purposes of Income tax, and in general the 2011 to 2014 financial years for all other taxes, are not yet statute barred.

In this respect, in 2014 the Spanish State Tax Administration Agency began a verification proceeding on the parent company and selected subsidiaries, affecting the 2009 to 2012 Income Tax and 2010 to 2012 other taxes. As at the date of preparation of these financial statements, no outcome from this proceeding had been documented.

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 Group's earnings.

27. REVENUE

The distribution of revenue relating to the Group's ordinary operations, by business segment, is as follows:

Thousands of euros	2014	2013 (*)
Construction	25,819,562	26,364,700
Industrial Services	6,750,015	7,067,065
Environment	2,338,219	1,781,206
Corporate unit and other	(26,936)	(35,020)
Total	34,880,860	35,177,951

(*) Data restated

In 2014 foreign currency transactions relating to sales and services amounted to EUR 26,315,034 thousand (EUR 26,876,391 thousand in 2013) and those relating to purchases and services received amounted to EUR 18,540,550 thousand (EUR 18,448,674 thousand in 2013).

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

(*) Data restated

The backlog by line of business at 31 December 2014 and 2013 was as follows:

Thousands of euros	2014	2013 (*)
Construction	45,135,130	43,506,840
Industrial Services	8,021,397	7,412,934
Environment	10,163,817	8,443,294
Total	63,320,344	59,363,068

(*) Data restated

Capitalised expenses amounting to EUR 38,449 thousand (EUR 8,881 thousand in 2013), relating mainly to in-house work on property, plant and equipment and intangible assets, were recognised under "Capitalised expenses of in-house work on assets" in the consolidated income statement in 2014.

"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.

28. EXPENSES

28.01. PROCUREMENTS

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

Thousands of euros	2014	2013 (*)
Cost of merchandise sold	957,962	1,359,977
Cost of raw materials and other consumables used	17,089,006	16,499,823
Contract work carried out by other companies	4,488,610	4,834,847
Impairment of merchandise, raw material and procurements	2,510	(172)
Total	22,538,088	22,694,475

(*) Data restated

28.02. STAFF COSTS

The detail of "Staff costs" is as follows:

Thousands of euros	2014	2013 (*)
Wages and salaries	6,662,737	6,554,564
Social security costs	863,393	788,110
Other staff costs	228,388	250,343
Provisions	6,876	4,970
Total	7,761,394	7,597,987

(*) Data restated

Staff costs amounting to EUR 5,153 thousand in 2014 (EUR 5,391 thousand in 2013) relating to the ACS, Actividades de Construcción y Servicios, S.A. share option plans were recognised under "Wages and salaries" in the consolidated income statement.

The average number of employees at Group companies in 2014 was 217,908 (164,750 in 2013). Average workforce calculation for 2014 took into account the average unweighted number of Clece workers.

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

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

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The distribution of the average number of employees, by line of business, was as follows:

Number of employees	2014	2013
Construction	80,511	93,770
Industrial Services	43,109	40,165
Environment	94,235	30,762
Corporate Unit and Other	53	53
Total	217,908	164,750

28.03. SHARE-BASED PAYMENT SYSTEMS

ACS

ACS, Actividades de Construcción y Servicios, S.A. has agreed, at the proposal of the Appointments and Remuneration Committee in July 2014, in execution of the resolution adopted by the shareholders of the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 15 April 2010, to established an ACS, Actividades de Construcción y Servicios, S.A. Share Option Plan (2014 Options Plan), governed as follows:

- The number of shares under the Options Plan will be a maximum of 6,293,291 shares with a unitary par value of fifty cents.
- Beneficiaries are 62 executives with options ranging from 540,950 to 46,472.
- The acquisition price will be EUR 33.8992 per share. This price shall change by the corresponding amount should a dilution take place.

The options will be exercised in two equal parts, cumulative if the beneficiary so wishes, during the second and third years after 1 May 2014, inclusive. However, in the case of an employee being 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 taxes payable, if appropriate, as a result of exercising the share option will be borne exclusively by the beneficiary. A banking institutions shall provide hedging.

At its meeting held on 27 May 2010, the Board Executive Committee agreed to set up a share option plan, in keeping with the resolution adopted by the shareholders at the Annual General Meeting held on 25 May 2009, and at the request of the Appointments and Remuneration Committee. The features of this Plan are as follows:

- **Number of shares:** 6,203,454 shares.
- **Beneficiaries:** 57 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 payable 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 2014 or 2013.

The commitments arising from these plans are hedged through financial institution (see Note 22). In relation to the aforementioned plans, the share options are to be settled through equity instruments and never in cash. However, since the Group has hedged the commitments arising from these plans with a financial institution, their settlement shall not involve, under any circumstances, the issue of equity instruments additional to those outstanding at 31 December 2014 and 2013. In 2014 EUR 5,153 thousand (see Note 28.02) (EUR 5,391 thousand in 2013) related to share-based remuneration were recognised under staff costs in the consolidated income statement, with a balancing entry in equity. For the calculation of the total cost of the aforementioned share plans, the Company considered the financial cost of the shares on the date on which the plan was granted based upon the futures curve on the notional value of each of them, the effect of the estimate of future dividends during the period, as well as the "put" value granted to the financial institution by applying the Black Scholes formula. This cost is distributed over the years of plan irrevocability.

The stock market price of ACS shares at 31 December 2014 and 31 December 2013, was EUR 28.97 and 25.020 per respective share.

HOCHTIEF

Within the Hochtief Group there are also share-based payment remuneration systems for the group's management. All of these share option plans form part of the remuneration system for senior executives of Hochtief, A.G., and long-term incentive plans. To hedge the risk of exposure to changes in the market price of the Hochtief, A.G. shares, it has a number of derivatives which are not considered to be accounting hedges.

The following Group-wide share-based remuneration systems were in force for managerial staff of Hochtief, A.G. and its affiliates in 2014:

Retention Stock Awards 2008

In May 2008, the Supervisory Board adopted a resolution to launch for members of the Executive Board a Retention Stock Award Plan (RSA 2008) consisting of three tranches and running for seven years, and granted a first tranche of awards under the plan. The conditions for the first tranche of stock awards stated that for each award made in the two year exercise period, following a three year waiting period, entitled individuals receive for each stock award either a Hochtief, A.G. share or, at Hochtief, A.G.'s discretion, a compensatory cash amount equal to the closing price of Hochtief, A.G. stock on the last stock market trading day before the exercise date. The resulting profit from each share award is capped at EUR 160.

The second tranche was granted on March 2009. The conditions for this tranche only differ from those of the first tranche with respect to its exercise occurring one year after and the cap of EUR 66.50 per share award. The third tranche was granted in March 2010. The conditions for this tranche only differ from those of the first tranche with respect to its exercise occurring two years after and the cap of EUR 133.12 per share award.

The first tranche was fully exercised by the members of the Executive Committee in 2011, and the second and third tranches were fully exercised or expired in 2014.

Top Executive Retention Plan 2008

The Executive Board also resolved in June 2008 to launch a Top Executive Retention Plan 2008 (TERP 2008) for selected managerial employees.

This plan is likewise based on stock awards and consists of three tranches. The first tranche was granted in July 2008, the second in July 2009, and the third in July 2010.

The total term of the plan is ten years. The waiting period after the granting of each tranche is three years. The exercise period is between five and seven years, depending on the tranche.

The conditions stipulate that, after the waiting period, entitled individuals receive for each stock award either a Hochtief, A.G. share or, at Hochtief, A.G.'s discretion, a compensatory cash amount equal to the closing price of Hochtief, A.G. stock on the last stock market trading day before the exercise date. The gain is capped for each year of the exercise period. The cap rises annually up to a maximum gain at the end of the term. The maximum gain is set to EUR 160 per stock award for the first tranche, EUR 81.65 for the second tranche, and EUR 166.27 for the third tranche.

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Long-term Incentive Plan 2009

The Long-term Incentive Plan 2009 (LTIP 2009) was launched by resolution of the Supervisory Board in 2009 and is open to Executive Board members and senior executives of Hochtief, A.G. and its 20 affiliates. In addition to the granting of stock appreciation rights (SAR), the LTIP 2009 also provided for grants of stock awards. The SARs could only be exercised if, for at least ten consecutive stock market trading days before the exercise date, the ten-day average (arithmetic mean) stock market closing price of Hochtief, A.G. stock was higher relative to the issue price compared with the ten-day average closing level of the MDAX index relative to the index base (relative performance threshold) and, additionally, return on net assets (RONA) in the then most recently approved set of consolidated financial statements was at least 10% (absolute performance threshold). The relative performance threshold was waived if the average stock market price of Hochtief stock exceeded the issue price by at least 10% on ten consecutive stock market trading days after the end of the waiting period.

Provided that the targets were met, the SARs could be exercised at any time after a two-year waiting period except during a short period before publication of any business results. When SARs were exercised, the issuing entity paid out the difference between the then current stock price and the issue price. The difference was capped at 50% of the issue price.

The LTIP conditions for stock awards stipulated that for each stock award exercised within a two-year exercise period following a three-year waiting period, entitled individuals received at Hochtief, A.G.'s discretion either a Hochtief, A.G. share or a compensatory cash amount equal to the closing price of Hochtief, A.G. stock on the last stock market trading day before the exercise date. The gain on each stock award was limited to EUR 40.10.

The plan was exercised in full.

Long-term Incentive Plan 2010

The Long-term Incentive Plan 2010 (LTIP 2010) was launched by resolution of the Supervisory Board in said year and is open to Executive Board members and senior executives of Hochtief, A.G. and its affiliates. Except for the longer waiting period (four years instead of two) for the SARs, the conditions do not differ in any material respect from those of LTIP 2009. The maximum gain is set to EUR 81.83 per stock award.

Long-term Incentive Plan 2011

The Long-term Incentive Plan 2011 (LTIP 2011) was launched by resolution of the Supervisory Board in said year and is open to Executive Board members and senior executives of Hochtief, A.G. and its affiliates.The conditions do not differ in any material respect from those of LTIP 2010. The maximum gain is set to EUR 98.01 per stock award.

Long-term Incentive Plan 2012

The Long-term Incentive Plan 2012 (LTIP 2012) was launched by resolution of the Supervisory Board in said year and is open to Executive Board members and senior executives of Hochtief, A.G. and its affiliates. The plan conditions differ from those of LTIP 2011 in two points:

1. Return on net assets (RONA) as per the most recently approved Consolidated Financial Statements must be at least 15%.
2. The waiting time for stock awards was extended from three to four years and the total term of the plan accordingly from five to six years.

The maximum gain is set to EUR 75.81 per stock award.

Long-term Incentive Plan 2013

The Long-term Incentive Plan 2013 (LTIP 2013) was launched by resolution of the Supervisory Board in said year and is open to Executive Board members. The plan conditions differ from those of LTIP 2012 in only one point:

The number of SARs that can be exercised depends on attainment of the planned value range for adjusted free cash flow. This value range is set in the business plan for each exercise year.

The maximum gain is set to EUR 73.83 per stock award.

Long-term Incentive Plan 2014

The Long-term Incentive Plan 2014 (LTIP 2014) was launched by resolution of the Supervisory Board in said year and is open to Executive Board members and senior executives of Hochtief, A.G. and its affiliates. The conditions do not differ in any material respect from those of LTIP 2013.

The maximum gain is set to EUR 61.95 per stock award.

Other information

Return on net assets (RONA)

The return on net assets (RONA) indicates the extent to which the assets of Hochtief, A.G render a good return on investment, measuring the operative returns of the Hochtief Group. RONA measures returns as a percentage of net assets. To such end, returns are defined as operating profit (EBITA, indicated in the Operating income statement) plus interest revenues for Group financial assets. The net assets show the total capital commitment that shall produce returns.

Net assets of the Hochtief Group produced returns (RONA) of 20.3% in 2014 (2013: 15.6% reformulated). According, RONA recorded an increase of 4.7 percentage points compared to the previous year.

The conditions of all plans stipulate that on the exercise of SARs or stock awards—and the fulfilment of all other requisite criteria—Hochtief, A.G. normally has the option of delivering Hochtief, A.G. shares instead of paying out the gain in cash. Where the entitled individuals are not employees of Hochtief, A.G., the expense incurred on exercise of SARs or stock awards is met by the affiliated company concerned.

The quantities of SARs and stock awards granted, expired, and exercised under the plans are as follows:

	Originally granted	Outstanding at Dec. 31, 2013	Granted in 2014	Expired in 2014	Exercised / Settled in 2014	Disposal / sale 2014	Outstanding at Dec. 31, 2014
TERP 2008/Tranche 1	130,900	4,800	-	-	-	-	4,800
TERP 2008/ Tranche 2	359,000	85,500	-	12,600	55,950	-	16,950
TERP 2008/ Tranche 3	174,100	26,900	-	-	4,600	-	22,300
RSA 2008/ Tranche 2	347 478	80,188	-	-	80,188	-	-
RSA 2008/ Tranche 3	146,884	40,060	-	-	40,060	-	-
LTIP 2009 – stock awards	273,400	500	-	500	-	-	-
LTIP 2010 – SARs	353,200	202,500	-	6,100	146,850	500	49,050
LTIP 2010 – stock awards	166,000	10,600	-	500	6,300	-	3,800
LTIP 2011 – SARs	275,250	180,250	-	13,350	-	9,850	157,050
LTIP 2011 – stock awards	124,850	72,300	-	1,100	55,450	-	15,750
LTIP 2012 – SARs	457,406	340,506	-	30,550	-	19,250	290,706
LTIP 2012 – stock awards	82,991	54,829	-	5,135	-	2,880	46,814
LTIP 2013 – SARs	38,288	38,288	-	-	-	-	38,288
LTIP 2013 – stock awards	9,297	9,297	-	-	-	-	9,297
LTIP 2014 – SARs	-	-	86,907	-	-	-	86,907
LTIP 2014 – stock awards	-	-	20,453	-	-	-	20,453

Provisions recognized for the share-based payment arrangements totalled EUR 11,766 thousand as of the balance sheet date (EUR 20,095 thousand in 2013). The total expense recognized for the stated arrangements in 2014 was EUR 1,784 thousand (EUR 17,334 thousand in 2013). The intrinsic value of SARs exercisable at the end of the reporting period was EUR 4,150 thousand (EUR 7,658 thousand in 2013).

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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	2014	2013 (*)
Lease payments under operating leases recognised in profit for the year	703,685	630,985

(*) Data restated

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	2014	2013
Within one year	319,894	400,254
Between two and five years	775,461	946,684
Over five years	193,990	178,716

The Group does not have any material operating leases as a lessor.

28.05. CHANGES IN FAIR VALUE OF FINANCIAL INSTRUMENTS

This heading includes the effect on the income statement of derivative instruments which do not meet the efficiency criteria provided in IAS 39, or which are hedging instruments and are thus recycled to the income statement. The most significant effect in the 2014 financial year relates to the market value of the derivative financial instruments held at year end in relation to Iberdrola, S.A. shares and to the gains from the derivatives on ACS shares, for a total amount of EUR 280,812 thousand, as described in Note 22 and to the recycling by the corresponding income statement to the cancellation of the Escal financing following removal of the concession.

The most significant effect of the 2013 financial year corresponded to the market value of derivative financial instruments held at year end in relation to Iberdrola, S.A. shares, entailing a profit of EUR 404,050 thousand, and to the profit resulting from ACS share derivatives.

28.06. FINANCIAL INCOME

At 31 December 2014, finance income includes, among other items, the dividends from Iberdrola, S.A. amounting to EUR 97,522 thousand (EUR 102,540 thousand at 31 December 2013), as well as interest on loans to associates and deposits and current accounts held by the ACS Group.

28.07. OTHER PROFIT OR LOSS

For 2014 this heading includes the effect on the income statement of the provision for Leighton for the amount of EUR 458,457 thousand (AUD 675.0 million), as part of the year-end review of the recoverability of trade and other receivables. This amount was calculated based on the client portfolio and considers the residual value of the risks evaluated through their exposure due to the potential non-recovery of pending receivables. The Group continues to maintain its collection rights in each individually considered project, and undertakes to pursue the recovery of all outstanding amounts. This amount is included in the statement of financial position at 31 December 2014, reducing the amount of the heading “Trade receivables for sales and services”.

29. IMPAIRMENT AND GAINS OR LOSSES ON THE DISPOSAL OF FINANCIAL INSTRUMENTS

In 2014 this heading of the accompanying consolidated income statement includes, mainly the results of the sale of Metro de Sevilla for the amount of EUR 12,708 thousand, as well as the result from the delivery to bondholders of 100,906,096 shares in Iberdrola as a result of the partial early swap of convertible notes in Iberdrola for the amount of EUR 79,570 thousand. (See note 10.01).

This heading also includes EUR 47,085 thousand for the sale of 80% of ACS's share in the projects Intercambiadores de Transporte de Madrid and Línea 9 del metro de Barcelona to the Dutch fund manager DIF Infraestructure III. It includes the effect or revaluation of the fair value declared in the remaining ACS percentage stake transaction in these projects; since, in accordance with the shareholders resolutions and the minority position of ACS therein, the loss of significant influence in the management thereof has been considered.

In 2013, this heading in the attached consolidated income statement mainly comprised the proceeds from the sale of Leighton's telecommunication business amounting to EUR 154,282 thousand. The aforementioned proceeds included the effect of the recognition of the fair value of 30% of the ownership interest which it still holds, the proceeds from the sale of the Hochtief airports and Hochtief's facility management business to Spie, S.A. Likewise, there is a record of the effect of the first quarter impairment of the ownership interest in Iberdrola amounting to EUR 20,498 thousand (see Note 10), as well as the loss of EUR 56,199 thousand due to the reclassification of the translation difference existing at the time of the purchase of Leighton Welspun Contractors mentioned in Note 02.02 f) to the income statement.

30. DISTRIBUTION OF PROFIT

As in previous years, at the date of the call notice of the Annual General Meeting, the Parent's Board of Directors agreed to propose an alternative remuneration system allowing shareholders to receive bonus shares of the Company, or cash through the sale of the corresponding bonus issue rights. This option would be instrumented through an increase in paid-in capital, which will be subject to approval by the shareholders at the Annual General Meeting. In the event that it is approved, the increase in paid-in capital may be executed by the Board of Directors up to two times, in July and at the start of the following year, coinciding with the times when dividends are customarily paid. During each capital increase, each shareholder of the Company receives a bonus issue right for each share. The free allotment rights will be traded on the Madrid, Barcelona, Bilbao and Valencia stock exchanges. Depending on the alternative chosen, shareholders would be able to either receive additional paid-in shares of the Company or sell their bonus issue rights on the market or sell them to the company at a specific price calculated using the established formula.

The distribution of the profit for 2014 that the Board of Directors of the Parent will propose for approval by the shareholders at the Annual General Meeting is as follows:

- To voluntary reserves: EUR 414,651 thousand
- To the restricted goodwill reserve: EUR 41,208 thousand

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.

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Accordingly:

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

31.02. DILUTED EARNINGS PER SHARE

In calculating diluted earnings per share, the amount of profit attributable to ordinary shareholders and the weighted average number of shares outstanding, net of treasury shares, are adjusted to take into account all the dilutive effects inherent to potential ordinary shares (share options, warrants and convertible debt instruments). For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period. At 31 December 2014, as a result of the share capital increase and reduction in February 2015, respectively for the same number of shares, the basic and diluted earnings per share for continuing operations for 2014 is the same.

32. EVENTS AFTER THE REPORTING DATE

Significant events until the date of preparation of the consolidated Financial statements include the following:

On 18 December 2014, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. approved an interim dividend distribution of EUR 0.45 per share. Its distribution, via a flexible dividend system, was performed in February 2015. ACS, Actividades de Construcción y Servicios, S.A. acquired 40.46% of free allocation rights, by virtue of the purchase commitment assumed by the company. On 24 February a total of 2,616,408 shares were issued for the rest of shareholders, which were simultaneously amortised in accordance with the resolution of the General Shareholders meeting of 29 May 2014 (see Note 15.01).

An announcement was made on 15 January 2015 for the intended stock market flotation by Saeta Yield, S.A. of shares representing 51.78% of its share capital. Saeta Yield, S.A. is a company that invests in energy infrastructure assets expected to generate highly stable and predictable cash flows, supported by regulated or long term contracted revenues. Initially, assets Saeta Yield, S.A. are wind farms and thermal solar plants located in Spain, which formed part of the renewable energy assets portfolio of the ACS Group. In the future, the Company intends to broaden its presence both in Spain and internationally through the acquisition of other conventional or renewable electricity production, distribution and transmission assets, as well as any other infrastructure relating to energy, in each instance with long term contracted or regulatory income. These acquisitions will be made via a Right of First Offer and Call Option Agreement.

In relation to the foregoing, the ACS Group has reached an agreement with funds managed by the infrastructures investment fund Global Infrastructure Partners (GIP) by virtue of which they will acquire up to 24.40% of the company Saeta Yield, S.A. Likewise, and by virtue of the same agreement, GIP will have a 49% stake in a company that will develop and that will include renewable energy assets of the Industrial areas of the ACS Group on which Saeta Yield, S.A. will hold a right of first offer. The economic conditions of these stakes will be determined by the market price of the shares of Saeta Yield, S.A. and the specific assets acquired by the development company and at the time of these acquisitions, respectively. The transaction was conditioned to the admission to stock market trading of Saeta Yield, S.A. and the authorisation of the competition authorities.

Following execution by the ACS Group of the sale of 51.78% of Saeta Yield, S.A. and following execution of the agreement reached with the funds managed by the infrastructures investment fund Global Infrastructure Partners (GIP) with respect to the acquisition of a percentage equal to that retained by the ACS Group in the company Saeta Yield, S.A., the total net debt of the ACS Group will be reduced by approximately EUR 1,412.9 million, giving rise to a net cash inflow of EUR 361.2 million.

On 13 February 2015, ACS, Actividades de Construcción y Servicios, S.A., signed a financing agreement with a banking syndicate formed by forty three Spanish and foreign entities, for the total amount of EUR 2,350 million, divided into two tranches (tranche A of the loan for the amount of EUR 1,650 million and tranche B for a liquidity line of EUR 700 million) maturing on 13 February 2020. Its use, in the corresponding amount, was for the cancellation of the currently existing syndicated credit signed on 9 February 2012, in the principal amount of EUR 1,430.3 million and three credits granted to finance the acquisition of share of Hochtief, A.G. for the total principal amount currently in force of EUR 694.5 million (see Note 17.02).

On 16 March 2015, under the Euro Medium Term Note Programme (EMTN Programme), which was approved by the Central Bank of Ireland and whose most recent draft was approved on 11 March 2015, ACS, Actividades de Construcción y Servicios, S.A. performed a Notes issue in the Euro market for the amount of EUR 500 million, with a total demand of EUR 1,337 million. The issue, maturing at five years and with a forecast disbursement on 1 April 2015, has an annual coupon of 2.875% and an issue price of 99.428%, The Notes are expected to be admitted to trading on the Irish Stock Exchange.

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.

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33.01. TRANSACTIONS WITH ASSOCIATES

In 2013 Group companies performed the following transactions with related parties which do not form part of the Group:

Thousands of euros	2014	2013 (*)
Sale of goods and services	105,174	66,180
Purchase of goods and services	6,715	7,466
Accounts receivable	1,228,627	1,116,764
Accounts payable	114,729	91,481

(*) Data restated

Transactions between related parties are carried under normal market conditions.

33.02. BALANCES AND TRANSACTIONS WITH OTHER RELATED PARTIES

Information relating to the transactions with related parties is disclosed in accordance with the Order EHA/3050/2004, of 15 September of the Ministry of Economy and Finance and the CNMV.

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

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

Thousands of euros

Related transactions 2014	Significant shareholders		Directors and Management	Other related parties							Total
Expenses and revenue	Grupo Iberostar	Total	Total	Fidalser, S.L.	Rosán Inversiones, S.L.	Terratest Técnicas Especiales, S.A.	Indra	Zardoya Otis, S.A.	March-JLT, S.A.	Total	
Management or cooperation agreements	-	-	-	-	-	202	-	-	-	202	202
Leases	-	-	-	175	-	-	-	-	-	175	175
Reception of services	63	63	-	59	-	337	2,255	824	-	3,475	3,538
Other expenses	-	-	-	-	-	-	-	-	37,973	37,973	37,973
Expenses	63	63	-	234	-	539	2,255	824	37,973	41,825	41,888
Provision of services	1,743	1,743	3,056	-	246	-	3,292	-	-	3,538	8,337
Revenue	1,743	1,743	3,056	-	246	-	3,292	-	-	3,538	8,337

Thousands of euros

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

The transactions performed in 2013 were as follows (in thousands of euros):

Thousands of euros

Related transactions 2013	Significant shareholders		Directors and Management	Other related parties							Total
Expenses and revenue	Grupo Iberostar	Total	Total	Fidalser, S.L.	Rosán Inversiones, S.L.	Terratest Técnicas Especiales, S.A.	Indra	Zardoya Otis, S.A.	March-JLT, S.A.	Total	
Management or cooperation agreements	-	-	-	-	-	1,046	-	-	-	1,046	1,046
Leases	-	-	-	177	-	-	-	-	-	177	177
Reception of services	-	-	-	125	-	548	1,678	1,496	-	3,847	3,847
Other expenses	-	-	-	-	-	-	-	-	38,110	38,110	38,110
Expenses	-	-	-	302	-	1,594	1,678	1,496	38,110	43,180	43,180
Provision of services	553	553	257	-	384	-	2,362	-	-	2,746	3,556
Revenue	553	553	257	-	384	-	2,362	-	-	2,746	3,556

Thousands of euros

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

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

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

Banca March is considered to be a significant shareholder given that it is a shareholder of Corporación Financiera Alba, S.A., the main direct shareholder of ACS, Actividades de Construcción y Servicios, S.A. Banca March 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. In addition, the ACS Group has mainly carried out air-conditioning activities 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.

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 2014 "Other transactions" related exclusively to Banca March. As a financial institution, it provides various financial services to ACS Group companies in the ordinary course of business amounting to a total EUR 24,726 thousand (EUR 23,813 thousand in 2013), and in this case they relate to the reverse factoring lines of credit for suppliers.

Directors and Executives includes a housing construction contract between Dragados, S.A. and the Director Joan David Grimà Terré entered into in 2013 for which EUR 3,055 thousand have been credited in 2014.

All these commercial transactions were carried out on an arm's length basis in the ordinary course of business and relate to the normal operations of the Group companies.

The transactions performed between ACS consolidated Group companies were eliminated in the consolidation process and form part of the normal business activities of the companies in terms of their company object and conditions. The transactions were carried out on an arm's length basis and they do not have to be disclosed to present fairly the equity, financial position and 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 2014 and 2013, in accordance with that indicated in article 229 of the Spanish Companies Law.

34. BOARD OF DIRECTORS AND SENIOR EXECUTIVES

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

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

EUR 1,205 thousand were charged to income in relation to share options granted to members of the Board of Directors with executive duties in 2014 (EUR 1,119 thousand 2013). This amount relates to the proportion of the value of the plan at the date on which it was granted.

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

OTHER BENEFITS

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

The amount recognised under "Pension funds and plans: Contributions" includes the portion corresponding to the payments made by the Company in the period.

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

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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 of the Group's senior executives in 2014 and 2013, excluding those who are simultaneously executive directors, was as follows:

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

The increase in remuneration between periods is due to the increase of senior executives in the Group. EUR 6,157 thousand were charged to the income statement in relation to share options granted to the Group's senior executives at 31 December 2014 (EUR 4,272 thousand at 31 December 2013), and these are not contained in the previously mentioned remuneration. Similarly, as indicated in the case of directors, the amounts relate to the proportion of the value of the plan on the date it was granted.

35. OTHER DISCLOSURES CONCERNING THE BOARD OF DIRECTORS

Pursuant to applicable regulations (currently, Article 229 of the Spanish Companies Law), no situations of direct or indirect conflict with the interests of the Company have arisen, all without prejudice to the information on related transactions contained in the notes to the financial statements.

In 2013 and 2014, the Company has 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 Company transactions.

36. GUARANTEE COMMITMENTS TO THIRD PARTIES

At 31 December 2014, the ACS Group had provided guarantees to third parties in connection with its business activities totalling EUR 22,194,186 thousand (EUR 18,428,840 thousand in 2013), which has increased manly due to the inclusion of the US construction companies Prince and White to the consolidation perimeter.

Of the guarantees listed in the previous paragraph, those obtained in Hochtief, A.G. are of particular note. In this respect, the operation syndicated by Hochtief signed in December 2011 and maturing in 2016, were extended in April of this year to April 2019. This faculty includes a guarantees tranche for EUR 1,500,000 thousand, of which EUR 947,000 thousand had been used at year end (EUR 1,020,000 thousand at 31 December 2013) and a credit facility of EUR 500,000 thousand which has not been drawn down, in the same way as at 31 December 2013. This line is available for ordinary activities, mainly in the Hochtief Europe division.

The Hochtief Group also has undrawn guarantee lines amounting to EUR 6,050,000 thousand (EUR 5,640,000 thousand at 31 December 2013) from insurance companies and banks.

Hochtief, A.G. has arranged a limited guarantee line for U.S. 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. As in the previous year, the financing totalled USD 6,500,000 thousand of which USD 5,032,000 thousand has been used in 2014 (USD 4,027,000 thousand in 2013). The guarantee furnished by Hochtief has never been called and it is not projected that this will occur in the future.

Likewise, in addition to that mentioned in the previous paragraphs, other ACS Group companies have guarantees and commitments in relation to bonding lines arranged as security for the execution of transactions performed by ACS Group companies in the United States, Canada and the United Kingdom with various insurance companies, amounting to EUR 3,797,913 thousand (EUR 3,310,149 thousand at 31 December 2013).

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 unincorporated joint ventures 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.

All of the project financing, including that recognised under "Non-current assets in projects" as well as that recognised under "Non-current asset held for sale and discontinued operations" on the accompanying consolidated statement of financial position, whether fully consolidated or consolidated using the equity method, have construction guarantees until their entry into service.

In this connection the Group, in its construction activity has income recognition policies in place based on the collection certainty, in accordance with the contractual conditions of the agreements it executes. However, as indicated in Note 12, there are certain outstanding balances receivable which are under dispute with the corresponding customers and even, particularly with regard to international works, which require certain necessary experts to intermediate as arbitration processes have commenced to resolve them. For 2014 this heading includes the provision for Leighton. As part of the year-end review of the recoverability of trade and other receivables, the Group has detected the need to make a provision for the amount of EUR 458,457 thousand (AUD 675,0 million). This amount was calculated based on the client portfolio and considers the residual value of the risks evaluated through their exposure due to the potential non-recovery of pending receivables. The Group continues to maintain its collection rights in each individually considered project, and undertakes to pursue the recovery of all outstanding amounts.

Lastly, the various Group companies are exposed to the risk of having court and out-of-courts claims filed against them. In this connection, Alazor Inversiones, S.A. (Alazor), the sole shareholder of Accesos de Madrid, C.E.S.A., the company awarded the Radial 3 and Radial 5 (R3 and R5) concessions, pursuant to the shareholder agreements entered into at the time, the "non-constructing shareholders" of Alazor have a potential sale option right over their shares with regard to the "construction shareholders", among which ACS is included.

The Group and its legal advisors consider that the circumstances envisaged contractually in order for the aforementioned option to no longer be effective or for it no longer to be in force, have been met and, therefore, no financial liability has been recognised in that regard. Accordingly, the aforementioned concession companies have suffered significant losses since their entry into service, with the consequent alteration of the financial and economic equilibrium envisaged in the concession and problems settling their financial liabilities and, thus, Alazor and Accesos de Madrid are subject to insolvency proceedings. Given the interpretation discrepancies, an arbitration process was initiated and a decision was ruled on 20 May 2014 which found in favour of the Group's arguments, indicating that the exercise of the sale options

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of the non-constructing shareholders against the constructing shareholders was invalid. An appeal for annulment was filed against this decision, which is currently pending before the Madrid Superior Court of Justice. In these cases, the Company's directors consider that the possible effect on the consolidated financial statements would not be material.

The ACS Group's consolidated financial statements for 2014 include a provision for the full amount of the ACS Group's investment in Alazor, as well as the receivables from Alazor. For the reasons stated above, no liability was recognised for the sale option, which, in any case, would not be material with regard to the ACS Group's financial statements. In this connection, in February 2014 notification was received that enforcement proceedings had been initiated regarding the guarantees granted to ACS, Actividades de Construcción y Servicios, S.A., amounting to EUR 73,350 thousand (which includes both the principal and the interest). An initial challenge was filed against the claim for said enforcement proceeding, on formal grounds, which was rejected by the judicial order of 20 October 2014, thus ordering the enforcement to continue. The decision on the merits of the matter is currently pending, and the Company believes that the outcome will be positive. Likewise, certain creditors filed a claim against the Group, and others, for the contribution of funds. This claim was rejected at first instance by the judgment of 25 July 2014, against which the claimants have filed an appeal to the higher judicial authorities. The Company likewise considers that this will be resolved in its favour.

The Spanish National Markets and Competition Commission (Comisión Nacional de Mercados y de la Competencia – CNMC) released on 15 January 2015 a ruling imposing a penalty of EUR 23,289 thousand to certain ACS Group companies, Urbaser and Sertego, as CNMC found that they followed competition-restricting practices in the Waste Management industry (urban and industrial waste and paper and cardboard recovery) and in the Urban Sanitation Industry. The ACS Group and its legal advisors believe that no competition-restrictive practice has been followed, so it will appeal this ruling before the competent court, for which reason no liability has been recorded in this respect.

In relation to the ownership interest held by Hochtief, A.G. in the Budapest airport, the non-controlling shareholders had the option to sell their interest in the event of a change of control in Hochtief, at a price that would be set by a third party. The arbitration proceeding pursued by one of the non-controlling shareholders in 2011 was resolved in 2014 with an insignificant sum in relation to the consolidated accounts of the ACS Group. On 27 September 2013, the sale of Hochtief's indirect ownership interest in the Budapest airport was closed and, therefore, the risk of financial debt consolidation disappeared.

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. The environmental policy of ACS 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 following is a table outlining the main common features of ACS Group company management models and summarising their initiatives and degree of implementation:

LEVEL OF IMPLEMENTATION OF GOOD ENVIRONMENTAL MANAGEMENT PRACTICES IN THE ACS GROUP

Expressed as % of sales	2013	2014
Implementation of an environmental management system	98.1%	97.7%
Implementation of ISO 14001 certification	65.7%	63.9%
Implementation of certifications other than ISO 14001	11.2%	1.2%
Existence of specific targets for reducing CO_2 emissions	71.8%	73.1%
Execution of projects to reduce waste generation	93.0%	94.1%
Existence of plans to reduce water consumption	81.0%	81.3%
Setting of objectives to minimise the impact of the company's activities on biodiversity	57.6%	15.7%
The remuneration of workers, middle management and/or executives is linked to the achievement of formal environmental objectives	17.4%	16.9%
There is some kind of non-economic incentive/recognition for the achievement of formal environmental objectives	46.5%	42.0%
The environmental management system has been audited by an external independent third party	98.1%	97.7%
Number of environmental audits carried out in your company	2.182	1.183
Number of environmental incidents which occurred	731	860
Existence of a system for collecting data on environmental near misses	81.1%	79.2%
Existence of a centralised database to collect data on environmental matters	77.5%	88.8%

The significant level of implementation of an environmental management system, present in companies representing 97.72% 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 implemented in 63.89% of ACS Group sales.

The responsibility of overseeing the ACS Group's environmental performance falls to the Environmental Department in each company. In general, and as summarised in the Management Principles table, 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
- They implement projects for certification and/or independent external auditing
- They carry out environmental audits.
- They have some type of centralised database to collect environmental data.
- They have an incident reporting system for detailing near misses relating to environmental matters.

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Specifically and operationally, the key environmental measures revolve around four key risks regarding which the ACS Group explicitly positions itself: the fight against climate change, fostering of eco-efficiency, saving water and respect for biodiversity:

MAIN MANAGEMENT INDICATORS - ENVIRONMENT

	2013	2014
Percentage of sales covered by ISO 14001 Certification	65.7%	63.9%
Total Water consumption (m^3)	18,460,840	20,152,730
Ratio: m^3 of Water / Sales (€ million)	465.9	566.7
Direct emissions (Scope 1) (tCO_2 equiv.)	3,771,674	5,798,392
Scope 1 Carbon Intensity Ratio: Emissions / Sales (€ million)	95.2	163.0
Indirect emissions (Scope 2) (tCO_2 equiv.)	302,158	463,901
Scope 2 Carbon Intensity Ratio: Emissions / Sales (€ million)	7.6	13.0
Indirect emissions (Scope 3*) (tCO_2 equiv.)	7,103,265	10,718,982
Scope 3* Carbon Intensity Ratio: Emissions / Sales (€ million)	179.3	301.4
Total Emissions (tCO_2 equiv.)	11,177,096	16,981,275
Total Carbon Intensity Ratio: Total Emissions / Sales (€ million)	282.1	477.5
Non-hazardous waste sent for management (t)	3,115,431	8,746,743
Ratio: Tonnes of non-hazardous waste / Sales (€ million)	78.6	246.0
Hazardous waste sent for management (t)	268,137	176,526
Ratio: Tonnes of hazardous waste / Sales (€ million)	6.8	5.0

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 2014, the value of these assets, net of depreciation, was EUR 25,326 thousand (EUR 21,499 thousand in 2013).

Environmental expenses incurred in 2014 amounted to EUR 1,601 thousand (EUR 1,561 thousand in 2013).

38. AUDITORS' FEES

The fees for financial audit services provided to the various companies in 2014 and 2013 were as follows:

Thousands of euros	2014	2013
Audit service fees	**13,948**	**12,986**
Main auditor	11,543	11,005
Other auditors	2,405	1,981
Fees for tax services	**3,296**	**871**
Main auditor	85	493
Other auditors	3,211	378
Other services	**7,962**	**1,763**
Main auditor	2,049	1,572
Other auditors	5,913	191
Total	**25,206**	**15,620**

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.

1 The environmental information of the ACS Group includes information on Leighton. In 2013 this includes information from January 2013 to December 2013 (inclusive), in 2014 is includes information spanning from July 2013 to June 2014 (inclusive). The information in this tale referring to Leighton is (for the period July 2013 to June 2014): ISO 14001 (100%), Emissions Scope 1 CO_2: (5,362,111 tons). Emissions Scope 2 CO_2: (271,610 tons). Emissions Scope 3 CO_2: (2,747,782 tons).

Hazardous and non-hazardous waste in Hochtief in 2014 amounted to 150,363 tons and 8,213,595 tons respectively. These figures include data from Leighton.

In terms of reported water consumption, an increase has been recorded due to the expansion of Cobra international activity. Likewise, the data does not include information on Leighton given that the data available are estimates based on the cost of the reource. Consumption estimated under this method by Leighton was 12.5 million m3 in 2013 and 37 million m3 in 2014.

This report has used a CO_2 emissions accoutnign methodology for every year, for which reason Urbaser classifies emissions in waste and water treatment centres as indirect, of Scope 3, due to not having ownership or operational control within these facilities, as contained in GHG Protocol international standards (appendix F) and EPE Protocol (waste secto methodology) which Urbaser has applied for the calculation of the Carbon Footprint. As owner of the facilities, the Public Administration imposes the operational requirements, while management companies only operate them temporarily.

Scope 3 emissions include those calculated for employee travel. Likewise, for Hochtief and Leighton those calculated for the Supply Chain are included (Cement, Wood, Waste and Iron).

APPENDICES

As stated in Note 02 to the financial statements, Appendices I, II, and III list the subsidiaries, joint agreements and relevant associates in the ACS Group in 2014, 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 proportionate 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 Construcción 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 (motorways 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 Americas** – 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 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
PARENT		
ACS, Actividades de Construcción y Servicios, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain.	-
ACS Actividades Finance 2, B.V.	Herikerbergweg, 238.Amsterdam. Holland.	100.00%
ACS Actividades Finance, B.V.	Amsterdam. Holland.	100.00%
ACS Telefonía Móvil, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain.	100.00%
Admirabilia, S.L.U.	Avda. de Pio XII, 102. 28036 Madrid. Spain	100.00%
Binding Statement, S.A.	Avda. Pío XII, 102.Madrid 28036. Spain	100.00%
Cariátide, S.A.	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.A.	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%
Residencial Monte Carmelo, S.A.U.	Avda. de Pío XII, 102. 28036 Madrid. Spain.	100.00%
Statement Structure, S.A.	Avda. Pío XII, 102.Madrid 28036. Spain	100.00%
CONSTRUCTION - DRAGADOS		
Acainsa, S.A.	C/ Orense, 34-1º. 28020 Madrid. Spain	100.00%
Aparcamiento Tramo C. Rambla-Coslada, S.L.	C/ Orense, 34-1º. 28020 Madrid. Spain	100.00%
Besalco Dragados, S.A.	Avda. Tajamar nº 183 piso 1º Las Condes. Santiago de Chile. Chile	50.00%
Cesionaria Vallés Occidental, S.A.	Avda. Josep Tarradellas, nº 8-10. 08029 Barcelona. Spain	100.00%
Comunidades Gestionadas, S.A. (COGESA)	C/ Orense, 34-1º. 28020 Madrid. Spain	100.00%
Consorcio Const. Piques y Túneles Línea 6 Metro SA	Avda. Tajamar 183, piso 5. Las Condes.Santiago de Chile. Chile	49.99%
Consorcio Constructor Bahía Chilota, S.A.	Avenida Tajamar 183, piso 5.Las Condes. Santiago. Chile	49.99%
Consorcio Constructor Puente Santa Elvira, S.A.	Avenida Tajamar 183, piso 5. Las Condes.Santiago. Chile.	49.99%
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.Atenas. Greece.	100.00%
Constructora Dycven, S.A.	Avda Veracruz Edif. Torreón, Piso 3 Ofic 3-B, 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 Infraestructures UK, Ltd.	Regina House second floor, 1-5 Queen Street.Londres EC4N 15W. United Kingdom	100.00%
Drace Infrastructures USA, Llc.	701 5 th Avenue, Suite 7170 Seattle, WA 98104.Washington. United States.	100.00%
Dragados Australia PTY Ltd.	Gold Field House. One Alfred Street - Level 20, Suite 2006 - 2000 Sidney - NSW Australia	100.00%
Dragados Canadá, Inc.	150 King Street West, Suite 2103.Toronto ON. Canada.	100.00%
Dragados Construction USA, Inc.	810 Seventh Ave. 9th Fl.New York, NY 10019. United States.	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 México 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.	810 Seventh Ave. 9th Fl.New York, NY 10019. United States.	100.00%
Dragados, S.A.	Avda. del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Dycasa S.A.	Avda.Leandro N.Alem.986 Piso 4º.Buenos Aires Argentina	66.10%
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. Londrés SE10 0ER. UK	100.00%
Geocisa USA Inc.	810 Seventh Ave. 9th Fl.New York, NY 10019. United States.	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 1º. 28020 Madrid. Spain	100.00%
Inmobiliaria Alabega, S.A.	C/ Orense, 34-1º. 28020 Madrid. Spain	100.00%
J.F. White Contracting Company	10 Burr Street, Framingham, MA 01701. United States.	100.00%
John P. Picone Inc.	31 Garden Lane. Lawrence.NY 11559 United States.	100.00%
Lining Precast, L.L.C .	P.O. Box 12274.Seattle, WA 98102. United States.	100.00%
Lucampa, S.A.	C/ Orense, 34-1º. 28020 Madrid. Spain	100.00%
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	100.00%
Muelle Melbourne & Clark, S.A.	Avenida Tajamar 183, piso 5.Las Condes. Santiago. Chile	50.00%

Company	Registered Office	% Effective Ownership
Newark Real Estate Holdings, Inc.	810 Seventh Ave. 9th Fl.New York, NY 10019. United States.	100.00%
PA CONEX Sp. z.o.o.	09-500 Gostynin ul. Ziejkowa 2a. Poland	100.00%
PA Wyroby Betonowe Sp. z.o.o.	82-300 Elblag ul. Plk. Dabka 215. Poland	100.00%
Placidus Investments Sp. z.o.o.	00-728 Warszawa ul. Kierbedzia 4. Poland	60.00%
POLAQUA Wostok Sp. z.o.o.	115184 Moscow ul. Nowokuznieckaja 9. Russia	51.00%
Prince Contracting, LLC.	10210 Highland Manor Drive, Suite 110.Tampa, FL, 33610. United States.	100.00%
Protide, S.A.	C/ Orense,34-1º 28020 Madrid - Spain	100.00%
Pulice Construction, Inc.	2033 W Mountain View Rd. Phoenix. AZ 85021Phoenix. United States.	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. 3rd Fl.New Jersey 07068. United States.	100.00%
Sicsa Rail Transport, S.A.	C/ Orense, 11. 28020 Madrid. Spain	76.00%
Subgrupo POLAQUA Sp. z o. o.	Dworska 1, 05-500 Piaseczno (Wólka Kozodawska). Poland.	100.00%
Sussex Realty, Llc.	31 Garden Lane Lawrence, NY 11559. EE.UU.	100.00%
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	100.00%
Tecsa Empresa Constructora, S.A.	Avda. Madariaga 1.48014 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 2103.Toronto ON. Canada.	100.00%
Vias USA Inc.	2711 Centerville Road, Suite 400, Wilmington.New Castle. Delaware. United States.	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	100.00%
CONSTRUCTION - IRIDIUM (Concessions)		
ACS Infraestructuras Perú SAC	Urbanización Orrantia, Avenida 2 de Mayo, nº 1321.San Isidro. Lima. Peru.	100.00%
ACS Infrastructure Australia PTY LTD	Suite 2006, Level 20, Gold Fields House 1 Alfred Street. Sydney 2000.New South Wales (NSW). Australia.	100.00%
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.	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 OLRT Holdings INC.	100 King Street West, Suite 6000.Toronto , Ontario M5X 1E2. Canada.	100.00%
ACS RT Maintenance Partner INC.	100 King Street West, Suite 6000.Toronto , Ontario M5X 1E2. Canada.	100.00%
ACS RTG Partner INC.	100 King Street West, Suite 6000.Toronto , Ontario M5X 1E2. Canada.	100.00%
ACS WEP Holdings, Inc.	1 Germain Street Suite 1500.Saint John NB E2L4V1. Canada.	100.00%
Autovia del Camp del Turia, S.A.	C/ Alvaro de Bazán, nº 10 Entlo. 46010 Valencia. Spain	65.00%
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%
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.	Avenida del Camino de Santiago, 50. 28050 Madrid. Spain.	100.00%
Desarrollo de Concesionarias Viarias Uno, S.L.	Avenida del Camino de Santiago, 50. 28050 Madrid. Spain.	100.00%
Desarrollo de Concesiones Ferroviarias, S.L.	Avenida 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.	Unit 3B, Bracken Business Park, Bracken Road, Sandyford Dublin 18. R. Ireland	100.00%
Estacionament Centre Direccional, S.A.	Avenida de la Universitat, s/n. 43206 Reus. Tarragona. Spain.	100.00%
Explotación Comercial de Intercambiadores, S.A.	Avda. de America, 9A (Intercambiador de Tptes)28002 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.	Avenida Filipinas, s/n esquina Avenida 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.	100.00%
Iridium Aparcamientos, S.L.	Avda. Camino de Santigo, 50 - 28050 Madrid. Spain.	100.00%
Iridium Colombia Concesiones Viarias, SAS	Carrera 16 No. 95-70, Oficina 701, Código Postal 110221.Bogotá. Colombia.	100.00%
Iridium Colombia Desarrollo de Infraestructuras	Carrera 16 No. 95-70, Oficina 701, Código Postal 110221.Bogotá. Colombia.	100.00%
Iridium Concesiones de Infraestructuras, S.A.	Avenida del Camino de Santiago, nº 50. 28050 Madrid. Spain.	100.00%
Iridium Nouvelle Autoroute 30, Inc.	1, Place Ville-Marie 37e étage Montreal. Quebec H3B 3P4. Canada	100.00%
Iridium Portlaoise Ireland Limited	Unit 3B, Bracken Business Park, Bracken Road, Sandyford Dublin 18. R. Ireland	100.00%
Marestrada-Operações e Manutenção Rodoviária, S.A.	Rua Julieta Ferrão, nº 10 – 6º andar 1600-131 Lisboa. Portugal	70.00%

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Company	Registered Office	% Effective Ownership
Parking Mérida III, S.A.U.	Avenida Lusitania, 15 1º Puerta 7.Mérida. Badajoz. Spain.	100.00%
Parking Nou Hospital del Camp, S.L.	Avenida de la Universitat, s/n.43206 Reus. Tarragona. Spain.	100.00%
Parking Palau de Fires, S.L.	Avenida de la Universitat, s/n.Spain. 43206 Reus. Tarragona.	100.00%
PLANESTRADA - Operação e Manutenção Rodoviária, SA	CAM Grândola EN120 – Bairro da Tirana 7570 Grândola . Portugal.	70.00%
Servicios Transportes Equipamientos Públicos S.L.	Avenida del Camino de Santiago 50 Edif 1 Pl 1.28050 Madrid. Spain.	100.00%
The Currituck Development Group, Llc.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street. Wilmington New Castle. Delaware 19801. United States.	100.00%
CONSTRUCTION - HOCHTIEF		
Hochtief Aktiengesellschaft	Essen, Germany	61.44%
Beggen PropCo Sàrl	Strassen, Luxemburg	61.44%
Builders Direct SA	Luxemburg, Luxemburg	61.44%
Builders Insurance Holdings S.A.	Steinfort, Luxemburg	61.44%
Builders Reinsurance S.A.	Steinfort, Luxemburg	61.44%
Contractors Reinsurance S.A.	Luxemburg, Luxemburg	61.44%
Eurafrica Baugesellschaft mbH	Essen, Germany	61.44%
HOCHTIEF Concessions India Private Limited	Haryana, India	61.44%
HOCHTIEF Insurance Broking and Risk Management Solutions GmbH	Essen, Germany	61.44%
Independent (Re)insurance Services S.A.	Luxemburg, Luxemburg	61.44%
Steinfort Capital Growth SICAV-SIF	Bertrange, Luxemburg	61.44%
Steinfort Fund of Funds SICAV-SIF	Hesperingen, Luxemburg	61.44%
Steinfort Propco Sàrl	Strassen, Luxemburg	61.44%
Vintage Real Estate HoldCo Sàrl	Strassen, Luxemburg	61.44%
HOCHTIEF Americas		
2501 Constructors LLC	DC, United States	61.44%
Auburndale Company, Inc.	Ohio, United States	61.44%
Audubon Bridge Constructors	New Roads, United States	33.18%
Bethesda View Constructors LLC	Maryland, United States	61.44%
Canadian Turner Construction Company (Nova Scotia)	Nova Scotia, Canada	61.44%
Canadian Turner Construction Company Ltd.	Markham, Canada	61.44%
Capitol Building Services LLC	Maryland, United States	61.44%
Caribbean Operations, Inc.	Delaware, United States	61.44%
CB Finco Corporation	Alberta, Canada	31.34%
CB Resources Corporation	Alberta, Canada	31.34%
Clark Builders Partnership Corporation	Alberta, Canada	31.34%
E. E. Cruz and Company Inc.	Holmdel, United States	61.44%
Facilities Management Solutions, LLC	Delaware, United States	61.44%
FCI Constructors/Balfour Beatty	San Marco, United States	43.01%
FECO Equipment	Denver, United States	61.44%
Flatiron Construction Corp.	Wilmington, United States	61.44%
Flatiron Construction International LLC	Wilmington, United States	61.44%
Flatiron Constructors Canada Limited	Vancouver, Canada	61.44%
Flatiron Constructors Inc.	Wilmington, United States	61.44%
Flatiron Constructors Inc. Canadian Branch	Vancouver, Canada	61.44%
Flatiron Constructors, Inc.-Blythe Development Company	Firestone, United States	36.87%
Flatiron Electric AL Group	Wilmington, United States	61.44%
Flatiron Equipment Company Canada	Calgary, Canada	61.44%
Flatiron Holding Inc.	Wilmington, United States	61.44%
Flatiron Parsons	Los Angeles, United States	43.01%
Flatiron West Inc.	Wilmington, United States	61.44%
Flatiron/Turner Construction of New York LLC	New York, United States	61.44%
Flatiron/United	Chocowinity, United States	36.87%
Flatiron-Blythe Development Company	Firestone, United States	43.01%
Flatiron-Lane	Longmont, United States	33.79%
Flatiron-Manson	Minneapolis, United States	43.01%
Flatiron-Tidewater Skanska	Tampa, United States	36.87%
Flatiron-Zachry	Firestone, United States	33.79%
Henry Street Builders, LLC	Virginia, United States	61.44%
HOCHTIEF Americas GmbH	Essen, Germany	61.44%
HOCHTIEF Argentina S.A.	Buenos Aires, Argentina	61.44%

Company	Registered Office	% Effective Ownership
HOCHTIEF United States INC.	Dallas, United States	61.44%
HT CONSTRUCTION INC.	Dover, United States	61.44%
Lacona, Inc.	Tennessee, United States	61.44%
Maple Red Insurance Company	Vermont, United States	61.44%
McKissack & McKissack, Turner, Tompkins, Gilford JV(MLK Jr. Memorial)	New York, United States	33.79%
Metacon Technology Solutions, LLC	Texas, United States	61.44%
Mideast Construction Services, Inc.	Delaware, United States	61.44%
Misener Constru-Marina S.A. de C.V.	Ciudad Juarez, Mexico	61.44%
Misener Servicios S.A. de D.V.	Ciudad Juarez, Mexico	61.44%
North Carolina Constructors	Longmont, United States	36.87%
O'Brien Edwards/Turner Joint Venture	New York, United States	30.72%
Offshore Services, Inc.	Delaware, United States	61.44%
OMM Inc.	Plantation, United States	61.44%
Saddleback Constructors	Mission Viejo, United States	33.18%
Services Products Buildings, Inc.	Ohio, United States	61.44%
TC Professional Services, LLC	Delaware, United States	61.44%
TCCO of South Carolina, LLC	South Carolina, United States	61.44%
TGS/SamCorp JV (Paso del Norte - Port of Entry)	New York, United States	61.44%
The Lathrop Company, Inc.	Delaware, United States	61.44%
The Turner Corporation	Dallas, United States	61.44%
Tompkins Builders, Inc.	Washington, United States	61.44%
Tompkins Turner Grunley Kinsley JV (C4ISR Aberdeen)	District of Columbia, United States	31.34%
Tompkins/Ballard JV (Richmond City Jail)	District of Columbia, United States	46.08%
Tompkins/Gilford JV (Prince George's Community College Center)	District of Columbia, United States	43.01%
Turner (East Asia) Pte. Ltd.	Singapore	61.44%
Turner Alpha Limited	Trinidad, Trinidad y Tobago	43.01%
Turner Canada Holdings Inc.	New Brunswick, Canada	61.44%
Turner Caribe, Inc.	Delaware, United States	61.44%
Turner Cayman Ltd.	United Kingdom	61.44%
Turner Construction Company	New York, United States	61.44%
Turner Construction Company - Singapore (US)	Singapore	61.44%
Turner Construction Company of Indiana, LLC	Indiana, United States	61.44%
Turner Construction Company of Ohio LLC	Ohio, United States	61.44%
Turner Cornerstone Korea	South Korea	61.44%
Turner Cross Management (Blackrock)	New York, United States	36.87%
Turner Cross Management IV (Blackrock Wilmington 400 Bellevue)	New York, United States	43.01%
Turner Davis JV (Laurelwood/Rowney)	New York, United States	31.34%
Turner Development Corporation	Delaware, United States	61.44%
Turner Harmon JV (Clarian Hospital - Fishers)	New York, United States	46.08%
Turner HGR JV(Smith County Jail-Precon/Early Release)	New York, United States	36.87%
Turner International (East Asia) Pte. Limited	SriLanka	61.44%
Turner International (Hong Kong) Limited	Hong Kong	61.44%
Turner International (UK) Ltd.	London, United Kingdom	61.44%
Turner International Industries, Inc.	Delaware, United States	61.44%
Turner International Korea LLC	Corea del Sur	61.44%
Turner International Limited	Bermuda, United States	61.44%
Turner International LLC	Delaware, United States	61.44%
Turner International Malasia SDN BHD	Malasia	61.44%
Turner International Mexico SRL	United States	61.44%
Turner International Professional Services, S. De R. L. De C. V	Mexico	61.44%
Turner International Pte. Limited	Singapore	61.44%
Turner International Support Services, S. De R. L. De C. V.	Mexico	61.44%
Turner Lee Lewis (Lubbock Hotel)	New York, United States	36.87%
Turner Logistics Canada Ltd.	New Brunswick, Canada	61.44%
Turner Logistics, LLC	Delaware, United States	61.44%
Turner Management Consulting (Shanghai) Co. Ltd.	Shanghai, China	61.44%
Turner Partnership Holdings Inc.	New Brunswick, Canada	61.44%
Turner Project Management India Private Ltd.	India	61.44%
Turner Regency	New York, United States	31.34%

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Company	Registered Office	% Effective Ownership
Turner Sabinal JV	New York, United States	49.15%
Turner Southeast Europe d.o.o Beograd	Belgrado, Serbia	61.44%
Turner Support Services, Inc.	Delaware, United States	61.44%
Turner Surety & Insurance Brokerage Inc.	New Jersey, United States	61.44%
Turner Trotter II (IPS Washington School)	New York, United States	30.72%
Turner Trotter JV (Clarian Fishers Medical Center)	New York, United States	46.08%
Turner Vietnam Co. Ltd.	Vietnam	61.44%
Turner/ADCo DTA (OUSD downtown education center)	New York, United States	43.01%
Turner/Con-Real - Forest/JV	New York, United States	36.87%
Turner/Con-Real (Tarratn County college District SE Campus New Wing)	New York, United States	43.01%
Turner/CON-REAL-University of Arkansas	Texas, United States	31.34%
Turner/Hallmark JV1 (Beaumont ISD Athletic Complex)	New York, United States	61.44%
Turner/HGR	Texas, United States	31.34%
Turner/Hoist	District of Columbia, United States	31.34%
Turner/HSC JV (Cooper University Hospital)	New York, United States	43.01%
Turner/JGM JV (Proposition Q)	New York, United States	41.17%
Turner/Ozanne/VAA	Atlanta, United States	31.34%
Turner/Trevino JV1 (HISD Program Management)	New York, United States	39.94%
Turner/White JV (Sinai Grace Hospital)	New York, United States	36.87%
Turner-Arellano Joint Venture	New York, United States	36.87%
Turner-Davis Atlanta Airport Joint Venture (Hartsfield Jackson Intnl Ariport DOA Secutiry Office Renovation)	New York, United States	36.87%
Turner-Kiewit JV	New York, United States	36.87%
Turner-Marhnos S A P I De CV	Mexico City, Mexico	31.34%
Turner-Penick JV (US Marine Corp BEQ Pkg 4 & 7)	New York, United States	36.87%
Turner-Powers & Sons (Lake Central School Corporation)	New York, United States	36.87%
Turner-SG Contracting	Atlanta, United States	46.08%
Turner-Tooles JV (Cobo Conference Center)	New York, United States	49.15%
Universal Construction Company, Inc.	Delaware, United States	61.44%
West Coast Rail Constructors	San Marco, United States	39.94%
White/Turner Joint Venture (New Munger PK-8)	New York, United States	30.72%
White/Turner Joint Venture Team (DPS Mumford High School)	New York, United States	30.72%
White-Turner JV (City of Detroit Public Safety)	New York, United States	30.72%
HOCHTIEF Asia Pacific		
111 Margaret Street Pty Limited	Victoria, Australia	21.82%
145 Ann Street Pty. Ltd.	Australia	42.78%
145 Ann Street Trust	Australia	42.78%
512 Wickham Street Pty. Ltd.	Australia	42.78%
512 Wickham Street Trust	Australia	42.78%
A.C.N. 126 130 738 Pty. Ltd.	Australia	42.78%
A.C.N. 151 868 601 Pty Ltd	Victoria, Australia	42.78%
A.C.N. 601 639 810 Pty Ltd	Australia	42.78%
ACN 112 829 624 Pty Ltd	Australia	42.78%
Ashmore Developments Pty Limited	Australia	42.78%
Ausindo Holdings Pte. Ltd.	Singapore	42.78%
Boggo Road Project Pty Limited	Australia	42.78%
Boggo Road Project Trust	Queensland, Australia	42.78%
BOS Australia Pty. Ltd.	South Bank, Australia	42.78%
Broad Construction Services (NSW/VIC) Pty. Ltd.	Newcastle, Australia	42.78%
Broad Construction Services (QLD) Pty. Ltd.	Gold Coast, Australia	42.78%
Broad Construction Services (WA) Pty Ltd.	Australia	42.78%
Broad Group Holdings Pty. Ltd.	Perth, Australia	42.78%
Devine Bacchus Marsh Pty Limited	WA, Australia	21.82%
Devine Building Management Services Pty Ltd	Australia	21.82%
Devine Constructions Pty Limited	Queensland, Australia	21.82%
Devine Funds Pty Limited	Queensland, Australia	21.82%
Devine Funds Unit Trust	Victoria, Australia	21.82%
Devine Homes Pty Limited	Australia	21.82%
Devine Land Pty Limited	Queensland, Australia	21.82%

Company	Registered Office	% Effective Ownership
Devine Ltd.	Brisbane, Australia	21.82%
Devine Management Services Pty Limited	Queensland, Australia	21.82%
Devine Projects (VIC) Pty Ltd	Australia	21.82%
Devine Queensland No. 10 Pty Limited	Queensland, Australia	21.82%
Devine SA Land Pty Ltd	Australia	21.82%
Devine Springwood No. 1 Pty Limited	Queensland, Australia	21.82%
Devine Springwood No. 2 Pty Limited	NSW, Australia	21.82%
Devine Springwood No. 3 Pty Ltd.	Australia	21.82%
Devine Woodforde Pty Ltd	Australia	21.82%
DMB Pty Limited	Queensland, Australia	21.82%
DoubleOne 3 Building Management Services Pty Ltd	Australia	21.82%
DoubleOne 3 Pty Ltd	Australia	21.82%
Emrail-Leighton Joint Venture	Malasia	42.78%
Ewenissa Pty Ltd.	Sydney, Australia	42.78%
Fleetco Finance Pty. Ltd.	Australia	42.78%
Fleetco Holdings Pty. Ltd.	Australia	42.78%
Fleetco Management Pty. Ltd.	Australia	42.78%
Fleetco Rentals No.1 Pty. Ltd.	Australia	42.78%
Fleetco Rentals Pty. Ltd.	Australia	42.78%
Fleetco Services Pty. Ltd.	Australia	42.78%
Giddens Investment Ltd.	Hong Kong	42.78%
Green Construction Company	Wilmington, United States	42.78%
Gridcomm Pty. Ltd.	Melbourne, Australia	42.78%
Hamilton Harbour	Australia	32.09%
Hamilton Harbour Unit Trust (Devine Hamilton Unit Trust)	Australia	32.09%
HOCHTIEF Asia Pacific GmbH	Essen, Germany	61.44%
HOCHTIEF AUSTRALIA HOLDINGS LIMITED	Sydney, Australia	61.44%
Hunter Valley Earthmoving Co. Pty Ltd.	Rutherford, Australia	42.78%
HWE Cockatoo Pty Ltd	Australia	42.78%
HWE Maintenance Services Pty. Ltd.	Australia	42.78%
HWE Mining Pty Ltd	Australia	42.78%
HWE Newman Assets Pty Ltd	Australia	42.78%
Jarrah Wood Pty. Ltd.	Australia	42.78%
JH Rail Holdings Pty. Limited	Australia	25.24%
JH Rail Investments Pty. Limited	Australia	25.24%
JH Rail Operations Pty. Limited	Australia	25.24%
Joetel Pty. Limited	Australia	25.24%
John Holland AD Holdings Pty. Ltd.	Abbotsford, Australia	42.78%
John Holland AD Investments Pty. Ltd.	Abbotsford, Australia	42.78%
John Holland AD Operations Pty. Ltd.	Abbotsford, Australia	42.78%
John Holland Aviation Services Pty. Ltd.	Australia	42.78%
John Holland Development & Investment Pty. Ltd.	Abbotsford, Australia	42.78%
John Holland Engineering Pty. Ltd.	Australia	42.78%
John Holland Infrastructure Nominees Pty. Ltd.	Australia	42.78%
John Holland Infrastructure Pty. Ltd.	Australia	42.78%
John Holland Infrastructure Trust	Australia	42.78%
John Holland Investment Pty. Ltd.	Australia	42.78%
John Holland Services Pty. Ltd.	Australia	42.78%
Kings Square Developments Pty Ltd (100%)	Australia	42.78%
Kings Square Developments Unit Trust (100%)	Australia	42.78%
LCPL (PNG) Limited	Papua New Guinea	42.78%
Lei Shun Employment Limited	Macao, China	42.78%
Leighton (PNG) Limited	Papua New Guinea	42.78%
Leighton Admin Services Pty Ltd.	Sydney, Australia	42.78%
Leighton Africa (Mauricio) Ltd.	Mauricio	42.78%
Leighton Africa (South Africa) Pty. Ltd.	Botswana	42.78%
Leighton Africa Botswana (Proprietary) Limited	Botswana	42.78%
Leighton Africa Mozambique Limitada	Mozambique	42.78%
Leighton Arranging Pty. Ltd.	Australia	42.78%
Leighton Asia (China) Limited	Hong Kong	42.78%
Leighton Asia (Hong Kong) Holdings (No. 2) Limited	Hong Kong	42.78%

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Company	Registered Office	% Effective Ownership
Leighton Asia Ltd.	Hong Kong	42.78%
Leighton Asia Southern Pte. Ltd.	Singapore	42.78%
Leighton Companies Management Group LLC	United Arab Emirates	42.78%
Leighton Contractors (Asia) Ltd.	Hong Kong	42.78%
Leighton Contractors (China) Ltd.	Hong Kong	42.78%
Leighton Contractors (Indo-China) Ltd.	Hong Kong	42.78%
Leighton Contractors (Laos) Sole Company Ltd.	Laos	42.78%
Leighton Contractors (Malasia) Sdn. Bhd.	Malasia	42.78%
Leighton Contractors (Philippines) Inc.	Philippines	17.11%
Leighton Contractors Asia (Cambodia) Co. Ltd.	Cambodia	42.78%
Leighton Contractors Asia (Vietnam) Limited	Vietnam	42.78%
Leighton Contractors Inc.	Wilmington, United States	42.78%
Leighton Contractors Infrastructure Nominees Pty. Ltd.	Australia	42.78%
Leighton Contractors Infrastructure Pty. Ltd.	Australia	42.78%
Leighton Contractors Infrastructure Trust	Australia	42.78%
Leighton Contractors Lanka (Private) Ltd.	SriLanka	42.78%
Leighton Contractors Mauricio Ltd.	Mauricio	42.78%
Leighton Contractors Pty Ltd.	Sydney, Australia	42.78%
Leighton Engineering & Construction (Singapore) Pte Ltd	Singapore	42.78%
Leighton Engineering Joint Venture	Malaysia	29.94%
Leighton Engineering Sdn. Bhd.	Queensland, Australia	42.78%
Leighton Equity Incentive Plan Trust	Australia	42.78%
Leighton Fabrication and Modularization Ltd.	Thailand	42.78%
Leighton Finance (United States) Pty. Ltd.	Australia	42.78%
Leighton Finance International Pty Ltd.	Australia	42.78%
Leighton Finance Ltd.	Sydney, Australia	42.78%
Leighton Foundation Engineering (Asia) Ltd.	Hong Kong	42.78%
Leighton Funds Management Pty Ltd.	Sydney, Australia	42.78%
Leighton Gbs Sdn. Bhd.	Malaysia	42.78%
Leighton Geotech Ltd.	Bangkok, Tailandia	20.96%
Leighton Group Property Services No.1 Pty Ltd	Australia	42.78%
Leighton Group Property Services Pty. Ltd.	Australia	42.78%
Leighton Harbour Trust	Australia	42.78%
Leighton Holdings Infrastructure Nominees Pty. Ltd.	Australia	42.78%
Leighton Holdings Infrastructure Pty. Ltd.	Australia	42.78%
Leighton Holdings Infrastructure Trust	Australia	42.78%
Leighton Holdings Investments Pty. Ltd.	Australia	42.78%
Leighton Holdings Limited	Sydney, Australia	42.78%
Leighton India Contractors Private Ltd.	Kala Ghoda Fort, India	42.78%
Leighton Infrastructure Investments Pty. Ltd.	Sydney, Australia	42.78%
Leighton International Holdings Limited	Cayman Islands, United Kingdom	42.78%
Leighton International Ltd.	Cayman Islands, United Kingdom	42.78%
Leighton International Mauricio Holdings Limited No. 4	Mauricio	42.78%
Leighton International Projects (India) Private Limited	India	42.78%
Leighton Investments Mauricio Limited	Mauricio	42.78%
Leighton Investments Mauricio Limited No. 2	Mauricio	42.78%
Leighton Investments Mauricio Limited No. 4	Mauricio	42.78%
Leighton Joint Venture	Hong Kong	42.78%
Leighton LLC	Mongolia	42.78%
Leighton M&E Limited	Hong Kong	42.78%
Leighton Middle East and Africa (Holding) Limited	United Kingdom	42.78%
Leighton Motorway Investments No. 2 Pty. Ltd.	Sydney, Australia	42.78%
Leighton Offshore / Leighton Engineering & Construction JV	Singapore	42.78%
Leighton Offshore Australia Pty. Ltd.	Australia	42.78%
Leighton Offshore Eclipse Pte. Ltd.	Singapore	42.78%
Leighton Offshore Faulkner Pte. Ltd.	Singapore	42.78%
Leighton Offshore Mynx Pte. Ltd.	Singapore	42.78%
Leighton Offshore Pte. Ltd.	Singapore	42.78%
Leighton Offshore Sdn Bhd	Malaysia	42.78%
Leighton Offshore Stealth Pte. Ltd.	Singapore	42.78%
Leighton Pacific St Leonards Pty. Ltd.	Australia	42.78%

Company	Registered Office	% Effective Ownership
Leighton Pacific St Leonards Unit Trust	Australia	42.78%
Leighton Portfolio Services Pty Ltd.	Sydney, Australia	42.78%
Leighton PPP Services NZ Limited	New Zealand	42.78%
Leighton Projects Consulting (Shanghai) Ltd.	China	42.78%
Leighton Properties (Brisbane) Pty Ltd.	Sydney, Australia	42.78%
Leighton Properties (NSW) Pty Ltd (100%)	Australia	42.78%
Leighton Properties (VIC) Pty Ltd.	Sydney, Australia	42.78%
Leighton Properties (WA) Pty. Ltd.	Australia	42.78%
Leighton Properties Pty Ltd.	Sydney, Australia	42.78%
Leighton Property Funds Management Ltd.	Sydney, Australia	42.78%
Leighton Property Management Pty Ltd.	Sydney, Australia	42.78%
Leighton Residential Investments Pty. Ltd.	Australia	42.78%
Leighton Staff Shares Pty Ltd.	Sydney, Australia	42.78%
Leighton Superannuation Pty. Ltd.	Australia	42.78%
Leighton United States Inc.	United States	42.78%
Leighton-LNS Joint Venture	Hong Kong	34.22%
LH Holdings Co Pty. Ltd.	Australia	42.78%
LMENA No. 1 Pty. Ltd.	Australia	42.78%
LMENA Pty. Ltd.	Australia	42.78%
LNWR Pty Limited	Australia	42.78%
LPWRAP Pty. Ltd.	Australia	42.78%
LS Midco Pty Ltd	Australia	21.39%
LS NewCo Pty Ltd	Australia	42.78%
Martox Pty. Ltd.	Australia	25.24%
Mode Apartments Pty. Ltd.	Australia	21.82%
Mode Apartments Unit Trust	Australia	21.82%
Moonamang Joint Venture Pty. Ltd.	Australia	42.78%
Moorookyle Devine Pty Limited	Victoria, Australia	21.82%
Nestdeen Pyt. Ltd.	Australia	42.78%
Nexus Point Solutions Pty. Ltd.	Sydney, Australia	42.78%
Opal Insurance (Singapore) Pte Ltd.	Singapore	42.78%
Pacific Partnerships Holdings Pty Ltd	Australia	42.78%
Pacific Partnerships Investments Pty Ltd	Australia	42.78%
Pacific Partnerships Pty Ltd	Australia	42.78%
Pioneer Homes Australia Pty Limited	Queensland, Australia	21.82%
Plant & Equipment Leasing Pty Ltd.	Sydney, Australia	42.78%
PT Cinere Serpong Jaya	Indonesia	40.64%
PT Leighton Contractors Indonesia	Indonesia	42.78%
PT Ngawi Kertosono Jaya	Indonesia	40.64%
PT Solo Ngawi Jaya	Indonesia	40.64%
PT Thiess Contractors Indonesia	Jakarta, Indonesia	42.78%
Queens Square Pty Ltd	Australia	42.78%
River Links Developments Pty. Ltd.	Australia	42.78%
Riverstone Rise Gladstone Pty Ltd	Australia	21.82%
Riverstone Rise Gladstone Unit Trust	Australia	21.82%
Silverton Group Pty. Ltd.	Australia	42.78%
Sustaining Works Pty Limited	Australia	42.78%
Talcliff Pty Limited	Queensland, Australia	21.82%
Technical Resources Pty Ltd.	Sydney, Australia	42.78%
Telecommunication Infrastructure Pty. Ltd.	Abbotsford, Australia	42.78%
Thai Leighton Ltd.	Bangkok, Thailand	20.96%
Thiess (Mauricio) Pty. Ltd.	Mauricio	42.78%
Thiess Contractors (Malasia) Sdn. Bhd.	Kuala Lumpur, Malaysia	42.78%
Thiess Contractors (PNG) Ltd.	Papua New Guinea	42.78%
Thiess Contractors Canada Ltd	Canada	42.78%
Thiess India Pvt Ltd	India	42.78%
Thiess Infraco Pty. Limited	Australia	42.78%
Thiess Infrastructure Nominees Pty. Ltd.	Australia	42.78%
Thiess Infrastructure Pty. Ltd.	Australia	42.78%
Thiess Infrastructure Trust	Australia	42.78%
Thiess Minecs India Pvt. Ltd.	India	38.50%

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Company	Registered Office	% Effective Ownership
Thiess Mining Maintenance Pty. Ltd.	South Bank, Australia	42.78%
Thiess NC	Nueva Caledonia	42.78%
Thiess NZ Limited	Auckland, New Zealand	42.78%
Thiess Pty Ltd.	South Bank, Australia	42.78%
Thiess Services John Holland Services Joint Venture	Australia	42.78%
Thiess Southland Pty Ltd.	South Bank, Australia	42.78%
Think Consulting Group Pty. Ltd.	Australia	42.78%
Townsville City Project Pty Ltd	Australia	32.09%
Townsville City Project Trust	Australia	32.09%
Trafalgar EB Pty Ltd	Australia	21.82%
Tribune SB Pty Ltd	Australia	21.82%
Victoria Point Docklands Pty. Ltd.	Australia	21.82%
Western Port Highway Trust	Australia	42.78%
Woodforde JV Pty Ltd	Australia	21.82%
Yoltax Pty. Limited	Australia	25.24%
Zelmex Pty. Limited	Australia	25.24%
HOCHTIEF EUROPE		
A.L.E.X.-Bau GmbH	Essen, Germany	61.44%
ACL Investment a.s.	Praga, Chequia	61.44%
AVN Chile Fünfte Holding GmbH	Essen, Germany	61.44%
AVN Chile Vierte Holding GmbH	Essen, Germany	61.44%
Constructora Cheves S.A.C.	Lima, Peru	39.94%
Constructora HOCHTIEF - TECSA S.A.	Santiago de Chile, Chile	43.01%
Constructora Nuevo Maipo S.A.	Santiago de Chile, Chile	43.01%
Copernicus 5B Sp. z o.o.	Warschau, Poland	61.44%
Copernicus Apartments Sp. z o.o.	Warschau, Poland	61.44%
Copernicus B1 Sp. z o.o.	Warschau, Poland	61.44%
Copernicus D Sp. z o.o.	Warschau, Poland	61.44%
Copernicus Development Sp. z o.o.	Warschau, Poland	61.44%
Copernicus JV B.V.	Amsterdam, Netherlands	61.44%
Deutsche Bau- und Siedlungs-Gesellschaft mbH	Essen, Germany	61.44%
Deutsche Baumanagement GmbH	Essen, Germany	61.44%
Euripus s.r.o.	Praga, Czech Republic	61.44%
FM Holding GmbH i.L.	Essen, Germany	61.44%
forum am Hirschgarten Nord GmbH & Co. KG	Essen, Germany	61.44%
forum am Hirschgarten Süd GmbH & Co. KG	Essen, Germany	61.44%
Grundstücksgesellschaft Köbis Dreieck GmbH & Co. Development KG	Essen, Germany	55.30%
GVG mbH & Co. Objekt RPU Berlin 2 KG	Essen, Germany	57.76%
HOCHTIEF (UK) Construction Ltd.	Swindon, United Kingdom	61.44%
HOCHTIEF A5 Holding GmbH	Wien, Austria	61.44%
HOCHTIEF ABC Schools Partner Inc.	Calgary, Canada	61.44%
HOCHTIEF Ackerstraße 71-76 GmbH & Co. KG	Berlin, Germany	61.44%
HOCHTIEF Aurestis Beteiligungsgesellschaft mbH	Essen, Germany	61.44%
HOCHTIEF Building GmbH	Essen, Germany	61.44%
HOCHTIEF Canada Holding 1 Inc.	Toronto, Canada	61.44%
HOCHTIEF Canada Holding 2 Inc.	Toronto, Canada	61.44%
HOCHTIEF Canada Holding 3 Inc.	Calgary, Canada	61.44%
HOCHTIEF Construction Austria GmbH & Co. KG	Wien, Austria	61.44%
HOCHTIEF Construction Chilena Ltda.	Santiago de Chile, Chile	61.44%
HOCHTIEF Construction Erste Vermögensverwaltungsgesellschaft mbH	Essen, Germany	61.44%
HOCHTIEF Construction Management Middle East GmbH	Essen, Germany	61.44%
HOCHTIEF CZ a.s.	Praga, Chequia	61.44%
HOCHTIEF Development Austria GmbH	Wien, Austria	61.44%
HOCHTIEF Development Austria Verwaltungs GmbH & Co. KG	Wien, Austria	61.44%
HOCHTIEF Development Czech Republic s.r.o.	Praga, Czech Republic	61.44%
HOCHTIEF Development Hungary Kft.	Budapest, Hungary	61.44%
HOCHTIEF Development Poland Sp. z o.o.	Warschau, Poland	61.44%
HOCHTIEF Development Project One SRL	Bukarest, Romania	61.44%
HOCHTIEF Development Project Three SRL	Bukarest, Romania	61.44%

Company	Registered Office	% Effective Ownership
HOCHTIEF Development Project Two SRL	Bukarest, Romania	61.44%
HOCHTIEF DEVELOPMENT ROMANIA SRL	Bukarest, Romania	61.44%
HOCHTIEF Development Suecia AB	Estocolmo, Sweden	61.44%
HOCHTIEF Development Suiza Projekt 2 AG	Opfikon, Switzerland	61.44%
HOCHTIEF Engineering GmbH	Essen, Germany	61.44%
HOCHTIEF Engineering International GmbH	Essen, Germany	61.44%
HOCHTIEF Gayrimenkul Gelistirme Limited Sirketi	Estambul, Turkey	61.44%
HOCHTIEF Infrastructure GmbH	Essen, Germany	61.44%
HOCHTIEF NEAH Partner Inc.	Edmonton, Canada	61.44%
HOCHTIEF Offshore Crewing GmbH	Essen, Germany	61.44%
HOCHTIEF ÖPP Projektgesellschaft mbH	Essen, Germany	61.44%
HOCHTIEF Polska S.A.	Warschau, Poland	61.44%
HOCHTIEF PPP Europa GmbH	Essen, Germany	61.44%
HOCHTIEF PPP Operations GmbH	Essen, Germany	61.44%
HOCHTIEF PPP Schools Capital Limited	Swindon, United Kingdom	31.34%
HOCHTIEF PPP Schulpartner Braunschweig GmbH	Braunschweig, Germany	61.44%
HOCHTIEF PPP Schulpartner GmbH & Co. KG	Heusenstamm, Germany	58.31%
HOCHTIEF PPP Solutions (Ireland) Limited	Dublin, Ireland	61.44%
HOCHTIEF PPP Solutions (UK) Limited	Swindon, United Kingdom	61.44%
HOCHTIEF PPP Solutions GmbH	Essen, Germany	61.44%
HOCHTIEF PPP Solutions Netherlands B.V.	Vianen, Netherlands	61.44%
HOCHTIEF PPP Solutions North America Inc.	Delaware, United States	61.44%
HOCHTIEF Presidio Holding LLC	Wilmington, United States	61.44%
HOCHTIEF Projektentwicklung GmbH	Essen, Germany	61.44%
HOCHTIEF Projektentwicklung 'Helfmann Park' GmbH & Co. KG	Essen, Germany	61.44%
HOCHTIEF Shield Investment Inc.	Toronto, Canada	61.44%
HOCHTIEF Solutions AG / Service Level	Essen, Germany	61.44%
HOCHTIEF Solutions Insaat Hizmetleri A.S.	Estambul, Turkey	61.44%
HOCHTIEF Solutions Middle East Qatar W.L.L.	Doha, Qatar	61.44%
HOCHTIEF Solutions Real Estate GmbH	Essen, Germany	61.44%
HOCHTIEF Trade Solutions GmbH	Essen, Germany	61.44%
HOCHTIEF ViCon GmbH	Essen, Germany	61.44%
HOCHTIEF ViCon Qatar W.L.L.	Doha, Qatar	61.44%
HTD Smart Office Nr.1 GmbH & Co. KG	Wien, Austria	61.44%
HTP Grundbesitz Blue Heaven GmbH	Essen, Germany	57.76%
HTP Immo GmbH	Essen, Germany	61.44%
HTP Projekt 2 (zwei) GmbH & Co KG	Essen, Germany	61.44%
I.B.G. Immobilien- und Beteiligungsgesellschaft Thüringen-Sachsen mbH	Essen, Germany	61.44%
Inserta s.r.o.	Praga, Czech Republic	61.44%
Inversiones HOCHTIEF PPP Solutions Chile dos Ltda.	Santiago de Chile, Chile	61.44%
LOFTWERK Eschborn GmbH & Co. KG	Essen, Germany	61.44%
Maximiliansplatz 13 GmbH & Co. KG	Essen, Germany	61.44%
MK 1 Am Nordbahnhof Berlin GmbH & Co. KG	Essen, Germany	61.44%
MOLTENDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Mainoffice KG	Frankfurt am Main, Germany	61.44%
OOO HOCHTIEF	Moscow, Russia	61.44%
Perlo Sp. z o.o.	Warschau, Poland	61.44%
Project Development Poland 3 B.V.	Amsterdam, Netherlands	61.44%
Project SP1 Sp. z o.o.	Warschau, Poland	61.44%
Projektgesellschaft Börsentor Frankfurt GmbH & Co. KG	Essen, Germany	61.44%
Projektgesellschaft Konrad-Adenauer-Ufer Köln GmbH & Co. KG	Essen, Germany	61.44%
Projektgesellschaft Marco Polo Tower GmbH & Co. KG	Hamburg, Germany	43.01%
Projektgesellschaft Marieninsel Ost GmbH & Co. KG	Essen, Germany	61.44%
Projektgesellschaft Marieninsel West GmbH & Co. KG	Essen, Germany	61.44%
Projektgesellschaft Quartier 21 mbH & Co. KG	Essen, Germany	33.79%
PSW Hainleite GmbH	Sondershausen, Germany	61.44%
PSW Leinetal GmbH	Freden, Germany	61.44%
PSW Lippe GmbH	Lüdge, Germany	61.44%
PSW Zollernalb GmbH	Hechingen, Germany	61.44%
SCE Chile Holding GmbH	Essen, Germany	61.44%

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Company	Registered Office	% Effective Ownership
SCE Chilean Holding S.A.	Santiago de Chile, Chile	61.44%
Soduker B.V.	Amsterdam, Netherlands	61.44%
Spiegel-Insel Hamburg GmbH & Co. KG	Essen, Germany	61.44%
STREIF Baulogistik Polska Sp. z o.o.	Warschau, Poland	61.44%
TERRA CZ s.r.o.	Praga, Chequia	61.44%
Tirpser B.V.	Amsterdam, Netherlands	61.44%
Tivoli Garden GmbH & Co. KG	Essen, Germany	61.44%
Tivoli Office GmbH & Co. KG	Essen, Germany	61.44%
TRINAC GmbH	Essen, Germany	61.44%
Valentinka a.s.	Praga, Czech Republic	61.44%
INDUSTRIAL SERVICES		
ACS industrial Services, LLC.	3511 Silverside road suite 105 Wilmington Delaware 19810 County of New Castle. United States.	100.00%
ACS Perú	Avenida Víctor Andrés Belaúnde 887 Distrito Carmen de Le Legua Reinoso. Lima. Peru.	100.00%
ACS Servicios Comunicac y Energía de México SA CV	C/ Juan Racine, 112 Piso 8. 11510 Mexico DF. Mexico.	100.00%
ACS Servicios Comunicaciones y Energía, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
ACSA	Rua Rui Teles palhinha n.º4.Leião. Portugal.	74.54%
Actividades de Instalaciones y Servicios, Cobra, S.A.	Calle 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%
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%
Al-Andalus Wind Power, S.L.	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 15 P.I. San Marcos 28906 Getafe. Madrid. Spain	100.00%
Albufera Projetos e Serviços, Ltda.	Av. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil	100.00%
Aldebarán S.M.E., S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain.	100.00%
Aldeire Solar, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Aldeire Solar-2, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Alfrani, S.L.	C/ Manzanares, 4. 28005 Madrid. Spain	100.00%
Alianz Petroleum S de RL de CV	Avda. Rio Churubusco, 455 Iztapalapa. Mexico.	100.00%
Altomira Eólica, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 3 Central Termosolar Tres, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 4 Central Termosolar Cuatro, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 5 Central Termosolar Cinco, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 6 Central Termosolar Seis, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 7 Central Termosolar Siete, S.L.	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%
Applied Control Technology, LLC.	12400 Coit Rd, Suite 700.Dallas, TX 75251. United States.	100.00%
Araucária Projetos e Serviços de Construção, Ltda.	Av. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil	50.00%
Argencobra, S.A.	Nicaragua 5935 20 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%
ASON Electrónica Aeronautica, S.A.	Castrobarto,10. 28042 Madrid. Spain.	100.00%
Atil-Cobra, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Atlântico-Concessões Transp Energia do Brasil Ltda.	Rua Marcos Macedo 1333 sala 1410 Ed. P tio D.Luiz Torre II. 60150-190.Fortaleza. Brazil.	74.54%
Audeli, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain.	100.00%
Avante MPG1 B.V.	Park Hoornowijck,2 2289CZ. Netherlands	100.00%
Avante MPG2 B.V.	Park Hoornowijck,2 2289CZ. Netherlands	100.00%
Avanzia Ingenieria, S. A. de C. V.	C/José Luis Lagrange, 103 - Miguel Hidalgo. Mexico.	99.00%
Avanzia Instalaciones S.A. de C.V.	C/ Melchor Ocampo, 193 Colonia Verónica Anzures. Mexico	100.00%
Avanzia S.A de C.V.	José Luis Lagrange, 103 8º.Los Morales Polanco. Mexico.	100.00%
Aztec Energy Holdings, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
B.I. Josebeso, S.A.	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela.	82.80%
Berea Eólica, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	70.00%
Biobeiraner, Lda.	3475-031 Caramulo.Fresquesia do Guardao - Conelho de Tondela. Portugal.	21.62%
Biorio, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278.Porto Salvo. Portugal.	74.54%
BTOB Construccion Ventures, S.L.	Cardenal Marcelo Spínola, 10.28016 Madrid. Spain.	100.00%

Company	Registered Office	% Effective Ownership
C. A. Weinfer de Suministro de Personal	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela.	82.80%
Calidad e Inspecciones Offshore, S.L.	Bajo de la Cabezuela, s/n.11510 Puerto Real. Cadiz. Spain.	100.00%
Calvache Eólica, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	70.00%
Carreteras Pirenaicas, S.A.	Pza. de Aragón, nº 11 1ºIzqda.50004 - Zaragoza. Spain.	100.00%
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.	37.27%
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 Solar Termoeléctrica Cáceres, S.A.U.	Cardenal Marcelo Spínola 10.28016 Madrid. Spain.	100.00%
Centro de Control Villadiego, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Chaparral Wind Power, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain.	100.00%
CM- Constriçoes, Ltda.	Rua, XV de Novembro 200, 14º Andar San Paulo. Brazil CPE 01013-000	74.54%
CME Africa	Luanda. Angola.	35.41%
Cme Águas, S.A.	Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo. Portugal	74.54%
Cme Angola, S.A.	Av. 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 Perú, S.A.	Av. Víctor Andrés Belaunde 395. San Isidro.Lima. Per .	74.54%
CME Southern Africa do Sul	Sudáfrica	50.69%
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 Chile Servicios S.A.	Avda. José pedro Alessandri 2323 Macul.Santiago de Chile. Chile.	100.00%
Cobra Concesiones Brasil, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Concesiones, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Energy Investment Finance, LLC	7380 West Sahara, suite 160.Las Vegas. Nevada. United States.	100.00%
Cobra Energy Investment, LLC.	7380 West Sahara, Suite 160.Las Vegas NV 89117. United States.	100.00%
Cobra Energy, Ltd	60 Solonos street, Atenas. Greece	100.00%
Cobra Georgia, Llc.	Old Tbilisi Region, 27/9 Brother Zubalashvili Street. Georgia	100.00%
Cobra Gestión de Infraestructuras, S.A.U	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. IrelandIreland Dublin.	100.00%
Cobra Group Australia Pty, Ltd.	Level 5 Mayne Building 390 ST Kilda Road.Melbourne. Australia.	100.00%
Cobra Industrial Services, Inc.	3511 Silverside road suite 105.Wilmington Delaware 19810 County of New Castle. United States.	100.00%
Cobra Infraestructuras Hidráulicas, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Infraestructuras Internacional, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Ingeniería de Montajes, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Ingeniería Uruguay, S.A.	Colinia Apartamento 305 .Montevideo. Uruguay.	100.00%
Cobra Instalaciones y Servicios India PVT	B-324 New Friends Colony New Delhi-110 025. India	100.00%
Cobra Instalaciones y Servicios Internacional, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Instalaciones y Servicios República Dominicana	Av. Anacanoa Hotel Dominican Fiesta Santo Domingo, DN.Santo Domingo. Dominican Republic	100.00%
Cobra Instalaciones y Servicios, S.A.	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.	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 Operaciones, S.A. de C.V.	José Luis Lagrange, 103 8º.Los morales Polanco. Mexico.	100.00%
Cobra Perú II, S.A.	Avda. Víctor Andrés Belaúnde 887 Distrito: Carmen de Le Legua Reinoso. Peru.	100.00%
Cobra Perú, S.A.	Avda. Víctor Andrés Belaúnde 887 Distrito: Carmen de Le Legua Reinoso. Peru.	100.00%
Cobra Railways UK Limited	Vintage Yard 59-63 Bermondsey Street. Londres. United Kingdom.	100.00%
Cobra Recursos Administrativos, S.A. de C.V.	José Luis Lagrange, 103 8º.Los morales Polanco. Mexico.	100.00%
Cobra Servicios Auxiliares, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Sistemas de Seguridad, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Sistemas y Redes, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Solar del Sur, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Termosolar USA, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Thermosolar Plants, Inc.	3773 Howard Hughes.Las Vegas, Nevada.United States	100.00%
Cogeneración Cadereyta S.A. de C.V.	Jose Luis Lagrange, 103 Piso 8 Los Morales Miguel Hidalgo. Méjico D.F. Méjico.	100.00%
COICISA Industrial, S.A. de C.V.	Melchor Ocampo, 193 Verónica Anzures 11300. Méjico.	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%

CONSOLIDATED FINANCIAL STATEMENTS

Company	Registered Office	% Effective Ownership
Coinsmar Instalaciones y Servicios, SARLAU	210 Boulevard Serketouni Angle Boulevard Roudani nº 13, Maarif 2100. Casablanca. Morocco	100.00%
Comercial y Servicios Larco Bogota S.A.	Calle 128 No. 49-52 Prado Veraniego 6 No 50 - 80. Bogotá. Colombia	100.00%
Comercial y Servicios Larco Bolivar S.A.S.	Manga Av 3 No. 21-44. Cartagena. Colombia.	100.00%
Comercial y Servicios Larco S.A.	Calle 128 No. 49-52 Prado Veraniego 6 No 50 - 80. Bogotá. Colombia.	100.00%
Concesionaria Angostura Siguas, S.A.	Avda. Victor Andrés Belaunde, 887.Lima. Peru.	60.00%
Concesionaria Desaladora del Sur, S.A.	Amador Merino Reyna,267.Lima. Per .	100.00%
Concesionaria Linea de Transmisión CCNCM Sac	Avda. Victor Andres Belaunde, 887 Provincia de Callao.Lima. Peru.	100.00%
Consorcio Especializado Medio Ambiente, S.A.de C.V	Melchor Ocampo,193 piso 14.Méjico D.F. Mejico.	60.00%
Consorcio Ofiteco Geoandina	Cra 25 N.96 81. Oficina 203.Bogota . Colombia.	60.00%
Consorcio Sice Disico	Cra 25 N.96 81. Oficina 203.Bogota . Colombia.	50.00%
Consorcio Sice-Comasca TLP S.A.	Cl Dardignac, 160. Recoleta. Santiago de Chile	50.00%
Consorcio Tunel del Mar	Cra.12 Nº 96-81 Of. 203.Colombia. Bogotá.	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, 35-5º oficina 515-517. Madrid. Spain	99.73%
Constructora Las Pampas de Siguas, S.A.	Avda. Victor Andres Belaunde, 887 Provincia de Callao.Lima. Peru.	60.00%
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%
Conyblox Proprietary Limited	World Trade Centre 3 Floor. Morningside 2196.Johannesburgo. South Africa	100.00%
Conyceto Pty Ltd.	22 On Kildare. 22 Kildare Road.7700 Newlands. South Africa	92.00%
Corporación Ygnus Air, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain.	100.00%
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 Canada. INC.	160 Elgin Street, Suite 2600.Ottawa, Ontario. Canada K1P1C3	100.00%
Cymi DK, LLC	12400 Coit Rd, Suite 700.Dallas, TX 75251. United States.	70.00%
Cymi do Brasil, Ltda.	Av. Presidente Wilson 231, sala 1701 20030-020 Rio de Janeiro. Brazil	100.00%
Cymi Holding, S.A.	Av. Presid Wilson 231 Sala 1701 Parte Centro. Rio de Janeiro. Brazil	100.00%
Cymi Industrial INC.	12400 Coit Rd, Suite 700.Dallas, TX 75251. United States.	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%
Cymimasa Consultoria e Projetos de Construção Ltda	Avda. Presidente Wilson nº 231, Sala 1701 Parte cero.Río de Janeiro. Brazil.	100.00%
Dankocom Pty Ltd	World Trade Centre 3 Floor. Morningside 2196.Johannesburgo. South Africa.	80.00%
Delta P I, LLC.	12400 Coit Rd, Suite 700.Dallas, TX 75251. United States.	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%
Dragados Construc. Netherlands, S.A.	Claude Debussylaan 24, 1082 MD Amsterdam. Holland.	100.00%
Dragados Gulf Construction, Ltda.	P. O Box 3140 Al Khobar 31952 Kingdom of Saudi Arabia	100.00%
Dragados Industrial , S.A.U.	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, S.A. de C.V.	Juan Racine n 112, piso 8, Col. Los Morales 11510 Mexico D.F.	100.00%
Dragados Offshore Mexico Analisis y Soluciones, S.A. de C.V.	Juan Racine, 112. Piso 8, Col. Los Morales 11510 Mexico D.F. Mexico.	100.00%
Dragados Offshore Mexico Estudios Integrales, S.A. de C.V.	Juan Racine, 112. Piso 8, Col. Los Morales 11510 Mexico D.F. Mexico.	100.00%
Dragados Offshore Mexico Operaciones y Construcciones, S.A. de C.V.	Juan Racine, 112. Piso 8, Col. Los Morales 11510 Mexico D.F. Mexico.	100.00%
Dragados Offshore USA, Inc.	One Riwerway, Suite 1700.77056 Texas. Houston. United States.	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.	C/ Jose Luis Lagrange, 103 Piso 8. Los Morales Polanco.11510 Mexico DF. Mexico.	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%
Drazigystix Pty Ltd	World Trade Centre 3 Floor. Morningside 2196.Johannesburgo. South Africa.	100.00%
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%
Ecisa Sice Spa	Av. De Vitacura, 2670. Oficina 702.Las Condes. Santiago de Chile. Chile.	50.00%
Ecocivil Electromur G.E., S.L.	C/ Paraguay, Parcela 13/3. 30169 San Ginés. Murcia. Spain	100.00%
EGPI-Empresa global de Proyectos de Ingenieria SAS	Avenida 6 Norte 47N-32.Cali Valle. Colombia.	40.00%
El Otero Wind Power, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain.	100.00%
Electren UK Limited	Regina House 1-5 Queen Street.Londres. United Kingdom.	100.00%
Electren USA Inc.	500 Fifth Avenue, 38th floor.Nueva York 10110. United States.	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%

Company	Registered Office	% Effective Ownership
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	100.00%
Enclavamientos y Señalización Ferroviaria, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	100.00%
Enelec, S.A.	Av. Marechal Gomes da Costa 27. 1800-255 Lisboa. Portugal	100.00%
Energía Sierrezuela, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain.	100.00%
Energia y Recursos Ambientales de Perú, S.A.	Amador Merino Reyna, 267.Lima. Peru.	100.00%
Energía y Recursos Ambientales Internacional, S.L.	Cardenal Marcelo Spínola, 10.28016 Madrid. Spain.	100.00%
Energías Ambientales de Guadalajara, S.L.	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.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain.	100.00%
Energias Mexicanas, S.L.U.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Energías Renovables Andorranas, S.L.	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.	100.00%
Eólica Majadillas, S.L.	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	84.78%
Equipos de Señalización y Control, S.A.	C/ Severino Covas, 100. Vigo. Pontevedra. Spain	100.00%
Escal UGS, S.L.	C/ San Francisco de Sales, Nº 38-1ª Plta. Madrid. Spain	66.67%
Esperanza Transmissora de Energia, S.A.	Avda Presidente Wilson 231 Sala 1701 parte Edificio Austregésilo de Athayde, centro. CEP 20.030-021 Rio de Janeiro. Brazil	100.00%
Etra Bonal, S.A.	C/ Mercuri, 10-12. Cornellá de Llobregat. Barcelona. Spain	100.00%
Etra Eurasia Entegre Teknoloji Hizmetleri Ve Insaat Anonim Sirketi	Buyukdere Cad. Maya Akar Center 100-102 C. Blok No. 4/23 34394, Esentepe Sisli.Estambul. Turquia.	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.	Av. Marechal Camara, 160, Sala 1619. 20020-080 Centro.Rio de Janeiro. Brazil.	100.00%
Etracontrol, S.L.	Av. 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.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Extresol-1, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Extresol-4 S.L.	Cardenal Marcelo Spínola, 10.28016 Madrid. Spain.	100.00%
Eyra Energías y Recursos Ambientais, Lda.	Avda Sidonio Pais, 28 Lisboa. Portugal	100.00%
Eyra Instalaciones y Servicios, S.L.	Cardenal Marcelo Spínola,10.28016 Madrid. Spain.	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.	CL 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.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Gerovitae La Guancha, S.A.	Solítica, s/n, 38840 La Guancha, Sta Cruz de Tenerife, 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.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain.	100.00%
Gestway - Gestão de infra estruturas Ltda.	Av. Rouxinol n.º 1041 conj. 1008, Moema, CEP 04516-001.São Paulo. Brazil.	51.00%
Golden State Environmental Tedagua Corporation, S.A.	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%
Grupo Cobra South Africa Proprietary Limited	World Trade Centre 3 Floor. Morningside 2196.Johannesburgo. South Africa	100.00%
Grupo Imesapi S.L.	Avda. de Manoteras nº 26.28050 Madrid. Spain	100.00%
Grupo Maessa Saudi Arabia LTD	Khobar -31952 P.O. Box 204. Arabia Saudi	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	77.50%
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	100.00%
Hidráulica del Chiriqui, S.A.	Dr. Ernesto Pérez Balladares. Provincia de Chiriqui. Panama	100.00%

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Company	Registered Office	% Effective Ownership
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. Madrid. Spain	100.00%
Hidrolazan, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Hiez Hornidurak, Instalazioak eta Zerbitzuak, S.A.	Ctra. Bilbao-Plentzia, 17 Parque A.E. Asuaran, edif. Artxanda.48950 Asua-Erandio. Bizkaia. 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 Est, S.A.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	100.00%
Humiclima Haiti, S.A.	Angle Rue Clerveau et Darguin, 1 Petion Ville.Port au Prince. Haiti	99.98%
Humiclima Jamaica Limited	Corner Lane 6 Montego Bay. St James. Jamaica	100.00%
Humiclima Mexico, S.A. de C.V.	Cancun (Quintana De Roo). Mexico	100.00%
Humiclima Panamá, S.A.	Calle 12, Corregimiento de Rio Abajo Panama.	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	87.63%
Imesapi Colombia SAS	Calle 134 bis nº. 18 71 AP 101.Bogot D.C. Colombia	100.00%
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.	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)	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain.	100.00%
Initec do Brasil Engenharia e Construçoes, Ltda.	Avenida Rio Branco, 151 5º andar, Grupo 502, Centro.20040 - 911 Rio de Janeiro. Brazil.	100.00%
Initec Energía Ireland, LTD.	Great Island CCGT PROJECT, Great Island, Campile - New Ross - CO. Wexford. Ireland.	100.00%
Initec Energía, S.A.	Vía de los Poblados, 11. 28033 Madrid. Spain	100.00%
Injar, S.A.	C/ Misiones 13.Las Palmas de Gran Canaria. Spain.	100.00%
Innovantis, S.A.	Av. Rua Vlamir Lenni Nº179 andar 6º. Maputo. Mozambique.	100.00%
Innovtec, S.R.L.U.	Immeuble les Baux RN 8.13420 Gemenos. France.	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.	Calle 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/ Tarragones, 12. L´Hospitalet de L´Infant. Tarrragona. Spain.	99.40%
Intecsa Ingeniería Industrial, S.A.	Vía de los Poblados, 11. 28033 Madrid. Spain	100.00%
Integrated Technical Products, LLC.	12400 Coit Rd, Suite 700. Dallas, TX 75251. United States.	100.00%
Invexta Recursos, S.L.	Cardenal Marcelo Spínola 10. 28016 Madrid. Spain.	100.00%
Iscobra Instalacoes e Servicios, Ltda.	General Bruce, 810 Rio de Janeiro. Brazil 20921	100.00%
La Caldera Energía Burgos, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
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 Brasil Partipaçoes S.A.	Avda. Marechal Camera 160, sala 1808. Rio de Janeiro. Brazil.	100.00%
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%
Maessa France SASU	115, rue Saint Dominique. 75007 Paris. France.	100.00%
Maessa Telecomunicaciones, S.A. (MAETEL)	C/ Bari, 33 - Edificio 3. 50197 Zaragoza. Spain	99.40%
Maetel Chile LTDA	Huerfanos 779, oficina 608. Santiago de Chile. Chile	100.00%
Maetel Japan KK	HF Toranomin Building 5F 2-17-2. Nishishinbashi Minato-ku. Tokyo. Japan.	100.00%
Maetel Peru, S.A.C.	Calle Julian Arias Araguez nº250. Lima. Per Lima. Peru.	100.00%
Maetel Romania SRL	Constantin Brancoveanu nr.15, ap 4, Biroul 3. Cluj-Napoca. Romania	100.00%
Maintenance et Montages Industriels S.A.S	64 Rue Montgrand. Marseille. 13006 Marseille. France.	100.00%
Makiber, S.A.	Paseo de la Castellana, 182-2º. 28046 Madrid. Spain	100.00%
Manchasol 1 Central Termosolar Uno, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Manchasol 2 Central Termosolar Dos, S.L.	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.	C/ Teide, nº 4 Edificio F-7.28770 San Sebastián de los Reyes. Madrid. Spain.	100.00%
Mantenimientos Integrales Senax, S.A.	C/ Tarragones, 12. L´Hospitalet de L´Infant. Tarragona.Spain	100.00%
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)	100.00%

Company	Registered Office	% Effective Ownership
Masa Algeciras, S.A.	Avda de los Empresarios S/N. Edif Arttysur Planta 2ª Local, 10.Palmones - Los Barrios. Cádiz. Spain.	100.00%
Masa do Brasil Manutençao e Montagens Ltda.	Avda presidente Wilson, nº231,sala 1701 (parte), Centro. Río de Janeiro. Brazil	100.00%
Masa Galicia, S.A.	Polig. 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 Maroc s.a.r.l.	Av Allal ben Abdellah Rés . Hajjar 2 étage app nº5 Mohammadia. Morocco.	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.	Polig. Ind. Zona Franca, Sector B, Calle B. 08040 Barcelona. Spain	100.00%
Masa Tenerife, S.A.	Pº Milicias de Garachico nº1 8ª planta of. 84A. Edificio Hamilton. 38002 Santa Cruz de Tenerife. Spain.	100.00%
MASE Internacional, CRL	PO Box 364966. San Juan. Puerto Rico.	100.00%
Mexicana de Servicios Auxiliares, S.A. de C.V.	Av. 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	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.	100.00%
Mimeca, C.A.	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela.	82.80%
Miramar Energias, S.L.U.	Avda. Linares Rivas, 1-4.15005 La Coruña. Spain.	100.00%
Monclova Pirineos Gas, S. A. de C. V.	Padre Larios, 105 colonia Carranza. Coahuilla 25760. Mexico.	69.45%
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- Zl de Jarry97122 Baie Mahault. Guadalupe	100.00%
Moncobra Perú	Avda Víctor Andrés Belaúnde 887 Distrito: Carmen de le Legua Reinoso. Peru.	100.00%
Moncobra, S.A.	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. 04578-000 Sao Paulo. Brazil.	74.54%
North Africa Infraestructures, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain.	51.00%
OCP Perú	Avda Víctor Andrés Belaúnde 887 Distrito: Carmen de le Legua Reinoso	100.00%
Odoyá Transmissora de Energia, S.A.	Avda Presidente Wilson 231 Sala 1701 parte Edificio Austregésilo de Athayde, centro. CEP 20.030-021 Rio de Janeiro. Brazil	100.00%
Oficina Técnica de Estudios y Control de Obras, S.A	C/ Sepúlveda 6. 28108 Alcobendas. Madrid. Spain.	100.00%
Oilserv S.A.P.I. de C.V.	Avda. Gómez Morin, 1111 Carrizalejo. 66254 Nuevo León. Mexico.	50.00%
OKS, Lda.	Rua Rui Teles palhinha n.º4. Leião. Portugal.	37.64%
Opade Organización y Promoción de Actividades Deportivas, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain.	100.00%
Optic1	South Africa	38.02%
P. E. Sierra de las Carbas, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
P.E. Marcona, S.R.L.	Alfredo Salazar, 409 Miraflores. Lima. Peru.	99.99%
P.E. Monte das Aguas, S.L.	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.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
P.E.Tesosanto, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Parque Cortado Alto, S.L.	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.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Parque Eólico La Val, S.L.	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.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	51.48%
Parque Eólico Tres Hermanas, S.A.C	Amador Merino Reyna, 267. Lima. Peru	100.00%
Parque Eólico Valcaire, S.L.	Ayuntamiento, 7 Padul Granada. Spain. Granada. Spain	100.00%
Parque Eólico Valdehierro, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	51.48%
Percomex, S.A.	Melchor Ocampo, 193 Torre C-Colonia Verónica Anzures. Mexico.	100.00%
Petrolíferos Tierra Blanca, S.A. de C.V.	Avda. Batallón de San Patricio, 111.Monterrey. Mexico.	50.00%
Petrosevicios Poza Rica, S.A. de C.V.	Avda. Batallón de San Patricio, 111.Monterrey. Mexico.	99.99%
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 Southern Africa do Sul	South Africa	74.54%
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%

CONSOLIDATED FINANCIAL STATEMENTS

Company	Registered Office	% Effective Ownership
Railways Infraestructures Instalac y Servicios LLC	Hai Al-Basatin - Prince Sultan Road 7346 Kingdom of Saudi Arabia	100.00%
Recursos Ambientales de Guadalajara, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain.	100.00%
Recursos Eólicos de Mexico, S.A. de C.V.	Juan Racine, 112 piso 6.Mexico D.F. Mexico.	100.00%
Remodelación Diesel Cadereyta, S.A. de C.V.	Jose Luis Lagrange, 103 Piso 8 Los Morales Miguel Hidalgo.Méjico D.F. Méjico	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. Méjico.	100.00%
Riansares Eólica, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	70.00%
Ribagrande Energía, S.L.	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.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain.	100.00%
Roura Cevasa, S.A.	Caracas, 5. Barcelona. Spain	100.00%
Saeta Yield S.A.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain.	100.00%
Salam Sice Tech Solutions, Llc.	Salam Tower West Bay P.O. Box 15224 DOHA (Qatar)Box 15224 Doha. Qatar	49.00%
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)	Av. 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.	Calle Stara Planina, 5.Sofia. Bulgaria.	100.00%
Semi Chile Spa	Almirante Pastene 333.Santiago de Chile. Chile.	100.00%
SEMI Colombia S.A.S.	Bogot D.C. Colombia.	100.00%
Semi Germany, S.A.	Schlüter Str.17 10625.Berlin. Germany.	100.00%
Semi Ingenieria, S.r.L.	Calle Proyecto Central 8, Distrito Nacional.Santo Domingo. Rep blica Dominicana.	99.90%
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 Panamá, S.A.	Edificio El Peñón, calle 40, Bellavista. Panama.	100.00%
Semi Peru Montajes Industriales S.A.C.	Av. Victor Andres Belaunde Nro. 210.Lima. San Isidro. Peru.	100.00%
Semi Procoin	Calle Apoquindo N° 3001 Piso 9, Region Metropolitana.Santiago De Chile. Chile.	65.00%
Semi Servicios de Energia Industrial y Comercio SL	Gülbahar Mah. Altan Erbulak Sok. Atasoy Is Hani No: 3/1.Estambul. Turkey	100.00%
Semi USA Corporation	6701 Democracy Blvd., Suite 200. 20817 Bethesda - MD. United States.	100.00%
Semicosta Inc Sociedad Anónima	Diagonal al parque del Centro Comercial el Pueblo.San José. Costa Rica.	100.00%
SEMIUR Montajes Industriales, S.A.	Plaza Cagancha nº 1335, Apart. 1102.11100 Montevideo. Uruguay.	100.00%
Semona, S.R.L.	Av John Kennedy, Esq Lope de Vega, Edif. Scotiabank.Santo Domingo. Dominican Republic	70.00%
Sermacon Joel, C.A.	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela.	82.80%
Sermicro do Brasil Servicos e Informática Ltda.	Avda. Das Nacoes Unidas nº 12.551 9° e 7° edif. World Trade Center.Brooklin Paulista.Sao Paulo 04578-000 . Brazil. .	100.00%
Sermicro, S.A.	C/ Pradillo, 46. 28002 Madrid. Spain.	100.00%
Serpimex, S.A. de C.V.	C/ Jose Luis Lagrange, 103 Piso 8. Los Morales Polanco.11510 Mexico DF. Mexico.	100.00%
Serpista, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	51.00%
Serrezuela Solar II, S.L.	Cardenal Marcelo Spínola 10.28016 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 N° 112 Piso 8 Col. Los Morales C.P. 11510 Mexico D.F.	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 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 N° 112 Piso 8 Col. Los Morales C.P. 11510 Mexico D.F.	100.00%
Servicios Proyectos Industriales de Méjico, S.A. de C.V.	C/ Jose Luis Lagrange, 103 Piso 8. Los Morales Polanco.11510 Mexico DF. Mexico.	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.	Av. Presidente Wilson 231, sala 1701 20030-020 Rio de Janeiro. Brazil	100.00%
Sice Canada, Inc.	100 King Street West, Suite 1600.Toronto On M5X 1G5. Canada.	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. Greece	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 Societatea de Inginerie Si Constructii Electrice, S.R.L.	Calea Dorobantilor, 1.Timisiora. Romania.	100.00%
Sice South Africa Pty, Ltd.	C/ PO Box 179. 009 Pretoria, South Africa	100.00%
Sice Tecnología en Minería, S.A.	Cl Dardignac, 160. Recoleta. Santiago de 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.	100.00%
SICE, LLC.	Rublesvkoye Shosse 83/1 121467 Moscu. Russia	100.00%
Sistemas Integrales de Mantenimiento, S.A.	C/ Teide, nº 4 Edificio F-7.28709 San Sebasti n de los Reyes. Madrid. Spain.	100.00%
Sistemas Radiantes F. Moyano, S.A.	C/ De La Cañada, 53. 28850 Torrejón de Ardoz. Madrid. Spain	100.00%

Company	Registered Office	% Effective Ownership
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. Holland.	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.	Paseo 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.	CL 94 NO. 15 32 P 8. Bogot 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 N° 3. 01017 Ciudad de Guatemala. Guatemala	100.00%
Soluciones Eléctricas Integrales de Guatemala, S.A.	2 Avda. 13-35 Zona 17, Ofibodegas los Almendros N° 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	Cl Dardignac, 160. Recoleta. Santiago de Chile	100.00%
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 Brasil Participações S.A.	Rua Marcos Macedo n.º 1333 Torre II sala 416, CEP 60.150-190.Aldeota, Fortaleza. Brazil.	100.00%
Tecneira Embuaca Geração e Comerc. de Energia SA	Fazenda Bodes, CEP 62.690-000 Praia de Embuaca.Município de Trairi, Estado do Cear . Brazil.	100.00%
Tecneira Novas Enerias SGPS, S.A.	Rua Rui Teles Palhinha, 4. Leiao 2740 Oeiras. Portugal	74.54%
Tecneira Solar	Russas Cear . Brazil.	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.	Cardenal Marcelo Spínola 10.28016 Madrid. Spain.	100.00%
Tecnicas de Sistemas Electrónicos, S.A. (Eyssa-Tesis)	Rua General Pimenta do Castro 11-1. Lisboa. Portugal	100.00%
Tedagua Internacional, S.L.	Cardenal Marcelo Spínola, 10.28016 Madrid. Spain.	100.00%
Tedagua Mexico, S.A. de C.V.	Calzada Melchor Ocampo, 193 Edif C 14D Anzures.Mexico D.F. Mexico	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%
Termosesmero, S.L.	Cardenal Marcelo Spínola 10.28016 Madrid. Spain	100.00%
Tesca Ingenieria del Ecuador, S.A.	Avda. 6 de diciembre N37-153 Quito. Ecuador	100.00%
TNG Brasil, Ltda.	Av. Dom Luis Paracuru 1200, Bairro de Meireles. 60.160-230.Fortaleza, Estado do Cear . Brazil.	74.54%
Torre de Miguel Solar, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Trafiurbe, S.A.	Estrada Oct vio Pato C Empresar-Sao Domingo de Rana. Portugal	76.20%
Triana do Brasil Projetos e Serviços, Ltda.	Av. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil	50.00%
Trigeneración Extremeña, S.L.	Cardenal Marcelo Spínola, 10.28016 Madrid. Spain.	100.00%
UrbaEnergía Instalaciones y Servicios, S.L.	Cardenal Marcelo Spínola,10.28016 Madrid. Spain.	100.00%
Urbaenergía, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Valdelagua Wind Power, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain.	100.00%
Venelin Colombia SAS	Calle 107 A Nº. 8-22.Bogotá. 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%
Vetra MPG Holdings 2, LLC	10900 NW 21ST Street, suite 190.Miami - Florida 33172. United States.	100.00%
Vetra MPG Holdings, LLC	10900 NW 21ST Street, suite 190.Miami - Florida 33172. United States.	100.00%
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	51.00%
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%
All Care (GB) Limited	Rex House, 354 Ballards Lane.Londres, N12, 0DD. United Kingdom.	100.00%
Avio Soluciones Integradas, S.A.	Avda Manoteras, 46 Bis 1ª Planta.28050 Madrid. Spain.	100.00%
Blas Moreno, S.L.	Avda. Diagonal, nº 611 - 2º. Barcelona. Spain	60.00%
Centre D'Integracio Social Balear Ceo, S.L.	C/ Pescadors, 1.Palma de Mallorca. 07012 Illes Balears. Spain.	51.00%
Centro de Transferencias, S.A.	Polígono Los Barriales, s/n. Valladolid. Spain	70.00%
Clece Care Services, Ltd.	2 Queen Caroline Street, Hammershith, London, United Kingdom	100.00%
Clece Seguridad S.A.U.	Avda. de Manoteras, 46, Bis 1ª Pl. Mod. C 28050 Madrid. Spain.	100.00%
Clece, Inc.	1111 Brickell Avenue 11Th Floor.Florida 33131. Miami. United States.	100.00%
Clece, S.A.	Avda. Manoteras, 46 Bis 2ª Planta. 28050 Madrid. Spain.	100.00%

CONSOLIDATED FINANCIAL STATEMENTS

Company	Registered Office	% Effective Ownership
Clever Airport Services, S.A.	Avda Manoteras, 46 Bis 1ª Planta.28050. Madrid. Spain.	100.00%
Demarco, S.A.	Alcalde Guzmán,18. Quilicura. Chile	50.00%
Divum Soluciones de Catering, S.A.	Avda Manoteras, 46 Bis 1ª Planta.28050. Madrid. Spain.	100.00%
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	94.80%
Ecoparc del Besós, S.A.	Rambla de Catalunya, 91-93, 9°3ª.08080 Barcelona. Spain.	46.00%
Empordanesa de Neteja, S.A.	Avda. Diagonal, nº 611 - 2º. Barcelona. Spain	60.00%
Evere, S.A.S.	Av. Albert Einstein. 34000 Montpellier. France	100.00%
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%
Heath Lodge Care Services, LTD	45 Monument Hill, Weybridge KT 13 8RN. United Kingdom.	100.00%
Inserlimp Soluciones S.L.	Calle Resina, 29- C.Madrid, 28021. Spain.	100.00%
Integra Formación Laboral y Profesional, S.L.	C/ Resina, 29. Villaverde Alto. 28021 Madrid. Spain.	100.00%
Integra Logística, Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo, S.L.	C/ Resina, 29. Villaverde Alto. 28021 Madrid. Spain.	100.00%
Integra Manteniment, Gestio i Serveis Integrats, Centre Especial de Treball, Catalunya, S.L.	C/ Pamplona, 54 Bajo. 08005 Barcelona.Spain	100.00%
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	100.00%
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Galicia S.L.	Avda. Hispanidad, 75. 36203 Vigo. Pontevedra. Spain	100.00%
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Valencia, S.L.	Avda. Cortes Valencianas, 45B 1º 46015 Valencia.Spain	100.00%
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo, S.L.	C/ Resina, 29. Villaverde Alto. 28021 Madrid. Spain.	100.00%
Integra Mantenimiento, Gestión y Servicios Integrados Extremadura CEE, S.L.U.	C/ Luis Alvarez Lencero, 3 Edif. Eurodom 5.Badajoz 06011. Extremadura. Spain.	100.00%
KDM, S.A.	Alcalde Guzmán,18. Quilicura. Chile	50.00%
Koala Soluciones Educativas, S.A.	Avda Manoteras, 46 Bis 1ª Planta.28050. Madrid. Spain.	100.00%
Laboratorio de Gestión Ambiental, S.L.	C/ Cobalto,12.Pol. Ind. San Cristobal .47012 Vallodolid. Spain.	100.00%
Lavintec Centre Especial D'Ocupació, S.L.	C/ Francesc Valduví , 5. Polig Industrial Can Valero.07011 Palma de Mallorca. Spain.	100.00%
Limpiezas Deyse, S.L.	C/ Lérida, 1. Manresa. Barcelona. Spain	100.00%
Limpiezas Lafuente, S.L.	C/ Puerto de Santa María, 8. 46015 Valencia. Spain.	100.00%
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.	51.00%
Lirecan Servicios Integrales, S.A.	C/ Ignacio Ellacuria Beascoechea, 23-26 Nave 2.Telde. Las Palmas. 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%
Multiserveis Ndavant, S.L.	C/ Diputación, 180-1ª Planta. 08011 Barcelona. Spain	100.00%
Multiservicios Aeroportuarios, S.A.	Avda. Manoteras 46 Bis 2ª Planta. 28050 Madrid. Spain	51.00%
Net Brill, S.L.	Camino Les Vinyes, 15. Mataró. 08302 Barcelona. Spain	100.00%
Octeva, S.A.S.	ZA Marcel Doret rue Jacques Monod. 62100 Calais. France	61.00%
Olimpia, S.A. de C.V.	Av. Reforma Sur 916.Centro Tehuacan Puebla CP 75700. 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%
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%
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.	Calle 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 C.A.	Calle 89 Bermudez Cousin, local Nro 97-84, Urb. Santa Rosa.Valencia. Venezuela.	90.00%
Sertego Maroc, S.A.	Av. Mohamed tazi, 1er piso.T nger-marshan. Morocco.	100.00%
Sertego Servicios Medioambientales, S.L.	Camino de Hormigueras, 171.28031 Madrid. Spain	100.00%
Sertego TGMD, S.A.	Station Marpol. Zone Franche Ksar El Majaz, Oued R´mel. Commune Anjra.Province Fahs - Anjra. Morocco.	100.00%
Serveis Educatius Cavall de Cartró, S.L.	C/ Josep Ferrater y Mora, 2-4 2ª Pl. 08019 - Barcelona. Spain.	100.00%
Servicios de Aguas de Misiones, S.A.	Avda. López y Planes, 2577. Misiones. Argentina	90.00%
Sevicios Corporativos TWC, S.A. de C.V.	Calle 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%

Company	Registered Office	% Effective Ownership
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.	Av. Luisa Todi, 73. 2900 Setúbal. Portugal	51.00%
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%
Starco, S.A.	Alcalde Guzmán,18. Quilicura. Chile.	50.00%
Talher, S.A.	Avda. de Manoteras,46 Bis, 2º Planta 28050 Madrid. Spain	100.00%
Tecmed Energy de Sonora, S.A. de C.V.	Av. Homero 229, Desp. 401. Chapultepec Morales.Mexico D.F. CP 11570. Mexico.	100.00%
Tecmed Maroc, S.A.R.L.	AV capitaine Sidi Omar Elaissaoui cite OLM-Suissi II. Rabat. Morocco	65.00%
Tecmed Servicios de Recolección, S.A. de C.V.	Av. Homero 229, Desp. 401. Chapultepec Morales.Mexico D.F. CP 11570. Mexico.	100.00%
Tecmed Técnicas Mediamb. de México, S.A. de C.V.	Av. Homero 229, Desp. 401. Chapultepec Morales.Mexico D.F. CP 11570. 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%
Tirmadrid, S.A.	C/ Cañada Real de las Merinas, s/n. Madrid. Spain	100.00%
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%
Tratamiento de Residuos Sólidos Urbanos, S.A. de C.V.	Calle Lázaro Cardenas, Km 6 en Hermosillo, Sonora. Mexico	100.00%
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91. 08008 Barcelona. Spain	66.66%
Tratamiento Integral de Residuos de Cantabria S.L.U.	Barrio de Vierna s/n.39192 San Bartolomé de Meruelo. Cantabria. Spain.	100.00%
Tratamiento Integral de Residuos Zonzamas, S.A.U.	Camino de Hormigueras, 171.28031 Madrid. Spain.	83.97%
Tresima Limpiezas Industriales, S.A. (TRELIMSA)	C/ Copérnico, 1 1ª dcha., P.I. La Gresla (A Coruña)-Spain	80.00%
UBB Waste (Essex) Holding Ltd.	Unit F Pate Court, St Margaret's Road, Cheltenham, GL50 4DY. United Kingdom.	70.00%
UBB Waste (Essex) Intermediate Ltd.	Unit F Pate Court, St Margaret's Road, Cheltenham, GL50 4DY. United Kingdom.	70.00%
UBB Waste (Essex) Ltd.	Unit F Pate Court, St Margaret's Road, Cheltenham, GL50 4DY. United Kingdom.	70.00%
Urbacet, S.L.	Calle Fray Junipero Serra nº 65 3º, 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.	Av. Homero 229, Desp. 401. Chapultepec Morales.Mexico D.F. CP 11570. Mexico.	100.00%
Urbaser Envirnonmental Ltd.	Unit F Pate Court, St Margaret's Road, Cheltenham, GL50 4DY. United Kingdom.	100.00%
Urbaser Environnement RDP, S.A.S	1140 Avenue Albert Einstein BP 51.34000 Montpellier Cedex 09. France.	100.00%
Urbaser Environnement, S.A.S.	1140 Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France	100.00%
Urbaser INC.	Hunton&William LLP,1111 Brickell Av. Suite 2500 Miami, Florida 33131. E.E.U.U.	100.00%
Urbaser Investments Ltd.	Unit F Pate Court, St Margaret's Road, Cheltenham, GL50 4DY. United Kingdom.	100.00%
Urbaser Libertador, C.A.	Av. 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.	Calle 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	100.00%
Vadereli, S.L.	Av. 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	100.00%
Valorgabar, S.A.S.	1140, Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France	100.00%
Valortegia, S.A.S.	1140 Avenue Albert Einstein BP 51.34000 Montpellier Cedex 09. France.	100.00%
Vertederos de Residuos, S.A. (VERTRESA)	Camino de Hormigueras, 171.28031 Madrid. Spain.	83.97%
Zaintzen, S.A.U.	Landabarri Zeharbidea 3 Zbekia, 4ª Pisua G.48940 Leoia (Bizkaia). Spain.	100.00%
Zenit Traffic Control, S.A.	Avda. de Manoteras, 46 Bis.28050 Madrid. Spain.	100.00%

CONSOLIDATED FINANCIAL STATEMENTS

APPENDIX II. UTE'S EIG'S

UTE/EIG	Address	% Effective Ownership	Revenue 100% (Thousand of Euros)
CONSTRUCTION - DRAGADOS			
Ave Ulla	Av. Finisterre, 25 - A Coruña	100.00%	10,311
Presa Enciso	Cl. Manuel Lasala, 36 - Zaragoza	50.00%	12,342
Guadarrama IV	Tr. del Fielato, 2 - Segovia	33.33%	16,168
Yesa	Cl. Rene Petit, 25 - Yesa	33.33%	17,353
Guadarrama III	Tr. del Fielato, 2 - Segovia	33.33%	13,665
Gorg	Cl. Via Laietana, 33 - Barcelona	43.50%	20,717
Nuevo Hospital La Fe	Cl. Alvaro de Bazan, 10 - Valencia	70.00%	12,349
Túnel Guadarrama Sur	Avda. Europa, 18 - Alcobendas	34.46%	33,372
Puente de Cádiz	Avda. Tenerife, 4 y 6 - San Sebastián de los Reyes	100.00%	69,648
Ave Girona	Cl. Acanto, 22 - 5ª Planta - Madrid	40.00%	11,891
Viaducto Río Ulla	Cl. Wenceslao Fernández Florez, 1 - A Coruña	100.00%	28,195
Riaño Túneles	Cl. Dr. Alfredo Martínez, 6 - Oviedo	50.00%	12,683
Albagés	Cl. Aragó, 390 - Barcelona	70.00%	10,652
Estructura Sagrera Ave	Cl. Via Laietana, 33 - Barcelona	33.50%	26,366
Ave San Isidro-Orihuela	Cl. Alvaro de Bazan, 10 - Valencia	70.00%	29,984
Estacions L9 Llobregat	Cl. Via Laietana, 33 - Barcelona	50.00%	19,978
Urumea	Cl. Gran Via, 53 - Bilbao	37.00%	23,213
Dragados-Sisk Crosrail Eastern R. Tunnels	25 Canal Sq. 33 fl. Canary Wharf - London	90.00%	221,795
Forth Crossing Bridge Constractors	Grange House West Main Road, Grange Mouth - Scotland	28.00%	257,387
Tranvía Puente de Cádiz	Avda. Camino de Santiago, 50 - Madrid	100.00%	10,209
Consorcio Dragados-Concay	Cl. 94 A, Nº 13-08 Barrio Chico - Bogotá	70.00%	64,566
Ave Portocamba-Cerdedelo	Cl. Wenceslao Fernández Florez, 1 - A Coruña	80.00%	10,997
Aduna	Cl. Ergoyen, 21 - Urnieta	26.00%	23,705
Túnel de Prado Vía Izquierda	Cl. Wenceslao Fernández Florez, 1 - A Coruña	100.00%	18,493
Segundo Cinturón de Palma de Mallorca	Pz. Es Forti, 4 - Palma de Mallorca	50.00%	10,984
Glories	Cl. Via Laietana, 33 - Barcelona	50.00%	15,469
Consorcio Dracol Líneas Férreas	Cl. 19, Nº 97-31 Barrio Chico - Bogotá	70.00%	10,416
Dique Puerto de Almeria	Avda. Camino de Santiago, 50 - Madrid	100.00%	12,148
Consorcio Constructor Metro Lima	Av. de la República 791 - Lima	35.00%	18,690
Antequera	Cl. Orense, 11 - Madrid	90.00%	13,582
Abastecimiento a Pontevedra	Cl. Orense, 11 - Madrid	70.00%	11,476
Prado - Porto	Cl. Orense, 11 - Madrid	67.50%	22,597
OAMI Alicante	Cl. Traginers, Pol. Industrial Vara de Quart, 14 - Valencia	33.33%	27,873
Urzaiz - Souto Maior	Cl. Estrada de Negros, 9 - Redondela	50.00%	17,611
E. de Autobuses Vitoria-Gasteiz	Cl. Duque de Wellington, 8 - Vitoria-Gasteiz	50.00%	10,893
Olmedo - Pedralba	Cl. Padre Damián, 41 - Madrid	56.00%	10,342
Benicarló	Avda. Camino de Santiago, 50 - Madrid	60.00%	13,114
Corredor Tres Hilos	Avda. Camino de Santiago, 50 - Madrid	30.00%	14,173
VIa Utrera Las Cabezas	Cl. Almendralejo, 5 - Sevilla	50.00%	19,435
Ave Sur	Cl. Orense, 6 - Madrid	25.00%	13,235
Techint- Dycasa	Hipólito Bouchard 557 piso 17 - Buenos Aires	40.00%	73,757
NC-50G Newtown Creek Skanska/Picone	20 North Central Ave, Valley Stream, NY 11580	45.00%	10,082
NC-47G Newtown Creek Skanska/Picone II	20 North Central Ave, Valley Stream, NY 11580	27.50%	21,983
CM013A, 55th Street Ventilation Facility	150 Meadowlands Pkwy Secaucus, NY 07094	100.00%	20,038
C26012 86th St Station	150 Meadowlands Pkwy Secaucus, NY 07094	100.00%	42,159
CH-057 Harold Structures	150 Meadowlands Pkwy Secaucus, NY 07094	100.00%	13,350
Plaza Schiavone (523)	195 Broadway, 18th Floor, NY, NY	40.00%	24,175
1218 Fore River Bridge Replacement Project	10 Burr Street - Framingham, MA 01701	57.00%	48,076
1306 Longfellow Bridge Replacement Project	10 Burr Street - Framingham, MA 01701	55.00%	33,216
1310 Fitchburg Commuter Rail Track & Signal	10 Burr Street - Framingham, MA 01701	65.00%	15,978
Windsor Essex Parkway	340, 2187 Huron Church Road, Windsor, Ontario, N9C 2L8, Canada	33.33%	224,663
Ottawa LRT	1600 Carlin Avenue, Suite 450 PO Box 20, Ottawa K1Z 1G3, Canada	40.00%	197,372
Eglinton Tunnel	939 Eglinton Avenue East #201 A, Toronto, Ontario M4G 4E8, Canada	50.00%	19,946
South Frasier	13777 Commerce Parkway, Suite 200, Richmond, BC V6V 2X3, Canada	41.80%	42,126
North East Hendway	12009 Meridian Street NE, Edmonton, Alberta T6S 1B8, Canada	33.75%	272,002
Ruskin Dam	10400 Hayward Street, Mission, BC VAS 1H8	40.00%	24,759
Delta Port	Corner of 28th and 48th St., Delta, BC	70.00%	12,992
Pulice-Granite Red Mtn	2033 W. Mountain View Rd, Phoenix, AZ 85021	65.00%	14,211
Seattle Tunnel Partners	999 3rd Avenue, 22nd Floor, Seattle, WA 98104	55.00%	206,654
Dragados/ FlatIron/ Sukut	P.O Box 608, Sunol CA 94586	40.00%	46,857

UTE/EIG	Address	% Effective Ownership	Revenue 100% (Thousand of Euros)
CONSTRUCTION - HOCHTIEF			
Airport Riga	LV - Riga	32.00%	56,688
Arge HAM Next Neubau Parkhaus 1	D - 22335 Hamburg / Flughafenstraße 1-3	30.00%	15,720
Arge Lindenstraße Berlin	D - 10969 Berlin / Lindenstraße 72-75b	50.00%	13,176
ARGE Neubau EKZ Böblingen	D - 71032 Böblingen / Uhlandstraße 8	80.00%	40,868
Baltic 2 OWF (FOU/LGS) (incl. HT OC-Anteil)	D - Offshore	50.00%	223,518
Bau-ARGE BAB A8 Ulm - Augsburg	D - 86441 Zusmarshausen / Im Zusamtal 7	50.00%	51,354
CrossRail C310 (HT UK)	GB - London	50.00%	75,342
E6 Dovrebanen FP2	NO - Eidsvoll/ Minnesund	40.00%	118,245
EKPPT CJV/OJV	GR - Nea Kifissia, Athen / 25 Ermou Str.	42.27%	44,008
Forth Replacement Crossing (HT UK)	GB - Scotland	28.00%	279,721
Maliakos Kleidi CJV/OJV	GR - Itea-Gonnoi	60.84%	83,973
Schiphol Amsterdam-Almere (SAA) A1/A6	NL - 1112XH Diemen / Eekholt 54	35.00%	200,931
Stuttgart 21 PFA 1. Los 3 Bad Cannstatt	DE - Stuttgart	40.00%	25,120
INDUSTRIAL SERVICES			
ute o&m castor	calle cardenal marcelo spínola, 10 - 28016 Madrid	100.00%	16,721
Ute Dragados Cobra Initec JV	Calle Shelbourne Road, 160 Dublin	100.00%	37,571
Ute Reserva Fría Eten	Calle Cardenal Marcelo Spinola, 10 28016 Madrid	100.00%	24,508
Ute JCR Argencobra Fibra Optica	Calle Florida, 547 Buenos Aires	50.00%	15,961
Ute Abastecimiento Pontevedra	Calle Orense,11 28020 Madrid	30.00%	11,476
Ute CT Casablanca	Calle Cardenal Marcelo Spinola, 10 28016 Madrid	80.00%	11,514
Ute Metro Caracas	Calle Padilla, 17 28006 Madrid	17.16%	10,314
Ute Ampliación BBG	Calle Zugazarte, 56 48930 Vizcaya	68.00%	25,433
Ute Marcona	Calle Cardenal Marcelo Spinola, 10 28016 Madrid	100.00%	11,581
Ep Ute Marcona	Avenida Victor Andres Belaunde,887 Lima	100.00%	11,764
Consorcio Ute Reserva Fría Eten	Avenida Victor Andres Belaunde,887 Lima	100.00%	20,801
Ute Los Cocos	Calle Cardenal Marcelo Spinola, 10 28016 Madrid	100.00%	11,603
UTE Legio	Cl. Valle de Portugal, s/n - San Román de La Vega (León)	50.00%	17,022
Ute Tres Hermanas	Calle Cardenal Marcelo Spinola, 10 28016 Madrid	100.00%	57,892
Ute C.S.M.V. Ute Metro Valencia	Calle Padilla, 17 28006 Madrid	28.42%	91,012
UTE Energía Galicia	C/ San Rafael, 1 -3° 28108	20.00%	19,996
Ute Luz Madrid Oeste	Evaristo San Miguel 4 28008 Madrid	85.01%	20,662
Ute Luz Madrid Centro	Evaristo San Miguel 4 28008 Madrid	85.01%	21,879
Ute Vea	Orense 68 28020 Madrid	50.00%	13,472
Enwesa-Maessa EAE UTE	C/Tarragones 12, bajo planta 4°-43890 Hospitalet del Infant -Tarragona	50.00%	12,086
JV Dragados Gulf & Leighton Middle East	Al Saeed Tower, 5Th Floor, Po Box 39477, Al Khobar 31942, Saudi Arabia	50.00%	73,372
UTE menongue angola	paseo de la castellana 182-2° Madrid	95.00%	17,775
UTE hospital malabo	paseo de la castellana 182-2° Madrid	95.00%	10,969
ENVIRONMENT			
UTE Legio	Cl. Valle de Portugal, s/n - San Román de La Vega (León)	50.00%	17,022
UTE Ebro	Parque Tecnológico de Reciclados. Parc. C1-18. Crta. La cartuja a Torrecilla de Valmadrid. Km. 1,195. 50720 Zaragoza	100.00%	17,089
UTE La Paloma	Crta. De Valencia Km. 14, Valdemingomez- Madrid	62.00%	10,826
UTE BKU - Tecmed (Albada)	Nostian s/n, 15010, La Coruña	100.00%	11,572
UTE Vertresa Rwe Proces (Las Dehesas)	Ctra. Valencia, km 14. Complejo Valdemingomez - Madrid	100.00%	18,806
UTE Logroño Limpio	Polg. Ind. Portalada II C/ La Nevera, n° 18. 26006 Logroño, La Rioja.	50.00%	10,421
UTE Ecoparque V	Ctra. Terrasa - Manresa C-58 Barcelona	20.00%	11,286
UTE Ecored	C/ Soliraditat 41, Aldaia, Valencia	100.00%	14,660
UTE Melilla	Polígono Industrial Avda. de los Perales S/N, Camino de Coín, Km 1,3	50.00%	11,353
UTE Vertresa - FCC (Tenerife)	Pol. Ind. San Isidro - El Rosario (Tenerife)	90.00%	23,640
UTE Rec. Periferia de Madrid	Camino de Hormigueras, 171. Edificio A , 4ª Planta. 28031, Madrid.	50.00%	10,588
UBB (Essex) Construction JV	Unit F, Pate Court, St Margaret's Road, Cheltenham, Gloucestershire, GL50 4DY	70.00%	63,226
UTE Moron	Gral. J. M. de Pueyrredón 937, Morón	100.00%	14,261
UTE Urbasur	Brandsen 2720, Ciudad de Buenos Aires	70.00%	38,150
UTE Espacios Verdes II	Brandsen 2720, Ciudad de Buenos Aires	60.00%	21,629
UTE Capital	Brandsen 2720, Ciudad de Buenos Aires	100.00%	15,221

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APPENDIX III. ASSOCIATES - JOINT VENTURES

Company	Address	% Effective Ownership	Non-current Assets	Current Assets	Non-current Liabilities	Current Liabilities	Equity (*)	Revenue	Profit before taxes	Taxes	Profit for the year	Global profit
		Data on the investee (in their % of participation)										
2014												Thousand of Euros
ASSOCIATES												
CONSTRUCTION - DRAGADOS												
Cleon, S,A,	Avda, General Perón, 36 1º, 28020 Madrid, Spain,	25.00%	-	32,841	-	7,857	24,984	-	(11)	-	(11)	(11)
CONSTRUCTION - IRIDIUM (Concessions)												
Capital City Link General Partnership	12009 Meridian St, Edmonton, Alberta T6S 1B8, Canada,	25.00%	82,156	19,028	92,791	8,775	(383)	5,207	5,860	(163)	5,697	5,697
Infraestructuras y Radiales, S,A,	Ctra,M-100 Alcalá de Henares a Daganzo Km 6,300, 28806 Alcalá de Henares, Madrid, Spain	35.00%	289,575	3,418	184,079	168,459	(59,545)	4,389	(11,181)	4,671	(6,510)	(6,510)
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S,A,	Rua Julieta Ferrão, nº 10 – 6º andar 1600-131 Lisboa, Portugal	49.50%	153,511	12,620	154,267	20,676	(8,812)	-	-	-	-	-
CONSTRUCTION - HOCHTIEF												
Al Habtoor Engineering Enterprises Co, LLC	Dubai,United Arab Emirates	45.00%	440,464	932,839	328,032	786,699	258,572	499,316	-	-	-	-
INDUSTRIAL SERVICES												
Interligaçao Elétrica Norte e Nordeste, S,A,	Av, Marechal Camara 160 sala 1833 y 1834, 20030-020 Rio de Janeiro, Brazil	25.00%	53,747	3,193	23,346	7,920	25,673	5,094	904	(904)	-	-
ENVIRONMENT												
Tirme, S,A,	Ctra, de Soller, Km 8,2, 07120 Son Reus, Palma de Mallorca, Spain	60.00%	241,123	81,160	261,184	16,399	44,700	53,443	9,223	(2,587)	6,635	5,991
JOINT VENTURES												
CONSTRUCTION - DRAGADOS												
Empresa Mantenimiento y Explotación M-30, S,A,	C/ Méndez Alvaro, 95, 28053 Madrid, Spain,	50.00%	92,277	10,311	95,008	7,083	497	14,353	4,343	(89)	4,254	4,254
CONSTRUCTION - IRIDIUM (Concessions)												
Circunvalación Alicante, S,A,C,E,	Autopista AP 7,pk 703, Area Monforte del Cid, 03670 Monforte del Cid, Alicante, Spain	50.00%	177,204	2,240	144,742	135,679	(100,978)	2,955	(9,165)	3,636	(5,529)	(5,529)
Concessionària Hospital Universitari Son Espases, S,A,	Carretera Valldemosa, 79, 07120 Palma de Mallorca, Islas Baleares, Spain	49.50%	149,938	40,852	188,014	9,801	(7,025)	20,791	23,927	(838)	23,089	23,089
Eix Diagonal Concessionària de la Generalitat de Catalunya, S,A,	Avenida Josep Tarradellas, nº 8, Planta 2, puerta 4, 08029 Barcelona, Spain	100.00%	402,406	32,173	402,885	35,353	(3,659)	23,929	9,965	4,189	14,154	14,154

* Non-controlling interests not included.

		Data on the investee (in their % of participation)										
Company	Address	% Effective Ownership	Non-current Assets	Current Assets	Non-current Liabilities	Current Liabilities	Equity (*)	Revenue	Profit before taxes	Taxes	Profit for the year	Global profit
												Thousand of Euros
I 595 Express, LLC	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street.Wilmington New Castle. Delaware 19801. United States.	50.00%	630,603	8,032	538,218	535	99,882	44,716	52,629	(3,046)	49,583	49,583
Línia Nou Tram Dos, S.A.	Avenida Josep Tarradellas, 34-36 4º Dcha.08029 Barcelona. Spain.	50.00%	366,875	16,966	425,287	5,427	(46,874)	37,616	43,577	(1,789)	41,788	41,788
Nouvelle Autoroute 30, S.E.N.C.	5388 Pierre Dansereau, Salaberry-de-Vallefield. Quebec H9R 5B1. Canada.	50.00%	402,735	8,546	353,259	12,978	45,044	31,479	40,163	(2,331)	37,832	37,832
TP Ferro Concesionaria, S.A.	Ctra. de Llers a Hostalets GIP-5107 p.k. 1, s/n 17730 Llers (Girona) Spain	50.00%	606,842	7,362	400,257	200,275	13,672	4,463	(9,845)	4,531	(5,315)	(5,315)
Windsor Essex Mobility Group	2187 Huron Church Road, Suite 218, Windsor. Ont N9C 2L8. Canada.	33.33%	145,739	20,487	135,677	28,013	2,536	16,597	18,967	(628)	18,339	18,339
ENVIRONMENT												
Servicios Urbanos E Medio Ambiente, S.A.	Avda. Julio Dinis, 2. Lisboa. Portugal.	38.50%	31,080	47,385	17,992	28,950	31,523	30,143	7,650	(2,543)	5,107	5,107

2013

ASSOCIATES

Company	Address	% Effective Ownership	Non-current Assets	Current Assets	Non-current Liabilities	Current Liabilities	Equity (*)	Revenue	Profit before taxes	Taxes	Profit for the year	Global profit
CONSTRUCTION - DRAGADOS												
Cleon, S.A.	Avda. General Perón, 36 1º. 28020 Madrid. Spain.	25.00%	-	32,835	-	7,840	24,995	-	(64)	-	(64)	(64)
CONSTRUCTION - IRIDIUM (Concessions)												
Capital City Link General Partnership	12009 Meridian St, Edmonton. Alberta T6S 1B8. Canada.	25.00%	70,010	23,343	89,115	4,238	-	4,765	51	(13)	38	38
Infraestructuras y Radiales, S.A.	Ctra.M-100 Alcalá de Henares a Daganzo Km 6.300. 28806 Alcalá de Henares. Madrid. Spain	35.00%	202,561	1,690	69,423	173,263	(38,435)	4,526	(14,587)	4,376	(10,211)	(10,211)
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A.	Rua Julieta Ferrão, nº 10 – 6º andar 1600-131 Lisboa. Portugal	49.50%	146,853	14,054	141,838	18,752	317	-	-	-	-	-
CONSTRUCTION - HOCHTIEF												
Al Habtoor Engineering Enterprises Co. LLC	Dubai, United Arab Emirates	45.00%	397,255	645,766	342,953	476,316	223,752	357,794	753	-	753	753
ENVIRONMENT												
Clece, S.A.	Avda. Manoteras, 46 Bis 2ª Planta. 28050 Madrid. Spain.	76.25%	245,406	310,515	9,701	260,613	285,608	906,672	30,849	(6,432)	24,218	24,218
Tirme, S.A.	Ctra. de Soller, Km 8,2. 07120 Son Reus. Palma de Mallorca. Spain	60.00%	224,842	71,039	269,451	15,118	11,312	45,016	4,726	(1,216)	3,510	3,510

* Non-controlling interests not included.

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Data on the investee (in their % of participation)

Thousand of Euros

Company	Address	% Effective Ownership	Non-current Assets	Current Assets	Non-current Liabilities	Current Liabilities	Equity (*)	Revenue	Profit before taxes	Taxes	Profit for the year	Global profit
2013												
JOINT VENTURES												
CONSTRUCTION - DRAGADOS												
Empresa Mantenimiento y Explotación M-30, S.A.	C/ Méndez Alvaro, 95. 28053 Madrid. Spain.	50.00%	94,868	16,395	99,439	7,385	4,438	13,529	5,669	(420)	5,248	5,248
CONSTRUCTION - IRIDIUM (Concessions)												
Circunvalación Alicante, S.A.C.E.	Autopista AP 7.pk 703. Area Monforte del Cid. 03670 Monforte del Cid. Alicante. Spain	50.00%	218,864	1,729	116,517	129,488	(25,413)	2,868	(11,834)	3,550	(8,284)	(8,284)
Concessionària Hospital Universitari Son Espases, S.A.	Carretera Valldemosa, 79. 07120 Palma de Mallorca. Islas Baleares. Spain	49.50%	152,714	44,776	151,483	43,943	2,064	20,994	2,439	(783)	1,656	1,656
I 595 Express, LLC	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street.Wilmington New Castle. Delaware 19801. United States.	50.00%	611,964	31,552	512,333	9,526	121,658	42,436	5,297	(2,039)	3,257	3,257
Línia Nou Tram Dos, S.A.	Avenida Josep Tarradellas, 34-36 4° Dcha.08029 Barcelona. Spain.	50.00%	308,076	48,943	365,303	9,402	(17,685)	35,309	6,838	(2,052)	4,787	4,787
Nouvelle Autoroute 30, S.E.N.C.	5388 Pierre Dansereau, Salaberry-de-Vallefield. Quebec H9R 5B1. Canada.	50.00%	380,242	7,324	336,870	9,933	40,762	35,627	8,324	(2,364)	5,960	5,960
TP Ferro Concesionaria, S.A.	Ctra. de Llers a Hostalets GIP-5107 p.k. 1, s/n 17730 Llers (Girona) Spain	50.00%	370,656	4,116	360,543	4,539	9,691	2,235	(530)	168	(362)	(362)
Windsor Essex Mobility Group	2187 Huron Church Road, Suite 218, Windsor. Ont N9C 2L8. Canada.	33.33%	205,207	18,781	196,779	27,031	178	16,353	1,740	(461)	1,279	1,279
ENVIRONMENT												
Servicios Urbanos E Medio Ambiente, S.A.	Avda. Julio Dinis, 2. Lisboa. Portugal.	38.50%	167,630	45,584	172,898	9,701	30,615	28,885	3,033	(780)	2,252	2,252

* Non-controlling interests not included.

APPENDIX IV. CHANGES IN THE SCOPE OF CONSOLIDATION

The main companies included in the scope of consolidation are as follows:

Sertego, C.A.
Semi Procoin
ACS Actividades Finance 2 B.V.
Binding Statement, S.A.
Consorcio Constructor Piques y Túneles Línea 6 Metro, S.A.
Grupo Cobra South Africa Proprietary Limited
Conyblox Proprietary Limited
Dankocom Pty, Ltd
Drazigystix Pty, Ltd
Turner/Top Grade/Flatiron
Topgrade/Flatiron
Topgrade/Flatiron/Gallagher
Leighton Joint Venture
Victoria Point Docklands Pty. Ltd.
Fleetco Rentals No.1 Pty Ltd.
Bachus Marsh JV
Casey Fields JV
Deer Park JV
Henry Road Pakenham JV
Leighton - Chun Wo JV
Turramurra JV
Leighton Abigroup Consortium (Epping to Thornleigh)
Leighton OSE JV
HTP Projekt 1 Verwaltungs GmbH
Metro de Lima Línea 2, S.A.
ACS Infrastructure Australia PTY LTD
Serveis Educatius Cavall de Cartró, S.L.
Sermicro do Brasil Servicos e Informática, Ltda.
Ipar Imesapi, S.A.
Maetel Japan KK
Prince Contracting, LLC.
Cobra Operaciones, S.A. de C.V.
Cobra Recursos Administrativos, S.A. de C.V.
Concesionaria Desaladora del Sur, S.A.
Etra Eurasia Entegre Teknoloji Hizmetleri Ve Insaat Anonim Sirketi
Consorcio Tempo Real Rio
All Care (GB) Limited
Flatiron-Blythe Development Company
Turner-Kiewit JV
Turner-SG Contracting
Turner/Ozanne/VAA
TMA JV III
Turner-Acura-Lindahl
Imatis Australia Pty. Ltd.
Thiess - Ngarda JV
Thiess Southbase JV
Coleman Rail Pty. Ltd. & John Holland Pty. Ltd. (Activate)
Colin Joss & Co Pty. Ltd. & John Holland Pty. Ltd.
Edenbrook Estate
John Holland Pty. Ltd. and Kellogg Brown & Root Pty. Ltd.
Leighton Boral Amey NSW Pty. Ltd.
Leighton Boral Amey QLD Pty. Ltd.
Devine Building Management Services Pty Ltd
DoubleOne 3 Building Management Services Pty Ltd
Lei Shun Employment Limited
Leighton Africa Mozambique Limitada
Emrail-Leighton Joint Venture
Leighton Gbs Sdn. Bhd.
Leighton Superannuation Pty. Ltd.
Leighton Engineering Sdn Bhd
Leighton Equity Incentive Plan Trust
J.F. White Contracting Company
ACS Infraestructuras Perú SAC
Avio Soluciones Integradas, S.A.
Divum Soluciones de Catering, S.A.
Clever Airport Services, S.A.
Koala Soluciones Educativas, S.A.
Lirecan Servicios Integrales, S.A.
ASON Electrónica Aeronautica, S.A.
Petrointegral S.A.P.I. de C.V.
Oilserv S.A.P.I. de C.V.
Concesionaria Vial del Pacífico, S.A.S
Ecisa Sice Spa
ACSA
Tecneira Solar
OKS, Lda.
CME Africa
Procme Southern Africa do Sul
CME Southern Africa do Sul
Optic1
Flatiron Constructors, Inc.-Blythe Development Company
Flatiron-Zachry
ZOB Beteiligungs GmbH
HTP Projekt 9 (neun) GmbH & Co. KG
HTP Projekt 10 (zehn) GmbH & Co. KG
Copernicus B4 Sp.z o.o.
Copernicus D3 Sp.z.o.o.
Copernicus Roads Sp.z.o.o.
Via Solutions Nord GmbH & Co. KG
HOCHTIEF PPP Operations GmbH
BAB A7 Neumünster-Hamburg Betriebsverwaltungsgesellschaft mbH
Via Solutions Nord Service GmbH & Co. KG
Consorcio Constructor ICIL - ICAFAL - DRAGADOS S.A.
Consorcio CVV Ingetal Puerto Natales S.A.
Tratamiento Integral de Residuos Zonzamas, S.A.U.
Integra Mantenimiento, Gestión y Servicios Integrados Extremadura CEE, S.L.U.
Heath Lodge Care Services, LTD
Consorcio Tunel del Mar
Avanzia S.A de C.V.
Energia y Recursos Ambientales de Perú, S.A.
Servicios Transportes Equipamientos Públicos, S.L.
Esperanza Transmissora de Energia, S.A.
Odoyá Transmissora de Energia, S.A.
Masa Maroc s.a.r.l.
Global Borealis, S.L.U.
Portsmouth Gateway Group Holdco, L.L.C.
Avanzia Ingenieria, S. A. de C. V.
Comercial y Servicios Larco Bogota S.A.
Comercial y Servicios Larco S.A.
Comercial y Servicios Larco Bolivar S.A.S.
Project SP sp.z o.o.
Copernicus 5B Sp. z o.o.
Copernicus B1 Sp. z o.o.
Copernicus D Sp. z o.o.
Copernicus Development Sp. z o.o.
Independent (Re)insurance Services S.A.
Contractors Reinsurance S.A.
Sukut/Flatiron JV
Turner Regency
The Provident Group, STV-Turner JV
A.C.N. 601 639 810 Pty Ltd
Leighton PPP Services NZ Limited
LNWR Pty Limited
LS NewCo Pty Ltd
LS Midco Pty LTd
Pacific Partnerships Holdings Pty Ltd

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The main companies included in the scope of consolidation are as follows:

Pacific Partnerships Investments Pty Ltd	Wellington Gateway General Partner No.1 Limited
Pacific Partnerships Pty Ltd	Wellington Gateway Partnership No 1 Limited partnership
Sustaining Works Pty Limited	Wellington Gateway General Partner No.2 Limited
Thiess Contractors Canada Ltd	Wellington Gateway Partnership No 2 Limited partnership
Leighton Group Property Services No.1 Pty Ltd	Imatis Australia Pty. Ltd.
Queens Square Pty Ltd	Thiess - Ngarda JV
Devine Projects (VIC) Pty Ltd	LS HoldoCo Pty. Ltd.
Devine SA Land Pty Ltd	RTL JV
Devine Woodforde Pty Ltd	CHT Joint Venture
Trafalgar EB Pty Ltd	Leighton/HEB Joint Venture
Tribune SB Pty Ltd	Thiess Black and Veatch Joint Venture
Woodforde JV Pty Ltd	Turramurra JV
NRT - Infrastructure Joint Venture	

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

Tecmed Environment, S.A.S.	CONTUR Wohnbauentwicklung GmbH
Entaban Biocombustibles del Pirineo	CONTUR Wohnbauentwicklung und Projektsteuerung GmbH & Co. KG
Corfica 1, S.L.	Projektverwaltungsgesellschaft SEVERINS WOHNEN mbH
Servicios Dinsa, S.A. de C.V.	SEVERINS WOHNEN GmbH & Co. KG
Metro de Sevilla Sdad Conces Junta Andalucia, S.A.	RheinauArtOffice GmbH & Co. KG
HPAL Freehold Pty. Ltd.	ArtOffice GmbH
Menette Pty. Limited	Uferpalais Verwaltungsgesellschaft mbH
John Holland Veolia Water Australia Joint Venture (Hong Kong Sludge)	Area of Sports mbH & Co. KG
Leighton OSE Joint Venture - Indore	Uferpalais Projektgesellschaft mbH & Co. KG
Leighton OSE Joint Venture - Agra	formart Beteiligungsverwaltungsgesellschaft mbH
Aurelis Real Estate GmbH & Co. KG	Wohnpark Gießener Straße GmbH & Co. KG
Streif Baulogistik Österreich GmbH	formart Wilma Verwaltungsgesellschaft mbH
HOCHTIEF PPP Schulpartner Köln P 1 GmbH & Co. KG	Projektentwicklungsgesellschaft Holbeinviertel mbH & Co. KG
HOCHTIEF PPP Schulpartner Köln Rodenkirchen GmbH & Co. KG	The View Elbphilharmonie GmbH
HOCHTIEF PPP Schulpartner Frankfurt am Main GmbH & Co. KG	formart Immobilien GmbH
HOCHTIEF PPP Bundeswehrpartner FWK München GmbH & Co. KG	HOCHTIEF Hamburg GmbH
HOCHTIEF PPP 1. Holding GmbH & Co. KG	ABG BEIVivo GmbH & Co. KG
HOCHTIEF PPP 1. Holding Verwaltungsgesellschaft mbH	Warenhaus Flensburg Verwaltungsgesellschaft mbH
HOCHTIEF PPP Verwaltungs GmbH	WTS GmbH
HOCHTIEF PPP Schulpartner Köln Rodenkirchen Verwaltungs GmbH	Wohnentwicklung Theresienstraße GmbH & Co. KG
HOCHTIEF PPP Schulpartner Frankfurt am Main Verwaltungs GmbH	Objekt Hilde und Tom München GmbH & Co. KG
HOCHTIEF PPP Bundeswehrpartner FWK München Verwaltungs GmbH	Flensburg Kaufhaus GmbH & Co. KG
Dravo, S.A.	Flensburg Parkhaus GmbH & Co. KG
Beijing Citic Xinlong Contracting Co., Ltd.	Entreprise Générale de Construction HOCHTIEF-LUXEMBOURG
HTP Projekt 1 (eins) GmbH & Co KG	DURST-BAU GmbH
BAB A7 Neumünster-Hamburg Autobahnverwaltungsgesellschaft mbH	Immobilière de Hamm S.A.
HTP Projekt 1 Verwaltungs GmbH	HOCHTIEF Kirchberg Services S.A.
North Parramatta No. 1 Pty. Ltd.	formart GmbH & Co. KG
North Parramatta No. 1 Unit Trust	formart Management GmbH
BGC & John Holland & Macmahon Joint Venture (Roy Hill Rail JV)	IMMOBILIENGESELLSCHAFT CSC (KIRCHBERG) S.A.
Leighton Kumagai JV (Route 9 - Eagle's Nest Tunnel)	HOCHTIEF Property Management GmbH
Leighton Kumagai JV (Wanchai East & North Point Trunk Sewerage)	CORUS Centermanagement GmbH
Inspire Schools Finance Pty Limited	HOCHTIEF Asset Services GmbH
Leighton Offshore Arabia Co. Ltd.	HOCHTIEF Global One GmbH
TMA JV III	HOCHTIEF AirPort Athens Holding GmbH
Projektverwaltungsgesellschaft Mönchengladbach - Area of Sports mbH	Gestion Medioambiental de L'Anoia
Projektentwicklungsgesellschaft acht bis elf mbH i.L.	Somec

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

Dragados Offshore de México KU-A2, S.A. DE C.V.	Conneq Infrastructure Services (Australia) Pty Ltd and John Holland Pty Ltd
Sidetel S.A.	Cotter Googong Bulk Transfer JV
Empresa Mixta de Limpieza S.A.	Hazell Brothers John Holland JV
Servicios Selun S.A.	Holland York JV
Sice Do Brasil	JM JV
Consorcio Tempo Real Rio	JM JV SIA JV
Itumbiara Marimbondo Ltda.	John Holland Abigroup Contractors JV (Coffs Infrastructure)
Cachoeira Montages e Serviços, Ltda.	John Holland BRW JV
Inotec	John Holland Coleman Rail JV
Cobra-Udisport Conde de Guadalhorce S.L.	John Holland Colin Joss JV
Via Solutions Thüringen GmbH & Co. KG	John Holland Downer EDI Engineering Power Joint Venture
Leighton Properties Resorts Pty Limited	John Holland Downer EDI JV
Leighton Property Development Pty Limited	John Holland Macmahon Joint Venture (Bell Bay)
Kingscliff Resort Trust	John Holland MacMahon JV (Roe and Tonkin Highways)
Chargepoint Pty Ltd	John Holland Macmahon JV (Ross River Dam)
Delron Cleaning Pty Ltd	John Holland McConnell Dowell JV
Delron Group Facility Services Pty Limited	John Holland Thames Water JV
Leighton Services Australia Pty Limited	John Holland United Group Infrastructure Joint Venture
Vision Hold Pty Limited	Rail Link Joint Venture
Visionstream Australia Pty Limited	BJB JV
Visionstream Pty Limited	Leighton Monnis Infrastructure JV LLC
Visionstream Services Pty Limited	Leighton Boral Amey NSW Pty Limited1
Vytel Pty Limited	Leighton Boral Amey QLD Pty Limited1
Silcar New Caledonia SAS	Abigroup Contractors Pty Ltd & Coleman Rail Pty Ltd & John Holland Pty Ltd (Integrate Rail JV)
Silcar Pty Ltd	Coleman Rail Pty Ltd & John Holland Pty Ltd & York Civil Pty Ltd Joint Venture (Tracksure Rail Upgrade)1
Thiess Services Limited	Coleman Rail Pty Ltd & John Holland Pty Ltd (Activate)1
Thiess Services Pty Ltd	Colin Joss & Co Pty Ltd & John Holland Pty Ltd1
JHG Mutual Limited	Degremont Thiess Services Joint Venture
John Holland (NZ) Ltd	GHD & John Holland Joint Venture (Perth City Link Rail Alliance)1
John Holland Group Pty Ltd	John Holland & Leed & Macmahon Joint Venture (Urban Superway) 1
John Holland Melbourne Rail Franchise Pty Ltd	John Holland & Leed Engineering Joint Venture (NIAW) 1
John Holland Pty Ltd	John Holland & UGL Joint Venture (Murrumbidgee Irrigation) 1
John Holland Queensland Pty Ltd	John Holland Abigroup Contractors Joint Venture (Bulk Water) 1
John Holland Rail Pty Ltd	John Holland Fairbrother Joint Venture1
Fleetco Rentals No.1 Pty Ltd.	John Holland Fulton Hogan Joint Venture1
Wellington Gateway General Partner No.2 Limited	John Holland Laing O'Rourke & NRW Joint Venture1
Wellington Gateway Partnership No 2 Limited partnership	John Holland Laing O'Rourke Joint Venture1
Vizag General Cargo Berth Ltd Private Limited2	John Holland Pty Ltd & Bouygues Travaux Publics (Glenfield Junction Alliance) 1
Aurum Partnership Pty Limited1	John Holland Pty Ltd & Bouygues Travaux Publics (North Strathfield Rail Underpass Alliance) 1
Metro Trains Melbourne Pty Limited1	John Holland Pty Ltd & Lend Lease Project Management & Construction (Australia) Pty Limited
Roche Thiess Linfox Joint Venture	John Holland Pty Ltd & Pindan Contracting Pty Ltd
Hassall Street Pty. Ltd.	John Holland Pty Ltd And Kellogg Brown & Root Pty Ltd
Hassall Street Trust	John Holland Tenix Alliance Joint Venture1
Green Square Consortium Pty. Ltd.	John Holland Veolia Water Australia Joint Venture (Blue Water)1
Folkestone/Leighton JV Pty Ltd	John Holland Veolia Water Australia Joint Venture (Gold Coast Desalination Plant) 1
Brisbane Motorway Services Pty Limited	Leighton Boral Amey NSW Joint Venture
Gateway Motorway Services Pty. Ltd.	Leighton Boral Amey QLD Joint Venture
Infocus Infrastructure Management Pty. Ltd.	Thiess Services and South Eastern Water
Westlink (Services) Pty. Ltd.	Thiess Services and South Eastern Water
TSDI Pty. Ltd.	
Coleman Rail Pty. Ltd. & John Holland Pty. Ltd. & York Civil Pty. Ltd. JV (Trackworks Upgrade Adelaide)	
Coleman Rail Pty. Ltd. & John Holland Pty. Ltd. JV (Rail Revitalisation Project, SA)	

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 2014
and Directors' Report,together with Independent Auditors' Report.

Deloitte.

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

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Fax: +34 915 14 51 80

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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 framework applicable to the Group (see Notes 2 and 39). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of ACS, Actividades de Construcción y Servicios, S.A.,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ACS, Actividades de Construcción y Servicios, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss, 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.

Directors' Responsibility for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the consolidated equity, consolidated financial position and consolidated results of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries 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 in Spain (identified in Note 2.01 to the accompanying consolidated financial statements) and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Parent's directors of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries as at 31 December 2014, and their consolidated results and their consolidated cash flows for the year then ended 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 in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated directors' report for 2014 contains the explanations which the Parent's directors consider appropriate about the situation of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries, the evolution of their 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 2014. 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

Ignacio Alcaraz Elorrieta
24 March 2015

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HISTORICAL PERFORMANCE

CONSOLIDATED INCOME STATEMENT EVOLUTION

Million of euros	2009(1)	2010(2)	2011	2012(3)	2013(4)	2014	CAGR(5) 14/09
Revenues	15,387.4	14,328.5	28,471.9	38,396.2	35,178.0	34,880.9	17.8%
Construction	6,151.2	5,703.3	19,801.5	29,682.8	26,364.7	25,819.6	33.2%
Industrial Services	6,849.6	7,157.8	7,045.0	7,050.0	7,067.1	6,750.0	-0.3%
Environment	2,469.8	1,510.7	1,685.7	1,690.8	1,781.2	2,338.2	-1.1%
Holding / Adjustments	(83.2)	(43.3)	(60.4)	(27.4)	(35.0)	(26.9)	
EBITDA	1,429.3	1,431.7	2,317.7	3,088.4	2,832.5	2,466.3	11.5%
Construction	474.5	426.8	1,209.7	1,995.5	1,656.3	1,323.2	22.8%
Industrial Services	686.9	821.4	907.3	904.2	937.2	901.6	5.6%
Environment	304.1	237.3	253.3	241.2	274.9	290.6	-0.9%
Holding / Adjustments	(36.2)	(53.9)	(52.6)	(52.4)	(35.9)	(49.1)	
EBIT	1,073.9	1,039.2	1,333.3	1,579.4	1,639.7	1,597.8	9.5%
Construction	384.4	343.2	448.9	684.6	674.5	704.4	10.0%
Industrial Services	547.8	627.7	827.5	849.3	880.6	810.5	13.3%
Environment	180.3	124.8	112.0	105.9	123.0	134.5	-8.8%
Holding / Adjustments	(38.5)	(56.6)	(55.1)	(60.5)	(38.3)	(51.6)	
Net Profit	1,946.2	1,312.6	961.9	(1,927.9)	701.5	717.1	-17.2%
Construction	219.5	187.5	424.4	247.8	188.9	223.1	-8.5%
Industrial Services	346.7	399.5	491.6	415.7	417.6	419.7	5.7%
Environment	146.2	152.3	128.2	196.4	57.7	71.7	-16.8%
Holding / Adjustments*	1,233.8	573.3	(82.3)	(2,787.8)	37.4	2.5	n.a.

(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 reclassifi ed as"Discontinued Operation", using the same criteria that it has been used in 2011 and Hochtief results has been included in Construction area.
(3) 2012 data have been restated as a result of the entry into force of revised IFRS 19 which is applied retroactively.
(4) 2013 data have been restated included the effect of the IFRS 10,11 and 12, and considering John Holland and Services as "Discontinued Operation" with the same criteria as in 2014.
(5) CAGR: Compound Annual Growth Rate.
* From 2011 the financial expenses derived from Hochtief stake´s acquisition were included in Holding/Adjustments.

CONSOLIDATED BALANCE SHEET AS OF DECEMBER, 31

Million of euros	2009	2010	2011	2012	2013 (1)	2014
Fixed and other noncurrent assets	17,505.7	19,422.3	25,630.3	18,851.7	16,435.6	14,524.6
Property, plant and equipment	4,435.9	1,469.1	3,550.4	3,130.8	2,607.4	2,658.3
Intangible assets	1,272.5	1,545.2	2,856.2	2,489.0	2,223.6	2,148.1
Non-current financial assets	9,888.8	11,007.4	9,053.3	4,163.3	3,915.3	3,700.1
Assets held for sale (2)	1,134.0	4,576.7	8,087.1	6,601.5	5,309.6	3,822.1
Deferred tax assets	774.5	824.0	2,083.3	2,467.1	2,379.7	2,195.9
Goodwill	1,108.4	1,149.4	2,496.4	2,559.8	2,726.1	2,894.2
Working capital	(2,799.3)	(3,386.3)	(3,733.7)	(2,698.4)	(2,071.3)	(1,355.8)
TOTAL ASSETS	15,814.8	17,185.4	24,393.0	18,713.2	17,090.5	16,063.0
Equity	4,507.9	4,442.4	6,191.3	5,711.5	5,488.9	4,897.9
Shareholder's Equity	5,225.8	5,519.2	5,682.3	3,382.4	3,802.8	3,451.8
Adjustments for changes in value	(1,006.1)	(1,340.7)	(2,363.2)	(725.8)	(534.9)	(418.3)
Non controlling interests	288.3	263.8	2,872.2	3,055.0	2,221.0	1,864.4
Other non-current liabilities	2,217.6	4,739.9	8,867.6	8,049.7	7,790.5	6,334.7
Liabilities held for sale (3)	800.3	3,590.1	4,995.3	4,089.3	3,878.3	2,890.6
Other non-current liabilities	1,417.3	1,149.8	3,872.2	3,960.4	3,912.2	3,444.1
Non-current liabilities	11,636.8	9,621.2	9,604.3	6,593.9	6,851.9	5,686.7
Non-recourse project financing	8,591.9	4,860.1	5,888.1	1,103.8	1,035.7	491.3
Non-current bank borrowings	3,044.9	4,761.1	3,716.2	5,852.7	6,375.7	5,599.6
Long-term deposits				(362.9)	(559.4)	(404.2)
Current payables/ Current liabilities	(2,547.5)	(1,618.1)	(270.1)	(1,641.9)	(3,040.9)	(856.3)
Non-recourse project financing	278.0	2,186.4	77.4	278.6	221.4	491.4
Current bank borrowings	2,103.6	2,150.3	6,813.8	4,312.8	3,641.8	5,712.1
Other current financial assets	(2,757.9)	(3,502.2)	(3,006.2)	(1,705.4)	(2,980.1)	(1,892.7)
Cash and cash equivalents	(2,171.3)	(2,452.6)	(4,155.2)	(4,527.8)	(3,924.0)	(5,167.1)
TOTAL EQUITY AND LIABILITIES	15,814.8	17,185.4	24,393.0	18,713.2	17,090.5	16,063.0

(1) 2013 data have been reexpressed including the effect of the IFRS 10,11 and 12.

(2) In 2009 there were included "Non-current assets held for sale" accounted for 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 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 euros related 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. In 2013 there were included "Non-current assets held for sale" accounted for 3,161.5 million of euros related to renewable energy assets, 352.5 million of euros related to desalination plants, 121.5 million of euros related to Brazilian transmission lines, 118 million of euros related to SPL assets, 943.8 million of euros related to Iridium concessional assets, 333.8 million of euros related to Hochtief/Leighton assets and 50.1 million of euros related to other assets. In 2014 there were included 3,336.7 mn € million of euros related to renewable energy assets, 158.3 mn € million euros related to desalinisation plants, 116 mn € million of euros related to Brazilian transmission lines, 171.6mn € related to Hochtief/Leighton assets and 39.5 mn € related to other assets.

(3) In 2009 there were included "Non-current liabilities held for sale" accounted for 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 related to other assets. In 2013 there were included 2,626.0 million of euros related to renewable energy assets, 251.6 million of euros related to desalination plants, 65.5 million of euros related to Brazilian transmission lines, 51.2 million of euros related to SPL assets, 785.5 million of euros related to Iridium concessional assets, 68.1 million of euros related to Hochtief/Leighton assets and 30.3 million of euros related to other assets.In 2014 there were included 2,635.5 mn € million of euros related to renewable energy assets, 115.7mn € million euros related to desalinisation plants, 55 mn € million of euros related to Brazilian transmission lines, 63.3mn € related to Hochtief/Leighton assets and 21.2 mn € related to other assets.

CORPORATE RESPONSIBILITY REPORT OF THE ACS GROUP 2014

ACS
ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

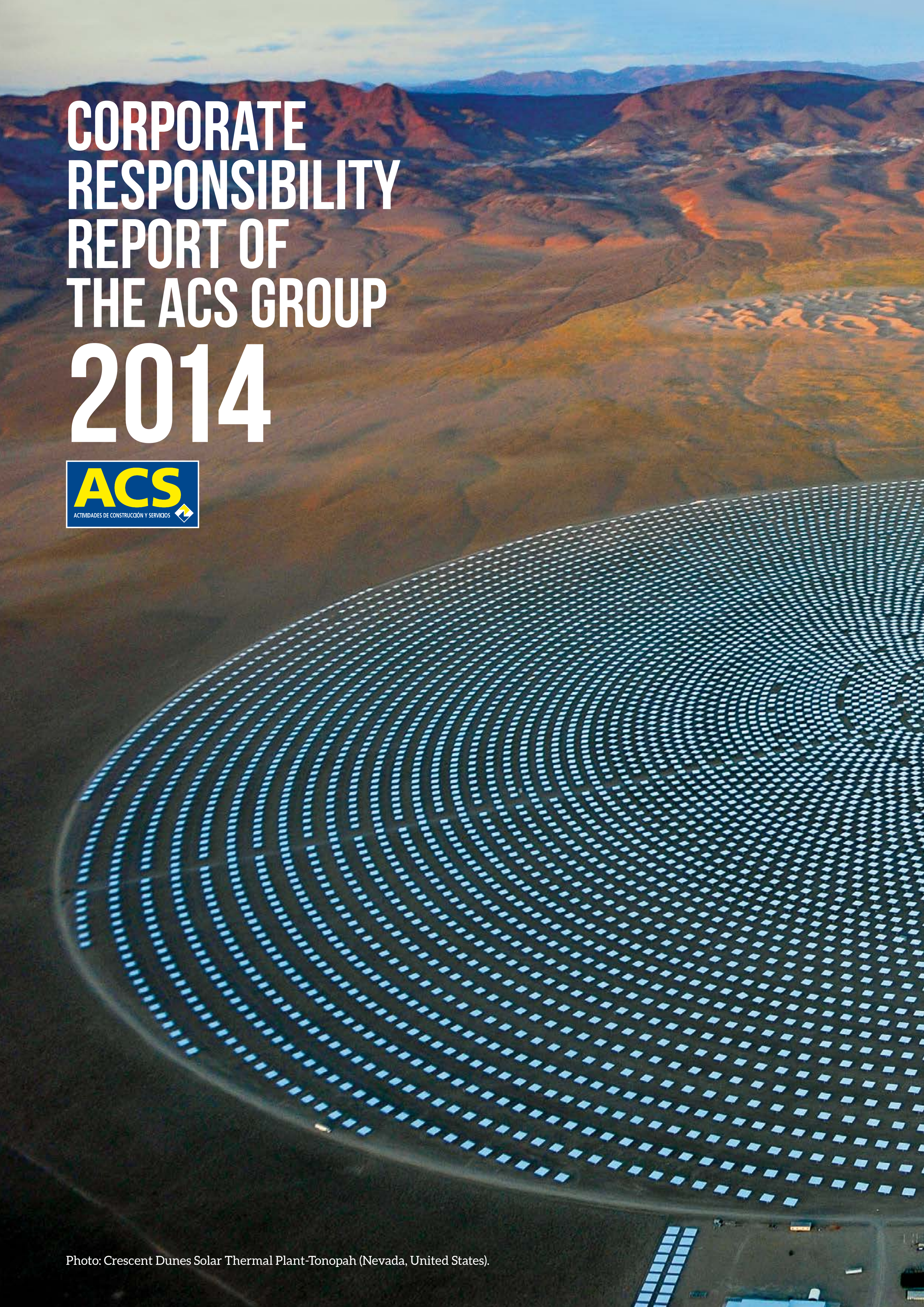
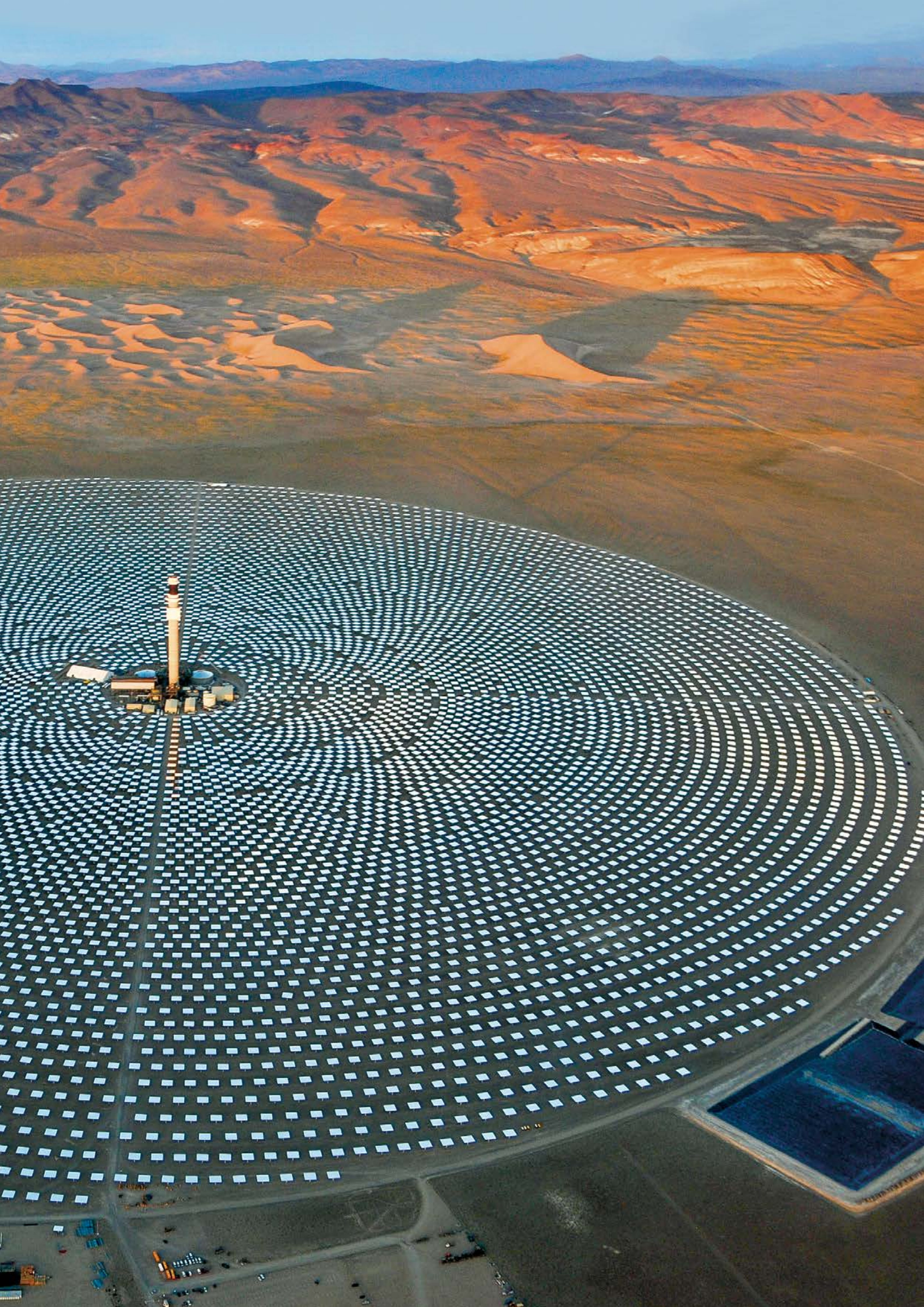


Photo: Crescent Dunes Solar Thermal Plant-Tonopah (Nevada, United States).



CORPORATE RESPONSIBILITY REPORT OF THE ACS GROUP

1. LETTER FROM THE CHAIRMAN

DEAR SHAREHOLDER

This Corporate Responsibility Report contains the ACS Group's non-financial management policies and the main achievements and initiatives it implemented globally in 2014. With a stable presence in over 70 countries, 210,345 employees and a turnover of €34.881 billion, the ACS Group is a worldwide leader in developing infrastructures through companies that are global operational, technical and organisational leaders. The ACS Group is the leader in markets in the United States, Asia and Australia, and it is the second largest construction company in Latin America and the fourth largest in Europe, in a sector such as infrastructure, which is crucial for the social and economic development of the global economy.

The non-financial management policies detailed in this document provide information on the ACS Group that is broadly demanded by the main stakeholders with whom we work. Attention from investors, clients, employees, suppliers and society as a whole strengthens our commitment to transparency and rigour in defining, controlling and improving our management. This document gives a breakdown of the main indicators used for measuring our performance in terms of ethics, operational efficiency and human resources.

We use a series of tools to manage corporate responsibility that allows us to take on this challenge as a decentralised group, where our companies develop their policies independently based on the markets and stakeholders they work with, but sharing ACS's best practises and corporate culture. The various operational directors are coordinated using Project One, which involves a series of information and control processes that helps us analyse and evaluate the Group's performance and bring it into line with the requirements of the Dow Jones Sustainability Index. This process makes it possible for us to periodically incorporate improvements on both a functional and a procedural level in the various ACS companies.

This year I would like to point out the recognition we received for our efforts in developing an efficient, rigorous and universal ethics and professionalism policy that led to us achieving the highest score in the world in the "Codes of Conduct/Compliance/Corruption&Bribery" category of the Dow Jones Sustainability Index. In this regard we have made a major effort in training in the last three years, with more than 3,500 courses that have been attended by over 46,000 employees in the Group: a key initiative for solidifying our culture of respect, ethics and professionalism in accordance with the ACS Group General Code of Conduct.

One of the indicators in this report that I would like to highlight is our growth in 2014 due to investment in various corporate responsibility functions, which amounted to €397.7 million, or a 2.4% increase over 2013. This amount includes investments in training which are crucial in a company such as ACS with its focus on talent and people, in workplace safety, an area where our efforts in prevention and safety systems grew by 14.9% over the previous year, and investment in quality improvements and R&D+I, which is our commitment to the future by maintaining the highest standards of technical excellence.

Lastly I would like to emphasise that in 2014 we developed a homogenised orderly policy for channelling our efforts in social action, volunteering and philanthropy. In accordance with international standards, the primary goal is to promote the growth of our business and its sustainability, to improve the company's recognition and reputation, and to contribute to the betterment of the society in which the Group operates. In 2014 our companies and the ACS Foundation dedicated over €8.3 million to the initiatives that are covered in this report.

It is my conviction that in 2014 we once again continued to demonstrate our commitment and capacity for leadership in corporate responsibility. In 2015 we expect to continue to foster management policies that are in line with our corporate culture and which efficiently contribute to our growth and profitability. Corporate responsibility is an important part of creating value for our shareholders, motivating our employees and for the satisfaction of both our clients and all of the stakeholders with whom we work.

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.

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 four fields of action:

1. RESPECT FOR ETHICS, INTEGRITY AND PROFESSIONALISM IN THE GROUP'S RELATIONSHIP WITH ITS STAKEHOLDERS.

2. RESPECT FOR THE SOCIAL, ECONOMIC AND ENVIRONMENTAL SETTING.

3. PROMOTION OF INNOVATION AND RESEARCH IN ITS APPLICATION TO INFRASTRUCTURE DEVELOPMENT.

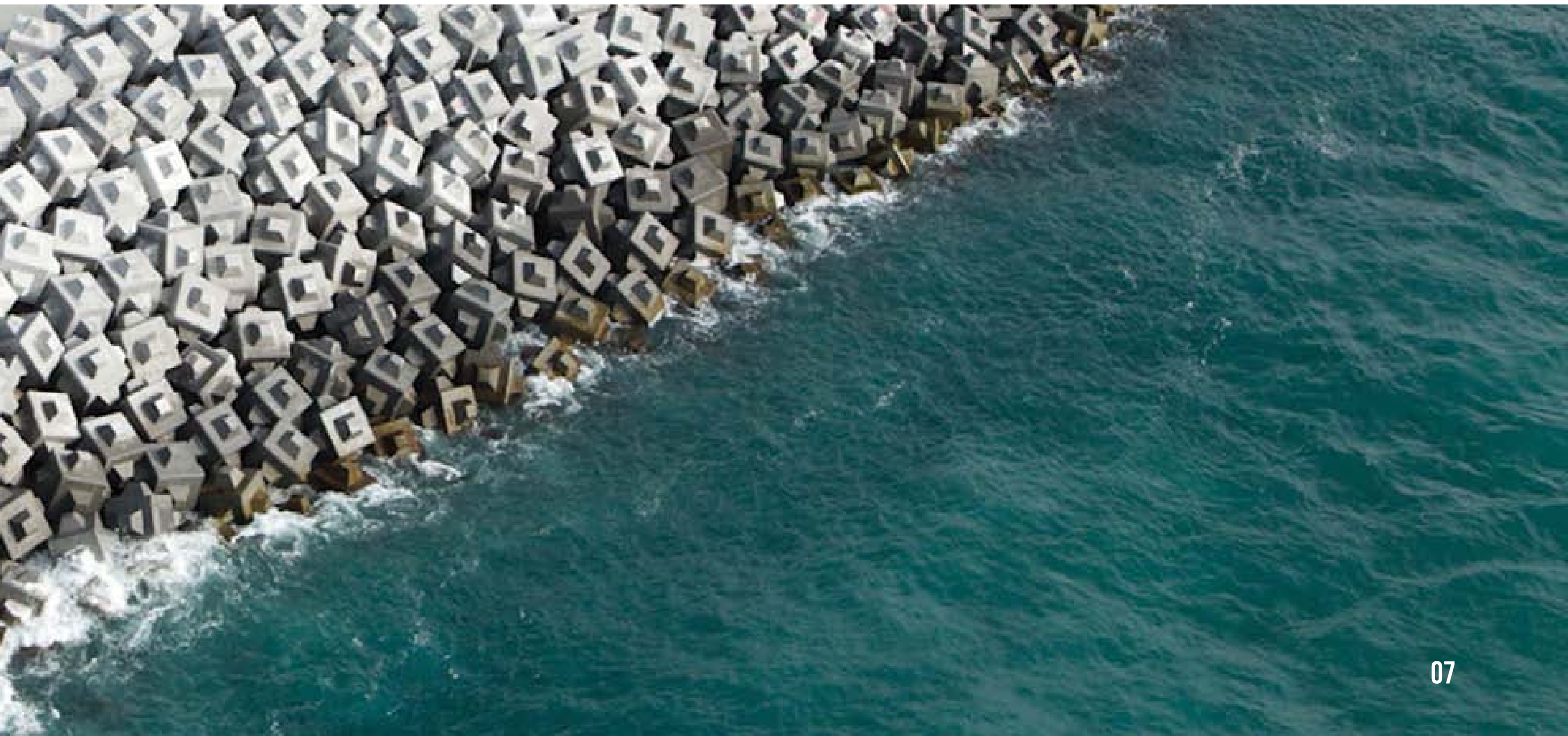
4. CREATION OF EMPLOYMENT AND WELL-BEING, AS AN ECONOMIC MOTOR FOR SOCIETY.

This performance and all the Group's activities are impregnated with the corporate values ACS has developed over its 30 years of history and form the basis of the actions of all the Group's employees:

ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

- ACHIEVING PROFITABILITY
- RESPECTING INTEGRITY
- COMMITMENT TO THEIR WORK
- SEEKING THE CLIENT'S TRUST
- EXCELLENCE IN THEIR PROFESSIONAL ACTIVITIES

PROFITABILITY AND INTEGRITY, TOGETHER WITH COMMITMENT TO STAKEHOLDERS, ESPECIALLY COMMITMENT TO CLIENTS, AND OPERATIONAL EXCELLENCE, ARE THE ACS GROUP'S IDENTIFYING FEATURES.



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 70 countries and employs a total of 210,345 employees. Of these, 110,267 work in Spain and the rest – 100,078 – abroad. The five countries with the highest levels of activity are the United States, Australia, Spain, Mexico and Germany.

In 2014, the year to which this report refers, ACS turned over €34,881 million. This sales figure makes the Group one of the world's[2] biggest construction and services companies by revenue. It recorded a net profit of €717 million and ended the year with an order book of €63,320 million, equivalent to 20 months' activity. At 31 December 2014, the ACS Group recognised equity of €4,898 million and net balance sheet debt of €3,722 million, 2.3% lower than recorded in 2013.

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 €25,820 million in 2014 and employed 74,440 people; 35.4% 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 €6,750 million in 2014 and employed 41,272 people; 19.6% 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 landfills. Additionally, it offers facility management services for buildings and infrastructures. Net sales totalled €2,338 million in 2014. A total of 94,581 employees participated in its activities; 45.0% of the Group total.

2 According to ENR in its August publication Top Global Contractors 2014.

2.1.3. 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.

ACS GROUP

MILLION EUROS	2013	2014
Net revenue	35,178	34,881
Gross operating profit –EBITDA	2,833	2,466
Gross total investments	2,502	2,310
Net profit	702	717
Net debt	3,811	3,722

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED

MILLION EUROS	2013	2014
Total Income	35,178	34,881
Finance income	362	354
Disposals	2,008	2,623
(1) Economic value generated	37,548	37,857
Operating and purchasing expenses	25,318	25,276
Staff costs	7,598	7,761
Taxes	425	319
Dividends	398	318
Finance expenses	1,122	1,036
Resources for the community	4	8
(2) Economic value distributed	34,865	34,718
Economic value retained (1-2)	2,683	3,139

2. THE ACS GROUP

2.2. THE ACS GROUP AND CORPORATE RESPONSIBILITY

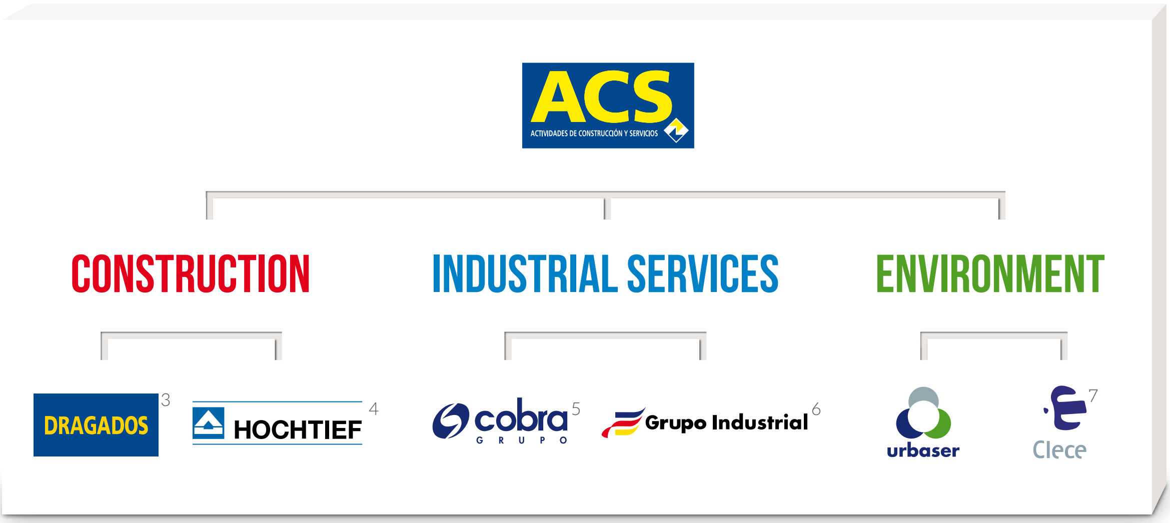
The ACS has a decentralised structure based around its three areas of:

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. Included in this report are the data for the following companies:



3 Dragados, Vías, TECSA, Geocisa, Drace, POLAQUA, Pulice, Picone, Schiavone, Dragados USA & Canada, Iridium, JF White and Prince Contracting.

4 HOCHTIEF Américas, HOCHTIEF Europe and Leighton. The 2013 and 2014 financial and operational information regarding John Holland and Services in Leighton were restated in 2014, after their sale in December 2014. The data presented in this report has been recalculated based on the employee and turnover figure for Leighton for 2014. On the contrary, for 2013 the historical data published at the 2013 year ended have been considered.

5 Cobra, ETRA, SEMI, MAESSA, IMESAPI.

6 Dragados Offshore, CYMI, MASA, SICE, INITEC, INTECSA, MAKIBER.

7 The ACS Group acquired all of the Clece Group's share capital in 2014. The 2012 data do not include information regarding Clece. The 2013 information has been recalculated based on the Clece data. Clece contributed 65,774 employees and sales of €1,219 million in 2013, as well as 68,349 employees and sales of €1,304 million in 2014. (In the financial data, Clece was consolidated during six months in 2014 contributing thus €650 million of revenues).

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.

2. THE ACS GROUP

2.2.1. PROJECT ONE

Project one seeks to promote good management practices and is framed in the Group's general strategy, focused on reinforcing ACS's world leadership. The objective of Project one is to promote the eminently industrial nature of ACS's activities by spreading its corporate culture.

The promotion of good management practices focuses on the following major areas:

- THE GROUP'S POSITION IN TERMS OF ETHICS.
- IN TERMS OF EFFICIENCY, INVOLVING CLIENT, QUALITY, SUPPLIER, ENVIRONMENTAL AND R&D+I POLICIES.
- IN TERMS OF EMPLOYEES, PERSONNEL, HEALTH AND SAFETY AND SOCIAL ACTION POLICIES OF THE ACS GROUP.

The process of promoting good practices is divided into two phases implemented every year; a first one in which the Project focuses on the production of a detailed analysis of the position of the Group's different companies in terms of Corporate Responsibility and the on the aforementioned management areas, performing an assessment based on the Dow Jones Sustainability Index.

The second phase is where the implementation of a series of strategies and good practices in each company is recommended. These are a result of the Group's strategic vision, in line with the aforementioned company values and represent an area for substantial improvement.

This process is conducted in a manner which is supervised by independent external consultants and inspectors who qualify the inclusion of improvements periodically, both at the functional and procedural levels.

The results expected from Project one can be summarised as:

- Continuing redefinition of a repository of non-financial, best governance, environmental and social best practices.
- Regular assurance of their implementation in the various Group companies and of the monitoring of their management indicators.
- Aligning the ACS Group with the Dow Jones Sustainability Index, in which the Group appears currently in its European scope.
- The creation of the Corporate Responsibility Report, including a summary of ACS's governance, environmental and social policies.

Hence this document is structured according to the functional analysis and control areas of Project one. The information gathered from the businesses is presented ordered in terms of strategy, management principles, main performance indicators, risks and good practices.

2.2.1. PROJECT ONE: DEFINING MATERIAL ASPECTS IN THE CR FIELD

Project one also enables the Corporation to determine the most significant subjects, by weighting information sources, to promote these within the Group in the Corporate Responsibility area. The process involves several steps:

- The repository of good practices the Dow Jones Sustainability Index (DJSI) represents is the first input to the process. Included in Project one are all the initiatives the DJSI identifies as relevant, ordered by importance and weighting.
- Confirmation of the level of applicability and materiality of these good practices takes place with over 140 functional directors and middle managers from all the Group companies. In the Project one information process it is confirmed that the proposed good practices are relevant to the companies and that the monitoring indicators measure them correctly.

2. THE ACS GROUP

2.2.1.2. THE ACS GROUP'S MAIN MANAGEMENT INDICATORS IN CR

MAIN MANAGEMENT INDICATORS - ETHICS

	2013	2014	Objective for 2015
Percentage of total ACS Group employees who have received at least one course in Human Rights, Ethics, Integrity or Conduct during their career with the company (% of total ACS employees)	38%	36%	> 2013
Level of implementation in the ACS Group of regular external audits to confirm the degree of compliance with the Code of Conduct (% of total ACS employees)	33%	41%	n.d.
Level of implementation in the ACS Group of contractual clauses on the compliance with the Code of Conduct in contracting with suppliers and subcontractors (% of sales)	90%	91%	> 2013
Level of implementation in the ACS Group of regular external audits to confirm the degree of compliance with the Code of Conduct by suppliers or contractors (% of sales)	17%	23%	n.d.
Communications received by the Ethical Channel	27	9	n.a.

MAIN MANAGEMENT INDICATORS - CLIENTS

	2013	2014	Objective for 2015
Number of client satisfaction surveys carried out	2,979	3,134	> 2013
Number of client satisfaction surveys received	1,279	1,338	> 2013
Percentage of client responses of "satisfied" or "very satisfied" over the total number of surveys RECEIVED (%)	86.91%	87.11%	> 2013
Number of complaints received from clients	26,506	34,259	< 2013
Number of complaints dealt with	100.0%	99.9%	= 2013
Number of complaints satisfactorily resolved (proportion of those received)	97%	99%	=/> 2013

MAIN MANAGEMENT INDICATORS - QUALITY

	2013	2014	Objective for 2015
Percentage of sales from activities certified under the ISO 9001 standard (%)	71.8%	69.1%	> 2013
Number of Quality audits per million euros of turnover	0.037	0.040	> 2013
Intensity of investment in measures to promote and improve Quality (€ investment per € million of turnover)	123	188	> 2013

MAIN MANAGEMENT INDICATORS - SUPPLIERS

	2013	2014	Objective for 2015
Analysis of supplier and subcontractor criticality	59.9%	55.7%	> 2013
Inclusion of compliance with the Code of Conduct in supplier and subcontractor contract clauses	90.2%	90.8%	> 2013
Existence of formal systems for supplier and subcontractor approval	95.8%	96.4%	> 2013
Carrying out of internal audits on suppliers and subcontractors	8.2%	15.2%	> 2013
Development of corrective plans for suppliers and subcontractors to improve their performance in economic, social or environmental matters	4.2%	66.2%	> 2013

MAIN MANAGEMENT INDICATORS - R&D±I

	2013	2014	Objective for 2015
Investment in R&D+i (€ million)	49.4	54.8	> 2013
Level of implementation of a specific R&D+i department	90.3%	91.2%	> 2013
Level of implementation of a formal system for R&D+i management	71.5%	68.9%	> 2013

MAIN MANAGEMENT INDICATORS - ENVIRONMENT

	2013	2014	Objective for 2015
Percentage of sales covered by ISO14001 Certification	65.7%	63.9%	> 2013
Total Water consumption (m^3)	18,460,840	20,152,730	n.d.
Ratio: m^3 of Water / Sales (€ million)	465.9	566.7	< 2013
Direct emissions (Scope 1) (tCO_2 equiv.)	3,771,674	5,798,392	n.d.
Scope 1 Carbon Intensity Ratio: Emissions / Sales (€ million)	95.2	163.0	< 2013
Indirect emissions (Scope 2) (tCO_2 equiv.)	302,158	463,901	n.d.
Scope 2 Carbon Intensity Ratio: Emissions / Sales (€ million)	7.6	13.0	< 2013
Indirect emissions (Scope 3) (tCO_2 equiv.)	7,103,265	10,718,982	n.d.
Scope 3 Carbon Intensity Ratio: Emissions / Sales (€ million)	179.3	301.4	< 2013
Total Emissions (tCO_2 equiv.)	11,177,096	16,981,275	n.d.
Total Carbon Intensity Ratio: Total Emissions / Sales (€ million)	282.1	477.5	< 2013
Non-hazardous waste sent for management (t)	3,115,431	8,746,743	n.d.
Ratio: Tonnes of non-hazardous waste / Sales (€ million)	78.6	246.0	< 2013
Hazardous waste sent for management (t)	268,137	176,526	n.d.
Ratio: Tonnes of hazardous waste / Sales (€ million)	6.8	5.0	< 2013

The ACS Group environmental information includes data from Leighton. In 2013 it contains information from January 2013 to December 2013 (inclusive), and in 2014 it contains the information for the period from July 2013 to June 2014 (inclusive). The data on this table corresponding to Leighton (for the period from July 2013 to June 2014) are: ISO 14001 (100%), Scope 1 CO_2 Emissions: (5,362,111 tonnes), Scope 2 CO_2 Emissions: (271,610 tonnes), Scope 3 CO_2 Emissions: (2,747,782 tonnes).

At HOCHTIEF in 2014 hazardous and non-hazardous waste amount to 150,363 tonnes and 8,213,595 tonnes respectively. These figures include data from Leighton.

In terms of water consumption reported, an increase has been noted as a result of the international growth of Cobra. Also, figures do not include information from Leighton, as available data consists of estimates based on the cost of the resource. Consumption estimated by Leighton using this method totalled 12.5 million m^3 in 2013 and 37 million m^3 in 2014.

A methodology has been adopted in this report to account for CO_2 emissions in all years under which Urbaser classifies the emissions from water and waste treatment centres as indirect under Scope 3, as it does not own or have operational control over these facilities, as included in the international GHG Protocol (Appendix F) and EPE Protocol (waste sector methodology) standards Urbaser has invoked to calculate its Carbon Footprint. The Public Authorities, as the owners of the facilities, impose the operating requirements, with the management companies limiting themselves to operating them temporarily.

The Scope 3 emissions include calculations for travel by employees. In addition, HOCHTIEF and Leighton include emissions calculated for the Supply Chain (Cement, Wood, Scrap and Steel).

MAIN MANAGEMENT INDICATORS - PEOPLE

	2013	2014	Objective for 2015
Percentage days lost through absenteeism	1.4%	1.3%	< 2013
Employees covered by a formal professional development system	87.8%	89.2%	> 2013
Employees in posts defined according to a formal competency map	33.1%	35.4%	> 2013
Employees subject to performance assessment processes	55.5%	51.3%	> 2013
Employees covered by variable remuneration systems	91.3%	91.5%	> 2013
Investment in training per employee (over total employees) (€)	708.0	620.6	> 2013
Percentage of total current Group employees who have received at least one course in Human Rights, Ethics, Integrity or Conduct during their career	38.1%	36.0%	> 2013

MAIN MANAGEMENT INDICATORS - HEALTH AND SAFETY

	2013	2014	Objective for 2015
Percentage of total employees covered by OSHAS18001 certification	75.4%	82.8%	> 2013
Frequency Rate	19.07	15.18	< 2013
Total number of Accidents with employee time off	7.321	7.801	< 2013
Spending per employee on Safety (€)	768.49	938.31	> 2013
Employees who have received training on Health and Safety matters during their career with the company (%)	94.2%	96.6%	> 2013

2. THE ACS GROUP

2.2.2. THE ACS GROUP AND ITS 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 ACS Shareholders section. The main issues of concern to shareholders are value creation in the company, the details of corporate governance and risk management.

- 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 section. The main areas of concern to employees are talent management and training, career plans and their relevant remuneration, the company's commitment to social action and the sustainability of the business. They also expressed significant concern about the measures taken regarding ethics and professionalism.

- The relationship with clients and suppliers and how ACS deals with their management is part of the Efficiency section of this report. 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, and they also come to have daily contact. The primary concerns of clients and suppliers involve confirming the company's levels of technical satisfaction and development, which should be adapted to their needs or capacities. Managing the risks of executing construction is also an important topic.

- The ACS Group's relationship with society in general and in particular with infrastructure users is detailed in several of the report's chapters dealing with quality, social action and 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 based on detected trends. 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.

2.2.2.1. 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[8], 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.

8 The ACS Group made no financial or in kind contributions to political parties during 2014. The Subsidies received by the ACS Group in 2014, as shown in the Group's Consolidated Balance Sheet, included in the Economic/Financial Report published together with this Report, totalled €59.7 million.

2. THE ACS GROUP

2.3. ACS GROUP GOVERNANCE

2.3.1. ACS GROUP SHAREHOLDERS

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 2014, 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.

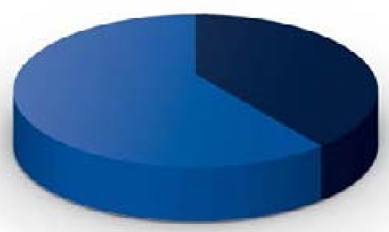
ACS's shares are represented by means of book entries and admitted to trading in all Spain's Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia). You can access the main data relating to the company's ownership structure in real time through the company's corporate website, www.grupoacs.com, and that of the Spanish Stock Market Commission (C.N.M.V.), www.cnmv.es, as reflected in the following table as at 31 December 2014:

Shareholder's name or corporate name	Number of shares	Percentage of the total number of shares
Corporación Financiera Alba, S.A	43,682,967	13.88%
Inversiones Vesán, S.A	39,397,625	12.52%
Iberostar Hoteles y Apartamentos S.L.	17,741,012	5.64%
Mr. Alberto Cortina Alcocer	12,098,318	3.84%
Mr. Alberto Alcocer Torra	10,240,773	3.25%

The information obtained from IBERCLEAR, the Spanish Central Securities Depository, for the call to the company's most recent General Shareholders' Meeting, held on 29 May 2014, showed a total of 48,646 shareholders. There were 42,779 resident minority shareholders, who held 15.4% of the share capital. There were 5,867 non-resident shareholders and domestic institutional shareholders with a remaining stake of 84.6%.

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:

SHARE OWNERSHIP



MAJOR SHAREHOLDERS*: 39%
FLOATING CAPITAL: 61%

* Representation on the Board.

ACS is a company committed to generating value for its shareholders, both from the point of view of dividend distribution and share price appreciation. In terms of total shareholder return, an investor who bought one share in ACS on 31 December 1996, just before the creation of ACS in its current form, would have obtained, at the end of 2014, annual profitability of 25.17%. If he or she had invested €100 on that day, at the end of 2014 he or she would have had €5,685, meaning that the investment would have multiplied by 56.85. Total shareholder return includes stock market appreciation and the dividends paid by the ACS Group.

ACS STOCK

	2012	2013	2014
Closing Price	€19.04	€25.02	€28.97
Appreciation of ACS shares	-16.86%	31.41%	15.79%
Appreciation of the IBEX35	-4.66%	21.42%	3.66%
Maximum closing price	€25.10	€25.02	€34.39
Minimum closing price	€10.38	€16.76	€24.97
Average price over the period	€16.77	€21.11	€28.95
Total volume (thousands)	227,383	201,945	252,049
Average daily volume of shares (thousands)	888	792	992
Turnover (€ million)	3,812	4,248	7,376
Average daily turnover (€ million)	14.89	16.66	29.04
Number of shares (millions)	314.66	314.66	314.66
Capitalisation at the end of the period (million)	5,991	7,873	9,116

2.3.1.1. 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 349 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 32 took place in 2014.
- **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 2014, 327 calls / emails from shareholders were dealt with.
- **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.

2. THE ACS GROUP

2.3.1.2. 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.

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.

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 examples of contact with journalists took place in 2014: 5 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 be analysed with greater transparency and ease.
- To maintain a permanently open communication channel both with the Group's priority stakeholders and with any individual or company needing any type of information on the Group.
- To offer, completely transparently, the company's economic and financial information, information on its systems of governance and management and the activities it undertakes.
- To enable searches for historical information on the company for more 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

	2013	2014
Website visits	524,149	511,516
Pages viewed	2,265,282	2,281,201
Unique visitors	402,805	390,872
Pages per visit	4	4
Average visit time (mins)	2.26	2.40
% New visitors	76.8%	75.3%

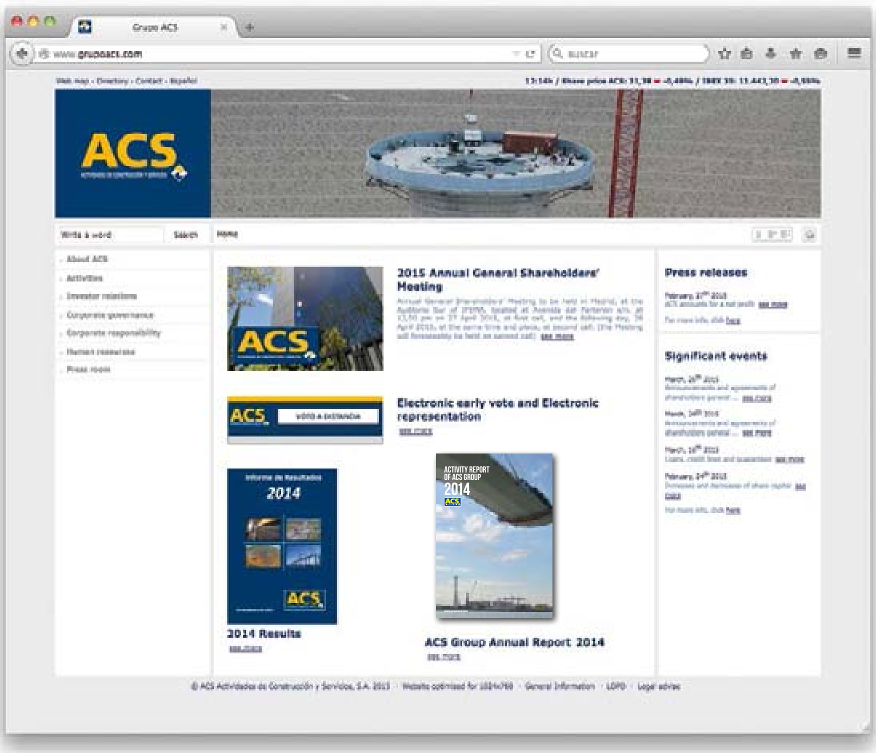
Transparency and rigor are two key elements in the communication strategy of ACS Group, with the aim to grant its business the greatest clarity.

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:

- The Group's website.
- The shareholder service office (+34 91 343 9200).
- The shareholder information e-mail address (irgrupoacs@grupoacs.com).
- The shareholder service web forum.
- Fluid communication with the Spanish Stock Market Commission (CNMV).
- The information offered by the Investor Relations Department.



2. THE ACS GROUP

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. Thirty-seven "Significant Events" were communicated to the Commission during 2014.

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.

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.

2.3.1.3. ACS GOVERNANCE STRUCTURE

It is laid down in the Company's 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 (21) members. 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 2014, ACS's Board of Directors was made up of 17 Board Members: 4 executive members, 7 members representing major shareholders, 5 independent members and 1 external member.

The Group promotes all the policies necessary to ensure equality of opportunities and to avoid implicit bias and any discrimination in selection processes not just for members of the Board of Directors, but also for any work position and to guarantee that the applicants meet the competence, knowledge and experience requirements to carry out their work, as stated in point 1.3.1 of the ACS Code of Conduct. As of 31 December 2014, two of the 17 members of the Board of Directors of the ACS Group are women, or 11.8%.

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[9]	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 Landiríbar	1951
Sabina Fluxá Thienemann	1980
Joan-David Grimà i Terré	1953
José María Loizaga Viguri	1936
Pedro López Jiménez	1942
Emilio García Gallego	1947
Santos Martínez-Conde Gutiérrez-Barquín	1955
Javier Monzón de Cáceres	1956
Miquel Roca i Junyent	1940
María Soledad Pérez Rodríguez	1943
José Luis del Valle Pérez	1950

9 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

2. THE ACS GROUP

2.3.1.4. 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 the main functions detailed in the ACS Group's Corporate Governance Report (Section C.2.3), outstanding among which are the accounting control functions, supervision of compliance with the ACS Group Code of Conduct and risk management, among others.

Finally, the Appointments and Remuneration Committee has the main functions detailed in the ACS Group's Corporate Governance Report (Section C.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, among others.

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 2014 was €13.44 million, 1.9% of the company's 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, both of which are summarised here, is shown in the Annual Corporate Governance Report.

Remuneration to the Board of Directors	Thousands euros
Remuneration to the Board of Directors.	11,396
Value of the overall remuneration corresponding to rights accumulated by the Board Members as regards pensions.	2,047
Overall remuneration to the Board of Directors.	**13,443**
Total remuneration of Senior Executives (52 Executives).	**26,153**

The detail of individualised remunerations to the Board of Directors is delivered to the General Shareholders' Meeting in the Annual Remuneration Report, which is also available via the CNMV.

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 D.6 of the ACS Group's Corporate Governance Report.

2.3.1.5. 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	2013 Ordinary	2014 Ordinary
Shareholders Present	208	213	115	179	216	226	273
Quorum Shareholders Present	7.66%	19.44%	19.93%	20.55%	20.05%	20.19%	7.31%
Shareholders Represented	2,763	2,776	2,183	2,792	2,368	2,214	1,933
Quorum Shareholders Represented	70.88%	58.22%	57.11%	54.41%	51.40%	55.06%	62.89%
Quorum Total	78.54%	77.66%	77.04%	74.96%	71.45%	75.25%	70.2%

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 significant events is restricted, until made public, to the minimum number of identified people.

2.3.2. 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 manager responsible for risk management is Angel García Altozano, Corporate General Manager.

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, correlation analysis 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.
- Carrying out of sensitivity and stress analyses to confirm these policies and procedures.

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.

3. ETHICS

3.1. 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.

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. Currently, the ACS Group has equipped itself with two corporate tools: the Code of Conduct and the Ethical Channel, which are widely adopted in the various business areas, and a control system reporting to the Board of Directors, called the Code of Conduct Monitoring Committee.

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

3.1.1. 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[10] constitutes a guide for the professional performance of all the Group's employees and managers in relation to their daily work, the resources used and the business environment, as well as for all the investee companies in which the ACS Group has control of management.

The basic principles for action in 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:

- Prevention of corruption and bribery.
- Equal opportunities.
- Non-discrimination.
- Confidentiality in information management, when applicable.
- Avoidance of anti-competitive practices.
- 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.
- Channels for appropriate reporting of those inappropriate practices identified (Ethical Channel).

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.

10 The ACS Group's Code of Conduct can be seen at http://www.grupoacs.com/index.php/es/c/responsabilidadcorporativ_eticayprofesionalidad

3. ETHICS

3.1.2. MANAGEMENT PRINCIPLES

3.1.2.1. FIELD OF ACTION AND SCOPE OF THE CODE OF CONDUCT

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. 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.

- 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.

- 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. 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.

All ACS Group companies adhere to the Code of Conduct. In addition, companies representing 86.8% of ACS Group employees have developed initiatives to expand the precepts of the Code of Conduct as a consequence of the needs they have detected resulting from their type of business, their presence in countries or geographical areas with additional risks or as a consequence of additional legal requirements.

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.

3.1.2.2. ACTIONS TO PROMOTE GOOD ETHICAL PRACTICES

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:

- Allocation of responsibilities as regards supervision of the company's performance in this field This responsibility falls to the Code of Conduct Monitoring Committee, reporting to the Board of Directors.

- Establishing procedures which enable the prevention, detection, notification and eradication of bad practices in this field In this regard, specific initiatives are defined in Group companies were additional risks (operational, geographical or mixed) are detected, to expand on the Code of Conduct at the same time as promoting training in fields related to Ethics and encouraging use of the Ethical Channel.

- The knowledge and understanding by the company's people of what is expected of them in relation to ethics and integrity. Companies representing 87.0% of Group employees report the existence of a specific training plan in matters of Human Rights, Ethics and Integrity and Conduct. A total of 845 training courses, attended by 17,105 employees, were given in this field in ACS in 2014. Indeed, the level of penetration of training in terms of Human Rights, Ethics and Integrity and Conduct has reached 36.0% of the Group's total number of employees. Each trained employee received an average of three hours of training during the year.

- The adoption of good practices has begun to be promoted relating to performance assessment in terms of Ethics and variable remuneration according to parameters related to the control of Ethical risks. As such, formal, documented commitments to the Universal Declaration of Human Rights are included in companies representing 86.9% of ACS employees. Additionally, compliance with the precepts of the Code of Conduct is confirmed in 41.2% of employee performance assessments.

- Establishing commitments which make clear the behaviour expected of the people who make up the company. An outstanding cultural characteristic in compliance terms in the ACS Group is the adoption of "Zero Tolerance" policies to breaches in this field. Companies representing 98.9% of Group employees report the existence of such a policy.

- Supervision and monitoring of the whole process by means of audits or inspections by independent companies. Companies representing 41.1% of Group employees perform periodic (annual or at least biennial) independent external audits.

- Promotion and monitoring of ethical standards in suppliers and subcontractors. ACS Group companies representing 91% of sales explicitly include compliance with the ACS Code of Conduct in the contracts they sign with Suppliers and Subcontractors. Furthermore, 23% internally or externally verify such compliance. Companies representing 76% of ACS's sales promote and positively assess their suppliers' adherence to international standards such as the Global Compact, UN and ILO conventions, etc.

- In terms of avoiding monopoly practices, the ACS Group sets itself against such practices, through its Code of Conduct, and assesses annually the level of risk this aspect represents. In 2014, the Group's Contract managers reported that anti-monopoly policies were developed in companies representing 33.5% of total turnover. Leighton, in turn, published a detailed antitrust policy as part of its Code of Conduct, affecting 32% of ACS Group sales. This policy can be found on its website.

3. ETHICS

3.1.2.3. GENERAL CODE OF CONDUCT MONITORING COMMITTEE

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: integrity, professionalism and respect.

The ACS Group's General Code of Conduct summarises these basic principles of ethics and integrity and guides the action of its employees and managers in the performance of their daily work, with the due diligence in terms both of the resources used and of the corporate environment in which it takes place. The Code applies to all investee companies in which the ACS Group has control over management.

Although the Hochtief Group is fully consolidated in the ACS Group, 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 directly apply to investee companies belonging to the Hochtief Group and the Leighton Group.

In the case of Hochtief, the Group has its own Code of Conduct which covers the ethical principles on which the company's business is based. Compliance with this Code is mandatory for all its employees and managers.

In the case of Leighton Holdings, a set of 12 internal codes covering Group commitment to compliance with standards in terms of good corporate governance, high ethical standards and excellence in service go under the name of "Group Policies".

If the ACS Group's parent company receives formal complaints relating to the actions of members of the Hochtief Group or its subgroup, Leighton, it would inform the complaining party of the internal complaints mechanisms, in each case, and would consider the complaint to have been transferred to the body or management area responsible in each of these subgroups.

The General Code of Conduct 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. It is the responsibility of the ACS Group's management team to make the necessary means available to them to have them comply with the rules contained in the Code.

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.

The objective of the General Code of Conduct Monitoring Committee is to ensure compliance with the General Code of Conduct and to resolve incidents or doubts about its interpretation, adopting all the necessary measures to achieve this. Specifically, the Committee has been assigned 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.

3. ETHICS

3.1.2.4. ETHICAL CHANNEL

The main tool available to the Monitoring Committee is the Ethical Channel, created in September 2011, enabling anyone to notify 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, Av. 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 (Agencia Española de Protección de Datos - 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.

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.

  As indicated in the latest Biennial Internal Audit of files with data of a personal nature, of March 2015, the Security Document sets a period of one year for holding data related to the accusations, to be extended if necessary either for processing internal auditing measures or for the arbitration or legal proceeding deriving 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.

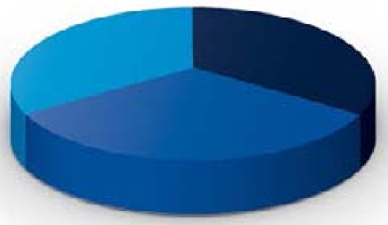
- The high level security measures laid down in Spanish Royal Decree 1720/2007, of 21 December, approving the Regulations developing the Organic Law on Data Protection must be implemented.

3. ETHICS

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.

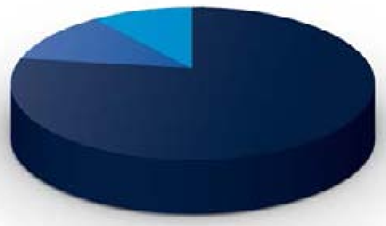
A total of nine communications were received in 2014, all via digital channels. The details of the communications received are as follows:

SOURCE OF COMMUNICATIONS



EMPLOYEES: **3**
SHAREHOLDERS: **3**
THIRD PARTY: **3**

COUNTRY OF ORIGIN



SPAIN: **7**
BOLIVIA: **1**
ANGOLA: **1**

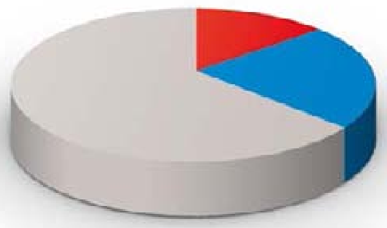
REASON FOR COMMUNICATION

INFORMATION RESQUEST: **3**
COMPLAINT: **6**

METHOD OF RESOLUTION

INFORMATION PROVIDED: **3**
INADMISSIBLE: **6**

COMMUNICATIONS PER AREA OF ACTIVITY



CONSTRUCTION: **1**
INDUSTRIAL SERVICES: **2**
ENVIRONMENT: **0**
INDIVIDUALS: **6**

3.1.3. MANAGEMENT INDICATORS

In terms of Ethics, the ACS Group has established that the following management indicators are material, measurable, relevant and representative of the function analysed and form a part of the process for universal application of the good practices developed by Project one.

MAIN MANAGEMENT INDICATORS - ETHICS

	2012	2013	2014	Objective for 2015
Percentage of total ACS Group employees who have received at least one course in Human Rights, Ethics, Integrity or Conduct during their career with the company (% of total ACS employees)	9%	38%	36%	> 2013
Level of implementation in the ACS Group of regular external audits to confirm the degree of compliance with the Code of Conduct (% of total ACS employees)	n.a.	33%	41%	n.a.
Level of implementation in the ACS Group of contractual clauses on the compliance with the Code of Conduct in contracting with suppliers and subcontractors (% of sales)	83%	90%	91%	> 2013
Level of implementation in the ACS Group of regular external audits to confirm the degree of compliance with the Code of Conduct by suppliers or contractors (% of sales)	35%	17%	23%	n.a.
Communications received by the Ethical Channel	11	27	9	n.a.

3.1.4. RISKS

Several main risk areas have been identified as material for the ACS Group in terms of Ethics. The ACS Group has developed specific means for measuring, counteracting, controlling or eliminating these risks.

- Risk in terms of bribery and corruption. Companies representing 41.1% of the ACS Group perform periodic audits on the level of implementation of the ACS Group Code of Conduct, which is the main tool for opposing this risk. Furthermore, 41.2% of Group employees specifically deal with compliance with subjects related to the Code of Conduct in their performance assessments.

- Risk in terms of forced labour or child labour. Companies representing 83.0% of Group employees have developed protocols or policies to minimise this risk, which they have identified as material.

- Risks in terms of respect for rights of association or union representation. Companies representing 74.6% of Group employees have developed protocols or policies to minimise this risk, which they have identified as material.

- Risk in terms of discrimination/equality. Companies representing 57.0% of Group companies have formal programmes to ensure equality of opportunities among workers. In 2014, 22 incidents of discrimination were reported.

- Risks deriving from the activity of contractors and suppliers. As detailed in the previous point on actions to promote good ethical practices, the Group implements several initiatives to reduce the risks resulting from contracting suppliers and subcontractors. Of all these, Group companies consider 0.1% present risks in social matters.

4. EFFICIENCY

The ACS Group has identified a series of non-financial functional areas which are key to carrying out its business, forming part of the production process and with which it generates a significant part of its profitability and productivity in its operating companies. These are the areas of Clients and Contracting, Quality, the Environment, Suppliers and R&D+i.

These functional areas exist in all the Group companies and they have heads who are responsible for collaborating in preparing this report annually. These are the people responsible for defining the main policies for controlling and reducing costs and promoting and achieving Group revenue.

ACS

- CLIENTS AND CONTRACTING
- QUALITY
- ENVIRONMENT
- SUPPLIERS
- I+D+I

Five non-financial functional areas are key for the ACS Group activity development and they exist in all Group companies.

4.1. CLIENTS AND CONTRACTING

4.1.1. 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. EFFICIENCY

4.1.2. 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 2014, companies representing 33.0% of ACS Group[11] 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.
- Promotion of commercial activity.

4.1.2.1. MONITORING AND COMMUNICATION

The ACS Group companies 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 2014, companies representing 10.1% of ACS Group sales had a system of this type in operation.

4.1.2.2. CLIENT SATISFACTION

ACS's second key client relationship management policy is the measurement of their satisfaction. Companies representing 23.4% of ACS Group sales carry out this type of process, either in a standalone form or within the framework of quality management systems. Furthermore, Group companies representing 23.7% of sales implement measures and plans to improve client satisfaction.

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.

Companies representing 55.7% of ACS sales have developed channels and processes to enable clients to formalise their complaints and claims.

11 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 2014.

4.1.3. MAIN INDICATORS

MAIN MANAGEMENT INDICATORS - CLIENTS

	2012	2013	2014	Objective for 2015
Number of client satisfaction surveys carried out	1,290	2,979	3,134	> 2013
Number of client satisfaction surveys received	860	1,279	1,338	> 2013
Percentage of client responses of "satisfied" or "very satisfied" over the total number of surveys RECEIVED (%)	86.23%	86.91%	87.11%	> 2013
Number of complaints received from clients	2,839	26,506	34,259	< 2013
Number of complaints dealt with	98.8%	100.0%	99.9%	= 2013
Number of complaints satisfactorily resolved (proportion of those received)	85%	97%	99%	=/> 2013

4.1.4. RISKS

In specific terms related to sustainability:

- 21.1% of tenders presented to clients include an environmental impact analysis.
- 7.2% of tenders to clients include a detailed information section on the ACS Group's Corporate Responsibility policies .
- Furthermore, companies representing 34.7% of ACS's sales report that they respond to the comments and suggestions from their clients in order to improve their operations.

21.1% of tenders presented to clients include an environmental impact analysis.

4. EFFICIENCY

4.2. QUALITY

4.2.1. 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 72.0% of ACS Group sales[12] presented some form of quality management system in 2014. In this period and as a consequence of these systems, the ACS Group invested a total of €6.7 million in promoting quality, representing a 37.0% increase over the amount recorded for the previous year.

These quality systems are audited regularly in order to certify Group activities, mainly according to the ISO 9001 standard, held by companies representing 69.1% of the Group's sales.

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 2014.

PRODUCTION CERTIFIED UNDER ISO 9001

	2012	2013	2014
Construction	67.1%	65.6%	61.2%
Industrial Services	92.0%	93.5%	94.2%
Environment	89.2%	81.7%	81.2%
ACS Group	72.5%	71.8%	69.1%

4.2.2. 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.

The quality management for the ACS Group's various companies sets general quality objectives for the following financial year. In 2014, companies representing 72.8% 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.

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.
- Implementing tools to improve quality.
- Improving specific performance indicators.

- 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.

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 60.2% of ACS Group sales carried out at least one initiative of this type in 2014.

4.2.3. MAIN INDICATORS

MAIN MANAGEMENT INDICATORS - QUALITY

	2012	2013	2014	Objective for 2015
Percentage of sales from activities certified under the ISO 9001 standard (%)	72.5%	71.8%	69.1%	> 2013
Number of Quality audits per million euros of turnover	0.041	0.037	0.040	> 2013
Intensity of investment in measures to promote and improve Quality (€ investment per € million of turnover)	348	123	188	> 2013

4.2.4. RISKS

Control of the implementation of quality standards in a decentralised company like ACS, with thousands of work centres / works / projects worldwide, is a key task which seeks to reduce the risks to its reputation and operational risks of faults in quality terms.

To achieve this, periodic inspections are carried out to check compliance with quality standards, as shown by the fact that companies representing 73.2% of ACS Group sales carry out regular inspections to check quality. Additionally, in 2014 a total of 1,414 quality audits were carried out.

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 73.2% 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 official approval processes and 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.

4. EFFICIENCY

4.3. SUPPLIERS

4.3.1. STRATEGY

In Group companies, the purchasing department manages the relationship with suppliers[13] and contractors by means of specific systems for managing, classifying and approving them and controlling risks.

As a characteristic differentiating the Group from its competitors, it is important to highlight the distinct decentralisation of purchasing and supplier management departments in this area. There are a variety of systems in ACS in this aspect, which vary according to operating company needs. From a central, reference, corporate department, which defines policies and prices, to the most complete decentralisation where the works managers themselves define their needs and meet them using a common, widespread policy.

Furthermore, Group companies face three different types of suppliers or subcontractors:

- 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 suppliers of services and materials contracted by the ACS Group, whether through a central purchasing department or in a decentralised manner by works managers, detailed management and control processes are defined, which share the following points in common in all Group companies:

- There are specific standards and a system for management, classification and approval of suppliers and subcontractors and risk control.
- The level of compliance with these systems is assessed.
- Collaboration with suppliers and transparency in contractual relationships are promoted.
- The purchasing system supports suppliers in driving a broad policy in its comparison which promotes the participation of various suppliers in selection processes. Given that the works managers tend to use the same suppliers, a study of common suppliers has been started to put decisions into objective terms and give access to new suppliers in different parts of the world.
- Visible purchasing portals for all services are being developed, offering a wide range of products from different suppliers. This is a real aid to cost saving (because the most competitive prices are identified) and to controlling material consumption by employees or works managers. In Spain this portal helps local suppliers to sell their products domestically, promoting their development and growth.

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 2014.

4.3.2. MANAGEMENT PRINCIPLES

4.3.2.1. SUPPLIER AND SUBCONTRACTOR APPROVAL

Companies representing 96.4% of ACS Group have a formal system for approving suppliers and subcontractors, in line with a series of clearly established criteria, which is subsequently used by the project works managers and provides them with information on the suitability or otherwise of a supplier to fulfil the anticipated task.

The main concepts used for approving suppliers, both in the formal systems and informally are:

- Cost, payment and collection term, experience, professional prestige and technical capability.
- History of fulfilment of contractual clauses in their prior relationship with ACS.
- Additional non-financial criteria (see table attached):

LEVEL OF IMPLEMENTATION OF NON-FINANCIAL CRITERIA IN SUPPLIER APPROVAL (% OF ACS GROUP SALES)

	2012	2013	2014
Adherence to the ACS Group Code of Conduct	82.7%	90.2%	90.8%
Adherence to international standards as regards human rights and labour rights	67.1%	76.6%	76.0%
Adherence to standards for fulfilment of commitments in ethical, social and environmental matters	67.1%	76.6%	76.0%
Certification in quality aspects (ISO9001)	67.1%	30.0%	96.6%
Certification in environmental aspects (ISO14001, EMAS or similar)	67.1%	95.0%	97.1%
Analysis of labour standards and practices of suppliers and subcontractors	71.2%	77.8%	81.6%

4. EFFICIENCY

Additionally, companies representing 66.6% of ACS sales specifically promote the use of recycled and/or certified construction materials in the supplier approval process, offering the client this type of option when the type of procurement is decided. The table attached shows the materials covered by these initiatives, their level of consumption and the total percentage of Group clients which decided to use recycled or certified sources.

Within the approval system, an after the fact analysis is carried out on suppliers. This process feeds back into the approval system. This system, which seeks to guarantee compliance with contractual clauses and agreements, is based fundamentally on detection and on corrective measures or management of non-compliance.

PROCUREMENTS

	2013	2014
Percentage of certified wood	1.0%	1.0%
Total wood purchased (m^3)	840,828.1	1,249,717.1
Percentage of recycled steel	7.8%	37.4%
Total steel purchased (t)	1,031,686.1	1,178,659.9
Percentage of concrete with recycled aggregate	0.1%	0.1%
Total cement / concrete purchased (m^3)	8,378,955.1	14,741,069.0
Percentage of recycled glass	100.0%	99.4%
Total glass purchased (m^2)	2,880,152.9	2,896,348.3

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 15.2% of ACS Group sales report carrying out internal audits of suppliers (affecting and average of 0.8% of suppliers) and 17.0% report that they carry out independent audits (affecting an average of 1.9% of suppliers). Specifically, compliance with the ACS Group Code of Conduct by suppliers is verified internally or externally in companies representing 23.0% of Group sales.

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 classified as not approved in the database.
- Companies representing 97.2% of ACS Group sales immediately cancel contracts or relationship agreements with suppliers if breaches occur in clauses related to performance.

Compliance with the ACS Group Code of Conduct by suppliers is verified internally or externally in companies representing 23.0% of Group sales.

4.3.2.2. CRITICAL SUPPLIERS

Companies representing 55.7% of ACS Group sales have carried out an analysis to identify whether they have critical suppliers. Specifically, a supplier is defined as critical when it concentrates a significantly higher percentage of procurement or subcontracting costs than the average for the rest of the company's suppliers.

As a result of this analysis, and due to the characteristics of its business, it has been found that in several of the ACS Group's main companies, the suppliers are highly atomised, geographically dispersed and do not reach the critical mass to be determined as critical. On the contrary, in companies representing 87.1% of Group sales, such critical suppliers have been detected.

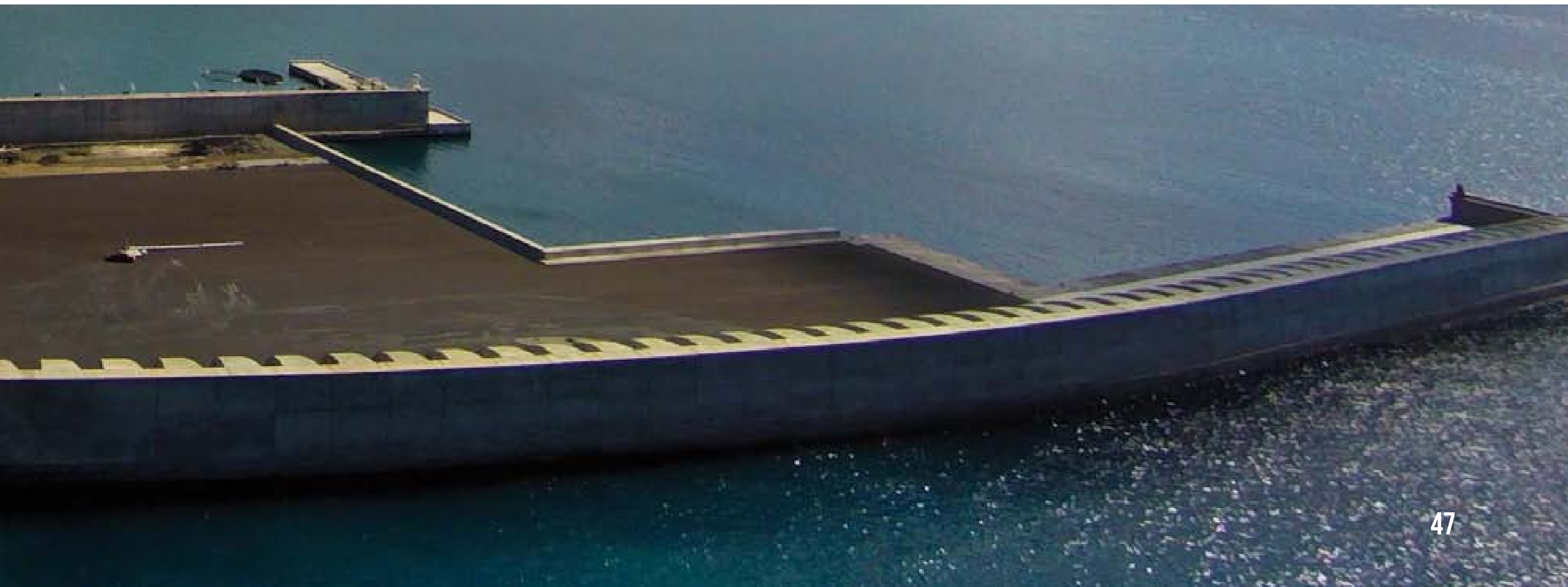
In these companies, the main data from the analysis of critical suppliers are as follows:

- 26.2% of the suppliers to these companies are covered by this analysis.
- Of these, 15.1% are considered critical suppliers.
- These suppliers represent 47.7% of the total costs for Group companies with critical suppliers.
- Almost all these suppliers consider ACS to be a key client to their business.

4.3.3. MAIN INDICATORS

MAIN MANAGEMENT INDICATORS - SUPPLIERS

	2012	2013	2014	Objective for 2015
Analysis of supplier and subcontractor criticality	49.6%	59.9%	55.7%	> 2013
Inclusion of compliance with the Code of Conduct in supplier and subcontractor contract clauses	82.7%	90.2%	90.8%	> 2013
Existence of formal systems for supplier and subcontractor approval	47.3%	95.8%	96.4%	> 2013
Carrying out of internal audits on suppliers and subcontractors	6.6%	8.2%	15.2%	> 2013
Development of corrective plans for suppliers and subcontractors to improve their performance in economic, social or environmental matters	54.0%	4.2%	66.2%	> 2013



4. EFFICIENCY

4.3.4. RISKS

Three types of main risk have been identified in Group company activities with their suppliers: economic, social and environmental risks. As a result of monitoring and measuring these risks, it has been found that, on average, 1.0% of Group suppliers represent high risks in economic terms (solvency, delivery dates), 0.1% in social terms (human rights, forced labour, health and safety risks) and 0.3% in environmental terms (lack of environmental certification). In this latter case, additionally, companies representing 9.3% of Group sales are carrying out a carbon footprint analysis on their suppliers.

To minimise these risks, the Group companies implement the following initiatives:

- Corrective plans are developed in suppliers to improve their economic, social or environmental performance in companies representing 66.2% of ACS Group sales.

- Companies representing 74.5% 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.

- In companies with sales representing 78.2% of the Group total, initiatives have been implemented in the purchasing and supplier management departments which have resulted in project cost savings.

- Environmental, social or governance clauses are included in contracts to be adopted by subcontractors or providers in companies representing 96.3% of the ACS Group's sales. The percentage of costs in procurement covered by these clauses is 84.5%.

SUSTAINABLE PROCUREMENT AT TURNER

A notable example of sustainable construction at Turner is the Phipps Center for Sustainable Landscapes in Pittsburgh, Pennsylvania (USA). This building was constructed with the goal of being the first to meet the requirements of three independent sustainable construction certificates: the *LEED Platinum*, the *Four Stars Sustainable Sites Initiative*, and the *Living Building Challenge*.

As the general contractor, Turner faced the challenge of meeting the strictest sustainable construction stipulations in procuring materials. All of the materials had to be sourced locally and pass a test to detect potentially hazardous chemical components, in addition to other tests included in the *Living Building standards*.

In order to reach this goal, Turner had to coordinate its procurement activities with its materials suppliers and the specialists at the factories.

Moreover, various aspects of the subcontractors were monitored on site. For example, the trucks and equipment had to run on low-sulphur diesel, and a complete recycling system was designed for construction waste.

The Engineering News-Record (ENR), a benchmark journal in the global construction industry, selected the Phipps Center for Sustainable Landscapes as the best green project in the world in 2014.

4. EFFICIENCY

4.4. TECHNOLOGICAL DEVELOPMENT. R&D+I IN THE ACS GROUP

4.4.1. 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[14] 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 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 91.2% of ACS Group sales in 2014.

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 68.9% of Group sales. Furthermore, independent audits are carried out in companies representing 33.6% 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 effici.

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.

At 31 December 2014, the ACS Group had 281 projects in progress and had registered 11 patents during the year. Over the past 10 years, the Group has registered a total of 54 patents.

Furthermore, collaboration with external organisations is crucial for the success of the projects tackled. Hence ACS Group companies collaborate with research and technological centres and with universities, as well as will other diverse centres, institutes or institutions related to R&D+i. These prestigious international research institutions complement the ACS Group's own research capabilities.

The ACS Group invested a total of €54.8 million in research, development and innovation in 2014, which represents an increase of around 10.9% compared to 2013.

14 The information about the ACS Group included in this section has been calculated based on an analysis of the information provided by the various companies of the Group, weighted by the companies' turnover. The information is presented as a percent of the Group's total sales in 2014.

4.4.1.1. CONSTRUCTION

The majority of ACS Group Construction[15] companies have a system for managing research, development and innovation. Such a system is reported by companies representing 61.2% of ACS Group sales in this area. Generally, these management systems are implemented around the UNE 166002:2006 standard.

15 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.

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 169 projects in progress at the end of 2014, managed by the different R&D+i managements. ACS's Construction companies invested €20.1 million in R&D+i during the financial year, nearly 12.5% more than that spent in 2013.

4. EFFICIENCY

DRAGADOS: DIRECTION R&D+I PROJECT

(DEMONSTRATION AT EUROPEAN LEVEL OF INNOVATIVE AND REPLICABLE EFFECTIVE SOLUTIONS FOR VERY LOW ENERGY NEW BUILDINGS)

The DIRECTION R&D+I Project commissioned by the European Commission as part of its 7th Framework Programme began in January 2012 and will be completed in December 2015. The goal of the project, which is classified under the research priority "EeB.ENERGY.2011.8.1-1: Demonstration of very low energy new buildings" is to evaluate, optimise and monitor three European buildings in order to show how their primary energy consumption can be decreased to less than 60 KWh/m^2 per year. These three pilot buildings have been designed to integrate a series of innovative technologies and measures ranging from passive systems to high-efficiency devices, including advanced control systems, all to bring them to these levels of energy consumption.

The DIRECTION project came about as a response to the Energy Performance of Buildings Directive (EPBD) which, as part of the Energy Efficiency Action Plan proposed by the European Commission, introduces the concept of, Net-Zero Energy Buildings (NZEB). This directive requires all newly built European buildings to be NZEB type buildings by 2018 for public buildings or by 2020 for all other buildings.

The structure that has been defined for the DIRECTION Project for achieving these targets and to contribute to the implementation of the directive in Europe is based on three phases:

- Analysing and proposing which high energy efficiency systems and technologies would best match the types, uses and locations of the three buildings in questions, focusing on maximum energy and economic profitability.
- Implementing these technologies and monitoring consumption in comparison to other control scenarios for achieving them, while retaining the expected levels of comfort and energy consumption.
- Publishing the results of the project in Europe.

Representation and location of the three pilot buildings in the DIRECTION project.

DRAGADOS

This project prioritises implementing and demonstrating technologies. Therefore, three pilot buildings have been selected for validating the research conducted in the project in different climactic regions of Europe. A brief description is given below of the three sample buildings:

UN-Office building located in Munich (Germany). The building's surface area is greater than 11,000 m^2, and its most notable energy efficiency aspects include:

- A heat absorption pump connected to District Heating.
- Use of underground water for generating heat and cooling.
- Thermal pillars for distributing heating and cooling.
- High-efficiency lighting (LEDs).
- Automatic light control systems (electrochromic windows, etc.).

The Cartif III Building in Valladolid (Spain): a 4,075 m^2 mixed-use building (industrial and offices) with the following integrated features:

- Curtain walls to make use of natural light and slats for controlling solar radiation.
- Geothermal systems for generating heating and cooling.
- High-efficiency lighting.
- Adjustable flow ventilation.
- Advanced control systems.

The *Black Monolith*[16] in the Bolzano Technology Park (Italy): an 11,000 m^2 office building designed with the following systems:

- High-efficiency lighting.
- Systems for making use of natural resources (natural light and ventilation).
- Geothermal energy.
- A desiccant evaporative cooling system.
- Renewable energy production systems.

The DIRECTION consortium is comprised of 11 partners from various European countries, including DRAGADOS as the main industrial partner, which is also in charge of building the Cartif III building in Valladolid.

Some of the impacts the DIRECTION consortium hopes to achieve:

- Up to 50% energy savings in newly-built buildings due to the use of high-efficiency technologies and measures (from an energy and an economic perspective).
- Reduced CO_2 emissions by decreasing energy consumption and as a result of using renewable energy generation systems.
- Development of a sustainable model for designing buildings with extremely low energy consumption that could be replicated in Europe by 2020.
- Increasing the use of TICs in buildings.
- Increased awareness among the various stakeholders in the industry regarding how to adopt best energy management practises.
- Contributing to the effective implementation of European energy policies.

16 This building is still pending administrative licenses for construction.

4. EFFICIENCY

DRAGADOS: RATIO R&D+I PROJECT

(INNOVATION IN ENHANCED REALITY TECHNOLOGIES FOR USE IN TOPOGRAPHICAL MEASUREMENT SYSTEMS)

The goal of the RATIO project is to contribute to improving the geometric measurement and control techniques commonly used in topography, going in depth into developing and subsequently transferring Enhanced Reality (RA) technologies to the field of topography and geometric auscultation of structures, both in their various construction phases and in their post-construction tracking.

To do this, the creation of an advanced software platform has been proposed that, acting as an interface between next generation topographical devices with dynamic image acquisition and digital tablets, will make it possible to insert three-dimensional objects into the visual field obtained by a topographical instrument. What is truly innovative in this concept is that it will be possible to interact with the object which, once it has been geo-referenced in the image, will act as both a master for laying out the project in its environment and as a model for comparing what was actually constructed with the theoretical geometry that was entered digitally.

In over two years of work, the Topography Department and the R&D Department (both of which are part of DRAGADOS' Technical and R&D+I Office) have worked together with the company LEICA Geosystems and the Institute of Robotic Research and Information and Communication Technologies of the Universidad de Valencia to develop this novel application for tablets that provides an intuitive and real time way of performing geometric auscultation on topographical structures by taking high-precision measurements and then comparing them with the theoretical measurements of the 3D elements representing said structures.

The functionality of the application has been validated in multiple tests. The images show the tests that were taken with a scale representation of a bridge pile, where the results were highly satisfactory.

Basic operating schematic of the RATIO system.

DRAGADOS

The application that has been developed has introduced a series of fundamental innovations such as:

- The possibility of introducing three-dimensional models (wiring, rendered surface views, photo-realistic models, etc.) from standard CAD or industrial design formats.
- Dynamic georeferencing of objects.
- A virtual interface for capturing an object's data in order to directly lay it out using topographical instruments.
- Real time measurements indicating the geometric inconsistencies between the virtual model and the real model.
- Selection of areas and creation of hot/cold maps for dimensional controls with various precision thresholds.

Applying the technology developed in the RATIO project is expected to result in a series of improvements in the topographical measurement field:

- Decreased time for conducting geometrical verifications of monitored structures.
- Minimisation of errors in layouts due to the ease of operating the application (interaction with "visible" points of a 3D element instead of numerical coordinate values).
- Instantaneous visual control for detecting severe errors.
- Interactive control of three-dimensional geometry verification with high-precision measurements provided by high-performance total topographical stations.

The RATIO R&D project, which was approved as part of the INNPACTO 2012 programme, is co-financed by the Ministry of Economy and Competitiveness as part of the 2008-2012 National Scientific Research, Development and Technological Innovation Plan.

Tests validating the RATIO application.

4. EFFICIENCY

HOCHTIEF

NEW METHODS FOR BUILDING ON-SHORE WIND TURBINES

Representing 8% of its electricity mix, on-shore wind power accounts for nearly half of Germany's total green energy production. The wind turbines, whose hubs can reach over 140 metres above the ground, require alternatives to conventional steel tubes. These conventional towers are often difficult to ship and present a problem during construction, especially with the use of cranes.

In late 2013 HOCHTIEF began work on an R&D project to develop a concrete tower design that would be marketable. Based on the results from a previous R&D project for optimising the construction of towers for multiple megawatt wind turbines, HOCHTIEF spent 2014 working on the design of a resistant tower that would be reduced in terms of volume and would not require an overweight crane.

BUILDING (AND SHIPPING) BRIDGES

HOCHTIEF is developing a new innovative solution for its project for the bridge over the A-45 highway in Germany. It will involve building a new 1000 metre bridge parallel to the existing Lennetal bridge. Once the old bridge has been taken down, the new bridge will be shifted 30 metres into its final position to replace the previous structure. This unique approach will help avoid blocking traffic, since the five highway lanes will remain open throughout the construction period. This will be the first lateral repositioning of a bridge on this scale in Germany.

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HOCHTIEF

INNOVATIVE RADAR TECHNOLOGY TO IMPROVE MINE SAFETY

The Australian Company Thiess is using radar technology to increase operational efficiency and workplace safety in the Burton coal mine in Queensland, Australia.

The system continuously monitors for possible landslides on the mine slopes all day long. Whenever it detects movement, the equipment and workers can be evacuated from the area immediately.

This makes the radar system one of the most important technological tools available for mine safety. Its measurements are also used for long-term planning, and for calculating digging angles and position barriers. The technology is already being used in other Thiess mines.

© Thiess.

4. EFFICIENCY

4.4.1.2. INDUSTRIAL SERVICES

The ACS Group's Industrial Services[17] area 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 74.3% of Industrial Services' sales reported the existence of a specific R&D+i department in their structure.

17 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 is expressed in terms of percentage of total Industrial Services area sales.

Total investment of €26.7 million was allocated to the executing the 75 projects managed by the different departments, 8.4% more than in 2013. These projects are carried out by virtue of a formal research and development management system, which is implemented in companies representing 86.4% of Industrial Services' sales.

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.

COBRA: FLOCAN PROJECT

The goal of the FLOCAN project is to develop design and basic engineering, including scale tests of a prototype and certification of the conceptual design, for a floating platform for off-shore wind power that will significantly contribute to reducing the current costs of wind power and make it easier and faster to install.

The concept developed by Cobra includes the use of a SEMI-SPAR type active concrete structure that combines the advantages of semi-submergible technology in the construction, shipping and installation phases with Spar technology during operation. The platform will furthermore be installed with an active ballast system that will help counteract wind-generated tipping, and therefore decrease average tilt and maximise energy production. Depending on the meta-oceanic conditions of where it is installed, this technology may be viable for depths in excess of 40 – 50 m. The use of the technology will make the construction process extremely flexible, maximising in-port operations (the wind turbine is installed on its platform in the port) and making it possible to ship and install the platform-turbine assembly with the use of conventional tools such as tugs.

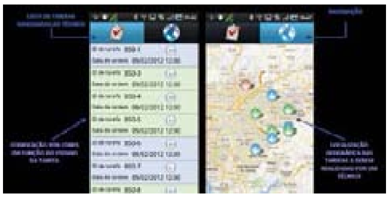
The project is co-financed by the donating states of the European Economic Area (Norway, Iceland and Lichtenstein, EEA GRANT) and it was launched in February 2014 with a projected completion date in mid-2015.

ETRA: ICOMON PROJECT

With a budget of over €2.7 million and a three year timeframe, the goal of this project is to create and supply clients with a tool for managing and tracking fleets of nearly 5,000 vehicles, in order to define, manage and optimise the performance indicators of the ICOMON fleet using on-board computers, software and data centres as tools for obtaining the following results:

- Improving control and tracking of the services provided.
- Efficiently assigning the company's human and material resources.
- Making processes traceable and improving service compliance.
- Tracking compliance with planned services and reassigning them in real time.
- Increasing safety in terms of reducing accidents, preventing theft and increasing assistance response times.
- Reducing the fleet's operating costs (fuel and maintenance).
- Increasing driver efficiency and subsequently saving costs.
- Reducing the number of employees necessary for operating the fleet.
- Providing exact vehicle locations in real time and increasing driver safety by monitoring speed.

The fleet's vehicles will be equipped with an on-board device with GPRS communication and location functionalities that can receive information from environmental sensors (via USB, digital input/output or CAN bus) for storage or processing.



4. EFFICIENCY

SICE: LOCRIN - LOCALISATION AND RECORDING OF INDIVIDUALS IN HIGH-COMPLEXITY SCENES

This project, co-financed by the Retos programme of the Ministry of Science and Innovation (MICINN), involves working together with the Fundación CIDAUT of the Centro Tecnológico de Valladolid to develop a high precision product that will be able to count people in street locations (subjected to lighting variations) based on Artificial Visioning.

This system has been proposed for counting how many people are waiting to cross a crosswalk or how many are getting on/off a bus. Basically, the system:

- Counts people.
- Follows peoples' paths or detects if they have stopped.

The counting system that has been developed uses TOF cameras (based on Time-of-Flight technology) that operate very well in night time conditions (low light) and which are not affected by shadows (changes in lighting). The precision of this type of technology decreases when there is excess lighting (sunlight).

The accuracy tests conducted on these types of cameras in uncontrolled lighting environments have shown them to be:

- 85% accurate in crosswalk areas.
- 99% accurate in counting people in bus areas.

The system's path tracking algorithm makes it possible to monitor the direction in which pedestrians are travelling. Thus the girl that crossed the crosswalk is identified with a blue dot and is not recorded as a pedestrian waiting to cross.

Scenario – Pedestrian Crossing

The system has an integrated traffic light regulator so that cross requests (pedestrian green lights) can be activated based on the number of pedestrians waiting.

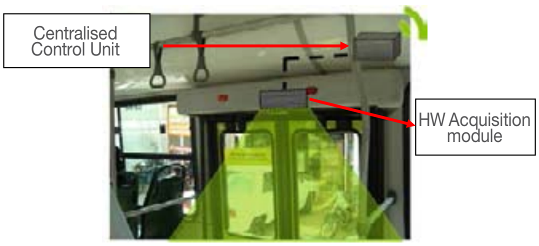
After this, an **HW system that was developed was installed in a bus** and integrated into its door opening systems. Then accuracy tests were performed with the algorithm as shown in the following figures:

The previous figure shows that as long as the door did not open, the detection algorithm did not work (it was not engaged).

But when the door opening system was activated, the algorithm began to detect people (assigning then an identifier, the red numbers). From this point on the people's paths were recorded and the counters were updated.

With the application and the interface developed in this way, a user can view a situation remotely from a control centre in real time (if the 3G communications module is engaged). In this way the passengers leaving and boarding the bus are monitored at each stop, together with the occupancy level of the bus, integrating this into a GIS application.

The entire system has been integrated into a unit that is as small as possible so that it goes practically unnoticed by the people using the transportation system. The passenger detection device is positioned above the bus doors, with as many devices installed as there are doors in the system.



Acquisition module and centralised control unit

While the price of these TOF cameras is rather high due to the technology they use, the algorithms that have been developed can be extrapolated to less expensive cameras with fewer features (infrared or digital). This may be an appropriate solution for proposed projects where the lighting conditions are controlled (bus and rail stations, etc.).

Ruggedised LOCRIN HW acquisition module

4. EFFICIENCY

SICE: STANDALONE PORTABLE ENERGY EFFICIENT TELECOMMUNICATIONS STATION

Sistemas Radiantes Moyano, a subsidiary of SICE Tecnología y Sistemas, S.A., is a telecommunications company that primarily focuses on global radio and telephony network markets, specialising in the design, manufacture, installation and maintenance of radiant systems (radio, TV, mobile telephony, etc.) and masts for supporting antennas.

Having telecommunications infrastructures that meet the current needs of the market is crucial for the development of an information society. As data transmission and reception frequencies increase, new more advanced communications centres become more necessary in order to meet this demand and the European, domestic and regional policies that place a priority on ensuring that all citizens have access to new technologies. Even so, while there are numerous optimal locations for installing centres for broadcasting digital terrestrial television, mobile telephone networks or rural broad band, there is no possibility of connecting to an electric grid or the costs are prohibitive and there is only a limited functional guarantee, since the electricity is generated in these locations with obsolete generators that have high CO_2 emissions and exorbitant fuel consumption.

In this context, Sistemas Radiantes Moyano has proposed to develop an innovative telecommunications station for broadcasting, receiving and transmitting data that would be equipped with control systems (on-site and remote) and would be significantly independent from the electrical grid due to the integration of hybrid self-generating power systems using renewable energy sources.

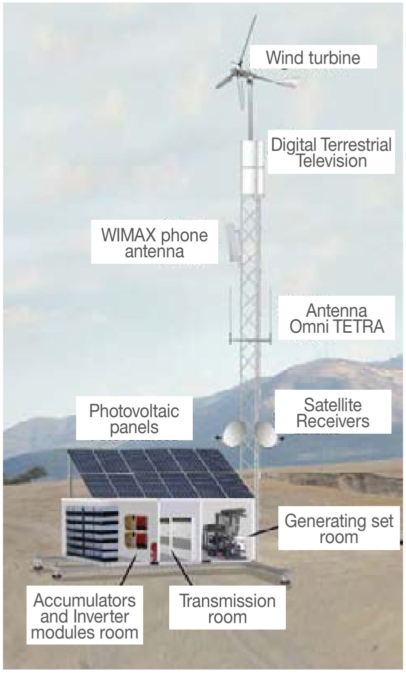
The project includes providing broadband internet services in rural locations, digital terrestrial television, and communications repeaters. To do this it will have two satellite links for providing internet and digital terrestrial television.

The proposed solution consists of:

- A 20' ISO container that will house the various rooms.
- A stand-alone communications tower that will measure up to 20 metres high and be connected to the container.
- A remote control and remote management system.
- Radiant systems, satellite receivers and communications systems.
- Renewable energy generation systems (a wind turbine and/or photovoltaic panels).

Furthermore, it will be possible to supply the equipment with an external power outlet of up to 25 KVA in order to meet other specific needs such as water treatment, auxiliary power services, etc.

The solution is innovative due to the building that houses the communications room which is responsible for controlling, distributing and storing energy efficiently, with an integrated unified photovoltaic, wind power and electric generator system. This power is instantly self-consumed, with any surplus stored in gel state in lead acid batteries.



The control, supervision and remote management system is mainly based on an automation platform (automated system). This system's primary function will be to control the power generation system: managing the system and ensuring efficient consumption, in addition to receiving and transmitting the satellite signal.

Its secondary function will be to monitor the system's operating parameters pertaining to its auxiliary devices, namely its presence detectors, temperature probes, ventilation control, intruder alarms, access control, etc. This secondary control will be particularly important for ensuring that the system is functioning properly given its unmanned rural location.

In sum, the main technical features of the solution are:

- Power generation using sustainable renewable means with the implementation of photovoltaic solar and wind power, and integrating a power generator as a power backup. Therefore, existing electrical grids will not be needed and the service can be guaranteed to have an availability of over 99%.
- Storage of excess power in gel acid batteries without generating hydrogen.
- Geo-positioning of the installations, remote control and remote operation of the generation and broadcasting systems, and data encryption with high-security protocols.
- Implementation of PLC and DATALOGGER technologies so the system will function rationally, implementing operating programmes for rational use of the power and for its generation and consumption.
- Integration of satellite reception of signals, without the need for existing data networks.
- Optimisation of economic and organisation resources by implementing a single system for generating, managing and storing power with the telecommunications centre itself, which has capacity to house devices from various operators with diverse technologies. This will foster the deployment of telecommunications that incur minimal environmental harm in relatively short timeframes.

4. EFFICIENCY

SICE: STANDALONE PORTABLE ENERGY EFFICIENT TELECOMMUNICATIONS STATION

From a functional point of view, the solution is remarkable for having the following features:

- Portable. The entire communications centre is housed in a standardised portable 10' or 20' container.
- Environmentally respectful. The equipment presents a minimal threat to the environment due to having four fundamental aspects.
  - Its surroundings do not need to be modified to install the system, since its four corners rest on the existing ground.
  - There is no need to extend or install electrical infrastructures for the system to have power, since it is energy independent.
  - There is no need to extend or install telecommunications infrastructures for the system to broadcast signals, since it is equipped with satellite communications.
  - By using renewable sources to generate electricity, its CO_2 emissions are reduced significantly
- Fully stand-alone. No electrical grid is necessary for the system to function, and it additionally has smart independent functions with no need for user interaction.
- Energy savings. Current solutions are usually based on the use of power generators to generate electricity. In addition to their high level of fuel consumption they also emit large quantities of CO_2 into the atmosphere. The solution proposed in the project is estimated to have fuel savings and emission reductions in the 90% range.
- Remote management. The station is equipped with an advanced remote management and control system that makes it possible to obtain the station's operating parameters at any time. If any of the devices malfunctions, the operators will know what the problem is and what resources to send. This will subsequently not only save time but it will also determine what type of operator will need to make the repairs and what type of materials should be brought to the site.
- Security. The system has GPS geo-positioning and part of the internet connection's data package is used for sending still pictures in real time showing the station's status. The security system is completed with the inclusion of movement sensors and door opening alarms, temperature sensors and infrared cameras for fire prevention.

This project is co-financed by the AEESD (Acción Estratégica de Economía y Sociedad Digital) sub-programme of the Ministry of Industry, Energy and Tourism.

4.4.1.3. ENVIRONMENT

In the ACS Group's Environment[18] business, innovation constitutes a basic principle both in management and in processes for recovery, reuse and reclamation of wastes. To carry out this task, Urbaser and Clece each have their 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.

At 31 December 2014, there were 37 research and development projects in progress, in which €8.0 million were invested, 15.9% more than in 2013.

18 The data referring to Environment included in this section were calculated by analysing the information provided by Urbaser and Clece.

4. EFFICIENCY

URBASER - THERMAL OXIDATION SYSTEM FOR ELIMINATING FUMES

URBASER bases its activities on providing quality environmental services to residents. This is why we are constantly working on developing innovative solutions that will minimise the impact of our industrial processes.

When developing its ongoing improvement policy, URBASER decided that a solution needed to be found for the strong smells generated from the production processes of the used mineral oil recycling plant of its SERTEGO industrial waste processing subsidiary in Alfaro, La Rioja, which could be smelt throughout the urban area of the municipality.

While the emissions presented no threat to the residents' health, it was still necessary to eliminate the fumes in order to restore the quality of life to those living in Alfaro.

The analyses and research that were conducted resulted in a technical solution based on thermally processing the gasses.

In order to implement this thermal treatment to eliminate the odours, a thermal reactor was designed and built for burning them at high temperatures with excess air from a gas flow with a high percentage of organic compounds, using natural gas a supplemental fuel.

The equipment developed for reducing organic compounds has been shown to be approximately 95% effective.

In addition to complying with Directive 89/392/EEC (including amendments 91/368/ EEC, 93/44/ EEC and 93/68/ EEC) regarding machine safety, all of the electrical installations of the machines in the installation comply with standard IP 66.

The thermal reactor was manufactured in 10 weeks and after being installed and commissioned, it was shown to be effective at eliminating complaints from the Alfaro urban area.

This case demonstrates URBASER's commitment to providing integrated and flexible solutions to residents with the goal of improving their quality of life and offering better services to municipalities.

4.4.2. MAIN INDICATORS

MAIN MANAGEMENT INDICATORS - R&D+I

	2012	2013	2014	Objective for 2015
Investment in R&D+i (€ million)	49.0	49.4	54.8	> 2013
Level of implementation of a specific R&D+i department	87.0%	90.3%	91.2%	> 2013
Level of implementation of a formal system for R&D+i management	60.4%	71.5%	68.9%	> 2013

4. EFFICIENCY

4.5. ENVIRONMENT

4.5.1. STRATEGY

The ACS Group[19] 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 programmes to individually improve each company.

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 2014.

Specifically and operationally, the main environmental measures revolve around four key risks, 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.***

4.5.2. MANAGEMENT PRINCIPLES

The following is a map outlining the main common features of ACS Group company management models and summarising their initiatives and degree of implementation:

LEVEL OF IMPLEMENTATION OF GOOD ENVIRONMENTAL MANAGEMENT PRACTICES IN THE ACS GROUP

EXPRESSED AS % OF SALES	2012	2013	2014
Implementation of an environmental management system	55.8%	98.1%	97.7%
Implementation of ISO 14001 certification	68.0%	65.7%	63.9%
Implementation of certifications other than ISO 14001	10.6%	11.2%	1.2%
Existence of specific targets for reducing CO_2 emissions	71.3%	71.8%	73.1%
Execution of projects to reduce waste generation	73.2%	93.0%	94.1%
Existence of plans to reduce water consumption	15.1%	81.0%	81.3%
Setting of objectives to minimise the impact of the company's activities on biodiversity	32.8%	57.6%	15.7%
The remuneration of workers, middle management and/or executives is linked to the achievement of formal environmental objectives	25.0%	17.4%	16.9%
There is some kind of non-economic incentive/recognition for the achievement of formal environmental objectives	0.1%	46.5%	42.0%
The environmental management system has been audited by an external independent third party*	55.8%	98.1%	97.7%
Number of environmental audits carried out in your company	724	2,182	1,183
Number of environmental incidents which occurred	967	731	860
Existence of a system for collecting data on environmental near misses	33.0%	81.1%	79.2%
Existence of a centralised database to collect data on environmental matters	71.6%	77.5%	88.8%

* Includes all companies audited at least once by an independent third party as a consequence of its environmental management system.

The significant level of implementation of an environmental management system, present in companies representing 97.72% 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 63.89% of ACS Group sales[20].

The responsibility of overseeing the ACS Group's environmental performance falls to the Environmental Department in each company. In general, and as summarised in the Management Principles table, 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.
- They implement projects for certification and/or independent external auditing.
- They carry out environmental audits.
- They have some kind of centralised database for collecting environmental data.
- They have a system for collecting incidents, non-conformities or near misses related to the environment.
- Companies representing 96.67% of the ACS Group's sales have carried out some kind of environmental initiative that has led to cost savings, and 30.65% have carried out environmental initiatives that have led to an increase in revenues.

20 Other certifications cover 1.17% of Group sales.

4. EFFICIENCY

4.5.3. MAIN INDICATORS[21]

MAIN MANAGEMENT INDICATORS - ENVIRONMENT

	2011	2012	2013	2014	Objective for 2015
Percentage of sales covered by ISO 14001 Certification	72.6%	68.0%	65.7%	63.9%	> 2013
Total Water consumption (m^3)	5,577,931	10,067,651	18,460,840	20,152,730	N/A
Ratio: m^3 of Water / Sales (€ million)	151.3	262.2	465.9	566.7	< 2013
Direct emissions (Scope 1) (tCO_2 equiv.)	1,742,344	322,758	3,771,674	5,798,392	N/A
Scope 1 Carbon Intensity Ratio: Emissions / Sales (€ million)	47.3	8.4	95.2	163.0	< 2013
Indirect emissions (Scope 2) (tCO_2 equiv.)	151,738	392,331	302,158	463,901	N/A
Scope 2 Carbon Intensity Ratio: Emissions / Sales (€ million)	4.1	10.2	7.6	13.0	< 2013
Indirect emissions (Scope 3*) (tCO_2 equiv.)	13,620	1,451,662	7,103,265	10,718,982	N/A
Scope 3* Carbon Intensity Ratio: Emissions / Sales (€ million)	0.4	37.8	179.3	301.4	< 2013
Total Emissions (tCO_2 equiv.)	1,907,702	2,166,750	11,177,096	16,981,275	N/A
Total Carbon Intensity Ratio: Total Emissions / Sales (€ million	51.7	56.4	282.1	477.5	< 2013
Non-hazardous waste sent for management (t)	1,168,706	1,274,102	3,115,431	8,746,743	N/A
Ratio: Tonnes of non-hazardous waste / Sales (€ million)	31.7	33.2	78.6	246.0	< 2013
Hazardous waste sent for management (t)	186,989	88,182	268,137	176,526	N/A
Ratio: Tonnes of hazardous waste / Sales (€ million)	5.1	2.3	6.8	5.0	< 2013

21 The ACS Group environmental information includes data from Leighton. In 2013 it contains information from January 2013 to December 2013 (inclusive), and in 2014 it contains the information for the period from July 2013 to June 2014 (inclusive). The data on this table corresponding to Leighton (for the period from July 2013 to June 2014) are: ISO 14001 (100%), Scope 1 CO_2 Emissions: (5,362,111 tonnes), Scope 2 CO_2 Emissions: (271,610 tonnes), Scope 3 CO_2 Emissions: (2,747,782 tonnes).

At HOCHTIEF in 2014 hazardous and non-hazardous waste amount to 150,363 tonnes and 8,213,595 tonnes respectively. These figures include data from Leighton.

In terms of water consumption reported, an increase has been noted as a result of the international growth of Cobra. Also, figures do not include information from Leighton, as available data consists of estimates based on the cost of the resource. Consumption estimated by Leighton using this method totalled 12.5 million m^3 in 2013 and 37 million m^3 in 2014.

A methodology has been adopted in this report to account for CO_2 emissions in all years under which Urbaser classifies the emissions from water and waste treatment centres as indirect under Scope 3, as it does not own or have operational control over these facilities, as included in the international GHG Protocol (Appendix F) and EPE Protocol (waste sector methodology) standards Urbaser has invoked to calculate its Carbon Footprint. The Public Authorities, as the owners of the facilities, impose the operating requirements, with the management companies limiting themselves to operating them temporarily. The Scope 3 emissions include calculations for travel by employees. In addition, HOCHTIEF and Leighton include emissions calculated for the Supply Chain (Cement, Wood, Scrap and Steel).

4.5.4. RISKS

LEVEL OF IMPLEMENTATION OF GOOD ENVIRONMENTAL MANAGEMENT PRACTICES IN THE ACS GROUP. 2014

EXPRESSED AS % OF SALES	Construction	Industrial Services	Environment
Implementation of an environmental management system	97.6%	99.4%	95.5%
Implementation of ISO 14001 certification	59.7%	75.7%	73.0%
Implementation of certifications other than ISO 14001	1.6%	0.0%	0.0%
Existence of specific targets for reducing CO_2 emissions	86.8%	10.6%	95.5%
Execution of projects to reduce waste generation	96.4%	85.1%	95.5%
Existence of plans to reduce water consumption	94.2%	25.8%	95.5%
Setting of objectives to minimise the impact of the company's activities on biodiversity	9.1%	5.9%	95.5%
The remuneration of workers, middle management and/or executives is linked to the achievement of formal environmental objectives	6.8%	11.3%	27.2%
There is some kind of non-economic incentive/recognition for the achievement of formal environmental objectives	83.2%	1.4%	27.2%
The environmental management system has been audited by an external independent third party	97.6%	99.4%	95.5%
Number of environmental audits carried out in your company	206	385	592
Number of environmental incidents which occurred	533	32	295
Existence of a system for collecting data on environmental near misses	95.5%	28.9%	52.0%
Existence of a centralised database to collect data on environmental matters	96.4%	76.2%	52.0%

4.5.4.1. CLIMATE CHANGE

The ACS Group shares with society the growing concern over climate change, hence companies that represent 73.09% of the ACS Group's sales define targets for reducing it, and in 2014 companies representing 28.65% of ACS Group sales implemented an active policy for reducing its greenhouse gas emissions.

The main challenge is to understand and quantify all the ACS Group's emissions. Each company is responsible for maintaining an inventory of emissions, in which the main sources are identified. All Group companies measure their energy consumption and their direct and indirect emissions. Specifically, Urbaser, the Group Company that provides Environmental services, has a sophisticated process for measuring, controlling, reducing and compensating emissions.

The company defines the Group's strategy against Climate Change due to the material nature of its impact on the latter. Urbaser has developed a tool for measuring its impact in carbon footprint terms. This is a system which can be audited and already contains information since 2012 and will act as a measurement baseline for developing specific policies for reducing emissions over the coming years.

Overall responsibility for climate change in the Group falls to ACS's Board of Directors, which approved and oversees the development of policies to minimise impact in this area. In turn, remuneration to workers in companies representing 16.87% of ACS employees include aspects related to environmental performance and specifically to achieving objectives related to climate change.

4. EFFICIENCY

ACS Group strategy in the fight against climate change is based on proper management of direct emissions, 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.
- According to the data gathered in 2014, the emission reduction initiatives carried out by ACS Group companies saved 1,789.1 tonnes of CO_2 equivalent.
- 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 (companies accounting for 90.98% of sales offer clients products and/or services that facilitate emissions reduction) and monitoring of suppliers.
- The financial consequences of climate change for each company's business has begun to be measured.

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 solar thermal), specifically:

- At 31/12/2014, the total wind power installed in Spain was 547.7 MW. These farms produced a total of 1,127.4 GWh during 2014.

- Outside Spain at 31/12/2014, there were 128.1 MW in Portugal that generated 294.07 GWh and 102 MW in Mexico which produced 368.21 GWh. Outside of Spain, ACS has 32.1 MW in construction in Peru and 20 MW in Portugal.

- In turn, at 31/12/14 the ACS Group had an installed power in Spain in six solar thermal plants of 299.5 MW, as well as a 10% stake in two solar thermal plants of 49.9 MW each, which produced a total of 1,163.5 GWh in 2014. It also had a stake in a 110 MW solar thermal plant under construction in the United States in 2014.

This represents a total of 2,953.18 GWh.

The ACS Group environmental information includes data from Leighton. In 2013 it contains information from January 2013 to December 2013 (inclusive), and in 2014 it contains the information for the period from July 2013 to June 2014 (inclusive). The data on this table corresponding to Leighton (for the period from July 2013 to June 2014) are: ISO 14001 (100%), Scope 1 CO_2 Emissions: (5,362,111 tonnes), Scope 2 CO_2 Emissions: (271,610 tonnes), Scope 3 CO_2 Emissions: (2,747,782 tonnes).

A methodology has been adopted in this report to account for CO_2 emissions in all years under which Urbaser classifies the emissions from water and waste treatment centres as indirect under Scope 3, as it does not own or have operational control over these facilities, as included in the international GHG Protocol (Appendix F) and EPE Protocol (waste sector methodology) standards Urbaser has invoked to calculate its Carbon Footprint. The Public Authorities, as the owners of the facilities, impose the operating requirements, with the management companies limiting themselves to operating them temporarily.

The Scope 3 emissions include calculations for travel by employees. In addition, HOCHTIEF and Leighton include emissions calculated for the Supply Chain (Cement, Wood, Scrap and Steel).

CO_2 EMISSIONS BY AREA OF ACTIVITY. TCO_2 EQUIV.

	2011	2012	2013	2014
Construction. Total emissions	144,592	669,396	7,650,751	12,755,282
Construction. Scope 1	80,737	143,205	3,526,160	5,516,069
Construction. Scope 2	54,080	330,260	225,960	375,199
Construction. Scope 3	9,775	195,931	3,898,631	6,864,014
Construction. Total Emissions / Sales ratio (€ million)	5.1	22.6	258.8	494.0
Industrial Services. Total emissions	61,016	86,025	99,278	139,191
Industrial Services. Scope 1	43,174	43,035	72,798	105,798
Industrial Services. Scope 2	14,824	33,524	15,064	17,264
Industrial Services. Scope 3	3,018	9,466	11,416	16,130
Industrial Services. Total Emissions / Sales ratio (€ million)	8.7	12.2	14.0	20.6
Environment. Total emissions	1,702,094	1,411,329	3,427,066	4,086,801
Environment. Scope 1	1,618,433	136,518	172,716	176,525
Environment. Scope 2	82,834	28,547	61,133	71,438
Environment. Scope 3	826	1,246,264	3,193,217	3,838,839
Environment. Total Emissions / Sales ratio (€ million)	1,009.5	834.6	1,142.4	1,365.5

4. EFFICIENCY

4.5.4.2. 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 94.15% of ACS's sales.
- The carrying out of projects to reduce material and/or raw material consumption, which takes place already in companies representing 77.51% of ACS Group sales.

In addition, there is notable implementation of policies in relation to the application of sustainable building standards[22]. 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.

22 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, both in Turner in the United States, in Leighton in Australia and in Europe, carries out building activities in accordance with sustainable building standards.

Since the year 2010, 495 projects have been registered and certified in terms of efficient building.

Turner mainly works in accordance with LEED standards, Leighton uses the GBCA – Green Building Council of Australia – Australian Green Star Methodology in carrying out its building activities, and HOCHTIEF in Europe mainly uses DGNB, LEED and BREEAM certifications.

ECO-EFFICIENCY IN THE ACS GROUP: ISO50001 CERTIFICATION

In 2014, work began on developing an initiative to analyse the energy efficiency in ACS Group installations. This initiative focuses on measuring the space in square metres of offices with ISO50001 certification (or similar). Once solid comparable data has been gathered, targets will be defined. In 2014, data from 2,625,553.58 m^2 was gathered, 18.13% of which is certified.

Waste treatment

Special importance is attached to the wastes section, as the procurement 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 appropriately segregates, stores and 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.

At HOCHTIEF in 2014 hazardous and non-hazardous waste amount to 150,363 tonnes and 8,213,595 tonnes respectively. These figures include data from Leighton.

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 are reused in the production location or collected by an authorised manager for treatment, recycling or reclamation or, failing this, for disposal in controlled dumps.

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.

WASTES TREATED BY TYPE AND AREA OF ACTIVITY

	2011	2012	2013	2014
Total ACS Group				
Non-hazardous waste sent for management (t)	1,168,706	1,274,102	3,115,431	8,746,743
Ratio: Tonnes of non-hazardous waste / Sales (€ million)	31.7	33.2	78.6	246.0
Hazardous waste sent for management (t)	186,989	88,182	268,137	176,526
Ratio: Tonnes of hazardous waste / Sales (€ million)	5.1	2.3	6.8	5.0
Construction				
Non-hazardous waste sent for management (t)	1,125,254	1,110,220	3,054,986	8,689,624
Ratio: Tonnes of non-hazardous waste / Sales (€ million)	40	37	103	337
Hazardous waste sent for management (t)	2,972	5,784	232,656	157,804
Ratio: Tonnes of hazardous waste / Sales (€ million)	0.1	0.2	7.9	6.1
Industrial Services				
Non-hazardous waste sent for management (t)	30,755	80,497	42,519	39,255
Ratio: Tonnes of non-hazardous waste / Sales (€ million)	4	11	6	6
Hazardous waste sent for management (t)	240	7,198	24	35
Ratio: Tonnes of hazardous waste / Sales (€ million)	0.0	1.0	0.0	0.0
Environment				
Non-hazardous waste sent for management (t)	12,697	83,386	17,926	17,864
Ratio: Tonnes of non-hazardous waste / Sales (€ million)	8	49	6	6
Hazardous waste sent for management (t)	183,777	75,200	34,214	16,391
Ratio: Tonnes of hazardous waste / Sales (€ million)	109.0	44.5	11.4	5.5

4. EFFICIENCY

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.

The ACS Group environmental information includes data from Leighton. In 2013 it contains information from January 2013 to December 2013 (inclusive), and in 2014 it contains the information for the period from July 2013 to June 2014 (inclusive). The data on this table corresponding to Leighton (for the period from July 2013 to June 2014) are: Petrol and Diesel: 1,977.60 million litres, Electricity: 339,938 MWh.

The increase in natural gas consumption is mainly due to an increase in the number of vehicles that use this fuel at Urbaser, as well as to the inclusion of Clece within the scope, which did not hold this data for 2013.

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.

PROCUREMENTS

	2013	2014
Percentage of certified wood	1.0%	1.0%
Total wood purchased (m^3)	840,828.1	1,249,717.1
Percentage of recycled steel	7.7%	37.4%
Total steel purchased (t)	1,031,686.1	1,178,659.9
Percentage of cement / concrete with recycled aggregate	0.1%	0.1%
Total cement / concrete purchased (m^3)	8,378,955.1	14,741,069.0
Percentage of recycled glass	100.0%	99.4%
Total glass purchased (m^2)	2,880,152.9	2,896,348.3

ENERGY CONSUMPTION BY SOURCE

	2011	2012	2013	2014
Total ACS Group				
Petrol + Diesel (million litres)	114.2	104.2	1,367.3	2,108.1
Natural gas (m^3)	1,184,488.0	2,136,012.0	343,509.0	402,636.0
Natural gas (kWh)	N/A	35,137,353.0	58,517,257.3	97,179,340.2
Electricity (MWh)	466,720.0	1,279,301.9	566,015.4	861,156.0
Construction				
Petrol + Diesel (million litres)	33.4	40.6	1,281.0	2,011.2
Natural gas (m^3)	285,276.3	273,568.6	310,951.3	267,346.6
Natural gas (kWh)	N/A	976,526.7	224,000.0	657,929.0
Electricity (MWh)	116,564.4	1,086,737.0	316,187.4	570,332.9
Industrial Services				
Petrol + Diesel (million litres)	16.6	16.0	26.7	38.8
Natural gas (m^3)	60,675.2	31,591.0	32,557.7	135,289.5
Natural gas (kWh)	N/A	768,522.5	802,370.7	582,211.2
Electricity (MWh)	53,152.0	98,629.8	49,391.6	56,601.8
Environment				
Petrol + Diesel (million litres)	64.2	47.4	59.6	58.1
Natural gas (m^3)	838,536.8	1,830,853.0	0.0	0.0
Natural gas (kWh)	N/A	33,392,304.5	57,490,886.5	95,939,200.0
Electricity (MWh)	297,004.0	93,935.1	200,436.4	234,221.3

4.5.4.3. 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. This is an initiative applying to the majority of the ACS Group.

- Carrying out actions which promote reduction of water consumption or which encourage the consumption of recycled water. Companies representing 81.31% 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 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. Specifically, in the Construction area:

- 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.

4. EFFICIENCY

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.

In terms of water consumption reported, an increase has been noted as a result of the international growth of Cobra. Also, figures do not include information from Leighton, as available data consists of estimates based on the cost of the resource. Consumption estimated by Leighton using this method totalled 12.5 million m^3 in 2013 and 37 million m^3 in 2014.

WATER CONSUMPTION AND DISCHARGES

	2011	2012	2013	2014
Total ACS Group				
Potable water consumption (m^3)	5,577,931.0	6,677,845.0	6,014,566.0	5,497,862.0
Non-potable water consumption (m^3)	N/A	3,389,806.4	12,446,274.0	14,654,867.9
Total waste water discharged (m^3)	4,136,225.7	4,263,678.7	7,833,733.0	9,467,892.1
Ratio: m^3 of Water / Sales (€ million)	151.3	262.2	465.9	566.7
Construction				
Potable water consumption (m^3)	2,649,086.7	3,026,719.0	509,758.0	622,293.4
Non-potable water consumption (m^3)	N/A	1,125,737.0	231,654.0	105,175.7
Total waste water discharged (m^3)	1,987,813.1	1,752,485.2	258,943.6	739,543.8
Ratio: m^3 of Water / Sales (€ million)	94.1	139.9	25.1	28.2
Industrial Services				
Potable water consumption (m^3)	77,301.2	458,160.0	107.182,9	709.042,3
Non-potable water consumption (m^3)	N/A	4,693.0	10.008.120,4	12.755.352,4
Total waste water discharged (m^3)	35,412.7	161,525.7	6,081,782.5	7,540,258.6
Ratio: m^3 of Water / Sales (€ million)	11.0	65.7	1,431.3	1,994.7
Environment				
Potable water consumption (m^3)	2,851,543.1	3,192,966.0	5,397,625.1	4,166,526.4
Non-potable water consumption (m^3)	N/A	2,259,376.4	2,206,499.6	1,794,339.8
Total waste water discharged (m^3)	2,112,999.9	2,349,667.8	1,493,006.9	1,188,089.8
Ratio: m^3 of Water / Sales (€ million)	1,691.3	3,224.3	2,534.7	1,991.6

4.5.4.4. 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.

At the end of 2014, a large number of Group companies, representing 74.00% of sales, were carrying out specific policies to manage projects located in areas of high biological value, or in their vicinity.

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 15.73% 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 (21.1% of tenders presented included an environmental impact analysis). Public participation in procedures to approve these projects is guaranteed by the national and regional legislation in each of the countries where they are carried out.

The company also has supervision plans which guarantee the fulfilment of the preventive measures and reduce the impact of projects and processes not subject to environmental impact assessments. Specifically, in the Construction area:

- 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

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.

4. EFFICIENCY

4.5.5. GOOD PRACTICES

DRAGADOS- ENVIRONMENTAL MANAGEMENT SYSTEM, RESULTS AND RECOGNITIONS IN THE FORTH CROSSING BRIDGE CONSTRUCTION PROJECT IN SCOTLAND

The Forth Crossing Bridge in Eastern Scotland is the cornerstone of the project to improve transportation in the region that has been promoted for years. Queensferry Crossing, the bridge being built in parallel to the current Forth Road Bridge crosses the Firth of Forth connecting Lothian with Fife. This is a crucial project for the region and for Scotland as a whole.

The Forth Bridge is overloaded in terms of capacity, with 30,000 vehicles per day crossing it in each direction. This problem has generated great concern as to the lifespan of the bridge, which was originally designed to last 120 years. An inspection in this regard showed that the suspension cables have lost between 8% and 10% of their tension.

The bridge project, financed by the Government of Scotland, entails a £1.6 billion investment, £790 million of which is allocated to Dragados' project.

In order to reduce the materials used and the cost of the project, a bridge was designed that will take advantage of its surroundings, such as the foundation of its central pillars. Furthermore, this will be the first time in Scotland that a bridge will have integrated control systems for modulating the speed limit to reduce traffic jams and for distributing bus traffic based on vehicle traffic patterns.

When it is commissioned, the bridge will be open to vehicles and public transport, pedestrians and cyclists.

In environmental terms, the project's goal is to reduce its impact on its surroundings and on the various affected habitats. A preliminary environmental impact analysis has therefore been conducted which, according to the independent analysis of CEEQUAL, has been deemed to be "Excellent".

The main environmental goals of the project are:

- To build a new bridge with the least possible impact on the environment and on residents.
- To provide a hub between Fife and Lothian that will be more energy efficient, both in the new bridge and in the old one (e.g., installing LED lights on both).
- To involve the local residents, promoting transparency and offering updated progress reports.
- To comply with the budget, deadlines and environmental, safety and quality standards.
- To have the construction industry recognise the project in terms of technical excellence and sustainability.
- To develop innovative construction methods to minimise environmental impact.
- To maximise the reuse and recycling of materials.
- To create employment opportunities for the local community.

DRAGADOS

The independent environmental analysis conducted by world renowned CEEQUAL, in which the project was rated as "Excellent," included the following objectives:

- To minimise CO_2 emissions in the construction phase.
- To minimise waste production and to encourage waste to be reused and recycled.
- To identify the origin of materials and to only use those provided by environmentally and socially responsible suppliers.
- To protect and respect the biodiversity and ecology of the local area.
- To protect water quality by fostering the use of systems that are less intrusive and which pollute less.
- To optimise the environmental noise level, and reduce to a minimum emissions of particles and other contaminants.
- To involve the community, promoting transparency with the residents affected by the construction work
- To contribute to the creation of jobs in the area.
- To reduce the impact on the landscape, avoiding affecting cultural heritage.

In order to reduce CO_2 emissions related to shipping materials, prevent bottlenecks and traffic in the area and limit the impact on local communities, the project selected to have materials supplied by sea whenever possible. Both the concrete and the steel from this project, in addition to various other materials, were provided for the project this way.

Moreover, the project proposed sourcing most of its supplies locally in order to reduce costs and the environmental impact of shipping them.

In terms of energy reduction, the following initiatives were developed:

- Using efficient power generation plants with a lifecycle of less than 36 months.
- Developing an on-site energy efficiency programme, reducing unnecessary heating and lighting costs and using collective transport subsidised by the project.
- Renewable energy consumption.
- Installing sensors, timers, LEEDs and other systems for minimising electricity consumption in terms of lighting on site and on the bridge proper.

In terms of the social impact of the project, the following aspects were developed:

- 45 internships.
- 21 practicum work positions.
- 46 jobs for the long-term unemployed.
- 11 apprenticeships.
- Out of a total of 415 sub-contractors, 250 (60%) were hired from amongst the local community, investing a total of £85 million in the region.
- Of a total of 15,460 orders, 14,174 were placed with Scottish companies for a total of £72 million.
- An average of 953 people worked on the project, with employment peaks of up to 1200 people.
- 43% of the jobs were created in Edin/Lothian/Fife; 35% came from elsewhere in Scotland .
- Visits by residents, schools, associations, etc.

The Project was awarded the *Considerate Constructors* 2014 *Gold National Site Award*, and the 2014 *Silver Scottish Green Apple Award*.

5. EMPLOYEES

5.1. THE ACS GROUP'S PEOPLE

5.1.1. STRATEGIC PRIORITIES

The ACS Group's[23] 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. Some of the fundamental principles governing the Group 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.

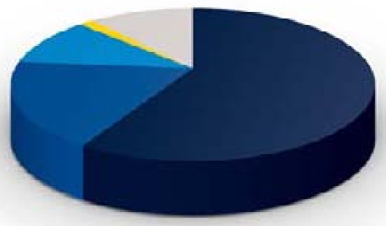
Likewise, the Group promotes the professional development of its workers. With this aim, it has an employment policy which generates wealth in the zones where it operates and produces links which create positive synergies for the environment. Furthermore, it shows special interest in ensuring dignified 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.

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 number of employees. The data is expressed in terms of percentage of total Group employees at 31/12/14. In order to weigh the data of 2013 Clece employees are included amounting to 65,774 people at 31/12/2013.

5.1.1.1 MAIN FIGURES

The ACS Group employs a total of 210,345 people, of whom 110,267 work in Spain and 100,078 abroad. Of all the employees, 36,394 people are of a different nationality to that of their company's head office. The ACS Group has employees in more than 80 countries, in which it promotes its workers' economic and social development.

PERSONNEL BY GEOGRAPHIC AREA



NUMBER OF EMPLOYEES BY AREA OF ACTIVITY

	2013	2014	Var.
Construction	87,457	74,440	-14.9%
Industrial Services	41,635	41,272	-0.9%
Environment	94,319	94,581	0.3%
Corporate Unit	52	52	0.0%

PERSONNEL BY PROFESSIONAL CATEGORY AND AREA OF ACTIVITY

	Construction	Industrial Services	Environment	Corporate Unit	Total
University graduates	19,000	3,936	1,485	32	24,453
Junior college graduates	3,107	3,512	2,395	46	9,020
Non-graduate line personnel	4,740	6,078	3,775	0	14,593
Administrative staff	4,071	2,519	1,593	10	8,193
Other staff	43,522	25,227	85,333	4	154,086

TYPES OF CONTRACT

	2011	2012	2013	2014
Permanent Contracts	95,325	100,132	94,056	82,740
Temporary Contracts	66,937	62,339	129,407	127,605

PERSONNEL BY PROFESSIONAL CATEGORY AND GENDER

	Women	Men	Total
University graduates	5,713	18,740	24,453
Junior college graduates	3,167	5,853	9,020
Non-graduate line personnel	4,062	10,531	14,592
Administrative staff	5,530	2,663	8,193
Other staff	60,154	93,932	154,086
Total	**78,626**	**131,718**	**210,345**
Proportion of ACS Group total	*37.4%*	*62.6%*	

5. EMPLOYEES

5.1.2. MANAGEMENT PRINCIPLES

5.1.2.1. 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. Companies representing 86.9% of Group employees express their formal, documented commitment to the Universal Declaration of Human Rights in the development of their Human Rights policy.

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 57.0% of ACS Group employees have formal programmes to ensure equality of opportunities. These Equality Plans include specific actions 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. A total of 1,205 women were reported in management posts in the company in 2014 (12.0% of total management personnel).

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, 4,824 disabled people were working in the ACS Group at 31 December 2014.

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 590 in 2014 (5.9% of the Group's total management personnel).

5.1.2.2. 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, 27.7% are members of trade unions or union organisations.

Furthermore, in companies representing 74.6% of ACS Group employees protocols or policies were developed to minimize situations where union rights or rights of association are prohibited or violated in certain countries, it being ACS Group policy to promote good labour practices and respect for the legislation in force.

5.1.2.3. TURNOVER AND ABSENTEEISM RATE

INDICATORS OF TURNOVER AND ABSENTEEISM

	2012	2013	2014
Total staff turnover	15.1%	11.2%	12.7%
Male staff turnover	15.7%	12.1%	13.9%
Female staff turnover	14.8%	9.0%	11.4%
Percentage days lost through absenteeism	4.1%	1.4%	1.3%

5.1.2.4. SERVICES FOR EMPLOYEES, FLEXIBILITY AND WORK/LIFE BALANCE

Companies in the ACS Group offer 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.

Companies representing 91.42% 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:

- 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.
- Reduced 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.

5. EMPLOYEES

5.1.2.5. DEVELOPMENT OF HUMAN RESOURCES

Employee competences, assessment, development, remuneration and satisfaction

DEVELOPMENT OF HUMAN RESOURCES

% OF TOTAL EMPLOYEES	2012	2013	2014
Employees covered by a formal professional development system	84.7%	87.8%	89.2%
Employees in posts defined according to a formal competency map	14.5%	33.1%	35.4%
Employees subject to performance assessment processes	36.3%	55.5%	51.3%
Employees covered by variable remuneration systems	90.4%	91.3%	91.5%
Of these, the percentage of variable remuneration systems that include aspects related to Corporate Responsibility	47.4%	21.6%	23.0%
Level of coverage of working environment surveys (% of total employees)	50.5%	31.7%	1.6%
Satisfied or very satisfied employees (out of total surveys performed)	78.8%	84.9%	66.2%

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.

- The carrying out of performance assessments using numerous methodologies, including 360° analyses, meetings with clients, periodic follow-up meetings, evaluation of the profitability of the work post compared to the results obtained, etc.

- 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 measures to be established for setting the variable remuneration, in management by objectives, in which the goals the employee needs to achieve to obtain their variable remuneration are agreed systematically and recurrently.

- Compliance with the ACS Group Code of Conduct is confirmed. It is important to emphasise that there is a zero tolerance policy in the ACS Group to breaches of the Code of Conduct. See the section on Ethics in this document.

These methodologies are consolidated and functioning fully in various ACS Group companies.

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.

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.

These remunerations are calculated in all cases based on operational and economic factors. A small part of the remuneration also depends on objectives as regards Corporate Responsibility, especially in terms of Health and Safety, the Environment and Quality.

Each ACS Group company manages its professionals' development independently, adapting this to its needs and the specific nature of its activities. A significant majority of ACS Group companies 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.

Formal processes for measuring employee satisfaction were carried out in 2014, which affected 1.6% of ACS employees. In these satisfaction surveys, on average, 66.16% of employees responded that they were "satisfied" or "very satisfied".

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.

5. EMPLOYEES

5.1.2.6. TRAINING PLANS[24]

TRAINING

	2011	2012	2013	2014
Total teaching hours given	943,890	2,273,361	3,457,414	2,581,675
Teaching hours per employee (over total employees)	5.8	14.0	15.5	12.3
Employees participating in training activities	55,613	114,822	180,143	148,168
Teaching hours per employee (over employees trained during the year)	17.0	19.8	19.2	17.4
Investment in training (€ million)	18.6	87.2	158.2	130.5
Investment in training per employee (over total employees) (€)	114.6	536.6	708.0	620.6
Investment in training per employee (over employees trained during the year) (€)	334.7	759.3	878	881

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 91.61% of Group employees report the existence of tools for managing development of human resources such as training platforms, on-line training or even agreements with training centres. Indeed, there are tools available adapted to the various competence profiles for analysing training needs, disseminating training opportunities, joint databases, specific, adapted and general courses, etc. 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.

Specifically, an initiative is being carried out at Group level focused on training on Human Rights, Ethics, Integrity and Conduct. As this was dealt with in the section of Ethics, it is included in this part of the report as a summary.

TRAINING IN HUMAN RIGHTS, ETHICS AND THE CODE OF CONDUCT

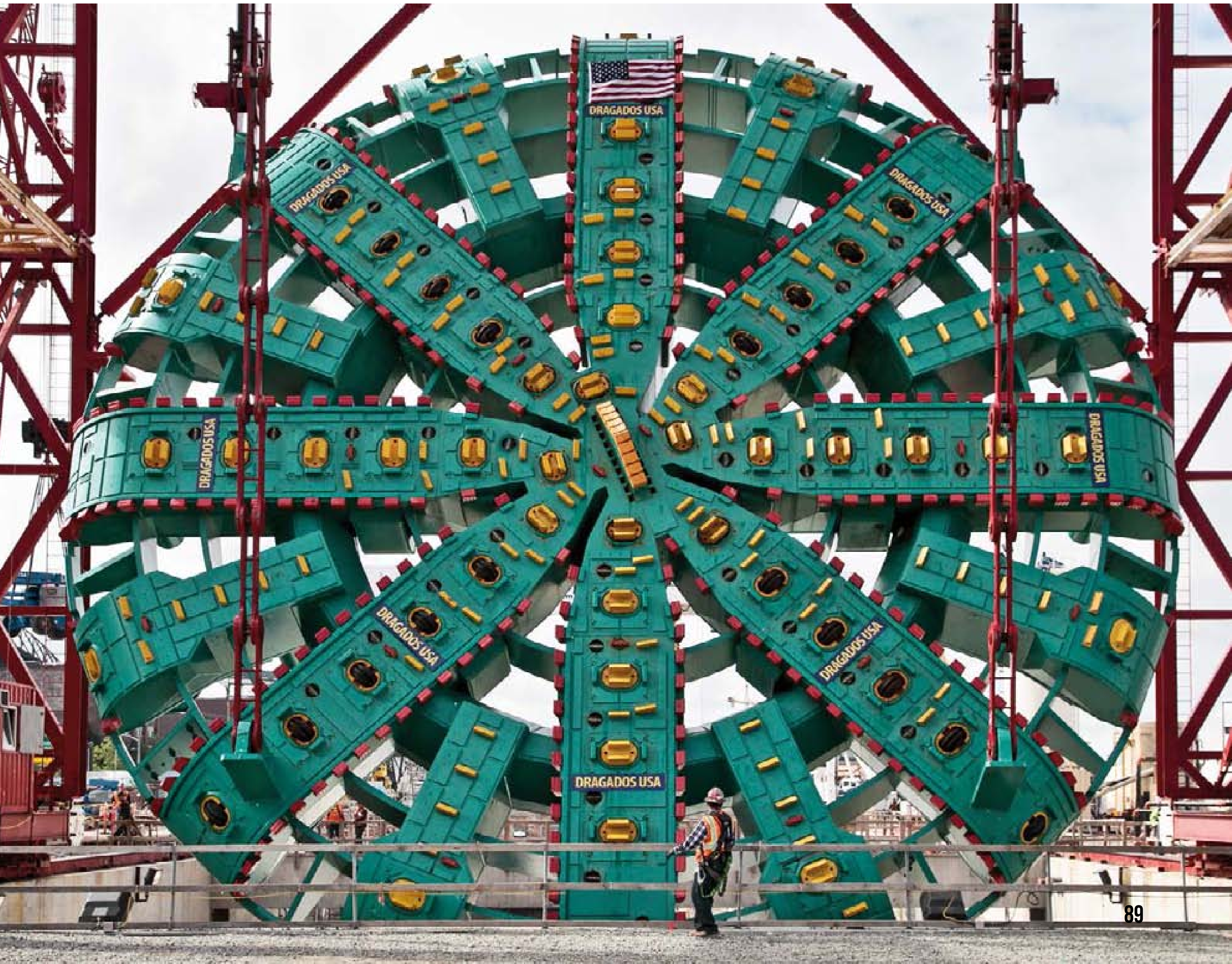
	2012	2013	2014
Scope of training plans in this regard (% of employees)	20.8%	85.5%	87.0%
Number of courses given with Human Rights, Ethics, Integrity or Conduct content	1,959	778	845
Number of employees trained in Human Rights, Ethics, Integrity or Conduct content during the year	6,928	21,983	17,105
Percentage of total current Group employees who have received at least one course in Human Rights, Ethics, Integrity or Conduct during their career	8.7%	38.1%	36.0%
Training hours per trained employee	N/A	2	3

24 The contribution from Leighton is included in the information for 2012, 2013 and 2014. This was not included in the 2011 report.

5.1.3. MAIN INDICATORS

MAIN MANAGEMENT INDICATORS - PEOPLE

	2012	2013	2014	Objective for 2015
Percentage days lost through absenteeism	4.1%	1.4%	1.3%	< 2013
Employees covered by a formal professional development system	84.7%	87.8%	89.2%	> 2013
Employees in posts defined according to a formal competency map	14.5%	33.1%	35.4%	> 2013
Employees subject to performance assessment processes	36.3%	55.5%	51.3%	> 2013
Employees covered by variable remuneration systems	90.4%	91.3%	91.5%	> 2013
Investment in training per employee (over total employees) (€)	536.6	708.0	620.6	> 2013
Percentage of total current Group employees who have received at least one course in Human Rights, Ethics, Integrity or Conduct during their career	8.7%	38.1%	36.0%	> 2013



5. EMPLOYEES

5.2. SAFETY IN THE WORKPLACE IN THE ACS GROUP

5.2.1. STRATEGIC PRIORITIES

The prevention of occupational risks[25] 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.

25 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 31/12/14. In order to weigh the data of 2013 Clece employees are included amounting to 65,774 people at 31/12/2013. The concepts of occupational risk prevention and safety at work are used indistinctly.

5.2.2. 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.
- Definition and spreading worldwide of shared, homogeneous standards which enable assessment of Group companies in Safety terms.
- Variable remuneration depending on the success of the risk prevention and safety policy.

5.2.2.1. SYSTEMS

The great majority of Group companies report the existence of a health and safety management function and system which deals with the implementation of the policy and of the action plans developed in accordance with the priorities identified. In general, these ACS Group companies share a series of characteristics in risk prevention management:

- Development of systems for management of prevention according to the OHSAS 18001 reference standard. This policy was reported by companies representing 82.80% of Group employees.

- The existence of systems audited internally and/or externally, in addition to the audits regulated by law (96.70% 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 97.06% of the Group's employees.

- A worldwide system affecting 96.79% of ACS's people.

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 82.80% of ACS Group employees.

- Risk prevention plans are defined which take in the improvements detected in these assessment procedures (97.06% of Group employees).

- Systems which could have resulted in an incident are identified and recorded (analysis of near misses) in companies representing 96.94% of ACS's employees.

- Workers' and managers' remuneration are referenced to fulfilment of formal targets as regards health and safety in 57.42% of the ACS Group.

- There are integrated computerised systems in the great majority of Group companies, 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.

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. In 2014, there were 2,858 people in this category.

5. EMPLOYEES

5.2.2.2. EXPENDITURE

SPENDING ON HEALTH AND SAFETY

	2011	2012	2013	2014
Spending (€ million)	26.6	220.1	171.7	197.4
Spending per employee (€)	163.7	1,354.8	768.5	938.3

5.2.2.3. 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.

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.

5.2.2.4. TRAINING

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.

TRAINING IN HEALTH AND SAFETY

	2012	2013	2014
Employees who have received training in Health and Safety matters during the year (%)	58.9%	66.9%	65.4%
Employees who have received training on Health and Safety matters during their career with the company (%)	71.2%	94.2%	96.6%

5.2.2.5. 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:

- ACS Group companies develop 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.

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
SPA	Spanish Construction Labour Foundation
SPA	PESI
POR	IEFP
POL	Polish Labour Inspectorate
EU	ENCORD
AUS	Australian Constructors Association
AUS	Safety Institute of Australia
AUS	National Safety Council of Australia
AUS	Federal Safety Commission Accreditation
USA	Associated General Contractors
USA	ASSE
USA	National Safety Council
USA	General Contractor Association
USA	NY Safety Committee
USA	Construction Users Round Table
USA	American National Standards Committee
UK	NISO
CAN	Infrastructure Health & Safety Association

5. EMPLOYEES

5.2.2.6. EMPLOYEE ACCIDENT[26] RATE INDICES

ACCIDENT RATE INDICES EMPLOYEES

	2011	2012	2013	2014
Frequency	24.43	27.84	19.07	15.18
Construction	10.09	10.70	4.23	2.40
Industrial Services	21.27	16.83	11.95	11.27
Environment	67.93	64.89	39.79	42.69
Severity	0.75	0.73	0.55	0.38
Construction	0.33	0.27	0.12	0.08
Industrial Services	0.51	0.54	0.31	0.31
Environment	2.30	1.63	1.16	1.02
Incident rate	22.63	30.20	33.24	37.29
Construction	9.31	8.47	8.13	9.37
Industrial Services	25.32	22.39	22.11	22.82
Environment	87.37	109.29	61.00	65.10

5.2.2.7. ACCIDENT RATE INDICES 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.

ACCIDENT RATE INDICES SUBCONTRACTORS

	2011	2012	2013	2014
Frequency	8.66	6.43	7.83	9.29
Construction	8.66	4.77	6.78	8.57
Industrial Services	5.90	6.03	3.28	2.42
Environment	N/A	81.81	143.11	151.67
Severity	0.07	0.13	0.16	0.14
Construction	0.07	0.08	0.13	0.06
Industrial Services	0.09	0.09	0.06	0.06
Environment	N/A	2.52	3.53	2.80

26 **Frequency Rate:** number of accidents that have occurred during the working day per million hours worked.
Severity Rate: number of working days missed due to accidents per 1,000 hours worked.
Incident Rate: number of accidents with time off per thousand workers.
Professional disease rate: total number of cases of occupational diseases over the total number of hours worked, times 200,000.

5.2.3. MAIN INDICATORS

MAIN MANAGEMENT INDICATORS - HEALTH AND SAFETY

	2012	2013	2014	Objective for 2015
Percentage of total employees covered by OSHAS 18001 certification	88.9%	75.4%	82.8%	> 2013
Frequency Rate	27.84	19.07	15.18	< 2013
Total number of Accidents with employee time off	4,723	7,321	7,801	< 2013
Spending per employee on Safety (€)	1,354.82	768.49	938.31	> 2013
Employees who have received training on Health and Safety matters during their career with the company (%)	71.2%	94.2%	96.6%	> 2013

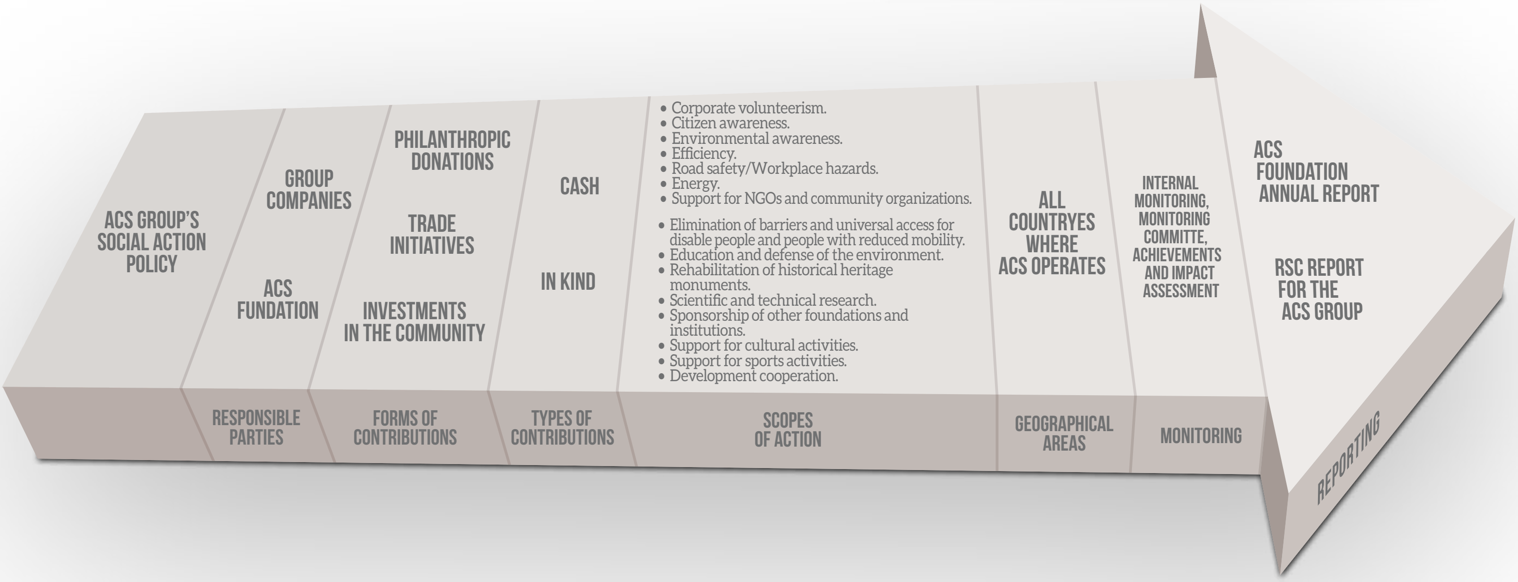
5. EMPLOYEES

5.3. SOCIAL ACTION IN THE ACS GROUP

A commitment to the betterment of society is part of the ACS Group's mission. To contribute to this goal, ACS establishes a Social Action Policy tied to its business strategy, because it is the best way to create real shared value for all stakeholders.

This Policy seeks to promote the ACS Group's Social Action, which will help the company achieve the following objectives:

- PROMOTE THE GROWTH OF THE BUSINESS AND ITS SUSTAINABILITY
- MPROVE THE RECOGNITION AND REPUTATION OF THE COMPANY
- INCREASE THE SATISFACTION OF EMPLOYEES AND ASSOCIATES
- CONTRIBUTE TO THE IMPROVEMENT OF THE SOCIETY IN WHICH THE ACS GROUP OPERATES



5.3.1. ACTION PLAN ON SOCIAL ACTION

The ACS Group's Social Action Policy is governed by an Action Plan, which sets the procedures for implementation in the Group's various business areas. It has been drafted in accordance with the guidelines and recommendations of the London Benchmarking Group (LBG); it includes the extensive experience gained over the years by the ACS Foundation and covers the current actions by the companies of the ACS Group.

The ACS Group's Social Action Policy will be carried out by both Group companies and the ACS Foundation, with each having differentiated functions and different contributions.

- Group companies: each Group company will have the freedom to select its own social action activities provided they are linked to experience acquired in its business and contribute to the objectives of this policy. The employees of the company may subsequently become involved in these corporate volunteer activities.

  In order to operatively implement this Policy, each company will appoint a social action supervisor. This individual will launch the initiatives, act as contact person for employees wishing to participate in the programmes, coordinate the activities, and conduct the monitoring of the indicators needed to measure the impact of these initiatives.

- ACS Foundation: The Foundation will carry out its own activities, according to its statutes, and may support any Group companies that request assistance for their voluntary corporate initiatives, if appropriate.

Social Action contributions may be in cash or in kind.

The activities under the ACS Group's Social Action Policy will be covered by the following categories:

- Community investments: long-term collaboration with NGOs or community organizations to address various social needs. This category will include Foundation activities that meet this description and citizen awareness activities carried out in Group companies' corporate volunteer programmes.

- Trade Initiatives: support for sponsorship and patronage activities conducted by the Foundation or Group companies. An effort will be made for sponsored initiatives to follow the guidelines of the Social Action Policy.

- Philanthropic donations: occasional support for NGOs or community organizations in response to their occasional or emergency needs. This kind of donations will be carried out primarily by the Foundation, but will also include in-kind support provided for these causes to employee volunteers from the different companies, who have requested and received this support.

- Furthermore, the ACS Foundation may carry out any additional initiatives in accordance with its bylaws, as its Board determines.

The ACS Group's Social Action Policy will be the same for all Group companies and the Group Foundation, and may be implemented and carried out in all countries where the ACS Group operates.

Responsibility for the Social Action policy shall rest with the Executive Vice President of the ACS Group, member of the Board of Directors and Vice President of the ACS Foundation.

5. EMPLOYEES

5.3.2. SOCIAL ACTION IN ACS GROUP CO

In 2014 companies representing 54.14% of ACS employees carried out Social Action initiatives. For this purpose a total of €4,251,468 has been invested. 9,405 people have benefited from these actions.

The development of social action in 2014 is still in its initial stages, and not in vain, since the Group's general policy was approved in May 2014. The goal of the Group's Human Resources offices is to have efforts increase substantially in 2015, just as in previous years

"COMPROMISO" AWARDS AT CLECE

Clece

On 3 March 2015 Clece handed out its "Compromiso" (Commitment) Awards: an initiative promoted by the ACS Group company to foster the reintegration of communities that are vulnerable or at risk of social exclusion. For this first round of awards with a prize of €6,000 per category, 157 projects were submitted in the following categories: best social project for the disabled, female victims of domestic violence, persons at risk of social exclusion, and senior citizens.

And the winners were:

PERSONS AT RISK OF SOCIAL EXCLUSION CATEGORY

Association Line 10, with the "Nuevo Camino 2015" project located in Usera, Madrid. This project worked to provide support to families in difficulties, single mothers, etc., caring for their children so they can work. Its motto was "full commitment to the family."

DOMESTIC VIOLENCE VICTIMS CATEGORY

The Asociación Victoria Fuenlabrada (Madrid), which worked with victims of domestic violence, providing them with support and helping them break the cycle of violence.

ASSISTANCE TO THE DISABLED CATEGORY

The Asociación Dedines (Defence of Disabled Children with Special Needs, or Defensa del Niño Discapacitado con Necesidades Especiales), with the project "Summer Camp 2015," where the goal was to combine leisure with helping children with special needs, while also assisting the children's parents over a summer-like period where teachers are on holiday.

SENIOR CITIZENS CATEGORY

The Social Project of the In-Home Medical Therapeutic Team of Hospital Vianorte-Laguna for Dependants. As Europe's second largest palliative care hospital, the hospital cares for ill and dependant persons and their families, both in the hospital itself and in day centres, senior citizens' homes and even at patients' homes.

Clece, with 3,945 employees with some form of disability and with a clear corporate vocation for hiring people at risk of exclusion, is a company that fully focuses on supporting vulnerable communities.

COBRA "TAPITAS DE VIDA" PROJECT, COLOMBIA

Cobra, through its subsidiary in Colombia, has developed a volunteer initiative among its employees such as the Fundación Sanar, which recycles polypropylene bottle lids to help cancer patients.

Cobra's employees have been able to contribute a total of 91.7 kilos of polypropylene lids since they started work on the programme in 2013.

With this small contribution, together with that of other companies in Colombia, Fundación Sanar has been able to obtain resources to finance the medical, psychological, recreational and social treatment of low-income children that suffer from cancer. It currently supports 350 minors in the foundation.

17 years ago, Sanar launched this programme that now collects around 500 kilos of lids per day, or in its best months, such as December, up to 20 tonnes.

For this programme, Cobra prepared ads and donation centres to motivate the personnel to participate in the campaign.

Publicity adverts

5. EMPLOYEES

BRIDGES TO PROSPERITY AT HOCHTIEF

In 2014 a focal point of HOCHTIEF's sponsorship activity centred on the Bridges for Prosperity (B2P) initiative, an non-governmental organisation that builds pedestrian bridges in remote regions all over the world, helping local communities to benefit from improved access to trade, education and medical care.

Flatiron and Turner have for some years been supporting B2P projects in Central and South America. Flatiron in particular has a commitment as a strategic B2P partner, and makes use of its experience in the construction sector to support the design of the bridge models. In 2014 the company built a 121-metre walkway in Nicaragua, the longest ever built by B2P and HOCHTIEF employees.

In 2012, HOCHTIEF became involved in this charitable undertaking from Germany and the rest of Europe, and currently supports B2P in its projects in Ruanda. In 2014 in that country's western province, a 54-metre walkway was built over a river that could not be crossed in the rainy season.

Collaboration with B2P increases HOCHTIEF's commercial activities, adding a strong element of community involvement. Our participation benefits both sides, and especially the inhabitants of the regions, as the walkways cross rivers that considerably increase their flow during the rainy season, becoming a significant threat or an insurmountable barrier for local residents. The rivers prevent them from gaining access to schools, markets and doctors.

B2P estimates that in the last five years these projects have resulted in a 12% increase in the number of children enrolled in school (8,500 children benefitted), an increase of 24% in medical treatment (17,000 were able to benefit from such services), an increase of 18% in employed women (over 12,800 women), and a 15% increase in local business.

Through its sponsorship programme, HOCHTIEF has a positive impact on the economic and social development of the regions. For example, during the construction stage, HOCHTIEF involves, pays and trains workers in the region. Those people not only learn construction skills, they also learn how to maintain the bridges. Construction materials, such as wood and cement, also mainly come from the surrounding areas and are purchased from local suppliers.

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HOCHTIEF also benefits, as ten Group employees work for a set period on each project. In addition to promoting awareness among customers, inhabitants of the regions and government representatives, they encourage the forming of teams and the desire to participate in volunteering activities.

The sponsorship programmes also improve the construction experience of employees, provide intercultural experiences and increase their commitment with society. The satisfaction of belonging to a Group such as HOCHTIEF also increases, as to date around 150 employees have benefitted from this experience.

The aim is to extend these sponsorships throughout the Group, including Leighton in the longer term. More than 71,000 people living close to the bridges have benefitted from out projects during the last five years. This number is set to grow in future.

© Bridges to Prosperity

5. EMPLOYEES

5.3.3. ACS FOUNDATION

The ACS Foundation, whose formal social action policy is detailed in its founding charter, is guided by several action principles:

- 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.

The ACS Foundation was created to return part of the profits generated by our business to society to improve the quality of life of its citizens in any physical, human, training, cultural or environmental aspect and in support of human rights and the achievement of millennium goals.

To carry out this Social Action, the ACS Group's Board approves a budget annually to make it possible to implement projects framed in the Foundation's ideology and charter, which are executed by the institutions that receive them. An agreement is drawn up with each of them to define each party's obligations, so guaranteeing complete transparency in the management of the Foundation.

In 2014, the ACS Foundation spent €4,010 million, equivalent to 94.5% of its budget. A budget of €4.350 million has been approved for 2015.

5.3.4. FOUNDATION PROGRAMMES

Category	Amount allocated
€ million	
Elimination of barriers (disability)	0.696
Environment	0.242
Research	0.683
Promotion of cultural activities	1.118
Aid to other foundations and institutions	0.810
Others[27]	0.461
TOTAL	**4.010**

The Foundation's strategy for achieving the ends mentioned above relies on collaboration and economic support linked to the following programmes:

- Improving the quality of life of people with physical or sensory disabilities, or in a status of dependency, by collaborating and providing economic resources, supported by institutions of recognised standing and solvency in this regard, such as the Royal Board on Disability; the Spanish blind charity (ONCE), the Spanish Federation of Municipalities and Provinces (FEMP), various Universities and the United Nations, through the World Tourism Organisation, among others. The following are outstanding among the most significant activities carried out in this programme:
  - Elimination of barriers in favour of people with disabilities.
  - Promotion of accessibility and universal design (training, educational and technical materials) to ensure a future without barriers.
  - Incentives to municipalities to apply universal accessibility criteria in urban development, transport and building, mainly through sponsorship of the Reina Sofía Awards and the carrying out of seminars with Royal Board on Disability.
  - Accessible rehabilitation of the most significant Spanish architectural heritage worldwide, such as the El Escorial, Yuste, Las Huelgas (Burgos) Monasteries, the Convent of Santa Clara (Tordesillas) and the Royal Palace in Madrid, which have become examples of the compatibility of maintaining the nature of historical architectural heritage with certain levels of accessibility that enable access to the monuments by people with reduced mobility. This allows active tourism for all, generating income and jobs at a local level, at the same time as contributing the maintenance of the monuments themselves.
  - In this way, the ACS Foundation combats the historical discrimination represented by the lack of accessibility to Spanish cultural heritage for this group.

27 Personnel and other costs for actions, such as training, payment of teachers, publishing of materials, etc.

5. EMPLOYEES

- Spreading of good practices as regards the generation or adaptation of tourist attractions to permit the development of tourism accessible to all. In this regard, the United Nations' specialised agency, the WTO, with support from the ACS Foundation, has produced the first document on the subject "Accessible Tourism for All: Public-Private Partnerships and Good Practices", which will be published shortly in an electronic version by the WTO. This document was inspired by the ACS Foundation's experience in public-private partnerships and has already been announced to over 180 member nations of this global organisation. In the First European Conference on Accessible Tourism held in San Marino in November 2014 and sponsored by the UN-WTO, the ACS Foundation's experiences in this regard were analysed and its efforts were recognised in the San Marino Declaration that resulted from the conference.
- Collaborating with sports institutions which carry out such activities, understanding this as the way of improving people's quality of life, especially with those that facilitate the participation of people with some sort of physical disability, such as the Spanish Paralympic Committee.

• Defence of and support to good practices in relation to the environment. The following are outstanding among the activities carried out:

- Sponsorship of the Spanish National Congresses on the Environment (CONAMA), in their various editions.
- Support to training activities at Universities related to the treatment of municipal solid waste, the water cycle, energy, etc.
- Environmental education programme for the Community of Madrid prior to university entrance level, oriented to include environmental education in the scheduling of the region's educational centres, on subjects related to water, renewable energies, ecosystems, responsible consumption, wastes, protected natural spaces, and biodiversity.
- Support for research by the CSIC on air quality in urban transportation and on the exposure of passengers.
- Accessible rehabilitation of the environment.

- Collaborating with and contributing to bodies that improve people's cultural level.
  - In this regard, the ACS Foundation focuses its efforts and resources on supporting Spain's main art galleries, lyrical poetry, courses, seminars and debating forums in various centres on specific cultural activities.
  - Support to providing access to culture for people with disability.
  - Support to exceptional cultural shows: restoration of the Primate Cathedral of Toledo in the celebrations of the fourth century of El Greco.

- Contributing to the dissemination, restoration and maintenance of buildings belonging to Spanish Artistic Heritage.
  - Training activities with various Spanish universities and other institutions regarding the restoration of historic buildings.
  - Accessible rehabilitation of National Heritage's Royal sites.
  - Dissemination of Spanish Historical Heritage through the publishing of books documenting the restoration of 138 buildings, with explanations of the techniques used in each case and of the historical process, the condition of the building and the circumstances that justified their restoration.
  - Support to the dissemination of the Romanesque in Spain, collaborating with the Santa María la Real Foundation.
  - Dissemination of the rehabilitation of archaeological sites, especially at Atapuerca and Los Bañales.

- Support to Research. This programme is mainly oriented towards medical research, including rare diseases. Noteworthy among the most significant are:
  - Niños Jesús University Children's Hospital Biomedical Research Foundation.
  - La Paz University Hospital Biomedical Research Foundation.
  - Pasqual Maragall Private Foundation for Alzheimer's research.
  - Spanish Association of Amyotrophic Lateral Sclerosis (ADELA).
  - Spanish Federation of Neuromuscular Diseases.
  - Spanish Cerebral Paralysis Association (ASPACE).
  - Spanish Association for the Study of Spinal Medullary Lesion (AESLEME).
  - It also collaborates with and supports certain pieces of socio-economic research, such as those carried out by the Spanish Foundation for Research on Rights and Companies (FIDE).

- Aid to other institutions in achieving their ends, provided that these are compatible with the ACS Foundation's ends.
  - Carolina Foundation.
  - Universidad Autónoma, Universidad Complutense Universidad Politécnica de Madrid Foundations.
  - El Prado Museum.
  - Reina Sofía National Art Centre Museum.
  - Thyssen Bornemisza Museum.
  - Catalan National Art Museum.
  - Príncipe de Asturias and Príncipe de Girona Foundations.

5. EMPLOYEES

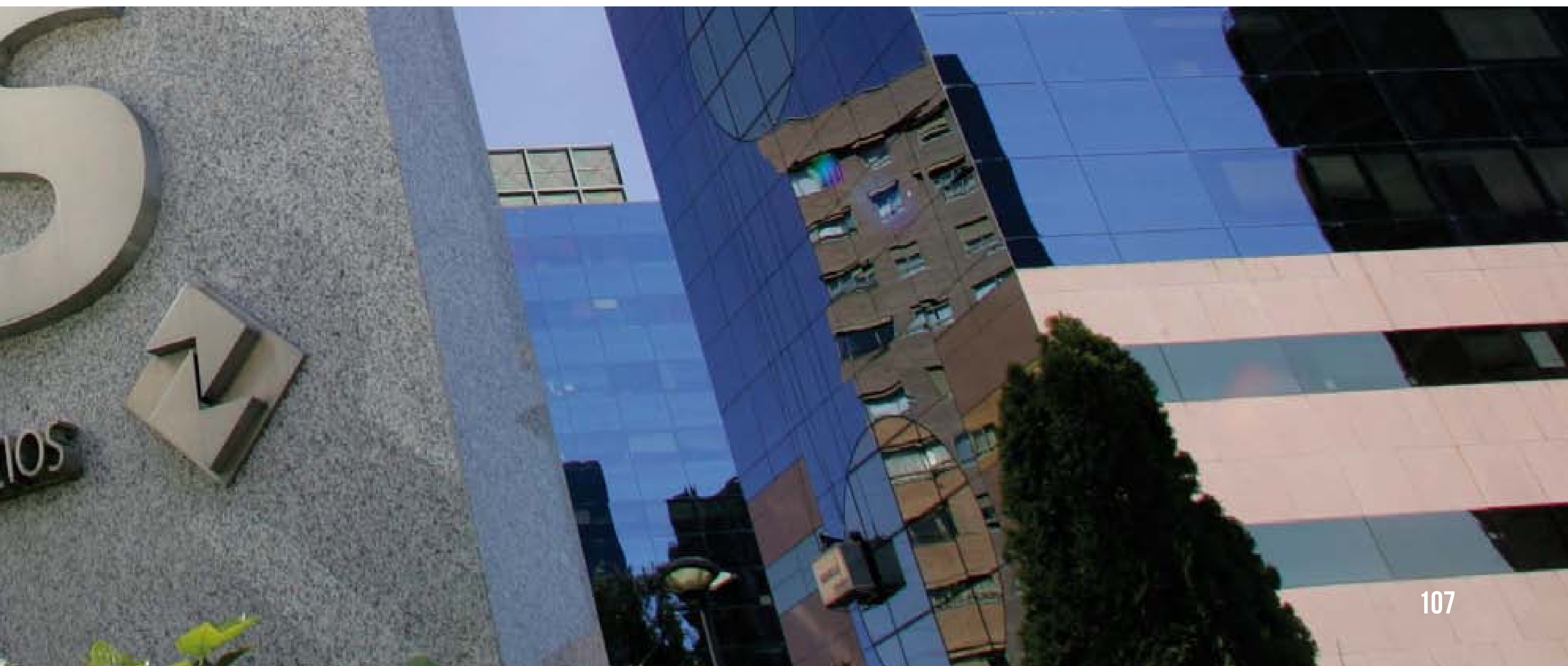
- Cooperation for development and technical assistance. In order to support the Millennium Goals and respect for human rights, the ACS Foundation has collaborated and contributed with economic resources to improving the quality of life of people, in its broadest sense, in third-world countries, to facilitate or resolve problems in supplying drinking water and drainage, fight against hunger and against malaria, train healthcare personnel and provide technical assistance in various areas, especially as regards solid waste and the training of healthcare personnel. In this regard, our collaboration and assistance apply through such institutions mainly in Sudan, Northern Kenya, Niger, Burundi and Peru, through collaboration with:
  - Médecins sans Frontières.
  - AMREF Flying Doctors (African Medical and Research Foundation).
  - Spanish Agency for International Cooperation for Development.
  - Madre Coraje Association.
  - Emalaikat Foundation .
  - Through the strategic alliance with the Spanish Agency for International Cooperation for Development (AECID), technical assistance is provided to this organisation in the framework of the Annual Operating Plan signed between the two institutions. Noteworthy in this regard are the activities undertaken on training the trainers in occupational health and safety techniques, support on the subject of municipal solid wastes and the making accessible of Spanish historical heritage restoration projects in Latin America, carried out by AECID.
  - Also with the Spanish Agency for International Cooperation for Development and the Royal Board on Disability, an Ibero-American meeting is held annually on universal accessibility and historic heritage, the main aim of which is to transfer knowledge on this subject between the participating countries, of which there are between 14 and 16, and to analyse good practices as regards universal accessibility.

- Support to the voluntary efforts of institutions such as the Spanish Development and Assistance Foundation and the Madrid School of Civil Engineers.

- The ACS Foundation makes numerous donations to institutions such as Caritas, the Red Cross and others, as well as to provide for needs created by the devastating effects that various natural disasters may have on certain populations.

6. 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 2014 and 2015.
- The ACS Group is a signatory to the United Nations Global Compact.
- The ACS Group supports the Carbon Disclosure Project initiative.
- 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 2014. It is the second listed company in that list and the company with the most international business.
- ACS is the 202nd largest company in the world by turnover, according to the ranking in the magazine Fortune for 2014.
- The ACS Group is one of Spain's most reputable companies according to the monitor Merco.



7. 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 2014 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 2014 and, generally, the two previous years.

This report was prepared following the guidelines of the G3.1 version of 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 G3.1 guidelines were applied and each chapter details both the organisation's profile and its management approach. Additionally, all performance indicators the guidelines consider to be of principal importance are contained in this report.

The ACS Group has applied the following GRI G3.1 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 2014, without omitting information of relevance to the Group's 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 2014 Corporate Responsibility Report offer an overview of the significant impacts in the economic, social and environmental fields.

COMPARABILITY

As far as possible, the information included in this report has been organised in such a manner that the stakeholders may interpret the changes undergone by the ACS Group with respect to previous years.

BALANCE

This report includes both positive and negative aspects, in order to present an unbiased image and to enable stakeholders to reasonably assess the Company's actions.

ACCURACY AND CLARITY

This report contains numerous tables, graphs and 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 2014 in the economic, social and environmental fields.

RELIABILITY

The reliability of the information included in this 2014 Corporate Responsibility Report was checked by KPMG, the firm responsible for its verification.

8. SCOPE OF THE DATA

CLIENTS

	2014
Client management system	97.92%
CRM computerised system Sistema	97.92%
Number of offers made in the year	35.47%
Environmental impact analysis	66.67%
Detailed information or a section related to the RSC	35.34%
Anti-monopoly policy	97.92%
System for measuring client satisfaction	97.92%
Client satisfaction improvement plans	97.92%
Client satisfaction surveys conducted	96.42%
Client satisfaction surveys received	96.42%
“Satisfied” or “very satisfied” client responses, out of total surveys RECEIVED (%)	84.77%
Revenue from clients who responded to the client satisfaction survey.	29.54%
Complaints and claims channel	97.92%
Number of complaints received from clients	23.02%
Number of claims answered	23.02%
Number of claims resolved satisfactorily	23.02%
Comments/suggestions from clients	97.92%

QUALITY

	2014
Percentage of sales from activities certified with standard ISO 9001	97.27%
Quality Control Department investments and expenditures for improving quality management procedures	41.00%
Number of quality audits performed	41.00%
Quality control system	97.92%
Formal quality objectives	97.92%
Specific initiatives for improving the quality of services rendered	97.92%
Periodic inspections to verify supplier and subcontractor compliance with the company’s projects	97.92%
Periodic inspections to verify supplier and subcontractor compliance with quality standards	97.92%

R&D+I

	2014
Investment in R&D+I	40.68%
Specific R&D+I office or department	97.92%
Formal R&D+I management system	97.92%
Audits	97.92%
Number of R&D+I in process as of 31 December	72.73%
Number of patents registered in the year	40.68%
Number of patents registered in the last ten years	35.16%

SUPPLIERS

	2014
Total number of suppliers	96.37%
Cost of procurement (purchases) made during the year	96.15%
Supplier analysis	97.92%
Percentage of suppliers (over the total number of suppliers) that were covered in the analysis	81.03%
Key suppliers in the analysis	56.40%
Critical suppliers	97.92%
Critical suppliers as % of procurement	79.94%
Percentage of total suppliers representing high economic risk	52.08%
Percentage of total suppliers representing high social risk	32.31%
Percentage of total suppliers representing high environmental risk	32.79%
Compliance with the Code of Conduct in contract clauses with suppliers and subcontractors in the Company	97.92%
Is compliance with the Code of Conduct in contract clauses with suppliers and subcontractors in the Company verified internally or externally?	97.92%
Are suppliers that have adhered to international human rights and labour rights standards valued positively?	97.92%
Are suppliers that have adhered to standards regarding compliance with ethical, social and environmental commitments valued positively?	97.92%
Has the Company developed any initiatives related to sustainability that entailed cost savings?	97.92%
Is the Company conducting an analysis of its suppliers'/subcontractors' carbon footprint?	97.92%
Are there standard systems for certifying suppliers/subcontractors?	97.92%
Are suppliers and subcontractors who are certified in quality aspects (ISO9001) valued positively?	97.92%
Are suppliers and subcontractors who are certified in environmental aspects (ISO14001, EMAS or similar) valued positively?	97.92%
Are suppliers' and subcontractors' labour practises evaluated?	97.92%
Are environmental, social or governance clauses included in contracts so that they will be adopted by suppliers/subcontractors?	97.92%
Percentage of expenditures on procurement covered by these clauses	82.17%
Are internal audits (by the company itself) performed on suppliers?	97.92%
Percentage of suppliers that were audited out of the total number of suppliers	29.73%
Are external audits (by an external company) performed on suppliers?	97.92%
Percentage of suppliers that were audited out of the total number of suppliers	21.12%
Corrective plans for suppliers to improve their performance on economic, social or environmental issues	97.92%
Percentage of suppliers affected by these plans, out of the total number of suppliers	9.51%
Improvement in suppliers after implementation of corrective plans	10.92%
Contracts cancelled due to non-compliance	97.92%
Initiatives for strengthening supplier capabilities	97.92%
Encouragement of using certified/recycled materials	97.92%
Certified wood	22.47%
Wood	83.10%
Recycled steel	46.21%
Steel	83.37%
Recycled Cement/Concrete	21.99%
Cement/Concrete	84.27%
Recycled glass	21.99%
Glass	22.47%

8. SCOPE OF THE DATA

ENVIRONMENT

	2014
Percentage of sales covered by certificate ISO14001	73.38%
Percentage of sales not covered by certificate ISO14001 but covered by environmental certification	97.61%
Has the Company developed any environmental initiatives in the past year that entailed decreased costs?	97.92%
Has the Company developed any environmental initiatives in the past year that entailed increased revenues?	97.92%
Consumption of potable water (m^3)	30.59%
Consumption of non-potable water (m^3)	30.59%
Total waste water (m^3)	30.59%
Hazardous waste sent for processing (t)	39.78%
Non-hazardous waste sent for processing (t)	36.12%
Gasoline consumption (millions of litres)	95.79%
Gas oil consumption (millions of litres)	71.56%
Natural gas consumption (m^3)	30.59%
Natural gas consumption (kWh)	39.78%
Energy consumption (MWh)	97.92%
Direct greenhouse gas emissions not related to fuel use (t CO_2eq)	58.90%
Business Trips Plane: total km travelled in short range trips (< 500 km)	69.07%
Business Trips Plane: total km travelled in medium range trips (500 km < X < 1600 km)	69.07%
Business Trips Plane: total km travelled on long range flights (> 1600 km)	69.07%
Business Trips Total km travelled in personal vehicles for business purposes	69.07%
Business Trips Total km travelled in train	37.02%
Business Trips Total km travelled in boat	31.49%
Other (t CO_2eq)	90.94%
Environmental management system	97.92%
Auditing	97.92%
Number of environmental audits conducted in the company	67.20%
Number of environmental incidents that occurred	67.85%
Remuneration paid to employees, middle managers and/or directors related to compliance with formal environmental targets	97.92%
Non-monetary incentives/recognitions for compliance with formal environmental targets	97.92%
Specific CO_2 reduction targets in the company	97.92%
CO_2 reduction initiatives for the year in the company	97.92%
Quantity of CO_2 emissions prevented during the year due to these initiatives	25.53%
Does the company offer products or services that help clients reduce greenhouse gas emissions (Energy management services, Sustainable construction, renewable energies, etc.)?	97.92%
Have projects been implemented to reduce waste generation?	97.92%
Have projects been implemented to reduce consumption of materials and/or raw materials?	97.92%
Have plans been established to reduce water consumption in the company's activities?	97.92%
Have plans been established to reduce the impact of the company's activities on biodiversity?	97.92%
Specific biodiversity policy	97.92%
Has the company implemented any type of centralised database for collecting environmental data?	97.92%
Does the company have a system for collecting data on environmental near misses?	97.92%
Total surface area of buildings (m^2)	39.24%
Environmental certification of buildings	37.45%

8. SCOPE OF THE DATA

HUMAN RESOURCES

	2014
Of the number of employees reported, the number of men	95.33%
Of the number of employees reported, the number of women	95.33%
Of the number of employees reported , the number of employees over 33% disabled	69.35%
Of the number of employees reported, the number of women in managerial positions (Project/Construction Manager or similar or higher)	95.33%
Of the number of employees reported, the number of men in managerial positions (Project/Construction Manager or similar or higher)	95.33%
Of the number of employees reported, number of employees with nationalities different from the company's headquarters (Spain)	72.91%
Of the number of employees reported, number of upper management from the local community (who are not Spanish)	73.55%
Of the number of employees reported, number of employees that belong to a union organisation	95.33%
Of the number of employees reported, number of employees dismissed in the past year	90.02%
Of the number of employees reported, number of employees retired in the past year	69.35%
Of the number of employees reported, number of employees deceased in the past year	65.87%
Of the number of employees reported, number of employees hired	93.42%
Of the number of employees reported, total rotation	95.33%
Of the number of employees reported, men rotated	95.33%
Of the number of employees reported, women rotated	95.33%
Of the number of employees reported, number of employees whose position is defined in a formal competency map	95.05%
Of the number of employees reported, training provided, total class hours	95.15%
Of the number of employees reported, total number of participants in training activities during the year	95.33%
Of the number of employees reported, investment in training (millions of Euros)	95.15%
Of the number of employees reported, number of employees subject to performance evaluation processes	95.33%
Scope of employee satisfaction	98.01%
Number of employees participating in satisfaction surveys	22.07%
Employee satisfaction results	21.36%
Of the number of employees reported, total number of days lost (due to absenteeism)	95.03%
Of the number of employees reported, total number of days worked	95.03%
Has the company developed initiatives in its area of activity in the past year that entailed cost savings?	98.01%
Has the company developed initiatives in its area of activity in the past year that entailed increased revenue?	98.01%
Does the company offer employees a formal professional development system?	98.01%
Does the company offer employees a formal competency management system?	98.01%
Tools for managing human capital development	98.01%
Variable remuneration systems	98.01%
Variable remuneration sustainability objectives	98.01%
Conciliation of work and family life	98.01%
Management and sharing of expertise	98.01%
Adherence to Code of Conduct	98.01%
Has the company developed initiatives for expanding the Code of Conduct?	98.01%
Is there a plan for training in human rights, ethics, integrity or conduct?	98.01%
Number of courses offered human rights, ethics, integrity or conduct	94.87%
Number of employees trained in human rights, ethics, integrity or conduct	94.87%
Class hours on human rights, ethics, integrity or conduct	94.87%
Total percentage of current company employees that have taken at least one course on human rights, ethics, integrity or conduct during their career with the company	94.17%
Formal documented commitment to the Universal Declaration of Human Rights	98.01%
Evaluations of performance in the company and Code of Conduct	98.01%
Zero Tolerance	98.01%
Code of Conduct audits	98.01%
Does the company conduct activities in countries where there is a potential risk of child exploitation or forced labour?	98.01%
Is the right of association and union representation threatened in any of the countries where the company operates?	98.01%
Does the company have formal programmes for ensuring equal opportunities among employees?	98.01%
Number of incidents in the company over the past year due to discrimination	95.33%
Philanthropic activity during the year	98.01%
Investment in social action	58.46%
Social action impact	23.46%

HEALTH AND SAFETY

	2014
Total percentage of employees covered by certificate OSHAS18001	98.27%
Is the Workplace Health and Safety policy the same for everyone in the company?	98.27%
Has the health and safety management system been audited by an independent external auditor (not including regulatory audits)?	98.27%
Does the company have formal health and safety objectives?	98.27%
Is the remuneration of employees, middle management and directors linked to compliance with the formal health and safety objectives?	98.27%
Are near misses identified and recorded?	98.27%
Investment in workplace health and safety (millions of Euros)	98.27%
Total hours worked by reported employees in the company	98.27%
Total number of hours worked by contractors	65.70%
Total number of accidents suffered by reported employees in the company	98.27%
Total number of accidents suffered by contactors	64.21%
Total number of days lost by internal reported employees	98.27%
Total number of days lost by contractors	63.63%
Total number of accidents with dismissal of reported employees	98.27%
Total number of accidents with dismissal of contractors	64.21%
Total number of cases of occupational illness (internal reported employees)	68.81%
Total number of cases of occupational illness (contractors)	63.74%
Number of hours of training in workplace health and safety provided to employees of the company during the year	68.81%
Did your department develop any initiatives last year that entailed cost savings for the company?	98.27%
Did your department develop any initiatives last year that entailed increased revenue for the company?	98.27%
Percentage of total employees that took a workplace health and safety course in the past year	98.27%
Percentage of total employees that took a workplace health and safety course at least once during their career with the company	98.27%
Total number of employees with occupations at risk of contracting specific diseases.	68.81%

9. ASSURANCE 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 2014 (hereinafter "the Report"). The information reviewed corresponds to the economic, environmental and social indicators referred in the chapter 10 of the Report, entitled GRI Index.

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 the chapter 7 of the Report, entitled Principles for the Preparation of the Report. This chapter details the self-declared application level, which has been confirmed by Global Reporting Initiative. Management is also responsible 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. It concerns a review performed according to KPMG assurance engagement independence rules, as well as the requirements from the International Ethics Standards Board for Accountants Code of Ethics on integrity, objectivity, confidentiality, professional behaviours and qualifications.

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 train station construction site (data management centre) 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.
- Corroborating that the financial information reflected in the Report was taken from the annual accounts of ACS, which were audited by independent third parties.
- Corroborating that the environmental information related to HOCHTIEF reflected in the Report was taken from the Sustainability Report of HOCHTIEF, which was audited by independent third parties.

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 2014 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 chapter 7 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)

José Luis Blasco Vázquez

7 April 2015

10. GRI INDEX

APPLICATION LEVEL
GRUPO ACS
MAR 2015
SERVICE

PROFILE

1. STRATEGY AND ANALYSIS

		Reported	Cross-reference/Direct answer
1.1	Statement from the most senior decision-maker of the organization.	Fully	Chapter 1. Chairman's Letter
1.2	Description of key impacts, risks, and opportunities.	Fully	3.1.4; 4.1.4; 4.2.4; 4.3.4; 4.5.4

2. ORGANIZATIONAL PROFILE

		Reported	Cross-reference/Direct answer
2.1	Name of the organization.	Fully	2.1.1
2.2	Primary brands, products, and/or services.	Fully	2.2
2.3	Operational structure of the organization. including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	2.2
2.4	Location of organization's headquarters.	Fully	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.	Fully	2.1.2
2.6	Nature of ownership and legal form.	Fully	2.3.1
2.7	Markets served (including geographic breakdown, sectors served. and types of customers/beneficiaries).	Fully	2.2; 4.1.1
2.8	Scale of the reporting organization.	Fully	2.1.2
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	2.2; 2.3.1
2.10	Awards received in the reporting period.	Fully	Chapter 6

3. REPORT PARAMETERS

		Reported	Cross-reference/Direct answer
3.1	Reporting period (e.g.. fiscal/calendar year) for information provided.	Fully	2.1.2
3.2	Date of most recent previous report (if any).	Fully	Year 2013
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Annual
3.4	Contact point for questions regarding the report or its contents.	Fully	infogrupoacs@grupoacs.com
3.5	Process for defining report content.	Partially	2.2.1.1 The company has not developed a specific study of materiality, but has made an internal exercise involving all businesses considering the priority issues for ACS that are aligned to the GRI requirements. There has been an Improved and increased request for information, not only to meet GRI questions, but also for selective stock indexes in sustainability, and 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.	Fully	2.2
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	Chapter 7 and 8; 8,1; 8,2; 8,3; 8,4; 8,5; 8,6; 8,7
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.	Fully	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).	Fully	2.1.2
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	2.2
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	10
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	9

PROFILE

4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT

		Reported	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.	Fully	2.3.1.3 2.3.1.4
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	2.3.1.3
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.	Fully	2.3.1.3
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	2.3.1 2.3.1.5
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).	Fully	2.3.1.4
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	2.3.2
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.	Fully	2.3.1.3
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.	Fully	3.1.1 3.1.2
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.	Fully	2.3.1.4 3.1.2.2 3.1.2.3
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	2.3.1.4
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	2.3.1.4
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	3.1.1 Chapter 6
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.	Fully	5.2.2.5
4.14	List of stakeholder groups engaged by the organization.	Fully	2.2.2
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	2.2.2
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	2.2.2
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.	Fully	2.2.2

10. GRI INDEX

STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

DISCLOSURE ON MANAGEMENT APPROACH EC	Reported	Cross-reference/Direct answer
Economic Performance.	Fully	2.1.3
Market presence.	Fully	2.1.2
Indirect Economic Impacts.	Fully	2.1.3; 5.3

DISCLOSURE ON MANAGEMENT APPROACH EN	Reported	Cross-reference/Direct answer
Materials.	Fully	4.5.2
Energy.	Fully	4.5.2
Water.	Fully	4.5.2; 4.5.4.3
Biodiversity.	Fully	4.5.2; 4.5.4.4
Emissions, effluents and waste.	Fully	4.5.4.2
Land Degradation, contamination and Remediation.	Not	
Products and services.	Fully	4.5.4.2
Compliance.	Fully	4.5.2
Transport.	Fully	4.5.4.1
Overall.	Fully	4.5.2

DISCLOSURE ON MANAGEMENT APPROACH LA	Reported	Cross-reference/Direct answer
Employment.	Fully	5.1.1; 5.1.2
Labor/management relations.	Fully	5.1.2.2.
Occupational health and Safety.	Fully	5.2.1; 5.2.2
Training and Education.	Fully	5.1.2.3
Diversity and equal opportunity.	Fully	5.1.2.1
Equal remuneration for women and men.	Not	

DISCLOSURE ON MANAGEMENT APPROACH HR	Reported	Cross-reference/Direct answer
Investment and procurement practices.	Fully	4.3.2.1; 4.3.3
Non-discrimination.	Fully	5.1.2.1
Freedom of association and collective bargaining.	Fully	5.1.2.2
Child labor.	Fully	3.1.1; 3.1.4
Prevention of forced and compulsory labor.	Fully	3.1.1; 3.1.4
Security practices.	Fully	3.1.1; 3.1.4
Indigenous rights.	Fully	3.1.1; 3.1.4
Assessment.	Fully	3.1.1; 3.1.4
Remediation.	Fully	3.1.1; 3.1.4

DISCLOSURE ON MANAGEMENT APPROACH SO	Reported	Cross-reference/Direct answer
Local communities.	Fully	5.3.1
Corruption.	Fully	3.1.1; 3.1.4
Public policy.	Fully	3.1.1; 3.1.4
Anti-competitive behavior.	Fully	3.1.1; 3.1.4
Compliance.	Fully	3.1.1; 3.1.4

DISCLOSURE ON MANAGEMENT APPROACH PR	Reported	Cross-reference/Direct answer
Customer health and safety.	Fully	4.4.1; 4.4.2.4
Product and service labelling.	Not	
Marketing communications.	Not	
Customer privacy.	Fully	The services provided by ACS are granted to large corporations or public administrations, and therefore the details of the service are defined by contract, that is in general terms public. When it is private, the company withstands and respects strict confidentiality agreements
Compliance.	Fully	3.1.4; 4.5.2

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

ECONOMIC

		Reported	Cross-reference/Direct answer
ECONOMIC PERFORMANCE			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	2.1.3 5.3
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues.	Fully	4.5.4.1
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	5.1.2.1
EC4	Significant financial assistance received from government.	Fully	2.3.1
MARKET PRESENCE			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Not	
EC6	Policy. practices. and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	4.3.2.1
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.	Partially	5.1.2.1
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.	Fully	2.1.3 5.3
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Not	

ENVIRONMENTAL

		Reported	Cross-reference/Direct answer
MATERIALS			
EN1	Materials used by weight, value or volume.	Fully	4.3.2.1 4.5.4.2
EN2	Percentage of materials used that are recycled and reused input materials.	Fully	4.5.4.2
ENERGY			
EN3	Direct energy consumption by primary energy source.	Partially	4.5.4.2
EN4	Indirect energy consumption by primary source.	Partially	4.5.4.2
CRE1	Building energy intensity.	Not	
EN5	Energy saved due to conservation and efficiency improvements.	Partially	4.5.4.2
EN6	Initiatives to provide energy-efficient or renewable energy based products and services. and reductions in energy requirements as a result of these initiatives.	Fully	4.5.4.2
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	4.5.4.1
WATER			
EN8	Total water withdrawal by source.	Partially	4.5.4.3
EN9	Water sources significantly affected by withdrawal of water.	Not	
EN10	Percentage and total volume of water recycled and reused.	Not	
CRE2	Building water intensity.	Not	

10. GRI INDEX

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

AMBIENTAL		Reported	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.	Fully	4.5.4.4
EN12	Description of significant impacts of activities. products. and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	4.5.4.4
EN13	Habitats protected or restored.	Fully	4.5.4.4
EN14	Strategies. current actions, and future plans for managing impacts on biodiversity.	Fully	4.5.4.4
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations. by level of extinction risk.	Fully	4.5.4.4
EMISSIONS. EFFLUENTS AND WASTE			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	4.5.4.1
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	4.5.4.1
CRE3	Greenhouse gas emissions intensity from buildings.	Not	
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity.	Fully	4.5.4.1
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	4.5.4.1
EN19	Emissions of ozone-depleting substances by weight.	Fully	4.5.4.1
EN20	NOx, SOx, and other significant air emissions by type and weight.	Not	
EN21	Total water discharge by quality and destination.	Fully	4.5.4.3
EN22	Total weight of waste by type and disposal method.	Fully	4.5.4.2.
EN23	Total number and volume of significant spills.	Not	
EN24	Weight of transported. imported. exported. or treated waste deemed hazardous under the terms of the Basel Convention Annex I. II. III. and VIII. and percentage of transported waste shipped internationally.	Not	
EN25	Identity. size. protected status. and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	
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.	Not	
PRODUCTS AND SERVICES			
EN26	Initiatives to enhance efficiency and mitigate environmental impacts of products and services. and extent of impact mitigation.	Partially	4.5.4.2.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not	
COMPLIANCE			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Not	
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.	Fully	4.5.4.1
OVERALL			
EN30	Total environmental protection expenditures and investments by type.	Not	

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

SOCIAL: LABOR PRACTICES AND DECENT WORK

		Reported	Cross-reference/Direct answer
EMPLOYMENT			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partially	5.1.1.1
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Partially	5.1.2.3
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	5.1.2.1
LA15	Return to work and retention rates after parental leave, by gender.	Not	
LABOR/MANAGEMENT RELATIONS			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	5.1.2.2
LA5	Minimum notice period(s) regarding significant operational changes. including whether it is specified in collective agreements.	Fully	5.1.2.2
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.	Fully	5.2.2.3
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Partially	5.2.2.6; 5.2.2.7; 5.2.3
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.	Fully	5.2.3.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families. or community members regarding serious diseases.	Fully	5.2.2.4
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	5.2.2.3
TRAINING AND EDUCATION			
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	5.1.2.6
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Not	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	5.1.2.5
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.	Fully	5.1.1.1; 5.1.2.1
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.	Not	

10. GRI INDEX

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

SOCIAL: HUMAN RIGHTS		Reported	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.	Fully	4.3.2.1; 4.3.3
HR2	Percentage of significant suppliers. contractors and other business partners that have undergone human rights screening. and actions taken.	Fully	4.3.2.1; 4.3.3
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.	Fully	5.1.2.6
NON-DISCRIMINATION			
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	3.1.4; 5.1.2.1
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.	Fully	3.1.4; 5.1.2.1
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.	Fully	3.1.4
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.	Fully	3.1.4
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.	Fully	5.2.2.5
INDIGENOUS RIGHTS			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not	
ASSESSMENT			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	4.3.3
REMEDIATION			
HR11	Number of grievances related to human rights filed. addressed and resolved through formal.	Fully	4.3.2.2; 4.3.4

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

SOCIAL: SOCIETY

		Reported	Cross-reference/Direct answer
LOCAL COMMUNITIES			
SO1	Percentage of operations with implemented local community engagement. impact assessments. and development programs.	Fully	5.3.1; 5.3.4
SO9	Operations with significant potential or actual negative and positive impacts on local communities.	Fully	5.3.1; 5.3.4
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	5.3.1; 5.3.4
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development. broken down by project.	Not	
CORRUPTION			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	100%
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	3.1.3
SO4	Actions taken in response to incidents of corruption.	Fully	3.1.1
PUBLIC POLICY			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	2.2.2.1
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	2.2.2.1
ANTI-COMPETITIVE BEHAVIOR			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust. and monopoly practices and their outcomes.	Fully	2.2.2.1
COMPLIANCE			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	3.1.4; 4.5.2; 5.1.2.1

10. GRI INDEX

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

SOCIAL: PRODUCT RESPONSIBILITY

		Reported	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.	Fully	4.4.1
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle. by type of outcomes.	Not	
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.	Fully	4.4.1
CRE8	Type and number of sustainability certification. rating and labeling schemes for new construction. management. occupation and redevelopment.	Fully	4.2.3
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling. by type of outcomes.	Not	
PR5	Practices related to customer satisfaction. including results of surveys measuring customer satisfaction.	Fully	4.1.2.2
MARKETING COMMUNICATIONS			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	Not	
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.	Not	
CUSTOMER PRIVACY			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	The services provided by ACS are granted to large corporations or public administrations, and therefore the details of the service are defined by contract, that is in general terms public. When it is private, the company withstands and respects strict confidentiality agreements.
COMPLIANCE			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	3.1.4; 4.5.2

11. 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 00
E-mail: infogrupoacs@grupoacs.com

For further information,
see the web site,
www.grupoacs.com

CORPORATE GOVERNANCE REPORT OF ACS GROUP 2014

ACS
ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

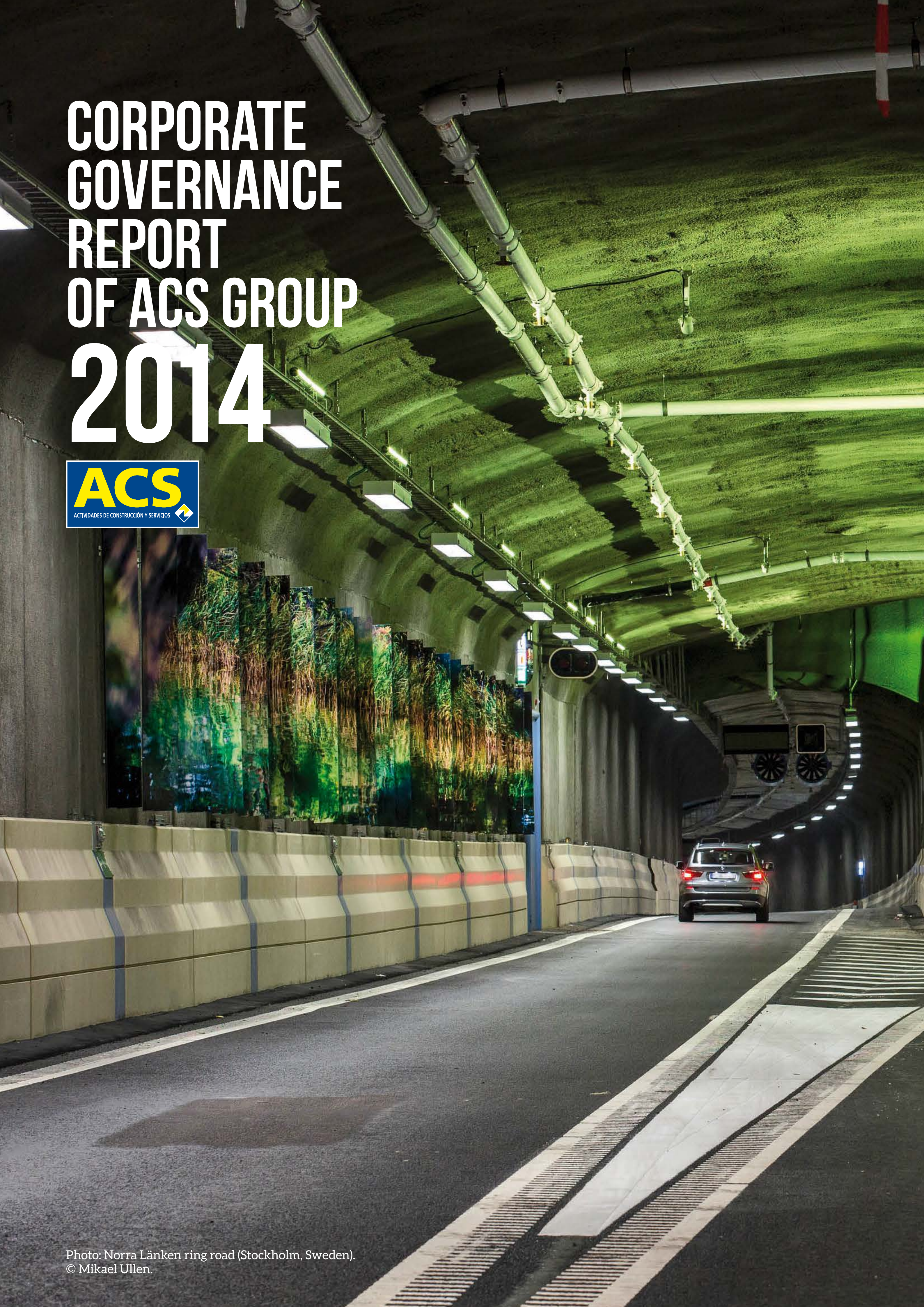


Photo: Norra Länken ring road (Stockholm, Sweden).
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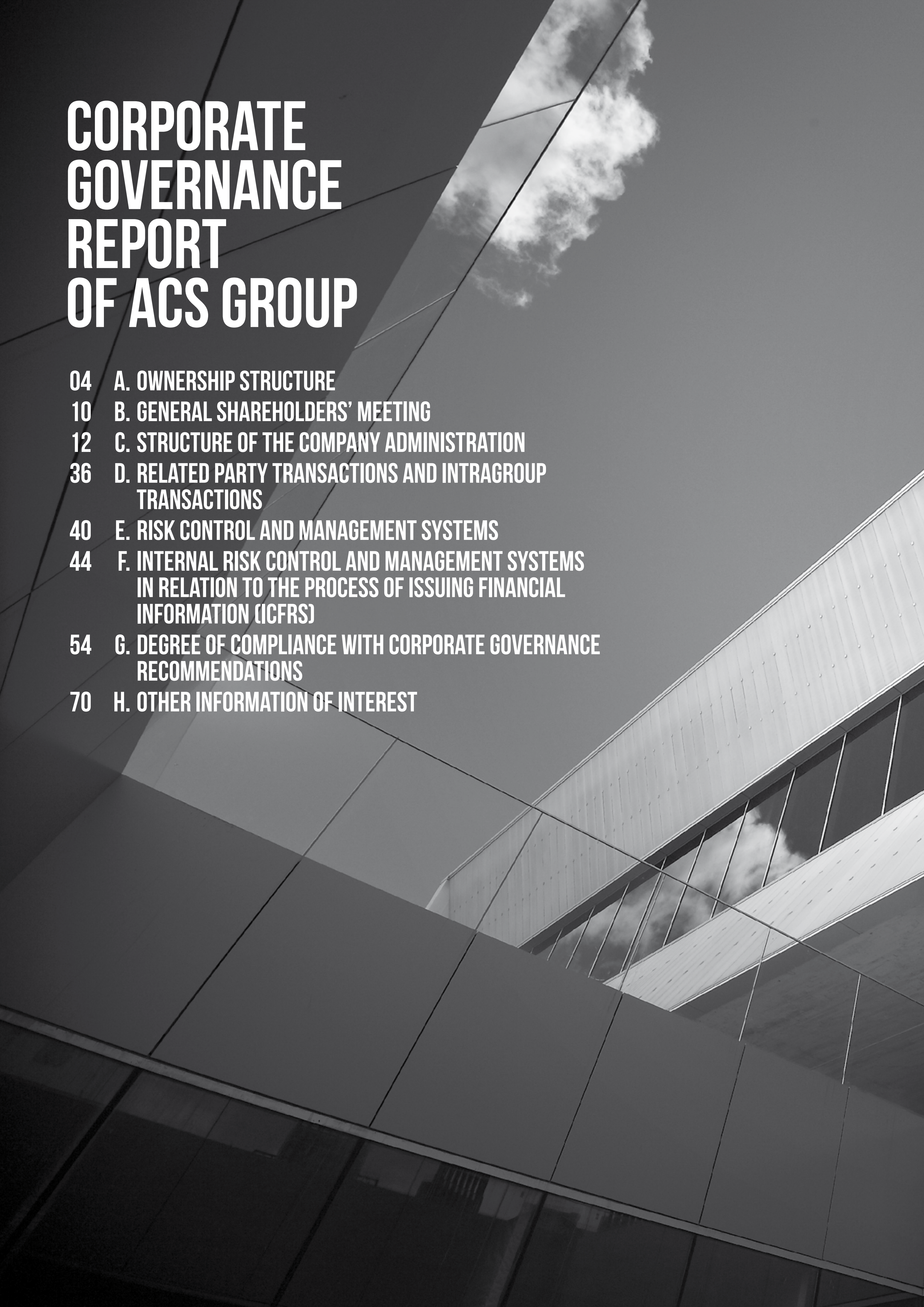

CORPORATE GOVERNANCE REPORT OF ACS GROUP

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 2014.

A. OWNERSHIP STRUCTURE

A.1 Complete the following table on the company's share capital:

Date of last change	Share capital (€)	Number of shares	Number of voting rights
09/09/2014	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
Mr. Alberto Cortina Alcocer	5,065	12,093,253	3.84%
Mr. Alberto Alcocer Torra	0	10,240,773	3.25%
Corporación Financiera Alba, S.A.	0	43,682,967	13.88%
Inversiones Vesan, S.A.	39,397,625	0	12.52%
Iberostar Hoteles y Apartamentos, S.L.	17,643,657	97,355	5.64%

Name or company name of the indirect shareholder	Held through: Name or company name of the direct shareholder	Number of voting rights
Mr. Alberto Cortina Alcocer	Percacer, S.L.	6,626,109
Mr. Alberto Cortina Alcocer	Corporación Financiera Alcor, S.L.	466,440
Mr. Alberto Cortina Alcocer	Imvernelin Patrimonio, S.L.	5,000,704
Mr. Alberto Alcocer Torra	Comercio y Finanzas, S.L.	4,773,630
Mr. Alberto Alcocer Torra	Corporación Financiera Alcor, S.L.	466,440
Mr. Alberto Alcocer Torra	Imvernelin Patrimonio, S.L.	5,000,703
Corporación Financiera Alba, S.A.	Alba Participaciones, S.A.	43,682,967
Iberostar Hoteles y Apartamentos, S.L.	Gloysa Trust, B.V.	97,355

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
Corporación Financiera Alba, S.A.	31/03/2014	Ownership interest has fallen below 15% 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. José Luis del Valle Pérez	278,902	0	0.09%
Mr. José Álvaro Cuervo García	0	44,333	0.01%
Mr. José María Loizaga Viguri	128,313	0	0.04%
Mr. Pedro José López Jiménez	0	668,750	0.21%
Mr. Javier Echenique Landiribar	29,742	0	0.01%
Mr. Antonio García Ferrer	100,572	0	0.03%
Mr. Agustín Batuecas Torrego	997,513	1,500,000	0.79%
Mr. Javier Monzón de Cáceres	4,750	0	0.00%
Mr. Florentino Pérez Rodríguez	0	39,397,625	12.52%
Mr. Miguel Roca Junyent	40	0	0.00%
Mr. Juan David Grimà Terré	0	0	0.00%
Mr. Pablo Vallbona Vadell	14,248	0	0.00%
Mr. Manuel Delgado Solís	0	0	0.00%
Mr. Santos Martínez-Conde Gutiérrez-Barquín	8,985	0	0.00%
Mr. Emilio García Gallego	10	0	0.00%
Ms. María Soledad Pérez Rodríguez	100	0	0.00%
Iberostar Hoteles y Apartamentos, S.L.	17,643,657	97,355	5.64%

Name or company name of the indirect shareholder	Held through: Name or company name of the direct shareholder	Number of voting rights
Mr. José Álvaro Cuervo García	Sociedad de Estudios de Estrategia Empresarial, S.A.	44,333
Mr. Pedro José López Jiménez	Fapin Mobi, S.L.	250,000
Mr. Pedro José López Jiménez	Fidalser, S.L.	418,750
Mr. Agustín Batuecas Torrego	Inversiones Batuecas Torrego S.L.	1,400,000
Mr. Agustín Batuecas Torrego	Inversiones Ceda S.L.	100,000
Mr. Florentino Pérez Rodríguez	Inversiones Vesan, S.A.	39,397,625
Iberostar Hoteles y Apartamentos, S.L.	Gloysa Trust, B.V.	97,355
% of total voting rights held by the Board of Board Members		**13.78%**

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 voting rights	Number of indirect voting rights	Equivalent number of shares	% of total voting rights
Mr. José Luis del Valle Pérez	769.426	0	0	0.24%
Mr. Florentino Pérez Rodríguez	1.477.380	0	0	0.47%

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:

—

A.6 Indicate whether any shareholders' side agreements affecting the company have been executed between shareholders pursuant to Articles 530 and 531 of the Spanish Companies Law. 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 Article 4 of the Securities Market Law. If so, identify them:

Yes	No
	X

A.8 Complete the following tables on the company's treasury shares:

At year-end:

Number of direct shares	Number of indirect shares (*)	% of total share capital
6,919,380	0	2.20%

(*) Through:

In accordance with the provisions set forth in Royal Decree 1362/2007, detail any significant changes during the financial years:

Notification date	Total direct shares acquired	Total indirect shares acquired	% of total share capital
24/01/2014	2,840,241	0	0.90%
18/02/2014	3,208,215	0	1.01%
18/03/2014	1,508,891	0	0.48%
10/07/2014	4,773,527	0	1.52%
23/07/2014	4,855,934	0	1.53%
09/09/2014	1,980,782	0	0.63%
14/11/2014	5,284,896	0	1.68%

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 Directors to issue, acquire or transfer treasury shares.

The following resolution was adopted at the Ordinary General Shareholders' Meeting held on 29 May 2014:

In rendering the authorisation granted through the resolutions of the Company's General Shareholders' Meeting held on 10 May 2013 null and void and in accordance with the provisions of Articles 146 and related articles and 509 of the Consolidated Text 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 Consolidated Text 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 adoption of this resolution by the Board of Directors.

In accordance with Article 7 of the Company By-laws, 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 Company By-laws 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 7 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 on the transfer of securities and/or any restrictions on voting rights. In particular, indicate the existence of any type of restrictions which may make it difficult to takeover the company via the market acquisition of its shares.

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:

—

A.12 Indicate whether the company has issued shares that are not traded in a regulated market in the European Community.

Yes	No
	X

Where appropriate, indicate the different classes of shares and, for each class of shares, the rights and obligations they confer.

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B. GENERAL SHAREHOLDERS' MEETING

B.1 Indicate and, if applicable, describe the differences between the minimum required under the Spanish Companies Law (Ley de Sociedades de Capital –LSC) and the quorum required for holding the General Shareholders' Meeting.

	Yes	No
		X

B.2 Indicate and, if applicable, describe any differences between the rules established in the Spanish Companies Law (LSC) for adopting resolutions and the company's rules:

	Yes	No
		X

Describe the differences with respect to the rules established in the LSC.

B.3 Indicate the rules applying to amending the Company's By-laws. In particular, indicate the majorities anticipated for modifying the by-laws, as well as, where appropriate, the rules anticipated for protecting partners' rights on modifying the by-laws.

GENERAL SHAREHOLDERS' MEETING RULES.

Article 3. Ordinary General Shareholders' Meeting

Point 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 Board Members, which shall be voted on individually, and on proposed amendments to the Company By-laws, which shall be voted on Article by Article or by substantially independent groups of Articles.

B.4 Indicate the data on attendance at the General Meetings held in the year to which this report refers and in the previous year:

Attendance information

Date of the General Meeting	% attending in person	% by proxy	% remote voting		Total
			Electronic voting	Other	
31/05/2012	20.05%	51.40%	0.00%	0.00%	71.45%
10/05/2013	20.19%	55.06%	0.00%	0.00%	75.25%
29/05/2014	7.31%	62.90%	0.00%	0.00%	70.21%

B.5 Indicate whether the by-laws 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 the General Meeting	100

B.6 Indicate whether it has been resolved that certain decisions which entail a structural modification to the company (subsidiarisation, purchase/sale of operating assets, operations equivalent to liquidating the company, etc.) need to be submitted for the approval of the General Shareholders' Meeting, even if Company Law does not expressly demand it.

	Yes	No
		X

B.7 Indicate the address and mode of access to the company's website to information on corporate governance and other information on the General Meetings that need to be made available to the shareholders through the Company's website.

The address is http://www.grupoacs.com/index.php/es/c/gobiernocorporativo

Once in the ACS Group's website, 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 By-laws, Rules 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 is a specific instruction to click on it and download the annual reports since 2003 in PDF format.

C. STRUCTURE OF THE COMPANY ADMINISTRATION

C.1 Board of Directors.

C.1.1 Maximum and minimum number of Board Members provided for in the Company By-laws:

Maximum number of Board Members	21
Minimum number of Board Members	11

C.1.2 Complete the following table with the Board Members:

Name or company name of the Board Member	Representative	Position on the Board	Date of first appointment	Date of last appointment	Appointment procedure
Mr. José Luis del Valle Pérez	--	Board Member - Secretary	28/06/1989	03/12/2008	General Shareholders' Meeting Resolution
Mr. José Álvaro Cuervo García	--	Board Member	05/09/1997	03/12/2008	General Shareholders' Meeting Resolution
Mr. José María Loizaga Viguri	--	Board Member	28/06/1989	03/12/2008	General Shareholders' Meeting Resolution
Mr. Pedro José López Jiménez	--	Board Member	28/06/1989	03/12/2008	General Shareholders' Meeting Resolution
Mr. Javier Echenique Landiribar	--	Board Member	20/05/2004	25/05/2009	General Shareholders' Meeting Resolution
Mr. Antonio García Ferrer	--	Executive Deputy Chairman	14/10/2003	03/12/2008	General Shareholders' Meeting Resolution
Mr. Agustín Batuecas Torrego	--	Board Member	29/06/1999	03/12/2008	General Shareholders' Meeting Resolution
Mr. Javier Monzón de Cáceres	--	Board Member	20/05/2004	25/05/2009	General Shareholders' Meeting Resolution
Mr. Florentino Pérez Rodríguez	--	Chairman and CEO	28/06/1989	03/12/2008	General Shareholders' Meeting Resolution
Mr. Miguel Roca Junyent	--	Board Member	14/10/2003	03/12/2008	General Shareholders' Meeting Resolution
Mr. Juan David Grimà Terré	--	Board Member	14/10/2003	03/12/2008	General Shareholders' Meeting Resolution
Mr. Pablo Vallbona Vadell	--	Deputy Chairman	05/09/1997	03/12/2008	General Shareholders' Meeting Resolution
Mr. Manuel Delgado Solís	--	Board Member	20/05/2004	25/05/2009	General Shareholders' Meeting Resolution
Mr. Santos Martínez-Conde Gutiérrez-Barquín	--	Board Member	19/06/2002	03/12/2008	General Shareholders' Meeting Resolution
Mr. Emilio García Gallego	--	Board Member	13/11/2014	13/11/2014	General Shareholders' Meeting Resolution
Ms. María Soledad Pérez Rodríguez	--	Board Member	13/11/2014	13/11/2014	General Shareholders' Meeting Resolution
Iberostar Hoteles y Apartamentos, S.L.	Ms. Sabina Fluxà Thienemann	Board Member	26/03/2014	26/03/2014	General Shareholders' Meeting Resolution
Total number of Board Members					17

Indicate removals from the Board of Directors which occurred during the reporting period:

Name or company name of the Board Member	Condition of the board member at the time of removal	Removal Date
Mr. Juan March de la Lastra	Proprietary	13/11/2014
Mr. Julio Sacristán Fidalgo	Proprietary	13/11/2014
Ms. Sabina Fluxa Thienemann	Proprietary	26/03/2014

C.1.3 Complete the following tables on the Board Members and their positions:

Executive Directors

Name or company name of the Board Member	Committee which notified the appointment	Position per company organisation chart
Mr. José Luis del Valle Pérez	Appointments and remuneration committee	Secretary-Board Member
Mr. Antonio García Ferrer	Appointments and remuneration committee	Executive Deputy Chairman
Mr. Agustín Batuecas Torrego	Appointments and remuneration committee	Board Member
Mr. Florentino Pérez Rodríguez	Appointments and remuneration committee	Chairman and CEO
Total number of Executive Board Members		4
% over total Board		23.53%

External Proprietary Board Members

Name or company name of the Board Member	Committee which notified the appointment	Name or company name of significant shareholder represented or proposing appointment
Mr. Javier Echenique Landiribar	Appointments and remuneration committee	Corporacion Financiera Alcor, S.L.
Mr. Javier Monzón de Cáceres	Appointments and remuneration committee	Corporacion Financiera Alcor, S.L.
Mr. Pablo Vallbona Vadell	Appointments and remuneration committee	Corporacion Financiera Alba, S.A.
Mr. Manuel Delgado Solís	Appointments and remuneration committee	Corporacion Financiera Alcor, S.L.
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Appointments and remuneration committee	Corporacion Financiera Alba, S.A.
Ms. María Soledad Pérez Rodríguez	Appointments and remuneration committee	Inversiones Vesan, S.A.
Iberostar Hoteles y Apartamentos, S.L.	Appointments and remuneration committee	Sayglo Holding S.L.
Total number of Proprietary Board Members		7
% over total Board		41.18%

C. STRUCTURE OF THE COMPANY ADMINISTRATION

External Independent Board Members

Name or company name of the Board Member	Profile
Mr. José Álvaro Cuervo García	Born in 1942 in Carreña (Asturias). Professor of Business Economy at the Universidad Complutense de Madrid. Director of the Centro Universitario de Estudios Financieros (CUNEF - University Centre). Winner of the Rey Jaime I Prize in Economics (1992), the Castile and León "Infanta Cristina" Prize in Economics (1999) and has Honoris Causa Doctorates from the Universities of Oviedo, León, Castilla - La Mancha, Las Palmas de Gran Canaria, Salamanca and Rey Juan Carlos. 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 Spanish Government's Privatisation Advisory Council.
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 positions including, inter alia, Chairman of Bodegas Barón de Ley and Bodegas Lan, as well as being a Board Member of Banque Privee Edmond de Rothschild, Suez International, Otis International, Amorim Investment, Lácteas G. Baquero and Union Fenosa, Mecalux, etc. He is currently chairman of Cartera Industrial Rea, and Deputy Chairman of Zardoya Otis, as well as a Board Member of Otis Elevadores Portugal. He is Commandeur de l'Ordre de Leopold.
Mr. Miguel Roca Junyent	Born in 1940 in Cauderan (France). Degree in Law from Universitat de Barcelona. Secretary of the Board of Directors of Accesos de Madrid, Concesionaria Espanola, since January 2000. Secretary of the Board of Directors of Abertis Infraestructuras S.A. Member of the Board of Directors of Endesa S.A. Partner - Chairman of Despacho Roca Junyent.
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 Autonoma de Barcelona, Baylor University and Harvard Business School. He joined McKinsey & Company in 1982, where he was a partner. 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. Member of the Board of Directors of Viking Consortium Holdings Limited (UK).
Mr. Emilio García Gallego	Civil engineer and has degree in Law. Born in Cabreiroá (Orense) in 1947. He has been an engineer for the River Policing Authority of the eastern Pyrenees, engineer for Fomento de Obras y Construcciones, representative for the Catalonia area of the company "Grandes Redes Eléctricas, S.A.", Head of the Ports Service of the Regional Government of Catalonia and co-director of the Plan de Puertos de Catalunya, general manager for Infrastructure and Transportation of the Regional Government of Galicia, general manager for Transportation of the Regional Government of Catalonia, deputy manager of the Sanitation Council and deputy manager of the Water Board of the Regional Government, general manager of Public Works of the Regional Government of Galicia and chairman of the Water Board of Galicia, chairman of the Entity Managing Railway Infrastructures, adhered to the Ministry of Development and responsible for executing the entire High Speed railway infrastructure, resident at Puertos de Galicia. Currently: Free practise of civil engineering.

Total number of Independent Board Members	5
Total % of the Board	29.41%

Indicate whether any Board Member qualifying as independent receives any sum or benefit, other than remuneration as a Board Member, from the company or its group, or maintains or maintained, during the last financial year, a business relationship with the company or any company in its group, whether in his or her own name or as a significant shareholder, Board Member or senior executive of an organisation which maintains or maintained such a relationship.

There is a housing construction contract between Dragados, S.A. and the Board Member Joan David Grimà Terré, signed in 2013, of which Dragados, S.A. has collected EUR 3,055 thousand in 2014. The Board Member considers that this contract does not compromise in any way the independence of the board member, as it has been entered into under market terms, the board member is acting as a customer (not as a supplier) and it is of little economic relevance in comparison to the total volume invoiced by Dragados, S.A.

Where appropriate, include a justified statement of the Board of Directors on the reasons why it is considered that this Board Member can perform his or her functions as an Independent Board Member.

Name of company name of the Board Member	Description of the relationship	Reasoned statement
Mr. Emilio García Gallego	No relationship other than that of Board Member.	Not applicable given that Mr. Emilio García Gallego has no relationship with the company other than that relating to being a Board Member.

Other External Board Members

Name or company name of the Board Member	Committee which notified or proposed the appointment
Mr. Pedro José López Jiménez	Appointments and remuneration committee

Total number of other External Board Members	1
Total % of the Board	5.88%

Indicated the reasons why they cannot be considered proprietary or independent and their relations, either to the company, its management or its shareholders:

Name or company name of the Board Member	Company, executive or shareholder with whom there is a relation	Reasons
Mr. Pedro José López Jiménez	ACS, Actividades de Construcción y Servicios, S.A.	Despite the fact that the five-year period since Pedro López Jimenez were an Executive Board Member has concluded, which took place on 4 March 2004 when he ceased to be the Chairman of the then Unión Fenosa, S.A., as he has been a Board Member for over twelve years he has not been considered stricto sensu as an independent Board Member.

Indicate any changes in the type of each Board Member during the period:

—

C. STRUCTURE OF THE COMPANY ADMINISTRATION

C.1.4 Complete the following table with information relating to the number of women Board Members during the last 4 financial years, as well as the nature of those Board Members:

	Number of women Board Members				% of total Board Members of each type			
	Year 2014	Year 2013	Year 2012	Year 2011	Year 2014	Year 2013	Year 2012	Year 2011
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	2	1	1	1	25.00%	12.50%	12.50%	11.11%
Independent	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Other External	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total:	2	1	1	1	11.76%	5.88%	5.88%	5.56%

C.1.5 Explain the measures taken, where appropriate, to attempt to include on the Board of Directors a number of women to enable a balanced presence of women and men to be achieved.

Explanation of the measures

The ACS Group promotes all those policies necessary to ensure equality of opportunities and to avoid implicit biases and any discrimination in selection processes not just of members of the Board of Directors, but rather any job post and to guarantee that the candidates meet the requirements in terms of competence, knowledge and experience to carry out the work, as explained in point 1.3.1 of ACS' Code of Conduct.

The number of women Board Members represents 11.76% of the total number of members of the Board of Directors. Although this is less than half, it must be borne in mind that of the three vacancies occurring on the Board in recent years, most were filled by women.

C.1.6 Explain the measures, where appropriate, the Nominations Committee has decided to ensure that the selection processes do not suffer from implicit biases that hinder the selection of women Board Members and that the company deliberately seeks and includes women who meet the professional profile sought among the potential candidates:

Explanation of the measures

The Appointments and Remuneration Committee, in accordance with that laid down in the Rules of the Board of Directors and the Group's Code of Conduct, promotes the inclusion of women among potential candidates, ensuring that they have the appropriate professional profile and the objective criteria of merit and capacity.

When, in spite of the measures which have been adopted, where applicable, the number of women Board Members is few or zero, explain the reasons justifying this:

Explanation of the reasons

The Group has a policy on renewals on the Board of Directors which approximates to the criteria put forward by the Unified Code, coordinating the principles of representative nature with those of equality and independence.
For this reason, the vacancies which have opened in the last 5 years have been used to reduce the number of male Board Members and to include women Board Members, meaning that of the three inclusions, two have been women.

C.1.7 Explain the form of representation on the Board of shareholders with significant holdings.

Explicación
The External Proprietary Board Members Mr. Pablo Vallbona Vadell and Mr. Santos Martínez-Conde Gutierrez-Barquín, representing Corporación Financiera Alba, S.A The External Proprietary Board Members Mr. Javier Echenique Landiribar, Mr. Javier Monzón de Cáceres and Mr. Manuel Delgado Solis, representing Corporación Financiera Alcor, S.A. The Executive Director Mr. Florentino Pérez Rodríguez and the External Proprietary Board Member Ms. María Soledad Pérez Rodríguez, representing Inversiones Vesan, S.A. IBEROSTAR HOTELES Y APARTAMENTOS, S.L., External Proprietary Board Member, represented by Ms. Sabina Fluxà Thienemann.

C.1.8 If applicable, explain the reasons for appointing Proprietary Board Members at the request of shareholders who have a holding of less than 5% of share capital:

Indicate whether any formal requests by a shareholder to have a Board Member appointed were denied although the shareholder holds the same or a higher number of shares than another shareholder at whose request Proprietary Board Members were appointed. In this case, explain the grounds for denying this request:

	Yes	No
		X

C.1.9 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:

Name of the Board Member	Reason for termination
Mr. Juan March de la Lastra	Resignation as a consequence of the legal limitation of the maximum number of administrative board members established by banking regulations.
Mr. Julio Sacristán Fidalgo	Death

C.1.10 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

C. STRUCTURE OF THE COMPANY ADMINISTRATION

C.1.11 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. José Luis del Valle Pérez	HOCHTIEF AG	Member of the Supervisory Board
	Dragados. S.A.	Board Member/Secretary
	ACS Servicios. Comunicaciones y Energía S.L.	Board Member/Secretary
	ACS Servicios y Concesiones S.L.	Board Member/Secretary
	Cobra Gestión de Infraestructuras S.A.U.	Board Member/Secretary
Mr. Pedro José López Jiménez	HOCHTIEF AG	Chairman of the Supervisory Board
	Dragados. S.A.	Acting Chairman
	Leighton Holdings Ltd	Board Member
	ACS Servicios. Comunicaciones y Energía S.L.	Deputy Chairman
	ACS Servicios y Concesiones S.L.	Deputy Chairman
Mr. Javier Echenique Landiribar	ACS Servicios. Comunicaciones y Energía S.L.	Board Member
Mr. Antonio García Ferrer	Dragados. S.A.	Board Member
	ACS Servicios. Comunicaciones y Energía S.L.	Board Member
	ACS Servicios y Concesiones S.L.	Board Member
Mr. Agustín Batuecas Torrego	Intercambiador de Transportes Avenida de America S.A.	Chairman
	Continental Rail. S.A.	Individual Representative
	Construrail. S.A.	Board Member
	Intercambiador de Transportes Príncipe Pío. S.A.	Individual Representative
	Intercambiador de Transportes Plaza de Castilla. S.A.	Individual Representative
Mr. Javier Monzón de Cáceres	ACS Servicios y Concesiones S.L.	Board Member
Mr. Manuel Delgado Solís	Dragados. S.A.	Board Member
Mr. José Luis del Valle Pérez	Leighton Holdings Ltd	Board Member

C.1.12 List, if applicable, 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 the group entity	Position
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	Zardoya Otis. S.A.	Deputy Chairman
	Cartera Industrial Rea. S.A.	Chairman
Mr. Javier Echenique Landiribar	Banco Sabadell. S.A.	Deputy Chairman
	Grupo Empresarial Ence. S.A.	Board Member
	Repsol YPF. S.A.	Board Member
Mr. Javier Monzón de Cáceres	Indra Sistemas. S.A.	Chairman
Mr. Miguel Roca Junyent	Endesa. S.A.	Board Member
	Endesa. S.A.	Board Member
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Corporación Financiera Alba. S.A.	CEO
	Acerinox. S.A.	Board Member
	Indra Sistemas. S.A.	Board Member
	Bolsas y Mercados Españoles. Sdad Holding de mdos y Stmas Fin. S.A.	Board Member

C.1.13 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 Rules of the Board of Directors provides that Board Members cannot, either directly or indirectly, hold positions in companies or firms that are competitors of the Company or of any of the Group companies or provide representation services on behalf of the same. Additionally, the Rules 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.

C.1.14 Indicate the Company's general policies and strategies the Board in plenary session has reserved the right to approve:

	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	
Policy on dividends and on treasury shares, and the limits to apply	X	

C.1.15 Indicate the overall remuneration for the Board of Directors:

	Thousands of euros
Remuneration for the Board of Directors (thousands of euros)	11,396
Amount of overall remuneration corresponding to rights accumulated by the Board Members as regards pensions (thousands of euros)	48,321
Overall remuneration for the Board of Directors (thousands of euros)	59,717

C. STRUCTURE OF THE COMPANY ADMINISTRATION

C.1.16 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. Alfonso Aguirre Díaz-Guardamino	Head of the Legal Department of ACS Servicios Comunicaciones y Energía, S.L.
Mr. José Zornoza Soto	Finance Manager of ACS, Actividades de Construcción y Servicios, S.A.
Mr. Gonzalo Gómez-Zamalloa Baraibar	Sole Administrator of Vias y Construcciones, S.A.
Mr. Gustavo Tunell Ayuso	Manager of Poland at Dragados, S.A.
Mr. Francisco Javier López Sánchez	Manager of Building at Dragados, S.A.
Mr. Raúl Llamazares de la Puente	CEO of Intecsa and Makiber
Mr. Juan Santamaria Cases	Individual representing the sole administrator of Iridium, Concesiones de Infraestructuras, S.A.
Mr. José María Castillo Lacabex	General Manager of Imesapi, Cymi and Masa
Mr. Ángel Guerra Zalabardo	General Manager of Sice, Tecnología de Sistemas, 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 the Industrial Services Area
Mr. José María Aguirre Fernández	General Manager of Tecsa, Empresa Constructora, S.A.
Mr. Ricardo Martín de Bustamante Vega	North American Manager of Dragados, S.A.
Mr. Cristóbal González Wiedmaier	Finance Manager of ACS Servicios Comunicaciones y Energía, S.L.
Mr. Eusebio Arnedo Fernández	Head of Human Resources of Dragados, S.A.
Ms. Marta Fernández Verdes	Finance Director of Dragados, S.A.
Mr. Carlos Abilio Pérez Alonso	General Manager of Municipal Waste Treatment, Urbaser, S.A.
Mr. Ricardo Cuesta Castiñeyra	Head of the Legal Department of Dragados, S.A.
Mr. Francisco Javier Gómez García	General Manager of Initec Energía, 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. 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 GRUPO ETRA
Ms. Cristina Aldámiz-Echevarria 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.
Mr. José María López Piñol	Individual representing the Sole Administrator of Urbaser, S.A.
Mr. Pedro Ascorbe Trian	General Manager of Dragados Off Shore, S.A.
Mr. Alejandro Canga Bottegheiz	Western US Manager of Dragados, S.A.
Mr. Francisco Reinoso Torres	Administration and Finance Manager of ACS Servicios y Concesiones, S.L.
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 the Construction, Concessions and Environment Areas
Mr. Juan Mata Arbide	General Manager of Geotecnia y Cimientos, S.A. (Geocisa)
Mr. Epifanio Lozano Pueyo	Corporate General Manager of ACS, Servicios Comunicaciones y Energía, S. L.
Mr. Eloy Domínguez-Adame Bozzano	Deputy Director of Affiliates of Dragados, S.A.
Mr. Santiago García Salvador	Operations Manager of Iridium, Concesiones 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	Manager of ACS, Servicios Comunicaciones y Energía, S.A.
Mr. Ignacio Segura Suriñach	CEO of Dragados, S.A.
Mr. Enrique Pérez Rodríguez	CEO of Cogesa, S.A.
Mr. Diego Miguel Zumaquero García	Manager of Spain of Dragados, S.A.
Mr. José Miguel Moreno Pérez	Head of Tax Department at ACS, Actividades de Construcción y Servicios, S.A.
Mr. Fernando Bolinaga Hernández	Latin America Manager of Dragados, S.A.
Mr. Rafael Martín Huertas	International Studies and Development Manager at Dragados, S.A.
Mr. Julián Garí Munsuri	Risk and Management Control Manager at Dragados, S.A.
Mr. Emilio Grande Royo-Villanova	Finance Director of Iridium, Concesiones de Infraestructuras, S.A.
Mr. Cristóbal Valderas Alvarado	Individual representing the Sole Administrator of Clece, S.A.
Mr. Raúl Gutiérrez Rodríguez	Administration and Finance Manager of Clece, S.A.
Ms. Purificación González Pérez	HR Manager of Clece, S.A.

Name or company name	Position
Mr. Javier Román Hernando	Manager of Spain and Portugal of Clece, S.A.
Mr. José Luis Martínez Dalmau	CEO of Saeta
Mr. Pedro Jesús Cuevas Moreno	Manager of Cobra Energía
Mr. Juan Antonio Vicente Rodrigo	Manager of Cobra Instalaciones
Mr. Manuel Penalva Mira	Manager of Cobra Electricidad y Comunicaciones
Mr. Miguel Ángel Martínez Anguita	General Manager at Sociedad Española de Montajes Industriales, S.A. (SEMI)
Total Senior Executive remuneration (thousand euros)	26,153

C.1.17 Where applicable, indicate the identity of any Board Members that are, at the same time, Board Members or executives at companies that hold significant shareholdings in the listed company and/or entities in the group:

Name or company name of the Board Member	Company name of the significant shareholder	Position
Mr. Florentino Pérez Rodríguez	Inversiones Vesan, S.A.	Sole Administrator
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.	Former Vice Chairman of Banca March, S.A., Main Shareholder of Corporación Financiera Alba, S.A.
Mr. Manuel Delgado Solís	Mr. Alberto Cortina Alcocer	Lawyer of Percacer, S.L
Mr. Manuel Delgado Solís	Mr. Alberto Alcocer Torra	Lawyer of Invernelin Patrimonio, S.L.
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.
Ms. María Soledad Pérez Rodríguez	Inversiones Vesan, S.A.	Sister of Mr. Florentino Perez Rodriguez, Sole Administrator of Inversiones Vesán, S.A.

C.1.18 Indicate whether any amendments have been made to the Rules of the Board of Directors during the year:

Yes	No
	X

C. STRUCTURE OF THE COMPANY ADMINISTRATION

C.1.19 Indicate the procedures for selection, 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.

The appointment of Board Members is regulated in the Rules of the Board of Directors:

- Composition and appointment in Article 3.

- Duties in Article 4.

- Period of appointment in Article 11.

- The Chairman in Article 17.

- The Vice Chairmen in Article 18.

- The Chief Executive Officer in Article 19.

- The Secretary in Article 20.

- The Appointments and Remuneration Committee in Article 24.

The wording of the Rules of the Board of Directors mentioned above is detailed in section H of this report.

- 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 or her shares by any means.

- Removal of Board Members

The removal of Board Members is regulated in the following articles of the Rules 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 by-laws 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 (...) Particularly, the Board of Directors shall have the following responsibilities, which cannot be delegated: Accepting the resignation of Board Members.

Appointing, removing and accepting the resignation for the positions of Chairman, Deputy Chairman and Secretary to the Board.

Appointing, removing and accepting the resignation of Board Members who need to be members of the Commissions and Committees envisaged in these Rules.

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.

C.1.20 Indicate whether or not the Board of Directors has carried out an assessment of its activity during the year:

Yes	No
X	

Where applicable, explain to what extent the self-assessment led to significant changes to its internal organisation and to the procedures applicable to its activities:

Description of amendments
The self-assessment did not lead to significant changes to the internal organisation of the Board of Directors or of its Delegated Committees.

C. STRUCTURE OF THE COMPANY ADMINISTRATION

C.1.21 Indicate the cases in which the Board Members must resign.

In accordance with Article 11 of the Rules of the Board of Directors, the Proprietary Board Members shall resign from the Board of Directors when the shareholder they represent fully disposes of its shares by any means.

C.1.22 State whether the function of the Chief Executive Officer of the Company rests with the Chairman of the Board. 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 Pérez Rodríguez, is also CEO and has been delegated all the powers of the Board, except those that cannot be delegated. Therefore, in accordance with the Rules 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 Rules of the Board of Directors, an Independent Board Member shall have this power, and for these purposes, Mr. Miguel Roca Junyent has been appointed.

C.1.23 Are qualified majorities, other than statutory majorities, required for any type of decision?:

Yes	No
	X

Where applicable, describe the differences.

C.1.24 State whether there are specific requirements, other than those related to Board Members, to be nominated as Chairman.

Yes	No
	X

C.1.25 Indicate if the chairman has a casting vote:

Yes	No
	X

C.1.26 Indicate whether the By-laws or the Rules of the Board of Directors set any age limit for Board Members:

Yes	No
	X

C.1.27 Indicate if the Company By-laws or the Rules of the Board of Directors establish a limited mandate for Independent Board Members, differing from that laid down in the regulations:

Yes	No
	X

C. STRUCTURE OF THE COMPANY ADMINISTRATION

C.1.28 Indicate whether the Company By-laws or the Rules of the Board of Directors establish specific rules for delegating votes on the Board of Directors, the form of doing so and, in particular, the maximum number of delegations that a Board Member can hold, as well as whether it has been made mandatory to delegate to a Board Member of the same type. Where applicable, give a brief description of these rules.

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 delegation must be in writing to the Chairman and must be in the form of a letter, telegram, telex or fax or any other written means that acknowledges receipt by the addressee.

C.1.29 Indicate the number of meetings that the Board of Directors held during the year. In addition, indicate the number of times the Board has met without the presence of the Chairman, if applicable: In this calculation, Board Members who have granted proxies without specific instructions shall be considered to present.

Number of Board meetings	7
Number of Board meetings without chairman's attendance	0

Indicate the number of meetings held during the year by the different board committees:

Commission	N° of Meetings
Executive Committee	10
Audit Committee	6
Appointments and Remuneration Committee	7

C.1.30 Indicate the number of meetings held by the Board of Directors during the year with all members present. In this calculation, Board Members who have granted proxies without specific instructions shall be considered to be present:

Attendance of Board Members	1
Number of attendances as a % of the total votes during the year	88.24%

C.1.31 Indicate whether the individual and consolidated financial statements are certified before being presented to the Board of Directors for approval:

Yes	No
X	

Identify, if applicable, the person(s) who certified the company's individual and consolidated financial statements for authorisation by the Board:

Name	Position
Mr. Ángel Manuel García Altozano	Corporate General Manager

C.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements it prepares from being presented at the General Shareholders' Meeting without a qualified auditors' report.

In this respect, routine meetings are held between the accounts auditor and the Audit Committee to analyse with sufficient notice any differences between the accounting criteria of the Company and its Group and the auditors' interpretation of the accounts. The foregoing is in accordance with Article 20 bis of the Company By-laws. It is considered that the 2014 auditors' reports on both ACS, Actividades de Construcción y Servicios, S.A. and the ACS Group will be favourable.

C.1.33 Is the Secretary of the Board a Board Member?

Yes	No
X	

C.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 By-laws and these Rules, the Secretary of the Board of Directors must also oversee the legality of the acts issued by the company bodies of which he or she forms part, providing the due warnings and recording them in the Minutes. The appointment of the Secretary was not reported by the Appointments and Remuneration Committee since he was appointed years prior to the formation of this Committee.

	Yes	No
Does the Appointments Committee report the appointment?	X	
Does the Appointments Committee report the dismissal?	X	
Does the Board in plenary session approve the appointment?	X	
Does the Board in plenary session approve the removal?	X	

C. STRUCTURE OF THE COMPANY ADMINISTRATION

Is the secretary of the Board particularly entrusted with ensuring compliance with good governance recommendations?

Yes	No
X	

Comments

—

C.1.35 Indicate the mechanisms, if any, established by the company to preserve the independence of the external auditors, of financial analysts, investment banks and of rating agencies.

In regard to the auditor, Article 23 of the Rules of the Board of Directors provides that the duties of the Audit Committee shall be as follows:

- Monitoring the effectiveness of the company's internal control, internal auditing and, if applicable, risk management systems and discussing any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms.

- Overseeing the preparation and presentation of the regulated financial information.

- Proposing 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.

- Establishing 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.

- Annually and prior to the issuance of the auditors' report, issuing 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.

- Reviewing and reporting 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.

- Ascertaining the results of inspections conducted by official entities.

C.1.36 Indicate whether the company changed its external auditors during the year. If so, identify the incoming and outgoing auditors:

Yes	No
	X

In the event of any disagreement with the outgoing auditors, specify the substance thereof:

—

C.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)	887	1,246	2,133
Amount of other non-audit work/total amount billed by audit firm (as a %)	81.45%	9.90%	15.60%

C.1.38 Indicate whether the Auditors' report on the financial statements for the previous year had any reservations or qualifications. If so, indicate the reasons given by the chairman of the Audit Committee to explain the content and scope of the reservations or qualifications.

Yes	No
	X

C.1.39 Indicate the number of uninterrupted years that the current auditing firm has carried out the audit of the financial statements of the Company and/or its Group. Also indicate the percentage that the number of years audited by the current auditing firm represents of the total number of years which the financial statements have been audited:

	Company	Group
Number of uninterrupted years	13	13
Number of years audited by current auditing firm /Number of years that the company has been audited in %	52.00%	52.00%

C. STRUCTURE OF THE COMPANY ADMINISTRATION

C.1.40 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	

Detail of procedure
Article 15 of the Rules expressly provides that Board Members have the right to request and obtain information and advice required to carry out their duties. 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.

C.1.41 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	

Detail of procedure

Article 13 of the Board Rules expressly states that in regard to the duty of loyalty, Board Members shall avoid conflicts of interest among themselves, or their closest 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, in the shortest possible term and in all cases within the five following days, of the shares, stock options or derivatives referring to the share value which may be held, directly or indirectly, either by the Board Members themselves or their closest 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.

C.1.42 Indicate and, where applicable, if the company has established rules which oblige the Board Members to inform and, where applicable, to resign in cases which may involve causing damage of the company's credit and reputation:

	Yes	No
	X	

Explain the rules
-

C.1.43 Indicate whether any member of the Board of Directors has informed the Company that legal action has been taken or that a lawsuit had been filed against him or her for any of the crimes set forth in Article 213 of the Spanish Companies Law:

Yes	No
	X

Indicate whether the Board of Directors has analysed the case. If the answer is yes, provide a reasoned explanation of the decision taken on whether or not the Board Member should continue in his or her post or, where applicable, explain the actions taken by the Board of Directors before the date of this report or which it plans to take.

—

C.1.44 Detail the 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.

In the case of a change in control over the Company, the early redemption will occur of the bonds convertible to Iberdrola shares, issued by ACS Actividades Finance BV on 22 October 2013 for a face value of EUR 721,100,000 and those issued by ACS Actividades Finance 2 BV on 13 March 2014 for a nominal amount of EUR 405,600,000. Of these banks, the outstanding nominal amount on 31 December 2014 amounts to EUR 532,900,000.

A "change in control" will occur if one or more individuals or legal entities, acting individually or jointly, acquire control of ACS, Actividades de Construcción y Servicios, S.A. For these purposes, "control" means (i) the acquisition or control of over 50% of the voting rights or (ii) the right to appoint and/or remove all or the majority of the board of directors or other governing body, whether obtained directly or indirectly and if they obtain ownership of the share capital, possession of the voting rights, contract or other type and "controlled" will be interpreted in consequence. To avoid any doubt, any agreement or concerted action by two or more existing ACS, Actividades de Construcción y Servicios, S.A. shareholders which does not lead to a mandatory takeover bid under Spanish legislation may not be considered a change of control except when these parties have previously launched a takeover bid, but when doing so have acquired (combining their existing holdings) less than 50% of the voting rights.

C.1.45 Identify, in aggregated form, and indicate, in detail, the agreements between the Company and its executive and management posts or employees who have termination benefits, guarantee or golden parachute clauses, when they resign or are dismissed unfairly or the contractual relationship ends due to a takeover bid or other type of operation.

Number of beneficiaries	Type of beneficiary	Description of agreement
6	Members of senior management, including Executive Board Members	The contracts consider the cases stipulated under this point with maximum benefits of 5 years in remunerations

C. STRUCTURE OF THE COMPANY ADMINISTRATION

Indicate whether these contracts have to be disclosed to and/or approved by the bodies of the Company or of its Group:

	Board of Directors	General Meeting
Body authorising the clauses	Yes	No

	Yes	No
Is the General Meeting informed about the clauses?		X

C.2 Committees of the Board of Directors.

C.2.1 Detail all the Committees of the Board of Directors, their members and the proportion of Proprietary and Independent Board Members on them:

Executive Committee

Name	Position	Type
Mr. Florentino Pérez Rodríguez	Chairman	Executive
Mr. Antonio García Ferrer	Member	Executive
Mr. Javier Echenique Landiribar	Member	Proprietary
Mr. José María Loizaga Viguri	Member	Independent
Mr. Pablo Vallbona Vadell	Member	Proprietary
Mr. Pedro José López Jiménez	Member	Other External
Mr. José Luis del Valle Pérez	Secretary	Executive

% Executive Board Members	43.00%
% Proprietary Board Members	29.00%
% Independent Board Members	14.00%
% Other External Members	14.00%

Audit Committee

Name	Position	Type
Mr. José María Loizaga Viguri	Member	Independent
Mr. Manuel Delgado Solís	Member	Proprietary
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Member	Proprietary
Ms. María Soledad Pérez Rodríguez	Member	Proprietary
Mr. Emilio García Gallego	Chairman	Independent

% Executive Board Members	0.00%
% Proprietary Board Members	60.00%
% Independent Board Members	40.00%
% Other External Members	0.00%

Appointments and Remuneration Committee

Name	Position	Type
Mr. José María Loizaga Viguri	Chairman	Independent
Mr. Javier Echenique Landiribar	Member	Proprietary
Mr. Miguel Roca Junyent	Member	Independent
Mr. Pablo Vallbona Vadell	Member	Proprietary
Mr. José Álvaro Cuervo García	Member	Independent
Ms. María Soledad Pérez Rodríguez	Member	Proprietary

% Executive Board Members	0.00%
% Proprietary Board Members	50.00%
% Independent Board Members	50.00%
% Other External Members	0.00%

C.2.2 Complete the following table with information relating to the number of women Board Members on the Committees of the Board of Directors during the last four financial years:

	Number of women Board Members							
	2014		2013		2012		2011	
	Number	%	Number	%	Number	%	Number	%
Executive Committee	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Audit Committee	1	20.00%	0	0.00%	0	0.00%	0	0.00%
Appointments and Remuneration Committee	1	16.66%	0	0.00%	0	0.00%	0	0.00%

C. STRUCTURE OF THE COMPANY ADMINISTRATION

C.2.3 Indicate whether the Audit Committee is charged with the following duties:

	Yes	No
Supervising the preparation and integrity of the financial information of the Company and, if applicable, of the group, and checking compliance with legal provisions, the accurate demarcation of the scope of consolidation and the correct application of accounting standards	X	
Reviewing internal control and risk management systems on a regular basis, so that the main risks are properly identified, managed and disclosed.	X	
Overseeing the independence and effectiveness of the internal audit function; proposing the selection, appointment, reappointment and removal of the head of internal audit; proposing the resources to be assigned to the internal audit function; receiving regular reports back on its activities; and verifying that senior management is acting on the conclusions and recommendations of its reports	X	
Establishing 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	
Proposing 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	
Receiving regular information from the external auditor on the progress and findings of the audit plan and checking that senior management are acting on its recommendations	X	
Ensuring the independence of the external auditor	X	

C.2.4 Describe the rules relating to the organisation and functioning of the Board committees, as well as the responsibilities attributed to each of them.

Name of the Committee	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 By-laws or the Rules of the Board of Directors 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 By-laws. Nevertheless, the Board of Directors may pass on knowledge of and the decision upon any matter of its competence, and in turn, the Executive Committee may subject the decision on any matter to the Board of Directors, which even though a matter of its competence, it 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 By-laws or the Board Rules regarding the operation of the Board of Directors
Audit Committee	In accordance with the provisions of Article 20 bis of the Company By-laws, 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 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 appointment of the Chairman, also to be carried out by the Board of Directors, shall necessarily fall 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 or she 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, 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. The Company's Auditor may attend these meetings, whenever especially convened, for the purpose of explaining the most significant aspects of the audits performed. Insofar as deemed necessary, and with the natural adaptations, the operation of the Audit Committee shall be governed by the provisions of these Rules regarding the operation of the Board of Directors.

Name of the Committee	Brief description
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 removed, 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, 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 Rules regarding the operation of the Board of Directors.

C.2.5 Indicate, if applicable, if there are Rules of the Board Committees, where they can be consulted and amendments made during the year. Also indicate whether any annual report on the activities of each committee has been prepared voluntarily.

Name of the Committee	Brief description
Executive or Delegated Committee	The Board Committees are governed by Articles 19, 20 and 20 bis of the Company By-laws and Articles 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website, www.grupoacs.com. The specific rules relating to the Executive Committee are set forth in Article 22 of the Rules of the Board of Directors.
Audit Committee	The Board Committees are governed by Articles 19, 20 and 20 bis of the Company By-laws and Articles 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website, www.grupoacs.com. The specific rules relating to the Executive Committee are set forth in Article 23 of the Rules of the Board of Directors.
Appointments and Remuneration Committee	The Board Committees are governed by Articles 19, 20 and 20 bis of the Company By-laws and Articles 21 to 24 of the Rules 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 Rules of the Board of Directors.

C.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	

D. RELATED PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS

D.1 Identify the competent body and, where applicable, explain the procedure for approving transactions with related parties and within the group.

Body responsible for approving related party transactions
Board of Directors

Procedure for approving related party trans
As established by the Rules of the Board of Directors, related party transactions shall be approved by the Board of Directors or, where appropriate, by the Executive Committee with subsequent ratification by the Board of Directors, with prior report by the Audit Committee, except where these meet the following three conditions. a) They are performed in accordance with standard contract conditions; b) They are performed at the general prices or rates set by the supplier for the merchandise or service at issue; and c) The sum involved does not exceed 1% of the company's annual income.

Explain whether approval for transactions with related parties has been delegated, indicating, where applicable, the body or persons to whom it has been delegated.

When this involves transactions in the normal course of business and meets the conditions stated in the previous sections, authorisation falls to the people responsible for each business, without prejudice to notifying the Audit Committee for review and subsequent notification to the Board of Directors.

D.2 List those transactions, which are significant due to their magnitude or relevant due to their subject, carried out between the company or group companies and the company's significant shareholders:

—

D.3 List any material transactions entailing a transfer of funds or obligations between the company or group companies and the company's administrators or executives:

—

D.4 Report any significant transactions by the company with other entities in 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.

—

In any case, report any intragroup transaction carried out with entities established in countries or territories considered to be tax havens:

Corporate name of its group entity	Brief description of the transaction	Amount (thousands of euros)
Cobra Gibraltar Limited	Collection in Cobra Gibraltar Limited on behalf of Dragados, S.A. at the Gibraltar branch	600
Cobra Gibraltar Limited	Payment from Cobra Gibraltar Limited to Cobra Inst. y Servicios, S.A	371
Cobra Gibraltar Limited	Payment from Cobra Gibraltar Limited to Atil-Cobra, S.A	189

D.5 Indicate the value of the transactions carried out with other related parties.

—

D.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.

The Rules of the Board of Directors specifically regulate conflicts of interest, stating that, in the interests of the corresponding duty of loyalty, Board Members must:

I. Avoid conflicts of interest between themselves or the closest members of their family and the Company and, in the case that such conflict cannot be avoided, must notify the Board of Directors of all cases of such conflicts.

II. Notify the Company as soon as possible of the shares, share options or derivatives based on share values which they themselves or their closest family members hold, directly or indirectly, as well as the most significant changes that occur in their professional situation and, especially, those affecting the attributes considered for their appointment as Board Members.

III. Notify the Company of any legal or administrative proceedings which, on account of their importance, may seriously affect the Company's reputation.

IV. Abstain from intervening in deliberations and casting their vote on those matters in which they have a particular interest.

V. Avoid being on more than five management bodies of companies other than those in the Group of companies in which the Company is the parent, without previous express authorisation from the Board provided with justification.

VI. 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.

VII. Not use the commercial transactions of which he or she has become aware while carrying out the duties of his or her post to his or her own benefit nor make use of the Company's assets nor take advantage of his or her post to obtain economic benefit without rendering the just consideration.

VIII. Not use the commercial transactions of which he or she has become aware while carrying out the duties of his or her post to his or her own benefit nor make use of the Company's assets nor take advantage of his or her post to obtain economic benefit without rendering the just consideration.

D. RELATED PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS

Additionally, there are Rules of Conduct in the Securities Markets that include a set of rules designed to detect and regulate any possible conflicts of interest between the Company and/or its Group, its Board Members, Directors or significant shareholders. In general, the Rules apply to the members of the Board of Directors, members of the Group's Management Committee and to those Company representatives and personnel 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 personnel and to external advisers who, with respect to a specific transaction, are aware of privileged or reserved information regarding the Company's securities.

D.7 Is more than one Group company listed in Spain?

Yes	No
	X

Identify the subsidiaries listed in Spain:

Listed subsidiary	
State whether they have publicly and accurately defined their respective areas of activity and any possible business relationships among them, as well as those between the listed dependent company and the other companies within the group	Describe the possible business relationships between the parent company and the listed subsidiary, and between the subsidiary and the other companies within the group
Describe the mechanisms established to resolve possible conflicts of interest between the listed subsidiary and the other companies within the group	Mechanisms for the resolution of possible conflicts of interest.

E. RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Explain the scope of the Company's Risk Management Systems.

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 Group's companies and divisions 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. When these risks have been identified, a risk map is prepared which is updated regularly based on the different variables involved and the types of activities in which the Group is involved.

The risk control systems adopt the Group's decentralised nature, enabling each business unit to exercise its own risk control and evaluation policies under 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.

Hochtief, the German listed company which has been fully consolidated by the ACS Group since 2011, has defined its risk control policy to be consistent with its business activity and in line with the ACS Group's policies. The detail of these policies and systems is included in the 2014 Annual Report on pages 133 to 141 inclusive, available on the website www.hochtief.com.

E.2 Identify the Company bodies responsible for preparing and executing the Risk Management System.

The ACS Group's Management Committee defines the Group's global risk policy and, if appropriate, sets up the appropriate management mechanisms to ensure that the risks are kept within the approved levels.

The Board of Directors entrusts the Audit Committee with the task of monitoring compliance with the established procedures and effective generic supervision of compliance with the established risk levels for each business activity.

The Board of Directors approves the global risk policy and the system for control and management.

E.3 Indicate the main risks that may affect the achievement of the business objectives.

The ACS Group's Risk Management System identifies and evaluates various risk scenarios grouped into two categories: corporate risks and business risks.

Corporate risks affect the Group as a whole and the listed Company in particular and can be summarised as:

- Regulatory Risks, deriving from the reliability of the published Financial Information, the Company's disputes, Stock Market regulatory rules, data protection law, possible changes in national and international financial regulations and civil liability on equity integrity.

- Financial Risks, including the level of indebtedness, liquidity risk, risks resulting from fluctuations in exchange rates, risks deriving from the fluctuation of interest rates, risks from the use of derivative financial instruments, risks from investments and exposure to risk from variable yields from investments made in listed companies.

- Information Risks, both to reputation affecting the Group's image and those to transparency and its relationship with analysts and investors.

Business risks are those specifically affecting each of the businesses. These vary according to the characteristics of each activity and are grouped in turn into:

- Operational Risks, including risks relating to contracting and tendering for works and projects, to planning and control of execution of the various works and projects, to client and credit risks, to product quality, environmental, purchasing and subcontracting risks.

- Non-Operational Risks, including risks relating to risk prevention and health and safety at work, with Human Resources, compliance with the specific legislation and tax regulations applicable to the business, the reliability of accounting and financial information and the management of financial resources and indebtedness.

E. RISK CONTROL AND MANAGEMENT SYSTEMS

E.4 Identify whether the entity has a level of risk tolerance.

The ACS Group's Management Committee has defined a framework for action in order to homogenise the identification, classification, evaluation, management and tracking of the risks of the different divisions. Once the risks have been identified and their magnitude and probability have been evaluated, as well as the indicators for measuring them, these form the basis for preparing the Risk Map, in which all the heads of each of the Divisions or business units are involved, determining the level of tolerance for each variable.

Periodic updating of the Risk Map, both at corporate level and in each of the businesses, is carried out by each of the Heads of the different divisions by tracking the indicators measuring exposure to risk.

E.5 Indicate what risks have arisen during the financial year.

The main risks which arose during the year were:

1. As part of the yearend review on recoverability of trade debtors and other accounts receivable, the subsidiary of the ACS Group in Australia Leighton, has considered to necessity of establishing a provision in the amount of EUR 458 million (675.0 million Australian Dollars). This amount has been calculated based on the client portfolio and takes into consideration the residual value of the risks assessed by means of their exposure due to the possibility of not recovering the amounts pending collection. The Group continues maintaining its right to collect for each individually considered project and undertakes to pursue recovery of all the amounts pending.

2. The Group has shareholdings in the toll motorway concession companies, Accesos de Madrid (R3 and R5), Infraestructuras y Radiales (R2) and Circunvalación de Alicante which have suffered significant losses since they began operating, as well as significant cost-overruns regarding construction and expropriations, with the resulting alteration in the economic/financial balance anticipated in the concession and problems in covering the financial liabilities, leading to the two entering a creditors' insolvency process. Said companies are waiting for the Ministry for Development, sector companies, creditor bank and remaining agencies to establish the basis for a global agreement which can be acceptable for all parties.

3. In addition, there is a lawsuit affecting Alazor Inversiones, S.A. (Alazor), sole shareholder of Accesos de Madrid, C.E.S.A., the company awarded the Radial 3 and Radial 5 concessions (R3 and R5), given that during February 2014 a guarantee enforcement procedure notification was filed against the shareholders of Alazor for an amount corresponding to ACS of EUR 73,350 thousand (which includes the principal and interenst) which has been established, although procedures remain open to this effect in relation to which the Company deems they will be resolved in its favour.

4. TP Ferro, company responsible for building and operating a stretch of the high speed railway line between Spain and France, jointly shared by ACS and the French company, Eiffage, has liquidity problems for making the bank financing payments without having found a satisfactory solution during 2014. The ACS Group considerd that, given that negotiations are ongoing, this situation would not lead to significant liabilities.

5. As a consequence of the approval of the new Corporation Tax in Spain, the Group has assessed the impact on its financial balance sheets of the modifications included in this new regulation, in relation to tax assets and liabilities, recording expenses in the amount of EUR 123,614 thousand in 2014. In this sense, it is worth noting that the remaining deferred tax assets have been maintained in the consolidated statement of financial

position on 31 December 2014 due to the Group's Directors considering it is foreseeable that said assets will be recovered, pursuant to the improved estimate of results regarding the Group, in relation to which no negative extraordinary entries are foreseen such as those incurred in 2012 or new events such as the approval of the aforementioned tax regulation in 2014.

E.6 Explain the plans for responding to and supervising the entity's main risks.

The ACS Group's geographic and business diversification, together with the high level of operating decentralisation that characterises the organisation, makes it necessary for it to have a dual system for risk control and supervision. Added to the corporate risk management system is the system belonging to each business unit or listed company, in which each management level is responsible for complying with the standards and the applicable internal procedures.

Their effectiveness is evaluated and verified periodically by the production units' internal audits and by Corporate Internal Audit, which also contributes to the management of the general risks the Group faces in achieving its objectives. The alerts, recommendations and conclusions generated are reported both to Group Management and to the heads of the business areas and companies assessed.

To carry out their duties, the Business and Corporate Internal Audit departments have qualified, expert personnel who are independent of the lines of production.

F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS OF ISSUING FINANCIAL INFORMATION (ICFRS)

Describe the mechanisms which make up the risk control and management systems in relation to the process of issuing financial information (ICFRS) for the entity.

F.1 Company's control environment

Indicating their main characteristics, detail at least the following:

F.1.1. Which bodies and/or functions are 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 Rules of the ACS Group Board of Directors, the Board of Directors is responsible for this system and has delegated the supervisory function thereof to the Audit Committee in accordance with its rules.

In accordance with Article 4 of its Rules, the Board of Directors is empowered 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 management 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".

The ACS Group's General Corporate Management 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, in accordance with Article 23 of the Rules of the Board of Directors, the Audit Committee is responsible, inter alia, for the following:

- "Monitoring the effectiveness of the company's internal control, internal auditing and, if applicable, risk management systems, and discussing any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms".

- "Overseeing the preparation and presentation of the regulated financial information".

On the other hand, 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 2014 annual reports, which are available on www.hochtief.com and www.leighton.com.au.

F.1.2. The existence or otherwise of the following components, especially in connection with the financial reporting process:

- **Departments and/or mechanisms responsible for: (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.**

  In accordance with the Rules of the Board of Directors, the Appointments and Remuneration Committee under this Board is responsible, inter alia, for nominating Senior Executives, particularly those who are to be a member of the Group's Management Committee, and for proposing the basic conditions of their contract.

  Corporate General Management, in the case of ACS, Actividades de Construcción 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 their area of activity and communicating this to the interested parties through the anticipated channels in each case.

- **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. This 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 website.

  Both the Hochtief Group's parent company, Hochtief AG, and the parent company of its Leighton subgroup, Leighton Holdings Limited, are companies listed 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 directly to investee companies belonging to the Hochtief Group and the Leighton Group.

  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 ACS Group's Board of Directors following their nomination by the Appointments and Remuneration Committee.

F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS OF ISSUING FINANCIAL INFORMATION (ICFRS)

This Monitoring Committee has been assigned 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 Annual Report on Actions and Recommendations of the General Code of Conduct Monitoring Committee for 2014 will be submitted by the Audit Committee in March 2015.

- **Whistle-blowing channel, for reporting to the Audit 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:

  - An e-mail address: canaletico@grupoacs.com
  - A postal address: Ethics Channel.
    Grupo ACS, Avenida de Pío XII, n° 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.

  A total of nine communications were received in 2014, of which five gave rise to opening informative or investigation proceedings. Four of the communications receive, either due to defects in form, the Code of Conduct Monitoring Committee not being the competent body or other reasons for inadmissibility did not lead to the opening of any cases. All communications were received by email.

- **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 regulations in force.

Therefore, in 2014 throughout the entire ACS Group approximately 32,100 hours of training courses in finance, accounting rules, consolidation, auditing, internal control and risk management were given, attended by approximately 1,500 employees.

F.2 Risk assessment in financial reporting.

Detail at least the following:

F.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 ACS Group has established a risk management model that supports a range of actions in order to comply with the objectives established by the Board of Directors. The Corporate Risk Map summarises the Group's situation in relation to its main risks, except for those with regard to Hochtief and Leighton since they have their own risk control systems.

The Risk Map includes the identification and assessment of risks at both the Group level and that of the operating divisions. The risks identified are as follows:

- Corporate Risks: affecting the Group as a whole and, in particular, the listed Company.
- Business Risks: specifically affecting each of the business areas and varying based on the unique characteristics of each business.

These risks were basically assessed qualitatively, with no defined frequency, in order to establish both their importance and probability of occurrence. However an objective or quantitative risk indicator was established where possible.

Accordingly, the risks are classified as follows:

- Operational risks.
- Non-operational risks.

This system is explained in section E of the ACGR in the description of the ACS Group's general risk policy.

- **The process covers all financial reporting objectives, (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how often.**

In addition to financial risks (liquidity, exchange rate, interest rate, credit and equity), the Group's risks also include 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.

F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS OF ISSUING FINANCIAL INFORMATION (ICFRS)

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.

The ACS Group's Corporate General Management is responsible for updating the scope of the Internal Control over Financial Reporting System and informing the various business areas and the auditor of any changes that occur.

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 comparability), and taking into account the different risk categories described in section E of the ACGR to the extent that they could significantly affect financial reporting.

- 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.

  This assessment is performed at least on an annual basis and whenever companies are included in or excluded from the Group's scope of consolidation.

- The process takes into account the effects of other types of risks (operational, technological, financial, legal, risks to reputation, environmental, etc.) to the extent that they affect the financial statements.

  The ACS Group's Risk Management System considers risks of the operational, technological, legal or any other type which, if they arise, could have a significant impact on the Group's financial statements.

- Which of the company's governing bodies monitors the process.

  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 internal risk management and control systems.

F.3 Control activities.

Indicating their main characteristics, detail at least the following:

F.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, as well as documentation and flow charts for 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 specific review of the relevant 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 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 identified for the significant business cycles at consolidated level, 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 the significant processes, risks and control activities implemented in the business areas in a systematic and homogeneous manner, with the exceptions described for the listed investee companies which follow their own procedures. 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 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, communication of information 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.

F.3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, operating 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 business areas, the ACS Group does not centrally manage its information systems, but rather each business area manages these resources based on the particular features of each business. This is not an obstacle hindering each of the business areas from defining its policies, standards and procedures for internal control over the reporting 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 in implementing 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 defined by each area. Management of access, changes in the applications and the flows of approval are defined in the procedures of each business area, as are the responsibilities of those responsible for monitoring and control.

F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS OF ISSUING FINANCIAL INFORMATION (ICFRS)

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 have elements that are periodically updated to prevent intrusions to the information systems.

F.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 work and 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 affected, requesting comparison valuations when necessary.

F.4 Information and communication.

Indicating their main characteristics, detail at least the following:

F.4.1. A specific function in charge of defining accounting policies, keeping them up to date (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, as well as 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 these are adopted by the European Union. This manual, updated in January 2014, 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 ensure that the accounting criteria are uniform with those 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.

F.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 the ACS Group's Corporate General Management is carried out in accordance with the following guidelines:

1) Frequency of information reporting.

Once the meeting schedule of the Executive Committee and the Board of Directors has been 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) Typology of information.

The information to be reported varies and is detailed based on the reporting period (monthly / quarterly / half-yearly / annually).

3) Financial reporting format.

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 parameterised and automated for the aggregation and elaboration of various items of information, usually of an off-balance sheet and management nature.

For the preparation of the consolidated 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) Model for internal control information.

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 took place in 2014 on a half-yearly basis, at the same time as the publication of the ACS Group's interim half-yearly financial statements.

F.5 Supervision of system operation.

Indicating their main characteristics, detail at least the following:

F.5.1. The ICFRS supervision activities carried out by the Audit Committee, as well as whether the company has an internal audit function which includes support to the Committee in its work on supervising the internal control system, including the ICFRS, among its duties. Furthermore, indicate the scope of the assessment of the ICFRS carried out in the financial year and of the procedure by means of which the person responsible communicates the results, whether the entity has an action plan that details possible corrective actions and whether its impact on the financial information has been considered.

F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS OF ISSUING FINANCIAL INFORMATION (ICFRS)

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 Corporate Audit functions are carried out by the Internal Audit Department, which coordinated the auditing of the Group's various business areas.

The Corporate Internal Audit Department is included in the organisational structure as a body reporting hierarchically to the Corporate General Management and functionally to the Audit Committee of the Board of Directors. It has no hierarchical or functional link to the business areas. Therefore, the appointment/dismissal of the person responsible is at the suggestion of the Audit Committee. In this regard, Hochtief and Leighton, as noted in point F.1, have their own control systems and the internal audits for these companies report to their Audit Committees, as indicated in the Hochtief Risk Report included in the 2014 Annual Report (pages 133 to 141, both inclusive) and in Leighton's 2014 Corporate Governance Statement.

In turn, the internal audit departments of the Parents of the Group's non-listed business areas report hierarchically to the Chairman and/or CEO of these areas and functionally to the Corporate Internal Audit Department. The functions assigned to the Internal Audit Department are as follows:

- Reviewing the implementation of policies, procedures and standards established in the Group's business areas, as well as the operations and transactions they perform.

- Identifying 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.

- Reviewing and assessing, in the performance of their work, the internal controls established, included among which are those which make up the risks associated with the financial information for the audited units.

- Reporting 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.

The Corporate Internal Audit Department submits the Annual Audit Plan each year for approval by the Audit Committee. This Audit Plan consolidates the internal audits of the Group companies, except for Hochtief and Leighton.

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.

The Corporate Internal Audit Department submitted the 2014 Activities Report and the 2015 Audit Plan to the Audit Committee in February 2015. The audits carried out are of the following type:

- 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 2014 the various internal audit departments of the business areas carried out nearly 150 audits.

F.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 administrators. Also report any action plan in place to correct or mitigate weaknesses observed.

In accordance with the Rules of the Board of Directors, the Audit Committee has the following functions:

- Monitoring the effectiveness of the company's internal control, internal audit, and if applicable, risk management systems, and discussing any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms.
- Establishing 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 monitoring 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 full 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 as to report the results that have been obtained in the preliminary review prior to the end of the financial year.

In 2014, the internal and external auditors attended six Audit Committee meetings.

F.6 Other relevant information.

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F.7 External auditor's report.

Indicate:

F.7.1. Whether the ICFRS information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be included as an appendix. Otherwise, explain the reasons for the absence of this review.

The information relating to the ICFRS issued to the markets for 2014 was reviewed by the external auditor.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the Company's degree of compliance with the recommendations of the Unified Code on good corporate governance.

If any recommendations are not followed or are only partially followed, a detail explanation of the reasons for this must be included so that the shareholders, investors and the market in general have sufficient information to assess the company's conduct. Explanations of a general nature will not be acceptable.

1. The By-laws of listed companies may not limit the number of votes held by a single shareholder or impose other restrictions on the company's takeover via the market acquisition of its shares.
   See sections: A.10, B.1, B.2, C.1.23 and C.1.24.

Complies	Explain
X	

2. In the event that a parent and subsidiary company are separately listed, they must publish an exact definition of:

   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: D.4 and D.7

Complies	Partially complies	Explain	Not applicable
			X

3. Even if not expressly required under Company law, transactions involving a structural change in the company, and particularly the following, are subject to the approval of the General Shareholders' meeting:

   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.
   See section: B.6

Complies	Partially complies	Explain
X		

4. That the proposed resolutions to be adopted at the General Shareholders' Meeting, including the information referred to in Recommendation 27, be made public on the date on which the call of the meeting is published.

Complies	Explain
X	

5. Separate votes are to be taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case. This rule particularly applies to the following:

a) The appointment or ratification of Board Members, with separate voting on each candidate;

b) Amendments to the By-laws, with votes taken on all articles or groups of articles that are materially different.

Complies	Partially complies	Explain
X		

6. Companies shall allow split votes, so that financial intermediaries who are shareholders of record but acting on behalf of different clients can issue their votes according to instructions.

Complies	Explain
X	

7. The Board of Directors shall perform its duties with unity of purpose and independence, according all shareholders the same treatment. It shall be guided at all times by the Company's best interest, to be understood as maximizing the Company's 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		

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

8. The core components of the Board's mission shall be to approve the company's strategy, authorise the organisational resources to carry it forward and ensure that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the Board in plenary session should reserve the right to approve:

a) The Company's general policies and strategies, and specifically:

i) The strategic or business plan, management targets and annual budgets;
ii) Investment and financing policy;
iii) 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: C.1.14, C.1.16 and E.2

b) The following decisions:

i) At the proposal of the company's Chief Executive, the appointment and removal of Senior Executives and provisions relating to termination benefits.

ii) The remuneration of the Board Members and, if applicable, extra remuneration for executive and other functions that the contracts should respect.

iii) The financial information to be periodically disclosed by the Company given that it is listed on the securities market.

iv) Investments or transactions of all kinds which, because of the elevated amounts involved or their special characteristics, are of a strategic nature, unless their approval corresponds to the General Shareholders' Meeting;

v) The incorporation or acquisition of special purpose vehicles or entities resident in countries or territories defined as tax havens, as well as any analogous transactions or operations whose complexity may impair the Group's transparency.

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:

1ª. They are governed by standard contracts applied on an across-the-board basis to a large number of clients;

2ª. They are performed at the general prices or rates set by the supplier of the merchandise or service at issue;

3ª. The transaction amount does not exceed 1% of the company's annual revenues.

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.

It is recommended that the powers attributed to the Board not be allowed to be delegated, with the exception of those mentioned in b) and c), which can be delegated to the Executive Committee in urgent cases, subject to subsequent ratification by the full Board.
See sections: D.1 and D.6

Complies	Partially complies	Explain
X		

9. **In the interests of the effectiveness and participatory nature of its functioning, the Board of Directors should comprise between five and fifteen members.**
   See section: C.1.2

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 Company By-laws 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. **A broad majority of the Board shall be External Proprietary and Independent Board Members and the number of Executive Board Members should be the minimum necessary, taking into account the complexity of the group of companies as well as each Executive Board Members' holding in the share capital of the company.**
    See sections: A.3 and C.1.3.

Complies	Partially complies	Explain
X		

11. **Among External Board Members, the relation between Proprietary Board Members and Independent Board Members should reflect the proportion between the capital represented on the Board and the remainder of the Company's capital.**

    This 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.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

2° In companies with multiple shareholders represented on the Board but not otherwise related.

See sections: A.2, A.3 and C.1.3

Complies	Explain
X	

12. The number of Independent Board Members shall represent at least a third of all Board Members.

See section: C.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 13% to 5%).

13. The nature of each Board Member must be explained to the General Shareholders' Meeting, which shall make or ratify his or her appointment. Such determination shall subsequently be reviewed in each year's Annual Corporate Governance Report following verification by the Appointments Committee. This report shall also explain the reasons for having appointed Proprietary Board Members at the proposal of shareholders holding less than 5% of the share capital, as well as the reasons for any rejection of a formal request for a Board place from shareholders whose ownership interest is equal to or greater than that of others at whose request Proprietary Board Members were appointed.

See sections: C.1.3 and C.1.8

Complies	Partially complies	Explain
X		

14. When the number of women Board Members is few or zero, the Appointments Committee ensures that when vacancies occur:

a) Recruitment processes are not implicitly biased in a manner which hinders the selection of women Board Members;
b) The company makes a conscious effort to include women with the target profile among the candidates for Board places.

See sections: C.1.2, C.1.4, C.1.5, C.1.6, C.2.2 and C.2.4.

Complies	Partially complies	Explain	Not applicable
X			

15. 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 sections: C.1.19 and C.1.41

Complies	Partially complies	Explain
X		

16. When the Chairman and Chief Executive of the Company, one of the Company's Independent Board Members shall be empowered to request the calling of Board meetings or the inclusion of new business on the Agenda, in order to coordinate and voice the concerns of External Board Members and will take charge of the Chairman's evaluation.
See section: C.1.22

Complies	Partially complies	Explain	Not applicable
X			

17. The Secretary of the Board of Directors shall take steps to assure 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 By-laws and the Rules 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 Rules of the Board of Directors.
See section: C.1.34

Complies	Partially complies	Explain
X		

18. The Board of Directors shall meet as often as required to properly carry out its duties, following the timetable of dates and issues agreed at the beginning of the year, Board Members may propose that business not initially foreseen be included on the Agenda of these meetings.
See section: C.1.29

Complies	Partially complies	Explain
X		

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

19. Board Member absences will 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: C.1.28, C.1.29 and C.1.30

Complies	Partially complies	Explain
X		

20. When Board Members or the Secretary express concerns about some proposal or, in the case of Board Members, about the Company's performance, and such concerns are not resolved at the meeting, the member expressing them will request that they be recorded in the Minutes.

Complies	Partially complies	Explain	Not applicable
X			

21. The full Board shall evaluate the following points on a yearly basis:
a) The quality and efficiency of the Board's operation;
b) Based on the report issued by the Appointments Committee, how well the Chairman and Chief Executive Officer have carried out their duties;
c) The performance of its committees on the basis of the reports furnished by them.
See sections: C.1.19 and C.1.20

Complies	Partially complies	Explain
X		

22. All Board Members shall be entitled to receive any additional information they require on matters within the Board's competence. Unless the By-laws or Board Rules indicate otherwise, such requests should be addressed to the Chairman or Secretary.
See section: C.1.41

Complies	Explain
X	

23. All Board Members shall be entitled to call on the Company for the advice 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: C.1.40

Complies	Explain
X	

24. Companies shall organise induction courses for new Board Members to supply them rapidly with the information they need on the Company and its corporate governance rules. Board Members shall also be offered refresher courses when circumstances so advise.

Complies	Partially complies	Explain
X		

25. The companies shall require their Board Members to devote sufficient time and effort to perform their duties effectively:
    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: C.1.12, C.1.13 and C.1.17

Complies	Partially complies	Explain
X		

26. The proposal for the appointment or renewal of Board Members which the Board submits to the General Shareholders' Meeting, as well as provisional appointments through co-opting, shall 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: C.1.3

Complies	Partially complies	Explain
X		

27. Companies shall post the following information regarding the Board Members 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		

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

28. Proprietary Board Members shall resign when the shareholders they represent dispose of the shares owned in their 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 and C.1.2

Complies	Partially complies	Explain
X		

29. The Board of Directors may not propose the removal of Independent Board Members before the expiry of the statutory term for which they were appointed, as mandated by the By-laws, except where just cause is found by the Board based on a report of the Appointments Committee. In particular, just cause will be presumed when a Board Member is in breach of the duties inherent to his position or comes under one of the grounds leading to their disqualification as independent, in accordance with that laid down in Ministerial Order ECC/461/2013.

    The removal of Independent Board Members 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 11.
    See sections: C.1.2, C.1.9, C.1.19 and C.1.27

Complies	Explain
X	

30. The companies shall lay down rules requiring Board Members to inform the Board, and if necessary, resign, in cases where the company's name and reputation is harmed. In particular, Board Members shall be required to inform the Board immediately of any criminal charges brought against them and the progress of any subsequent trial.

    When a Board Member is sued or tried for any of the offences stated in Article 213 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: C.1.42, C.1.43

Complies	Partially complies	Explain
X		

31. All Board Members should express clear opposition when they feel a proposal submitted for the Board's approval might harm the corporate interest. In particular, Independents and other Board Members unaffected by potential conflicts 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			

32. Board Members who resign or otherwise step down before their term expires, shall explain their reasons for doing so in a letter sent to all the Board Members. 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: C.1.9

Complies	Partially complies	Explain	Not applicable
		X	

The cessation of two Directors has been carried out without providing any explanation due to these being perfectly justified, as one has been due to death and another due to a reduction in the shareholding of the shareholder who appointed the director.

33. Remuneration comprising the delivery of shares in the company or other companies in the group, stock options or other share-based incentives, or incentive payments linked to the Company's performance or membership of pension schemes shall be confined to Executive Board Members.

The delivery of shares is excluded from this limitation when Board Members are obliged to retain them until the end of their tenure.

Complies	Partially complies	Explain	Not applicable
X			

34. Board Member remuneration shall sufficiently compensate them for the commitment, qualifications and responsibility that the position entails, but should not be so high as to jeopardise their independence.

Complies	Explain	Not applicable
X		

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

35. In the case of remuneration linked to Company earnings, deductions should be computed for any qualifications stated in the independent auditor's report.

Complies	Explain	Not applicable
X		

36. In the case of variable pay, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the Company's sector, atypical or exceptional transactions or circumstances of this kind

.

Complies	Explain	Not applicable
X		

37. When the company has a Delegate or Executive Committee (hereafter "Executive Committee"), the breakdown of its Board Members by category should roughly mirror that of the Board itself.
See sections: C.2.1 and C.2.6

Complies	Partially complies	Explain	Not applicable
X			

38. The Board shall be kept fully informed of the business transacted and decisions made by the Executive Committee. All Board Members will receive a copy of the Committee's minutes.

Complies	Explain	Not applicable
X		

39. In addition to the Audit Committee, which is mandatory under the Securities Market Law, the Board of Directors shall form a Committee, or two separate Committees, of 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 Rules of the Board of Directors 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, when the committee members so agree expressly.

c) Their chairmen shall be Independent Board Members.

d) They may engage external advisers 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: C.2.1 and C.2.4

Complies	Explain	Not applicable
X		

40. The task of supervising compliance with internal codes of conduct and corporate governance rules will be assigned to the Audit Committee, the Appointments Committee or, as the case may be, separate Compliance or Corporate Governance committees.
See sections: C.2.3 and C.2.4

Complies	Explain
X	

41. All members of the Audit Committee, particularly its Chairman, will be appointed with regard to their knowledge and experience in accounting, auditing or risk management matters.

Complies	Explain
X	

42. Listed companies will have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal information and control systems.
See section: C.2.3

Complies	Explain
X	

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

43. The head of internal audit shall present an annual work programme to the Audit Committee, report to it directly on any incidents arising during its implementation and submit an activities report at the end of each year.

Complies	Partially complies	Explain
X		

44. The control and risk management policy shall specify at least:

a) The different types of risk (operational, technological, financial, legal, risk to reputation, 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 section: E

Complies	Partially complies	Explain
X		

45. The Audit Committee's role will be as follows:

1° In relation to internal control and reporting systems:

a) Ensuring that the main risks identified as a result of supervising the effectiveness of the company's internal control and internal auditing, where applicable, are managed and reported appropriately.

b) Monitoring the independence and efficacy of the internal audit function; proposing the selection, appointment, re-appointment and removal of the head of internal audit; proposing the internal audit department's budget; receiving regular reports on its activities; and verifying that senior management acts on the findings and recommendations of its reports.

c) Establishing and monitoring 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° In relation to the external auditor:

a) Receiving regular information from the external auditors on the progress and findings of the audit plan, and checking that senior management is acting on its recommendations.

b) Ensuring 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 investigate the issues giving rise to the resignation of any external auditors.

See sections: C.1.36, C.2.3, C.2.4 and E.2

Complies	Partially complies	Explain
X		

46. The Audit Committee may meet with any company employee or manager, even ordering their appearance without the presence of any other senior manager.

Complies	Explain
X	

47. The Audit Committee will report on the following points from Recommendation 8 before any decisions are taken by the Board:

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.

b) The incorporation or acquisition of special purpose vehicles or entities resident in countries or territories defined as tax havens, as well as any analogous transactions or operations whose complexity may impair the Group's transparency.

c) Related-party transactions, unless this responsibility has been assumed by another supervision and control Committee.

See sections: C.2.3 y C.2.4

Complies	Partially complies	Explain
X		

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

48. The Board of Directors shall present the financial statements to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Committee chairman and the auditors will give a clear account to shareholders of their scope and content.

See section: C.1.38

Complies	Partially complies	Explain
X		

49. The majority of the members of the Appointments Committee or of the Appointments and Remuneration Committee, in the case that there is only one, are Independent Board Members.

See section: C.2.1

Complies	Explain	Not applicable
	X	

The Appointments and Remuneration Committee is comprised of three Independent Board Members and three Non-Executive Proprietary Board Members for each reference shareholder with a significant holding.

50. The Appointments Committee shall have the following functions in addition to those stated in earlier Recommendations:

a) Evaluating the skills, knowledge and experience required of the Board; defining the roles and capabilities required of the candidates to fill each vacancy; and deciding the time and dedication necessary for them to properly perform their duties.

b) Examining or organising, as the Committee deems fit, the succession of the Chairman and the Chief Executive and, if applicable, submitting proposals to the Board in order to ensure a smooth and well-planned handover.

c) Reporting on the senior executive appointments and removals which the Chief Executive proposes to the Board.

d) Reporting to the Board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: C.2.4

Complies	Partially complies	Explain	Not applicable
X			

51. The Appointments Committee will consult with the Chairman or Chief Executive Officer, especially on issues involving Executive Board Members and Senior Executives.

Any Board Member may suggest Board Membership candidates to the Appointments Committee for its consideration.

Complies	Partially complies	Explain	Not applicable
X			

52. The Remuneration Committee shall have the following functions in addition to those stated in earlier Recommendations:

a) Make proposals to the Board of Directors regarding the following:

i) The remuneration policy for Board Members and Senior Executives;

ii) The individual remuneration of Board Members and other contract conditions.

iii) The basic conditions of the contracts of Senior Executives.

b) Overseeing compliance with the remuneration policy set by the company.
See section: C.2.4

Complies	Partially complies	Explain	Not applicable
X			

53. The Remuneration Committee will consult with the Chairman or Chief Executive Officer, especially on issues involving Executive Board Members and Senior Executives.

Complies	Explain	Not applicable
X		

H. OTHER INFORMATION OF INTEREST

1. If there are any relevant aspects relating to corporate governance in the company or group entities which have not been reflected in the other sections of this report, but which need to be included to give more complete and reasoned information on the structure and governance practices in the company or its group, detail them briefly.

2. This section can also 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.

3. The company may also indicate whether it has adhered voluntarily to other codes on ethical principles or good practices, whether international or applying to the sector or other scope. Where applicable, identify the code in question and the date of adherence.

B.6 and Recommendation 3 – "State if it has been agreed that certain decisions which entail a structural modification of the company ("loyalty programme", purchase-sale of essential operating assets, transactions equivalent to the company's liquidation...) must be submitted for approval at the general shareholders' meeting, despite Commercial Laws not specifically requiring this".

The ACS Group considers to be following recommendation 3 of the Unified Code due to in the past, when it has incurred in any of the situations indicated in the recommendation which involved a structural modification of the Company, it has carried these out submitting them for approval at the General Shareholders' Meeting, regardless of whether or not, at the time these structural modifications took place, there was a legal obligation to do so. Therefore, the Company complies with this recommendation in so far as there is evidence of this occurring in past, although none of these situations are occurred in 2014.

In this sense, the answer to question B6 of the Annual Corporate Governance Report has been no as it is understood that the question poses that if during 2014, financial period to which the report refers, an agreement has been reached which entails a structural modification to the company; this must be submitted for approval at the general shareholders' meeting. This has not been done, because the circumstances giving rise to it have not occurred, due to which the answer is no. If these circumstances had occurred, the company would be submitted it for approval at the General Shareholders' Meeting, as has been done in the past and the answer would have been yes".

C.1.15 - State the global remuneration of the board of directors.

The amount appearing as "entitlements accumulates by the directors in relation to pensions" in section C.1.15 of the Annual Corporate Governance Report is, in accordance with the compliance instructions of the Annual Corporate Governance Report, the sum of the aggregate figure of all the funds which the entity declares as "amount of accumulated funds" in table iii) of section D.1, and the accumulated entitlements with regards to pensions relating to the current and former members of the board of directors. With regards to this section, we would like to highlight that it is understood there is an error in the compliance instructions.

Section C.1.15 of the Annual Corporate Governance Report requests us to "State the global remuneration of the board of directors", which is understood refers to the 2014 financial period, due to which in order to indicate the figure corresponding to said period and not that regarding the amounts accumulates throughout the previous years, we cannot add up data which is not homogenous, i.e. the cash remuneration for the year with the amount of the contributions made to the pension plans during the previous years including the current year. In the case of ACS, these commitments have been outsourced to an insurance company, which gives rise to a total which does not correspond to the remuneration corresponding to the 2014 period of the Board.

In the event of having to provide the total remuneration of the Board for 2014, with the contribution made in 2014 to the pension plans, in order to obtain the total amount paid during the year as the annual remuneration of the Board, the following data is required:

Remuneration of the Board of Directors (thousands of Euros): 11,396.
Amount of the global remuneration corresponding to the entitlements accumulated by the directors in so far as pensions (thousands of Euros): 2,047.
Global remuneration of the Board of Directors (thousands of the Euros): 13,443.

C.1.19. Literal content of the applicable articles of the Rules of the Board of Directors.

Article 3. Composition and appointments.

Within the limits stipulated in Article 13 of the Company by-laws 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 (...) Particularly, the Board of Directors shall have the following responsibilities, which cannot be delegated:

- Accepting the resignation of Board Members.

- Appointing, removing and accepting the resignation for the positions of Chairman, Deputy Chairman and Secretary to the Board.

- Appointing, removing and accepting the resignation of Board Members who need to be members of the Commissions and Committees envisaged in these Rules.

- Delegating to any of its members, in full or in part, the powers corresponding to the Board, except those which cannot be delegated.

- Preparing the individual and consolidated financial statements and management reports and submitting them for approval by the General Shareholders' Meeting. Also drawing 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.

- Drawing up reports, including the Annual Corporate Governance Report, and the proposals which, in accordance with the legislation in force and the Company By-laws, the Board of Directors is responsible for adopting.

H. OTHER INFORMATION OF INTEREST

- Approving the yearly budget.

- Approving the merger, acquisition, spin-off or business operations involving the Group's main subsidiaries of which the Company is the Parent.

- Approving the block issue of debentures, promissory notes, bonds or similar securities by the Group's main subsidiaries of which the Company is the Parent.

- Approving 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.

- Assessing, yearly, 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 Rules.

- Carrying out, in general, all functions for which it is responsible by law, by regulation or in accordance with these Rules, and performing 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 its 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 By-laws and these Rules, 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 By-laws, 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 duties laid down by the legislation in force, the Company By-laws and these Rules, 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.

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 removed, from among its members, by the Board of Directors, and who shall perform their duties indefinitely or during the term for which they were elected. The appointment of the Chairman must fall to one of the Independent Board Members. The Secretary to the Board of Directors shall attend the Committee's meetings, shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the Minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.

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 duties:

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 duties.

3.- Report on the remuneration of Board Members.

H. OTHER INFORMATION OF INTEREST

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 Rules, 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 Rules regarding the operation of the Board of Directors.

C.1.22 (2).- In accordance with the Rules of the Board of Directors, amended on 25 February 2010, an Independent Board Member shall have this power, and for these purposes, Mr. Miguel Roca Junyent has been appointed.

C.1.30.- The percentage of votes in the Board are not calculated by the number of meetings at which all the Board Members were present with respect to the total number held, but rather by the number of votes (105) with respect to the total theoretical number (seven meetings by 17 Board Members).

D.2. and D.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 company's significant shareholders. In relation to this section, the only transactions between executives and administrators are those remunerations already detailed in those sections:

Transactions carried out in 2014 are as follows (in thousands of euros):

Management or collaboration agreements:
Terratest Tecnicas Especiales, S.A., amounting to EUR 202 thousand.

Leases:
Fidalser, S.L., amounting to EUR 175 thousand.

Services received:
Grupo Iberostar, amounting to EUR 63 thousand.
Fidalser, S.L., amounting to EUR 59 thousand.
Terratest Tecnicas Especiales, S.A., amounting to EUR 337 thousand.
Indra, amounting to EUR 2,255 thousand.
Zardoya Otis, S.A., amounting to EUR 824 thousand.

Other expenses
March JLT, S.A., amounting to EUR 37,973 thousands.

Services rendered:
Rosan Inversiones, S.L., amounting to EUR 246 thousand.
Grupo Iberostar, amounting to EUR 1,743 thousand.
Indra, amounting to EUR 3,292 thousand.

Financing agreements: loans and capital contributions:
Banca March, amounting to EUR 36,180 thousand.
Banco Sabadell, amounting to EUR 765,135 thousand.

Guarantees given:
Banca March, amounting to EUR 19,050 thousand.

Dividends and other distributed profit:
Grupo Iberostar, amounting to EUR 12,474 thousand.
Lynx Capital, S.A., amounting to EUR 109 thousand.
Fidalser, S.L., amounting to EUR 751 thousand.

Other transactions:
Banca March, amounting to EUR 24,726 thousand.

Banca March is considered to be a significant shareholder given that it is a shareholder of Corporación Financiera Alba, S.A., the main direct shareholder of ACS, Actividades de Construcción y Servicios, S.A. Banca March has performed typical transactions relating to its ordinary course of business, such as granting loans, providing guarantees for bid offers and/or the execution of works, 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.

Rosán Inversiones, S.L. is itemised due to its links with the Company's Chairman and CEO, who has a significant holding through Inversiones Vesán, S.A.

The transactions with other related parties are listed due to the relationship of certain Board Members of ACS, Actividades de Construcción y Servicios, S.A. with companies in which they are either shareholders or senior managers. 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 director Javier Monzón. The transactions performed with the Zardoya Otis, S.A. are indicated due to its relationship with the director José María Loizaga. The transactions with Banco Sabadell are listed due the bank's relationship with the Board Member 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 2014 "Other transactions" related exclusively to Banca March. The latter, as a financial institution, provides various financial services to ACS Group companies in the ordinary course of business amounting to a total EUR 24,726 thousand, and in this case they relate to the reverse factoring lines of credit for suppliers.

H. OTHER INFORMATION OF INTEREST

Administrators and Executives includes a building construction agreement between Dragados, S.A. and the Board Member Mr. Joan David Grimà Terré signed in 2013 for which EUR 3,055 thousand has been paid in 2014.

All these commercial transactions were carried out on an arm's length basis in the ordinary course of business and relate to the normal operations of the Group companies.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

With regard to Recommendation 37 of Section G, 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:	42.86%
External Proprietary Board Members on the Board of Directors:	41.18%
External Proprietary Board Members on the Executive Committee:	28.57%
External Independent Board Members on the Board of Directors:	29.41%
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 Annual Corporate Governance Report was approved by the Board of Directors of the Company at its meeting held on 24/03/2015.

Indicate whether any Board Members voted against or abstained in relation to the approval of this Report.

Yes	No
	X

AUDITOR'S REPORT

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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. In the event of a discrepancy, the Spanish-language version prevails.

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 2014

To the Directors 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 Company") and in accordance with our proposal-letter of 1 December 2014, we have applied certain procedures to the information relating to the ICFR system included in section F) of the accompanying Annual Corporate Governance Report (ACGR) of ACS, Actividades de Construcción y Servicios, S.A. for 2014, which summarises the internal control procedures of the Company 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 information relating to the ICFR system included in section F) of the accompanying Annual Corporate Governance Report (ACGR).

It should be noted in this regard that, irrespective of the quality of the design and operational effectiveness of the internal control system adopted by the Company in relation to its annual financial reporting, 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.

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 Company was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Company'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 Guidelines on the Auditors' Report on the Information relating to the System of Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission on its website, 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 Company's annual financial reporting for 2014 described in the information relating to the ICFR system included in section F) of the accompanying Annual Corporate Governance Report. 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.

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.

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 Company in relation to the ICFR system - disclosure information included in the directors' report- and assessment of whether this information addresses all the information required in accordance with the minimum content described in section F), relating to the description of the ICFR system, of the model Annual Corporate Governance Report established in CNMV Circular no. 5/2013, of 12 June 2013.
2. Inquiries of personnel in charge of preparing the information detailed in point 1 above for the purpose of: (i) obtaining an understanding of the process that goes into drawing up the information; (ii) obtaining information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) obtaining 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 ICFR system. 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 Company's ICFR obtained through the procedures applied during the financial statement audit work.
5. Perusal of minutes of the Board of Directors meetings, General Meetings and Audit Committee meetings 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 in connection with the work performed, signed by those responsible for preparing and formulating 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 context of the requirements of Article 540 of the Consolidated Spanish Limited Liability Companies Law, and of CNMV Circular no. 5/2013 of 12 June 2013, published by the Spanish National Securities Market Commission for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.

DELOITTE, S.L.

Ignacio Alcaraz Elorrieta
24 March 2015

DIRECTORY

HEAD OFFICES OF THE ACS GROUP'S MAIN COMPANIES

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