

ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



*Results Report
1st Half
January - June 2006*

July 27th, 2006

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1. Executive Summary

1.1. Main financial figures

ACS Group		January - June	
Main financial figures			
Million Euro	1H05	1H06	Var. 06/05
Turnover	5.720,0	6.797,8	+18,8%
<i>International</i>	17,1 %	16,0 %	
EBITDA	501,4	597,7	+19,2%
<i>Margin</i>	8,8 %	8,8 %	
EBIT	377,4	450,0	+19,2%
<i>Margin</i>	6,6%	6,6 %	
Net Profit from Listed Associates	37,8	105,9	+180,1%
Attributable Net Profit	272,5	376,0	+38,0%
<i>Margin</i>	4,8%	5,5 %	
EPS	0,78 €	1,08 €	+38,2%
Total Net Debt	1.760,1	5.787,7	+228,8%
Net Debt with recourse	1.210,4	2.532,6	+109,2%
Non recourse Financing	549,7	3.255,1	+492,1%
Net Worth	2.206,2	2.720,0	+23,3%
<i>Gearing*</i>	54,9 %	93,1 %	
Net Investments	723,8	1.479,9	+104,5%

* Net Debt with recourse / Net Worth

- Excellent operative performance: both sales and operating results show grow of around 19%.
- Net profit from listed associates, after the financial expenses - net of taxes - derived from the investment performed, reached € 105.9 million, almost three times the amount of last year.
- Attributable net profit grew by 38% up to € 376 million, with a margin of 5.5% over sales. EPS grew up to 1.08 €.
- Net debt with recourse amounted to € 2,532.6 million, with a gearing of 93.1%. At the same time, the non recourse financing was € 3,255.1 million, of which € 2,418 million came from the Unión Fenosa operation.
- Net investments made in this first half totalled € 1,479.9 million, of which € 1,005 million come from the acquisition of the 10% of Unión Fenosa through the tender offer successfully completed on the 1st of March.

1.2. Main figures by activity

TURNOVER			January - June		
Million Euro	1H05	%	1H06	%	Var. 06/05
Construction	2.643,1	46 %	3.184,7	47 %	+20,5%
Industrial Services	1.960,7	34 %	2.339,8	34 %	+19,3%
Services	1.158,1	20 %	1.310,5	19 %	+13,2%
Concessions	5,3	+0 %	13,4	0%	+153,3%
Holding / Adjustments	(47,2)		(50,6)		
TOTAL	5.720,0		6.797,8		+18,8%

EBITDA			January - June		
Million Euro	1H05	%	1H06	%	Var. 06/05
Construction	191,6	37 %	234,8	38 %	+22,5%
Industrial Services	162,0	31 %	197,5	32 %	+21,9%
Services	162,6	32 %	180,3	29 %	+10,9%
Concessions	(1,5)	0%	4,7	1%	n.a.
Holding / Adjustments	(13,3)		(19,6)		
TOTAL	501,4		597,7		+19,2%

EBIT			January - June		
Million Euro	1H05	%	1H06	%	Var. 06/05
Construction	163,4	42 %	199,4	42 %	+22,1%
Industrial Services	134,0	34 %	167,0	35 %	+24,6%
Services	95,2	24 %	107,5	23 %	+12,8%
Concessions	(0,3)	0%	(3,0)	0%	n.a.
Holding / Adjustments	(14,9)		(20,9)		
TOTAL	377,4		450,0		+19,2%

NET PROFIT			January - June		
Million Euro	1H05	%	1H06	%	Var. 06/05
Construction	111,3	40 %	134,1	32 %	+20,5%
Industrial Services	85,3	31 %	106,9	26 %	+25,4%
Services	51,1	19 %	61,2	15 %	+19,8%
Concessions	(12,0)	-4%	6,8	2%	n.a.
Listed Associates	37,8	14%	105,9	25%	+180,1%
Holding / Adjustments	(1,0)		(38,9)		
TOTAL	272,5		376,0		+38,0%

BACKLOG			January - June		
Million Euro	1H05	months	1H06	months	Var. 06/05
Construction	8.719	20	10.124	20	+16,1%
Industrial Services	4.027	13	4.755	13	+18,1%
Services	11.694	63	12.798	61	+9,4%
TOTAL	24.440		27.677		+13,2%

1.3. Relevant facts of the period

Commercial Activity

The continuous commercial effort from all the companies of the Group is shown by the orders in-take growing solidly, a 22% this 1H06, making the order book to reach the highest amount on history above € 27.6 billion. The main projects awarded during this period are detailed in the Annex I of this report; nevertheless, it's worthy to detail some contracts:

- Project to Build 7.5 Km of tunnels for the MTA in New York (US)
- Ionian Highway concession in Greece
- Solar Power Plant "Andasol 1" in Granada
- Polyethylene Plant refurbishment and enhancement in Kuwait
- Building of 4 petrochemical plants in Ras Az Zawr (Saudi Arabia)
- Mixed cargo and containers terminal in Sao Francisco do Sul (Brazil)

Tender offer to acquire 10% of Unión Fenosa

On March 1st, 2006 the Spanish regulator C.N.M.V. ended successfully the Public Offer that Grupo ACS launched on November 23rd of 2005 to acquire a 10% of Unión Fenosa for € 33 per share, representing an investment of €1,005.4 million.

Merger proposal between Abertis and Autostrade

On June 30th, 2006 the extraordinary Shareholder's General Meetings of Abertis and Autostrade approved the merger project between both companies, subject to the approval of European and Italian regulators. The exchange equation will be 1.05 shares of Abertis for 1 share of Autostrade plus an extraordinary dividend of the Italian company of 3.75 €. This operation is expected to be completed before year end.

Xfera

- On June 14th, 2006, an agreement between the shareholders of Xfera and TeliaSonera took place, for the Scandinavian Operator, one of the founders of the company, to acquire the stake of the majority of the shareholders, with the objective of launching the project in Spain before the end of 2006.
- TeliaSonera has become the main shareholder and the reference industrial partner in Xfera with a stake of 77%, whilst Grupo ACS maintains its presence in the company as the local partner holding a 17% stake.

2. Consolidated financial statements

2.1. Income statement

ACS Group					
Consolidated Income Statement					
					January - June
Million Euro	1H05	%	1H06	%	Var. 06/05
Net Sales	5.720,0	100,0 %	6.797,8	100,0 %	+18,8%
Other revenues	184,4	3,2 %	284,5	4,2 %	+54,3%
Total Income	5.904,4	103,2 %	7.082,3	104,2 %	+20,0%
Operating expenses	(3.986,2)	(69,7 %)	(4.864,8)	(71,6 %)	+22,0%
Personnel expenses	(1.416,8)	(24,8 %)	(1.619,7)	(23,8 %)	+14,3%
Operating Cash Flow (EBITDA)	501,4	8,8 %	597,7	8,8 %	+19,2%
Fixed assets depreciation	(113,0)	(2,0 %)	(130,2)	(1,9 %)	+15,2%
Current assets provisions	(11,0)	(0,2 %)	(17,5)	(0,3 %)	+59,0%
Operating Profit (EBIT)	377,4	6,6 %	450,0	6,6 %	+19,2%
Financial income	34,5	0,6 %	61,0	0,9 %	+76,6%
Financial expenses	(77,9)	(1,4 %)	(176,2)	(2,6 %)	+126,1%
Foreign exchange Results	9,8	0,2 %	(3,9)	(0,1 %)	n.a.
Impairment non current assets results	(3,0)	(0,1 %)	0,2	0,0 %	n.a.
Results on equity method	48,7	0,9 %	162,7	2,4 %	+234,1%
Results on non current assets disposals	7,7	0,1 %	66,9	1,0 %	n.a.
Other profit / expenses	(29,7)	(0,5 %)	(78,9)	(1,2 %)	+165,4%
Ordinary income of continued operations	367,6	6,4 %	481,8	7,1 %	+31,1%
Corporate income tax	(85,3)	(1,5 %)	(96,3)	(1,4 %)	+12,9%
Profit after taxes of the continued operations	282,3	4,9 %	385,5	5,7 %	+36,6%
Profit after taxes of the discontinued operations	0,0	0,0 %	0,0	0,0 %	n.a.
Consolidated Result	282,3	4,9 %	385,5	5,7 %	+36,6%
Minority interest	(9,8)	(0,2 %)	(9,5)	(0,1 %)	-3,3%
Net Profit Attributable to the Parent Company	272,5	4,8 %	376,0	5,5 %	+38,0%

2.1.1. Net Sales

- Ended on € 6,797.8 million, 18.8% more than in 2005. All activities grow solidly, with the Construction activity growing 20.5%, Industrial Services and Urban Services growing also strongly (+19.3% y +13.2% respectively).
- International sales grew 11.7% up to € 1,089.7 million, representing 16% of total sales.

2.1.2. Operating cash flow (EBITDA)

- It ended the half on € 597.7 million, 19.2% more than last year's same period. EBITDA margin grew up to 8.8%.

- This growth is backed by an excellent performance of all areas, as both Construction and Industrial Services grow more than 20% (22.5% and 21.9% respectively) and Services a 10.9%.

2.1.3. Operating profit (EBIT)

- Accounted for € 450 million, 19.2% more than the last year, with a margin of 6.6% over sales.
- Construction showed a good performance growing by 22.1%, with the rest of the areas close or better as Industrial Services grew by 24.6% and Services 12.8%.

2.1.4. Ordinary profit from continued operations

- Grew by 31.1% up to € 481.8 million, 7.1% margin on sales, 70 b.p. better than last year.
- Financial expenses grew a 126.1%, up to € 175.2 million, mainly because of the investment policy of the Group in 2005, where the important investments on Unión Fenosa and Abertis were made. Financial income accounted for € 61 million, 76.6% more than in 1H05.
- Foreign exchange losses totalled € 3.9 million, compared to the gains in 1H05 of € 9.8 million.
- Profit from affiliates accounting by the equity method were € 162.7 million, 3.3 times the amount of last year's first half, thanks to the inclusion to the accounts of Unión Fenosa, the good results of the companies and the increased stake on all of them.
- During this first half of 2006 Grupo ACS has accounted a capital gain after the disposal of non current assets of € 66.9 million corresponding to the sale of Sopol, 2 Latam concessions and the reduction in the stake of Xfera.
- Other profit/expenses account, that this period accounted € -78.9 million, corresponds to long term risk provisions for several companies of the Group.

2.1.5. 2.1.5. Net profit attributable to the Parent Company

- Net profit attributable to the parent company reached € 376 million, which means a growth rate of 38%.
- Corporate taxes reached € 96.3 million, growing 12.9% compared to 2005. Effective tax rate, without the profit from affiliates from equity method, ended on 30.2%, slightly higher than last year's rate.

2.2. Consolidated balance sheet

ACS Group					
Consolidated Balance Sheet					30 de junio
Million Euro	1Q05	%	1Q06	%	Var. 06/05
Tangible fixed assets	2.142,0	15,5 %	2.394,1	12,4 %	+11,8%
Goodwill	1.032,7	7,5 %	1.082,9	5,6 %	+4,9%
Intangible fixed assets	404,4	2,9 %	393,8	2,0 %	-2,6%
LT financial investments	2.192,9	15,9 %	6.542,7	33,8 %	+198,4%
Other non-current assets	345,6	2,5 %	465,1	2,4 %	+34,6%
Fixed and Non-current Assets	6.117,6	44,3 %	10.878,6	56,2 %	+77,8%
Inventories	421,1	3,1 %	578,8	3,0 %	+37,5%
Accounts receivables	4.771,6	34,6 %	5.594,0	28,9 %	+17,2%
ST financial investments	1.417,7	10,3 %	1.030,9	5,3 %	-27,3%
Cash and banks	652,8	4,7 %	737,5	3,8 %	+13,0%
Other current assets	419,1	3,0 %	546,5	2,8 %	+30,4%
CURRENT ASSETS	7.682,3	55,7 %	8.487,7	43,8 %	+10,5%
TOTAL ASSETS	13.799,9	100,0 %	19.366,3	100,0 %	+40,3%
Shareholders' Equity	2.084,2	15,1 %	2.593,0	13,4 %	+24,4%
Minority Interests	122,0	0,9 %	127,0	0,7 %	+4,1%
Net Worth	2.206,2	16,0 %	2.720,0	14,0 %	+23,3%
Capital Subsidies	198,7	1,4 %	76,2	0,4 %	-61,7%
Loans from credit entities	2.010,9	14,6 %	2.973,3	15,4 %	+47,9%
Non recourse financing	534,6	3,9 %	3.191,5	16,5 %	+497,0%
Other financial liabilities	37,4	0,3 %	29,0	0,1 %	-22,3%
Other non-current liabilities	476,0	3,4 %	540,9	2,8 %	+13,6%
Hedging instruments	29,8		22,8	0,1 %	
Other liabilities	446,2	3,2 %	518,1	2,7 %	
Non-current Liabilities	3.058,9	22,2 %	6.734,7	34,8 %	+120,2%
Amounts owing to credit entities	1.229,5	8,9 %	1.294,3	6,7 %	+5,3%
Project Finance	15,1	0,1 %	63,7	0,3 %	+320,9%
Trade accounts payables	5.680,9	41,2 %	6.846,8	35,4 %	+20,5%
Other financial liabilities	3,2	0,0 %	4,4	0,0 %	+39,1%
Other current payables	1.407,4	10,2 %	1.626,2	8,4 %	+15,6%
Current Liabilities	8.336,1	60,4 %	9.835,4	50,8 %	+18,0%
TOTAL EQUITY & LIABILITIES	13.799,9	100,0 %	19.366,3	100,0 %	+40,3%

2.2.1. Non-current assets

- Fixed assets grew by 11.8% up to € 2,394.1 million at the end of June 2006.
- Financial assets correspond mainly to the stakes that the Group holds in affiliates accounting by equity method. The increase of € 4,349.8 million in the last 12 months comes

from the acquisitions performed in Abertis and Unión Fenosa, including in this last one the tender offer finished last quarter.

2.2.2. Working capital

- Working capital presents a credit balance of € 1,753.7 million, which means a improvement of a 18.8% compared to last year's figure.
- In days of sale, the inter-annual variation has been 2 days of improvement.

2.2.3. Net Debt

Net Debt (€ mn) June 30 th , 2006	Construction	Industrial Services	Services	Concessions	Holding / Adjustments	ACS Group
Non-current loans from credit entities	53,6	162,8	933,2		1.823,7	2.973,3
Current loans from credit entities	139,7	196,2	293,8	286,1	378,5	1.294,3
Loans from credit entities	193,3	359,0	1.227,0	286,1	2.202,1	4.267,6
Other non-current financial liabilities	21,4	4,6	8,0	87,2	(92,2)	29,0
Other current financial liabilities	1,7	2,5	0,0	(0,1)	0,2	4,4
Other financial liabilities	23,2	7,0	8,0	87,1	(91,9)	33,4
Cash and equivalents	1.817,9	592,9	487,3	36,6	(1.166,3)	1.768,4
Net Debt / (Cash)	(1.601,4)	(226,8)	747,7	336,7	3.276,5	2.532,6
LT non recourse financing	75,1	389,7	213,0	129,0	2.384,7	3.191,4
ST non recourse financing	5,4	8,9	15,9		33,4	63,7
Non recourse financing	80,5	398,6	228,9	129,0	2.418,0	3.255,1
TOTAL NET DEBT	(1.520,9)	171,8	976,7	465,6	5.694,5	5.787,7

- Net debt of the Group as of June 30th, 2006 totalled € 5,787.7 million, being € 3,255.1 million non recourse.
- The rest, € 2,532.6 million, corresponds to net debt with recourse meaning a gearing ratio of 93.1% over net worth.

2.2.4. Other non-current liabilities

- Totalled € 541 million, basically from risks provisions and accrued expenses and taxes.

2.2.5. Net worth

- Reached € 2,720 million, of which € 127.1 million correspond to minority interests, mainly concessional projects and international affiliates.

2.3. Cash flow statement

ACS Group			
Cash Flow Statement		January - June	
Million Euro	1S05	1S06	Var. 06/05
EBITDA	501,4	597,7	+19,2%
plus: Dividends received from affiliates	36,3	94,9	
plus: Interests and dividends received	34,5	62,6	
minus: Interests paid	(77,9)	(176,2)	
minus: Corporate tax paid	(85,3)	(96,3)	
minus: Other adjustments	(50,9)	(57,1)	
Cash Flow from Operations	358,1	425,6	+18,8%
Dec/(Inc) Trade Receivables & Other Debtors	(189,1)	(644,1)	
Dec/(Inc) Inventories	(40,1)	(25,3)	
Inc/(Dec) Trade Creditors	305,9	406,6	
Inc/(Dec) Other Creditors & ST Provisions	95,0	144,4	
Working Capital (Requirements) / Excess	171,7	(118,4)	n.a.
Cash Flow from Operating Activities	529,8	307,2	-42,0%
minus: Fixed assets investments	(88,1)	(231,0)	
minus: Concessional projects investments	(272,4)	(209,2)	
minus: Financial assets investments	(381,7)	(187,6)	
minus: Unión Fenosa acquisition	n.a.	(1.005,4)	
Capital Expenditure	(742,2)	(1.633,2)	+120,0%
Disposal of Assets	18,4	153,3	+733,2%
Cash flow from Investing Activities	(723,8)	(1.479,9)	+104,5%
Inc/(Dec) LT Bank credits	566,1	289,7	
Inc/(Dec) ST Bank credits	(242,4)	303,1	
Inc/(Dec) Non recourse financing	87,4	899,9	
Bank Financing	411,1	1.492,7	+263,1%
Dividends paid	(49,4)	(70,6)	
Treasury stock movements	(84,5)	(164,1)	
Equity Financing	(133,9)	(234,7)	+75,3%
Other Liabilities	(8,5)	(115,7)	n.a.
Cash Flow from Financing Activities	268,7	1.142,3	+325,1%
Inc/(Dec) Cash & similar	74,7	(30,4)	
Cash Position at the Beginning of the Period	578,1	767,8	+32,8%
Current Cash Position	652,8	737,4	+13,0%

2.3.1. 2.3.1. Cash flow from operations

- EBITDA grows by 19.2% and cash flow from operations accounted for € 425.6 million, an 18.8% higher than last year's figure. The increase in financial expenses is provoked by the impact of investments performed during last twelve months, compensated with dividends paid by affiliates this first half of the year.

- The occasional increase of working capital in this period is provoked mainly by the services areas, where the increase of activity has been very important, backed also by the usual seasonality of these figures, specially in Construction.

2.3.2. Net consolidated investments

- Total investments of the Group during 1H06 reached € 1,479.9 million, highlighting the following:
 - Financial assets investment of the tender offer for the 10% of Unión Fenosa that accounts for € 1,005 million.
 - In the Construction area the Group has invested €200 million, mainly in equipment and concessions, whilst the sale of Sopol to a local partner in Portugal accounted for € 24 million.
 - In Industrial Services the Group invested € 149 million, mainly in renewable energies projects as the solar power plant in Granada, Project Andasol, and several wind farms. In the first quarter Grupo ACS acquired the industrial air-conditioning company Humiclíma and this second quarter the Group has sold an energy transmission line in Brazil by € 39 million.
 - In Services the investment reached € 155 million to acquire environmental assets, mainly due to the renovation or new awarding of contracts, to acquire ports and logistics assets, and to renew the fleet in transportation services.
 - The Group has invested € 32 million in highways concessions.
 - The disinvestment in Fenoco's equity totalled 38 million.
 - The decrease in the stake on Xfera to 17% has generated an income € 25 million, entirely accounted as a capital gain to compensate the provision done for future risks on the project.

3. Business Performance

3.1. Construction

Construction		January - June	
Main financial figures			
Million Euro	1Q06	1Q06	Var. 06/05
Turnover	2.643,1	3.184,7	+20,5%
EBITDA	191,6	234,8	+22,5%
Margin	7,2%	7,4%	
EBIT	163,4	199,4	+22,1%
Margin	6,2%	6,3%	
Cont. Operations PBT	171,8	209,2	+21,8%
Margin	6,5%	6,6%	
Net Profit	111,3	134,1	+20,5%
Margin	4,2%	4,2%	
Backlog	8.719	10.124	+16,1%
Months	20	20	

3.1.1. Turnover breakdown by activity

Construction		January - June	
Turnover breakdown by activity			
Million Euro	1Q06	1Q06	Var. 06/05
Civil Works	1.561,6	1.830,3	+17,2%
Non Residential Building	594,2	790,8	+33,1%
Residential Building	487,3	563,6	+15,7%
TOTAL	2.643,1	3.184,7	+20,5%
<i>International</i>	<i>267,4</i>	<i>183,6</i>	<i>-31,3%</i>
	<i>10%</i>	<i>6%</i>	

- Sales on the 1st half of 2006 reached € 3,184.7 million, 20.5% more than last year.
- Domestic activity has obtained a growth rate of 26.3%. This is provoked by the increase of the public activity, both for the local and central administrations.
- International activity decreased 31.3% because of the sale of the Portuguese subsidiary Sopol, meaning that the international activity weights 6% over the total sales. Without this impact, the sales would have had a similar performance and weight as last year.

3.1.2. Operating results

- EBITDA grew by 22.5% with a margin over sales of 7.4% whilst the EBIT grew by 22.1%, with a margin of 6.3%.

- Net profit totalled € 134.1 million, a 20.5% more than in 2005.

3.1.3. Backlog evolution

- Order book continues to grow strongly, up in the first half to the record breaking figure of € 10,124 million, 16.1% more than last year. This means that, even after the important increase of the activity, the backlog amount is still equivalent to 20 months of activity.
- Domestic backlog grew by 17.9%, showing an increase above 10% in all categories, compared to 2005 amounts.
- International backlog diminished an 8.6% after the sale of Sopol in the last quarter of 2005.
- Recent awards in the US (tunnels for the MTA and the refurbishment of a highway) for over \$ 480 million are not included in this backlog figure.

3.2. Industrial Services

Industrial Services		January - June	
Main financial figures			
Million Euro	1Q06	1Q06	Var. 06/05
Turnover	1.960,7	2.339,8	+19,3%
EBITDA	162,0	197,5	+21,9%
Margin	8,3%	8,4%	
EBIT	134,0	167,0	+24,6%
Margin	6,8%	7,1%	
Cont. Operations PBT	123,9	157,4	+27,0%
Margin	6,3%	6,7%	
Net Profit	85,3	106,9	+25,4%
Margin	4,3%	4,6%	
Backlog	4.027	4.755	+18,1%
Months	13	13	

3.2.1. Turnover breakdown by activity

Industrial Services		January - June	
Turnover breakdown by activity			
Million Euro	1Q06	1Q06	Var. 06/05
Networks	395,9	388,6	-1,8%
Specialized Products	619,9	765,9	+23,6%
Energy Projects	595,7	752,3	+26,3%
Control Systems	349,2	433,0	+24,0%
TOTAL	1.960,7	2.339,8	+19,3%
<i>International</i>	<i>598,3</i>	<i>778,5</i>	<i>+30,1%</i>
	<i>31%</i>	<i>33%</i>	

- Industrial Services sales grew solidly the first half of the year, 19.3%, backed by the Specialized Products and Energy Projects activities.
- International activity continues to demonstrate a outstanding performance, backed by the Specialized Products (60% increase), Energy Projects (28% increase) and Control Systems activities, which grow over 75%.
- Networks production has decreased a 1.8% because of the extraordinary reorganization of the international activity and a change in the water networks maintenance processes in Spain.
- Specialized Products area has experienced a strong growth this first half, backed by the activity of electrical and railway installations in Spain, and also because of the growth in the international activity that now means half of the activity.
- Energy Projects, with a sales growth of 26.3% continues its solid growth backed by the increase of the investments performed by energy companies, specially in the oil and gas industry and the utilities, both in Spain and abroad.
- Control Systems grew by 24%, mainly because of the activity with the public administrations on lightning and traffic control services in Spain, and also after signing some international contracts.

3.2.2. Operating results

- EBITDA grew by 21.9% with a margin over sales of 8.4%, 10 b.p. better than last year.
- Also EBIT had a good performance and grew a 24.6% with a margin of 7.1%, also above 2005, in this case 30 b.p.

3.2.3. Backlog evolution

- A backlog of € 4.75 billion (+18.1% in 12 months) represents 13 months of production, assuring the good results of the area in the coming months.
- All the backlogs grow around 20% but Specialized Products and Energy Projects, which grow over 25% both.

3.3. Services

Services			
Main financial figures		January - June	
Million Euro	1Q06	1Q06	Var. 06/05
Turnover	1.158,1	1.310,5	+13,2%
EBITDA	162,6	180,3	+10,9%
Margin	14,0%	13,8%	
EBIT	95,2	107,5	+12,8%
Margin	8,2%	8,2%	
Cont. Operations PBT	77,9	88,0	+13,1%
Margin	6,7%	6,7%	
Net Profit	51,1	61,2	+19,8%
Margin	4,4%	4,7%	
Backlog	11.694	12.798	+9,4%
Months	63	61	

3.3.1. Turnover breakdown by activity

Services			
Turnover breakdown by activity		January - June	
Million Euro	1Q06	1Q06	Var. 06/05
Environmental Services	524,2	595,0	+13,5%
Ports & Logistics Services	254,9	274,2	+7,6%
Transportation Services	88,8	97,2	+9,5%
Facility Management	290,2	344,1	+18,6%
TOTAL	1.158,1	1.310,5	+13,2%
<i>International</i>	<i>105,7</i>	<i>124,3</i>	<i>+17,5%</i>
	9%	9%	

- Very good results of all areas, with solid growth trends. Specially Environmental Services that grows 13.5% and Facility Management, which grow an 18.6%.

3.3.2. Operating results

- EBITDA grew 10.9% with a margin of 13.8%. The decrease of 20 b.p. is caused by the increase of the oil prices, that impacts directly in Transportation and Logistics Services operating expenses; this impact could be compensated steadily by the forthcoming tariffs increase. EBIT grew up to a 12.8%, with a margin of 8.2%, similar to 2005 one.
- Net profit grew by 19.8% with a margin of 4.7%, 30 b.p. better than last year's figure.

3.3.3. Backlog evolution

- The services backlog amounts € 12.8 billions, which implies more than 5 years of activity. The continuous growth of this figure is a guarantee for the good performance of the area in the coming years.

3.4. Transportation Infrastructures Concessions

Concessions			
Main financial figures		January - June	
Million Euro	1S05	1S06	Var. 06/05
Turnover	5,3	13,4	+153,3%
EBITDA	(1,5)	4,7	n.a.
EBIT	(0,3)	(3,0)	n.a.
Equity method	(9,9)	(9,7)	n.a.
Attributable Net Profit	(12,0)	6,8	n.a.

- The sales figure of this area comes mainly from the Autovía de la Mancha sales, the only concession that the Group has up and running and with a majority stake; also from the technical fees, mainly charged to TP Ferro.
- The negative equity method account is the consequence of the contribution of some concessions that are in their first years of operation, with the consequent impact on financial results.

3.5. Affiliated Companies

Associates			
Main financial figures		January - June	
Million Euro	1S05	1S06	Var. 06/05
Abertis	35,7	46,0	+29,0%
Unión Fenosa		91,2	n.a.
Urbis	17,6	24,7	+39,9%
Income from Associates (E.M.)	53,3	161,9	+203,6%
Financial Expenses	(23,9)	(86,2)	
Corporate taxes	8,4	30,2	
Attributable Net Profit	37,8	105,9	+180,1%

- Abertis contribution to the Groups results reached € 46 million, 29% above last year's figure, generated because of the excellent results of the company and the increase in the stake during last year.
- The main impact of this growth come from Unión Fenosa, which has contributed to the Groups results with € 91.2 million, coming from its results for 1H06.

- Inmobiliaria Urbis has contributed to the Groups results with € 24.7 million in the first half, a 39.9% more than in 2005.
- Consequently, the contribution to the results of this investments accounted by equity method grows up to € 161.9 million, after discounting the goodwill amortization assigned to assets.
- Financial expenses associated to those investments in these companies are € 86.2 million, with a tax impact of € 30.2 million.
- According to this, attributable net profit of the listed affiliates in this first half accounts for € 105.9 million, an 180% more than last year's same period.

Annexes

Annex I. Main contracts awarded

i. Construction

Motorways and Roads

- Improvement of the M-501 road. Section: Quijorna to Navas del Rey (Madrid)
- Santa M^a Cabeza road improvements (Madrid)
- A-8 highway improvements, section: Navia-Tapia Casariegos (Asturias)
- Denia Avenue Construction (Valencia)

Railways

- Building of the new railway facilities Plaza (Zaragoza)
- Improvement of the Barcelona - Sants station (Barcelona)
- Building of the Atlantico Railway Section between Uxes-Pocomaco (Coruña)
- Transport platform: Arrazua-Legutiano (Alava)
- Project to refurbish the Gobantes-Abdalajis Tunnel (Málaga)
- Extension in Line 7 of the subway (Madrid)
- Refurbishment of the Northeast Corridor Section: Teruel - Cella (Aragon)
- Works in the Abdajalis tunnel (Málaga)
- Section Río Duero - Valladolid from the new NorthWest high speed railway sections (Castilla Leon)
- Refurbishment of line 11 subway stations (Madrid)

Other Works

- Water sanitation plant in Epele and Sanitation of the Alto Deba (Guipúzcoa)
- Villalba Barros Dam (Badajoz)
- Improvement of the irrigations near river Júcar (Valencia)
- Works to improve the irrigations near Almudévar (Huesca)
- Building of the subterranean parking in Gran Vía Street, Logroño
- Building of the foundations and structure of Islaz building (Madrid)
- Building of the 1st phase of the office facilities Royal (Sevilla)
- Building of several residential developments in Tenerife
- Parking facilities in the Children's Hospital Gregorio Marañón (Madrid)
- Residential developments 5 to 14 in Chiloeches (Guadalajara)
- Residential developments in the old Iveco-Pegaso factories (Madrid)
- Treatment plant improvements in Saelices - F-2 (Salamanca)
- Residential developments in the 3rd phase of the B-21 land lot of Las Tablas (Madrid)
- Treatment plant Almoguera-Algodor (Madrid)
- Zaragoza's Airport

Non-residential Building

- Building of Fabripress Industrial Facilities (Madrid)
- Building of Social Security building (Ceuta)
- Building of Peñalar School Building (Madrid)
- Building of Mira-Sol-Centre Building (Barcelona)

- Building of Raos Coal Warehouses (Cantabria)
- Building of the Penitentiary of Morón de la Frontera (Sevilla)
- Building of Geriatric Hotel Urbis (Barcelona)
- Building of the Expoagua facilities. Phase I (Zaragoza)
- Concession to build of 10 police stations (Barcelona)
- Building of the 6, 7 and 8 WTC buildings in Cornellá (Barcelona)
- Building of the Gerencia de Urbanismo headquarters (Málaga)
- Building of the Mistral building (Madrid)

Residential Building

- Building of 160 houses for Prosavi in Marbella
- Building of 246 houses for Cosmani-Arroyo (Valladolid)
- Building of 146 houses in Mérida (Badajoz)
- Building of 127 houses en the second phase of the project Alhaur Lar-Pina (Málaga)
- Building of 143 public financed houses in the land lot A2 in Las Tablas (Madrid)
- Building of 131 houses in Montornes2 (Barcelona)
- Building of 248 houses in Leganés (Madrid)
- Building of 136 houses PERI SR-8 (Córdoba)
- Building of 131 houses de in Land Lot A-3 (Madrid)
- Building of 203 houses in Massó en Bueu (Pontevedra)
- Building of 196 houses in Pau 1 (Alicante)
- Building of 171 houses in Salburua (Vitoria)
- Building of 188 houses in Santa Pola (Alicante)
- Building of 137 houses in Las Adelfas (Madrid)
- Building of 214 houses in San Jorge (Castellón)

ii. Industrial Services

Specialized Installations

- Improvements and refurbishment of the “Centre Hospitalier” in Roanne (France)
- Improvements of the electrical feeding systems of the Barcelona’s subway, line 1 (Barcelona)
- Air conditioning and fire protection system for Oncisa (México)
- Air conditioning, plumbing and fire protection systems for ECORESCORT in Roanne (France)
- Air conditioning and fire protection system for Metrovacesa (México)
- Fire protection systems for the new tunnels in Guadarrama (Madrid)
- Desulfuration plant La Robla II (León)
- Electricity distribution systems in Line 3, Madrid’s subway
- Electricity distribution for Viesgo
- Electricity distribution works for lines 1 and 4 in Madrid’s subway
- Facility management of Repsol/Boreales premises (Portugal)
- Mechanical maintenance in Sines Refinery (Portugal)
- Transmission Line concession in Artemio (Brasil)
- Air conditioning and heating installations in the intensive care unit of the Pontchaillou Hospital (Rennes, Francia)
- Electricity systems in section 1 in line 1 of the subway (Sevilla)
- Electrical Substation refurbishment in Universitat subway station(Barcelona)

- Electrical Substation installation in Vilapiscina, subway line 2(Barcelona)
- Analysis premises for the Benzene Plant of Repsol Ypf (La Pobla de Mafumet, Tarragona)
- Air conditioning and heating systems installation in the SUW plant (Zaragoza)
- 230 kV transmission line from Gravatai 2 to Porto Alegre 8 (Brazil)
- Various installations for the 1 and 4 lines of the subway (Madrid)
- Electricity distribution systems for subway line 3 (Madrid)
- Puerta de Hierro electrical installations (Madrid)
- Improvements for Villanueva Airport (Valladolid)
- Burgos Building electrical systems installation (Santiago de Chile)
- Electrical systems installation in the Albocasser Penitentiary (Castellon)

Integrated Projects

- Combined plants and a wide range of projects in the Lazaro Cardenas Refinery, in Minatitlan. Phase III (Mexico)
- Andasol Thermal Solar Power Plant (Granada)
- Changes accepted in the Buzzard Project: Building of a platform to produce oil and gas
- Changes accepted in the project to build the combined cycle gas turbine of Cristóbal Colon
- Changes accepted in the Project EPC-60: Refurbishments and Building works for a platform to produce oil
- Extension of Statoil Project
- Polyethylene Plant refurbishment and improvements (Kuwait)
- CCGT enhancements in Cartagena (Murcia)
- Adriático Project: topsides building for a gasification plant (Italy)
- Improvements on the offshore platform PB-KU-A2 (México)
- Escombreras desalination plant (Murcia)
- Sagunto CCGT auxiliary premises (Valencia)
- Biodiesel Plant building in Caparrosa (Navarra)
- Sagunto CCGT plant improvements (Valencia)
- Ladora I wind farm construction(Valencia)
- Ladora II wind farm construction (Valencia)
- AES CCGT plant 3 x 400 MW (Cartagena)
- Tincer high performance centre (Canarias)

Control Systems

- Member of the Joint Venture Barquitrans - Proyecto Transbarca (Venezuela)
- Madrid Subway signalling systems (Parla, Madrid)
- EMT BIT contract extension (Madrid)
- Traffic lights maintenance (Santa Cruz de Tenerife)
- ITS Project and toll systems in the ring road (Alicante)
- New subway East Line control systems (Madrid)
- Electrical and control systems on the Paseo de Monistrol-Puente de Segovia road section (Madrid)

iii. Services and Concessions

Environmental Services

- Building, operation and maintenance of the water purifying facilities fro Zone 2 in Aragón region (Spain)
- Street, beach cleaning and USW management (Santa Pola)

- Street cleaning and USW management in Libertador (Venezuela)
- Street cleaning and USW management (Palamós)
- Street cleaning and USW management (Villanueva del Pardillo, Madrid)
- Beach cleaning services (Barcelona)
- Street cleaning and USW management in San Fernando (Cádiz)
- Works in the old landfill (Rivas Vaciamadrid)
- Street cleaning and landfill management in Khouribga (Marruecos)
- Street cleaning and USW management Meknes (Marruecos)

Facility Management

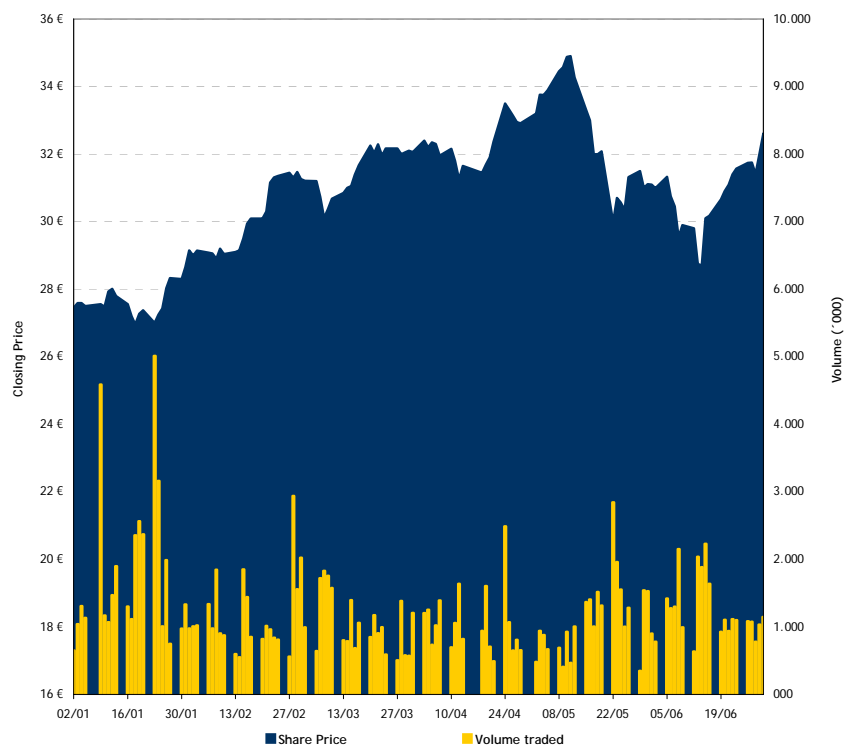
- Facility management in several student residencies in the Carlos II university, Madrid
- Cleaning services in Carlos Haya hospital in Málaga
- Facility management in the Santiago de Compostela University
- Management of the third age assistance services for the municipality of Buñol (Valencia)
- Management of the third age residence in L' Alcudia de Crespins (Valencia)
- Cleaning and gardening services in Cabueñes hospital (Gijón)
- Facility management of the SCH premises in Boadilla (Madrid)
- CAMP Reina Sofía facility management(Gran Canaria)
- Cleaning of public premises and schools in the Güimar Municipality (Las Palmas de Gran Canaria)
- Cleaning of the ports premises managed by the Andalucía Regional Government
- Albéniz Theater facility management (Madrid)
- Fábrica Nacional de Moneda y Timbre facility management(Madrid)
- Golf course refurbishment near Valencia's airport

Concessions

- Member of the consortium awarded with the construction and management of the Ionian Roads Project, an investment in Greece of more than € 1,000 million in 30 years.

Annexe II. Capital markets

ACS Data Share	1H05	1H06
Closing price	23,14 €	32,61 €
Annual performance	13,51%	19,85%
Cummulative Performance since 31.12.2000	176,46%	289,61%
Maximum in the period	23,20 €	34,95 €
Maximum Date	30-jun	11-may
Minimum in the period	16,80 €	26,62 €
Minimum Date	03-ene	18-ene
Average in the period	19,82 €	30,15 €
Total volume (´000)	173.263	157.971
Daily average volume (´000)	1.375,10	1.253,73
Total traded effective (€ mn)	3.434	4.781
Daily average effective (€ mn)	27,25	37,94
Number of shares (mn)	352,87	352,87
Market cap (€ mn)	8.165	11.507



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