

ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



*Results Report
First Half 2009*

July 29th, 2009

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Executive Summary

1.1. Main financial figures

ACS Group			
Main financial figures		January - June	
Million Euro	2008	2009	Var. 09/08
Turnover	7,938	8,122	+2.3%
<i>International</i>	19.5%	22.1%	+15.7%
EBITDA	720	736	+2.2%
<i>Margin</i>	9.1%	9.1%	
EBIT	569	561	-1.4%
<i>Margin</i>	7.2%	6.9%	
Ordinary Net Profit from Continuing Operations	389	448	+15.1%
Ordinary Net Profit*	560	541	-3.4%
Ordinary EPS	1.65 €	1.72 €	+4.0%
Attributable Net Profit	893	1,542	+72.8%
EPS	2.64 €	4.91 €	+86.0%
Cash Flow from Operations	(125)	381	n.a.
Net Investments	963	(2,491)	n.a.
Investments	1,579	3,371	+114%
Disposals	616	5,862	+852%
Total Net Debt**	9,356	8,752	-6.5%
Net Debt with recourse	2,934	(59)	n.a.
Non recourse Financing	6,422	8,811	+37.2%

* Profit after taxes not including exceptional results

** 2008 debt as of 31st of December

- During the first half of 2009 Grupo ACS has accounted a total turnover of € 8,122 million, 2.3% more than last year's figure. EBITDA grew by 2.2% whilst EBIT decreases by 1.4%.
- Net profit of the Group grew by 72.8% up to € 1,542 million. EPS at the end of the period is 4.91 euros per share, which means a growth of 86.0%.
- Profit from continuing operations, not including the contribution of UNF and Ports and Logistics, grew by 15.1% up to € 448 million. Ordinary net profit after taxes, not including the exceptional results decreases by 3.4% to € 541 million, although the Ordinary EPS grows by 4.0% thanks to the treasury stock acquisitions and subsequent cancellation in the last 12 months.
- Cash flow from operations accounts for € 381 million, showing a positive cash flow generation in first half of 2009.
- In the first half of 2009 the investments accounted for € 3,371 million, including the novation of Iberdrola equity swap for € 2,316 million, whilst the disposals generated funds for € 5,862 million, mainly coming from the sale of 35.3% of Union Fenosa.
- Total net debt accounted for € 8,752 million, of which € 59 million correspond to a net cash position of the operating activities, whilst the non recourse debt amounted to € 8,811 million.

1.2. Main figures by activity

TURNOVER			January - June		
Million Euro	2008	%	2009	%	Var. 09/08
Construction	3,584	44%	3,277	40%	-8.6%
Concessions	36	0%	32	0%	n.s.
Environment & Logistics	1,192	15%	1,312	16%	+10.0%
Industrial Services & Energy	3,290	41%	3,552	44%	+8.0%
Holding / Adjustments	(164)		(51)		
TOTAL	7,938		8,122		+2.3%

EBITDA			January - June		
Million Euro	2008	%	2009	%	Var. 09/08
Construction	267	36%	244	32%	-8.6%
Concessions	25	3%	10	1%	n.s.
Environment & Logistics	156	21%	171	23%	+9.6%
Industrial Services & Energy	293	40%	328	44%	+12.0%
Holding / Adjustments	(21)		(17)		
TOTAL	720		736		+2.2%

EBIT			January - June		
Million Euro	2008	%	2009	%	Var. 09/08
Construction	224	38%	204	35%	-9.2%
Concessions	19	3%	3	1%	n.s.
Environment & Logistics	98	17%	105	18%	+7.4%
Industrial Services & Energy	251	42%	268	46%	+7.1%
Holding / Adjustments	(23)		(19)		
TOTAL	569		561		-1.4%

NET PROFIT			January - June		
Million Euro	2008	%	2009	%	Var. 09/08
Construction	156	17%	143	9%	-8.4%
Concessions*	6	1%	(12)	(1%)	n.s.
Environment & Logistics	78	9%	78	5%	+0.2%
Industrial Services & Energy	159	18%	175	11%	+10.0%
Listed Associates	19	2%	69	5%	+252.5%
Holding / Adjustments	475	53%	1,089	71%	
TOTAL	893		1,542		+72.8%

BACKLOG			January - June		
Million Euro	2008	months	2009	months	Var. 09/08
Construction	11,752	19	11,091	21	-5.6%
Industrial Services & Energy	6,250	13	6,579	12	+5.3%
Services	10,471	54	10,824	51	+3.4%
TOTAL	28,473		28,494		+0.1%

Note: The percentages have been calculated as the sum of the activities considered in each area

1.3. *Relevant facts of the period*

- Following the statement issued on 17 February 2009 by the Ministry of Economy and Finance regarding the proposed merger reported to the National Commission on Competition, this being the acquisition by Gas Natural SDG, S.A. of full control over Unión Fenosa, S.A., in which the Ministry determined not to refer said merger to the Council of Ministers (cabinet) and thus to authorise the sale of the 35.3% of Unión Fenosa shares still held by Grupo ACS. The transaction, for an amount of 5,824.8 million euros (equivalent to 18.05 euros per share, once discounted the dividend of 0.28 euros per share collected on January), was completed last February 2009.
- The Company has novated the equity swap regarding the 4.88% (adjusted to the recent capital increase) stake in Iberdrola, S.A. This novation extends the exercising period, and the exercising of political rights inherent to the underlying shares shall correspond to ACS; the fulfillment shall be only through physical handover of shares, unless if the share price is under four euros, in which case ACS Actividades de Construcción y Servicios, S.A. may liquidate through differences. This way, the ACS Group now has 12.0% of voting rights in Iberdrola S.A. (Adjusted figure after the recent Iberdrola capital increase). Additionally, it also has been agreed the ownership and use of all the economical rights, allowing Grupo ACS to receive 100% of Iberdrola dividends avoiding in this way the withholding tax.
- During the Shareholders Annual General Meeting of the Group, held the 25th of May 2009, it was approved the cancellation of 3,979,380 shares, representing 1.249% of the share capital, included at the time of the celebration of the Meeting in the treasury stock account of the Company. After the aforementioned cancellation, the share capital accounted for 157,332,297 euros represented by 314,664,594 shares. The cancellation was made effective on the 3rd of July 2009.
- During last April, Grupo ACS initiated a formal selling process of its Ports and Logistics Services business unit. For this reason and according to the International Financial Reporting Standards (IFRS), the Ports and Logistics Services business unit accounts have to be classified in the Consolidated Financial Statement as “Assets held for sale”, and therefore the reclassification of all the accounts in the P&L for both the actual and last year, as well as the Balance Sheet of the 30th of June 2009.
 - Its contribution to the consolidated net profit of Grupo ACS is through “Profit from discontinued operations”.
 - The assets and liabilities corresponding to this investment have been reclassified as “Assets held for sale” and “Liabilities from assets held for sale”. Liabilities also include the debt of the company by the end of the period, that accounted for € 565 million.

2. Consolidated financial statements

2.1. Income Statement

ACS Group					
Consolidated Income Statement					
January - June					
Million Euro	2008	%	2009	%	Var. 09/08
Net Sales	7,938	100.0%	8,122	100.0%	+2.3%
Other revenues	319	4.0%	208	2.6%	-34.7%
Total Income	8,257	104.0%	8,331	102.6%	+0.9%
Operating expenses	(5,623)	(70.8%)	(5,626)	(69.3%)	+0.1%
Personnel expenses	(1,914)	(24.1%)	(1,968)	(24.2%)	+2.8%
Operating Cash Flow (EBITDA)	720	9.1%	736	9.1%	+2.2%
Fixed assets depreciation	(136)	(1.7%)	(171)	(2.1%)	+25.9%
Current assets provisions	(15)	(0.2%)	(4)	(0.1%)	-72.7%
Ordinary Operating Profit (EBIT)	569	7.2%	561	6.9%	-1.4%
Fixed assets depreciation	4	0.1%	1	0.0%	n.a.
Other operating results	1	0.0%	15	0.2%	n.a.
Operating Profit	574	7.2%	577	7.1%	+0.5%
Financial income	184	2.3%	222	2.7%	+20.3%
Financial expenses	(374)	(4.7%)	(348)	(4.3%)	-6.9%
Ordinary Financial Result	(189)	(2.4%)	(126)	(1.6%)	-33.4%
Foreign exchange Results	(5)	(0.1%)	(8)	(0.1%)	n.a.
Impairment non current assets results	(3)	(0.0%)	2	0.0%	n.a.
Results on non current assets disposals	349	4.4%	10	0.1%	n.a.
Net Financial Result	152	1.9%	(122)	(1.5%)	n.a.
Results on equity method	86	1.1%	96	1.2%	+11.8%
Ordinary income of continued operations	812	10.2%	551	6.8%	-32.2%
Corporate income tax	(80)	(1.0%)	(95)	(1.2%)	+18.3%
Profit after taxes of the continued operations	733	9.2%	457	5.6%	-37.7%
Profit after taxes of the discontinued operations	171	2.2%	1,098	13.5%	n.a.
Consolidated Result	903	11.4%	1,555	19.1%	+72.1%
Minority interest	(11)	(0.1%)	(13)	(0.2%)	+17.1%
Net Profit Attributable to the Parent Company	893	11.2%	1,542	19.0%	+72.8%

2.1.1. Net Sales

- Sales reached € 8,122 million, a 2.3% more than in 2008. This positive evolution is backed by the 10.0% growth in Environment and Logistics coupled by the 8.0% increase of sales in Industrial Services. This compensated the Construction activity that decreases by 8.6%, compared to the same period of 2008. Even though, Construction sales grew by 7.8% compared to last half of 2008.

- International sales grew by 15.7% up to € 1,792 million, which means 22.1 % of total sales. All activities grow above 10%, especially Construction that increased production by 33%.

2.1.2. Operating Results

- EBITDA accounted for € 736 million, a 2.2% more than last year's figure. Margin over sales is 9.1%, the same as the margin accounted in June 2008.
- EBIT accounted for € 561 million, 1.4% less than last year, with a margin of 6.9% over sales. The decrease in this period is coming from the substantial increase in depreciations, as a result of the investments in capital intensive assets performed during the last years.
- The domestic Construction (because of the domestic activity decrease) and Concessions activities have impacted the EBIT evolution. Nevertheless, this has been compensated by Environment & Logistics, that grew by 7.4% and by Industrial Services EBIT, which grew by 7.1%.

2.1.3. Ordinary Financial Result

- The net financial expense accounted for € 126 million, 33.4% below last year's figure due to the decrease of debt, the interest rates evolution and the Iberdrola dividends accrued.
- In fact, the dividends from Iberdrola reached € 118 million, out of which € 71 million correspond to the direct stake and € 47 million to the equity swap. Therefore, the financial expenses not including Iberdrola dividends accounted for € 244 million, showing a decrease of 15%.

2.1.4. Ordinary income from continued operations

- Accounted for € 551 million, 32.2% less than last year as several concessional assets were sold in 2008 (the airports and the 49% of the Chilean highways). Not taking into consideration that effect, this figure would have increased by 16.5%
- Profit from affiliates accounting by the equity method reached for € 96 million. Abertis contributed with € 71.7 million and Hochtief accounted for € 23.7 million.

2.1.5. Net profit attributable to the Parent Company

- Net profit attributable to the Parent Company reached € 1,542.1 million, meaning an increase of 72.8% compared to 2008 figure. Excluding the exceptional results of the year, the Ordinary Net Profit reached € 541 million, 3.4% less than the same period of last year. Nevertheless, the Ordinary EPS, adjusted by the average number of shares of the period, grows by 4.0%.
- The ordinary net profit from continuing operations, that is not including the Unión Fenosa contribution in January and February until its sale, neither the contribution of Port & Logistic Services, whose sale process recently started, reached € 448 million growing by 15.1% in comparable terms.

Grupo ACS			
Ordinary Net Profit			January - June
€ Million	2008	2009	Var. 09/08
Net Profit	893	1.542	+72,8%
Capital gain from 35,3% UNF*		(1.001)	
Capital gain from 100% Invinsl	(224)		
Capital gain from DCA	(109)		
Ordinary Net Profit	560	541	-3,4%
<i>Outstanding number of shares (average)</i>	<i>338,2</i>	<i>314,1</i>	<i>-7,1%</i>
Ordinary EPS	1,65 €	1,72 €	+4,0%

* After taxes and transaction fees

- Corporate taxes reached € 94.5 million. Effective tax rate, adjusted by those results whose contribution is already net of taxes (equity method, capital gains and dividends from financial investments), is around 28%.
- Net profit attributable to minority interests accounted for € 12.6 million and mainly corresponds to concession subsidiaries and other affiliates.

2.2. Consolidated balance sheet

ACS Group					
Consolidated Balance Sheet					
Million Euro	Dec-08	%	Jun-09	%	Var.
Intangible Fixed Assets	1,467	2.9 %	1,266	4 %	-13.7%
Tangible Fixed Assets	1,719	3.3 %	1,357	4 %	-21.0%
Concession Projects Assets	3,587	7.0 %	3,949	13 %	+10.1%
Property Assets	71	0.1 %	69	0 %	-2.1%
Investments accounted by Equity Method	3,893	7.6 %	3,967	13 %	+1.9%
Long Term Financial Investments	3,188	6.2 %	4,492	15 %	+40.9%
Financial Instruments Debtors	1	0.0 %	10	0 %	n.a.
Deferred Taxes Assets	694	1.4 %	949	3 %	+36.6%
Fixed and Non-current Assets	14,619	28.4 %	16,059	52 %	+9.8%
Non Current Assets Held for Sale	24,351	47.4 %	1,183	4 %	-95.1%
Inventories	699	1.4 %	661	2 %	-5.4%
Accounts receivables	7,302	14.2 %	7,602	25 %	+4.1%
Short Term Financial Investments	2,185	4.3 %	2,922	10 %	+33.7%
Other Short Term Assets	62	0.1 %	88	0 %	+41.4%
Cash and banks	2,181	4.2 %	2,170	7 %	-0.5%
CURRENT ASSETS	36,779	71.6 %	14,625	48 %	-60.2%
TOTAL ASSETS	51,398	100.0 %	30,684	100 %	-40.3%
Shareholders' Equity	3,402	6.6 %	3,769	12 %	+10.8%
Minority Interests	6,511	12.7 %	230	1 %	-96.5%
Net Worth	9,913	19.3 %	4,000	13 %	-59.7%
Subsidies	65	0.1 %	88	0 %	+34.3%
Long Term Financial Liabilities	9,576	18.6 %	8,500	28 %	-11.2%
Deferred Taxes Liabilities	231	0.4 %	656	2 %	+184.3%
Long Term Provisions	159	0.3 %	310	1 %	+95.7%
Financial Instruments Creditors	856	1.7 %	354	1 %	-58.6%
Other Long Term Accrued Liabilities	183	0.4 %	206	1 %	+12.5%
Non-current Liabilities	11,070	21.5 %	10,114	33 %	-8.6%
Liabilities from Assets Held for Sale	15,913	31.0 %	845	3 %	-94.7%
Short Term Provisions	265	0.5 %	271	1 %	+2.2%
Short Term Financial Liabilities	4,146	8.1 %	5,344	17 %	+28.9%
Trade accounts payables	9,376	18.2 %	9,442	31 %	+0.7%
Other current payables	716	1.4 %	669	2 %	-6.5%
Current Liabilities	30,416	59.2 %	16,570	54 %	-45.5%
TOTAL EQUITY & LIABILITIES	51,398	100.0 %	30,684	100 %	-40.3%

2.2.1. Non-current assets

- Intangible fixed assets account for € 1,266 million of which € 1,036 million correspond to the goodwill, whilst the tangible fixed assets account for € 1,357 million. Additionally the non current assets in concessional projects account for € 3,882 million, mainly invested in renewable energy projects and transport concessions.

- Long term financial investments, including the 12.0% stake in Iberdrola, account for € 4,492 million. Investments accounted by equity method include the stakes in Abertis and Hochtief and account for € 3,967 million.

2.2.2. Working capital

- Working capital presents a credit balance of € 2,031 million. The decrease in this account in the last 6 months is due to the working capital variation in the operating activities for € 236 million, coming from Construction, to the adjustments in long term deferred taxes and to the difference between the dividend accrued in May 2009 and the payment of the dividend accrued in 2008 year end.

2.2.3. Net Debt

Net Debt (€ mn) June 30, 2009	Construction	Concessions	Environment & Logistics	Industrial Services	Corporation / Adjustments	Grupo ACS
Non-current loans from credit entities	133	11	100	135	1,789	2,168
Current loans from credit entities	657	304	1,251	439	113	2,763
Loans from credit entities	790	315	1,351	574	1,902	4,932
Other non-current financial liabilities	42	7	12	28	(7)	82
Other current financial liabilities	205	2	86	2	(277)	19
Other financial liabilities	247	9	99	30	(283)	101
Cash and equivalents	2,379	292	548	1,171	702	5,092
Net Debt / (Cash)	(1,342)	32	902	(568)	916	(59)
LT non recourse financing	145	456	126	2,420	3,102	6,249
ST non recourse financing	4	3	64	92	2,399	2,562
Non recourse financing	149	459	189	2,512	5,501	8,811
TOTAL NET DEBT	(1,193)	491	1,091	1,944	6,417	8,752

- Net debt of the Group at the end of March reached € 8,752 million, being € 8,811 million without recourse whilst the operating activities present a net cash position of € 59 million.
- The non recourse debt in the Corporation accounts for € 5,501 million, corresponding to the financing of the vehicles used to acquire Iberdrola (€ 4,839 million) and Hochtief (€ 662 million) shares. The rest of non recourse debt, € 3,310 million, is coming from project finance, mainly from renewable energy assets.
- The net debt corresponding to the Ports and Logistics Services business area, that in December 31st, 2008 accounted for € 518 million and € 565 million by the end of June 2009, has been reclassified to the account "Liabilities from Assets Held for Sale" in the consolidated balance sheet of Grupo ACS.

2.2.4. Net worth

- Reached a € 4,000 million, of which € 3,769 million corresponds to shareholder's equity, 10.8% higher than the figure accounted in 2008.

2.3. Cash flow statement

ACS Group			
Cash Flow Statement		January - June	
Million Euro	2008	2009	Var. 09/08
Net Profit	893	1,542	+72.8%
Adjustments to net profit without cash flow	(392)	(925)	
Working Capital Variation	(625)	(236)	
Cash Flow from Operating Activities	(125)	381	n.a.
1. Investments	(1,579)	(3,371)	
2. Disinvestments	759	5,862	
Cash flow from Investing Activities	(820)	2,491	n.a.
1. Treasury stock acquisition	(204)	(298)	
3. Dividends paid	(265)	(287)	
4. Other adjustments	(28)	(228)	
Other Cash Flows	(497)	(813)	+63.7%
Total Cash Flow	(1,442)	2,060	n.a.

Note: The cash generated includes the cancellation of the non recourse financing of the vehicles used to acquire Union Fenosa, for a total amount of €2,260 million..

2.3.1. Cash flow from operations

- Cash flow from operating activities reached € 381 million. The operating working capital evolution for this half has been significantly better than those accounted in the same period of 2008. This effect has permitted a positive cash flow generation.

2.3.2. Net consolidated investments

- Total investments of the Group during 2008 reached € 3,371 million, while disposals amounted to € 5,862 million. Both are broken down as follows:

Grupo ACS			
Net Investments		January - June	
Euro Million	Gross Investment	Disposals	Net Investment
Construction	67	(8)	59
Concessions	154	0	154
Environment & Logistics	116	(16)	100
Industrial Services	667	(13)	654
Holding & others	2,367	(5,825)	(3,458)
TOTAL	3,371	(5,862)	(2,491)

- Holding investments include the novation of 4.88% Iberdrola equity swap (adjusted after the recent capital increase), that is accounted in the consolidated Balance Sheet of the Group.
- The Group has invested in Construction € 67 million, mainly in equipment and machinery.
- In Concessions, the Group has invested € 154 million, highlighting the € 130 million in the I595 US highway as the most important investment.
- In Environment & Logistics the Group has invested € 116 million, mainly in the acquisition of environmental assets and treatment plants for € 84 million. These figures do not include the investments performed in Ports and Logistics area of activity that account for € 49 million.
- In Industrial Services, the Group has invested € 667 million, mainly in renewable energy projects, both in thermosolar plants (€ 307 million) and wind farms (€ 195 million), as well as in transmission lines (€ 103 million) and in desalinization plants (€ 34 million).

2.3.3. Cash flow from financing activities

- The debt of Grupo ACS has been reduced by € 2,060 million in this period. This figure includes the non recourse debt from Unión Fenosa. In December 2008 accounted for € 2,260 million and was included in "Liabilities from assets held for sale" in the Balance Sheet.
- The Group has paid in January 2009 € 287 million in dividends for their shareholders corresponding to the year 2008, equivalent to 0.90 euros per share.
- During the first semester of 2009 the Group has bought treasury stock worth € 298 million, being a large part of it (1.25% of capital) cancelled by the beginning of July.

3. Business Performance

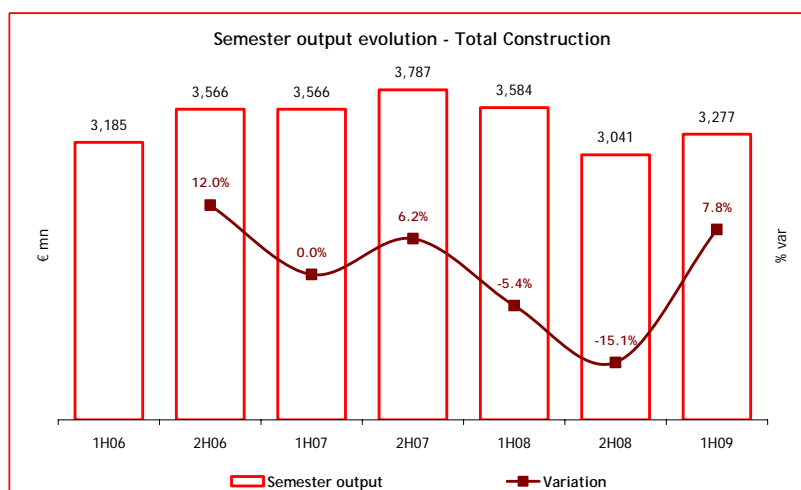
3.1. Construction

Construction			
Main financial figures			
January - June			
Million Euro	2008	2009	Var. 09/08
Turnover	3,584.0	3,277.3	-8.6%
EBITDA	267.4	244.4	-8.6%
Margin	7.5%	7.5%	
EBIT	224.4	203.7	-9.2%
Margin	6.3%	6.2%	
Net Profit	155.6	142.6	-8.4%
Margin	4.3%	4.3%	
Backlog	11,752	11,090	-5.6%
Months	19	21	

3.1.1. Turnover breakdown by activity

Construction			
Turnover breakdown by activity			
January - June			
Million Euro	2008	2009	Var. 09/08
Civil Works	2,165.7	2,211.1	+2.1%
Non Residential Building	805.4	689.2	-14.4%
Residential Building	612.9	377.0	-38.5%
TOTAL	3,584.0	3,277.3	-8.6%
<i>International</i>	<i>368.1</i>	<i>492.4</i>	<i>+33.8%</i>
<i>% over total sales</i>	<i>10%</i>	<i>15%</i>	

- Sales on the first half of 2008 reached to € 3,277.3 million, 8.6% less than the same period of last year, but 7.8% more than the second half of 2008. The sales in the second quarter accounted for € 1,690 million, 6.6% more than the sales of the first quarter of 2009.



- The international activity has grown by 33.8% as a result of the increase of the activity and backlog the United States, Portugal, Canada, Greece and Ireland. The international activity amounts for 15% of the total, five percentage points above last year's figure, and is almost completely focused on Civil Works.

3.1.2. Operating results

- EBITDA and EBIT margins maintain the same level as accounted last year, due to the impact of two factors: first, the change in the production mix, where higher-margin Civil Works is weighting more compared to the rest of activities; secondly, the effect of a continuous improvement in efficiency and project execution processes. EBITDA margin remains at 7.5% and EBIT margin is 6.2%, only 10 b.p. lower than last years first half figure.
- Net Profit accounted for € 142.6 million, 8.4% less than 2008 figure maintaining its margins on sales in the 4.3%.

3.1.3. Backlog evolution

Construction		Backlog breakdown by activity		January - June
Million Euro	2008	2009	Var. 09/08	
Civil Works	8,569.5	8,891.1	+3.8%	
Non Residential Building	1,974.6	1,619.6	-18.0%	
Residential Building	1,208.1	579.8	-52.0%	
TOTAL	11,752.2	11,090.5	-5.6%	
<i>International</i>	<i>2,597.4</i>	<i>3,352.8</i>	<i>+29.1%</i>	
<i>% over total backlog</i>	<i>22%</i>	<i>30%</i>		

- Backlog reaches € 11,090 million, a level equivalent to 21 months of activity, which represents an decrease versus 2008 of 5.6%, although if the backlog is compared to the figure of December 2008, there has been an increase of 0.6%.
- Civil Works backlog in Spain decreases by 7.3%, whilst the international backlog grows by 29.1%. As a whole, Civil Works backlog grows by 3.8%.
- When a comparison is made among the backlogs by June 30th 2009 (€ 11,090.5 million), by March 31st, 2009 (€ 11,070.7 million) and December 31st,2008 (€ 11,023.2 million), Grupo ACS is maintaining a stable backlog in the last months, whilst the mix of projects is changing extensively, towards a more Civil Works focused portfolio. By June of 2008 Civil Works weighted around 73% of the total, and now this figure exceeds 80%.
- Building backlog continues decreasing as a consequence of the evolution of the Spanish real state market that is experiencing a sharp drop. Nevertheless, during the last three months it has slowed down its decrease.

3.2. Concessions

Concessions		January - June	
Main financial figures			
Million Euro	2008	2009	
Turnover	35.6	31.5	
EBITDA	25.0	10.2	
EBIT	19.0	3.1	
Equity method	(17.0)	(14.1)	
Attributable Net Profit	5.7	(11.5)	

- The sales figure of this area comes from La Mancha and Santiago Brión Highways and the transfer stations of Príncipe Pío and Avenida de América in Madrid, all of them concessions already under operation.
- The construction activity has started in the main contracts awarded last year, as for example in the I595 highway in the US, the Baixo Alentejo highway in Portugal and the Eix Diagonal highway and Subway Line 9, both of them in Barcelona.

3.3. Environment & Logistics

Environment & Logistics		January - June	
Main financial figures			
Million Euro	2008	2009	Var. 09/08
Turnover	1,192.1	1,311.7	+10.0%
EBITDA	156.4	171.3	+9.6%
Margin	13.1%	13.1%	
EBIT	97.5	104.8	+7.4%
Margin	8.2%	8.0%	
Net Profit	78.0	78.1	+0.2%
Margin	6.5%	6.0%	
Backlog	10,471	10,824	+3.4%
Months	54	51	

3.3.1. Turnover breakdown by activity

Environment & Logistics		January - June	
Turnover breakdown by activity			
Million Euro	2008	2009	Var. 09/08
Environmental Services	724.2	811.0	+12.0%
Facility Management	467.9	500.6	+7.0%
TOTAL	1,192.1	1,311.7	+10.0%
<i>International</i>	<i>130.1</i>	<i>172.1</i>	<i>+32.3%</i>
<i>% over total sales</i>	<i>11%</i>	<i>13%</i>	

- In the first half of 2009 there has been an increase in sales in Environment and Logistics of 10.0%, mainly coming from the good performance of Environmental Services, that grew by 12.0% and the Facility Management area, that grew by 7.0%. The Ports and Logistics area has been excluded from the income figures due to its sale process, as explained in paragraph 1.3 in this document.
- The domestic market shows its stability growing by 7.3%. At the same time, the international sales grow by 32.3% because of the solid activity of international treatment plants projects won during the last years.

3.3.2. Operating results

- Both EBITDA and EBIT grew by 9.6% and 7.4% respectively. Margin on sales account for 13.1% (EBITDA) and 8.0% (EBIT). The 20 bp's decrease in EBIT margin is coming from an increase in the depreciation of the Environmental Services area, as a consequence of several treatment plants abroad starting their operation in the last months.

- Net Profit grew 0.2% with a margin on sales of 6.0%. This figure includes the contribution of Ports and Logistic Services as a Discontinued Operation. Not taking into consideration that effect, the Net profit would have grown by 8% compared to the adjusted figure of last year.

3.3.3. Backlog evolution

Medio Ambiente y Logística			
Desglose de la Cartera por actividad			Enero - Junio
Millones de Euros	2008	2009	Var. 09/08
Medio Ambiente	9,493.6	9,827.2	+3.5%
Mantenimiento Integral	977.8	997.2	+2.0%
TOTAL	10,471.4	10,824.4	+3.4%
<i>Internacional</i>	<i>3,370.4</i>	<i>3,456.2</i>	<i>+2.5%</i>
<i>% sobre el total de cartera</i>	<i>32%</i>	<i>32%</i>	

- Environment & Logistics backlog accounts € 10,824 million, approximately 5 years of activity, and growing by 3.4%. The international backlog is now 32% of the total and grows by 2.5%.

3.4. Industrial Services

Industrial Services & Energy			January - June
Main financial figures			
Million Euro	2008	2009	Var. 09/08
Turnover	3,290.1	3,552.1	+8.0%
EBITDA	293.2	328.5	+12.0%
Margin	8.9%	9.2%	
EBIT	250.7	268.4	+7.1%
Margin	7.6%	7.6%	
Net Profit	159.3	175.2	+10.0%
Margin	4.8%	4.9%	
Backlog	6,250	6,579	+5.3%
Months	13	12	

3.4.1. Turnover breakdown by activity

Industrial Services & Energy			January - June
Turnover breakdown by activity			
Million Euro	2008	2009	Var. 07/06
Support Services	2,209.0	2,161.6	-2.1%
Networks	462.1	463.0	+0.2%
Specialized Products	1,165.6	1,182.8	+1.5%
Control Systems	581.3	515.8	-11.3%
EPC Projects & Energy	1,133.9	1,435.6	+26.6%
EPC Projects	1,060.4	1,345.5	+26.9%
Power Generation & Transmission	73.5	90.1	+22.6%
<i>Consolidation Adjustments</i>	<i>-52.8</i>	<i>-45.1</i>	<i>n.a.</i>
TOTAL	3,290.1	3,552.1	+8.0%
International	1,041.9	1,118.2	+7.3%
<i>% over total sales</i>	<i>32%</i>	<i>31%</i>	

- Sales on Industrial Services grew solidly in the first three months of 2009, by 8.0%, backed by Energy Projects and the international activity that continues to show a positive performance, growing by 7.3%.
- Support Services activity decreases its sales by 2.1% and its affected by the current situation of the utility companies, that are facing a period of a significant energy demand decrease. This is affecting the domestic maintenance activity in Spain; nevertheless, this effect is being partly compensated by the increase of international sales. Control Systems, which focuses its sales in Spain, decreased its activity by 11.3%. At the same time, Control Systems backlog grows by 6% in the first half of 2009 compared to last year's figure.
- Energy Projects activity grew solidly by 26.6%, with an excellent performance in its activities, both EPC Projects that grew more than 20% and the Renewable energy

generation activity, that grows by 22.6%, thanks to the new facilities under operation, as Andasol I, the first plant that began its electricity generation last November. In the second quarter of 2009 Andasol II has started its tests period and also in the second half of the year Extresol I will start operating, totalling 150 MW of Thermosolar energy under operation.

3.4.2. Operating results

- EBITDA grew by 12.0% with a margin on sales of 9.2%, 30 b.p. better than last year as a result of the change of mix experienced, where Energy Projects and Renewable Energies contribute in greater proportion.
- EBIT grew by 7.1% leaving the margin on sales on 7.6%, the same figure as last year. The increase in the depreciation account is generated by the higher contribution of capital intensive businesses as the investments in renewable energy.

3.4.3. Backlog evolution

Industrial Services & Energy		January - June	
Backlog breakdown by activity			
Million Euro	2008	2009	Var. 07/06
Support Services	4,134.5	4,244.6	+2.7%
EPC Projects & Energy	2,116.0	2,334.7	+10.3%
TOTAL	6,250.5	6,579.3	+5.3%
International	2,442.2	2,029.6	-16.9%
<i>% over total backlog</i>	<i>39%</i>	<i>31%</i>	

- The backlog of € 6,579 million (+5.3%) means more than a year of activity, maintaining good perspectives of the area for 2009. The Support Services backlog grew by 2.7% backed by the growth of Specialized Products both in Spain and abroad.
- The EPS Projects and Energy backlog continues growing, in this case due to the domestic market activity in renewable energy and gas storage facilities.

3.5. Affiliated Listed Companies

Associates		January - June	
Main financial figures			
Million Euro	2008	2009	Var. 09/08
Abertis	70.4	71.7	+1.9%
Hochtief	21.4	23.7	+11.1%
Iberdrola	58.1	70.7	+21.7%
Income from Associates	149.8	166.1	+10.9%
Financial expenses	(186.1)	(158.7)	
Corporate tax	55.8	61.2	
Attributable Net Profit	19.5	68.6	+252.5%

- The contribution from these companies to the Net Profit of the Group, before financial expenses and taxes accounts for € 166.1 million, 10.9% more than last year.
 - Abertis contribution accounted for € 71.7 million.
 - The stake of 29.9% that ACS Group holds in Hochtief has contributed with € 23.7 million by equity method.
 - Iberdrola has contributed with its accrued dividends of € 70.7 million accounted as financial income. The dividends from the equity swap have been deducted from the financial expenses to make them comparable with the previous years' figures.
- Financial expenses associated to those investments in these companies are € 158.7 million, and include the expenses coming from the equity swap on Iberdrola adjusted by the dividends obtained from the shares included in that contract. The positive tax impact accounts for € 61.2 million.
- Hence, attributable net profit of the listed affiliates in 1H2009 accounts for € 68.6 million.

4. Material facts occurring since the last close

- During the Shareholders Annual General Meeting of the Group, held the 25th of May 2009, it was agreed the cancellation of 3,979,380 shares, representing 1.249% of the share capital, included at the time of the celebration of the Meeting in the treasury stock account of the Company. After the aforementioned cancellation, the share capital accounted for 157,332,297 euros represented by 314,664,594 shares. The cancellation was made effective on the 3rd of July 2009.

5. Description of main risks and uncertainties

- Grupo ACS undertakes its activities in various sectors, countries and legal and economic environments and is thus exposed to the different degrees of risk inherent in the businesses it conducts.
- Grupo ACS monitors and manages these risks to prevent them from: affecting the return obtained by its shareholders; becoming a danger for its employees or its corporate reputation; creating difficulties for its customers or having a negative effect on the Group as a whole. To do this the Group has a series of instruments that allow it to identify risks sufficiently in advance to be able to manage them adequately, whether by forestalling their occurrence or minimising their impact, and, in all cases, by ranking them in order of importance. Of special note in this context are the control systems in place with respect to bidding for tenders, contracting, planning and managing works and projects, and managing quality, environmental issues and human resources.
- In addition to the risks inherent in its various business activities, Grupo ACS is exposed to various financial risks, such as changes in interest rates or exchange rates, liquidity risk and credit risk.
- Risks arising from sudden changes in interest rates are mitigated by hedge instruments that cushion their effects.
- The risk of fluctuations in the rate of exchange is managed by acquiring debt instruments in the same effective currency as the assets that the Group finances abroad. To cover net positions in currencies other than the euro, the Group obtains hedge instruments that mitigate its exposure to the exchange-rate risk.
- To manage the liquidity risk arising from temporary imbalances between funding requirements and receipt of the necessary funds, a balance is procured between the two terms involved while, at the same time, the Group borrows on a flexible basis designed to cater for its funding needs at any given time. This is done in close coordination with the management of its capital base, which aims at maintaining an optimal equity and

borrowing position in order a) to reduce borrowing costs, and b) to allow the Group to undertake its activities at adequate debt-to-equity ratios.

- Lastly, credit risk arising from non-performing business loans is managed by carefully gauging the solvency of potential customers both at the outset of relations and subsequently in the course of contract completion, assessing the credit rating of amounts outstanding and subjecting to constant review both the amounts held recoverable and those considered doubtful.
- Monitoring risk of a financial nature is undertaken by strict application of IFRS (in line with the new Spanish accounting rules) and by drawing up regular reports to ensure that monitoring and controlling such risks remains an intrinsic part of management decision-making.
- The Corporate Governance Report and the Annual Consolidated Accounts for Grupo ACS go into greater detail on the above risks and the instruments used to control them.
- In the first half-year of 2009, based on the information available to it at the present time, Grupo ACS does not expect to encounter risks or uncertainties that differ materially from those present in the second half-year of 2008.

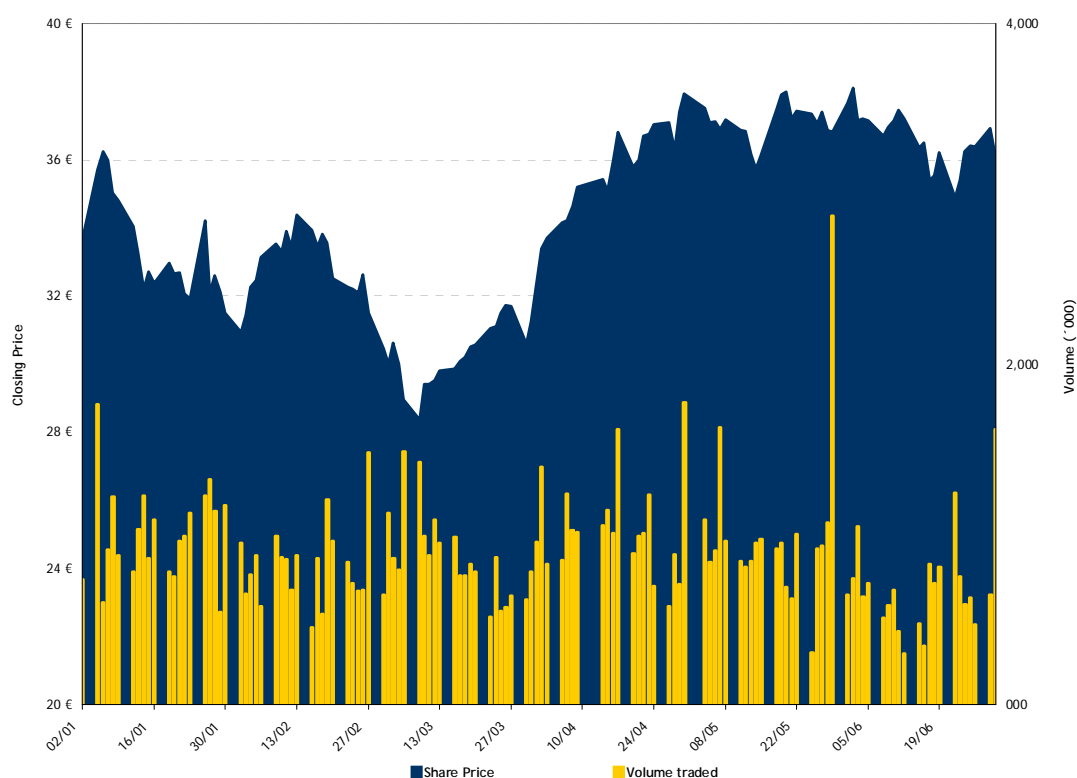
6. Information on related parties

- The information on transactions with related parties is contained in the relevant section of the annual financial report filed with the CNMV.
- During the first half of 2009 the operations with related parties did not materially affect either the financial position or the results of the Group in the period.
- All the Group's transactions with related parties were undertaken in the course of normal business, in market conditions and correspond to the usual transactions of the companies of the Group.

Annexes

Annex I. Stock price evolution

ACS Shares Data	1H08	1H09
Closing price	31.91 €	36.05 €
Annual performance	-21.50%	10.41%
Maximum in the period	40.99 €	38.75 €
Maximum Date	2-Jan	30-Apr
Minimum in the period	30.58 €	27.67 €
Minimum Date	30-Jun	9-Mar
Average in the period	35.37 €	34.13 €
Total volume ('000)	206,815	113,760
Daily average volume ('000)	1,641.39	902.85
Total traded effective (€ mn)	7,314	3,883
Daily average effective (€ mn)	58.05	30.82
Number of shares (mn)	352.87	318.64
Market cap (€ mn)	11,260	11,487



Annex II. Main contracts awarded

i. Construction

Civil Works - Roads

- Project for the construction of the A-1 highway, between Slaskie and Maciejów (Poland)
- Construction of the highway between Lavacolla y Arzau in A Coruña (Spain)
- Works for the construction of the intersection in Coria del Río-Almensilla in the SE-40 highway (Seville, Spain)
- MU-30 ringroad construction in the Reguerón Highway (Murcia, Spain)
- Works for the construction of the Algarve Litoral highway in Portugal
- Works for the construction of the urban road between Barranco de Santos.-Plaza España (Santa Cruz de Tenerife, Spain)
- Project for the construction of the intersection in Santiuste- Burgo de Osma in the A-11 highway (Soria , Spain)
- Construction of the Abrera Este intersection road (Barcelona, Spain)
- Urban works in the area SUP-TO-1 in San Fernando de Henares (Madrid, Spain)
- Contract for maintenance works in a group of rural roads called Malla-5 (Santa Fé, Argentina)
- Works for the repair on the slope in the A-6 highway (Leon, Spain)
- Works for the construction of the A-67 and N-611-A roads (Cantabria, Spain)

Civil Works - Railways

- Works for the enlargement of the Atocha railway station (Madrid, Spain)
- High speed railway section building between Valladolid-Palencia, in the area of Venta de Baños (Palencia, Spain)
- High speed railway section between Peña de los Enamorados y Archidona (Málaga, Spain)
- Railway section construction in the Costa del Sol (Málaga, Spain)
- Works for Beasaín Este railway construction (Guipúzcoa, Spain)
- Works for the construction of the railway section between Silleda-Vedra (Pontevedra, Spain)
- Works for the construction of Subway Line 1 (Sevilla, Spain)

Civil Works - Hydraulic or Maritime

- Works for Albagés dam construction (Lérida, Spain)
- Contract for the operation and maintenance of the sewage treatment plant in Madrid
- Hydro-eolic power plant civil works (Tenerife, Spain)
- Project for drainage system works in Lasarte-Oria and Usurbil (Guipúzcoa, Spain)
- Waste water purification station construction (Altona, Australia)
- Works for the Monegris water line (Huesca, Spain)

Non Residential Building

- Project for the construction of the University Hospital of Guadalajara (Spain)
- Construction of the Central Services building of Granada´s University (Granada, Spain)
- Project for the construction of the Antofagasta penitentiary (Chile)
- Works for the improvement of the University Hospital of Son Dureta (Balears, Spain)
- Ikea´s shopping centre (lot 1) construction (La Coruña, Spain)
- Viamed´s hospital construction (Sevilla, Spain)
- Laboratories building in Barcelona (Spain)
- Airport terminal and control tower construction in Santa Cruz de Tenerife (Spain)
- Project for the construction of the structure of the Puerto Venecia´s shopping centre (Zaragoza, Spain)
- Building of offices in Rivas Vaciamadrid (Madrid)
- Works for the construction of the San Juan de Dios Hospital (León, Spain)
- Works for the refurbishment of the Teniente Ruiz´s barracks (Ceuta, Spain)
- Lugo´s Hospital enhancement works (Lugo, Spain)

Residential Building

- Building of 215 apartments in Madrid (Spain)
- Building of 89 houses in Ceuta (Spain)
- Building of 300 apartments financed by the government (Madrid, Spain)
- Project for the building of 128 apartments in Melilla (Spain)
- Building of 158 apartments financed by the government (Valencia, Spain)
- Building of 102 apartments (Madrid, Spain)
- Building of 132 apartments financed by the government (Madrid)
- Construction of 101 government-sponsored houses in Toledo (Spain)

ii. Concessions

- Project for the design, construction, financing, operation and maintenance of the Algarve Litoral Concession (Portugal), including 33 new kilometers to be built and the refurbishment of 227 kilometers of the existing network.
- Project for the construction, operation and maintenance of the 67 kilometers of the L´Eix Diagonal shadow toll road in Barcelona (Spain).

iii. Environment & Logistics

Environmental Services

- Solid urban waste collection and street cleaning of the eastern area of the city of Barcelona
- Contract for the street cleaning and solid urban waste collection (Prat de Llobregat, Barcelona)

- Water sewage systems management in the municipalities of Posadas and Garupá (Argentina)
- Urban solid waste transfer plant in Hermosillo (Mexico)
- Concession for the landfill exploitation of Obregon City (Mexico)
- Transport and collection of urban solid waste and street cleaning of the city of Ripollet (Barcelona, Spain)
- Extension of the contract for urban waste collection and treatment in the Hereford and Worcester County (United Kingdom)
- Solid Urban waste collection in Cali (Colombia)
- Solid urban waste collection in San Diego (Venezuela)
- Solid urban waste collection in Punta Umbría (Huelva, Spain)
- Project for the construction of a solid urban waste treatment plant in Chalosse (France)
- Contract for the street cleaning in Paris´s districts (France)
- Urban solid waste treatment plant and transfer in Chivas (Valencia, Spain)
- Contract for the waste collection with Epremesa
- Maintenance, cleaning, gardening and improvements in the Buen Retiro garden, Madrid

Facility Management

- Management of the at-home medical care service in two areas of the city of Barcelona
- Cleaning services contract for several Spanish Royal Palaces
- Cleaning services in Gran Canaria hospitals
- Cleaning services contract of the Barcelona´s airport
- At-home medical care services for the municipalities with less than 20,000 citizens in Jaen region (Spain)
- Cleaning and management of services in the Juan Ramón Jimenez Hospital in Huelva (Spain)

iv. Industrial Services

Networks

- Project for the construction of the transmission power grid in Nashik´s area (India)
- Contract for the gas and electricity counter readings for Endesa (Spain)
- Works for the installation of ETL´s telecom systems

Specialized Products

- Project for the enhancement of Caracas´s subway line 1 (Venezuela)
- Construction of Thénia/Tizi- Ouzou high tension transmission line, and Oued- Aissi electrical installations (Algeria)
- High tension line of 345 kv between Interlagos- Piratininga and four electrical substations (Brazil)
- High tension line of 132 kv between Keonijhar-Harichandanpur (India)

- Exploitation of a Madrid´s sewer area (Madrid, Spain)
- Electrical substation and transformer installation in Cerro de Navia (Chile)
- Project for the concession, including design, construction, operation and maintenance of a sewage water treatment plan in Taboada (Peru)
- Project for the construction of a recycled water plant in Altona(Australia)
- Contract for the maintenance of the overhead contact line for the high-speed railway line between Madrid-Sevilla, La Sagra-Toledo and Cordoba -Malaga (Spain)
- Contract for the operation and maintenance of a sewage treatment plant in Madrid
- Equipment supply for specialized services works in the Amazon area of Bolivia
- Project for the construction of an electrical substation in Chandrapur (India)
- Protection systems for the tunnels of the Madrid- Valladolid high-speed railway (Spain)
- Engineering and assembling of equipment at the Puerto Barcelona CCGT Power Station (Spain)
- Electrical substation in La Ventosa (Mexico)
- Works for the construction of the oceanic patrol ship in Puerto Real Docks (Cádiz, Spain)
- Project for the construction of a high tension transmission lines of 115kv and two electrical substations of 400kv and 115kv in the state of Aguascalientes (Mexico)
- Proyecto for the enlargement of the Alto Jachuel electrical substation (Chile)
- Air conditioning systems installation in a Hotel in the city of Oran
- Construction of high tension lines and substations between the states of Desinaloa and Sonora in Mexico
- Installation of the electrical and control systems in the copper mine of Las Cruces (Seville, Spain)

Energy Projects

- Construction of a CCR plant ((Continuos Catalytic Reforming plant) for the Mexican oil company PEMEX (Mexico)
- Project for the enlargement of an storage tank and enlargement of the regasification plant, both of them owned by the Bahía Bizkaia Gas (Spain)
- Project for the construction of a housing offshore platform for 201 people, the contract includes the engineering, construction, supplies, mooring, load and unload (Mexico)
- Project for the Construction of the thermosolar plant Manchasol II with an installed capacity of 50 MW (Ciudad Real, Spain)
- Construction of Manchasol I, a 50 MW thermosolar plant (Ciudad Real, Spain)
- Construction and concession of the high transmission line between Joinville and Curitiba, Jorge Lacerda y Sideropolis and Santa Rita y Scharlau (Brazil)
- Works for the enlargement of the refinery in Cartagena (Murcia, Spain)
- Electrical transmission lines construction for Extresol thermosolar plant (Badajoz, Spain)

Control Systems

- Maintenance of traffic signaling systems, train protection systems, security and supervision systems, energy feeding systems, air conditioning and technical buildings in the high speed railway line between Madrid and Barcelona
- Five years maintenance contract of the public lightning systems for the north area of Valencia (Spain)
- Extension of the contract for the project on the mass transportation systems of the city of Barquisimeto (Venezuela)
- Contract for the maintenance of the road network in the central area of Gran Canaria (Spain)
- Concession of the ticketing and ERP systems maintenance of the municipal transportation services of the city of Madrid, for the period of three years between 2009 and 2012

DISCLAIMER

This document contains forward-looking statements on the intentions, expectations or forecasts of Grupo ACS or its management at the time the document was drawn up and in reference to various matters including, among others, its customer base, its performance, the foreseeable growth of its business lines and its overall turnover, its market share, the results of Grupo ACS and other matters relating to the Group's activities and current position. These forward-looking statements or forecasts can in some cases be identified by terms such as "expectation", "anticipation", "proposal", "belief" or similar, or their corresponding negatives, or by the very nature of predictions regarding strategies, plans or intentions.

Such forward-looking statements or forecasts in no way constitute, by their very nature, guarantees of future performance but are conditional on the risks, uncertainties and other pertinent factors that may result in the eventual consequences differing materially from those contained in said intentions, expectations or forecasts.

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Translation of this report originally issued in Spanish. In event of discrepancy, the Spanish language version prevails.

Investor Relations Department

ACS, Actividades de Construcción y Servicios S.A.

Av. Pío XII, 102
28036, Madrid
Tel.: + 34 91 343 92 00
Fax: + 34 91 343 92 24
www.grupoacs.com