

ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



*Results Report
Third Quarter 2009*

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1. Executive Summary

1.1. Main financial figures

ACS Group			
Main financial figures		January - September	
Million Euro	2008	2009	Var. 09/08
Turnover	11,818	12,059	+2.0%
<i>International</i>	20.6%	23.1%	+14.3%
EBITDA	1,056	1,091	+3.4%
<i>Margin</i>	8.9%	9.0%	
EBIT	824	821	-0.4%
<i>Margin</i>	7.0%	6.8%	
Ordinary Net Profit from Continuing Operations*	602	688	+14.3%
Attributable Net Profit	1,705	1,790	+5.0%
EPS	5.07 €	5.73 €	+13.0%
Cash Flow from Operations	(109)	648	n.a.
Net Investments	(703)	(2,089)	n.a.
Investments	2,026	3,796	+87%
Disposals	2,729	5,885	+116%
Total Net Debt**	9,356	9,309	-0.5%
Net Debt with recourse	2,934	629	-78.6%
Non recourse Financing	6,422	8,680	+35.2%

* Profit after taxes not including exceptional results and discontinued operations

** 2008 debt as of 31st of December

- Up to September 2009 Grupo ACS has accounted a total turnover of € 12,059 million, 2.0% more than last year's figure. EBITDA grew by 3.4% whilst EBIT decreases by 0.4%.
- Net profit of the Group grew by 5.0% up to € 1,790 million. EPS at the end of the period is 5.73 euros per share, which means a growth of 13.0%.
- Profit from continuing operations, not including the contribution of UNF and Ports and Logistics (€ 100 million), grew by 14.3% up to € 688 million.
- Cash flow from operations accounted for € 648 million, showing a positive cash flow generation in the first nine months of 2009, as opposed to the same period of 2008.
- By September of 2009 the investments accounted for € 3,796 million, including the novation of Iberdrola equity swap for € 2,316 million, whilst the disposals generated funds for € 5,885 million, mainly coming from the sale of 35.3% of Union Fenosa.
- Total net debt accounted for € 9,309 million, of which € 629 million correspond to net debt with recourse, whilst the non recourse debt amounted to € 8,680 million.

1.2. Main figures by activity

TURNOVER			January - September		
Million Euro	2008	%	2009	%	Var. 09/08
Construction	5,326	44%	4,868	40%	-8.6%
Concessions	44	0%	46	1%	+4.2%
Environment & Logistics	1,800	15%	1,982	16%	+10.1%
Industrial Services & Energy	4,893	41%	5,234	43%	+7.0%
Holding / Adjustments	(245)		(71)		
TOTAL	11,818		12,059		+2.0%

EBITDA			January - September		
Million Euro	2008	%	2009	%	Var. 09/08
Construction	397	37%	363	33%	-8.6%
Concessions	23	2%	13	1%	n.a.
Environment & Logistics	238	22%	259	23%	+8.9%
Industrial Services & Energy	429	39%	484	43%	+13.0%
Holding / Adjustments	(31)		(28)		
TOTAL	1,056		1,091		+3.4%

EBIT			January - September		
Million Euro	2008	%	2009	%	Var. 09/08
Construction	333	39%	304	36%	-8.6%
Concessions	13	1%	2	0%	n.a.
Environment & Logistics	151	18%	157	18%	+4.1%
Industrial Services & Energy	360	42%	387	46%	+7.5%
Holding / Adjustments	(33)		(29)		
TOTAL	824		821		-0.4%

NET PROFIT			January - September		
Million Euro	2008	%	2009	%	Var. 09/08
Construction	227	13%	208	12%	-8.4%
Concessions*	38	2%	(20)	(1%)	n.a.
Environment & Logistics	117	7%	117	7%	+0.1%
Industrial Services & Energy	236	14%	259	14%	+10.0%
Listed Associates	11	1%	63	3%	n.a.
Holding / Adjustments	1,076	63%	1,163	65%	
TOTAL	1,705		1,790		+5.0%

BACKLOG			January - September		
Million Euro	2008	months	2009	months	Var. 09/08
Construction	11,158	19	11,203	22	+0.4%
Industrial Services & Energy	5,960	12	6,499	11	+9.0%
Services	10,467	53	11,324	52	+8.2%
TOTAL	27,585		29,026		+5.2%

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

1.3. *Relevant facts of the period*

- After receiving the appropriate approval by the government last February, the sale of the 35.3% of Unión Fenosa shares still held by Grupo ACS was completed. The transaction accounted for 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).
- Also during the first quarter, the Company novated the equity swap regarding the 4.88% stake in Iberdrola, S.A. This novation extended the exercising period and granted to ACS the exercising of political rights inherent to the underlying shares. Last 31st of July 2009, the contractual conditions regarding the extension of the contract were novated enlarging the expiration of the agreement up to March 2011.
- At 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.
- 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 September 2009.
- On the 30th of July Grupo ACS, through its construction company Dragados, presented in Varsovia Stock Exchange a bid for a 65.53% stake of the Polish construction company Przedsiębiorstwo Robót Inżynieryjnych “Pol-Aqua” Spółka Akcyjna (from now on Pol-Aqua), for a price of 27 zlotys per share. On the 21st of October 2009 the transaction was completed successfully and Dragados holds 66% of the share capital of Pol-Aqua having paid 486.6 million zlotys, equivalent to 115.8 million euros.
- The same day 30th of July, ACS Actividades de Construcción y Servicios S.A. refinanced a loan with a syndicate of 37 financial institutions for 1,500 million euros, subsequently enlarged to 1,594 million euros with an expiration date by the 22nd of July 2012.

2. Consolidated financial statements

2.1. Income Statement

ACS Group					
Consolidated Income Statement					
January - September					
Million Euro	2008	%	2009	%	Var. 09/08
Net Sales	11,818	100.0%	12,059	100.0%	+2.0%
Other revenues	447	3.8%	286	2.4%	-35.9%
Total Income	12,265	103.8%	12,345	102.4%	+0.7%
Operating expenses	(8,373)	(70.8%)	(8,343)	(69.2%)	-0.4%
Personnel expenses	(2,836)	(24.0%)	(2,911)	(24.1%)	+2.6%
Operating Cash Flow (EBITDA)	1,056	8.9%	1,091	9.0%	+3.4%
Fixed assets depreciation	(209)	(1.8%)	(263)	(2.2%)	+26.1%
Current assets provisions	(23)	(0.2%)	(7)	(0.1%)	-68.1%
Ordinary Operating Profit (EBIT)	824	7.0%	821	6.8%	-0.4%
Fixed assets depreciation	5	0.0%	1	0.0%	n.a.
Other operating results	(41)	(0.3%)	24	0.2%	n.a.
Operating Profit	787	6.7%	845	7.0%	+7.3%
Financial income	265	2.2%	263	2.2%	-0.5%
Financial expenses	(552)	(4.7%)	(510)	(4.2%)	-7.6%
Ordinary Financial Result	(287)	(2.4%)	(246)	(2.0%)	-14.2%
Foreign exchange Results	(5)	(0.0%)	(13)	(0.1%)	n.a.
Impairment non current assets results	(279)	(2.4%)	3	0.0%	n.a.
Results on non current assets disposals	709	6.0%	21	0.2%	n.a.
Net Financial Result	138	1.2%	(236)	(2.0%)	n.a.
Results on equity method	139	1.2%	164	1.4%	+18.0%
Ordinary income of continued operations	1,064	9.0%	773	6.4%	-27.3%
Corporate income tax	(39)	(0.3%)	(68)	(0.6%)	+75.4%
Profit after taxes of the continued operations	1,026	8.7%	705	5.8%	-31.2%
Profit after taxes of the discontinued operations	693	5.9%	1,105	9.2%	+59.4%
Consolidated Result	1,719	14.5%	1,811	15.0%	+5.3%
Minority interest	(14)	(0.1%)	(21)	(0.2%)	+49.1%
Net Profit Attributable to the Parent Company	1,705	14.4%	1,790	14.8%	+5.0%

2.1.1. Net Sales

- Sales reached € 12,059 million, a 2.0% more than in 2008. This positive evolution is backed by the 10.1% growth in Environment and Logistics coupled by the 7.0% increase of sales in Industrial Services. This compensated the Construction activity that decreases by 8.6%, compared to the same period of 2008.

- International sales grew by 14.3% up to € 2,780 million, which means 23.1 % of total sales. All activities grow significantly, especially Environment and Logistics, growing by 25.5% and Construction, which increased its production by 34%.
- It's important also to highlight the growth in the international backlog, which now accounts for 32.4% of the total, backed by the growth in Construction, where international backlog now represents close to 33% of the total. In Environment and Logistics the weight of the backlog abroad reached 30% and in Industrial Services exceeded 35%.

2.1.2. Operating Results

- EBITDA accounted for € 1,091 million, a 3.4% more than last year's figure. Margin over sales is 9.0%, 10 b.p. more than the figure accounted in September 2008.
- The EBITDA growth accounted this quarter is backed by the positive evolution of Environment and Logistics, which grew by 8.9%, as well as Industrial Services, which shows a good development growing by 13.0%. These two areas compensate the drop in Construction EBITDA of 8.6%, provoked by the activity drop in Spain.
- EBIT accounted for € 821 million, a similar figure than last year, with a margin of 6.8% over sales, absorbing the substantial increase in depreciations, as a result of the investments in capital intensive assets performed during the last years.

2.1.3. Ordinary Financial Result

- The net financial expense accounted for € 246 million, 14.2% below last year's figure due to the decrease of debt and the interest rates evolution.
- The dividends from Iberdrola, included in this figure, reached € 118 million, out of which € 71 million correspond to the direct stake and € 47 million to the equity swap.

2.1.4. Ordinary income from continued operations

- Accounted for € 773 million, 27.3% less than last year as several concessional assets were sold in 2008 (the airports and the 49% of the Chilean highways).
- Profit from affiliates accounting by the equity method reached for € 164 million. Abertis contributed with € 123.6 million and Hochtief accounted for € 37.8 million.

2.1.5. Net profit attributable to the Parent Company

- Net profit attributable to the Parent Company reached € 1,790.1 million, meaning an increase of 5.0% compared to 2008 figure.
- Ordinary net profit from continuing operations, that is not including the Unión Fenosa neither Port & Logistic Services contribution reached € 688 million growing by 14.3% in comparable terms.

Grupo ACS		January - September		
Ordinary Net Profit				
€ Million	2008	2009	Var. 09/08	
Net Profit	1,705	1,790	+5.0%	
Capital gain from 35,3% UNF	(403)	(1,002)		
Ordinary Profit from UNF	(265)	(80)		
Ordinary Profit from SPL	(25)	(20)		
Capital gains from concessions disposals	(626)			
Other exceptionals	216			
Ordinary Net Profit from Continuing Operations*	602	688	+14.3%	
<i>Outstanding number of shares (average)</i>	<i>336.3</i>	<i>312.4</i>	<i>-7.1%</i>	
Ordinary EPS	1.79 €	2.20 €	+23.0%	

- Corporate taxes reached € 68.0 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 14% thanks to the registry of tax shields coming from reinvestments, that accounted for more than € 50 million by September 2009.
- Net profit attributable to minority interests accounted for € 20.8 million and mainly corresponds to concession subsidiaries and other affiliates.

2.2. Consolidated balance sheet

ACS Group					
Consolidated Balance Sheet					
Million Euro	Dec-08	%	sep-09	%	Var.
Intangible Fixed Assets	1,467	2.9 %	1,297	4 %	-11.6%
Tangible Fixed Assets	1,719	3.3 %	1,380	4 %	-19.7%
Concession Projects Assets	3,587	7.0 %	4,128	13 %	+15.1%
Property Assets	71	0.1 %	69	0 %	-3.3%
Investments accounted by Equity Method	3,893	7.6 %	4,069	13 %	+4.5%
Long Term Financial Investments	3,188	6.2 %	5,115	16 %	+60.4%
Financial Instruments Debtors	1	0.0 %	2	0 %	+203.7%
Deferred Taxes Assets	694	1.4 %	927	3 %	+33.5%
Fixed and Non-current Assets	14,619	28.4 %	16,987	54 %	+16.2%
Non Current Assets Held for Sale	24,351	47.4 %	1,171	4 %	-95.2%
Inventories	699	1.4 %	637	2 %	-8.9%
Accounts receivables	7,302	14.2 %	8,149	26 %	+11.6%
Short Term Financial Investments	2,185	4.3 %	2,617	8 %	+19.8%
Other Short Term Assets	62	0.1 %	84	0 %	+36.0%
Cash and banks	2,181	4.2 %	1,962	6 %	-10.0%
CURRENT ASSETS	36,779	71.6 %	14,620	46 %	-60.2%
TOTAL ASSETS	51,398	100.0 %	31,607	100 %	-38.5%
Shareholders' Equity	3,402	6.6 %	4,433	14 %	+30.3%
Minority Interests	6,511	12.7 %	227	1 %	-96.5%
Net Worth	9,913	19.3 %	4,660	15 %	-53.0%
Subsidies	65	0.1 %	87	0 %	+32.7%
Long Term Financial Liabilities	9,576	18.6 %	10,815	34 %	+12.9%
Deferred Taxes Liabilities	231	0.4 %	758	2 %	+228.3%
Long Term Provisions	159	0.3 %	303	1 %	+90.8%
Financial Instruments Creditors	856	1.7 %	386	1 %	-54.9%
Other Long Term Accrued Liabilities	183	0.4 %	229	1 %	+25.1%
Non-current Liabilities	11,070	21.5 %	12,577	40 %	+13.6%
Liabilities from Assets Held for Sale	15,913	31.0 %	826	3 %	-94.8%
Short Term Provisions	265	0.5 %	264	1 %	-0.2%
Short Term Financial Liabilities	4,146	8.1 %	3,074	10 %	-25.9%
Trade accounts payables	9,376	18.2 %	9,842	31 %	+5.0%
Other current payables	716	1.4 %	364	1 %	-49.1%
Current Liabilities	30,416	59.2 %	14,370	45 %	-52.8%
TOTAL EQUITY & LIABILITIES	51,398	100.0 %	31,607	100 %	-38.5%

2.2.1. Non-current assets

- Intangible fixed assets account for € 1,297 million of which € 1,032 million correspond to goodwill, whilst the tangible fixed assets account for € 1,380 million. Additionally the non current assets in concessional projects account for € 4,128 million, mainly invested in renewable energy projects and transport concessions.

- Long term financial investments, including the 12.0% stake in Iberdrola, account for € 5,115 million. Investments accounted by equity method include the stakes in Abertis and Hochtief and account for € 4,069 million.

2.2.2. Working capital

- Working capital presents a credit balance of € 1,601 million. The decrease in this account in the last 9 months is due to the working capital variation in the operating activities for € 299 million, mainly coming from Construction, to the adjustments in long term deferred taxes and to the dividend paid in July 2009.

2.2.3. Net Debt

Net Debt (€ mn) September 30, 2009	Construction	Concessions	Environment & Logistics	Industrial Services	Corporation / Adjustments	Grupo ACS
Non-current loans from credit entities	134	10	75	107	1,896	2,220
Current loans from credit entities	669	296	1,239	486	201	2,890
Loans from credit entities	802	305	1,313	593	2,096	5,110
Other non-current financial liabilities	43	7	12	28	(7)	83
Other current financial liabilities	179	0	174	2	(340)	15
Other financial liabilities	222	7	187	30	(347)	99
Cash and equivalents	2,118	271	449	1,104	637	4,580
Net Debt / (Cash)	(1,094)	41	1,051	(482)	1,113	629
LT non recourse financing	145	476	160	2,574	5,157	8,512
ST non recourse financing	4	3	18	118	26	169
Non recourse financing	149	479	178	2,691	5,184	8,680
TOTAL NET DEBT	(945)	520	1,229	2,210	6,296	9,309

- Net debt of the Group at the end of September reached € 9,309 million, being € 8,680 million without recourse whilst the operating activities present a net debt position of € 629 million.
- The non recourse debt in the Corporation accounts for € 5,184 million, corresponding to the financing of the vehicles used to acquire Iberdrola (€ 4,441 million) and Hochtief (€ 743 million) shares, and after the amortization of € 431 million in the last quarter. The rest of non recourse debt, € 3,496 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 € 561 million by the end of September 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 € 4,660 million, of which € 4,433 million corresponds to shareholder's equity, 30.3% higher than the figure accounted in September 2008.

2.3. Cash flow statement

ACS Group		January - September		
Cash Flow Statement		2008	2009	Var. 09/08
Million Euro				
Net Profit		1,705	1,790	+5.0%
Adjustments to net profit without cash flow		(1,005)	(843)	
Working Capital Variation		(809)	(299)	
Cash Flow from Operating Activities		(109)	648	n.a.
1. Investments		(2,026)	(3,796)	
2. Disinvestments		2,448	5,885	
Cash flow from Investing Activities		422	2,089	+394.6%
1. Treasury stock acquisition		(389)	(339)	
3. Dividends paid		(600)	(653)	
4. Other adjustments		(111)	(203)	
Other Cash Flows		(1,100)	(1,195)	+8.6%
Total Cash Flow		(787)	1,542	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 € 648 million. The operating working capital evolution for these three quarters 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 the period reached € 3,796 million, while disposals amounted to € 5,885 million. Both are broken down as follows:

Grupo ACS			
Net Investments		January - September	
Euro Million	Gross Investment	Disposals	Net Investment
Construction	89	(24)	65
Concessions	191		191
Environment & Logistics	175	(18)	157
Industrial Services	969	(18)	951
Holding & others	2,371	(5,825)	(3,454)
TOTAL	3,796	(5,885)	(2,089)

- Holding investments include the novation of 4.88% Iberdrola equity swap, which has been accounted for in the consolidated Balance Sheet of the Group.
- The Group has invested in Construction € 89 million, mainly in equipment and machinery.
- In Concessions, the Group has invested € 191 million, highlighting the € 146 million in the I595 US highway as the most important investment.
- In Environment & Logistics the Group has invested € 175 million, mainly in the acquisition of environmental assets and the development of treatment plants for € 139 million. These figures do not include the investments performed in Ports and Logistics area of activity that accounted for € 48 million.
- In Industrial Services, the Group has invested € 969 million, mainly in renewable energy projects, both in thermosolar plants (€ 484 million) and wind farms (€ 279 million), as well as in transmission lines (€ 122 million) and in desalination plants (€ 40 million).

2.3.3. Cash flow from financing activities

- The debt of Grupo ACS has been reduced by € 1,542 million in this period. This figure includes the cancellation of the non recourse debt from Unión Fenosa. By December 2008 it accounted for € 2,260 million and was included in “Liabilities from assets held for sale” in the Balance Sheet.
- During 2009 the Group has paid € 653 million in dividends for their shareholders corresponding to the year 2008, equivalent to 2.05 euros per share.
- During the first nine months of 2009 the Group has bought treasury stock by € 339 million.

3. Business Performance

3.1. Construction

Construction			
Main financial figures		January - September	
Million Euro	2008	2009	Var. 09/08
Turnover	5,325.7	4,867.8	-8.6%
EBITDA	397.0	362.9	-8.6%
Margin	7.5%	7.5%	
EBIT	333.0	304.3	-8.6%
Margin	6.3%	6.3%	
Net Profit	227.4	208.3	-8.4%
Margin	4.3%	4.3%	
Backlog	11,158	11,203	+0.4%
Months	19	22	

3.1.1. Turnover breakdown by activity

Construction			
Turnover breakdown by activity		January - September	
Million Euro	2008	2009	Var. 09/08
Civil Works	3,272.8	3,341.3	+2.1%
Non Residential Building	1,181.3	1,015.5	-14.0%
Residential Building	871.6	511.0	-41.4%
TOTAL	5,325.7	4,867.8	-8.6%
<i>International</i>	<i>581.0</i>	<i>778.6</i>	<i>+34.0%</i>
<i>% over total sales</i>	<i>11%</i>	<i>16%</i>	

- Sales by September 2009 reached to € 4,867.8 million, 8.6% less than the same period of last year.
- The international activity has grown by 34.0% as a result of the increase of the sales and backlog the United States, Portugal, Canada, Greece and Ireland. The international production amounts for 16% 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 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 6.3%, both the same as last year.

- Net Profit accounted for € 208.3 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 - September		
Million Euro	2008	2009	Var. 09/08
Civil Works	8,374.1	9,161.8	+9.4%
Non Residential Building	1,848.2	1,550.7	-16.1%
Residential Building	936.0	490.7	-47.6%
TOTAL	11,158.3	11,203.2	+0.4%
<i>International</i>	<i>2,566.1</i>	<i>3,650.2</i>	<i>+42.2%</i>
<i>% over total backlog</i>	<i>23%</i>	<i>33%</i>	

- Backlog reaches € 11,203 million, a level equivalent to 22 months of activity, which represents an increase of 0.4% compared to last year's figure.
- Civil Works backlog in Spain decreases by 5.1%, whilst the international backlog grows by 42.2%. As a whole, Civil Works backlog grows by 9.4%.
- Building backlog continues decreasing as a consequence of the evolution of the Spanish real state market that is experiencing a sharp drop. Compared to the backlog accounted in June 2009, building backlog decreases by 7.2%.
- Consequently in the backlog there is an increase in Civil Works weight, representing 82% of the total as opposed to the 64% two years ago and 75% in September 2008. Also, it's worthy to highlight that the main driver of growth is abroad, now representing 33% of the total.

3.2. Concessions

Concessions	January - September	
Main financial figures		
Million Euro	2008	2009
Turnover	43.9	45.7
EBITDA	23.0	12.6
EBIT	13.2	1.9
Equity method	(28.2)	(18.9)
Attributable Net Profit	38.0	(20.5)

- 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. In the net profit figure of 2008 it's included the contribution from the sale of the Scut da Beira highway in Portugal, for € 56.8 million.
- 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			
Main financial figures			
	January - September		
Million Euro	2008	2009	Var. 09/08
Turnover	1,800.5	1,981.9	+10.1%
EBITDA	237.9	259.0	+8.9%
Margin	13.2%	13.1%	
EBIT	150.6	156.8	+4.1%
Margin	8.4%	7.9%	
Net Profit	116.9	117.1	+0.1%
Margin	6.5%	5.9%	
Backlog	10,467	11,324	+8.2%
Months	53	52	

3.3.1. Turnover breakdown by activity

Environment & Logistics			
Turnover breakdown by activity			
	January - September		
Million Euro	2008	2009	Var. 09/08
Environmental Services	1,105.2	1,228.9	+11.2%
Facility Management	695.3	753.0	+8.3%
TOTAL	1,800.5	1,981.9	+10.1%
<i>International</i>	<i>208.3</i>	<i>261.4</i>	<i>+25.5%</i>
<i>% over total sales</i>	<i>12%</i>	<i>13%</i>	

- Up to September 2009 there has been a sales increase in Environment and Logistics of 10.1%, coming from the good performance of Environmental Services, that grew by 11.2% and the Facility Management area, that grew by 8.3%. 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 8.1%. At the same time, the international sales grow by 25.5% 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 8.9% and 4.1% respectively. Margin on sales account for 13.1% (EBITDA) and 7.9% (EBIT). The 50 bps decrease in EBIT margin is coming from two sources: an increase in the pressure on prices in the maintenance, cleaning and gardening

activities, and 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 by 0.1% with a margin on sales of 5.9%. 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 5.3% compared to the adjusted figure of last year.

3.3.3. Backlog evolution

Medio Ambiente y Logística		Enero - Septiembre	
Desglose de la Cartera por actividad			
Millones de Euros	2008	2009	Var. 09/08
Medio Ambiente	9,470.7	10,350.3	+9.3%
Mantenimiento Integral	996.5	974.2	-2.2%
TOTAL	10,467.2	11,324.5	+8.2%
<i>Internacional</i>	<i>3,353.1</i>	<i>3,434.5</i>	<i>+2.4%</i>
<i>% sobre el total de cartera</i>	<i>32%</i>	<i>30%</i>	

- Environment & Logistics backlog accounts € 11,324 million, more than 4 years of activity, and growing by 8.2%. The international backlog is now 30% of the total and grows by 2.4%.

3.4. Industrial Services

Industrial Services & Energy		January - September	
Main financial figures			
Million Euro	2008	2009	Var. 09/08
Turnover	4,893.4	5,233.6	+7.0%
EBITDA	428.6	484.1	+13.0%
Margin	8.8%	9.2%	
EBIT	360.2	387.0	+7.5%
Margin	7.4%	7.4%	
Net Profit	235.8	259.4	+10.0%
Margin	4.8%	5.0%	
Backlog	5,960	6,499	+9.0%
Months	12	11	

3.4.1. Turnover breakdown by activity

Industrial Services & Energy		January - September	
Turnover breakdown by activity			
Million Euro	2008	2009	Var. 07/06
Support Services	3,283.1	3,313.1	+0.9%
Networks	705.5	694.9	-1.5%
Specialized Products	1,728.7	1,824.4	+5.5%
Control Systems	848.9	793.8	-6.5%
EPC Projects & Energy	1,695.3	1,981.3	+16.9%
EPC Projects	1,580.3	1,842.2	+16.6%
Power Generation & Transmission	115.0	139.1	+21.0%
Consolidation Adjustments	-85.0	-60.8	n.a.
TOTAL	4,893.4	5,233.6	+7.0%
<i>International</i>	<i>1,635.1</i>	<i>1,728.8</i>	<i>+5.7%</i>
<i>% over total sales</i>	<i>33%</i>	<i>33%</i>	

- Sales on Industrial Services grew solidly in the first nine months of 2009, by 7.0%, backed by Energy Projects both EPC and renewable energy generation.
- Support Services activity grew by 0.9% and its affected by the decrease in the maintenance activity in Spain; nevertheless, this effect is being partly compensated by the increase of international sales.
- Networks, that reduces its activity in Spain, compensates this effect with a 19% growth abroad. Control Systems, which focuses its sales in Spain, decreased its activity overall by 6.5% but at the same time, its backlog grew by 15.8% by September 2009.
- Energy Projects activity grew solidly by 16.9%, with an excellent performance overall, both EPC Projects that grew by 16.6% and the Renewable energy generation activity, that grows

by 21.0% continue to outperform. The renewable energy evolution grew at that pace thanks to the new facilities starting in the period their operation, as Andasol I, the first plant that began its electricity generation in November 2008 and Andasol II and Extresol I, that started operational tests by mid 2009. As planned in by December 2009 ACS will have 3 plants producing energy, totalling 150 MWs of Thermosolar energy under operation.

3.4.2. Operating results

- EBITDA grew by 13.0% with a margin on sales of 9.2%, 40 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 7.5% leaving the margin on sales on 7.4%, 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 energy concessions.

3.4.3. Backlog evolution

Industrial Services & Energy		January - September	
Backlog breakdown by activity			
Million Euro	2008	2009	Var. 07/06
Support Services	3,757.1	4,290.1	+14.2%
EPC Projects & Energy	2,203.1	2,209.4	+0.3%
TOTAL	5,960.2	6,499.5	+9.0%
International	2,114.2	2,309.4	+9.2%
<i>% over total backlog</i>	<i>35%</i>	<i>36%</i>	

- The backlog of € 6,499 million (+9.0%) means more than a year of activity, is backed by the international growth of Specialized Products.

3.5. Affiliated Listed Companies

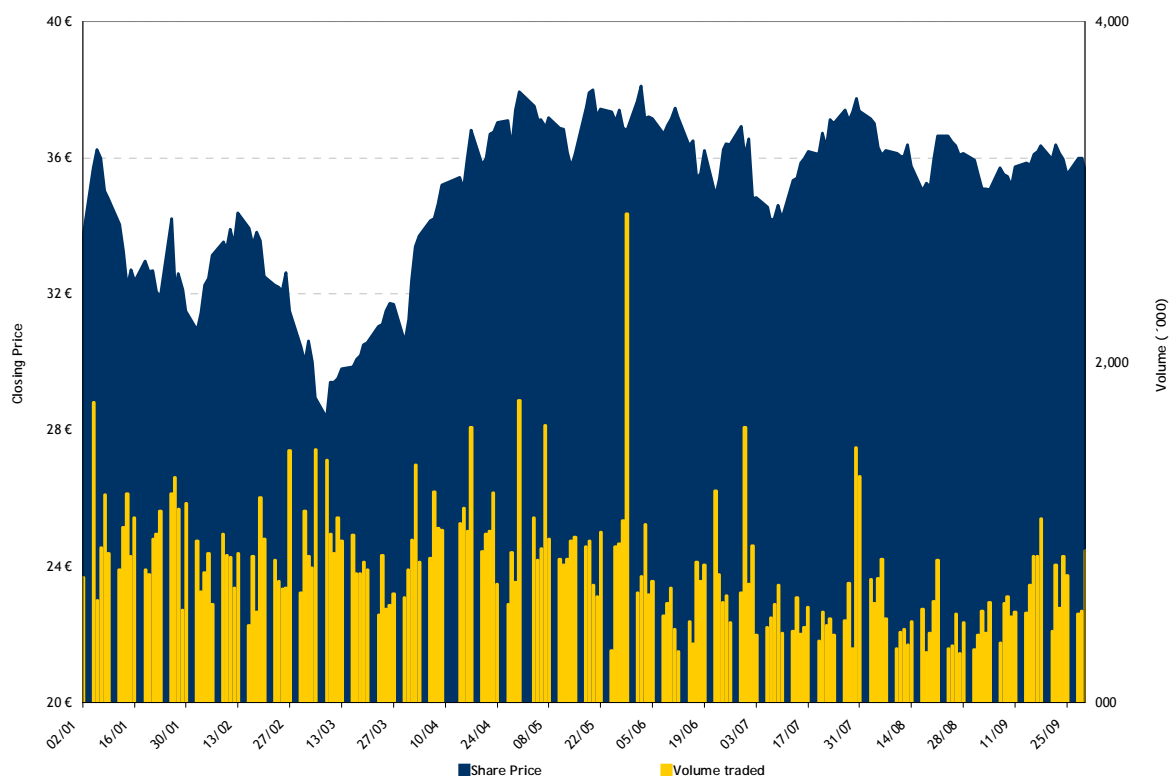
Associates			
Main financial figures		January - September	
Million Euro	2008	2009	Var. 09/08
Abertis	117.3	123.6	+5.3%
Hochtief	33.7	37.8	+12.1%
Iberdrola	58.1	70.7	+21.7%
Income from Associates	209.1	232.0	+11.0%
Financial expenses	(282.9)	(261.5)	-7.6%
Corporate tax	84.8	92.0	+8.5%
Attributable Net Profit	11.1	62.6	n.a.

- The contribution from these companies to the Net Profit of the Group, before financial expenses and taxes accounts for € 232.0 million, 11.0% more than last year.
 - Abertis contribution accounted for € 123.6 million.
 - The stake of 29.9% that ACS Group holds in Hochtief has contributed with € 37.8 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 the investments in these companies are € 261.5 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 € 92.0 million.
- Hence, attributable net profit of the listed affiliates in by September 2009 accounts for € 62.6 million.

Annexes

Annex I. Stock price evolution

ACS Shares Data	9M/08	9M/09
Closing price	28.47 €	35.64 €
YTD performance	-29.96%	9.16%
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	33.70 €	34.59 €
Total volume ('000)	303,549	151,489
Daily average volume ('000)	1,580.98	789.00
Total traded effective (€ mn)	10,229	5,240
Daily average effective (€ mn)	53.27	27.29
Number of shares (mn)	335.39	314.66
Market cap (€ mn)	9,549	11,214



Annex II. Main contracts awarded

i. Construction

Civil Works - Roads

Domestic

- Construction of A-21 highway stretch between Venta de Judas and Yesa (Zaragoza, Spain).
- Construction of the highway between Lavacolla and Arzau in A Coruña (Spain).
- Works for the construction of the intersection in Coria del Río and Almensilla in the SE-40 highway (Seville, Spain).
- MU-30 ringroad construction in the Reguerón Highway (Murcia, Spain).
- Project for the construction of the intersection in Santiuste and Burgo de Osma in the A-11 highway (Soria , Spain).
- Works for the construction of the urban road between Barranco de Santos and Plaza España (Santa Cruz de Tenerife, 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).
- 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).

International

- Project for the construction of the A-1 highway, between Slaskie and Maciejów (Poland).
- Works for the construction of the Algarve Litoral highway in Portugal.
- Contract for maintenance works in a group of rural roads called Malla-5 in Santa Fé, Argentina.
- Project for a tunnel construction in San Pedro Dam (Chile).

Civil Works - Railways

- Works for high-speed railway section between Albacete and Alpera (Albacete) (Spain).
- Works for the enlargement of the Atocha railway station (Madrid, Spain).
- High speed railway section building between Valladolid and Palencia, in the area of Venta de Baños (Palencia, Spain).
- High speed railway section between Peña de los Enamorados and Archidona (Malaga, Spain).
- Railway section construction in the Costa del Sol (Malaga, Spain).
- Railway section building in Tolosa (Guipúzcoa, Spain).
- Works for Beasaín-east railway construction (Guipúzcoa, Spain).
- Works for the construction of the railway section between Silleda and Vedra (Pontevedra, Spain).

- Contract for maintenance works of two sections of high speed railway in Madrid and Castilla La Mancha (Spain).
- Works in the Málaga-Fuengirola railway line to bury underground the stretch between Los Prados and the airport of Málaga (Spain).
- Works for the adaptation of the Spanish railway line to the European railway standard in the area of Irun (Spain).
- Works for the adaptation of the Spanish railway line to the European railway standard in the area of Burgos (Spain).
- Works for the construction of Subway Line 1 (Seville, Spain).

Civil Works - Hydraulic or Maritime

Domestic

- Works for the construction of the Albagés dam in Lérida (Spain).
- Works for the improvement of the sewage and drainage system of the city of Madrid (Spain).
- Works for the drainage of the north dock of Sagunto port (Spain).
- Contract for the operation and maintenance of the northern sewage treatment plant in Madrid.
- Works for the construction of a sewage treatment plant in Culebro (Madrid, Spain).
- Hydro-eolic power plant civil works (Tenerife, Spain).
- Project for drainage system construction in Lasarte-Oria and Usurbil (Guipúzcoa, Spain).
- Works for the Monegris water line (Huesca, Spain).

International

- Construction of Newton Creek's sewage treatment plant in New York City (U.S.)
- Works for the construction of Arzew port's dike (Algeria).
- Works for Shanganach-Bray wastewater treatment plant (Ireland).
- Civil works for the water purification station in Altona (Australia).

Civil Works - Airports

- Project for the refurbishment of the Ibiza airport terminal (Ibiza, Spain).

Non Residential Building

Domestic

- Project for the construction of the University Hospital of Guadalajara (Spain).
- Construction of the Central Services building of Granada's University (Granada, Spain).
- Works for the improvement of the University Hospital of Son Dureta (Balears, Spain).
- Refurbishment works in Santa Creu and San Pau Hospital (Barcelona, Spain).
- Building of a car storage facility in Pontevedra (Spain).
- Ikea shopping centre construction in La Coruña (Spain).
- Construction of the building for the National Spanish Film Academy in Madrid (Spain).
- Community centre building in Madrid (Spain).

- Viamed hospital construction (Seville, Spain)
- Building of a specialized laboratory premises in Barcelona (Spain).
- Airport terminal and control tower construction in Santa Cruz de Tenerife (Spain).
- Works for the enhancement of Tarragona's Hospital building (Spain).
- Works for the construction of a high-quality specialties hospital in Cazorla (Jaén).
- Project for the construction of the structure of the "Puerto Venecia" shopping centre (Zaragoza, Spain).
- Building of offices in Rivas Vaciamadrid (Madrid).
- Construction of a business and leisure complex in Zaragoza (Spain).
- Works for the construction of the San Juan de Dios Hospital (León, Spain).
- Works for the refurbishment of the Teniente Ruiz's Army barracks in Ceuta (Spain).
- Lugo's Hospital enhancement works (Lugo, Spain).

International

- Project for the construction of the Antofagasta penitentiary (Chile).

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 126 apartments financed by the government (Berriozar, Navarra).
- Building of 102 apartments (Madrid, Spain).
- Building of 132 apartments financed by the government (Madrid, Spain).
- Construction of 101 government-sponsored houses in Toledo (Spain).

ii. Concessions

Domestic

- Contract for the operation and maintenance of the A-21 shadow toll road in Aragon (Spain), including the construction of 16,7 new kilometers.
- Project for the construction, operation and maintenance of the 67 kilometers of the L'Eix Diagonal shadow toll road in Barcelona (Spain).

International

- 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.

iii. Environment & Logistics

Environmental Services

Domestic

- Project for the construction of a solid urban waste treatment plant in Barcelona.
- Solid urban waste collection and street cleaning of the eastern area of the city of Barcelona.
- Contract for the water supply system of the city of Totana (Valencia, Spain).
- Contract for the street cleaning and solid urban waste collection (Prat de Llobregat, Barcelona).
- Special waste management services for a group of Spanish clients.
- Transport and collection of solid urban waste and street cleaning of the city of Ripollet (Barcelona, Spain).
- Contract for the management of a solid urban waste treatment plant in Fuenlabrada (Madrid, Spain).
- Solid urban waste treatment plant and transfer station in Chivas (Valencia, Spain).
- Contract for the waste collection with Epremesa in Spain.
- Maintenance, cleaning, gardening and improvements in the Buen Retiro garden, Madrid.
- Solid urban waste collection in Punta Umbría (Huelva, Spain).
- Transport and collection of solid urban waste in Guadalteba area (Málaga, Spain).

International

- Concession for the landfill exploitation of "Loma Los Colorados" (Chile).
- Water sewage systems management in the municipalities of Posadas and Garupá (Argentina).
- Solid urban waste treatment plant construction in Chateau de D'Olonne (Vendée department, France).
- Solid urban waste transfer plant in Hermosillo (Mexico).
- Concession for the landfill exploitation of Obregon City (Mexico).
- Extension of the contract for solid 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).
- Project for the construction of a solid urban waste treatment plant in Chalosse (France).
- Contract for the street cleaning in several districts of Paris (France).

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 services in the Juan Ramón Jimenez Hospital in Huelva (Spain).

iv. Industrial Services

Networks

Domestic

- Contract for the gas and electricity counter readings for Endesa (Spain).
- Management of a Madrid sewer system area.
- Works for the installation of ETL's telecom systems in Spain.
- Project for the Villabona gas pipeline distribution construction (Guipúzcoa, Spain).

International

- Project for the construction of the transmission power grid in Nashik's area (India).

Specialized Products

Domestic

- Works for the assembly of metallic structure of the Ulla River viaduct for high-speed railway line (Pontevedra, Spain).
- Project for the installation of security systems in several tunnels of the Spanish high speed railway network.
- Contract for the maintenance of the catenary for the high-speed railway line between Madrid and Sevilla in La Sagra, Toledo and the line between Cordoba and Malaga (Spain).
- Contract for the operation and maintenance of a sewage treatment plant in Madrid.
- 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).
- Works for the construction of an oceanic patrol ship in Puerto Real docks (Cádiz, Spain).
- Installation of the electrical and control systems in the copper mine of "Las Cruces" (Seville, Spain).
- Electrical works for the Ibiza airport terminal (Ibiza, Spain).

International

- Project for the enhancement of Caracas subway line 1 (Venezuela).
- High tension line of 345 kv between Interlagos and Piratininga and four electrical substations (Brazil).
- Construction of a high tension lien between Thénia/Tizi and Ouzou, and the electrical installations required in Oued and Aissi (Argelia).
- High tension line of 132 kv between Keonijhar and Harichandrapur (India).
- 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).
- Electrical and mechanical installations for the recycled water plant in Altona (Australia).
- Transmission Line concession in Brazil.
- Equipment supply for specialized services works in the Amazon area of Bolivia.
- Project for the construction of an electrical substation in Chandrapur (India)
- Electrical substation in La Ventosa (Mexico).
- Project for the construction of a high tension transmission line of 115kv and two electrical substations of 400kv and 115kv in the state of Aguascalientes (Mexico).
- Project 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 Sinaloa and Sonora in Mexico.

Energy Projects

Domestic

- Project for the enlargement of a storage tank and enlargement of the regasification plant, both of them owned by the Bahía Bizkaia Gas Co. (Spain).
- Works and supplies for the Castor project, a gas underground storage facility located in the eastern coast of Spain.
- Construction of Manchasol I, a 50 MW thermosolar plant (Ciudad Real, Spain).
- Project for the Construction of the thermosolar plant Manchasol II with an installed capacity of 50 MW (Ciudad Real, Spain).
- Works for the enlargement of the refinery in Cartagena (Murcia, Spain).
- Electrical transmission lines construction for Extresol I thermosolar plant (Badajoz, Spain).

International

- Construction of a 400 MW Combined Cycle Gas Turbine Plant in Uzbekenergo (Uzbekistan)
- Construction of a CCR plant ((Continuos Catalytic Reforming plant) for the Mexican oil company PEMEX (Mexico).
- 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 Larreynaga hydroelectric power station (Nicaragua).
- Construction and concession of the high transmission line between Joinville and Curitiba, Jorge Lacerda and Sideropolis and Santa Rita and Scharlau (Brazil).

Control Systems

Domestic

- 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.

- Contracts for the maintenance of school, sports and administrative facilities of the city of Zaragoza (Spain).
- Three-year maintenance contract of the public lightning systems for an area of Barcelona (Spain).
- Five year maintenance contract of the public lightning systems for the north area of Valencia (Spain).
- Concession of the ticketing and ERP systems maintenance for the municipal transportation services of the city of Madrid, for the period of three years between 2009 and 2012.
- Contract for the maintenance of traffic control facilities for the Southwestern part of Spain.
- Contract for the maintenance of the road network in the central area of Gran Canaria (Spain).

International

- Intelligent transportation system (ITS) installation in the I-595 highway (Florida, U.S.).
- Extension of the contract for the project on the mass transportation systems of the city of Barquisimeto (Venezuela).

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