ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

Results Report

1st Semester 2011

30th of August 2011

INDEX

1. Executive Summary

1.1. Main financial figures

ACS Group Main financial figures			January - June
Million Euro	2010	2011	Var. 11/10
Turnover	**7,490**	**9,473**	**+26.5%**
International	*30.6%*	*52.5%*	*+117%*
EBITDA	**732**	**897**	**+22.5%**
Margin	*9.8%*	*9.5%*	
EBIT	**554**	**650**	**+17.2%**
Margin	*7.4%*	*6.9%*	
Ordinary Net Profit from Continuing Operations*	**473**	**541**	**+14.2%**
Attributable Net Profit	**501**	**604**	**+20.5%**
EPS	**1.66 €**	**2.02 €**	**+21.5%**
Cash Flow from Operations	**458**	**581**	**+26.9%**
Net Investments	**1,009**	**1,818**	**+80%**
Investments	1,034	2,587	+150%
Disposals	25	769	n.s.
Total Net Debt	**10,238**	**9,849**	**-3.8%**
Net Debt with recourse	700	2,110	+202%
Non recourse Financing	9,538	7,739	-18.9%

* Profit after taxes and minorities not including exceptional results nor discontinued operations

Note: all data is presented according to ACS management criteria.

- The first semester of 2011 Grupo ACS has accounted a total turnover of € 9,473 million, 26.5% higher than last year's figure. International sales and backlog keep growing significantly, by 117.3% and 352.0% respectively, whilst domestic sales decrease by 13.5%. To this evolution contributes Hochtief, whose financial accounts are fully consolidated since June 1st, 2011.
- EBITDA grew by 22.5%, accounting for € 897 million, whilst EBIT increased by 17.2% to € 650 million.
- Ordinary net profit from continuing operations, not including exceptional results, grows by 14.2% to € 541 million.
- Net profit of the Group accounted for € 604 million showing an increase of 20.5% compared to 2010 figures. Earnings per share grew by 21.5% up to 2.02 € per share.
- Cash flow from operations accounted € 581 million, growing by 26.9% thanks to the positive evolution of the areas of activity and the consolidation of Hochtief.
- In the first half of 2011 total investments accounted for € 2,587 million, where € 982 million where dedicated to acquire Hochtief shares. The disposals generated funds for € 769 million, and are basically the sale of renewables and transmission lines in Brazil.
- Total net debt amounted to € 9,849 million, 3.8% lower than in June 2010. Out of that figure, € 2,110 million corresponded to a net debt with recourse, whilst the non recourse debt amounted to € 7,739 million.

1.2. Main figures by activity

TURNOVER					January - June
Million Euro	2010	%	2011	%	Var. 11/10
Construction	3,139	42%	5,009	53%	+59.6%
Environmental Services	762	10%	855	9%	+12.2%
Industrial Services	3,627	48%	3,640	38%	+0.4%
Holding / Adjustments	(38)		(31)		
TOTAL	**7,490**		**9,473**		**+26.5%**

EBITDA					January - June
Million Euro	2010	%	2011	%	Var. 11/10
Construction	246	33%	350	38%	+42.1%
Environmental Services	120	16%	130	14%	+7.9%
Industrial Services	388	51%	451	48%	+16.4%
Holding / Adjustments	(22)		(34)		
TOTAL	**732**		**897**		**+22.5%**

EBIT					January - June
Million Euro	2010	%	2011	%	Var. 11/10
Construction	202	35%	225	33%	+11.3%
Environmental Services	64	11%	61	9%	-4.6%
Industrial Services	311	54%	398	58%	+28.0%
Holding / Adjustments	(23)		(34)		
TOTAL	**554**		**650**		**+17.2%**

NET PROFIT					January - June
Million Euro	2010	%	2011	%	Var. 11/10
Construction	125	26%	134	23%	+7.5%
Environmental Services	82	17%	71	12%	-13.7%
Industrial Services	185	38%	308	53%	+66.7%
Listed Associates	89	19%	68	12%	n.s.
Holding / Adjustments	20		23		
TOTAL	**501**		**604**		**+20.5%**

BACKLOG					January - June
Million Euro	2010	months	2011	months	Var. 11/10
Construction	11,021	21	48,741	22	+342.2%
Industrial Services	6,773	11	6,669	11	-1.5%
Environmental Services	9,751	77	9,335	70	-4.3%
TOTAL	**27,545**		**64,745**		**+135.1%**

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

1.3. Relevant facts of the period

- Last February 4th, 2011, ACS completed its public tender offer on 100% of Hochtief AG shares, acquiring 2,805,599 shares of the German company, representing 3.64% of its share capital.

  On May 12th, 2011, the Annual General Meeting of Hochtief took place. Grupo ACS held the majority of the votes present, appointed a total of four directors, half of the directors of the Board. Subsequently, in June, Grupo ACS reported that their participation in Hochtief, plus the treasury stock of the German company, surpassed the 50% of the capital. Consequently, the Balance Sheet and the Profit and Loss Account of Hochtief have been fully consolidated from June 1st, 2011 in the results of Grupo ACS.

- Last February 10th, 2011, Residencial Monte Carmelo, S.A., fully owned by ACS, Actividades de Construcción y Servicios, S.A., and holder of shares of Iberdrola, S.A. representing 6.19% of its share capital, has entered into a Financing Agreement amounting to 2,059 million euros with a number of financial institutions, without recourse to the parent company, for a term of three years starting from December 28th, 2011.

- Last March, 31st, 2011, Grupo ACS has entered into an agreement with Luxpeak S.à.r.l. (Permira) and with Mercapital Private Equity S.G.E.C.R., S.A.U., subject to the attainment of financing, for the sale of its entire holding in the company Clece, S.A. Thus, until the completion of the transaction, Clece is accounted as a discontinued operation in Grupo ACS.

- Grupo ACS Annual General Meeting, held in Madrid last 14th of April, 2011, approved the distribution of a complementary gross dividend of 1.15 € per share, paid the 5th of July 2011. The gross interim dividend for the exercise 2010, accounting 0.90 € per share was already paid last 8th of February, 2011.

- On June 30, 2011 the ACS Group has signed a contract with two companies controlled by funds RREEF Pan-European Infrastructure Fund LP and Antin Infrastructure Partners, for the sale of 90% of its holdings in thermal power plants Andasol I and Andasol II. Likewise, also signed a contract with the Gas Natural Group, for the sale of its stakes in five companies owning wind farms with a total capacity of 95.5 MW.

2. Consolidated financial statements

2.1. Income Statement

ACS Group Consolidated Income Statement					January - June
Million Euro	2010	%	2011	%	Var. 11/10
Net Sales	**7,490**	**100.0%**	**9,473**	**100.0%**	**+26.5%**
Other revenues	157	2.1%	34	0.4%	-78.2%
Total Income	**7,647**	**102.1%**	**9,508**	**100.4%**	**+24.3%**
Operating expenses	(5,292)	(70.7%)	(6,549)	(69.1%)	+23.8%
Personnel expenses	(1,622)	(21.7%)	(2,061)	(21.8%)	+27.1%
Operating Cash Flow (EBITDA)	**732**	**9.8%**	**897**	**9.5%**	**+22.5%**
Fixed assets depreciation	(182)	(2.4%)	(237)	(2.5%)	+30.6%
Current assets provisions	4	0.0%	(10)	(0.1%)	n.s.
Ordinary Operating Profit (EBIT)	**554**	**7.4%**	**650**	**6.9%**	**+17.2%**
Results on fixed assets disposals	(8)	(0.1%)	(7)	(0.1%)	-13.7%
Other operating results	50	0.7%	39	0.4%	n.s.
Operating Profit	**596**	**8.0%**	**682**	**7.2%**	**+14.4%**
Financial income	211	2.8%	334	3.5%	+58.2%
Financial expenses	(372)	(5.0%)	(508)	(5.4%)	+36.6%
Ordinary Financial Result	**(161)**	**(2.1%)**	**(174)**	**(1.8%)**	**+8.2%**
Foreign exchange Results	24	0.3%	(8)	(0.1%)	n.a.
Impairment non current assets results	(68)	(0.9%)	(20)	(0.2%)	n.s.
Results on non current assets disposals	3	0.0%	216	2.3%	n.s.
Net Financial Result	**(202)**	**(2.7%)**	**14**	**0.1%**	**n.s.**
Results on equity method	124	1.7%	18	0.2%	n.a.
Ordinary income of continued operations	**519**	**6.9%**	**714**	**7.5%**	**+37.7%**
Corporate income tax	(38)	(0.5%)	(103)	(1.1%)	n.s.
Profit after taxes of the continued operations	**481**	**6.4%**	**611**	**6.4%**	**+27.0%**
Profit after taxes of the discontinued operations	41	0.6%	22	0.2%	-46.9%
Consolidated Result	**522**	**7.0%**	**633**	**6.7%**	**+21.2%**
Minority interest	(21)	(0.3%)	(29)	(0.3%)	+37.6%
Net Profit Attributable to the Parent Company	**501**	**6.7%**	**604**	**6.4%**	**+20.5%**

2.1.1. Net Sales

- Sales reached € 9,473 million, a 26.5% more than in the first half of 2010. This evolution includes the contribution from Hochtief, of € 2,075.3 million, corresponding to the month of June of 2011, making Construction activity to grow by 59.6%.

- International sales grew by 117.3% up to € 4,977 million, which means 52.5% of total sales. This growth comes from the inclusion of Hochtief, whose sales are fully international, and the positive evolution of the rest of Construction, which increased its production by 18.0%, and Industrial Services, whose international sales account for € 1.702 million this first half of the year, 30.5% higher than in the same period of 2010.

Sales per country					January - June
Euro Million	2010	%	2011	%	Var. 11/10
Australia	10	0.4%	1,238	24.9%	n.s.
US	440	19.2%	1,081	21.7%	+145.4%
Mexico		0.0%	203	4.1%	n.a.
Brazil	511	22.3%	618	12.4%	+20.8%
Poland	116	5.1%	218	4.4%	+88.3%
Germany	158	6.9%	201	4.0%	+27.0%
Portugal	80	3.5%	148	3.0%	+84.3%
France	184	8.0%	209	4.2%	+13.3%
Canada	48	2.1%	123	2.5%	+156%
Rest of countries	742	32.4%	938	18.8%	+26.4%
Total International	**2,290**		**4,977**		**+117.3%**

- Growth in the international backlog, which after the consolidation of Hochtief reaches € 50,932 million and that now accounts for 79% of the total. Apart of the contribution of Hochtief of € 38,623 million, the rest of the Construction backlog abroad grows by 9.1%. More than 90% of the Construction backlog comes from abroad.

  Industrial Services international backlog grew by 14.8% to reach € 3,498 million .

2.1.2. Operating Results

- EBITDA accounted for € 897 million, 22.5% more than last year's figure. Margin over sales is 9.5%. The decrease of 30 b.p. in the margin is explained after the inclusion of Hochtief's accounts, which present a lower EBITDA margin.

- The EBITDA growth achieved during this period is backed, apart from the consolidation of Hochtief, by the positive evolution of Industrial Services, which grew by 16.4%, as well as Environmental Services, which shows a good performance growing by 7.9%.

- EBIT accounted for € 650 million, 17.2% above last year's figure. Margin on sales accounted for 6.9% , 50 b.p. below June 2010 again after the consolidation of Hochtief. The positive evolution of the EBIT growth comes from Industrial Services, that grows by 28.0%. On the other side, Environmental Services EBIT decreases by 4.6% because of a significant depreciation increase.

2.1.3. Ordinary Financial Result

- Financial expenses accounted for € 508 million, showing an increase of 36.6% mainly due to the increase in debt to finance the acquisition of Iberdrola and Hochtief shares, as well as for the concessional projects investments.

- Financial income amounted to € 334 million, 58.2% more than last year. This figure includes the dividends of Iberdrola, accrued in the second quarter of the year. These dividends accounted for € 211 million.

- Net financial expenses accounted for a negative € 14 million, and include Forex results, for a negative impact of € 8 million and the result for the disposal of noncurrent assets of € 216 million, which include the sale of renewable assets announced last 30th of June, the sale of transmission lines in Brazil and the sale of Iquique Port in Chile.

2.1.4. Ordinary income from continued operations

- Accounted for € 714 million, 37.7% ahead the figure from last year.

- In the account "Results by equity method" Hochtief is included up until May, as well as the contribution of the companies participated by the German group.

2.1.5. Net profit attributable to the Parent Company

- Net profit attributable to the Parent Company reached € 604 million, showing a, increase of 20.5% compared to June 2010.

- Ordinary net profit from continuing operations, excluding exceptional results grows by 14.2% up to € 541 million.

Grupo ACS Ordinary Net Profit			January - June
€ Million	2010	2011	Var. 11/10
Net Profit	**501**	**604**	**+20.5%**
Hochtief write-downs (mainly Leighton)		49	
Capital gain from assets disposals		(96)	
Profit from Clece	(19)	(22)	
Profit from SPL	(22)		
Other exceptionals	14	6	
Ordinary Net Profit from Continuing Operations	**473**	**541**	**+14.2%**
Outstanding number of shares (average)	*302.2*	*299.7*	*-0.8%*
Ordinary EPS from Continuing Operations	**1.57 €**	**1.81 €**	**+15.2%**

- Corporate taxes reached € 103.0 million, meaning a 21.3% tax rate.

- Net profit attributable to minority interests accounted for € 29.0 million, corresponding to Hochtief minorities, both the resulting from the global consolidation of the German company as well as the minorities from Leighton consolidation in Hochtief. It also includes minorities corresponding to concession subsidiaries and other affiliates.

2.2. Consolidated balance sheet

ACS Group Consolidated Balance Sheet					
Million Euro	Dec-10	%	Jun-11	%	Var.
Intangible Fixed Assets	1,614	4.7 %	4,912	9.8 %	+204.4%
Tangible Fixed Assets	1,218	3.6 %	3,329	6.7 %	+173.3%
Concession Projects Assets	2,380	7.0 %	2,294	4.6 %	-3.6%
Property Assets	57	0.2 %	81	0.2 %	+40.9%
Investments accounted by Equity Method	2,333	6.8 %	2,400	4.8 %	+2.9%
Long Term Financial Investments	7,509	22.0 %	9,400	18.8 %	+25.2%
Financial Instruments Debtors	60	0.2 %	69	0.1 %	+16.2%
Deferred Taxes Assets	824	2.4 %	1,632	3.3 %	+98.1%
Fixed and Non-current Assets	**15,995**	**46.8 %**	**24,118**	**48.2 %**	**+50.8%**
Non Current Assets Held for Sale	4,577	13.4 %	4,933	9.9 %	+7.8%
Inventories	618	1.8 %	2,103	4.2 %	+240.2%
Accounts receivables	6,939	20.3 %	11,138	22.2 %	+60.5%
Short Term Financial Investments	3,502	10.2 %	3,541	7.1 %	+1.1%
Other Short Term Assets	101	0.3 %	172	0.3 %	+71.0%
Cash and banks	2,453	7.2 %	4,052	8.1 %	+65.2%
CURRENT ASSETS	**18,190**	**53.2 %**	**25,939**	**51.8 %**	**+42.6%**
TOTAL ASSETS	**34,185**	**100 %**	**50,057**	**100 %**	**+46.4%**
Shareholders' Equity	5,519	16.1 %	5,887	11.8 %	+6.7%
Adjustment s from Value Changes	(1,341)	(3.9 %)	(1,130)	(2.3 %)	-15.7%
Minority Interests	264	0.8 %	3,171	6.3 %	n.a.
Net Worth	**4,442**	**13.0 %**	**7,928**	**15.8 %**	**+78.5%**
Subsidies	70	0.2 %	71	0.1 %	+1.5%
Long Term Financial Liabilities	9,621	28.1 %	12,797	25.6 %	+33.0%
Deferred Taxes Liabilities	271	0.8 %	1,107	2.2 %	+308.7%
Long Term Provisions	407	1.2 %	1,708	3.4 %	+319.5%
Financial Instruments Creditors	240	0.7 %	323	0.6 %	+34.4%
Other Long Term Accrued Liabilities	161	0.5 %	249	0.5 %	+54.5%
Non-current Liabilities	**10,771**	**31.5 %**	**16,255**	**32.5 %**	**+50.9%**
Liabilities from Assets Held for Sale	3,590	10.5 %	4,006	8.0 %	+11.6%
Short Term Provisions	233	0.7 %	1,185	2.4 %	+407.9%
Short Term Financial Liabilities	4,337	12.7 %	4,646	9.3 %	+7.1%
Trade accounts payables	10,155	29.7 %	15,329	30.6 %	+51.0%
Other current payables	656	1.9 %	708	1.4 %	+7.8%
Current Liabilities	**18,971**	**55.5 %**	**25,874**	**51.7 %**	**+36.4%**
TOTAL EQUITY & LIABILITIES	**34,185**	**100 %**	**50,057**	**100 %**	**+46.4%**

2.2.1. Non-current assets

- The significant increase in noncurrent assets is generated mainly because of the consolidation of Hochtief since the 1st of June 2011.

- Intangible fixed assets account for € 4,912 million of which € 2,574 million correspond to goodwill, whilst the tangible fixed assets account for € 3,329 million.

- Non-current assets in concessional projects account for € 2,294 million. Renewable energy assets, transmission lines and other assets whose sale process started the last semester of 2010 have been reclassified as assets held for sale. This account also includes the assets from Clece.

- Long term financial investments, including the 19.03% stake in Iberdrola as of 30th of June 2011 at market prices, account for € 9,400 million. This account also includes several assets in Hochtief concessions area and from Iridium.

- The difference between the accounted value of Iberdrola and the investment performed, after the tax impact, has been accounted against Net Worth in the Adjustments from value changes paragraph.

- Investments accounted by equity method include, amongst others, several stakes in companies participated by Leighton, the participation of Hochtief in airports and the stake in Abertis, through Admirabilia. It globally accounts for € 2,400 million.

2.2.2. Working capital

- Working capital presents a credit balance of € 3,810 million, which means from December 2010 an improvement of € 423 million in the credit balance, whilst in the last 12 months there has been an increase of the credit balance of € 1,165 million.

- This quarterly credit balance increase is produced by the consolidation of Hochtief accounts, which compensates the seasonal deterioration of the working capital from operating activities, especially in Construction in Spain.

2.2.3. Net Debt

Net Debt (€ mn) June 30, 2011	Construction (ex HOT)	Hochtief	Environmental Services	Industrial Services	Corporation / Adjustments	Grupo ACS
Bond issues LT		655				655
Bond issues ST		31				31
Bond issues		**686**				**686**
Non-current loans from credit entities	565	1,345	134	193	2,336	4,574
Current loans from credit entities	815	447	1,200	578	316	3,356
Loans from credit entities	**1,380**	**1,792**	**1,334**	**772**	**2,651**	**7,930**
Other non-current finantial liabilities	67	1,106	8	16	(891)	307
Other current finantial liabilities	174	902	125	12	(432)	781
Other finantial liabilities	**241**	**2,008**	**133**	**29**	**(1,322)**	**1,088**
Cash and equivalents	**2,124**	**2,546**	**476**	**1,494**	**953**	**7,593**
Net Debt / (Cash)	**(503)**	**1,940**	**991**	**(694)**	**376**	**2,110**
LT non recourse financing	705	760	180	293	5,323	7,261
ST non recourse financing	9	37	23	46	363	478
Non recourse financing	**714**	**797**	**203**	**339**	**5,686**	**7,739**
TOTAL NET DEBT	**211**	**2,737**	**1,194**	**(355)**	**6,062**	**9,849**

- Net debt of the Group by 30th of June 2011 reached to € 9,849 million, being € 7,739 million without recourse whilst the operating activities present a net debt position of € 2,110 million.

- The non recourse debt in the Corporation accounts for € 5,686 million, corresponding to the financing of the vehicles used to acquire Iberdrola.

- The rest of non recourse debt comes from the initial acquisition of the 25% of Hochtief (€ 797 million) and from project finance, mainly from concessional assets from the operating activities, (€ 1,256 million).

- The net debt corresponding to concessional assets for sale, such as the Chilean concessions and the I595, Renewable Energy assets and transmission lines, as well as Clece, account for € 3,049 million and has been reclassified to the account “Liabilities from Assets Held for Sale” in the consolidated balance sheet of Grupo ACS until the completion of their sale processes.

2.2.4. Net worth

- Reached a € 7,928 million, of which € 5,887 million corresponds to shareholder’s equity, which has grown by 6.7% compared to December 2010.

- Adjustments for changes in value have a negative impact of € 1,130 million, € 211 million less, mainly due to the Iberdrola share price evolution.

- The significant increase in the minorities account is coming from the consolidation of Hochtief from 1st of June, 2011. It includes not only the stake of the minority shareholders of Hochtief, but also the minorities from Hochtief’s Balance Sheet, mainly from the minority stakeholders of Leighton Holdings.

2.3. Cash flow statement

ACS Group Cash Flow Statement			January - June
Million Euro	2010	2011	Var. 11/10
Net Profit	**501**	**604**	**+20.5%**
Adjustments to net profit without cash flow	170	441	
Cash Flow from Operating Activities before Working Capital	**671**	**1,045**	**+55.8%**
Working Capital Variation	(213)	(464)	
Cash Flow from Operating Activities	**458**	**581**	**+26.9%**
1. Investments payments	**(1,034)**	**(2,340)**	
2. Disinvestments collection	**25**	**352**	
Cash flow from Investing Activities	**(1,009)**	**(1,988)**	**+97.0%**
1. Treasury stock acquisition	**(188)**	**(55)**	
2. Dividends paid	**(283)**	**(271)**	
3. Other adjustments	**(116)**	**101**	
Other Cash Flows	**(586)**	**(225)**	**-61.6%**
Total Cash Flow	**(1,137)**	**(1,631)**	**+43.4%**

Note: The net debt accounted in the balance sheet has increased by € 1846 million during the first semester of 2011; the difference with this Cash Flow Statement is mainly due to the reclassification of the non recourse debt from assets held for sale by December 2010 and the integration of Hochtief.

2.3.1. Cash flow from operations

- In the first semester of 2011 the cash flow from operating activities before working capital accounted for € 1,045 million, 55.8% more than in June 2010.
- Working capital variation meant a cash outflow of € 464 million, higher than the figure from last year and generated by the evolution of Construction activity in Spain.
- Consequently, the Cash flow from operating activities account for € 581 million showing a growth of a 26.9%.

2.3.2. Net consolidated investments

- Total gross investments of the Group during the period reached € 2,587 million, while disposals amounted to € 769 million. Both are broken down as follows:

Grupo ACS Net Investments					January - June
Euro Million	Operational Capex	Investments in Projects	**Total Investments**	**Disposals**	**Net Investment**
Construction	298	719	**1,017**	(186)	**832**
Dragados	*20*		***20***	*(12)*	***8***
Hochtief	*278*	*338*	***616***	*(168)*	***448***
Iridium		*381*	***381***	*(5)*	***376***
Environmental Services	51		**51**	(88)	**(37)**
Industrial Services	61	475	**536**	(495)	**41**
Holding & others	0	982	**982**		**982**
TOTAL	**411**	**2,176**	**2,587**	**(769)**	**1,818**

- In the Corporation are included the investments of € 982 million corresponding to the acquisition of approximately a 19.4% of Hochtief (3.6% through the share exchange in the Public Offer) up to the ACS stake of 46.7% by the end of June. Including the treasury stock of the German company, the stake grows up to the 51.1%.

- The Group has invested in Construction a gross amount of € 1,017 million, out of which are for maintenance and machinery € 298 million, mainly coming from the acquisition of mining equipment in Leighton (€ 184 million). Hochtief has invested in projects a gross amount of € 338 million, where it's important to highlight the second installment of the investment in Budapest airport (€ 250 million). Iridium has invested € 381 million, highlighting the € 96 million in the I-595 US highway, the € 75 million in Eje Diagonal Highway in Barcelona, the € 76 million in the South Fraser highway in Vancouver, Canada and the € 49 million in the Autopista del Pirineo in Spain.

- In Environmental Services the Group has invested € 51 million, mainly in equipment and machinery. The disposal corresponds primarily to the sale of Iquique Port in Chile.

- In Industrial Services, the Group has invested € 536 million, mainly in renewable energy projects, both in thermosolar plants (€ 228 million) and wind farms (€ 55 million), as well as in transmission lines (€ 152 million) and in the Castor Project (€ 41 million). The disposal of more than € 495 million corresponds mainly to the sale of the renewable assets and the sale of transmission lines in Brazil.

2.3.3. Cash flow from financing activities

- The cash requirements of Grupo ACS, including the debt assigned to assets held for sale, have reached € 1,631 million in this period, because of the significant investments performed in the period and the attractive shareholders remuneration plan in place.

- During the first semester of 2011 the Group has paid € 271 million in dividends for their shareholders corresponding to the year 2010, equivalent to 0.9 € per share.

- During the first six months of 2011 the Group has accounted a net cash outflow in treasury stock for € 55 million. At the period end, the treasury stock represented 5.2% of share capital.

3. Business Performance

3.1. Construction

Construction Main financial figures			January - June
Million Euro	2010	2011	Var. 11/10
Turnover	**3,139.2**	**5,008.8**	**+59.6%**
EBITDA	**246.1**	**349.7**	**+42.1%**
Margin	7.8%	7.0%	
EBIT	**202.1**	**225.0**	**+11.3%**
Margin	6.4%	4.5%	
Net Profit	**124.9**	**134.3**	**+7.5%**
Margin	4.0%	2.7%	
Backlog	**11,021**	**48,741**	**+342.2%**
Months	21	22	

Note: Includes the financial expenses of Hochtief acquisition and the depreciation of the PPA

- Sales in 1H11 in Construction grew by 59.6% up to € 5,008.8 million. This figure includes the activity of all the Grupo ACS companies worldwide, Hochtief since its consolidation by June 1st, 2011 and Iridium, the Concessions activity of Grupo ACS.

Construction Turnover breakdown by activity			January - June
Million Euro	2010	2011	Var. 11/10
Spain	**2,262.8**	**1,894.7**	**-16.3%**
Civil Works	1,422.3	1,293.2	-9.1%
Building	840.5	601.5	-28.4%
International	**835.8**	**3,061.5**	**+266.3%**
Dragados International	835.8	986.3	+18.0%
Hochtief	0.0	2,075.3	n.a.
Iridium	**40.6**	**52.5**	**+129.5%**
TOTAL	**3,139.2**	**5,008.8**	**+59.6%**
International sales	*27%*	*62%*	*n.s.*

- Domestic activity decreases by 16.3% as a consequence of the contraction of the public investment in infrastructures and the downfall of the building market, both residential and non residential.

- On the contrary, international activity in Grupo ACS Construction grows by 266.3%, both because of Hochtief consolidation, that contributes with its sales of June 2011(€ 2,075.3 million), as well as because of Dragados activity abroad, that grows a solid 18.0% up to € 986.3 million. International Construction sales in Grupo ACS now account for more than 62% of the overall Construction activity of ACS.

- Construction EBITDA margin decreases down to the 7.0% as a consequence of the consolidation of Hochtief, that accounts for an EBITDA margin of the 5.3%. Therefore, EBITDA accounts for € 349.7 million, 42.1% ahead of the figure accounted in June 2010.

- Similarly, EBIT margin decreases down to the 4.5% on sales, but nevertheless the overall figure grows by 11.3% up to € 225.0 million. Net Profit margin decreases also to the 2.7%, accounting for € 134.3 million, a 7.5% more than in June 2010.

- Backlog in Construction accounts for € 48,740.5 million, meaning 22 months of production, multiplying by 4 the last year's figure, due to the consolidation of Hochtief.

Construction Backlog breakdown by activity			January - June
Million Euro	2010	2011	Var. 11/10
Spain	**6,063.1**	**4,708.6**	**-22.3%**
Civil Works	4,530.3	3,607.6	-20.4%
Building	1,532.8	1,101.0	-28.2%
International	**4,958.4**	**44,031.9**	**+788.0%**
Dragados International	4,958.4	5,409.2	+9.1%
Hochtief	0.0	38,622.7	n.a.
TOTAL	**11,021.5**	**48,740.5**	**+342.2%**
International backlog	*45%*	*90%*	*n.s.*

- It's worth highlighting that the international backlog in Construction now accounts for more than the 90% of the overall backlog of ACS in Construction.

3.1.1. Domestic Construction

Construction Domestic Constructtion			January - June
Million Euro	2010	2011	Var. 11/10
Turnover	**2,262.8**	**1,894.7**	**-16.3%**
EBITDA	**181.2**	**153.5**	**-15.3%**
Margin	8.0%	8.1%	
EBIT	**159.6**	**128.4**	**-19.5%**
Margin	7.1%	6.8%	
Net Profit	**112.6**	**96.0**	**-14.7%**
Margin	5.0%	5.1%	
Backlog	**6,063**	**4,709**	**-22.3%**
Months	16	15	

- In Spain, Construction sales accounted for € 1,894.7 million, 16.3% less than in June 2010, as a consequence of the drop in all the segments of activity, especially in Residential Construction.

- Civil Works in Spain decreases by 9,1%. Building activity, which in ACS is all in Spain, decrease as well by 28.4%.

- EBITDA margin in Spain accounts for 8,1%, 9 basis points better than last year. EBIT margin in Spain drops to 6,8%, 28 basis points lower than in June 2010.
- Net Profit in Spain accounts for € 96,0 million, 14,7% less than 12 months ago, with a margin on sales of 5,1%.
- Backlog shows a drop of 22,3% in the Spanish market. The domestic Civil Works backlog decreases by 20.4% while Building backlog drops by 28.2%.

3.1.2. International Construction

Construction International Constructtion			January - June
Million Euro	2010	2011	Var. 11/10
Turnover	**835.8**	**3,061.5**	**+266.3%**
EBITDA	**51.7**	**173.1**	**+234.8%**
Margin	6.2%	5.7%	
EBIT	**35.4**	**80.7**	**+127.9%**
Margin	4.2%	2.6%	
Net Profit	**23.2**	**51.9**	**+123.5%**
Margin	2.8%	1.7%	
Backlog	**4,958**	**44,032**	**n.s.**
Months	36	23	

Note: Includes the financial expenses of Hochtief acquisition and the depreciation of the PPA

- International Construction activity grows by 266.3% up to € 3,061.5 million. This means that it accounts for 62% of the total production in Construction. This account includes the International activity from Dragados, as well as the contribution of Hochtief.
- International EBITDA margin ended in the 5.7% on sales, and includes the margin of Hochtief, which is lower than the one accounted in Dragados International. EBIT margin accounted for 2.6% on sales.
- International Construction net profit accounted for € 51.9 million, which means a 123.5% growth and a margin on sales of 1.7%.
- International backlog accounts for 90% over the total, and is coming mainly from Hochtief, that contributes with € 38,623 million, distributed amongst projects in Mining, Civil Works and Non Residential Building, in more than 40 countries. Dragados International contributes with € 5,409.2 million in Civil Works.

Dragados International

International Construction Main financial figures			January - June
Million Euro	**2010**	**2011**	**Var. 11/10**
Turnover	**835.8**	**986.3**	**+18.0%**
EBITDA	**51.7**	**63.1**	**+22.1%**
Margin	6.2%	6.4%	
EBIT	**35.4**	**47.4**	**+33.8%**
Margin	4.2%	4.8%	
Net Profit	**23.1**	**24.2**	**+4.6%**
Margin	2.8%	2.5%	
Backlog	**4,958**	**5,409**	**+9.1%**
Months	36	33	

- Dragados international activity has grown by 18.0% up to € 986.3 million, an activity totally composed of Civil Works projects.
- EBITDA margin accounts for 6,4%, 21 basis points better than in June 2010. EBIT margin accounts for 4,8%, 57 basis points better also.
- Abroad, the net profit of Dragados accounted for € 24,2 million, showing a growth of 4,6% and a margin on sales of 2,5%.
- International backlog in Dragados is mainly Civil Works and grows by 9,1%.

Hochtief

- Hochtief contribution to the operating results of ACS only include the month of June in the first semester, as well as the PPA adjustments required by the International Financial Reporting Standards (IFRS) as a result of a change in consolidation. As a consequence of that, Hochtief contributes with sales of € 2,075.3 million and an EBITDA of € 110.0 million. EBIT accounts for € 33.3 million.

Hochtief Main financial figures	January - June
Million Euro	**Cont. ACS 2011**
Turnover	**2,075.3**
EBITDA	**110.0**
Margin	5.3%
EBIT	**33.3**
Margin	1.6%
Net Profit	**27.8**
Margin	1.3%
Backlog	**38,623**
Months	22

- ACS net profit contribution from Hochtief accounts for € 27.8 million, and includes the financial expenses from the acquisition of ACS stake in Hochtief as well as the depreciation of the PPA.
- Hochtief sales for the first six months of 2001 accounted for € 10,375.0 million, showing a 8.9% growth compared to last year's figure.

Hochtief Turnover breakdown by activity		**January - June**
Million Euro	**2011**	**Cont. ACS 2011**
Hochtief Americas	2,783.4	520.7
Hochtief Europe	1,537.8	300.5
Concessions	31.9	13.4
Leighton	5,991.7	1,237.0
Holding/Adjustments	30.2	3.7
TOTAL	**10,375.0**	**2,075.3**

- Turner, Flatiron and EECruz in Hochtief America account for € 2,783.4 million, a 5.1% less than in 2010, exclusively because of the effect of the exchange US$/€ in the period. The recent projects awarded, the solid backlog of the company and the strong competitive position in the American market guarantee a favorable evolution of these businesses in the coming quarters.
- Hochtief Europe, including the construction activity in Central Europe and Qatar, as well as the services and real estate activities contributes with € 1,537.8 million, a 5.3% more than in 2010.
- Concessions, the Hochtief activity that includes the stake of the company in six airports in Europe and Australia, as well as in several PPP projects in Europe contributes with € 31.9 million. The majority of these projects under management of Hochtief are consolidated by equity method.
- Lastly, Leighton Holdings, the Asia Pacific company of Hochtief contributed with more than the 58% of the total sales up to € 5,991.7 million, a 18.4% more than in June 2010. This positive evolution is backed by the strong growth in all activities, that grow by 8.7% in local currency, and that are positively impacted by the exchange AUD/€. In the first semester of 2011, Leighton has registered losses as the result of the impact of several projects. Nevertheless, it is expected to contribute with a significant positive result in the second semester of the year.

Hochtief Backlog breakdown by activity	
Million Euro	**2011**
Hochtief Americas	6,311.1
Hochtief Europe	4,536.5
Concessions	376.0
Leighton	27,473.3
Holding/Adjustments	-74.2
TOTAL	**38,622.7**

- Hochtief backlog accounts for € 38,622.7 million by June 30th, 2011. This figure does not include the backlog awarded through joint ventures, which will increase the total figure up to € 46,975 million, showing a growth of 11.1% compared to June 2010.
- By areas, it's worth to highlight Leighton, with an 71% over the total, € 27,473.3 million, out of which include significant projects in mining activities, as well as civil works in Australia, both as concessions and as pure public contracting.
- Hochtief Americas contributes with € 6,311.1 million, only in Civil Works and Non Residential Building, whilst Europe shows a backlog of € 4,536.5 million, thanks to the large infrastructure projects awarded in Germany, UK and Sweden.
- All in all, Hochtief backlog represents 22 months of activity.

3.1.3. Iridium

- Revenues and operating profits of Concessions activity, developed through Iridium, are generated by several projects which are under operation, namely the motorways La Mancha, Santiago-Brion and Reus-Alcover, the transfer stations of Avenida de America and Principe Pio in Madrid and some parking lots.

Iridium Key financial figures			January - June
Million Euro	2010	2011	Var. 11/10
Turnover	**40.6**	**52.5**	**+29.5%**
EBITDA	**13.2**	**23.1**	**+74.7%**
EBIT	**7.1**	**15.9**	**+124.8%**
Equity method	**(2.7)**	**(8.8)**	**n.s.**
Attributable Net Profit	**(10.9)**	**(13.6)**	**-25.1%**

3.2. Environmental Services

Environmental Services Main financial figures			January - June
Million Euro	**2010**	**2011**	**Var. 11/10**
Turnover	**761.6**	**854.7**	**+12.2%**
EBITDA	**120.3**	**129.8**	**+7.9%**
Margin	15.8%	15.2%	
EBIT	**64.0**	**61.1**	**-4.6%**
Margin	8.4%	7.1%	
Net Profit	**82.2**	**70.9**	**-13.7%**
Margin	10.8%	8.3%	
Backlog	**9,751**	**9,335**	**-4.3%**
Months	77	70	

3.2.1. Turnover breakdown by activity

Environmental Services Turnover breakdown by activity			January - June
Million Euro	**2010**	**2011**	**Var. 11/10**
Waste Management	761.6	769.5	+1.0%
Logistics	0.0	85.2	n.a.
TOTAL	**761.6**	**854.7**	**+12.2%**
International	***134.9***	***188.4***	***+39.7%***
% over total sales	*18%*	*22%*	

- Environmental Services area does not include Clece sales in both years, as it has been reclassified as discontinued operation available for sale.

- In June 2011 Environmental Services has increased its sales by 12.2%, backed by the inclusion of the remaining activity of Logistics and the growth of 1.0% in sales in Waste Management.

- International sales, all from Waste Management, showed an increase of 39.7% and already mean more than 22% of the total sales, four percentage points ahead of last’s year figure. This significant growth is based on the solid activity of international treatment plants projects, awarded during the last years.

3.2.2. Operating results

- EBITDA grew by 7.9% showing a decrease in margins due to the price pressure in Spain and the inclusion of Logistics, whose margin is lower than the Waste Management one.

- EBIT decreases by 4.6% compared to the figure accounted in 2010 as a consequence of the depreciation increase in Urbaser and the inclusion of certain logistic activities.

- Margin on sales account for 15.2% (EBITDA) and 7.1% (EBIT).

- Net Profit grew by 13.7% with a margin on sales of 8.3%. This figure includes the contribution of Clece as a Discontinued Operation for € 22 million and the result of the port disposal in

Chile. The decrease compared to last's year figure is provoked by the contribution of SPL in 2010.

3.2.3. Backlog evolution

Environmental Services Backlog breakdown by activity			January - June
Million Euro	2010	2011	Var. 11/10
Waste Management	9,238.4	8,837.2	-4.3%
Logistics	512.4	497.8	-2.9%
TOTAL	**9,750.7**	**9,335.0**	**-4.3%**
International	***3,262.0***	***3,401.5***	***+4.3%***
% over total backlog	*33%*	*36%*	

- Environmental Services backlog accounts € 9,335 million, more than 5 years of activity, 4.3 % less than the figure accounted in March 2010. The reduction of backlog in Spain, of a 8.6%, is produced by the finalization of contracts in street cleaning and waste collection in some municipalities in Madrid.

- The international backlog, mainly from Waste Management, is now 36% of the total, and grows by 4.3%.

3.3. Industrial Services

Industrial Services Main financial figures			January - June
Million Euro	2010	2011	Var. 11/10
Turnover	**3,626.8**	**3,640.4**	**+0.4%**
EBITDA	**387.9**	**451.4**	**+16.4%**
Margin	10.7%	12.4%	
EBIT	**311.1**	**398.3**	**+28.0%**
Margin	8.6%	10.9%	
Net Profit	**185.0**	**308.3**	**+66.7%**
Margin	5.1%	8.5%	
Backlog	**6,773**	**6,669**	**-1.5%**
Months	11	11	

3.3.1. Turnover breakdown by activity

Industrial Services Turnover breakdown by activity			January - June
Million Euro	2010	2011	Var. 11/10
Support Services	**2,172.9**	**2,309.6**	**+6.3%**
Networks	382.0	450.1	+17.8%
Specialized Products	1,268.3	1,343.5	+5.9%
Control Systems	522.6	516.0	-1.3%
EPC Projects	**1,361.6**	**1,157.7**	**-15.0%**
Renewable Energy: Generation	**137.2**	**203.4**	**+48.2%**
Consolidation Adjustments	***-44.9***	***-30.3***	***n.a.***
TOTAL	**3,626.8**	**3,640.4**	**+0.4%**
International	***1,304.3***	***1,701.9***	***+30.5%***
% over total sales	*36%*	*47%*	

- Sales on Industrial Services grew in 1H11 by 0.4% up to € 3,640.4 million.
- International sales grew by 30.5% up to 47% of the total totaling € 1,701.9 million. There has been a strong production growth in Latin American countries like Mexico, Brazil, Chile and Peru, as well as in the Asian market, already weighting 10% over the total international sales.
- Support Services activity grew by 6.3% backed by the growth both in Spain and abroad of Networks, and the strong growth abroad of Specialized Products, that compensates the decrease in Spain. The international activity in Specialized Products already crosses the 60% threshold.
- EPC Projects activity shows a decrease on its activity of 15.0%, as a consequence of the activity shortfall in Spain, decreasing by 43%, that is not compensated by the excellent performance in the international markets, that contribute with a sales growth of 45.5%. The finalization of renewable projects in Spain and the reduction of the investment in new capacity from the main industrial clients fundament this shortfall.

- Renewable energy generation activity grows by 48.2% up to € 203.4 million due to the start in the operation of several plants in late 2010 and in the first half of 2011.

3.3.2. Operating results

- EBITDA grew by 16.4% with a margin on sales of 12.4%, 170 b.p. better than last year as a result of the change of mix experienced, where Renewable Energies have a greater weight.

- EBIT grew by 28.0% leaving the margin on sales on 10.9%, 236 b.p. better than last year.

3.3.3. Backlog evolution

Industrial Services Backlog breakdown by activity			January - June
Million Euro	**2010**	**2011**	**Var. 11/10**
Support Services	**4,231.3**	**4,090.7**	**-3.3%**
EPC Projects & Renewables	**2,542.1**	**2,577.8**	**+1.4%**
TOTAL	**6,773.4**	**6,668.5**	**-1.5%**
Domestic	3,726.4	3,170.1	-14.9%
International	3,047.0	3,498.4	+14.8%
% over total backlog	*45%*	*52%*	

- The backlog of € 6,669 million (-1.5%) means 12 months of activity.

- International backlog grows by close to 15%, backed by the good performance of EPC Projects area that has been awarded with several turn-key contracts in Latin America, Asia and Northern Europe.

- The Mexican market, with a current backlog close to one third of the total, shows the highest growth potential with significant contracts in the energy sector, including facilities for the electricity and oil&gas industries.

3.4. Affiliated Listed Companies

Associates Main financial figures			January - June
Euro Million	**2010**	**2011**	**Var. 11/10**
Abertis	78.5	15.6	-80.1%
Iberdrola	123.3	211.4	n.s.
Income from Associates	**201.9**	**227.0**	**n.s.**
Financial expenses	(159.5)	(225.4)	+41.3%
Corporate tax	46.9	66.0	+40.7%
Attributable Net Profit	**89.3**	**67.6**	**-24.3%**

- The contribution from these companies to the Net Profit of the Group, after financial expenses and taxes, has accounted for € 67.6 million, as a consequence of:
  - Abertis contribution, that accounted for € 15.6 million, is lower than in 2010 as last year ACS's stake in the company was 25,8%, whilst in 2011 the company holds 10.3% through its indirect stake in Admirabilia, S.L.
  - Iberdrola contributes with its dividends, accrued after the Annual General Meeting that took place in May, for € 211.4 million, corresponding to the 19.03% stake held by ACS.
- Financial expenses associated to the investments in these companies account for € 225.4 million, coming from the significant increase in the Iberdrola stake. The positive tax impact accounts for € 66.0 million.

4. Material facts occurring since the last close

- Last 5th of July, ACS paid to its shareholders a gross complementary dividend of 1.15€ per share.

- During the month of August ACS has signed two contracts with Canepa Asset Management and Bridgepoint for the sale of 20 wind parks, with an installed capacity of 657.4 MW. The enterprise value of both transactions, that are conditioned to the approval of the administration and the financial institutions, account for 860 million euros.

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. In this sense, it is worthwhile to highlight the recent signature of the term extension (“forward-start facility”), up to

December 2014, of the financing for the acquisition of the initial stake of Iberdrola, which means a significant improvement in the average duration of the financial liabilities of the Group.

- 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.

- 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. Additionally, the Hochtief Annual Report details the risks of the German company and its control mechanisms.
- In the next semester, 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 last semester except for:
  - The internationalization of the activities thanks to the consolidation of Hochtief
  - Those derived from the Construction activity in Spain, as a result of the public investment cuts planned by the Government in order to reduce its deficit to meet the fiscal consolidation measures demanded by the European Union.
  - The economical and financial uncertainties derived from the international crisis.

6. Human Resources

- At June 30th, 2011, the ACS Group employed a total of 164,807 individuals, of which more than 18,700 have a university degree. The significant increase in the number of employees experienced in this period is provoked by the consolidation of Hochtief to ACS, that contributes with more than 64,000 employees, out of which more than 9,700 have a university degree.
- The ACS Group's human resource policy consists mainly in maintaining and hiring committed teams of individuals, with a high level of knowledge and specialization, capable of offering the best service to the customer and generating business opportunities with rigor and efficiency. These objectives are achieved by means of active personnel selection policies, the fostering of teamwork, excellence in decision-making and cutting down on bureaucracy. Additionally, specialized training is promoted in each activity, aimed at fostering innovation and professional expertise in order to improve ACS Group processes, products, services and safety levels.
- In the Corporate Responsibility Report are detailed all issues related to corporate human resource policies, especially in key issues for the Group as talent management and workplace safety.

7. Technological Innovation and Environmental Protection

Research and development activities

- Grupo ACS is committed to a policy of continuous improvement of its processes and applied technology in all areas of activity. To this end maintains its own program of research to develop new technological knowledge for the design of processes, systems, new materials, etc., in each activity
- This program is based on three principles of action:
  - Development of projects with the maximum beneficial impact on the technical and technological advancement of the company, for which there are procedures of analysis and discrimination of which projects to undertake prior to their implementation.
  - Development of projects with prestigious research institutions, both national and at European level, to complement the capabilities of the ACS researchers.
  - Increased and responsible investment in order to implement the research objectives, generating patents and operational techniques consistently and efficiently.
- The main directions of research in which the Group is focusing efforts today are:
  - In the area of Construction the main efforts are aimed at increasing quality, worker safety and improving processes and techniques with the ultimate goal of respecting the environment.
  - The work in the Industrial Services area are related to technological improvements in the area of energy, including renewable energy, urban control systems or systems related to high-speed trains.
  - Within the Environmental area, efforts were concentrated on two main activities, improved procedures and technology in the management of solid waste (SUW) and reducing CO_2 emissions.
- The recent consolidation of Hochtief to Grupo ACS will contribute to the improvement, exchange and enhancement of best practices in R&D with the target of improving the efficiency in the resources usage and the safety of ACS's operating activities.

Environmental Protection

- Grupo ACS carries out activities involving a significant environmental impact, directly as a result of the change in environment or indirectly by the consumption of materials, energy and water.
- Grupo ACS operates in a manner respectful to the law, adopting the most efficient measures to reduce these effects, and reporting their activities in the mandatory environmental impact studies.

- Additionally develops policies and suites its processes to certify according to ISO 14001 a large percentage of the activity of the Group, which is an additional commitment than the one required by law in respect of good environmental practice.
- Also, ACS has various ongoing action plans in their companies to reduce the environmental impact in more specific areas. Major initiatives under development are:
  - Actions to help reduce climate change.
  - Initiatives to enhance energy efficiency in their activities.
  - Procedures that help to reduce the minimum impact on biodiversity in those projects where necessary.
  - Promoting good practices aimed at saving water in those locations considered to have a high water stress
- The detailed results of R&D&i and Group's environmental policies are collected and published frequently in the ACS web page (www.grupoacs.com) and the Corporate Responsibility Report.
- Hochtief also maintains its own action plans on environmental, social protection and research and development, which characterizes the German company as one of the most effective international construction groups in terms of sustainability. These policies are detailed in the sustainability report of Hochtief, published in March this year and available in www.hochtief.com.

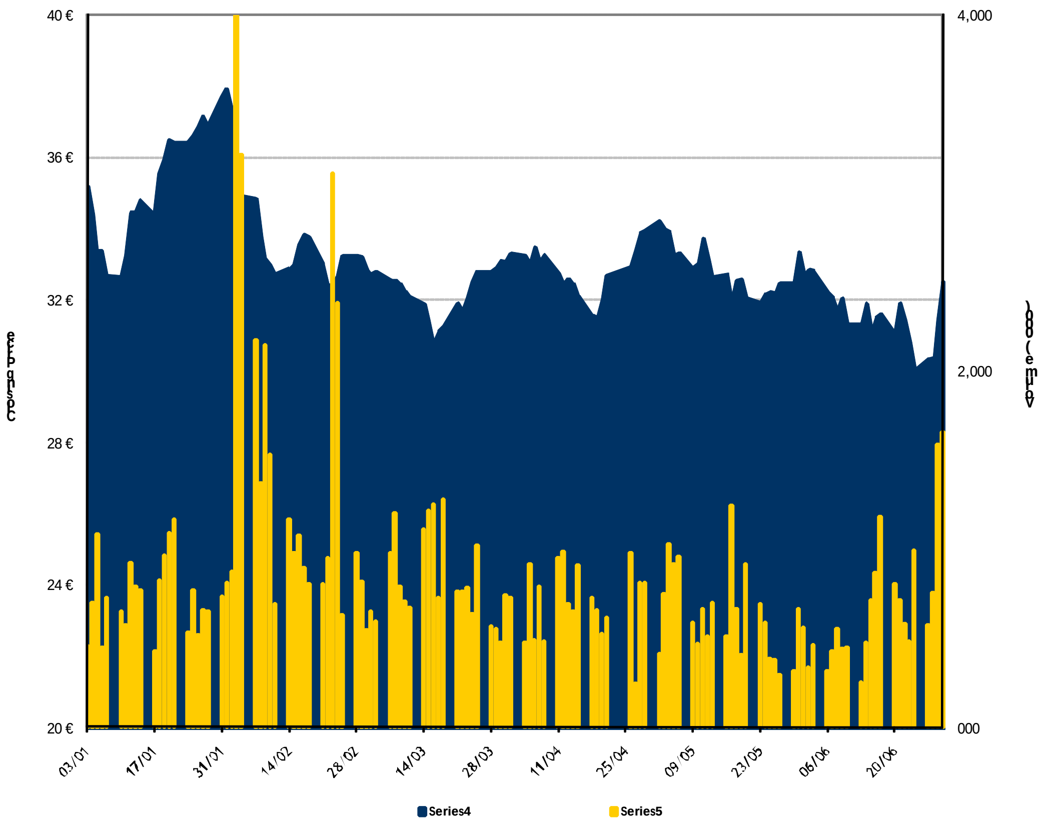
8. Information on related parties

- The information on transactions with related parties is contained in the relevant section of the annual financial report filed with the CNMV.
- During the last semester 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	2010	2011
Closing price	30.19 €	32.52 €
YTD performance	-13.27%	-7.28%
Maximum in the period	38.80 €	38.27 €
Maximum Date	5-Jan	2-Feb
Minimum in the period	28.59 €	29.97 €
Minimum Date	25-May	24-Jun
Average in the period	32.85 €	33.13 €
Total volume (´000)	117,621	108,006
Daily average volume (´000)	918.92	843.80
Total traded effective (€ mn)	3,864	3,579
Daily average effective (€ mn)	30.19	27.96
Number of shares (mn)	314.66	314.66
Market cap (€ mn)	9,500	10,233



Annex II. Proforma P&L account with Hochtief by Equity Method

ACS Group Consolidated Income Statement					January - June
Million Euro	2010	%	2011pf	%	Var. 11/10
Net Sales	**7,490**	**100.0%**	**7,398**	**100.0%**	**-1.2%**
Other revenues	157	2.1%	159	2.1%	+1.1%
Total Income	**7,647**	**102.1%**	**7,557**	**102.1%**	**-1.2%**
Operating expenses	(5,292)	(70.7%)	(5,102)	(69.0%)	-3.6%
Personnel expenses	(1,622)	(21.7%)	(1,668)	(22.5%)	+2.8%
Operating Cash Flow (EBITDA)	**732**	**9.8%**	**787**	**10.6%**	**+7.4%**
Fixed assets depreciation	(182)	(2.4%)	(161)	(2.2%)	-11.7%
Current assets provisions	4	0.0%	(10)	(0.1%)	n.s.
Ordinary Operating Profit (EBIT)	**554**	**7.4%**	**616**	**8.3%**	**+11.2%**
Results on fixed assets disposals	(8)	(0.1%)	(7)	(0.1%)	-12.4%
Other operating results	50	0.7%	16	0.2%	n.s.
Operating Profit	**596**	**8.0%**	**625**	**8.5%**	**+4.9%**
Financial income	211	2.8%	328	4.4%	+55.2%
Financial expenses	(372)	(5.0%)	(497)	(6.7%)	+33.5%
Ordinary Financial Result	**(161)**	**(2.1%)**	**(169)**	**(2.3%)**	**+5.1%**
Foreign exchange Results	24	0.3%	(5)	(0.1%)	n.a.
Impairment non current assets results	(68)	(0.9%)	(6)	(0.1%)	n.s.
Results on non current assets disposals	3	0.0%	197	2.7%	n.s.
Net Financial Result	**(202)**	**(2.7%)**	**17**	**0.2%**	**-108.3%**
Results on equity method	124	1.7%	68	0.9%	-45.3%
Ordinary income of continued operations	**519**	**6.9%**	**710**	**9.6%**	**+36.9%**
Corporate income tax	(38)	(0.5%)	(96)	(1.3%)	n.s.
Profit after taxes of the continued operations	**481**	**6.4%**	**614**	**8.3%**	**+27.6%**
Profit after taxes of the discontinued operations	41	0.6%	22	0.3%	-47.0%
Consolidated Result	**522**	**7.0%**	**636**	**8.6%**	**+21.7%**
Minority interest	(21)	(0.3%)	(32)	(0.4%)	+50.2%
Net Profit Attributable to the Parent Company	**501**	**6.7%**	**604**	**8.2%**	**+20.5%**

Annex III. Proforma Balance Sheet with Hochtief by Equity Method

ACS Group Consolidated Balance Sheet					
Million Euro	Dec-10	%	Jun-11 pf	%	Var.
Intangible Fixed Assets	1,614	4.7 %	1,580	4.6 %	-2.1%
Tangible Fixed Assets	1,218	3.6 %	1,146	3.3 %	-6.0%
Concession Projects Assets	2,380	7.0 %	2,294	6.7 %	-3.6%
Property Assets	57	0.2 %	57	0.2 %	-0.6%
Investments accounted by Equity Method	2,333	6.8 %	3,311	9.6 %	+41.9%
Long Term Financial Investments	7,509	22.0 %	8,052	23.4 %	+7.2%
Financial Instruments Debtors	60	0.2 %	36	0.1 %	-40.4%
Deferred Taxes Assets	824	2.4 %	694	2.0 %	-15.8%
Fixed and Non-current Assets	**15,995**	**46.8 %**	**17,169**	**50.0 %**	**+7.3%**
Non Current Assets Held for Sale	4,577	13.4 %	4,809	14.0 %	+5.1%
Inventories	618	1.8 %	563	1.6 %	-8.9%
Accounts receivables	6,939	20.3 %	6,667	19.4 %	-3.9%
Short Term Financial Investments	3,502	10.2 %	2,934	8.5 %	-16.2%
Other Short Term Assets	101	0.3 %	93	0.3 %	-8.0%
Cash and banks	2,453	7.2 %	2,114	6.2 %	-13.8%
CURRENT ASSETS	**18,190**	**53.2 %**	**17,179**	**50.0 %**	**-5.6%**
TOTAL ASSETS	**34,185**	**100 %**	**34,348**	**100 %**	**+0.5%**
		0.0 %		0.0 %	+0.0%
Shareholders' Equity	5,519	16.1 %	5,885	17.1 %	+6.6%
Adjustment s from Value Changes	(1,341)	(3.9 %)	(1,076)	(3.1 %)	-19.7%
Minority Interests	264	0.8 %	264	0.8 %	+0.2%
Net Worth	**4,442**	**13.0 %**	**5,073**	**14.8 %**	**+14.2%**
Subsidies	70	0.2 %	71	0.2 %	+1.5%
Long Term Financial Liabilities	9,621	28.1 %	10,774	31.4 %	+12.0%
Deferred Taxes Liabilities	271	0.8 %	298	0.9 %	+9.9%
Long Term Provisions	407	1.2 %	391	1.1 %	-4.0%
Financial Instruments Creditors	240	0.7 %	196	0.6 %	-18.6%
Other Long Term Accrued Liabilities	161	0.5 %	211	0.6 %	+31.0%
Non-current Liabilities	**10,771**	**31.5 %**	**11,941**	**34.8 %**	**+10.9%**
Liabilities from Assets Held for Sale	3,590	10.5 %	3,914	11.4 %	+9.0%
Short Term Provisions	233	0.7 %	234	0.7 %	+0.5%
Short Term Financial Liabilities	4,337	12.7 %	3,413	9.9 %	-21.3%
Trade accounts payables	10,155	29.7 %	9,093	26.5 %	-10.5%
Other current payables	656	1.9 %	679	2.0 %	+3.5%
Current Liabilities	**18,971**	**55.5 %**	**17,333**	**50.5 %**	**-8.6%**
TOTAL EQUITY & LIABILITIES	**34,185**	**100 %**	**34,348**	**100 %**	**+0.5%**

Annex IV. Main contracts awarded

i. Construction

Civil Works

- Design and Construction of the tunnel in the SR-99 in Seattle (U.S.A.)
- Design and construction of the new Forth Crossing Bridge (Glasgow-U.K.)
- S-8 highway construction between Lodz and Wroclaw (Poland)
- Construction of the Loop 303 highway stretch between Mountain View Boulevard and Peoria Avenue in the city of Surprise (Arizona, U.S.A.)
- Project for A-308 highway construction between Iznalloz and Darro (Granada, Spain)
- Highway construction between Casa Grande and Tucson in Arizona State (U.S.A)
- Works for the refurbishment of Sants station´s entries (Barcelona, Spain).
- Project for the construction of the high-speed railway line between Antequera and Granada, in the interconnection of Bobadilla an Antequera (Granada, Spain)
- Construction of a tunnel structure for the railway line on the Ourense-Santiago route, in the stretch between Silleda and Boqueixón (Pontevedra,Spain)
- Assembly works for the high-speed railway line between Poceirao and Caia (Portugal)
- Works on Atocha station enlargement (Madrid, Spain)
- Works for the high-speed railway line between Silleda and Boqueixón (Pontevedra, Spain)
- Calaveras Dam rebuilding project (San Francisco, California, U.S.A.)
- Purifying water plant in Estiviel (Toledo, Spain)
- The reconstruction and the expansion of the sewage treatment plant in Maszewo stage II (Poland)
- Improvement works for the Campo de Montiel water supply network (Ciudad Real, Spain)
- Construction of two tunnels under the Thames in London, UK
- Construction of bridge and traffic connections for the Forth Replacement Crossing project in Scotland
- Plan, finance, upgrade, operate and maintain an A8 highway section in Germany
- Contract for the mining in the Burton Coal mine in Australia
- Installation of facilities for a coal steam gas mine in Australia
- Rail line sink and upgrade in Perth Station (Perth, Australia)
- Improvement and maintenance services for a road network in Western Australia
- Contract for the mining in the Poitrel Coal mine in Australia
- Contract for the surface mining in the Terfel gold mine in Australia
- Construction of the marine facilities for the LNG plant in Curtis Island, Australia
- Contract for the mining in the Lake Lindsay & Oak Park Coal mines in Australia
- Contract for the mining in the Jimblebar iron ore mine in Australia
- Contract for the mining in the Debswana diamonds mine in Botswana
- Contract for the mining in the Bradmeadow coal mine in Australia
- Construction of a railway bridge, tunnel, elevated/underground stations and viaduct for the South Island railway line in Hong Kong
- Construction of permanent buildings for the gas facility for the Gorgon project in Australia
- Design and construction of the Royal Adelaide Hospital in Australia
- Contract for the mining in the Wilpinjong coal mine in Australia

Building

- "Museo Nacional de Energía" institutional building construction in Leon (Spain)
- Construction of the Shakespeare Theatre in Gdansk (Poland)
- Works for Reus Hospital construction (Tarragona, Spain).
- Construction of new facilities for La Fe Hospital (Valencia, Spain)
- School building in Barcelona (Spain)
- Project for the building of 174 housing units (Madrid, Spain)
- Mercy Westside Hospital construction in Cincinnati, OH (US)
- Extension and renovation of the judicial center in Rockville, MD (US)
- Renovation, including demolishing and rebuilding parts of existing Oakland Medical Mart and Convention Center, Oakland, CA (US)
- Construction of the Miami Intermodal transportation Center, Miami (FL, US)
- Construction of a Hospital for the Veterans Administration in the US
- Renovation of campus buildings in the Ruhr University, Bochum, Germany
- Design, build, finance and operate two secondary schools under a PPP regime in Halton, UK
- Construction of the Al Mafraq hospital in Abu Dhabi

ii. Environmental Services

- Urban waste collection and street cleaning services in Viladecans (Barcelona, Spain)
- Contract for waste collection and street scene services in Gosport Borough Council (U.K)
- Contract for urban solid waste collection in Boucle de la Seine (France)
- Gardening services for green areas of Santa Cruz de Tenerife (Spain)
- Urban solid waste collection in La Ciotat (Marseille, France)
- Contract for urban solid waste collection in Mijas (Málaga, Spain)
- Urban waste collection and street cleaning services in Parets del Vallés (Barcelona, Spain)

iii. Industrial Services

Networks

- Project for the expansion of the gas network system in Salto (Buenos Aires, Argentina)

Specialized Products

- Works for the enlargement of the high-voltage transmission line between Cuiaba-Ribeiraozinho and Ribeiraozinho- Río Verde Norte (Brazil)
- Construction, equipment and operation of San Francisco Hospital (Ecuador)
- Climate control system and other improvement works for the Hospital Universitario de Guadalajara (Guadalajara, Spain)
- Project for the construction of Corrientes Estes electrical station and a 16 km high-transmission line between this station and Paso de la Patria electrical station (Argentina)
- Electrical installations and climate control systems for Archidona Prison (Malaga, Spain)

EPC Projects

- Engineering, procurement and construction (EPC) of two jackets for Eldfisk II oil platform in the North Sea (Norway)
- Construction of a liquefied petroleum gas storage plant in Quito (Ecuador)
- EPC contract for a 200 MW thermal power plant in Lambeyeque area (Peru)
- EPC contract for a 50 MW solar thermal plant in Caceres (Spain)

- EPC project for Bandeleras wind farm construction with an installed capacity of 36 MW (Salamanca, Spain)
- Project for the construction of Rodera Alta wind farm with an installed capacity of 34 MW (Salamanca, Spain)
- Design, engineering, procurement and construction of the Aguas Negras canal water purification system (Chiapas, Mexico)

Control Systems

- Signaling and other services for a group of roads in Huesca (Spain)
- Maintenance works for Madrid underground network (Spain)

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

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