



**ACS**

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



# Results Report

# 2016

**February 28<sup>th</sup>, 2017**

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# 1 Executive Summary

## 1.1. Main figures

Grupo ACS		Key operating & financial figures		
Euro Million	2015	2016	Var.	
<b>Turnover</b>	<b>33,291</b>	<b>31,975</b>	<b>-4.0%</b>	
<b>Backlog</b>	<b>58,942</b>	<b>66,526</b>	<b>+12.9%</b>	
Months	20	23		
<b>EBITDA <sup>(1)</sup></b>	<b>2,141</b>	<b>2,023</b>	<b>-5.5%</b>	
Margin	6.4%	6.3%		
<b>EBIT <sup>(1)</sup></b>	<b>1,421</b>	<b>1,445</b>	<b>+1.7%</b>	
Margin	4.3%	4.5%		
<b>Attributable Net Profit</b>	<b>725</b>	<b>751</b>	<b>+3.5%</b>	
<b>EPS</b>	<b>2.35 €</b>	<b>2.44 €</b>	<b>+3.7%</b>	
<b>Net Investments</b>	<b>259</b>	<b>(523)</b>	<b>n.a</b>	
Investments	2,085	1,545		
Disposals	1,827	2,068		
<b>Total Net Debt</b>	<b>2,624</b>	<b>1,214</b>	<b>-53.7%</b>	
Businesses' Net Debt	2,083	1,012		
Project Financing	541	202		

Note: In compliance with IFRS 5, Urbaser has been reclassified as discontinued operations as consequence of its sale agreement. Likewise the prior comparable period has been restated.

Data presented according to Grupo ACS management criteria.

(1) Includes Joint Ventures Net Results (companies executing projects managed with partners) not fully consolidated.

- Sales in the period accounted for € 31,975 million, a decrease of 4.0% compared to the same period of the previous year. This evolution is mainly due to the downturn in CIMIC's activity caused by the termination of large projects during the first half of 2015. However, production in CIMIC during the second half is 16.7% higher than in the first one, in comparable terms, confirming the trend change in Asia Pacific sales for 2017.
- Backlog accounts for € 66,526 million, growing by 12.9%.

Grupo ACS		Main figures details		
Euro Million	2015	2016	Var.	
<b>Backlog</b>	<b>58,942</b>	<b>66,526</b>	<b>+12.9%</b>	
Direct	50,913	58,531	<b>+15.0%</b>	
Proportional*	8,029	7,995	<b>-0.4%</b>	
<b>Work Done</b>	<b>36,143</b>	<b>34,358</b>	<b>-4.9%</b>	
Direct	33,291	31,975	<b>-4.0%</b>	
Proportional*	2,852	2,383	<b>-16.4%</b>	
<b>EBITDA</b>	<b>2,141</b>	<b>2,023</b>	<b>-5.5%</b>	
Direct	2,038	1,947	<b>-4.5%</b>	
Proportional*	102	77	<b>-25.1%</b>	
<b>EBIT</b>	<b>1,421</b>	<b>1,445</b>	<b>+1.7%</b>	
Direct	1,319	1,368	<b>+3.8%</b>	
Proportional*	102	77	<b>-25.1%</b>	

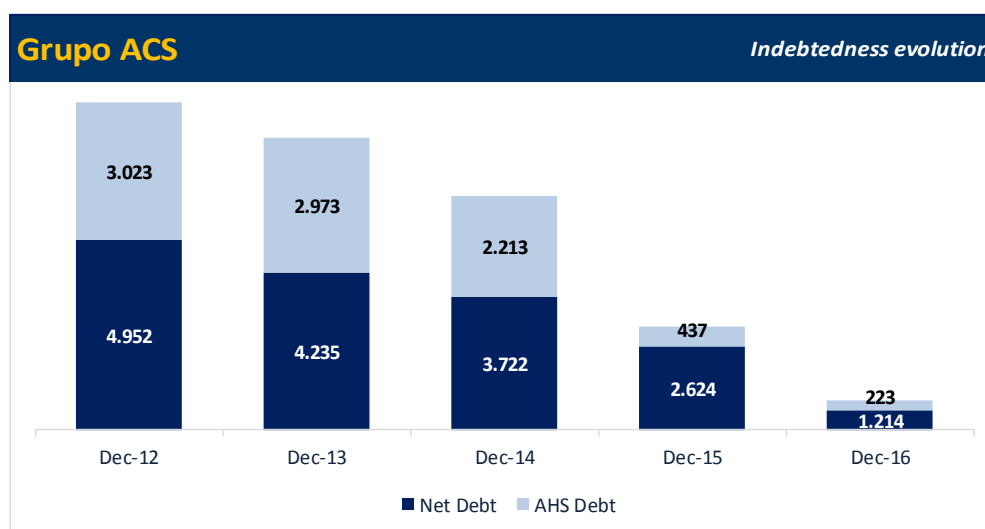
\* Refers to the proportional stake of the operating Joint Ventures and projects not fully consolidated in the Group

- EBITDA of the Group accounts for € 2,023 million, 5.5% decrease impacted by the sale of renewable assets during the first quarter of 2015. Excluding this effect, EBITDA went down by 4.1%, (see 2.1.2) mainly due to a lower production in CIMIC with respect to the prior year, although it has been showing signs of recovery quarter by quarter, confirming the upward trend expected for the coming periods. EBITDA margin stands at 6.3% , remaining stable in comparable terms, after a progressive improvement in the last periods as a result of the operating improvements in HOCHTIEF and CIMIC
- EBIT accounts for € 1,445 million and grew by 1.7%, despite the sale of renewable assets. Without taking into account this effect, EBIT grew by 3.9% (see 2.1.2), compared to the prior period. EBIT margin stood at 4.5% increasing 30 bp in comparable terms, underpinned by a lower D&A of the fixed assets as a result of the lower activity in capital intensive businesses like contract mining.
- Net profit of Grupo ACS accounted for € 751 million which represents a 3.5% increase. The capital gains obtained from the sale of Urbaser amounting to € 357 million have offset the exceptional provisions made in 2016, calculated on the basis of conservative assumptions. These provisions cover both tax impacts related to RDL 3/2016 approved last December 2<sup>nd</sup> as well as probable impairments of the value of certain financial assets.

Grupo ACS		Net Profit breakdown	
Euro Million	2015	2016	Var.
Construction	304	311	+2,2%
Industrial Services <sup>(1)</sup>	314	305	-3,0%
Services	73	84	+14,9%
<b>Net Profit from activities</b>	<b>691</b>	<b>699</b>	<b>+1,2%</b>
Renewable assets	6	(0)	
Corporation	28	52	
<b>TOTAL Net Profit</b>	<b>725</b>	<b>751</b>	<b>+3,5%</b>

(1) Excludes renewables

- Net debt stood at € 1,214 million, € 1,410 million lower than the outstanding balance 12 months ago backed by a strong operating cash generation and the sale of Urbaser. The net debt outstanding balance over EBITDA ratio stands at 0.6x.



- Similarly, the good performance of the debt linked to assets held for sale, which has decreased by 49% in the last year down to € 223 million, has contributed to reduce the leverage in the last twelve

months. The Group's net debt, including assets held for sale, has decreased by 53% since the end of 2015 and by 82% in the last four years.

## **1.2. Relevant facts**

### **a) Dividends**

- In 2016, dividends equivalent to € 1.152 per share have been paid using the scrip dividend system, distributed as:
  - Interim dividend paid in February 2016 for an equivalent amount of € 0.445 per share, as agreed by the Board of Directors on December 17<sup>th</sup> 2015
  - Complementary dividend amounting to € 0.707 per share, as approved by the General Shareholder's meeting held on May 5<sup>th</sup> 2016 and paid in July 2016.
- Likewise, on December 22<sup>nd</sup>, 2016, exercising the powers granted by resolution of the General Shareholder's Meeting of the Company held on May 5<sup>th</sup>, 2016, the Board of Directors approved the distribution of the interim dividend for 2016 through the scrip dividend system. To this end, it was agreed to proceed to the second execution of the capital increase against reserves up to € 142 million (equivalent to around € 0.45 per share), in order that shareholders could choose between continuing to receive remuneration in cash or either in shares of the Company. This simultaneous capital increase and reduction has been made in February 2017.

### **b) Mergers, acquisitions and transmission of shares**

- On January 27<sup>th</sup>, 2016 the Group carried out the sale of 80% of its stake in Servicios , Transportes y Equipamentos Públicos Dos, S.L which is the entity that owns 50% of the concession of the Line 9 (segment II) of Barcelona's underground and the entity in charge of the maintenance of segment II and segment IV of that line.
- On June 15<sup>th</sup> 2016, ACS Group, through its subsidiary CYMI, proceeded to sell to funds controlled by Brookfield 50% of three concessionaires of power transmission lines in Brazil (Odojá Transmissora de Energía S.A., Esperanza Transmissora de Energía S.A., Transmissora José María de Macedo de Electricidad S.A.). Similarly, cross purchase and sale options for the remaining 50% were granted, exercisable once the construction of the lines is finished. The sale amounts to a total enterprise value of € 115 million, equivalent the nominal value of the shares and did not generate gains or losses.
- On June 22<sup>th</sup> 2016, ACS Group, through its subsidiary ACS Telefonía Móvil, S.L., reached an agreement with Másmovil Ibercom, S.A. for the sale of its shares and loans in Xfera Móviles, S.A. The consideration for this sale is the issue of a convertible loan for a maximum amount of 200 million euros. The transaction did not generate significant gains or losses.
- On September 26<sup>th</sup> 2016, ACS Actividades de Construcción y Servicios S.A. (ACS), through its subsidiary ACS Servicios y Concesiones S.L., reached an agreement with Firion Investments, a company controlled by a Chinese group, for the sale of its total stake in URBASER S.A. Depending on certain future parameters, the agreed equity price was set between a minimum of € 1,164 and a maximum of 1,399 million.

On December 7<sup>th</sup>, 2016, after obtaining the pertinent authorizations required, the transaction was closed by means of the corresponding public deed of transfer of shares, receiving € 959 million, plus

€ 20 million previously received as dividends. As of December 31<sup>th</sup> 2016, a minimum of € 185 million and a maximum of € 420 million were pending collection. The capital gain from sale at year-end amounted to € 357 million.

In accordance with IFRS 5, the contribution from Urbaser to 2016 results has been reclassified as discontinued operations, also re-expressing the income statement for the previous period.

- On October 10<sup>th</sup> 2016, CIMIC launched a takeover bid for UGL Limited (UGL) at \$ 3.15 cash per share (out of the market). CIMIC, through its subsidiary CIMIC Group Investments No.2 Pty Limited (CGI2), previously held a 14.85% stake in UGL Limited (UGL). The acquisition of up to 95% of UGL's shares was completed on November 24<sup>th</sup> 2016, with the company becoming part of CIMIC from that moment on. On January 20<sup>th</sup> 2017, the remaining shares were acquired to complete the 100% stake.
- On November 17<sup>th</sup> 2016, the ACS Group entered into an agreement with the French company Compagnie d'Affrètement et de Transport S.A.S (CAT) for the sale of its total stake in SINTAX S.A. The agreed price is € 55 million. The capital gain from the operation is estimated to be € 5.8 million. The sale was closed, after obtaining the pertinent authorizations required for this type of operations, during the month of February.
- On December 12<sup>th</sup> 2016, the ACS Group, through its subsidiary ACS Infrastructure Canada, Inc. (Iridium), sold 75% of its 50% interest in the South Fraser Perimeter Road concessionaire in Vancouver (Canada), to Connor, Clark & Lunn Infrastructure ("CC & L Infrastructure") investors and Régime de rentes du Mouvement Desjardins ("Desjardins"). ACS will maintain a minority interest in the concessionaire and has signed a service contract with the buyer for which the ACS Group will continue to manage the day to day operations of the concessionaire. The company value applied was CAD 654 million and the price received amounted to CAD 24.7 million

#### **c) Loans, credits and other financial operations**

- In late March 2016 ACS Group executed a prepaid forward sale of 90 million Iberdrola shares at an average price of € 6.02 share. Simultaneously, it acquired call options on the same number of Iberdrola shares to eliminate the market risk associated with the exchangeable bonds issued during 2013 and 2014. The combined result of these transactions implied an estimated pretax profit of € 95 million.
- On December 20<sup>th</sup> 2016, ACS Actividades de Construcción y Servicios SA, signed with a syndicate of banks, made up of forty six Spanish and foreign entities, the novation of the financing contract (initial date of February 13<sup>th</sup> 2015) for a total amount of € 2,350 million, divided into two tranches (loan tranche A of € 1,400 million and tranche B of liquidity line for € 950 million) and maturing on December 13<sup>th</sup> 2021.

#### **d) Corporate Governance**

- In June 29<sup>th</sup> 2016, the shareholder Corporación Financiera Alba S.A voluntarily renounced to have representation on the Board of Directors of ACS. The representation had been exercised by the Proprietary Board members Mr. Pablo Vallbona Vadell and Mr. Javier Fernández Alonso who presented their respective resignation letters.
- In July 29<sup>th</sup> 2016, ACS' Board of Directors agreed:
  - The appointment of the independent Director, Mr. Antonio Botella García, as member of the Audit Committee, in order to fill the vacancy in the Audit Committee after the resignation of Mr. Javier Fernández Alonso,;

- The appointment of Mr. José María Loizaga Viguri as Deputy Chairman, in order to fill the vacancy of the Deputy Chairman after the resignation of Mr. Pablo Vallbona Vadell;
  - The approval of the following Policies: Communication and Contact with Shareholders, Institutional Investors and Proxy Advisors Policy, the Human Rights, the Risk Control and Management and the Rules of Procedure of the Monitoring Committee of Code of Conduct.
- On December 22<sup>th</sup> 2016, the Board of Directors of ACS Construcción y Servicios S.A. took note of the resignation as Board Member of Iberostar Hoteles y Apartamentos S.L. who stated that this resignation is motivated by the new community regulations which implied an increase in the restrictions imposed to operate in the securities markets for the shareholders represented in the Board of Directors and, in particular, the increase in the duration of blocking periods, in order to have enough flexibility to adopt and execute the investment and divestment decisions that in his case correspond to him as shareholder of the company.

## 2 Consolidated Financial Statements

### 2.1 Income Statement

<b>Grupo ACS</b>		<i>Income statement</i>			
<i>Euro Million</i>	<b>2015</b>		<b>2016</b>		<b>Var.</b>
<b>Net Sales</b>	<b>33,291</b>	<b>100.0 %</b>	<b>31,975</b>	<b>100.0 %</b>	<b>-4.0%</b>
Other revenues	354	1.1 %	462	1.4 %	+30.5%
Joint Ventures Net Results*	102	0.3 %	77	0.2 %	-25.1%
<b>Total Income</b>	<b>33,747</b>	<b>101.4 %</b>	<b>32,514</b>	<b>101.7 %</b>	<b>-3.7%</b>
Operating expenses	(24,504)	(73.6 %)	(23,738)	(74.2 %)	-3.1%
Personnel expenses	(7,103)	(21.3 %)	(6,752)	(21.1 %)	-4.9%
<b>Operating Cash Flow (EBITDA)</b>	<b>2,141</b>	<b>6.4 %</b>	<b>2,023</b>	<b>6.3 %</b>	<b>-5.5%</b>
Fixed assets depreciation	(652)	(2.0 %)	(514)	(1.6 %)	-21.2%
Current assets provisions	(68)	(0.2 %)	(64)	(0.2 %)	-4.9%
<b>Ordinary Operating Profit (EBIT)</b>	<b>1,421</b>	<b>4.3 %</b>	<b>1,445</b>	<b>4.5 %</b>	<b>+1.7%</b>
Impairment & gains on fixed assets	(32)	(0.1 %)	(20)	(0.1 %)	
Other operating results	(197)	(0.6 %)	(111)	(0.3 %)	
<b>Operating Profit</b>	<b>1,191</b>	<b>3.6 %</b>	<b>1,314</b>	<b>4.1 %</b>	<b>+10.3%</b>
Financial income	224	0.7 %	186	0.6 %	-16.9%
Financial expenses	(699)	(2.1 %)	(526)	(1.6 %)	-24.7%
<b>Ordinary Financial Result</b>	<b>(475)</b>	<b>(1.4 %)</b>	<b>(340)</b>	<b>(1.1 %)</b>	<b>-28.4%</b>
Foreign exchange results	49	0.1 %	(13)	(0.0 %)	
Changes in fair value for financial instruments	36	0.1 %	66	0.2 %	
Impairment & gains on financial instruments	299	0.9 %	(23)	(0.1 %)	
<b>Net Financial Result</b>	<b>(90)</b>	<b>(0.3 %)</b>	<b>(310)</b>	<b>(1.0 %)</b>	<b>+242.9%</b>
Results on equity method*	186	0.6 %	(1)	(0.0 %)	n.a.
<b>PBT of continued operations</b>	<b>1,287</b>	<b>3.9 %</b>	<b>1,002</b>	<b>3.1 %</b>	<b>-22.1%</b>
Corporate income tax	(292)	(0.9 %)	(407)	(1.3 %)	+39.4%
<b>Net profit of continued operations</b>	<b>995</b>	<b>3.0 %</b>	<b>596</b>	<b>1.9 %</b>	<b>-40.1%</b>
Profit after taxes of the discontinued operations	59	0.2 %	421	1.3 %	n.s.
<b>Consolidated Result</b>	<b>1,054</b>	<b>3.1 %</b>	<b>1,017</b>	<b>3.2 %</b>	<b>-3.4%</b>
Minority interest	(320)	(1.0 %)	(258)	(0.8 %)	-19.2%
Minority interest from discontinued operations	(9)		(8)		
<b>Net Profit Attributable to the Parent Company</b>	<b>725</b>	<b>2.2 %</b>	<b>751</b>	<b>2.3 %</b>	<b>+3.5%</b>

\* The Joint Ventures Net Results, which are those companies that are executing projects but managed with partners, has been included in the Total Income figure, whilst the Results on Equity Method includes the net results of the rest of affiliated companies



## 2.1.1 Sales and Backlog

- Net sales in the period accounted for € 31,975 million, 4.0% less than those registered in the same period of the prior year impacted by the activity decrease in Spain and in Australia due to the termination of projects, however a gradual recovery is being noticed.
- Sales breakdown by geographical areas demonstrates the diversification of the Group's revenue sources, where North America represents 45.9% of the sales, Asia Pacific 26.1%, Spain 13.4% and the remaining 14.6%.

Grupo ACS					
Sales per Geographical Areas					
Euro Million	2015	%	2016	%	Var.
Spain	4,924	14.8 %	4,293	13.4%	-12.8%
Rest of Europe	2,709	8.1 %	2,617	8.2%	-3.4%
North America	13,916	41.8 %	14,669	45.9%	+5.4%
South America	1,857	5.6 %	1,768	5.5%	-4.8%
Asia Pacific	9,720	29.2 %	8,342	26.1%	-14.2%
Africa	164	0.5 %	286	0.9%	+73.9%
<b>TOTAL</b>	<b>33,291</b>		<b>31,975</b>		<b>-4.0%</b>

Sales per Geographical Area (inter area of activity adjustments excluded)									
Euro Million	Construction			Industrial Services			Services		
	2015	2016	%	2015	2016	%	2015	2016	%
Spain	1,368	1,194	-12.7%	2,166	1,710	-21.1%	1,425	1,424	-0.0%
Rest of Europe	2,203	2,087	-5.3%	428	419	-2.0%	79	112	+41.6%
North America	12,186	13,131	+7.8%	1,730	1,538	-11.1%	0	0	n.a.
South America	462	400	-13.5%	1,395	1,369	-1.9%	0	0	n.a.
Asia Pacific	9,100	7,404	-18.6%	620	938	+51.2%	0	0	n.a.
Africa	1	1	n.a.	162	284	+75.0%	2	2	+14.5%
<b>TOTAL</b>	<b>25,319</b>	<b>24,217</b>	<b>-4.4%</b>	<b>6,501</b>	<b>6,256</b>	<b>-3.8%</b>	<b>1,505</b>	<b>1,538</b>	<b>+2.2%</b>

- The construction activity in North America has grown aided by the initiation of recently awarded projects during the last months. This growth occurs especially in the United States with 8.5% growth. On the other side, Europe and Asia Pacific show negative growth rates respectively, affected by the reorganization of the activity in Germany and the completion of large projects in CIMIC. Spain has shown a reduction of 12.7%.
- The activity in Industrial Services in Spain fell due to the divestment of renewable assets in 2015 first quarter and the activity slowdown in Support Services business. Meanwhile, activity in North America declines due to the adjustment of the activity in Mexico to the current market demand. However, it is worth mentioning a rebound in activity in Mexico in the last quarter of the period, thanks to the reactivation of projects that had been suspended, thus a gradual recovery is expected in the next periods. In addition, especially noteworthy is the strong growth in Asia Pacific, especially in Saudi Arabia where several turnkey projects are being developed.
- Services sales increased by 2.2% and includes mainly Clece, after the reclassification of Urbaser as discontinued operations.
- Group's backlog stood at € 66,526 million and grows by 12.9% thanks to the positive evolution of the contracting activities in the international market, particularly in North America, as well as the integration of UGL's backlog at year end which amounts to € 3.502 million.

<b>Grupo ACS</b>					
<b>Backlog per Geographical Areas</b>					
<i>Euro Million</i>	<b>Dec-15</b>	<b>%</b>	<b>Dec-16</b>	<b>%</b>	<b>Var.</b>
Spain	6,568	11.1 %	6,699	10.1%	+2.0%
Rest of Europe	5,189	8.8 %	5,322	8.0%	+2.6%
North America	20,146	34.2 %	23,896	35.9%	+18.6%
South America	3,649	6.2 %	4,389	6.6%	+20.3%
Asia Pacific	22,423	38.0 %	25,270	38.0%	+12.7%
Africa	969	1.6 %	950	1.4%	-1.9%
<b>TOTAL</b>	<b>58,942</b>		<b>66,526</b>		<b>+12.9%</b>

<b>Backlog per Geographical Area</b>									
<i>Euro Million</i>	<b>Construction</b>			<b>Industrial Services</b>			<b>Services</b>		
	<b>Dec-15</b>	<b>Dec-16</b>	<b>%</b>	<b>Dec-15</b>	<b>Dec-16</b>	<b>%</b>	<b>Dec-15</b>	<b>Dec-16</b>	<b>%</b>
Spain	2,905	2,837	-2.3%	2,026	1,954	-3.5%	1,637	1,908	+16.5%
Rest of Europe	4,829	4,943	+2.4%	350	291	-16.9%	9	87	n.s.
North America	18,060	22,057	+22.1%	2,086	1,839	-11.8%	0	0	n.a.
South America	2,184	2,245	+2.8%	1,465	2,144	+46.4%	0	0	n.a.
Asia Pacific	20,764	23,530	+13.3%	1,659	1,740	+4.9%	0	0	n.a.
Africa	133	157	+18.2%	836	793	-5.1%	0	0	n.a.
<b>TOTAL</b>	<b>48,874</b>	<b>55,769</b>	<b>+14.1%</b>	<b>8,421</b>	<b>8,762</b>	<b>+4.0%</b>	<b>1,647</b>	<b>1,995</b>	<b>+21.2%</b>

- It is worth noting the evolution of Construction activity in North America, after the good performance of the new order intakes in Dragados, Turner and Flatiron, while domestic backlog is reduced by 2.3% due to the absence of public tenders. The backlog of the rest of Europe shows a slight recovery of 2.4%. Likewise, Asia Pacific's backlog grew by 13.3% mainly due to the integration of UGL at year end.
- Industrial Services experienced solid growth in their backlog of 4.0% mainly in Asia Pacific and South America thanks to the recent award of transmission lines projects in Brazil.
- Lastly, Clece's backlog increased by 21.2% thanks to the positive evolution of the domestic backlog which grew by 16.5% as well as the new awards in United Kingdom.

### 2.1.2 Operating Results

<b>Grupo ACS</b>		<b>Operating Results</b>		
<i>Euro Million</i>	<b>2015</b>	<b>2016</b>	<b>Var.</b>	
<b>EBITDA</b>	<b>2,141</b>	<b>2,023</b>	<b>-5.5%</b>	
<i>EBITDA Margin</i>	6.4%	6.3%		
Depreciation	(652)	(514)	-21.2%	
<i>Construction</i>	(573)	(444)		
<i>Industrial Services</i>	(50)	(41)		
<i>Services</i>	(29)	(27)		
<i>Corporation</i>	(1)	(1)		
Current assets provisions	(68)	(64)	-4.9%	
<b>EBIT</b>	<b>1,421</b>	<b>1,445</b>	<b>+1.7%</b>	
<i>EBIT Margin</i>	4.3%	4.5%		

- EBITDA accounted for € 2,023 million, showing a decrease of 5.5% compared to 2015. EBIT accounted for € 1,445 million, growing by 1.7% with respect to the prior period.
- However, eliminating the effect from the disposal of renewable assets carried out during the first quarter of 2015, the evolution of operating results are more favourable. In this case, EBITDA declined by 4.1% in comparable terms, affected by the lower activity in CIMIC and the margin remains stable. EBIT grew by 3.9% and margin improved by 30 bp thanks to the reduction of amortizations in CIMIC as a result of a lower activity and more efficient management of capital intensive resources.

<b>Grupo ACS</b>		<b>Proforma Operating Results Ex Renewables</b>		
<i>Euro Million</i>	<b>2015</b>	<b>2016</b>	<b>Var.</b>	
<b>Net Sales</b>	<b>33,238</b>	<b>31,975</b>	<b>-3.8%</b>	
<b>Operating Cash Flow (EBITDA)</b>	<b>2,110</b>	<b>2,023</b>	<b>-4.1%</b>	
<i>EBITDA margin</i>	6.3%	6.3%		
<b>Ordinary Operating Profit (EBIT)</b>	<b>1,390</b>	<b>1,445</b>	<b>+3.9%</b>	
<i>EBIT margin</i>	4.2%	4.5%		
<b>Consolidated Result</b>	<b>719</b>	<b>751</b>	<b>+4.4%</b>	

### 2.1.3 Financial Results

<b>Grupo ACS</b>		<b>Financial Results</b>		
<i>Euro Million</i>	<b>2015</b>	<b>2016</b>	<b>Var.</b>	
Financial income	224	186	-16.9%	
Financial expenses	(699)	(526)	-24.7%	
<b>Ordinary Financial Result</b>	<b>(475)</b>	<b>(340)</b>	<b>-28.4%</b>	
Construction	(240)	(159)	-33.8%	
Industrial Services	(113)	(64)	-43.9%	
Services	(16)	(13)	-18.3%	
Corporation	(106)	(105)	-0.9%	

- The ordinary financial result decreased by 28.4%. Financial expenses dropped by 24.7% as a result of the reduction of interest rates following the refinancing efforts and significant deleverage.

Grupo ACS		Financial Expenses			
Million Euro	2015		2016		var
<b>Financial Expenses related to Debt</b>	<b>507</b>	<b>72 %</b>	<b>367</b>	<b>70 %</b>	<b>-27.6%</b>
Related to gross debt	461	66 %	350	67 %	-24.0%
Related to debt linked to AHS	46	7 %	17	3 %	-63.8%
<b>Financial Expenses related to Warranties</b>	<b>75</b>	<b>11 %</b>	<b>68</b>	<b>13 %</b>	<b>-9.2%</b>
<b>Other Financial Expenses</b>	<b>117</b>	<b>17 %</b>	<b>91</b>	<b>17 %</b>	<b>-22.0%</b>
<b>TOTAL FINANCIAL EXPENSES</b>	<b>699</b>	<b>100 %</b>	<b>526</b>	<b>100 %</b>	<b>-24.7%</b>

- Debt-related financial expenses decreased by 27,6% thanks, on the one hand, to the improvement in financial efficiency through refinancing and restructuring processes which have managed to significantly reduce the cost of debt and, on the other hand, to the significant reduction of the Group's net debt.
- Non-debt related financial expenses, which refers to expenses arising from refinancing and restructuring, as well as those related to factoring, bonding lines, accretion of provisions, etc., has also been reduced considerably.

Grupo ACS		Financial Income			
Million Euro	2015		2016		var
Related to Cash & Equivalents	97	43 %	65	35 %	-32.4%
Dividends and financial income from associates	90	40 %	82	44 %	-8.4%
Others	37	17 %	38	21 %	+2.9%
<b>TOTAL FINANCIAL INCOME</b>	<b>224</b>	<b>100 %</b>	<b>186</b>	<b>100 %</b>	<b>-16.9%</b>

- Financial income related to cash and equivalents is also reduced as a result of a greater optimization of available liquid resources as well as lower interest rates.
- The net financial result includes the effect of financial derivatives and pre-tax income from impairment and disposal of financial assets. This item includes the capital gains from the sale of Nextgen (€ 47 million) and the prepaid forward sale of Iberdrola shares completed in March 2016 (€ 95 million), as well as the exceptional provision for € 175 million accounted to cover probable financial risks related to the value of certain Group assets.

Grupo ACS		Financial Results		
Euro Million	2015	2016	Var.	
<b>Ordinary Financial Result</b>	<b>(475)</b>	<b>(340)</b>	<b>-28.4%</b>	
Foreign exchange Results	49	(13)	n.a	
Impairment non current assets results	36	66	+82.8%	
Results on non current assets disposals	299	(23)	n.a	
<b>Net Financial Result</b>	<b>(90)</b>	<b>(310)</b>	<b>+242.9%</b>	

- The Joint Ventures net results (companies executing projects managed with partners) not fully consolidated, accounts, as of December 31<sup>th</sup> 2016, for € 77 million increasing by 25.1%. This figure is included in the EBITDA of the Group.

<b>Grupo ACS</b>		<i>Profit from Associates</i>	
<i>Euro Million</i>	<b>2015</b>	<b>2016</b>	<b>Var.</b>
<b>Joint Ventures Net Results</b>	<b>102</b>	<b>77</b>	<b>-25.1%</b>
<b>Results on equity method</b>	<b>186</b>	<b>(1)</b>	<b>n.a</b>

### 2.1.4 Net Profit Attributable to the Parent Company

- The net profit of the Construction business grew by 2.2% following the transformation processes implemented in HOCHIEF and its subsidiaries, and the Group's increased stake in its capital.
- The net profit of the Industrial Services area, without considering the sale of renewable energy assets in 2015, decreased by 3.0% as a result of the slowdown in the development of oil&gas projects in the Mexican market and the lower Investment in energy assets in Spain.
- Services' net profit increased 14.9% and includes Urbaser's operating contribution as a discontinued activity, whose sale agreement with a Chinese investment group was closed last December.
- Corporation's results reached € 52 million, and includes the capital gains obtained from the sale of Urbaser and other extraordinary results, basically exceptional provisions collected in 2016 and calculated assuming the most conservative hypotheses. Of these provisions, the most significant comes from the tax risks related to the new tax regulations recently approved in Spain (RDL 3/2016), with an impact of € 155 million.
- The net profit of the ACS Group in 2016 reached € 751 million, 3.5% higher than the prior year.

<b>Grupo ACS</b>		<i>Net Profit breakdown</i>	
<i>Euro Million</i>	<b>2015</b>	<b>2016</b>	<b>Var.</b>
<i>Construction</i>	304	311	+2.2%
<i>Industrial Services <sup>(1)</sup></i>	314	305	-3.0%
<i>Services</i>	73	84	+14.9%
<b>Net Profit from activities</b>	<b>691</b>	<b>699</b>	<b>+1.2%</b>
<i>Renewable assets</i>	6	(0)	
<i>Corporation</i>	28	52	
<b>TOTAL Net Profit</b>	<b>725</b>	<b>751</b>	<b>+3.5%</b>

(1) Excludes renewables

**2.2 Consolidated Balance Sheet**

<b>Grupo ACS</b>			<b>Consolidated balance sheet</b>		
<i>Euro Million</i>	<b>Dec-15</b>		<b>Dec-16</b>		<b>Var.</b>
Intangible Fixed Assets	4,854	13.8 %	4,398	13.2 %	-9.4%
Tangible Fixed Assets	2,447	6.9 %	1,839	5.5 %	-24.9%
Investments accounted by Equity Method	1,907	5.4 %	1,532	4.6 %	-19.6%
Long Term Financial Investments	2,372	6.7 %	2,485	7.4 %	+4.8%
Long Term Deposits	6	0.0 %	7	0.0 %	+15.3%
Financial Instruments Debtors	12	0.0 %	67	0.2 %	+468.4%
Deferred Taxes Assets	2,181	6.2 %	2,312	6.9 %	+6.0%
<b>Fixed and Non-current Assets</b>	<b>13,779</b>	<b>39.1 %</b>	<b>12,639</b>	<b>37.9 %</b>	<b>-8.3%</b>
Non Current Assets Held for Sale	859	2.4 %	549	1.6 %	-36.1%
Inventories	1,468	4.2 %	1,407	4.2 %	-4.2%
Accounts receivables	10,916	30.9 %	10,988	32.9 %	+0.7%
Short Term Financial Investments	2,311	6.6 %	1,813	5.4 %	-21.5%
Financial Instruments Debtors	3	0.0 %	98	0.3 %	n.a.
Other Short Term Assets	140	0.4 %	224	0.7 %	+60.2%
Cash and banks	5,804	16.5 %	5,655	16.9 %	-2.6%
<b>Current Assets</b>	<b>21,501</b>	<b>60.9 %</b>	<b>20,734</b>	<b>62.1 %</b>	<b>-3.6%</b>
<b>TOTAL ASSETS</b>	<b>35,280</b>	<b>100 %</b>	<b>33,373</b>	<b>100 %</b>	<b>-5.4%</b>
Shareholders' Equity	3,455	9.8 %	3,571	10.7 %	+3.4%
Adjustments from Value Changes	(34)	(0.1 %)	11	0.0 %	n.a.
Minority Interests	1,776	5.0 %	1,400	4.2 %	-21.2%
<b>Net Worth</b>	<b>5,197</b>	<b>14.7 %</b>	<b>4,982</b>	<b>14.9 %</b>	<b>-4.1%</b>
Subsidies	59	0.2 %	4	0.0 %	-93.2%
Long Term Financial Liabilities	7,382	20.9 %	4,907	14.7 %	-33.5%
Deferred Taxes Liabilities	1,334	3.8 %	1,188	3.6 %	-10.9%
Long Term Provisions	1,620	4.6 %	1,655	5.0 %	+2.2%
Financial Instruments Creditors	115	0.3 %	70	0.2 %	-38.7%
Other Long Term Accrued Liabilities	180	0.5 %	110	0.3 %	-39.0%
<b>Non-current Liabilities</b>	<b>10,689</b>	<b>30.3 %</b>	<b>7,934</b>	<b>23.8 %</b>	<b>-25.8%</b>
Liabilities from Assets Held for Sale	525	1.5 %	318	1.0 %	-39.4%
Short Term Provisions	1,034	2.9 %	1,028	3.1 %	-0.6%
Short Term Financial Liabilities	3,363	9.5 %	3,782	11.3 %	+12.5%
Financial Instruments Creditors	124	0.4 %	63	0.2 %	-49.2%
Trade accounts payables	13,923	39.5 %	14,823	44.4 %	+6.5%
Other current payables	425	1.2 %	443	1.3 %	+4.2%
<b>Current Liabilities</b>	<b>19,393</b>	<b>55.0 %</b>	<b>20,457</b>	<b>61.3 %</b>	<b>+5.5%</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>35,280</b>	<b>100 %</b>	<b>33,373</b>	<b>100 %</b>	<b>-5.4%</b>

### 2.2.1 Non-Current Assets

- Intangible assets include € 3,108 million corresponding to goodwill, of which € 1,389 million come from the acquisition of HOCHTIEF in 2011 and € 743 million from ACS's merger with Dragados in 2003.
- The balance of the investments held by equity method includes various holdings in associated companies from HOCHTIEF, Saeta Yield and several Iridium Concessions.

### 2.2.2 Working Capital

Grupo ACS Euro Million	Working Capital evolution*				
	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
Construction	(1,971)	(1,226)	(1,169)	(1,172)	(2,521)
Industrial Services	(1,049)	(820)	(912)	(898)	(1,167)
Services	41	41	(13)	35	5
Corporation	(57)	39	(20)	23	43
<b>TOTAL</b>	<b>(3,036)</b>	<b>(1,967)</b>	<b>(2,115)</b>	<b>(2,013)</b>	<b>(3,640)</b>

\*Ex Urbaser

- In the last 12 months, the net working capital has increased its credit balance € 604 million. This variation is mainly due to the improvement in working capital in HOCHTIEF, basically in its divisions in the Americas and Asia Pacific, the latter supported by the integration of UGL in December 2016.
- Likewise, the Industrial Services area maintains a similar level to that of 12 months ago despite accumulating significant items pending collection with one of its main clients in Mexico. In this case, a Regularization Plan of these items has been agreed with the client, totaling € 480 million, for which the collection will be made in a monthly basis throughout 2017 and 2018.
- The balance of factoring and securitization at the end of the period stood at € 784 million, similar to that of December 2015.

### 2.2.3 Net Debt

Net Debt (€ mn) December 30, 2016	Construction	Industrial Services	Services	Corporation / Adjustments	Grupo ACS
LT loans from credit entities	586	193	72	1,470	2,321
ST loans from credit entities	813	792	279	20	1,903
<b>Debt with Credit Entities</b>	<b>1,399</b>	<b>985</b>	<b>351</b>	<b>1,489</b>	<b>4,225</b>
Bonds	2,396	0	0	1,580	3,976
Non Recourse Financing	184	18	0	0	202
Other financial liabilities*	326	140	177	(356)	286
<b>Total Gross Financial Debt</b>	<b>4,305</b>	<b>1,143</b>	<b>528</b>	<b>2,713</b>	<b>8,689</b>
ST* & other financial investments	787	344	160	529	1,820
Cash & Equivalents	4,104	1,501	49	1	5,655
<b>Total cash and equivalents</b>	<b>4,892</b>	<b>1,845</b>	<b>209</b>	<b>530</b>	<b>7,475</b>
<b>NET FINANCIAL DEBT</b>	<b>(586)</b>	<b>(702)</b>	<b>319</b>	<b>2,183</b>	<b>1,214</b>

(\*) Debt and credit with associates are included in "Other financial liabilities" and "ST financial investments"

- Net debt stood at € 1,214 million, € 1,410 million lower than the outstanding balance 12 months ago thanks to the positive evolution of the funds from operations and backed by sale of Urbaser. The leverage ratio stands at 0.6 times the Group's EBITDA.
- Net debt linked to assets held for sale amounted to € 223 million, decreasing by 49% with respect to 2015 year-end, as a result of the divestments made in concessions, mainly energy projects.

### 2.2.4 Net Worth

<b>Grupo ACS</b>		<b>Net Worth</b>	
<i>Euro Million</i>	<b>Dec-15</b>	<b>Dec-16</b>	<b>Var.</b>
Shareholders' Equity	3,455	3,571	+3.4%
Adjustment s from Value Changes	(34)	11	n.a
Minority Interests	1,776	1,400	-21.2%
<b>Net Worth</b>	<b>5,197</b>	<b>4,982</b>	<b>-4.1%</b>

- The Net worth of ACS accounts for € 4,982 million by period-end, showing a decrease of 4.1% since December 2015. This decline is mainly due to the minorities acquisition in HOCHTIEF and CIMIC.
- The balance of minority interests includes the equity participation of minority shareholders of HOCHTIEF as well as minority interests included in the balance of the German company, mainly related to minority shareholders of CIMIC Holdings.

### 2.3 Net Cash Flows

<b>Grupo ACS</b>		<b>Net Cash Flow</b>						
<i>Euro Million</i>	<b>2015</b>			<b>2016</b>			<b>Var</b>	
	<b>TOTAL</b>	<b>HOT</b>	<b>ACS exHOT</b>	<b>TOTAL</b>	<b>HOT</b>	<b>ACS exHOT</b>	<b>TOTAL</b>	<b>ACS exHOT</b>
<b>Cash Flow from Operating Activities before Working Capital</b>	<b>1,162</b>	<b>671</b>	<b>491</b>	<b>1,397</b>	<b>909</b>	<b>488</b>	<b>+20.3%</b>	<b>-0.5%</b>
Operating working capital variation	633	465	168	(21)	264	(285)		
Net CAPEX	(241)	(150)	(90)	(332)	(187)	(144)		
<b>Net Operating Cash Flow from continuing activities</b>	<b>1,554</b>	<b>985</b>	<b>569</b>	<b>1,045</b>	<b>986</b>	<b>59</b>	<b>-33%</b>	<b>-89.7%</b>
Net Operating Cash Flow from discontinued operations (*)	94	0	94	(68)	0	(68)		
Financial Investments	(1,682)	(588)	(1,094)	(964)	(764)	(199)		
Financial Divestments	2,451	1,464	987	1,889	151	1,738		
Other Financial Sources	(5)	0	(5)	(65)	(13)	(53)		
<b>Free Cash Flow</b>	<b>2,412</b>	<b>1,861</b>	<b>551</b>	<b>1,837</b>	<b>361</b>	<b>1,476</b>	<b>-23.8%</b>	<b>+168%</b>
Dividends paid	(345)	(156)	(188)	(326)	(133)	(193)		
Intra group Dividends	0	(80)	80	0	(92)	92		
Treasury stock acquisition	(507)	(245)	(262)	(131)	(78)	(52)		
<b>Total Cash Flow generated / (Consumed)</b>	<b>1,560</b>	<b>1,380</b>	<b>180</b>	<b>1,380</b>	<b>57</b>	<b>1,323</b>	<b>-11.6%</b>	<b>n.a.</b>

\*Correspond to Urbaser



### 2.3.1 Operating Activities

- Cash Flow from Operating Activities before working capital amount to € 1,397 million, improving by 20.3% respect to December 2015. The significant improvement of financial expenses and the lower tax payments have offset the lower contribution of the EBITDA in the period.
- Operating working capital has had a practically neutral effect with respect to December 2015, varying only by € 21 million, and improving in the last quarter by € 853 million.
- The good performance of the working capital in HOCHTIEF has compensated for the deterioration experienced by Dragados as a consequence of the reduction of the average period of payment to suppliers and the decrease of prepayments with respect to the previous year. Also, the variation of the working capital in Industrial Services remains practically neutral despite the pending collections in Mexico included in the Regularization Plan of € 480 million and which allows a monthly collection throughout 2017 and 2018.

### 2.3.2 Investments

<b>Grupo ACS</b>				<i>Investments breakdown</i>			
Euro Million	Operating Investments	Operating divestments	NET CAPEX	Project / Financial Investments	Financial Divestments	Net Project / Financial investments	Total Net Investments
<b>Construction</b>	377	(100)	<b>277</b>	942	(174)	<b>768</b>	<b>1,045</b>
<i>Dragados</i>	104	(14)	<b>90</b>	4	(5)	<b>(1)</b>	<b>89</b>
<i>Hochtief</i>	273	(85)	<b>187</b>	913	(151)	<b>761</b>	<b>948</b>
<i>Iridium</i>	0	0	<b>0</b>	26	(18)	<b>8</b>	<b>8</b>
<b>Services</b>	22	(5)	<b>18</b>	9	(1,144)	<b>(1,135)</b>	<b>(1,117)</b>
<b>Industrial Services</b>	40	(4)	<b>36</b>	75	(92)	<b>(17)</b>	<b>19</b>
<b>Corporation &amp; others</b>	0	(0)	<b>0</b>	79	(550)	<b>(471)</b>	<b>(470)</b>
<b>TOTAL</b>	<b>440</b>	<b>(108)</b>	<b>332</b>	<b>1,106</b>	<b>(1,960)</b>	<b>(854)</b>	<b>(523)</b>

- The total investments of the ACS Group amounted to € 1,545 million, while divestments amounted to € 2,068 million, resulting in a net positive cash flow balance for investing activities of € 523 million.

#### a) Construction

- Operating CAPEX in Construction business correspond mainly to the acquisition of machinery for contract mining in CIMIC and investments in specialized equipment in North America by Dragados.
- Total investment in concession projects and financial investments in Construction business reached € 942 million which practically corresponds to investments made by CIMIC for the takeover of UGL, Sedgman and Devine, as well as the treasury stock acquisition. Divestments mainly correspond to the sale of the holding stake in Nextgen.
- The € 109 million sale of the Barcelona Metro Line 9 carried out in December 2015 was collected in January this year so it is not included within this period divestments.

#### b) Industrial Services

- In Industrial Services area, financial divestments amounted to € 92 million primarily corresponding to the sale of renewable assets while gross financial and project investments amounted to € 75 million.
- Net operating investment in Industrial Services amounted to € 36 million.

## c) Services

- € 18 million of net operating investment in Services correspond to Clece, exclusively, once the completion of the Urbaser sale on December 2016.
- Therefore, financial divestments in Services correspond in their entirety to the sale of Urbaser for a value of € 1,144 million (€ 20 million difference with respect to the sale price corresponds to the dividend charged in mid year), of which a minimum of € 185 million are still pending collection.

## d) Corporation

- The most outstanding item is the prepaid forward sale transaction of the 90 million Iberdrola shares, while investment includes the purchase of the call option to cover the implied risk of the exchangeable bonds issued in 2013 and 2014. This transaction has had an impact on the net debt of € 117 million due to the fall in share price since December 2015 until its sale in March 2016 plus the cost of the option.

### 2.3.3 Other Cash Flows

- During the period the Group has devoted € 131 million to the acquisition of treasury stock, mainly by HOCHTIEF which in the first part of the year acquired around 1.4% of treasury stock which were redeemed last September reducing the total number of shares to 64.3 million.
- Additionally the Group has paid € 326 million of dividends in cash of which € 176 million are part of ACS scrip dividend (€ 62 million paid in February and € 114 million paid in July) while the remaining correspond to HOCHTIEF and its subsidiaries.

## 3 Areas of Activity Evolution

### 3.1 Construction

<b>Construction</b>			
<i>Euro Million</i>	<b>2015</b>	<b>2016</b>	<b>Var.</b>
<b>Turnover</b>	<b>25,319</b>	<b>24,217</b>	<b>-4.4%</b>
<b>EBITDA</b>	<b>1,438</b>	<b>1,405</b>	<b>-2.3%</b>
<i>Margin</i>	5.7%	5.8%	
<b>EBIT</b>	<b>821</b>	<b>909</b>	<b>+10.7%</b>
<i>Margin</i>	3.2%	3.8%	
<b>Net Profit</b>	<b>304</b>	<b>311</b>	<b>+2.2%</b>
<i>Margin</i>	1.2%	1.3%	
<b>Backlog</b>	<b>48,874</b>	<b>55,769</b>	<b>+14.1%</b>
<i>Months</i>	21	25	
<b>Net Investments</b>	<b>37</b>	<b>1,045</b>	<i>n.s</i>
<b>Working Capital</b>	<b>(1,971)</b>	<b>(2,521)</b>	<b>+27.9%</b>

- Construction sales accounted for € 24,217 million representing a decrease of 4.4%. This decline is due to the fall in CIMIC activity due to the completion of large projects in 2015 but recovering production by 16.7% in the second half compared to the first one. However, it is worth noting the positive evolution of the activity in North America growing by 7.8%.

<b>Construction</b>		<i>Sales per geographical areas</i>		
<i>Euro Million</i>	<b>2015</b>	<b>2016</b>	<b>Var.</b>	
Spain	1,368	1,194	-12.7%	
Rest of Europe	2,203	2,087	-5.3%	
North America	12,186	13,131	+7.8%	
South America	462	400	-13.5%	
Asia Pacific	9,100	7,404	-18.6%	
Africa	1	1	<i>n.a.</i>	
<b>TOTAL</b>	<b>25,319</b>	<b>24,217</b>	<b>-4.4%</b>	

- EBITDA accounted for € 1,405 million, decreasing by 2.3% compared to December 2015.
- EBIT accounted for € 909 million, and grew by 10.7%, margin improves by 50bp thank to the operating return improvements above mentioned. The depreciation of assets from the acquisition of HOCHTIEF (PPA) accounted for € 72.4 million in the period, a figure 19% below than the one accounted in 2015 year-end.
- Construction Net Profit reached € 311 million which implies a 2.2% increase underpinned by the financial efficiency improvement in HOCHTIEF.
- Backlog at the end of the period stood at € 55,769 million, 14.1% higher compared to the figure recorded 12 months ago. This is backed by the growth in America and the positive evolution of the contracting activity in Dragados, as well as the integration of UGL in HOCHTIEF Asia Pacific with a contribution of over € 3.500 million to the backlog.

<b>Construction</b>			
<i>Backlog per geographical areas</i>			
<i>Euro Million</i>	<b>Dec-15</b>	<b>Dec-16</b>	<b>Var.</b>
Spain	2,905	2,837	-2.3%
Rest of Europe	4,829	4,943	+2.4%
North America	18,060	22,057	+22.1%
South America	2,184	2,245	+2.8%
Asia Pacific	20,764	23,530	+13.3%
Africa	133	157	+18.2%
<b>TOTAL</b>	<b>48,874</b>	<b>55,769</b>	<b>+14.1%</b>

<b>Construction</b>														
<i>Euro Million</i>	<b>Dragados</b>			<b>Iridium</b>			<b>HOCHTIEF (ACS contr.)</b>			<b>Adjustments</b>		<b>Total</b>		
	2015	2016	Var.	2015	2016	Var.	2015	2016	Var.	2015	2016	2015	2016	Var.
<b>Sales</b>	<b>4,152</b>	<b>4,236</b>	<b>+2.0%</b>	<b>71</b>	<b>72</b>	<b>+2.7%</b>	<b>21,097</b>	<b>19,908</b>	<b>-5.6%</b>	<b>0</b>	<b>0</b>	<b>25,319</b>	<b>24,217</b>	<b>-4.4%</b>
<b>EBITDA</b>	<b>292</b>	<b>296</b>	<b>+1.5%</b>	<b>4</b>	<b>4</b>	<b>+2.8%</b>	<b>1,143</b>	<b>1,104</b>	<b>-3.3%</b>	<b>0</b>	<b>0</b>	<b>1,438</b>	<b>1,405</b>	<b>-2.3%</b>
<i>Margin</i>	7.0%	7.0%		<i>n.a</i>	<i>n.a</i>		5.4%	5.5%				5.7%	5.8%	
<b>EBIT</b>	<b>230</b>	<b>218</b>	<b>-5.5%</b>	<b>(10)</b>	<b>(10)</b>	<b>-1.7%</b>	<b>689</b>	<b>774</b>	<b>+12.2%</b>	<b>(89)</b>	<b>(72)</b>	<b>821</b>	<b>909</b>	<b>+10.7%</b>
<i>Margin</i>	5.5%	5.1%		<i>n.a</i>	<i>n.a</i>		3.3%	3.9%				3.2%	3.8%	
Net Financial Results	(1)	(25)		(25)	(7)		(39)	(20)		0	0	(65)	(52)	
Equity Method	3	0		7	15		(23)	(1)		186	(1)	172	12	
Other Results & Fixed Assets	(97)	(81)		(3)	(3)		(103)	(131)		(0)	(0)	(203)	(215)	
<b>EBT</b>	<b>135</b>	<b>111</b>	<b>-17.5%</b>	<b>(31)</b>	<b>(5)</b>	<b>+84.6%</b>	<b>523</b>	<b>621</b>	<b>+18.6%</b>	<b>97</b>	<b>(73)</b>	<b>725</b>	<b>654</b>	<b>-9.7%</b>
Taxes	(25)	(8)		37	13		(190)	(187)		27	22	(151)	(160)	
Minorities	3	3		(2)	0		198	203		69	(23)	269	183	
<b>Net Profit</b>	<b>107</b>	<b>101</b>	<b>-5.6%</b>	<b>8</b>	<b>8</b>	<b>+7.5%</b>	<b>135</b>	<b>230</b>	<b>+70.5%</b>	<b>55</b>	<b>(28)</b>	<b>304</b>	<b>311</b>	<b>+2.2%</b>
<i>Margin</i>	2.6%	2.4%		<i>n.a</i>	<i>n.a</i>		0.6%	1.2%				1.2%	1.3%	
<b>Backlog</b>	<b>12,157</b>	<b>12,678</b>	<b>+4.3%</b>	<b>-</b>	<b>-</b>		<b>36,717</b>	<b>43,092</b>	<b>+17.4%</b>			<b>48,874</b>	<b>55,769</b>	<b>+14.1%</b>
<i>Months</i>	35	36		0	0		18	23				21	25	

Note: The column "Adjustments" includes the PPA adjustments, the PPA depreciation and the tax and minorities from both.

- Dragados increased its sales by 2.0% and EBITDA margin remains stable at 7.0% mainly due to the higher exposure to the North American market which offers tighter margins.
- HOCHTIEF shows a sustainable growth in EBIT and a significant improvement in margins as a result of the transformation process carried out in the last years. In particular, EBIT margin increased by 60bp up to 3.8%.
- HOCHTIEF 's contribution to net profit of ACS, after deducting minority interests, amounted to € 230 million, 70.5% higher compared to the same period of the previous year, in proportion to its average stake in the period which stood at 71.8%.
- HOCHTIEF accounts include other extraordinary negative results derived from the transformation process which have been partially offset by the partial generic provision reversal that the group holds at Corporation level.

HOCHTIEF														
Euro Million	America			Asia Pacific			Europe			Holding		Total		
	2015	2016	Var.	2015	2016	Var.	2015	2016	Var.	2015	2016	2015	2016	Var.
<b>Sales</b>	<b>10.354</b>	<b>10.906</b>	+5,3%	<b>8.946</b>	<b>7.303</b>	-18,4%	<b>1.660</b>	<b>1.597</b>	-3,8%	<b>136</b>	<b>103</b>	<b>21.097</b>	<b>19.908</b>	-5,6%
<b>EBIT</b>	<b>180</b>	<b>224</b>	+24,0%	<b>627</b>	<b>559</b>	-10,9%	<b>(29)</b>	<b>(1)</b>	n/a	<b>(90)</b>	<b>(8)</b>	<b>689</b>	<b>774</b>	+12,2%
Margin	1,7%	2,0%		7,0%	7,7%		-1,7%	-0,1%		0,0%	0,0%	3,3%	3,9%	
Net Financial Results	(18)	(11)		(115)	(24)		31	2		62	13	(39)	(20)	
Equity Method	0	0		(22)	(1)		(1)	(0)		0	0	(23)	(1)	
Other Results & Fixed Assets	(8)	(8)		(66)	(102)		(28)	19		(1)	(40)	(103)	(131)	
<b>EBT</b>	<b>155</b>	<b>204</b>	+31,6%	<b>424</b>	<b>432</b>	+1,8%	<b>(27)</b>	<b>19</b>	n/a	<b>(28)</b>	<b>(34)</b>	<b>523</b>	<b>621</b>	+18,6%
Taxes	(31)	(50)		(149)	(127)		(2)	(7)		(8)	(4)	(190)	(187)	
Minorities	22	26		103	88		(0)	(1)		(0)	(0)	125	113	
<b>Net Profit</b>	<b>101</b>	<b>128</b>	+26,5%	<b>173</b>	<b>217</b>	+25,5%	<b>(30)</b>	<b>12</b>	n/a	<b>(36)</b>	<b>(37)</b>	<b>208</b>	<b>320</b>	+53,9%
Margin	1,0%	1,2%		1,9%	3,0%		-1,8%	0,8%				1,0%	1,6%	

- By areas of activities of HOCHTIEF, it is worth highlighting:
  - a) Growth in America where sales went up by 5.3% and net profit by 26.5%. The main factors backing this positive behavior are the good performance of the activities of Turner and Flatiron, the increasing demand and measures introduced to improve operating efficiency.
  - b) In Europe, after a long process of transformation and adaptation to the reality of the central European construction market, the positive trend of the margins and results is confirmed.
  - c) CIMIC experienced a substantial improvement in operating margins which, along with a significant reduction of financial expenses, has resulted in improvement in net profit of 25.5%. Additionally, it is worth noting the better evolution in sales in the second half with respect to the first one, marking the beginning of recovery.

### 3.2 Industrial Services

Industrial Services		Key Figures	
<i>Euro Million</i>	2015	2016	Var.
<b>Turnover</b>	<b>6,501</b>	<b>6,256</b>	<b>-3.8%</b>
<b>EBITDA</b>	<b>680</b>	<b>630</b>	<b>-7.3%</b>
<i>Margin</i>	10.5%	10.1%	
<b>EBIT</b>	<b>608</b>	<b>579</b>	<b>-4.8%</b>
<i>Margin</i>	9.4%	9.3%	
<b>Net Profit</b>	<b>320</b>	<b>305</b>	<b>-4.9%</b>
<i>Margin</i>	4.9%	4.9%	
<b>Backlog</b>	<b>8,421</b>	<b>8,762</b>	<b>+4.0%</b>
<i>Months</i>	16	17	
<b>Net Investments</b>	<b>(119)</b>	<b>19</b>	<i>n.a</i>
<b>Working Capital</b>	<b>(1,049)</b>	<b>(1,167)</b>	<b>+11.3%</b>

Proforma Results ex Renewables			
<i>Euro Million</i>	2015	2016	Var.
<b>Sales</b>	6,447	<b>6,256</b>	<b>-3.0%</b>
<b>EBITDA</b>	649	<b>630</b>	<b>-3.0%</b>
<i>Margin</i>	10.0%	10.1%	
<b>EBIT</b>	578	<b>579</b>	<b>+0.2%</b>
<i>Margin</i>	8.9%	9.3%	
<b>Net Profit</b>	314	<b>305</b>	<b>-3.0%</b>

- Industrial Services sales accounted for € 6,256 million, showing a drop of 3.8% compared to the same period of 2015. These figures are affected by the sale of renewables in the prior period. Not taking this effect into consideration, sales would have dropped by 3.0%. International activity grows by 4.9% representing 72.7% of total sales.

Industrial Services		Sales per geographical areas		
<i>Euro Million</i>	2015	2016	Var.	
Spain	2,166	1,710	-21.1%	
Rest of Europe	428	419	-2.0%	
North America	1,730	1,538	-11.1%	
South America	1,395	1,369	-1.9%	
Asia Pacific	620	938	+51.2%	
Africa	162	284	+75.0%	
<b>TOTAL</b>	<b>6,501</b>	<b>6,256</b>	<b>-3.8%</b>	

- EPC projects grew by 3.9% thank to the development of international project mainly in Middle East and Japan while Support Services activities decreased by 8.9%, mainly due to the slowdown in support services' domestic activity.
- By region, it is worth noting the good performance in Asia Pacific. North America decreased due to adjustment to the current market demand in Mexico. The decline in Spain is due to the sale of renewable assets and the completion of several turnkey projects which have been replaced by others in the international market.

- Revenue generation from renewable energy showed a decrease of 61.2% after the sale of renewable assets in the first quarter of 2015.

<b>Industrial Services</b>		<b>Turnover breakdown by activity</b>		
<i>Euro Million</i>	<b>2015</b>	<b>2016</b>	<b>Var.</b>	
<b>Support Services</b>	<b>3,759</b>	<b>3,425</b>	<b>-8.9%</b>	
<i>Networks</i>	738	460	-37.7%	
<i>Specialized Products</i>	2,163	2,069	-4.3%	
<i>Control Systems</i>	859	897	+4.5%	
<b>EPC Projects</b>	<b>2,691</b>	<b>2,796</b>	<b>+3.9%</b>	
<b>Renewable Energy: Generation</b>	<b>113</b>	<b>44</b>	<b>-61.2%</b>	
<i>Consolidation Adjustments</i>	(63)	(10)		
<b>TOTAL</b>	<b>6,501</b>	<b>6,256</b>	<b>-3.8%</b>	
<b>International</b>	<b>4,335</b>	<b>4,546</b>	<b>+4.9%</b>	
<i>% over total sales</i>	66.7%	72.7%		

- Backlog grew by 4.0% up to € 8,762 million. International backlog represents 77.7% of the total amount. It is worth noting the positive evolution in Asia Pacific and South America. Also noteworthy is the growth in the EPC and Networks' backlogs as well as the reactivation of the renewable energy backlog

<b>Industrial Services</b>		<b>Backlog per geographical areas</b>		
<i>Euro Million</i>	<b>Dec-15</b>	<b>Dec-16</b>	<b>Var.</b>	
Spain	2,026	1,954	-3.5%	
Rest of Europe	350	291	-16.9%	
North America	2,086	1,839	-11.8%	
South America	1,465	2,144	+46.4%	
Asia Pacific	1,659	1,740	+4.9%	
Africa	836	793	-5.1%	
<b>TOTAL</b>	<b>8,421</b>	<b>8,762</b>	<b>+4.0%</b>	

<b>Industrial Services</b>		<b>Backlog per activity</b>		
<i>Euro Million</i>	<b>Dec-15</b>	<b>Dec-16</b>	<b>Var.</b>	
<b>Support Services</b>	<b>4,867</b>	<b>4,791</b>	<b>-1.6%</b>	
<i>Networks</i>	448	558	+24.5%	
<i>Specialized Products</i>	3,171	2,974	-6.2%	
<i>Control Systems</i>	1,248	1,259	+0.9%	
<b>EPC Projects</b>	<b>3,545</b>	<b>3,926</b>	<b>+10.7%</b>	
<b>Renewable Energy: Generation</b>	<b>9</b>	<b>45</b>	<b>+405.7%</b>	
<b>TOTAL BACKLOG</b>	<b>8,421</b>	<b>8,762</b>	<b>+4.0%</b>	
<b>International</b>	<b>6,396</b>	<b>6,808</b>	<b>+6.4%</b>	
<i>% over total backlog</i>	75.9%	77.7%		

- EBITDA accounted for € 630 million, 7.3% less than in 2015 year end. Not considering the contribution of renewables it would have gone down by 3.0%.
- EBIT decreased by 4.8% down to € 579 million, with a 9.3% margin. Ex-renewables, the figure would decreased by 3.8%.
- Net profit accounted to € 305 million, 4.9% less than in December 2015.

### 3.3 Services

<b>Services</b>		<i>Key figures</i>	
<i>Euro Million</i>	<b>2015</b>	<b>2016</b>	<b>Var.</b>
<b>Turnover</b>	<b>1,505</b>	<b>1,538</b>	<b>+2.2%</b>
<b>EBITDA</b>	<b>74</b>	<b>78</b>	<b>+4.9%</b>
<i>Margin</i>	4.9%	5.0%	
<b>EBIT</b>	<b>45</b>	<b>48</b>	<b>+6.8%</b>
<i>Margin</i>	3.0%	3.2%	
<b>Net Profit</b>	<b>73</b>	<b>84</b>	<b>+14.9%</b>
<i>Margin</i>	4.8%	5.4%	
<b>Backlog</b>	<b>1,647</b>	<b>1,995</b>	<b>+21.2%</b>
<i>Months</i>	13	16	
<b>Net Investments</b>	<b>21</b>	<b>(1,117)</b>	
<b>Working Capital</b>	<b>41</b>	<b>5</b>	

- Sales in the area of Services increased by 2.2% showing a positive evolution in all segments of activities. The Urban Services and Waste Treatment activities correspond to Urbaser whose contribution until its sale has been reclassified under discontinued operations, thus not being considered in this section.
- The sale of Sintax (logistic services) was agreed on December 2016 and closed at the beginning of this year with a net cash inflow of € 40 million.

<b>Services</b>		<i>Sales breakdown</i>	
<i>Euro Million</i>	<b>2015</b>	<b>2016</b>	<b>Var.</b>
Facility management	1,376	1,407	+2.2%
Logistics	129	131	+1.8%
<b>TOTAL</b>	<b>1,505</b>	<b>1,538</b>	<b>+2.2%</b>
<b>International</b>	<b>80</b>	<b>113</b>	<b>+41.1%</b>
<i>% over total sales</i>	5.3%	7.4%	

<b>Services</b>		<i>Sales per geographical areas</i>	
<i>Euro Million</i>	<b>2015</b>	<b>2016</b>	<b>Var.</b>
Spain	1,425	1,424	-0.0%
Rest of Europe	79	112	+41.6%
Africa	2	2	+14.5%
<b>TOTAL</b>	<b>1,505</b>	<b>1,538</b>	<b>+2.2%</b>

- EBITDA accounts for € 78 million and grew by 4.9% in line with sales growth.
- Net profit increased by 14.9% amounting to € 84 million and includes € 57 million from the contribution of Urbaser until November 2016.
- Services backlog corresponds to Clece and accounts for € 1,995 million, equivalent to over 1 year of production and increasing by 21.2% compared to the prior period.



<b>Services</b>		<i>Backlog breakdown by activity</i>		
<i>Euro Million</i>	<b>Dec-15</b>	<b>Dec-16</b>	<b>Var.</b>	
Facility management	1,647	1,995	+21.2%	
<b>TOTAL</b>	<b>1,647</b>	<b>1,995</b>	<b>+21.2%</b>	
<b>International</b>	<b>9</b>	<b>87</b>	<i>n.s.</i>	
<i>% over total backlog</i>	0.6%	4.4%		

<b>Services</b>		<i>Backlog per geographical areas</i>		
<i>Euro Million</i>	<b>Dec-15</b>	<b>Dec-16</b>	<b>Var.</b>	
Spain	1,637	1,908	+16.5%	
Rest of Europe	9	87	<i>n.s.</i>	
<b>TOTAL</b>	<b>1,647</b>	<b>1,995</b>	<b>+21.2%</b>	

## 4 Relevant facts after the end of the period

- On January 23<sup>th</sup> 2017, the ACS Group, through its Australian subsidiary CIMIC, launched a takeover bid for Macmahon Holdings Ltd, a publicly traded company in Sydney of which it already had a 20.54% stake. The offer is for A\$ 0.145 per share for a total amount of A \$138mn (€ 97mn), implying a premium of 31.8%.
- In February 2017, the new shares resulting from the scrip dividend were admitted to trading.

## 5 Description of the main risks and opportunities

- Grupo ACS operates in different sectors, countries and economic and legal environments involving exposure to different levels of risk, inherent in the businesses in which it operates.
- ACS monitors and controls these risks in order to avoid a decline in the profitability of its shareholders, a danger to its employees or its corporate reputation, a problem for customers or a negative impact for the Group as a whole. To perform this task to control the risk, Grupo ACS has instruments to identify and to manage them properly in sufficient time, either by preventing its materialization or minimizing impacts, prioritizing, depending on their importance, as necessary. Notable are those systems related to control the bidding, contracting, planning and management of works and projects, systems of quality management, environmental management and human resources.
- In addition to the risks specific to the various businesses in which it operates, ACS is exposed to various financial risks, either by changes in interest or exchange rates, liquidity risk or credit risk.
  - a) The risks arising from changes in interest rates on cash flows are mitigated by ensuring the rates of financial instruments to cushion its fluctuation.
  - b) Risk management of exchange rates is done by taking debt in the same functional currency as that of the assets that the Group finances overseas. To cover the net positions in currencies other than euro, the Group arranges various financial instruments in order to reduce such exposure to exchange rate risk.
  - c) The most important aspects impacting the liquidity financial risks of ACS during the period are:
    - ✓ Renewal of the Euro Commercial Paper (EPC) issue for 750 million euros and Euro Medium Term Note Program (EMNT) for 1,500 million euros.
    - ✓ Bond (Notes) issuance in the euro market for 28 million euros, maturing in 2018
    - ✓ Significant reduction of the market risk linked to Iberdrola stake as a result of the forward sale and the derivative contracts as well as the following maturity of the put spread.
    - ✓ The renewal of the syndicated loan for 2,350 million euros and maturity extension until 2021.
    - ✓ The strengthening of the Group's financial position following the collection of the funds from the sale of Urbaser in December 2016 and the deconsolidation of the associated debt.
- Corporate Governance and Corporate Responsibility Annual Reports, and the Consolidated Financial Statements of Grupo ACS ([www.grupoacs.com](http://www.grupoacs.com)), develop more in detail the risks and the tools for control. Likewise the Annual Report of Hochtief ([www.hochtief.com](http://www.hochtief.com)) details the risks inherent in the German company and its control mechanisms.

- For the next six months since the date of closure of the accounts referred in this document, Grupo ACS, based on information currently available, does not expect to deal with situations of risk and uncertainty significantly different to those of the last six months of the period closed, except those arising from:
  - ✓ The internationalization of the Group’s activities;
  - ✓ The impact in the growth slowdown in Asia Pacific
  - ✓ Economic and financial uncertainties arising from the European crisis.
  - ✓ The slow growth in infrastructure investments in Spain.

## 6 Corporate Social Responsibility

- The ACS Group is a worldwide reference in the infrastructure development industry, and it is deeply committed to economic and social progress in the countries where it is present.
- To tackle the Corporate Social Responsibility policy coordination, taking into consideration its operational decentralization and geographic breadth, the Group has developed project “one”, which aims at promoting good management practices and the spread of corporate culture. The areas of non-financial management that affects are basic principles of action that govern the activity of the Grupo ACS, ethics and transparency of information, as well as the specific principles with its groups of interest, customers, employees, suppliers, shareholders and the society in general, also affecting the management of other non-financial functional areas that are key to the development of the activity, such as the quality of services, the protection of the environment and innovation and development.
- Thus, the ACS Group approved its Corporate Social Responsibility Policy on February 25<sup>th</sup> 2016, which establishes these basic and specific principles of action in this area, as well as in the Group’s relationship with its environment. Similarly, on July 29<sup>th</sup> 2016, the Board of Directors of the ACS Group approved the Policy of Communication and Contact with Shareholder, Institutional investors and proxy advisors, the Human Rights Policy and the Risk Control Policy. The detail of the results of the ACS Group’s Corporate Social Responsibility policies is frequently compiled and published on the ACS Group website ([www.grupoacs.com](http://www.grupoacs.com)) and in the Annual Corporate Social Responsibility Report.

### 6.1 Basic principles of action: Ethics and Information Transparency

- Grupo ACS and its affiliated companies are fully committed to promoting, strengthening and controlling issues related to ethics and integrity, through measures to prevent, detect and eradicate bad practices.
- The Group has developed and implemented its General Code of Conduct which is applicable to its employees, suppliers and subcontractors. In addition, training initiatives are carried out in order to inform all three groups of the Code, as well as the implementation of the ACS Group Ethics Channel which enables any person to communicate inappropriate conduct or breaches of the Code of Conduct if there were to occur.
- Grupo ACS has a full commitment of rigorousness in the disclosure of information with due respect to the interests of clients and remaining social interlocutors of the company.

## 6.2 Specific principles of action

### Clients, Suppliers and Quality

- A commitment to clients is one of the most important corporate values of Grupo ACS. Almost all of the Group's companies have a customer management system, controlled by the bidding department. Aspects common to all companies are:
  - ✓ Tracking of customer needs.
  - ✓ Periodic measurement of customer satisfaction.
  - ✓ Promoting commercial activity.
- Quality is a determining factor for Grupo ACS, as it represents the factor distinguishing it from the competition in the infrastructure and services industry, with high technical sophistication.
- Each company in the group adapts its needs to the specific characteristics of its type of production, but a series of common lines of action have been identified within their Quality Management Systems:
  - ✓ Objectives are set periodically as regards quality and their fulfillment is assessed.
  - ✓ Initiatives and actions are carried out aimed at improving the quality of the services provided.
  - ✓ Specific actions are carried out in collaboration with suppliers and subcontractors to improve quality.
- The decentralization of procurement and suppliers in the Group requires a detailed monitoring and control process, which have the following points in common in all companies:
  - ✓ Implementation of specific rules and a management, classification, approval and risk management system of suppliers and subcontractors.
  - ✓ Analysis of the level of compliance within these systems.
  - ✓ Collaboration with suppliers and transparency in contractual relations.

### Activities in Research, Development and Innovation

- Grupo ACS is committed to a policy of continuous improvement of its processes and applied technology in all areas of activity. Involvement with research, development and innovation is evident in the increased investment and effort in R + D + i, year after year. This effort translates into tangible improvements in productivity, quality, customer satisfaction, job safety, development of new and better materials, product and process design or more efficient production systems, among others.
- To this end, ACS maintains its own program of research to develop new technological knowledge to the design of processes, systems, new materials, etc. for each area of activity. The management of R + D + i is done through a system that broadly follows the guidelines of the UNE 166002:2006 rule and is audited by independent experts.
- This program is based on three premises for action:
  - ✓ Development of individualized strategic research lines per company.
  - ✓ Strategic collaboration with external organizations.
  - ✓ Responsible and increased investment focused on enhancing research and generating more consistent and efficient patents and operational techniques.

## Environmental Protection

- ACS develops activities that involve a significant environmental impact, directly as a result of altering the environment or indirectly by the consumption of materials, energy and water. ACS develops its activities in a manner respectful to the law, adopting the most efficient measures to reduce these negative effects, and reports its activity through the mandatory impact studies.
- Additionally, it develops policies and processes suited to encourage a high percentage of the Group's business to certify under ISO 14001 rule, which represents an additional commitment to those required by law towards best environmental practices.
- In addition, ACS has ongoing action plans in its companies to reduce environmental impacts in more specific areas. The main initiatives are:
  - ✓ Actions to help reduce climate change.
  - ✓ Initiatives to enhance energy efficiency in their activities.
  - ✓ Procedures to help reduce to a minimum the impact on biodiversity in those projects where necessary.
  - ✓ Promoting good practices designed to save water in locations with water stress.
  - ✓ To this end, during 2016 the ACS Group has carried out energy audits of its facilities in Spain representing an overall energy consumption of 80% in Spain

## 6.3 Employees

### Human Resources

- At the end of the December 31<sup>th</sup> 2016, Grupo ACS employed a total of 176,755 people of which 12% are university graduates.
- Some of the fundamental principles governing corporate human resources policies of the Group companies are based on the following joint actions:
  - ✓ To attract, retain and motivate talented people.
  - ✓ To promote teamwork and quality control as tools to encourage the excellence of a job well done.
  - ✓ To act quickly, promoting accountability and minimizing bureaucracy.
  - ✓ To support and increase training and learning.
  - ✓ To innovate to improve processes, products and services.

### Health and Safety

- The prevention of occupational risks is one of the strategic pillars of all Grupo ACS companies. The risk prevention policy complies with the various Occupational Health and Safety regulations which govern the area in the countries where it is operates, at the same time as promoting integration of occupational risks into the company strategy by means of advanced practices, training and information. Despite the fact that they operate independently, the great majority of the Group's companies share common principles in the management of their employees' health and safety. These principles are the following:
  - ✓ Compliance with current legislation on occupational risk prevention and other requirements voluntarily observed.
  - ✓ Integration of occupational risk prevention into the set of initiatives and at all levels, implemented through correct planning and its putting into practice.

- ✓ Adoption of all those measures necessary to ensure employees' protection and well-being.
- ✓ Achieving continuous improvement of the system by means of appropriate training and information as regards risk prevention.
- ✓ Qualification of staff and application of technological innovations.

## Social Action

- The commitment to the betterment of society is part of the objectives of Grupo ACS. In order to contribute to this objective, the Group relies on a Social Action policy linked to its business strategy, since this is the best mean to generate real value for all stakeholders. This policy seeks to promote Social Action of Grupo ACS, with the following objectives:
  - ✓ Promoting businesses growth and sustainability. Improve the recognition and reputation of the company.
  - ✓ Increase satisfaction of employees and partners.
  - ✓ Contribute to the improvement of the society in which Grupo ACS operates.

## 7 Information on affiliates

- Information regarding transactions with related parties is carried out in the relevant section of the annual financial report submitted to the CNMV.
- During the twelve months preceding the closing of the accounts to which this document relates, transactions with related parties have not materially affected the financial position or results of operations during this period.
- All these trade relations with related parties have been made in the ordinary course of business, market conditions and correspond to normal operations of the Group Companies.

## 8 Annex

### 8.1 Main figures per area of activity\*

<b>TURNOVER</b>					
<i>Euro Million</i>	<b>2015</b>		<b>2016</b>		<b>Var.</b>
Construction	25,319	76 %	24,217	76 %	-4.4%
Industrial Services	6,501	20 %	6,256	20 %	-3.8%
Services	1,505	5 %	1,538	5 %	+2.2%
Corporation / Adjustments	(34)		(35)		
<b>TOTAL</b>	<b>33,291</b>		<b>31,975</b>		<b>-4.0%</b>

<b>EBITDA</b>					
<i>Euro Million</i>	<b>2015</b>		<b>2016</b>		<b>Var.</b>
Construction	1,438	66 %	1,405	67 %	-2.3%
Industrial Services	680	31 %	630	30 %	-7.3%
Services	74	3 %	78	4 %	+4.9%
Corporation / Adjustments	(51)		(88)		
<b>TOTAL</b>	<b>2,141</b>		<b>2,023</b>		<b>-5.5%</b>

<b>EBIT</b>					
<i>Euro Million</i>	<b>2015</b>		<b>2016</b>		<b>Var.</b>
Construction	821	56 %	909	59 %	+10.7%
Industrial Services	608	41 %	579	38 %	-4.8%
Services	45	3 %	48	3 %	+6.8%
Corporation / Adjustments	(54)		(91)		
<b>TOTAL</b>	<b>1,421</b>		<b>1,445</b>		<b>+1.7%</b>

<b>NET PROFIT</b>					
<i>Euro Million</i>	<b>2015</b>		<b>2016</b>		<b>Var.</b>
Construction	304	44 %	311	44 %	+2.2%
Industrial Services	320	46 %	305	44 %	-4.9%
Services	73	10 %	84	12 %	+14.9%
Corporation / Adjustments	28		52		
<b>TOTAL</b>	<b>725</b>		<b>751</b>		<b>+3.5%</b>

<b>NET INVESTMENTS</b>					
<i>Euro Million</i>	<b>2015</b>		<b>2016</b>		<b>Var.</b>
Construction	37		1,045		n.a
Industrial Services	(119)		19		n.a
Services	21		(1,117)		n.a
Corporation / Adjustments	320		(470)		n.a
<b>TOTAL</b>	<b>259</b>		<b>(523)</b>		<b>n.a</b>

<b>BACKLOG</b>					
<i>Euro Million</i>	<b>Dec-15</b>		<b>Dec-16</b>		<b>Var.</b>
		months		months	
Construction	48,874	21	55,769	25	+14.1%
Industrial Services	8,421	16	8,762	17	+4.0%
Services	1,647	13	1,995	16	+21.2%
<b>TOTAL</b>	<b>58,942</b>	<b>20</b>	<b>66,526</b>	<b>23</b>	<b>+12.9%</b>

<b>NET DEBT</b>					
<i>Euro Million</i>	<b>Dec-15</b>		<b>Dec-16</b>		<b>Var.</b>
Construction	(849)		(586)		-31.0%
Industrial Services	(704)		(702)		-0.3%
Services	1,116		319		-71.4%
Corporation / Adjustments	3,061		2,183		-28.7%
<b>TOTAL</b>	<b>2,624</b>		<b>1,214</b>		<b>-53.7%</b>

\* Percentages are calculated according to the sum of the data for each activity

**8.2 Restatement of 9M15 Profit and Loss account**

<sup>(1)</sup> Urbaser considered as discontinued operations

<b>Grupo ACS</b>		<b>Income statement</b>		<b>2015</b>
Million Euro	<b>Reported</b>	<b>Re-stated<sup>(1)</sup></b>	<i>Diff. Urbaser</i>	
<b>Net Sales</b>	<b>34.925</b>	<b>33.291</b>	<b>1.633</b>	
Other revenues	421	354	67	
Joint Ventures Net Results*	102	102	0	
<b>Total Income</b>	<b>35.448</b>	<b>33.747</b>	<b>1.701</b>	
Operating expenses	(25.113)	(24.504)	(609)	
Personnel expenses	(7.927)	(7.103)	(824)	
<b>Operating Cash Flow (EBITDA)</b>	<b>2.409</b>	<b>2.141</b>	<b>268</b>	
Fixed assets depreciation	(788)	(652)	(136)	
Current assets provisions	(79)	(68)	(11)	
<b>Ordinary Operating Profit (EBIT)</b>	<b>1.541</b>	<b>1.421</b>	<b>121</b>	
Impairment & gains on fixed assets	(32)	(32)	0	
Other operating results	(186)	(197)	11	
<b>Operating Profit</b>	<b>1.324</b>	<b>1.191</b>	<b>132</b>	
Financial income	243	224	19	
Financial expenses	(777)	(699)	(78)	
<b>Ordinary Financial Result</b>	<b>(533)</b>	<b>(475)</b>	<b>(58)</b>	
Foreign exchange results	38	49	(11)	
Changes in fair value for financial instruments	36	36	0	
Impairment & gains on financial instruments	299	299	(0)	
<b>Net Financial Result</b>	<b>(160)</b>	<b>(90)</b>	<b>(69)</b>	
Results on equity method*	201	186	15	
<b>PBT of continued operations</b>	<b>1.365</b>	<b>1.287</b>	<b>78</b>	
Corporate income tax	(311)	(292)	(19)	
<b>Net profit of continued operations</b>	<b>1.054</b>	<b>995</b>	<b>59</b>	
Profit after taxes of the discontinued operations	0	59		
<b>Consolidated Result</b>	<b>1.054</b>	<b>1.054</b>		
Minority interest	(329)	(320)	(9)	
Minority interest from discontinued operations	0	(9)		
<b>Net Profit Attributable to the Parent Company</b>	<b>725</b>	<b>725</b>		

\* The Joint Ventures Net Results, which are those companies that are executing projects but managed with partners, has been included in the Total Income figure, whilst the Results on Equity Method includes the net results of the rest of affiliated companies



**8.3 Income Statement per area of activity**

<b>Income Statement per area of activity. Year 2016</b>	Construction	Industrial Services	Services	Corporation / Adjustments	<b>Grupo ACS</b>
Million Euro					
<b>Net Sales</b>	<b>24,217</b>	<b>6,256</b>	<b>1,538</b>	<b>(35)</b>	<b>31,975</b>
Other revenues	429	51	15	(33)	462
Joint Ventures Net Results	77	0	0	0	77
<b>Total Income</b>	<b>24,722</b>	<b>6,307</b>	<b>1,553</b>	<b>(68)</b>	<b>32,514</b>
Operating expenses	(19,042)	(4,438)	(273)	14	(23,738)
Personnel expenses	(4,276)	(1,239)	(1,202)	(35)	(6,752)
<b>Operating Cash Flow (EBITDA)</b>	<b>1,405</b>	<b>630</b>	<b>78</b>	<b>(88)</b>	<b>2,023</b>
Fixed assets depreciation	(444)	(41)	(27)	(1)	(514)
Current assets provisions	(51)	(10)	(2)	(2)	(64)
<b>Ordinary Operating Profit (EBIT)</b>	<b>909</b>	<b>579</b>	<b>48</b>	<b>(91)</b>	<b>1,445</b>
Fixed assets depreciation	(3)	(17)	(0)	0	(20)
Other operating results	(211)	(52)	1	152	(111)
<b>Operating Profit</b>	<b>694</b>	<b>510</b>	<b>49</b>	<b>61</b>	<b>1,314</b>
Financial income	131	46	6	3	186
Financial expenses	(290)	(109)	(19)	(108)	(526)
<b>Ordinary Financial Result</b>	<b>(159)</b>	<b>(64)</b>	<b>(13)</b>	<b>(105)</b>	<b>(340)</b>
Foreign exchange Results	0	(12)	(2)	(0)	(13)
Impairment non current assets results	11	(4)	0	59	66
Results on non current assets disposals	95	(24)	0	(94)	(23)
<b>Net Financial Result</b>	<b>(52)</b>	<b>(104)</b>	<b>(15)</b>	<b>(140)</b>	<b>(310)</b>
Results on equity method	12	(14)	(0)	0	(1)
<b>Ordinary income of continued operations</b>	<b>654</b>	<b>393</b>	<b>34</b>	<b>(79)</b>	<b>1,002</b>
Corporate income tax	(160)	(85)	(5)	(157)	(407)
<b>Profit after taxes of the continued operations</b>	<b>494</b>	<b>308</b>	<b>29</b>	<b>(236)</b>	<b>596</b>
Profit after taxes of the discontinued operations	0	0	64	357	421
<b>Consolidated Result</b>	<b>494</b>	<b>308</b>	<b>93</b>	<b>121</b>	<b>1,017</b>
Minority interest	(183)	(4)	(10)	(69)	(266)
<b>Net Profit Attributable to the Parent Company</b>	<b>311</b>	<b>305</b>	<b>84</b>	<b>52</b>	<b>751</b>

**8.4 Balance sheet per area of activity**

<b>Consolidated Balance Sheet</b>	<b>Construction</b>	<b>Industrial Services</b>	<b>Services</b>	<b>Corporation / Adjustments</b>	<b>Grupo ACS</b>
<i>December 31st, 2016</i>					
Million Euro					
Intangible Fixed Assets	3,799	115	245	238	4,398
Tangible Fixed Assets	1,605	155	73	6	1,839
Investments accounted by Equity Method	835	706	0	(9)	1,532
Long Term Financial Investments	1,615	496	796	(422)	2,485
Long Term Deposits	6	0	0	0	7
Financial Instruments Debtors	66	2	0	0	67
Deferred Taxes Assets	1,198	223	58	832	2,312
<b>Fixed and Non-current Assets</b>	<b>9,125</b>	<b>1,696</b>	<b>1,173</b>	<b>646</b>	<b>12,639</b>
Non Current Assets Held for Sale	39	400	110	0	549
Inventories	1,073	340	1	(7)	1,407
Accounts receivables	7,271	3,529	245	(57)	10,988
Account receivable (sale of discontinued Ops) LEI	0	0	0	0	0
Short Term Financial Investments	777	344	160	533	1,813
Financial Instruments Debtors	2	0	0	96	98
Other Short Term Assets	174	47	1	1	224
Cash and banks	4,104	1,501	49	1	5,655
<b>Current Assets</b>	<b>13,440</b>	<b>6,161</b>	<b>565</b>	<b>567</b>	<b>20,734</b>
<b>TOTAL ASSETS</b>	<b>22,565</b>	<b>7,857</b>	<b>1,738</b>	<b>1,213</b>	<b>33,373</b>
Shareholders' Equity	3,648	1,115	833	(2,025)	3,571
Adjustments from Value Changes	91	(66)	(0)	(14)	11
Minority Interests	1,354	40	6	(0)	1,400
<b>Net Worth</b>	<b>5,093</b>	<b>1,089</b>	<b>839</b>	<b>(2,039)</b>	<b>4,982</b>
Subsidies	2	1	1	0	4
Long Term Financial Liabilities	2,448	312	72	2,074	4,907
Deferred Taxes Liabilities	1,006	81	30	71	1,188
Long Term Provisions	980	176	44	455	1,655
Financial Instruments Creditors	35	13	0	22	70
Other Long Term Accrued Liabilities	102	7	1	0	110
<b>Non-current Liabilities</b>	<b>4,574</b>	<b>589</b>	<b>148</b>	<b>2,623</b>	<b>7,934</b>
Liabilities from Assets Held for Sale	0	265	53	0	318
Short Term Provisions	945	48	9	26	1,028
Short Term Financial Liabilities	1,857	831	456	639	3,782
Financial Instruments Creditors	4	1	0	59	63
Trade accounts payables	9,861	4,858	229	(125)	14,823
Other current payables	232	177	3	31	443
<b>Current Liabilities</b>	<b>12,898</b>	<b>6,179</b>	<b>751</b>	<b>629</b>	<b>20,457</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>22,565</b>	<b>7,857</b>	<b>1,738</b>	<b>1,213</b>	<b>33,373</b>

## 8.5 Net Cash Flow

Grupo ACS		Net Cash Flows		
Euro Million	2015	2016	Var.	
	TOTAL	TOTAL	TOTAL	
<b>A ) CASH FLOW FROM OPERATING ACTIVITIES ( 1+2+3+4 )</b>	<b>2,009</b>	<b>1,403</b>	<b>-30.2%</b>	
1. NOPBT (net operating profit before tax)	1,287	1,002	-22.1%	
2. Adjustments to NOPBT:	776	736	0.0%	
( + ) D&A	652	514	0.0%	
( +/- ) Other net adjustments	124	222	0.0%	
3. Working Capital variation	625	(178)	-128.5%	
4. Other Cash Flow from operating activities	(678)	(157)	-76.8%	
( - ) Interest payments	(803)	(595)	-25.9%	
( + ) Dividends received	271	435	60.5%	
( + ) Interests received	197	180	-8.4%	
( +/- ) Collection/(Payments) from Corporate Tax	(342)	(177)	-48.3%	
<b>B ) CASH FLOW FROM INVESTING ACTIVITIES ( 1+2 )</b>	<b>710</b>	<b>884</b>	<b>+24.5%</b>	
1. Payments from investments:	(1,918)	(970)	-49.4%	
( - ) Group companies, associates and business units	(1,030)	(107)	0.0%	
( - ) Tangible assets, intangibles and property investments	(722)	(588)	0.0%	
( - ) Other financial assets	(49)	(255)	0.0%	
( - ) Other assets	(117)	(20)	0.0%	
2. Collections from disposals:	2,627	1,854	-29.4%	
( + ) Group companies, associates and business units	1,611	959	0.0%	
( + ) Tangible assets, intangibles and property investments	983	114	0.0%	
( + ) Other financial assets	30	661	0.0%	
( + ) Other assets	4	120	0.0%	
<b>C ) CASH FLOW FROM FINANCING ACTIVITIES ( 1+2+3+4 )</b>	<b>(2,231)</b>	<b>(2,477)</b>	<b>+11.0%</b>	
1. Collections and (payments) from equity instruments:	(825)	(697)	-15.5%	
( + ) Issuance	0	0	0.0%	
( - ) Amortization	0	0	0.0%	
( - ) Acquisition	(841)	(765)	0.0%	
( + ) Disposal	17	68	0.0%	
2. Collections and (Payments) from financial liabilities:	(1,134)	(1,384)	22.0%	
( + ) Issuance	4,311	1,231	0.0%	
( - ) Amortization and cancellation	(5,444)	(2,615)	0.0%	
3. Dividend payments and and remuneration on other equity instruments	(345)	(326)	-5.3%	
4. Other cash flow from financing activities	72	(70)	-197.9%	
( - ) Interest payments	0	0	0.0%	
( +/- ) Other collection/(Payments) from financing activities	72	(70)	-197.9%	
<b>D ) EXCHANGE RATE VAR IMPACT</b>	<b>148</b>	<b>41</b>	<b>-72.4%</b>	
<b>E ) NET INCREASE/(DECREASE) ON CASH AND EQUIVALENTS ( A+B+C )</b>	<b>637</b>	<b>(149)</b>	<b>-123.4%</b>	
<b>F ) CASH AND EQUIVALENTS BOY</b>	<b>5,167</b>	<b>5,804</b>	<b>+12.3%</b>	
<b>G ) CASH AND EQUIVALENTS EOY ( E+F )</b>	<b>5,804</b>	<b>5,655</b>	<b>-2.6%</b>	

Euro Million	2015			2016	
	ACS ex Urbaser	Urbaser	TOTAL	ACS ex Urbaser	Urbaser
Gross cash flow from operations	1,788	274	2,062	1,514	224
Working Capital var	633	(8)	625	(21)	(157)
Interest payments	(724)	(79)	(803)	(532)	(63)
Dividends received	246	25	271	427	8
Interests received	177	19	197	159	21
Collection/(payments) of corporate tax	(326)	(17)	(342)	(171)	(6)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,794</b>	<b>215</b>	<b>2,009</b>	<b>1,376</b>	<b>27</b>
Cash flows from ordinary investment activities	844	(134)	710	201	(95)
Cash flow from investment activities from the sale of Urbaser	-	-	-	959	(181)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>844</b>	<b>(134)</b>	<b>710</b>	<b>1,160</b>	<b>(276)</b>
Collections and (payments) from equity instruments	(825)	-	(825)	(697)	-
Collections and (Payments) from financial liabilities	(1,088)	(45)	(1,134)	(1,473)	90
Dividend payments and and remuneration on other equity instruments	(287)	(57)	(345)	(323)	(3)
Other cash flow from financing activities	39	33	72	(50)	(20)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(2,161)</b>	<b>(70)</b>	<b>(2,231)</b>	<b>(2,543)</b>	<b>67</b>
EXCHANGE RATE VAR IMPACT	148	-	148	47	(6)
<b>NET INCREASE/(DECREASE) ON CASH AND EQUIVALENTS</b>	<b>625</b>	<b>11</b>	<b>637</b>	<b>40</b>	<b>(189)</b>
<b>CASH AND EQUIVALENTS BOY</b>	<b>4,989</b>	<b>178</b>	<b>5,167</b>	<b>5,614</b>	<b>189</b>
<b>CASH AND EQUIVALENTS EOY</b>	<b>5,614</b>	<b>189</b>	<b>5,804</b>	<b>5,655</b>	<b>-</b>

**8.6 Detail on the financial structure as of December 31th, 2015**

<b>Grupo ACS</b>		<i>Main financial facilities 2016</i>		
<b>Instruments</b>	<b>Amount (€ mn)</b>	<b>Maturity</b>	<b>Company</b>	
Syndicated Loan	1,400	2020	ACS	
Corporate Bond @ 3.875%	750	2020	HOCHTIEF	
Corporate Bond @ 2.875%	500	2020	ACS	
Corporate Bond @ 5.5%	500	2017	HOCHTIEF	
Corporate Bond @ 2.625%	500	2019	HOCHTIEF	
Programa ECP (promissory note.)	436	2017	ACS	
Syndicated Loan	297	2019	Dragados	
Exchangeable Bond @ 2.625%	298	2018	ACS	
Exchangeable Bond @ 1.625%	235	2019	ACS	
Corporate Bond @ 5.95%	190	2022	CIMIC	
USD Senior Note Serie B @ 5.22%	137	2017	CIMIC	
Corporate Bond @ 2.50% (PP)	113	2018	ACS	
USD Senior Note Serie C @ 7.66%	74	2018	CIMIC	
USD Senior Note 5.78%	109	2020	CIMIC	
<b>SUBTOTAL</b>	<b>5,539</b>	<b>64%</b>		
Bilaterals and other bank loans	809	9%	Limit:	
Bank credit lines	1,702	20%	€ 6.355 mn	
Other financing sources	639	7%		
<b>TOTAL</b>	<b>8,689</b>			

<b>Grupo ACS</b>		<i>Gross debt maturity schedule</i>				
<b>Euro million</b>	<b>2017 (current)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021 &amp; on</b>	
Bank loans	434	441	182	27	1,456	
Credit lines	1,445	188	7	0	3	
Leasing	24	9	5	2	2	
Bonds and notes*	1,748	188	498	1,351	192	
Project finance	40	22	23	17	100	
<b>TOTAL</b>	<b>3,691</b>	<b>848</b>	<b>715</b>	<b>1,397</b>	<b>1,752</b>	

Note: Not including interests accrued pending payment (€ 15,5 mn) nor Other Financial liabilities

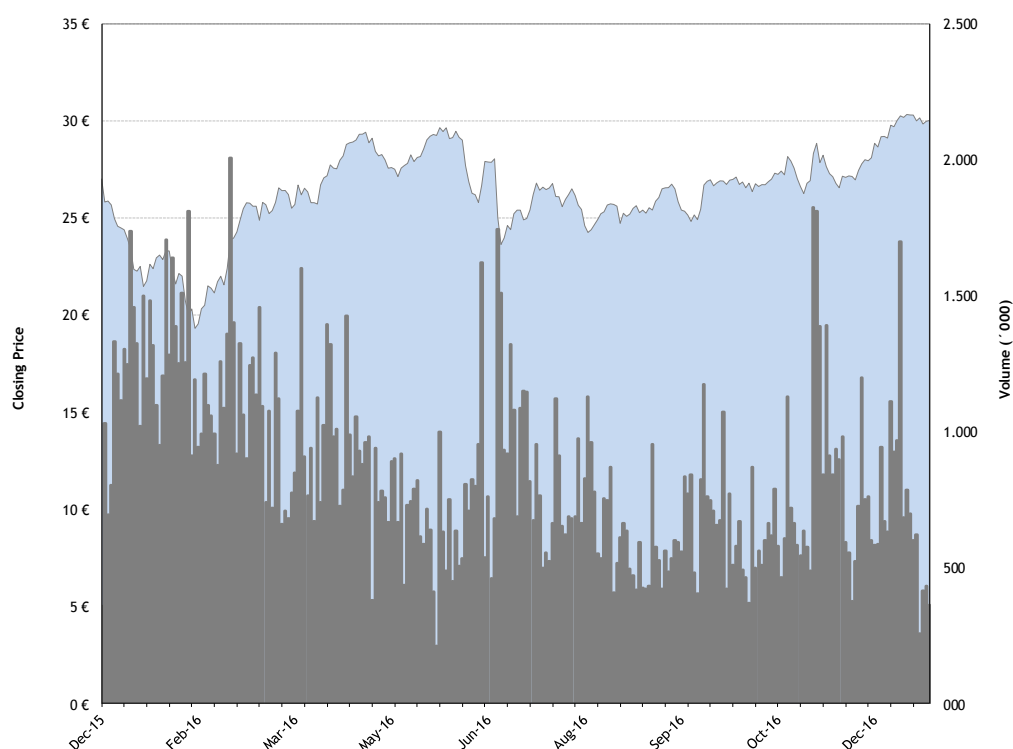
(\*) 2016 maturity include exchangeable bonds into IBE shares for € 533 mn because, despite their maturity in 2018 y 2019, bondholders profit from an anticipated redemption option. At the end of March 2016, the prepaid forward sale of the 90 million shares pledged to these bonds was executed, the cash received is accounted as other current financial assets.

### 8.7 IRIDIUM concessions portfolio

Concesión - Descripción	Participación	Método Consolidación	País	Actividad	Estado	Ud.	Fecha Expiración	Inversión Prevista en proyecto	Aportación ACS prevista	Aportación desembolsada a 31.12.16
1 Autovía de La Mancha	75.0%	P.E.	España	Autopistas	Explotación	52	abr.-33	128	21	21
2 Circunvalación de Alicante	50.0%	P.E.	España	Autopistas	Explotación	148	22/02/2040 ( ororr. 2.044)	464	71	71
3 Autopista del Henares (R2 y M50)	35.0%	P.E.	España	Autopistas	Explotación	87	nov.-39	898	81	81
4 Accesos Madrid (R3/R5 y M50)	19.7%	N.C.	España	Autopistas	Explotación	90	nov.-49	1,679	55	55
5 Reus-Alcover	100.0%	P.E.	España	Autopistas	Explotación	10	dic.-38	72	16	16
6 Santiago Brión	70.0%	P.E.	España	Autopistas	Explotación	16	sep.-35	118	14	14
7 Autovía de los Pinares	63.3%	P.E.	España	Autopistas	Explotación	44	abr.-41	96	17	17
8 Autovía Medinaceli-Calatayud	100.0%	Global	España	Autopistas	Explotación	93	dic.-26	183	24	24
9 Autovía del Camp del Túria (CV 50)	65.0%	Global	España	Autopistas	Construcción	20	feb.-43	110	10	3
10 Autovía del Pirineo (AP21)	100.0%	P.E.	España	Autopistas	Explotación	45	jul.-39	226	81	81
11 Autovía de la Sierra de Arana	40.0%	P.E.	España	Autopistas	Construcción	39	jul.-41	200	16	2
12 EMESA (Madrid Calle 30)	50.0%	P.E.	España	Autopistas	Explotación	33	sep.-40	221	48	48
13 Eje Diagonal	100.0%	P.E.	España	Autopistas	Explotación	67	ene.-42	406	154	154
14 A-30 Nouvelle Autoroute 30	12.5%	P.E.	Canadá	Autopistas	Explotación	74	sep.-43	1,365	20	20
15 Capital City Link (NEAH)	25.0%	P.E.	Canadá	Autopistas	Explotación	27	sep.-46	1,081	13	13
16 FIG Transportation Group	12.5%	P.E.	Canadá	Autopistas	Explotación	45	jun.-34	549	3	3
17 Windsor Essex	33.3%	P.E.	Canadá	Autopistas	Explotación	11	feb.-44	899	7	7
18 Signature on the Saint-Lawrence Group General Part	25.0%	P.E.	Canadá	Autopistas	Construcción	3	nov.-49	1,735	15	0
19 Ruta del Canal	51.0%	P.E.	Chile	Autopistas	Explotación	55	feb.-50	187	18	18
20 Concesionaria Vial del Pacifico, S.A.S	40.0%	P.E.	Colombia	Autopistas	Construcción	50	2.039 ( ororr. 2.044)	953	78	16
21 Concesionaria Nueva Vía al Mar, S.A.S	40.0%	P.E.	Colombia	Autopistas	Construcción	32	ene.-44	783	50	13
22 Autopista Jónica (NEA ODOS)	24.5%	N.C.	Grecia	Autopistas	Constr. / Explotac.	380	dic.-37	1,389	41	41
23 Central Greece	24.5%	N.C.	Grecia	Autopistas	Constr. / Explotac.	231	mar.-38	865	22	22
24 CRG Waterford - Southlink	33.33% (Waterford) 14.5% (Southlink)	P.E. / N.C.	Irlanda	Autopistas	Explotación	23	abr.-36	321	22	22
25 CRG Portlaoise - Midlink	33.33% (Portlaoise) 16.5% (Midlink M7/M8)	P.E. / N.C.	Irlanda	Autopistas	Explotación	41	jun.-37	328	23	23
26 N25 New Ross Bypass	50.0%	P.E.	Irlanda	Autopistas	Construcción	14	feb.-43	173	9	0
27 M11 Gorey - Enniscorthy	50.0%	P.E.	Irlanda	Autopistas	Construcción	32	ene.-44	253	13	0
28 Sper - Planestrada (Baixo Alentejo)	15.1%	N.C.	Portugal	Autopistas	Construcción	347	dic.-38	539	79	19
29 A-13, Puerta del Tamesis	25.0%	P.E.	Reino Unido	Autopistas	Explotación	22	jul.-30	283	7	7
30 SH288 Toll Lanes-Texas	21.6%	P.E.	USA	Autopistas	Construcción	17	ago.-67	1,009	73	0
31 Portsmouth Bypass	40.0%	P.E.	USA	Autopistas	Construcción	35	dic.-53	526	18	0
32 I595 Express	50.0%	P.E.	USA	Autopistas	Explotación	17	feb.-44	1,518	98	98
<b>Total Autopistas (km)</b>						<b>2,200</b>		<b>19,558</b>	<b>1,217</b>	<b>909</b>
33 Línea 9 Tramo II	10.0%	N.C.	España	Ferrovias	Explotación	11	oct.-42	887	7	7
34 Línea 9 Tramo IV	10.0%	N.C.	España	Ferrovias	Explotación	11	sep.-40	613	6	6
35 Metro de Arganda	8.1%	N.C.	España	Ferrovias	Explotación	18	dic.-29	149	3	3
36 ELOS - Ligações de Alta Velocidade	15.2%	N.C.	Portugal	Ferrovias	Construcción	167	2050	1,649	19	0
37 Rideau Transit Group (Ligth RT Ottawa)	40.0%	P.E.	Canadá	Ferrovias	Construcción	13	jun.-48	1,428	21	0
38 Crosslink Transit Solutions	25.0%	P.E.	Canadá	Ferrovias	Construcción	20	sep.-51	3,878	18	0
39 Metro de Lima Línea 2	25.0%	P.E.	Perú	Ferrovias	Construcción	35	abr.-49	4,327	28	28
<b>Total km Ferrovias</b>						<b>274</b>		<b>12,931</b>	<b>102</b>	<b>44</b>
40 Cárcel de Brións	100.0%	Global	España	Cárceles	Explotación	95,182	dic.-34	106	14	14
41 Comisaría Central (Ribera norte)	100.0%	Global	España	Comisarias	Explotación	60,330	may.-24	70	12	12
42 Comisaría del Vallés (Terrasa)	100.0%	Global	España	Comisarias	Explotación	8,937	mar.-32	17	3	3
43 Comisaría del Vallés (Barberá)	100.0%	Global	España	Comisarias	Explotación	9,269	abr.-32	16	4	4
44 Los Liberadores	100.0%	Global	Chile	Complejo Fronterizo	Construcción	32,011	mar.-30	70	8	8
45 Huesca Oriental Depura S.A.	50.0%	P.E.	España	Depuradora	Explotación	-	-	28	3	3
<b>Equipamiento Público (m2)</b>						<b>205,729</b>		<b>307</b>	<b>44</b>	<b>43</b>
46 Hospital Majadahonda	11.0%	N.C.	España	Hospitales	Explotación	749	jul.-35	257	4	4
47 Nuevo Hospital de Toledo, S.A.	33.3%	P.E.	España	Hospitales	Construcción	760	ene.-45	220	16	2
48 Hospital Son Espases	49.5%	P.E.	España	Hospitales	Explotación	987	oct.-39	306	17	17
49 Hospital de Can Misses (Ibiza)	40.0%	P.E.	España	Hospitales	Explotación	297	oct.-42	130	13	13
50 Centros de Salud de Mallorca	49.5%	P.E.	España	Centros salud	Explotación	n.a.	abr.-21	19	3	3
<b>Equipamiento Público (nº camas)</b>						<b>2,793</b>		<b>931</b>	<b>53</b>	<b>39</b>
51 Intercambiador Plaza de Castilla	4.4%	N.C.	España	Intercambiadores	Explotación	59,650	feb.-41	167	3	3
52 Intercambiador Príncipe Pio	8.4%	N.C.	España	Intercambiadores	Explotación	28,300	dic.-40	66	1	1
53 Intercambiador Avda América	12.0%	N.C.	España	Intercambiadores	Explotación	41,000	jun.-38	75	1	1
<b>Total Intercambiadores de transporte (m2)</b>						<b>128,950</b>		<b>307</b>	<b>5</b>	<b>5</b>
54 Iridium Aparcamientos	100.0%	Global	España	Aparcamientos	Constr. / Explotac. (2)	15,715	2058	49	49	48
55 Serrano Park	50.0%	P.E.	España	Aparcamientos	Explotación	3,297	dic.-48	130	24	20
<b>Total Aparcamientos (plazas de parking)</b>						<b>19,012</b>		<b>179</b>	<b>73</b>	<b>69</b>
<b>TOTAL CONCESIONES</b>								<b>34,213</b>	<b>1,494</b>	<b>1,109</b>

8.8 Share data

ACS Shares Data (YTD)	2015	2016
Closing price	26.94 €	30.02 €
Performance	-6.81%	11.43%
Maximum in the period	34.40 €	30.56 €
Maximum Date	27-feb	20-dic
Minimum in the period	25.06 €	19.31 €
Minimum Date	29-sep	11-feb
Average in the period	30.04 €	25.88 €
Total volume ('000)	237,938	220,750
Daily average volume ('000)	933	859
Total traded effective (€ mn)	7,148	5,714
Daily average effective (€ mn)	28.03	22.23
Number of shares (mn)	314.66	314.66
Market cap (€ mn)	8,477	9,446



**8.9 Exchange rate effect**
**EXCHANGE RATE EFFECT**

EXCHANGE RATE EFFECT (€ vs. currency)	Average Exchange Rate			
	Dec-15	Dec-16	difference	%
1 US Dollar	1.1030	1.1034	0.0005	+0.0%
1 Australian Dollar	1.4796	1.4858	0.0061	+0.4%
1 Mexican Peso	17.6044	20.6177	3.0133	+17.1%
1 Brazilian Real	3.7346	3.8075	0.0729	+2.0%

EXCHANGE RATE EFFECT (€ vs. currency)	Closing Exchange Rate			
	Dec-15	Dec-16	difference	%
1 US Dollar	1.0860	1.0513	(0.0347)	-3.2%
1 Australian Dollar	1.4888	1.4597	(0.0291)	-2.0%
1 Mexican Peso	18.6500	21.7900	3.1400	+16.8%
1 Brazilian Real	4.2998	3.4201	(0.8797)	-20.5%

EXCHANGE RATE EFFECT Euro million	Grupo ACS			
	USD	AUD	Others	Total
Backlog	670	486	(350)	806
Sales	16	(8)	(362)	(354)
Ebitda	0	(1)	(32)	(33)
Ebit	0	(1)	(29)	(29)
Net Profit	0	(0)	(5)	(5)

EXCHANGE RATE EFFECT	Construction			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	653	485	29	1,167
Sales	16	(8)	(110)	(102)
Ebitda	0	(1)	(3)	(3)
Ebit	0	(1)	(1)	(1)
Net Profit	0	(0)	(0)	(0)

EXCHANGE RATE EFFECT	Industrial Services			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	17	1	(368)	(350)
Sales	1	(0)	(246)	(245)
Ebitda	(0)	(0)	(30)	(30)
Ebit	(0)	(0)	(29)	(29)
Net Profit	(0)	(0)	(0)	(0)

EXCHANGE RATE EFFECT	Services			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	0	0	(11)	(11)
Sales	0	0	(6)	(6)
Ebitda	0	0	1	1
Ebit	0	0	1	1
Net Profit	(0)	0	(5)	(5)

## 8.10 Main Awards of the Period

*In blue the new awards corresponding to the last quarter*

### 8.10.1 Construction

Project	Type of Project	Region	€ mn
Project for the design and construction of Chesapeake Bay Bridge-Tunnel in Cape Charles (Virginia, United States)	Civil Works	America	677,7
Project for modernization and expansion of Los Angeles International Airport (United States)	Building	America	658,0
Project for the construction of the Tseung Kwan O - Lam Tin highway tunnel in Hong Kong (China)	Civil Works	Asia Pacific	551,3
Design and construction of the expansion of Aberdeen Harbour in Nigg Bay (United Kingdom)	Hydraulics	Europe	398,3
Contract expansion and extension at the Bayan Resources Group's Melak Coal Mine in Kalimantan (Indonesia)	Contract mining	Asia Pacific	370,8
Rehabilitation and improvement works in the Corpus Christi Harbor Bridge in the highway US-181 (Texas, United States)	Civil Works	America	363,0
Echewater project development that consists in an addition to the Sacramento Regional Wastewater Treatment Plant (California, United States)	Hydraulics	America	362,0
Project for removing nine level crossings between Caulfield and Dandenong in Melbourne's south-eastern suburbs, as well as rebuild five railway stations (Melbourne, Australia)	Civil Works	Asia Pacific	317,9
Design and construction of the Logan Enhancement project that includes upgrading the Wembley Road, Beaudesert Road/Mount Lindesay Highway and Compton Road interchanges; realigning and widening the Logan Motorway (Queensland, Australia)	Civil Works	Asia Pacific	292,8
Contract for mining services in oil sands in Athabasca region (Canada)	Contract mining	America	290,2
Construction of an eight-storey columbarium, garden of remembrance and other ancillary facilities in Hong Kong (China)	Building	Asia Pacific	214,6
Construction of the Christchurch Hospital Acute Services Building (ASB) in New Zealand	Building	Asia Pacific	182,7
Works for the widening of two stretches of the SH-288 in Harris County (Houston, Texas, United States)	Civil Works	America	160,1
Contract for mining operations at Jwaneng diamond mine in Botswana	Contract mining	Africa	154,2
Delivery of phases two and three of the Maker Maxity project which comprise a premium retail and hospitality development (Mumbai, India)	Building	Asia Pacific	148,8
Renovation and rehabilitation works for the Museum Center in Union Terminal in Cincinnati (Ohio, United States)	Building	America	136,0
Construction of the stage 2 of the Gold Coast light rail between Southport and Helensvale (Queensland, Australia)	Civil Works	Asia Pacific	135,0
Development of Mercedes-Platz event building in Berlin (Germany)	Building	Europe	134,5
Project for the construction of the segment 1 of the C-407 tolled highway (Denver, United States)	Civil Works	America	129,0
Construction of Tunnell Stellingen in the A7 motorway enlargement project (Hamburg, Germany)	Civil Works	Europe	127,6
Three-year contract extension to continue operations at Melak Coal Mine until December 2019 (Indonesia)	Contract mining	Asia Pacific	122,9
Network integrity and facilities management supply services to more than 40,000 exchange and network assets across Australia.	Civil Works	Asia Pacific	119,9



Project	Type of Project	Region	€ mn
Construction of the Wellsburg Bridge crossing the Ohio River in West Virginia (United States)	Civil Works	America	118,0
Design and construction of Naval Academy's Center for Cyber Security Studies in Annapolis (Maryland, United States)	Civil Works	America	103,0
Upgrade works in a section of Bruce Highway in Queensland (Australia)	Building	Asia Pacific	102,9
Construction of Amazon's new logistic center in Barcelona (Spain)	Civil Works	Europe	101,4
Contract extension with Telstra for the delivery of Wideband Services across Australia	Building	Asia Pacific	84,6
Project for the construction of a new building, Tollman Hall, at the University of Berkeley (California, United States)	Building	America	83,8
Construction of two segments of the Interstate 5 North Coast Corridor Phase 1 Project in San Diego (California, United States)	Civil Works	America	77,0
Construction of two interconnected underground combined sewage storage tunnels in Ottawa (Canada)	Hydraulics	America	75,6
Reconstruction and improvements works in the Red Deer interchange in Alberta (Canada)	Civil Works	America	72,0
Works in the Oyu Tolgoi mine in Gobi Desert (Mongolia)	Contract mining	Asia Pacific	70,6
Construction of sections of both the N25 and N30 routes (Ireland).	Civil Works	Europe	69,0
Building of two twins residential towers, Al Mutahidah Towers, in Qatar.	Building	Asia Pacific	68,1
Construction of the new Tennessee State Museum in Nashville (United States)	Building	America	68,0
Enlargement and improvement works in the SR 482, Sand Lake Road, in Orlando (Florida, USA)	Civil Works	America	67,9
Modernisation works for the E-30 railway line (Poland)	Civil Works	Europe	64,8
Works for installation and connection of ultra-fast broadband in New Zealand	Civil Works	Asia Pacific	64,1
Reconstruction works in the I-40 through the City of Winston-Salem, North Carolina (United States)	Civil Works	America	62,0
Works for the renovation and enlargement of the Prince George's Community College in Largo (Maryland, United States)	Building	America	62,0
Construction of the I-10 and the SR303L system traffic interchange project in Maricopa County within the City of Goodyear (Arizona, United States)	Civil Works	America	58,6
Construction of the S-8 road (Poland)	Civil Works	Europe	57,2
Construction of new facilities in the University of Michigan Clinical Pathology (Michigan, United States)	Building	America	56,0
Works for the construction of Gate Avenue new complex in Dubai (United Arab Emirates)	Civil Works	Asia Pacific	55,2
Construction of a building office in UC Davis in Sacramento (California, United States)	Building	America	54,0
Development of works for the Belesar hydro-electric power plant enlargement (Lugo, Spain)	Hydraulics	Europe	53,1
Expansion of the mining services contract at the Lake Vermont Coal Mine as well as design and building of an additional processing module at the RMJV's coal handling and preparation plant (Queensland, Australia)	Contract mining	Asia Pacific	50,5

**8.10.2 Industrial Services**

Project	Type of Project	Region	€ mn
EPC project for the construction of Mantiqueira electricity transmission line with a length of 1,341 km in Minas Gerais State (Brazil)	EPC Projects	America	640,0
EPC project for the construction of 1,166 km of transmission lines of 500 kV, in the states of Ceará, Piauí y Maranhao, and the construction of four new substations of 500 kV and the expansion at 500 kV substation Pecém II (Brazil)	EPC Projects	America	443,7
EPC project for the construction of José María Mace electricity transmission line with a length of 869 km in Bahia State (Brazil)	EPC Projects	America	312,0
Construction of a central unit for handling and treatment of industrial waste from the different process plants installed in the industrial area of Ruwais (United Arab Emirates)	EPC Projects	Asia Pacific	248,5
Contract for the development of engineering, supply of equipment and materials as well as the construction, including erection, commissioning and start-up for a new fertilizers complex which includes a Sulphuric Acid Plant, and a DAP & TSP Plant (Egypt)	EPC Projects	Africa	220,4
EPC project for the construction of Ras Al Khaimah desalination plant with a capacity of 100,000 m <sup>3</sup> /day (United Arab Emirates)	EPC Projects	Asia Pacific	149,0
Manufacture, assembly, testing, load-out and seafastening of 74 modules for the ethylene cracking unit for Franklin new petrochemical complex (Pennsylvania, United States)	EPC Projects	America	130,3
Contract for the development of Pastore windfarm with an installed capacity of 53MW (Uruguay)	EPC Projects	America	92,0
Design, supply and construction of the Renace IV hydroelectric plant in Alta Verapaz (Guatemala)	EPC Projects	America	90,0
EPC project for the construction of Tuas 3 desalination plant with a capacity of 136,000 m <sup>3</sup> /day (Singapore)	EPC Projects	Asia Pacific	75,6
Maintenance of networks and distribution of medium voltage and low voltage in several areas of Andalucía, as well as specific work in tension in Cataluña (Spain)	Networks	Europe	63,7
Contract for the gas services distribution for Gas Natural in Chile	Networks	America	60,0
Fabrication of 4 substation jackets for the Hornsea offshore wind farm project (Denmark)	Specialized Products	Europe	56,6
EPC project for the construction of the geothermal energy plant of Las Pailas II with an installed capacity of 55MW (Costa Rica)	EPC Projects	America	56,3
Works for electromechanical installations in the new tyre plant of Michelin in Guanajuato (Mexico)	Specialized Products	America	54,9
Construction and equipment of the new hospital of the city of Montero (Bolivia)	Specialized Products	America	54,5
Construction of a photovoltaic plant with an installed capacity of 33,4MW in Fukushima (Japan)	EPC Projects	Asia Pacific	52,4
Construction of Hokota photovoltaic plant with an installed capacity of 21,53 MW (Japan)	EPC Projects	Asia Pacific	51,9
Works for traffic control systems installation in Al Muntazah Street (Qatar)	Control Systems	Asia Pacific	44,8
Construction of a photovoltaic plant with an installed capacity of 17MW in Hayato (Japan)	EPC Projects	Asia Pacific	43,2
Construction and installation of 8 electrical substations and 5 transmission lines with a total length of 226.5 km in the state of Sonora (Mexico)	Specialized Products	America	40,1
Construction of a photovoltaic plant with an installed capacity of 17MW in Kagoshima (Japan)	EPC Projects	Asia Pacific	39,1
Works in the Saudi Aramco Krurahis project consisting in the trunklines oil/gas construction between Mazalij and Abufijan (Saudi Arabia)	Specialized Products	Asia Pacific	33,7
Maintenance services of potable water systems and sewerage systems in Lima (Peru)	Specialized Products	America	31,4
Construction and equipment of the new hospital of the city of Manta (Ecuador)	Specialized Products	America	26,7

**8.10.3 Services**

Project	Type of Project	Region	€ mn
Renewal of the contract for home care services in Madrid city (Spain)	Facility Management	Europe	169,3
Contract for the facility management of "La Jesuitina" retirement home in Valladolid (Spain)	Facility Management	Europe	70,0
Contract for airplanes cleaning services for Iberia in Spain	Facility Management	Europe	68,0
Two contracts for the integral cleaning service of the Specialized Care Centers attached to the Madrid Health Service (Spain)	Facility Management	Europe	56,8
Contract for cleaning services in buildings of Valencian Community Health Department (Spain)	Facility Management	Europe	55,8
Enlargement of the contract for cleaning services in the facilities of the Spanish Police (Spain)	Facility Management	Europe	46,7
Renovation of the contract for the service of help at home for the Diputación de Almería (Spain)	Facility Management	Europe	42,2
Contract for home care services in Barcelona (Spain)	Facility Management	Europe	30,2
Contract for the facility management of Laguna de Duero retirement home (Valladolid, Spain)	Facility Management	Europe	30,0
Renovation and facility management services for Otazu retirement home (León, Spain)	Facility Management	Europe	28,6
Facility management of the retirement home and services for the Allegra Magna real estate complex for elderly in Valladolid (Spain)	Facility Management	Europe	25,5
Contract for the facility management of San José retirement home in Barcena de Carriedo (Cantabria, Spain)	Facility Management	Europe	23,1
Contract for cleaning Vall d'Hebron Hospital (Barcelona, Spain)	Facility Management	Europe	21,1
Extension of the contract for the facility management of Baños retirement home (Spain)	Facility Management	Europe	20,0
Renovation of the contract for home care services in Vigo (Spain)	Facility Management	Europe	17,4
Extension of the contract for home care services in Malaga (Spain)	Facility Management	Europe	16,7
Management of the at-home medical care service in Málaga (Spain)	Facility Management	Europe	15,6
Freight service contract at the airport of Madrid (Spain)	Facility Management	Europe	14,7

## 9. Glossary

ACS Group presents its results in accordance with the International Financial Reporting Standards (IFRS). However, the group makes use of some alternative measures of performance (APM) to provide additional information that promote comparability and understanding of its financial information, and facilitates decision making and evaluation of the performance of the group. Below are the most outstanding APMs.

CONCEPT	USE	dic-16	dic-15
<b>Market capitalisation</b>	Value of the company in the stock exchange market	<b>9,446</b>	<b>8,477</b>
<b>Earnings per share</b>	Indicates the part of the net profit that corresponds to each share	<b>2.44</b>	<b>2.35</b>
Net Attributable profit		751	725
Average num. of shares of the period		308.1	308.5
<b>Backlog</b>	An indicator of the Group's commercial activity. The value divided by the average duration of the projects is an approximation to the revenues to be received in the following periods	<b>66,526</b>	<b>58,942</b>
<b>Gross Operating Profit (EBITDA)</b>	Measure of comparable performance to evaluate the evolution of the Group's operating activities excluding depreciation and provisions (more variable items according to the accounting criteria used). This AMP is widely used to evaluate the operational performance of companies as well as part of ratios and valuation multiples and measurement of risks	<b>2,023</b>	<b>2,141</b>
(+) Operating Profit		1,237	1,089
(-) 1.D&A		(578)	(720)
(-) 2. Non recurrent operating results and/or which dont imply a cash flow		(131)	(229)
(+) Net profit from Joint Ventures		77	102
<b>Net Financial Debt / EBITDA</b>	<b>Comparable ratio of the Group's indebtedness level. It measures the repayment capacity of the financing in number of years.</b>	<b>0.6x</b>	<b>1.2x</b>
Net Financial Debt (1)-(2)	Total net debt level at the end of the period. In section 1, it is included a breakdown of the net debt of the projects (Project Finance) and the net debt of the business	1,214	2,624
(1) Deuda Financiera Bruta	Level of gross financial debt at period end	8,689	10,745
(2) Cash & Equivalents	Current liquid assets available to cover the repayment needs of financial liabilities	7,475	8,121
Annualized EBITDA		2,023	2,141
<b>Net Cash Flow</b>	Cash generated / consumed of the period	<b>1,511</b>	<b>2,034</b>
<b>1. Cash Flow from operating activities</b>	Cash generated by operating activities. Its value is comparable to the Group's EBITDA by measuring the conversion of operating income into cash generation	<b>1,376</b>	<b>1,794</b>
Adjusted Net Profit attributable		1,377	1,162
Operating working capital variation		(1)	633
<b>2. Cash Flow from investing activities</b>	Funds consumed / generated by investment needs or divestments collections in the period	<b>594</b>	<b>495</b>
(-) Payments from investments	Indicates capital needs in fixed assets for the development of the business.	(1,403)	(2,128)
(+) Collections from divestments		1,997	2,623
<b>3. Other Cash Flows</b>		<b>(460)</b>	<b>(256)</b>
<b>Ordinary Financial Result</b>	Measure of assessment of the result coming from the use of financial assets and liabilities. This concept includes both income and expenses directly related with net financial debt as other non related financial income/expenses	<b>(340)</b>	<b>(475)</b>
<b>Net Financial Result</b>		<b>(310)</b>	<b>(90)</b>
<b>Working Capital</b>		<b>(3,640)</b>	<b>(2,980)</b>

**NOTE: All financial indicators and APMs are calculated under the principles of coherence and homogeneity allowing comparability between periods and in compliance with the applicable accounting rules and standards**

Data in million of euros

CONCEPT	USE
<b>Market capitalisation</b>	Value of the company in the stock exchange market
<b>Earnings per share</b>	Indicates the part of the net profit that corresponds to each share
<b>Backlog</b>	An indicator of the Group's commercial activity. The value divided by the average duration of the projects is an approximation to the revenues to be received in the following periods
<b>Gross Operating Profit (EBITDA)</b>	Measure of comparable performance to evaluate the evolution of the Group's operating activities excluding depreciation and provisions (more variable items according to the accounting criteria used). This AMP is widely used to evaluate the operational performance of companies as well as part of ratios and valuation multiples and measurement of risks
<b>Net Financial Debt / EBITDA</b>	<b>Comparable ratio of the Group's indebtedness level. It measures the repayment capacity of the financing in number of years.</b>
Net Financial Debt (1)-(2)	Total net debt level at the end of the period. In section 1, it is included a breakdown of the net debt of the projects (Project Finance) and the net debt of the business
(1) Deuda Financiera Bruta	Level of gross financial debt at period end
(2) Cash & Equivalents	Current liquid assets available to cover the repayment needs of financial liabilities
Annualized EBITDA	
<b>Net Cash Flow</b>	Cash generated / consumed of the period
1. Cash Flow from operating activities	Cash generated by operating activities. Its value is comparable to the Group's EBITDA by measuring the conversion of operating income into cash generation
2. Cash Flow from investing activities	Funds consumed / generated by investment needs or divestments collections in the period
3. Other Cash Flows	
<b>Ordinary Financial Result</b>	Medida de evaluación del resultado procedente del uso de activos y pasivos financieros. Este concepto incluye tanto ingresos y gastos directamente relacionados con deuda financiera neta como otros ingresos y gastos financieros no relacionados con la misma
<b>Net Financial Result</b>	
<b>Working Capital</b>	

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