



**ACS**

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



**Results Report**

**3Q16**

**November 14<sup>th</sup>, 2016**

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# 1 Executive Summary

## 1.1. Main figures

Grupo ACS		Key operating & financial figures		
Euro Million	9M15	9M16	Var.	
<b>Turnover</b>	<b>25,135</b>	<b>23,371</b>	<b>-7.0%</b>	
<b>Backlog</b>	<b>56,976</b>	<b>62,138</b>	<b>+9.1%</b>	
Months	19	22		
<b>EBITDA <sup>(1)(2)</sup></b>	<b>1,615</b>	<b>1,513</b>	<b>-6.3%</b>	
Margin	6.4%	6.5%		
<b>EBIT <sup>(1)(2)</sup></b>	<b>1,110</b>	<b>1,119</b>	<b>+0.8%</b>	
Margin	4.4%	4.8%		
<b>Attributable Net Profit</b>	<b>574</b>	<b>570</b>	<b>-0.7%</b>	
<b>EPS</b>	<b>1.86 €</b>	<b>1.85 €</b>	<b>-0.2%</b>	
<b>Net Investments</b>	<b>141</b>	<b>89</b>	<b>-36.4%</b>	
Investments	1,162	821		
Disposals	1,021	731		
<b>Total Net Debt</b>	<b>3,880</b>	<b>2,751</b>	<b>-29.1%</b>	
Businesses' Net Debt	3,334	2,520		
Project Financing	546	230		

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.

(2) EBITDA and EBIT in 2015 impacted by renewable energy disposals

- Sales in the period accounted for € 23,371 million, a decrease of 7.0% 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 third quarter is 8.1% higher than in the second quarter and 14.1% higher than in the first quarter, thus beginning to recover.
- Backlog accounts for € 62,138 million, growing by 9.1%.

Grupo ACS		Main figures details		
Euro Million	9M15	9M16	Var.	
<b>Backlog</b>	<b>56,976</b>	<b>62,138</b>	<b>+9.1%</b>	
Direct	47,213	53,348	+13.0%	
Proportional*	9,762	8,791	-10.0%	
<b>Work Done</b>	<b>27,366</b>	<b>25,222</b>	<b>-7.8%</b>	
Direct	25,135	23,371	-7.0%	
Proportional*	2,230	1,852	-17.0%	
<b>EBITDA</b>	<b>1,615</b>	<b>1,513</b>	<b>-6.3%</b>	
Direct	1,535	1,417	-7.7%	
Proportional*	80	95	+18.9%	
<b>EBIT</b>	<b>1,110</b>	<b>1,119</b>	<b>+0.8%</b>	
Direct	1,030	1,024	-0.6%	
Proportional*	80	95	+18.9%	

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

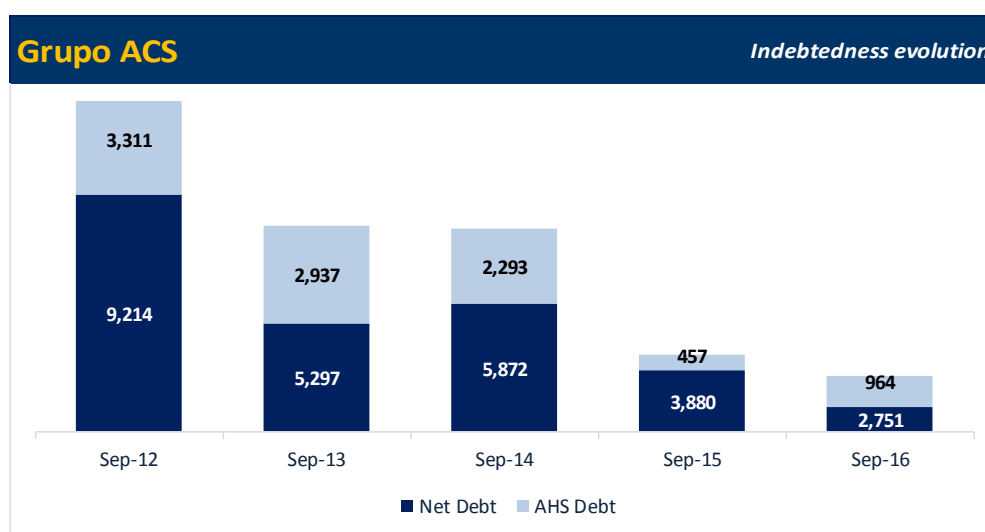


- EBITDA of the Group accounts for € 1,513 million, 6.3% decrease impacted by the sale of renewable assets during the first quarter of 2015. Excluding this effect, EBITDA went down by 4.5%, (see 2.1.2) mainly due to a lower production in CIMIC with respect to the first nine months of the prior year, although the second and third quarter of 2016 show signs of recovery, confirming the upward trend expected for the coming quarters. However, it is worth noting an improvement in EBITDA margin which stands at 6.5% , 20 bp higher in comparable terms, as a result of the operating improvements in HOCHTIEF and CIMIC
- EBIT accounts for € 1,119 million and grows by 0.8%, despite the sale of renewable assets. Without taking into account this effect, EBIT grew by 3.6% (see 2.1.2). EBIT margin stood at 4.8% increasing 50 bp in comparable terms, as a result of operating improvements in HOCHTIEF and CIMIC.
- Net profit of Grupo ACS accounted for € 570 million, showing 0.7% decrease as the same period of 2015 included extraordinary results from fair value adjustments on financial instruments. In addition, Net Profit from activities grew by 14.1% underpinned by the positive evolution in Construction.

Grupo ACS		Net Profit breakdown		
Euro Million	9M15	9M16	Var.	
Construction	152	220	+44.7%	
Industrial Services <sup>(1)</sup>	245	240	-2.0%	
Environment	55	56	+1.7%	
<b>Net Profit from activities</b>	<b>453</b>	<b>517</b>	<b>+14.1%</b>	
Renewable assets	6	0		
Corporation	115	53		
<b>TOTAL Net Profit</b>	<b>574</b>	<b>570</b>	<b>-0.7%</b>	

(1) Excludes renewables

- Net debt stood at € 2,751 million, 1,129 million lower than the outstanding balance 12 months ago backed by the sale agreement of Urbaser which consequently has been reclassified as discontinued operations in the Group's consolidated Financial Statements. Urbaser's net debt as of September 2016 would amount to 742 million euros.



- Similarly, the Group has reduced over the last twelve months its net debt thanks to the good performance of the debt related to assets held for sale, which has decreased by 51% down to 222 million euros, excluding Urbaser. The overall net indebtedness of the Group, including assets held for sale decreased by 14% from September 2015 and 70% in the last five years.

## 1.2. Relevant facts

- On December 17<sup>th</sup>, 2015, exercising the powers granted by resolution of the General Shareholder's Meeting of the Company held on April 28<sup>th</sup>, 2015, it was agreed to proceed to the second execution of the capital increase against reserves up to € 142 million (equivalent to around 0.45 euros per share), which was approved by the aforementioned General Meeting in order that shareholders could choose between continuing to receive remuneration in cash or in shares of the Company. The dividend distribution was made in February 2016 using the scrip dividend system.
- 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.
- In late March 2016 ACS Group executed 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 operations resulting in an estimated pretax profit of 95 million euros.
- In June 15<sup>th</sup> 2016, ACS Group, through its subsidiary CYMI, once obtained all necessary permits, has 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, they have been granted cross purchase and sale options for the remaining 50%, exercisable once the construction of the lines is finished. The sale amounts to a total enterprise value of 115.4 million euros, being the nominal value of the shares and does not generate gains or losses.
- In June 22<sup>th</sup> 2016, ACS Group, through its subsidiary ACS Telefonía Móvil, S.L., has 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. No significant gains or losses are expected from the sale.
- 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 due to strategic issues and conflict of interest. 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.
- The Shareholder Annual General Meeting approved the 5<sup>th</sup> of May the distribution of a complementary dividend of 0.71 Euros per share, which has been paid in July 2016 using a scrip dividend system. In this period, the purchasing agreement from ACS has been accepted by a 51.24% of shareholders, leading to an acquisition by ACS of 161,229,439 rights for a total amount of 113,989,213.37 euros.

The number of shares issued at July 22<sup>th</sup> with a nominal value of 0.5 euros amounted to 3,825,354. The nominal amount of the capital increase accounted for 1,912,677 euros. Simultaneously, a capital reduction was executed for the same amount.

- In July 29<sup>th</sup> 2016, ACS' Board of Directors agreed:
  - In order to fill the vacancy in the Audit Committee after the resignation of Mr. Javier Fernández Alonso, to appoint the independent Director, Mr. Antonio Botella García, as member of the Audit Committee;

- In order to fill the vacancy of the Deputy Chairman after the resignation of Mr. Pablo Vallbona Vadell, to appoint Mr. José María Loizaga Viguri as Deputy Chairman;
  - The approval of the Communication and Contact Policy with Shareholders, Institutional Investors and Proxy Advisors Policy, the Human Rights Policy, the Risk Control and Management Policy and the Rules of Procedure of the Monitoring Committee of Code of Conduct.
- 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 enterprise value was established between 2,212 and 2,463 million euros and the agreed equity price between 1,164 and 1,399 million euros. The capital gains from the transaction are estimated to be between 325 and 560 million euros. The sale is subject to the usual authorizations in this type of transaction.

In accordance with IFRS 5, the reclassification of the financial statements of Urbaser as discontinued operations is carried out in this report, also re-expressing the income statement for the previous period.

## 2 Consolidated Financial Statements

### 2.1 Income Statement

<b>Grupo ACS</b>		<i>Income statement</i>			
<i>Euro Million</i>	<b>9M15</b>		<b>9M16</b>		<b>Var.</b>
<b>Net Sales</b>	<b>25,135</b>	<b>100.0 %</b>	<b>23,371</b>	<b>100.0 %</b>	<b>-7.0%</b>
Other revenues	345	1.4 %	382	1.6 %	+10.7%
Joint Ventures Net Results*	80	0.3 %	95	0.4 %	+18.9%
<b>Total Income</b>	<b>25,560</b>	<b>101.7 %</b>	<b>23,848</b>	<b>102.0 %</b>	<b>-6.7%</b>
Operating expenses	(18,459)	(73.4 %)	(17,382)	(74.4 %)	-5.8%
Personnel expenses	(5,486)	(21.8 %)	(4,954)	(21.2 %)	-9.7%
<b>Operating Cash Flow (EBITDA)</b>	<b>1,615</b>	<b>6.4 %</b>	<b>1,513</b>	<b>6.5 %</b>	<b>-6.3%</b>
Fixed assets depreciation	(485)	(1.9 %)	(372)	(1.6 %)	-23.3%
Current assets provisions	(19)	(0.1 %)	(21)	(0.1 %)	+11.6%
<b>Ordinary Operating Profit (EBIT)</b>	<b>1,110</b>	<b>4.4 %</b>	<b>1,119</b>	<b>4.8 %</b>	<b>+0.8%</b>
Impairment & gains on fixed assets	(12)	(0.0 %)	(17)	(0.1 %)	
Other operating results	(95)	(0.4 %)	(4)	(0.0 %)	
<b>Operating Profit</b>	<b>1,002</b>	<b>4.0 %</b>	<b>1,098</b>	<b>4.7 %</b>	<b>+9.5%</b>
Financial income	158	0.6 %	142	0.6 %	-10.5%
Financial expenses	(557)	(2.2 %)	(390)	(1.7 %)	-30.1%
<b>Ordinary Financial Result</b>	<b>(399)</b>	<b>(1.6 %)</b>	<b>(248)</b>	<b>(1.1 %)</b>	<b>-37.8%</b>
Foreign exchange results	2	0.0 %	(8)	(0.0 %)	
Changes in fair value for financial instruments	56	0.2 %	23	0.1 %	
Impairment & gains on financial instruments	251	1.0 %	112	0.5 %	
<b>Net Financial Result</b>	<b>(90)</b>	<b>(0.4 %)</b>	<b>(121)</b>	<b>(0.5 %)</b>	<b>+34.6%</b>
Results on equity method*	131	0.5 %	16	0.1 %	n.a.
<b>PBT of continued operations</b>	<b>1,043</b>	<b>4.1 %</b>	<b>992</b>	<b>4.2 %</b>	<b>-4.9%</b>
Corporate income tax	(283)	(1.1 %)	(260)	(1.1 %)	-8.1%
<b>Net profit of continued operations</b>	<b>760</b>	<b>3.0 %</b>	<b>732</b>	<b>3.1 %</b>	<b>-3.7%</b>
Profit after taxes of the discontinued operations	49	0.2 %	39	0.2 %	-20.8%
<b>Consolidated Result</b>	<b>809</b>	<b>3.2 %</b>	<b>771</b>	<b>3.3 %</b>	<b>-4.7%</b>
Minority interest	(230)	(0.9 %)	(197)	(0.8 %)	-14.2%
Minority interest from discontinued operations	(6)		(4)		
<b>Net Profit Attributable to the Parent Company</b>	<b>574</b>	<b>2.3 %</b>	<b>570</b>	<b>2.4 %</b>	<b>-0.7%</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 € 23,371 million, 7.0% 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 46.5% of the sales, Asia Pacific 24.9%, Spain 13.7% and the remaining 14.9%.

<b>Grupo ACS</b>					
<b>Sales per Geographical Areas</b>					
<i>Euro Million</i>	<b>9M15</b>	<b>%</b>	<b>9M16</b>	<b>%</b>	<b>Var.</b>
Spain	3,821	15.2 %	3,197	13.7%	-16.3%
Rest of Europe	1,974	7.9 %	1,884	8.1%	-4.6%
North America	10,221	40.7 %	10,879	46.5%	+6.4%
South America	1,390	5.5 %	1,373	5.9%	-1.2%
Asia Pacific	7,615	30.3 %	5,810	24.9%	-23.7%
Africa	114	0.5 %	228	1.0%	+99.1%
<b>TOTAL</b>	<b>25,135</b>		<b>23,371</b>		<b>-7.0%</b>

<b>Sales per Geographical Area</b> <i>(inter area of activity adjustments excluded)</i>									
<i>Euro Million</i>	<b>Construction</b>			<b>Industrial Services</b>			<b>Environment</b>		
	<b>9M15</b>	<b>9M16</b>	<b>%</b>	<b>9M15</b>	<b>9M16</b>	<b>%</b>	<b>9M15</b>	<b>9M16</b>	<b>%</b>
Spain	1,013	821	-18.9%	1,766	1,327	-24.8%	1,070	1,078	+0.7%
Rest of Europe	1,602	1,479	-7.7%	314	324	+3.1%	58	81	+39.1%
North America	8,936	9,712	+8.7%	1,285	1,166	-9.3%	0	0	n.a.
South America	348	352	+1.3%	1,041	1,021	-2.0%	0	0	n.a.
Asia Pacific	7,190	5,081	-29.3%	425	729	+71.3%	0	0	n.a.
Africa	1	0	n.a.	113	226	+100.7%	1	1	+10.6%
<b>TOTAL</b>	<b>19,090</b>	<b>17,447</b>	<b>-8.6%</b>	<b>4,944</b>	<b>4,793</b>	<b>-3.1%</b>	<b>1,129</b>	<b>1,160</b>	<b>+2.7%</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 9.6% 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 shows a reduction of 18.9%.
- The Industrial Services area in Spain falls due to the divestment of renewable assets in 2015 first quarter and the activity slowdown in Support Services. Meanwhile, activity in North America declines due to the adjustment of the activity in Mexico to the current market demand. In addition, especially noteworthy is the strong growth in Asia Pacific, especially in Saudi Arabia where several turnkey projects have been initiated.
- Environment sales increased by 2.7% and includes mainly Clece, after the reclassification of Urbaser as discontinued operations.
- Group's backlog, which stood at € 62,138 million, growing by 9.1% thank to the positive evolution of the contracting activities in the international market, particularly in North America.



<b>Grupo ACS</b>					
<b>Backlog per Geographical Areas</b>					
<i>Euro Million</i>	<b>sep-15</b>	<b>%</b>	<b>sep-16</b>	<b>%</b>	<b>Var.</b>
Spain	6,674	11.7 %	6,485	10.4%	-2.8%
Rest of Europe	4,863	8.5 %	5,094	8.2%	+4.7%
North America	20,240	35.5 %	23,199	37.3%	+14.6%
South America	3,563	6.3 %	3,926	6.3%	+10.2%
Asia Pacific	20,716	36.4 %	22,109	35.6%	+6.7%
Africa	918	1.6 %	1,326	2.1%	+44.4%
<b>TOTAL</b>	<b>56,976</b>		<b>62,138</b>		<b>+9.1%</b>

<b>Backlog per Geographical Area</b>									
<i>Euro Million</i>	<b>Construction</b>			<b>Industrial Services</b>			<b>Environment</b>		
	<b>sep-15</b>	<b>sep-16</b>	<b>%</b>	<b>sep-15</b>	<b>sep-16</b>	<b>%</b>	<b>sep-15</b>	<b>sep-16</b>	<b>%</b>
Spain	3,092	2,929	-5.3%	1,987	1,899	-4.4%	1,596	1,657	+3.8%
Rest of Europe	4,489	4,640	+3.4%	362	363	+0.4%	13	91	n.s.
North America	18,048	21,309	+18.1%	2,192	1,890	-13.8%	0	0	n.a.
South America	2,271	2,056	-9.5%	1,292	1,870	+44.7%	0	0	n.a.
Asia Pacific	19,159	20,455	+6.8%	1,557	1,654	+6.2%	0	0	n.a.
Africa	157	411	+161.3%	761	915	+20.2%	0	0	n.a.
<b>TOTAL</b>	<b>47,217</b>	<b>51,801</b>	<b>+9.7%</b>	<b>8,151</b>	<b>8,590</b>	<b>+5.4%</b>	<b>1,608</b>	<b>1,748</b>	<b>+8.7%</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 5.3% due to the absence of public tenders. The backlog of the rest of Europe shows a slight recovery of 3.4%. In addition, Asia Pacific’s backlog grew by 6.8% thanks to the positive evolution of the contracting activities and backed by a revaluation of the Australian dollar since last year.
- Industrial Services experienced solid growth in their backlog of 5.4% mainly in Asia Pacific, South America and Africa.
- Lastly, Clece’s backlog increases by 8.7% thanks to the positive evolution of the domestic backlog which grew by 3.8% as well as the new awards in the rest of Europe.

## 2.1.2 Operating Results

<b>Grupo ACS</b>		<b>Operating Results</b>		
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	
<b>EBITDA</b>	<b>1,615</b>	<b>1,513</b>	<b>-6.3%</b>	
<i>EBITDA Margin</i>	6.4%	6.5%		
Depreciation	(485)	(372)	-23.3%	
<i>Construction</i>	(428)	(322)		
<i>Industrial Services</i>	(35)	(30)		
<i>Environment</i>	(22)	(20)		
<i>Corporation</i>	(0)	(1)		
Current assets provisions	(19)	(21)		
<b>EBIT</b>	<b>1,110</b>	<b>1,119</b>	<b>+0.8%</b>	
<i>EBIT Margin</i>	4.4%	4.8%		

- EBITDA accounted for € 1,513 million, showing a decrease of 6.3% compared to the same period of 2015. EBIT accounted for € 1,119 million, growing by 0.8% thanks to the reduction of depreciations in CIMIC as a result of the lower activity and a more efficient management of the capital intensive resources.
- 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 4.5% in comparable terms, affected by the lower production in CIMIC, but with a margin improvement of 20bp. EBIT grows by 3.6% and margin improves by 50 bp thanks to the positive impact of the restructuring processes in HOCHTIEF and CIMIC.

<b>Grupo ACS</b>		<b>Proforma Operating Results Ex Renewables</b>		
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	
<b>Net Sales</b>	<b>25,082</b>	<b>23,371</b>	<b>-6.8%</b>	
<b>Operating Cash Flow (EBITDA)</b>	<b>1,584</b>	<b>1,513</b>	<b>-4.5%</b>	
<i>EBITDA margin</i>	6.3%	6.5%		
<b>Ordinary Operating Profit (EBIT)</b>	<b>1,080</b>	<b>1,119</b>	<b>+3.6%</b>	
<i>EBIT margin</i>	4.3%	4.8%		
<b>Consolidated Result</b>	<b>568</b>	<b>570</b>	<b>+0.4%</b>	

### 2.1.3 Financial Results

<b>Grupo ACS</b>		<b>Financial Results</b>		
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	
Financial income	158	142	-10.5%	
Financial expenses	(557)	(390)	-30.1%	
<b>Ordinary Financial Result</b>	<b>(399)</b>	<b>(248)</b>	<b>-37.8%</b>	
Construction	(201)	(115)	-42.5%	
Industrial Services	(91)	(43)	-52.5%	
Environment	(11)	(10)	-12.2%	
Corporation	(95)	(79)	-17.0%	

- The ordinary financial result has decreased by 37.8%. Financial expenses dropped by 30.1% as a result of the reduction of interest rates following the refinancing efforts and significant deleverage.
- Net financial income includes the effect of the financial derivatives in 2015 and the pre-tax gain from the forward sale of Iberdrola shares in March 2016 which amounted to € 95 million.

<b>Grupo ACS</b>		<b>Financial Results</b>		
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	
<b>Ordinary Financial Result</b>	<b>(399)</b>	<b>(248)</b>	<b>-37.8%</b>	
<i>Foreign exchange Results</i>	2	(8)	n.a	
<i>Impairment non current assets results</i>	56	23	-59.2%	
<i>Results on non current assets disposals</i>	251	112	-55.4%	
<b>Net Financial Result</b>	<b>(90)</b>	<b>(121)</b>	<b>+34.6%</b>	

- The Joint Ventures net results (companies executing projects managed with partners) not fully consolidated, accounts, as of September 2016, for € 95 million increasing by 18.9%. This figure is included in the EBITDA of the Group.

<b>Grupo ACS</b>		<b>Profit from Associates</b>		
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	
<b>Joint Ventures Net Results</b>	<b>80</b>	<b>95</b>	<b>+18.9%</b>	
<b>Results on equity method</b>	<b>131</b>	<b>16</b>	<b>-88.0%</b>	

### 2.1.4 Net Profit Attributable to the Parent Company

- Operating improvements and the significant reduction of financial expense have enable the Net profit from activities, before corporate results, to grow by 14.1%.
- Attributable net profit in the period accounted for € 570 million showing 0.7% decrease with respect to the same period in 2015 which included extraordinary results in Corporation, mainly related to Iberdrola stake which was fully divested by late march 2016 with the sale of the remaining shares.

<b>Grupo ACS</b>		<b>Net Profit breakdown</b>	
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>
<i>Construction</i>	152	220	+44.7%
<i>Industrial Services <sup>(1)</sup></i>	245	240	-2.0%
<i>Environment</i>	55	56	+1.7%
<b>Net Profit from activities</b>	<b>453</b>	<b>517</b>	<b>+14.1%</b>
<i>Renewable assets</i>	6	0	
<i>Corporation</i>	115	53	
<b>TOTAL Net Profit</b>	<b>574</b>	<b>570</b>	<b>-0.7%</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>Sep-16</b>		<b>Var.</b>
Intangible Fixed Assets	4,854	13.8 %	4,105	11.8 %	-15.4%
Tangible Fixed Assets	2,447	6.9 %	1,812	5.2 %	-26.0%
Investments accounted by Equity Method	1,907	5.4 %	1,495	4.3 %	-21.6%
Long Term Financial Investments	2,372	6.7 %	1,942	5.6 %	-18.1%
Long Term Deposits	6	0.0 %	5	0.0 %	-8.3%
Financial Instruments Debtors	12	0.0 %	6	0.0 %	-49.3%
Deferred Taxes Assets	2,181	6.2 %	2,117	6.1 %	-2.9%
<b>Fixed and Non-current Assets</b>	<b>13,779</b>	<b>39.1 %</b>	<b>11,483</b>	<b>33.0 %</b>	<b>-16.7%</b>
Non Current Assets Held for Sale	859	2.4 %	3,527	10.1 %	+310.3%
Inventories	1,468	4.2 %	1,142	3.3 %	-22.2%
Accounts receivables	10,916	30.9 %	11,487	33.0 %	+5.2%
Short Term Financial Investments	2,311	6.6 %	1,809	5.2 %	-21.7%
Financial Instruments Debtors	3	0.0 %	94	0.3 %	n.a.
Other Short Term Assets	140	0.4 %	177	0.5 %	+26.9%
Cash and banks	5,804	16.5 %	5,045	14.5 %	-13.1%
<b>Current Assets</b>	<b>21,501</b>	<b>60.9 %</b>	<b>23,280</b>	<b>67.0 %</b>	<b>+8.3%</b>
<b>TOTAL ASSETS</b>	<b>35,280</b>	<b>100 %</b>	<b>34,764</b>	<b>100 %</b>	<b>-1.5%</b>
Shareholders' Equity	3,455	9.8 %	3,736	10.7 %	+8.2%
Adjustments from Value Changes	(34)	(0.1 %)	(344)	(1.0 %)	n.a.
Minority Interests	1,776	5.0 %	1,502	4.3 %	-15.5%
<b>Net Worth</b>	<b>5,197</b>	<b>14.7 %</b>	<b>4,894</b>	<b>14.1 %</b>	<b>-5.8%</b>
Subsidies	59	0.2 %	4	0.0 %	-92.8%
Long Term Financial Liabilities	7,382	20.9 %	5,410	15.6 %	-26.7%
Deferred Taxes Liabilities	1,334	3.8 %	1,300	3.7 %	-2.6%
Long Term Provisions	1,620	4.6 %	1,438	4.1 %	-11.2%
Financial Instruments Creditors	115	0.3 %	81	0.2 %	-29.0%
Other Long Term Accrued Liabilities	180	0.5 %	143	0.4 %	-20.6%
<b>Non-current Liabilities</b>	<b>10,689</b>	<b>30.3 %</b>	<b>8,376</b>	<b>24.1 %</b>	<b>-21.6%</b>
Liabilities from Assets Held for Sale	525	1.5 %	2,381	6.9 %	+353.8%
Short Term Provisions	1,034	2.9 %	951	2.7 %	-8.0%
Short Term Financial Liabilities	3,363	9.5 %	4,200	12.1 %	+24.9%
Financial Instruments Creditors	124	0.4 %	97	0.3 %	-22.2%
Trade accounts payables	13,923	39.5 %	13,538	38.9 %	-2.8%
Other current payables	425	1.2 %	327	0.9 %	-23.1%
<b>Current Liabilities</b>	<b>19,393</b>	<b>55.0 %</b>	<b>21,494</b>	<b>61.8 %</b>	<b>+10.8%</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>35,280</b>	<b>100 %</b>	<b>34,764</b>	<b>100 %</b>	<b>-1.5%</b>



### 2.2.1 Non-Current Assets

- Intangible assets include € 2,812 million corresponding to goodwill, of which € 1,389 million come from the acquisition of HOCHTIEF in 2011 and € 781 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

<b>Grupo ACS</b>		<b>Working Capital evolution</b>				
<i>Euro Million</i>	<b>sep.-15</b>	<b>dic.-15</b>	<b>mar.-16</b>	<b>jun.-16</b>	<b>sep.-16</b>	
Construction	(1,086)	(1,971)	(1,226)	(1,169)	(1,172)	
Industrial Services	(340)	(1,049)	(820)	(912)	(898)	
Environment	230	98	100	75	35	
Corporation	(14)	(57)	39	(20)	23	
<b>TOTAL</b>	<b>(1,210)</b>	<b>(2,980)</b>	<b>(1,908)</b>	<b>(2,026)</b>	<b>(2,013)</b>	

- In the last 12 months, the net working capital has increased its credit balance € 802 million as a result of an improvement in the credit balance of Industrial Services and the reclassification of Urbaser as discontinued operations.
- € 874 million decrease in the credit balance of the operating working capital in the first nine months of 2016, excluding Urbaser, due to the seasonality of the period and, to a lesser extent, to the reduction in the average period of payment to suppliers in Construction due to the internationalization of the business.
- The balance of factoring and securitization at period end remained stable compared to the prior period, not considering Urbaser's balance in both periods.

### 2.2.3 Net Debt

<b>Net Debt (€ mn)</b>	<b>Construction</b>	<b>Industrial Services</b>	<b>Environmenta l Services</b>	<b>Corporation / Adjustments</b>	<b>Grupo ACS</b>
<i>September 30, 2016</i>					
LT loans from credit entities	538	186	140	1,957	2,821
ST loans from credit entities	1,023	1,094	297	164	2,578
<b>Debt with Credit Entities</b>	<b>1,561</b>	<b>1,280</b>	<b>437</b>	<b>2,121</b>	<b>5,399</b>
Bonds	2,269	0	0	1,513	3,782
Non Recourse Financing	213	17	0	0	230
Other financial liabilities*	249	92	64	(207)	198
<b>Total Gross Financial Debt</b>	<b>4,292</b>	<b>1,390</b>	<b>501</b>	<b>3,427</b>	<b>9,610</b>
ST* & other financial investments	895	373	132	414	1,814
Cash & Equivalents	3,371	1,642	30	2	5,045
<b>Total cash and equivalents</b>	<b>4,265</b>	<b>2,015</b>	<b>162</b>	<b>416</b>	<b>6,859</b>
<b>NET FINANCIAL DEBT</b>	<b>27</b>	<b>(625)</b>	<b>338</b>	<b>3,011</b>	<b>2,751</b>

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

- Net debt stood at € 2.751 million, 1,129 million lower than the outstanding balance 12 months ago backed by the sale agreement of Urbaser which consequently has been reclassified as discontinued operations in the Group's consolidated Financial Statements. Urbaser's net debt as of September 2016 would amount to 742 million euros.
- Net debt linked to assets held for sale amounted to € 964 millions as it includes Urbaser's net debt which has been reclassified as discontinued operations. Eliminating this effect, net debt from assets held for sale decreased by over 51% with respect to September 2015 as a result of the divestments made in concessions, mainly energy projects.
- As of march 2016, the prepaid forward sale of 90 million Iberdrola shares transaction was closed, with a pre-tax result of € 95 million (including the cost of the option acquired to cover the risks arising from exchangeable bonds for the same stock of Iberdrola). As the shares were accounted as Temporary Financial Investments, this transaction has had a limited impact on net debt (€ 117 million) due to the value fall since December 2015 and the cost of the call option acquisition.

### 2.2.4 Net Worth

<b>Grupo ACS</b>	<b>Net Worth</b>		
<i>Euro Million</i>	<b>dic.-15</b>	<b>sep.-16</b>	<b>Var.</b>
Shareholders' Equity	3,455	3,736	+8.2%
Adjustment s from Value Changes	(34)	(344)	n.a
Minority Interests	1,776	1,502	-15.5%
<b>Net Worth</b>	<b>5,197</b>	<b>4,894</b>	<b>-5.8%</b>

- The Net worth of ACS accounts for € 4,894 million by period end, showing a decrease of 5.8% since December 2015. This decline is due to exchange and interest rates impacts which affects accounting adjustments from value changes in Net worth.
- 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

Grupo ACS							Net Cash Flow	
Euro million	9M15			9M16			Var	
	TOTAL	HOT	ACS exHOT	TOTAL	HOT	ACS exHOT	TOTAL	ACS exHOT
<b>Cash Flow from Operating Activities before Working Capital</b>	<b>739</b>	<b>429</b>	<b>310</b>	<b>1,147</b>	<b>586</b>	<b>561</b>	<b>+55.2%</b>	<b>+81.3%</b>
Operating working capital variation	(629)	5	(633)	(874)	(199)	(676)		
Net CAPEX	(229)	(167)	(63)	(217)	(126)	(91)		
<b>Net Operating Cash Flow from continuing activities</b>	<b>(119)</b>	<b>267</b>	<b>(386)</b>	<b>56</b>	<b>261</b>	<b>(205)</b>	<i>n.a.</i>	<b>-46.8%</b>
Net Operating Cash Flow from discontinued operations (*)	(2)	0	(2)	(26)	0	(26)		
Net Financial Investments / Divestments	1,075	888	187	236	(365)	601		
Other Financial Sources	(22)	(0)	(22)	(43)	(12)	(31)		
<b>Free Cash Flow</b>	<b>932</b>	<b>1,155</b>	<b>(223)</b>	<b>223</b>	<b>(115)</b>	<b>338</b>	<b>-76.1%</b>	<i>n.a.</i>
Dividends paid	(283)	(121)	(162)	(296)	(112)	(184)		
Intra group Dividends	0	(80)	80	0	(92)	92		
Treasury stock acquisition	(349)	(176)	(173)	(128)	(78)	(50)		
<b>Total Cash Flow generated / (Consumed)</b>	<b>300</b>	<b>778</b>	<b>(478)</b>	<b>(201)</b>	<b>(398)</b>	<b>196</b>	<i>n.a.</i>	<i>n.a.</i>

\*Includes Urbaser

### 2.3.1 Operating Activities

- Cash Flow from Operating Activities before working capital amount to € 1,147 million, improving by 55.2% respect to September 2015 across the Group activities. The significant improvement of financial expenses, lower tax payments and reduction of extraordinary expenses derived from the transformation process in HOCHTIEF have offset the lower contribution of the EBITDA in the period.
- Excluding Urbaser, operating working capital has decreased its credit balance in € 874 million with respect to December 2015 due to the seasonality effects.
- Operating working capital variation in the third quarter improves by € 380 million thank to a significant improvement in collections in HOCHTIEF, particularly in CIMIC as well as in Industrial Services. The last 12 month evolution of the operating working capital, which eliminates seasonality effects, represents an improvement of € 387 million.

### 2.3.2 Investments

Grupo ACS				Investments breakdown			
Euro Million	Operating Investments	Operating divestments	NET CAPEX	Project / Financial Investments	Financial Divestments	Net Project / Financial invesments	Total Net Investments
<b>Construction</b>	240	(65)	<b>174</b>	406	(22)	<b>384</b>	<b>559</b>
<i>Dragados</i>	60	(11)	<b>48</b>	4	(0)	<b>4</b>	<b>52</b>
<i>Hochtief</i>	180	(54)	<b>126</b>	386	(22)	<b>365</b>	<b>491</b>
<i>Iridium</i>	0	0	<b>0</b>	16	0	<b>16</b>	<b>16</b>
<b>Environmental Services</b>	15	(2)	<b>13</b>	5	0	<b>6</b>	<b>18</b>
<b>Industrial Services</b>	31	(1)	<b>30</b>	45	(91)	<b>(47)</b>	<b>(17)</b>
<b>Corporation &amp; others</b>	0	(0)	<b>0</b>	79	(550)	<b>(471)</b>	<b>(470)</b>
<b>TOTAL</b>	<b>286</b>	<b>(69)</b>	<b>217</b>	<b>535</b>	<b>(663)</b>	<b>(128)</b>	<b>89</b>
<b>Urbaser</b>	101	(20)	<b>81</b>	13	(14)	<b>(1)</b>	<b>80</b>

- Excluding Urbaser, ACS Group's total investments amounted to € 821 million, while divestments course € 731 million.
- Operating CAPEX in Construction business correspond mainly to the acquisition of machinery for mining contracts by CIMIC (€ 85 million net from operating divestments), showing a significant reduction due to its lower activity and more efficient management.
- Total investment in concession projects and financial investments in Construction business reached € 406 million which practically corresponds to investments made by CIMIC for the takeover of its subsidiaries Sedgman and Devine, as well as the treasury stock acquisition.
- 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.
- In Industrial Services area, financial divestments amounted to € 91 primarily corresponding to the sale of renewable assets while gross investments amounted to € 45 million related to the sale of renewable assets.
- € 18 million from Environmental Services mainly correspond to Clece.
- In Corporation, the prepaid forward sales of Iberdrola shares is included as divestment, while the acquisition of the call option, to cover the underlying risk of the exchangeable bonds issued in 2013 and 2014, is included in investments
- Urbaser, which has been reclassified as discontinued operations, devoted € 101 million to Gross CAPEX for the maintenance of its plants.

### 2.3.3 Other Cash Flows

- During the period the Group has devoted € 128 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 € 296 million of dividends in cash of which € 180 million are part of ACS scrip dividend of ACS (€ 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>9M15</b>	<b>9M16</b>	<b>Var.</b>
<b>Turnover</b>	<b>19,090</b>	<b>17,447</b>	<b>-8.6%</b>
<b>EBITDA</b>	<b>1,074</b>	<b>1,010</b>	<b>-6.0%</b>
<i>Margin</i>	5.6%	5.8%	
<b>EBIT</b>	<b>639</b>	<b>693</b>	<b>+8.3%</b>
<i>Margin</i>	3.3%	4.0%	
<b>Net Profit</b>	<b>152</b>	<b>220</b>	<b>+44.7%</b>
<i>Margin</i>	0.8%	1.3%	
<b>Backlog</b>	<b>47,217</b>	<b>51,801</b>	<b>+9.7%</b>
<i>Months</i>	20	24	
<b>Net Investments</b>	<b>202</b>	<b>559</b>	<b>+176%</b>
<b>Working Capital</b>	<b>(1,086)</b>	<b>(1,172)</b>	<b>+7.9%</b>

- Construction sales accounted for € 17,447 million representing a decrease of 8.6%. This decline is due to the fall in CIMIC activity due to the completion of large projects in 2015 but recovering production by 8.1% in the third quarter compared to the second and 14.1% compared to the first. However, it is worth noting the positive evolution of the activity in North America growing by 8.7%.

<b>Construction</b>		<i>Sales per geographical areas</i>	
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>
Spain	1,013	821	-18.9%
Rest of Europe	1,602	1,479	-7.7%
North America	8,936	9,712	+8.7%
South America	348	352	+1.3%
Asia Pacific	7,190	5,081	-29.3%
Africa	1	0	n.a.
<b>TOTAL</b>	<b>19,090</b>	<b>17,447</b>	<b>-8.6%</b>

- EBITDA accounted for € 1,010 million, decreasing by 6.0% compared to September 2015, but margin improving by 20bp.
- EBIT accounted for € 693 million, and grew by 8.3% thanks to the operating improvements above mentioned, margin improves by 70bp thank to the operating return improvements above mentioned. The depreciation of assets from the acquisition of HOCHTIEF account for € 54.3 million in the period, a figure 19% below than the one accounted in September 2015.
- Construction Net Profit reached € 220 million which implies a 44.7% increase underpinned by the financial efficiency improvement in HOCHTIEF.
- Backlog at the end of the period stood at € 51,801 million, 9.7% higher compared to the figure recorded 12 months ago. This is backed by the growth in America and the positive evolution of the backlog in Dragados.



<b>Construction</b>		<i>Backlog per geographical areas</i>		
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	
Spain	3,092	2,929	-5.3%	
Rest of Europe	4,489	4,640	+3.4%	
North America	18,048	21,309	+18.1%	
South America	2,271	2,056	-9.5%	
Asia Pacific	19,159	20,455	+6.8%	
Africa	157	411	+161.3%	
<b>TOTAL</b>	<b>47,217</b>	<b>51,801</b>	<b>+9.7%</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>		
	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	<b>9M15</b>	<b>9M16</b>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>
<b>Sales</b>	<b>2,995</b>	<b>2,995</b>	<b>+0.0%</b>	<b>45</b>	<b>55</b>	<b>+22.4%</b>	<b>16,050</b>	<b>14,397</b>	<b>-10.3%</b>	<b>0</b>	<b>0</b>	<b>19,090</b>	<b>17,447</b>	<b>-8.6%</b>
<b>EBITDA</b>	<b>204</b>	<b>205</b>	<b>+0.1%</b>	<b>9</b>	<b>13</b>	<b>+38.5%</b>	<b>861</b>	<b>792</b>	<b>-8.0%</b>	<b>0</b>	<b>(0)</b>	<b>1,074</b>	<b>1,010</b>	<b>-6.0%</b>
<i>Margin</i>	6.8%	6.8%		<i>n.a</i>	<i>n.a</i>		5.4%	5.5%				5.6%	5.8%	
<b>EBIT</b>	<b>157</b>	<b>150</b>	<b>-4.5%</b>	<b>(1)</b>	<b>2</b>	<i>n/a</i>	<b>551</b>	<b>595</b>	<b>+8.1%</b>	<b>(67)</b>	<b>(54)</b>	<b>639</b>	<b>693</b>	<b>+8.3%</b>
<i>Margin</i>	5.2%	5.0%		<i>n.a</i>	<i>n.a</i>		3.4%	4.1%				3.3%	4.0%	
Net Financial Results	(38)	(42)		(1)	(8)		(65)	(39)		0	0	(105)	(89)	
Equity Method	(1)	(0)		(1)	9		(15)	(1)		(1)	(1)	(17)	7	
Other Results & Fixed Assets	(2)	(2)		(1)	(2)		(69)	(108)		(0)	(0)	(72)	(113)	
<b>EBT</b>	<b>116</b>	<b>105</b>	<b>-9.4%</b>	<b>(5)</b>	<b>1</b>	<i>n/a</i>	<b>402</b>	<b>447</b>	<b>+11.3%</b>	<b>(68)</b>	<b>(55)</b>	<b>446</b>	<b>498</b>	<b>+11.8%</b>
Taxes	(39)	(27)		7	3		(153)	(146)		21	17	(164)	(153)	
Minorities	1	1		(0)	0		155	141		(25)	(17)	130	125	
<b>Net Profit</b>	<b>77</b>	<b>77</b>	<b>+0.2%</b>	<b>3</b>	<b>3</b>	<b>+34.7%</b>	<b>94</b>	<b>160</b>	<b>+70.3%</b>	<b>(22)</b>	<b>(21)</b>	<b>152</b>	<b>220</b>	<b>+44.7%</b>
<i>Margin</i>	2.6%	2.6%		<i>n.a</i>	<i>n.a</i>		0.6%	1.1%				0.8%	1.3%	
<b>Backlog</b>	<b>11,700</b>	<b>12,578</b>	<b>+7.5%</b>	<b>-</b>	<b>-</b>		<b>35,517</b>	<b>39,222</b>	<b>+10.4%</b>			<b>47,217</b>	<b>51,801</b>	<b>+9.7%</b>
<i>Months</i>	36	36		0	0		17	21				20	24	

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

- Dragados remains stable both in sales and EBITDA margin while 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, the EBIT margin increased by 70bp up to 4.0%.
- HOCHTIEF 's contribution to net profit of ACS, after deducting minority interests, amounted to € 160 million, 70.3% higher compared to the same period of the previous year, in proportion to its average stake in the period which stood at 71.8 % after the redemption of the treasury stocks.
- 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		
	9M15	9M16	Var.	9M15	9M16	Var.	9M15	9M16	Var.	9M15	9M16	9M15	9M16	Var.
<b>Sales</b>	<b>7,626</b>	<b>8,118</b>	<b>+6.4%</b>	<b>7,078</b>	<b>5,091</b>	<b>-28.1%</b>	<b>1,238</b>	<b>1,114</b>	<b>-10.0%</b>	<b>108</b>	<b>74</b>	<b>16,050</b>	<b>14,397</b>	<b>-10.3%</b>
<b>EBIT</b>	<b>136</b>	<b>165</b>	<b>+21.5%</b>	<b>482</b>	<b>440</b>	<b>-8.7%</b>	<b>(18)</b>	<b>16</b>	<b>n/a</b>	<b>(49)</b>	<b>(26)</b>	<b>551</b>	<b>595</b>	<b>+8.1%</b>
<i>Margin</i>	<i>1.8%</i>	<i>2.0%</i>		<i>6.8%</i>	<i>8.6%</i>		<i>-1.5%</i>	<i>1.4%</i>		<i>0.0%</i>	<i>0.0%</i>	<i>3.4%</i>	<i>4.1%</i>	
Net Financial Results	(13)	(9)		(109)	(48)		28	10		29	9	(65)	(39)	
Equity Method	0	0		(14)	(1)		(1)	(0)		(0)	0	(15)	(1)	
Other Results & Fixed Assets	0	(9)		(43)	(85)		(22)	(9)		(3)	(5)	(69)	(108)	
<b>EBT</b>	<b>123</b>	<b>146</b>	<b>+19.2%</b>	<b>316</b>	<b>307</b>	<b>-2.9%</b>	<b>(13)</b>	<b>16</b>	<b>n/a</b>	<b>(24)</b>	<b>(22)</b>	<b>402</b>	<b>447</b>	<b>+11.3%</b>
Taxes	(34)	(34)		(103)	(100)		(11)	(6)		(5)	(6)	(153)	(146)	
Minorities	17	19		82	58		(1)	1		0	0	98	78	
<b>Net Profit</b>	<b>72</b>	<b>94</b>	<b>+31.2%</b>	<b>131</b>	<b>149</b>	<b>+13.6%</b>	<b>(23)</b>	<b>9</b>	<b>n/a</b>	<b>(29)</b>	<b>(28)</b>	<b>151</b>	<b>223</b>	<b>+48.3%</b>
<i>Margin</i>	<i>0.9%</i>	<i>1.2%</i>		<i>1.9%</i>	<i>2.9%</i>		<i>-1.9%</i>	<i>0.8%</i>				<i>0.9%</i>	<i>1.6%</i>	

- By areas of activities of HOCHTIEF, it is worth highlighting:
  - a) Growth in America where sales went up by 6.4% and net profit by 31.2%. 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 operational efficiency.
  - b) In Europe, after a long process of transformation and adaptation to the reality of 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 13.6%. Additionally, it is worth noting the better evolution in sales in the third quarter with respect to the first and second one, marking the beginning of recovery.

### 3.2 Industrial Services

<b>Industrial Services</b>		<i>Key Figures</i>	
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>
<b>Turnover</b>	<b>4,944</b>	<b>4,793</b>	<b>-3.1%</b>
<b>EBITDA</b>	<b>524</b>	<b>483</b>	<b>-7.7%</b>
<i>Margin</i>	10.6%	10.1%	
<b>EBIT</b>	<b>478</b>	<b>431</b>	<b>-9.9%</b>
<i>Margin</i>	9.7%	9.0%	
<b>Net Profit</b>	<b>252</b>	<b>240</b>	<b>-4.4%</b>
<i>Margin</i>	5.1%	5.0%	
<b>Backlog</b>	<b>8,151</b>	<b>8,590</b>	<b>+5.4%</b>
<i>Months</i>	15	16	
<b>Net Investments</b>	<b>(190)</b>	<b>(17)</b>	<b>-91.0%</b>
<b>Working Capital</b>	<b>(340)</b>	<b>(898)</b>	<b>+163.9%</b>

<b>Proforma Results ex Renewables</b>			
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>
<b>Sales</b>	4,891	<b>4,793</b>	<b>-2.0%</b>
<b>EBITDA</b>	493	<b>483</b>	<b>-2.0%</b>
<i>Margin</i>	10.0%	10.1%	
<b>EBIT</b>	448	<b>431</b>	<b>-3.8%</b>
<i>Margin</i>	9.1%	9.0%	
<b>Net Profit</b>	245	<b>240</b>	<b>-2.0%</b>

- Industrial Services sales accounted for € 4,793 million, showing a drop of 3.1% compared to the same period of 2015. These figures are affected by the sale of renewables in the prior period. Not taking the contribution of renewables into consideration, sales would have dropped by 2.0%. International activity grows by 9.0% representing 72.3% of total sales.

<b>Industrial Services</b>		<i>Sales per geographical areas</i>		
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	
Spain	1,766	1,327	<b>-24.8%</b>	
Rest of Europe	314	324	<b>+3.1%</b>	
North America	1,285	1,166	<b>-9.3%</b>	
South America	1,041	1,021	<b>-2.0%</b>	
Asia Pacific	425	729	<b>+71.3%</b>	
Africa	113	226	<b>+100.7%</b>	
<b>TOTAL</b>	<b>4,944</b>	<b>4,793</b>	<b>-3.1%</b>	

- EPC projects grew by 9.0% thank to the new international project awards which are beginning to produce while Support Services activities decreased by 8.9%, mainly due to the slowdown in domestic activity.

- By region, it is worth noting the good performance in Asia Pacific. North America experienced a slight decrease due to adjustment to 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 show a decrease of 66.7% after the sale of renewable assets in the first quarter of 2015.

<b>Industrial Services</b>		<i>Turnover breakdown by activity</i>		
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	
<b>Support Services</b>	<b>2,899</b>	<b>2,640</b>	<b>-8.9%</b>	
<i>Networks</i>	571	394	-30.9%	
<i>Specialized Products</i>	1,698	1,627	-4.2%	
<i>Control Systems</i>	630	618	-1.9%	
<b>EPC Projects</b>	<b>1,978</b>	<b>2,157</b>	<b>+9.0%</b>	
<b>Renewable Energy: Generation</b>	<b>105</b>	<b>35</b>	<b>-66.7%</b>	
<i>Consolidation Adjustments</i>	(37)	(39)		
<b>TOTAL</b>	<b>4,944</b>	<b>4,793</b>	<b>-3.1%</b>	
<b>International</b>	<b>3,178</b>	<b>3,465</b>	<b>+9.0%</b>	
<i>% over total sales</i>	64.3%	72.3%		

- Backlog grows by 5.4% up to € 8,590 million. International backlog represents 77.9% of the total amount. It is worth noting the positive evolution in Asia Pacific, South America and Africa as well as the slight recovery of the European market.

<b>Industrial Services</b>		<i>Backlog per geographical areas</i>		
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	
Spain	1,987	1,899	-4.4%	
Rest of Europe	362	363	+0.4%	
North America	2,192	1,890	-13.8%	
South America	1,292	1,870	+44.7%	
Asia Pacific	1,557	1,654	+6.2%	
Africa	761	915	+20.2%	
<b>TOTAL</b>	<b>8,151</b>	<b>8,590</b>	<b>+5.4%</b>	

<b>Industrial Services</b>		<i>Backlog per activity</i>		
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	
<b>Support Services</b>	<b>4,719</b>	<b>4,731</b>	<b>+0.3%</b>	
<i>Networks</i>	345	444	+28.7%	
<i>Specialized Products</i>	3,096	3,003	-3.0%	
<i>Control Systems</i>	1,278	1,284	+0.5%	
<b>EPC Projects</b>	<b>3,420</b>	<b>3,796</b>	<b>+11.0%</b>	
<b>Renewable Energy: Generation</b>	<b>11</b>	<b>63</b>	<b>+449.1%</b>	
<b>TOTAL BACKLOG</b>	<b>8,151</b>	<b>8,590</b>	<b>+5.4%</b>	
<b>International</b>	<b>6,164</b>	<b>6,691</b>	<b>+8.6%</b>	
<i>% over total backlog</i>	75.6%	77.9%		

- EBITDA accounted for € 483 million, 7.7% less than in September 2015. Not considering the contribution of renewables it would have gone down by 2.0%.
- EBIT decreased by 9.9% down to € 431 million, with a 9.0% margin. Ex renewables, the figure would decrease by 3.8%.
- Net profit accounted to € 240 million, 4.4% less than in September 2015.

### 3.3 Environment

Environment		Key figures	
<i>Euro Million</i>	9M15	9M16	Var.
<b>Turnover</b>	<b>1,129</b>	<b>1,160</b>	<b>+2.7%</b>
<b>EBITDA</b>	<b>56</b>	<b>59</b>	<b>+5.0%</b>
<i>Margin</i>	4.9%	5.1%	
<b>EBIT</b>	<b>33</b>	<b>37</b>	<b>+9.4%</b>
<i>Margin</i>	3.0%	3.2%	
<b>Net Profit</b>	<b>55</b>	<b>56</b>	<b>+1.7%</b>
<i>Margin</i>	4.9%	4.9%	
<b>Backlog</b>	<b>1,608</b>	<b>1,748</b>	<b>+8.7%</b>
<i>Months</i>	13	14	
<b>Net Investments</b>	<b>121</b>	<b>18</b>	
<b>Working Capital</b>	<b>230</b>	<b>35</b>	

- Sales in the area of Environment increased by 2.7% showing a positive evolution in all segments of activities. The Urban Services and Waste Treatment activities correspond to Urbaser which has been reclassified as discontinued operations after its sale agreement, thus not being considered in this section.

Environment		Sales breakdown by activity	
<i>Euro Million</i>	9M15	9M16	Var.
Facility management	1,033	1,062	+2.8%
Logistics	96	98	+2.0%
<b>TOTAL</b>	<b>1,129</b>	<b>1,160</b>	<b>+2.7%</b>
<b>International</b>	<b>59</b>	<b>82</b>	<b>+38.5%</b>
<i>% over total sales</i>	5.2%	7.1%	

Environment		Sales per geographical areas	
<i>Euro Million</i>	9M15	9M16	Var.
Spain	1,070	1,078	+0.7%
Rest of Europe	58	81	+39.1%
Africa	1	1	+10.6%
<b>TOTAL</b>	<b>1,129</b>	<b>1,160</b>	<b>+2.7%</b>



- EBITDA accounts for € 59 million and grew by 5.0% in line with sales growth. Net profit increased by 1.7%.
- Environment backlog corresponds to Clece and accounts for € 1,748 million, equivalent to over 1 year of production and increasing by 8.7% compared to the prior period.

<b>Environment</b>		<i>Backlog breakdown by activity</i>		
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	
Facility management	1,608	1,748	+8.7%	
<b>TOTAL</b>	<b>1,608</b>	<b>1,748</b>	<b>+8.7%</b>	
<b>International</b>	<b>13</b>	<b>91</b>	<b>n.s</b>	
<i>% over total backlog</i>	<i>0.8%</i>	<i>5.2%</i>		

<b>Environment</b>		<i>Backlog per geographical areas</i>		
<i>Euro Million</i>	<b>9M15</b>	<b>9M16</b>	<b>Var.</b>	
Spain	1,596	1,657	+3.8%	
Rest of Europe	13	91	n.s.	
<b>TOTAL</b>	<b>1,608</b>	<b>1,748</b>	<b>+8.7%</b>	

## 4 Annex

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

<b>TURNOVER</b>					
<i>Euro Million</i>	<b>9M15</b>		<b>9M16</b>		<b>Var.</b>
Construction	19,090	76 %	17,447	75 %	-8.6%
Industrial Services	4,944	20 %	4,793	20 %	-3.1%
Environmental Services	1,129	4 %	1,160	5 %	+2.7%
Corporation / Adjustments	(28)		(29)		
<b>TOTAL</b>	<b>25,135</b>		<b>23,371</b>		<b>-7.0%</b>

<b>EBITDA</b>					
<i>Euro Million</i>	<b>9M15</b>		<b>9M16</b>		<b>Var.</b>
Construction	1,074	65 %	1,010	65 %	-6.0%
Industrial Services	524	32 %	483	31 %	-7.7%
Environmental Services	56	3 %	59	4 %	+5.0%
Corporation / Adjustments	(39)		(39)		
<b>TOTAL</b>	<b>1,615</b>		<b>1,513</b>		<b>-6.3%</b>

<b>EBIT</b>					
<i>Euro Million</i>	<b>9M15</b>		<b>9M16</b>		<b>Var.</b>
Construction	639	56 %	693	60 %	+8.3%
Industrial Services	478	41 %	431	37 %	-9.9%
Environmental Services	33	3 %	37	3 %	+9.4%
Corporation / Adjustments	(41)		(41)		
<b>TOTAL</b>	<b>1,110</b>		<b>1,119</b>		<b>+0.8%</b>

<b>NET PROFIT</b>					
<i>Euro Million</i>	<b>9M15</b>		<b>9M16</b>		<b>Var.</b>
Construction	152	33 %	220	43 %	+44.7%
Industrial Services	252	55 %	240	47 %	-4.4%
Environmental Services	55	12 %	56	11 %	+1.7%
Corporation / Adjustments	115		53		
<b>TOTAL</b>	<b>574</b>		<b>570</b>		<b>-0.7%</b>

<b>NET INVESTMENTS</b>					
<i>Euro Million</i>	<b>9M15</b>		<b>9M16</b>		<b>Var.</b>
Construction	202		559		+176.4%
Industrial Services	(190)		(17)		-91.0%
Environmental Services	121		18		-84.8%
Corporation / Adjustments	8		(470)		n.a
<b>TOTAL</b>	<b>141</b>		<b>89</b>		<b>n.a</b>

<b>BACKLOG</b>					
<i>Euro Million</i>	<b>sep.-15</b>		<b>sep.-16</b>		<b>Var.</b>
		months		months	
Construction	47,217	20	51,801	24	+9.7%
Industrial Services	8,151	15	8,590	16	+5.4%
Environmental Services	1,608	13	1,748	14	+8.7%
<b>TOTAL</b>	<b>56,976</b>	<b>19</b>	<b>62,138</b>	<b>22</b>	<b>+9.1%</b>

<b>NET DEBT</b>					
<i>Euro Million</i>	<b>sep.-15</b>		<b>sep.-16</b>		<b>Var.</b>
Construction	244		26		-89.4%
Industrial Services	(386)		(625)		+62.1%
Environmental Services	1,252		338		-73.0%
Corporation / Adjustments	2,771		3,013		+8.7%
<b>TOTAL</b>	<b>3,880</b>		<b>2,751</b>		<b>-29.1%</b>

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

## 4.2 Restatement of 9M15 Profit and Loss account

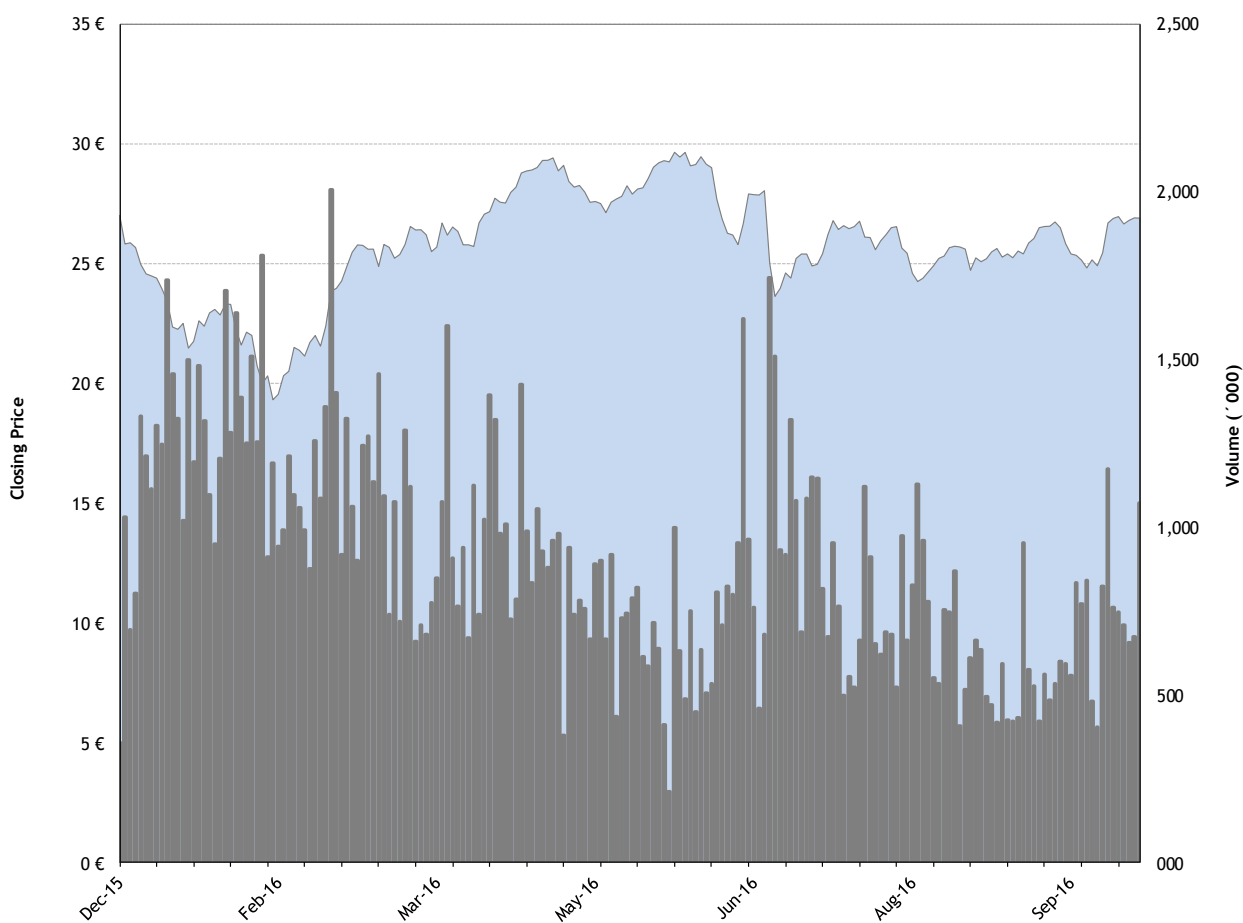
<sup>(1)</sup> Urbaser considered as discontinued operations

<b>Grupo ACS</b>		<b>Income statement 9M15</b>		
Million Euro	Reported	Re-stated <sup>(1)</sup>	<i>Diff. Urbaser</i>	
<b>Net Sales</b>	<b>26,366</b>	<b>25,135</b>	<b>1,231</b>	
Other revenues	393	345	48	
Joint Ventures Net Results*	80	80	(0)	
<b>Total Income</b>	<b>26,839</b>	<b>25,560</b>	<b>1,279</b>	
Operating expenses	(18,924)	(18,459)	(465)	
Personnel expenses	(6,099)	(5,486)	(613)	
<b>Operating Cash Flow (EBITDA)</b>	<b>1,816</b>	<b>1,615</b>	<b>201</b>	
Fixed assets depreciation	(587)	(485)	(102)	
Current assets provisions	(28)	(19)	(9)	
<b>Ordinary Operating Profit (EBIT)</b>	<b>1,201</b>	<b>1,110</b>	<b>91</b>	
Impairment & gains on fixed assets	(13)	(12)	(0)	
Other operating results	(91)	(95)	4	
<b>Operating Profit</b>	<b>1,097</b>	<b>1,002</b>	<b>95</b>	
Financial income	170	158	12	
Financial expenses	(617)	(557)	(59)	
<b>Ordinary Financial Result</b>	<b>(446)</b>	<b>(399)</b>	<b>(48)</b>	
Foreign exchange results	(1)	2	(4)	
Changes in fair value for financial instruments	56	56	0	
Impairment & gains on financial instruments	260	251	9	
<b>Net Financial Result</b>	<b>(132)</b>	<b>(90)</b>	<b>(42)</b>	
Results on equity method*	143	131	13	
<b>PBT of continued operations</b>	<b>1,108</b>	<b>1,043</b>	<b>65</b>	
Corporate income tax	(299)	(283)	(16)	
<b>Net profit of continued operations</b>	<b>809</b>	<b>760</b>	<b>49</b>	
Profit after taxes of the discontinued operations	0	49		
<b>Consolidated Result</b>	<b>809</b>	<b>809</b>		
Minority interest	(235)	(230)	(6)	
Minority interest from discontinued operations	0	(6)		
<b>Net Profit Attributable to the Parent Company</b>	<b>574</b>	<b>574</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

4.3 Share data

ACS Shares Data (YTD)	9M15	9M16
Closing price	25.70 €	26.90 €
Performance	-15.53%	4.69%
Maximum in the period	34.40 €	29.95 €
Maximum Date	27-feb	03-jun
Minimum in the period	25.06 €	19.31 €
Minimum Date	29-sep	11-feb
Average in the period	30.41 €	25.31 €
Total volume ('000)	178,060	173,866
Daily average volume ('000)	932	901
Total traded effective (€ mn)	5,415	4,401
Daily average effective (€ mn)	28.35	22.80
Number of shares (mn)	314.66	314.66
Market cap (€ mn)	8,085	8,464



**4.4 Exchange rate effect**

EXCHANGE RATE EFFECT (€ vs. currency)	Average Exchange Rate			
	sep.-15	sep.-16	difference	%
1 US Dollar	1.1103	1.1148	0.0045	+0.4%
1 Australian Dollar	1.4738	1.4992	0.0254	+1.7%
1 Mexican Peso	17.4415	20.3502	2.9087	+16.7%
1 Brazilian Real	3.5763	3.9099	0.3336	+9.3%

EXCHANGE RATE EFFECT (€ vs. currency)	Closing Exchange Rate			
	sep.-15	sep.-16	difference	%
1 US Dollar	1.1176	1.1238	0.0062	+0.6%
1 Australian Dollar	1.5918	1.4678	(0.1240)	-7.8%
1 Mexican Peso	18.8984	21.7651	2.8667	+15.2%
1 Brazilian Real	4.4121	3.6624	(0.7497)	-17.0%

EXCHANGE RATE EFFECT Euro million	Grupo ACS			
	USD	AUD	Others	Total
Backlog	(44)	1,510	(455)	1,011
Sales	(24)	(83)	(287)	(394)
Ebitda	(0)	(10)	(26)	(36)
Ebit	(0)	(7)	(24)	(32)
Net Profit	(0)	(2)	(16)	(18)

EXCHANGE RATE EFFECT	Construction			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	(41)	1,506	(157)	1,308
Sales	(23)	(83)	(83)	(190)
Ebitda	(0)	(10)	1	(9)
Ebit	(0)	(7)	2	(6)
Net Profit	(0)	(2)	(0)	(2)

EXCHANGE RATE EFFECT	Industrial Services			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	(3)	4	(284)	(284)
Sales	(1)	(0)	(199)	(200)
Ebitda	0	(0)	(28)	(28)
Ebit	0	(0)	(26)	(26)
Net Profit	0	(0)	(11)	(11)

EXCHANGE RATE EFFECT	Environment			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	0	0	(13)	(13)
Sales	0	0	(4)	(4)
Ebitda	0	0	0	0
Ebit	0	0	0	0
Net Profit	0	0	(4)	(4)



## 4.5 Main Awards of the Period

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

### 4.5.1 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 the construction of the Tseung Kwan O - Lam Tin highway tunnel in Hong Kong (China)	Civil Works	Asia Pacific	551.3
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
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
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)	Building	America	103.0
Upgrade works in a section of Bruce Highway in Queensland (Australia)	Civil Works	Asia Pacific	102.9
Construction of Amazon's new logistic center in Barcelona (Spain)	Building	Europe	101.4
Contract extension with Telstra for the delivery of Wideband Services across Australia	Civil Works	Asia Pacific	84.6
Project for the construction of a new building, Tollman Hall , ib the University of Berkeley (California, United States)	Building	America	83.8
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	Europe	70.6
Construction of sections of both the N25 and N30 routes (Ireland).	Civil Works	America	69.0
Enlargement and improvement works in the SR 482, Sand Lake Road, in Orlando (Florida, USA)	Civil Works	Europe	67.9
Modernisation works for the E-30 railway line (Poland)	Civil Works	Asia Pacific	64.8
Works for installation and connection of ultra-fast broadband in New Zealand	Civil Works	America	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	Europe	58.6
Construction of the S-8 road (Poland)	Civil Works	America	57.2
Construction of new facilities in the University of Michigan Clinical Pathology (Michigan, United States)	Building	America	56.0
Construction of a building office in UC Davis in Sacramento (California, United States)	Building	0.0%	54.0

### 4.5.2 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
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
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
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
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 of a photovoltaic plant with an installed capacity of 17MW in Kagoshima (Japan)	EPC Projects	Asia Pacific	39.1
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

### 4.5.3 Environment

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 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
Contract for home care services in Barcelona (Spain)	Facility Management	Europe	30.2
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
Cleaning service contract for high-speed trains of Alstom (Spain)	Facility Management	Europe	13,6

## 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	DEFINITION and COHERENCE	sep-16	sep-15
<b>Market capitalisation</b>	<b>Num of shares at period close x price at period close</b>	<b>8,464</b>	<b>8,085</b>
<b>Earnings per share</b>	<b>Net Profit of the period / Average num of shares of the period</b>	<b>1.85</b>	<b>1.86</b>
Net Attributable profit	Total Income - Total Expenses of the period - Minority interests result	570	574
Average num. of shares of the period	Daily average outstanding shares in the period adjusted by treasury stock	307.4	309.0
<b>Backlog</b>	<b>Value of the contracts awarded and pending to be executed.</b> In section 1.1, a breakdown is made between a direct and proportional portfolio (referring to proportional participation in joint operating companies and projects not consolidated globally in the Group)	<b>62,138</b>	<b>56,976</b>
<b>Gross Operating Profit (EBITDA)</b>	<b>Operating Profit excluding (1) D&amp;A y (2) non recurrent operating results and/or which dont imply a cash flow + Net Results from Joint Ventures</b>	<b>1,513</b>	<b>1,615</b>
(+) Operating Profit	Operating income - Operating expenses	1,002	922
(-) 1.D&A	Operating provisions and fix asset depreciation	(394)	(505)
(-) 2. Non recurrent operating results and/or which dont imply a cash flow	Impairment & gains on fixed assets + other operating results	(21)	(108)
(+) Net profit from Joint Ventures	Profit before Taxes from foreign joint ventures consolidated by Equity method. It is similar to the UTEs regime in Spain, thus it is included in the EBITDA in order to standardize the accounting criteria with the Group's foreign companies	95	80
<b>Net Financial Debt / EBITDA</b>	<b>Net Financial Debt / Annualized EBITDA</b>	<b>1.4x</b>	<b>1.8x</b>
Net Financial Debt (1)-(2)	Gross external financial debt +Net debt with group companies - Cash & Equivalents	2,751	3,880
(1) Deuda Financiera Bruta	Bank debt + Obligations and other negotiable securities + Project finance and non recourse debt + Financial lease + Other I/t non bank debt + Debt with group companies	9,610	10,817
(2) Cash & Equivalents	Temporary Financial investments + L/T deposits + Cash & Equivalents	6,859	6,936
Annualized EBITDA	EBITDA of the period / num of month within the period x 12 months	2,017	2,153
<b>Net Cash Flow</b>	<b>(1) Cash Flow from operating activities + (2) Cash Flow from investing activities + (3) Other Cash flows</b>	<b>(73)</b>	<b>649</b>
<b>1. Cash Flow from operating activities</b>	<b>Adjusted Net Profit attributable + Operating working capital variation</b> ex discontinued operations	<b>273</b>	<b>110</b>
Adjusted Net Profit attributable	Net profit attributable (+/-) adjustments of concepts which dont imply an operating cash flow	1,147	739
Operating working capital variation	Working capital variation of the period (+/-) adjustments of non operating concepts (E): dividends, interests, taxes, etc)	(874)	(629)
<b>2. Cash Flow from investing activities</b>	<b>Net investments (paid/collected)</b> ex discontinued operations	<b>19</b>	<b>846</b>
(-) Payments from investments	Payments for operating, project and financial investments. This figure may differ from that shown in section 2.3.2 for reasons of deferral (accruals) ex discontinued operations	(827)	(1,057)
(+) Collections from divestments	Collections from operating, project and financial divestments. This figure may differ from that shown in section 2.3.2 for reasons of deferral (accruals) ex discontinued operations	847	1,902
<b>3. Other Cash Flows</b>	<b>Treasury stock sale/acquisition + Dividend payments + Other financial sources + Cash</b> generated from discontinued operations	<b>(365)</b>	<b>(307)</b>
Ordinary Financial Result	Financial Income - Financial expenses	(248)	(399)
Net Financial Result	Ordinary financial result + Foreign exchange results + Impairment non current assets results + Results on non current assets disposals	(121)	(90)
Working Capital	Stock + Total accounts receivables - Total accounts payables - other current liabilities	(2,013)	(1,210)

**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
Market capitalisation	Value of the company in the stock exchange market
Earnings per share	Indicates the part of the net profit that corresponds to each share
Backlog	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
Gross Operating Profit (EBITDA)	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
Net Financial Debt / EBITDA	<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	
Net Cash Flow	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	
Ordinary Financial Result	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
Net Financial Result	
Working Capital	

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This document contains forward-looking statements on the intentions, expectations or forecasts of Grupo ACS or its management at the time the document was drawn up and in reference to various matters including, among others, its customer base, its performance, the foreseeable growth of its business lines and its overall turnover, its market share, the results of Grupo ACS and other matters relating to the Group's activities and current position. These forward-looking statements or forecasts can in some cases be identified by terms such as "expectation", "anticipation", "proposal", "belief" or similar, or their corresponding negatives, or by the very nature of predictions regarding strategies, plans or intentions. Such forward-looking statements or forecasts in no way constitute, by their very nature, guarantees of future performance but are conditional on the risks, uncertainties and other pertinent factors that may result in the eventual consequences differing materially from those contained in said intentions, expectations or forecasts.

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