

Results Report 2017

February 28th, 2018

ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



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Non audited figures. The interim financial information has been subject to a limited review report available on the company's website and the CNMV

1 Executive Summary

1.1. Main figures

Grupo ACS		<i>Key operating & financial figures</i>		
<i>Euro Million</i>	2016	2017	Var.	
Turnover	31,975	34,898	+9.1%	
Backlog	66,526	67,082	+0.8%	
<i>Months</i>	23	22		
EBITDA ⁽¹⁾	2,023	2,279	+12.6%	
<i>Margin</i>	6.3%	6.5%		
EBIT ⁽¹⁾	1,445	1,626	+12.5%	
<i>Margin</i>	4.5%	4.7%		
Attributable Net Profit	751	802	+6.8%	
EPS	2.44 €	2.57 €	+5.4%	
Net Investments	(523)	308	n.a.	
Investments	1,545	915		
Disposals	2,068	607		
Total Net Debt	1,214	153	-87.4%	
Businesses' Net Debt	1,012	(42)		
Project Financing	202	195		

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 € 34,898 million, an increase of 9.1% compared to the same period of the previous year, adjusted by currency effect it grew by 10.7%. Both the positive performance in sales in general and the particular growth pattern in CIMIC which grew by 23,7% in local currency, reinforce the upward trend shown in the first half of 2017.
- Backlog accounted for € 67,082 million, growing by 0.8% and affected by the revalorization of the euro against the main currencies. Excluding this effect, backlog grew by 8.8% thank to the positive evolution of commercial activity in most of the regions during 2017. It is worth noting the positive evolution of the backlog in CIMIC and the solid growth of in backlog in North America.
- EBITDA of the Group accounted for € 2,279 million, a 12.6% increase due mainly to the positive evolution of the construction activity in the Australian and American markets. EBITDA margin stands at 6.5% improving by 20bp.
- EBIT accounted for € 1,626 million and grew by 12.5%. EBIT margin stood at 4.7% increasing by 20bp.

Grupo ACS		Main figures details		
Euro Million	2016	2017	Var.	
Backlog	66,526	67,082	+0.8%	
Direct	58,531	61,360	+4.8%	
Proportional*	7,995	5,722	-28.4%	
Work Done	34,358	36,786	+7.1%	
Direct	31,975	34,898	+9.1%	
Proportional*	2,383	1,887	-20.8%	
EBITDA	2,023	2,279	+12.6%	
Direct	1,947	2,168	+11.4%	
Proportional*	77	111	+44.8%	
EBIT	1,445	1,626	+12.5%	
Direct	1,368	1,515	+10.7%	
Proportional*	77	111	+44.8%	

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

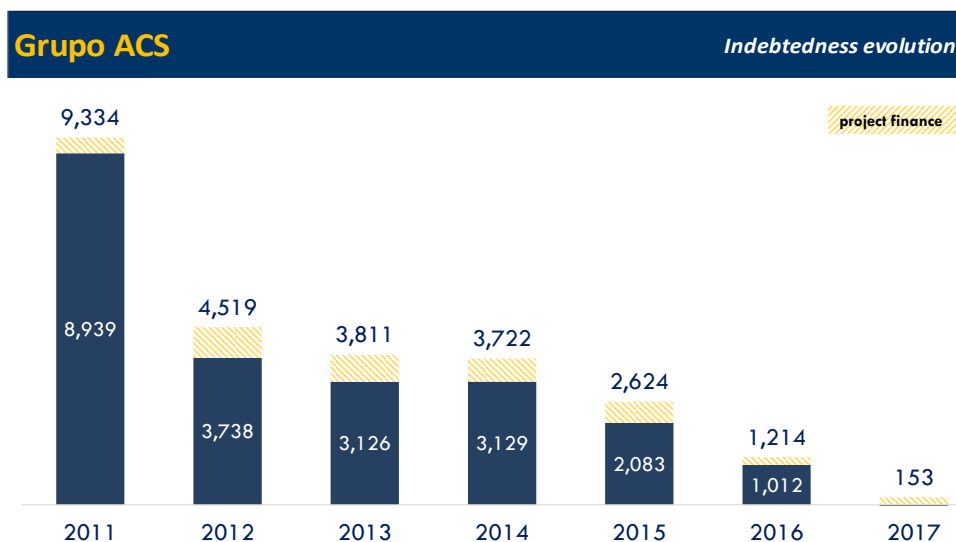
- Net profit of Grupo ACS accounted for € 802 million which represents, in comparable terms a 15.5% increase compared to the same period of the prior year, that is excluding Urbaser's contribution in the prior period.

Grupo ACS		Net Profit breakdown		
Euro Million	2016	2017	Var.	
Construction	311	387	+24.4%	
Industrial Services	305	319	+4.6%	
Services ⁽¹⁾	27	37	+38.4%	
Corporation	52	59	+14.2%	
Net Profit (ex Urbaser)	694	802	+15.5%	
Urbaser	57	0	n.a.	
TOTAL Net Profit	751	802	+6.8%	

(1) Excludes Urbaser

(2) Adjusted by FX, NP grows by 17%

- Net debt stood at € 153 million, € 1,061 million lower than the outstanding balance 12 months ago backed, by a strong operating cash generation. Excluding non-recourse debt (from project finance) the group indebtedness stood at € 42 million net cash balance position.



1.2. Relevant facts

a) Dividends

- In 2017, dividends equivalent to € 1.196 per share have been paid using the scrip dividend system, distributed as:
 - o Interim dividend paid in February 2016 for an equivalent amount of € 0.445 per share, as agreed by the Board of Directors on December 22th 2016.
 - o Complementary dividend amounting to € 0.751 per share, as approved by the General Shareholder's meeting held on May 4th 2017 and paid in July 2017.
- Likewise, on December 19th, 2017, exercising the powers granted by resolution of the General Shareholder's Meeting of the Company held on May 4th, 2017, the Board of Directors approved the distribution of the interim dividend for 2017 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, in order that shareholders could choose between continuing to receive remuneration in cash or in shares of the Company. This simultaneous capital increase and reduction has been made in February 2018 and a € 0.449 per share dividend has already been paid.

b) Corporate Governance

- On February 28th 2017, ACS' Board of Directors agreed to appoint Mrs. Carmen Fernández Rozado as independent Board Director as well as Chairman and member of the Audit Committee.
- On May 4th 2017, General Shareholder's Meeting approved the appointment of Mr. Marcelino Fernández Verdes as Board of Director of ACS. Subsequently, the Board of Director proceeded to appoint him as Chief Executive Officer of ACS on May 11th

c) Loans, credits and other financial operations

- On May 8th 2017, ACS, Actividades de Construcción y Servicios, S.A. obtained an investment grade credit rating of BBB in a long term basis and A-2 in a short term basis, with a stable outlook, from Standard & Poor's agency. Likewise, on May 10th, HOCHTIEF and CIMIC obtained the same credit rating.
- On June 28th 2017, Grupo ACS and a syndicate of banks consisting of forty-three Spanish and foreign institutions entered into a novation financing agreement (issue date, 13 February 2015 and renovated 31 December 2016) totalling € 2,150 million, divided into two tranches (Tranche A consisting of a loan of € 1,200 million and Tranche B consisting of a liquidity facility of € 950 million) maturing on June 13th 2022 and reduction of margins as a result of the rating obtained by the company.
- On October 22nd, 2017, ACS, Construction Activities and Services, S.A. issued € 300 million program of Negotiable European Commercial Paper (NEU CP) quoted on Luxembourg Stock Exchange.

d) Mergers, acquisitions and transmission of shares

- On June 21th 2017, Grupo ACS, proceeded to execute the sale of 80% stake in its indirect holdings in three hospitals in the Balearic Islands, through its subsidiary Iridium Concesiones S.A. The Company EV of the three assets was € 418 million and the sale price € 43.3 million, generating a capital gain of € 7 million.

- On August 4th, 2017, the ACS Group reached an agreement, through its Portuguese subsidiary PROCME, for the sale to Saeta Yield S.A. of Lestenergía Exploracao de Parques Eólicos, S.A., (enterprise value of € 181 million) for a price of € 104 million and with an after-tax and minority capital gain of approximately € 12 million.
- On September 7th, 2017, the ACS Group sold 100% of its stake in Concessionaire Company Rotal del Canal SA, through its subsidiary Concesiones Viarias Chile S.A., the company holding the concession contract for the operation and maintenance "Concession Route 5, Section Puerto Montt - Pargua", in favor of the Penta Public Investment Fund The Americas Infrastructure Three (company value of 100% of € 142 million and with a capital gain of approximately € 10 million).
- On October 19th, HOCHTIEF launched a counter offer to the previous takeover bid launched last July by Atlantia Spa. for 100% of Abertis Infraestructuras, S.A., in the terms and conditions described in the document filed in the CNMV (regulator). This offer is in the process of being approved by the CNMV. <http://www.cnmv.es/portal/HR/verDoc.axd?t={c02d92a8-e79a-490b-b998-f59b401dab56}>
- On February 6th, 2018, the ACS Group reached an agreement for the sale of its stake in Saeta Yield through its subsidiary Cobra, with the irrevocable acceptance of the takeover bid by a company controlled by Brookfield Asset Management. The transaction is subject to the pertinent regulatory approvals.

2 Consolidated Financial Statements

2.1 Income Statement

Grupo ACS		<i>Income statement</i>			
<i>Euro Million</i>	2016		2017		Var.
Net Sales	31,975	100.0 %	34,898	100.0 %	+9.1%
Other revenues	462	1.4 %	321	0.9 %	-30.6%
Joint Ventures Net Results*	77	0.2 %	111	0.3 %	+44.8%
Total Income	32,514	101.7 %	35,330	101.2 %	+8.7%
Operating expenses	(23,738)	(74.2 %)	(25,363)	(72.7 %)	+6.8%
Personnel expenses	(6,752)	(21.1 %)	(7,688)	(22.0 %)	+13.9%
Operating Cash Flow (EBITDA)	2,023	6.3 %	2,279	6.5 %	+12.6%
Fixed assets depreciation	(514)	(1.6 %)	(611)	(1.8 %)	+18.9%
Current assets provisions	(64)	(0.2 %)	(42)	(0.1 %)	-35.4%
Ordinary Operating Profit (EBIT)	1,445	4.5 %	1,626	4.7 %	+12.5%
Impairment & gains on fixed assets	(20)	(0.1 %)	(15)	(0.0 %)	-24.8%
Other operating results	(111)	(0.3 %)	(170)	(0.5 %)	+54.2%
Operating Profit	1,314	4.1 %	1,440	4.1 %	+9.6%
Financial income	186	0.6 %	203	0.6 %	+9.1%
Financial expenses	(526)	(1.6 %)	(486)	(1.4 %)	-7.6%
Ordinary Financial Result	(340)	(1.1 %)	(283)	(0.8 %)	-16.8%
Foreign exchange results	(13)	(0.0 %)	(5)	(0.0 %)	-60.4%
Changes in fair value for financial instruments	66	0.2 %	244	0.7 %	+268.2%
Impairment & gains on financial instruments	(23)	(0.1 %)	(5)	(0.0 %)	-75.9%
Net Financial Result	(310)	(1.0 %)	(50)	(0.1 %)	-83.9%
Results on equity method*	(1)	(0.0 %)	27	0.1 %	n.a.
PBT of continued operations	1,002	3.1 %	1,417	4.1 %	+41.3%
Corporate income tax	(407)	(1.3 %)	(330)	(0.9 %)	-18.9%
Net profit of continued operations	596	1.9 %	1,087	3.1 %	+82.4%
Profit after taxes of the discontinued operations	421	1.3 %	0	0.0 %	n.a.
Consolidated Result	1,017	3.2 %	1,087	3.1 %	+7.7%
Minority interest	(258)	(0.8 %)	(285)	(0.8 %)	+10.2%
Minority interest from discontinued operations	(8)		0		
Net Profit Attributable to the Parent Company	751	2.3 %	802	2.3 %	+6.8%

* 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 accounted for € 34,898 million, 9.1% more than those registered in the same period of the prior year, 10.7% more adjusted by the impact from the Euro revalorization, mainly due to the positive evolution of the construction activities.
- Sales breakdown by geographical areas demonstrates the diversification of the Group's revenue sources, where North America represents 44.4% of the sales, Asia Pacific 29.3%, Spain 12.7% and the remaining regions 13.6%.

Grupo ACS					
Sales per Geographical Areas					
<i>Euro Million</i>	2016	%	2017	%	Var.
Spain	4,293	13.4 %	4,427	12.7%	+3.1%
Rest of Europe	2,617	8.2 %	2,539	7.3%	-3.0%
North America	14,669	45.9 %	15,483	44.4%	+5.6%
South America	1,768	5.5 %	1,754	5.0%	-0.8%
Asia Pacific	8,342	26.1 %	10,226	29.3%	+22.6%
Africa	286	0.9 %	470	1.3%	+64.4%
TOTAL	31,975		34,898		+9.1%

Sales per Geographical Area <small>(inter area of activity adjustments excluded)</small>									
<i>Euro Million</i>	Construction			Industrial Services			Services		
	2016	2017	%	2016	2017	%	2016	2017	%
Spain	1,194	1,280	+7.2%	1,710	1,813	+6.0%	1,424	1,361	-4.4%
Rest of Europe	2,087	2,048	-1.8%	419	406	-3.1%	112	85	-24.3%
North America	13,131	14,200	+8.1%	1,538	1,283	-16.6%	0	0	n.a.
South America	400	493	+23.2%	1,369	1,262	-7.8%	0	0	n.a.
Asia Pacific	7,404	9,199	+24.2%	938	1,026	+9.5%	0	0	n.a.
Africa	1	0	n.a.	284	470	+65.6%	2	0	n.a.
TOTAL	24,217	27,221	+12.4%	6,256	6,260	+0.1%	1,538	1,446	-6.0%

- In Construction, it is worth noting the activity rebound in Asia Pacific which grew by 24.2% thanks to the positive evolution in CIMIC. Activity in North America, with the larger contribution, maintains its solid growth of 8.1%, despite the negative impact from the US dollar depreciation. Likewise, it is worth noting the recovery of the activity in Spain which experienced an increase of 7.2%.
- In Industrial Services, the activity fall in North America, mainly coming from Mexico, is offset by the rebound in the domestic activity which recovered by 6.0%, as well as the positive evolution in Asia Pacific.
- Services sales decreased by 6.0% due to the sale of Sintax, thus the only activity remaining in this area is Clece, whose sales increased by 3%.

Grupo ACS					
Backlog per Geographical Areas					
<i>Euro Million</i>	Dec-16	%	Dec-17	%	Var.
Spain	6,699	10.1 %	6,818	10.2%	+1.8%
Rest of Europe	5,322	8.0 %	5,394	8.0%	+1.4%
North America	23,896	35.9 %	25,286	37.7%	+5.8%
South America	4,389	6.6 %	4,324	6.4%	-1.5%
Asia Pacific	25,270	38.0 %	24,678	36.8%	-2.3%
Africa	950	1.4 %	581	0.9%	-38.9%
TOTAL	66,526		67,082		+0.8%

- Group's backlog stood at € 67,082 million and grew by 0.8% in the last twelve months, it is affected by the revalorization of the euro against the remaining currencies. Without this impact of € 5,272 million, backlog growth stands at 8.8%

Backlog per Geographical Area									
<i>Euro Million</i>	Construction			Industrial Services			Services		
	Dec-16	Dec-17	%	Dec-16	Dec-17	%	Dec-16	Dec-17	%
Spain	2,837	2,599	-8.4%	1,954	2,084	+6.6%	1,908	2,136	+12.0%
Rest of Europe	4,943	4,723	-4.5%	291	541	+85.8%	87	131	+49.7%
North America	22,057	23,194	+5.2%	1,839	2,093	+13.8%	0	0	n.a.
South America	2,245	1,260	-43.9%	2,144	3,065	+42.9%	0	0	n.a.
Asia Pacific	23,530	23,679	+0.6%	1,740	999	-42.6%	0	0	n.a.
Africa	157	76	-51.9%	793	505	-36.3%	0	0	n.a.
TOTAL	55,769	55,529	-0.4%	8,762	9,286	+6.0%	1,995	2,267	+13.6%

- Construction backlog remained practically stable due to aforementioned currency variation impact which amounts to over € 4,400 million. Excluding this effect, backlog grew by 7.6%.
- Industrial Services experienced solid growth in its backlog of 6.0%, thanks to the positive evolution of the order intakes in the last twelve months, mainly of energy projects in Europe and South America. It is worth noting the recovery of the domestic backlog which grew by 6.6% with respect last year.
- Clece's backlog increased by 13.6% thanks to the positive evolution of the domestic backlog and the progressive increase of the international market contribution.

2.1.2 Operating Results

Grupo ACS		Operating Results		
Euro Million	2016	2017	Var.	
EBITDA	2,023	2,279	+12.6%	
EBITDA Margin	6.3%	6.5%		
Depreciation	(514)	(611)	+18.9%	
Construction	(444)	(547)		
Industrial Services	(41)	(40)		
Services	(27)	(24)		
Corporation	(1)	(1)		
Current assets provisions	(64)	(42)	-35.4%	
EBIT	1,445	1,626	+12.5%	
EBIT Margin	4.5%	4.7%		

- EBITDA accounted for € 2,279 million, showing an increase of 12.6% compared to June 2016. EBIT accounted for € 1,626 million, growing by 12.5% with respect to the prior period. Both margins improved by 20 basis points.

2.1.3 Financial Results

- The ordinary financial result decreased by 16.8%. Financial expenses dropped by 7.6% mainly due to the reduction of the average gross debt and the renegotiation of the corporate syndicated loan.

Grupo ACS		Financial Results		
Euro Million	2016	2017	Var.	
Financial income	186	203	+9.1%	
Financial expenses	(526)	(486)	-7.6%	
Ordinary Financial Result	(340)	(283)	-16.8%	
Construction	(159)	(143)	-10.4%	
Industrial Services	(64)	(59)	-8.0%	
Services	(13)	(7)	-45.0%	
Corporation	(105)	(75)	-28.4%	

- It is worth noting the significant reduction of financial expenses related to debt which decreased by 8.4%. The remaining financial expenses from guarantees and others are also significantly reduced compared to the previous year, despite the increase in the activity to which these expenses are linked.

Grupo ACS		Financial Expenses			
Million Euro	2016		2017		var
Financial Expenses related to Debt	367	70 %	336	69 %	-8.4%
Related to gross debt	350	67 %	320	66 %	-8.5%
Related to debt linked to AHS	17	3 %	15	3 %	-6.9%
Financial Expenses related to Warranties	68	13 %	54	11 %	-21.7%
Other Financial Expenses	91	17 %	97	20 %	+6.1%
TOTAL FINANCIAL EXPENSES	526	100 %	486	100 %	-7.6%

- On the other hand, financial income increased by 9.1%, both those relating to cash and equivalents and those from dividends and financial income of associates.

Grupo ACS		Financial Income			
Million Euro	2016		2017		var
Related to Cash & Equivalents	65	35 %	83	41 %	+27.1%
Dividends and financial income from associates	82	44 %	85	42 %	+3.0%
Others	38	21 %	35	17 %	-8.3%
TOTAL FINANCIAL INCOME	186	100 %	203	100 %	+9.1%

- Regarding the net financial result, the item of “Impairment non current assets results” includes the effect of the revaluation of the option over 4.8 million shares of MásMóvil at market value; this effect amounts to € 219 million and largely compensates other extraordinary results included in “other results” item.

Grupo ACS		Financial Results		
Euro Million	2016	2017	Var.	
Ordinary Financial Result	(340)	(283)	-16.8%	
Foreign exchange Results	(13)	(5)	-60.4%	
Impairment non current assets results	66	244	+268.2%	
Results on non current assets disposals	(23)	(5)	-75.9%	
Net Financial Result	(310)	(50)	-83.9%	

2.1.4 Net Profit Attributable to the Parent Company

Grupo ACS		Net Profit breakdown		
Euro Million	2016	2017	Var.	
Construction	311	387	+24.4%	
Industrial Services	305	319	+4.6%	
Services ⁽¹⁾	27	37	+38.4%	
Corporation	52	59	+14.2%	
Net Profit (ex Urbaser)	694	802	+15.5%	
Urbaser	57	0	n.a.	
TOTAL Net Profit	751	802	+6.8%	

(1) Excludes Urbaser

(2) Adjusted by FX, NP grows by 17%

- Grupo ACS Net Profit in 2017 reached € 802 million, 6.8% higher than the prior year. In comparable terms, this growth would be of 18.4% not taking into account the contribution of Urbaser in the prior period nor the impact in exchange rates variation.
- The effective corporate tax rate stands at 25.8%.

2.2 Consolidated Balance Sheet

Grupo ACS		Consolidated balance sheet			
<i>Euro Million</i>	Dec-16		Dec-17		Var.
Intangible Fixed Assets	4,412	13.2 %	4,264	13.4 %	-3.4%
Tangible Fixed Assets	1,839	5.5 %	1,606	5.0 %	-12.7%
Investments accounted by Equity Method	1,532	4.6 %	1,569	4.9 %	+2.4%
Long Term Financial Investments	2,485	7.4 %	1,704	5.3 %	-31.4%
Long Term Deposits	7	0.0 %	8	0.0 %	+25.4%
Financial Instruments Debtors	67	0.2 %	52	0.2 %	-22.3%
Deferred Taxes Assets	2,324	7.0 %	2,043	6.4 %	-12.1%
Fixed and Non-current Assets	12,666	37.9 %	11,247	35.3 %	-11.2%
Non Current Assets Held for Sale	549	1.6 %	411	1.3 %	-25.1%
Inventories	1,407	4.2 %	1,020	3.2 %	-27.5%
Accounts receivables	10,988	32.9 %	10,753	33.7 %	-2.1%
Short Term Financial Investments	1,813	5.4 %	1,559	4.9 %	-14.0%
Financial Instruments Debtors	98	0.3 %	393	1.2 %	+300.3%
Other Short Term Assets	224	0.7 %	178	0.6 %	-20.4%
Cash and banks	5,655	16.9 %	6,319	19.8 %	+11.8%
Current Assets	20,734	62.1 %	20,634	64.7 %	-0.5%
TOTAL ASSETS	33,400	100 %	31,881	100 %	-4.5%
Shareholders' Equity	3,563	10.7 %	3,959	12.4 %	+11.1%
Adjustments from Value Changes	11	0.0 %	(216)	(0.7 %)	n.a.
Minority Interests	1,393	4.2 %	1,421	4.5 %	+2.0%
Net Worth	4,968	14.9 %	5,164	16.2 %	+4.0%
Subsidies	4	0.0 %	4	0.0 %	+0.8%
Long Term Financial Liabilities	4,907	14.7 %	5,161	16.2 %	+5.2%
Deferred Taxes Liabilities	1,188	3.6 %	1,020	3.2 %	-14.2%
Long Term Provisions	1,655	5.0 %	1,567	4.9 %	-5.3%
Financial Instruments Creditors	70	0.2 %	48	0.2 %	-31.3%
Other Long Term Accrued Liabilities	110	0.3 %	104	0.3 %	-5.6%
Non-current Liabilities	7,934	23.8 %	7,903	24.8 %	-0.4%
Liabilities from Assets Held for Sale	318	1.0 %	221	0.7 %	-30.6%
Short Term Provisions	1,028	3.1 %	903	2.8 %	-12.1%
Short Term Financial Liabilities	3,782	11.3 %	2,879	9.0 %	-23.9%
Financial Instruments Creditors	63	0.2 %	68	0.2 %	+7.2%
Trade accounts payables	14,864	44.5 %	14,279	44.8 %	-3.9%
Other current payables	443	1.3 %	464	1.5 %	+4.8%
Current Liabilities	20,498	61.4 %	18,813	59.0 %	-8.2%
TOTAL EQUITY & LIABILITIES	33,400	100 %	31,881	100 %	-4.5%

NOTE: 2016 figures have been restated according to the accounting rules as a result of the termination of the PPA resulting from the acquisition of UGL

2.2.1 Non-Current Assets

- Intangible assets which amount to € 4,264 million include goodwill from past strategic transactions, 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, stake in Saeta Yield and several Iridium Concessions.
- The outstanding balance of non-current financial assets decreased due to the short-term reclassification of € 100 million pending collection from Urbaser and € 200 million of the credit to MásMóvil.

2.2.2 Working Capital

Grupo ACS					Working Capital evolution	
Euro Million	dic.-16	mar.-17	jun.-17	sep.-17	dic.-17	var. 16-17
Construction	(2,562)	(1,764)	(2,077)	(1,969)	(2,691)	(129)
Industrial Services	(1,167)	(940)	(939)	(865)	(977)	190
Services	5	10	5	28	(33)	(38)
Corporation	43	82	242	108	332	288
TOTAL	(3,681)	(2,613)	(2,769)	(2,698)	(3,369)	312

- In the last 12 months, the net working capital has decreased its credit balance by € 312 million. This variation is mainly due to the revalorization of the derivative linked to MasMovil shares and accounted as short term asset and the € 248 million impact from the exchange rate variations.
- The operating working capital variation improved by € 192 million (see page 14)
- The balance of commercial discount and securitization at end of 2017 amounted to € 1,150 million.

2.2.3 Net Debt

Net Debt (€ mn)	Construction	Industrial Services	Services	Corporation / Adjustments	Grupo ACS
December 31, 2017					
LT loans from credit entities	1,042	382	181	1,198	2,803
ST loans from credit entities	700	584	150	50	1,485
Debt with Credit Entities	1,743	966	331	1,249	4,288
Bonds	1,607	0	0	1,591	3,198
Non Recourse Financing	179	16	0	0	195
Other financial liabilities*	379	97	145	(262)	359
Total Gross Financial Debt	3,907	1,079	476	2,578	8,040
ST* & other financial investments	741	73	226	527	1,567
Cash & Equivalents	4,594	1,608	85	33	6,319
Total cash and equivalents	5,335	1,681	311	560	7,887
NET FINANCIAL DEBT	(1,428)	(602)	165	2,018	153
NET FINANCIAL DEBT previous year	(586)	(702)	319	2,183	1,214

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

- Net debt stood at € 153 million, € 1,061million lower than the outstanding balance 12 months ago thanks to the positive evolution of the funds from operations. Excluding non-recourse debt, net debt stands at a net cash position of € 42 million by end of 2017.

- Net debt linked to assets held for sale amounted to € 162 million, 27.3% lower than the prior period.

2.2.4 Net Worth

Grupo ACS		Net Worth	
<i>Euro Million</i>	Dec-16	Dec-17	Var.
Shareholders' Equity	3,563	3,959	+11.1%
Adjustments from Value Changes	11	(216)	n.a
Minority Interests	1,393	1,421	+2.0%
Net Worth	4,968	5,164	+4.0%

- ACS Net worth accounts for € 5,164 million by period-end, showing an increase of 4.0% since December 2016.
- The balance of minority interests includes both 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						
<i>Euro Million</i>	2016			2017			Var	
	TOTAL	HOT	ACS exHOT	TOTAL	HOT	ACS exHOT	TOTAL	ACS exHOT
Cash Flow from Operating Activities (GROSS)	1,514	744	770	1,908	1,135	772	+26.0%	+0.3%
Cash Flow from Operating Activities before Working Capital	1,397	909	488	1,672	1,158	514	+19.6%	+5.1%
Operating working capital variation	(21)	264	(285)	192	213	(21)		
Net CAPEX	(332)	(187)	(144)	(372)	(252)	(120)		
Net Operating Cash Flow from continuing activities	1,045	986	59	1,492	1,119	373	+42.8%	+534.8%
Net Operating Cash Flow from discontinued operations (*)	(68)	0	(68)	0	0	0		
Financial Investments/Disposals	926	(613)	1,539	63	(43)	106		
Other Financial Sources	(65)	(13)	(53)	(21)	(17)	(4)		
Free Cash Flow	1,837	361	1,476	1,534	1,059	475	-16.5%	-67.8%
Dividends paid	(326)	(133)	(193)	(297)	(141)	(156)		
Intra group Dividends	0	(92)	92	0	(120)	120		
Treasury stock acquisition	(131)	(78)	(52)	(195)	0	(195)		
Total Cash Flow generated / (Consumed)	1,380	57	1,323	1,042	799	243	-24.5%	n.a.

*Correspond to Urbaser

2.3.1 Operating Activities

- Cash Flow from Operating Activities before working capital amount to € 1,672 million, improving by 19.6% respect to 2016. The recovery in the construction activity as well as the improvement of financial expenses have contributed to the positive evolution of the operating cash flow.
- Operating working capital has an impact of € 192 million of cash inflow in 2017, mainly coming from Construction activities.

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
Construction	426	(142)	284	122	(226)	(105)	180
<i>Dragados</i>	69	(37)	32	2	(20)	(18)	14
<i>Hochtief</i>	357	(106)	252	72	(29)	43	294
<i>Iridium</i>	0	0	0	48	(177)	(129)	(129)
Services	28	(7)	20	11	(57)	(47)	(26)
Industrial Services	88	(23)	65	248	(158)	90	156
Corporation & others	2	0	2	(9)	7	(3)	(1)
TOTAL	544	(172)	372	371	(434)	(63)	308

- The total investments of the ACS Group amounted to € 915 million, while divestments amounted to € 607 million, resulting in a net positive cash flow balance for investing activities of € 308 million.
- Net operating CAPEX amounted to € 372 million and mainly corresponds to the acquisition of machinery for contract mining and TBMs for civil works projects from CIMIC.
- The main financial and project investments and divestments by business areas are:
 - a) Construction**
 - Investment correspond to concession projects from Iridium amounting to € 48 million (among them, Los Libertadores in Chile) as well as financial investments in HOCHTIEF, including the acquisition of minorities in UGL amounting to € 20 million.
 - The divestment include of € 177 million from Iridium and mainly correspond to the sale of 80% stake in the Hospitals in the Balearic Islands and various highway concessions in Chile (Nueva vía del Mar y Ruta del Canal) and Greece (Jónica, Central Greece). Likewise Dragados and HOCHTIEF Europe sold financial assets for € 50 million.
 - b) Industrial Services**
 - In Industrial Services area, financial investments amounted to € 248 million corresponding to investments in transmission lines in Brazil and various renewable energy projects, both wind farms and PVs.
 - Divestments correspond to the sale of two wind farms in Portugal to Saeta Yield.
 - c) Services**
 - Investments correspond to the acquisition of Clece Care UK
 - Financial divestments in Services correspond mainly to the sale of Sintax completed in February 2017 for a total amount of € 55 million.

2.3.3 Other Cash Flows

- The Group has paid € 297 million of dividends in cash which practically corresponds to ACS scrip dividend paid in February and July. As well as the dividends paid by HOCHTIEF and CIMIC to its minorities in 2017.
- Likewise, € 195 million have been devoted to the acquisition of treasury stock for the scrip dividend paid in July 2017 and February 2018.

3 Areas of Activity Evolution

3.1 Construction

Construction			
<i>Euro Million</i>	2016	2017	Var.
Turnover	24,217	27,221	+12.4%
EBITDA	1,405	1,620	+15.4%
<i>Margin</i>	5.8%	6.0%	
EBIT	909	1,044	+14.8%
<i>Margin</i>	3.8%	3.8%	
Net Profit	311	387	+24.4%
<i>Margin</i>	1.3%	1.4%	
Backlog	55,769	55,529	-0.4%
<i>Months</i>	25	23	
Net Investments	1,045	155	<i>n.s</i>
Working Capital	(2,562)	(2,691)	+5.0%

- Construction sales accounted for € 27,221 million representing an increase of 12.4%. This evolution is mainly due to the progressive activity recovery in CIMIC and also backed by the positive evolution of the rest of HOCHTIEF and Dragados.
- EBITDA accounted for € 1,620 million, increasing by 15.4% compared to 2016. Margin over sales stood at 6.0%, improving by 20bp.
- EBIT accounted for € 1,044 million, and grew by 14.8%. The depreciation of assets from the acquisition of HOCHTIEF (PPA) accounted for € 72.4 million in the period, the same figure as that of the comparable period.
- Construction Net Profit reached € 387 million which implies a 24.4% increase due to a positive operating performance across the companies and lower financial expenses.

Construction		<i>Sales per geographical areas</i>		
<i>Euro Million</i>	2016	2017	Var.	
Spain	1,194	1,280	+7.2%	
Rest of Europe	2,087	2,048	-1.8%	
North America	13,131	14,200	+8.1%	
South America	400	493	+23.2%	
Asia Pacific	7,404	9,199	+24.2%	
Africa	1	0	<i>n.a.</i>	
TOTAL	24,217	27,221	+12.4%	

- Sales in Asia Pacific grew by 24.2% and in North America by 8.1%, the latter ones impacted by the Exchange rate variations of over € 400 million.

Construction		<i>Backlog per geographical areas</i>		
<i>Euro Million</i>	Dec-16	Dec-17	Var.	
Spain	2,837	2,599	-8.4%	
Rest of Europe	4,943	4,723	-4.5%	
North America	22,057	23,194	+5.2%	
South America	2,245	1,260	-43.9%	
Asia Pacific	23,530	23,679	+0.6%	
Africa	157	76	-51.9%	
TOTAL	55,769	55,529	-0.4%	

- Backlog at the end of the period stood at € 55,529 million, practically neutral compared to 2016. Backlog adjusted by the revalorization of the euro against the main currencies grows by 7.6%, that is, around € 4.400 million.

Construction														
<i>Euro Million</i>	Dragados			Iridium			HOCHTIEF (ACS contr.)			Adjustments		Total		
	2016	2017	Var.	2016	2017	Var.	2016	2017	Var.	2016	2017	2016	2017	Var.
Sales	4,236	4,498	+6.2%	72	92	+27.2%	19,908	22,631	+13.7%	0	0	24,217	27,221	+12.4%
EBITDA	296	313	+5.6%	4	14	n/a	1,104	1,294	+17.2%	(0)	(0)	1,405	1,620	+15.4%
Margin	7.0%	7.0%		n.a	n.a		5.5%	5.7%				5.8%	6.0%	
EBIT	218	231	+6.1%	(10)	(1)	+90.6%	774	886	+14.5%	(72)	(72)	909	1,044	+14.8%
Margin	5.1%	5.1%		n.a	n.a		3.9%	3.9%				3.8%	3.8%	
Net Financial Results	(25)	(68)		(7)	(11)		(20)	(30)		0	0	(52)	(109)	
Equity Method	0	1		15	18		(1)	4		(1)	(1)	12	23	
Other Results & Fixed Assets	(81)	(20)		(3)	(3)		(131)	(36)		(0)	(0)	(215)	(59)	
EBT	111	144	+28.9%	(5)	3	n/a	621	824	+32.7%	(73)	(73)	654	897	+37.1%
Taxes	(8)	(31)		13	1		(187)	(241)		22	22	(160)	(249)	
Minorities	(3)	(4)		(0)	0		(203)	(280)		23	22	(183)	(262)	
Net Profit	101	109	+7.8%	8	4	-47.6%	230	302	+31.3%	(28)	(28)	311	387	+24.4%
Margin	2.4%	2.4%		n.a	n.a		1.2%	1.3%				1.3%	1.4%	
Backlog	12,678	10,885	-14.1%	-	-		43,092	44,644	+3.6%			55,769	55,529	-0.4%
Months	36	29					23	22				25	23	

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

- Dragados increased its sales by 6.2% and EBITDA margin remains practically stable at 7.0%. Net Profit increases by 7.8% up to € 109 million.
- HOCHTIEF showed significant growth across its operating figures thanks to the recovery in CIMIC as well as the positive evolution in HOCHTIEF America and HOCHTIEF Europe, which continue to deliver sustainable growth.
- HOCHTIEF 's contribution to net profit of ACS, after deducting minority interests, amounted to € 302 million, 31.3% higher compared to the same period of the previous year, in proportion to its average stake in the period which stood at 71.79%.

HOCHTIEF														
<i>Euro Million</i>	America			Asia Pacific			Europe			Holding		Total		
	2016	2017	Var.	2016	2017	Var.	2016	2017	Var.	2016	2017	2016	2017	Var.
Sales	10,906	11,839	+8.6%	7,303	9,077	+24.3%	1,597	1,609	+0.8%	103	106	19,908	22,631	+13.7%
EBIT	224	265	+18.7%	559	668	+19.6%	(1)	14	n.a	(8)	(62)	774	886	+14.5%
Margin	2.0%	2.2%		7.7%	7.4%		-0.1%	0.9%		0.0%	0.0%	3.9%	3.9%	
Net Financial Results	(11)	(12)		(24)	(63)		2	17		13	28	(20)	(30)	
Equity Method	0	0		(1)	4		(0)	0		0	0	(1)	4	
Other Results & Fixed Asset	(8)	1		(102)	(31)		19	1		(40)	(8)	(131)	(36)	
EBT	204	254	+24.7%	432	579	+34.0%	19	33	+74.0%	(34)	(42)	621	824	+32.7%
Taxes	(50)	(51)		(127)	(182)		(7)	(9)		(4)	1	(187)	(241)	
Minorities	(26)	(40)		(88)	(122)		1	0		0	(0)	(113)	(162)	
Net Profit	128	163	+26.9%	217	275	+26.7%	12	24	+90.3%	(37)	(41)	320	421	+31.3%
Margin	1.2%	1.4%		3.0%	3.0%		0.8%	1.5%				1.6%	1.9%	

- By areas of activities of HOCHTIEF, it is worth highlighting:
 - a) Growth in America where sales went up by 8.6% and net profit by 26.9%. 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) Asia Pacific (CIMIC), as already mentioned, experienced a substantial activity recovery growing by 24.3%, thanks to the significant recovery both in construction, mainly in tunneling projects, and contract mining activities as well as the integration of UGL with the according impact in operating results.

3.2 Industrial Services

Industrial Services		Key Figures	
<i>Euro Million</i>	2016	2017	Var.
Turnover	6,256	6,260	+0.1%
EBITDA	630	633	+0.6%
<i>Margin</i>	10.1%	10.1%	
EBIT	579	586	+1.2%
<i>Margin</i>	9.3%	9.4%	
Net Profit	305	319	+4.6%
<i>Margin</i>	4.9%	5.1%	
Backlog	8,762	9,286	+6.0%
<i>Months</i>	17	18	
Net Investments	19	156	<i>n.a</i>
Working Capital	(1,167)	(977)	-16.3%

- Industrial Services sales accounted for € 6,260 million. The slowdown of the Mexican market and the negative impact from the exchange rate are offset by the rebound in the domestic market as well as the increasing activity in the Asiatic and Southafrican market.
- EPC projects grew by 3.3% thank to the development of international project mainly in Middle East and Japan as well as the growth in various countries in South America, while Support Services activities decreased by 2.4%.

Industrial Services		Sales per geographical areas	
<i>Euro Million</i>	2016	2017	Var.
Spain	1,710	1,813	+6.0%
Rest of Europe	419	406	-3.1%
North America	1,538	1,283	-16.6%
South America	1,369	1,262	-7.8%
Asia Pacific	938	1,026	+9.5%
Africa	284	470	+65.6%
TOTAL	6,256	6,260	+0.1%

Industrial Services		Turnover breakdown by activity		
Euro Million	2016	2017	Var.	
Support Services	3,425	3,345	-2.4%	
<i>Networks</i>	460	558	+21.4%	
<i>Specialized Products</i>	2,069	1,898	-8.3%	
<i>Control Systems</i>	897	889	-0.9%	
EPC Projects	2,796	2,888	+3.3%	
Renewable Energy: Generation	44	34	-23.6%	
<i>Consolidation Adjustments</i>	(10)	(7)		
TOTAL	6,256	6,260	+0.1%	
International	4,546	4,447	-2.2%	
<i>% over total sales</i>	72.7%	71.0%		

- Backlog grew by 6.0% up to € 9,286 million with a strong negative impact from the exchange rate; not considering this impact, backlog grew by 15%. International backlog represents 77.6% of the total amount. The backlog does not include the recent award of the PVs in Spain.
- It is worth noting the excellent performance in South America, with a growth of 42.9% mainly thank to the awards in energy projects in Brazil and Peru, as well as the progressive recovery of the backlog in Spain and the boost in contracting activity in the rest of Europe which grows by 85.8%. The Mexican backlog is reactivated with a growth of 12.5%.

Industrial Services		Backlog per geographical areas		
Euro Million	Dec-16	Dec-17	Var.	
Spain	1,954	2,084	+6.6%	
Rest of Europe	291	541	+85.8%	
North America	1,839	2,093	+13.8%	
South America	2,144	3,065	+42.9%	
Asia Pacific	1,740	999	-42.6%	
Africa	793	505	-36.3%	
TOTAL	8,762	9,286	+6.0%	

Industrial Services		Backlog per activity		
Euro Million	Dec-16	Dec-17	Var.	
Support Services	4,791	5,183	+8.2%	
<i>Networks</i>	558	500	-10.4%	
<i>Specialized Products</i>	2,974	3,364	+13.1%	
<i>Control Systems</i>	1,259	1,320	+4.8%	
EPC Projects	3,926	4,103	+4.5%	
Renewable Energy: Generation	45	0	-	
TOTAL BACKLOG	8,762	9,286	+6.0%	
International	6,808	7,202	+5.8%	
<i>% over total backlog</i>	77.7%	77.6%		

- EBITDA accounted for € 633 million with a stable margin that stood at 10.1%.
- EBIT stood at € 586 million, with a 9.4% margin, 10 bp higher than in 2016.
- Net profit accounted to € 319 million, 4.6% higher than 2016.

3.3 Services

Services		Key figures	
<i>Euro Million</i>	2016	2017	Var.
Turnover	1,538	1,446	-6.0%
EBITDA	78	73	-5.3%
<i>Margin</i>	5.0%	5.1%	
EBIT	48	48	-1.2%
<i>Margin</i>	3.2%	3.3%	
Net Profit	84	37	-55.3%
<i>Margin</i>	5.4%	2.6%	
Backlog	1,995	2,267	+13.6%
<i>Months</i>	16	19	
Net Investments	(1,117)	(26)	
Working Capital	5	(33)	

- Sales decreased by 6.0% due to the sale of Sintax. Without this effect, that is considering only Clece in both periods, sales increased by 2.8%.

Services		Sales breakdown	
<i>Euro Million</i>	2016	2017	Var.
Facility management	1,407	1,446	+2.8%
Logistics	131	0	n.a
TOTAL	1,538	1,446	-6.0%

- EBITDA accounted for € 73 million and declined by 5.3% due to the aforementioned sale of Sintax. Considering only Clece, EBITDA increased by 4.9%.
- Net profit amounted to € 37 million which includes the capital gain from the sale of Sintax in February 2017, while the figure in 2016 includes the contribution of Urbaser as discontinued operations for € 57 million.
- Services backlog corresponds to Clece and accounts for € 2,267 million, equivalent to over 18 months of production and increasing by 13.6% compared to the prior period.

Services		Backlog per geographical areas	
<i>Euro Million</i>	Dec-16	Dec-17	Var.
Spain	1,908	2,136	+12.0%
Rest of Europe	87	131	+49.7%
TOTAL	1,995	2,267	+13.6%

4 Relevant facts after the end of the period

- The payment of the interim € 0.449 per share dividend was made in February. 32.15% of the free allocation rights have opted for the cash dividend, which has determined the acquisition by ACS of 101,164,302 rights for a total gross amount of 45,422,771.60 euros.
- On February 6, 2018, the ACS Group through its subsidiary Cobra reached an agreement for the sale of its stake in Saeta Yield through the irrevocable acceptance of the takeover bid launched by a company controlled by Brookfield Asset Management, subject to the relevant regulatory approvals.

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, danger to its employees or its corporate reputation, problems for its 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:
 - ✓ ACS, Actividades de Construcción y Servicios, S.A has obtained a long-term BBB and A-2 short-term credit rating with stable outlook from Standard & Poor's. Likewise, Hochtief and Cimic obtained the same credit rating in this period.
 - ✓ The renewal of the Euro Commercial Paper program (ECP) for € 750 million and Euro Medium Term Note Program (EMTN Program) for € 1,500 million.
 - ✓ The substantial modification of the syndicated loan for an amount of € 2,150 million and extension until 2022 with a reduction in the financial cost.
 - ✓ The issuance by Hochtief of € 500 million promissory notes that have been used to refinance the corporate bond due in March 2017 by diversifying the maturity profile of its financial obligations for periods of five, seven and ten years.
 - ✓ The renewal of CIMIC syndicated loan for AUD 2,600 million and maturity extension to 2020-2022.

- ✓ The renewal of the credit and guarantee facility of Hochtief amounting to € 1,700 million until August 2022.
- ✓ The formalization by ACS, Construction and Services Activities, S.A. of a program of Negotiable European Commercial Paper (NEU CP) for a maximum amount of € 300 million, with a maximum issue term of 365 days.
- The Integrated Annual Report, which includes Corporate Governance Reports and the Consolidated Financial Statements of Grupo ACS (www.grupoacs.com), develop more in detail the risks and the tools for control. Likewise the Annual Report of Hochtief (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, particularly those derived from the internationalization of the Group's activities.

6 Corporate Social Responsibility

- Grupo ACS 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.
- The number of employees at the end of 2017 amounted to 182,269, of which 22,358 are senior graduates.
- Grupo ACS Corporate Social Responsibility Policy, reviewed and approved by the Board of Directors on their meeting on February 25th 2016, establishes the basic and specific principles of action in this area, as well as in the Group's relationship with its environment.

a) Basic principles of action

- 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.

b) Specific principles of action

- 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 through specific homogenous principles across the Group in relation to its stakeholders, customers, employees, suppliers, shareholders and the society in general.
- The areas of non-financial management in which these principles of action are focused on are:
 - a) quality of the products and services
 - b) occupational safety

- c) recruitment and retention of talent
 - d) protection of the environment
 - e) innovation and development
 - f) social action
-
- The Diversity Policy of the ACS Group, which was approved by the Board of Directors in December 2017 is part of this area. The ACS Group commits itself to all the necessary measures to ensure equal opportunities and access and avoid all types of discrimination in the selection processes, of any type of work, guaranteeing the requirements of competence, knowledge and experience for the development of the position.
 - The detail of the results of policies of responsibility Corporate Social Responsibility of Grupo ACS is collected and published frequently on the Group's web page (www.grupoacs.com) and in the Integrated Annual Report also available on the same web page. Likewise the Annual Report of Hochtief (www.hochtief.com) details the most relevant aspects regarding the Corporate Social Responsibility of this company and its subsidiaries.

7 Information on related parties

- Information regarding transactions with related parties is carried out in the relevant section of the annual financial report submitted to the CNMV.
- 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, and have not materially affected the financial position nor results of operations during this period.

8 Annex

8.1 Main figures per area of activity*

TURNOVER					
<i>Euro Million</i>	2016		2017		Var.
Construction	24,217	76 %	27,221	78 %	+12.4%
Industrial Services	6,256	20 %	6,260	18 %	+0.1%
Services	1,538	5 %	1,446	4 %	-6.0%
Corporation / Adjustments	(36)		(28)		
TOTAL	31,975		34,898		+9.1%

EBITDA					
<i>Euro Million</i>	2016		2017		Var.
Construction	1,405	67 %	1,620	70 %	+15.4%
Industrial Services	630	30 %	633	27 %	+0.6%
Services	78	4 %	73	3 %	-5.3%
Corporation / Adjustments	(88)		(49)		
TOTAL	2,023		2,279		+12.6%

EBIT					
<i>Euro Million</i>	2016		2017		Var.
Construction	909	59 %	1,044	62 %	+14.8%
Industrial Services	579	37 %	586	35 %	+1.2%
Services	48	3 %	48	3 %	-1.2%
Corporation / Adjustments	(91)		(51)		
TOTAL	1,445		1,626		+12.5%

NET PROFIT					
<i>Euro Million</i>	2016		2017		Var.
Construction	311	44 %	387	52 %	+24.4%
Industrial Services	305	44 %	319	43 %	+4.6%
Services	84	12 %	37	5 %	-55.3%
Corporation / Adjustments	52		59		
TOTAL	751		802		+6.8%

NET INVESTMENTS					
<i>Euro Million</i>	2016		2017		Var.
Construction	1,045		155		n.a
Industrial Services	19		156		n.a
Services	(1,117)		(26)		n.a
Corporation / Adjustments	(470)		24		n.a
TOTAL	(523)		308		n.a

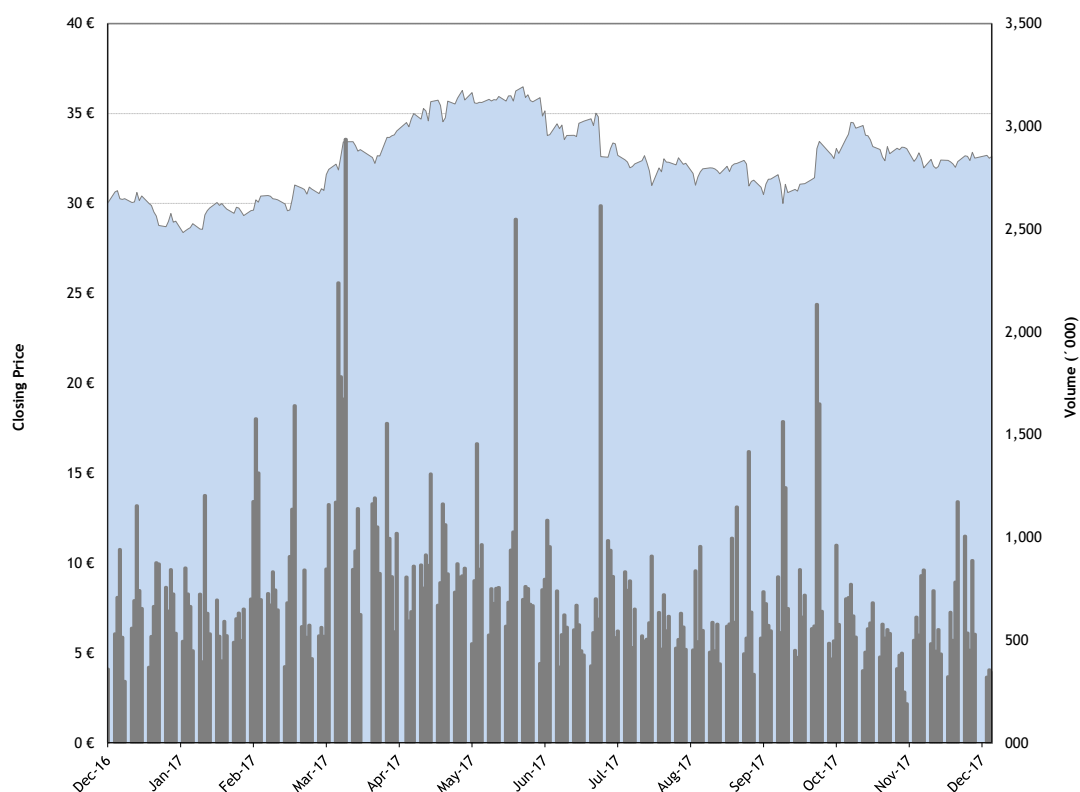
BACKLOG					
<i>Euro Million</i>	Dec-16		Dec-17		Var.
		months		months	
Construction	55,769	25	55,529	23	-0.4%
Industrial Services	8,762	17	9,286	18	+6.0%
Services	1,995	16	2,267	19	+13.6%
TOTAL	66,526	23	67,082	22	+0.8%

NET DEBT					
<i>Euro Million</i>	Dec-16		Dec-17		Var.
Construction	(586)		(1,428)		+143.7%
Industrial Services	(702)		(602)		-14.2%
Services	319		165		-48.4%
Corporation / Adjustments	2,183		2,018		-7.5%
TOTAL	1,214		153		-87.4%

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

8.2 Share data

ACS Shares Data (YTD)	2016	2017
Closing price	30.02 €	32.62 €
Performance	11.43%	8.66%
Period High	30.56 €	36.75 €
High date	20-Dec	19-Jun
Period Low	19.31 €	28.34 €
Low date	11-Feb	31-Jan
Average in the period	25.88 €	32.49 €
Total volume ('000)	220,750	189,001
Daily average volume ('000)	859	738
Total traded effective (€ mn)	5,714	6,140
Daily average effective (€ mn)	22.23	23.99
Number of shares (mn)	314.66	314.66
Market cap (€ mn)	9,446	10,264



8.3 P&L by area of activity

Income Statement per area of activity. Year 2017	Construction	Industrial Services	Services	Corporation / Adjustments	Grupo ACS
Million Euro					
Net Sales	27,221	6,260	1,446	(28)	34,898
Other revenues	270	26	17	7	321
Joint Ventures Net Results	111	0	0	0	111
Total Income	27,602	6,286	1,463	(21)	35,330
Operating expenses	(20,858)	(4,338)	(179)	12	(25,363)
Personnel expenses	(5,124)	(1,315)	(1,210)	(40)	(7,688)
Operating Cash Flow (EBITDA)	1,620	633	73	(49)	2,279
Fixed assets depreciation	(547)	(40)	(24)	(1)	(611)
Current assets provisions	(30)	(8)	(2)	(2)	(42)
Ordinary Operating Profit (EBIT)	1,044	586	48	(51)	1,626
Impairment & gains on fixed assets	13	(25)	(2)	0	(15)
Other operating results	(72)	(97)	(1)	(0)	(170)
Operating Profit	984	463	44	(51)	1,440
Financial income	131	46	11	15	203
Financial expenses	(274)	(105)	(18)	(90)	(486)
Ordinary Financial Result	(143)	(59)	(7)	(75)	(283)
Foreign exchange Results	(6)	1	(1)	0	(5)
Impairment non current assets results	(7)	0	0	251	244
Results on non current assets disposals	46	23	9	(84)	(5)
Net Financial Result	(109)	(34)	1	92	(50)
Results on equity method	23	4	0	0	27
Ordinary income of continued operations	897	433	45	41	1,417
Corporate income tax	(249)	(93)	(6)	18	(330)
Profit after taxes of the continued operations	648	340	39	59	1,087
Profit after taxes of the discontinued operations	0	0	0	0	0
Consolidated Result	648	340	39	59	1,087
Minority interest	(262)	(21)	(2)	(0)	(285)
Net Profit Attributable to the Parent Company	387	319	37	59	802

8.4 Balance sheet by area of activity

Consolidated Balance Sheet <i>December 31st, 2017</i>	Construction	Industrial Services	Services	Corporation / Adjustments	Grupo ACS
Million Euro					
Intangible Fixed Assets	3,643	134	248	238	4,264
Tangible Fixed Assets	1,347	177	74	8	1,606
Investments accounted by Equity Method	892	677	0	(0)	1,569
Long Term Financial Investments	1,320	303	702	(621)	1,704
Long Term Deposits	8	0	0	(0)	8
Financial Instruments Debtors	51	2	0	0	52
Deferred Taxes Assets	954	235	64	790	2,043
Fixed and Non-current Assets	8,215	1,528	1,089	414	11,247
Non Current Assets Held for Sale	27	384	0	0	411
Inventories	917	107	1	(4)	1,020
Accounts receivables	7,129	3,393	220	11	10,753
Short Term Financial Investments	730	73	226	530	1,559
Financial Instruments Debtors	6	0	0	387	393
Other Short Term Assets	156	20	1	1	178
Cash and banks	4,594	1,608	85	33	6,319
Current Assets	13,559	5,584	533	958	20,634
TOTAL ASSETS	21,774	7,112	1,622	1,372	31,881
Shareholders' Equity	3,872	1,085	837	(1,836)	3,959
Adjustments from Value Changes	(80)	(129)	(1)	(6)	(216)
Minority Interests	1,330	85	6	(0)	1,421
Net Worth	5,122	1,042	843	(1,842)	5,164
Subsidies	1	1	2	0	4
Long Term Financial Liabilities	2,803	484	181	1,692	5,161
Deferred Taxes Liabilities	852	59	27	81	1,020
Long Term Provisions	882	183	19	483	1,567
Financial Instruments Creditors	33	7	0	8	48
Other Long Term Accrued Liabilities	79	24	0	0	104
Non-current Liabilities	4,650	758	230	2,265	7,903
Liabilities from Assets Held for Sale	0	221	0	0	221
Short Term Provisions	813	60	8	22	903
Short Term Financial Liabilities	1,104	595	295	886	2,879
Financial Instruments Creditors	4	0	0	64	68
Trade accounts payables	9,830	4,293	232	(76)	14,279
Other current payables	252	144	14	54	464
Current Liabilities	12,002	5,312	549	950	18,813
TOTAL EQUITY & LIABILITIES	21,774	7,112	1,622	1,372	31,881

8.5 Detail of Debt structure as of December 31 2017

Grupo ACS		Main financial facilities 2017		
Instruments	Amount (€ mn)	Maturity	Company	
Syndicated Loan	1,200	2022	ACS	
Corporate Bond @ 3.875%	750	2020	HOCHTIEF	
Corporate Bond @ 2.875%	500	2020	ACS	
Corporate Bond @ 2.625%	500	2019	HOCHTIEF	
Promissory Note Program ECP / NEU CP	483	2017	ACS	
Syndicated Loan	225	2022	Dragados	
Exchangeable Bond @ 2.625%	250	2018	ACS	
Exchangeable Bond @ 1.625%	235	2019	ACS	
Corporate Bond @ 5.95%	162	2022	CIMIC	
Corporate Bond @ 2.50% (PP)	113	2018	ACS	
USD Senior Note Serie C @ 7.66%	65	2018	CIMIC	
USD Senior Note 5.78%	95	2020	CIMIC	
Promissory Notes	500	2022-2027	HOCHTIEF	
SUBTOTAL	5,078	63%		
Bilaterals and other bank loans	863	11%	Limit:	
Bank credit lines	1,170	15%	€ 7,237 mn	
Other financing sources	929	12%		
TOTAL	8,040			

Grupo ACS		Gross debt maturity schedule				
Euro million	2017 (current)	2019	2020	2021	2021 & on	
Bank loans	285	330	209	38	1,446	
Credit lines	1,170	89	165	13	499	
Leasing	7	6	4	2	3	
Bonds and notes*	1,191	499	1,340		168	
Project finance	48	29	20	22	76	
TOTAL	2,700	953	1,737	75	2,193	

Note: Not including interests accrued pending payment (€ 24mn) nor Other Financial liabilities (€ 359mn)

8.6 Implementation of two new accounting standards: NIIF 9 y NIIF 15

- Grupo ACS has undertaken a preliminary assessment, audited by Deloitte, to evaluate the estimated impact of the implementation of two new accounting standards, NIIF 9 and NIIF 15 (applicable from January 1st 2018) which will result in an adjustment to reserves attributable to ACS shareholders and to minority interests.

NIIF 9: Financial Assets

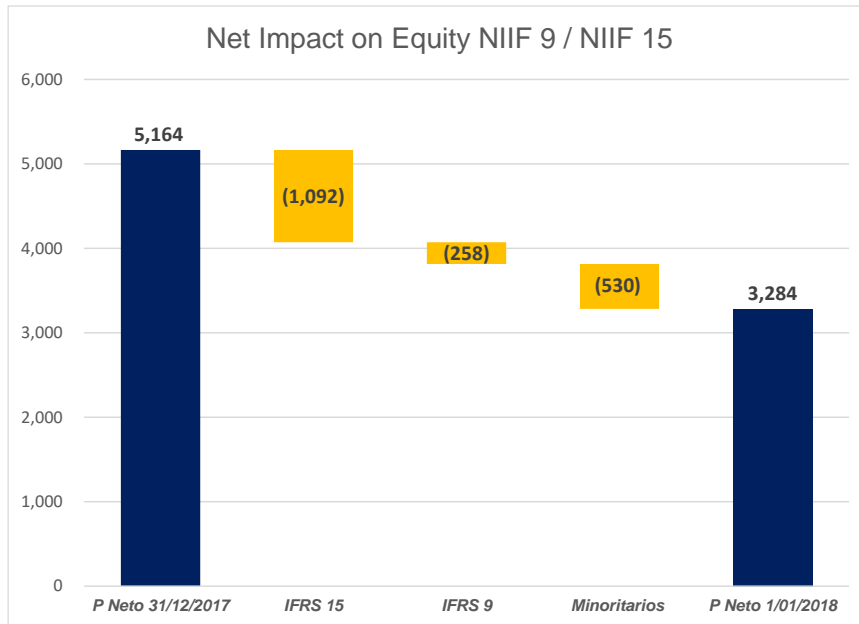
- The main change resulting from the implementation of NIIF 9 is the introduction of an “expected credit loss model” to be used in the recognition of credit losses derived from the impairment of financial assets, substituting the former standard where impairments on financial assets were recognised when incurred.

NIIF 15: Revenue from Contracts with Customers

- NIIF 15 is a new comprehensive standard that recognises revenues from clients where, January 1st 2018 onwards, revenues are to be recognised whenever these are deemed highly probable and there is no significant change in these expectations; to this date revenues were recognised it was probable that completed work would generate revenue.

Estimated Impact

- Below is a summary of the estimated after tax adjustments, incurring a reduction in shareholder’s equity and minority interests according to the most stringent thresholds in the implementation of the new standards:
 - a. Controlled entities (NIIF 15): estimated to be around € 1,145 million (after tax) in relation to reclamaciones and variations with clients of Dragados, Servicios Industriales, HOCHTIEF y CIMIC.
 - b. Associated firms / Joint Ventures (NIIF 15): Aproximately € 300 million
 - c. Shareholder loans (NIIF 9): Aproximately € 435 million, which principally affects non-current loans made by HLG Contracting to CIMIC
- Overall, the more stringent recognition threshold imposed by these standards could lead to an estimated current reduction of shareholder equity by approximately € 1,350 million (after tax) and of minority interests by € 530 million.
- Adjustments arising on the implementation of NIIF 9 y la NIIF 15 are not expected to have a material impact on the cashflow of Grupo ACS



8.7 List of Iridium concession

Concesión - Descripción	Participación	Método Consolidación	País	Actividad	Estado	Ud.	Fecha Expiración	Inversión Prevista en proyecto	Aportación ACS
1 Autovía de La Mancha	75,0%	P.E.	España	Autopistas	Explotación	52	abr.-33	128	21
2 Reus-Alcover	100,0%	P.E.	España	Autopistas	Explotación	10	dic.-38	69	16
3 Santiago Brión	70,0%	P.E.	España	Autopistas	Explotación	16	sep.-35	118	14
4 Autovía de los Pinares	63,3%	P.E.	España	Autopistas	Explotación	44	abr.-41	95	17
5 Autovía Medinaceli-Calatayud	100,0%	Global	España	Autopistas	Explotación	93	dic.-26	183	24
6 Autovía del Pirineo (AP21)	100,0%	P.E.	España	Autopistas	Explotación	45	jul.-39	226	81
7 Autovía de la Sierra de Arana	40,0%	P.E.	España	Autopistas	Construcción	39	jul.-41	200	2
8 EMESA (Madrid Calle 30)	50,0%	P.E.	España	Autopistas	Explotación	33	2025 - 12/09/2040	185	35
9 Eje Diagonal	100,0%	P.E.	España	Autopistas	Explotación	67	ene.-42	405	154
10 A-30 Nouvelle Autoroute 30	12,5%	P.E.	Canadá	Autopistas	Explotación	74	sep.-43	1286	19
11 Capital City Link (NEAH)	25,0%	P.E.	Canadá	Autopistas	Explotación	27	sep.-46	1018	12
12 FTG Transportation Group	12,5%	P.E.	Canadá	Autopistas	Explotación	45	jun.-34	518	3
13 Windsor Essex	33,3%	P.E.	Canadá	Autopistas	Explotación	11	feb.-44	847	7
14 Signature on the Saint-Lawrence Group General Part	25,0%	P.E.	Canadá	Autopistas	Construcción	3	nov.-49	1615	0
15 CRG Waterford - Southlink	33,33% (Waterford) 16,5% (Southlink)	P.E. / N.C.	Irlanda	Autopistas	Explotación	23	abr.-36	321	22
16 CRG Portlaoise - Midlink	33,33% (Portlaoise) 16,5% (Midlink M7/M8)	P.E. / N.C.	Irlanda	Autopistas	Explotación	41	jun.-37	328	23
17 N25 New Ross Bypass	50,0%	P.E.	Irlanda	Autopistas	Construcción	14	feb.-43	169	0
18 M11 Gorey - Enniscorthy	50,0%	P.E.	Irlanda	Autopistas	Construcción	32	ene.-44	253	0
19 Sper - Planestrada (Baixo Alentejo)	15,1%	N.C.	Portugal	Autopistas	Explotación	347	dic.-38	445	15
20 A-13, Puerta del Tamesis	25,0%	P.E.	Reino Unido	Autopistas	Explotación	22	jul.-30	269	7
21 SH288 Toll Lanes-Texas	2,0%	P.E.	USA	Autopistas	Construcción	17	ago.-67	826	0
22 Portsmouth Bypass	40,0%	P.E.	USA	Autopistas	Construcción	35	dic.-53	464	0
23 US 181 Harbor Bridge	50,0%	n/a	USA	Autopistas	n/a	-	n/a	789	0
24 Highway 427	50,0%	P.E.	Canadá	Autopistas	Construcción	11	sep.-50	236	0
25 I595 Express	50,0%	P.E.	USA	Autopistas	Explotación	17	feb.-44	1339	87
Total Autopistas (km)						1.443		12.333	559
26 Línea 9 Tramo II	10,0%	N.C.	España	Ferrovias	Explotación	11	oct.-42	879	7
27 Línea 9 Tramo IV	10,0%	N.C.	España	Ferrovias	Explotación	11	sep.-40	612	6
28 Metro de Arganda	8,1%	N.C.	España	Ferrovias	Explotación	18	dic.-29	149	3
29 ELOS - Ligações de Alta Velocidade	15,2%	N.C.	Portugal	Ferrovias	Construcción	167	2050	1637	3
30 Rideau Transit Group (Ligth RT Ottawa)	40,0%	P.E.	Canadá	Ferrovias	Construcción	13	jun.-48	1334	0
31 Crosslinx Transit Solutions	25,0%	P.E.	Canadá	Ferrovias	Construcción	20	sep.-51	3621	0
32 Angels flight	86,5%	Global	USA	Ferrovias	Explotación	n.a.	abr.-47	2	1
33 Ottawa Phase II variation	33,0%	P.E.	Canadá	Ferrovias	Construcción	n.a.	dic.-19	326	0
34 Metro de Lima Línea 2	25,0%	P.E.	Perú	Ferrovias	Construcción	35	abr.-49	4168	25
Total km Ferrovias						274		12.726	45
35 Cárcel de Brians	100,0%	Global	España	Cárceles	Explotación	95.182	dic.-34	108	14
36 Comisaría Central (Ribera norte)	100,0%	Global	España	Comisarías	Explotación	60.330	may.-24	70	13
37 Comisaría del Vallés (Terrasa)	100,0%	Global	España	Comisarías	Explotación	8.937	mar.-32	17	3
38 Comisaría del Vallés (Barberá)	100,0%	Global	España	Comisarías	Explotación	9.269	abr.-32	20	4
39 Los Libertadores	100,0%	Global	Chile	Complejo Fronterizo	Construcción	32.011	nov.-30	75	8
Equipamiento Público (m2)						205.729		289	42
40 Hospital Majadahonda	11,0%	N.C.	España	Hospitales	Explotación	749	jul.-35	257	4
41 Nuevo Hospital de Toledo, S.A.	33,3%	P.E.	España	Hospitales	Construcción	760	mar.-45	286	4
42 Hospital Son Espases	9,9%	N.C.	España	Hospitales	Explotación	987	oct.-39	305	3
43 Hospital de Can Misses (Ibiza)	8,0%	N.C.	España	Hospitales	Explotación	297	oct.-42	129	2
Hospitales (nº camas)						2.793		977	13
44 Intercambiador Plaza de Castilla	4,4%	N.C.	España	Intercambiadores	Explotación	59.650	feb.-41	174	1
45 Intercambiador Príncipe Pío	8,4%	N.C.	España	Intercambiadores	Explotación	28.300	dic.-40	66	1
46 Intercambiador Avda América	12,0%	N.C.	España	Intercambiadores	Explotación	41.000	jun.-38	114	2
Total Intercambiadores de Transporte (m2)						128.950		354	4
47 Iridium Aparcamientos	100,0%	Global	España	Aparcamientos	Explotación	15.715	2058	49	47
48 Serrano Park	50,0%	P.E.	España	Aparcamientos	Explotación	3.297	dic.-48	130	21
Total Aparcamientos (plazas de parking)						19.012		179	68
TOTAL CONCESIONES								26.858	731

8.8 Exchange rate effect

EXCHANGE RATE EFFECT

EXCHANGE RATE EFFECT (€ vs. currency)	Average Exchange Rate			
	Dec-16	Dec-17	difference	%
1 US Dollar	1.1034	1.1390	0.0356	+3.2%
1 Australian Dollar	1.4858	1.4809	(0.0048)	-0.3%
1 Mexican Peso	20.6177	21.4803	0.8626	+4.2%
1 Brazilian Real	3.8075	3.6450	(0.1624)	-4.3%

EXCHANGE RATE EFFECT (€ vs. currency)	Closing Exchange Rate			
	Dec-16	Dec-17	difference	%
1 US Dollar	1.0513	1.1996	0.1483	+14.1%
1 Australian Dollar	1.4597	1.5376	0.0779	+5.3%
1 Mexican Peso	21.7900	23.5669	1.7769	+8.2%
1 Brazilian Real	3.4201	3.9732	0.5531	+16.2%

EXCHANGE RATE EFFECT Euro million	Grupo ACS			
	USD	AUD	Others	Total
Backlog	(3,147)	(1,234)	(890)	(5,272)
Sales	(433)	36	(103)	(500)
Ebitda	(9)	4	(21)	(26)
Ebit	(6)	3	(20)	(24)
Net Profit	(0)	1	(11)	(11)

EXCHANGE RATE EFFECT	Construction			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	(3,000)	(1,233)	(243)	(4,476)
Sales	(417)	36	(23)	(404)
Ebitda	(9)	4	(1)	(6)
Ebit	(7)	3	(0)	(5)
Net Profit	(4)	1	(0)	(3)

EXCHANGE RATE EFFECT	Industrial Services			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	(146)	(2)	(642)	(790)
Sales	(16)	0	(76)	(91)
Ebitda	1	0	(21)	(20)
Ebit	1	0	(20)	(19)
Net Profit	3	0	(12)	(8)

EXCHANGE RATE EFFECT	Services			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	0	0	(5)	(5)
Sales	0	0	(4)	(4)
Ebitda	0	0	0	0
Ebit	0	0	0	0
Net Profit	0	0	0	0

8.9 Main Awards of the Period

In blue the new awards corresponding to the last quarter

8.9.1 Construction

Project	Type of Project	Region	€ mn
Project for the construction of the Westgate tunnel that includes widening the West Gate Freeway from 8 to 12 lanes, the construction of a new tunnel from the West Gate Freeway to the Maribyrnong river, a new bridge over the Maribyrnong river and a elevated road that will give direct access to the port of Melbourne, CityLink and city's north, as well as infrastructures for cyclists and pedestrians (Australia)	Civil Works	Asia Pacific	1,602.2
Operating and maintenance services for Melbourne suburban network (Australia)	Civil Works	Asia Pacific	1,270.0
Project for the construction of a new metro railway crossing deep under the Sydney Harbour comprising contract to deliver twin 15.5km tunnels and associated civil works on Stage 2 of the Sydney Metro project(Australia)	Civil Works	Asia Pacific	853.7
Project for the expansion of Denver International Airport (United States)	Building	America	616.0
Project for design, construction and other identified activities for the Long Island Rail Road (LIRR) expansion from Floral Park to Hicksville (New York, United States)	Civil Works	America	607.3
Execution of Zuidasdok project comprising the broadening and tunneling of the A10 South in Amsterdam, the road will go underground at the level of the current Amsterdam Zuid station (Amsterdam, Netherlands)	Civil Works	Europe	420.7
Project for expanding of the existing Terminal 1 and 2 at Hong Kong International Airport	Building	Asia Pacific	376.0
Contract for mining services in Mount Pleasant coal mine (New South Wales, Australia)	Contract mining	Asia Pacific	356.5
Design and construction of approximately 7.9km of sewer tunnels as well as associated hydraulic facilities in Singapore	Civil Works	Asia Pacific	316.6
Contract for the construction of concrete gravity structures for offshore platforms for White Rose project (Canada)	Hydraulic	America	305.6
Project for the construction of East Kowloon cultural centre in Hong Kong	Building	Asia Pacific	298.0
Extension of the contract for mining operation at Yallourn mine (Australia)	Contract Mining	Asia Pacific	296.4
Mining services in the Gunung Bara Utama (GBU) Coal Mine in Indonesia	Contract Mining	Asia Pacific	292.1
Mining services at BHP Billiton Mitsubishi Alliance's Caval Ridge and Peak Downs coal mine in Queensland(Australia)	Contract Mining	Asia Pacific	287.9
Pacific Highway upgrade works (New South Wales, Australia)	Civil Works	Asia Pacific	244.0
Works for the development of the Metro Tunnel project in Victoria on the new line between Sunbury and Cranbourne / Pakenham (Australia)	Civil Works	Asia Pacific	202.7
Extension of the contract for mining operation at Mahakam Sumber Jaya in Indonesia	Contract Mining	Asia Pacific	199.7
Expansion of mining services contract at Sangatta coal mine (Indonesia)	Contract Mining	Asia Pacific	196.3
Contract for facility management of the Auckland Council's assets (Australia)	Services	Asia Pacific	171.9
Project for the expansion and improvement of 3 miles of Interstate 820 in Texas (United States)	Civil Works	America	153.0
Building of Christchurch Convention and Exhibition Centre (New Zealand)	Building	Asia Pacific	148.2
Construction of 11.3 km highway in Mackay ring road (Queensland, Australia)	Civil Works	Asia Pacific	144.4

Project for the construction of the new bridge on the current NC12 road between Pea Island National Wildlife Refuge and the city of Rodanthe (North Carolina, United States)	Civil Works	America	136.0
Extension of the contract for mining services at Jellinbah Plain pit (Central Queensland, Australia)	Contract Mining	Asia Pacific	125.9
Contract for the highway 427 expansion in Ontario, the contract involves the design, build, finance and maintain (DBFM) of approx. 10.6 km (Canada)	Civil Works	America	125.5
Design and construction of Northlink Stage 3 comprising the construction of a free-flowing dual carriageway between Ellenbrook and Muchea (Perth, Australia)	Civil Works	Asia Pacific	124.0
Modernization and enlargement works for the Coolidge Senior High School (Washington, United States)	Building	America	120.0
Removal and replacement of the existing double leaf bascule bridge at Bruckner Boulevard Service Road over Westchester Creek (New York, United States)	Civil Works	America	115.3
Expansion of the Ottawa light rail transit with expansion to Belfast Yard and supply of 38 LRV's for Stage 2 Confederation Line (Canada)	Civil Works	America	112.1
Project for M1 Pacific Motorway widening (New South Wales, Australia)	Civil Works	Asia Pacific	103.0
Construction and development of different subway stations of the Line 3 of the Santiago de Chile subway (Chile)	Civil Works	America	99.6
Contract mining services for Satui and Bayan's Wahana coal mines in Indonesia	Contract mining	Asia Pacific	96.0
Upgrade works in Capricornia correctional centre (Queensland, Australia)	Building	Asia Pacific	96.6
Construction of the highway Ruta Nacional Nº 19 between San Francisco and Río Pomero in Córdoba province (Argentina)	Civil Works	America	95.2
Project for expansion and upgrade works for Junee prison (New South Wales, Australia)	Building	Asia Pacific	94.6
Improvement works in the I95 highway in Miami (Florida, United States)	Civil Works	America	90.7
Project for the enlargement of the existing SH 288 in Brazoria county (Texas, United States)	Civil Works	America	89.2
Engineering, procurement and construction of stage one of Bannerton solar park, including associated substation and Powercor Australia grid connection (Victoria, Australia)	Civil Works	Asia Pacific	88.4
Expansion and upgrades works for San Diego's airport terminal 2 (California, United States)	Building	America	87.0
Works for the modification and upgrade of Isabella Lake dam in Kern County (California, United States)	Civil Works	America	86.0
Construction of Business Garden office building in Wroclaw (Poland)	Building	Europe	84.7
Renovation works in Stratford high school (Connecticut, United States)	Building	America	84.0
Works for the replacement of two bridges in the Myrtle Avenue railway line (New York, United States)	Civil Works	America	76.3
Design and construction of four new primary schools (three in Auckland and one in Hamilton) as well as operational services of the schools for 25 years (Australia)	Building	Asia Pacific	72.9
Works for the construction of zinc- copper processing plants in Woodland mine (New South Wales, Australia)	Contract mining	Asia Pacific	72.4

8.9.2 Industrial Services

Project	Type of Project	Region	€ mn
Project for the EPC construction of photovoltaic plants in Spain with a total installed capacity of 1,550 MW	EPC Projects	Spain	1,100.0
Works for the modernization of the Talara refinery consisting of the execution of auxiliary units and complementary works (Peru)	EPC Projects	America	780.0
Project for the construction of a sour gas compression platform in the Ku-Maloob-Zaap oilfield in the Bya of Campeche (Mexico)	EPC Projects	America	606.9
Project Dolwin 6 consisting in construction of a platform for an HVDC offshore converter in the German North Sea (Germany)	EPC Projects	America	336.0
Contract for the installation and maintenance of the photovoltaic plants of Santa María and Orejana with an installed capacity of 166 MW and 125 MW respectively in Chihuahua and Sonora (Mexico)	EPC Projects	America	246.8
EPC project for the construction of a photovoltaic plant in Matsuzaka with an installed capacity of 100MW (Japan)	EPC Projects	Asia Pacific	196.8
Desalination plant construction for Spence mine in Chile	EPC Projects	America	165.0
Design, construction, operation and maintenance of the Gamboa water treatment plant (Panama)	EPC Projects	America	110.7
Maintenance services for the highway section between Matehuala and Saltillo in the state of Nuevo León (Mexico)	Control systems	America	98.0
Project for the expansion of the Oita photovoltaic plant (Japan)	EPC Projects	Asia Pacific	75.8
Engineering, purchase, construction and commissioning of the Jorf Lasfar cogeneration plant associated with a sulfuric acid plant, with two steam turbines of 60 MW each (Morocco)	EPC Projects	Africa	71.5
Project for the expansion of the potable water treatment capacity of the General Belgrano treatment plant (Buenos Aires, Argentina)	Specialized Products	America	64.1
Project to optimize the supply of drinking water and sewerage of North Lima (Peru)	Specialized Products	America	52.6
Award of two contracts for the installation and maintenance of medium and low voltage electrical networks for Enel in the regions of Liguria and Piedmont (Italy)	Specialized Products	Europe	51.7
Design, construction and equipment of the Montero hospital in Bolivia	EPC Projects	America	50.6
Construction and equipment of the new 250 bed hospital of Kuito (Angola)	EPC Projects	Africa	46.2
EPC project for the construction of Hidromanta hydroelectric power plant with an installed capacity of 19.8 MW (Peru)	EPC Projects	America	40.5
Works for the construction and development of the Atami photovoltaic plant (Japan)	EPC Projects	Asia Pacific	33.0
Contract for point of sale outsourcing in 6,000 Repsol oil service stations in Spain	Control Systems	Europe	28.0
Electrical installations for Champlain bridge in Canada	Specialized products	America	26.3
Design, installation, operation and maintenance of signaling system of Gaborone public transport (Botswana)	Control Systems	Africa	25.3
Works for the development of the PECASA wind farm with an installed capacity of 50 MW (Dominican Republic)	Specialized Products	America	25.3
Concession of the electronic collection system for the SITEUR (Urban Electric Train System) in the city of Guadalajara (Jalisco, Mexico)	Control Systems	America	24.8
Job Order Contract for the development of various construction and maintenance services at the Rota Naval Base (Spain)	Specialized Products	Europe	22.4

8.9.3 Services

Project	Type of Project	Region	€ mn
Renewal of the service contract for people with reduced mobility at the airports of Barcelona, Reus, Santiago, Asturias, Palma de Mallorca, Ibiza and Menorca (Spain)	Services for citizens	Spain	88.4
Renewal and extension of the cleaning service contract for Madrid subway stations (Spain)	Services for buildings	Spain	70.7
Renewal of the contract for the cleaning service in the facilities of the General Directorate of the Police (Spain)	Services for buildings	Spain	41.5
Cleaning services contract for Miguel Servet Hospital (Zaragoza, Spain)	Services for buildings	Spain	35.8
Contract for the facility management of Burgos Archbishop retirement home (Spain)	Services for citizens	Spain	32.0
Renewal of the cleaning services contract for Ramón y Cajal and Niño Jesús Hospitals (Madrid, Spain)	Services for buildings	Spain	31.2
Contract for the facility management of "El Villar" retirement home in Corella (Navarra, Spain)	Services for citizens	Spain	30.6
Contract for home help service for the city of Santa Cruz de Tenerife (Spain)	Services for citizens	Spain	30.2
Extension of the cleaning service contract for the facilities of the Ministry of Defense (Spain)	Services for buildings	Spain	20.9
Cleaning, disinfection, disinfestation and disinfestation services in Ciudad Real (Spain)	Services for buildings	Spain	18.8
Extension of the home help service at the Barcelona City Council	Services for citizens	Spain	18.6
Extension of the home help service contract for Malaga (Spain)	Services for citizens	Spain	17.7
Contract for the cleaning service at the Renault factory in Valladolid (Spain)	Services for buildings	Spain	17.0
New contract for home care services in Las Palmas de Gran Canaria (Spain)	Services for citizens	Spain	16.7

9 Grupo ACS organisational structure

The ACS Group is a reference in the infrastructure sector worldwide. This sector contributes to a great extent to the economic and social development of the different regions of the world in an increasingly competitive, demanding and global market.

The main areas of the Group are divided into:

a) Construction

This area includes the activities of Dragados, Hochtief (including CIMIC) and Iridium and is oriented to the development of all types of projects of Civil Works, Building and activities related to the mining sector (carried out by CIMIC, mainly in Asia Pacific). The geographic regions with the highest exposure in this area are North America, Asia Pacific and Europe, mainly operating in developed and geopolitical, macroeconomic and legal safe markets.

b) Industrial Services

The area is dedicated to applied industrial engineering, developing activities of construction, operation and maintenance of energy, industrial and mobility infrastructures through an extensive group of companies headed by Grupo Cobra and Dragados Industrial. This area has a presence in more than 50 countries, with a predominant exposure to the Mexican and Spanish market despite the rapid growth in new Asian and Latin American countries.

c) Services

After the sale of Urbaser (in December 2016, reclassified as a discontinued activity in the year 2016 and comparable period) and Sintax (February 2017, which is included in the year 2016), this area only includes Clece's facility management activity which comprises maintenance of buildings, public places or organizations, as well as assistance to people. This area is fundamentally based in Spain despite an incipient growth of the European market.



10 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	dic-17	dic-16
Market capitalisation	Num of shares at period close x price at period close	10,264	9,446
Earnings per share	Net Profit of the period / Average num of shares of the period	2.57	2.44
Net Attributable profit	Total Income - Total Expenses of the period - Minority interests result	802	751
Average num. of shares of the period	Daily average outstanding shares in the period adjusted by treasury stock	312.0	308.1
Backlog	Value of the contracts awarded and pending to be executed. 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)	67,082	66,526
Gross Operating Profit (EBITDA)	Operating Profit excluding (1) D&A y (2) non recurrent operating results and/or which dont imply a cash flow + Net Results from Joint Ventures	2,279	2,023
(+) Operating Profit	Operating income - Operating expenses	1,329	1,237
(-) 1.D&A	Operating provisions and fix asset depreciation	(653)	(578)
(-) 2. Non recurrent operating results and/or which dont imply a cash flow	Impairment & gains on fixed assets + other operating results	(186)	(131)
(+) 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	111	77
Net Financial Debt / EBITDA	Net Financial Debt / Annualized EBITDA	0.1x	0.6x
Net Financial Debt (1)-(2)	Gross external financial debt + Net debt with group companies - Cash & Equivalents	153	1,214
(1) Deuda Financiera Bruta	Bank debt + Obligations and other negotiable securities + Project finance and non recourse debt + Financial lease + Other l/t non bank debt + Debt with group companies	8,040	8,689
(2) Cash & Equivalents	Temporary Financial investments + L/T deposits + Cash & Equivalents	7,887	7,475
Annualized EBITDA	EBITDA of the period / num of month within the period x 12 months	2,279	2,023
Net Cash Flow	(1) Cash Flow from operating activities + (2) Cash Flow from investing activities + (3) Other Cash flows	1,042	1,380
1. Cash Flow from operating activities	Adjusted Net Profit attributable + Operating working capital variation ex discontinued operations	1,863	1,376
Adjusted Net Profit attributable	Net profit attributable (+/-) adjustments of concepts which dont imply an operating cash flow	1,672	1,397
Operating working capital variation	Working capital variation of the period (+/-) ajustments of non operating concepts (Ej: dividends, interests, taxes, etc)	192	(21)
2. Cash Flow from investing activities	Net investments (paid/collected) ex discontinued operations	(308)	594
(-) 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	(915)	(1,403)
(+) 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	607	1,997
3. Other Cash Flows	Treasury stock sale/acquisition + Dividend payments + Other financial sources + Cash generated from discontinued operations	(513)	(591)
Ordinary Financial Result	Financial Income - Financial expenses	(283)	(340)
Net Financial Result	Ordinary financial result + Foreign exchange results + Impairment non current assets results + Results on non current assets disposals	(50)	(310)
Working Capital	Stock + Total accounts receivables - Total accounts payables - other current liabilities	(3,369)	(3,681)

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	Comparable ratio of the Group's indebtedness level. It measures the repayment capacity of the financing in number of years.
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	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
Net Financial Result	
Working Capital	

DISCLAIMER

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

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