



1H18

Results Report

July 25th, 2018

INDEX

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1 Executive Summary

1.1. Main figures

| Grupo ACS | | <i>Key operating & financial figures</i> | | |
|--------------------------------|---------------|--|---------------|--|
| <i>Euro Million</i> | 6M17 | 6M18 | Var. | |
| Turnover | 17,386 | 17,777 | +2.2% | |
| Backlog | 65,200 | 69,782 | +7.0% | |
| <i>Months</i> | 22 | 23 | | |
| EBITDA ⁽¹⁾ | 1,224 | 1,248 | +2.0% | |
| <i>Margin</i> | 7.0% | 7.0% | | |
| EBIT ⁽¹⁾ | 900 | 946 | +5.1% | |
| <i>Margin</i> | 5.2% | 5.3% | | |
| Attributable Net Profit | 416 | 447 | +7.4% | |
| EPS | 1.33 € | 1.44 € | +7.6% | |
| Net Investments | 224 | 123 | -45.1% | |
| Investments | 364 | 415 | | |
| Disposals | 140 | 292 | | |
| Total Net Debt | 1,654 | 58 | -96.5% | |
| Businesses' Net Debt | 1,430 | (136) | | |
| Project Financing | 224 | 195 | | |

Data presented according to Grupo ACS management criteria.

(1) It includes Net Results from Joint Ventures, not fully consolidated in the Group.

- Sales in the period accounted for € 17,777 million, an increase of 2.2% compared to prior period. Positive performance across activities despite the significant impact from the revalorization of the euro against main foreign currencies. Adjusted by this effect, sales grew by 10.1%.
- Backlog accounted for € 69,782 million, growing by 11.3%, adjusted by currency impacts. It is worth highlighting the strong growth rates in United States and Canada as well as the rebound in the Spanish and Mexican backlogs.
- EBITDA of the Group accounted for € 1,248 million, growing by 2.0%. EBITDA margin stable at 7.0%.
- EBIT accounted for € 946 million and grew by 5.1%. EBIT margin slightly increased up to 5.3%.

| Grupo ACS | | Main figures details | | |
|------------------|---------------|----------------------|--------------|--|
| Euro Million | 6M17 | 6M18 | Var. | |
| Backlog | 65,200 | 69,782 | +7.0% | |
| Direct | 60,219 | 65,125 | +8.1% | |
| Proportional* | 4,981 | 4,657 | -6.5% | |
| Work Done | 18,341 | 18,615 | +1.5% | |
| Direct | 17,386 | 17,777 | +2.2% | |
| Proportional* | 956 | 838 | -12.3% | |
| EBITDA | 1,224 | 1,248 | +2.0% | |
| Direct | 1,189 | 1,160 | -2.4% | |
| Proportional* | 35 | 88 | +149.7% | |
| EBIT | 900 | 946 | +5.1% | |
| Direct | 865 | 858 | -0.8% | |
| Proportional* | 35 | 88 | +149.7% | |

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

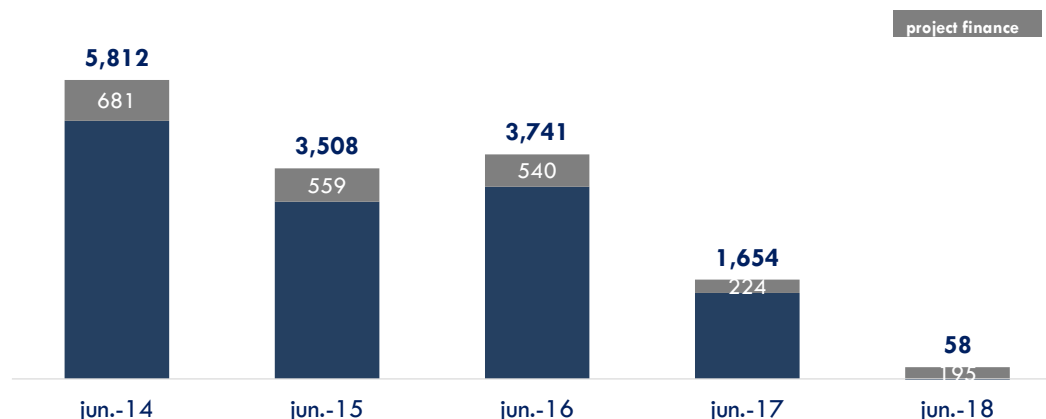
- Net profit of Grupo ACS accounted for € 447 million which represents a 7.4% increase, 13.3% adjusted by currency impacts. Solid growth rates across activities despite the impact from the exchange rate, particularly in Construction. Net Profit of the period includes € 26 million from Abertis' impact during the month of June.

| GRUPO ACS | | Net Profit | | |
|--------------------------------|------------|------------|--------------|--|
| Euro Million | 6M17 | 6M18 | Var. | |
| Net Profit Construction | 196 | 231 | +17.7% | |
| Net Profit Industrial Services | 209 | 214 | +2.5% | |
| Net Profit Services | 23 | 17 | -25.1% | |
| Net Profit Corporation | (12) | (15) | n.a | |
| Net Profit | 416 | 447 | +7.4% | |

NOTE: Services Net Profit includes the capital gain from Sintax's sale in 2017. Clece's Net Profit standalone grew by 10.2%.

- Net debt stood at € 58 million, € 1,596 million lower than the outstanding balance 12 months ago backed by a strong operating cash generation during this period.

Grupo ACS Indebtedness evolution



Data in Euro Million

- The bridge financing linked to the acquisition of Abertis is not included in the net debt as the transaction is not yet completed and does not reflect the final situation. The closing of the transaction is expected in the coming months.
- Excluding non-recourse debt to the parent company (project finance) net cash position stood at € 136 million

1.2. **Relevant facts**

a) Dividends

- 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. As a result, € 0.449 per share dividend was paid last February.
- Likewise, the General Shareholder's Meeting of the Company held on May 8th, 2018, approved the distribution of the complementary dividend for € 0.936 per share which has been paid in July 2018, through the scrip dividend system.

b) Corporate Governance

- On February 28th 2018, ACS' Board of Directors agreed to appoint Mr José Eladio Seco Domínguez as Coordinating Director, in replacement of the former one Mrs Catalina Miñarro Brugarolas. And also cease the board member Mr. Agustín Batuecas Torrego as member of the Appointments Committee.

c) Loans, credits and other financial operations

- On April 4th, 2018, the rating agency Standard and Poor's (S & P) assigned long-term corporate credit rating BBB and short-term credit rating A-2 to ACS Servicios, Comunicaciones y Energía S.L. (subsidiary wholly owned by ACS Actividades de Construcción y Servicios S.A.).
- On April 12th, 2018, ACS Servicios, Comunicaciones y Energía, SL, subsidiary of ACS Group, issued Green Bonds for a total amount of € 750 mn, to a term of eight years and with 1.875% annual interest, in order to refinance a large part of its financial debt. Previously, S & P also assigned the BBB / A-2 rating to those Green Bonds.

d) Mergers, acquisitions and transmission of shares

- On February 6th, 2018, the ACS Group reached an agreement for the sale of its stake in Saeta Yield S.A through its subsidiary Cobra, with the irrevocable acceptance of the takeover bid by a company controlled by Brookfield Asset Management. The transaction was completed by period end.
- On October 18th, 2017 HOCHTIEF A.G. launched a competitive offer on Abertis to the initial one launched by Atlantia Spa. in May of that same year. The price offered was 18.76 euros per share, both in cash and in shares of HOCHTIEF.
- Subsequently, on March 23th, 2018 ACS, HOCHTIEF and Atlantia signed an agreement to make a joint investment to acquire Abertis, HOCHTIEF committing to modify its initial offer so that the

entire offer was in cash at 18.36 euros per share, once adjusted by the dividend paid by Abertis in 2018.

- Likewise, the agreement contemplates the acquisition by Atlantia of a maximum stake of 24.1% in HOCHTIEF at a price of € 143.03 and a simultaneous capital increase of 10% in HOCHTIEF at the same price, so that ACS maintains its stake in a minimum of 50.2%. The final number of shares to be sold to Atlantia will depend on the final stake acquired in Abertis.
- The takeover ended on May 8th, being settled on the 15th, and after successive purchases in the market, on June 30th, 2018, the stake in the capital of Abertis rose to 95.33%, reaching total consideration of € 15,956 million.
- Today, July 25th, 2018, the Extraordinary Shareholders' Meeting of Abertis is taking place where the exclusion of the Stock Exchange of the company is subject to approval. This exclusion is expected to be completed in the coming days.
- Currently, the investment in Abertis, until its transfer to the holding company in the coming months, is included in the ACS Group balance sheet as follows:
 - As *Equity Method Investment*: the stake in Abertis held by the ACS Group as of June 30th, which amounted to 47.67% (a direct 28.60% and an indirect 19.07% through HOCHTIEF). The counterpart in the liabilities is accounted as a *Bridge Financing linked to the acquisition of Abertis*, which, for reporting purposes, is not considered part of the Group's net debt.
 - As *Assets Held for Sale*: the stake in Abertis that will be transferred to Atlantia according to the agreement, which stands at 47.67% (proportional to 50% plus one share of the total of Abertis shares acquired as of 30th June 2018 by HOCHTIEF). The financing of this part of the acquisition is accounted for as a *Liability linked to Assets Held for Sale*.

e) Other

- On July 6th, 2018, the ACS Group announced the award for the concession to build and operate the cable-stayed bridge longest in North America with an investment of more than € 2.6 billion. This project will be executed in a 50-50% JV by ACS Infrastructure (100% indirect subsidiary of ACS) and the US company Fluor

2 Consolidated Financial Statements

2.1 Income Statement

| Grupo ACS | | <i>Income statement</i> | | | |
|--|---------------|-------------------------|---------------|----------------|----------------|
| <i>Euro Million</i> | 6M17 | | 6M18 | | Var. |
| Net Sales | 17,386 | 100.0 % | 17,777 | 100.0 % | +2.2% |
| Other revenues* | 145 | 0.8 % | 242 | 1.4 % | +66.7% |
| Total Income | 17,531 | 100.8 % | 18,019 | 101.4 % | +2.8% |
| Operating expenses | (12,455) | (71.6 %) | (12,923) | (72.7 %) | +3.8% |
| Personnel expenses | (3,852) | (22.2 %) | (3,848) | (21.6 %) | -0.1% |
| Operating Cash Flow (EBITDA) | 1,224 | 7.0 % | 1,248 | 7.0 % | +2.0% |
| Fixed assets depreciation | (309) | (1.8 %) | (276) | (1.6 %) | -10.8% |
| Current assets provisions | (14) | (0.1 %) | (26) | (0.1 %) | +85.2% |
| Ordinary Operating Profit (EBIT) | 900 | 5.2 % | 946 | 5.3 % | +5.1% |
| Impairment & gains on fixed assets | (17) | (0.1 %) | 15 | 0.1 % | -184.3% |
| Other operating results | (64) | (0.4 %) | (49) | (0.3 %) | -24.2% |
| Operating Profit | 818 | 4.7 % | 912 | 5.1 % | +11.4% |
| Financial income | 104 | 0.6 % | 79 | 0.4 % | -24.0% |
| Financial expenses | (233) | (1.3 %) | (211) | (1.2 %) | -9.5% |
| Ordinary Financial Result | (129) | (0.7 %) | (132) | (0.7 %) | +2.3% |
| Foreign exchange results | (14) | (0.1 %) | (12) | (0.1 %) | -14.1% |
| Changes in fair value for financial instruments | 50 | 0.3 % | 70 | 0.4 % | +41.3% |
| Impairment & gains on financial instruments | 19 | 0.1 % | (74) | (0.4 %) | n.a. |
| Net Financial Result | (74) | (0.4 %) | (148) | (0.8 %) | +101.1% |
| Results on equity method | 10 | 0.1 % | 40 | 0.2 % | +294.6% |
| PBT of continued operations | 755 | 4.3 % | 804 | 4.5 % | +6.5% |
| Corporate income tax | (215) | (1.2 %) | (214) | (1.2 %) | -0.7% |
| Net profit of continued operations | 540 | 3.1 % | 590 | 3.3 % | +9.3% |
| Minority interest | (124) | (0.7 %) | (144) | (0.8 %) | +15.8% |
| Net Profit Attributable to the Parent Company | 416 | 2.4 % | 447 | 2.5 % | +7.4% |

* Includes, apart from other revenues, the Joint Ventures Net Results, which are those companies that are executing projects but managed with partners

2.1.1 Sales and Backlog

- Net sales accounted for € 17,777 million, 2.2% more than those registered in the same period of the prior year, 10.1% more adjusted by the impact from the Euro revalorization in the last twelve months.
- Sales breakdown by geographical areas demonstrates the diversification of the Group's revenue sources, where North America represents 44.5% of the sales, Asia Pacific 27.3%, Spain 13.9% and the remaining regions 14.3%.

| Grupo ACS | | | | | |
|-------------------------------------|---------------|----------|---------------|----------|--------------|
| Sales per Geographical Areas | | | | | |
| <i>Euro Million</i> | 6M17 | % | 6M18 | % | Var. |
| Spain | 2,186 | 12.6 % | 2,479 | 13.9% | +13.4% |
| Rest of Europe | 1,275 | 7.3 % | 1,128 | 6.3% | -11.5% |
| North America | 7,605 | 43.7 % | 7,903 | 44.5% | +3.9% |
| South America | 1,065 | 6.1 % | 1,175 | 6.6% | +10.3% |
| Asia Pacific | 4,947 | 28.5 % | 4,851 | 27.3% | -2.0% |
| Africa | 307 | 1.8 % | 241 | 1.4% | -21.5% |
| TOTAL | 17,386 | | 17,777 | | +2.2% |

| Sales per Geographical Area <i>(inter area of activity adjustments excluded)</i> | | | | | | | | | |
|---|---------------------|---------------|--------------|----------------------------|--------------|--------------|-----------------|-------------|--------------|
| <i>Euro Million</i> | Construction | | | Industrial Services | | | Services | | |
| | 6M17 | 6M18 | % | 6M17 | 6M18 | % | 6M17 | 6M18 | % |
| Spain | 552 | 575 | +4.2% | 976 | 1,205 | +23.5% | 671 | 708 | +5.6% |
| Rest of Europe | 1,017 | 895 | -12.0% | 223 | 187 | -16.0% | 35 | 46 | +30.2% |
| North America | 6,904 | 7,189 | +4.1% | 701 | 714 | +1.9% | 0 | 0 | n.a. |
| South America | 233 | 188 | -19.3% | 832 | 987 | +18.6% | 0 | 0 | n.a. |
| Asia Pacific | 4,396 | 4,506 | +2.5% | 551 | 345 | -37.5% | 0 | 0 | n.a. |
| Africa | 0 | 0 | n.a. | 307 | 241 | -21.5% | 0 | 0 | n.a. |
| TOTAL | 13,102 | 13,353 | +1.9% | 3,590 | 3,679 | +2.5% | 706 | 754 | +6.9% |

- In Construction, it is worth noting the recovery of the activity in Spain which experienced an increase of 4.2% and the growth in North America which stood at 4.1%, despite the significant impact from the US dollar depreciation, adjusted by this effect, it grew by 14.6%. Activity in Asia Pacific rose by 10.5% adjusted by the depreciation of the Australian dollar.
- In Industrial Services, sales in Spain grew by 23.5% thank to the initiation of the PV projects. South America grew by 18.6% mainly underpinned by Brazil Chile and Peru. Likewise, it is worth noting the recovery in North America, mainly coming from Mexico, which grew by 1.9%.
- Clece sales increased by 6.9% with relevant growth both in the domestic and international markets.

| Grupo ACS | | | | | |
|---------------------------------------|---------------|----------|---------------|----------|--------------|
| Backlog per Geographical Areas | | | | | |
| <i>Euro Million</i> | Jun-17 | % | Jun-18 | % | Var. |
| Spain | 6,603 | 10.1 % | 7,469 | 10.7% | +13.1% |
| Rest of Europe | 5,478 | 8.4 % | 5,576 | 8.0% | +1.8% |
| North America | 22,206 | 34.1 % | 28,699 | 41.1% | +29.2% |
| South America | 4,919 | 7.5 % | 4,587 | 6.6% | -6.8% |
| Asia Pacific | 25,216 | 38.7 % | 23,098 | 33.1% | -8.4% |
| Africa | 777 | 1.2 % | 352 | 0.5% | -54.7% |
| TOTAL | 65,200 | | 69,782 | | +7.0% |

- Group's backlog stood at € 69,782 million growing by 7.0% Adjusted by currency effect, backlog grew by 11.3%

| Backlog per Geographical Area | | | | | | | | | |
|--------------------------------------|---------------------|---------------|--------------|----------------------------|---------------|--------------|-----------------|---------------|---------------|
| <i>Euro Million</i> | Construction | | | Industrial Services | | | Services | | |
| | Jun-17 | Jun-18 | % | Jun-17 | Jun-18 | % | Jun-17 | Jun-18 | % |
| Spain | 2,631 | 2,797 | +6.3% | 2,076 | 2,431 | +17.1% | 1,896 | 2,240 | +18.2% |
| Rest of Europe | 5,041 | 4,828 | -4.2% | 343 | 582 | +69.9% | 95 | 166 | +75.6% |
| North America | 20,442 | 26,754 | +30.9% | 1,765 | 1,945 | +10.2% | 0 | 0 | n.a. |
| South America | 2,097 | 1,248 | -40.5% | 2,823 | 3,339 | +18.3% | 0 | 0 | n.a. |
| Asia Pacific | 23,975 | 22,258 | -7.2% | 1,241 | 840 | -32.3% | 0 | 0 | n.a. |
| Africa | 118 | 28 | -76.1% | 659 | 324 | -50.8% | 0 | 0 | n.a. |
| TOTAL | 54,303 | 57,913 | +6.6% | 8,906 | 9,462 | +6.2% | 1,991 | 2,407 | +20.9% |

- Construction backlog grew by 6.6%, 10.6% adjusted by currency impact. It is worth noting the positive evolution of the backlog in North America, both in the US and Canada, as well as the recovery of the domestic backlog which grew by 6.3%. Meanwhile, backlog in South America decreased significantly due to the sale of businesses in some countries in the region.
- Industrial Services experienced a growth in its backlog of 12.9%, adjusted by the currency impact with strong growth rates across regions. It is worth noting the domestic backlog recovery by 17.1% backed by the recent award of the PV plants and a significant growth in the rest of Europe's backlog.

Likewise, it is worth noting the double digit growth in backlog in the American continent. Both in North America, mainly in Mexico, that maintains its recovery trend, and South America with strong awards mainly in water treatment plants in several countries of the region during the second half of last year.

- Clece's backlog increased by 20.9% 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 | | |
|----------------------------|--------------|--------------------------|--------------|--|
| <i>Euro Million</i> | 6M17 | 6M18 | Var. | |
| EBITDA | 1,224 | 1,248 | +2.0% | |
| <i>EBITDA Margin</i> | <i>7.0%</i> | <i>7.0%</i> | | |
| Depreciation | (309) | (276) | -10.8% | |
| <i>Construction</i> | <i>(280)</i> | <i>(243)</i> | | |
| <i>Industrial Services</i> | <i>(17)</i> | <i>(21)</i> | | |
| <i>Services</i> | <i>(12)</i> | <i>(11)</i> | | |
| <i>Corporation</i> | <i>(0)</i> | <i>(1)</i> | | |
| Current assets provisions | (14) | (26) | +85.2% | |
| EBIT | 900 | 946 | +5.1% | |
| <i>EBIT Margin</i> | <i>5.2%</i> | <i>5.3%</i> | | |

- EBITDA accounted for € 1,248 million, showing an increase of 2.0% compared to June 2017, in line with sales growth.
- EBIT accounted for € 946 million, growing by 5.1% with respect to the prior period and improving its margin over sales as a result of lower amortizations in the Construction activity.

2.1.3 Financial Results

- The ordinary financial result increased by 2.3% due to lower financial income with respect to the prior period which included certain non-recurrent items in the Construction activity.
- Financial expenses dropped by 9.5% mainly due to the reduction of the average gross debt of the Group and the improvement in the financing conditions.

| Grupo ACS | | Financial Results | | |
|----------------------------------|--------------|--------------------------|---------------|--|
| <i>Euro Million</i> | 6M17 | 6M18 | Var. | |
| Financial income | 104 | 79 | -24.0% | |
| Financial expenses | (233) | (211) | -9.5% | |
| Ordinary Financial Result | (129) | (132) | +2.3% | |
| <i>Construction</i> | <i>(64)</i> | <i>(83)</i> | <i>+30.3%</i> | |
| <i>Industrial Services</i> | <i>(28)</i> | <i>(35)</i> | <i>+26.3%</i> | |
| <i>Services</i> | <i>(4)</i> | <i>(3)</i> | <i>-33.5%</i> | |
| <i>Corporation</i> | <i>(33)</i> | <i>(10)</i> | <i>-68.6%</i> | |

- Regarding the net financial result, the item of "Changes in fair value of financial instruments" includes the revalorization effect of the option over MásMóvil shares during the period which offsets other extraordinary results, accounted in the item "Impairment & gains on financial instruments".

| Grupo ACS | | Financial Results | |
|--|--------------|--------------------------|----------------|
| <i>Euro Million</i> | 6M17 | 6M18 | Var. |
| Ordinary Financial Result | (129) | (132) | +2.3% |
| <i>Foreign exchange results</i> | (14) | (12) | -14.1% |
| <i>Changes in fair value for financial instruments</i> | 50 | 70 | +41.3% |
| <i>Impairment & gains on financial instruments</i> | 19 | (74) | n.a |
| Net Financial Result | (74) | (148) | +101.1% |

2.1.4 Results from Associates

- The Results from Associates (Results on Equity Method) amounted to € 40 million, mainly from the contribution of Abertis during the month of June and the rest of the companies by the equity method of Iridium.
- The contribution of Abertis to these results during the month of June amounts to € 29 million from the proportional part of the Abertis result, the impact of the amortization of the provisional PPA (Purchase Price Allocation) as well as the estimated financial and transaction expenses derived from the acquisition, net of the tax effect. The impact on net profit attributable to ACS amounts to € 26 million, net of minority interests of HOCHTIEF.

| Grupo ACS | | Results from Equity Method | |
|---|-------------|-----------------------------------|----------------|
| <i>Euro Million</i> | 6M17 | 6M18 | Var. |
| Abertis (ACS Group stake of 47.7%) | 0 | 29 | n.a |
| <i>ACS direct stake (28.6%)</i> | 0 | 17 | |
| <i>Indirect stake through HOT (19.1%)</i> | 0 | 12 | |
| Other | 10 | 11 | +10.1% |
| Results from associates | 10 | 40 | +294.6% |

2.1.5 Net Profit Attributable to the Parent Company

| Grupo ACS | | Net Profit breakdown | |
|-----------------------------|-------------|-----------------------------|--------------|
| <i>Euro Million</i> | 6M17 | 6M18 | Var. |
| Construction ⁽¹⁾ | 196 | 231 | +17.7% |
| Industrial Services | 209 | 214 | +2.5% |
| Services | 23 | 17 | -25.1% |
| Corporation ⁽²⁾ | (12) | (15) | n.a. |
| TOTAL Net Profit | 416 | 447 | +7.4% |

(1) Includes contribution from Abertis corresponding to the indirect stake held by HOCHTIEF

(2) Includes contribution from Abertis corresponding to the direct stake held by ACS

NOTE: Services Net Profit includes the capital gain from Sintax's sale in 2017. Clece's Net Profit standalone grew by 10.2%.

- Grupo ACS Net Profit in the first half 2018 reached € 447 million, 7.4% higher than the prior year.
- The effective corporate tax rate stands at 31.6%.

2.2 Consolidated Balance Sheet

| Grupo ACS | | Consolidated balance sheet | | | |
|--|----------------|-----------------------------------|----------------|----------------|---------------|
| <i>Euro Million</i> | dic.-17 | | jun.-18 | | Var. |
| FIXED and NON-CURRENT ASSETS | 11,247 | 35.3 % | 18,379 | 39.5 % | +63.4% |
| Intangible Fixed Assets | 4,264 | | 4,216 | | -1.1% |
| Tangible Fixed Assets | 1,606 | | 1,603 | | -0.2% |
| Equity Method Investments | 1,569 | | 9,051 | | +476.9% |
| Non current financial assets | 1,704 | | 1,342 | | -21.3% |
| Long Term Deposits | 8 | | 8 | | -0.8% |
| Financial instrument debtors | 52 | | 58 | | +11.1% |
| Deferred Taxes Assets | 2,043 | | 2,100 | | +2.8% |
| CURRENT ASSETS | 20,634 | 64.7 % | 28,197 | 60.5 % | +36.7% |
| Non Current Assets Held for Sale | 411 | | 8,500 | | n.a. |
| Inventories | 1,020 | | 1,023 | | +0.3% |
| Accounts receivables | 10,753 | | 10,185 | | -5.3% |
| Other current financial assets | 1,559 | | 2,024 | | +29.8% |
| Financial instrument debtors | 393 | | 123 | | -68.6% |
| Other Short Term Assets | 178 | | 181 | | +1.9% |
| Cash and banks | 6,319 | | 6,160 | | -2.5% |
| TOTAL ASSETS | 31,881 | 100.0 % | 46,575 | 100.0 % | +46.1% |
| NET WORTH | 5,164 | 16.2% | 3,209 | 6.9 % | -37.9% |
| Equity | 3,959 | | 2,592 | | -34.5% |
| Value change adjustments | (216) | | (282) | | +30.9% |
| Minority Interests | 1,421 | | 899 | | -36.7% |
| NON-CURRENT LIABILITIES | 7,903 | 24.8% | 8,097 | 17.4 % | +2.5% |
| Subsidies | 4 | | 3 | | -13.4% |
| Long Term Provisions | 1,567 | | 1,639 | | +4.6% |
| Long Term Financial Liabilities | 5,161 | | 5,253 | | +1.8% |
| Bank loans and debt obligations | 4,810 | | 4,945 | | +0.0% |
| Project Finance | 147 | | 170 | | +0.0% |
| Other financial liabilities | 203 | | 138 | | +0.0% |
| Financial Instruments Creditors | 48 | | 46 | | -5.4% |
| Long term deferred tax liabilities | 1,020 | | 1,047 | | +2.7% |
| Other Long Term Accrued Liabilities | 104 | | 109 | | +5.4% |
| CURRENT LIABILITIES | 18,813 | 59.0% | 35,269 | 75.7 % | +87.5% |
| Liabilities from Assets Held for Sale | 221 | | 8,309 | | n.a. |
| Short Term Provisions | 903 | | 891 | | -1.3% |
| Short Term Financial Liabilities | 2,879 | | 10,975 | | +281.2% |
| Bank loans and debt obligations | 2,676 | | 2,854 | | +6.6% |
| Project Finance | 48 | | 25 | | +0.0% |
| Bridge financing linked to Abertis acquisition | 0 | | 7,978 | | +0.0% |
| Other financial liabilities | 155 | | 118 | | +0.0% |
| Financial Instruments Creditors | 68 | | 64 | | -4.7% |
| Trade accounts payables | 14,279 | | 14,385 | | +0.7% |
| Other current payables | 464 | | 644 | | +38.8% |
| TOTAL EQUITY & LIABILITIES | 31,881 | 100.0% | 46,575 | 100.0 % | +46.1% |

2.2.1 Non-Current Assets

- Intangible assets which amount to € 4,216 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, the Group's stake in Abertis, energy assets from Cobra and several concessions from Iridium.

2.2.2 Abertis accounting

- 47.67% of the stake in Abertis Infraestructuras, S.A. (proportional to 50% minus one share of the total shares acquired by HOCHTIEF) is accounted as *Equity Method Investments*. The counterpart in the liability is recorded in a provisional account as *Bridge Financing linked to the acquisition of Abertis*.
- The total amount of Equity Method Investment for Abertis amounts to € 7,994 million and corresponds to the direct stake held by ACS of 28.60% and to the 19.07% indirect stake through HOCHTIEF. This amount basically corresponds to the 47.67% of the carrying amount from the investment (€ 7,978 million) plus the contribution of Abertis in the period.
- The remaining shares of Abertis acquired by HOCHTIEF until its transfer to Atlantia according to the agreement, are recorded as *Assets Held for Sale* for an amount of € 7,978 million. The financing of this part of the acquisition is recorded as a *Liability linked to Assets Held for Sale* for the same amount

2.2.3 Working Capital

| Grupo ACS | | | | | Working Capital evolution | |
|---------------------|----------------|----------------|----------------|----------------|---------------------------|----------------|
| Euro Million | jun.-17 | sep.-17 | dic.-17 | mar.-18 | jun.-18 | var. 17-18 |
| Construction | (2,077) | (1,969) | (2,691) | (3,259) | (3,629) | (1,552) |
| Industrial Services | (939) | (865) | (977) | (897) | (844) | 94 |
| Services | 5 | 28 | (33) | (18) | (34) | (39) |
| Corporation | 242 | 108 | 332 | (11) | 35 | (206) |
| TOTAL | (2,769) | (2,698) | (3,369) | (4,185) | (4,472) | (1,703) |

- In the last 12 months, net working capital has increased its credit balance by € 1,703 million. This variation is due to the implementation of the IFRS 15 which reduced its balance in approximately €1.500 million.
- At June-end 2018, the balance of commercial discount and securitization amounted to € 1,454 million.

2.2.4 Net Worth

| Grupo ACS | | Net Worth | |
|--------------------------------|---------------|------------------|---------------|
| <i>Euro Million</i> | Dec-17 | Jun-18 | Var. |
| Shareholders' Equity | 3,959 | 2,592 | -34.5% |
| Adjustments from Value Changes | (216) | (282) | n.a |
| Minority Interests | 1,421 | 899 | -36.7% |
| Net Worth | 5,164 | 3,209 | -37.9% |

- ACS Net worth accounted for € 3,209 million by half-end, showing a decrease of 37.9% since December 2017. This is due to the new accounting rules IFRS 9 and 15 (see 8.3)
- 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.

2.2.5 Net Debt

| Net Debt (€ mn) | Construction | Industrial Services | Services | Corporation / Adjustments | Grupo ACS |
|---|---------------------|----------------------------|-----------------|----------------------------------|------------------|
| <i>June 30, 2018</i> | | | | | |
| LT loans from credit entities | 1,066 | 155 | 172 | 1,298 | 2,690 |
| ST loans from credit entities | 910 | 186 | 189 | 1 | 1,286 |
| Debt with Credit Entities | 1,976 | 341 | 361 | 1,299 | 3,977 |
| Bonds | 1,590 | 746 | 0 | 1,487 | 3,823 |
| Non Recourse Financing | 185 | 10 | 0 | 0 | 195 |
| Other financial liabilities* | 311 | 39 | 1 | (95) | 256 |
| Total Gross Financial Debt | 4,061 | 1,136 | 362 | 2,691 | 8,250 |
| ST* & other financial investments | 1,265 | 160 | 138 | 469 | 2,032 |
| Cash & Equivalents | 4,493 | 1,586 | 79 | 2 | 6,160 |
| Total cash and equivalents | 5,758 | 1,746 | 216 | 472 | 8,192 |
| NET FINANCIAL DEBT | (1,697) | (610) | 146 | 2,220 | 58 |
| <i>NET FINANCIAL DEBT previous year</i> | <i>(231)</i> | <i>(575)</i> | <i>206</i> | <i>2,255</i> | <i>1,654</i> |

- Net debt stood at € 58 million, € 1,596 million lower than the outstanding balance 12 months ago thanks to the positive evolution of the funds from operations.
- The implementation of the IFRS 9 implies the inclusion of the total investment in MasMovil as short term financial asset, at market value, which as of June 31th 2018, amounted to € 473 million.
- The Bridge Financing linked to the acquisition of Abertis amounting to € 7,978 million is not included in the net debt, as the transaction is not yet completed and does not reflect the final situation. It is expected for the transaction to be completed in the coming months.

2.3 Net Cash Flows

| Grupo ACS | | | | | | | Net Cash Flow | |
|---|--------------|------------|--------------|--------------|------------|--------------|---------------|---------------|
| Euro Million | 6M17 | | | 6M18 | | | Var | |
| | TOTAL | HOT | ACS exHOT | TOTAL | HOT | ACS exHOT | TOTAL | ACS exHOT |
| Cash Flow from Operating Activities before Working Capital | 907 | 535 | 372 | 1,015 | 553 | 462 | +11.9% | +24.3% |
| Operating working capital variation | (1,015) | (305) | (710) | (1,019) | (280) | (739) | | |
| Net CAPEX | (223) | (151) | (72) | (214) | (164) | (50) | | |
| Net Operating Cash Flow from continuing activities | (331) | 80 | (410) | (218) | 109 | (327) | -34.1% | -20.4% |
| Financial Investments/Disposals | (1) | (51) | 50 | 191 | (17) | 208 | | |
| Other Financial Sources | (5) | (1) | (4) | (91) | (86) | (5) | | |
| Free Cash Flow | (337) | 28 | (365) | (118) | 6 | (125) | -64.9% | -65.9% |
| Dividends paid | (72) | (7) | (65) | (57) | (5) | (51) | | |
| Treasury Stock | (76) | 0 | (76) | (188) | 0 | (188) | | |
| Total Cash Flow generated / (Consumed) | (485) | 21 | (506) | (363) | 1 | (364) | -25.1% | n.a. |
| <i>Net Debt variation in the Balance Sheet</i> | (480) | (363) | (118) | 95 | 87 | 8 | | |
| <i>Debt variation from perimeter changes and adjustments</i> | (108) | 17 | (125) | (434) | (83) | (351) | | |
| <i>Debt variation from currency effects</i> | (61) | 8 | (69) | (49) | (42) | (7) | | |

2.3.1 Operating Activities

- Cash Flow from Operating Activities before working capital amount to € 1,015 million, improving by 11.9% versus last year underpinned by the positive performance across activities.
- Operating working capital has an impact of € 1,019 million of cash outflow in the first half of 2018, due to the seasonality of the period, virtually stable compared to the prior period.

2.3.2 Investments

| Grupo ACS | | | | Investments breakdown | | | |
|---------------------------------|-----------------------|-----------------------|------------|---------------------------------|-----------------------|-------------------------------------|-----------------------|
| Euro Million | Operating Investments | Operating divestments | NET CAPEX | Project / Financial Investments | Financial Divestments | Net Project / Financial investments | Total Net Investments |
| Construction | 201 | (29) | 172 | 48 | (1) | 47 | 219 |
| <i>Dragados</i> | 24 | (15) | 8 | 0 | (0) | 0 | 9 |
| <i>Hochtief</i> | 177 | (14) | 164 | 18 | (1) | 17 | 181 |
| <i>Iridium</i> | 0 | 0 | 0 | 30 | (0) | 30 | 30 |
| Services | 17 | (2) | 14 | 1 | (0) | 1 | 15 |
| Industrial Services | 29 | (2) | 27 | 119 | (259) | (139) | (112) |
| Corporation & others | 0 | 0 | 0 | 0 | (0) | 0 | 0 |
| TOTAL | 246 | (33) | 214 | 169 | (260) | (91) | 123 |

- The total investments of the ACS Group amounted to € 416 million, while divestments amounted to € 293 million, resulting in a net balance of € 123 million of cash flow from investing activities.
- Additionally, in February of 2018, € 100 million corresponding to the sale Urbaser in 2016 were collected. This amount was accounted at that time but not included in the cash flow statement.
- Net operating CAPEX amounted to € 214 million and mainly corresponds to the acquisition of machinery for different projects in Contract Mining, Civil Works and Industrial Services.

- The main project and financial investments correspond to concessional project that are being currently developed by Cobra such as renewable energy plants and transmission lines.
- The main financial divestment in the period corresponds to the sale of SaetaYield for a total amount of € 241 million, included in Industrial Services.

2.3.3 Other Cash Flows

- The dividends paid for a total amount of € 51 million mainly correspond to the ACS scrip dividends paid in cash in February 2018.
- Likewise, € 188 million have been devoted to the acquisition of treasury stock to compensate the scrip dividends of 2018.

3 Areas of Activity Evolution

3.1 Construction

| Construction | | <i>Key figures</i> | |
|------------------------|----------------|--------------------|---------------|
| <i>Euro Million</i> | 6M17 | 6M18 | Var. |
| Turnover | 13,102 | 13,353 | +1.9% |
| EBITDA | 834 | 851 | +2.1% |
| <i>Margin</i> | 6.4% | 6.4% | |
| EBIT | 546 | 589 | +7.9% |
| <i>Margin</i> | 4.2% | 4.4% | |
| Net Profit | 196 | 231 | +17.7% |
| <i>Margin</i> | 1.5% | 1.7% | |
| Backlog | 54,303 | 57,913 | +6.6% |
| <i>Months</i> | 23 | 24 | |
| Awards | 15,411 | 16,331 | +6% |
| Working Capital | (2,077) | (3,629) | +74.7% |

- Construction sales accounted for € 13,353 million representing an increase of 10.8%, adjusted by the exchange rate effect. This evolution is mainly due to the strong growth in the US, the positive evolution in Asia Pacific and a higher demand in the domestic market.
- EBITDA accounted for € 851 million. Margin over sales stable at 6.4%. EBIT accounted for € 589 million, and grew by 7.9%. The depreciation of assets from the acquisition of HOCHTIEF (PPA) accounted for € 26.3 million in the period, 27% lower than that of the comparable period.
- Construction Net Profit reached € 231 million which implies a 17.7% increase due to the solid performance across businesses. This result includes € 8.3 million of the net contribution from Abertis attributable to ACS during the month of June.

| Construction | | <i>Sales per geographical areas</i> | |
|---------------------|---------------|-------------------------------------|--------------|
| <i>Euro Million</i> | 6M17 | 6M18 | Var. |
| Spain | 552 | 575 | +4.2% |
| Rest of Europe | 1,017 | 895 | -12.0% |
| North America | 6,904 | 7,189 | +4.1% |
| South America | 233 | 188 | -19.3% |
| Asia Pacific | 4,396 | 4,506 | +2.5% |
| Africa | 0 | 0 | n.a. |
| TOTAL | 13,102 | 13,353 | +1.9% |

- Sales in Asia Pacific grew by 10.5% and in North America by 14.6%, both adjusted by the exchange rates.

| Construction | | <i>Backlog per geographical areas</i> | | |
|---------------------|---------------|---------------------------------------|--------------|--|
| <i>Euro Million</i> | Jun-17 | Jun-18 | Var. | |
| Spain | 2,631 | 2,797 | +6.3% | |
| Rest of Europe | 5,041 | 4,828 | -4.2% | |
| North America | 20,442 | 26,754 | +30.9% | |
| South America | 2,097 | 1,248 | -40.5% | |
| Asia Pacific | 23,975 | 22,258 | -7.2% | |
| Africa | 118 | 28 | -76.1% | |
| TOTAL | 54,303 | 57,913 | +6.6% | |

- Backlog at the end of the period stood at € 57,913 million. Backlog adjusted by the revalorization of the euro against the main currencies grew by 10.6%. This positive evolution is underpinned by the growth in the order intake during the period up to 6.0%.

| Construction | | | | | | | | | | | | | | |
|------------------------------|-----------------|---------------|--------------|----------------|------------|---------------|------------------------------|---------------|---------------|--------------------|-------------|---------------|---------------|---------------|
| <i>Euro Million</i> | Dragados | | | Iridium | | | HOCHTIEF (ACS contr.) | | | Adjustments | | Total | | |
| | 6M17 | 6M18 | Var. | 6M17 | 6M18 | Var. | 6M17 | 6M18 | Var. | 6M17 | 6M18 | 6M17 | 6M18 | Var. |
| Sales | 2,045 | 2,096 | +2.5% | 40 | 54 | +35.3% | 11,018 | 11,203 | +1.7% | 0 | 0 | 13,102 | 13,353 | +1.9% |
| EBITDA | 165 | 169 | +2.5% | 4 | 8 | <i>n/a</i> | 665 | 674 | +1.4% | 0 | 0 | 834 | 851 | +2.1% |
| <i>Margin</i> | 8.1% | 8.1% | | <i>n.a</i> | <i>n.a</i> | | 6.0% | 6.0% | | | | 6.4% | 6.4% | |
| EBIT | 128 | 131 | +2.2% | (4) | 0 | <i>n/a</i> | 458 | 484 | +5.7% | (36) | (26) | 546 | 589 | +7.9% |
| <i>Margin</i> | 6.3% | 6.2% | | <i>n.a</i> | <i>n.a</i> | | 4.2% | 4.3% | | | | 4.2% | 4.4% | |
| Net Financial Results | (27) | (27) | | (0) | (14) | | (21) | (50) | | (0) | 0 | (47) | (92) | |
| Equity Method | 0 | 0 | | 6 | 14 | | 3 | 17 | | (0) | (0) | 9 | 30 | |
| Other Results & Fixed Assets | (0) | (1) | | (2) | (1) | | (54) | (4) | | (0) | (0) | (56) | (6) | |
| EBT | 101 | 104 | +2.5% | 1 | (1) | <i>n/a</i> | 386 | 446 | +15.7% | (37) | (27) | 451 | 522 | +15.8% |
| Taxes | (28) | (27) | | 2 | 4 | | (120) | (138) | | 11 | 8 | (135) | (153) | |
| Minorities | (1) | (3) | | 0 | (0) | | (130) | (143) | | 11 | 8 | (120) | (138) | |
| Net Profit | 72 | 74 | +2.5% | 2 | 3 | +24.5% | 136 | 164 | +21.1% | (14) | (11) | 196 | 231 | +17.7% |
| <i>Margin</i> | 3.5% | 3.5% | | <i>n.a</i> | <i>n.a</i> | | 1.2% | 1.5% | | | | 1.5% | 1.7% | |
| Backlog | 11,703 | 12,329 | +5.3% | - | - | | 42,599 | 45,584 | +7.0% | | | 54,303 | 57,913 | +6.6% |
| <i>Months</i> | 32 | 33 | | | | | 22 | 22 | | | | 23 | 24 | |

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

- Dragados increased its sales by 2.5% and EBITDA margin remains stable at 8.1%. Net Profit increases by 2.5% up to € 74 million.
- HOCHTIEF showed solid growth across its operating figures, despite the negative currency effect. HOCHTIEF 's contribution to net profit of ACS, after deducting minority interests, amounted to € 164 million, 21.1% 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 | | |
| | 6M17 | 6M18 | Var. | 6M17 | 6M18 | Var. | 6M17 | 6M18 | Var. | 6M17 | 6M18 | 6M17 | 6M18 | Var. |
| Sales | 5,772 | 6,051 | +4.8% | 4,347 | 4,417 | +1.6% | 840 | 682 | -18.8% | 59 | 53 | 11,018 | 11,203 | +1.7% |
| EBIT | 128 | 149 | +16.5% | 312 | 336 | +7.6% | 42 | 34 | -20.8% | (24) | (34) | 458 | 484 | +5.7% |
| <i>Margin</i> | 2.2% | 2.5% | | 7.2% | 7.6% | | 5.1% | 4.9% | | 0.0% | 0.0% | 4.2% | 4.3% | |
| Net Financial Results | (6) | (6) | | (25) | (49) | | 1 | (10) | | 9 | 15 | (21) | (50) | |
| Equity Method | 0 | 0 | | 3 | 5 | | (0) | 0 | | 0 | 12 | 3 | 17 | |
| Other Results & Fixed Asset | (1) | 1 | | (22) | (2) | | (31) | (2) | | 0 | 0 | (54) | (4) | |
| EBT | 121 | 143 | +18.7% | 268 | 289 | +8.0% | 12 | 21 | +76.9% | (15) | (8) | 386 | 446 | +15.7% |
| Taxes | (28) | (34) | | (86) | (93) | | (4) | (7) | | (2) | (4) | (120) | (138) | |
| Minorities | (19) | (20) | | (58) | (59) | | 0 | 0 | | 0 | 0 | (76) | (79) | |
| Net Profit | 74 | 90 | +21.7% | 124 | 137 | +10.2% | 8 | 14 | +71.7% | (17) | (12) | 189 | 229 | +21.1% |
| <i>Margin</i> | 1.3% | 1.5% | | 2.9% | 3.1% | | 1.0% | 2.1% | | | | 1.7% | 2.0% | |

- By areas of activities of HOCHTIEF, it is worth highlighting:
 - a) Growth in America where sales went up by 4.8% and net profit by 21.7%, despite currency negative impacts. 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, the positive trend of the margins and results shown in the last quarters is confirmed.
 - c) Asia Pacific (CIMIC), experienced activity growth in the local market of 10.5%. The improvement in the operating margins enabled a net profit growth 10.2% in nominal terms and over 12.4% adjusted by exchange rate.
 - d) The Net Profit of the Corporation includes the net contribution of Abertis in the period for the 19.07% stake held by HOCHTIEF, amounting to € 11,6 million.

3.2 Industrial Services

| Industrial Services | | Key Figures | |
|------------------------|--------------|--------------|---------------|
| <i>Euro Million</i> | 6M17 | 6M18 | Var. |
| Turnover | 3,590 | 3,679 | +2.5% |
| EBITDA | 379 | 387 | +2.0% |
| <i>Margin</i> | 10.6% | 10.5% | |
| EBIT | 358 | 362 | +1.0% |
| <i>Margin</i> | 10.0% | 9.8% | |
| Net Profit | 209 | 214 | +2.5% |
| <i>Margin</i> | 5.8% | 5.8% | |
| Backlog | 8,906 | 9,462 | +6.2% |
| <i>Months</i> | 17 | 18 | |
| Net Investments | 3,812 | 3,957 | +3.8% |
| Working Capital | (939) | (844) | -10.0% |

- Industrial Services sales accounted for € 3,679 million with an increase of 2.5%, or over 7.7% adjusted by the currency effects. This growth is backed by the positive evolution of the maintenance activities and the EPC projects.

| Industrial Services | | Sales per geographical areas | |
|---------------------|--------------|------------------------------|--------------|
| <i>Euro Million</i> | 6M17 | 6M18 | Var. |
| Spain | 976 | 1,205 | +23.5% |
| Rest of Europe | 223 | 187 | -16.0% |
| North America | 701 | 714 | +1.9% |
| South America | 832 | 987 | +18.6% |
| Asia Pacific | 551 | 345 | -37.5% |
| Africa | 307 | 241 | -21.5% |
| TOTAL | 3,590 | 3,679 | +2.5% |

| Industrial Services | | Turnover breakdown by activity | | |
|-------------------------------------|--------------|--------------------------------|---------------|--|
| Euro Million | 6M17 | 6M18 | Var. | |
| Support Services | 1,924 | 2,013 | +4.6% | |
| <i>Networks</i> | 327 | 383 | +17.3% | |
| <i>Specialized Products</i> | 1,184 | 1,194 | +0.9% | |
| <i>Control Systems</i> | 414 | 436 | +5.3% | |
| EPC Projects | 1,648 | 1,664 | +1.0% | |
| Renewable Energy: Generation | 22 | 6 | -75.3% | |
| <i>Consolidation Adjustments</i> | (5) | (3) | | |
| TOTAL | 3,590 | 3,679 | +2.5% | |
| International | 2,614 | 2,474 | -5.4% | |
| <i>% over total sales</i> | 72.8% | 67.3% | | |

- Backlog grew by 6.2% up to € 9,462 million with a negative impact from the exchange rate; not considering this impact, backlog grew by 12.9%. International backlog represents 74.3% of the total amount.
- It is worth noting the excellent performance in South America, with a growth of 18.3% mainly thank to the awards in energy projects in Brazil, Chile and Peru, as well as the strong recovery of the backlog in Spain and the boost in contracting activity in the rest of Europe which grows by 69.9%.
- The backlog in North America grew by 10.2%, virtually coming from Mexico with new order intakes in the Oil&Gas sector.

| Industrial Services | | Backlog per geographical areas | | |
|---------------------|--------------|--------------------------------|--------------|--|
| Euro Million | Jun-17 | Jun-18 | Var. | |
| Spain | 2,076 | 2,431 | +17.1% | |
| Rest of Europe | 343 | 582 | +69.9% | |
| North America | 1,765 | 1,945 | +10.2% | |
| South America | 2,823 | 3,339 | +18.3% | |
| Asia Pacific | 1,241 | 840 | -32.3% | |
| Africa | 659 | 324 | -50.8% | |
| TOTAL | 8,906 | 9,462 | +6.2% | |

| Industrial Services | | Backlog per activity | | |
|-------------------------------------|--------------|----------------------|---------------|--|
| Euro Million | Jun-17 | Jun-18 | Var. | |
| Support Services | 5,225 | 5,247 | +0.4% | |
| <i>Networks</i> | 552 | 569 | +3.1% | |
| <i>Specialized Products</i> | 3,318 | 3,267 | -1.6% | |
| <i>Control Systems</i> | 1,354 | 1,411 | +4.2% | |
| EPC Projects | 3,646 | 4,215 | +15.6% | |
| Renewable Energy: Generation | 35 | 0 | - | |
| TOTAL BACKLOG | 8,906 | 9,462 | +6.2% | |
| International | 6,830 | 7,031 | +2.9% | |
| <i>% over total backlog</i> | 76.7% | 74.3% | | |

- Operating results grew in correlation with sales with stability in margins.
- Net profit accounted to € 214 million, 2.5% higher than the same period of 2017.

3.3 Services

| Services | | Key figures | |
|------------------------|--------------|--------------|---------------|
| <i>Euro Million</i> | 6M17 | 6M18 | Var. |
| Turnover | 706 | 754 | +6.9% |
| EBITDA | 36 | 40 | +11.6% |
| <i>Margin</i> | 5.1% | 5.3% | |
| EBIT | 23 | 27 | +15.6% |
| <i>Margin</i> | 3.3% | 3.6% | |
| Net Profit | 23 | 17 | -25.1% |
| <i>Margin</i> | 3.2% | 2.3% | |
| Backlog | 1,991 | 2,407 | +20.9% |
| <i>Months</i> | 16 | 19 | |
| Net Investments | 701 | 894 | |
| Working Capital | 5 | (34) | |

- Sales increased by 6.9% both in domestic and international markets.
- EBITDA accounted for € 40 million increasing by 11.6% with an improvement in margin over sales of 20 b.p. EBIT increased by 15.6% up to € 27 million with a margin improvement of 30 b.p.
- Net profit includes the capital gain from the sale of Sintax in February 2017, while the figure in 2018 only includes the contribution from Clece whose net profit growth stood at 10.2%.
- Services backlog accounts for € 2,407 million, equivalent to over 18 months of production and increasing by 20.9% compared to the prior period, thanks to the international expansion and the organic growth in the domestic market.

| Services | | Backlog per geographical areas | |
|---------------------|--------------|--------------------------------|---------------|
| <i>Euro Million</i> | Jun-17 | Jun-18 | Var. |
| Spain | 1,896 | 2,240 | +18.2% |
| Rest of Europe | 95 | 166 | +75.6% |
| TOTAL | 1,991 | 2,407 | +20.9% |

4 Relevant facts after the end of the period

- The Shareholder Annual General Meeting approved the 8th of May the distribution of a complementary dividend of 0.963 Euros per share, which has been paid by July 2017 using a scrip dividend system. In this period, the purchasing rights agreement from ACS has been accepted by a 33.32% of shareholders, leading to an acquisition by ACS of 104,858,560 rights for a total amount 98,147,612 euros.

5 Description of the main risks and opportunities

- Grupo ACS operates in different sectors, countries and economic and legal environments involving exposure to different levels of risk, inherent in the businesses in which it operates.
- ACS monitors and controls these risks in order to avoid a decline in the profitability of its shareholders, a danger to its employees or its corporate reputation, a problem for customers or a negative impact for the Group as a whole. To perform this task to control the risk, Grupo ACS has instruments to identify and to manage them properly in sufficient time, either by preventing its materialization or minimizing impacts, prioritizing, depending on their importance, as necessary. Notable are those systems related to control the bidding, contracting, planning and management of works and projects, systems of quality management, environmental management and human resources.
- In addition to the risks specific to the various businesses in which it operates, ACS is exposed to various financial risks, either by changes in interest or exchange rates, liquidity risk or credit risk.
 - a) The risks arising from changes in interest rates on cash flows are mitigated by ensuring the rates of financial instruments to cushion its fluctuation.
 - b) Risk management of exchange rates is done by taking debt in the same functional currency as that of the assets that the Group finances overseas. To cover the net positions in currencies other than euro, the Group arranges various financial instruments in order to reduce such exposure to exchange rate risk.
 - c) The most important aspects impacting the liquidity financial risks of ACS during the period are:
 - ✓ On April 13, 2018, Hochtief, A.G. signed a new credit line for an amount of approximately € 18.2 billion under the agreement with ACS, Actividades de Construcción y Servicios, S.A. and Atlantia, S.p.A. on the joint agreement for the acquisition of Abertis Infraestructuras, S.A. The CNMV confirmed in May 2018 that the voluntary takeover bid had been accepted by 78.79% of the capital of Abertis. The consequent disbursement of the financing obtained in the amount of € 14,300 million, meant the substitution of the entire guarantee presented to the CNMV, so that to date there is no guarantee in relation to the Abertis takeover bid.
 - ✓ The rating agency Standard and Poor's (S & P) has assigned ACS, Servicios, Comunicaciones y Energía, S.L. (subsidiary wholly owned by ACS, Actividades de Construcción y Servicios, S.A.) the BBB long-term corporate credit rating and A-2 short-term corporate credit rating.
 - ✓ The issuance of Green Bonds by ACS, Services, Communications and Energy, S.L. in the amount of € 750 million that have served to refinance a large part of its financial debt, for a term of eight years and with 1,875% annual interest. Previously, S & P assigned the BBB / A-2 rating to said Green Bonds.

- ✓ ACS, Actividades de Construcción y Servicios, SA, has renewed the Euro Commercial Paper (ECP) program for a maximum amount of € 750 million, the Negotiable European Commercial Paper program (NEU CP) for a maximum amount of € 300 million and the debt issuance program called Euro Medium Term Note Program (EMTN Program).
- ✓ The issue by Hochtief, A.G. of a bond amounting to € 500 million euros at 1.75% annual interest for a period of 7 years.
- ✓ The rating agency Standard and Poor's (S & P) has maintained ACS, Actividades de Construcción y Servicios, S.A. the long-term BBB and A-2 short-term corporate credit rating ("investment grade"), with stable outlook, by the Standard & Poor's agency. Likewise, Hochtief and Cimic have maintained the same credit rating.
- 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.
- 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) the 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 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 | | | | | |
|---------------------------|---------------|------|---------------|------|--------------|
| Euro Million | 6M17 | | 6M18 | | Var. |
| Construction | 13,102 | 75 % | 13,353 | 75 % | +1.9% |
| Industrial Services | 3,590 | 21 % | 3,679 | 21 % | +2.5% |
| Services | 706 | 4 % | 754 | 4 % | +6.8% |
| Corporation / Adjustments | (13) | | (9) | | |
| TOTAL | 17,386 | | 17,777 | | +2.2% |

| EBITDA | | | | | |
|---------------------------|--------------|------|--------------|------|--------------|
| Euro Million | 6M17 | | 6M18 | | Var. |
| Construction | 834 | 67 % | 851 | 67 % | +2.1% |
| Industrial Services | 379 | 30 % | 387 | 30 % | +2.0% |
| Services | 36 | 3 % | 40 | 3 % | +11.6% |
| Corporation / Adjustments | (25) | | (30) | | |
| TOTAL | 1,224 | | 1,248 | | +2.0% |

| EBIT | | | | | |
|---------------------------|------------|------|------------|------|--------------|
| Euro Million | 6M17 | | 6M18 | | Var. |
| Construction | 546 | 59 % | 589 | 60 % | +7.9% |
| Industrial Services | 358 | 38 % | 362 | 37 % | +1.0% |
| Services | 23 | 3 % | 27 | 3 % | +15.6% |
| Corporation / Adjustments | (27) | | (32) | | |
| TOTAL | 900 | | 946 | | +5.1% |

| NET PROFIT | | | | | |
|---------------------------|------------|------|------------|------|--------------|
| Euro Million | 6M17 | | 6M18 | | Var. |
| Construction | 196 | 46 % | 231 | 50 % | +17.7% |
| Industrial Services | 209 | 49 % | 214 | 46 % | +2.5% |
| Services | 23 | 5 % | 17 | 4 % | -25.1% |
| Corporation / Adjustments | (12) | | (15) | | |
| TOTAL | 416 | | 447 | | +7.4% |

| AWARDS | | | | | |
|---------------------------|---------------|--|---------------|--|--------------|
| Euro Million | 6M17 | | 6M18 | | Var. |
| Construction | 15,411 | | 16,331 | | +6.0% |
| Industrial Services | 3,812 | | 3,957 | | +3.8% |
| Services | 701 | | 894 | | +27.5% |
| Corporation / Adjustments | (0) | | 0 | | n.a |
| TOTAL | 19,925 | | 21,182 | | +6.3% |

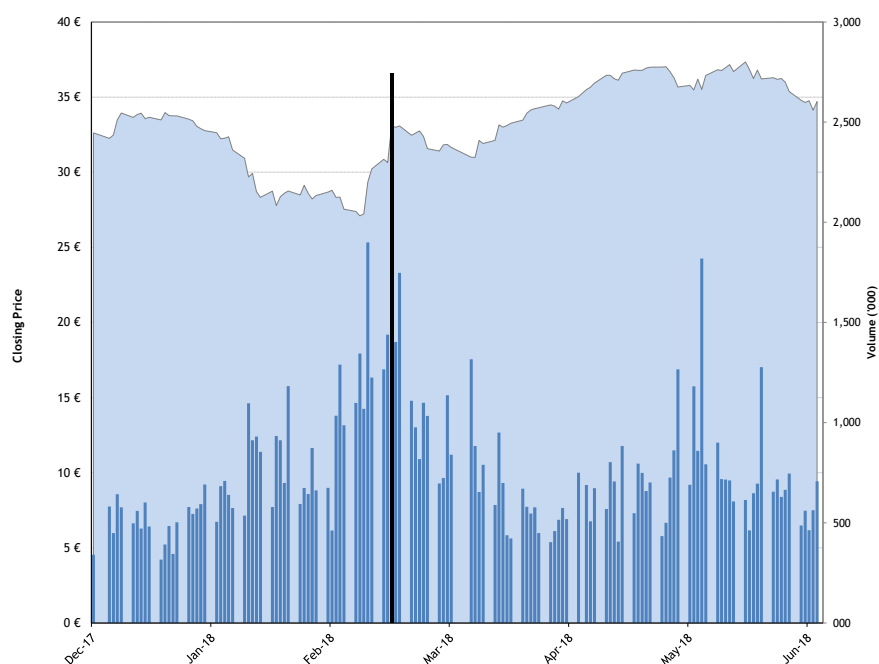
| BACKLOG | | | | | |
|---------------------|---------------|-----------|---------------|-----------|--------------|
| Euro Million | Jun-17 | months | Jun-18 | months | Var. |
| Construction | 54,303 | 23 | 57,913 | 24 | +6.6% |
| Industrial Services | 8,906 | 17 | 9,462 | 18 | +6.2% |
| Services | 1,991 | 16 | 2,407 | 19 | +20.9% |
| TOTAL | 65,200 | 22 | 69,782 | 23 | +7.0% |

| NET DEBT | | | | | |
|---------------------------|--------------|--|-----------|--|---------------|
| Euro Million | Jun-17 | | Jun-18 | | Var. |
| Construction | (231) | | (1,697) | | n.a |
| Industrial Services | (575) | | (610) | | +6.0% |
| Services | 206 | | 146 | | -29.2% |
| Corporation / Adjustments | 2,255 | | 2,220 | | -1.6% |
| TOTAL | 1,654 | | 58 | | -96.5% |

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

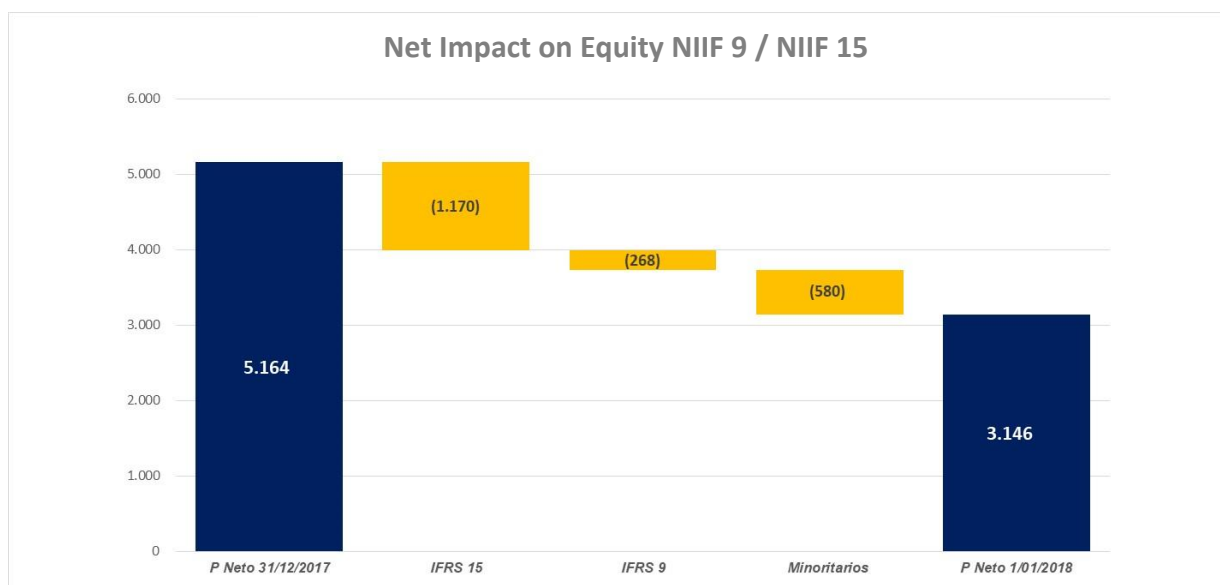
8.2 Share data

| ACS Shares Data (YTD) | 6M17 | 6M18 |
|--------------------------------|---------|---------|
| Closing price | 33.83 € | 34.70 € |
| Performance | 38.66% | 2.59% |
| Period High | 36.75 € | 37.55 € |
| High date | 19-Jun | 12-Jun |
| Period Low | 28.34 € | 26.67 € |
| Low date | 31-Jan | 7-Mar |
| Average in the period | 32.52 € | 32.88 € |
| Total volume ('000) | 106,683 | 97,357 |
| Daily average volume ('000) | 833 | 773 |
| Total traded effective (€ mn) | 3,469 | 3,201 |
| Daily average effective (€ mn) | 27.10 | 25.41 |
| Number of shares (mn) | 314.66 | 314.66 |
| Market cap (€ mn) | 10,643 | 10,919 |



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

- Grupo ACS has undertaken an assessment 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.
- 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 € 1,299 million (after tax) in relation to reclamations and variations with clients of Dragados, Servicios Industriales, HOCHTIEF y CIMIC.
 - b. Associated firms / Joint Ventures (NIIF 15): € 272 million (which fundamentally affects the participation in BIC Contracting)
 - c. Shareholder loans (NIIF 9): Approximately € 448 million, which principally affects non-current loans of BIC Contracting with CIMIC
- Overall, the more stringent recognition threshold imposed by these standards could lead to an estimated current reduction of shareholder equity by approximately € 1,438 million (after tax) and of minority interests by € 580 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

8.4 Exchange rate effect

EXCHANGE RATE EFFECT

| EXCHANGE RATE EFFECT (€ vs. currency) | Average Exchange Rate | | | |
|--|-----------------------|---------|------------|--------|
| | Jun-17 | Jun-18 | difference | % |
| 1 US Dollar | 1.0930 | 1.2071 | 0.1142 | +10.4% |
| 1 Australian Dollar | 1.4423 | 1.5707 | 0.1285 | +8.9% |
| 1 Mexican Peso | 20.9701 | 22.9246 | 1.9545 | +9.3% |
| 1 Brazilian Real | 3.4798 | 4.1835 | 0.7038 | +20.2% |

| EXCHANGE RATE EFFECT (€ vs. currency) | Closing Exchange Rate | | | |
|--|-----------------------|---------|------------|--------|
| | Jun-17 | Jun-18 | difference | % |
| 1 US Dollar | 1.1423 | 1.1658 | 0.0235 | +2.1% |
| 1 Australian Dollar | 1.4860 | 1.5787 | 0.0927 | +6.2% |
| 1 Mexican Peso | 20.7011 | 23.2150 | 2.5139 | +12.1% |
| 1 Brazilian Real | 3.7768 | 4.5289 | 0.7521 | +19.9% |

| EXCHANGE RATE EFFECT Euro million | Grupo ACS | | | |
|--------------------------------------|-----------|---------|--------|---------|
| | USD | AUD | Others | Total |
| Backlog | (540) | (1,418) | (809) | (2,767) |
| Sales | (728) | (407) | (223) | (1,358) |
| Ebitda | (16) | (45) | (22) | (83) |
| Ebit | (14) | (29) | (19) | (62) |
| Net Profit | (4) | (8) | (13) | (25) |

| EXCHANGE RATE EFFECT | Construction | | | |
|----------------------|--------------|---------|--------|---------|
| Euro Million | USD | AUD | Others | Total |
| Backlog | (519) | (1,413) | (239) | (2,171) |
| Sales | (709) | (406) | (55) | (1,169) |
| Ebitda | (18) | (45) | (1) | (64) |
| Ebit | (16) | (29) | (1) | (46) |
| Net Profit | (8) | (8) | (2) | (18) |

| EXCHANGE RATE EFFECT | Industrial Services | | | |
|----------------------|---------------------|-----|--------|-------|
| Euro Million | USD | AUD | Others | Total |
| Backlog | (21) | (5) | (569) | (595) |
| Sales | (20) | (1) | (168) | (189) |
| Ebitda | 2 | (0) | (21) | (19) |
| Ebit | 2 | (0) | (18) | (16) |
| Net Profit | 5 | (0) | (12) | (7) |

| EXCHANGE RATE EFFECT | Services | | | |
|----------------------|----------|-----|--------|-------|
| Euro Million | USD | AUD | Others | Total |
| Backlog | 0 | 0 | (1) | (1) |
| Sales | 0 | 0 | (1) | (1) |
| Ebitda | 0 | 0 | 0 | 0 |
| Ebit | 0 | 0 | 0 | 0 |
| Net Profit | 0 | 0 | 0 | 0 |

8.5 Main Awards of the Period

In blue the new awards corresponding to the last quarter

8.5.1 Construction

| Project | Type of Project | Region | € mn |
|---|-----------------|--------------|-------|
| Construction of the new light railway line in Montreal, Canada | Railways | America | 896.6 |
| Construction of 6.5 km of automated people mover at the Los Angeles International Airport (United States) | Civil Works | America | 629.0 |
| Contract for the execution of hydro generating station and spillways civil works on the Peace River in northeast British Columbia (Canada) | Hydraulic | America | 571.4 |
| Building of the new headquarters of the California Natural Resources Agency in Sacramento (United States) | Building | America | 422.0 |
| Construction of a new 12 story hospital tower on the main campus of MetroHealth Medical Center in Cleveland, Ohio (United States) | Building | America | 365.0 |
| Rehabilitation and improvement works of the Coney Island Hospital in New York (United States) | Building | America | 319.0 |
| Contract for mining services at QCoal Northern Hub in Bowen Basin (Queensland, Australia) | Contract mining | Asia Pacific | 304.0 |
| Construction of the new Finch West light railway line in Toronto, Canada | Railways | America | 291.5 |
| Works for Australia's National Broadband Network consisting of a construction of primarily fiber to the curb technology (FTTC) in different areas of Melbourne, Brisbane and Sydney (Australia) | Services | Asia Pacific | 251.3 |
| Works for the construction of the tunnel and infrastructure of the N103 highway within the North-South Transportation Corridor project in Singapore | Railways | Asia Pacific | 244.9 |
| Contract for extension of Copenhagen's underground network to Sydhaven (Denmark) | Civil Works | Europe | 230.0 |
| Project for the design and construction of 22 km of the S-6 bypass between Lebork-Trojmiasto in Poland | Civil Works | Europe | 193.9 |
| Three-year contract extension to provide coal mining services in Wahana mine (Indonesia) | Contract mining | Asia Pacific | 173.6 |
| Contract for the construction of different mining infrastructures for the South Flank project in the Pilbara region (Australia) | Civil Works | Asia Pacific | 167.5 |
| Project for the construction of the high-speed railway line between Mondragón and Elorrio (Guipúzcoa, Spain) | Railways | Spain | 155.4 |
| Project for the construction of the new bridge to replace the old North Washington Street Bridge (Washington, United States) | Roads | America | 151.2 |
| Three-year contract extension to provide coal mining services in Satuia mine (Indonesia) | Contract mining | Asia Pacific | 148.8 |
| Contract for mining services at the Rocky's Reward nickel mine (Australia) | Contract mining | Asia Pacific | 143.5 |
| Repair and rehabilitation works in Catskill aqueduct in New York (United States) | Hydraulics | America | 136.2 |
| Design and construction of a replacement Hospital at the James Haley Veterans Hospital in Tampa (Florida, United States) | Building | America | 121.0 |
| Three-year contract extension to provide coal mining services in Dawson South mine (Australia) | Contract mining | Asia Pacific | 120.7 |
| New 15-month contract to extend the scope of mining services at Mt Artur coal mine (Australia) | Contract mining | Asia Pacific | 115.3 |
| Construction of a 28km four-lane expressway in the provinces of Cavite and Laguna in the Philippines | Civil Works | Asia Pacific | 113.9 |
| EPC project and maintenance contract for Taillem Bend Solar Farm in the South of Australia | Civil Works | Asia Pacific | 107.9 |
| Extension of the contract for mining services in the Curragh coal mine (Queensland, Australia) | Contract mining | Asia Pacific | 104.1 |

| Project | Type of Project | Region | € mn |
|--|-------------------|--------------|-------|
| Project for the construction of the West Park Institute including sports facilities, three-story main building, administration building and ancillary buildings in Roseville (California, United States) | Building | America | 101.0 |
| Contract extension to provide project, engineering, and maintenance services to ATOM company (industrial equipment supplier) in Australia | Other Civil Works | Asia Pacific | 94.7 |
| Modernization works at Terminal 2 of Fort Lauderdale-Hollywood International Airport (Florida, United States) | Building | America | 94.0 |
| 30-month contract extension to provide coal mining services in Senakin mine (Indonesia) | Services | Asia Pacific | 93.0 |
| Project for the design and construction of 17km of S61 road in Poland | Civil Works | Europe | 91.1 |
| Construction of a new ambulatory care facility for Denver Health (Colorado , United States) | Building | America | 89.0 |
| Contract for maintenance services in different areas of the natural resources sector in Australia | Services | Asia Pacific | 88.7 |
| Contract to build three additional segments of the Winston-Salem Northern Beltway in North Carolina (United States) | Civil Works | America | 80.0 |
| Works for the construction of the A-67 highway in the section between Sierrapando-Barreda and improvement of the links of Sierrapando, Barreda and Torrelavega (Cantabria, Spain) | Roads | Spain | 76.3 |
| Contract to operate and maintain the Lawn Hill processing plant, concentrate pipeline and Karumba Port facility in Queensland (Australia) | Contract mining | Asia Pacific | 71.4 |
| Extension of the contract for mining services in Prominent Hill (Australia) | Contract mining | Asia Pacific | 71.0 |
| Works for the construction of Palmas Altas's mall in Sevilla (Spain) | Building | Spain | 68.3 |
| Building of Thomas Comprehensive Cancer Care Center in Cincinnati (Ohio, United States) | Building | America | 59.0 |
| Construction of Quellón Hospital with a capacity of 57 beds in the Chiloé province (Chile) | Building | America | 58.7 |
| Improvement and enlargement works at Isabela Lake dam (California, United States) | Hydraulic | America | 57.5 |
| Design and construction of the Gunyama Park Aquatic and Recreation Centre in Sydney (Australia) | Building | Asia Pacific | 54.7 |
| Works for the Ancud's Hospital construction with a surface of 18,876 sqm in Chile | Building | America | 53.6 |
| Works for the execution of the A-21 highway between Sigüés and Tiermas (Zaragoza, Spain) | Roads | Spain | 50.9 |
| Construction of a new seven story tower with capacity for 126 bed inpatient for the Baylor Scott & White Medical Center in Irving (Texas, United States) | Building | America | 45.0 |
| Building of Zaragoza Tower with 285 apartments (Spain) | Building | Spain | 44.0 |
| Construction of the Benito Menni healthcare complex in Ciempozuelos (Madrid, Spain) | Building | Spain | 42.1 |
| Contract for improvement works on the City of South San Francisco's Water Quality Control Plant Wet Weather and Digester in California (United States) | Hydraulic | America | 41.0 |
| Enhancement works for a depot in Exeter (United Kingdom) | Building | Europe | 40.0 |
| Works for the construction of the new ICL Cargo Terminal in the Port of Barcelona (Spain) | Building | Spain | 31.1 |
| | | | |

8.5.2 Industrial Services

| Project | Type of Project | Region | € mn |
|---|----------------------|--------------|------|
| Contract for two Jackets for the Tyra Future Development Project in the North Sea (Denmark) | Integrated projects | Europe | 82.6 |
| Works for the development of Mexsolar I and II photovoltaic plants with an installed capacity of 70.35MW (Mexico) | Integrated projects | America | 52.6 |
| EPC project for the construction of Kesenuma photovoltaic plant in Japan | Integrated projects | Asia Pacific | 39.9 |
| Remedial works to the Changuinola hydroelectric plant (Panama) | Specialized Products | America | 38.9 |
| Services for works and support for the maintenance of medium and low voltage networks in Argentina | Networks | America | 27.5 |
| Contract for the operation and maintenance of the sewerage network and complementary facilities in Madrid (Spain) | Networks | Spain | 26.7 |

8.5.3 Services

| Project | Type of Project | Region | € mn |
|--|---|--------|------|
| Contract for the integral management of the retirement home of San Cristóbal de la Laguna in Tenerife (Spain) | Services for citizens | Spain | 68.1 |
| Extension of the contract for the cleaning service in different hospitals in the Valencian Community (Spain) | Services for citizens | Spain | 67.6 |
| Extension of the contract for the cleaning service in different hospitals in Canarias (Spain) | Services for citizens | Spain | 40.0 |
| Contract for the management of the retirement home of the Avda Carondelet in Madrid (Spain) | Services for citizens | Spain | 35.0 |
| New contract for the home help service in Hampshire County Council (UK) | Services for citizens | Spain | 27.0 |
| Contracto for the management of a retirement home in Cerdanyola (Spain) | Services for citizens | Spain | 24.5 |
| New contract for the home help service in London Borough of Candel Care and Retablement (London, United Kingdom) | Services for citizens | Spain | 19.2 |
| Renewal of maintenance contract for green spaces and urban trees in Melilla (Spain) | Services for the city and the environment | Spain | 15.1 |

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

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 | jun-18 | jun-17 |
|--|--|---------------|---------------|
| Market capitalisation | Num of shares at period close x price at period close | 10,919 | 10,643 |
| Earnings per share | Net Profit of the period / Average num of shares of the period | 1.44 | 1.33 |
| Net Attributable profit | Total Income - Total Expenses of the period - Minority interests result | 447 | 416 |
| Average num. of shares of the period | Daily average outstanding shares in the period adjusted by treasury stock | 311.1 | 311.7 |
| 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) | 69,782 | 65,200 |
| 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 | 1,248 | 1,224 |
| (+) Operating Profit | Operating income - Operating expenses | 824 | 783 |
| (-) 1.D&A | Operating provisions and fix asset depreciation | (302) | (324) |
| (-) 2. Non recurrent operating results and/or which dont imply a cash flow | Impairment & gains on fixed assets + other operating results | (34) | (82) |
| (+) 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 | 88 | 35 |
| Net Financial Debt / EBITDA | Net Financial Debt / Annualized EBITDA | 0.0x | 0.7x |
| Net Financial Debt (1)-(2) | Gross external financial debt + Net debt with group companies - Cash & Equivalents | 58 | 1,654 |
| (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 | 8,250 | 8,623 |
| (2) Cash & Equivalents | Temporary Financial investments + L/T deposits + Cash & Equivalents | 8,192 | 6,969 |
| Annualized EBITDA | EBITDA of the period / num of month within the period x 12 months | 2,496 | 2,448 |
| Net Cash Flow | (1) Cash Flow from operating activities + (2) Cash Flow from investing activities + (3) Other Cash flows | (363) | (485) |
| 1. Cash Flow from operating activities | Adjusted Net Profit attributable + Operating working capital variation <i>ex discontinued operations</i> | (4) | (108) |
| Adjusted Net Profit attributable | Net profit attributable (+/-) adjustments of concepts which dont imply an operating cash flow | 1,015 | 907 |
| Operating working capital variation | Working capital variation of the period (+/-) ajustments of non operating concepts (Ej: dividends, interests, taxes, etc) | (1,019) | (1,015) |
| 2. Cash Flow from investing activities | Net investments (paid/collected) <i>ex discontinued operations</i> | 58 | (256) |
| (-) 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) <i>ex discontinued operations</i> | 58 | (6) |
| (+) 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) <i>ex discontinued operations</i> | (1) | (249) |
| 3. Other Cash Flows | Treasury stock sale/acquisition + Dividend payments + Other financial sources + <i>Cash generated from discontinued operations</i> | (417) | (122) |
| Ordinary Financial Result | Financial Income - Financial expenses | (132) | (129) |
| Net Financial Result | Ordinary financial result + Foreign exchange results + Impairment non current assets results + Results on non current assets disposals | (148) | (74) |
| Working Capital | Stock + Total accounts receivables - Total accounts payables - other current liabilities | (4,472) | (2,769) |

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 | 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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