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# 1Q18

## Results Report

May 10<sup>th</sup>, 2018



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# 1 Executive Summary

## 1.1. Main figures

<b>Grupo ACS</b>		<i>Key operating &amp; financial figures</i>		
<i>Euro Million</i>	<b>3M17</b>	<b>3M18</b>	<b>Var.</b>	
<b>Turnover</b>	<b>8,357</b>	<b>8,671</b>	<b>+3.7%</b>	
<b>Backlog</b>	<b>68,093</b>	<b>66,677</b>	<b>-2.1%</b>	
<i>Months</i>	23	22		
<b>EBITDA <sup>(1)</sup></b>	<b>605</b>	<b>627</b>	<b>+3.6%</b>	
<i>Margin</i>	7.2%	7.2%		
<b>EBIT <sup>(1)</sup></b>	<b>439</b>	<b>473</b>	<b>+7.9%</b>	
<i>Margin</i>	5.3%	5.5%		
<b>Attributable Net Profit</b>	<b>233</b>	<b>250</b>	<b>+7.4%</b>	
<b>EPS</b>	<b>0.75 €</b>	<b>0.80 €</b>	<b>+7.1%</b>	
<b>Net Investments</b>	<b>78</b>	<b>161</b>	<b>+105.9%</b>	
Investments	191	183		
Disposals	113	21		
<b>Total Net Debt</b>	<b>1,695</b>	<b>359</b>	<b>-78.8%</b>	
Businesses' Net Debt	1,492	158		
Project Financing	203	201		

Data presented according to Grupo ACS management criteria. Restatement of HOCHTIEF's 2017 EBITDA according to their calculation criteria.

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

- Sales in the period accounted for € 8,671 million, an increase of 3.7% 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 14.7%.
- Backlog accounted for € 66,677 million, growing by 10.3%, adjusted by currency impacts. It is worth highlighting the growth in United States and the rebound in the Spanish and Mexican backlogs.
- EBITDA of the Group accounted for € 627 million, growing by 3.6%. EBITDA margin stable at 7.2% .
- EBIT accounted for € 473 million and grew by 7.9%. EBIT margin stood at 5.5% increasing by 20bp thanks to a lower amount of amortizations.

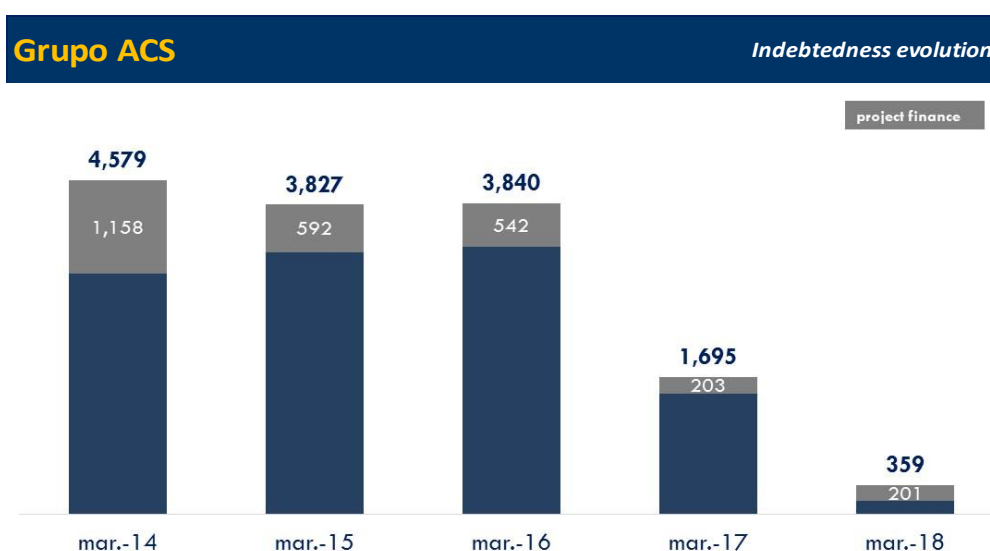
Grupo ACS		Main figures details		
Euro Million	3M17	3M18	Var.	
<b>Backlog</b>	<b>68,093</b>	<b>66,677</b>	<b>-2.1%</b>	
Direct	59,459	61,288	+3.1%	
Proportional*	8,634	5,389	-37.6%	
<b>Work Done</b>	<b>8,976</b>	<b>9,086</b>	<b>+1.2%</b>	
Direct	8,357	8,671	+3.7%	
Proportional*	619	415	-32.9%	
<b>EBITDA</b>	<b>605</b>	<b>627</b>	<b>+3.6%</b>	
Direct	607	592	-2.4%	
Proportional*	(2)	34	n.a	
<b>EBIT</b>	<b>439</b>	<b>473</b>	<b>+7.9%</b>	
Direct	441	439	-0.4%	
Proportional*	(2)	34	n.a	

\* 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 € 250 million which represents a 7.4% increase, 13.4% adjusted by currency impacts. With a solid growth across activities except for Services which is affected by the capital gain from Sintax's sale in 2017. Without this impact, Net Profit from services also grew.

GRUPO ACS		Net Profit		
Euro Million	3M17	3M18	Var.	
Net Profit Construction	91	103	+13.2%	
Net Profit Industrial Services	119	125	+5.4%	
Net Profit Services	12	8	-32.3%	
Net Profit Corporation	10	13	+25.1%	
<b>Net Profit</b>	<b>233</b>	<b>250</b>	<b>+7.4%</b>	

- Net debt stood at € 359 million, € 1,336 million lower than the outstanding balance 12 months ago backed by a strong operating cash generation during this period.



Data in Euro Million

## 1.2. Relevant facts

### a) Dividends

- On December 19<sup>th</sup>, 2017, exercising the powers granted by resolution of the General Shareholder's Meeting of the Company held on May 4<sup>th</sup>, 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.

### b) Corporate Governance

- On February 28<sup>th</sup> 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 4<sup>th</sup>, 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 12<sup>th</sup>, 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 6<sup>th</sup>, 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.
- Following the launch on October 18<sup>th</sup>, 2017 of the competitive offer for Abertis by HOCHTIEF AG, on March 23<sup>rd</sup>, 2018 ACS, HOCHTIEF and Atlantia signed an agreement to make a joint investment in a holding company that will acquire Abertis, HOCHTIEF committing to modify its initial offer so that the entire offer will be paid in cash at 18.36 euros per share, once adjusted for the dividend paid by Abertis in 2018.

## 2 Consolidated Financial Statements

### 2.1 Income Statement

<b>Grupo ACS</b>		<b>Income statement</b>			
<i>Euro Million</i>	<b>3M17</b>		<b>3M18</b>		<b>Var.</b>
<b>Net Sales</b>	<b>8,357</b>	<b>100.0 %</b>	<b>8,671</b>	<b>100.0 %</b>	<b>+3.7%</b>
Other revenues	73	0.9 %	79	0.9 %	+7.7%
Joint Ventures Net Results*	(2)	(0.0 %)	34	0.4 %	n.s.
<b>Total Income</b>	<b>8,429</b>	<b>100.9 %</b>	<b>8,784</b>	<b>101.3 %</b>	<b>+4.2%</b>
Operating expenses	(5,893)	(70.5 %)	(6,319)	(72.9 %)	+7.2%
Personnel expenses	(1,931)	(23.1 %)	(1,839)	(21.2 %)	-4.8%
<b>Operating Cash Flow (EBITDA)</b>	<b>605</b>	<b>7.2 %</b>	<b>627</b>	<b>7.2 %</b>	<b>+3.6%</b>
Fixed assets depreciation	(152)	(1.8 %)	(129)	(1.5 %)	-15.2%
Current assets provisions	(15)	(0.2 %)	(25)	(0.3 %)	+70.2%
<b>Ordinary Operating Profit (EBIT)</b>	<b>439</b>	<b>5.3 %</b>	<b>473</b>	<b>5.5 %</b>	<b>+7.9%</b>
Impairment & gains on fixed assets	(4)	(0.0 %)	(1)	(0.0 %)	-71.2%
Other operating results	(8)	(0.1 %)	(22)	(0.3 %)	+164.2%
<b>Operating Profit</b>	<b>426</b>	<b>5.1 %</b>	<b>450</b>	<b>5.2 %</b>	<b>+5.5%</b>
Financial income	47	0.6 %	33	0.4 %	-30.6%
Financial expenses	(126)	(1.5 %)	(102)	(1.2 %)	-18.7%
<b>Ordinary Financial Result</b>	<b>(79)</b>	<b>(0.9 %)</b>	<b>(70)</b>	<b>(0.8 %)</b>	<b>-11.6%</b>
Foreign exchange results	5	0.1 %	4	0.0 %	-16.8%
Changes in fair value for financial instruments	24	0.3 %	132	1.5 %	n.s.
Impairment & gains on financial instruments	29	0.3 %	(84)	(1.0 %)	n.a.
<b>Net Financial Result</b>	<b>(21)</b>	<b>(0.3 %)</b>	<b>(19)</b>	<b>(0.2 %)</b>	<b>-12.9%</b>
Results on equity method*	1	0.0 %	2	0.0 %	+19.0%
<b>PBT of continued operations</b>	<b>406</b>	<b>4.9 %</b>	<b>433</b>	<b>5.0 %</b>	<b>+6.5%</b>
Corporate income tax	(114)	(1.4 %)	(117)	(1.3 %)	+2.5%
<b>Net profit of continued operations</b>	<b>292</b>	<b>3.5 %</b>	<b>316</b>	<b>3.6 %</b>	<b>+8.1%</b>
Minority interest	(60)	(0.7 %)	(66)	(0.8 %)	+10.9%
<b>Net Profit Attributable to the Parent Company</b>	<b>233</b>	<b>2.8 %</b>	<b>250</b>	<b>2.9 %</b>	<b>+7.4%</b>

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

## 2.1.1 Sales and Backlog

- Net sales accounted for € 8,671 million, 3.7% more than those registered in the same period of the prior year, 14.7% 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 44.0% of the sales, Asia Pacific 26.2%, Spain 14.0% and the remaining regions 15.8%.

<b>Grupo ACS</b>					
<b>Sales per Geographical Areas</b>					
<i>Euro Million</i>	<b>3M17</b>	<b>%</b>	<b>3M18</b>	<b>%</b>	<b>Var.</b>
Spain	1,076	12.9 %	1,210	14.0%	+12.5%
Rest of Europe	586	7.0 %	554	6.4%	-5.6%
North America	3,550	42.5 %	3,818	44.0%	+7.6%
South America	524	6.3 %	667	7.7%	+27.2%
Asia Pacific	2,461	29.4 %	2,276	26.2%	-7.5%
Africa	160	1.9 %	145	1.7%	-9.2%
<b>TOTAL</b>	<b>8,357</b>		<b>8,671</b>		<b>+3.7%</b>

<b>Sales per Geographical Area</b> <i>(inter area of activity adjustments excluded)</i>									
<i>Euro Million</i>	<b>Construction</b>			<b>Industrial Services</b>			<b>Services</b>		
	<b>3M17</b>	<b>3M18</b>	<b>%</b>	<b>3M17</b>	<b>3M18</b>	<b>%</b>	<b>3M17</b>	<b>3M18</b>	<b>%</b>
Spain	255	276	+8.2%	495	589	+19.1%	332	350	+5.4%
Rest of Europe	455	449	-1.3%	115	82	-28.2%	17	22	+33.8%
North America	3,170	3,421	+7.9%	380	397	+4.5%	0	0	n.a.
South America	113	104	-8.0%	411	563	+36.8%	0	0	n.a.
Asia Pacific	2,165	2,096	-3.2%	296	180	-39.0%	0	0	n.a.
Africa	0	0	n.a.	160	145	-9.2%	0	0	n.a.
<b>TOTAL</b>	<b>6,158</b>	<b>6,346</b>	<b>+3.1%</b>	<b>1,856</b>	<b>1,957</b>	<b>+5.4%</b>	<b>348</b>	<b>372</b>	<b>+6.7%</b>

- In Construction, it is worth noting the recovery of the activity in Spain which experienced an increase of 8.2% and the growth in North America which stood at 7.9%, despite the significant impact from the US dollar depreciation, adjusted by this effect, it grew by 23.9%. Activity in Asia Pacific rose by 8.5% adjusted by the depreciation of the Australian dollar.
- In Industrial Services, sales in Spain and South America grew significantly. Likewise, it is worth noting the recovery in North America, mainly coming from Mexico, which grew by 4.5%.
- Clece sales increased by 6.7% with relevant growth both in the domestic and international markets.



<b>Grupo ACS</b>					
<b>Backlog per Geographical Areas</b>					
<i>Euro Million</i>	<b>Mar-17</b>	<b>%</b>	<b>Mar-18</b>	<b>%</b>	<b>Var.</b>
Spain	6,608	9.7 %	7,177	10.8%	+8.6%
Rest of Europe	5,607	8.2 %	5,810	8.7%	+3.6%
North America	24,029	35.3 %	26,328	39.5%	+9.6%
South America	4,809	7.1 %	4,242	6.4%	-11.8%
Asia Pacific	26,197	38.5 %	22,653	34.0%	-13.5%
Africa	842	1.2 %	468	0.7%	-44.5%
<b>TOTAL</b>	<b>68,092</b>		<b>66,677</b>		<b>-2.1%</b>

- Group's backlog stood at € 66,677 million. The 2.1% decrease with respect to the prior period is entirely due to the impact from the revalorization of the euro against foreign currencies. Adjusted by this effect with amounts to € 8.443 million, backlog grew by 10.3%

<b>Backlog per Geographical Area</b>									
<i>Euro Million</i>	<b>Construction</b>			<b>Industrial Services</b>			<b>Services</b>		
	<b>Mar-17</b>	<b>Mar-18</b>	<b>%</b>	<b>Mar-17</b>	<b>Mar-18</b>	<b>%</b>	<b>Mar-17</b>	<b>Mar-18</b>	<b>%</b>
Spain	2,622	2,703	+3.1%	2,068	2,226	+7.6%	1,918	2,247	+17.2%
Rest of Europe	5,189	5,041	-2.8%	342	616	+80.0%	76	153	+100.3%
North America	22,303	24,166	+8.4%	1,726	2,162	+25.2%	0	0	n.a.
South America	2,402	1,246	-48.1%	2,407	2,996	+24.5%	0	0	n.a.
Asia Pacific	24,689	21,805	-11.7%	1,508	848	-43.8%	0	0	n.a.
Africa	144	43	-69.8%	698	424	-39.3%	0	0	n.a.
<b>TOTAL</b>	<b>57,349</b>	<b>55,005</b>	<b>-4.1%</b>	<b>8,750</b>	<b>9,272</b>	<b>+6.0%</b>	<b>1,994</b>	<b>2,400</b>	<b>+20.4%</b>

- Construction backlog is affected by the aforementioned currency variation impact in more than € 7.300 million. Without this effect construction backlog grew by 8.6%. It is worth noting the positive evolution of the backlog in North America, particularly in the US. 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 18.9%, adjusted by the currency impact. It is worth noting the domestic backlog recovery by 7.6% backed by the recent award of the PV plants and a doubled backlog in the rest of Europe thanks to the awards both in EPC and maintenance activities.

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 20.4% thanks to the positive evolution of the domestic backlog and the progressive increase of the international market contribution.

## 2.1.2 Operating Results

<b>Grupo ACS</b>		<b>Operating Results</b>		
<i>Euro Million</i>	<b>3M17</b>	<b>3M18</b>	<b>Var.</b>	
<b>EBITDA</b>	<b>605</b>	<b>627</b>	<b>+3.6%</b>	
<i>EBITDA Margin</i>	7.2%	7.2%		
Depreciation	(152)	(129)	-15.2%	
<i>Construction</i>	(136)	(113)		
<i>Industrial Services</i>	(9)	(10)		
<i>Services</i>	(6)	(6)		
<i>Corporation</i>	(0)	(0)		
Current assets provisions	(15)	(25)	+70.2%	
<b>EBIT</b>	<b>439</b>	<b>473</b>	<b>+7.9%</b>	
<i>EBIT Margin</i>	5.3%	5.5%		

- EBITDA accounted for € 627 million, showing an increase of 3.6% compared to March 2017. EBIT accounted for € 473 million, growing by 7.9% with respect to the prior period.

## 2.1.3 Financial Results

- The ordinary financial result decreased by 11.6%. Financial expenses dropped by 18.7% mainly due to the reduction of the average gross debt and the improvement in the financing conditions.

<b>Grupo ACS</b>		<b>Financial Results</b>		
<i>Euro Million</i>	<b>3M17</b>	<b>3M18</b>	<b>Var.</b>	
Financial income	47	33	-30.6%	
Financial expenses	(126)	(102)	-18.7%	
<b>Ordinary Financial Result</b>	<b>(79)</b>	<b>(70)</b>	<b>-11.6%</b>	
<i>Construction</i>	(40)	(44)	+11.1%	
<i>Industrial Services</i>	(15)	(12)	-19.9%	
<i>Services</i>	(2)	(2)	-31.6%	
<i>Corporation</i>	(22)	(12)	-45.6%	

- 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”.

<b>Grupo ACS</b>		<b>Financial Results</b>		
<i>Euro Million</i>	<b>3M17</b>	<b>3M18</b>	<b>Var.</b>	
<b>Ordinary Financial Result</b>	<b>(79)</b>	<b>(70)</b>	<b>-11.6%</b>	
<i>Foreign exchange results</i>	5	4	-16.8%	
<i>Changes in fair value of financial instruments</i>	24	132	+443.3%	
<i>Impairment &amp; gains on financial instruments</i>	29	(84)	n.a	
<b>Net Financial Result</b>	<b>(21)</b>	<b>(19)</b>	<b>-12.9%</b>	

## 2.1.4 Net Profit Attributable to the Parent Company

<b>Grupo ACS</b>		<b>Net Profit breakdown</b>	
<i>Euro Million</i>	<b>3M17</b>	<b>3M18</b>	<b>Var.</b>
<i>Construction</i>	91	103	+13.2%
<i>Industrial Services</i>	119	125	+5.4%
<i>Services</i>	12	8	-32.3%
<i>Corporation</i>	10	13	+25.1%
<b>TOTAL Net Profit</b>	<b>233</b>	<b>250</b>	<b>+7.4%</b>

- Grupo ACS Net Profit in the first quarter 2018 reached € 250 million, 7.4% higher than the prior year.
- The effective corporate tax rate stands at 27.1%.

**2.2 Consolidated Balance Sheet**

<b>Grupo ACS</b>			<b>Consolidated balance sheet</b>		
<i>Euro Million</i>	<b>Dec-17</b>		<b>Mar-18</b>		<b>Var.</b>
Intangible Fixed Assets	4,264	13.4 %	4,240	14.6 %	-0.6%
Tangible Fixed Assets	1,606	5.0 %	1,598	5.5 %	-0.5%
Investments accounted by Equity Method	1,569	4.9 %	1,092	3.8 %	-30.4%
Long Term Financial Investments	1,704	5.3 %	1,317	4.5 %	-22.7%
Long Term Deposits	8	0.0 %	8	0.0 %	+0.0%
Financial Instruments Debtors	52	0.2 %	49	0.2 %	-7.0%
Deferred Taxes Assets	2,043	6.4 %	2,117	7.3 %	+3.6%
<b>Fixed and Non-current Assets</b>	<b>11,247</b>	<b>35.3 %</b>	<b>10,421</b>	<b>35.9 %</b>	<b>-7.3%</b>
Non Current Assets Held for Sale	411	1.3 %	646	2.2 %	+57.1%
Inventories	1,020	3.2 %	1,025	3.5 %	+0.5%
Accounts receivables	10,753	33.7 %	9,263	31.9 %	-13.9%
Short Term Financial Investments	1,559	4.9 %	2,007	6.9 %	+28.7%
Financial Instruments Debtors	393	1.2 %	61	0.2 %	-84.6%
Other Short Term Assets	178	0.6 %	169	0.6 %	-5.0%
Cash and banks	6,319	19.8 %	5,454	18.8 %	-13.7%
<b>Current Assets</b>	<b>20,634</b>	<b>64.7 %</b>	<b>18,626</b>	<b>64.1 %</b>	<b>-9.7%</b>
<b>TOTAL ASSETS</b>	<b>31,881</b>	<b>100 %</b>	<b>29,047</b>	<b>100 %</b>	<b>-8.9%</b>
Shareholders' Equity	3,959	12.4 %	2,801	9.6 %	-29.2%
Adjustments from Value Changes	(216)	(0.7 %)	(231)	(0.8 %)	+7.2%
Minority Interests	1,421	4.5 %	849	2.9 %	-40.3%
<b>Net Worth</b>	<b>5,164</b>	<b>16.2 %</b>	<b>3,419</b>	<b>11.8 %</b>	<b>-33.8%</b>
Subsidies	4	0.0 %	4	0.0 %	-10.9%
Long Term Financial Liabilities	5,161	16.2 %	5,147	17.7 %	-0.3%
Deferred Taxes Liabilities	1,020	3.2 %	1,011	3.5 %	-0.9%
Long Term Provisions	1,567	4.9 %	1,643	5.7 %	+4.8%
Financial Instruments Creditors	48	0.2 %	38	0.1 %	-21.1%
Other Long Term Accrued Liabilities	104	0.3 %	101	0.3 %	-2.7%
<b>Non-current Liabilities</b>	<b>7,903</b>	<b>24.8 %</b>	<b>7,943</b>	<b>27.3 %</b>	<b>+0.5%</b>
Liabilities from Assets Held for Sale	221	0.7 %	300	1.0 %	+36.0%
Short Term Provisions	903	2.8 %	862	3.0 %	-4.5%
Short Term Financial Liabilities	2,879	9.0 %	2,682	9.2 %	-6.9%
Financial Instruments Creditors	68	0.2 %	36	0.1 %	-46.9%
Trade accounts payables	14,279	44.8 %	13,502	46.5 %	-5.4%
Other current payables	464	1.5 %	303	1.0 %	-34.7%
<b>Current Liabilities</b>	<b>18,813</b>	<b>59.0 %</b>	<b>17,685</b>	<b>60.9 %</b>	<b>-6.0%</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>31,881</b>	<b>100 %</b>	<b>29,047</b>	<b>100 %</b>	<b>-8.9%</b>

## 2.2.1 Non-Current Assets

- Intangible assets which amount to € 4,240 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, energy assets from Cobra and several concessions from Iridium. The stake in Saeta Yield is accounted as Assets Held for Sale after its takeover bid which is still on process.

## 2.2.2 Working Capital

Grupo ACS					Working Capital evolution	
Euro Million	mar.-17	jun.-17	sep.-17	dic.-17	mar.-18	var. 17-18
Construction	(1,764)	(2,077)	(1,969)	(2,691)	(3,259)	(1,494)
Industrial Services	(940)	(939)	(865)	(977)	(897)	43
Services	10	5	28	(33)	(18)	(28)
Corporation	82	242	108	332	(11)	(93)
<b>TOTAL</b>	<b>(2,613)</b>	<b>(2,769)</b>	<b>(2,698)</b>	<b>(3,369)</b>	<b>(4,185)</b>	<b>(1,572)</b>

- In the last 12 months, net working capital has increased its credit balance by € 1,572 million. This variation is due to the implementation of the IFRS 15 which reduced its balance in approximately €1.400 million (see Annex 4.3), and the improvement in the operating working capital in the last 12 months of over € 200 million.
- At March-end 2018, the balance of commercial discount and securitization amounted to € 1,251 million.

## 2.2.3 Net Debt

Net Debt (€ mn)	Construction	Industrial Services	Services	Corporation / Adjustments	Grupo ACS
<i>March 31, 2018</i>					
LT loans from credit entities	1,077	316	179	1,198	2,770
ST loans from credit entities	553	680	181	1	1,415
<b>Debt with Credit Entities</b>	<b>1,630</b>	<b>996</b>	<b>360</b>	<b>1,199</b>	<b>4,185</b>
Bonds	1,574	0	0	1,552	3,126
Non Recourse Financing	185	16	0	0	201
Other financial liabilities*	314	92	1	(90)	317
<b>Total Gross Financial Debt</b>	<b>3,704</b>	<b>1,104</b>	<b>361</b>	<b>2,661</b>	<b>7,829</b>
ST* & other financial investments	1,022	158	142	693	2,015
Cash & Equivalents	3,967	1,419	66	3	5,454
<b>Total cash and equivalents</b>	<b>4,989</b>	<b>1,576</b>	<b>208</b>	<b>696</b>	<b>7,470</b>
<b>NET FINANCIAL DEBT</b>	<b>(1,285)</b>	<b>(473)</b>	<b>153</b>	<b>1,964</b>	<b>359</b>
<i>NET FINANCIAL DEBT previous year</i>	<i>6</i>	<i>(647)</i>	<i>186</i>	<i>2,150</i>	<i>1,695</i>

- Net debt stood at € 359 million, € 1,336 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 March 31<sup>th</sup> 2018, amounted to € 571 million, increasing by € 436 million in the first quarter 2018.
- Net debt linked to assets held for sale amounted to € 235 million.

## 2.2.4 Net Worth

<b>Grupo ACS</b>		<b>Net Worth</b>	
<i>Euro Million</i>	<b>Dec-17</b>	<b>Mar-18</b>	<b>Var.</b>
Shareholders' Equity	3,959	2,801	-29.2%
Adjustments from Value Changes	(216)	(231)	<i>n.a</i>
Minority Interests	1,421	849	-40.3%
<b>Net Worth</b>	<b>5,164</b>	<b>3,419</b>	<b>-33.8%</b>

- ACS Net worth accounted for € 3,419 million by quarter-end, showing an decrease of 33.8% since December 2017. This is due to the new accounting rules IFRS 9 and 15 (see annex 4.3)
- 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.

## 2.3 Net Cash Flows

<b>Grupo ACS</b>		<b>Net Cash Flow</b>						
<i>Euro Million</i>	<b>3M17</b>			<b>3M18</b>			<b>Var</b>	
	<b>TOTAL</b>	<b>HOT</b>	<b>ACS exHOT</b>	<b>TOTAL</b>	<b>HOT</b>	<b>ACS exHOT</b>	<b>TOTAL</b>	<b>ACS exHOT</b>
<b>Cash Flow from Operating Activities before Working Capital</b>	<b>507</b>	<b>291</b>	<b>216</b>	<b>568</b>	<b>251</b>	<b>317</b>	<b>+12.2%</b>	<b>+47.2%</b>
Operating working capital variation	(1,013)	(554)	(460)	(963)	(421)	(542)		
Net CAPEX	(92)	(61)	(30)	(93)	(74)	(20)		
<b>Net Operating Cash Flow from continuing activities</b>	<b>(598)</b>	<b>(324)</b>	<b>(274)</b>	<b>(487)</b>	<b>(244)</b>	<b>(244)</b>	<b>-18.5%</b>	<b>-11%</b>
Financial Investments/Disposals	13	(6)	19	32	(10)	42		
Other Financial Sources	2	(2)	4	(25)	(23)	(3)		
<b>Free Cash Flow</b>	<b>(583)</b>	<b>(333)</b>	<b>(251)</b>	<b>(481)</b>	<b>(276)</b>	<b>(204)</b>	<b>-17.6%</b>	<b>-18%</b>
Dividends paid	(66)	(5)	(61)	(49)	(1)	(47)		
Intra group Dividends	0	0	0	0	0	0		
Treasury Stock	0	0	0	(56)	0	(56)		
<b>Total Cash Flow generated / (Consumed)</b>	<b>(650)</b>	<b>(338)</b>	<b>(312)</b>	<b>(586)</b>	<b>(277)</b>	<b>(308)</b>	<b>-9.8%</b>	<b><i>n.a.</i></b>
<b>Debt variation in Balance Sheet</b>	<b>(480)</b>	<b>(363)</b>	<b>(118)</b>	<b>(206)</b>	<b>(324)</b>	<b>118</b>		
<b>Debt variation from perimeter changes and adjustments</b>	<b>(108)</b>	<b>17</b>	<b>(125)</b>	<b>(470)</b>	<b>(53)</b>	<b>(416)</b>		
<b>Debt variation from currency effects</b>	<b>(61)</b>	<b>8</b>	<b>(69)</b>	<b>48</b>	<b>61</b>	<b>(13)</b>		

### 2.3.1 Operating Activities

- Cash Flow from Operating Activities before working capital amount to € 568 million, improving by 12.2% versus last year. The positive performance across activities as well as the improvement of financial expenses have contributed to this growth.
- Operating working capital has an impact of € 963 million of cash outflow in the first quarter of 2018, due to the seasonality of the period. However, compared to the same period last year, there is an improvement of 5%, equivalent to € 50 million.

## 2.3.2 Investments

Grupo ACS			Investments breakdown				
Euro Million	Operating Investments	Operating divestments	NET CAPEX	Project / Financial Investments	Financial Divestments	Net Project / Financial invesments	Total Net Investments
<b>Construction</b>	83	(11)	<b>73</b>	20	(1)	<b>19</b>	<b>92</b>
<i>Dragados</i>	6	(7)	<b>(1)</b>	0	0	<b>0</b>	<b>(1)</b>
<i>Hochtief</i>	77	(3)	<b>74</b>	11	(1)	<b>10</b>	<b>84</b>
<i>Iridium</i>	0	0	<b>0</b>	9	(0)	<b>9</b>	<b>9</b>
<b>Services</b>	9	(2)	<b>7</b>	0	0	<b>0</b>	<b>8</b>
<b>Industrial Services</b>	14	(0)	<b>13</b>	57	(8)	<b>49</b>	<b>62</b>
<b>Corporation &amp; others</b>	0	0	<b>0</b>	(0)	0	<b>(0)</b>	<b>0</b>
<b>TOTAL</b>	<b>106</b>	<b>(13)</b>	<b>93</b>	<b>77</b>	<b>(9)</b>	<b>68</b>	<b>161</b>

- The total investments of the ACS Group amounted to € 183 million, while divestments amounted to € 21 million, resulting in a net balance of € 161 million of cash flow from investing activities.
- Additionally, during the first quarter of 2018, € 100 million corresponding to the sale Urbaser has been collected. This amount was accounted at that time but not included in the cash flow statement.
- Net operating CAPEX amounted to € 93 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.

## 2.3.3 Other Cash Flows

- The dividends paid for a total amount of € 45 million correspond to the ACS scrip dividends paid in cash in February 2018.
- Likewise, € 56 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

<b>Construction</b>			
<i>Euro Million</i>	<b>3M17</b>	<b>3M18</b>	<b>Var.</b>
<b>Turnover</b>	<b>6,158</b>	<b>6,346</b>	<b>+3.1%</b>
<b>EBITDA</b>	<b>389</b>	<b>398</b>	<b>+2.2%</b>
<i>Margin</i>	6.3%	6.3%	
<b>EBIT</b>	<b>250</b>	<b>272</b>	<b>+9.1%</b>
<i>Margin</i>	4.1%	4.3%	
<b>Net Profit</b>	<b>91</b>	<b>103</b>	<b>+13.2%</b>
<i>Margin</i>	1.5%	1.6%	
<b>Backlog</b>	<b>57,349</b>	<b>55,005</b>	<b>-4.1%</b>
<i>Months</i>	25	23	
<b>Net Investments</b>	<b>85</b>	<b>92</b>	<b>+0%</b>
<b>Working Capital</b>	<b>(1,764)</b>	<b>(3,259)</b>	<b>+84.7%</b>

- Construction sales accounted for € 6,346 million representing an increase of 15.9%, adjusted by the exchange rate effect. This evolution is mainly due to the strong growth in the US and a higher demand in the domestic market.
- EBITDA accounted for € 398 million. Margin over sales stable at 6.3%. EBIT accounted for € 272 million, and grew by 9.1%. The depreciation of assets from the acquisition of HOCHTIEF (PPA) accounted for € 13.2 million in the period, 27% lower than that of the comparable period.
- Construction Net Profit reached € 103 million which implies a 13.2% increase due to the solid performance across businesses.

<b>Construction</b>		<i>Sales per geographical areas</i>	
<i>Euro Million</i>	<b>3M17</b>	<b>3M18</b>	<b>Var.</b>
Spain	255	276	+8.2%
Rest of Europe	455	449	-1.3%
North America	3,170	3,421	+7.9%
South America	113	104	-8.0%
Asia Pacific	2,165	2,096	-3.2%
Africa	0	0	n.a.
<b>TOTAL</b>	<b>6,158</b>	<b>6,346</b>	<b>+3.1%</b>

- Sales in Asia Pacific grew by 8.5% and in North America by 7.9%, adjusted by the exchange rate.



Construction		Backlog per geographical areas		
Euro Million	Mar-17	Mar-18	Var.	
Spain	2,622	2,703	+3.1%	
Rest of Europe	5,189	5,041	-2.8%	
North America	22,303	24,166	+8.4%	
South America	2,402	1,246	-48.1%	
Asia Pacific	24,689	21,805	-11.7%	
Africa	144	43	-69.8%	
<b>TOTAL</b>	<b>57,349</b>	<b>55,005</b>	<b>-4.1%</b>	

- Backlog at the end of the period stood at € 55,005 million. Backlog adjusted by the revalorization of the euro against the main currencies grew by 8.6%, that is, around € 4.950 million.

Construction														
Euro Million	Dragados			Iridium			HOCHTIEF (ACS contr.)			Adjustments		Total		
	3M17	3M18	Var.	3M17	3M18	Var.	3M17	3M18	Var.	3M17	3M18	3M17	3M18	Var.
Sales	990	1,056	+6.7%	19	24	+24.6%	5,149	5,266	+2.3%	0	0	6,158	6,346	+3.1%
EBITDA	80	84	+5.4%	1	5	n/a	309	309	+0.1%	(0)	(0)	389	398	+2.2%
Margin	8.0%	8.0%		n.a	n.a		6.0%	5.9%				6.3%	6.3%	
EBIT	55	59	+6.2%	(3)	0	n/a	216	227	+4.9%	(18)	(13)	250	272	+9.1%
Margin	5.6%	5.5%		n.a	n.a		4.2%	4.3%				4.1%	4.3%	
Net Financial Results	(11)	(7)		1	(4)		(27)	(27)		0	0	(37)	(38)	
Equity Method	0	0		3	5		0	(0)		(0)	(0)	3	5	
Other Results & Fixed Assets	0	(5)		(0)	(1)		(0)	(0)		(0)	(0)	(0)	(5)	
EBT	45	47	+5.1%	(0)	0	n/a	189	200	+5.6%	(18)	(13)	215	234	+8.7%
Taxes	(10)	(9)		1	2		(64)	(64)		6	4	(67)	(68)	
Minorities	(0)	(2)		(0)	(0)		(62)	(65)		6	4	(57)	(63)	
Net Profit	34	36	+6.4%	1	2	n/a	63	70	+10.8%	(7)	(5)	91	103	+13.2%
Margin	3.5%	3.5%		n.a	n.a		1.2%	1.3%				1.5%	1.6%	
Backlog	12,382	10,717	-13.4%	-	-		44,967	44,288	-1.5%			57,349	55,005	-4.1%
Months	35	28					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 6.7% and EBITDA margin remains stable at 8.0%. Net Profit increases by 6.4% up to € 36 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 € 70 million, 10.8% 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														
Euro Million	America			Asia Pacific			Europe			Holding		Total		
	3M17	3M18	Var.	3M17	3M18	Var.	3M17	3M18	Var.	3M17	3M18	3M17	3M18	Var.
Sales	2,596	2,869	+10.5%	2,145	2,057	-4.1%	378	323	-14.6%	30	17	5,149	5,266	+2.3%
EBIT	60	70	+16.4%	158	161	+1.7%	7	11	n.a	(9)	(16)	216	227	+4.9%
Margin	2.3%	2.4%		7.4%	7.8%		1.7%	3.4%		0.0%	0.0%	4.2%	4.3%	
Net Financial Results	(3)	(3)		(22)	(25)		(2)	(2)		(0)	3	(27)	(27)	
Equity Method	0	0		0	0		0	0		0	0	0	0	
Other Results & Fixed Assets	0	0		0	(0)		0	(0)		(0)	0	0	0	
EBT	58	67	+16.5%	136	136	-0.1%	5	9	+91.5%	(10)	(13)	189	200	+5.6%
Taxes	(15)	(17)		(44)	(44)		(2)	(1)		(2)	(3)	(64)	(64)	
Minorities	(7)	(10)		(29)	(28)		(0)	0		(0)	(0)	(37)	(37)	
Net Profit	35	41	+15.6%	63	65	+3.1%	2	8	n/a	(11)	(15)	88	98	+10.8%
Margin	1.4%	1.4%		2.9%	3.1%		0.5%	2.4%				1.7%	1.9%	

- By areas of activities of HOCHTIEF, it is worth highlighting:
  - a) Growth in America where sales went up by 10.5% and net profit by 15.6%. 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 7.4%. The improvement in the operating margins enabled a net profit growth 3.1% in nominal terms and over 12% adjusted by exchange rate.

## 3.2 Industrial Services

Industrial Services		Key Figures	
<i>Euro Million</i>	3M17	3M18	Var.
<b>Turnover</b>	<b>1,856</b>	<b>1,957</b>	<b>+5.4%</b>
<b>EBITDA</b>	<b>211</b>	<b>222</b>	<b>+5.2%</b>
<i>Margin</i>	11.4%	11.4%	
<b>EBIT</b>	<b>192</b>	<b>202</b>	<b>+5.2%</b>
<i>Margin</i>	10.3%	10.3%	
<b>Net Profit</b>	<b>119</b>	<b>125</b>	<b>+5.5%</b>
<i>Margin</i>	6.4%	6.4%	
<b>Backlog</b>	<b>8,750</b>	<b>9,272</b>	<b>+6.0%</b>
<i>Months</i>	17	17	
<b>Net Investments</b>	<b>43</b>	<b>62</b>	<b>+0.0%</b>
<b>Working Capital</b>	<b>(940)</b>	<b>(897)</b>	<b>-4.6%</b>

- Industrial Services sales accounted for € 1,957 million with an increase of 5.4%, or over 12% adjusted by the currency effects.
- EPC projects grew by 13.2% thank to the development of international project in South America while the rest of the activities remain practicably stable.

Industrial Services		Sales per geographical areas	
<i>Euro Million</i>	3M17	3M18	Var.
Spain	495	589	+19.1%
Rest of Europe	115	82	-28.2%
North America	380	397	+4.5%
South America	411	563	+36.8%
Asia Pacific	296	180	-39.0%
Africa	160	145	-9.2%
<b>TOTAL</b>	<b>1,856</b>	<b>1,957</b>	<b>+5.4%</b>

Industrial Services		Turnover breakdown by activity		
Euro Million	3M17	3M18	Var.	
<b>Support Services</b>	<b>1,031</b>	<b>1,023</b>	<b>-0.8%</b>	
<i>Networks</i>	174	200	+15.1%	
<i>Specialized Products</i>	658	624	-5.2%	
<i>Control Systems</i>	199	199	+0.1%	
<b>EPC Projects</b>	<b>826</b>	<b>935</b>	<b>+13.2%</b>	
<b>Renewable Energy: Generation</b>	<b>13</b>	<b>0</b>	<b>-97.1%</b>	
<i>Consolidation Adjustments</i>	(15)	(2)		
<b>TOTAL</b>	<b>1,856</b>	<b>1,957</b>	<b>+5.4%</b>	
<b>International</b>	<b>1,362</b>	<b>1,368</b>	<b>+0.5%</b>	
<i>% over total sales</i>	73.3%	69.9%		

- Backlog grew by 6.0% up to € 9,272 million with a negative impact from the exchange rate; not considering this impact, backlog grew by 18.9%. International backlog represents 76.0% of the total amount.
- It is worth noting the excellent performance in South America, with a growth of 24.5% 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 80.0%. The Mexican backlog reactivates growing by 24.7%.

Industrial Services		Backlog per geographical areas		
Euro Million	Mar-17	Mar-18	Var.	
Spain	2,068	2,226	+7.6%	
Rest of Europe	342	616	+80.0%	
North America	1,726	2,162	+25.2%	
South America	2,407	2,996	+24.5%	
Asia Pacific	1,508	848	-43.8%	
Africa	698	424	-39.3%	
<b>TOTAL</b>	<b>8,750</b>	<b>9,272</b>	<b>+6.0%</b>	

Industrial Services		Backlog per activity		
Euro Million	Mar-17	Mar-18	Var.	
<b>Support Services</b>	<b>5,084</b>	<b>5,233</b>	<b>+2.9%</b>	
<i>Networks</i>	583	632	+8.3%	
<i>Specialized Products</i>	3,157	3,263	+3.4%	
<i>Control Systems</i>	1,344	1,338	-0.4%	
<b>EPC Projects</b>	<b>3,620</b>	<b>4,039</b>	<b>+11.6%</b>	
<b>Renewable Energy: Generation</b>	<b>45</b>	<b>0</b>	<b>-</b>	
<b>TOTAL BACKLOG</b>	<b>8,750</b>	<b>9,272</b>	<b>+6.0%</b>	
<b>International</b>	<b>6,681</b>	<b>7,046</b>	<b>+5.5%</b>	
<i>% over total backlog</i>	76.4%	76.0%		

- Operating results grew in correlation with sales with stability in margins.
- Net profit accounted to € 125 million, 5.5% higher than the same period of 2017.

## 3.3 Services

Services		Key figures	
<i>Euro Million</i>	3M17	3M18	Var.
<b>Turnover</b>	<b>348</b>	<b>372</b>	<b>+6.7%</b>
<b>EBITDA</b>	<b>18</b>	<b>19</b>	<b>+9.5%</b>
<i>Margin</i>	5.1%	5.2%	
<b>EBIT</b>	<b>12</b>	<b>13</b>	<b>+11.7%</b>
<i>Margin</i>	3.3%	3.5%	
<b>Net Profit</b>	<b>12</b>	<b>8</b>	<b>-32.3%</b>
<i>Margin</i>	3.6%	2.3%	
<b>Backlog</b>	<b>1,994</b>	<b>2,400</b>	<b>+20.4%</b>
<i>Months</i>	16	20	
<b>Net Investments</b>	<b>(48)</b>	<b>8</b>	
<b>Working Capital</b>	<b>10</b>	<b>(18)</b>	

- Sales increased by 6.7% both in domestic and international markets.
- EBITDA accounted for € 19 million increasing by 9.5% with an improvement in margin over sales of 10 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. Without this effect, net profit growth stood at 10.5%.
- Services backlog accounts for € 2,400 million, equivalent to over 18 months of production and increasing by 20.4% 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>	Mar-17	Mar-18	Var.	
Spain	1,918	2,247	+17.2%	
Rest of Europe	76	153	+100.3%	
<b>TOTAL</b>	<b>1,994</b>	<b>2,400</b>	<b>+20.4%</b>	

## 4 Annex

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

TURNOVER					
Euro Million	3M17		3M18		Var.
Construction	6,158	74 %	6,346	73 %	+3.1%
Industrial Services	1,856	22 %	1,957	23 %	+5.4%
Services	348	4 %	372	4 %	+6.9%
Corporation / Adjustments	(5)		(5)		
<b>TOTAL</b>	<b>8,357</b>		<b>8,671</b>		<b>+3.7%</b>

EBITDA					
Euro Million	3M17		3M18		Var.
Construction	389	63 %	398	62 %	+2.2%
Industrial Services	211	34 %	222	35 %	+5.2%
Services	18	3 %	19	3 %	+9.5%
Corporation / Adjustments	(13)		(13)		
<b>TOTAL</b>	<b>605</b>		<b>627</b>		<b>+3.6%</b>

EBIT					
Euro Million	3M17		3M18		Var.
Construction	250	55 %	272	56 %	+9.1%
Industrial Services	192	42 %	202	41 %	+5.2%
Services	12	3 %	13	3 %	+11.7%
Corporation / Adjustments	(14)		(14)		
<b>TOTAL</b>	<b>439</b>		<b>473</b>		<b>+7.9%</b>

NET PROFIT					
Euro Million	3M17		3M18		Var.
Construction	91	41 %	103	44 %	+13.2%
Industrial Services	119	53 %	125	53 %	+5.4%
Services	12	6 %	8	4 %	-32.3%
Corporation / Adjustments	10		13		
<b>TOTAL</b>	<b>233</b>		<b>250</b>		<b>+7.4%</b>

NET INVESTMENTS					
Euro Million	3M17		3M18		Var.
Construction	85		92		+7.2%
Industrial Services	43		62		+43.3%
Services	(48)		8		n.a
Corporation / Adjustments	(2)		0		n.a
<b>TOTAL</b>	<b>78</b>		<b>161</b>		<b>+105.9%</b>

BACKLOG					
Euro Million	Mar-17		Mar-18		Var.
		months		months	
Construction	57,349	25	55,005	23	-4.1%
Industrial Services	8,750	17	9,272	17	+6.0%
Services	1,994	16	2,400	20	+20.4%
<b>TOTAL</b>	<b>68,092</b>	<b>23</b>	<b>66,677</b>	<b>22</b>	<b>-2.1%</b>

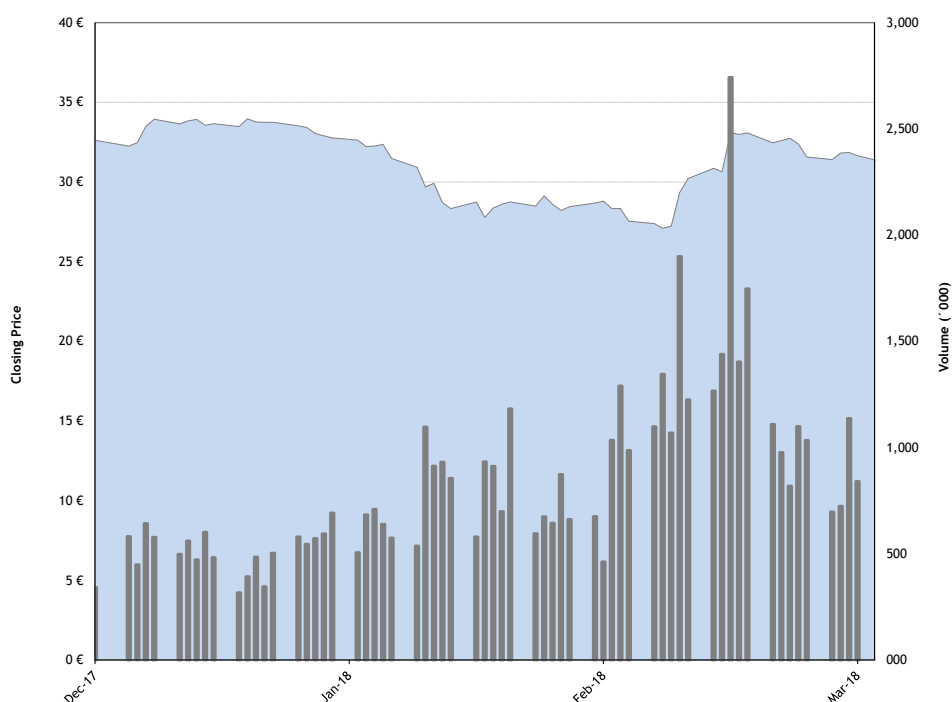
  

NET DEBT					
Euro Million	Mar-17		Mar-18		Var.
Construction	6		(1,285)		n.a
Industrial Services	(647)		(473)		-27.0%
Services	186		153		-17.6%
Corporation / Adjustments	2,150		1,964		-8.6%
<b>TOTAL</b>	<b>1,695</b>		<b>359</b>		<b>-78.8%</b>

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

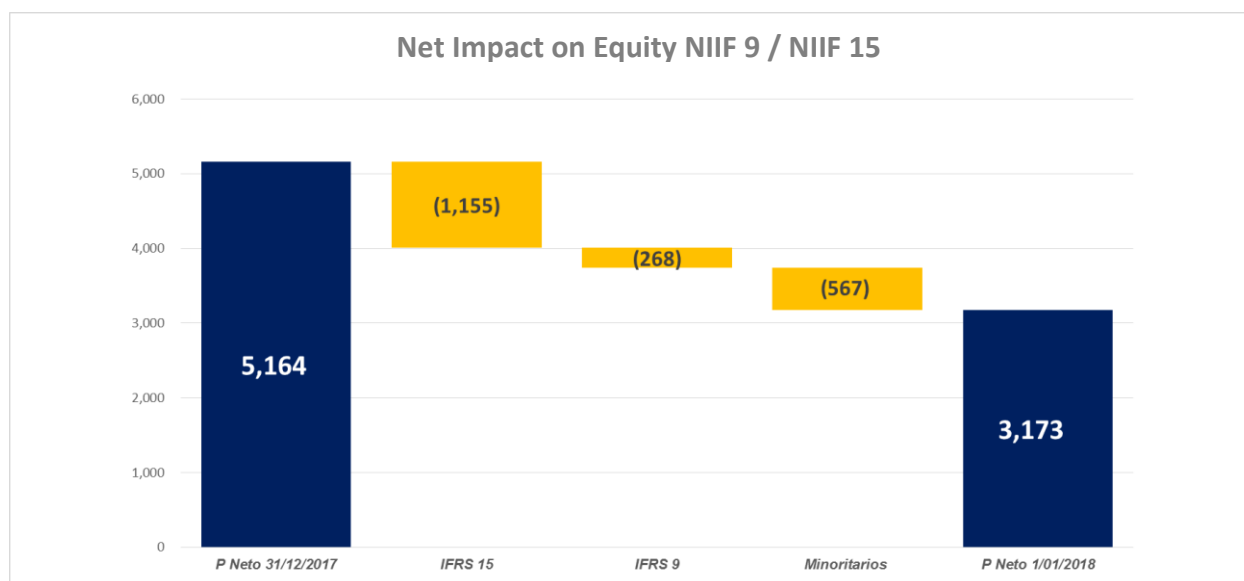
## 4.2 Share data

ACS Shares Data (YTD)	3M17	3M18
Closing price	31.90 €	31.65 €
Performance	21.78%	-0.77%
Period High	31.90 €	34.10 €
High date	31-Mar	8-Jan
Period Low	28.34 €	26.67 €
Low date	31-Jan	7-Mar
Average in the period	29.95 €	30.87 €
Total volume ('000)	46,779	53,199
Daily average volume ('000)	709	844
Total traded effective (€ mn)	1,401	1,642
Daily average effective (€ mn)	21.23	26.07
Number of shares (mn)	314.66	314.66
Market cap (€ mn)	10,036	9,959



## 4.3 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.
- 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 € 1,283 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): € 260 million
  - c. Shareholder loans (NIIF 9): Approximately € 448 million, which principally affects non-current loans of HLG 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 € 1,424 million (after tax) and of minority interests by € 567 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

#### 4.4 Exchange rate effect

### EXCHANGE RATE EFFECT

EXCHANGE RATE EFFECT (€ vs. currency)	Average Exchange Rate			
	Mar-17	Mar-18	difference	%
1 US Dollar	1.0673	1.2311	0.1638	+15.3%
1 Australian Dollar	1.4000	1.5712	0.1713	+12.2%
1 Mexican Peso	21.2286	22.8221	1.5935	+7.5%
1 Brazilian Real	3.3384	3.9952	0.6569	+19.7%

EXCHANGE RATE EFFECT (€ vs. currency)	Closing Exchange Rate			
	Mar-17	Mar-18	difference	%
1 US Dollar	1.0649	1.2321	0.1672	+15.7%
1 Australian Dollar	1.3961	1.6018	0.2057	+14.7%
1 Mexican Peso	19.9519	22.4123	2.4604	+12.3%
1 Brazilian Real	3.3263	4.0716	0.7453	+22.4%

EXCHANGE RATE EFFECT Euro million	Grupo ACS			
	USD	AUD	Others	Total
Backlog	(3,634)	(3,238)	(1,571)	(8,443)
Sales	(521)	(255)	(142)	(918)
Ebitda	(12)	(29)	(11)	(53)
Ebit	(11)	(20)	(9)	(40)
Net Profit	(1)	(6)	(7)	(14)

EXCHANGE RATE EFFECT	Construction			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	(3,459)	(3,235)	(610)	(7,303)
Sales	(506)	(254)	(30)	(790)
Ebitda	(14)	(29)	0	(43)
Ebit	(12)	(20)	0	(31)
Net Profit	(7)	(6)	(1)	(14)

EXCHANGE RATE EFFECT	Industrial Services			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	(175)	(4)	(956)	(1,135)
Sales	(14)	(1)	(112)	(127)
Ebitda	1	(0)	(12)	(11)
Ebit	1	(0)	(9)	(8)
Net Profit	6	(0)	(6)	(1)

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



## 4.5 Main Awards of the Period

In blue the new awards corresponding to the last quarter

### 4.5.1 Construction

Project	Type of Project	Region	€ mn
Contract for the execution of hydro generating station and spillways civil workson 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
Construction of 6.5 km of automated people mover at the Los Angeles International Airport (United States)	Civil Works	America	306.0
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 the S-6 bypass between Leborg-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
Three-year contract extension to provide coal mining services in Satuia mine (Indonesia)	Contract mining	Asia Pacific	148.8
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 express wayin the provinces of Cavite and Laguna in the Philippines	Civil Works	Asia Pacific	113.9
EPC project and maintenance contract for Tailern Bend Solar Farm in the South of Australia	Civil Works	Asia Pacific	107.9
Contract extension to provide project, engineering, and maintenance services to ATOM company ( industrial equipment supplier) in Australia	Other Civil Works	Asia Pacific	94.7
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
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
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
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

## 4.5.2 Industrial Services

Project	Type of Project	Region	€ mn
Construction of school in Cordoba (Argentina)	Integrated projects	America	87.8
Contract for the Tyra East G & Tyra East H Jackets for the Tyra Future Development Project in the North Sea. Project includes Project management, HSEQ management, procurement, construction (EPC), preservation, preparation for sail-away including load-out, sea-fastening and handover of the Tyra Jackets TEG (Jacket for the Process and Utility Platform) and TEH (Jacket for the Accommodation Platform) (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
Services for works and support for the maintenance of medium and low voltage networks in Argentina	Networks	America	27.5

## 4.5.3 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

## 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	mar-18	mar-17
<b>Market capitalisation</b>	<b>Num of shares at period close x price at period close</b>	<b>9,959</b>	<b>10,036</b>
<b>Earnings per share</b>	<b>Net Profit of the period / Average num of shares of the period</b>	<b>0.80</b>	<b>0.75</b>
Net Attributable profit	Total Income - Total Expenses of the period - Minority interests result	250	233
Average num. of shares of the period	Daily average outstanding shares in the period adjusted by treasury stock	312.0	311.4
<b>Backlog</b>	<b>Value of the contracts awarded and pending to be executed.</b> In section 1.1, a breakdown is made between a direct and proportional portfolio (referring to proportional participation in joint operating companies and projects not consolidated globally in the Group)	<b>66,677</b>	<b>68,093</b>
<b>Gross Operating Profit (EBITDA)</b>	<b>Operating Profit excluding (1) D&amp;A y (2) non recurrent operating results and/or which dont imply a cash flow + Net Results from Joint Ventures</b>	<b>627</b>	<b>605</b>
(+) Operating Profit	Operating income - Operating expenses	415	428
(-) 1.D&A	Operating provisions and fix asset depreciation	(153)	(166)
(-) 2. Non recurrent operating results and/or which dont imply a cash flow	Impairment & gains on fixed assets + other operating results	(24)	(12)
(+) 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	34	(2)
<b>Net Financial Debt / EBITDA</b>	<b>Net Financial Debt / Annualized EBITDA</b>	<b>0.1x</b>	<b>0.7x</b>
Net Financial Debt (1)-(2)	Gross external financial debt + Net debt with group companies - Cash & Equivalents	359	1,695
(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	7,829	8,773
(2) Cash & Equivalents	Temporary Financial investments + L/T deposits + Cash & Equivalents	7,470	7,078
Annualized EBITDA	EBITDA of the period / num of month within the period x 12 months	2,506	2,420
<b>Net Cash Flow</b>	<b>(1) Cash Flow from operating activities + (2) Cash Flow from investing activities + (3) Other Cash flows</b>	<b>(586)</b>	<b>(650)</b>
<b>1. Cash Flow from operating activities</b>	<b>Adjusted Net Profit attributable + Operating working capital variation</b> <i>ex discontinued operations</i>	<b>(394)</b>	<b>(507)</b>
Adjusted Net Profit attributable	Net profit attributable (+/-) adjustments of concepts which dont imply an operating cash flow	568	507
Operating working capital variation	Working capital variation of the period (+/-) ajustments of non operating concepts (Ej: dividends, interests, taxes, etc)	(963)	(1,013)
<b>2. Cash Flow from investing activities</b>	<b>Net investments (paid/collected)</b> <i>ex discontinued operations</i>	<b>(61)</b>	<b>(79)</b>
(-) Payments from investments	Payments for operating, project and financial investments. This figure may differ from that shown in section 2.3.2 for reasons of deferral (accruals) <i>ex discontinued operations</i>	(183)	(192)
(+) 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>	121	113
<b>3. Other Cash Flows</b>	<b>Treasury stock sale/acquisition + Dividend payments + Other financial sources +</b> <i>Cash generated from discontinued operations</i>	<b>(130)</b>	<b>(64)</b>
Ordinary Financial Result	Financial Income - Financial expenses	(70)	(79)
Net Financial Result	Ordinary financial result + Foreign exchange results + Impairment non current assets results + Results on non current assets disposals	(19)	(21)
Working Capital	Stock + Total accounts receivables - Total accounts payables - other current liabilities	(4,185)	(2,613)

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

Data in million of euros

CONCEPT	USE
<b>Market capitalisation</b>	Value of the company in the stock exchange market
<b>Earnings per share</b>	Indicates the part of the net profit that corresponds to each share
<b>Backlog</b>	An indicator of the Group's commercial activity. The value divided by the average duration of the projects is an approximation to the revenues to be received in the following periods
<b>Gross Operating Profit (EBITDA)</b>	Measure of comparable performance to evaluate the evolution of the Group's operating activities excluding depreciation and provisions (more variable items according to the accounting criteria used). This AMP is widely used to evaluate the operational performance of companies as well as part of ratios and valuation multiples and measurement of risks
<b>Net Financial Debt / EBITDA</b>	<b>Comparable ratio of the Group's indebtedness level. It measures the repayment capacity of the financing in number of years.</b>
Net Financial Debt (1)-(2)	Total net debt level at the end of the period. In section 1, it is included a breakdown of the net debt of the projects (Project Finance) and the net debt of the business
(1) Deuda Financiera Bruta	Level of gross financial debt at period end
(2) Cash & Equivalents	Current liquid assets available to cover the repayment needs of financial liabilities
Annualized EBITDA	
<b>Net Cash Flow</b>	Cash generated / consumed of the period
1. Cash Flow from operating activities	Cash generated by operating activities. Its value is comparable to the Group's EBITDA by measuring the conversion of operating income into cash generation
2. Cash Flow from investing activities	Funds consumed / generated by investment needs or divestments collections in the period
3. Other Cash Flows	
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	



## 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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