

ACS Group obtains a net profit of 1,551 million euros in 2007, with growth of 24%

Business turnover went up by 54% to exceed 21,300 million euros, which positioned the Group as one of the three largest infrastructure companies in the world

- 24% of total sales were produced abroad
- 66% of turnover came from activities other than construction
- The ACS Group already has 1,467 MW of renewable energies installed or under construction and another 1,780 MW being developed
- The Board of Directors will propose a dividend equivalent to 40% of the net profit to the shareholders at the AGM

ACS Group's Profit (Loss) 2007

In millions of euros

	2007	2006	var.
Sales	21,312	13,869	+53.7%
EBITDA	3,490	1,219	+186.4%
EBIT	2,486	942	+163.8%
Attributable Net Profit	1,551	1,250	+24.1%
EPS	€4.51	€3.58	+25.8%
Funds Generated from Operations	2,123	941	+125.6%
Net Worth	10,441	3,256	+220.6%

* Profit after tax without including extraordinary items

** Non-recourse net debt, excluding non-recourse financing

Consolidated Profit

The ACS Group obtained a net profit of €1,551 million in 2007, 24.1% more than in the same period in 2006. Ordinary profit after tax, not counting an extraordinary profit of 541 million euros, which was mainly due to the capital gains obtained from the sale of Continental Auto, increased by 23.9%, up to €1,010 million as the result of the good development of all the operating activities.

The ACS Group's business turnover in 2007, the year when it consolidated Unión Fenosa in its accounts for the first time due to global integration, came to €21,312 million, which positions the Group among the top three infrastructure companies worldwide based on turnover volume. International sales grew 121%, and came to €5,042 million, which represents 23.7% of the total. Furthermore, 66% of the turnover came from activities other than construction.

Operating profit showed a strong growth last year, supported by the new consolidation criteria of Unión Fenosa. Consequently, earnings before interest, taxes, depreciation and amortisation (EBITDA) rose 186% to reach €3,491 million, which represents a margin on sales of 16.4%. Earnings before interest and tax (EBIT), meanwhile, was €2,487 million, with an increase of 164%, improving the margin on sales up to 11.7%.

Listed affiliated companies (Abertis, Hochtief and Iberdrola) contributed €384 million to the ACS Group's profit in 2007, before deducting financial expenses and associated taxes. The net contribution stood at €138 million euros, 69.6% more than in 2006.

Profit by Business Division

Construction

The Construction Division reported sales of €7,353 million last year, up 8.9% on 2006. Civil engineering was the activity that saw the most growth, with a rate of 13.1%. EBITDA also rose 8.9% to reach €549 million and EBIT went up by 10% to €310 million.

The construction portfolio at the end of 2007 was continuing to increase and stood at €12,011 million, up 12.7% than a year ago, which is equivalent to 19 months of production. The most noteworthy contract awards last year in Spain include the construction of the second bridge over the Bay of Cadiz, the construction of the CV-50 road in Benaguasil, the reconstruction of module D of the car park of Terminal 4 of the airport of Barajas, the modernisation of Terreu Canal in Huesca, the Alto Órbigo wastewater treatment plant (Leon), and several railway works, especially for the development of the high speed line and the construction of urban approach tunnels and the new station in Gerona.

Worth highlighting in the international area are the award of the contracts for the construction projects of the Ionian y Central Greece motorways in Greece, the A-4 motorway between Wielicka and Szarow in Poland and the M7 and M8 motorways in Ireland. This division's international portfolio grew 195% last year as a consequence of these projects and the ones that are in progress in the state of New York, as well as the

portfolio of Schiavone, the US civil engineering construction company acquired by Dragados at the end of last year.

Environment and Logistics

The Environment and Logistics Division reported sales of €2,835 million in 2007, representing year-on-year growth of 15.3%. The turnover of all the activities increased to two digit figures: Environment 11.4%, Port Services and Logistics 19.2% and Comprehensive Maintenance 18.8%. International sales climbed 26.6% up to €340 million, representing 12% of the division's total.

The EBITDA of the Environment and Logistics Division rose 17.5% to reach €382 million, whilst EBIT went up by 20.7% to €132 million.

This division's current portfolio is €14,458 million, equivalent to 61 months of activity. The most important contract awards last year include the Roanne biogasification plant (France), highway cleaning and urban waste collection in the northern area of Barcelona, the extension and improvement of the solid urban waste (SUW) treatment centre of the Junta de Castilla y León (Autonomous Government of Castile and Leon), the highway cleaning of the districts of Chamberí and Moncloa in Madrid, the construction and maintenance of the Valladolid environmental park, the management of residential homes and day centres for Alzheimer sufferers in Madrid (Reina Sofía) and Palma de Mallorca, the homecare service of the city councils of Leon and Cadiz, and the cleaning service of Bellvitge University Hospital in Barcelona and La Paz Hospital in Madrid, among others.

Industrial Services

The Industrial Services Division increased its sales by 15.6% in 2007 to bring them to €5,489 million, with a strong international activity representing nearly a third of all its sales. EBITDA rose 16.4% to reach €488 million, and EBIT went up to €265, 19% more than in the previous financial year.

The ACS Group strengthened its commitment to renewable energies in 2007, so at the end of last year it had 1,467 MW installed or under construction in both wind and solar thermal energy, and another 1,780 MW being developed. Furthermore, the Industrial Services Division was participating in 20 concession projects of electricity transmission lines at the end of December, which come to a total of 8,326 km, the majority in Brazil, and whose managed investment exceeds €2,100 million.

This division ended 2007 with a project portfolio to the value of 5,854 million euros, which represents a year-on-year increase of 15.1% and over a year of production. The most important contracts obtained last year in Spain include the maintenance of the Enagas gas pipeline network, the interior redevelopment of terminals T1 and T2 of Barajas airport in Madrid, the installation of the Durango combined cycle plant, the construction of a refinery for Petronor in Bilbao and the concession for the construction and management of the low voltage transmission network in Baja California (Mexico).

Energy

The Energy Division, formed by Unión Fenosa, obtained sales of €5,967 million in 2007, of which 43% are international. This business turnover hardly changed compared with that of 2006, because the latter year still included the sales of Soluziona, which came to €407 million. If this effect is excluded, sales compared with 2006 would have increased by 7.1%.

The integration of Unión Fenosa, in its first year contributing to the ACS Group's operating profit (loss), has led to an increase in EBITDA of €2,111 million. EBIT, meanwhile, after the financial costs of the investment had been deducted, was €230 million, 35.4% more than in 2006.

Net Investments and Debt

The ACS Group managed to generate €2,123 million of funds from its operations as a result of the good performance of each and every one of its operating activities. This capacity to generate funds made it possible to continue with the active investment policy, which guarantees the Group's sustainable and profitable growth.

As a result, net investments last year totalled €3,403 million, with over €4,650 million corresponding to the Group's annual investments, of which the most important was the acquisition of 25.1% of Hochtief for €1,265 million. The most significant item in the disinvestment section, which came to €1,247 million, is the sale of Continental Auto for €659 million.

By operating divisions, most noteworthy are the investments made in Energy. Unión Fenosa invested €1,273 million, mainly to complete the combined cycles of Sagunto and Sabón, the environmental adaptation and conversion of several power stations and several own renewable energy projects in Spain.

The Group also made a strong commitment to executing renewable energy projects, investing €267 million in solar thermal plants and €287 million in wind farms last year, almost two thirds of the €864 million invested in total by Industrial Services.

The Environment and Logistics Division invested almost €500 million in 2007, of which around €300 million were for its environmental activity, such as the solid waste plant in Zaragoza, and the acquisition of the company Senda. In Port Services, €158 million were allocated, mainly for container terminals. The investments made in the Concessions Division are also significant, with over €437 million invested in motorways and public facilities projects.

The Construction Division invested €206 million, which includes €100 million in the acquisition of Schiavone in the United States, as well as tunnel boring machines and specialised civil engineering plant.

The net recourse debt balance stood at €6,933 million at the end of 2007, which is equivalent to a leverage of 66%. Non-recourse financing was €9,641 million, which is a total net debt of €16,574 million. €5,807 million of this amount is Unión Fenosa's debt, which is recorded in the ACS Group's accounts as a result of the consolidation by global integration.

In addition, in the first months of 2008, the ACS Group will collect over €1,000 million derived from agreements to sell its stake in seven infrastructure concessions, which will generate capital gains of over 700 million euros. These projects are the airports of Santiago de Chile, Montego Bay in Jamaica, Cali in Colombia, the Mexican ones integrated in the company Grupo Aeroportuario del Pacífico and the Central and Rutas del Pacífico motorways in Chile and the Portuguese Scut Da Beira Interior

This financial soundness of the balance sheet and the quality of the results obtained will enable the Board of Directors to propose to the shareholders at the AGM that the payout is raised to 40% of the profit, resulting in a dividend per share of €1.75 charged to the financial year 2007, which is an increase of 40%.

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