

The ACS Group records 2008 net profit of 1,805 million euros, a gain of 16.4%

- Total turnover increased 4.3% to €16,010 million, with international accounting for 21.7% of the total
- Ordinary net profit after taxes, not including extraordinary results, grew by 11.6% to €1,127 million.
- Total backlog at the close of the year stood at €34,106 million, an increase of 5.5% over last year's close

Main financial figures In millions of euros (except EPS)

	2008	2007	var.
Turnover	16,010	15,345	+4.3%
Gross Operating Profit (EBITDA)	1,480	1,380	+7.2%
Attributable Net Profit	1,805	1,551	+16.4%
EPS	€5.43	€4.51	+20.5%
Cash Flow from Operations	1,060	585	+81.4%
Total Net Debt	9,355	16,575	-43.6%

Consolidated Results

The ACS Group in 2008 recorded a total net profit of €1,805 million, 16.4% more than in 2007 despite the difficult macroeconomic environment. Net earnings from operations during the year totalled €1,127 million, for an 11.6% gain over the previous year.

Extraordinary earnings totalled €678 million, which includes the capital gains obtained on the sales of the airport concessionaire DCA, our shares in highway concessionaires Autopista Central and Rutas del Pacífico in Chile and our 10% stake in the electric utility Unión Fenosa, and also takes into account the changes in fair value on financial instruments, specifically the decline in the share price of Iberdrola, which had a negative impact of €456 million.

Total turnover on the Group level reached €16,010 million for the year, representing a

4.3% increase over the previous year and. International sales, accounting for 21.7% of the total, rose 39% to €3,467 million.

Gross operating profit (EBITDA) grew by 7.2%, reaching €1,480 million for a return on sales of 9.2%. Net operating profit (EBIT) increased by 3.8% to €1,097 million, for a margin of 6.9%.

Total backlog of works and projects pending execution at 31 December 2008 stood at €34,106 million, representing a 5.5% increase over the close in 2007. However, during the last few months of 2008, Iridium, the infrastructure concessions subsidiary of the ACS Group, obtained several projects in the US, Canada and Portugal which are not reflected in the construction backlog at the close of the year. Among these we would highlight the construction of Interstate highway I595 in in the state of Florida (USA) and the construction of Baixo Alentejo highway in Portugal.

In addition, the ACS Group was recently awarded the Castor project for the construction of a deposit for the strategic national gas reserves using the old oil wells on the coast of the Levante region of Spain. The project has a price tag of over €1,400 million, of which more than €1,000 million correspond to engineering and turnkey construction. The project will be executed through a joint venture that the ACS Group leads with a 67% interest.

Performance by Business Area

Construction

Sales from construction activities totalled €6,625 million in 2008, for a decline of 9.9% over the previous year in response to the slowdown in domestic construction, particularly in residential housing.

This decline was partially offset by the 88.6% increase in international sales, particularly in the North American market. International activities currently represent 12.3% of construction sales and more than 23% of the total backlog.

On the operating level, EBITDA reached €494 million, maintaining a return on sales of 7.5%. Net profit from construction reached €275 million, for a similarly stable margin of 4.2%.

Construction backlog at the close of 2008 totalled €11,023 million, equalling 20 months of work and pointing to increase in production in 2009 over the previous year.

The most notable awards in Spain during the year included the construction of the Eix Diagonal Highway in Barcelona, a railway bridge over the Ulla River in La Coruña, a railway platform between the Atocha and Chamartín stations in Madrid, the expansion of the ports of Valencia and Tazacorte (Tenerife), a section of line 9 of the Barcelona Metro, the Linares to Ibro (Jaén) section of the A-32 highway and the penitentiary in Campo Ríos (Murcia).

Outside of Spain we would highlight the construction of the A-30 in Montreal (Canada), the construction and operation of a wastewater treatment centre in Shanganagh (Ireland), the pier at Terminal Marítimo in San Vicente (Chile) and the construction of Portuguesa dam on the island of Puerto Rico (USA).

Concessions

The Group's concession activities are handled through the subsidiary Iridium, which contributed more than €641 million to the consolidated net profit of the group in 2008 thanks to the sales of assets during the year.

Specifically, the Group sold its interest in the Chilean highway concessionaires Autopista Central and Rutas del Pacífico, and divested its airport concession subsidiary DCA. The Group also sold its interest in the Portuguese highway concessionaire Scutvias Autostrade de Beira Interior.

Business activities were also very strong, particularly in the US and Canada with the award of some major contracts during 2008, among which we would highlight the preparation and pre-development of the project for the construction and operation of the Currituck bridge in the state of North Carolina, the concession for the financing, design, construction, operation and maintenance for 35 years of the interstate highway I-595 in the state of Florida, the design, planning, development and operation of the TTC I-69 corridor, which includes roadway and railway infrastructure between the Rio Grande Valley, the Port of Corpus Christi and the city of Houston in the state of Texas. North of the border, the group was also awarded the concession for 42 km of the western section of the Southern Montréal bypass (A-30) in Canada.

Environmental Services and Logistics

Sales in Environmental Services and Logistics reached €3,148 million in 2008, an 11.1% increase over the previous year. Of the total, 13.4% were performed outside of Spain thanks to the major international expansion in the past year, with growth reaching 23.8%.

Gross operating earnings from Environmental and Logistics services rose 8% to €412 million, for a return on sales of 13.1%. Net profit from the business area rose 9.9% to €145 million, representing a margin over sales of 4.6%.

Backlog in the area increased 16.5% to close the year at €16,839 million, equalling over five years of production.

Among the contracts awarded during 2008, we would highlight the construction and operation of the solid urban waste treatment plants in Romainville (Paris) and on Guadalupe island in the French Antilles, the rehabilitation and management of the Cerro Patagón garbage dump in Panama, the operation of the solid urban waste transfer and treatment centre in Palencia (Spain) and the cleaning, internal transportation and warehouse management services for the Majadahonda Hospital in Madrid (Spain).

Industrial Services

Sales in the Industrial Services division rose 18% to €6,477 million. International activities accounted for 34.3%, a 29.8% increase over the previous year.

Gross operating profit increased 21.1% to €591 million for a return on sales of 9.1%. Net profit from the business area grew 19.5% during the year to reach €317 million, for a margin over sales of 4.9%.

The backlog in this division at the end of 2008 totalled €6,244 million, equalling nearly 12 months of production.

Among the international projects award in 2008, we would highlight the construction of various electrical transmission lines and substations in Brazil, the installation of the boilers for the combined cycle power plant in (Portugal), construction of the MDEPC Power Plants, Cairo West and El Tebbin in Egypt, and the construction of three high tension power lines in the state of Sonora (Mexico).

In the Spanish market, we would highlight the award of the Coker refinery in Cartagena, phases 6 and 7 of the combined cycle power plant in Compostilla (León), the prefabrication of various naval production blocks for the El Ferrol shipbuilders and the mechanical installations for the Iberia hangers at the Barcelona airport. Particularly relevant contracts awarded during the year included construction of various solar thermal power stations, both of our own development (Manchasol I) and for third parties (La Dehesa and La Florida in Badajoz and Torresol in Seville).

Capex and debt

ACS Group in 2008 generated cash flow of €3,577 million, of which €1,060 million were from operations. Divestitures during the year generated €2,517 million, among which we would highlight the funds obtained from the sale of the 10% stake in Unión Fenosa totalling €1,675 million, and that received for the sale of the various concession investments.

This capacity to generate funds has allowed us to continue with an active investment policy and thereby guarantee the sustainable and profitable growth of the ACS Group. Specifically, total investments of the ACS Group in 2008 equalled €2,969 million.

Among the most significant investments, in addition to the execution of the Hochtief equity swap (€288 million) at the close of the year, we would highlight the €416 million invested in solar thermal power plants and the €455 million invested in wind parks through the Industrial Services business area. In concessions, we have invested €185 million in projects currently under development, while in Environmental Services and Logistics, our investments totalled €351 million with an emphasis on waste treatment plants.

Total net debt of the ACS Group at the close of 2008 stood at €9,355 million; of which €2,933 million is net debt with recourse and €6,422 million is net nonrecourse debt.

However, on this very day, following the receipt of the required authorisation from the National Competition Commission on 17 February, the ACS Group has completed the sale of 35.3% of Unión Fenosa for €5,915 million, from which we have to discount the €90 million collected in dividends in January 2009.

Accordingly, net consolidated debt of the Group currently stands at €6,152 million, which implies a ratio of 3.6 times gross operating profit (EBITDA) plus dividends from investee companies in 2008.

Madrid, 26 February 2009