

ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



RESULTS 2006 STRATEGY 2007

20th of February 2007

Executive Summary

Results 2006

Strategy 2007

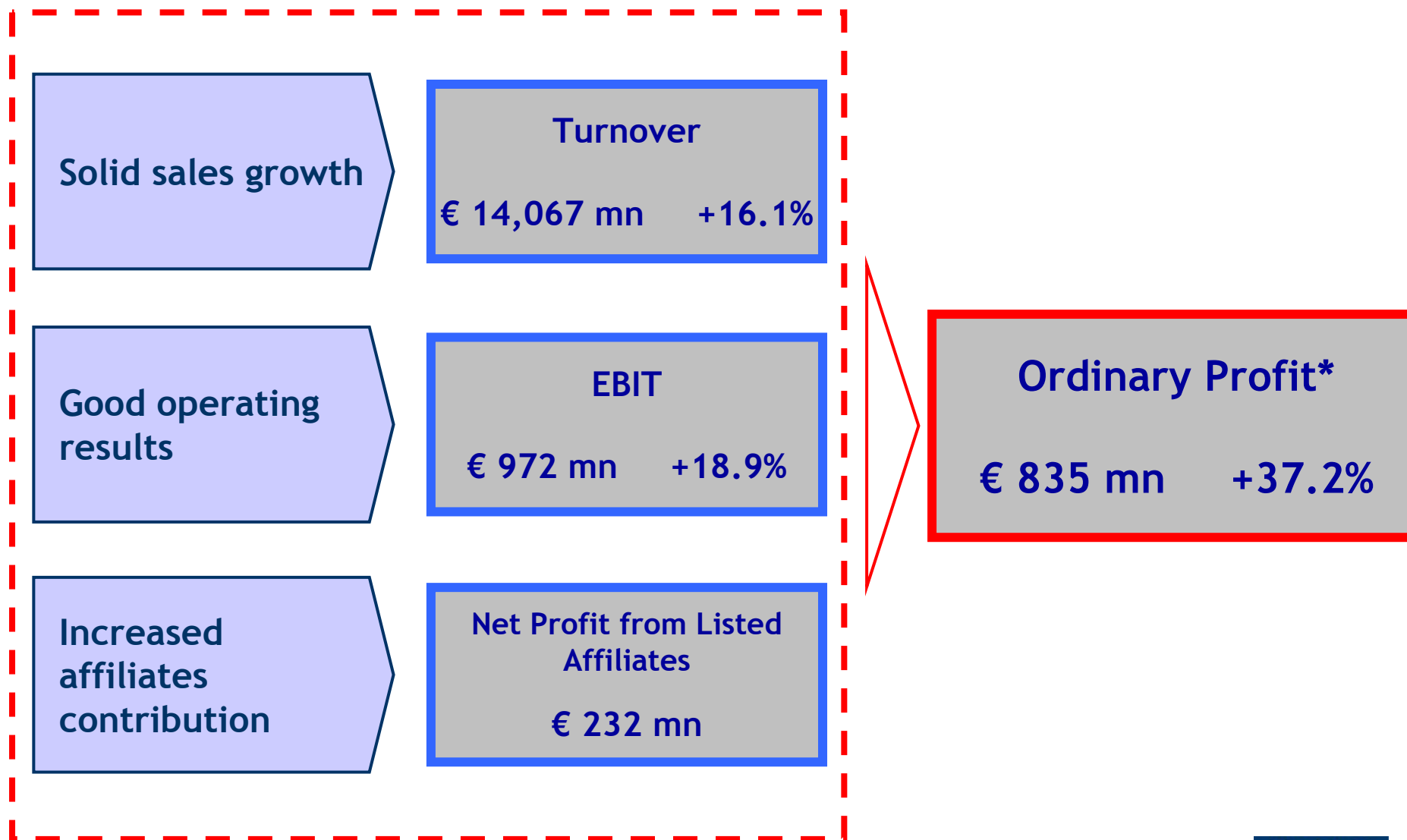
Conclusions

Executive Summary
2006: An excellent year

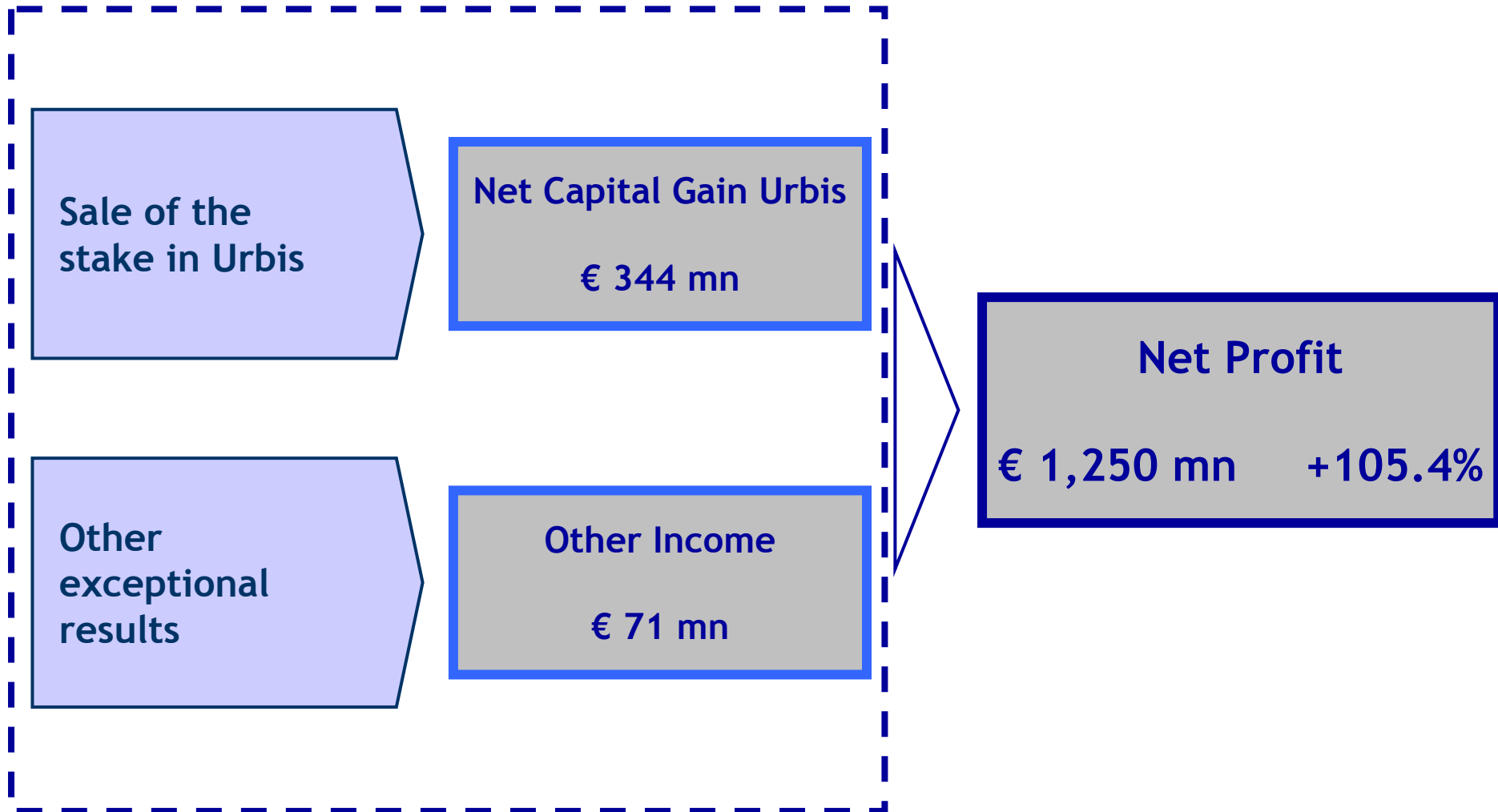
	2006	Δ
Total Turnover	€ 14,067 mn	+16 %
EBIT	€ 972 mn	+19 %
Ordinary Profit	€ 835 mn	+37 %
Net Profit	€ 1,250 mn	+105 %
EPS	3.58 €	+105 %
Market Capitalization	€ 15,071 mn	+57 %
Number of Employees	123,652	+9 %

Executive Summary

Sustained Growth



* Profit after taxes not including exceptional results



Executive Summary

Strong Cash Flow Generation

Cash Flow from
Operating Activities

Cash Flow Generation

€ 1,399 mn

Cash flow from operations
€ 942 mn +16.4%

Working Capital Excess
€ +457 mn

Investment in projects
for the future

Total Investment

€ 5,407 mn +28.2 %

Profitability for
shareholders

Dividends Paid

€ 212 mn +140.0 %

Solid Financial Structure

Corporate Net Debt

€ 1,753 mn D/E = 53.8 %

Non Recourse Debt

€ 6,993 mn

Executive Summary

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Consolidated Results Summary

Business Areas

Consolidated Balance Sheet 31st of December 2006

Cash Flows 2006

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Main Figures

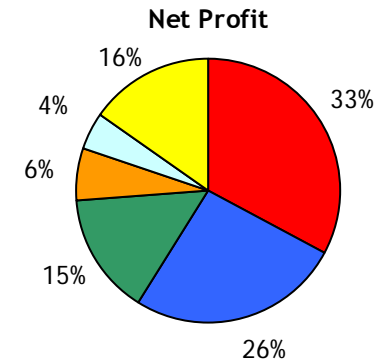
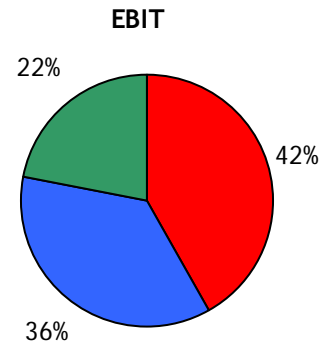
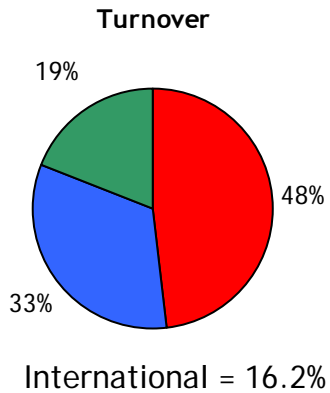
<i>Euro Millions</i>	2005	2006	Var
Turnover	12,113.9	14,067.2	+16.1 %
EBITDA	1,095.5	1,270.3	+16.0 %
EBIT	817.4	971.6	+18.9 %
Net Profit from Listed Affiliates	78.6	231.9	+194.9 %
Ordinary Net Profit*	608.7	835.4	+37.2 %
Net Profit	608.7	1,250.1	+105.4 %
<i>EPS</i>	1.74 €	3.58 €	+105.4 %
<i>EBITDA Margin</i>	9.0%	9.0%	
<i>EBIT Margin</i>	6.7%	6.9%	
<i>Ordinary Net Profit Margin</i>	5.0%	5.9%	
<i>Net Profit Margin</i>	5.0%	8.9%	

* Profit after taxes not including exceptional results

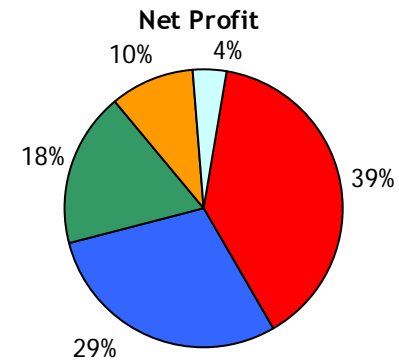
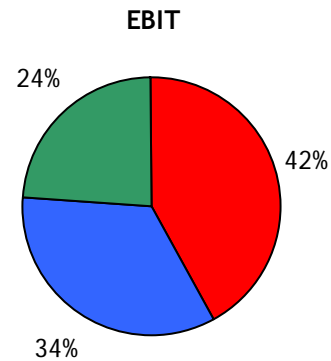
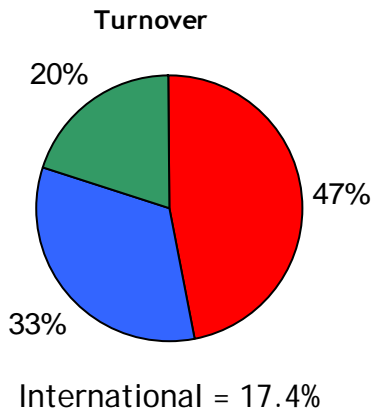


Consolidated Results 2006 Breakdown by Activities

2006



2005



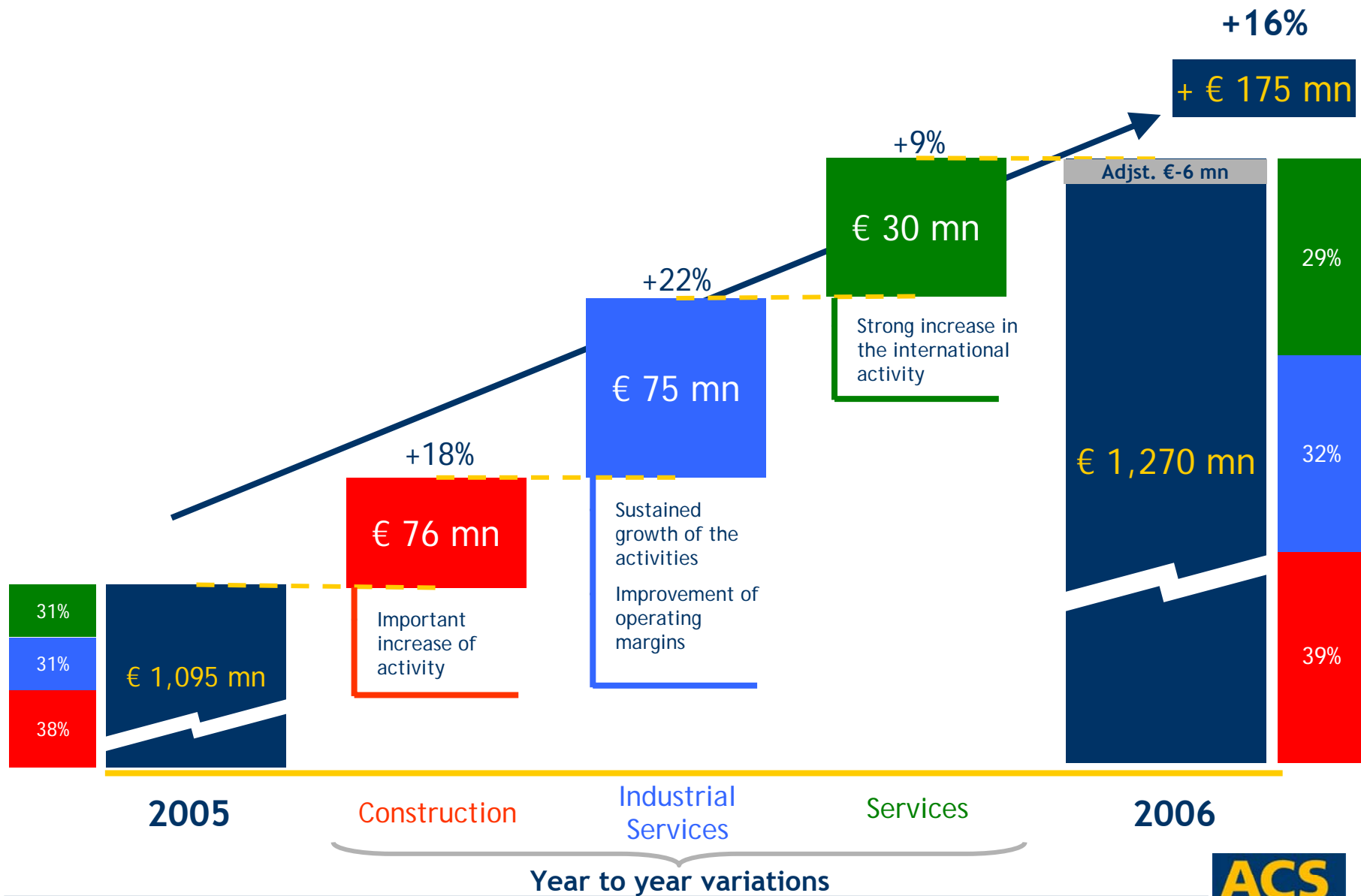
■ Construction ■ Industrial Services ■ Services ■ Concessions ■ Urbis ■ Energy

NOTE: percentages have been calculated as the sum of the activities considered in each area



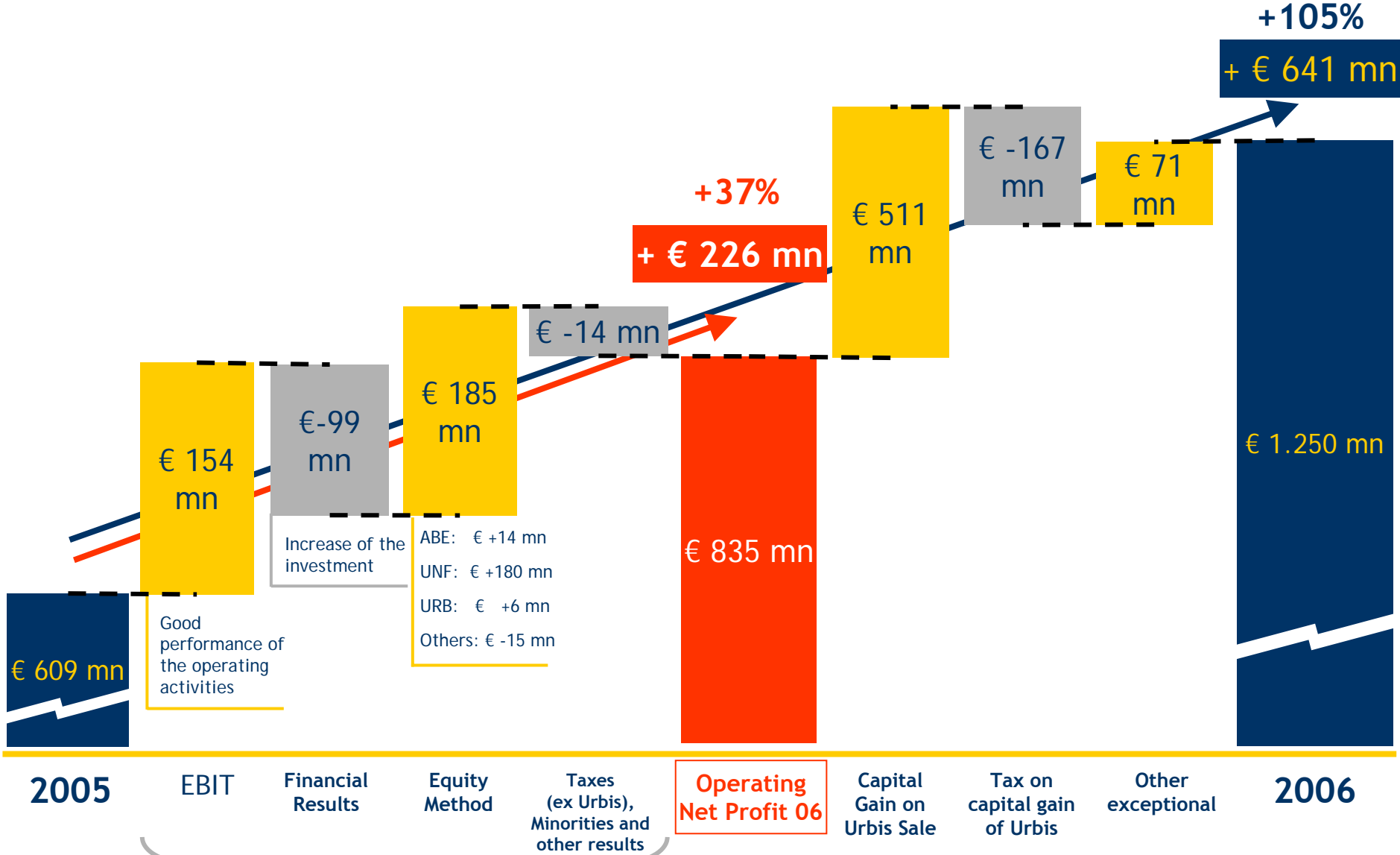
Consolidated Results 2006

EBITDA evolution analysis



Consolidated Results 2006

Net Profit evolution analysis



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Results 2006

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Business Areas Construction: Results

Million Euro	2005	2006	Var. 06/05
Turnover	5,724.8	6,750.3	+17.9 %
EBITDA	427.5	504.0	+17.9 %
EBIT	358.6	422.7	+17.9 %
Cont. Operations PBT	369.9	443.2	+19.8 %
Net Profit	239.1	282.1	+18.0 %
<i>EBITDA margin</i>	7.5%	7.5%	
<i>EBIT Margin</i>	6.3%	6.3%	
<i>Net Profit Margin</i>	4.2%	4.2%	
<i>Effective Tax Rate</i>	32.0%	34.8%	

Business Areas

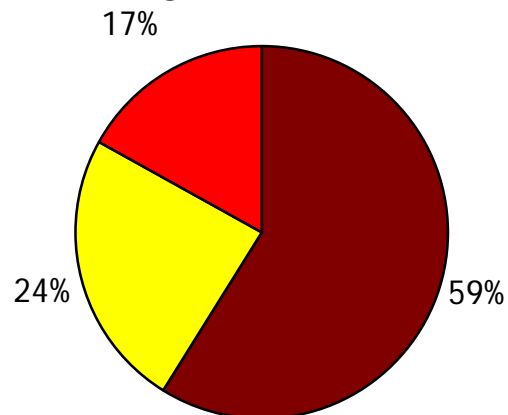
Construction: Sales by Activity

Million Euro

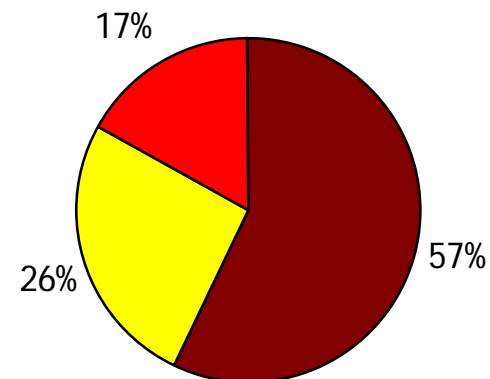
-  Civil Works
-  Non residential Building
-  Residential Building

	2005	2006	Var. 06/05
Civil Works	3,363.9	3,888.5	+15.6 %
Non residential Building	1,360.8	1,739.6	+27.8 %
Residential Building	1,000.1	1,122.2	+12.2 %
TOTAL	5,724.8	6,750.3	+17.9 %
<i>International</i>	<i>555.0</i>	<i>431.2</i>	<i>-22.3 %</i>
%	10%	6%	

Sales 2005



Sales 2006



Business Areas

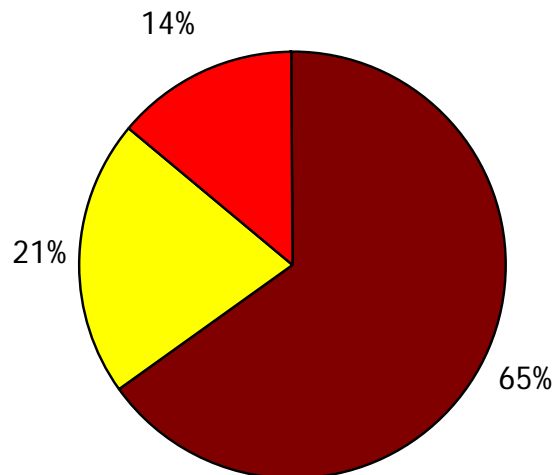
Construction: Backlog by Activity

Million Euro

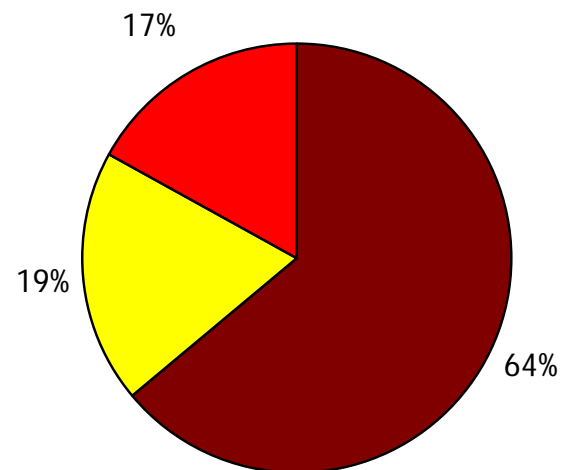
- Civil Works
- Non residential Building
- Residential Building

	2005	2006	Var. 06/05
Civil Works	6,057.9	6,777.0	+11.9 %
Non residential Building	1,956.1	2,067.7	+5.7 %
Residential Building	1,355.0	1,816.5	+34.1 %
TOTAL	9,369.0	10,661.1	+13.8 %
<i>International</i>	595.4	761.3	+27.9 %
%	6%	7%	

Backlog 2005



Backlog 2006



Construction Main Contracts Awarded in 2006

Project	Amount (€ mn)	Type of Project
Project for the construction of the Ionian Highway (Greece)	367	Roads
Construction of four tunnels for the MTA in New York	234	Railways
Construction of the Waterford Highway (Ireland)	138	Roads
Construction of the Hospital Universitario Son Dureta (Balears)	97	Non Residential
Building of the new railway facilities Plaza (Zaragoza)	89	Railways
Improvement of the Barcelona - Sants station (Barcelona)	78	Railways
High speed railway section building between Olalla and Arcas (Cuenca)	77	Railways
Building of the Penitentiary of Morón de la Frontera (Sevilla)	69	Non Residential
Construction of a highway section between Cornellana y Salas (Asturias)	60	Roads
Residential developments in Paseo de la Dirección (Madrid)	59	Residential





Business Areas Industrial Services: Results

Million Euro	2005	2006	Var. 06/05
Turnover	4,077.4	4,747.7	+16.4 %
EBITDA	344.4	419.6	+21.9 %
EBIT	285.9	364.7	+27.6 %
Cont. Operations PBT	263.3	322.0	+22.3 %
Net Profit	179.2	222.6	+24.2 %
<i>EBITDA margin</i>	<i>8.4%</i>	<i>8.8%</i>	
<i>EBIT Margin</i>	<i>7.0%</i>	<i>7.7%</i>	
<i>Net Profit Margin</i>	<i>4.4%</i>	<i>4.7%</i>	
<i>Effective Tax Rate</i>	<i>31.0%</i>	<i>29.7%</i>	

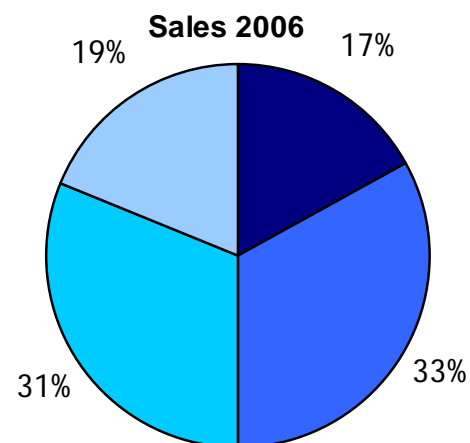
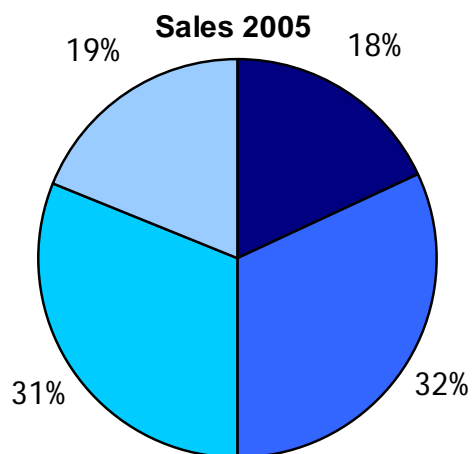
Business Areas

Industrial Services: Sales by Activity

Million Euro

-  Networks
-  Specialized Products
-  Energy Projects
-  Control Systems





	2005	2006	Var. 06/05
Networks	743.9	806.4	+8.4 %
Specialized Products	1,314.3	1,541.1	+17.3 %
Energy Projects	1,270.1	1,489.5	+17.3 %
Control Systems	749.1	910.7	+21.6 %
TOTAL	4,077.4	4,747.7	+16.4 %
<i>International</i>	<i>1,316.7</i>	<i>1,574.5</i>	<i>+19.6 %</i>
<i>%</i>	<i>32%</i>	<i>33%</i>	



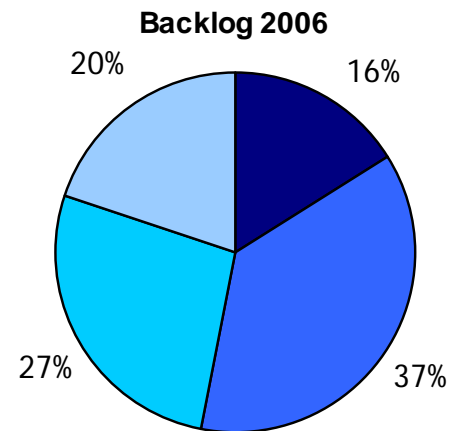
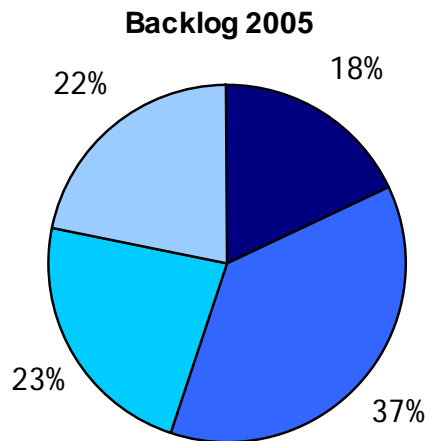
Business Areas

Industrial Services: Backlog by Activity

Million Euro

-  Networks
-  Specialized Products
-  Energy Projects
-  Control Systems

	2005	2006	Var. 06/05
Networks	793.8	792.7	-0.2 %
Specialized Products	1,566.8	1,907.5	+21.7 %
Energy Projects	982.0	1,388.4	+41.4 %
Control Systems	926.0	998.0	+7.8 %
TOTAL	4,268.6	5,086.6	+19.2 %
<i>International</i>	<i>1,233.8</i>	<i>1,457.7</i>	<i>+18.1 %</i>
%	29%	29%	



Industrial Services Main Contracts Awarded in 2006

Project	Amount (€ mn)	Type of Project
Combined plants and a wide range of projects in the Lazaro Cardenas Refinery, in Minatitlan. Phase III (Mexico)	270	Energy Projects
Thermal power station building contract in Morata de Tajuna (Madrid)	212	Energy Projects
Andasol Thermal Solar Power Plant (Granada)	208	Energy Projects
Substation and electrical line construction in Lybia	146	Networks
Polyethylene Plant refurbishment and improvements (Kuwait)	112	Energy Projects
High tension line of 500kV and 308 Kms between Jaguara-Estreito-Riberao Preto-Poços de Caldas and the substations of Jaguará, Estrito, Poços de Caldas and Riberao Preto (Brazil)	110	Networks
Escombreras desalinization plant (Murcia)	100	Energy Projects
High tension line of 500kV between Sao Simao-Marimbondo-Riberao Preto and three substations (Brazil)	85	Networks
Changes accepted in the Buzzard Project: Building of a platform to produce oil and gas (UK)	81	Energy Projects
Adriático Project: topsides building for a gasification plant (Italy)	61	Energy Projects
Ladora I wind farm construction (Valencia)	55	Energy Projects

Business Areas Services: Results

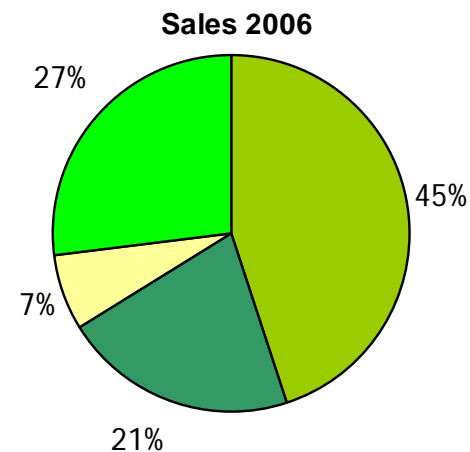
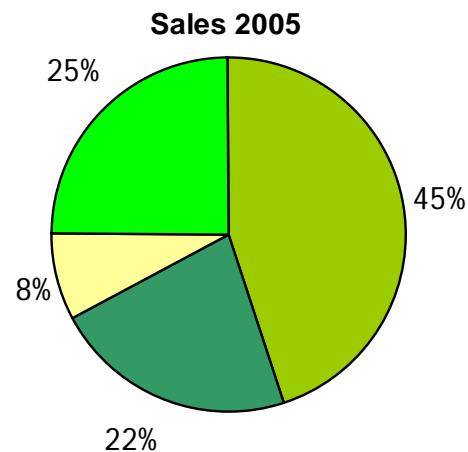
Million Euro	2005	2006	Var. 06/05
Turnover	2,406.5	2,657.1	+10.4 %
EBITDA	346.2	376.2	+8.7 %
EBIT	203.7	224.6	+10.2 %
Cont. Operations PBT	164.9	180.5	+9.5 %
Net Profit	112.7	129.3	+14.7 %
<i>EBITDA margin</i>	14.4%	14.2%	
<i>EBIT Margin</i>	8.5%	8.5%	
<i>Net Profit Margin</i>	4.7%	4.9%	
<i>Effective Tax Rate</i>	28.2%	25.0%	

Business Areas Services: Sales by Activity

Million Euro

-  Environmental
-  Ports & Logistics Services
-  Transportation Services
-  Facility Management

	2005	2006	Var. 06/05
Environmental	1,081.8	1,191.1	+10.1 %
Ports & Logistics Services	532.2	560.4	+5.3 %
Transportation Services	189.9	198.5	+4.6 %
Facility Management	602.6	707.1	+17.3 %
TOTAL	2,406.5	2,657.1	+10.4 %
<i>International</i>	<i>225.7</i>	<i>268.8</i>	<i>+19.1 %</i>
%	9%	10%	

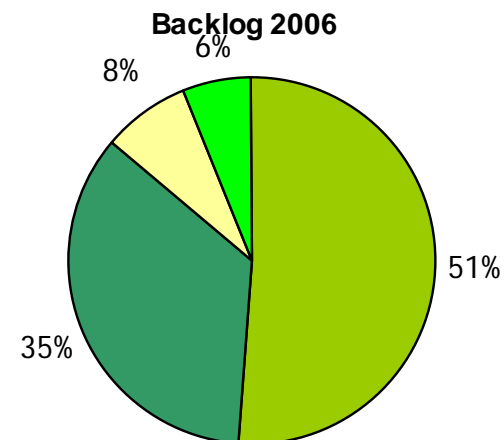
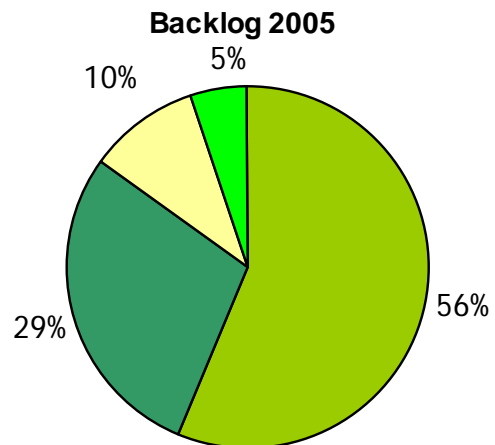


Business Areas Services: Backlog by Activity

Million Euro

-  Environmental
-  Ports & Logistics Services
-  Transportation Services
-  Facility Management





	2005	2006	Var. 06/05
Environmental	7,395.5	7,278.1	-1.6 %
Ports & Logistics Services	3,809.7	4,885.3	+28.2 %
Transportation Services	1,310.6	1,112.1	-15.1 %
Facility Management	714.6	895.1	+25.2 %
TOTAL	13,230.4	14,170.6	+7.1 %
<i>International</i>	<i>1,905.7</i>	<i>2,370.2</i>	<i>+24.4 %</i>
%	14%	17%	



Services Main Contracts Awarded in 2006

Contract	Amount (€ mn)	Years	Company
Contract to clean the planes when landed in Málaga, Lanzarote and Fuerteventura airports.	143	7	Clece
Water management contract for the city of Almendralejo (Extremadura)	75	20	Urbaser
Street cleaning in Ciudad Lineal (Madrid)	63	8	Urbaser
Cleaning services of the municipal premises of the city of León	53	10	Urbaser
Street cleaning and USW management in San Fernando (Cádiz)	52	10	Urbaser
Building, operation and maintenance of the water purifying facilities for Zone 2 in Aragón region (Spain)	50	20	Urbaser
Street cleaning and USW management in Tangiers (Morocco)	44	7	Urbaser
Street cleaning and USW management in Lugo	38	10	Urbaser
Street and beaches cleaning and USW management in Santa Pola (Alicante)	30	10	Urbaser
Street cleaning and USW management in Cartagena de Indias (Colombia)	25	8	Urbaser

Business Areas Affiliated companies

<i>Euro Millions</i>	2005	2006	Var. 06/05	Stake
	92.8	106.9	+15.2 %	24.8%
	11.4	191.4	n.a.	40.5%
 1	30.5	36.4	+19.3 %	n.a.
 2		40.6	n.a.	10.0%
Income from Associates	134.7	375.3	+178.6 %	
Financial expenses	(86.3)	(220.6)		
Corporate tax	30.2	77.2		
Attributable Net Profit	78.6	231.9	+194.9 %	

1: The stake in Urbis was sold on December 2006

2: The contribution of Iberdrola is through dividends

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Consolidated Balance Sheet 31st of December 2006

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Consolidated Balance Sheet 31st of December 2006

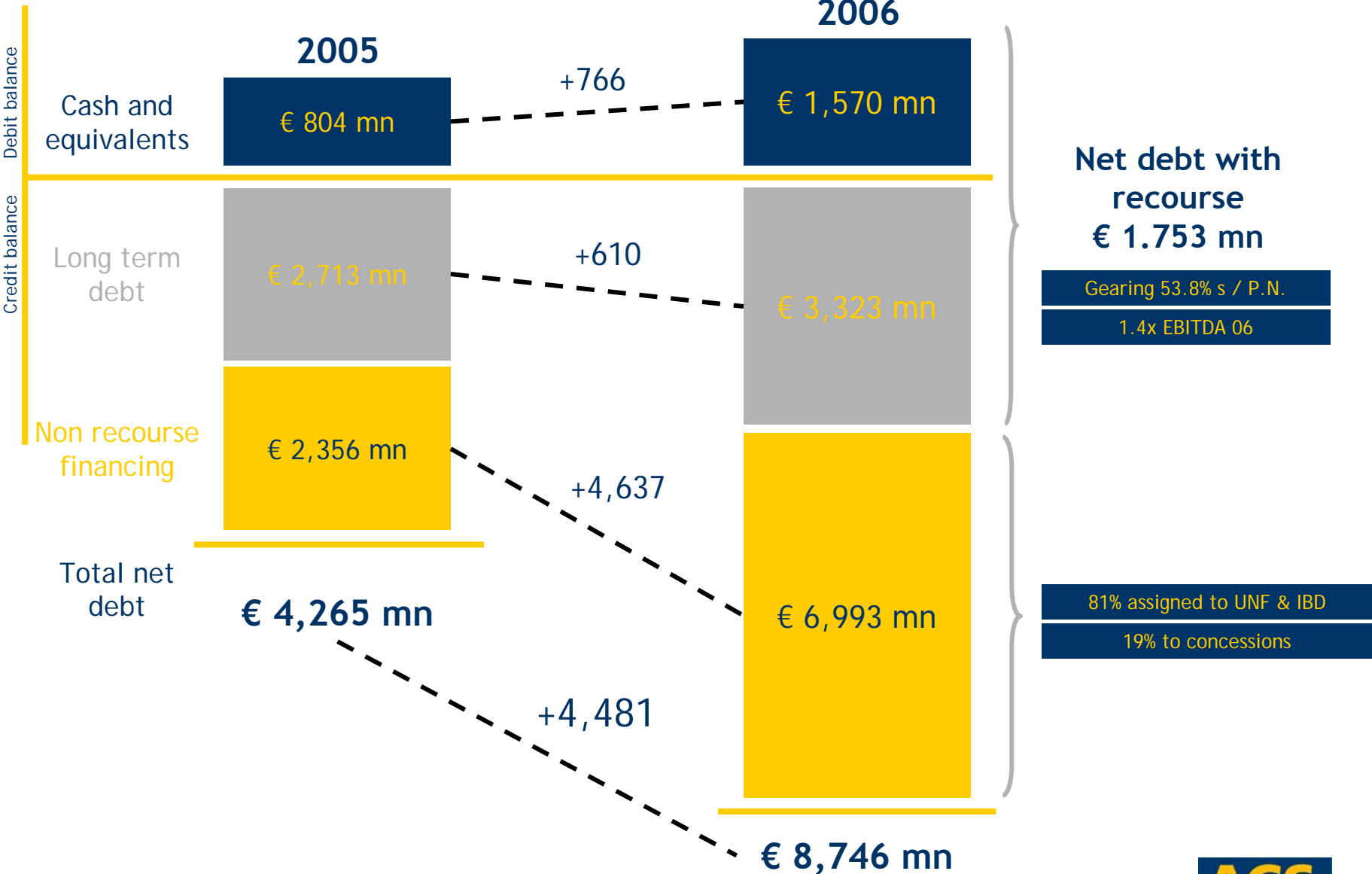
Main Figures

Million Euro	dic-05		dic-06		Var. 06/05
Fixed Assets*	9,536	100%	15,105	100%	+58 %
Working Capital	(1,872)	20%	(2,497)	17%	+33 %
Total Equity	2,636	28%	3,256	22%	+24 %
Net Debt	4,265	45%	8,746	58%	+105 %
Non Recourse Financing	2,355		6,993		+197 %
Net Debt With Recourse	1,909		1,753		-8 %
Other liabilities	764	8%	605	4%	-21 %

* Includes the Goodwill, that amounts the 31st of December 2006 € 1,087 mn

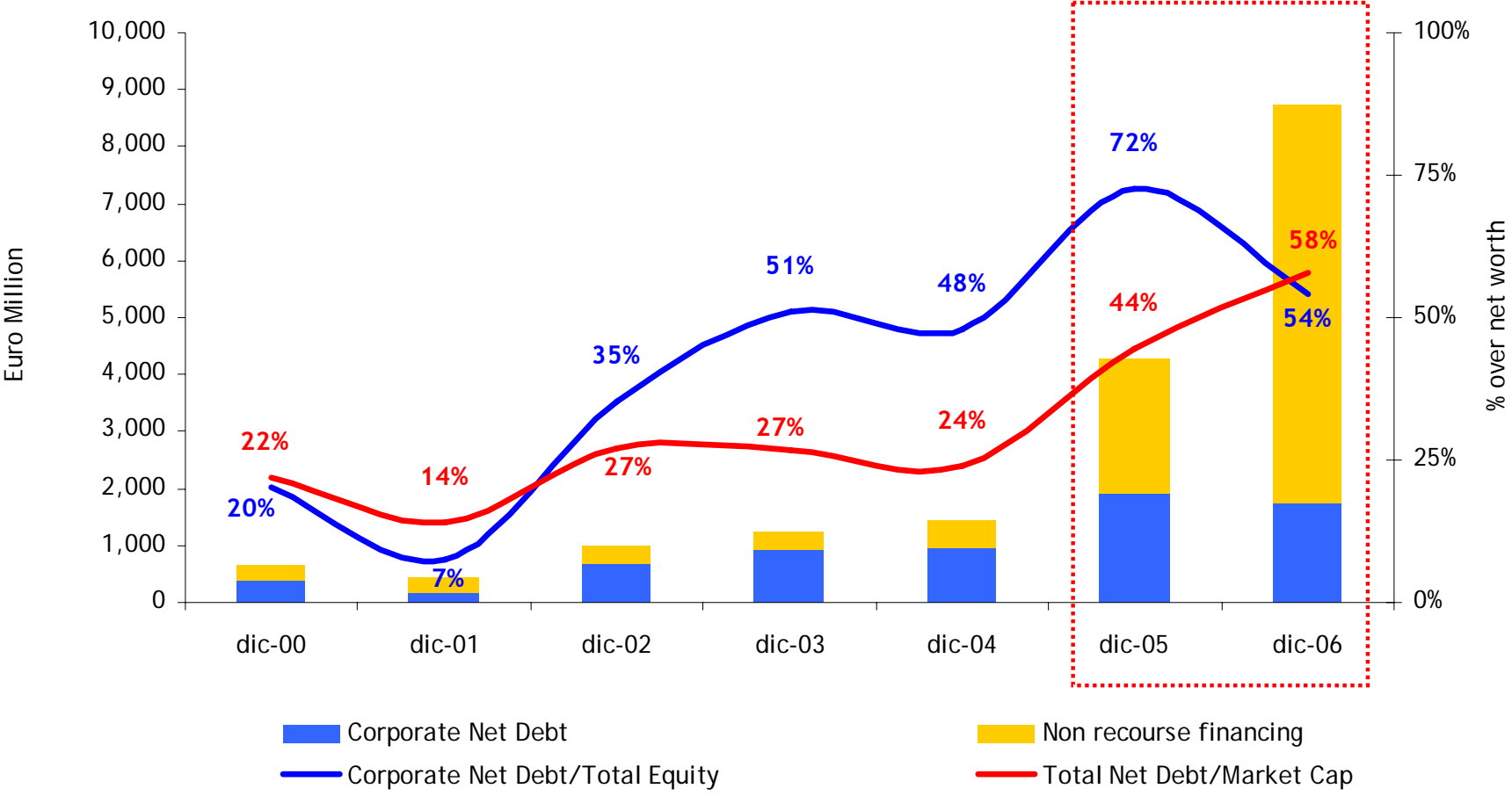
Consolidated Balance Sheet 31st of December 2006

Net Debt Breakdown



Consolidated Balance Sheet 31st of December 2006

Evolution of Net Debt



Market Value of
Affiliates
€ 11,500 mn



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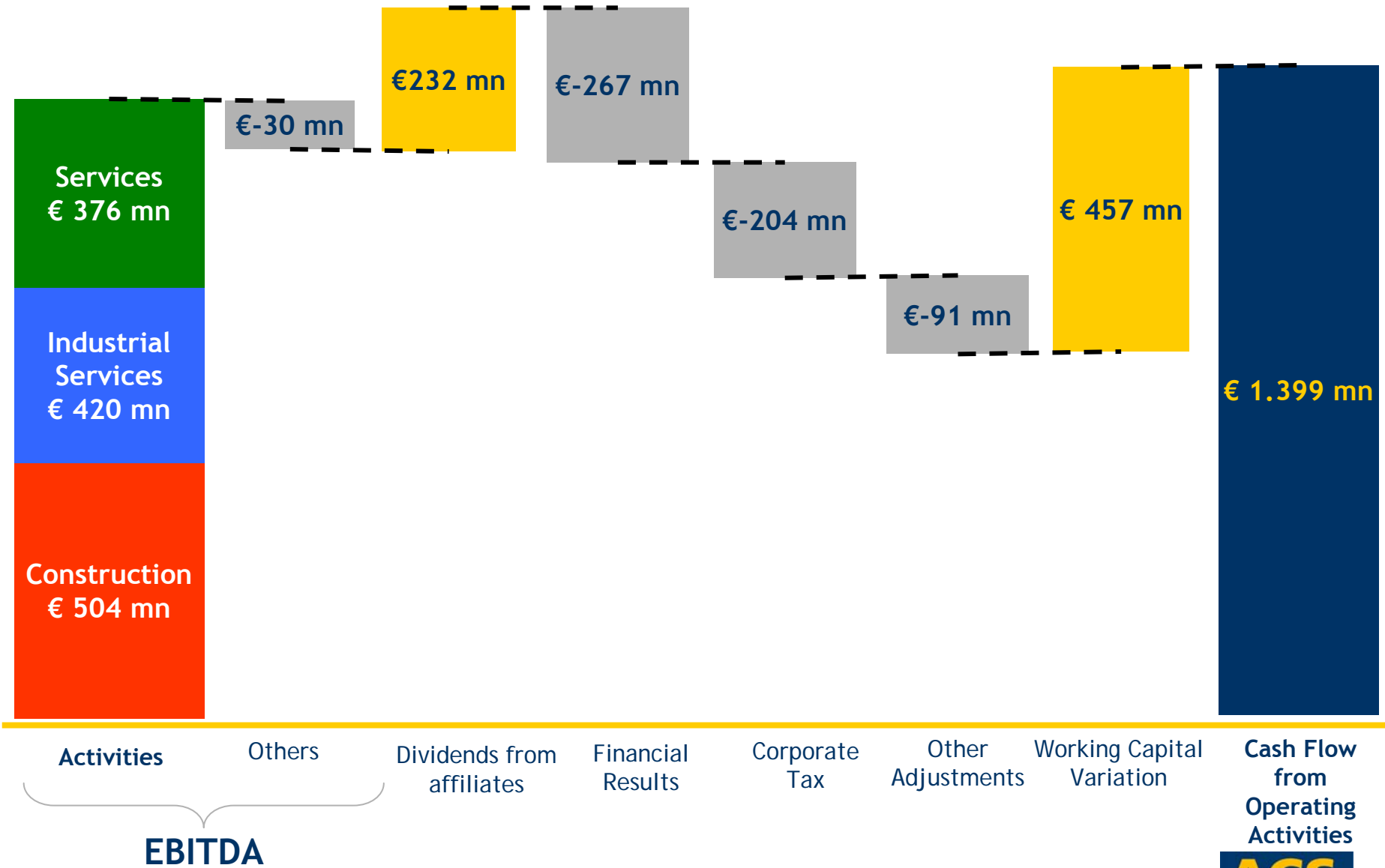
Conclusions

Cash Flows 2006 Main Figures

Million Euro	2005	2006	Var. 06/05
EBITDA	1,096	1,270	+16.0 %
Cash Flow from Operations	808	941	+16.5 %
Working Capital (Requirements) / Excess	567	457	-19.4 %
Cash Flow from Operating Activities	1,375	1,399	+1.7 %
Capital Expenditure	(4,216)	(5,407)	+28.2 %
Dividends paid	(88)	(212)	+140.0 %
Others	89	(262)	n.a.
Net Financing Variation	2,841	4,482	

Cash Flows 2006

Cash Flow from Operating Activities Analysis



Cash Flows 2006 Investments Breakdown

<i>Euro Million</i>	Gross Investment	Divestments	Net Investment
Construction	168	39	129
Industrial Services	552	64	488
Services	326	30	296
Concessions	328	52	276
Subtotal	1,374	185	1,189
Iberdrola	3,297		3,297
Unión Fenosa	1,728		1,728
Others	37	845 ¹	-807
TOTAL	6,436	1,030	5,407

1: Corresponds mainly to the sale of Urbis

Executive Summary

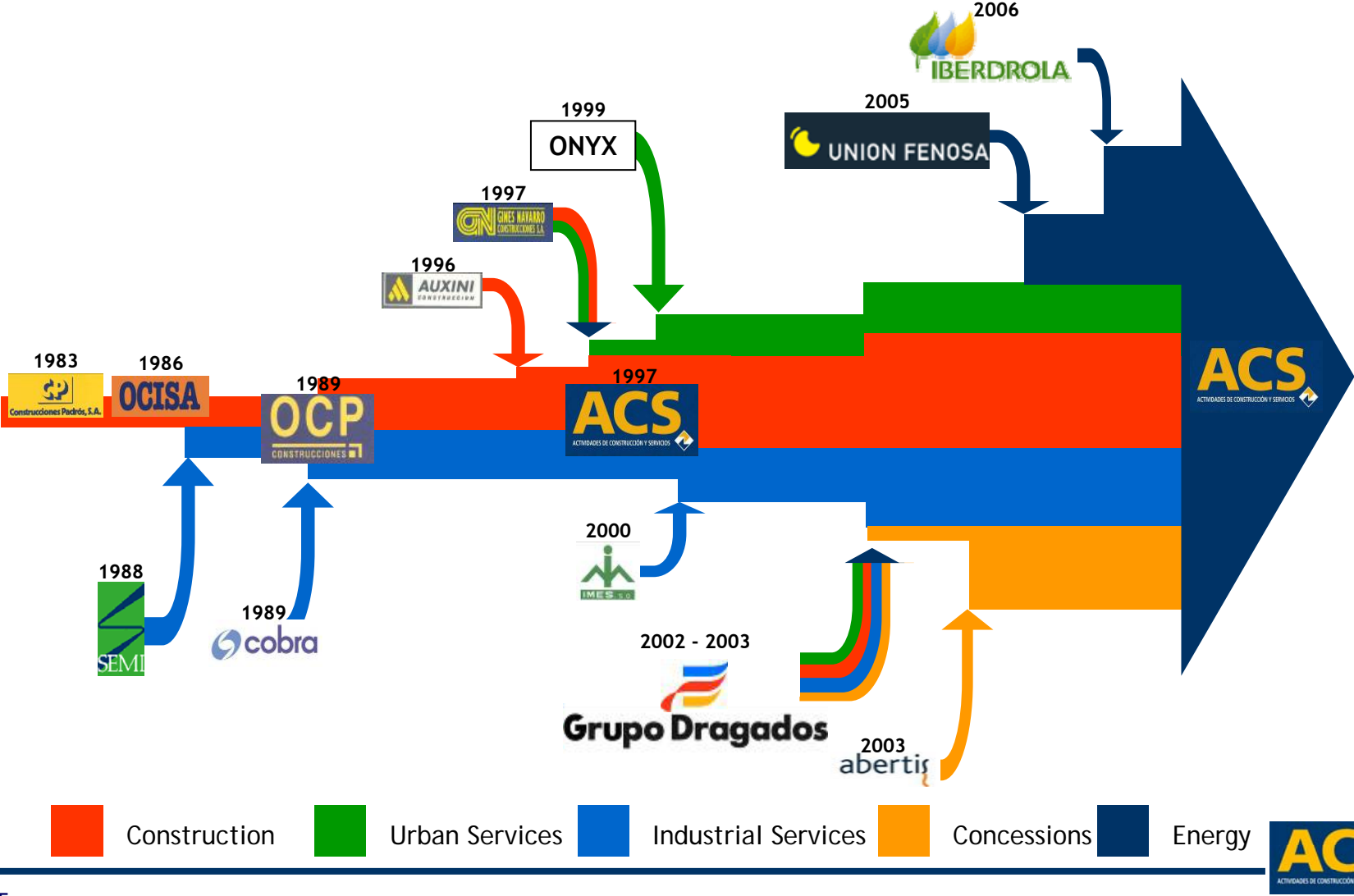
Results 2006

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Evolution of Grupo ACS

Grupo ACS has been the result of continuous and successful integration processes all through its history



Grupo ACS is a world reference in Construction and Services...



ABERTIS

IBERDROLA

Strategic investments on listed companies

... that participates in the economy key industries



Grupo ACS Pro-forma 2006
Unión Fenosa consolidated through global integration

	<i>Real</i>	<i>Pro-forma</i>
Turnover	€ 14,067 mn	€ 20,100 mn
EBITDA	€ 1,270 mn	€ 3,100 mn
EBIT	€ 972 mn	€ 2,250 mn
Net Profit	€ 1,250 mn	€ 1,250 mn
Total Equity	€ 3,256 mn	€ 7,000 mn
Net Debt	€ 8,746 mn	€ 14,300 mn
Corporate Debt	€ 1,753 mn	€ 7,300 mn
Non recourse Debt	€ 6,993 mn	€ 7,000 mn
<i>Net Debt / EBITDA</i>	<i>6.9x</i>	<i>4.5x</i>
<i>Total gearing</i>	<i>269%</i>	<i>204%</i>

* UNF data: Analyst consensus; rounded figures



Summary of Unión Fenosa Strategic Plan 2007-11

Targets	EBITDA 2011	> 3.2 Bn €
	EPS 2011	EPS 2006 x 2 = 4 €/share
	Financial Ratios 2011	Leverage < 55% & Debt/EBITDA = 3x
	Investment Capacity	9.0 Bn €
Base Case	TOTAL CAPEX	5.4 Bn €
	Recurrent Capex	2.5 Bn €
	Identified projects Capex	2.9 Bn €
	Capex for Acquisitions	Not contemplated
	EBITDA 2011	2.9 Bn €
	EPS 2011	3.6 €/share
	Financial Ratios 2011	Leverage = 46% & Debt/EBITDA = 2.2x

**Additional investment capacity of € 3.6 Bn
to exceed Strategic Plan targets**

Affiliates: Commitment with European Leaders

Global Vision, Remarkable Size and European Leadership



Grupo ACS maintains a strong industrial commitment for the long term with Abertis, owning a 24.8% stake of the company

- ❑ European concessions leader by market cap and number of projects
- ❑ Straight-forward strategic vision on the development and operation of infrastructures
- ❑ Outstanding investment capacity

Results Contribution

Equity Method

No direct debt assignment to ACS



Grupo ACS reaffirms its commitment with the utilities industry in Europe through the financial stake in Iberdrola, owning a 12.4% of the company.

- ❑ One of the top 10 European utility companies
- ❑ Diversified mix of generation
- ❑ Growth strategy in Spain and abroad

Results Contribution

Financial Results

Financed through non-recourse debt SPV

* 2.4% through *equity swaps*



Executive Summary

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Conclusions 2006, better than expected

	Target 2006	Real 2006
TURNOVER	+10%	+16%
ORDINARY NET PROFIT	≈ 20%	+37%
NET PROFIT	€ 1,250 mn	+105.4%

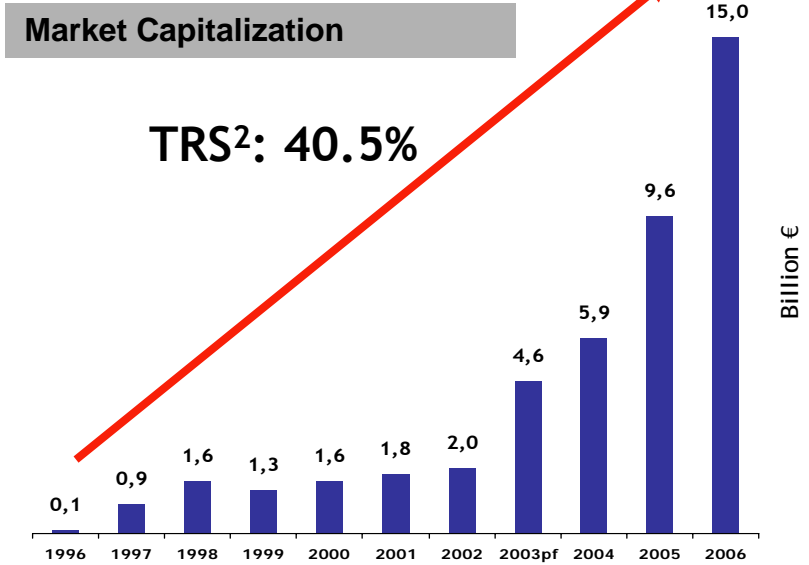
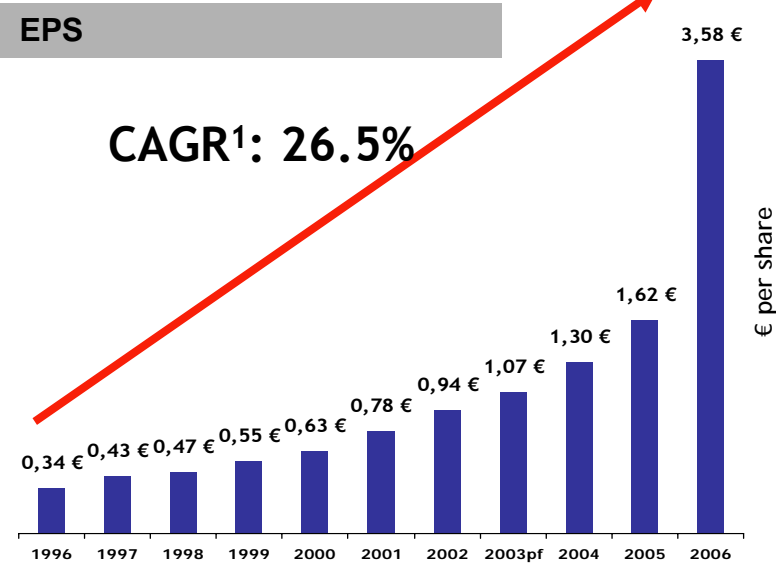
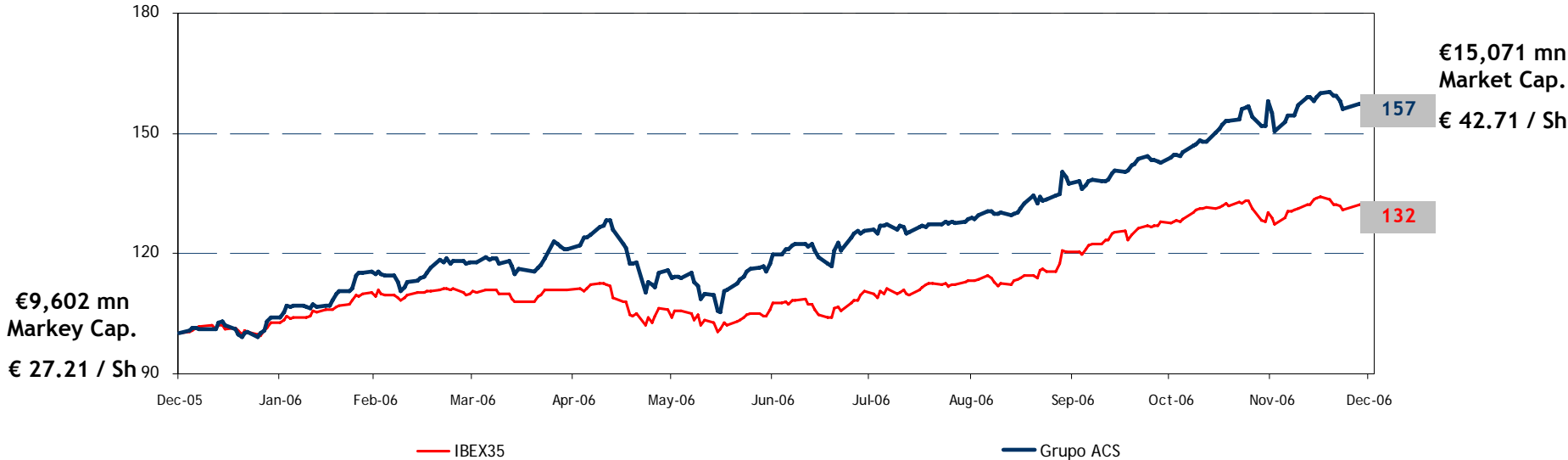
CASH FLOW GENERATION
≈ € 1,400 mn

NET INVESTMENTS
> € 5,400 mn

Sustained and Profitable Growth

Conclusions

Attractive shareholder's returns



1: CAGR: Compound annual growth rate
 2: TRS (Total Return to Shareholders) is calculated as the IRR including the shares performance and the dividends paid



Good Operating Perspectives

More Growth

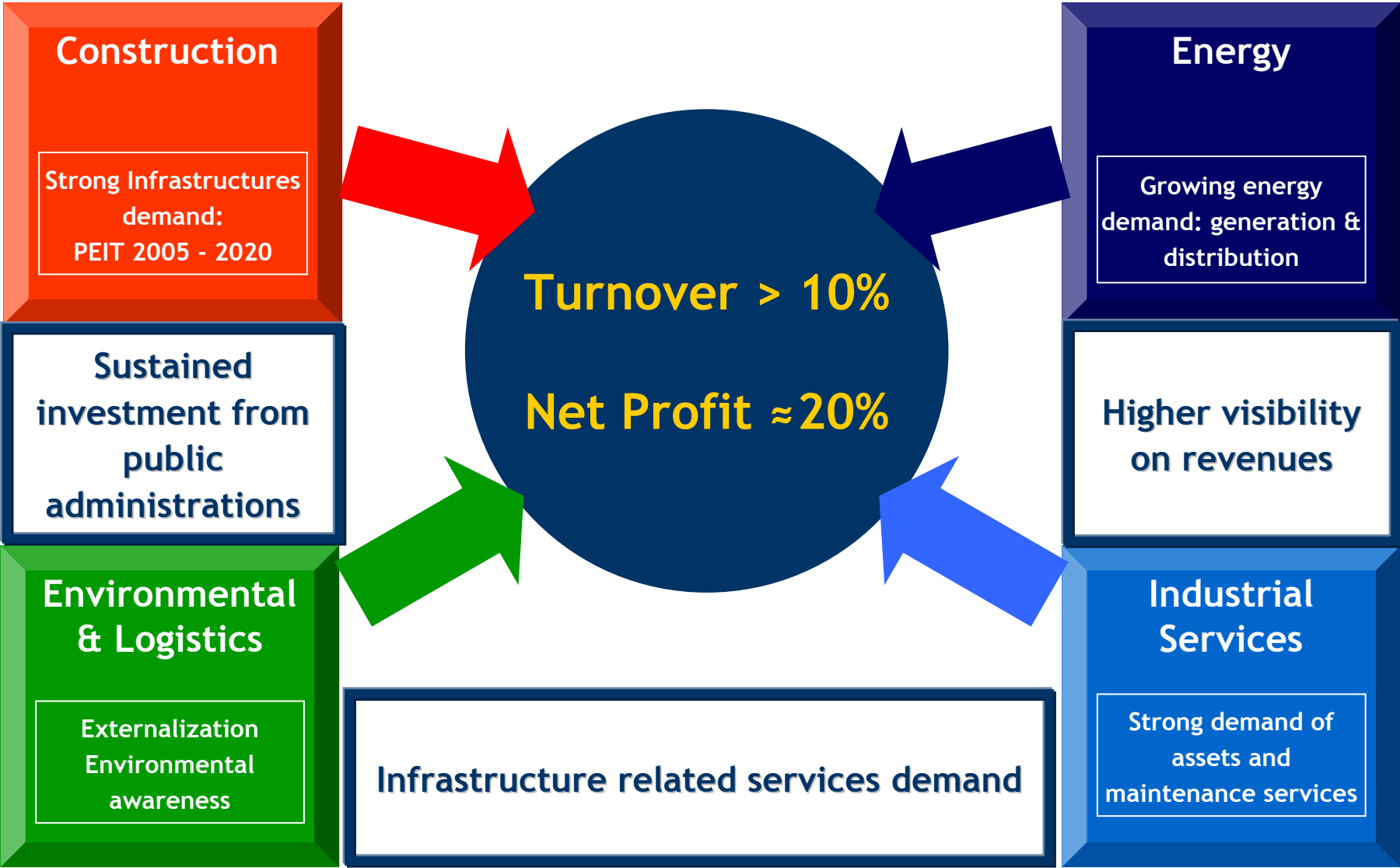
Strategic strengthening in the
Infrastructures and Energy sectors

More Opportunities

Integration of Unión Fenosa as a new
area of activity in Grupo ACS

More Visibility

More Profitability for the Shareholders



ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



RESULTS 2006 STRATEGY 2007

20th of February 2007