

**2010**

*Results  
Presentation*

**ACS**

ENTIDADES DE CONSTRUCCION Y SERVICIOS



*Madrid, February 25<sup>th</sup>, 2011*

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# **Executive Summary**

## **2010 Results Analysis**

## **Strategic Performance 2010**

## **Conclusions**



**Solid operating  
and financial results**



**Partial disposal of Abertis and  
incorporation of a strategic partner**



**Increase of Iberdrola  
stake up to 20.2%**



**Public Offer  
launched for Hochtief**



**Activity levels maintained  
despite complex macroeconomic environment**



**Consistent international expansion**



**Operating efficiency: margins improved**



**Strong cash flow generation capacity**



**Solid and flexible financial structure maintained**



**Increased investment effort**



	Year 2010	Var.
<b>Turnover</b>	<b>€ 15,380 mn</b>	<b>0.0%</b>
<b>EBITDA</b>	<b>€ 1,505 mn</b>	<b>+5.3%</b>
<i>EBITDA margin</i>	<i>9.8%</i>	
<b>EBIT</b>	<b>€ 1,099 mn</b>	<b>+2.4%</b>
<i>EBIT margin</i>	<i>7.2%</i>	
<b>Attributable net profit</b>	<b>€ 1,313 mn</b>	<b>-32.6%</b>
<i>EPS</i>	<i>€ 4.38</i>	<i>-29.9%</i>
<b>Recurrent net profit</b>	<b>€ 923 mn</b>	<b>+10.3%</b>
<i>Recurrent EPS</i>	<i>€ 3.08</i>	<i>+14.6%</i>

	Year 2010	Var.
<b>Net Debt</b>	<b>€ 8,003 mn</b>	<b>-12.0%</b>
<b>Net Worth</b>	<b>€ 5,519 mn</b>	<b>+5.6%</b>
<b>Backlog</b>	<b>€ 28,777 mn</b>	<b>+0.7%</b>
<i>Months of production</i>	<b>22.6</b>	
<b>Employees</b>	<b>138,542</b>	<b>+1.1%</b>

**Executive Summary**

**2010 Results Analysis**

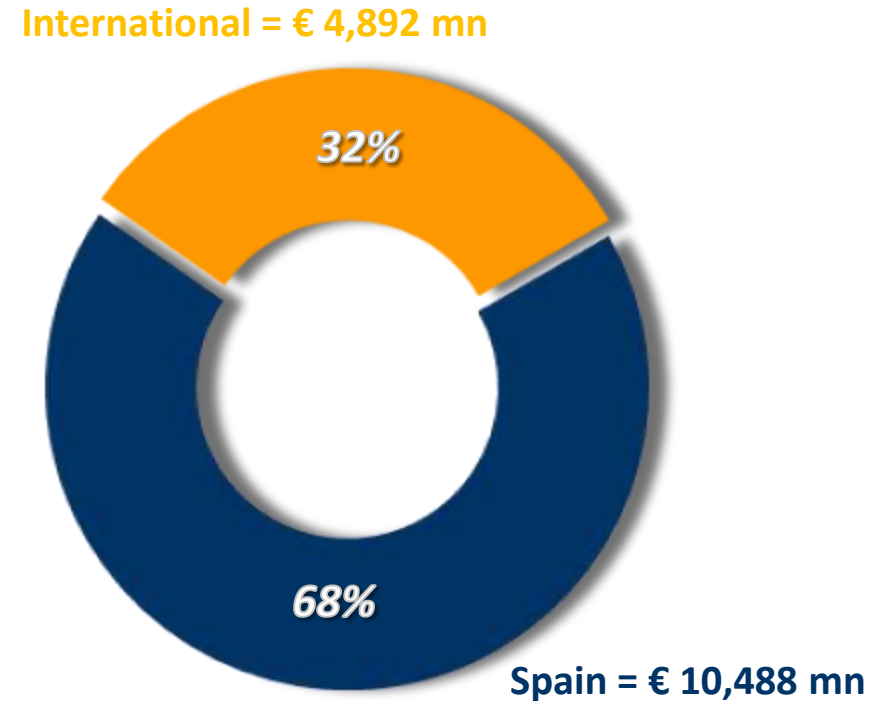
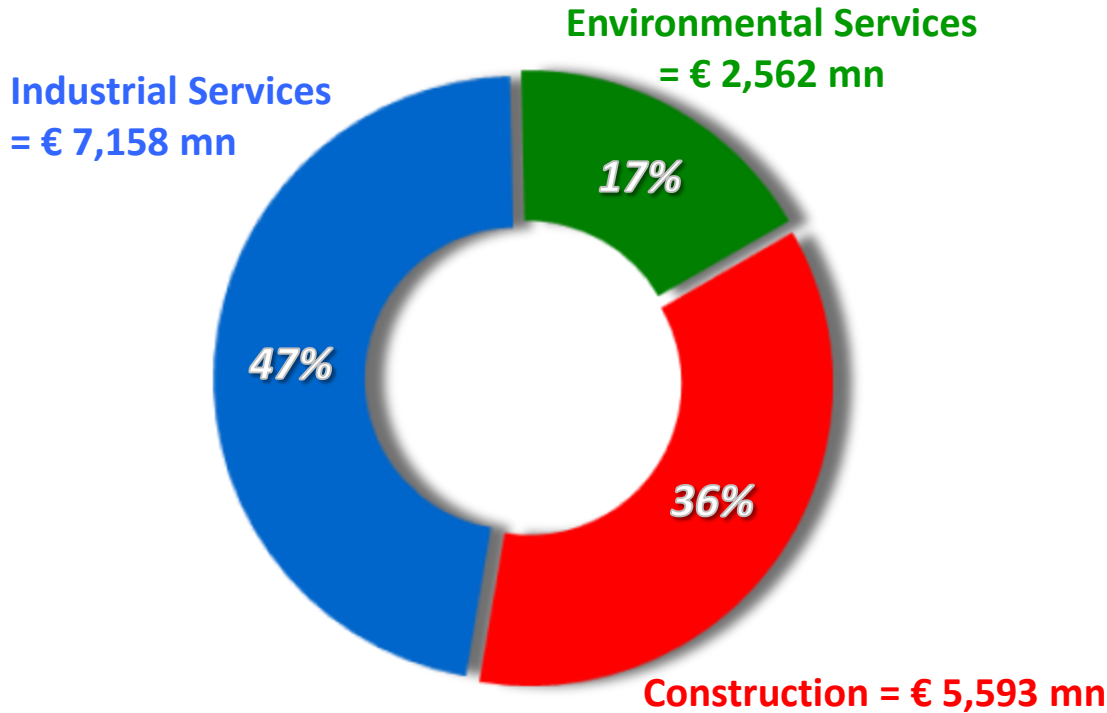
**Strategic Performance 2010**

**Conclusions**

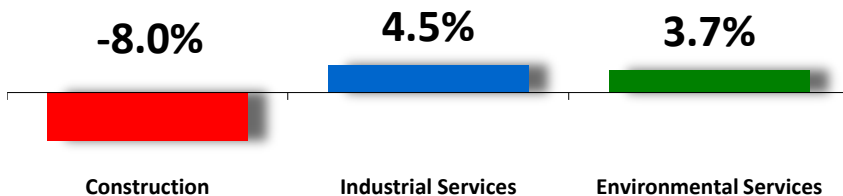


**Total turnover**

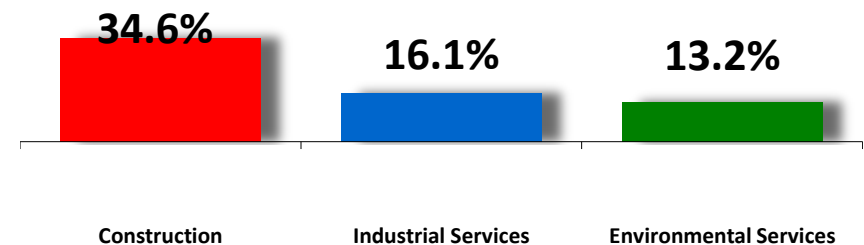
**€ 15,380 mn**



**Total Turnover variation 0.0%**

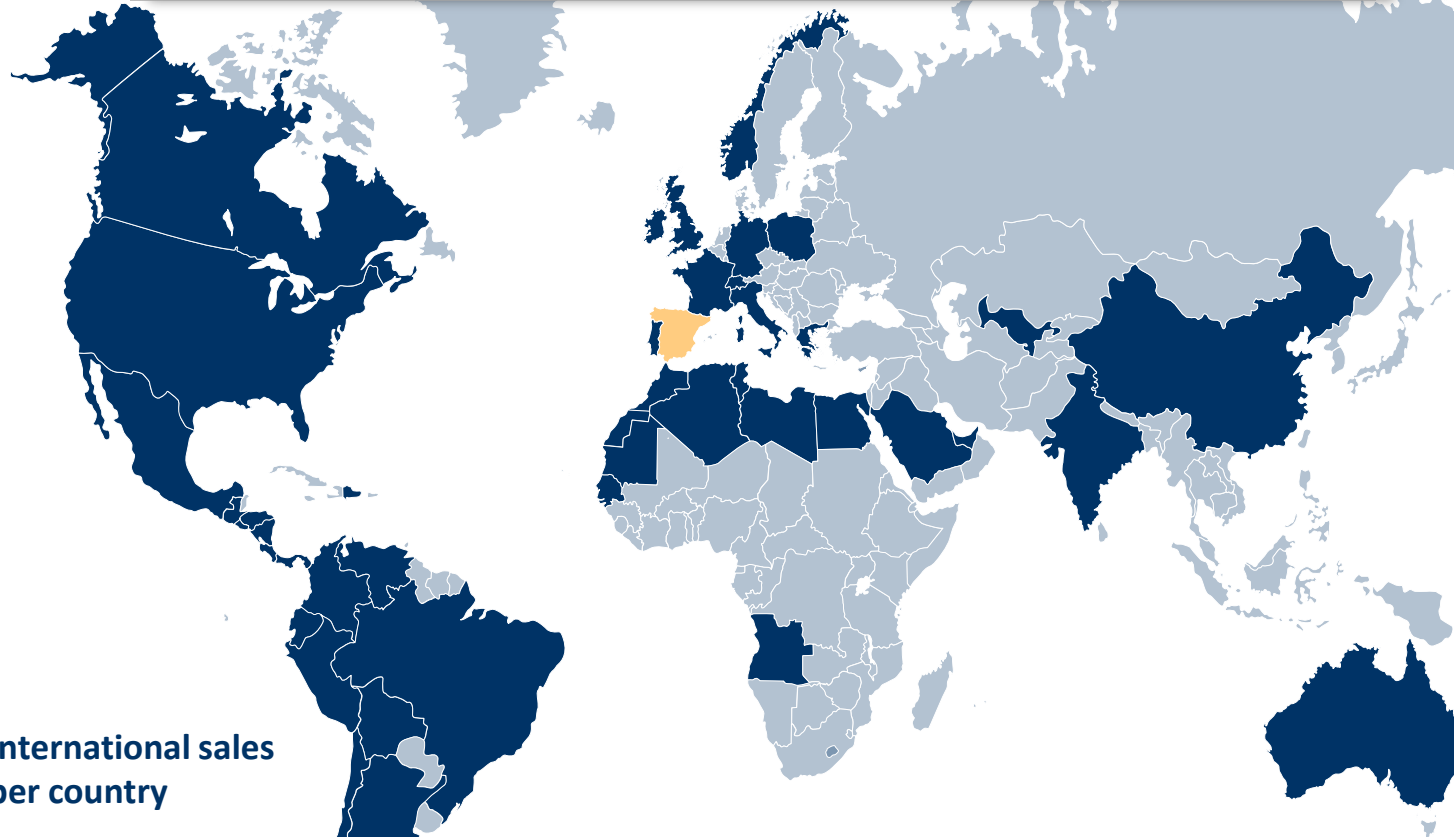


**International Turnover Variation +23.1%**

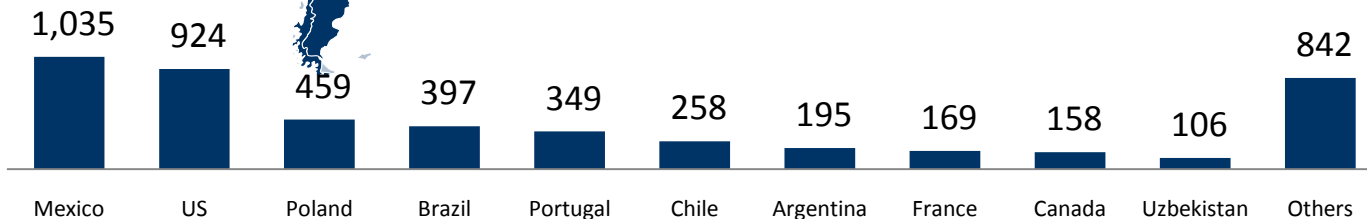


**International Sales**

**€ 4,892 mn**

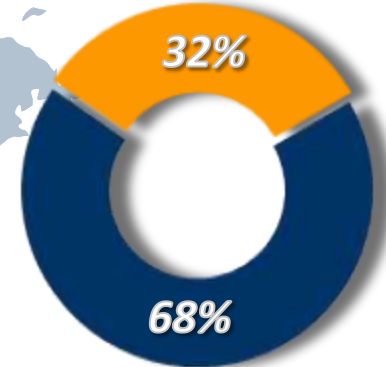


**International sales per country**



**Sales**

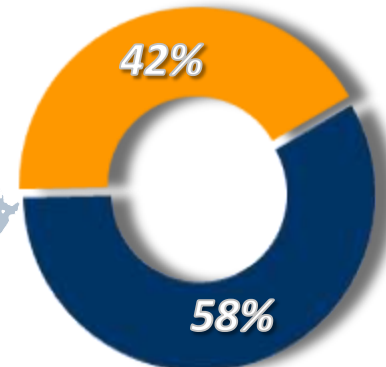
International



Spain

**Backlog**

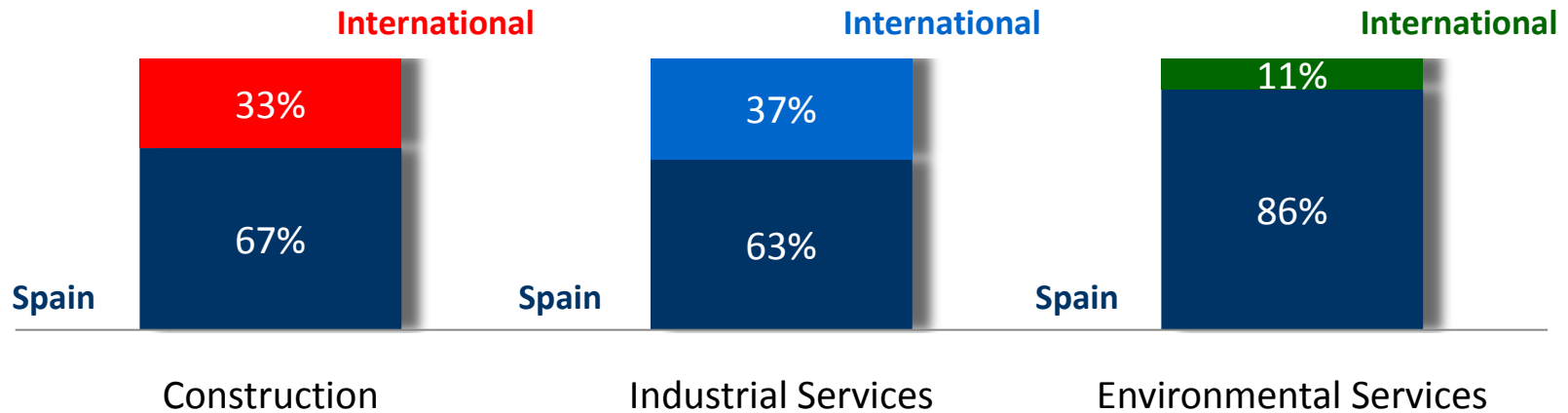
International



Spain

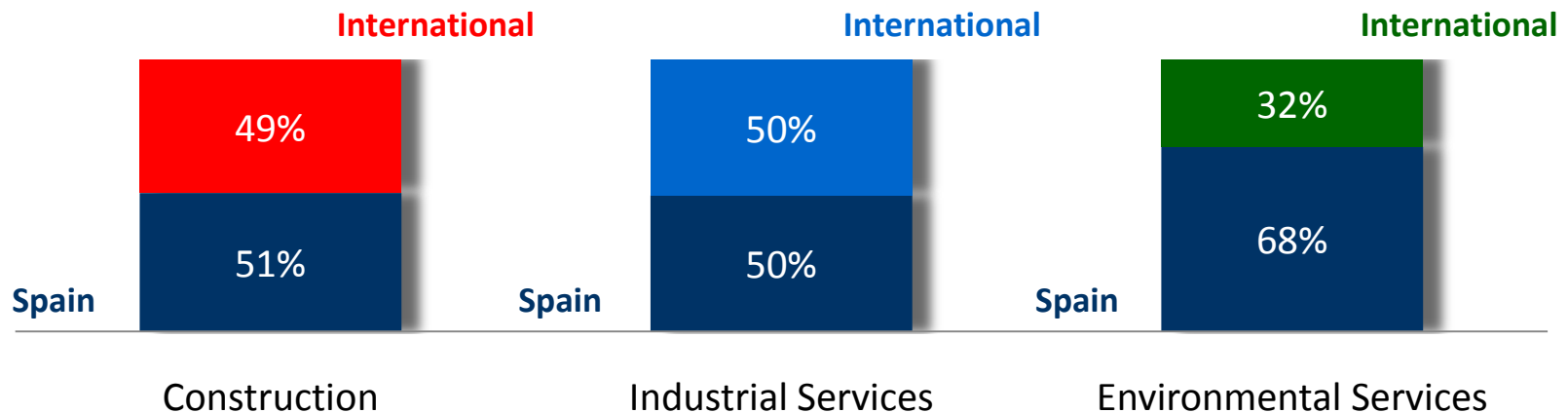
## International sales 2010

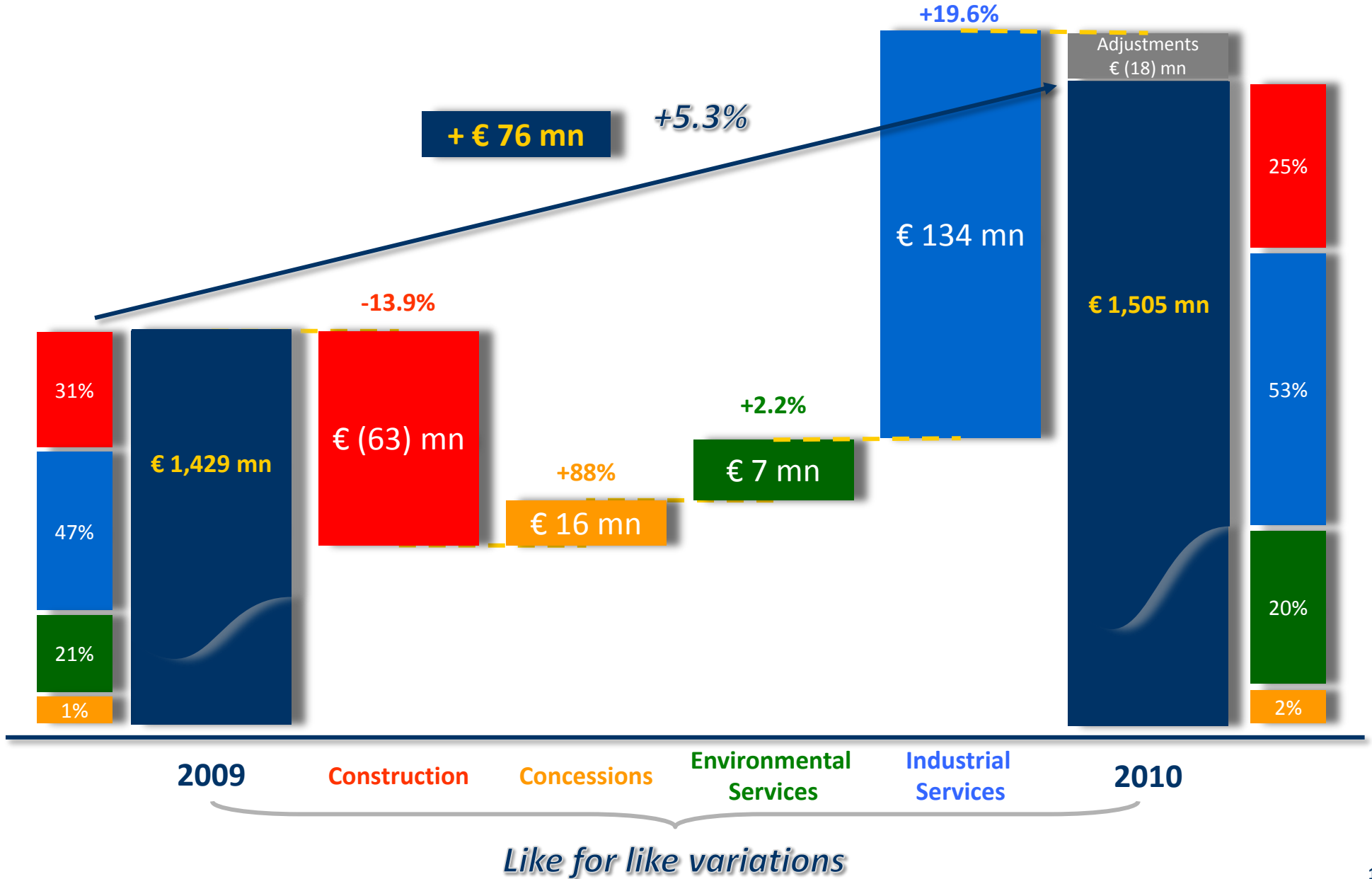
€ 4,892 mn +23.1%



## International Backlog 2010

€ 12,211 mn +22.7%





	€ mn	€mn	<u>Var.</u> %
EBIT Construction	321	-58	-15.1%
EBIT Concessions	22	+14	n.a.
EBIT Environmental Services	185	+5	+2.6%
EBIT Industrial Services	628	+80	+14.6%
Gross contribution from affiliates	440	+48	+9.7%
Financial results + others	(477)	+44	n.a.
<b>Ordinary Gross Profit from Continuing Operations</b>	<b>1,119</b>	<b>+133</b>	<b>+12.5%</b>
Taxes	(154)	-35	
Minority interests	(42)	-12	
<b>Ordinary Net Profit from Continuing Operations</b>	<b>923</b>	<b>+86</b>	<b>+10.3%</b>

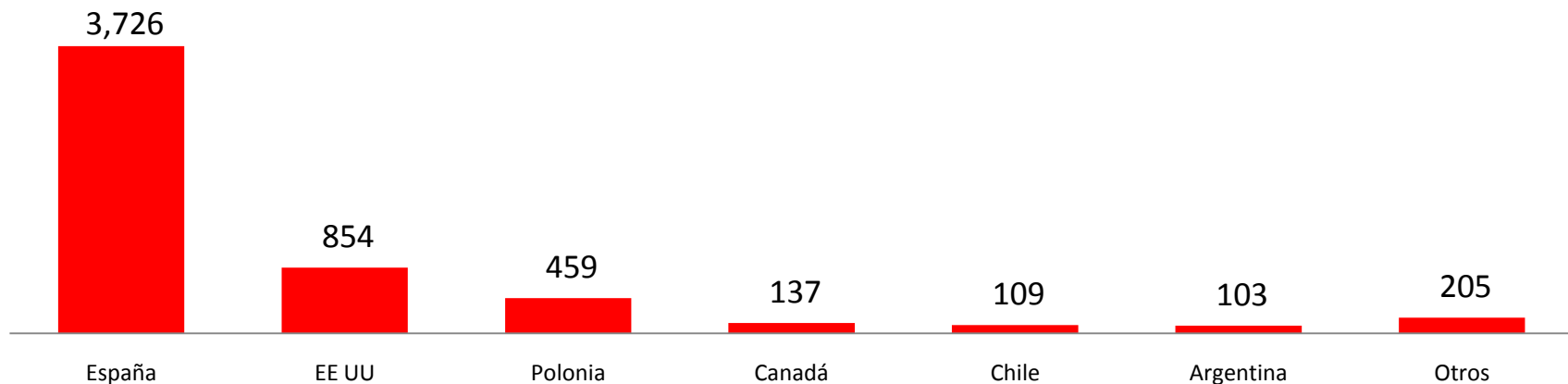
<i>€ million</i>	2009	2010	Var.
<b>Ordinary Net Profit from Continuing Operations</b>	<b>837</b>	<b>923</b>	<b>+10.3%</b>
Average outstanding number of shares	311,0	299,4	-3.7%
<b>Recurrent EPS</b>	<b>2.69 €</b>	<b>3.08 €</b>	<b>+14.6%</b>
Discontinued operations net profit	108	43	
Other exceptional results	1.001	347	
<b>Attributable net profit</b>	<b>1,946</b>	<b>1,313</b>	<b>-32.6%</b>







## Construction

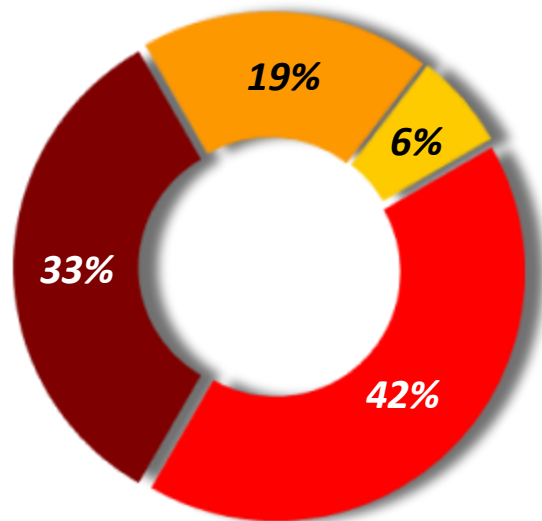
Million Euro	2009	2010	Var. 10/09
<b>Turnover</b>	<b>6,078</b>	<b>5,593</b>	<b>-8.0%</b>
<b>EBITDA</b>	<b>456</b>	<b>393</b>	<b>-13.9%</b>
Margin	7.5%	7.0%	
<b>EBIT</b>	<b>379</b>	<b>321</b>	<b>-15.1%</b>
Margin	6.2%	5.7%	
<b>Net Profit</b>	<b>241</b>	<b>220</b>	<b>-8.7%</b>
Margin	4.0%	3.9%	
<b>Backlog</b>	<b>11,340</b>	<b>11,087</b>	<b>-2.2%</b>

### Sales per country

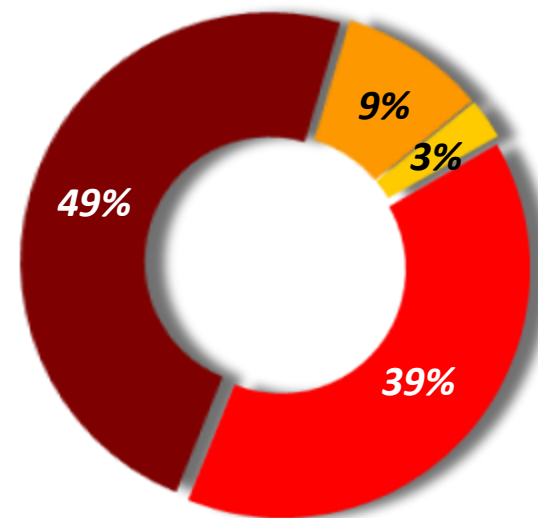


		<i>Sales 10</i>	<i>Var.</i>	<i>Backlog 10</i>	<i>Var.</i>
<b>Construction</b>		<b>5,593</b>	<b>-8.0%</b>	<b>11,087</b>	<b>-2.2%</b>
Obra Civil Spain		2,330	-21.1%	4,373	-16.3%
Obra Civil International		1,867	+34.6%	5,378	27.1%
Edificación no residencial		1,050	-11.7%	1,046	-26.7%
Edificación Residencial		346	-36.6%	291	-36.6%

Sales distribution



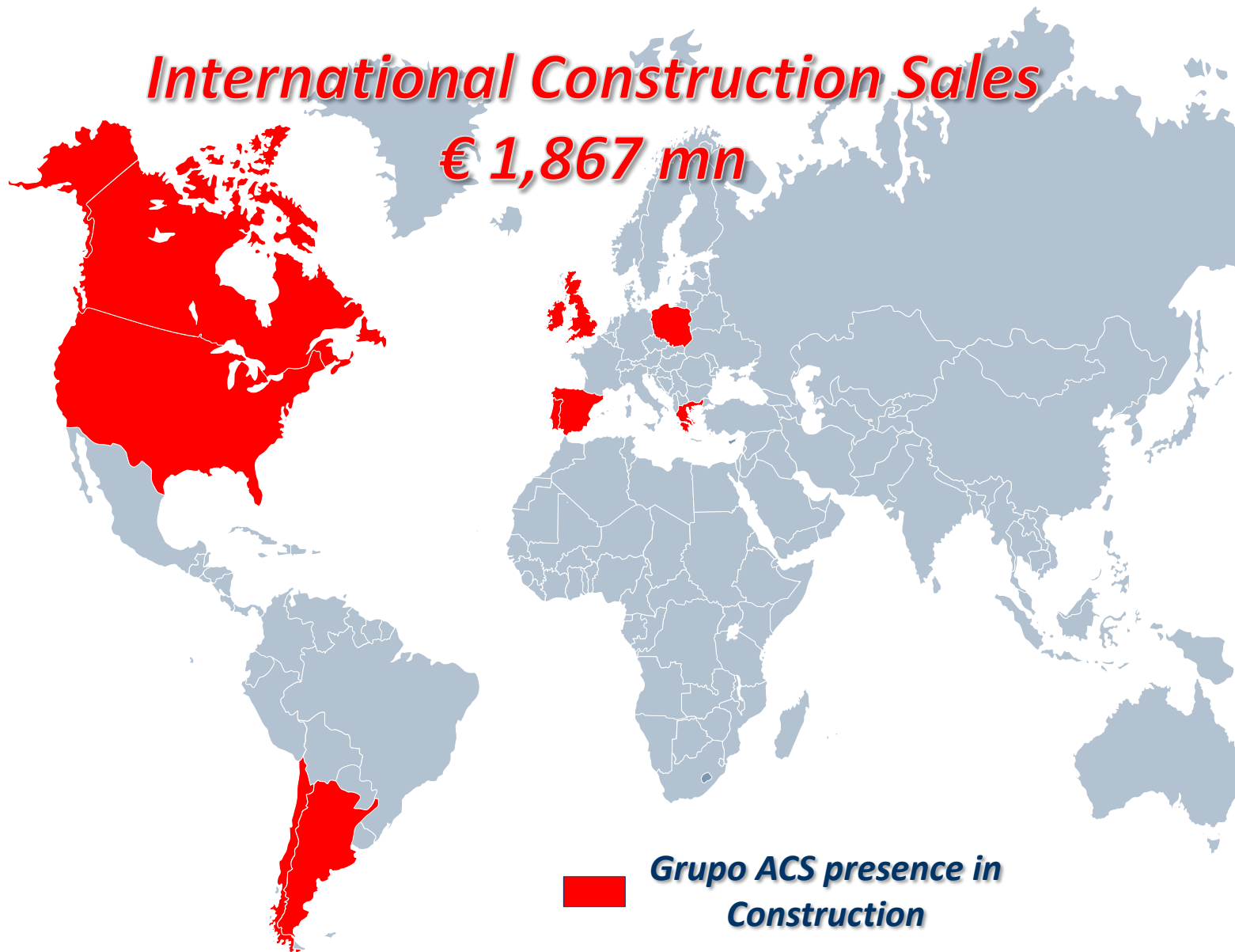
Backlog distribution



Project	Amount (€ mn)	Country	Type of Project
Contract for the construction of two twin tunnels 11.9 km long of new underground rail tunnels in the city of London (U.K.)	488	U.K.	Civil Works - Railways
Project for Windsor Essex highway construction in Ontario (Canada)	272	Canada	Civil Works- Roads
South Fraser perimeter road construction in Vancouver (Canada)	192	Canada	Civil Works- Roads
Works for the construction and maintenance of the 2nd stretch of the line 9 of Barcelona's subway (Spain)	145	Spain	Civil Works - Railways
Works for the construction of the high-speed railway line between San Isidro and Orihuela (Alicante, Spain)	127	Spain	Civil Works - Railways
Construction of the main cavern of the Station on 72nd Street for the new 2nd Avenue Subway line in Manhattan (New York, USA)	127	U.S.A.	Civil Works - Railways
Project for the construction of the Sagrera railway station (Barcelona, Spain)	123	Spain	Civil Works - Railways
Málaga II correctional facility construction in Málaga (Spain)	95	Spain	Non Residential Building
Construction of the jetty and other improvements works in the Gijón Port (Asturias, Spain)	95	Spain	Civil Works - Hydraulic or Maritime
Railway platform construction for the Madrid-Galicia high-speed line in the stretch between Ponte Ambia and Taboleta (Orense, Spain)	83	Spain	Civil Works - Railways
New container terminal construction for La Plata port (Buenos Aires, Argentina)	63	Argentina	Civil Works - Hydraulic or Maritime
Works for the construction of Punta de Langosteira port's dike (La Coruña, Spain).	61	Spain	Civil Works - Hydraulic or Maritime
Project for the new Can Misses Welfare Centre and two associated health centres construction (Ibiza, Spain)	53	Spain	Non Residential Building
Project for an interchange on New York's subway, the Fulton Street Transit Centre (U.S.A.)	52	U.S.A.	Civil Works - Railways

**International Construction Sales**

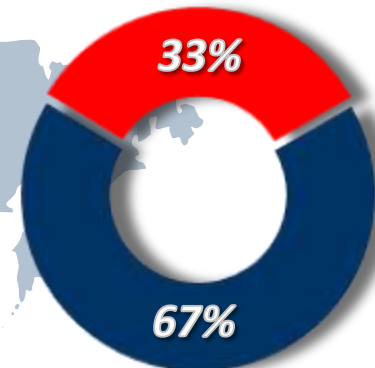
**€ 1,867 mn**



 **Grupo ACS presence in Construction**

**Sales**

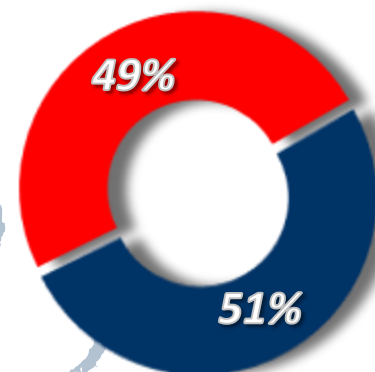
International



Spain

**Backlog**

International

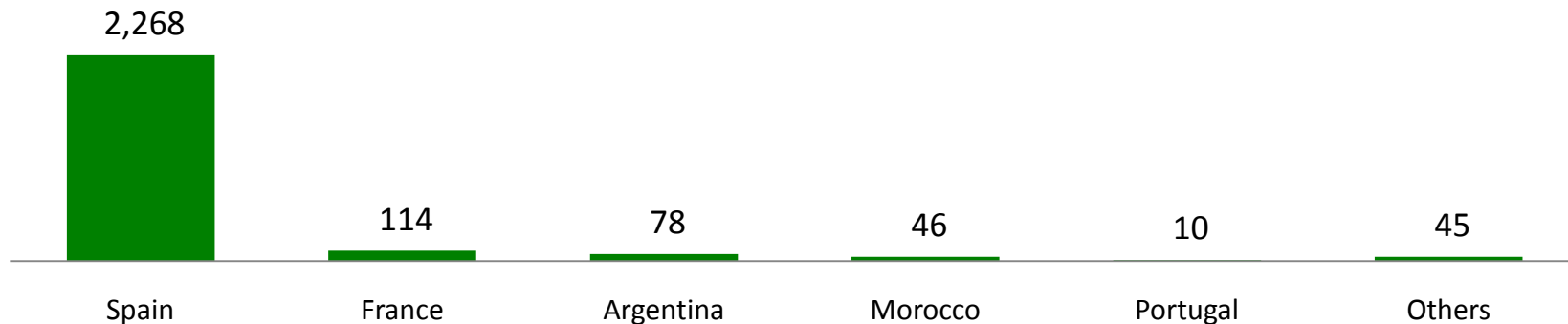





Spain

## Environmental Services

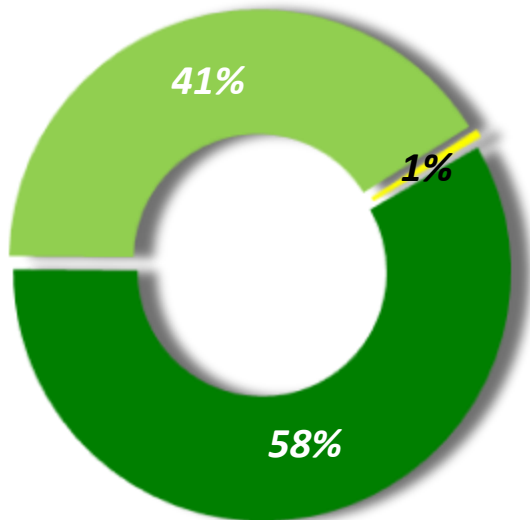
Euro Million	2009	2010	Var. 10/09
<b>Sales</b>	<b>2,470</b>	<b>2,562</b>	<b>+3.7%</b>
<b>EBITDA</b>	<b>304</b>	<b>311</b>	<b>+2.2%</b>
Margin	12.3%	12.1%	
<b>EBIT</b>	<b>180</b>	<b>185</b>	<b>+2.6%</b>
Margin	7.3%	7.2%	
<b>Net Profit</b>	<b>146</b>	<b>152</b>	<b>+4.1%</b>
Margin	5.9%	5.9%	
<b>Backlog</b>	<b>10,723</b>	<b>10,844</b>	<b>+1.1%</b>

### Sales per country

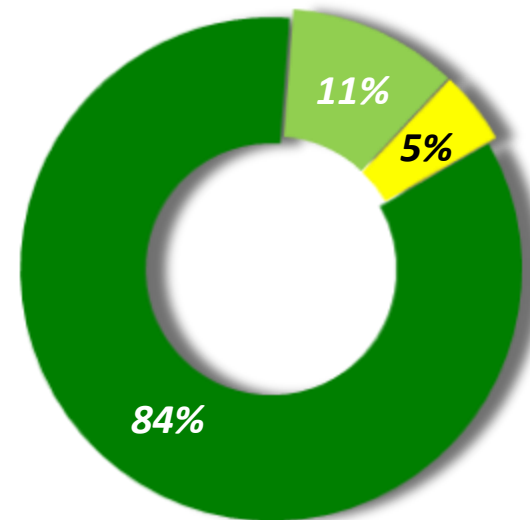


		<i>Sales 10</i>	<i>Var.</i>	<i>Backlog 10</i>	<i>Var.</i>
<b>Environmental Services</b>		<b>2,562</b>	<b>3.7%</b>	<b>10,844</b>	<b>1.1%</b>
Waste Management		1,498	0.8%	9,164	0.7%
Facility Management		1,050	6.7%	1,175	6.6%
Logistics		14	n/a	505	-3.0%

Sales distribution



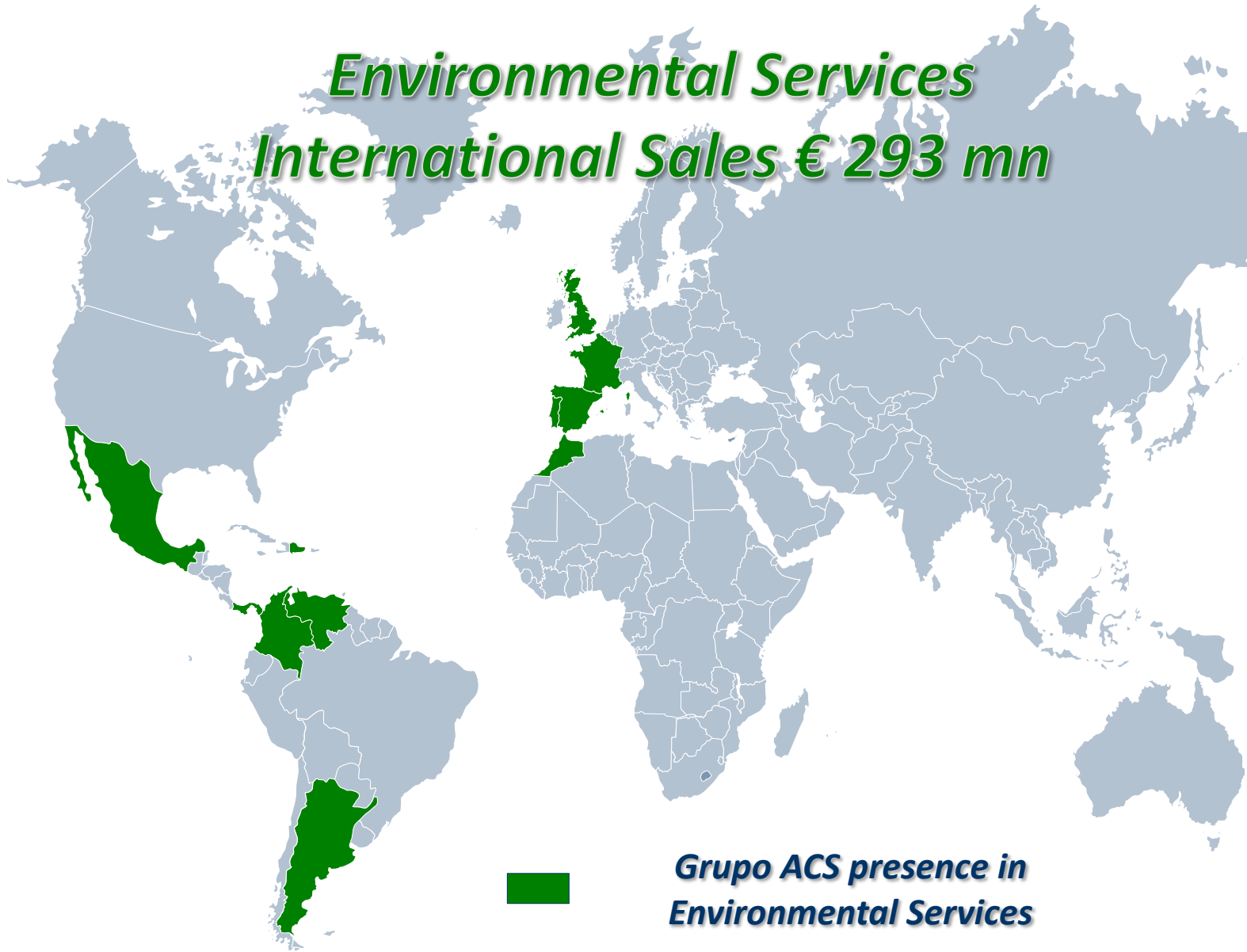
Backlog distribution



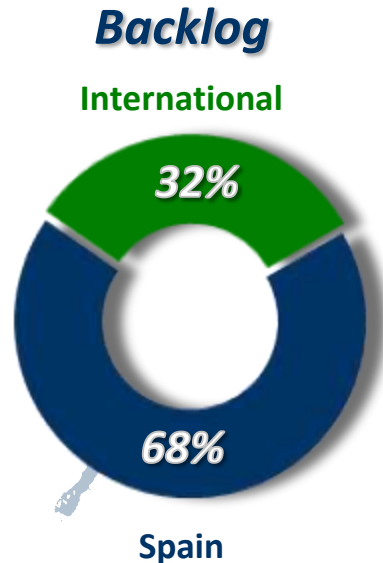
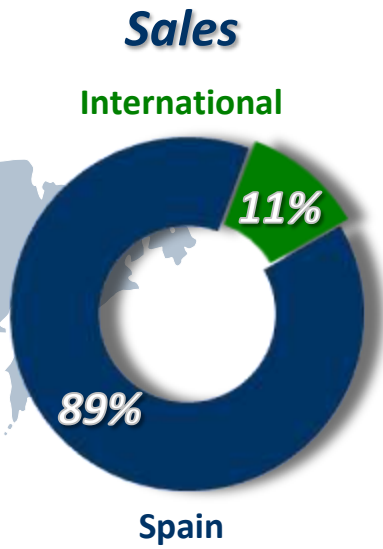


Contract	Amount (€ mn)		Company
Cleaning, disinfecting, treating for insects and treating for rodents services for the facilities of the Spanish Police.	89	Spain	<i>Environmental Services</i>
Project for the construction and exploitation of an energy recovery plant in Bayona (France)	84	France	<i>Environmental Services</i>
Contract for the advertising in Madrid's urban buses.	76	Spain	<i>Facility Management</i>
Extension of the contract for the management of a solid urban waste treatment plant in Alicante (Spain)	62	Spain	<i>Environmental Services</i>
Contract for the water supply system of the city of Totana (Valencia, Spain)	57	Spain	<i>Environmental Services</i>
Extension of the contract for urban waste collection and treatment in the Hereford and Worcester County (United Kingdom)	55	U.K.	<i>Environmental Services</i>
Contract for street cleaning services and urban waste collection in Aviles (Asturias, Spain).	46	Spain	<i>Environmental Services</i>
Extension of the contract for street cleaning and urban waste collection in Logroño (Spain)	38	Spain	<i>Environmental Services</i>
Contract for Parque Rio Madrid maintenance services (Madrid, Spain)	36	Spain	<i>Facility Management</i>
Street cleaning services and urban waste collection, transport and treatment in Calafell ( Tarragona, Spain)	33	Spain	<i>Environmental Services</i>
Extension of the contract for the freight transportation in the Barajas Airport (Madrid, Spain)	27	Spain	<i>Facility Management</i>
Exploitation contract for an urban solid waste transfer plant in Ceuta (Spain)	26	Spain	<i>Environmental Services</i>

*Environmental Services  
International Sales € 293 mn*



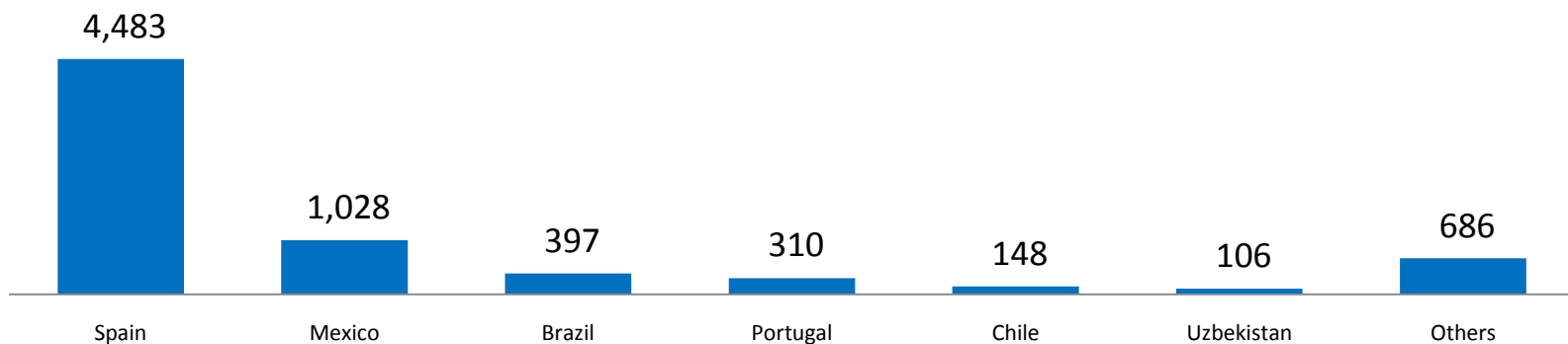
**Grupo ACS presence in Environmental Services**



## Industrial Services

Million Euro	2009	2010	Var. 10/09
<b>Turnover</b>	<b>6,850</b>	<b>7,158</b>	<b>+4.5%</b>
<b>EBITDA</b>	<b>687</b>	<b>821</b>	<b>+19.6%</b>
Margin	10.0%	11.5%	
<b>EBIT</b>	<b>548</b>	<b>628</b>	<b>+14.6%</b>
Margin	8.0%	8.8%	
<b>Net Profit</b>	<b>347</b>	<b>400</b>	<b>+15.2%</b>
Margin	5.1%	5.6%	
<b>Backlog</b>	<b>6,518</b>	<b>6,846</b>	<b>+5.0%</b>

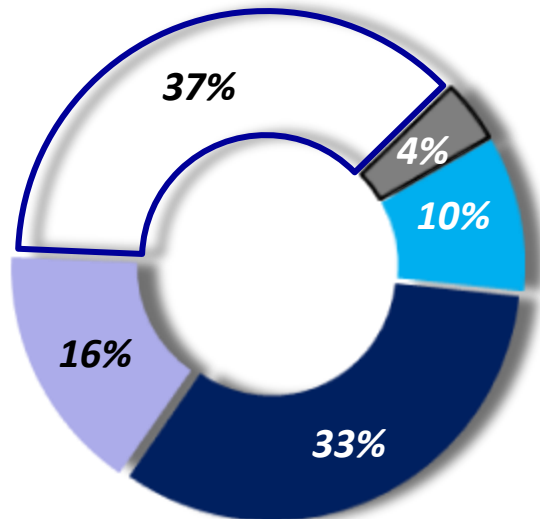
### Sales per country



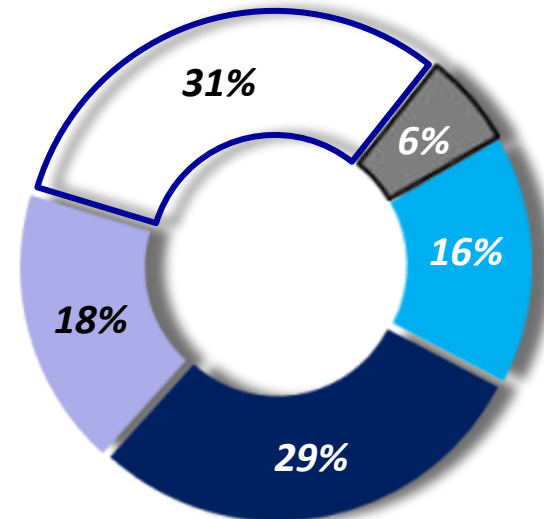
\* Includes consolidation adjustments for € 68.5 million

	<i>Sales 10</i>	<i>Var.</i>	<i>Backlog 10</i>	<i>Var.</i>
<b>Industrial Services</b>	<b>7,158 *</b>	<b>4.5%</b>	<b>6,846</b>	<b>5.0%</b>
Networks	739	-14.9%	1,076	16.8%
Specialized Products	2,353	0.3%	2,011	4.5%
Control Systems	1,121	2.3%	1,207	5.9%
EPC Projects	2,705	12.0%	2,159	-5.1%
Renewable Energy	309	61.2%	393	53.3%

Sales distribution



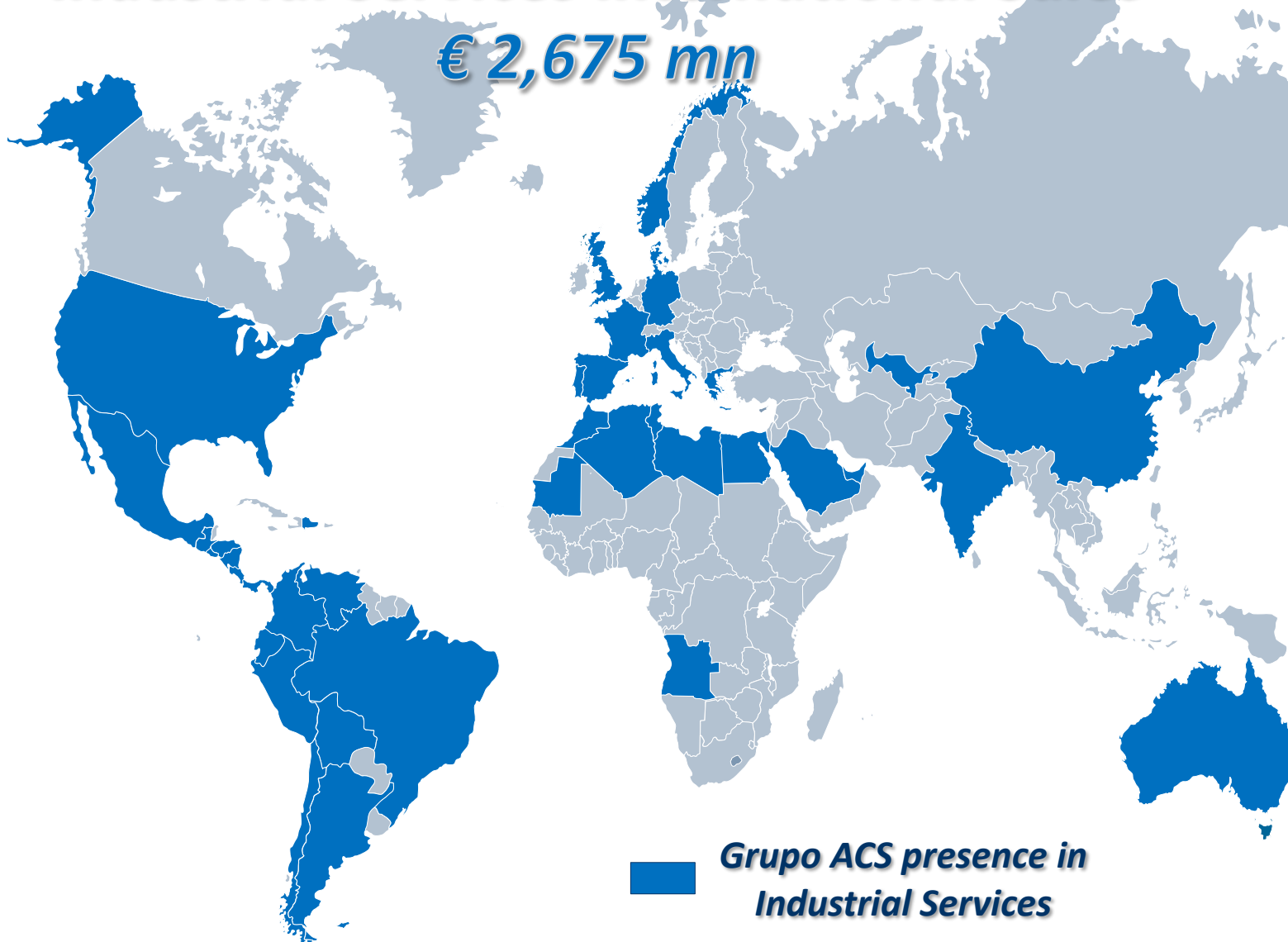
Backlog distribution



Project	Amount (€ mn)		Type of Project
Project for the construction of the Manzanillo combined cycle plant, with and installed capacity of 1,400 MW	748	Mexico	<i>Energy Projects</i>
Extension of the contract for the jobs related to the operation and maintenance of Nejo gas field in Tamaulipas state	732	Brazil	<i>Energy Projects</i>
Turnkey project for 4 wind farms with an installed capacity of 120 MW in Rio Grande do Sul	238	Brazil	<i>Energy Projects</i>
Contract for the next 6 years for construction and maintenance a services for Endesa electrical distribution network.	190	Spain	<i>Networks</i>
Mittelsbüren combined cycle power plant construction, with an installed capacity of 400 MW	145	Germany	<i>Energy Projects</i>
Contract for the expansion of the existing South Arne field offshore Denmark, that includes engineering, procurement and construction (EPC) of two wellhead platforms and the two jackets supporting these	96	Denmark	<i>Specialized Products</i>
Project for the enlargement of the Bahía Bizkaia Gas regassification plant (Vizcaya)	96	Spain	<i>Energy Projects</i>
Project for the engineering construction of two topsides and bridges associated for an oil offshore platform in the North Sea	88	Norway	<i>Energy Projects</i>
Project for the construction of an ammonia storage system for OCP company in Jorf Lasfar	67	Morocco	<i>Specialized Products</i>
Contract for the development of El Alto Maipo hydroelectric project	65	Panama	<i>Energy Projects</i>
Works for the construction of a high-voltage transmission line in Araraquara State	64	Brazil	<i>Specialized Products</i>
Engineering, Procurement and Construction for Barro Blanco hydropower project	62	Panama	<i>Energy Projects</i>

**Industrial Services International Sales**

**€ 2,675 mn**



**Sales**

International

**37%**

**63%**

Spain

**Backlog**




International

**50%**

**50%**

Spain



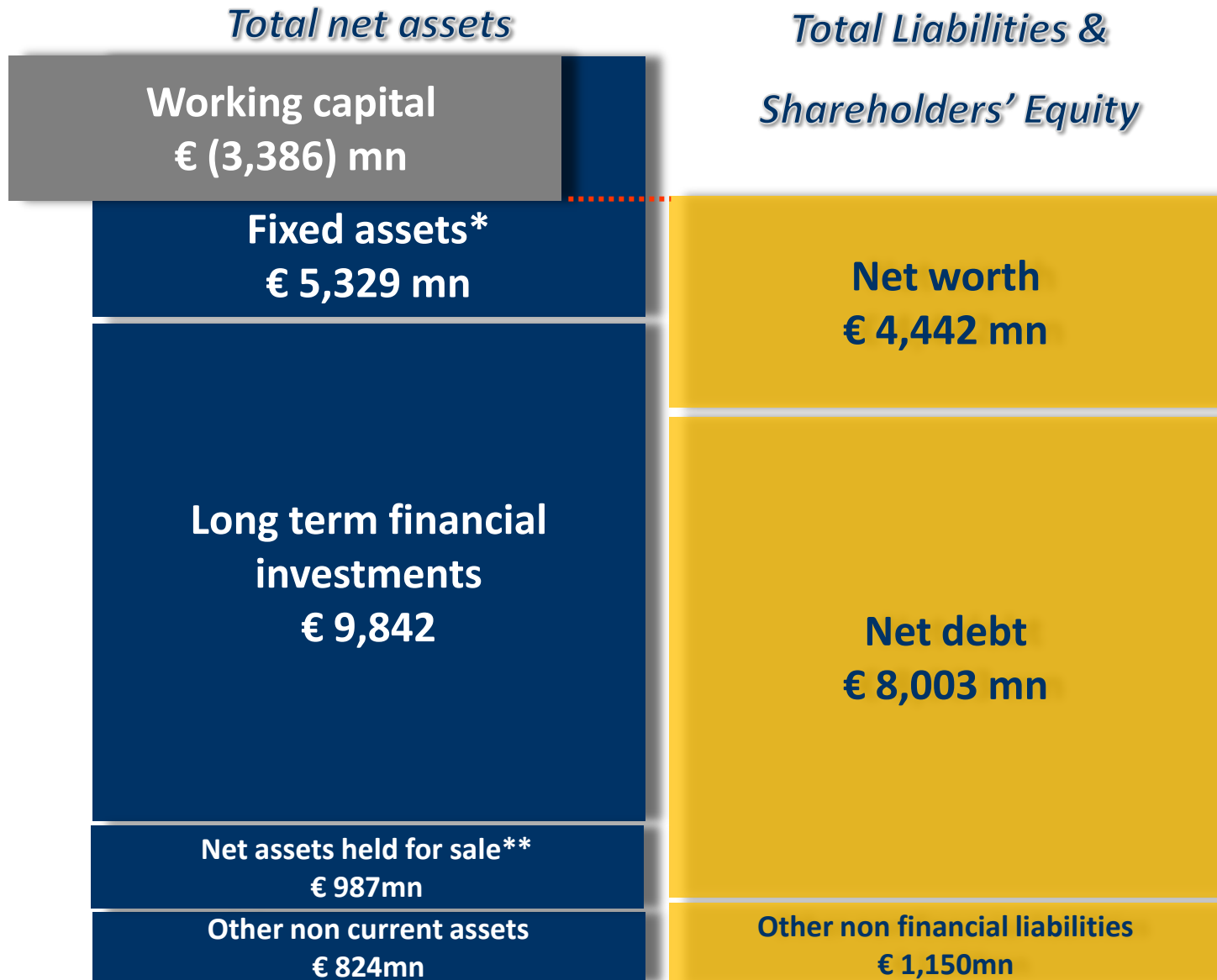
Affiliates		2009	2010	Var.
 abertis	10.3%*	132	119	-9.7%
 IBERDROLA	20.2%*	209	249	18.9%
 HOCHTIEF	27.3%*	51	72	40.7%
<b>Gross income from associates</b>		<b>393</b>	<b>440</b>	<b>12.2%</b>
Financial expenses (net of taxes)		(276)	(281)	1.8%
<b>Contribution to ACS's attributable net profit</b>		<b>117</b>	<b>159</b>	<b>35.7%</b>

*Grupo ACS affiliates market value by 2010 year end*

**€ 8,750 million**

\* Stakes by 31/12/2010

31/12/2010

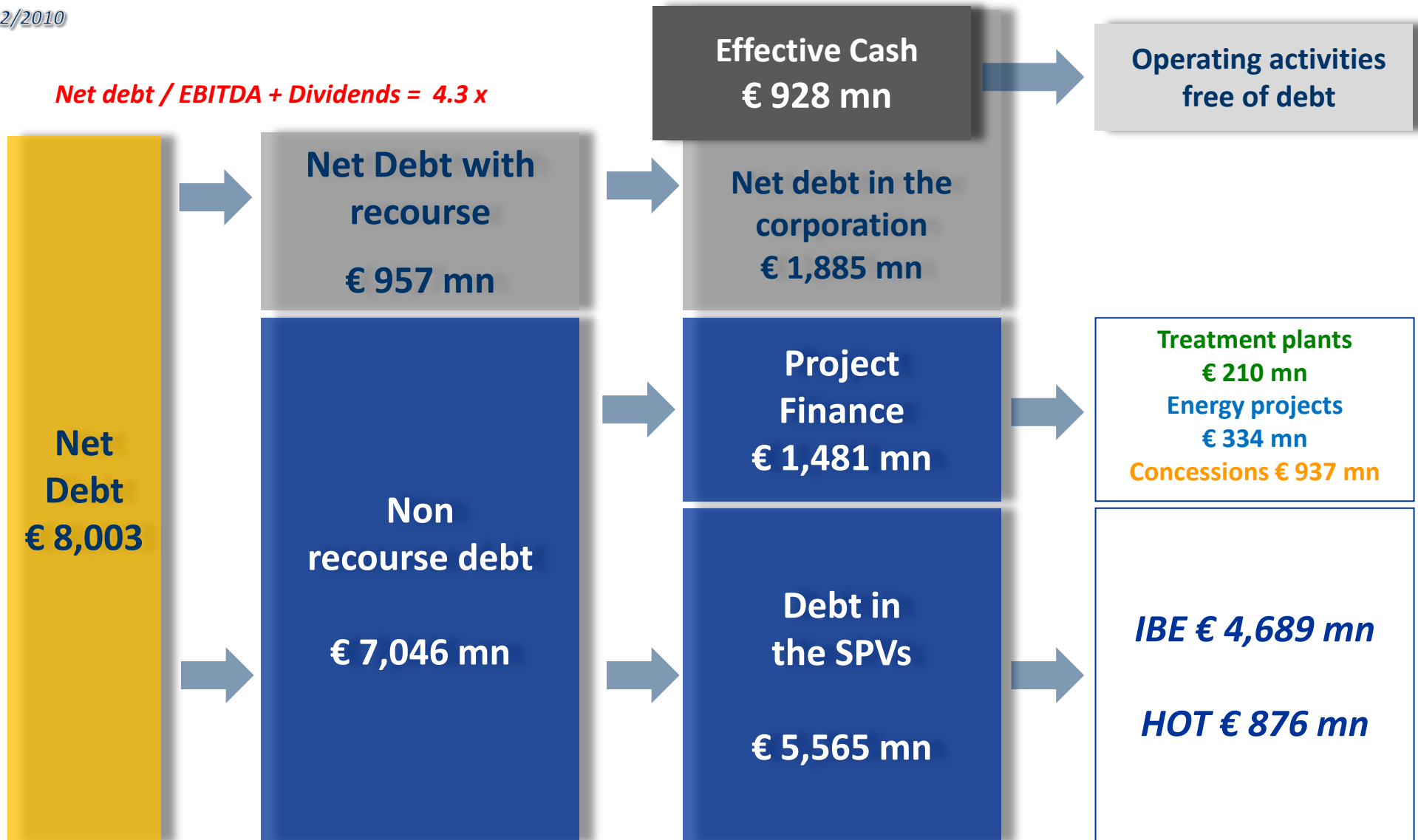


\*Includes non current assets in projects for € 2,380 mn

\*\* Assets held for sale, mainly renewable energy projects, less their liabilities

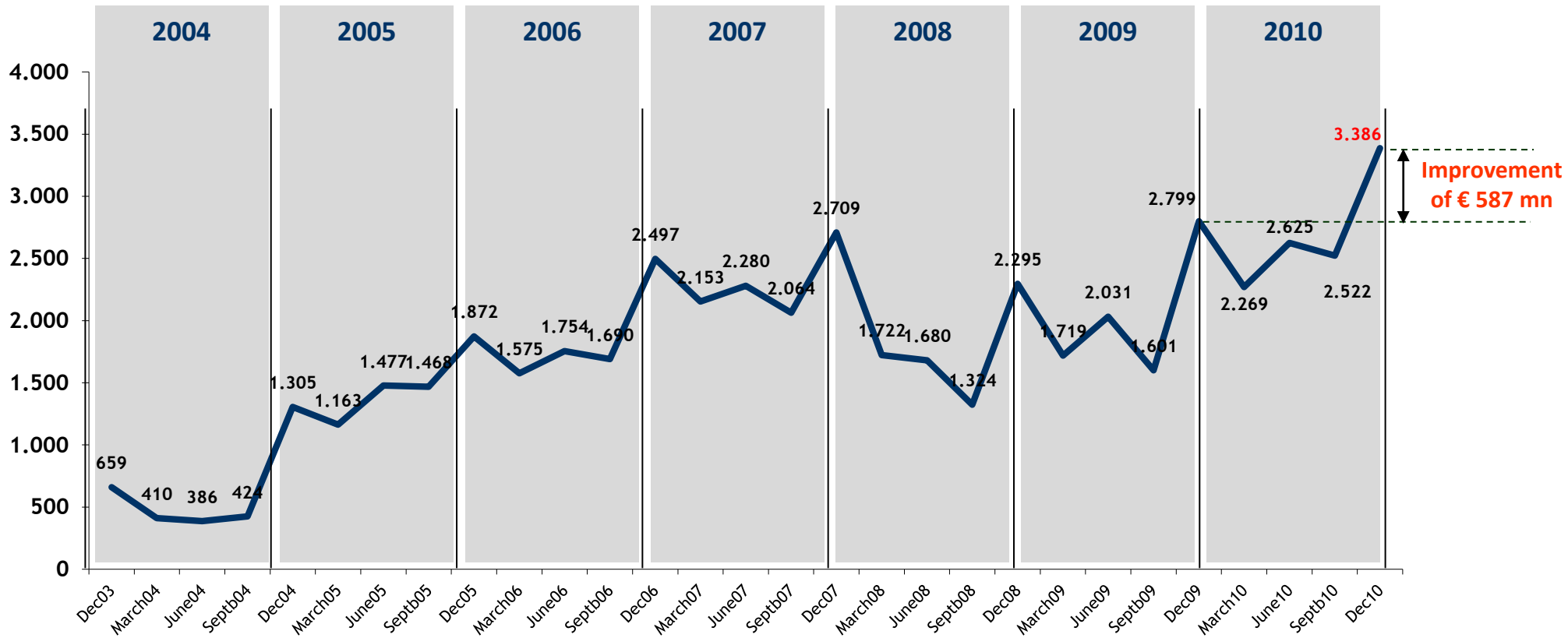
31/12/2010

*Net debt / EBITDA + Dividends = 4.3 x*



*Market value of ACS's stakes in Iberdrola, Hochtief and Abertis by year end 2010: € 8,750 mn*

(credit balance, € million)



**ACS keeps improving its Working Capital credit balance**

**Total net investments 2010 = € 2,324 mn**

**Gross investments 2010 = € 5,112 mn**

Activities		Concessional assets		Corporation	
Total € 299 mn		Total € 2,040 mn		Total € 2,773 mn	
Construction	€ 106 mn	Concessions	€ 729 mn	Iberdrola	€ 2,753 mn
Environmental Services	€ 115 mn	Industrial Services	€ 1,311 mn	Others	€ 20 mn
Industrial Services	€ 78 mn				

**Total disposals 2010 = € 2,788 mn**

Activities		Concessional assets		Corporation	
Total € 181 mn		Total € 334 mn		Total € 2,273 mn	
Others	€ 49 mn	Platinum Corridor	€ 63 mn	Abertis	€ 2,273 mn
SPL	€ 132 mn	Transmission lines	€ 271 mn		

*Cash flow from  
operating activities*

€ 1,377 mn

*Cash flow  
from disposals*

€ 2,788 mn

*Net debt with  
recourse increase*

€ 737 mn

*Free cash flow before investments*

€ 4,902 mn



*Free cash flow before investments*

**€ 4,902 mn**

*Non recourse debt increase\**

**€ 994 mn**

*Shareholders*

**€ 951 mn**

*Direct investments*

**€ 3,864 mn**

*Dividends*

**€ 618 mn**

*Treasury Stock*

**€ 333 mn**

*Others*

**€ 87 mn**

*Investment payments*

**€ 4,858 mn**

Source

Application

\* During 2010 € 2,934 mn were reclassified as liabilities from assets held for sale and 117 mn were incorporated from the enlargement of the IBE equity swap, so the balance shows a reduction of € 1,824 mn

**Executive Summary**

**2010 Results Analysis**

**Strategic Performance 2010**

**Conclusions**



**Disposal of  
Non core / concessional assets**



**Changes in the  
Iberdrola and Abertis stakes**



**Public Offer for Hochtief**

**SPL disposal completed**

**Mature concessions disposal**

- *Platinum Corridor in South Africa*
- *Transmission lines in Brazil*

**Start-up of the  
renewable assets sale process**



abertis

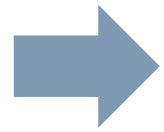
## Incorporation of a strategic partner

- *ACS maintains a 10.3% stake*
- *Corporate strategy changes to speed up*

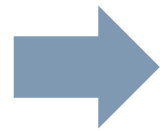


## Increase of ACS stake

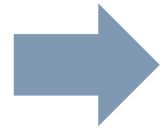
- *ACS reaches target 20.2% of share capital*
- *Long term strategic commitment*



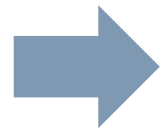
*ACS has been since 2007 the larger shareholder of the company, with a 29.98%\* stake*



*In September 2010 ACS launches a public offer for 100% of the German company*



*On February 4<sup>th</sup>, 2011, the public offer is successfully completed: ACS reaches 33.5% in Hochtief*



*ACS objective is to reach 50% in the coming months, buying shares in the market*

**ACS becomes a world reference in the infrastructure development industry**

**Executive Summary**

**2010 Results Analysis**

**Strategic Performance 2010**

**Conclusions**



## *2010 has been a transition year ...*

### 2010 targets achieved

- Internationalization increase
- Operating margins improved
- Recurrent net profit increased

### Sustainable cash flow generation

- Growing operating cash flows
- Efficient working capital management
- Capital gains generated after the sale of mature concessional assets

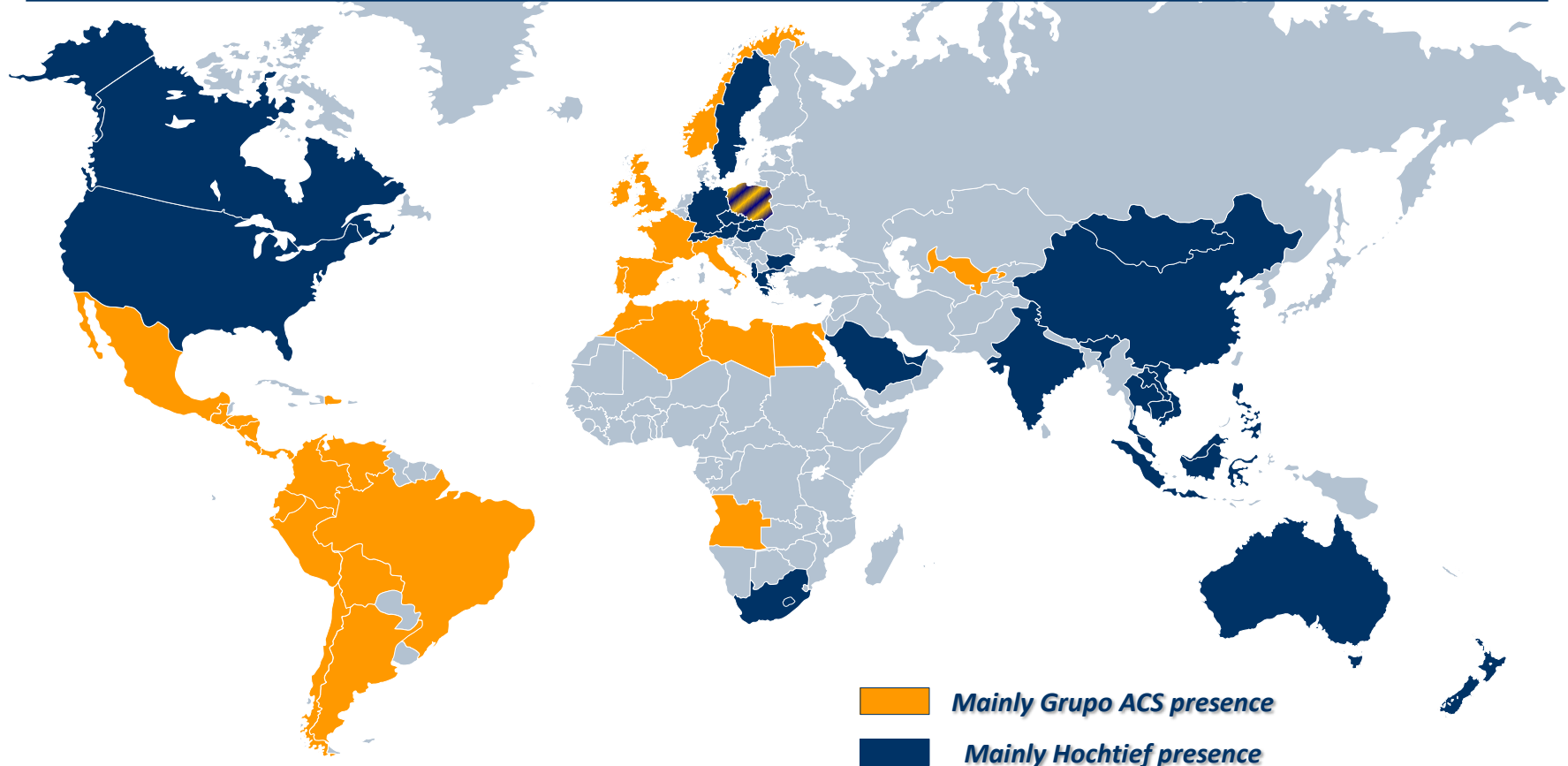
### Investment in a long term project



**HOCHTIEF**

**...towards global leadership  
in infrastructure development**

**Combined sales 2011e > € 35,000 mn\***  
**With more than 70% abroad**



\* FACTSET consensus for both companies

*... and a portfolio of complementary, sustainable and profitable activities...*



**ACS Infrastructures**

**ACS Environmental Services**

**ACS Industrial Services**

**Hochtief**

- Construction Spain
- Construction International
- Infrastructure Concessions

- Waste Management
- Facility Management

- Support Services
- EPC Projects
- Energy Concessions

- Hochtief Europe
- Hochtief America
- Leighton Holdings

**Affiliates**

Abertis      Iberdrola



**2010**

*Results  
Presentation*