



ACS Group net profit grows by 133% to €369 million in the first quarter of 2007

Turnover exceeded €5,000 million, growing by 59%

Consolidated Earnings

The ACS Group made a net profit of €369.1 million in the first quarter of 2007, up 133.4% from the same period in 2006, based on good developments in all its activities. Ordinary profit after tax rose by 42.6% to €225.5 million. Extraordinary profits reached €143.5 million.

The full consolidation of Unión Fenosa has positively affected turnover, EBITDA and EBIT.

ACS Group's turnover rose to 5,004 million euros in the first quarter, corresponding to an increase of 58.7%. The Group's international sales reached 1,176 million euros, representing 23.5% of total sales.

Gross operating profit (EBITDA) increased by 218% to reach €862 million with a 17.2% sales margin. In turn, net operating profit (EBIT) was €601 million, up 189%, with a 12% sales margin.

The net profit contributed by the listed subsidiaries Abertis and Iberdrola (Hochtief will be incorporated from the second quarter) was €38.9 million after deducting financial charges.

Earnings by Business Areas

Construction

Construction activity resulted in sales of €1,676 million, 11.6% more than in the first quarter of 2006. This significant growth is due to strong performance in the Spanish market, especially in the areas of civil works

and non-residential construction. EBITDA rose by 11.9% to 125 million euros and net profit grew by 11.6%, reaching €71 million.

The works portfolio increased by 13.5% in the last 12 months and was at €10,942 million at the end of March 2007, equivalent to 19 months production. The most significant awards secured include the project for the construction of the second bridge over the Bay of Cadiz, the stretch of high-speed railway line between Trinidad and Montcada in Barcelona and the reconstruction of module D of the car park for Terminal 4 at Madrid's Barajas Airport.

The concessions development subsidiary Iridium has also been awarded two important motorway concessions in Greece and Ireland. Specifically, the Group is participating in consortia to construct, finance, exploit and maintain the Central Greece Motorway E-65 in Greece and the M7 and M8 motorways linking Portlaoise with Castletown and Cullahill in central southern Ireland, each being a toll road.

Environment and Logistics

Sales in the Environment and Logistics area totalled €663 million, representing a 14.7% increase, while gross operating profit rose by 17.9% to €88 million. Net profit in this area grew by 20.8% to €28 million. The Environment and Logistics portfolio grew by 11% on reaching €13,012 million, representing 63 months' production.

These sales and results do not yet include Continental Auto. A commitment to sell the passenger transport subsidiary to the British National Express group was made on April 26. The agreement places an Enterprise Value on it of 701.6 million euros, which means a gain after tax of 510.5 million euros. This gain has not been included in the accounts for the first quarter of 2007.

Industrial Services

The Industrial Services area increased its sales by 21.6% to €1,327 million. The maintenance of operating margins meant that both EBITDA and EBIT grew at the same rate, 21.6%, reaching 96 and 88 million euros respectively. Net profit rose to €61 million, 25.7% higher than in the same period of the last financial year.

The Industrial Services portfolio at the end of March 2007 stood at €5,467 million, 20% higher than twelve months before and representing 13 months production. Projects include the construction of infrastructure and maintenance of gas fields in Tamaulipas (Mexico), the construction of a

combined cycle power plant at San Lorenzo in Puebla, also in Mexico, and the Adriatic project consisting of the construction of a regasification plant in Cadiz and its subsequent integration into a concrete structure in Algeciras.

Energy

This is the first quarter in which Unión Fenosa has contributed to the Group's sales and operating results. In fact, the Energy area contributes sales of €1,412 million and increases operating net profit by €360 million. The impact on net profit reached €98.7 million.

The performance of the distribution business was outstanding, thanks to the approved tariff increase, on increasing supplied energy by 6.3% at full tariff and reducing operating costs by around 4%.

Net investment and borrowing

Total investment by the ACS Group during the first quarter of 2007 reached €538. This includes concessions projects where €110 million has been invested, mainly in the hospital at Majadahonda and the TP Ferro project for the high-speed railway tunnel between Figueras and Perpignan. Significant investments have also been made in renewable energy projects such as the Granada thermosolar plant and several wind farms.

Unión Fenosa invested 172 million euros, mainly for the completion of the combined cycle plants at Sagunto and Sabón, the development of gas infrastructure and renewable energy projects in Spain. Likewise, linked to the BIGGER project, several projects have been taken forward in the international arena. These include the 450 MW combined cycle power station at Durango Norte in Mexico and several renewable energy projects in Panama and Colombia, as well as an agreement to buy a mining company in South Africa, part of Unión Fenosa's coal strategy.

ACS Group's non-recourse indebtedness stands at €7,491 million. Net recourse debt shows a balance of €7,299 million, that is to say 78.9% of net worth and 2.1 times the Group's annualised EBITDA.

Hence, the Group's net borrowing at the end of March 2007 stood at €14,791 million, 1.6 times net worth and 4.3 times the Group annualised EBITDA.

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