The ACS Group records first-half earnings of €1,010 million, a 169% increase over the same year-earlier period

Sales in the first six months of the year reached €10,400 million, a 55% increase over the prior year period.

Consolidated Results

The ACS Group recorded net profits of €1,010.2 million in the first half of 2007, 168.7% more than that recorded in the same period last year, thanks to the excellent performance of all of its business activities. Ordinary income after taxes rose 31% to €482.3 million. Extraordinary earnings totalled €527.9 million and include the capital gains on the sale of Continental Auto to National Express.

The full consolidation of Unión Fenosa from January has had a positive impact on both revenues and operating earnings.

Sales during the period on the Group level totalled €10,409 million, a 55.3% increase over is the same period in 2006. International sales totalled €2,456 million, accounting for 23.6% of the total.

Gross operating earnings (EBITDA) surged 196% to €1,709 million, representing a sales margin of 16.4%. Gross operating profit (EBIT) surged 171% to €1,192 million, for a margin against sales of 11.4%.

The net profit contributed by listed affiliates, Abertis, Iberdrola and the recently integrated Hochtief reached €40.4 million after financial expense.

Performance by Business Area

Construction

Sales from construction activities totalled €3,566 million, a 12% increase over the first half of 2006. This growth was thanks to the strong domestic activities, especially in civil works and non-residential construction. On the operating level, EBITDA rose 133% to €266 million, with net profit increasing 12% to €150 million.

Total backlog increased by 11.3% at the end of June 2007 year-on-year, equalling €11,269 million or 19 months of production. The most notable awards during the second

quarter includes the A4 highway between Wielicka and Szarow in Poland and the high-speed railway section giving access to Albacete.

Environmental Services and Logistics

Sales in Environmental Services and Logistics reached €1,397 million, a 15.1% increase over the first six months of 2006. Gross operating earnings rose 16.8% to €187 million while net profit increased 26.7% to €68 million. Backlog at he end of June rose 11.3% year-on-year to €12,895 million, equalling 60 months of production.

Among the most notable recent awards, we would highlight the construction and operation of the landfill for Zone IV of Zaragoza and the biogas plant in Roanne (France).

The sales and earnings figures are not of Continental Auto; the sale agreement with the British group National Express was signed on this past 26 April.

Industrial Services

Sales in the Industrial Services division rose 17.3% to €2,745 million. The increase in operating income pushed net operating profits up 20.5% to €129 million.

The backlog in this division at the end of June totalled €5,857 million, a 23.2% increase year-on-year over the same figure in 2006. This equals 13 months production. The most notable projects include the design and construction of the solar plant in Daimiel (Ciudad Real), the expansion of the refinery in Cartagena (Murcia), the construction of a fertilizer plant in Ma'aden (Saudi Arabia) and the construction of the combined cycle power plant Kureimat III in Egypt.

Energy

2007 is the first year in which Unión Fenosa contributes to both sales and operating income of the Group due to the recent full consolidation with the electric utility. With this change, the Energy area contributed sales of €2,847 million, and EBITDA of €1,042 million. The total contribution to net profit for the first six months of the year was €139 million.

Capex and indebtedness

Total net capex for the ACS Group in the first half of 2007 reached €2,019 million, including the acquisition of a 25.1% stake in Hochtief for €1,264 million. Other significant investments include renewable energy projects such as the thermo-solar plant in Granada (€89 million) and various investments in wind parks (€124 million).

The most significant divestitures include the sale of Continental Auto and the sale of the Dundalk motorway in Ireland and the A1 in the United Kingdom.

Unión Fenosa invested €470 million, primarily in the completion of the combined cycle plants in Sagunto and Sabón, the development of gas infrastructure, and renewable energy projects in Spain, Panama and Colombia.

Nonrecourse debt totalled €8,715 million. Net debt with recourse at the end of the period reached €7,122 million, equalling 68% of total shareholder's equity and 2.1 times annualized gross operating earnings (EBITDA) for the Group.

In all, the total net debt of the Group at the close of June 2007 was €15,836 million, 1.5 times net equity and 4.6 times annual consolidated EBITDA.

Madrid, 26 July 2007