

## **In the first quarter of 2009, the ACS Group saw its net profits rise by 118% to reach 1.306 billion euros**

- **The net profit after tax reached 301 million euros, 11.2% more than in the first quarter of 2008**
- **Turnover increased by 1.6% to over 4.080 billion euros, of which 21% came from international business**

### **Consolidated results**

In the first three months of 2009, the ACS Group made a net profit of 1.3064 billion euros, 118.1% more than in the same period in 2008. Net profits after tax, with deductions for the sale of the remaining 35.3% holding in Unión Fenosa, increased by 11.2% to reach 301 million euros.

In this period, the turnover of the ACS Group reached 4.080 billion euros, which represents an increase of 1.6%. International sales in the first three months of 2009 represent 21% of the total, i.e. an increase of 15.8% over international sales in the first quarter of 2008.

The gross operating profit (EBITDA) increased by 4.9% to reach 383 million euros, with a sales margin of 9.4%. Listed companies, i.e., Abertis, Hochtief, and Iberdrola, contributed 52 million euros to the net profit of the ACS Group in the first quarter of the year.

As of 31 March 2009, the order book stood at 34.920 billion euros, i.e., 2.6% more than in the first quarter of 2008.

### **Results by Area of Business**

#### **Construction**

The area of Construction registered sales of 1.587 billion euros, 9.9% less than in the same period for 2008, but 22% more than in the last quarter of 2008. This points to a clear change in trends, particularly in the national civil engineering sector. For this reason, the forecast continues to be that 2009 will see growth over 2008.

International sales rose by 30.8%, accounting for 12.4% of total turnover.

Gross operating profits (EBITDA) in the area reached 118 million euros, with a sales margin of 7.5%. Net profits stood at 69 million euros, with a sales margin of 4.3%.

The order book at the end of March 2009 continued to grow, and stood at 11.071 billion euros, which is equivalent to 21 months' production. The international order book accounts for 28% of the total.

Various highway project contracts have been signed in Spain, e.g., the section between Barranco de Santos and the Plaza de España in Santa Cruz de Tenerife for the construction of the *Vía Litoral* (Coast Road), or the section of link highways at Abrera Este in Barcelona. Significant railway contracts have also been signed, e.g., various work projects on Line 1 of the Seville Metro, the Silleda-Vedra section of railway line in Pontevedra, and the high-speed rail project between Valladolid and Palencia at Venta de Baños.

Other significant contracts that have recently been awarded include the ducting for the combined hydro-electric / wind power plant at El Hierro on the island of Tenerife, and the construction of Guadalajara University Hospital. Foreign contracts include the construction of Antofagasta Prison in Chile.

This order book does not include the recently awarded contracts for various projects in Spain, the USA, and Portugal, such as the Eix Diagonal shadow toll highway in Barcelona, the I-595 Inter-State Highway in Florida (USA), or the highway concessions in the Baixo Alentejo and Algarve Litoral areas of Portugal.

### Environment and Logistics

The area covering Environment and Logistics registered sales of 769 million euros in the first quarter of 2009, an increase of 0.4%. The good performance shown by Environment, which has grown by 12.0%, and by Integral Maintenance, which has grown by 4.2%, compensated for the fall registered by Port and Logistics Services, where turnover is affected by the fall in global trade.

International sales rose by 19.2% to reach 110 million euros, representing 14% of the total for the area.

The gross operating profit (EBITDA) for Environment and Logistics reached 100 million euros, with the sales margin standing at 13.0%. Net profits were the same as for the first quarter of 2008: 34 million euros.

The current order book for this area stands at 17.367 billion euros, equivalent to 66 months' activity, and 9.1% greater than the figure for twelve months ago. The main contracts awarded this year include the recovery of urban solid waste in the city of Cali (Colombia), and the extension to the contract for waste recovery and treatment for the county of Hereford and Worcester (United Kingdom). In the Spanish market, principal contracts include the recovery of urban solid waste and road-cleaning in the eastern part of Barcelona, and the provision of cleaning services for a number of Royal Palaces that form part of the National Heritage.

## Industrial Services

The area of Industrial Services increased sales by 10% to 1.721 billion euros, with a solid level of international activity accounting for 31% of turnover.

Gross operating profit (EBITDA) increased by 14.5% to 161 million euros, and net profits rose to 82 million euros, which is 10.1% more than the same period in the preceding financial year.

This area ended the quarter with an order book worth 6.483 billion euros, equivalent to one year's production. The most significant contracts awarded during this time in Spain include: engineering and installation work for equipment in the combined-cycle power station of the Port of Barcelona; integral maintenance of the operating assistance system for the EMT (*Empresa Municipal de Transportes* – Municipal Transport Company) of Madrid from 2009 to 2012; and the enlargement of the third storage tank of the firm Bahía de Bizkaia Gas.

The international market garnered contracts for building the electricity distribution network for the rural and urban area of Nashik (India); enlargement of the sub-station of Alto Jachuel in Chile; and building an off-shore flotel for 201 persons in Mexico.

## **Financing and Net Investments**

Funds generated by operational activities during the first quarter of the year rose to 48 million euros, a very positive figure given that it was in respect of a period in which variations in circulating capital would normally absorb operational cash flows.

This solid capacity for generating operating funds, together with proceeds from the sale of the 35.3% holding in Unión Fenosa, have enabled the net consolidated debt of the Group to be reduced significantly.

The total debt level of the ACS Group as of 31 March 2009 stood at 8.983 billion euros. Recourse debt stood at 123 million euros, and non-recourse debt stood at 8.860 billion euros.

Of non-recourse financing, 3.399 billion euros come from the financing of concessional projects. The remaining 5.461 billion euros represent the debt in respect of the instruments used for acquiring shares in Hochtief and Iberdrola. This figure includes the debt in respect of the 5.1% holding in Iberdrola.

The main investment in this period is a consequence of the novation of this financial instrument, by which ACS obtained political rights inherent in the underlying shares, thus reaching 12.6% of voting rights in the electricity company.

Remaining investments are in respect of operational activities in which the area of Construction has made investments amounting to 31 million euros, mainly in equipment and machinery for project development. 34 million euros were invested in concessional projects: Son Dureta Hospital, Majorca, and Line 9 of the Barcelona Metro. Environment and Logistics received 77 million euros, of which 48 million euros went to Environment

for new machinery and for processing-plant projects. Finally, 339 million euros were invested in Industrial Services, mainly in renewable-energy projects, including 173 million euros invested in thermo-solar power plants and 104 million euros invested in wind farms.

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