

## ACS reduces its debt by half and the clean-up for Iberdrola impacts in the results of the year

- Grupo ACS net debt has been reduced by 4,382 euro million, a 47%, down to 1.8 times EBITDA
- Sales accounted for 38,396 euro million, a 34.9% more than in the same period of last year.
- Recurrent net profit accounted for 705 euro million and, after the adjustment from the partial sale and the impairment of Iberdrola, the net result accounts for -1,926 euro million

<b>Grupo ACS Results</b>			
<b>In euro million</b>			
	2011	2012	var.
Sales	28,472	<b>38,396</b>	<b>+34.9%</b>
EBITDA	2,318	<b>3,088</b>	<b>+33.3%</b>
Ordinary Net Profit	782	<b>705</b>	<b>-9.9%</b>
Net Profit	962	<b>(1,926)</b>	<b>n.a.</b>
Net Debt	9,334	<b>4,952</b>	<b>-46.9%</b>
Net Investments	2,902	<b>(2,285)</b>	<b>n.a.</b>

### Consolidated Results

The turnover of Grupo ACS in 2012 amounted to 38,396 euro million, 34.9% more than the previous year. Growth in comparable terms, considering Hochtief sales in the whole 2011, would reach 4.1%

International sales now account for 84.4% of total, reaching to 32,421 euro million. In comparable terms, the international growth was 11.6%, while activity in Spain has fallen by 23.6% down to 5,975 euro million.

By geographic area, sales in Asia Pacific represent 40.5% of the total, whilst America and Europe represent 32% and 26.9% each, demonstrating the Group's geographical diversification strategy.

Total backlog in December 2012 amounted to 65,626 euro million, with a 0.8% decrease after the sale of assets in Australia. The international backlog now represents 82.6% of the total.



EBITDA grew by 33.3% to 3,088 euro million, with a margin on sales of 8.0%.

Grupo ACS results of the period are strongly affected by the macro situation and the capital markets evolution, which led the Group to deeply restructure of its Iberdrola investment.

- During 2012 the Group sold, in several transactions all through the year, 755 million shares of Iberdrola, equivalent to 12% of its share capital. The net capital losses from these disposals accounted for 1,312 euro million.
- Additionally the accounts include losses of 1,308 euro million as a consequence of the impairment tests on the shares of Iberdrola and the value adjustments, at market prices, of the derivatives of Iberdrola: a call spread on 597 million shares and an equity swap on 278 million shares.

Ordinary net profit of the period, which does not include extraordinary results, accounted for 705 euro million, showing a decrease of a 9.9% due to the lower contribution of the Construction activity and the disposals of some assets in Environment, like Consenur.

Ordinary Net Profit Analysis			
In euro million			
	2011	2012	Var. 11/12
Ordinary Net Profit Construction	277	274	-1.0%
Ordinary Net Profit Enviroment (1)	121	97	-19.3%
Ordinary Net Profit Industrial Services	415	416	+0.2%
<b>Operations Ordinary Net Profit</b>	<b>813</b>	<b>787</b>	<b>-3.2%</b>
Overheads	(39)	(39)	+0.0%
Affiliates. Financial & Holding Results (2)	8	(43)	n.a.
<b>Ordinary Net Profit</b>	<b>782</b>	<b>705</b>	<b>-9.9%</b>

(1) Sale of Consenur and other logistic assets in 2011

(2) Ordinary contribution from affiliates, Financial expenses derived from corporate debt, including the debt for the acquisition of Hochtief, and all net of taxes

The different extraordinary effects that have impacted the net result, apart from the ones related to Iberdrola, previously explained, are summarized as follows:

- The asset disposals of the period, mainly the sale of a 10.3% of Abertis and a 23.5% of Clece, that generated a net capital gain of 322 euro million
- Other negative extraordinary results for 333 euro million, coming from provisions and from expenses derived from the financial restructuring performed in July 2012.

The combined effect of all these concepts has deteriorated the period's net result down to a negative 1,926 euro million.

<b>Impact of Iberdrola restructuring</b>	
in euro million	
	2012
<b>Ordinary Net Profit</b>	<b>705</b>
Disposal of a 12% of Iberdrola	(1,312)
Capital gains on assets disposals	322
<b>Net Results before provisions and adjustments</b>	<b>(285)</b>
Iberdrola Impairment tests and value adjustment	(1,308)
Other extraordinary results	(333)
<b>Net Result of the year</b>	<b>(1,926)</b>

### Net Debt and net investments

The Grupo ACS net debt has been reduced in the last twelve months by 16.9% and by 31<sup>st</sup> of December, 2012, amounted to 4,952 euro million, of which 1,164 million correspond to Hochtief AG and the rest, 3,788 euro million, to syndicated loans and bilaterals, non recourse debt from affiliates and to the acquisition of the stake in Hochtief. This demonstrates ACS's commitment to reduce debt.

<b>Debt Evolution</b>					
in euro million					
	Dec 2011	Sep 2012	Dec 2012	L12M	L3M
<b>HOCHTIEF AG Debt</b>	990	1,882	<b>1,164</b>	174	(718)
<b>Iberdrola SPVs Debt</b>	3,639	2,641	<b>0</b>	(3,639)	(2,641)
<b>Rest of Grupo ACS Debt</b>	4,705	4,691	<b>3,788</b>	(917)	(903)
<b>Total Grupo ACS Net Debt</b>	9,334	9,214	<b>4,952</b>	(4,382)	(4,262)

Two factors have contributed to this debt reduction:

- The funds obtained after the sale of concessional assets and the stakes in Iberdrola, Abertis and Clece, for 4,325 euro million.
- The funds generated by the operating activities, which in 2012 have contributed with 1,825 euro million, are divided evenly between the companies from Hochtief (923 million) and the rest of the Group (902 million).

During 2012 the gross investments accounted for 2,496 euro million, and among them are included:

- Operating investments in Construction correspond basically to machinery acquisition for mining contracts of Leighton, for 1,111 euro million, whilst concessional projects account for 497 million.
- Industrial Services investments have been dedicated mainly to energy projects as thermosolar plants and wind parks (166 euro million), transmission lines (216 euro million) and gas storage facilities (48 euro million).
- Environment area has dedicated 98 euro million to several investment projects, mainly to the renewal of its equipment base.

Disposals reached 4,781 euro million and include:

- The already mentioned sale of 755 million shares of Iberdrola, for 2,573 euro million.
- The sale of Abertis for 897 euro million.
- The sale of Clece for 81 euro million.
- The sale of several energy assets, mainly transmission lines and wind parks, for 473 euro million.
- The sale of several transportation concessions, like transfer stations and highways in Spain, Chile and Canada, for 148 euro million.
- The sale of Leighton's affiliate Thiess Waste Management for 153 euro million.
- And finally the sale of equipment, machinery and other operating assets for 456 million, mainly coming from Leighton and Urbaser.

Additionally, the debt from assets held for sale has been reduced by 691 euro million after the sale of some of the aforementioned assets.

## **Results by areas of activity**

### ***Construction***

Construction achieved sales of 29,683 euro million, 50% more than in 2011 and 5.3% more in comparable terms, including Hochtief sales in both periods.

International Construction sales have grown substantially to 27,873 euro million, a figure that now represents 93.9% of total turnover of the activity.

EBITDA of the area reached 1,995 euro million, bringing the margin to 6.7% on sales. Ordinary net profit stood at 274 euro million, showing a slight decrease of 1% compared to 2011.

Backlog at the end of 2012 stood at 49,265 euro million, equivalent to 20 months of production. International backlog now represents 92.7% of the total Construction backlog.

Amongst the most important awards of the period stand the following:

- Five-year contract for the whole management of the Solomon Hub iron ore mine (Australia)
- Construction of the Northeast leg Anthony Henday Drive of the Edmonton Ring Road (Alberta, Canada)
- Construction of the marine facilities for the LNG plant in Curtis Island, Australia
- Finance, design, build and maintain a new light train line in Ottawa, Ontario, Canada
- Contract for maintenance and improvement works during 3 years for Central Terminal area of Los Angeles airport (California, US)
- Project for construction of S-8 highway between Sieradz Poludnie and Lask (Poland)
- Western Highway Duplication: construction of a fully divided four-lane road and a bypass to the south of the Trawalla township (Victoria, Australia)
- Design and Construction of Interstate 405 Bellevue to Lynwood (Washington, USA)
- Construction of a tunnel for a new Stuttgart railway station
- Construction and maintenance of the high-speed railway line between Olmedo and Pedralba (Valladolid, Spain)
- Construction of several tunnels (highway and railway) , Norway
- Construction of Madrid-Galicia high speed railway line between Prado and Porto (Orense, Spain)

### ***Industrial Services***

Sales at Industrial Services have reached 7,050 euro million, the same level of activity than last year despite the falling domestic market activity of a 19.8%. On the contrary, international sales grew by 21.6% to 4,112 euro million, and

now account for 58.3% of the total. This increase comes from new production in countries like Mexico, Brazil, United States, Peru and Northern Europe.

EBITDA accounted for 904 euro million, practically the same level as in 2011. Ordinary net profit accounted for 416 million, growing by 0.2% compared to the previous period.

The backlog of the area accounted for 7,161 euro million, equivalent to 12 months of production, being 64.5% of the total from international contracts.

Among the most significant awards obtained during 2012 include:

- Turn key project for the construction of a gas compression platform in an oil offshore platform in the Gulf of Mexico.
- Management and construction of a high-voltage overhead transmission line between the states of Rio Grande do Sul, Santa Catarina and Parana (Brazil)
- Construction of two photovoltaic plants with an installed capacity of 75 MW each in South Africa
- Procurement, installation and commissioning of hospital equipment for the Ministry of Health of Angola.
- Works for the construction of pipeline gas transport between Apiay and Monterrey (Colombia)
- Construction of several transmission line in Peru
- EPC project for the construction of mining infrastructures related to the bauxite mine of Ma'aden Bauxite and Alumina Company in Saudi Arabia
- Engineering, procurement, construction, loading and mooring a drilling platform in Campeche in the Gulf of Mexico.
- Project for the construction of 4 wind farms (Marañon, Portobelo, Rosa de los Vientos and Nuevo Chagres) in Panama
- Procurement of two gas turbines for the Parniaba combined cycle plant project (Brazil)
- San Fermín photovoltaic plant construction with an installed capacity of 20 MW (Puerto Rico)
- EPC project, maintenance and operation contract for the electrical transmission line in Carchuaquero-Cajamarca-Norte-Caclic-Moyobamba (Peru)
- EPC project for oil offshore platform "Mariner" for Statoil company in the North Sea (Norway)
- Construction, maintenance and operation of a waste water treatment plant in Colombia

- Design, construction, operation and maintenance services for a waste water treatment plant in Australia, and development of auxiliary works related to the plant (Melbourne)
- Improvement works for distribution networks in Dominican Republic
- Contract for the Murcia street light maintenance (Murcia, Spain)
- Electricity transmission line development Errachida-Tinghir II- Ouazazate (Morocco)
- Maintenance services contract for Telefonica's telephone booths in different areas of Spain.

### ***Environment***

Environment area achieved sales of 1,691 euro million in 2012, representing a growth of 0.3%. EBITDA reached 241 euro million, with a margin on sales of a 14.3%. Ordinary net profit accounted for 97 euro million.

The backlog of this area stands at 9,201 euro million, equivalent to 65 months of activity, being a 42.3% from international markets. Among the most significant awards of the period are:

- Design, construction and exploitation of mechanical-biological treatment plant for urban solid waste in Essex (United Kingdom)
- Urban waste collection, transport and street cleaning services contract in Boadilla del Monte (Madrid, Spain)
- Contract for the operation of La Paloma biomethanisation plant (Madrid, Spain)
- Street cleaning services for several areas of Madrid (Spain)
- Street cleaning services in the city of Badajoz (Spain)
- Street cleaning services in the Madrid districts of Arganzuela, Retiro and Salamanca, Spain.
- Contract for street cleaning services and urban waste collection in Melilla (Spain)
- Contract for the management of Norte Sierra de Gredos urban waste treatment plant (Avila, Spain)
- Gardening services for the city of Santander (Spain)
- Urban waste collection and street cleaning in the area of Communes D'Ouardgha (Morocco)
- Contract for urban waste collection in Iribarren and the south area of the city of Valencia in Venezuela

*Madrid, 28<sup>th</sup> of February, 2013*