

## ACS gains 220 million euros, 6% higher due to operating improvement and financial expenses reduction

- Sales decreased by 4.7%, in a like for like basis, to 7,922 million euros as a result of large LNG projects completion in Australia
- Backlog increases by 6.6%, in a like for like basis, up to 67,106 million euros
- Net debt remains stable in the last twelve months despite the significant investments carried out during the same period which amount to 1.6 billion euros.

<b>Grupo ACS Results</b>				
Euro Million				
	1T15	1T16	Var.	Comparable Var. (*)
Sales	8,570	7,922	-7.6%	-4.7%
EBITDA	659	597	-9.5%	-3.4%
EBIT	455	433	-4.9%	+3.2%
Net Profit	207	220	+6.0%	+10.4%
Net Debt	3,827	3,840	+0.4%	n.a.
Order Book	67,046	67,106	+0.1%	+6.6%

(\*) Adjusted by currency variations and sale of renewable assets in 2015

### Consolidated Results

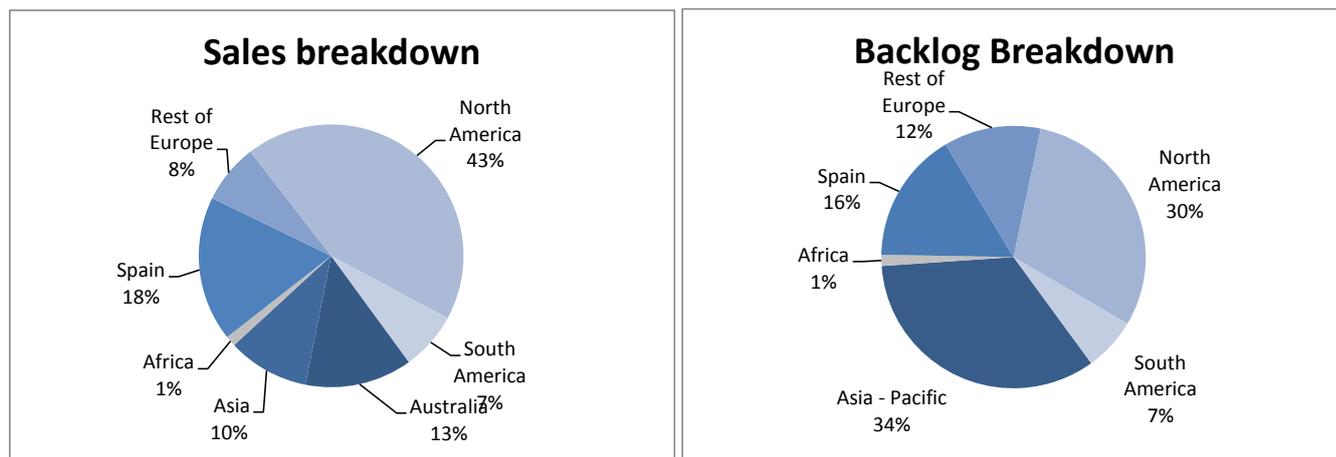
Sales in the first quarter of 2016 accounted for 7,922 million euro, representing a decrease of 7.6% due to the negative impact of exchange rate variations against the euro, in particular the Australian dollar (-5%) and the Mexican peso (-18%), as well as the sale of renewable assets in the first quarter of 2015.

Excluding the effect of exchange rates and the sale of renewable assets, sales of ACS Group in the first quarter of 2016 decreased by 4.7%, mainly in the area of Construction due to the completion of major LNG projects in Australia during the first half of 2015 and the delay in initiation of recently awarded projects, which will start in the second half of 2016. Therefore, a sustained recovery in turnover is expected in the coming quarters, supported by the high volume of current backlog.

## 2016 1<sup>st</sup> QUARTER RESULTS

The geographical distribution of sales shows the broad diversification of the Group, in which North America accounts for 43% of sales, Europe 25%, Australia 13%, Asia 10%, South America 7% and Africa the remaining 1%. International sales account for 82.2% of the total.

Backlog at the end of the first quarter of 2016 amounted to 67,106 million euros, similar to the data in March 2015 and with an equivalent sales geographical breakdown. However, adjusted for exchange rate variations, the backlog grew by 6.6%, showing good evolution of contracting activities in these last twelve months



Total EBITDA accounted for 597 million euro, decreasing by 9.5%. However, in a like for like basis, adjusted by forex impact and sale of renewable assets in Spain, EBITDA is reduced by 3.4% and margin improves in 10bp up to 7.5%.

Likewise, EBIT stood at 433 million euro and increased by 3.2%, in a like for like basis, thanks to the good operating performance of the activities.

The operational improvements and the significant reduction in financial expenses contributed to an increase of 6.0% of the attributable net profit of Grupo ACS in the first quarter of 2016, reaching 220 million euros. All business areas showed growth in net profit, with particular relevance of Construction area which grew by 29.8% as a result of the transformation processes implemented in HOCHTIEF and its subsidiaries, and the increase in the stake thereof.

## 2016 1<sup>st</sup> QUARTER RESULTS

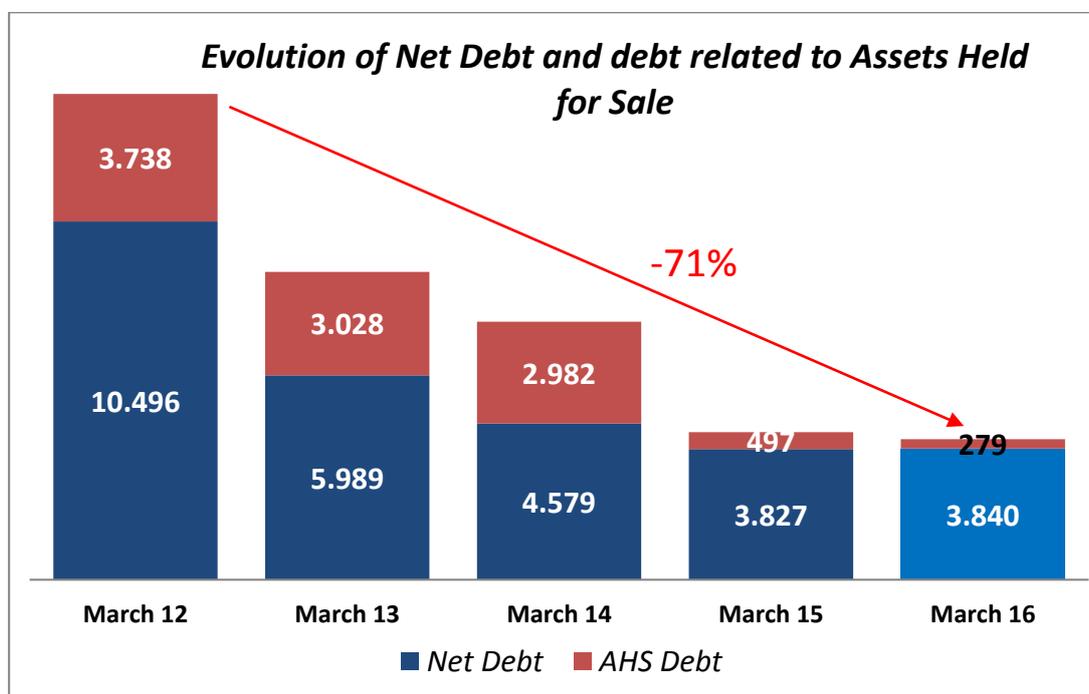
<b>Net Profit Breakdown</b>			
Million Euro			
	1T15	1T16	Variación
Construction	56	<b>72</b>	<b>+29.8%</b>
Industrial Services <sup>(1)</sup>	111	<b>113</b>	<b>+1.8%</b>
Environment	22	<b>23</b>	<b>+4.4%</b>
<b>Net profit from operating activities</b>	189	<b>208</b>	<b>+10.4%</b>
Corporation and renewable assets	18	<b>11</b>	<b>n.s.</b>
<b>TOTAL Net Profit</b>	207	<b>220</b>	<b>+6.0%</b>

(1) Excludes renewable assets sold in 1Q/2015. Further detail on Industrial Services

For its part, Net profit from Environment area increased by 4.4% while Industrial Services grew by 1.8% after the sale of renewable energy assets carried out during the first quarter of 2015.

### Financial Situation

Net debt of Grupo ACS accounted for 3,840 million euro, similar to that held in March 2015, despite the high investment volume undertaken in this period, of over 1.6 billion euros, mainly for the development of concessional assets and energy projects, as well as to increase the stake in HOCHTIEF and CIMIC.



The debt reduction over the past year comes from the debt related to assets held for sale, which has decreased by 44% down to 279 million euros. The overall net

## 2016 1<sup>st</sup> QUARTER RESULTS

debt of the Group, including assets held for sale, has decreased by 71 % over the last five years.

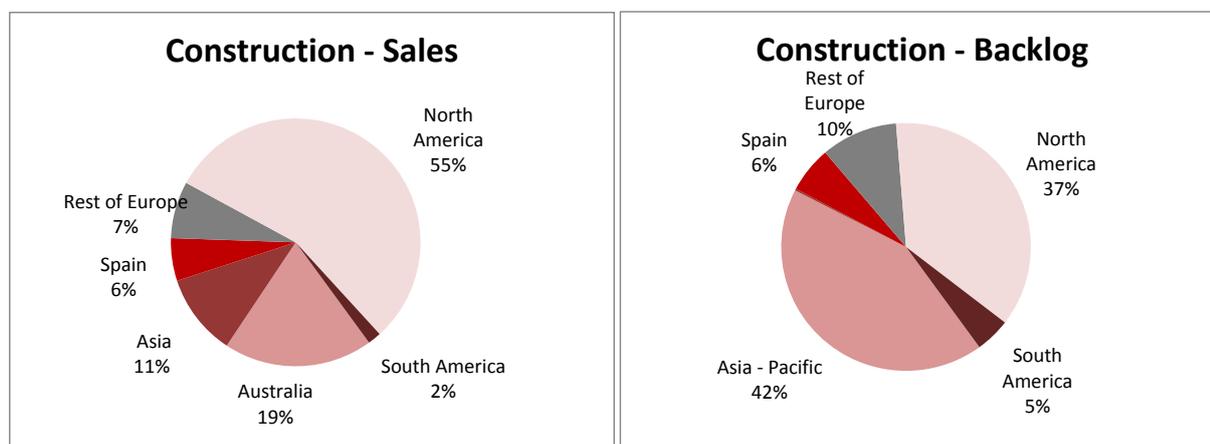
In addition, it is worth noting that, at the end of March 2016, Grupo ACS executed prepaid forward sale of 90 million Iberdrola shares at an average price of € 6.02 per share. Simultaneously, it has purchased call options on the same number of Iberdrola shares to reduce market risk associated with the exchangeable bonds issued during 2013 and 2014. With this transaction, the Group has eliminated its exposure to Iberdrola.

### Results per Area of Activity

#### Construction

Sales in Construction accounted for 5,362 million euro, showing a decrease of 10.4% due to the termination of major LNG projects in Australia and the delay in the initiation of recently awarded contracts, as well as the impact of forex, in particular of the Australian dollar.

International sales of the Construction area amounted to 5,064 million euros which represents 94.4% of total sales in this area, being North America and Australia the most important markets.



Construction EBITDA accounted for 320 million euro, with a margin over sales of 6.0%, unchanged from the previous year.

Net profit reached over 72 million euro, showing a solid growth as a result of the profitability increase from HOCHTIEF and its subsidiaries after the transformation process carried out in the last years.

## 2016 1<sup>st</sup> QUARTER RESULTS

Construction Backlog, at the end of first quarter of 2016, accounted for 49,182 million euro, 1.0% more than in march 2015. This growth increases up to 6% if adjusted by forex impact particularly due to the depreciation of the Australian dollar against the euro. International backlog represents 94.0% of the total in Construction.

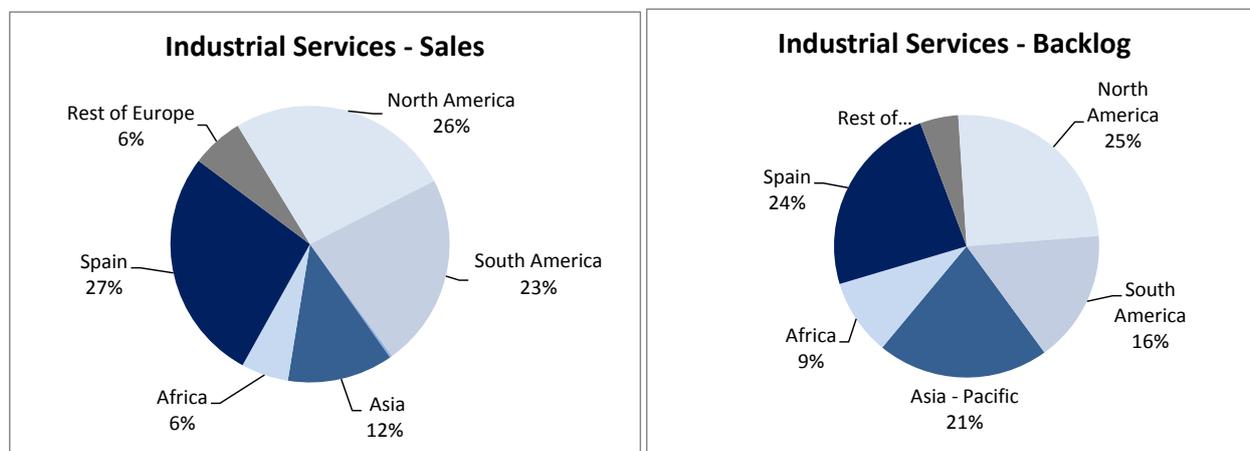
Amongst the most important awards during this period, these are the most significant:

- Rehabilitation and improvement works in the Corpus Christi Harbor Bridge in the highway US-181 (Texas, United States)
- Project for removing nine level crossings between Caulfield and Dandenong in Melbourne's south-eastern suburbs, as well as rebuild five railway stations (Melbourne, Australia)
- Construction of the Christchurch Hospital Acute Services Building (ASB) in New Zealand
- Renovation and rehabilitation works for the Museum Center in Union Terminal in Cincinnati (Ohio, United States)
- Construction of the stage 2 of the Gold Coast light rail between Southport and Helensvale (Queensland, Australia)
- Works for the widening of two stretches of the SH-288 in Harris County (Houston, Texas, United States)
- Project for the construction of the segment 1 of the C-407 tolled highway (Denver, United States)
- Construction of Tunnell Stellingen in the A7 motorway enlargement project (Hamburg, Germany)
- Upgrade works in a section of Bruce Highway in Queensland (Australia)
- Project for the construction of a new building, Tollman Hall , in the University of Berkeley (California, United States)

### Industrial Services

Sales in Industrial Services reached 1,787 million euro, out of which 1,299 million euros (72,2%) correspond to international sales which have grown by 24.7%.

Total sales declined by 1.3% due to the sale of renewable assets during the first quarter of 2015. Not taking into consideration this effect, sales would have grown by 1.7%, in a like for like basis.



## **2016 1<sup>st</sup> QUARTER RESULTS**

EBITDA accounted for 203 million euro, with a decrease of 11.7%. Not taking that sale of renewable assets in 2015 into consideration, EBITDA grows by 1.8%.

Likewise, Net Profit grows by 1.8% in a like for like basis up to 113 million euro.

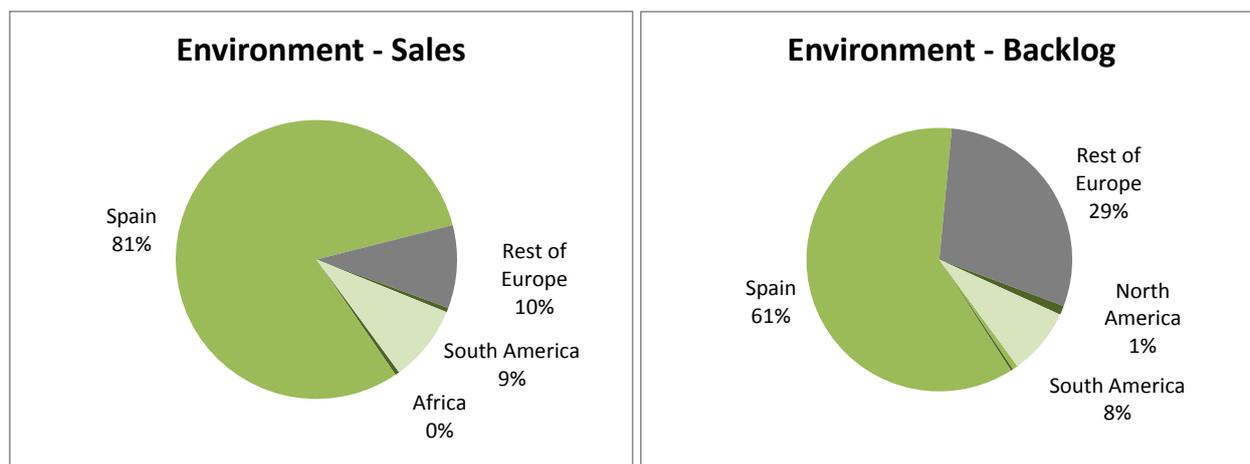
Industrial Services has increased its backlog by 4.7% up to 8,426 million euro at the end of the first quarter of 2016, equivalent to 16 months of production, being 76.0% from international contracts. The most important awards of the period are:

- EPC project for the construction of Mantiqueira electricity transmission line with a length of 1,341 km in Minas Gerais State (Brazil)
- EPC project for the construction of José María Mace electricity transmission line with a length of 869 km in Bahia State (Brazil)
- Contract for the development of engineering, supply of equipment and materials as well as the construction, including erection, commissioning and start-up for a new fertilizers complex which includes a Sulphuric Acid Plant, and a DAP & TSP Plant (Egypt)
- EPC project for the construction of Ras Al Khaimah desalination plant with a capacity of 100,000 m<sup>3</sup>/day (United Arab Emirates)
- Contract for the development of Pastore windfarm with an installed capacity of 53MW (Uruguay)
- EPC project for the construction of Tuas 3 desalination plant with a capacity of 136,000 m<sup>3</sup>/day (Singapore)
- Contract for the gas services distribution for Gas Natural in Chile
- Construction of a photovoltaic plant with an installed capacity of 33,4MW in Fukushima (Japan)
- Works for traffic control systems installation in Al Muntazah Street (Qatar)
- Construction of a photovoltaic plant with an installed capacity of 17MW in Kagoshima (Japan)
- Works for traffic control systems installation, signalling and lighting of the I-95 phase 3 (United States)

## 2016 1<sup>st</sup> QUARTER RESULTS

### Environment

Environment accounted for sales of 783 million euro, showing an increase of 1.6% despite the negative impact from the depreciation of latam currencies against the euro.



EBITDA in Environment accounted for 86 million euro with a margin over sales of 11.0%, the same as last year.

Net Profit accounted for 23 million euro in 2015

Backlog accounts for 9,498 million euro, equivalent to 35 months of activity, with a 39.4% coming from abroad. Amongst the most important awards of the period are:

- Contract for cleaning services in buildings of Valencian Community Health Department (Spain)
- Extension of the contract for the exploitation of the Romainville urban waste treatment plant in Paris (France)
- Contract for home care services in Barcelona and Málaga (Spain)
- Contract for urban solid waste collection in San Pedro de Cholula (Mexico)
- Freight service contract at the airport of Madrid (Spain)
- Cleaning service contract for high-speed trains of Alstom (Spain)

**Madrid, May 12<sup>th</sup>, 2016**