## Main Figures of the ACS Group

### Million of euros and operating data

<table>
<thead>
<tr>
<th>Million of euros</th>
<th>2002 (1)</th>
<th>2003 (1)</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>4,420.2</td>
<td>8,825.1</td>
<td>10,817.9</td>
<td>12,113.9</td>
<td>14,067.2</td>
<td>21,311.7</td>
</tr>
<tr>
<td>Gross operating profit (EBITDA)</td>
<td>410.9</td>
<td>794.8</td>
<td>981.1</td>
<td>1,095.5</td>
<td>1,270.3</td>
<td>3,490.5</td>
</tr>
<tr>
<td>Net operating profit (EBIT)</td>
<td>305.3</td>
<td>573.5</td>
<td>723.9</td>
<td>817.4</td>
<td>971.6</td>
<td>2,486.5</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>250.4</td>
<td>283.4</td>
<td>623.3</td>
<td>804.3</td>
<td>1,553.5</td>
<td>2,211.8</td>
</tr>
<tr>
<td>Attributable net profit</td>
<td>181.4</td>
<td>229.5</td>
<td>452.5</td>
<td>608.7</td>
<td>1,250.1</td>
<td>1,551.1</td>
</tr>
<tr>
<td>Cash-flow (*)</td>
<td>312.8</td>
<td>505.4</td>
<td>709.7</td>
<td>886.8</td>
<td>1,548.8</td>
<td>2,555.1</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>38.4</td>
<td>46.1</td>
<td>96.8</td>
<td>136.7</td>
<td>211.7</td>
<td>441.1</td>
</tr>
<tr>
<td>Total investments</td>
<td>1,050.7</td>
<td>657.5</td>
<td>1,196.4</td>
<td>4,216.4</td>
<td>5,407.1</td>
<td>3,403.2</td>
</tr>
<tr>
<td>Total assets</td>
<td>4,914.5</td>
<td>11,226.3</td>
<td>12,399.6</td>
<td>17,712.5</td>
<td>25,182.7</td>
<td>49,593.4</td>
</tr>
<tr>
<td>Equity</td>
<td>1,003.9</td>
<td>1,895.7</td>
<td>2,019.2</td>
<td>2,635.5</td>
<td>3,256.4</td>
<td>10,441.0</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>980.4</td>
<td>1,766.4</td>
<td>1,905.4</td>
<td>2,480.9</td>
<td>3,115.7</td>
<td>4,653.8</td>
</tr>
<tr>
<td>Total debt with recourse</td>
<td>383.5</td>
<td>914.4</td>
<td>961.6</td>
<td>1,909.4</td>
<td>1,753.4</td>
<td>6,933.1</td>
</tr>
<tr>
<td>Non recourse financing</td>
<td>211.0</td>
<td>316.2</td>
<td>462.3</td>
<td>2,355.2</td>
<td>6,992.9</td>
<td>9,641.4</td>
</tr>
<tr>
<td>Order book</td>
<td>7,422.5</td>
<td>22,537.8</td>
<td>23,928.4</td>
<td>26,868.1</td>
<td>29,918.3</td>
<td>32,321.8</td>
</tr>
<tr>
<td>Number of employees</td>
<td>32,555</td>
<td>97,112</td>
<td>107,748</td>
<td>113,273</td>
<td>123,652</td>
<td>144,919</td>
</tr>
</tbody>
</table>

(*) Net profit + Depreciation + Change in provisions

### Data per share

<table>
<thead>
<tr>
<th>2002 (2)</th>
<th>2003 (2)</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euros</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings</td>
<td>0.94</td>
<td>0.76</td>
<td>1.30</td>
<td>1.74</td>
<td>3.58</td>
</tr>
<tr>
<td>Gross dividend</td>
<td>0.24</td>
<td>0.27</td>
<td>0.39</td>
<td>0.60</td>
<td>1.25</td>
</tr>
<tr>
<td>Cash-flow</td>
<td>1.63</td>
<td>1.68</td>
<td>2.01</td>
<td>2.51</td>
<td>4.39</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>5.10</td>
<td>5.05</td>
<td>5.40</td>
<td>7.03</td>
<td>8.83</td>
</tr>
</tbody>
</table>

### Stock market data

<table>
<thead>
<tr>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed Shares (3)</td>
<td>192,185,448</td>
<td>355,580,493</td>
<td>352,873,134</td>
<td>352,873,134</td>
<td>352,873,134</td>
</tr>
<tr>
<td>Market capitalization (million of euros)</td>
<td>1,963.5</td>
<td>4,587.0</td>
<td>5,928.3</td>
<td>9,601.7</td>
<td>15,071.2</td>
</tr>
<tr>
<td>Year-end closing price</td>
<td>10.22 €</td>
<td>12.90 €</td>
<td>16.80 €</td>
<td>27.21 €</td>
<td>42.71 €</td>
</tr>
<tr>
<td>Annual revaluation</td>
<td>11.86%</td>
<td>26.26%</td>
<td>30.23%</td>
<td>61.96%</td>
<td>56.96%</td>
</tr>
</tbody>
</table>

### Key ratios

<table>
<thead>
<tr>
<th>2002 (1)</th>
<th>2003 (1)</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating margin</td>
<td>6.9%</td>
<td>6.5%</td>
<td>6.7%</td>
<td>6.7%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Net margin</td>
<td>4.1%</td>
<td>2.6%</td>
<td>4.2%</td>
<td>5.0%</td>
<td>8.9%</td>
</tr>
<tr>
<td>ROE</td>
<td>19.2%</td>
<td>16.5%</td>
<td>23.6%</td>
<td>27.5%</td>
<td>45.5%</td>
</tr>
<tr>
<td>Gearing (4)</td>
<td>54.9%</td>
<td>64.9%</td>
<td>70.5%</td>
<td>161.8%</td>
<td>268.6%</td>
</tr>
<tr>
<td>Dividend yield</td>
<td>2.3%</td>
<td>2.1%</td>
<td>2.3%</td>
<td>2.2%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

(1) Under GAAP. From 2004 under IFRSs standards.
(2) Adjusted by the 3 x 1 Split of year 2004 (reduction of the nominal value of the shares from €1.50 to €0.50 with the consequent and simultaneous increase in the number of shares in proportion to the stock capital).
(3) On June 10th, 2004 there was a reduction in the stock capital by a nominal amount of €1,353,679.5 through the redemption of 902,453 shares of treasury stock.
(4) Gearing: Net Debt / (Shareholders’ Equity + Minority interests).
Ordinary General Shareholders’ Meeting

The Board of Directors of this Company, in a meeting held on 27 March 2008, resolved to call an Ordinary General Shareholders’ Meeting, to be held in Madrid, at the Palacio Municipal de Congresos, Avenida de la Capital de España, Madrid s/n, Campo de las Naciones, at 12:00 p.m. on 25 May 2008 on first call, and on the following day, 26 May 2008, at the same time and in the same place, on second call, with the following:

Agenda

1. Approval of the Company’s Individual 2007 Annual Reports, Balance Sheets, Income Statements and Management Reports, and of the consolidated accounts of the group of companies of which ACS, Actividades de Construcción y Servicios, S.A. is the Parent Company. Distribution of results.


3. Approval of the management of the Board of Directors in 2007.

4. Ratification, dismissal and appointment, if applicable, of Board members.

5. Proposed amendment of Articles 3, 4 and 11 and 16 of the Shareholders’ General Meeting By-laws.


7. Authorisation for the derivative acquisition of Treasury Shares.

8. Appointment of Company and Group Auditors.

9. Resolution to redeem the Company’s Treasury Shares at the date on which the General Shareholders’ Meeting is held and the subsequent amendment of Article 6 of the Company Bylaws.

10. Delegation of powers for the execution and formalisation of resolutions.

11. Reading and approval, if applicable, of the Minutes of the General Meeting.
Main figures of the ACS Group

**Turnover**
Millions of euros

<table>
<thead>
<tr>
<th>Year</th>
<th>2002(*)</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>20,000</td>
<td>19,640</td>
<td>19,184</td>
<td>20,114</td>
<td>21,067</td>
<td>21,312</td>
</tr>
</tbody>
</table>

**Gross operating profit (EBITDA)**
Millions of euros

<table>
<thead>
<tr>
<th>Year</th>
<th>2002(*)</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>4,110</td>
<td>795</td>
<td>981</td>
<td>1,096</td>
<td>1,270</td>
<td>3,490</td>
</tr>
</tbody>
</table>

**Attributable net profit**
Millions of euros

<table>
<thead>
<tr>
<th>Year</th>
<th>2002(*)</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,250</td>
<td>1,551</td>
<td>609</td>
<td>452</td>
<td>230</td>
<td>1,511</td>
</tr>
</tbody>
</table>

**Earnings per share**
Euros

<table>
<thead>
<tr>
<th>Year</th>
<th>2002(*)</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.58</td>
<td>4.51</td>
<td>1.74</td>
<td>1.30</td>
<td>0.76</td>
<td>1.07</td>
</tr>
</tbody>
</table>

**Dividend per share**
Euros

<table>
<thead>
<tr>
<th>Year</th>
<th>2002(*)</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.94</td>
<td>1.07</td>
<td>1.30</td>
<td>1.74</td>
<td>0.76</td>
<td>1.07</td>
</tr>
</tbody>
</table>

**Market Capitalization**
Millions of euros

<table>
<thead>
<tr>
<th>Year</th>
<th>2002(*)</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>15,071</td>
<td>14,344</td>
<td>9,602</td>
<td>5,928</td>
<td>4,587</td>
<td>1,963</td>
</tr>
</tbody>
</table>

**Internacionalization**
% International over Total

<table>
<thead>
<tr>
<th>Year</th>
<th>2002(*)</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>25%</td>
<td>24%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

**2007 Turnover by business**
(%)}

- Construction: 28%
- Industrial Services: 34%
- Environment & Logistics: 13%
- Energy: 25%

**2007 Gross operating profit (EBITDA) by business**
(%)}

- Construction: 59%
- Industrial Services: 16%
- Environment & Logistics: 14%
- Energy: 11%

\(\text{Exclude extraordinary merger expenses.}\)

\(\text{\textsuperscript{(*) Bajo criterios PGC. A partir de 2004 según criterios NIIFs (Normas Internacionales de Información Financiera).}\)
## Construction 2007

| Million of euros | Turnover | 7,353 | International | 5.9% | Gross operating profit (EBITDA) | 549 | Margin | 7.5% | Net profit | 310 | Margin | 4.2% | Order book | 12,011 | Employees | 19,212 |

## Industrial Services 2007

| Million of euros | Turnover | 5,489 | International | 31.1% | Gross operating profit (EBITDA) | 488 | Margin | 8.9% | Net profit | 265 | Margin | 4.8% | Order book | 5,854 | Employees | 37,663 |

## Environment & Logistics 2007

| Million of euros | Turnover | 2,835 | International | 12.0% | Gross operating profit (EBITDA) | 381 | Margin | 13.5% | Net profit | 132 | Margin | 4.6% | Order book | 14,458 | Employees | 74,800 |

## Energy 2007

| Million of euros | Turnover | 5,967 | International | 42.7% | Gross operating profit (EBITDA) | 2,111 | Margin | 35.4% | Net profit | 230 | Margin | 3.9% | Order book | n.a. | Employees | 12,871 |

## International presence

Countries in which ACS Group is present

- Algeria
- Andorra
- Angola
- Argentina
- Australia
- Belgium
- Brazil
- Canada
- Chile
- China
- Colombia
- Costa Rica
- Dominican Republic
- Egypt
- El Salvador
- Ecuador
- Ethiopia
- France
- Germany
- Greece
- Guatemala
- Honduras
- India
- Ireland
- Italy
- Jordan
- Kenya
- Kuwait
- Libya
- Mexico
- Moldavia
- Morocco
- Nicaragua
- Norway
- Panama
- Peru
- Poland
- Portugal
- Saudi Arabia
- South Africa
- Spain
- Tunisia
- United Arab Emirates
- United Kingdom
- United States
- Venezuela
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Concessions 30
Environment & Logistics 36
Industrial Services 48
Energy 64
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Dear shareholders:

Year 2007 was marked by three events which have enabled us to consolidate the Company as one of the most important in the world in the infrastructure sector. The magnificent results achieved in our traditional activities, the integration of Unión Fenosa as a new ACS business unit and the acquisition of a significant stake in the German company Hochtief represent the best base for future growth for our Group.

In terms of the annual results, I would like to highlight once again the growth in net profit of 24% to 1,551 million euros, amply exceeding the objectives we set ourselves at the beginning of the financial year. Without taking extraordinary results into account, which include the gains obtained from the sale of Continental Auto, ordinary net profit reached 1,010 million euros, also up 24% on the previous year in comparable terms.

ACS Group consolidated sales rose by 54% thanks to solid growth in all our activities and to the full consolidation of Unión Fenosa since January 2007, enabling us to reach 21,312 million euros in revenues and placing us among the top three companies in the world in our sector.

The integration of Unión Fenosa into our Group as head of the Energy area and the position we hold as the largest shareholder in Iberdrola confirm our clear commitment to the energy sector in Spain.

Aggregates of this scale were without doubt unthinkable in 1997 when ACS, Actividades de Construcción y Servicios, emerged from the merger of OCP Construcciones S.A. with Ginés Navarro Construcciones S.A. In these ten years, we have managed to multiply our sales by 10 and our attributable net profit by 32, without this having diminished our ambition to make the ACS Group more global and more profitable.

To this end, the Group has dedicated significant resources to the different activities in which we operate. Specifically, during 2007 we invested over 4,650 million euros in the Construction, Concessions, Environment and Logistics, Industrial Services and Energy areas and in the acquisition of a 25.1% stake in the German construction and infrastructure development company Hochtief, one of the world’s major companies with an extensive presence in the European, North American and Australian markets. This high level of investment, mainly financed with resources generated by operations and divestments taking place during the year, continues to uphold the sustainable and profitable growth strategy in all ACS’s business areas which has brought us such good results to date.

The investment effort has been complemented by a substantial commercial drive in all activity areas, with the total portfolio growing by over 12% during 2007. Worthy of note is the growth in the international portfolio where the volume of contracts now represents over 25% of the total.

However, the development of the capital markets did not favour the share prices of companies related to the infrastructure sector in 2007. In spite of this, ACS’s shares performed significantly better than the sector index, which fell by 10%, and closed the financial year with an annual decrease of 4.8%.
The credit market crisis, extended since last summer, and the expectations of an economic slowdown in the principal western economies had a negative impact on the world’s main stock markets over the second half of 2007 and the first months of the current year, and limited the consideration of the excellent financial and operating data obtained by our Group.

In terms of corporate responsibility, the Group has continued to reinforce its sustainability strategy by means of various practices related to the economic, social and environmental impacts of our businesses. This has been recognised by Dow Jones on including our shares as a member of the world and European sustainability indices. In this regard, the Board of Directors has recently approved the “ACS commitment to fight Climate Change” in which the Group restates its will to continue to allocate resources to reducing greenhouse gases in the carrying out of its activities.

I believe, in the last ten years, we have come further than we imagined possible, but we retain the same enthusiasm we have always had for moving forward and generating more value for our shareholders, who I thank for the trust they have placed in us. We will try to repay them with the daily efforts of the nearly 150,000 people who work for the ACS Group with the objective of achieving world leadership in the infrastructure sector.

Florentino Pérez Rodríguez
Chairman and CEO

Mr. Florentino Pérez Rodríguez
Civil Engineer
Chairman and CEO of ACS Group since 1993
Member of the Board of Directors of ACS Group since 1989
Vice Chairman of Abertis Infraestructuras
Member of the Board of Directors of Sanef

Executive Vice Chairman

Mr. Antonio García Ferrer
Civil Engineer
Member of the Board of Directors of ACS Group since 2003
Member of the Board of Directors of Abertis Infraestructuras
Member of the Board of Directors of Unión Fenosa

Vice Chairman

Mr. Pablo Vallbona Vadell
Naval Engineer and MBA from the IESE
Member of the Board of Directors of ACS Group since 1997
Chairman of Iberpistas
Executive Vice Chairman of Banca March
Vice Chairman of Corporación Financiera Alba
Vice Chairman of Abertis Infraestructuras

Member of the Board of Directors

Mr. José María Loizaga Viguri
Economist
Member of the Board of Directors of ACS Group since 1989
Chairman of Mercapital, S.L.
Chairman of Cartera Hotelera, S.A.
Chairman of Bodegas Lan
Vice Chairman of Zardoya Otis
Member of the Board of Directors of Mecalux
Member of the Board of Directors of Unión Fenosa

Mr. José María Aguirre González
Doctorate in Civil Engineering
Member of the Board of Directors of ACS Group since 1995
Chairman of Banco Guipuzcoano
Chairman of Acerinox
Member of the Board of Directors of Siemens España

Mr. Agustín Batuecas Torregó
Civil Engineer
Member of the Board of Directors of ACS Group since 1999
Vice Chairman of Fenebús

Mr. Álvaro Cuervo García
Doctorate in Economics
Professor of Business Economics-Universidad Complutense de Madrid
Chairman of CUNEF (Colegio Universitario de Estudios Financieros)
Member of the Board of Directors of ACS Group since 1997
Member of the Advisory Board of Privatisations
Member of the Board of Directors of SONAE SGPS, and SONAE INDUSTRIA
Member of the Board of Directors of BME

■ Member of the Executive Committee
■ Member of the Audit Committee
■ Member of the Appointment and Remuneration Committee
Mr. Manuel Delgado Solís
B.S. in Pharmacy, Lawyer
Member of the Board of Directors of ACS Group since 2003
Member of the Board of Directors of Unión Fenosa

Mr. Javier Echenique Landiribar
B.A. in Economics
Member of the Board of Directors of ACS Group since 2003
Member of the Board of Directors of Teléfonica Móviles Mexico
Member of the Board of Directors of Teléfonica España
Member of the Board of Directors of Uralta
Member of the Board of Directors of ENCE
Member of the Board of Directors of Repsol YPF
Member of the Board of Directors of Abertis Infraestructuras

Mr. Isidro Fernández Barreiro
Industrial Engineer
MBA from the IESE
Member of the Board of Directors of ACS Group since 2003
Vice Chairman of Corporación Financiera Alba
Member of the Board of Directors of Banca March
Member of the Board of Directors of Prosegur

Mr. Joan-David Grima i Terré
Doctorate in Economics and Business Studies
Member of the Board of Directors of ACS Group since 2003
General Manager of Santander Central Hispano
Member of the Board of Directors of TEKA, S.A.

Mr. Pedro López Jiménez
Civil Engineer
Member of the Board of Directors of ACS Group since 1989
Chairman of Unión Fenosa
Member of the Board of Directors of Keller Group Plc
Member of the Board of Directors of Atlas Copco, SAE
Member of the Board of Directors of Indra Sistemas, S.A.
Vice Chairman of Dragados

Mr. Santos Martínez-Conde Gutiérrez-Barquín
Civil Engineer
Member of the Board of Directors of ACS Group since 2003
CEO of Corporación Financiera Alba
Member of the Board of Directors of Acerinox
Member of the Board of Directors of Unión Fenosa
Member of the Board of Directors of Isoloton

Mr. Javier Monzón de Cáceres
B.A. in Economics
Member of the Board of Directors of ACS Group since 2003
Chairman of Indra

Mr. Miquel Roca i Junyent
Lawyer
Member of the Board of Directors of ACS Group since 2003
Secretary of the Board of Directors of Abertis Infraestructuras
Secretary of the Board of Directors of Banco de Sabadell

Mr. Julio Sacristán Fidalgo
B.S. in Chemistry
Member of the Board of Directors of ACS Group since 1998

Mr. Francisco Servando Verdú Pons
B.A. in Economics and MBA from the Chicago University
Member of the Board of Directors of ACS Group in the period 2002-2003
and re-elected in 2006
CEO of Banca March
Member of the Board of Directors of Corporación Financiera Alba

Member and Secretary of the Board of Directors

Mr. José Luis del Valle Pérez
Lawyer and State Attorney
Member of the Board of Directors of ACS Group since 1989
Management Bodies

Mr. Florentino Pérez Rodríguez
Chairman and CEO

Born in 1947.
Civil Engineer.

Although Mr. Pérez started his career in the private sector, he held different posts in the Public Administration between 1976 and 1982 when he was Delegate for Sanitation and Environment of the Madrid City Council, General Sub-Director of Promotion of the Centre for the Development of Industrial Technology in the Ministry of Industry and Energy, General Manager of Transport Infrastructures in the Ministry for Transport, as well as Chairman of IRYDA in the Ministry of Agriculture. In 1983, he returned to the private sector as top executive of Construcciones Padrós, S.A., of which he was one of the main shareholders. Since 1993, he has been the Chairman and CEO of the ACS Group, first as the chairman of OCP Construcciones S.A., and since 1997 as the chairman and CEO of the so-called ACS Group. He is also Chairman of ACS Services, Communications and Energy, leading company of the Industrial Services Area.

Mr. Antonio García Ferrer
Executive Vice Chairman

Born in 1945.
Civil Engineer.

Mr. García started his career in Dragados y Construcciones, S.A. in 1970. After assuming various positions of responsibility in the construction Company, in 1989 he was appointed Regional Manager for Madrid. Then, in 1998, he was placed at the head of the Building business and in 2001, he became General Manager of the Industrial and Services Divisions. In 2002 Mr. García was appointed as the Chairman of Grupo Dragados, S.A., and in December 2003 he became the Executive Vice Chairman of the ACS Group.
Mr. Marcelino Fernández Verdes
Chairman of the Construction and Concessions and Services Areas

Born in 1955.
Civil Engineer.

Mr. Fernández joined the Group in 1987 and was appointed General Manager in 1994. In 1998 he became the CEO of ACS Proyectos, Obras y Construcciones S.A., and in 2000 was appointed Chairman of the company. He is the Chairman of Dragados and ACS SyC, as were as responsible for the areas of Construction, Concessions, Environment and Logistics.

Mr. Eugenio Llorente Gómez
CEO of the Industrial Services Area

Born in 1947.
Industrial Technical Engineer and MBA, Madrid Budines School.

Mr. Llorente started his professional career in Cobra Instalaciones y Servicios, S.A. in 1973. After occupying different positions of responsibility, in 1989 was named director of Downtown, in 1998 he was promoted Corporate General Manager and in 2004 General Manager. Currently, he is General Manager of ACS Services, Communications and Energy and responsible for the Industrial Service Area of the Group.

Mr. Ángel García Altozano
Corporate General Manager

Born in 1949.
Civil Engineer and MBA, University of Dayton.

Mr. García started his professional career in the construction sector. He was General Manager of the Instituto Nacional de Industria (INI) and President of Bankers Trust for Spain and Portugal. In 1997 he joined the ACS Group as Corporate General Manager with responsibility over the economic-financial areas, corporate development and affiliates.

Mr. José Luis del Valle Pérez
General Secretary

Born in 1950.
Lawyer and State Attorney.

From 1974 until 1983 Mr. del Valle held various positions in the Public Administration and was a member of the Parliament from 1979 to 1982 and Deputy Secretary of the Ministry of Territorial Administration. He has been a member of the Board of Directors of the ACS Group since 1989 and has been the Secretary General to the Board of Directors since 1997.
Management Team

**ACS, Actividades de Construcción y Servicios**

Mr. Florentino Pérez Rodríguez  
Chairman and CEO

Mr. Antonio García Ferrer  
Executive Vice Chairman

Mr. Ángel García Altozano  
Corporate General Manager

Mr. José Luis del Valle Pérez  
Secretary General

**Constructión, Environment & Logistics and Concessions**

Mr. Marcelino Fernández Verdes  
Chairman and CEO

Mr. Luis Nogueira Miguelañz  
Secretary General

Mr. Antonio Alfonso Sánchez  
Executive Assistant to Environment & Logistics

**Construction**

**Dragados**

Mr. Marcelino Fernández Verdes  
Chairman and CEO

Mr. Juan Ernesto Pérez Moreno  
Executive Assistant to the Chairman

Mr. Ignacio Segura Surinach  
General Manager

Mr. Luis Nogueira Miguelañz  
Secretary General

Mr. Ricardo Martín de Bustamante  
Civil Works Manager

Mr. Juan Luis García-Gelabert Pérez  
Building Manager

Mr. Octavio del Real Sánchez  
Subsidiary Companies Manager

Mr. Maximiliano Navascués Redondo  
Contracting Manager

Mr. Alfonso Costa Cuadrench  
Technical Services Manager

Mr. Antonio Cortés Sánchez  
Executive Assistant to the International Manager

**Vías y Construcciones**

Mr. Manuel Pérez Beato  
Chairman

Mr. Gonzalo Gómez Zamalloa  
CEO

Mr. Manuel Alvarez Muñoz  
Civil Works Manager

Mr. Ignacio Legorburu Escobar  
Building Manager

**Tecsa**

Mr. José María Aguirre Fernández  
General Manager

**Drace**

Mr. Juan José Sacristán Sacristán  
General Manager

Mr. Fernando García Arribas  
General Manager

**Drace Medio Ambiente**

Mr. Eloy Dominguez-Adame Bozzano  
General Manager

**Drace Servicios Portuarios**

Mr. Pedro Sola Casado  
General Manager

**Geocisa**

Mr. Enrique Pérez Rodríguez  
CEO
ACS Services
Communications and Energy

Environment & Logistics

Urbaser
Mr. Javier Polanco Gómez-Lavín
Chairman and CEO
Mr. José María López Piñol
General Manager

Dragados SPL
Mr. Juan Carlos Pery Paredes
Chairman and CEO
Mr. Agustín Batuecas Torrego
Vice president
Mr. Víctor Alberola Rüipérez
General Manager

Clece
Mr. Cristóbal Valderas Alvarado
Chairman and CEO

Concessions

Iridium
Mr. Manuel García Buíy
Chairman and CEO
Mr. Víctor Revuelta García
General Manager
Mr. Francisco Fernández Lafuente
General Manager

Dragados Industrial
Mr. José Alfonso Nebre García
Chairman
Mr. Vicente Prados Tejada
CEO of CYMI and Masa
Mr. Pablo García Arenal
General Manager of Large Contract
Mr. Raúl Llamazaes de la Puente
CEO of Initec, Intecsa and Makiber
Mr. Pedro Ascorbe Trian
General Manager of Dragados Offshore
Mr. Juan Enrique Ruiz González
Chairman of Soc Tech and Systems

Unión Fenosa

Mr. Pedro López Jiménez
Chairman
Mr. Honorato López Isla
Vice Chairman and CEO
Mr. Elias Velasco García
CEO General Manager
Mr. Ramón Novo Cabrera
Secretary General
Mr. Juan Luis López Cardenete
General Manager of Networks
Mr. Carlos Martinez de Albornoz Bonet
Corporate General Manager
Mr. José Antonio de Tomás Alonso
Business Development General Manager
Mr. Jesús Verde López
Secretary General of Regulation

Mr. José Luis Zapata Pinar
General Manager of Generation
**Corporate Strategy**

**Mission**

Meeting the needs of our clients

- Diversifying the Group’s product portfolio, innovating daily to increase the range of services and activities offered, reducing ACS’s exposure to economic cycles and guaranteeing the achievement of our client’s objectives.

- Continuously improving quality, safety and reliability standards in the services offered in order to foster stability and to guarantee recurring income.

- Expanding the Group’s current client base through a permanent commercial effort in new markets.

Optimizing the profitability of the resources managed

- Increasing operating and financial efficiency and offering attractive profitability to our shareholders.

- Applying strict investment criteria in line with the company’s strategy of expansion and growth.

- Maintaining a solid financial structure which facilitates the raising of resources and the maintenance of a low cost thereof.

- Offering an attractive dividend policy which is sustainable in the long-term.

Improving the society in which we live: encouraging sustainable growth

- Acting as an economic driver for the creation of stable, decent and fairly remunerated employment.

- Respecting the economic, social and environmental backdrop, innovating in the establishment of company procedures and respecting in each of the activities carried out by the Group, the recommendations of the main domestic and international institutions.

- Helping the economy to grow by creating wealth through ACS Group’s own activities or through the infrastructure it builds, the energy produced, which guarantee society’s development and the well-being of its citizens.
Vision

A worldwide reference in construction, services and energy activities. A group which participates in the development of sectors related to infrastructures, which are fundamental for the economy. A company committed to economic and social progress in the countries where it is present.

Values

Experience developing quality service which incorporates new technological breakthroughs for its clients.

Profitability as a future guarantee, and as a tool to compensate shareholders for their trust and their investment.

Trust from customers built on a long-term relationship and mutual familiarity.

Commitment to sustainable development in order to serve society in an efficient and ethically responsible manner and to create value for its suppliers, clients, employees and shareholders.

These values, which have formed part of the Group’s culture since its foundation, have created the main competitive advantages which are the cornerstone of its past and future growth.

Competitive advantages

Technical knowledge

The ACS Group, which has over 80 years’ experience and a total of 9,000 engineers and university graduates, is one of the top companies worldwide in infrastructure development. The Group’s ability to innovate and the high number of activities it undertakes enable it to take on any project relating to infrastructure with guaranteed success.

Service Culture

Adopted by each of the organisation members, it enables the Group to maintain a close relationship with its clients so as to offer them products and services adapting to their needs.

Availability of Capital

Given ACS Group’s track record, reputation, past profitability as well as its proven ability to reinvest gains over the years, financial institutions are willing to make the resources required for continued growth available to the Group.
The ACS Group began operating in 1983 when a group of engineers acquired Construcciones Padrós, a mid-sized construction company with financial problems located in Badalona (Catalonia). After restructuring this company, the same strategy was employed with the acquisition of OCISA, a prestigious construction company which was larger and had already been in operation for over 40 years.

At the end of the eighties, a diversification process was initiated through the acquisition of SEMI, a company specialised in the maintenance and installation of electricity lines. This process was continued with the purchase of a majority shareholding in Cobra, one of the most renowned companies in the sector of support services to electricity and telecommunications companies, and a market leader with over 80 years’ experience.

The first of the large company mergers took place in 1992 with the creation of OCP, which would be the seed for the Group structured as it is today. OCP became one of the leading construction company groups in Spain. A second large merger took place in 1997, with the creation of ACS as a result of OCP’s merger with Auxini and Gines Navarro.

At the end of the nineties, the Group incorporated most of the companies forming its current services area; Onyx, a provider of environmental services; Iemes, a company dedicated to public lighting services, integral maintenance and control services; and Vertresa, the largest waste treatment plant in Madrid.
The turn of the century started with the integration of the Dragados Group, which positioned the ACS Group as the indisputable leader in the Spanish market and as one of the most important companies in the industry on the European continent.

Parallel to this entire integration process, the ACS Group has established the basis for its future strategy, focusing its activity on relevant sectors of the Spanish and European economy. In 2003, Abertis, one of the top companies in infrastructure management, was created and the Group has progressively increased its stake in this company since then.

Later, in 2005, the Group established the base for its Energy area with its investment in Unión Fenosa and subsequently strengthened this area with the purchase of a holding in Iberdrola in the last quarter of 2006. These investments have enabled ACS to position itself as a benchmark industrial company with two of the main energy companies in the European market.

In 2007, the ACS Group acquired a stake in Hochtief, a world leader in infrastructure development with a powerful presence in the USA, Central Europe, Australia and Southeast Asia. This operation will provide a platform for the ACS Group to accelerate its international expansion.
Activity Report

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   1.6.1 Abertis 74
   1.6.2 Iberdrola 76
   1.6.3 Hochtief 78
The ACS Group carries out its Construction activities through an extensive group of companies. Outstanding among these is Dragados, the lead company in this area. It is specialised in all types of infrastructure and has a long history in carrying out projects throughout Spain and a growing international activity.
<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRACE</td>
<td>Purification and desalination stations, purifying plants for urban and industrial waste water, waste treatment or transfer stations</td>
</tr>
<tr>
<td>FPS</td>
<td>Construction of marine and port structures, large-scale civil works prefabrications, special structures and exceptional bridges</td>
</tr>
<tr>
<td>SEIS</td>
<td>Conventional and modular building, prefabrication of architectural elements in concrete, renovation, &quot;turnkey&quot; handovers, interior decoration, organisation of large events and corporate imaging</td>
</tr>
<tr>
<td>VIAS</td>
<td>Leading general contractor in railway projects</td>
</tr>
<tr>
<td>DRAGADOS</td>
<td>Leading general contractor in Spain</td>
</tr>
<tr>
<td>TECASA</td>
<td>Specialised in railway projects. One of the leading companies in this subsector. Also operates as general contractor in the Basque Country, the Autonomous Region where it has its origins</td>
</tr>
<tr>
<td>DRAVISA</td>
<td>Specialising in dredging, regeneration of beaches, etc</td>
</tr>
<tr>
<td>DYCASA</td>
<td>Construction and operation of roadway concessions in Argentina</td>
</tr>
<tr>
<td>ECSONA</td>
<td>Dedicated to civil works rehabilitation and construction in the north-western area of the United States</td>
</tr>
<tr>
<td>COGESA</td>
<td>Real-estate management and promotion</td>
</tr>
</tbody>
</table>
Activity description

Construction activity in 2007, with over €7,350 million in revenue, consolidated the ACS Group as the leader in the sector in Spain, both in terms of size and profitability. These results represent an 8.9% increase in production, so continuing the positive trend of the last 5 years which show annual compound growth of 12.9%.

The Construction area's international activity in 2007 accounted for 6% of total activity, and primarily came from countries where the Group is active in transport infrastructure concessions.

Revenue in Spain by type of client is concentrated in Public Administration at 61%, Central Administration outstanding therein. The remaining 39% was from private companies, specifically from large institutions and concession operating companies.

Revenue evolution

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue (Million Euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>5,230</td>
</tr>
<tr>
<td>2004</td>
<td>4,352</td>
</tr>
<tr>
<td>2005</td>
<td>5,725</td>
</tr>
<tr>
<td>2006</td>
<td>6,750</td>
</tr>
<tr>
<td>2007</td>
<td>7,353</td>
</tr>
</tbody>
</table>

Internacional revenue evolution

<table>
<thead>
<tr>
<th>Year</th>
<th>International Revenue (Million Euros)</th>
<th>Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>484</td>
<td>7.3%</td>
</tr>
<tr>
<td>2004</td>
<td>333</td>
<td>9.3%</td>
</tr>
<tr>
<td>2005</td>
<td>484</td>
<td>9.7%</td>
</tr>
<tr>
<td>2006</td>
<td>431</td>
<td>6.4%</td>
</tr>
<tr>
<td>2007</td>
<td>433</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

Note: * Under Spanish GAAP criteria
ACS’s Construction production is structured into three differentiated areas of activity: Civil Works, Non-Residential Building and Residential Building.

The Civil Works segment takes in all types of projects in the development of infrastructure, such as motorways, marine, hydraulic and airport works.

The ACS Group’s focus on clients is a key factor in the Construction area. Public Administration, basically Spain’s Central Administration and particularly the Ministry of Development and the Ministry of the Environment, as well as Regional and Local Administrations, are of great importance for the development of our activity. For this reason the Group has entered into a long-term commitment with them enabling it to identify their needs and to continuously and efficiently adjust the Group’s supply accordingly.

Civil Works activity is the platform for international development in the Construction area and includes the carrying out of projects under a concession regime and operations outside Spain in specific, highly technical projects.

Civil Works

In motorways and roads the following projects carried out in 2007 are noteworthy:

- A number of works were performed on Calle 30 in Madrid, outstanding among which are:
  - Underground routing at the Puente del Rey and Avenida de Portugal junction between Puerto del Marqués de Monistrol and Puente de Segovia in Madrid.
  - The left-hand carriageway for the connection from Paseo de Santa María de la Cabeza to the A3, corresponding to the Southern Bypass.

- Construction of the A-7 Mediterranean Highway in the Nerja-Almuñécar (La Herradura) stretch between Granada and Malaga.
1.1 Construction

- Construction of the new access road to the Port of Castellón.
- Construction of Salamanca’s south-west ring road in the stretch connecting with the internal southern Ronda between the Buenos Aires and Montalvos links.

Railways, in which high-speed, interurban and metropolitan projects are encompassed, the following deserve special mention:

- Remodelling of the Barcelona-Sants railway station.
- Construction of Sections I and II of the Southern Breakwater in Barcelona.
- Construction of the sewage treatment works for Arroyomiel de Benalmádena in Malaga.
- The ACS Group took part in the construction of several dams, such as the Arenoso dam in Cordoba and the dam on the river Ceguilla in Segovia.

Among the works carried out in hydraulic infrastructures, coasts and ports, the following deserve special mention:

- Construction of the new subway connection between the Atocha and Chamartín stations in the Atocha-Nuevos Ministerios stretch.
- Expansion and renovation of the line 3 of Madrid’s subway.
- Construction of the new interchange and access to the Renfe Interurban line C-5 station.
- Construction of the eastern Abdalajis Tunnel on the high voltage line between Cordoba and Malaga.
- Construction of the platform for the high-speed railway from Madrid to Murcia in the Gabaldón to Villanueva de la Jara stretch in Cuenca.
- Construction of the Auditorium at Arroyomolinos in Madrid.
- Rehabilitation of the surrounds and facilities for the Pérez Galdós Theatre in Las Palmas de Gran Canarias.

In respect of health centres and hospitals:

- ACS has participated in several projects in La Rioja:
  - Expansion and alterations for the Hospital de San Pedro in Logroño.
- Construction of Phase I of the Juan Canalejo-Maritimo de Oza hospital complex in La Coruña.

In industrial and office administrative buildings:

- Construction of the Torre de Cristal for Mutua Madrileña in Madrid.

In terms of Residential Building, the ACS Group works with the leading domestic developers on developments which require a high level of resources due to their complexity or size.

Construction activity shows high profitability with solid margins on sales as a consequence of the continual improvements in productivity achieved in the last few years. This process has enabled ACS to become a more competitive company in its bidding activity. Even in a period with significant
growth in production, operating profit margin has remained at 6.3% and net profit margin on sales at 4.2%.

This current activity shows solid future prospects as growth in the ACS Group’s portfolio was confirmed in December 2007, exceeding €12,000 million and guaranteeing the future development of Construction activity.

### EBIT evolution

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (Million of euros)</th>
<th>Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003*</td>
<td>700</td>
<td>6.3%</td>
</tr>
<tr>
<td>2004</td>
<td>600</td>
<td>6.3%</td>
</tr>
<tr>
<td>2005</td>
<td>500</td>
<td>6.3%</td>
</tr>
<tr>
<td>2006</td>
<td>400</td>
<td>6.3%</td>
</tr>
<tr>
<td>2007</td>
<td>300</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

Note: *Under Spanish GAAP criteria

### Net profit evolution

<table>
<thead>
<tr>
<th>Year</th>
<th>Net profit (Million of euros)</th>
<th>Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003*</td>
<td>500</td>
<td>4.1%</td>
</tr>
<tr>
<td>2004</td>
<td>400</td>
<td>4.2%</td>
</tr>
<tr>
<td>2005</td>
<td>300</td>
<td>4.2%</td>
</tr>
<tr>
<td>2006</td>
<td>200</td>
<td>4.2%</td>
</tr>
<tr>
<td>2007</td>
<td>100</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

Note: *Under Spanish GAAP criteria

### Order book evolution

<table>
<thead>
<tr>
<th>Year</th>
<th>Order book (Million of euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003*</td>
<td>8,525</td>
</tr>
<tr>
<td>2004</td>
<td>9,369</td>
</tr>
<tr>
<td>2005</td>
<td>10,661</td>
</tr>
<tr>
<td>2006</td>
<td>12,011</td>
</tr>
<tr>
<td>2007</td>
<td>10,769</td>
</tr>
</tbody>
</table>

Note: *Under Spanish GAAP criteria

### International order book evolution

<table>
<thead>
<tr>
<th>Year</th>
<th>International order book (Million of euros)</th>
<th>% International over Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003*</td>
<td>1,411</td>
<td>11.4%</td>
</tr>
<tr>
<td>2004</td>
<td>1,593</td>
<td>12.0%</td>
</tr>
<tr>
<td>2005</td>
<td>1,911</td>
<td>12.6%</td>
</tr>
<tr>
<td>2006</td>
<td>2,243</td>
<td>18.7%</td>
</tr>
<tr>
<td>2007</td>
<td>2,761</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

Note: % International over Total

### EBIT

EBIT

EBIT margin

Note: *Under Spanish GAAP criteria
1.1 Construction

Order book breakdown by type of project (%)

- Highways and roads: 19
- Hydraulic works: 13
- Railways: 7
- Other civil works: 16
- Non-Residential Building: 18
- Residential Building: 12
- International: 15
- Non-Residential Building: 10
- Residential Building: 19

Domestic order book breakdown by type of client (%)

- Central Administration: 38
- Autonomous Administration: 19
- Local Administration: 33
- Private clients: 10

Main contracts awarded in 2007

<table>
<thead>
<tr>
<th>Main contracts awarded in 2007</th>
<th>Amount</th>
<th>Type of project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of Greece E-65 Highway (Greece)</td>
<td>476</td>
<td>Roads</td>
</tr>
<tr>
<td>Construction of the Jonica highway (Greece)</td>
<td>367</td>
<td>Roads</td>
</tr>
<tr>
<td>Construction of the bridge over Bay of Cadiz (Spain)</td>
<td>273</td>
<td>Roads</td>
</tr>
<tr>
<td>Enlargement of New York’s Subway (US)</td>
<td>272</td>
<td>Railways</td>
</tr>
<tr>
<td>Conservation and exploitation of A2 highway (L.P. Soria/Calatayud)</td>
<td>163</td>
<td>Roads</td>
</tr>
<tr>
<td>Construction of M7/M8 highways (Ireland)</td>
<td>149</td>
<td>Roads</td>
</tr>
<tr>
<td>Construction of the highway A-4 between Wielicka and Szarow (Poland)</td>
<td>133</td>
<td>Roads</td>
</tr>
<tr>
<td>Construction of a tunnel, maintenance and improvement works for the M-30 in Madrid (Spain)</td>
<td>128</td>
<td>Roads</td>
</tr>
<tr>
<td>Construction of railway tunnels and station in Gerona (Spain)</td>
<td>111</td>
<td>Railways</td>
</tr>
<tr>
<td>Enlargement of the subway line 11 to Barrio de la Fortuna (Madrid)</td>
<td>105</td>
<td>Railways</td>
</tr>
<tr>
<td>Building of the shopping center of Vilella in Alcira (Alicante, Spain)</td>
<td>73</td>
<td>Non-Residential Building</td>
</tr>
<tr>
<td>Construction, maintenance and exploitation of CV50 in Valencia (Spain)</td>
<td>63</td>
<td>Roads</td>
</tr>
<tr>
<td>Construction of a high speed train platform in Durango (Vizcaya, Spain)</td>
<td>53</td>
<td>Railways</td>
</tr>
<tr>
<td>Integral regulation and modernisation project for the Canal del Terreb for the Alto de Aragón irrigation system</td>
<td>53</td>
<td>Hidraulics</td>
</tr>
<tr>
<td>Sewage network for Valencia’s metropolitan area by means of the construction of the Favara sewer</td>
<td>42</td>
<td>Hidraulics</td>
</tr>
<tr>
<td>Works on the supply system from the Cenajo dam to the Canales del Taibilla community in Murcia</td>
<td>33</td>
<td>Hidraulics</td>
</tr>
</tbody>
</table>
Business strategy

The ACS Group’s dedication to leadership and its commercial, corporate and operating strategy have enabled it to maintain its undoubted position at the forefront of the sector in Spain for another year.

The ACS Group’s strategic objectives in the Construction area are to maximise the profitability of its projects by carrying out large works providing greater value due to the specialisation required.

Construction is a mature and competitive business requiring local client management. This means planned and structured international expansion, limiting client risk and enabling the application of the experience gained throughout ACS’s history.

The Group strategy is based on a series of advantages and objectives:

Competitive Advantages

- A clear focus on clients.
- Renewed and prolonged commitment from Spain’s Public Administration, which continues to increase its investments in infrastructures.
- A commercial strategy focused on large-scale, highly technical works which generate high added value.
- A policy of cost control, decentralised management and optimisation of working capital.

Strategic Objectives

- Maintenance of Spanish market share permitting sustainable development of the company’s operating profitability.
- Selective international expansion through the development of the division’s own concessions and/or one-off projects based on a high degree of specialisation.
Sector environment

Current situation

The construction sector in Spain in 2007 experienced growth in real terms of 4% and production exceeded €200,000 million. These figures confirm the industry’s great importance which again this year represented 18% of GDP and over 13% of total employment. Public calls for tender remained at 2006 levels, affected by the autonomous community and municipal elections of May 2007.

All the sub-sectors grew, in line with GDP. Outstanding among these was Civil Works, with interannual growth of 5.5%.

The construction sector in Spain has had 11 years of uninterrupted growth and has contributed 27% to the country’s economic growth over the last 5 years. GDP grew 3.8% during 2007, thanks to the strength of internal demand and to investment which has shown strong growth in capital assets. Investment in construction was seen to be solid in 2007 and consumption grew. Employment in the sector, measured as full-time job equivalents, increased by 6.1% to 13.3% against 12.9% in 2006.

### 2003-2007 Official bidding processes evolution

| Source: SEOPAN |

#### Production

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>Var. 07/06</th>
<th>% Of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millions of euros</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>140,293</td>
<td>150,810</td>
<td>3.4%</td>
<td>75.3%</td>
</tr>
<tr>
<td>Residential</td>
<td>65,750</td>
<td>71,115</td>
<td>4.0%</td>
<td>35.5%</td>
</tr>
<tr>
<td>Non Residential</td>
<td>30,039</td>
<td>32,022</td>
<td>2.5%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Maintenance and Refurbishment</td>
<td>44,505</td>
<td>47,673</td>
<td>3.0%</td>
<td>23.8%</td>
</tr>
<tr>
<td>Civil Works</td>
<td>45,844</td>
<td>49,381</td>
<td>5.5%</td>
<td>24.7%</td>
</tr>
<tr>
<td>Total</td>
<td>186,137</td>
<td>200,191</td>
<td>4.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: SEOPAN
During the period from 1995 to 2007, public bidding from Public Administration showed average annual growth of over 15%. Looking at the distribution by type of work, it is worth singling out the 5.9% growth in demand for Civil Works based on the boost from transport. In relation to the distribution by type of client, the 39.7% growth from Central Administration stands out.

The rhythm of bidding continues at the optimum level so as to be able to develop existing plans and public finances allow this level of investment to be maintained.

### Sector prospects

General State Budgets for 2008 again prioritise investment in infrastructure with a provision of €20,274 million, up 16.4% from 2007. Looking at the type of infrastructure, investment in railways and roads stands out once again.

#### Evolution of Construction in Spain

![Graph showing annual variations in construction in Spain from 2003 to 2007.](image)

- Building production annual variation
- Civil works production annual variation
- Construction production annual variation

**Source:** SEOPAN

#### State Involvement in Infrastructure by area

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008e</th>
<th>Var. 08/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million of euros</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td>3,451</td>
<td>4,297</td>
<td>4,903</td>
<td>+14.1%</td>
</tr>
<tr>
<td>Railways</td>
<td>5,704</td>
<td>5,625</td>
<td>5,939</td>
<td>+5.6%</td>
</tr>
<tr>
<td>Ports and Marine Security</td>
<td>1,371</td>
<td>1,288</td>
<td>1,673</td>
<td>+29.9%</td>
</tr>
<tr>
<td>Airports and Air Security</td>
<td>1,790</td>
<td>2,059</td>
<td>2,573</td>
<td>+25.0%</td>
</tr>
<tr>
<td><strong>Transport Infrastructure Subtotal</strong></td>
<td>12,316</td>
<td>13,269</td>
<td>15,088</td>
<td>+13.7%</td>
</tr>
<tr>
<td>Hydraulic</td>
<td>3,605</td>
<td>3,469</td>
<td>4,476</td>
<td>+29.0%</td>
</tr>
<tr>
<td>Environmental</td>
<td>492</td>
<td>508</td>
<td>508</td>
<td>+3.3%</td>
</tr>
<tr>
<td>Other</td>
<td>194</td>
<td>179</td>
<td>198</td>
<td>+10.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,115</td>
<td>17,409</td>
<td>20,270</td>
<td>+16.4%</td>
</tr>
</tbody>
</table>

**Source:** Ministry of Economy and Finance, Spain
These investments are framed in the Strategic Plan for Infrastructures and Transport (PEIT) which is designed to improve Spanish infrastructure over the period from 2005 to 2020. This continues to be the reference framework for State investment, with a planned total of €248,700 million, which represents around 1.5% of GDP over this term.
A total of €46,504 million have been invested during these initial years of implementation of the PEIT and an investment of €18,858 million is forecast for 2008, which would give an accumulated total of over €65,300 million.

The total investment forecast in the PEIT for the period 2005/2008 amounts to €56,644 million, hence State investment over these years has been in accordance with the Plan, and if this rate of investment is maintained in the 2009/2020 period, the objectives set will be exceeded. According to data supplied by SEOPAN, total investment forecast through PEIT (public and private) over the 2005/2008 period is 15.4% above that anticipated.

### Level of execution of peit in the period 2005/2008

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investments</td>
<td>Millions of euros</td>
<td>10,692</td>
<td>11,204</td>
<td>12,230</td>
<td>13,325</td>
<td>47,451</td>
</tr>
<tr>
<td>Public Sector</td>
<td>3,554</td>
<td>4,320</td>
<td>4,504</td>
<td>5,533</td>
<td>17,911</td>
<td>19,144</td>
</tr>
<tr>
<td>Total</td>
<td>14,246</td>
<td>15,524</td>
<td>16,734</td>
<td>18,858</td>
<td>65,362</td>
<td>56,644</td>
</tr>
</tbody>
</table>

This confirms the Spanish government trend for promoting investment by maintaining the current welfare state and encouraging growth in other key sectors of the economy such as tourism and associated services.

These prospects for growth in Civil Works are accompanied by a positive outlook for Non-Residential Building. Central Administration, Autonomous Communities and Local Bodies continue to show their commitment to making investments, especially with Public-Private Partnership models.

This positive evolution in Civil Works activity will compensate for the falling trend in the residential building market which is levelling off after the last few years of growth. Likewise, Public Administration continues to invest in public protection housing development as a response to the constant demand in this area of activity where the Group has proven experience.
Activity Description

Iridium is the ACS Group company that engages in the promotion, financing, management, operation, administration, maintenance, refurbishment and conditioning of all types of administrative concessions of both transport and public facility infrastructures.

By means of the management of 61 companies in construction/operation of various administrative concessions, it is a worldwide leader in the promotion, financing, construction and operation of all types of infrastructures.

Iridium manages several contractual models for Public-Private Partnerships (PPP), covering the entire value chain of concession business.

In 2007 the company was awarded 6 new concession contracts that are currently in their initial phase, with an investment of over 2 billion euros. Its portfolio of future projects contains a number of them in different development stages, the most outstanding among them are 9 tenders awaiting resolution, 37 in presentation and tender process and more than 40 projects at the pre-qualification and study phase.

The following table summarizes all of the ACS Group’s concessions as of 31 December, 2007.
<table>
<thead>
<tr>
<th>Concession - Description</th>
<th>Stake</th>
<th>Consolidation Method</th>
<th>Country</th>
<th>Activity</th>
<th>Phase</th>
<th>Unit</th>
<th>Expiry Date</th>
<th>Investment Anticipated in Project</th>
<th>Anticipated ACS Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>A8 - Bildean Guipuskoako Autobideak</td>
<td>50.00%</td>
<td>PE.</td>
<td>Spain</td>
<td>Motorways</td>
<td>Operation</td>
<td>124</td>
<td>2013/18</td>
<td>57</td>
<td>3</td>
</tr>
<tr>
<td>La Mancha Highway</td>
<td>66.70%</td>
<td>Global</td>
<td>Spain</td>
<td>Motorways</td>
<td>Operation</td>
<td>52</td>
<td>2033</td>
<td>130</td>
<td>18</td>
</tr>
<tr>
<td>Los Pirineos Highway (Valladolid Cuellar)</td>
<td>53.30%</td>
<td>PE.</td>
<td>Spain</td>
<td>Motorways</td>
<td>Construction</td>
<td>44</td>
<td>2041</td>
<td>96</td>
<td>14</td>
</tr>
<tr>
<td>Alicante Ring Road</td>
<td>50.00%</td>
<td>PE.</td>
<td>Spain</td>
<td>Motorways</td>
<td>Construction</td>
<td>147</td>
<td>2045/44</td>
<td>518</td>
<td>83</td>
</tr>
<tr>
<td>Hirania (R2 and M50)</td>
<td>35.00%</td>
<td>PE.</td>
<td>Spain</td>
<td>Motorways</td>
<td>Operation</td>
<td>80</td>
<td>2024</td>
<td>624</td>
<td>77</td>
</tr>
<tr>
<td>Madrid Accesses (R3/R5 and M50)</td>
<td>19.70%</td>
<td>N.C.</td>
<td>Spain</td>
<td>Motorways</td>
<td>Operation</td>
<td>92</td>
<td>2049</td>
<td>1,182</td>
<td>108</td>
</tr>
<tr>
<td>Reus Hospital</td>
<td>85.00%</td>
<td>Global</td>
<td>Spain</td>
<td>Motorways</td>
<td>Construction</td>
<td>10</td>
<td>2038</td>
<td>54</td>
<td>14</td>
</tr>
<tr>
<td>Ruta de los Pantanos</td>
<td>25.00%</td>
<td>PE.</td>
<td>Spain</td>
<td>Motorways</td>
<td>Operation</td>
<td>22</td>
<td>2024</td>
<td>96</td>
<td>4</td>
</tr>
<tr>
<td>Santiago Bríon</td>
<td>70.00%</td>
<td>Global</td>
<td>Spain</td>
<td>Motorways</td>
<td>Operation</td>
<td>16</td>
<td>2035</td>
<td>108</td>
<td>14</td>
</tr>
<tr>
<td>AUMECSA (Medinacell Calatayud Highway)</td>
<td>95.00%</td>
<td>Proporccional</td>
<td>Spain</td>
<td>Motorways</td>
<td>Construction</td>
<td>93</td>
<td>2026</td>
<td>122</td>
<td>12</td>
</tr>
<tr>
<td>Cemp del Turia Highway (CV 50)</td>
<td>65.00%</td>
<td>Global</td>
<td>Spain</td>
<td>Motorways</td>
<td>Construction</td>
<td>20</td>
<td>2042</td>
<td>107</td>
<td>10</td>
</tr>
<tr>
<td>EMESA (Madrid Cade-30)</td>
<td>50.00%</td>
<td>Proporccional</td>
<td>Spain</td>
<td>Motorways</td>
<td>Operation</td>
<td>33</td>
<td>2040</td>
<td>300</td>
<td>100</td>
</tr>
<tr>
<td>Central Motorway</td>
<td>48.00%</td>
<td>PE.</td>
<td>Chile</td>
<td>Motorways</td>
<td>Operation</td>
<td>62</td>
<td>2031</td>
<td>768</td>
<td>137</td>
</tr>
<tr>
<td>Rutas del Paisdcio</td>
<td>50.00%</td>
<td>PE.</td>
<td>Chile</td>
<td>Motorways</td>
<td>Operation</td>
<td>129</td>
<td>2025</td>
<td>359</td>
<td>53</td>
</tr>
<tr>
<td>San Cristobal Tunnel</td>
<td>50.00%</td>
<td>PE.</td>
<td>Chile</td>
<td>Motorways</td>
<td>Construction</td>
<td>4</td>
<td>2035</td>
<td>86</td>
<td>11</td>
</tr>
<tr>
<td>Vespucio Norte Express</td>
<td>46.50%</td>
<td>PE.</td>
<td>Chile</td>
<td>Motorways</td>
<td>Operation</td>
<td>29</td>
<td>2032</td>
<td>606</td>
<td>94</td>
</tr>
<tr>
<td>Jonica Motorway (NEA COOS)</td>
<td>33.30%</td>
<td>PE.</td>
<td>Greece</td>
<td>Motorways</td>
<td>Construction</td>
<td>380</td>
<td>2037</td>
<td>1,150</td>
<td>64</td>
</tr>
<tr>
<td>Central Greece</td>
<td>33.30%</td>
<td>PE.</td>
<td>Greece</td>
<td>Motorways</td>
<td>Constr./Operation</td>
<td>231</td>
<td>2037</td>
<td>1,526</td>
<td>44</td>
</tr>
<tr>
<td>N33 Waterford By-Pass - Southlink N25</td>
<td>33.33%</td>
<td>Waterford Southlink</td>
<td>PE. / N.C.</td>
<td>Ireland</td>
<td>Motorways</td>
<td>Construction</td>
<td>24</td>
<td>2036</td>
<td>291</td>
</tr>
<tr>
<td>Portlaoise - Middlink M7/M8</td>
<td>33.33%</td>
<td>(1) Portlaoise Middlink</td>
<td>PE.</td>
<td>Ireland</td>
<td>Motorways</td>
<td>Construction</td>
<td>41</td>
<td>2037</td>
<td>334</td>
</tr>
<tr>
<td>Sct da Beira Interior - Ramalho</td>
<td>25.00%</td>
<td>PE.</td>
<td>Portugal</td>
<td>Autopistas</td>
<td>Operation</td>
<td>187</td>
<td>2029</td>
<td>839</td>
<td>18</td>
</tr>
<tr>
<td>A-13, Thrones Gateway</td>
<td>25.00%</td>
<td>PE.</td>
<td>UK</td>
<td>Autopistas</td>
<td>Operation</td>
<td>22</td>
<td>2030</td>
<td>343</td>
<td>9</td>
</tr>
<tr>
<td>Platinum (Bakwena) - PT Op.</td>
<td>25.00%</td>
<td>PE.</td>
<td>South Africa</td>
<td>Autopistas</td>
<td>Operation</td>
<td>381</td>
<td>2031</td>
<td>263</td>
<td>5</td>
</tr>
<tr>
<td>Total Motorways (km)</td>
<td>2,223</td>
<td>9,944</td>
<td>936</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SCL</td>
<td>* 14.80%</td>
<td>N.C.</td>
<td>Chile</td>
<td>Airports</td>
<td>Constr./Operation</td>
<td>1</td>
<td>2018</td>
<td>149</td>
<td>5</td>
</tr>
<tr>
<td>Aerocaid</td>
<td>* 33.00%</td>
<td>PE.</td>
<td>Colombia</td>
<td>Airports</td>
<td>Operation</td>
<td>1</td>
<td>2020</td>
<td>24</td>
<td>2</td>
</tr>
<tr>
<td>Montego Bay</td>
<td>* 74.50%</td>
<td>Global</td>
<td>Jamaica</td>
<td>Airports</td>
<td>Constr./Operation</td>
<td>1</td>
<td>2033</td>
<td>119</td>
<td>42</td>
</tr>
<tr>
<td>Aeropuertos Mexicanos del Pacífico</td>
<td>* 33.30%</td>
<td>PE.</td>
<td>Mexico</td>
<td>Airports</td>
<td>Constr./Operation</td>
<td>12</td>
<td>2014/49</td>
<td>167</td>
<td>89</td>
</tr>
<tr>
<td>Total Airports (n.º of Airports)</td>
<td>15</td>
<td>458</td>
<td>138</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Figueiras Perpignan - TP Fiero</td>
<td>50.00%</td>
<td>PE.</td>
<td>Spain - Fr</td>
<td>Railways</td>
<td>Construction</td>
<td>45</td>
<td>2054</td>
<td>1,085</td>
<td>51</td>
</tr>
<tr>
<td>Arganda Metro</td>
<td>8.10%</td>
<td>N.C.</td>
<td>Spain</td>
<td>Railways</td>
<td>Operation</td>
<td>18</td>
<td>2029</td>
<td>133</td>
<td>3</td>
</tr>
<tr>
<td>Sevilla Metro</td>
<td>31.10%</td>
<td>PE.</td>
<td>Spain</td>
<td>Railways</td>
<td>Construction</td>
<td>19</td>
<td>2038</td>
<td>619</td>
<td>40</td>
</tr>
<tr>
<td>Total Railways (km)</td>
<td>82</td>
<td>1,837</td>
<td>94</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brians Prison</td>
<td>75.00%</td>
<td>Global</td>
<td>Spain</td>
<td>Prisons</td>
<td>Operation</td>
<td>95,182</td>
<td>2034</td>
<td>107</td>
<td>10</td>
</tr>
<tr>
<td>Central Police Station (Ribera norte)</td>
<td>100.00%</td>
<td>Global</td>
<td>Spain</td>
<td>Police Stations</td>
<td>Operation</td>
<td>60,330</td>
<td>2024</td>
<td>72</td>
<td>13</td>
</tr>
<tr>
<td>Del Vális Police Station (Terrasa)</td>
<td>100.00%</td>
<td>Global</td>
<td>Spain</td>
<td>Police Stations</td>
<td>Operation</td>
<td>9,837</td>
<td>2031</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>Del Vális Police Station (Barbera)</td>
<td>100.00%</td>
<td>Global</td>
<td>Spain</td>
<td>Police Stations</td>
<td>Exploitation</td>
<td>9,269</td>
<td>2031</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>Green Canal Golf</td>
<td>52.20%</td>
<td>Global</td>
<td>Spain</td>
<td>Facilities</td>
<td>Construction</td>
<td>60,000</td>
<td>2012/17</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Public Facilities (m²)</td>
<td>233,718</td>
<td>211</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Majadahonda Hospital</td>
<td>55.00%</td>
<td>Global</td>
<td>Spain</td>
<td>Hospitals</td>
<td>Construction</td>
<td>749</td>
<td>2035</td>
<td>242</td>
<td>17</td>
</tr>
<tr>
<td>Son Durela Hospital</td>
<td>48.00%</td>
<td>PE.</td>
<td>Spain</td>
<td>Hospitals</td>
<td>Construction</td>
<td>987</td>
<td>2038</td>
<td>238</td>
<td>23</td>
</tr>
<tr>
<td>Public Facilities (n.º of beds)</td>
<td>1,736</td>
<td>480</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plaza de Castilla Interchange</td>
<td>70.00%</td>
<td>PE.</td>
<td>Spain</td>
<td>Interchanges</td>
<td>Construction</td>
<td>74,200</td>
<td>2040</td>
<td>159</td>
<td>11</td>
</tr>
<tr>
<td>Princep Pio Interchange</td>
<td>70.00%</td>
<td>NC</td>
<td>Spain</td>
<td>Interchanges</td>
<td>Operation</td>
<td>25,000</td>
<td>2039</td>
<td>84</td>
<td>9</td>
</tr>
<tr>
<td>Avda. America Interchange</td>
<td>100.00%</td>
<td>Global</td>
<td>Spain</td>
<td>Interchanges</td>
<td>Operation</td>
<td>41,000</td>
<td>2050</td>
<td>23</td>
<td>5</td>
</tr>
<tr>
<td>Total Transport Interchanges (m²)</td>
<td>140,000</td>
<td>247</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL CONCESSIONS</td>
<td>13,177</td>
<td>1,284</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Concessions on which a sale agreement has been reached by 31 December 2007

Note: The company Aeropuertos Mexicanos del Pacífico manages 12 airports in Mexico through the group Aeroportuario del Pacífico: Aguascalientes, Bajio, Guadalajara, Hermosillo, La Paz, Los Mochis, Morelia, Mexicali, Puerto Vallarta, San José del Cabo, Tijuana and Manzanillo.

(1) ACS Group stake in the Concession Company

(2) ACS Group stake in the Operating Company
1.2 Concessions

Activity in 2007

Iridium takes an active part in the main worldwide concession markets, focusing its efforts on Spain, the United States, Ireland, Chile, Greece, Canada and Portugal.

During this financial year ACS Infrastructure Development, a subsidiary of Iridium Concesiones de Infraestructuras in the United States, has consolidated its presence in the country. It is focusing its activity in those states where infrastructure development, under the Public-Private Partnership model, shows prospects of a sufficiently attractive level of consolidation in the next few years. As such it is participating in the main calls for tender in this area in the most prominent East Coast states (Pennsylvania, Florida, Virginia and Georgia), as well as in Texas and California. It has offices in Miami, Austin and New York.

New projects

The ACS Group is also currently participating in short-listed consortia for the following projects abroad, among others:

- In Texas, ACS Infrastructure Development, Inc. is short-listed for the calls for bids for concessions for the IH-635 urban motorway in Dallas and the TTC 69. Both projects will be awarded in 2008 according to the Texas Transportation Department’s latest schedule.
  - In November 2005, the company was short-listed to develop, design, construct, finance, operate and maintain part of the ring road for the city of Dallas (Texas), called IH635. The contract will be awarded in 2008.
  - The TTC-69 project consists in developing the corridor which crosses Texas from north to south in a line with Houston. The project provides the possibility of implementing all types of transport infrastructure. The winning consortium will advise the State on the most appropriate transportation projects and will have the right to operate a portion thereof.
- In Pennsylvania, ACS Actividades de Construcción y Servicios S.A. is short-listed for the concession process for the Pennsylvania Turnpike, one of the country’s main motorways in terms of traffic, historical development and importance. This call for tenders is one of the largest held both in the United States and worldwide. The contract is expected to be awarded in 2008.
- In Florida, ACS Infrastructure Development, Inc. has been short-listed for the call for bids for the I-595 motorway concession in Broward County in the south of the state, to be executed on an availability payment basis.
- In Quebec, Iridium is short-listed for the call for bids for the A-30 motorway in Montreal. This is the ring road for the city and includes two significant bridges.

It is also monitoring tenders for significant projects in Europe, the United States, Canada and South America.

In Spain, the ACS Group is awaiting the adjudication of 3 concessions for municipal car parks in Andalusia, Catalonia and Madrid.
Relevant facts

Over the course of 2007, the following concessions were opened to traffic or were commissioned:

• The Brians-2 Penitentiary Centre was commissioned on April 30, being this the second penitentiary centre in Spain to be financed through the PPP formula.

• On May 8, the Principe Pío Transport Interchange was opened in Madrid (Spain) with the presence of the President of the Autonomous Community and the Mayor of Madrid.

• In the first four months of the year all the sections of Madrid Calle 30 were put into service. This is a project in which the ACS Group participates as a Private Partner of the Madrid City Council (Spain) and is responsible for infrastructure maintenance.

• On December 10, the toll ring road for Alicante in Spain was opened with the presence of the Secretary of State for International Cooperation and the subdelegate of the Government in Alicante.

• Operation and construction of the Jonica Motorway (Greece) started on December 14.

Other noteworthy events which took place during the year include the following:

• On February 6, construction work started on the new Hospital in Son Dureta in Palma de Mallorca with a capacity of over 800 beds.

• On April 2007 the Chilean Ministry of Public Works (MOP) authorized the Final Start-up of Autopista Central motorway (Santiago de Chile). The end of the first construction stage and the fulfillment of a series of financial requirements permitted to reach the “Completion” in May 2007 and then begin with the operation, both required by the financial insurer.

• On August 2007 the Chilean Ministry of Public Works (MOP) authorized the Final Start-up of Vespucio Norte Express motorway (Santiago de Chile). The end of the first construction stage and the fulfillment of a series of financial requirements permitted to reach the “Completion” in December 2007 and then begin with the operation, both required by the financial insurer, MBIA Insurance Corporation.

• On May 9 the sale of Dragados Dundalk (Ireland) and Dragados A1 (United Kingdom) to Secondary Market Infrastructure Fund Ltd. was formalized.
Contracts awarded in 2007

In 2007, the ACS Group was awarded the following contracts:

- 5-year concession project for the sports facilities management and operation at the Canal de Isabel II third reservoir in Madrid, extendable to ten years.

- 30-year concession for the construction and operation of 368-space car park in Benidorm (Alicante) and 40 years concession for the construction and operation of 643-space car park in Reus (Tarragona).

- 30-year concession for the Central Greece toll road. This project includes the 174 km long “Central Greece (E65)” motorway, which connects the “PATHE” motorway in Lamia to the Egnatia Odos motorway in Grevena, and the section of the “PATHE” motorway between Skarflia and Raches, which is 57 km long and under construction by the State. The estimated investment in the project amounts to 1,508 billion euros.

- 30-year concession for the M7/M8 motorways (Ireland). The concession project consists of the construction and maintenance of the M7/M8 motorways with a total length of 40 kilometers with an estimated investment of 364 million euros.

- 20-year concession for the A-2 highway, being the 93 km long Soria/Calatayud provincial limit stretch (first generation motorways). Investment amounts to 122 million euros.

- A 35-year concession for the CV-50 motorway, Valencia’s outer ring road, on a shadow toll basis. The Project starts at the Chiva interchange on the A-3 Madrid-Valencia highway and ends at the Vilamarchant interchange for the connection with the CV-35 at the Benaguasil interchange. The total motorway length is 22 km with four interchanges, outstanding among which is the interchange with the A-3 Madrid-Valencia highway, one of Spain’s most important roads. The estimated investment in the project is 100 million euros.

Financing

The Company also demonstrated high efficiency and innovation in the management of project finance without recourse to shareholders (Project Finance).

During 2006, several finance operations without recourse to shareholders were arranged, noteworthy of which were the following:

- Central Greece: total financing of 1,474 million euros. 300 million euros is structured in a Bridge Financing section of Government payments; 892.5 million euros as a State Term Loan Facility allocated for financing the Government’s payments during the operation period, with expiry at 29 years; 250 million euros as a Project Facility (Senior Debt) expiring in 26 years and a 31 million euros VAT credit.

- Portlaoise (Ireland): 329 million euros maturing in 2034. 70 million euros corresponds to shareholders subordinated debt bridging finance maturing at the end of the construction period; 117 million euros of EIB debt; 117 million euros of senior debt; 10 million euros of subordinated bank debt and the rest as contingent line (Stand By senior debt facility).

- Seville Metro (Spain): 250 million euros of EIB debt maturing in 2027 allocated for financing the modified project for Metro de Sevilla S. A.

- Financing contracts for a total of 26 million euros and an approximate period of 25 years for 10 Police Stations in Catalonia.
Sector prospects

Throughout 2007, Spanish local administrations, especially municipalities and regional governments, have shown an increasing interest in using the PPP model. In line with this, over the past year, public work concession contracts were applied to a greater variety of transport and public facility infrastructure projects and to a broader range of investment volumes, although municipal and autonomous community electoral processes slowed bidding activity during the year.

In Portugal, the government has reorganized the administration of roads under Estradas de Portugal as the General Concessionaire. This strategy has produced the launch of a program of 7 concession projects which translate to a total of 3,000 million euros and 1,400 km of roads.

In addition, the Portuguese government has published a Business Model for the Implementation of a High-Speed Railway Network in the country, with an anticipated investment of approximately 8,000 million euros.

Tender activity continues in Chile for roads and public service buildings and the revision of the Concessions Law is awaited along with its definitive enactment.

The development of activity in the North American market is one of the Company’s main strategic objectives given the countless business opportunities it offers in the short/medium term.

The US transport infrastructure market under the Public-Private Partnership formula continues to consolidate itself, although work is becoming necessary aimed at US public administration departments to explain the possibilities offered by the various forms, as well as adaptation of European formats to the needs and the legislative and financial situations in the different States there.

Canada also offers noteworthy political and economic stability, sufficient legal security and a developed financial system. The infrastructure level is inferior to the country’s economic level, and short- and medium-term opportunities are foreseen with respect to transport and hospital infrastructures. The level of maturity of projects under the PPP structure varies from province to province with British Columbia and Quebec being the most advanced.

The Irish market continues to be attractive, and Iridium’s presence in the Republic of Ireland is stable and consolidated.
1.3 Environment and Logistics

The ACS Group engages in its activities in the Environment and Logistics area through three companies with extensive experience which are leaders in their respective sectors in Spain.
Company specializing in waste management and treatment. Its activity encompasses street cleaning; the collection of solid urban waste and its subsequent treatment through the construction and operation of dumps and energy recovery plants; the management of renewable energies and cogeneration, the integrated management of special waste (industrial and hospital waste), integrated water cycle management and the management of urban gardening.

Company specialized in the services necessary for the optimum running of public or private use properties (facility management, cleaning or ancillary services), green-market-related activities (gardening, reforestation and environmental recovery), care services for social collectives in situations of dependence, airport services, and the management of advertising spaces in large installations and transport systems.

Integrated operator of the logistics chain covering all its associated activities: port handling, including the management of container terminals (multifunctional and specialized), maritime agency, transit, ancillary port services, dry-dock management, combined transport, auto logistics and railway transport. Leader in Spain in container handling.
Activity description

In 2007, the ACS Group achieved a net sales of €2,835 million in the area of Environment and Logistics. This represents growth of 15.3% for the year. The annual compound rate of growth over the last five years is 17.6%, reasserting ACS's leadership in Spain and consolidating the Group as a reference company in the European market.

Environment and Logistics activity is grouped around three business lines: Environmental Services, Facility Management and Port and Logistic Services.
Environmental Services is the area specialising in waste management and treatment, engaging in street cleaning, waste collection and transport, treatment and recycling of urban waste, integrated management of the water cycle and urban gardening. The ACS Group, through its company Urbaser, S.A., is the leader in the management of solid urban waste treatment plants in Spain and has undertaken significant projects abroad.

During 2007, Urbaser managed the following facilities for the treatment and elimination of solid urban waste:

- 39 Plants for the pretreatment of solid urban waste with a capacity of 6,100,000 tons/year.
- 4 Energy recovery plants with a treatment capacity of 1,081,000 tons/year.
- 3 Energy recovery plants under construction with a capacity of 832,000 tons/year.
- 1 planned Energy recovery plant with a capacity of 160,000 tons/year.
- 12 Biomethanization plants with a treatment capacity of 782,312 tons/year.
- 7 Biomethanization plants under construction with a capacity of 474,948 tons/year.
- 1 planned Biomethanization plant with a capacity of 50,000 tons/year.
- 44 Composting plants with a treatment capacity of 2,280,665 tons/year.
- 46 Controlled waste dumps with an elimination capacity of 7,335,000 tons/year.
- 50 Transfer plants with a capacity of 6,388,600 tons/year.

The combination of treatments in the plants with recovery of materials and generation of electrical energy, plus the degasification of waste dumps has meant a saving of CO₂ equivalent to approximately 5.2 million tons over the year.

The total installed power in the processes which generate electricity from urban waste is 179 MW. This generated 674.62 GWh and exported 527.6 GWh to the electricity grid.

The large energy recovery plants in Madrid, Mallorca and Cantabria have maintained their high operating reliability with annual availability of over 85%.

Construction has been completed on the industrial complex for the treatment of solid urban waste in Saragossa. This has a treatment capacity of 325,000 tons/year of solid urban waste, plus 13,500 tons/year of packaging and a waste dump for refuse with capacity 3 million m³ divided into 3 contiguous cells. Likewise, the complete remodelling of the La Paloma Treatment Centre, including a new biomethanization section, has also been concluded for Madrid City Council. The centre has capacity for 255,500 tons/year of solid urban waste and 54,750 tons/year of packaging.

Activities have continued in waste water treatment and cleaning, gardening, collection and treatment of used mineral oils, collection and treatment of hospital waste and treatment and elimination of industrial waste.

In water division, the water supply system for the Valle de Esgüeiva in Valladolid, comprising over 20 municipalities, was inaugurated as was the O₂ zone of the Aragon Purification Plan comprising 12 purifying plants in the Monearos (Saragossa-Huesca) region.
Facility Management includes the services necessary for the optimum running of public or private use properties (facility management, cleaning or ancillary services), green market-related activities (gardening, reforestation and environmental recovery), care services for social collectives in situations of dependence, airport services, and the management of advertising spaces in large installations and transport systems.

In indoor cleaning, the following contracts in execution in 2007 are of particular interest:

- Cleaning service for the Bellvitge University Hospital in Hospitalet de Llobregat (Barcelona) and for all the Instituto Catalán de la Salud’s Primary Health Care Centres.
- Cleaning of the Nuestra Señora de la Candelaria Hospital in Santa Cruz de Tenerife.
- Cleaning service for the Juan Carlos I Hospital in Madrid.
- Cleaning service for the Bellvitge University Hospital in Hospitalet de Llobregat (Barcelona) and for all the Instituto Catalán de la Salud’s Primary Health Care Centres.
- Cleaning of the Nuestra Señora de la Candelaria Hospital in Santa Cruz de Tenerife.
- Cleaning service for the Juan Carlos I Hospital in Madrid.

Integral maintenance services are provided for the following installations:

- Conservation and maintenance services for the educational centres belonging to the Institut Català de Finances (Barcelona).
- Handling services for Malaga, Fuerteventura and Lanzarote airports, once awarded licences for these airports by AENA.
- Facility management and improvements in the Ciudad de Boadilla (Madrid) business complex.
- Cleaning and maintenance service for the new seat of the Ciudad de la Justicia in Malaga.

Noteworthy in management of advertising spaces, is the activity carried out in the Príncipe Pío Transport Interchange in Madrid and at the stations on the ML1 and ML2 light railway lines to Pozuelo de Alarcón and Boadilla del Monte in Madrid.

Included in the area of Port and Logistic Services are port management and handling, maritime agency and transit activity, dry-dock management, combined transport and logistics.
In 2007, the ACS Group maintained its position as leading operator of container terminals in Spain, handling over 5.5 million TEUs. Worth special mention is its activity in the ports of Valencia, Las Palmas de Gran Canaria, Bilbao, Malaga, Jing Tang (China) and Caucedo (Dominican Republic) and the development of Terminales del Sudeste (Malaga), which handled 550,000 TEUs in 2007.

Also noteworthy is the Group’s role in other activities such as the handling of bulk material (over 11 million tons), general merchandise (5 million tons) and perishable goods (140,000 tons). The Mumbai (India) container terminal, Indira Container Terminal (ICT), was incorporated into the Group during 2007. This will be capable of handling over 1,250,000 TEUs/year when it reaches its maximum capacity. Likewise, the Group continues to reinforce its leading position in other port services (agency, transit, transport, etc.) in Spain.

<table>
<thead>
<tr>
<th>Port Handling</th>
<th>%</th>
<th>Country</th>
<th>Port</th>
<th>Type</th>
<th>Cargo</th>
<th>Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>WRC + TESC San Francisco do Sul</td>
<td>50.0%</td>
<td>Brazil</td>
<td>Santa Catarina</td>
<td>Concession</td>
<td>Containers</td>
<td>Op./Const.</td>
</tr>
<tr>
<td>ITI - Iquique</td>
<td>40.0%</td>
<td>Chile</td>
<td>Iquique</td>
<td>Concession</td>
<td>Cont./Gen. Cargo</td>
<td>Operation</td>
</tr>
<tr>
<td>Jing Tang</td>
<td>52.0%</td>
<td>Global</td>
<td>China</td>
<td>Jing Tang</td>
<td>Concession</td>
<td>Containers</td>
</tr>
<tr>
<td>Terminal de Caucedo</td>
<td>15.0%</td>
<td>Dom. Rep.</td>
<td>Caucedo</td>
<td>Concession</td>
<td>Containers</td>
<td>Operation</td>
</tr>
<tr>
<td>Indira Container Terminal</td>
<td>50.0%</td>
<td>Propn.</td>
<td>India</td>
<td>Mumbai</td>
<td>Concession</td>
<td>Containers</td>
</tr>
<tr>
<td>Sadoport</td>
<td>50.0%</td>
<td>Propn.</td>
<td>Portugal</td>
<td>Setubal</td>
<td>Concession</td>
<td>Containers</td>
</tr>
<tr>
<td>Autoterminal</td>
<td>40.4%</td>
<td>E.M.</td>
<td>Spain</td>
<td>Barcelona</td>
<td>Concession</td>
<td>Vehicles</td>
</tr>
<tr>
<td>Abra Terminales Marítimas (ATM)</td>
<td>48.7%</td>
<td>E.M.</td>
<td>Spain</td>
<td>Bilbao</td>
<td>Concession</td>
<td>Containers</td>
</tr>
<tr>
<td>Terminal Maritima de Cartagena, S.L.</td>
<td>50.0%</td>
<td>E.M.</td>
<td>Spain</td>
<td>Cartagena</td>
<td>Stowage</td>
<td>Bulk/General cont.</td>
</tr>
<tr>
<td>FRICASA (Marmedsa)</td>
<td>75.0%</td>
<td>Global</td>
<td>Spain</td>
<td>Castellón</td>
<td>Concession</td>
<td>Fruit, perishables</td>
</tr>
<tr>
<td>Tecasa</td>
<td>77.8%</td>
<td>Global</td>
<td>Spain</td>
<td>Castellón</td>
<td>Concession</td>
<td>Fruit, perishables</td>
</tr>
<tr>
<td>Terminales Marítimos del Sudeste (Málaga)</td>
<td>85.0%</td>
<td>Global</td>
<td>Spain</td>
<td>Málaga</td>
<td>Stowage</td>
<td>Multi-use</td>
</tr>
<tr>
<td>Marítim. Valenc. Sagunto (Marvalsa)</td>
<td>20.0%</td>
<td>E.M.</td>
<td>Spain</td>
<td>Coruña</td>
<td>Stowage</td>
<td>Bulk/General</td>
</tr>
<tr>
<td>Operaciones Portuarias Canarias (OPCSA)</td>
<td>45.0%</td>
<td>E.M.</td>
<td>Spain</td>
<td>Las Palmas</td>
<td>Concession</td>
<td>Containers</td>
</tr>
<tr>
<td>Terminales Marítimas del Sudeste (Málaga)</td>
<td>85.0%</td>
<td>Global</td>
<td>Spain</td>
<td>Málaga</td>
<td>Concession</td>
<td>Containers</td>
</tr>
<tr>
<td>Graneles Solidos Minerales (GSM)</td>
<td>100.0%</td>
<td>Global</td>
<td>Spain</td>
<td>Santander</td>
<td>Concession</td>
<td>Dirty bulk</td>
</tr>
<tr>
<td>TMS (Marmedsa)</td>
<td>94.8%</td>
<td>Global</td>
<td>Spain</td>
<td>Santander</td>
<td>Stowage</td>
<td>Dirty/clean bulk</td>
</tr>
<tr>
<td>Maritima Valenciana</td>
<td>62.5%</td>
<td>Global</td>
<td>Spain</td>
<td>Valencia</td>
<td>Concession</td>
<td>Containers</td>
</tr>
<tr>
<td>Maritima Servicesa (Marmedsa)</td>
<td>100.0%</td>
<td>Global</td>
<td>Spain</td>
<td>Valencia</td>
<td>Concession</td>
<td>Dirty bulk</td>
</tr>
</tbody>
</table>

(1) Equity Method
(2) Proportional Integration
Environmental and Logistics activities are based on medium- and long-term repeat contracts for both public and private clients. Many of their activities are capital intensive and their concessional nature reduces the risk and guarantees attractive profitability. This area provides the ACS Group with stability and geographic diversification in terms of revenues.
The ACS Group’s Environment and Logistics order book amounted to €14,458 million in 2007, up 10.7% on the previous year.
1.3 Environment and Logistics

The ACS Group’s Environment and Logistics activities are based on the use of two of the company’s competitive advantages: service capacity and, in certain activities, availability of capital.

The aim of these activities is to maintain a sustainable growth rate with attractive returns, and the following are key to this strategy:

- To improve the operational efficiency of all the companies.
- To remain at the technological cutting edge of solid urban waste treatment plants and to continue to lead this sector.
- To develop new services aimed at collectives with care needs and retired Spanish and foreign nationals.
- To grow internationally, particularly in Environment and Port Services, organically and through acquisitions.

### Contracts awarded in 2007

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Years</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and exploitation of the landfill of the Area IV in Saragossa (Spain)</td>
<td>83</td>
<td>25</td>
<td>Urbaser</td>
</tr>
<tr>
<td>Street cleaning and waste collection in the north of Barcelona</td>
<td>74</td>
<td>2</td>
<td>Urbaser</td>
</tr>
<tr>
<td>Construction of Ecoparque nº5 in Cataluña (Spain)</td>
<td>70</td>
<td>2</td>
<td>Urbaser</td>
</tr>
<tr>
<td>Biomethanization plant in Roanne (France)</td>
<td>56</td>
<td>25</td>
<td>Urbaser</td>
</tr>
<tr>
<td>Extension of the cleaning service in the buildings of the Guardia Civil and National Police (Spain)</td>
<td>34</td>
<td>1</td>
<td>Clece</td>
</tr>
<tr>
<td>Solid urban waste collection in Tigre (Buenos Aires, Argentina)</td>
<td>33</td>
<td>6</td>
<td>Urbaser</td>
</tr>
<tr>
<td>Solid urban waste collection in Moron de la Frontera (Argentina)</td>
<td>33</td>
<td>5</td>
<td>Urbaser</td>
</tr>
<tr>
<td>Street cleaning and collection in Tétouán (Morocco)</td>
<td>31</td>
<td>10</td>
<td>Urbaser</td>
</tr>
<tr>
<td>Street cleaning of Carabanchel-Latina (Madrid, Spain)</td>
<td>28</td>
<td>6</td>
<td>Urbaser</td>
</tr>
<tr>
<td>Street cleaning and collection in Marrakech (Morocco)</td>
<td>27</td>
<td>7</td>
<td>Urbaser</td>
</tr>
<tr>
<td>Solid urban waste collection in Tangiers (Morocco)</td>
<td>27</td>
<td>8</td>
<td>Urbaser</td>
</tr>
</tbody>
</table>
Sector environment

Current situation

Over the last few years, Spain has been the European Union’s migration motor. According to Eurostat, 40% of the total population growth in the 27 EU Member States occurred in Spain during the period 2000-2007.

Of the more than twelve million new European inhabitants over this period, over four and a half million live and work in Spain. The development of the Services sector in Spain has benefited in recent years from this significant rise in population. And this is not only due to the migratory flow contributing fixed population, but also as a consequence of the significant increase in the floating population tourism brings.

Spain’s population has grown by more than 4 million over these years, of which 850,000 are immigrants from Eastern Europe and 2.8 million immigrants from developing countries, mainly Latin American and North African.

Factors relating to the economic boom and mainly characteristics of the employment offer in Spain, a service-based country, have fostered this entry of immigrants which, according the Ministry of Social Affairs and other institutions monitoring this trend, has yet to reach its peak.

Evolution of Spanish population and tourist influx

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Tourists</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2002</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>2003</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>2004</td>
<td>9%</td>
<td>0%</td>
</tr>
<tr>
<td>2005</td>
<td>12%</td>
<td>0%</td>
</tr>
<tr>
<td>2006</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>2007</td>
<td>18%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Spanish Statistics Institute and Institute for Tourism Studies

Evolution of immigrant population

Population

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>0%</td>
</tr>
<tr>
<td>1992</td>
<td>2%</td>
</tr>
<tr>
<td>1993</td>
<td>4%</td>
</tr>
<tr>
<td>1994</td>
<td>6%</td>
</tr>
<tr>
<td>1995</td>
<td>8%</td>
</tr>
<tr>
<td>1996</td>
<td>10%</td>
</tr>
<tr>
<td>1997</td>
<td>12%</td>
</tr>
<tr>
<td>1998</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: INE
Tourism is the second driver of the significant increase in the floating population in Spain. This has been the country’s main industry for the past 40 years, and the number of visitors has not ceased to rise in recent years. In 2007, the Institute of Tourism Studies recorded over 59.2 million visitors, mainly Europeans. In view of these figures, according to the World Tourism Organisation (WTO), Spain maintains its second position in the world ranking both in terms of visitors and in terms of tourism revenue, with a 7.5% share in both variables.

Tourism directly contributes 11.2% to GDP according to the Tourism Satellite Account (TSA) and generates a similar percentage of direct employment.

Environmental Services

The rising population and increased social awareness have lead to a higher concern for the environment since over a decade ago. This concern and the need to optimise public expenditure mean that Public Administrations increasingly tend to outsource tasks involving the management of urban waste.

Over the last ten years, with the help of the European Union, a large number of waste treatment and sorting plants have been constructed in Spain (almost one per population centre of more than 100,000 inhabitants), most of which are equipped with composting and/or biomethanization processes, where the organic fraction of urban waste is treated. Nonetheless, there is still significant growth potential in this activity in Spain and in the rest of Europe as a consequence of European directives concerning waste and environmental management.

Awareness of climate change and the Kyoto Protocol have fostered these types of activities in order to reduce the emission of gases generated naturally in solid urban waste dumps (carbon dioxide and methane), which produce the greenhouse effect. The said treaty has also paved the way for other future businesses related to the emission of CO₂.

Facility Management

The Facility Management market bases its growth prospects on large business groups and Public Administration’s increasing tendency to outsource. Companies such as Clece, the ACS Group’s leader company in this line of business, offer services which enable own resources to be reduced and specialisation to be increased in order to respond to the increasing complexity of equipment and methodologies. This growth, together with clients’ demand for the market to present a more concentrated and structured supply, suggest very positive prospects for this activity.

Other areas such as social healthcare services, to which the Public Administration dedicates a significant amount of resources, require an increase in the supply of external services guaranteeing the quality and efficiency thereof together with a reduction in cost, especially in a long-lived society with higher life expectancy.

Furthermore, and as a consequence of the positive performance of tourism in Spain, air traffic is undergoing significant growth, which increasingly leads airport installations and airlines to outsource higher quality services.
Port and Logistic Services

Increasing globalization and the continuous flow of goods from manufacturing countries, mainly Asian, have led to a significant upturn in container traffic activities and maritime transport.

Both Spain, which currently maintains its strategic significance as a connection between Asia and America through Suez, as well as the outlying manufacturing countries in Asia and South America, are the target markets for the ACS Group’s Port and Logistic Services area.

This activity shows sustainable growth especially in ports which supply large reference geographic areas (such as the Port of Valencia which supplies the entire central area of the Iberian Peninsula). Maritime traffic in Spanish ports rose 10% between 2005 and 2006 and the trend heightened in 2007 with an 11.8% increase thereby exceeding 140 million tons in the loading and unloading of containers.

Total maritime traffic
Millions of tons

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>4,000</td>
<td>4,500</td>
<td>5,000</td>
<td>5,500</td>
<td>6,000</td>
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<td>7,500</td>
<td>8,000</td>
<td>8,500</td>
<td>9,000</td>
<td>9,500</td>
</tr>
</tbody>
</table>

Source: Fearnleys
1.4 Industrial Services

The ACS Group operates in all fields of applied engineering, from development and construction of new projects to maintenance of industrial infrastructures in the energy, communications and control systems sectors. The activities are carried out through two Industrial Groups; the Cobra Group and Dragados Industrial, companies with extensive experience and technical capabilities.
Grupo Cobra

- Ancillary services for electricity, gas and water distributors, communications and railways; installations and assembly in the specialties of mechanics, electricity, climate control, instrumentation and control of security systems; "turnkey" industrial plants for electricity, oil and gas energy and desalination.

- Design, installation and maintenance of urban and interurban traffic regulation systems and public lighting.

- High-voltage lines, railway electrification, communications infrastructure and industrial installations in general.

- Maintenance, assembly, installation and services in the specialties of mechanics, electricity, instrumentation and control systems.

- Public-lighting services, maintenance of building, public telephones and fountains, electrical installations and other project (lamps, collectors), road safety; integrated road signalling, conservation and maintenance of roads, and consultancy and technical assistance.

- Promotion, construction, operation and maintenance of renewable energy plants, particularly wind farms.

Dragados Industrial

- Construction of off-shore platforms, modular plants, large-scale equipment and metallic structures.

- Electrical and instrumentation installations, climate control, energy transmission lines, railway electrification, airport installations, electrical substations, design and manufacturing of electrical display panels, engine control rooms and centres, and security installations.

- Industrial maintenance, mechanical assembly and gas pipelines.

- Engineering, installation and maintenance of traffic, instrumentation, lighting and tolls systems.

- Management of "turnkey" projects in the areas of energy, oil, and industrial and gas installations.

- Construction of industrial projects and projects related to energy in Mexico.

- Engineering and execution of projects in energy-related fields.

- Engineering and construction of industrial plants.

- International management of equipment and services, mainly location, promotion and execution of projects associated with social and economic development in countries with emerging economies.
Activity description

In 2007, the Industrial Services area’s turnover was €5,489 million and it obtained an order book of €5,854 million, guaranteeing 13 months of activity. The strong growth in activity in this area means that its production has increased by 8.5 times since 1997, equivalent to an annual growth rate of 24%. Once again this consolidates the ACS Group’s position as the leading company in this sector in Spain, and as one of the main competitors in Europe and the other markets in which it operates.

The wide range of services supplied by the activity guarantees continuous sustained growth and geographical diversification provides growth opportunities in markets with growing development needs. In 2007, sales abroad accounted for 31.1% of the total.
ACS Group’s Industrial Services are grouped into Support Services to Industry and Energy Projects.

Support Services to Industry engages in industrial maintenance and include three areas of activity:

- **Networks**: maintenance activity of electrical, gas and water distribution networks with over 80 years of experience.

- **Specialized Installations**: combines the activities of construction, installation and maintenance of high-voltage electrical networks, telecommunications systems, railway installations, electrical installations, mechanical assemblies and climate control systems.

- **Control Systems**: ACS has become the leading provider of engineering, installation and operation of control systems for industry and urban services, noteworthy among which are control systems for traffic and transport and systems for integral maintenance of public infrastructures.

The main projects carried out in 2007 in the area of Support Services to Industry were:

- Worthy of note among maintenance of distribution Network installations:
  - The Lanzhou Project for the distribution, transmission, supervision and maintenance of the natural gas network; supply of a SCADA system and basic engineering and supply of equipment and materials for a 300,000 Nm³/day LNG plant.
  - Conservation and cleaning of the sewage network for zones IV-V of the Canal de Isabel II in Madrid.
  - Assembly of 60 km of Ø 12" steel pipe for the gas pipeline from Cella to Calamocha (Teruel).
  - Construction of a gas pipeline between Orihuela and Torrevieja.
  - Electrical maintenance for the Gijón Port Authority (Asturias).
1.4.1 Industrial Services

- Amongst Specialized Installations, the following projects are worthy of note in the area of high voltage electrical networks:
  - “Turnkey” construction of a single triplex circuit 400 kV line, 500 km long, Wadi-Rabie-Roweis, with 126,700 m³ of foundations and 21,500 m³ of concreting, with 9 type AAAC816-236.39 mm conductors (3 conductors per phase), a total of 1,200 self-supporting lattice towers in 23,000 Tm galvanised steel and an OPGW cable (24 fibres), glass insulators (3,900 chains of insulators) with an execution time of 30 months for GECOL in a temporary joint venture at 50% with Inabensa (in execution).
  - “Turnkey” construction of a 230 kV line (115 km) Baghari-Serajganj-Bogra, as well as the 230/132 kV Bogra substation, with an execution period of 24 months for PGCB (in execution).
  - Concession contract, including “turnkey” construction of 72 km of 500 kV line from Serra da Mesa II to Emborçação and 5 associated 500 kV substations.
  - Project 124 SR 813 Bajío Division - (2nd Phase): 37 km of 230 and 115 kV high voltage lines and associated 230/115 kV substations.
  - Construction of a new factory for Arcelor Mittal in Zaragoza (220 kV, 250 MVA overhead feed line and set, internal electrical installations and integral controls).

- In Railways, the following High Speed line projects carried out for the Administrator of Railway Infrastructures (ADIF) are worthy of note:
  - Project for the electrification of the high Speed line between Tarragona and Barcelona.
  - Project for the electrification of the High Speed line between Cordoba and Malaga.

- In Energy Projects, the ACS Group has participated in:
  - Mechanical assembly of the Castellon combined cycle thermal power station.
  - Pipe and structural assembly in the Mugardos regasification plant for Reganosa.
  - Assembly of three combined cycle boilers at Sagunto for Unión Fenosa.

- The following projects are worthy of note in Electrical Installations and Climate Control Systems:
  - Medium and Low Voltage electrical installations, Local Area Network installations for voice and data, Public Address System and Fire Detection installations in Lanzarote Hospital.
  - Integral security system installations in the Madrid 7 Penitentiary Centre in Extremera.
  - New power plant with uninterruptible air conditioning systems with converter groups in Minorca airport.
  - Climate control, centralised control and fire extinguishing systems installations, electrical and special installations for the new Puerta de Hierro Hospital in Majadahonda (Madrid).
  - Climate control, centralised control, plumbing, fire detection and fire fighting systems installations in the Torre de Caja Madrid in Real Madrid’s Ciudad Deportiva.
  - Climate control, ventilation, centralised control and fire fighting systems installations and electrical and special installations in the Plaza Castilla and Principe Pío interchanges in Madrid.

- In Control Systems, the contracts carried out in 2007 include:
  - Free-flow toll system for the Mitcham Frankston Freeway (Eastlink project, Melbourne, Australia) urban motorway.
  - Maintenance of the mass transport system for the city of Barquisimeto (Venezuela).
  - Operation and maintenance service for the Treta communications network for emergencies and civil protection for Madrid City Council.
  - Coordinated installation, expansion and maintenance service for security systems (Madrid Subway).
  - Maintenance for the control centre for the tunnels on the M-30 (Madrid).
In **Integrated Projects**, the ACS Group engages in “turnkey” projects and developing renewable energies. Its main activities are:

- **CPE Projects** which include the carrying out of large projects related to electrical energy, oil and gas, engineering applied to industry and high speed railway systems.

- **Renewable Energies**: through the development, “turnkey” construction and operation of wind farms and industrial solar thermal energy plants.

The following projects were carried out in 2007 in **CPE Projects**:

- Engineering, supply, construction and commissioning as a “turnkey” contract of the 400 MW combined cycle plant in Sabon, La Coruña, for Unión Fenosa.

- Engineering, supply, construction and commissioning of the desulphurisation plant for the four groups at the Sines (Portugal) coal-fired thermal power station for EDP.

- Engineering, supply, construction and commissioning for the regasification plant for liquefied natural gas at Sagunto, made up of three storage tanks of 150,000 m³ each.

- Engineering, supply, construction and commissioning of three oil refinery units (integrated crude and vacuum unit, catalytic cracking unit and hydrodesulphurisation unit for diesel) in the General Refinery at Lázaro Cárdenas in Veracruz, México, for PEMEX.

In **Renewable Energies**, as well as constructing both wind and solar energy generating installations, the ACS Group was participating in 28 operating wind farms with an installed power of 834 MW and an attributable power of 582 MW at 31 December 2007. Furthermore, the Group is participating in 14 wind farms currently under construction with an installed power of 484 MW and an additional 24 wind farms in the financing or development phase with installed power of 1,506 MW.

In the **Solar Energy area**, work continued in 2007 in the construction phase at 3 farms where development started in 2006:

- Andasol I and Andasol II; two thermal solar energy generating plants of 50 MW each, the first of their class in Spain; and

- Extresol I, also with 50 MW of installed power located in Extremadura.

Five projects are also in the financing or development phase within the area of solar energy: Andasol IV, Extresol II and III and Manchasol I and II, with a total installed power of 250 MW.

At 31 December 2007, the ACS Group had a stake in 21 concession projects for the management and maintenance of high-voltage lines in Brazil and Peru, with secured financing from the World Bank. These projects total 9,287 km and a managed investment of over €2,100 million.
### Wind farms in Operation

<table>
<thead>
<tr>
<th>Wind farm</th>
<th>Location</th>
<th>Power, MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Anta</td>
<td>Albacete</td>
<td>50.0</td>
</tr>
<tr>
<td>Serón II</td>
<td>Almeria</td>
<td>10.0</td>
</tr>
<tr>
<td>El Colmenar</td>
<td>Almeria</td>
<td>30.0</td>
</tr>
<tr>
<td>La Lora 1</td>
<td>Burgos</td>
<td>49.6</td>
</tr>
<tr>
<td>La Lora 2</td>
<td>Burgos</td>
<td>49.6</td>
</tr>
<tr>
<td>Perul</td>
<td>Burgos</td>
<td>52.3</td>
</tr>
<tr>
<td>Lastra (same co. as El Perul)</td>
<td>Burgos</td>
<td>11.2</td>
</tr>
<tr>
<td>Lodoso</td>
<td>Burgos</td>
<td>49.5</td>
</tr>
<tr>
<td>Marmellar</td>
<td>Burgos</td>
<td>49.5</td>
</tr>
<tr>
<td>Chumillas*</td>
<td>Cuenca</td>
<td>50.0</td>
</tr>
<tr>
<td>Barrigoso (Minifarm)</td>
<td>La Coruña</td>
<td>3.0</td>
</tr>
<tr>
<td>Monte da Borda (Minifarm)</td>
<td>La Coruña</td>
<td>3.0</td>
</tr>
<tr>
<td>Monte das Aguas (Minifarm)</td>
<td>La Coruña</td>
<td>3.0</td>
</tr>
<tr>
<td>Novo</td>
<td>La Coruña</td>
<td>18.8</td>
</tr>
<tr>
<td>Outes</td>
<td>La Coruña</td>
<td>35.1</td>
</tr>
<tr>
<td>Requeixo*</td>
<td>La Coruña</td>
<td>11.7</td>
</tr>
<tr>
<td>Somozas</td>
<td>La Coruña</td>
<td>49.7</td>
</tr>
<tr>
<td>Tourifan IV</td>
<td>La Coruña</td>
<td>24.7</td>
</tr>
<tr>
<td>Víminanzo</td>
<td>La Coruña</td>
<td>49.5</td>
</tr>
<tr>
<td>Raposeras*</td>
<td>La Rioja</td>
<td>39.0</td>
</tr>
<tr>
<td>Sierra de Utrera*</td>
<td>Málaga</td>
<td>33.4</td>
</tr>
<tr>
<td>L’Enderrocada - SEESA</td>
<td>Tarragona</td>
<td>29.9</td>
</tr>
<tr>
<td>Tortosa</td>
<td>Tarragona</td>
<td>48.1</td>
</tr>
<tr>
<td>Airota</td>
<td>Portugal</td>
<td>3.3</td>
</tr>
<tr>
<td>Penamacor 1</td>
<td>Portugal</td>
<td>20.0</td>
</tr>
<tr>
<td>Penamacor 2</td>
<td>Portugal</td>
<td>14.7</td>
</tr>
<tr>
<td>Penamacor 3A</td>
<td>Portugal</td>
<td>20.0</td>
</tr>
<tr>
<td>Penamacor 3B</td>
<td>Portugal</td>
<td>25.2</td>
</tr>
</tbody>
</table>

**Total in Operation:** 833.6

Note: The average stake in these wind farms is 69.8%

(*) Companies accounted for by the equity method

### Wind farms under Construction

<table>
<thead>
<tr>
<th>Wind farm</th>
<th>Location</th>
<th>Power, MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>La Noguera</td>
<td>Almeria</td>
<td>30.0</td>
</tr>
<tr>
<td>Serón I</td>
<td>Almeria</td>
<td>50.0</td>
</tr>
<tr>
<td>Tijola</td>
<td>Almeria</td>
<td>36.8</td>
</tr>
<tr>
<td>Arroyal</td>
<td>Burgos</td>
<td>46.5</td>
</tr>
<tr>
<td>La Caldera</td>
<td>Burgos</td>
<td>22.5</td>
</tr>
<tr>
<td>Sargentes</td>
<td>Burgos</td>
<td>24.0</td>
</tr>
<tr>
<td>Isletes</td>
<td>Cádiz</td>
<td>25.3</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>Cádiz</td>
<td>23.0</td>
</tr>
<tr>
<td>Sierra de las Carbas</td>
<td>Salamanca</td>
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<tr>
<td>Santa Catalina</td>
<td>Valencia</td>
<td>25.5</td>
</tr>
<tr>
<td>Viudo I</td>
<td>Valencia</td>
<td>40.0</td>
</tr>
<tr>
<td>Viudo II</td>
<td>Valencia</td>
<td>30.0</td>
</tr>
<tr>
<td>Tesosanto</td>
<td>Zamora</td>
<td>50.0</td>
</tr>
<tr>
<td>Sabugal</td>
<td>Portugal</td>
<td>39.9</td>
</tr>
</tbody>
</table>

**Total under Construction:** 483.5

Note: The average stake in these wind farms is 85.4%
### Wind farms in Promotion/Financing

<table>
<thead>
<tr>
<th>Wind Farm</th>
<th>Location</th>
<th>Power, MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palanacas*</td>
<td>Asturias</td>
<td>18.0</td>
</tr>
<tr>
<td>Buseco</td>
<td>Asturias</td>
<td>50.0</td>
</tr>
<tr>
<td>Almazán Meco</td>
<td>Ávila</td>
<td>200.0</td>
</tr>
<tr>
<td>Castilla La Mancha</td>
<td>Cuenca</td>
<td>85.0</td>
</tr>
<tr>
<td>Aragón</td>
<td>Granada</td>
<td>60.0</td>
</tr>
<tr>
<td>EEUU</td>
<td>Granada</td>
<td>150.0</td>
</tr>
<tr>
<td>Extremadura*</td>
<td>Granada</td>
<td>125.0</td>
</tr>
<tr>
<td>Grecia</td>
<td>Granada</td>
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<td>Loma del Capón*</td>
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<td>Plan Eólico Galicia II</td>
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<td>Rioja</td>
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<td>Tajos de Bazán</td>
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<tr>
<td>Valcaire</td>
<td>Granada</td>
<td>16.0</td>
</tr>
<tr>
<td>Las Tadeas (Palencia Sur)</td>
<td>Palencia</td>
<td>36.8</td>
</tr>
<tr>
<td>Valdehierro (Palencia Sur)</td>
<td>Palencia</td>
<td>14.4</td>
</tr>
<tr>
<td>Guijuelo (Salamanca)</td>
<td>Salamanca</td>
<td>50.0</td>
</tr>
<tr>
<td>Cerrellar</td>
<td>Valencia</td>
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<tr>
<td>Cerromiro</td>
<td>Valencia</td>
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</tr>
<tr>
<td>Hontanar</td>
<td>Valencia</td>
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<tr>
<td>Muela del Buitre</td>
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<td>45.0</td>
</tr>
<tr>
<td>Viudo III</td>
<td>Valencia</td>
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</tr>
<tr>
<td>Bandeleras</td>
<td>Zamora</td>
<td>36.0</td>
</tr>
<tr>
<td>Rodera Alta</td>
<td>Zamora</td>
<td>34.0</td>
</tr>
</tbody>
</table>

Total: 1,505.7

*Note: The average stake in these wind farms is 80.2%.*

* (*) Companies accounted for by the equity method

### Thermal Solar Energy under Construction

<table>
<thead>
<tr>
<th>Thermal Solar Energy</th>
<th>Location</th>
<th>Power, MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andasol I</td>
<td>Andalucia</td>
<td>50.0</td>
</tr>
<tr>
<td>Andasol II</td>
<td>Andalucia</td>
<td>50.0</td>
</tr>
<tr>
<td>Extresol I</td>
<td>Extremadura</td>
<td>50.0</td>
</tr>
</tbody>
</table>

Total: 150.0

*Note: The average stake is 83.3%*

### Thermal Solar Energy in Promotion

<table>
<thead>
<tr>
<th>Thermal Solar Energy</th>
<th>Location</th>
<th>Power, MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andasol IV</td>
<td>Andalucia</td>
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</tr>
<tr>
<td>Extresol II</td>
<td>Extremadura</td>
<td>50.0</td>
</tr>
<tr>
<td>Extresol III</td>
<td>Extremadura</td>
<td>50.0</td>
</tr>
<tr>
<td>Manchasol I</td>
<td>Castile La Mancha</td>
<td>50.0</td>
</tr>
<tr>
<td>Manchasol II</td>
<td>Castile La Mancha</td>
<td>50.0</td>
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</tbody>
</table>

Total: 250.0

*Note: The stake in each is 100%*
### Transmission Line Concession Projects

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Country</th>
<th>Km</th>
<th>Voltage kV</th>
</tr>
</thead>
<tbody>
<tr>
<td>UIRAPURU (Ivaipora - Londrina (B sep 04))</td>
<td>Brazil</td>
<td>122.0</td>
<td>525</td>
</tr>
<tr>
<td>IEMG</td>
<td>Brazil</td>
<td>172.0</td>
<td>200</td>
</tr>
<tr>
<td>CPTE Cachoeira paulista</td>
<td>Brazil</td>
<td>181.0</td>
<td>500</td>
</tr>
<tr>
<td>ETIM Itumbiara Marimbondo</td>
<td>Brazil</td>
<td>212.0</td>
<td>500</td>
</tr>
<tr>
<td>SPTE Serra Paracatú Energy Transmitter</td>
<td>Brazil</td>
<td>246.0</td>
<td>500</td>
</tr>
<tr>
<td>PCTE Poços de Caldas Energy Transmitter</td>
<td>Brazil</td>
<td>308.0</td>
<td>500</td>
</tr>
<tr>
<td>VCTE - Tucuruí - Vila do Conde</td>
<td>Brazil</td>
<td>324.0</td>
<td>230</td>
</tr>
<tr>
<td>ARTEMIS - (Concesionaria Paraná) Lote B 03</td>
<td>Brazil</td>
<td>376.0</td>
<td>525</td>
</tr>
<tr>
<td>Concessionaire NTE</td>
<td>Brazil</td>
<td>386.0</td>
<td>500 / 230</td>
</tr>
<tr>
<td>Concessionaire STE</td>
<td>Brazil</td>
<td>386.0</td>
<td>230</td>
</tr>
<tr>
<td>Iracema (LT Sao Joao de Piauí - Milagres)</td>
<td>Brazil</td>
<td>400.0</td>
<td>500</td>
</tr>
<tr>
<td>LOTE B (Subasta noviembre’07)- San Joao do Pidaui-Milagres</td>
<td>Brazil</td>
<td>400.0</td>
<td>500</td>
</tr>
<tr>
<td>RPTE Ribeirão Preto Energy Transmitter</td>
<td>Brazil</td>
<td>412.0</td>
<td>500</td>
</tr>
<tr>
<td>PPTE - Imbirisu - P. Primavera - Dourados</td>
<td>Brazil</td>
<td>490.0</td>
<td>230</td>
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<tr>
<td>ETEE Expansión</td>
<td>Brazil</td>
<td>581.0</td>
<td>500</td>
</tr>
<tr>
<td>SMTE Serra da mesa</td>
<td>Brazil</td>
<td>681.0</td>
<td>500</td>
</tr>
<tr>
<td>LTT Triângulo Energy Transmitter</td>
<td>Brazil</td>
<td>708.0</td>
<td>500</td>
</tr>
<tr>
<td>IENE (LT Colinas - Sao Joao de Piaui)</td>
<td>Brazil</td>
<td>720.0</td>
<td>500</td>
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<tr>
<td>ITE Cuiabá - Itumbiara</td>
<td>Brazil</td>
<td>808.0</td>
<td>500</td>
</tr>
<tr>
<td>JTE Jaurú Energy Transmitter</td>
<td>Brazil</td>
<td>949.0</td>
<td>230</td>
</tr>
<tr>
<td>REDESUR</td>
<td>Perú</td>
<td>425.0</td>
<td>220</td>
</tr>
</tbody>
</table>

**Total Kilometres**: 9,287
Operating income and net profit increased in line with the evolution of production and these maintain high margins on sales.

The features of the offers from Industrial Services lead 60% of the annual turnover to be of a recurring nature, mainly relating to maintenance contracts with high visibility.

The Industrial Services order book grew by 15.1% in 2007, guaranteeing activity over the coming years.
1.4. Industrial Services

Contracts awarded in 2007

<table>
<thead>
<tr>
<th>Contracts awarded in 2007</th>
<th>Amount</th>
<th>Type of project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maaden Project: Construction of a chemical plant in Saudi Arabia</td>
<td>353</td>
<td>Energy Projects</td>
</tr>
<tr>
<td>Maintenance contract of the fixed telephone line for the period between May 2007 and April 2012 (Spain)</td>
<td>250</td>
<td>Networks</td>
</tr>
<tr>
<td>Combined Cycle Power Contract in Lares (Portugal)</td>
<td>220</td>
<td>Energy Projects</td>
</tr>
<tr>
<td>Engineering, procurement, building, commissioning, hook up and sea tests of extraction modules anchored to a barge (Norway)</td>
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<td>Energy Projects</td>
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<td>Maintenance contract with Endesa for 3 years (Spain and Latin America)</td>
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<td>Construction of a desalination plant in Benisaf (Algeria)</td>
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<td>Construction of the San Lorenzo combined cycle power plant in Puebla (Mexico)</td>
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<td>70</td>
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Business strategy

The experience of the ACS Group through its companies, some of which are over 80 years old, enables it to meet clients’ needs by taking advantage of a decentralised structure which fosters competitiveness and the search for new business opportunities.

The ACS Group’s competitive advantages in the Industrial Services area are:

- Leading supplier to water, gas and electricity companies in the development and maintenance of their generation and distribution installations.
- Leading name in the development and maintenance of specialized installations, such as thermodynamic and mechanical installations, electrical installations, railway installations (both conventional and high-speed) and telecommunications installations.
- One of the leading competitors worldwide in the development of large projects for the gas and oil industries, from the construction of offshore platforms and modules to “turnkey” projects of refineries and petrochemical plants.

Leading company in energy power projects, such as combined cycle power plants, regasification plants and renewable energy.

One of the main industrial investors promoting the development of renewable energies, both wind and solar.

Leading domestic company in the development and maintenance of technological systems related to telecommunications, roadway and railway traffic, public lighting and industrial control.

Investing in the development of renewable, wind power and thermal solar energy, both for the ACS Group and third parties.

Promoting organic growth or growth through the purchase of small technologically advanced companies.

Tackling international markets hand in hand with clients, meeting rigorous profitability and stability criteria.

The strategy in Industrial Services is to make full use of the sector's good prospects for growth by selecting those projects which can be carried out in the most efficient and profitable manner by means of achieving the following objectives:

- Maintaining its leadership in the market and the sector.
- Fostering the obtainment of maintenance projects offering recurrence and visibility.
- Optimising the average profitability of the activity by dedicating resources to specialised projects or “turnkey” solutions, while maintaining a strict cost control policy.
1.4 Industrial Services

Sector Environment

The Industrial Services area encompasses a large number of markets and activities and is affected mainly by the evolution of needs for electrical energy and progress in the global oil and gas industry. These sectors have good growth prospects in upcoming years.

According to the U.S. Electricity Information Administration, demand for energy will increase in a sustained manner over the coming years, with the consequent increase in the need for generation.

Nevertheless, this demand for energy is influenced by several factors which make significant investments necessary to keep pace with demand:

- Access to energy resources is becoming more difficult. It is increasingly complicated to extract fossil fuels and renewable energies, although having great potential, still have their limitations.

- The current energy generating system needs to undergo reforms and investments to reduce greenhouse gas emissions as a means to curtail global warming.

- The growing demand cannot be sustained by an obsolete portfolio of generating and distribution infrastructures which on many occasions means imbalances in generation/consumption which foster energy dependency.

- The geopolitical situation of several main resource producers is unstable.
Global investment in infrastructures is necessary, growing and constant and this will be focussed on assets for extraction, distribution, storage and refining of fossil fuels and generating and distribution capacity for electrical energy.

Global generation of Energy


Once again, a significant rise has been seen in the price of oil, which closed on 31 December at $94 per barrel of Brent crude. This enables the large oil and gas companies to continue their development of projects for the expansion of their activities.

Price of oil-Brent Barrel

Source: Reuters
World Energy Outlook places the value of future investments to be undertaken by the oil companies at a figure of over $175,000 million per year, mainly in refining. In Spain in 2007, four new refineries continued to be developed at a combined investment of over €5,000 million.

Likewise, it is estimated that the existing reserves of natural gas exceed 180 trillion cubic metres. These reserves are distributed around the world while demand is concentrated in the developed countries, especially Europe and North America.

This means that the gas companies need to make heavy investments to extract, transport and distribute the gas in the markets as demand is forecast to grow solidly in the forthcoming years.

**Gas reserves**
Trillines cubic metres 2006

![Gas reserves chart]


**Gas consumption**
TCM

![Gas consumption chart]

These investments cover the whole gas value chain and will need to rise by over 25% for the industry to be capable of meeting demand up to 2030.

The consumption of electrical energy is also estimated to rise in the coming years, although to a lesser extent. Nevertheless, the electricity sector needs to make heavy investments to modify its generating mix, increasing efficiency at the same time as reducing its greenhouse gas emissions.

The electricity companies operating in Spain continue to develop their strategic plans which include investments running to millions in the coming years. The ACS Group is one of the main service providers for these electricity companies.

In this sector, construction of new generating plants and renewable energy generating resources is expected to continue, as well as the maintenance of high- and low-voltage power lines.

As a consequence of the investment trend in the industry, demand is also growing for installation operation and maintenance services, largely from public service companies and industrial corporations:

- Many industrial companies are attempting to increase their productivity in order to be able to compete in increasingly liberalised sectors while offering greater flexibility in order to increase efficiency and promote expansion in new activities in domestic and international markets.
- Public Administrations are attempting to optimise expenditure in order to meet growing social demands by improving existing public services and developing new products and technologies that improve their quality.
Since the beginning of 2007, Unión Fenosa has been integrated as a new branch of activity within the ACS Group called Energy. This integration, together with the increased stake in electricity up to 45.3%, shows the ACS Group’s firm commitment to the energy sector.

Unión Fenosa is the third largest electricity company in the Spanish market. It is an integrated energy company with international scope, excellent positioning in the market and is a solid base from which to tackle a new and ambitious growth plan like that foreseen in the 2007-2011 BIGGER Plan.

Unión Fenosa is currently present on four continents with electricity generation, distribution and commercialisation activities, in the entire gas supply chain and in mining. As a whole the Company has a stake in nearly 15,500 MW of installed generating capacity with 11,700 MW being attributable to it and it provides service to 9.1 million gas and electricity clients.

The integration of Unión Fenosa brings a change in the scope of consolidation of the ACS Group’s accounts as Unión Fenosa has been fully consolidated since January 2007.
Activity report

Generation

Unión Fenosa’s gross installed power in Spain increased by 1,349 MW during 2007 to reach 8,865 MW, with production of over 34,000 GWh. The performance of its power plants was significantly better than the rest of the sector, showing an increase in generation of 10.7% as against growth of 3.2% in the sector, with a 10.6% growth in ordinary regime versus 1.5% nationally and 14.3% growth in special regime as against 10.5% at the domestic level.

During the financial year, in compliance with the Royal Decree on Large Combustion Plants, Unión Fenosa started an investment plan in all the group’s coal-fired stations which will enable it to guarantee compliance with that stipulated in the Decree. Outstanding among the main actions considered are the installation of desulphurisation plants, the modifications to the boiler burners to reduce NOx emissions and other additional measures for particle emission reduction by means of improving the precipitators and filters and injecting SOx.

Construction was also completed on Unión Fenosa Generation’s combined cycle power plants at Sagunto during 2007. The generating unit is made up of three groups which came into commercial service in July, September and October, with a rated power of 1,200 MW, which combined with the regasification plant makes up the main core around which the Sagunto Energy Park is formed.

The 400 MW rated power combined cycle group built on the current site of the thermal plants at Sabón (La Coruña) is anticipated to come into commercial operation at the end of the first half of 2008. This was 99% complete at 31 December 2007. This group is supplied with gas from the Reganosa (Ferrol) regasification plant.
**1.5 Energy**

**Distribution**

In the Distribution area in Spain, the demand from the 3.5 million clients in Unión Fenosa’s market was very dynamic throughout the year and the energy supplied grew by 3.5%, reaching 35,150 GWh. The progressive changeover of clients to the Liberalised Market is clearly shown with the reduction in the energy supplied through the Regulated Market (Integral Tariff) (-3.9%) and the noteworthy increase in energy supplied through the Free Market (Access Tariff) (+35.3%).

In 2007, €311 million was invested in strengthening Unión Fenosa’s commitment in terms of covering demand, guaranteeing supply and supply quality in the area of energy distribution. Hence 1,456 km net of new Medium and Low Voltage lines were put into service in the MV/LV network, i.e., not including the network sections withdrawn from service, and 77 km net of High Voltage lines. The Company’s distribution and transport network totalled 112,274 km at the end of 2007.

Associated with these investments, it is worth highlighting the TIEPI, the Interruption Time Equivalent to the Installed Capacity. This continues at values lower than those which could be considered to be underlying or structural for this index and in the 2007 financial year was 1.3 hours. This figure improved on the mark set in 2006 by 27 minutes and improved on that recorded in 2005, which had been the Company’s all-time record.
Gas

In the Gas business (100% Unión Fenosa Gas), Unión Fenosa has built on the maturity of the project it started in 1997. Unión Fenosa Gas has achieved growth in its commercial activity in Spain and, in particular, outstanding development in the sales segment for combined cycle plants. It also recorded increases in international commercial activity where it has taken part in a large number of transactions.

In this regard, the industrial project has reached the end of its first phase as contemplated in the Plan for 2001-2007 with the entry into service of the Reganosa (Ferrol) regasification plant in November of 2007. The investments made up to the end of 2007, corresponding to the projects included in this Plan, reached €2,126 million, with the accumulated investments attributable to Unión Fenosa Gas totalling €1,001 million.

In addition to the abovementioned investments, which belong to the first round of infrastructure projects, projects belonging to the second investment phase continue:

- Construction of a second train in Damietta (Egypt),
- First and second expansion of storage and regasification capacity at the Sagunto LNG terminal.

The gas supplied to the Spanish gas system in the financial year rose by 7.8% to reach 48,328 GWh. This figure represents 12.1% of all the natural gas consumed in Spain and 13.5% of that consumed in the Liberalised Market.

The volume of sales by Unión Fenosa Gas reached 74,564 GWh, of which 49,784 GWh were in the Spanish Liberalised Market and the remainder internationally.
1.5 Energy

International

Internationally, the Unión Fenosa Group’s strategy is to seek to consolidate a broad spectrum of businesses capable of exploiting the great potential for growth and profitability these markets can offer and for these to act as bridges for the development of new businesses within the BiGGER Plan.

All the investments are made with the clear intention of being permanent, in a climate of collaboration with Local Authorities in the improvement and development of existing regulatory frameworks and they are aimed at providing the best electricity service to its clients and increasing the efficiency and competitiveness of its operations.

<table>
<thead>
<tr>
<th>Nodes</th>
<th>Generation</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Installed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Power</td>
<td>Energy</td>
</tr>
<tr>
<td></td>
<td>Production</td>
<td>Supplied</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clients</td>
</tr>
<tr>
<td>Mexico</td>
<td>1,550 MW</td>
<td>10,009 GWh</td>
</tr>
<tr>
<td>Colombia</td>
<td>952 MW</td>
<td>3,513 GWh</td>
</tr>
<tr>
<td>Central America and Others</td>
<td>332 MW</td>
<td>1,536 GWh</td>
</tr>
<tr>
<td>Total</td>
<td>2,834 MW</td>
<td>15,058 GWh</td>
</tr>
</tbody>
</table>

In the International Generation business, installed power reached 2,834 MW with the incorporation of the Hidroprado hydroelectric power plants in Colombia in July. This has a gross generating power of 52 MW and produced 51 GWh in the plant’s busbars during 2007.

In the Distribution business outside Spain, 22,345 GWh were supplied, representing 37.9% of the energy supplied by the Group, to 5.5 million clients, 60.3% of Unión Fenosa’s clients. Unión Fenosa’s market in the international area is characterised by its strong dynamism as is highlighted by the growth in energy supplied which reached 6.8%.

Within the scope of its international businesses, the Unión Fenosa Group’s investments in the financial year totalled €249 million. These investments were basically allocated to improving the Medium and High Voltage networks and to the construction and commissioning of new generating projects.
In March 2007, Unión Fenosa was awarded the construction of the 450 MW Norte I combined cycle power plants in the state of Durango (Mexico). The start of construction was set for October 2007 and the scheduled date for commercial operation is January 2010. Also in Mexico, the Bii Hioxo wind farm is being developed in the State of Oaxaca. The total installable power is 230 MW and its first phase is anticipated to go into service in 2010.

In May 2007, 50% of the Mexican company Zemer Energía was acquired. This company is developing a wind farm Project in the La Rumorosa (Baja California) area with a capacity from 500 to 1,000 MW of installed power.

In Kenya, the Energy Regulatory Commission (ERC) approved the contract for the sale of capacity and energy (PPA) negotiated between Iberáfrica Power and Kenya Power & Lighting Company (KPLC) for the expansion of the power of the current plant by 50 MW to enter into service at the end of 2008.
Activity Report

1.5 Energy

Mining

LIMEISA: The exploitation of what would become the flagship of Unión Fenosa’s Mining Division started in 1980. The Meirama lignite mine has supplied the thermal power plants of the same name for 27 years. In total 93 million tons of lignite were extracted, the last 3.9 million of these in 2007, with its definitive closure taking place in January 2008.

Kangra Coal (South Africa): In 2007, Unión Fenosa completed the acquisition of 64% of this company which is the owner of the Savmore coal mine, located in the Mpumalanga region of South Africa. The remaining 36% is owned by two local partners.

The deposit has a forecast saleable production of 2.6 million tons, progressively expandable to 3.2 million tons. The estimated reserves of soft coal and anthracite total 90 million tons.

In turn, Kangra Coal owns 2.3% of Richard Bay Coal Terminal (RBCT), a company with the best port installations in the world for exporting coal.

Business strategy: 2007-2011
BIGGER Plan

At the end of 2006, Unión Fenosa presented its Strategic Plan for the period 2007-2011, called the BIGGER Plan. This Plan is an ambitious development project combining organic growth, acquisitions and the drive to form alliances with strategic partners and incorporates new challenges for the Company.

The Plan’s objective is to achieve earnings per share of 4 euros in 2011 and in order to do this, at its completion, a net profit of €1,200 million and a gross operating profit (EBITDA) in excess of €3,200 million will be required.

From the time of its presentation, Unión Fenosa has carried out several actions enabling the objectives of the BIGGER Plan to be reaffirmed. Development in the Plan’s first year and that forecast for 2008 constitute a solid platform for guaranteeing growth of the businesses beyond the period of the Plan.

At the end of this first year of execution, with respect to the performance of projects already identified, Unión Fenosa has committed over €2,400 million, a figure which is already close to that forecast in the Plan.

Sector environment

According to the latest forecasts from the International Energy Agency (Eurelectric), global demand for electricity in a reference scenario, in which it is assumed that there will be no changes in the energy or environmental policies already adopted or undergoing approval, is set to double in the next 25 years, from 15,016 TWh in 2005 to 29,737 TWh in 2030. On average, demand grows by 2.8% annually worldwide. In developing countries it grows three times faster than in the OECD and triples in 2030 and China and India, countries with rapid current growth, experience the highest rates of growth in demand.
In the period under study, the technologies which undergo the greatest relative increase in share of total generation are coal and renewables. In the former case total generation rises from 40% at the current time to 45% in 2030, while the relative importance of non-hydroelectric renewable energy sources continues to increase from 2% now to 7% at the end of the study period. On the contrary, the use of oil in electricity generation continues to fall, from 7% to 3% and nuclear energy experiences the largest fall in market share, dropping from 15% in 2005 to 9% in 2030.

In any case, coal continues to dominate the generating mix in the majority of the regions, although its relative importance increases in regions which do not belong to the OECD and falls in OECD regions.
1.5 Energy

The growing global demand for energy, contributed to significantly by emerging countries such as China and India, has important implications for energy security in the world. The dependence of consuming countries on imports of oil and gas will grow markedly in the absence of new policies to slow demand in the main consuming countries, so guaranteeing reliable and affordable supplies will represent a formidable challenge.

Another challenge facing the globalised world is that of sustainability in a setting marked by the maintenance of the importance of fossil fuels in the energy model (according to the IEA it will continue to account for 80% of primary energy) and growing environmental demands.

The global increase in fossil fuel consumption will continue to drive energy-related CO₂ emissions during the period 2005-2030, from 26.6 to 41.9 Gt, with the United States, China, Russia and India contributing two-thirds of this increase.

The investments forecast in the study carried out by the International Energy Agency for the period 2006-2030 urges accumulated investment of around 22 billion dollars for the period. These costs derive from the forecasts for energy replenishments for each fuel and region, estimating the capacity needs for new construction for production, transport and transformation.

In the European setting, according to Eurelectric, it is estimated that the increase in demand around the year 2030 will be 1.3% annually as a reflection of technological progress, comfort and economic growth. This growth will imply an increase in generating capacity of 50% (825 GW) by 2030.

On the other hand, the decisions taken in some EU countries with respect to nuclear energy will take nuclear capacity to a level 40% lower than the current level, in spite of investing 48 GW in new nuclear power. With regard to gas, it is estimated that there will be considerable investment in combined cycle plants, rising to encompass 50% of new plants in the next fifteen years. In the 2015-2030 period, due to the loss of competitiveness of gas against coal, 250 GW of coal plants will be built.

With regard to renewable energies, it is estimated that these will represent 25% of total energy generation in 2030 as against 15.7% in 2005.

In conclusion, Eurelectric considers its study that electricity has the potential to contribute considerably to the three basic pillars of European energy policy: reducing emissions, competitiveness and guaranteeing supply. This opportunity will be possible insofar as an energy policy is developed based on:

- Exploitation of the potential of energy efficiency by encouraging the saving of culture.
- Development of a low CO₂ emission electrical system using all the available options.
- Intelligent electrification of the economy, improving electricity efficiency both with respect to supply and demand and developing synergies between low emission electricity supplies and efficient electrical technologies related to demand.
- Implementation of existing technologies for widespread use and converting new technologies into business realities by means of R&D activities, demonstration programmes, long-term CO₂ price indicators and the elimination of barriers to the integration of markets.
- International cooperation in R&D and demonstration projects, as well as an international framework for policies and cooperation on the subject of climate change.

In the Spanish energy market, the demand forecasts in the Sixth Framework Report on Demand for Electrical Energy and Natural Gas for the 2007-2011 period concludes that the gas market will show high growth rates. As such, growth in consumption forecast for the conventional market shows rates of around 6.9%.
In turn, the energy generation market for combined cycle plants is adapting to the real needs of electricity demand. In the central scenario for overall electrical consumption an average increase of 7.0% is forecast.

Demand for electrical energy has grown strongly in recent years. This continuing increase has shown itself in a rise in consumers’ income level, which in turn implies increased equipment in the domestic and tertiary sectors while consumption is maintained in the industrial sector. However, per capita consumption figures for Spain are still lower than those of other European countries.

Faced with the increases in demand mentioned, both for gas and electricity, the Spanish energy system will need to continue developing gas and electricity infrastructures which ensure supply.

In general, supply forecasts show an initially rising path for the LNG share of total supplies, although this falls at the end of the period analysed to around 71%. This is due to the new direct international gas pipeline from Algeria, called MEDGAZ, coming into service, allowing piped gas supplies to be increased.

With regards to the infrastructure required to cover the demand for electrical energy, from the approval of the Electricity Sector Law of 1997 the construction of new generating plants has become a liberalised activity, solely governed by the criteria of the generating companies. In this way, new capacity is subject to the investment plans of the companies which analyse the profitability of the new installations depending on growth in demand for energy and market and supply conditions.

It is important to clarify that the inclusion of new electricity generating power in the ordinary regime will be due mainly to the incorporation of new combined cycle plants.

Another element of great importance in covering present and future demand is Special Regime energy. It must be borne in mind that the Electricity Sector Law sets the objective for renewable energies to reach 12% of the demand for primary energy by 2010. This value means that 29.4% of the total electricity demand would be supplied by renewable energies by 2010, considering moderate growth in demand, by means of the implementation of a plan for energy savings and energy efficiency.

The existence of sufficient infrastructures is an essential requirement, both to guarantee security of supply and to ensure its quality and enable effective competition in the operation of the market, which underpins the need to monitor the development of such infrastructures.
The ACS Group actively participates in key sectors of the economy such as infrastructures and energy through its investees, Abertis, Iberdrola and Hochtief, which contribute €138 million to Group net profit and investment, which represented a market value of €12,002 million at 31 December.

### 1.6.1 Abertis

Abertis is the most important infrastructures company in Europe in terms of market capitalization and number of projects. It is a leading international group in the management of infrastructures for mobility and telecommunications through five business areas: motorways, telecommunications, airports, parking and logistics.

### Revenue 2007 (%)

- Toll roads: 87%
- Telecommunications: 6%
- Airports: 2%
- Car parks: 5%
- Logistics: 4%
- Other: 11%

### EBITDA 2007 (%)

- Toll roads: 76%
- Telecommunications: 6%
- Airports: 2%
- Car parks: 5%
- Logistics: 4%
- Other: 87%

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</thead>
<tbody>
<tr>
<td>Abertis</td>
<td>3,620</td>
<td>682</td>
<td>EM</td>
<td>14,071</td>
<td>25.8%</td>
<td>96.5</td>
<td>3,630</td>
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<tr>
<td>Iberdrola</td>
<td>17,468</td>
<td>2,354</td>
<td>Not consolidate</td>
<td>51,933</td>
<td>12.4%</td>
<td>88.3</td>
<td>6,440</td>
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<tr>
<td>Hochtief</td>
<td></td>
<td></td>
<td>EM</td>
<td>6,440</td>
<td>30.0%</td>
<td>-46.2</td>
<td>1,932</td>
</tr>
</tbody>
</table>

* Iberdrola and Hochtief including the effect from equity derivatives. Abertis as of 31 March 2008 (as of 31 December 2007: 24.8%)

Total revenue 2007: 3,620 millions of euros
Total EBITDA 2007: 2,269 millions of euros
During 2007, Abertis showed solid growth combined with strong cash generation, with growth in double digits. Income increased by 8.6% with respect to the 2006 financial year, reaching €3,620 million due to its strong activity in the different sectors, with motorways, telecommunications infrastructure and airports standing out therein, having grown by 8.4%, 7.3% and 6.4% respectively. The profit attributable to the company at 31 December was €682 million, which represents growth of 28.7%

Abertis’s internationalisation, diversification and selective growth strategy of the last few years continued in 2007 through its investments, which reached €2,141 million in the year. Significant efforts were made in the telecommunications area where Abertis invested €1,144 million.

Likewise, in the initial months of 2008, Abertis has carried out two significant operations with the acquisition of the ACS Group’s stakes in:

- Its airport concessions in Mexico, Jamaica, Chile and Colombia and
- The two motorway concessionaires in Chile: Rutas del Pacifico and Autopista Central.

The ACS Group’s objective through its presence in Abertis, with 25.8% of its capital, is to participate in the operation and management of infrastructures across the whole value chain of the concessions business. To do this it promotes, supports and contributes to Abertis’s strategy, the pillars of which are:

- Rigorous investment criteria, demanding on expected financial returns, prospects for becoming an industrial partner with influence and commitment in day to day management.
- On occasions, minority stakes are necessary milestones to facilitate majority stakes in the future.
- Optimisation of financial strength to continue growing at reasonable prices in the context of a more selective market with fewer competitors.
- Commitment to maintaining a solid capital structure, with a low risk profile and high cash generation visibility.
- A dividend policy which reflects the commitment to offer returns to shareholders.
1.6.2 Iberdrola

Iberdrola is one of the leading energy groups in terms of installed capacity, profitability, total profits and capitalization.

- It is the second most important electricity company on the Iberian Peninsula, with installed power of 26,987 MW. It also has over 10 million clients enabling it to distribute 102,478 MW.

- It has a significant international presence, with an installed power of 15,529 MW. Worthy of note are its presence in the United Kingdom through the recent integration of Scottish Power; in Latin America where it has significant investments in Brazil and Mexico; and in the United States as one of the main renewable energy operators.

- It is the world leader in development and management of renewable energies through its subsidiary, Iberdrola Renovables, which was quoted on the stock market as of 13 December last. This has an installed capacity of 7,704 MW and generated over 13,309 GWh in 2007.

Iberdrola recorded sales of €17,468 million in 2007, with net profits of €2,354 million, up 41.8% on 2006.

The ACS Group is the company’s main shareholder with 7.2% of the electricity shares and an additional 5.2% through derivatives. Iberdrola contributes to the Group’s profit through its dividends, which are accounted as financial profit. Its contribution in 2007 amounted to €88 million.

### Main operating figures

<table>
<thead>
<tr>
<th></th>
<th>Installed Power</th>
<th>Production</th>
<th>Distribution</th>
<th>Gas Supplies</th>
<th>Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iberdrola</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>26,987 MW</td>
<td>65,893 GWh</td>
<td>102,478 GWh</td>
<td>52,915 GWh</td>
<td>10,000</td>
</tr>
<tr>
<td>International</td>
<td>15,529 MW</td>
<td>57,567 GWh</td>
<td>56,618 GWh</td>
<td>37,372 GWh</td>
<td>12,000</td>
</tr>
<tr>
<td>Total</td>
<td>42,516 MW</td>
<td>123,460 GWh</td>
<td>159,096 GWh</td>
<td>90,287 GWh</td>
<td>22,000</td>
</tr>
</tbody>
</table>
1.6 Strategic Investments

1.6.3 Hochtief

The ACS Group became the main shareholder in the German construction and concessions group in April 2007 when it acquired a 25.1% stake for the sum of €1,264 million. The Group has also acquired 4.9% through financial derivatives.

Hochtief, founded in 1875, is one of Europe’s oldest construction companies and has evolved to become one of the main private developers of infrastructures and public buildings in the world.

- It is the fourth biggest construction company in the world in sales volume, according to ENR, at €16,452 million in 2007, with a net profit of €141 million.
- It has five large business areas: Hochtief Construction Services Americas (which mainly acts through Turner and Flatiron), Hochtief Construction Services Asia Pacific (through the company Leighton), Hochtief Construction Services Europe, Hochtief Airports and Hochtief Development (concession and integral maintenance projects).

The investment in Hochtief provides the ACS Group with great potential for growth and profitability at the same time as, by means of collaboration between the two groups, it enables the strengthening of ACS’s international business development from a privileged platform in the United States, Central Europe and Asia-Pacific. This is fundamentally in the infrastructure concessions sector and in large public works and building for institutions, in which projects will be engaged in jointly.

- It is one of the top ten infrastructure concessions developers. Among other concessions it participates in Athens, Düsseldorf, Hamburg and Sydney airports as well as motorways such as the Vienna North Highway, the San Cristóbal tunnel and the Vespucio Norte Express in Chile, the Herren Tunnel in Lübeck (Germany), the North-South Bypass tunnel in Australia and the North Luzon Expressway in the Philippines.
- Likewise, it is a developer of public buildings with private partnerships in Germany, the United Kingdom and Ireland, with over 80 projects, mainly buildings for educational purposes.
- In December 2007 it had 52,449 employees, of whom 81% worked outside Germany.
- It is present in geographical areas which are of great strategic interest to the ACS Group, such as the United States, the biggest construction market in the world with great prospects for development in the concessions area; Asia-Pacific, whose economic development indicates that it will become an ever larger construction market; and in other countries such as Canada, the Czech Republic, Austria, Bulgaria, Brazil and Southeast Asia.
The pillars of Hochtief’s strategy are:

- Well-balanced distribution of risks through development of businesses across the whole value chain.
- Internationalization to offset the risks and fluctuations of the regional market.
- Positioning in projects and businesses with stable and calculable cash flows.

### Revenue 2007

<table>
<thead>
<tr>
<th></th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Services Americas</td>
<td>43</td>
</tr>
<tr>
<td>Construction Services Europe</td>
<td>13</td>
</tr>
<tr>
<td>Construction Services Asia Pacific</td>
<td>37</td>
</tr>
<tr>
<td>Airport Development</td>
<td>7</td>
</tr>
</tbody>
</table>

### EBITDA 2007

<table>
<thead>
<tr>
<th></th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Services Americas</td>
<td>10</td>
</tr>
<tr>
<td>Construction Services Europe</td>
<td>8</td>
</tr>
<tr>
<td>Construction Services Asia Pacific</td>
<td>14</td>
</tr>
<tr>
<td>Airport Development</td>
<td>8</td>
</tr>
</tbody>
</table>

**Total Revenue 2007**: 16,452 million of euros  
**Total EBITDA 2007**: 830 million of euros
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