

Annual Report of ACS Group 2009

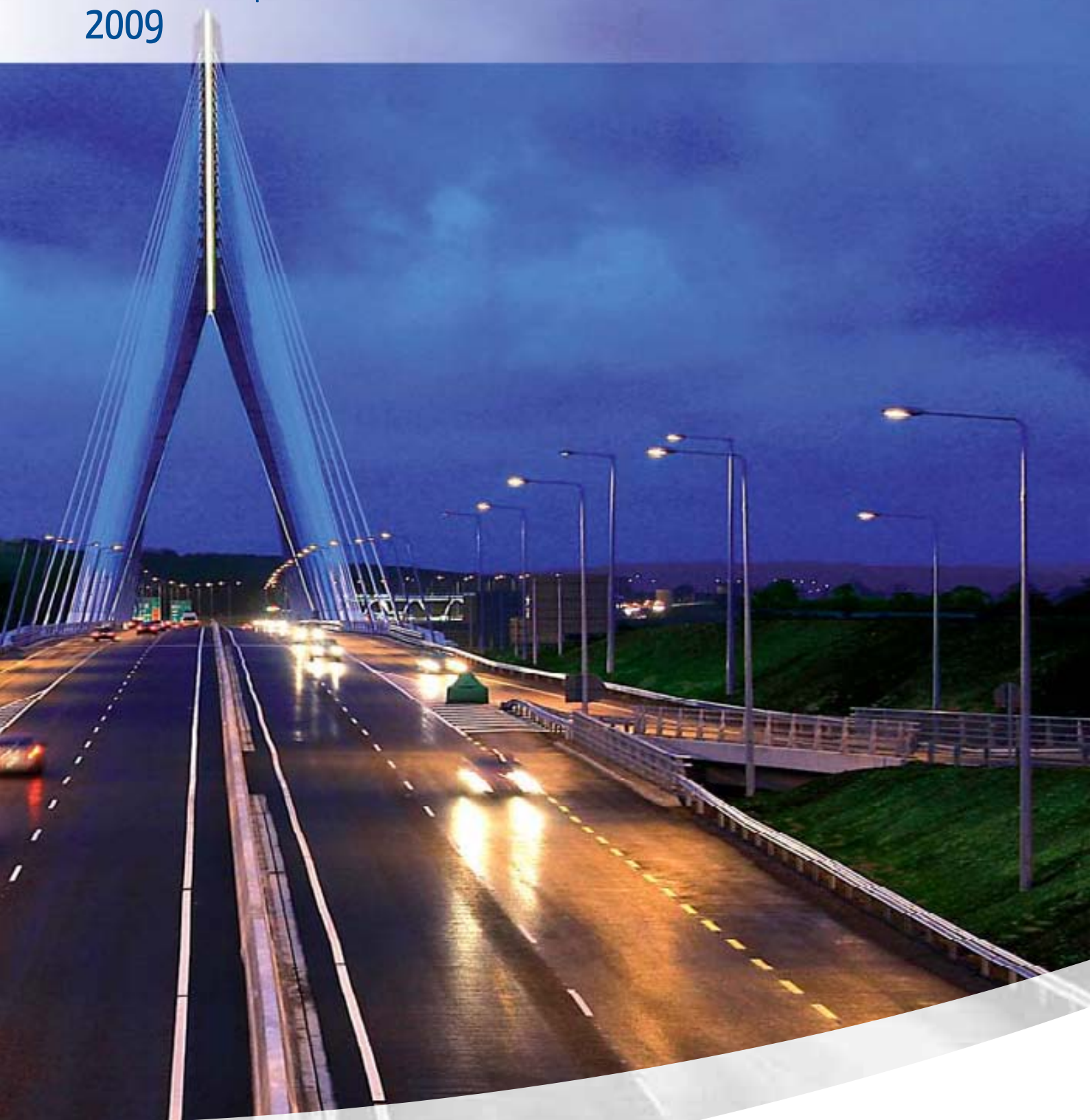


www.grupoacs.com



Cover photo: Waterford N25 Bypass (Ireland).

Activity Report of ACS Group 2009





Main figures of the ACS Group

| Financial and operating data | 2004 | 2005 | 2006 | 2007 ⁽¹⁾ | 2008 ⁽²⁾ | 2009 |
|---------------------------------|----------|----------|----------|---------------------|---------------------|-----------|
| Millions of euros | | | | | | |
| Turnover | 10,817.9 | 12,113.9 | 14,067.2 | 15,344.9 | 15,275.6 | 15,605.9 |
| Gross operating profit (EBITDA) | 981.1 | 1,095.5 | 1,270.3 | 1,379.8 | 1,382.5 | 1,458.0 |
| Net operating profit (EBIT) | 723.9 | 817.4 | 971.6 | 1,056.7 | 1,042.7 | 1,079.9 |
| Attributable net profit | 452.5 | 608.7 | 1,250.1 | 1,551.1 | 1,805.0 | 1,951.5 |
| Cash-flow ^(*) | 709.7 | 886.8 | 1,548.8 | 1,874.1 | 2,144.8 | 2,329.6 |
| Dividends paid | 96.8 | 137.6 | 211.7 | 441.1 | 600.2 | 653.2 |
| Net investments / (Divestments) | 1,196.4 | 4,216.4 | 5,407.1 | 2,475.0 | 170.5 | (1,307.4) |
| Total assets | 12,399.6 | 17,712.5 | 25,182.7 | 49,593.4 | 51,398.4 | 31,754.2 |
| Equity | 2,019.2 | 2,635.5 | 3,256.4 | 10,441.0 | 9,913.0 | 4,591.5 |
| Shareholders' equity | 1,905.4 | 2,480.9 | 3,115.7 | 4,653.8 | 3,402.4 | 4,303.4 |
| Total net debt | 1,423.9 | 4,264.6 | 8,746.3 | 7,938.7 | 9,355.8 | 9,271.4 |
| Net debt with recourse | 961.6 | 1,909.4 | 1,753.4 | 1,871.4 | 2,933.7 | 302.1 |
| Non recourse financing | 462.3 | 2,355.2 | 6,992.9 | 6,067.3 | 6,422.1 | 8,969.3 |
| Order book | 23,928.4 | 26,868.1 | 29,918.3 | 32,322.8 | 27,679.0 | 29,507.0 |
| Number of employees | 107,748 | 113,273 | 123,652 | 132,048 | 138,117 | 142,176 |

(*) Net profit + Depreciation + Change in provisions.

| Data per share ⁽³⁾ | 2004 | 2005 | 2006 | 2007 ⁽¹⁾ | 2008 ⁽²⁾ | 2009 |
|-------------------------------|------|------|------|---------------------|---------------------|-------|
| Euros | | | | | | |
| Earnings | 1.30 | 1.74 | 3.58 | 4.51 | 5.43 | 6.28 |
| Gross dividend | 0.39 | 0.60 | 1.25 | 1.75 | 2.05 | 2.05 |
| Cash-flow | 2.01 | 2.51 | 4.39 | 5.44 | 6.45 | 7.49 |
| Shareholders' equity | 5.40 | 7.03 | 8.83 | 13.52 | 10.23 | 13.84 |

| Stock market data | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Listed shares ⁽³⁾⁽⁴⁾ | 352,873,134 | 352,873,134 | 352,873,134 | 352,873,134 | 335,390,427 | 314,664,594 |
| Market capitalization (millions of euros) | 5,928.3 | 9,601.7 | 15,071.2 | 14,344.3 | 10,950.5 | 10,953.3 |
| Year-end closing price ⁽³⁾ | 16.80 € | 27.21 € | 42.71 € | 40.65 € | 32.65 € | 34.81 € |
| Annual revaluation | 30.23% | 61.96% | 56.96% | -4.82% | -19.68% | 6.62% |

| Key ratios | 2004 | 2005 | 2006 | 2007 ⁽¹⁾ | 2008 ⁽²⁾ | 2009 |
|------------------------|-------|--------|--------|---------------------|---------------------|--------|
| Operating margin | 6.7% | 6.7% | 6.9% | 6.9% | 6.8% | 6.9% |
| Net margin | 4.2% | 5.0% | 8.9% | 10.1% | 11.8% | 12.5% |
| ROE | 23.6% | 27.5% | 45.5% | 36.9% | 41.2% | 50.0% |
| Gearing ⁽⁵⁾ | 70.5% | 161.8% | 268.6% | 76.0% | 94.4% | 201.9% |
| Dividend yield | 2.3% | 2.2% | 2.9% | 4.3% | 6.3% | 5.9% |

(1) 2007 data proforma, Unión Fenosa has been reclassified as "Assets held for sale", using the same criteria as in 2008.

(2) 2008 data proforma, SPL has been reclassified as "Assets held for sale", using the same criteria as in 2009.

(3) Adjusted by the 3x 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).

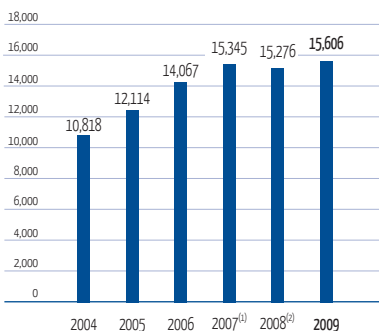
(4) On June 10th, 2004, there was a reduction in the share capital by a nominal amount of €1,353,679.5 through the redemption of 902,453 shares of treasury stock. On July 2008, there was a reduction in the share capital by a nominal amount of €8,741,385 through the redemption of 17,482,707 shares of treasury stock. Additionally, in January 2009, there was a reduction in the share capital by a nominal amount of €8,373,255, through the redemption of 16,746,453 shares of the treasury stock, according to the resolution that was approved in the Extraordinary General Shareholder's meeting, held in December 2008. On May 25th, 2009, there was a reduction in the stock capital by a nominal amount of €1,989,690 through the redemption of 3,979,380 shares of treasury stock.

(5) Gearing: Net Debt / (Shareholders' Equity + Minority interests).

Main figures of the ACS Group

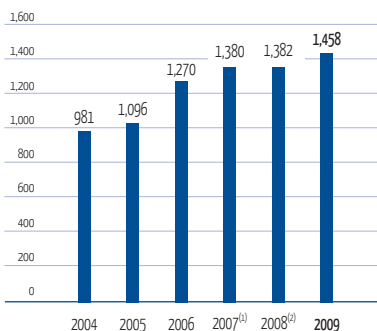
Turnover

Millions of euros



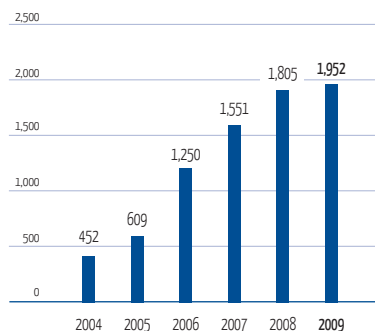
Gross operating profit (EBITDA)

Millions of euros



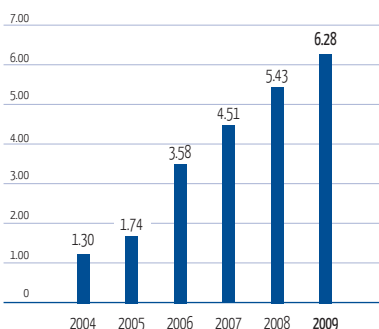
Attributable net profit

Millions of euros



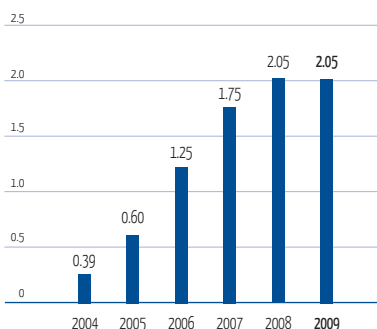
Earnings per share

Euros



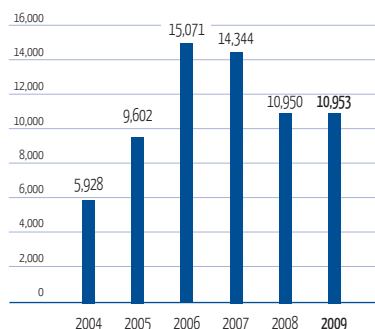
Dividend per share

Euros



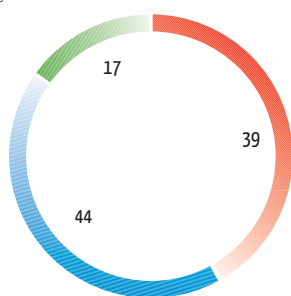
Market capitalization

Millions of euros



2009 Turnover by business⁽³⁾

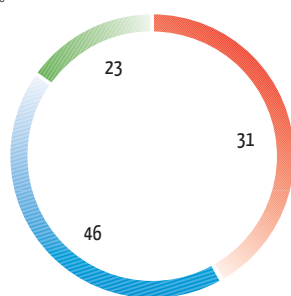
%



■ Construction
■ Industrial Services and Energy
■ Environment

2009 Gross operating profit (EBITDA) by business⁽³⁾

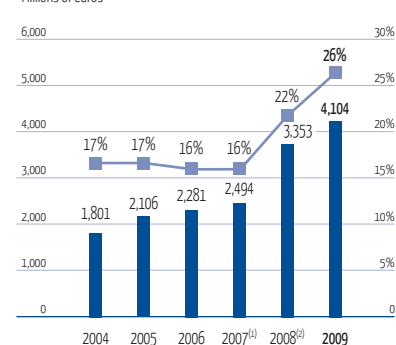
%



■ Construction
■ Industrial Services and Energy
■ Environment

Internationalization

Millions of euros



■ International Turnover
■ % International over Total

(1) 2007 data proforma, Union Fenosa has been reclassified as "Assets held for sale", using the same criteria that it has been used in 2008.

(2) 2008 data proforma, SPL has been reclassified as "Assets held for sale", using the same criteria that it has been used in 2009.

(3) Percentages are calculated considering the sum of the activities considered in the graph.

Construction 2009

Millions of euros

| | |
|---------------------------------|--------|
| Turnover | 6,125 |
| International | 23.3% |
| Gross operating profit (EBITDA) | 459 |
| Margin | 7.5% |
| Net profit | 241 |
| Margin | 3.9% |
| Order book | 11,431 |
| Employees | 20,014 |

Industrial Services and Energy 2009

Millions of euros

| | |
|---------------------------------|--------|
| Turnover | 6,862 |
| International | 33.5% |
| Gross operating profit (EBITDA) | 680 |
| Margin | 9.9% |
| Net profit | 348 |
| Margin | 5.1% |
| Order book | 6,619 |
| Employees | 38,468 |

Environment 2009

Millions of euros

| | |
|---------------------------------|--------|
| Turnover | 2,639 |
| International | 13.9% |
| Gross operating profit (EBITDA) | 341 |
| Margin | 12.9% |
| Net profit | 146 |
| Margin | 5.5% |
| Order book | 11,457 |
| Employees | 83,317 |

International presence

Countries in which ACS Group is present

Andorra
Angola
Algeria
Argentina
Australia

Bolivia
Brazil
Cameroon
Canada
Chile

China
Colombia
Costa Rica
Dominican Republic

Ecuador
Egypt
El Salvador
France
Greece

Guatemala
Honduras
India
Ireland
Italy

Jordan
Lybia
Morocco
Mexico
Nicaragua

Panama
Peru
Poland
Portugal
Saudi Arabia

South Africa
Spain
Uganda
United Arab Emirates

United Kingdom
United States
Uzbekistan
Venezuela



Annual Report of ACS Group

Letter from the Chairman 04

Management Bodies 06

Corporate Strategy 12

Construction 16

Concessions 34

Environment 44

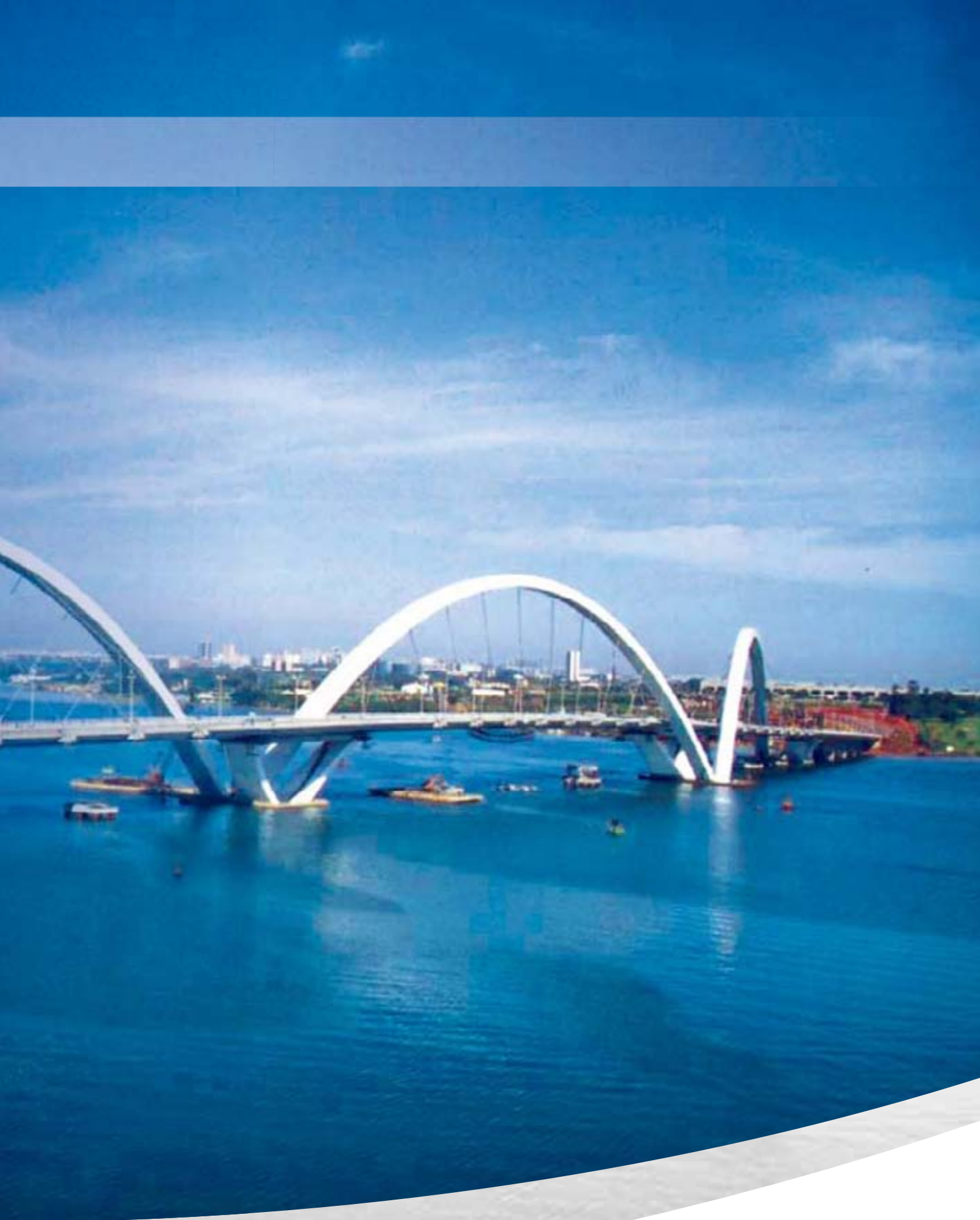
Industrial Services and Energy 62

Strategic Investments 88

Main Economic-Financial figures of the ACS Group 96

The ACS Group and Corporate Responsibility 100

Corporate Governance in the ACS Group 108



Leadership

Letter from the Chairman



Dear shareholders

As we reach the end of the first decade of the 21st century, the ACS Group has consolidated itself as one of the world's most important infrastructure companies, with outstanding leadership in the sector due to its size and profitability and already with extensive and growing international presence on the five continents.

During the last ten years we have managed to grow the Group's volume of business at an average of 18% per year to reach a turnover of €15,606 million in 2009. This value represents growth of 2.2% in a year which presented significant challenges and great uncertainty as a result of the deep international economic crisis we are suffering.

The efforts made to increase our international exposure, both organically and through the acquisition of some civil engineering companies, have borne fruit. This strategy enabled sales outside of Spain to grow by over 22% in 2009 to represent 26% of consolidated sales. Our international order book also experienced a significant quantitative leap, increasing 30% in the last year to represent 35% of the total.

This expansion would not have been possible without the ACS Group's over 142,000 employees, in addition to the 35,000 people who work on subcontracts, who enable us to be one of Spain's leading generators of employment. Their talent, effort and dedication have brought us to this point and will continue to drive us onward to reach higher goals.

Profitability will always be among these objectives. Attributable net profit grew 8.1% in 2009 to reach €1,952 million, the best results in our history and accumulating an average annual growth rate of over 36% since 2000. Net recurring profit, which excludes the profit from discontinued operations and extraordinary revenue, increased 20.4% on reaching €842 million.

Operating activities generated cash flows of over €1,652 million in 2009, growing by 70%, supported by good operating income and efficient management of working capital. This solid capacity for generating operating funds and the materialisation of the sale of 35.4% of Unión Fenosa have enabled us to continue making planned investments and to reduce the balance of net debt, which is €9,271 million.

This level of indebtedness permits us to take on possible opportunities for investment to keep growing with guarantees, while maintaining the current financial solidity. In this regard, it is worthy of note that the debt directly linked to financing our affiliates totals €5,228 million, a much lower figure than the market value of these holdings at the end of 2009, which totalled €8,186 million. The remaining debt is practically linked to the financing of projects.

The capital markets, despite having recovered part of the deep falls suffered in 2008, continue to include significant discounts, both in the shares of companies in which we have holdings and in our own share price. In this context, ACS' shares behaved in a more moderate fashion than the main stock market indexes, showing an annual revaluation of 6.6%, the result of lower volatility and better performance than the market in 2008.

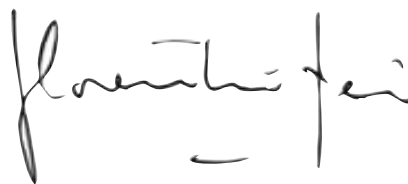
However, from a broader perspective, ACS has achieved average profitability of over 20% in this first decade of the 21st century. This figure, compared to the average profitability of the IBEX with dividends, which scarcely exceeded 3.5% in the same period, shows the ACS Group as the top Spanish company in the creation of value for its shareholders between 2000 and 2009, having generated €6,840 million.

At the ACS Group we continue to insist on a strategy of sustainability on its three axes: the economic axis, highly linked to profitability and investment; social, with special impact on our own employees; and environmental, a determining factor in all the activities we carry out.

As the most outstanding fact for 2009, I would like to point out the 14% increase in the number of disabled employees who work in the Group's companies and who number more than 2,300 as a consequence of an active work policy with a high level of social commitment.

Also in the area of corporate governance, significant improvements were made aimed at reinforcing the transparency and independence of our system of governance, introducing the necessary changes in the rules of the Board of Directors to adapt our procedures to practically all the recommendations in the Unified Code of Good Governance.

I sincerely believe that the consistency of our strategy and the continual recruiting of talent place us in a privileged position. But there is still far to go and the decade beginning presents us with the challenge of beating the one just finished. With this objective we are going to keep working with the same effort and enthusiasm to maintain our leadership and continue creating value in a sustainable manner for all our shareholders.



Florentino Pérez
Chairman of the ACS Group

Management Bodies

Board of Directors

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

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 Cartera Industrial REA, S.A.

Chairman of Bodegas Lan

Vice Chairman of Zardoya Otis

Member of the Board of Directors of Mecalux

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

Mr. José María Aguirre González ■

Doctorate in Civil Engineering

Member of the Board of Directors of ACS Group since 1995

Honorary Chairman of Banco Guipuzcoano

Mr. Agustín Batuecas Torrego

Civil Engineer

Member of the Board of Directors of ACS Group since 1999

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

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

Mr. Manuel Delgado Solís ■

B.S. in Pharmacy. Lawyer

Member of the Board of Directors of ACS Group since 2003

■ Member of the Executive Committee

■ Member of the Audit Committee

■ Member of the Appointment and Remuneration Committee

☐ Secretary non-member

Mr. Javier Echenique Landiribar

B.A. in Economics

Member of the Board of Directors of ACS Group since 2003

Chairman of Banco Guipuzcoano

Member of the Board of Directors of Telefónica Móviles Mexico

Member of the Board of Directors of Telefónica España

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

Ms. Sabina Fluxá Thienemann

B.A. in Business Studies and MBA from the ESADE

Member of the Board of Directors of ACS Group since 2009

Vice Chairman of Grupo Iberostar

Mr. Joan-David Grimà i Terré

Doctorate in Economics and Business Studies

Member of the Board of Directors of ACS Group since 2003

Member of the Board of Directors of TEKA

Mr. Pedro López Jiménez

Civil Engineer

Member of the Board of Directors of ACS Group since 1989

Member of the Board of Directors of Keller Group Plc

Vice Chairman of Dragados

Mr. Juan March de la Lastra

B.A. in Business Administration

Member of the Board of Directors of ACS Group since 2008

Member of the Board of Directors of Banca March

Member of the Board of Directors of Indra

Mr. Santos Martínez-Conde Gutiérrez-Barquín

Civil Engineer

Member of the Board of Directors of ACS Group since 2001

CEO of Corporación Financiera Alba

Member of the Board of Directors of Acerinox

Member of the Board of Directors of Banca March

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

Member of the Board of Directors of Endesa

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

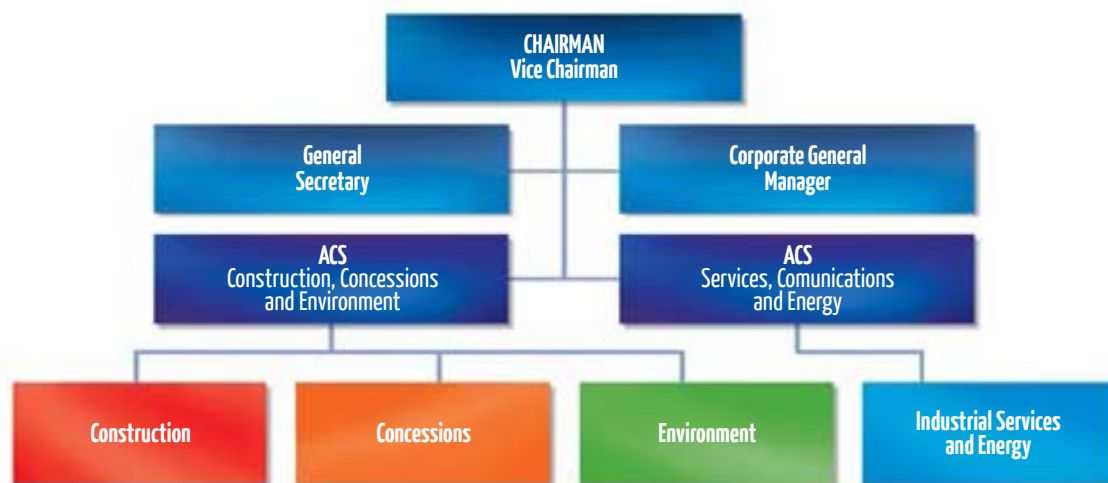
Lawyer and State Attorney

Member of the Board of Directors of ACS Group since 1989

Management Bodies

Management Committee





From left to right (seated)

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 Vice Chairman of Abertis.

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.

From left to right (standing)

Mr. Marcelino Fernández Verdes

Chairman and CEO of the Construction and Concessions and Environment 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 and CEO of Dragados and ACS SyC, as were as responsible for the areas of Construction, Concessions and Environment.

Mr. Ángel García Altozano

Corporate General Manager

Born in 1949. Civil Engineer and MBA.

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.

Mr. Eugenio Llorente Gómez

Chairman and CEO of the Industrial Services and Energy Area

Born in 1947. Industrial Technical Engineer and MBA, Madrid Business 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 Services and Energy Area of the Group.

Management Bodies

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

Construction, Environment and Concessions

Mr. Marcelino Fernández Verdes
Chairman and CEO

Mr. Luis Nogueira Miguelsanz
Secretary General

Construction

Dragados

Mr. Marcelino Fernández Verdes
Chairman and CEO

Mr. Ignacio Segura Surinach
General Manager

Mr. Luis Nogueira Miguelsanz
Secretary General

Mr. Ricardo Martín de Bustamante
Civil Works Manager

Mr. Juan Luis García-Gelabert Pérez
Building Manager

Mr. Eloy Domínguez Adame
International Manager

Mr. Maximiliano Navascués Redondo
Contracting Manager

Mr. Alfonso Costa Cuadrench
Technical Services Manager

Vías y Construcciones

Mr. Manuel Pérez Beato
Chairman

Mr. Gonzalo Gómez Zamalloa
CEO

Mr. Manuel Álvarez Muñoz
Civil Works Manager

Mr. Ignacio Legorburu Escobar
Building Manager

Tecsa

Mr. José María Aguirre Fernández
General Manager

Seis

Mr. Alejandro Canga Botteghelz
CEO

Mr. Pablo Quirós Gracián
General Manager

Drace Medio Ambiente

Mr. Fernando García Arribas
General Manager

FPS

Mr. Juan Mata Arbide
General Manager

Geocisa

Mr. Alejandro Canga Botteghelz
CEO

Cogesa

Mr. Enrique Pérez Rodríguez
CEO

Environment

Urbaser

Mr. Javier Polanco Gómez-Lavín
Chairman and CEO

Mr. José María López Piñol
General Manager



ACS Services Communications and Energy

Dragados SPL

Mr. Javier Polanco Gómez-Lavín
Chairman and CEO

Mr. Agustín Batuecas Torrego
Vicepresident

Mr. Víctor Alberola Ruipérez
General Manager

Clece

Mr. Cristóbal Valderas Alvarado
Chairman and CEO

Mr. Diego Zumaquero García
General Manager

Concessions

Iridium

Mr. Manuel García Buey
Chairman and CEO

Mr. Víctor Revuelta García
Exploitation General Manager

Mr. Francisco Fernández Lafuente
Deputy General Manager

Mr. Eugenio Llorente Gómez
Chairman and CEO

Mr. José Alfonso Nebrera García
General Manager

Mr. José Romero de Ávila González-Albo
Secretary General

Grupo Cobra

Mr. Eugenio Llorente Gómez
CEO of Cobra

Mr. Daniel Vega Baladrón
CEO of SEMI and MAESSA

Mr. José Antonio Fernández García
General Manager of Etra Group

Mr. José María Castillo Lacabex
General Manager of IMESAPI

Mr. José Reis Costa
Chairman of CME

Dragados Industrial

Mr. Vicente Prados Tejada
CEO of CYMI and Masa

Mr. Pablo García Arenal
General Manager of Large Contract

Mr. Raúl Llamazares de la Puente
CEO of Initec, Intecsa and Makiber

Mr. Pedro Ascorbe Trián
*General Manager of Dragados
Offshore*

Mr. Juan Enrique Ruiz González
*Chairman of Sice Technology and
Systems*



Corporate Strategy

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.



Mission

Pursuing global leadership

- Positioning itself as one of the main players in all those sectors in which it takes part as a means of boosting its competitiveness, maximising value creation in relation to its clients and continuing to attract talent to the organisation.
- Meeting the needs of our clients by offering a diversified portfolio of products, innovating daily and selectively investing to increase the range of services and activities offered.
- 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.

Optimising 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.

Promoting sustainable growth

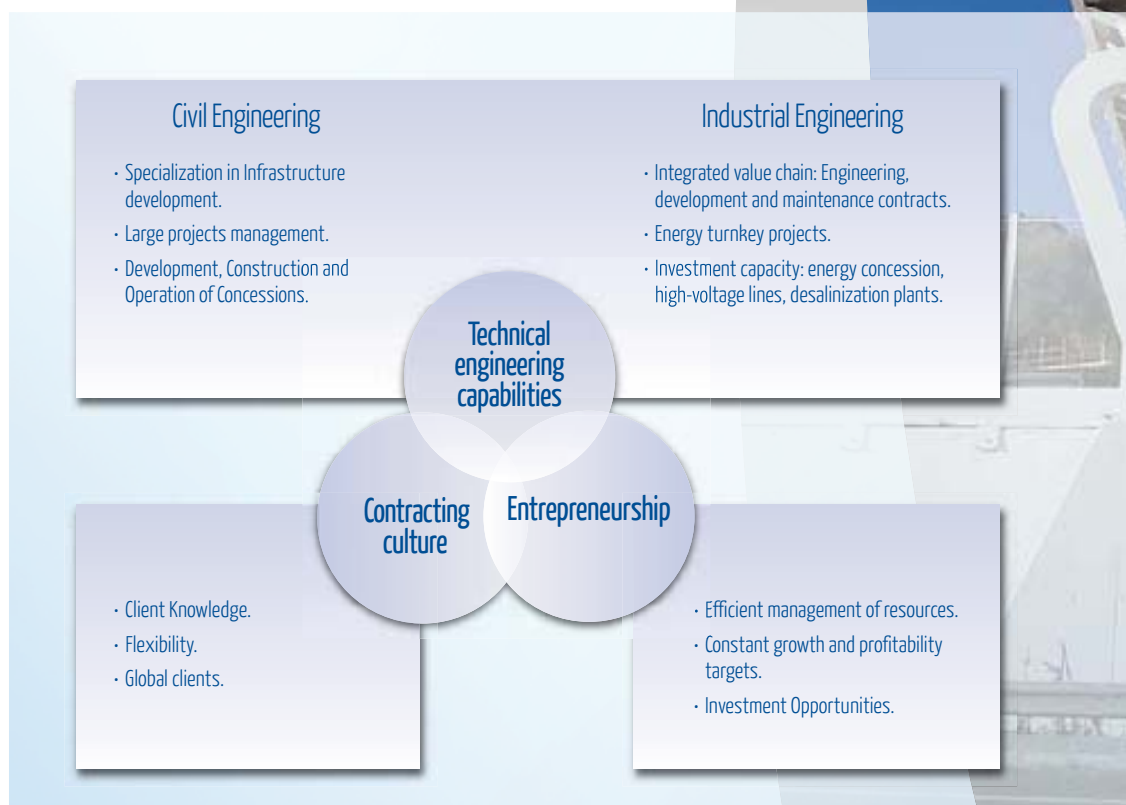
- Improving the society in which we live by helping to grow the economy, generating wealth through the ACS Group's own activities, thereby guaranteeing the well-being of citizens.
- Respecting the economic, social and environmental backdrop, innovating in the establishment of company procedures and respecting 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 stable, respectable and fairly-remunerated employment.

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.

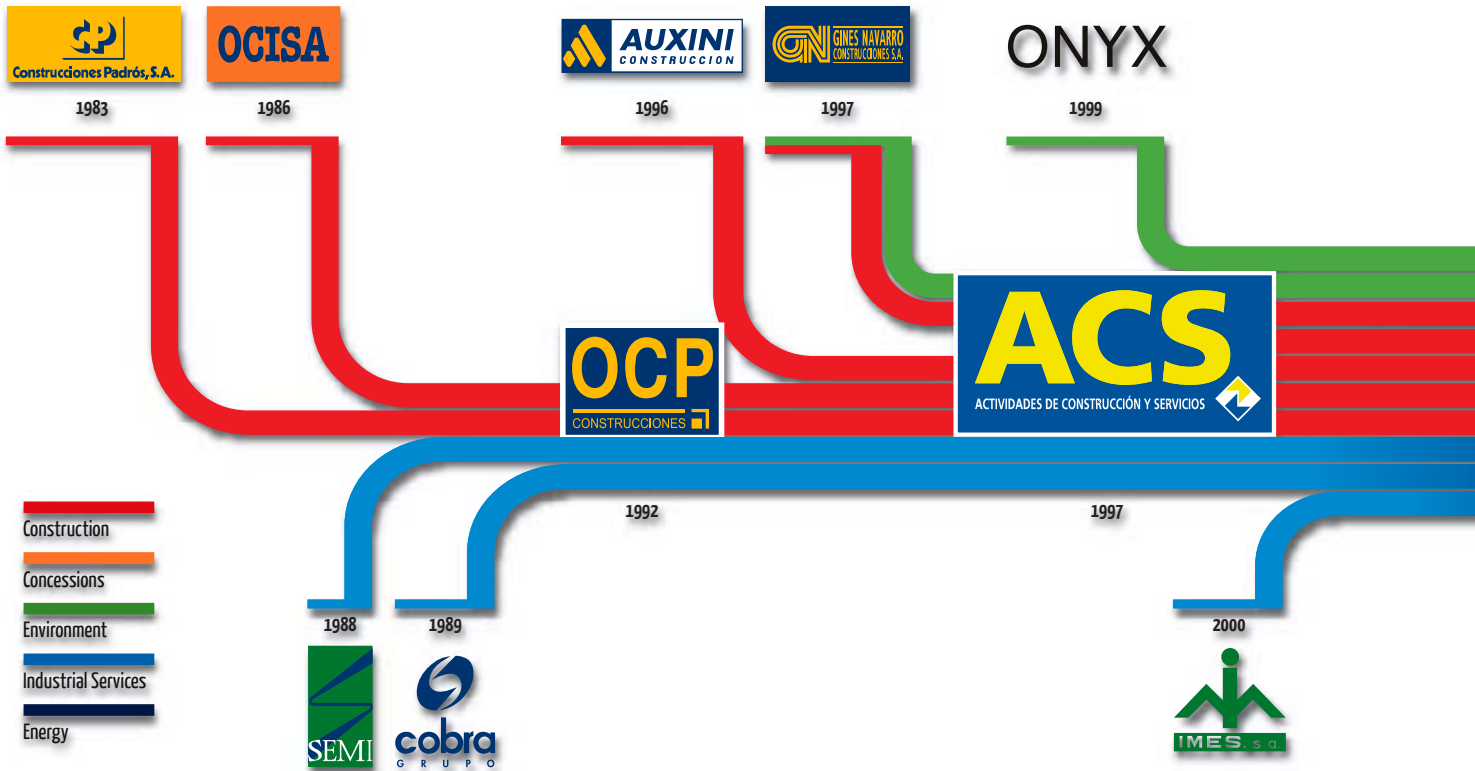
These values, which have formed part of the Group's culture since its foundation, have created the main competitive advantages which are the cornerstone of its past and future growth.

Competitive advantages



Corporate Strategy

History



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.

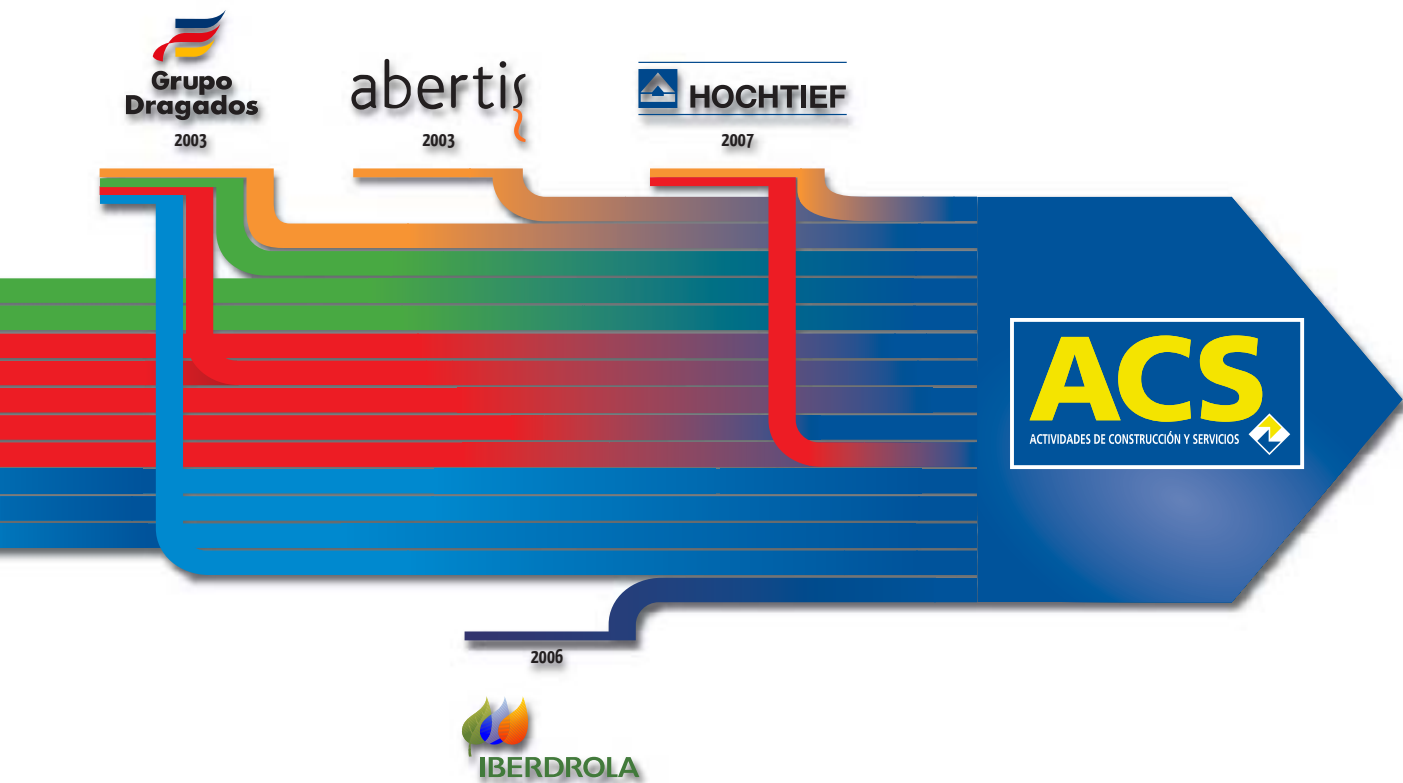
The first of the large company mergers took place in 1992 with the creation of OCP, which would be the seed for the Group structured as it is today. OCP became one of the leading construction company groups in Spain. A second large merger took place in 1997, with the creation of ACS as a result of OCP's 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; Imes, 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 share in Hochtief, a world leader in infrastructure development with a powerful presence in the USA, Central Europe, Australia and Southeast Asia. This operation is designed to provide a platform for the ACS Group to accelerate its international expansion.

In July 2008, the ACS Group sold its shareholding in Unión Fenosa with the objective of consolidating its position in the energy sector as the leading shareholder in Iberdrola, increasing its stake in the company to give it an outstanding role in the development of the premier Spanish electricity company.

In November 2008 ACS started to operate its first thermal solar plant with thermal storage devices in Spain, the plant Andasol I in Granada. In 2009 ACS has completed and started to operate two additional plants, achieving an installed capacity of 150 MW in operation. There are also 4 thermal solar plants under construction, which are expected to be completed in 2012 and 2013, which will mean a total installed capacity of 350 MW by 2013. This commitment to technology leads to the ACS Group to be a worldwide leader in the development of thermal solar plants with thermal storage devices.

Simultaneously, the ACS Group continues its international expansion in all its areas of activity, focussing on large-scale projects. In the Construction

area it has consolidated its position in the United States, with an order book of €2,500 million in 2009 and through the acquisition of two North American construction companies, Picone and Pulice, strengthening the position of the Group in North America. Furthermore, during 2009 it has been acquired the Polish construction company Pol-Aqua, specialized in civil works and with a large experience and presence in the Polish market that is characterized by its high growth, in addition to being the seventh country in the E.U. by investment in infrastructures.

In the Environment area, it has been completed the Marseille waste treatment plant, in addition to being achieved important contracts abroad that lead to an international order book of €3,400 millions at the end of 2009. The Industrial Services and Energy area, the most internationalized area of the Group, continues its expansion abroad, with its international order book growing by 25% in 2009.

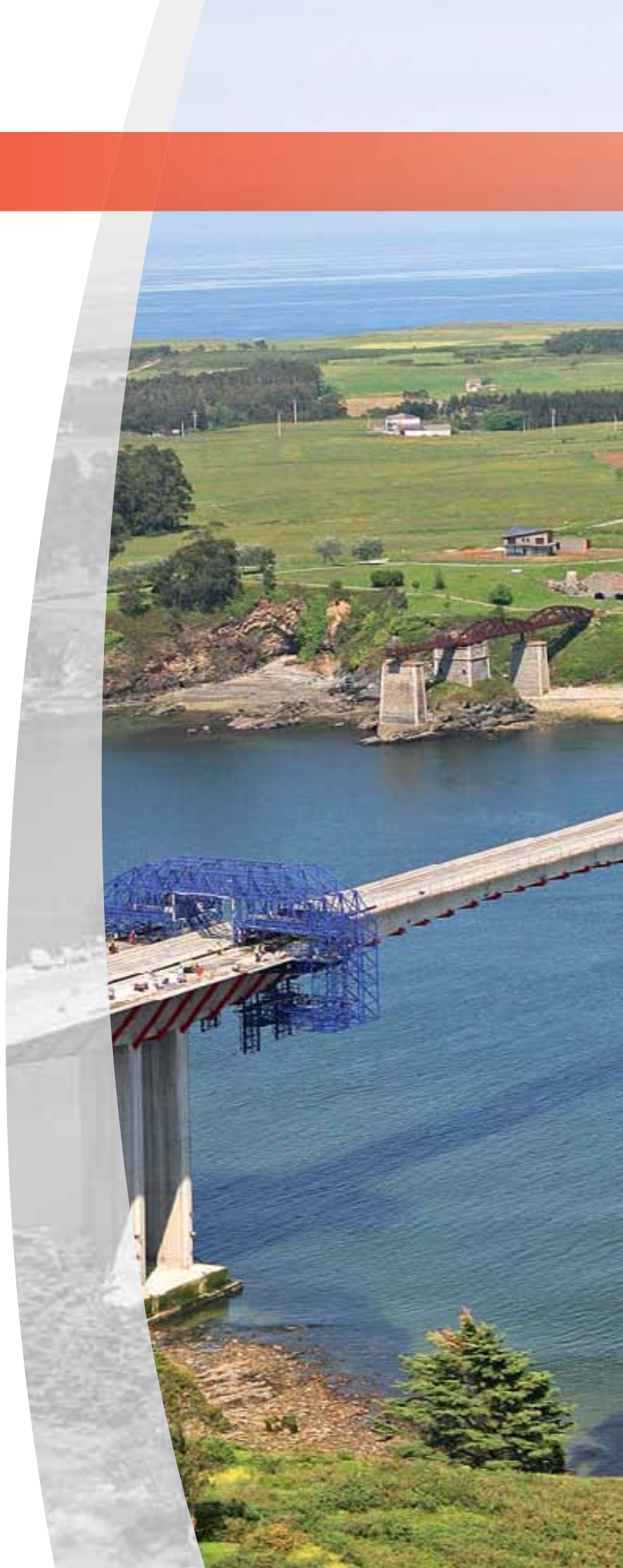
The international expansion, which its medium-term target is to reach an international order book of 50% over the total, is one of the main pillars of the ACS's strategy. This strategy is mainly focused on guaranteeing the ACS Group's competitiveness, investment capacity, profitability and growth in the future.

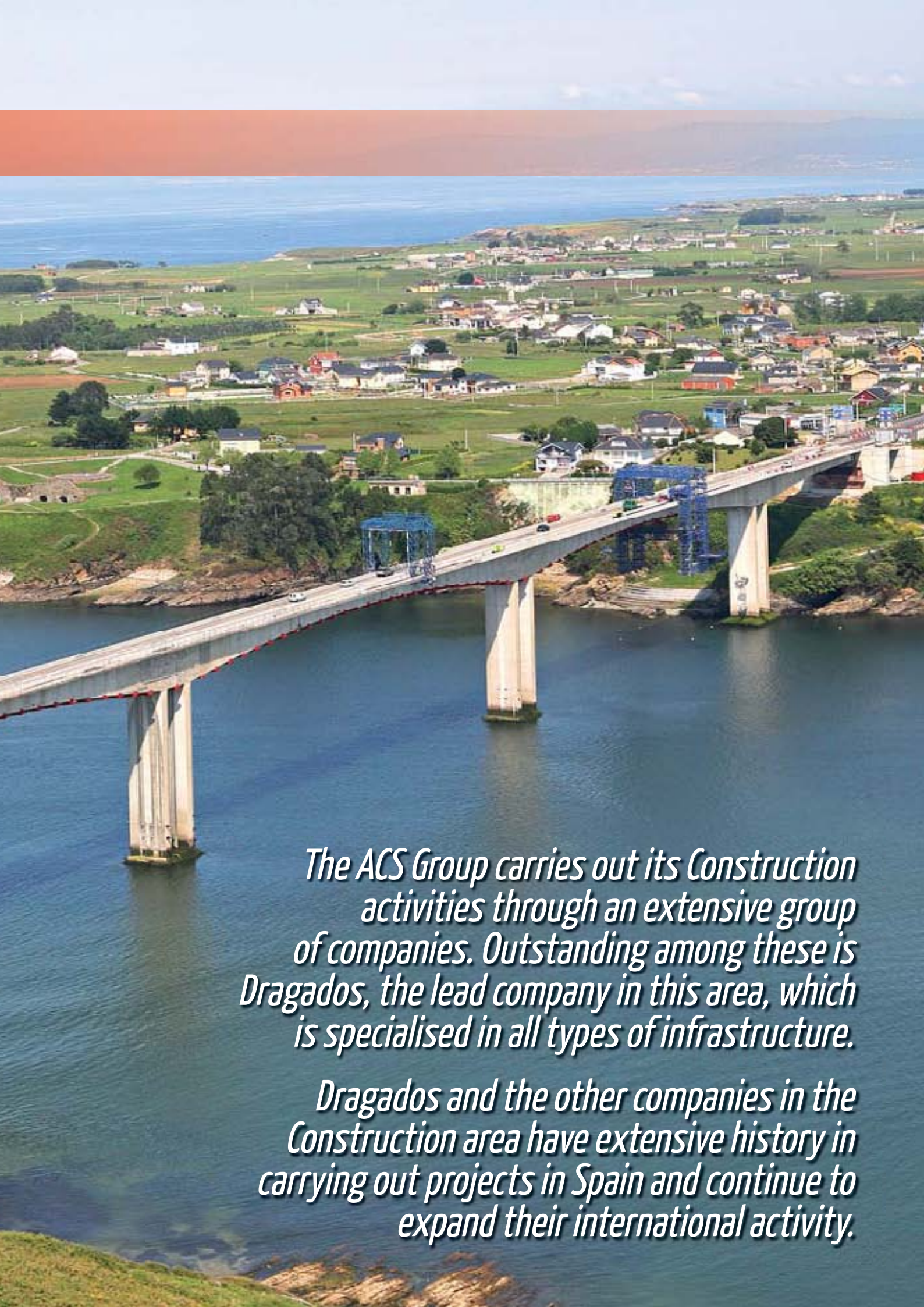
Construction

Sector environment 18
Business Strategy 24
Activity description 25
Internationalisation 29
Contracts awarded 32
Organisational Structure 33

*International activity in the
Construction area grew by*

74.9%





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, which is specialised in all types of infrastructure.

Dragados and the other companies in the Construction area have extensive history in carrying out projects in Spain and continue to expand their international activity.

Construction

Sector environment

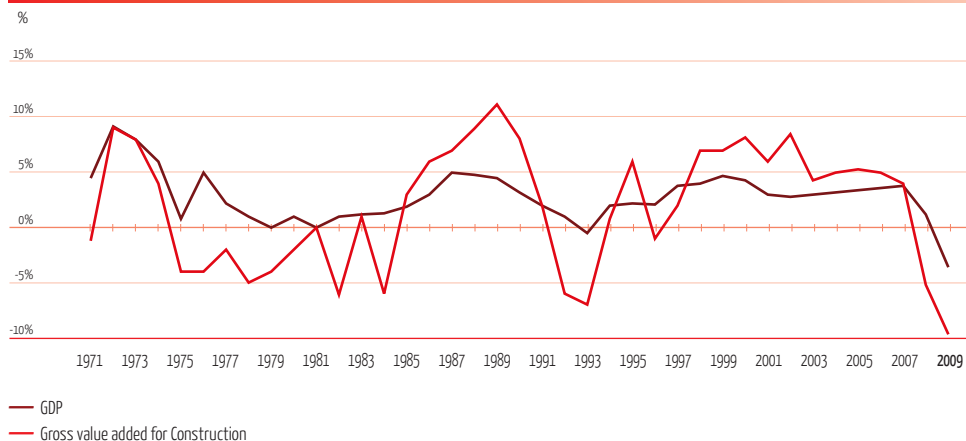
Domestic market

The year 2009 was a readjustment period for the construction sector in Spain. According to Spain's National Statistics Institute (INE), total production in Construction in 2009, expressed as gross value added,¹ fell by 9.7% in comparison with the figure recorded in 2008. This fall exceeded those experienced in the first few years of the 80's and the two-year period 1993-94, the last two periods in which the sector went into recession.

From the point of view of total actual output², according to data from Euroconstruct³ the fall was significantly greater as it was down over 20% to €144,920 million.

This recession was produced by the reduction in building activity, particularly residential building which suffered a fall of over 42%, the second largest drop in Europe, surpassed only by Ireland.

Evolution of GDP and GVA for Construction in Spain.
Rates of variation year-on-year



Source: INE and Seopan.

¹ Gross value added refers to the sector's total gross pay and salaries plus social contributions plus the gross operating surplus, including company profits before (direct) taxes, amortisations and non-salary income from work.

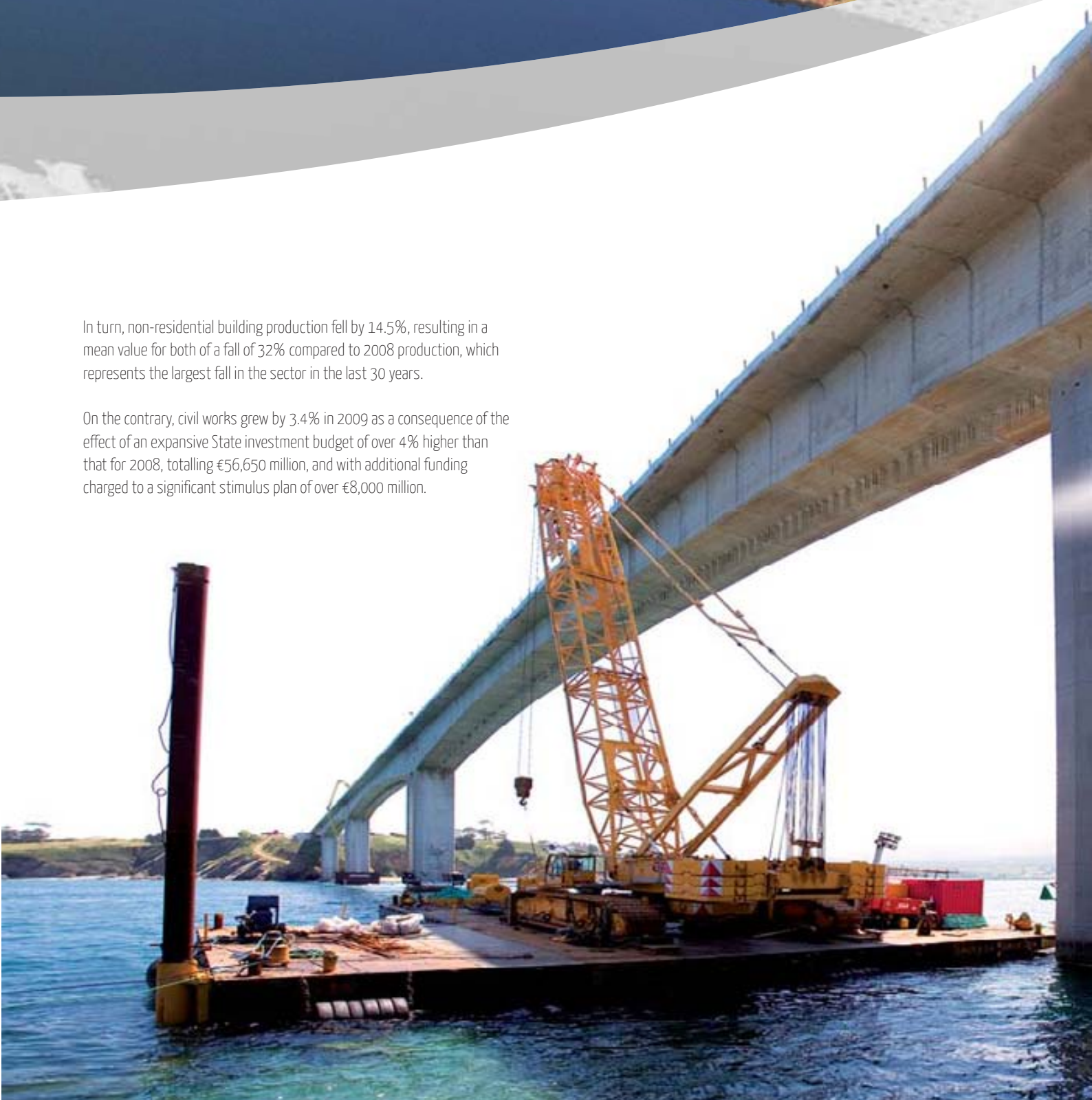
² Actual output is defined as the gross value added plus taxes linked to production and products (licences, duties and insurance) plus the value of intermediate consumption (raw materials, part-finished products and services) included in the production process.

³ According to the document published by Euroconstruct in Zurich, November 2009.



In turn, non-residential building production fell by 14.5%, resulting in a mean value for both of a fall of 32% compared to 2008 production, which represents the largest fall in the sector in the last 30 years.

On the contrary, civil works grew by 3.4% in 2009 as a consequence of the effect of an expansive State investment budget of over 4% higher than that for 2008, totalling €56,650 million, and with additional funding charged to a significant stimulus plan of over €8,000 million.

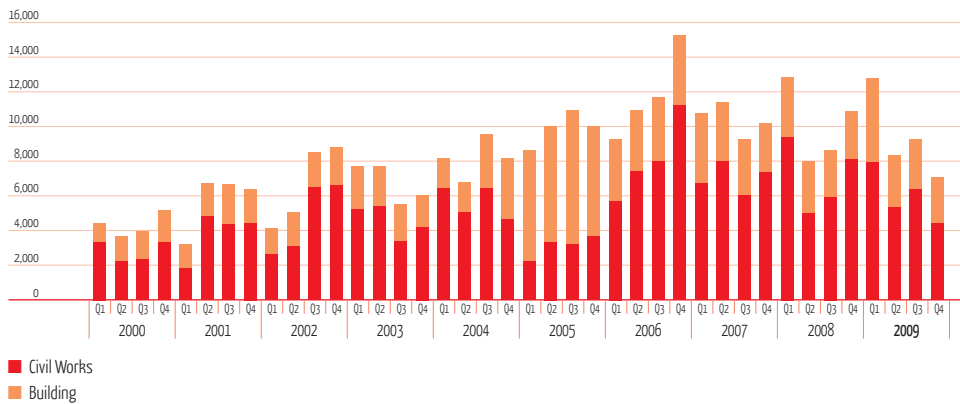


Construction

Public tenders for civil works in 2009 fell 14% compared to those recorded in 2008, even after including the aforementioned stimulus plan which was put out to tender and executed during the first 9 months of the year.

Public tender, Central Government. Quarterly data

Thousands millions of euros



Source: Seopan

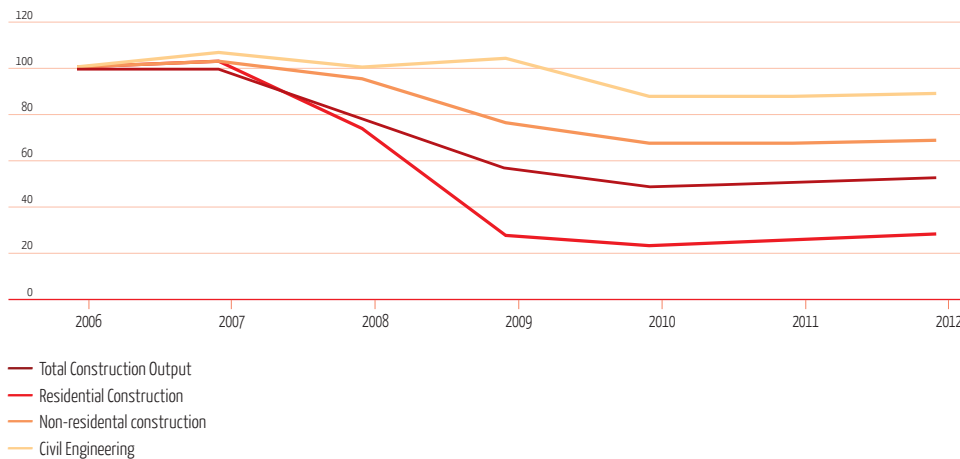
For 2010, a scenario of reduced activity in construction is forecast, but more moderate than that experienced in 2009. According to Euroconstruct, actual output in construction in Spain in 2010 will fall by 9.7%, half the fall of 2009, and based on the fulfilment of the macroeconomic scenario of a 1% reduction in GDP. With better GDP

performance than that considered in this scenario, the situation would improve significantly.

According to these forecasts, building activity will fall by 8.6% and civil works by 11.5% in 2010.

Actual output projection for Construction by business segment in Spain

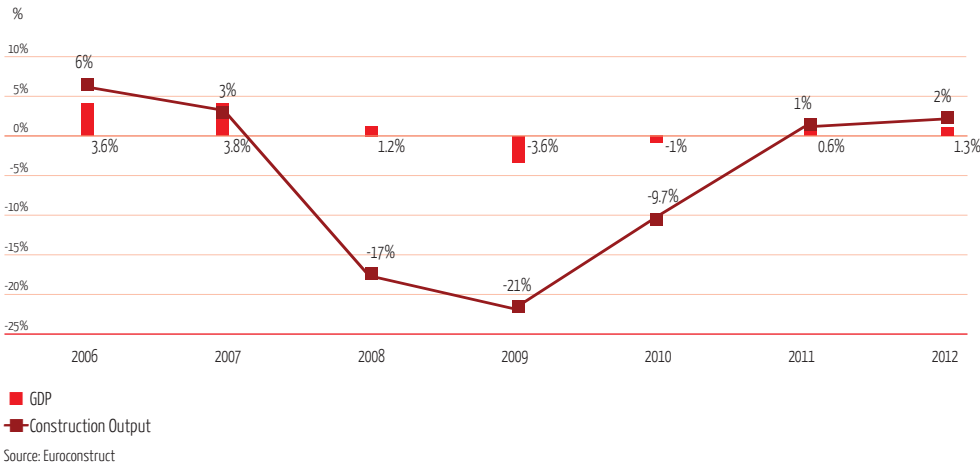
Base 100 in 2006



Source: Euroconstruct

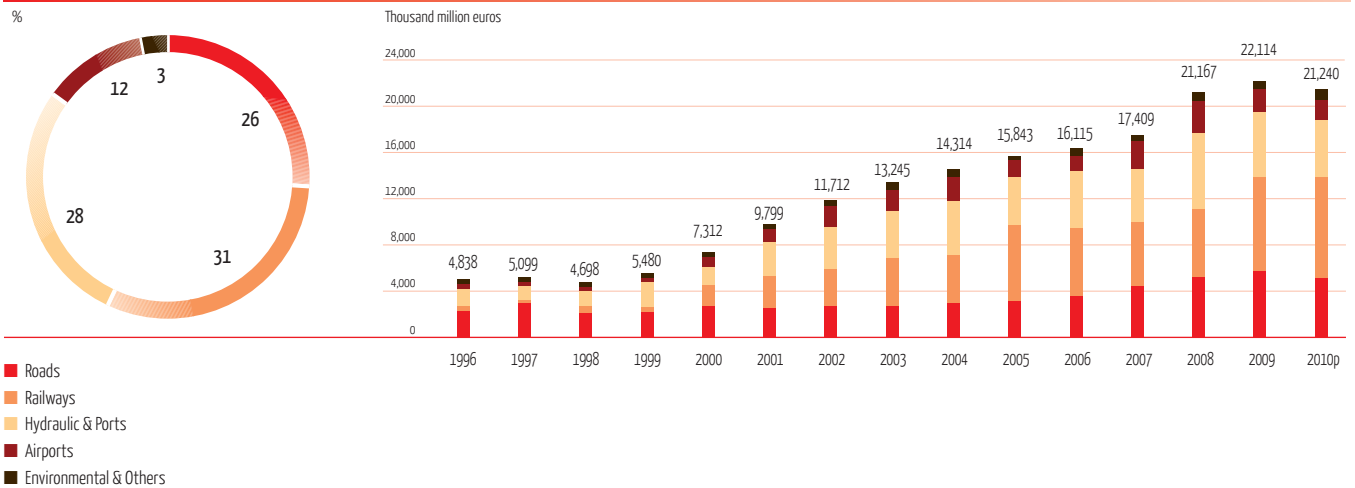


Trend in GDP and actual output in Construction in Spain



Included in these forecasts is the Spanish Government's investment commitment, expressed through the General State Budgets for 2010, which includes investment in infrastructures of €21,240 million, 4% lower than the value budgeted for 2009.

General State Budgets. Investment in infrastructures

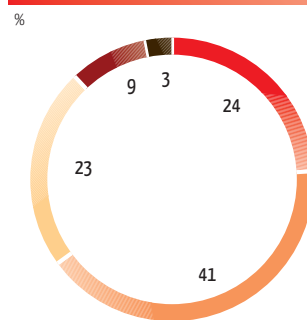


Investment will mainly be focused on railway development, an item which will receive over €8,800 million, with the objective of continuing to build the railway routes towards the east coast, the Cantabrian Coast and of continuing to improve the existing network.

Construction

In addition, the Government plans to complement this investment commitment with a stimulus plan of over €5,000 million to be used in carrying out projects with public-private collaboration.

Distribution of infrastructure investment in the General State Budgets for 2010



- Roads
- Railways
- Hydraulic & Ports
- Airports
- Environmental & Others

Source: Ministry of Economy and Finance, Spain

The Government's main objective is to continue to provide structure for the country in accordance with the Strategic Plan for Infrastructures, at the same time boosting employment and industrial activity. The main objective of the plan is to improve Spanish infrastructures during the period between 2005 and 2020 and this continues to be the reference framework for State investment. The total funds planned amount to €248,700 million, representing a commitment of nearly 1.5% of GDP over this term.

In this regard, the Spanish Government invested over €169,000 million during the period from 1996 to 2009 and over €92,600 million during the term of the plan, equivalent to 37% of total (4 percentage points above forecast).

International Markets

The ACS Group carries out its Construction activities in various geographical markets, being the United States and Poland the countries where the ACS Group mainly reinforced its presence in 2009.

The United States

According to a study by the University of Massachusetts-Amherst, over US \$290,000 million are invested each year in the maintenance and development of infrastructures. This high figure for investment, mainly in maintenance, comes from the enormous base of non-residential public infrastructures which now exists in the United States, the value of which is over US \$8,000,000 million, an extraordinary asset reserve which underpins the future growth of the world's leading economy.

Since 1980, investment in civil works in the United States has grown at a rate below that of the evolution of its GDP, meaning that systematic deterioration of its infrastructures has occurred, especially in hydraulic works and railways. The Obama administration has identified this deficit and, to boost investment, is developing an infrastructure programme which is forecast to generate 2,500,000 jobs in the first two years of his legislature.

It is estimated that the additional need for funds to bring American infrastructures up to date exceeds US \$100,000 million per year and that the execution of these projects would represent a significant contribution to growth in employment and to American GDP in the short term.

According to the American Recovery and Reinvest Act (ARRA), over US \$787,000 million will be invested in health and infrastructure improvements, tax reductions and economic stimulus. Up to August 2009, only 19% of this stimulus had been laid out.

An investment of US \$80,000 million is planned specifically in infrastructures. Outstanding among these are the development of high-speed railway lines, innovative solutions to improve urban public transport (such as those carried out by Dragados for the New York Subway) and an incomparable plan for hydraulic works against natural disasters in the south of the country. Furthermore, an increase in investment with public-private participation will take place through the development of transport concessions similar to those already carried out by states such as Florida, Texas or California.

Over the next few years, the United States will continue to be a reference and growth market for the ACS Group in the development of civil works infrastructure. This will be fundamental to maintaining an appropriate level of internationalisation and diversification to increase profitability and reduce risk in the Construction activity.

Poland

The second market in which ACS is growing its presence at an international level is Poland. Investment in civil works in this country grew by 22% in 2009 and actual output was over €17,500 million. Euroconstruct estimates that the evolution of activity in Poland will continue to grow at the same rate in 2010 and that total investment in infrastructures will total €21,500 million (equivalent to 40% of the activity forecast from Spain in civil works).

There are three reasons supporting these forecasts for growth in activity. Firstly, the resistance of the Polish economy to the global crisis, with a GDP which grew by 1.1% in 2009 and forecast growth for 2010 of 1.8% according to the IMF.

Secondly, the existing deficit in infrastructures in comparison with neighbouring countries, especially in roads and highways, which has resulted in a powerful commitment from the Polish Government, as over 1,200 kilometres of roads have been developed in the country in the last 5 years.

And thirdly, a significant development and investment plan anticipating investment of over €82,000 million before 2013, with one short-term objective (the UEFA Euro 2012 football tournament) and one medium-term objective (the construction of a high-speed railway line).

Poland for ACS is a country in which to carry out projects under concessions and civil works projects to assist in the execution of its important infrastructure plan. The country's main objective at present is to achieve convergence with the European Union during this decade.



Construction

Business Strategy

The strategy for the Construction area follows the model defined by the ACS Group several years ago, which has enabled it to expand and reinforce its presence in various geographical markets and to maintain a solid position in spite of the market environment, and the objective of which is to continue growing efficiently during 2010 and the following years. This strategy is embodied in the following initiatives:

- Maintaining its **position as leader** in the domestic market, permitting sustainable development of the company's operating profitability.
- Developing a stable presence in its selected **international markets** by means of concession projects, tendering for one-off projects, based on a high level of specialisation, and through local companies and strategic partners.
- Increasing **operating efficiency** by carrying out large-scale works in the Civil Works area, which contribute greater profitability per project in line with their more complex technical requirements.

As a consequence of this clear commercial, corporate and operating strategy, the ACS Group maintains its lead in the sector in Spain, has a long track record in South America and is developing a strong presence in countries such as the United States and Poland. This strategy is based on the ACS Group's business values:

- A resolute contracting mentality acting as guide for a human team with excellent technical capabilities and a clear focus on clients.
- A highly decentralised organisation which converts each project into an independent, flexible, efficient and profitable unit.

These characteristics are complemented by competitive advantages acquired as the consequence of its structure, leadership and competitiveness over recent years:

- A prolonged and excellent relationship with its clients in Spain, especially public authorities which continue to demonstrate their commitment to infrastructures by increasing investment year on year.
- Construction is a mature and highly competitive business so it requires local client management. Over recent years, the ACS Group has demonstrated its capacity for planned and structured international expansion, limiting client risk and enabling it to apply the experience acquired where it is competing.
- Commercial strategy is focussed on large-scale, highly technical works which generate high added value through a strict policy of cost control, decentralised management and optimisation of working capital.

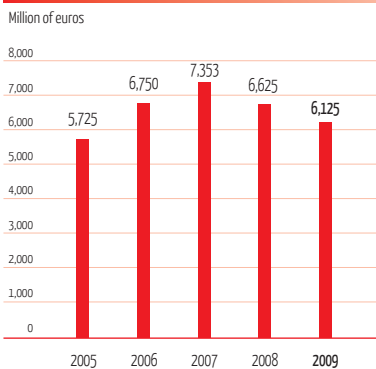


As a consequence of this clear commercial, corporate and operating strategy, the ACS Group maintains its lead in the sector in Spain, is developing a strong presence in countries such as the United States and Poland and has a long track record in South America.

Activity description

In the current context and thanks to the strategy laid out above, the Construction area closed 2009 with turnover in excess of €6,100 million, a level below that in the 2006 to 2008 period when Construction activity experienced a strong upturn, but above 2005 levels.

Revenue evolution



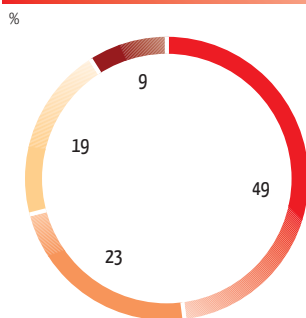
International revenue evolution



International activity in the Construction area in 2009 totalled €1,427 million, representing growth of 75% with respect to 2008 and now corresponding to 23.3% of total turnover.

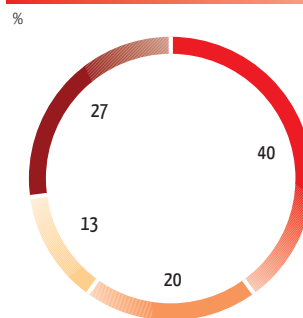
Domestic turnover, which totalled €4,698 million in 2009, was distributed by type of client between Public Authorities with 73%, with Spain's Central Administration being outstanding, and the remaining 27% with private clients, more specifically from large institutions and concession operating companies.

Revenue breakdown by activity



- Domestic Civil Works
- International Civil Works
- Non-Residential Building
- Residential Building

Domestic revenue breakdown by type of client



- Central Administration
- Autonomic Administration
- Local Administration
- Private Clients

Construction

The ACS Group's focus on clients is a key factor in the Construction area. Public Authorities, mainly Spain's Central Administration and particularly the Ministry of Development and the Ministry of the Environment, as well as Autonomic and Local Administrations, are of great importance for the development of the 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.

By type and technical characteristics, ACS' Construction output is organised into **Civil Works**, covering all types of activities aimed at developing infrastructures such as motorways, railway, maritime, hydraulic and airport works, and **Building**.

Civil Works

In **motorways and roads** the following projects carried out in 2009 are noteworthy:

- Construction of the N-332 road in the Sueca alternative stretch (Valencia, Spain).
- Construction works for the N-634 road connecting San Sebastián and Santiago de Compostela, in the stretch between the towns of Barres and Ribadeo (Asturias, Spain).
- Construction of the A-7 highway between l'Hospitalet de l'Infant and Montroig del Camp (Tarragona, Spain).
- Construction and equipping of the Tunnel Control Centre for the A-7 highway in the area between Nerja and Almuñecar (Malaga, Spain).

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

- Construction of urban tunnels and station in Gerona, within the project for the high-speed line between Madrid-Barcelona and the border with France (Gerona, Spain).
- Construction of the new railway complex for Atocha station (Madrid, Spain).
- Construction of the railway line on the Orense-Santiago route, in the stretch between Silleda and Boqueixón, on the high-speed line between Madrid and Galicia (Pontevedra, Spain).
- Construction of several stretches of high-speed line between Bobadilla and Granada in the provinces of Malaga and Granada (Spain).
- Construction of the stretch of high-speed line between Galdácano and Basauri (Bilbao, Spain).

- Works for the remodelling of Elche-Carrus station (Alicante, Spain).
- Work to eliminate the level crossings in the town of Valga (Pontevedra, Spain).

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

- Expansion of the Ferrazo quay in the Port of Vilagarcía (Pontevedra, Spain).
- Construction of the Promenade at Playa de Poniente, Benidorm (Alicante, Spain).
- Construction of the dam at Villalba de los Barros (Badajoz, Spain).
- Execution of the works which make up the project for the Segarra-Garrigues canal over a 37 kilometre stretch in the Ponts municipal area (Lérida, Spain).
- Works for urban development, internal services and provisioning of the outer harbour of El Ferrol (La Coruña, Spain).
- Works for the Garrigues Sud irrigation project in the Juncosa, Bellaguarda and Els Torms municipal areas (Lérida, Spain).
- Works for repair and automation of the main Campo de Turia canal in the stretch between Benageber and Sifón de Loriguilla (Valencia, Spain).
- Construction of the Tous dam in Valencia (Spain).
- Construction of the Bens marine outfall (La Coruña, Spain).
- Expansion of the Port of Brens in Cee at La Coruña (Spain).
- Works for the construction of the Brandariz hydroelectric power plant (La Coruña, Spain).
- Works for the regeneration of the beaches at Rianxo (La Coruña, Spain).
- Construction of the coastal connection and the panoramic lift in the town of Ribadeo (Lugo, Spain).



Building

Non-Residential Building activity maintains its clear focus on Public-Private Partnership projects, without failing to serve demand for commercial buildings, as well as attending to institutional building needs for Public Authorities.

The ACS Group is involved in many public and private projects including:

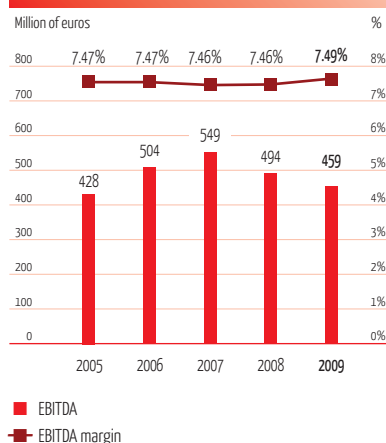
- Works for the new La Fe Hospital (Valencia, Spain).
- Construction of Terminal 1 for Barcelona airport (Spain).
- Project for the “Las Arenas” leisure centre in Barcelona (Spain).
- Works for the remodelling of the Faculty of Medicine in Valencia (Spain).
- Construction works for the San Pau Hospital in Barcelona (Spain).
- Construction of the Mossos D'Esquadra Central Police Station in Sabadell (Spain).
- Extension and remodelling works for the Canaries' Maternal and Children's University Hospital (Spain).
- Construction of the new base for the Oviedo Provincial Historical Archive (Spain).

In terms of **Residential Building**, the activities the ACS Group carries out are mainly focussed on building of subsidised housing for Public Authorities or building of developments for third parties which require a high level of resources due to their complexity or size. The ACS Group does not carry out any property activities and does not own any land for development. In this activity, the ACS Group has developed and implemented rigorous risk controls in its dealings with suppliers, clients and subcontractors, which enable Dragados to carry out its activities with optimum profitability.

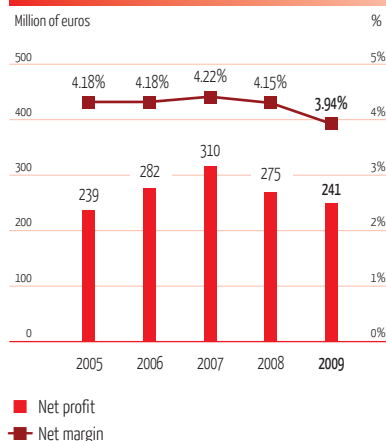
The Construction activity has **solid gross operating margins** as a consequence of the continual improvement in productivity achieved in recent years, the Group's growing internationalisation and an appropriate mix of businesses. This process has enabled ACS to become a more efficient and competitive company.



EBITDA evolution



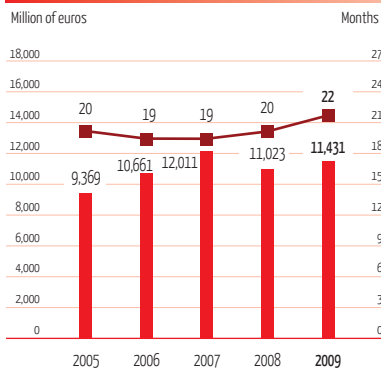
Net profit evolution



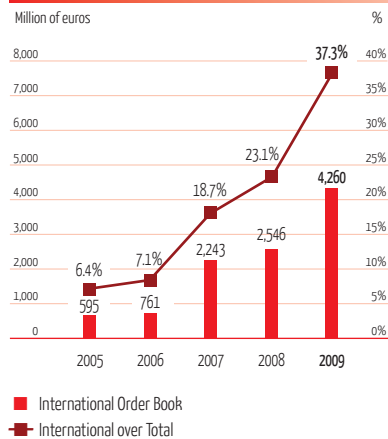
Construction

At 31 December 2009 the Group's Construction order book totalled €11,431 million, a figure which guarantees 22 months of activity. Furthermore, it is important to highlight the significant increase in the international order book, which totalled €4,260 million at the end of 2009, representing 37.3% of the total order book.

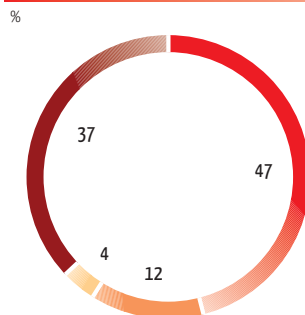
Order book evolution



International order book evolution

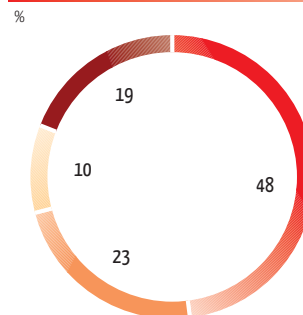


Order book breakdown by type of project



- Domestic Civil Works
- International Civil Works
- Non-Residential Building
- Residential Building

Domestic order book breakdown by type of client



- Central Administration
- Autonomic Administration
- Local Administration
- Private Clients

Internationalisation

The Construction area's international exposure grew 75% in 2009 in comparison to 2008 to total €1,427 million and it now represents 23.3% of total turnover. On the other hand, the order book in the international area totals €4,260 million, representing 37.3% of the total. This growth is the result of an expansion strategy based on the development of concessions in new reference markets and the application of our local presence in tendering and construction of civil works projects with a high level of technical involvement.

The Construction area is carrying out projects in such diverse countries as Poland, Portugal, Greece and Ireland in Europe and is present in both hemispheres in America: in Chile and Argentina in the southern hemisphere and in Canada and the United States in the north.

Some important international projects in which the ACS Group is participating are: the execution of works such as the Central Greece Motorway and the Ionia Odos Motorway in Greece, the combined budget for which is €2,700 million; the expansion of the A-30 motorway in southern Montreal, Canada; the reconstruction of carriageway and restoration of the I-595 in Florida in the United States; and projects in the New York subway with a budget of over 1,800 million. In addition, ACS has been selected to take part in the construction of the first stretch of the high-speed line in Portugal (the stretch between Poceira and Caia) the budget for which is approximately €1,700 million.

Countries where the ACS Group is developing Construction activity

2009 International Revenue

€1,427 mn
23.3% of total

2009 International Order Book

€4,260 mn
37.3% of total



Construction

North America

The contribution from activities in the United States and Canada stands out, as this area grew substantially in 2009 as a result of being awarded large civil works and concession projects. Over the next few years, the United States will continue to be a reference market and a clear future commitment.

The ACS Group, through its North American subsidiaries, has been competing in this market for many years, already has a significant presence in the area and is decisively driving expansion of this presence as shown by the recent purchase of companies such as Pulice Construction and John P. Picone in December 2009.

Pulice Construction Inc. carries out civil works projects, basically for roads and highways. The company has been the largest contractor to the ADOT (Arizona Department of Transportation) over the last five years. Its head office is in Phoenix (Arizona) and it is licensed to operate in the states of Arizona, Utah, Nevada and California. Its annual turnover in 2009 totalled €137 million, with an order book of €77 million.

On the other hand, John P. Picone Inc. has its head office in New York and also carries out civil works projects, mainly tunnels and infrastructures related with water. Its main clients are the New York Department of Environmental Protection and the New York Metropolitan Transportation Authority. The company's turnover in 2009 exceeded €175 million, whilst its order book was over €550 million in December 2009.

In short, ACS continues to consolidate its position in North America, with an order book of €2,820 million. It is currently developing concessions for infrastructures and Civil Works projects in Canada, New York, North Carolina, Florida and Texas. With the acquisition of Pulice and Picone, new opportunities arise in states such as Arizona, Utah, Nevada and California.

Some significant projects in the United States and Canada, which the ACS Group has been awarded in Construction through Dragados or jointly with Iridium Concesiones, are:

- The expansion of the New York subway, to enable the connection between Grand Central Station and the borough of Queens, with investment estimated

ACS Group presence in North America



at over US \$1,200 million; the expansion of Grand Central Station in Manhattan; and another four expansion projects for the New York suburban network, on lines 2 and 7, the total budget for which is over US \$600 million.

- In Canada, the ACS Group is developing the Montreal bypass expressway, the A-30, a project for 42 kilometres and over 1,500 million dollars in total investment, with a duration of 35 years and an estimated execution timescale of four years.
- Remodelling of Miami airport's North Terminal for a total of US \$125 million.
- The improvement, construction and operation under a concession regime of the I-595 in Florida, over the 20 kilometres of its extension. Total investment exceeds US \$800 million and it has a concession term of 35 years.

Projects were procured in New York in 2009, such as the Newton Creek purification plant or the works for the construction and expansion of various subway tunnels, such as that for Northern Boulevard station.

Poland

The second market in which ACS is increasing its presence is Poland, particularly after completing the acquisition of Pol-Aqua in October 2009. This is a Polish construction company specialised in civil works projects. It has annual turnover of €310 million and an order book of 18 months of activity.

With this acquisition, the ACS Group seeks to develop a local presence in a country with great opportunities for carrying out projects under a concession regime and civil works projects, given the significant infrastructure plan being executed and by reason of which total investment of over €21,500 million is forecast for 2010.

The ACS Group was awarded significant projects in this market in 2009, such as the construction of the A-1 highway between Piekary Slaskie and Maciejów, the works for the S-5 road between the towns of Gniezno and Czachurki and the project for the construction of the A-4 highway in the stretch between Wierchoislawice and Krzyw.

ACS Group projects in Poland



Construction

Main contracts awarded

The following contracts awarded in 2009 are noteworthy

| Main contracts awarded in 2009 | Amount (million of euros) | Type of project |
|---|---------------------------|-------------------------------------|
| Project for the construction of the I-595 highway (Florida, U.S.A.) | 845 | Civil Works- Roads |
| Works for the Portuguese high-speed railway line construction between Poceirao and Caia (Portugal) | 289 | Civil Works - Railways |
| Project for the construction of the A-1 highway, between Slaskie and Maciejów (Poland) | 193 | Civil Works- Roads |
| Construction of A-21 highway stretch between Venta de Judas and Yesa (Navarra, Spain) | 173 | Civil Works- Roads |
| Works for the enlargement of the Atocha railway station (Madrid, Spain) | 171 | Non Residential Building |
| Construction of S-5 stretch between Gniezno and Czachur in Poland. | 107 | Civil Works- Roads |
| A-4 highway construction between Wierzchoslawice and Krzycz (Poland) | 105 | Civil Works- Roads |
| Construction of Newton Creek's purification plant in New York city (U.S.A.) | 98 | Civil Works - Hydraulic or Maritime |
| Contract for the construction of the tunnel of Northern Boulevard subway station (New York, USA) | 90 | Civil Works - Railways |
| Construction of the highway between Lavacolla y Arzúa in A Coruña (Spain) | 88 | Civil Works- Roads |
| Works for the improvement of Route 5, from Puerto Montt to the village of Pargua in the Lakes region (Chile) | 85 | Civil Works- Roads |
| Works for the construction of the intersection in Coria del Río-Almenseilla in the SE-40 highway (Seville, Spain) | 82 | Civil Works- Roads |
| Works for the construction of the Algarve Litoral highway in Portugal | 65 | Civil Works- Roads |
| Project for the construction of the Universitary Hospital of Guadalajara (Spain) | 62 | Non Residential Building |
| High speed railway section building between Valladolid-Palencia, in the area of Venta de Baños (Palencia, Spain) | 57 | Civil Works - Railways |
| High speed railway section between Peña de los Enamorados y Archidona (Malaga, Spain) | 55 | Civil Works - Railways |
| Hydraulics works for MTA in New York (USA) | 50 | Civil Works - Hydraulic or Maritime |
| Project for the refurbishment of the Eivissa airport terminal (Eivissa, Spain) | 48 | Non Residential Building |
| Building of 215 apartments in Madrid (Spain) | 20 | Residential Building |



Organisational Structure

Construction



Concessions

| | |
|----------------------|----|
| Sector environment | 36 |
| Business strategy | 37 |
| Activity description | 38 |
| Relevant events | 40 |
| Internationalisation | 41 |
| Contracts awarded | 42 |

*Iridium experience
as promoters includes
over **100** concessions
in **21** countries.*



The image shows a curved interior space, likely a hallway or a large room, with a grid ceiling and recessed lighting. The walls are a warm, orange-brown color, and the floor is a light-colored, polished material. The lighting is warm and creates a modern, sophisticated atmosphere. The ceiling has a grid pattern, and the walls have horizontal lines. The floor is a light-colored, polished material, possibly stone or tile. The overall design is clean and contemporary.

Iridium is the ACS Group's lead company which, at a domestic and international level, manages concession and public-private collaboration projects for transport and public facilities.

In the course of its activity, Iridium carries out promotion, financing, investment, management, operation, administration, maintenance, conservation, refurbishment and conditioning of administrative infrastructure concessions.



Concessions

Sector environment

The current economic situation, at a domestic and international level, is exemplified by the restriction and increased cost of bank financing, the general toughening of project conditions and reduced activity, as shown by the limited number of viable opportunities which can be tackled, as well as fewer competitors. Within this context, the various authorities need to continue their commitment to public-private collaboration formulas to carry out the development and maintenance projects for infrastructures, which continue to be main priorities to them all.



International markets with great potential and extensive infrastructure programmes have been selected.



Business strategy

Iridium sees this environment as a challenge and an opportunity to be able to drive its development and internationalisation strategy. Iridium seeks its opportunities in those markets which provide legal and personal security, with a stable legal framework being necessary for contracts of this type, as well as capacity for financing in the local currency and the solvency of the financial system.

On fulfilling these requirements, international markets with great potential have been selected, until now, with extensive infrastructure programmes which are open to participation from large companies committed to society and which have great added value to offer.

As its vision and mission, in accordance with the ACS Group, Iridium's main objective lies in carrying out its activity to the client's satisfaction, maximising the profitability of the resources used and contributing to improving society through sustainable development. Iridium participates in the active management of operating concessions, optimising income, operating costs and the level of leverage. As such, Iridium identifies, evaluates and minimises each specific risk, assigning each of those accompanying construction and operation to the appropriate responsible person who can best manage it, by means of contractual structures appropriate for achieving effective management of these risks and their mitigation.





Concessions

Activity description

Wholly owned by ACS, Iridium is and has been, as a consolidated group over the last few years, the world's leading company in infrastructure promotion and development. It manages a diversified portfolio of more than 45 projects in the world's main markets. Its competitive position results from the advantages provided by optimising its resources, the extensive experience of its professionals, the development and application of cutting edge technology and the use of the most sophisticated financing structures.

In line with the strategy and guidelines laid down, development activity in the last financial year was focused on domestic and North American markets, followed by those of Portugal and Chile. In other markets such as Ireland, the United Kingdom and Greece activity was much lower and no business opportunities arose last year, while other specially selected countries continued to be under constant study and are being approached progressively until such a time as they are mature and for selection of projects in agreement with the security and stability criteria required within the ACS Group.

As regards the types of projects, all types of concession opportunities have been studied in Spain, both for transport infrastructures and those for public facilities subject to availability risk. At an international level, however, activity has continued to be focused basically on transport infrastructures which, due to their characteristics and the great know-how Iridium has developed over decades, enable better exploitation of the competitive advantages and return on the resources employed by the company.

The following table summarises the most relevant ACS' transport infrastructure and public facilities services concessions at 31 December 2009:

| Concession-Description | Grupo ACS stake | Country | Activity | Phase | Unit | Expiry date | Total investment (million of euros) | ACS Investment (million of euros)* |
|---|-----------------|----------------|------------------|---------------------|----------------|-------------|-------------------------------------|------------------------------------|
| A8 - Bidelan Guipuzkoako Autobideak | 50.00% | Spain | Motorways | Operation | 124 | 2013 | 62 | 3 |
| La Mancha Highway | 75.00% | Spain | Motorways | Operation | 52 | 2033 | 128 | 21 |
| Alicante ringroad | 50.00% | Spain | Motorways | Operation | 148 | 2040 | 438 | 76 |
| Henarsa (R2 y M50) | 35.00% | Spain | Motorways | Operation | 87 | 2024 | 517 | 56 |
| Accesos Madrid (R3/R5 y M50) | 19.70% | Spain | Motorways | Operation | 90 | 2049 | 1,073 | 84 |
| Reus-Alcover | 85.00% | Spain | Motorways | Operation | 10 | 2038 | 68 | 14 |
| Ruta de los Pantanos | 33.30% | Spain | Motorways | Operation | 22 | 2024 | 107 | 5 |
| Santiago Brión | 70.00% | Spain | Motorways | Operation | 16 | 2035 | 111 | 15 |
| Los Pinares Highway (Valladolid Cuellar) | 53.30% | Spain | Motorways | Operation | 44 | 2041 | 94 | 14 |
| Medinaceli-Calatayud Highway (Aumecsa) | 95.00% | Spain | Motorways | Construction | 93 | 2026 | 122 | 13 |
| Camp del Turia Highway (CV 50) | 65.00% | Spain | Motorways | Construction | 20 | 2042 | 121 | 10 |
| A-21 Pirineo Highway | 72.00% | Spain | Motorways | Construction | 46 | 2039 | 241 | 26 |
| EMESA (Madrid Calle 30) | 50.00% | Spain | Motorways | Operation | 33 | 2040 | 300 | 50 |
| Eje Diagonal | 100.00% | Spain | Motorways | Construction | 67 | 2041 | 398 | 50 |
| A-30 Nouvelle Autoroute 30 | 50.00% | Canada | Motorways | Construction | 74 | 2042 | 1,208 | 75 |
| Vespucio Norte Express | 46.50% | Chile | Motorways | Operation | 29 | 2032 | 626 | 98 |
| San Cristobal tunnel | 50.00% | Chile | Motorways | Operation | 4 | 2035 | 83 | 19 |
| Ruta 5. Tramo Puerto Montt - Pargua | 100.00% | Chile | Motorways | Construction | 55 | 2040 | 113 | 32 |
| Jónica Highway (NEA ODOS) | 33.30% | Greece | Motorways | Constr. / Oper. | 380 | 2037 | 1,115 | 64 |
| Central Greece | 33.30% | Greece | Motorways | Construction | 231 | 2037 | 1,623 | 52 |
| CRG Waterford - Southlink | 33.33% | Ireland | Motorways | Operation | 24 | 2036 | 319 | 20 |
| CRG Portlaoise - Midlink | 33.33% | Ireland | Motorways | Construction | 41 | 2038 | 367 | 26 |
| Sper - Planestrada (Baixo Alentejo) | 49.50% | Portugal | Motorways | Construction | 347 | 2039 | 539 | 78 |
| Rotas - Marestrada (Algarve Litoral) | 45.00% | Portugal | Motorways | Construction | 260 | 2039 | 271 | 48 |
| A-13, Thames Gateway | 25.00% | U.K. | Motorways | Operation | 22 | 2030 | 276 | 10 |
| Platinum (Bakwena) - PT Op. | 25.00% | South Africa | Motorways | Operation | 381 | 2031 | 231 | 0 |
| I595 Express | 100.00% | U.S.A. | Motorways | Construction | 17 | 2044 | 1,172 | 145 |
| Total Motorways (km) | | | | | 2,717 | | 11,723 | 1,104 |
| Figueras Perpignan - TP Ferro | 50.00% | Spain - France | Railways | Construction (1) | 45 | 2054 | 1,085 | 51 |
| Subway Barcelona's Line 9 | 50.00% | Spain | Railways | Constr. / Oper. | 48 | 2040 | 592 | 31 |
| Sevilla Subway | 34.00% | Spain | Railways | Operation | 19 | 2038 | 680 | 46 |
| Arganda subway | 8.10% | Spain | Railways | Operation | 18 | 2029 | 133 | 3 |
| Poceirao-Gaia Portuguese high-speed railway | 15.20% | Portugal | Railways | Construction | 167 | 2050 | 1,651 | 37 |
| Total Railway (km) | | | | | 297 | | 4,141 | 168 |
| Brians Prison | 100.00% | Spain | Jail | Operation | 95,182 | 2034 | 106 | 14 |
| Central Police Station (Ribera Norte) | 100.00% | Spain | Police Station | Operation | 60,330 | 2024 | 66 | 12 |
| Vallés Central Police Station (Terrasa) | 100.00% | Spain | Police Station | Operation | 8,937 | 2031 | 16 | 3 |
| Vallés Central Police Station (Barberá) | 100.00% | Spain | Police Station | Operation | 9,269 | 2031 | 16 | 4 |
| Green Canal Golf | 100.00% | Spain | Sport premises | Operation | 60,000 | 2012 | 1 | 2 |
| Public Facilities (m²) | | | | | 233,718 | | 204 | 35 |
| Majadahonda Hospital | 55.00% | Spain | Hospital | Operation | 749 | 2035 | 247 | 15 |
| Son Dureta Hospital | 49.50% | Spain | Hospital | Construction | 987 | 2038 | 312 | 17 |
| Can Misses Hospital (Ibiza) | 40.00% | Spain | Hospital | Cosntrucción | 258 | 2042 | 132 | 11 |
| Mallorca Health Centers | 49.50% | Spain | Health Center | Construction | - | 2021 | 21 | 3 |
| Public Facilities (number of beds) | | | | | 1,994 | | 712 | 46 |
| Plaza de Castilla Transfer Station | 50.00% | Spain | Transfer Station | Operation | 59,650 | 2041 | 169 | 41 |
| Príncipe Pio Tranfer Station | 70.00% | Spain | Transfer Station | Operation | 28,300 | 2040 | 64 | 11 |
| Avda América Transfer Station | 100.00% | Spain | Transfer Station | Operation | 41,000 | 2026 | 23 | 5 |
| Total Transfer Stations (m²) | | | | | 128,950 | | 256 | 57 |
| Iridium Aparcamientos | 100.00% | Spain | Parking | Constr. / Oper. (2) | 5,389 | 2058 | 63 | 45 |
| Serrano Park | 50.00% | Spain | Parking | Construction | 3,157 | 2048 | 120 | 10 |
| Total Parkings | | | | | 8,546 | | 183 | 55 |
| Total Concessions | | | | | | | 17,220 | 1,465 |

* ACS Group financial investment in the concession project.

(1) Construction completed in 2009, but partial exploitation does not begin until 2010.

(2) Covers all contracts managed by Iridium Aparcamientos.

Concessions

Relevant events

Within the scope of the portfolio of operating projects, as well as of Iridium's corporate activity, the following relevant events occurred in 2009:

- Iridium led the table of the world's main infrastructure concession groups again in 2009, according to the ranking published annually by the specialist journal "Public Works Financing" (PWF).
- The company was a winner of several awards, both in the financing of projects and in their promotion and management. Euromoney Project Finance magazine adjudged the financing for the I-595 expressway in Florida (USA) as winner of the "North America Transport Deal of the Year 2009" award, the Nouvelle Autoroute 30 expressway in Montreal (Canada) received the "Gold Award for Project Financing" conferred by Canadian Council for Public-Private Partnerships and the "North American PPP Deal of the year 2008", also from the publication Euromoney Project Finance. Furthermore, ARTBA (American Roads and Transportations Builders Association), an association of the main construction and engineering companies and departments of transport for the various US authorities awarded ACS Infrastructure Development, a North American subsidiary of Iridium, with Best Project 2009 for the I-595 interstate expressway in Florida and the French Chamber of Commerce and Industry in Barcelona, which gathers over 500 French and Spanish companies, presented TP Ferro Concesionaria S.A. with the "X Premio Pirineos".
- The works on the high-speed railway line between Figueras and Perpignan were completed in 2009, precisely fulfilling the contractual obligations. This is the subject of a concession held by the company TP Ferro Concesionaria S.A., which is 50% owned by companies belonging to the ACS Group.
- Full operation of the San Cristóbal Tunnel in Santiago de Chile, connecting the Avenida Américo Vespucio to the El Salto sector, began on 7 March 2009.
- On 22 November the whole of Seville's Metro Line 1 was opened. This is operated as a concession by the company Metro de Sevilla Sociedad Concesionaria de la Junta de Andalucía S.A., of which 34.01% is owned by companies belonging to the ACS Group. This line is the first to operate in the Andalusian capital and has a route 18 kilometres long with 22 stations. Passenger demand grew continuously as the process of opening the line progressed.
- The concession holder CRG Waterford started operation of the N25 Waterford Bypass in the Republic of Ireland on 19 October, 6 months

ahead of schedule with respect to the contract timescale. The main part of the works, executed by a consortium in which Dragados had a 50% stake, is the new cable-stayed bridge over the river Suir as it flows through the city of Waterford, its 465 m making it Ireland's longest bridge.

- The official opening took place on 30 October of the Central Complex at Mossos de Escuadra in Sabadell, Catalonia. This is a group of new buildings with a gross floor area of 66,000 m².
- Five stations on Barcelona's Metro Line 9 were opened on 13 December. The concession consists of a total of 13 stations which are to go into service progressively between 2009 and 2013.

The company continued to show great efficiency and capacity for innovation in the management of project financing. In this regard, several financing operations were arranged over the course of 2009 without recourse to shareholders, in spite of the extremely difficult global economic and financial situation. Noteworthy among these are:

- Finalising of financial arrangements for the Bajo Alentejo motorway (Portugal) on 31 January 2009 for €382 million, of which €200 million was provided by the European Investment Bank.
- Financing arrangements were completed on 25 February for the San Cristóbal Tunnel in Santiago for UF1.9 million.
- On 5 March the financing arrangements were completed for the I-595 in Florida (United States), for US \$1,389 million in two tranches. The first is by means of a bank credit signed for US \$781 million with 13 institutions with a term of 10 years and the second by means of a Federal Government loan (TIFIA) for US \$678 million with a term of 33 years.
- On 6 April the European Investment Bank joined the financing consortium for the Hospital de Son Dureta (Spain) project with the sum of €70 million on top of the €271 million of financing granted to the project.
- Financing arrangements were completed on 20 April for the Algarve Litoral highway project in Portugal for €165 million, provided in full by commercial banking.
- Refinancing was completed on 11 June for the Platinum Corridor concession in South Africa.

Internationalisation

At an international level, as we have already seen, Iridium has projects in different countries which meet its requirements for investment. The North American market is one set as a priority for the ACS Group, where Iridium is present with offices in 7 states in the United States and one delegation in Canada.

USA

The US Department of Transportation will continue to provide financial support to infrastructure projects carried out by the private sector and there are initiatives in the stimulus package framework aimed at improving these instruments. The American market will need promoters with great financial and technical capabilities and the ACS Group is positioned as a leader in public-private partnership projects with new construction, hence it finds itself in a privileged position to selectively tackle new opportunities and consolidate current projects. Furthermore, it is participating proactively in the identification of infrastructure projects and in the promotion of appropriate legislation to permit the implementation of these contracts in those states where an adequate legal market still does not exist.

Canada

With a level of infrastructure inferior to the country's economic level and with a great tradition for the promotion of concession projects, Canada presents itself as a country with great opportunities for these types of contracts for public-private initiatives. Opportunities are anticipated in the short and medium term for transport, hospital and public facilities infrastructures. The most active provinces are Ontario, British Columbia, Alberta, New Brunswick and Quebec, which have been outstanding both due to the volume and complexity of their projects and for their earnest nature and fulfilment in carrying out their tender plans.

In 2009,
Iridium leader
is again the
of the ranking of the world's main
infrastructure concession groups.

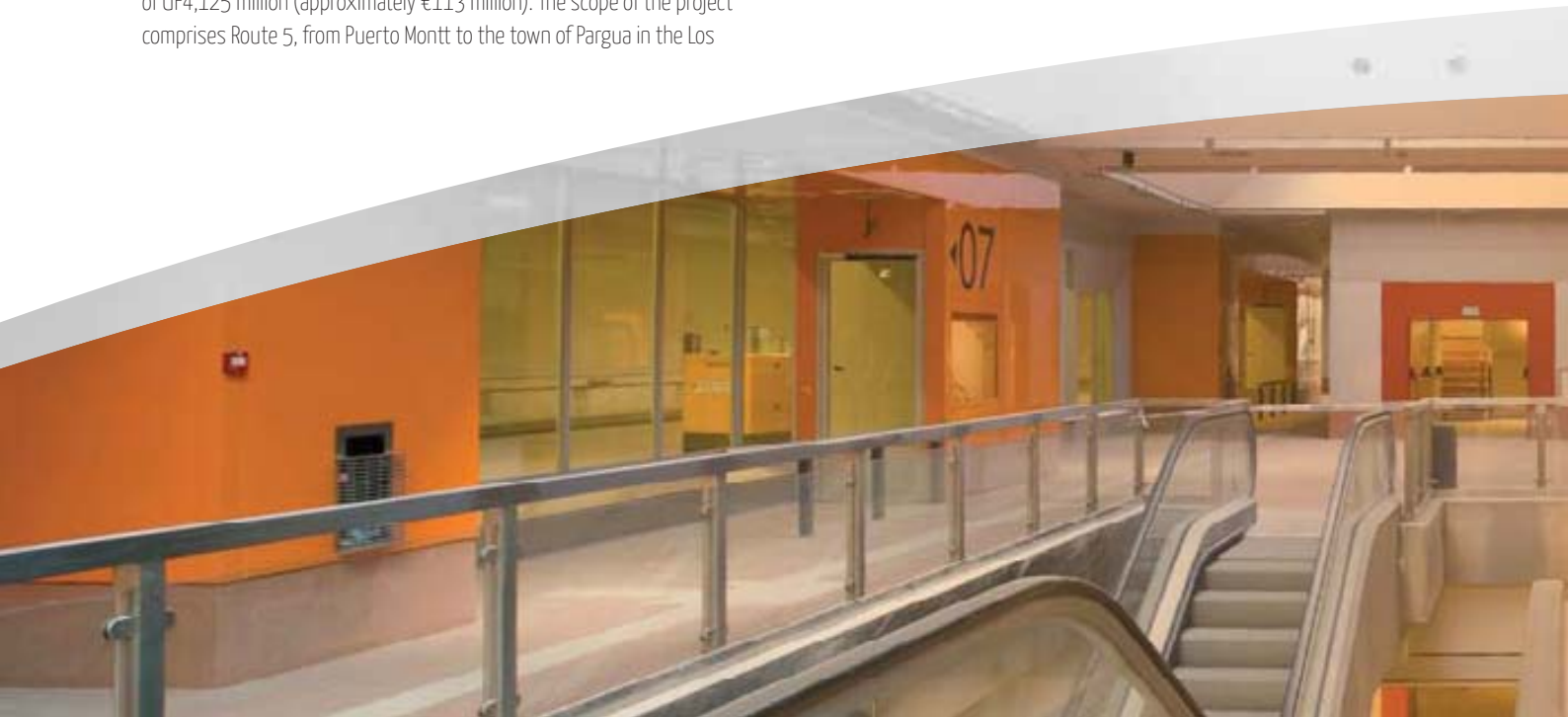


Concessions

Contracts awarded

In 2009 the ACS Group (or the consortia in which its companies participate) was awarded the following concession projects for transport and public facilities infrastructures:

- The concession for the design, construction, financing, operation and maintenance of the Diagonal Artery in Catalonia (Spain). The duration of the concession is 33 years, with a total investment of €398 million and a total length of 67 kilometres. Construction includes 35 kilometres of new road, of which 13 kilometres will be highway of two-lane dual carriageway and the other 22 kilometres will be single carriageway in each direction. The other 32 kilometres will involve conditioning and improving the existing roadway.
- The concession for the design, construction, financing, operation and maintenance of the Pyrenean Highway (Navarre, Spain). Total investment is €241 million and the concession term is 30 years. The total length of highway to be operated is 46 kilometres.
- The concession for the design, construction, financing, operation and maintenance of the Algarve Litoral highway subconcession in Portugal for an investment amount of €271 million. It is made up of several conventional roads, the main one being the EN125 national highway which runs along the whole south coast of Portugal between the towns of Sagres, near Cape San Vicente and Vila Real de Santo Antonio, near the border with Spain. Thirty-three kilometres of new roads will be built: 19 kilometres of motorway and 14 kilometres of single carriageway. Another 227 kilometres of road will be improved, of which 32 are motorways and 195 are single carriageway roads. The concession period is 30 years. The concession contract was signed on 20 April 2009.
- The concession for the construction, financing, operation and maintenance of Route 5 (Puerto Montt – Pargua stretch) in Chile, for an investment sum of UF4,125 million (approximately €113 million). The scope of the project comprises Route 5, from Puerto Montt to the town of Pargua in the Los Lagos region. The 55 kilometre long motorway lies 1,050 kilometres south of Santiago and connects Puerto Montt to the access to the island of Chiloe, a tourist destination.
- The concession for the design, construction, financing, operation and maintenance of Portugal's high-speed railway line in the Poceirao to Caia stretch (Madrid to Lisbon route), as well as the design, construction, financing and operation of a new station at Évora. The amount of investment is €1,651 million, covering a length of 167 kilometres and the concession term is 40 years. This is the first contract awarded for the development of Portugal's high-speed network (Madrid - Lisbon - Oporto - Vigo). The high-speed line will connect Lisbon and Madrid with journey times of 2 hours 45 minutes and Lisbon to Évora at 30 minutes.
- The concession for the operation of an underground car park, with a total of 897 spaces, for the Gregorio Marañón University General Hospital in Madrid, with a term of 5 years which can be extended year on year up to a maximum of 10 years.
- The concession for the construction and operation of the car park for the new La Fe Hospital in Valencia. A total of 1,716 spaces will be operated to provide a service to the hospital. The concession duration is 40 years.
- The concession for the design, construction and operation of a 318-space car park in the Avenida de las Comunidades de Mérida (Badajoz). The concession duration is 40 years.
- The concession for the construction and operation of the 300-space car park located in the Cambrils town council square, in Tarragona. The concession duration is 40 years.



Additionally, the following events, significant for the company's development, have occurred since the end of the 2009 financial year. In January 2010, the consortium headed by Iridium received the provisional award for the project for to execute the works for the new Can Misses Welfare Centre and two associated health centres (Ibiza), as well as their conservation and maintenance throughout the term of the concession. In February 2010 consortium in which Iridium participates received construction, conservation and operation of 10 new health centres and basic health units on the island of Mallorca.

At the end of 2009 Iridium also participated in several consortia previously selected or short-listed for the following projects, where continuity is anticipated for this financial year:

- In Canada, the consortium in which Iridium participates is short-listed for the South Fraser Perimeter Road project in Vancouver and the Windsor – Essex Parkway project in the province of Ontario.
 - The subject of the South Fraser contract is the design, construction, financing, operation and maintenance of a new route with four carriageways along the south bank of the Fraser River.
 - The Windsor – Essex Parkway project consists of the design, construction, financing, operation and maintenance, over 30 years, of a motorway 11 kilometres long with 6 carriageways to connect the 401 motorway in Ontario to the border with the State of Michigan (United States).



- In Ireland, the consortium in which Iridium participates has been selected for the BAFO phase for the Dublin Metro project.
- In Chile, Iridium is short-listed for several motorway projects and is taking part in the Ministry of Public Works' current concessions programme.
- In Portugal, Iridium continues to take part in the motorways programme. The launch of 6 new projects is expected, with estimated investment of over €1,800 million. It also continues to participate in the development of Portugal's high-speed railway. After the awarding of the contract for the first 167 km to link the Spanish border at Caia with Poçeira, the programme will continue with the development of four further stretches under a concession regime, completing the Lisbon to Valença (border with Galicia) route, with investment of over €8,000 million.
- In the United States, Iridium is carrying out the pre-development of the project for Mid Currituck in North Carolina and is participating in projects in the states of Florida, New York, Georgia, Texas and California, as well as in Puerto Rico.

The company manages a diversified portfolio of projects located in the world's leading markets.

Environment

- Sector environment 46
- Business strategy 51
- Activity description 52
- Internationalisation 59
- Contracts awarded 60
- Organisational Structure 61

11.9%

average annual growth of Enviroment's activity during the last 5 years.





The ACS Group engages in its activities in the Environment area through three companies with extensive experience which are leaders in their respective sectors in Spain; Urbaser, Dragados SPL and Clece.



Environment

Sector environment

The Environment area carries out its activities to attend to the needs of two types of client: public authorities –mainly local or regional– and private clients seeking to outsource services, mainly the maintenance of their non-productive assets, or which require port or logistic services.

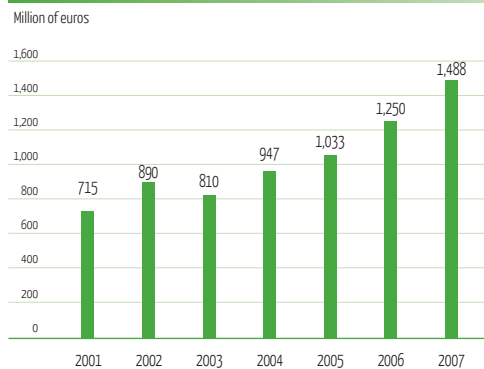
Environmental Services

The Environmental Services sector maintains resistance to changes in the economic cycle due, on the one hand, to the importance of environmental policies in the current setting, resulting in the growth in the budgetary items dedicated to the area and, on the other hand, to the fact that these types of services are highly influenced by factors such as demographic growth or patterns of consumption.



As such, growing social awareness and the objective of reducing harmful gas emissions are reflected in all spheres of society, both in private companies and public authorities. In private companies located in Spain, investment in environmental protection (reduction of emissions, waste handling, water saving, etc) went from €715 million in 2001 to €1,488 million in 2007, according to the latest data published by Spain's National Statistics Institute (INE).

Evolution of investment in environmental protection in Spain



Source: INE



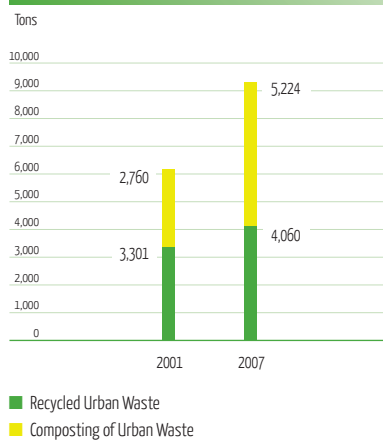
On the other hand, public authorities, city councils and local corporations, responding to citizens' demands and new European directives, are maintaining and in some cases increasing their environmental budgets and developing assets under concession for treating and recycling urban waste. The amount of urban waste recycled and allocated for composting grew by over 53% between 2001 and 2007, according to the latest data published by INE. In percentage terms, urban waste recycling increased from 23% of the total in 2001 to 33% of the total in 2007.

Another significant source of growth is the coming on stream of new installations, the result of tenders from previous years for meet the need to adapt waste treatment systems to the new regulations limiting the use of dumps. 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.

In this situation it can also be seen that street cleaning and waste collection services have experienced a sustained increase, in spite of the fall in economic activity, as these are public services which are completely basic and necessary for public health. There is still potential for growth in this field deriving from smaller municipalities which tend to outsource these services to achieve greater efficiency and significant cost savings.

Outside of Spain, the trend is the same, especially in developed countries with legislation being ever more committed to sustainable development. One of the European Union's short-term objectives in the environmental area is to reduce greenhouse gas emissions by 8% in 2012 with respect to 1990 levels. In the longer term, up to 2020, it would be necessary to reduce these emissions by between 20 and 40%. To achieve this objective it is necessary to drive improvements in activities related to greenhouse gas emissions, such as those generated naturally in solid urban waste dumps (carbon dioxide and methane).

Evolution of recycled urban waste in Spain



Source: INE

Environment

Waste management is a fundamental subject within the European Union. The countries of the European Union generate over 1,300 million tons of waste per year.

In this respect, the European Union proposes reducing the final amount of waste generated by 50% by 2050. Among the measures adopted to achieve this are: improving the existing waste management systems, investment in quantitative and qualitative prevention and the preparation of a strategy for sustainable management of resources, by means of establishing priorities and reducing consumption.

It is not possible to reduce waste generation to zero and, conscious of this, the European Commission has defined methods to reduce its environmental impact, such as:

- The obligation of all Member States to prepare legislation which prohibits abandonment, dumping and uncontrolled disposal of waste.
- To promote the prevention, recycling and transformation of waste, to be able to reuse it.
- Cooperative measures between Member States with a view to establishing an integrated and appropriate network of facilities for disposal and treatment.

The waste treatment industry in Europe continues to grow, independently of the economic situation or the political persuasion of each country. This growth is endorsed by legislation, guaranteeing sustained future growth.

The potential for international growth continues to be very significant, by means of tenders for integral urban waste treatment plants in countries which adapt their facilities to new, more demanding regulations, such as the United States, England and France.

Social Healthcare Services and Facility Management

In parallel with the market for environmental services, significant demand has developed in Spain for facility management services, as a consequence of the growing trend towards outsourcing which both large business groups and public authorities are experiencing.

Clece, the ACS Group's lead company in this business, has an outstanding presence in these markets, in several of which it is the outright leader. Its success is based on two competitive advantages:

- The capacity to respond with efficient, comprehensive and flexible solutions to the needs of clients to outsource services which do not form part of their core business or activity.
- The capacity to form teams capable of providing a personalized and committed service to each client (administrative section, office, airport, hospital or educational centre), which clearly distinguishes the company from its competitors.



This area is characterised by the growing trends towards outsourcing which both large business groups and public authorities are experiencing.

Clece's experience in managing significant numbers of people provided it the base to support the extension of its activities into the scope of social services, aimed at people who are dependent or at risk of exclusion.

The ACS Group's commitment to the Social Services sector means responding to the consequences of progressive ageing of the Spanish population, being in tune with the push the Administration has decided to provide by means of the Dependency Law to groups in vulnerable situations, all with a degree of efficiency which results in sustainable costs for the Administration.



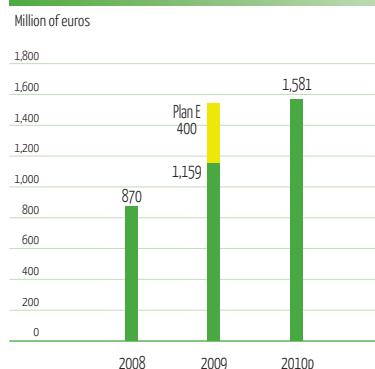
| Period | Total Spanish Population | Population 65 years-old and over | | Population 65 to 79 years-old | | Population 80 years-old and over | |
|--------|--------------------------|----------------------------------|--------------|-------------------------------|--------------|----------------------------------|--------------|
| | | Total | % over total | Total | % over total | Total | % over total |
| 1900 | 18,618,086 | 967,754 | 5.2% | 852,389 | 4.6% | 115,365 | 0.6% |
| 1910 | 19,995,686 | 1,105,569 | 5.5% | 972,954 | 4.9% | 132,615 | 0.7% |
| 1920 | 21,398,842 | 1,216,693 | 5.7% | 1,073,679 | 5.0% | 143,014 | 0.7% |
| 1930 | 23,677,794 | 1,440,739 | 6.1% | 1,263,626 | 5.3% | 177,113 | 0.7% |
| 1940 | 26,015,907 | 1,699,860 | 6.5% | 1,475,702 | 5.7% | 224,158 | 0.9% |
| 1950 | 27,976,755 | 2,022,523 | 7.2% | 1,750,045 | 6.3% | 272,478 | 1.0% |
| 1960 | 30,528,539 | 2,505,165 | 8.2% | 2,136,190 | 7.0% | 368,975 | 1.2% |
| 1970 | 34,040,878 | 329,800 | 1.0% | 2,767,061 | 8.1% | 523,739 | 1.5% |
| 1981 | 37,693,363 | 4,236,724 | 11.2% | 3,511,593 | 9.3% | 725,131 | 1.9% |
| 1991 | 38,872,268 | 5,370,252 | 13.8% | 4,222,384 | 10.9% | 1,147,868 | 3.0% |
| 2001 | 41,116,842 | 7,037,553 | 17.1% | 5,404,513 | 13.1% | 1,633,040 | 4.0% |
| 2005 | 44,108,530 | 7,332,267 | 16.6% | 5,429,048 | 12.3% | 1,903,219 | 4.3% |
| 2010 | 46,017,560 | 7,742,903 | 16.8% | 5,506,338 | 12.0% | 2,236,565 | 4.9% |
| 2020 | 47,037,942 | 9,062,634 | 19.3% | 6,306,689 | 13.4% | 2,755,945 | 5.9% |
| 2030 | 47,559,208 | 11,192,700 | 23.5% | 7,853,747 | 16.5% | 3,338,953 | 7.0% |
| 2040 | 47,932,948 | 13,766,839 | 28.7% | 9,400,818 | 19.6% | 4,366,021 | 9.1% |
| 2049 | 47,966,653 | 15,325,273 | 31.9% | 9,680,933 | 20.2% | 5,644,340 | 11.8% |

Source: INE

The Dependency Law is the reference framework for developing social services provided through public authorities by private operators such as Clece. Despite the current context of economic crisis, the General State Budgets for 2010 allocate €1,581 million to these headings, representing an increase over the 2009 figure.

There is strong growth potential in this field as, according to data from the State Association of Social Services Directors and Managers, there are around 250,000 people in Spain who are in a situation of acknowledged dependency, but who do not receive any attention, as well as approximately 120,000 applicants awaiting assessment.

Evolution of Budgets for the Dependency Law



Source: General State Budgets.
* Spanish Plan to boost the Economy and Employment.

Environment

Other areas of expansion which Clece is exploring are:

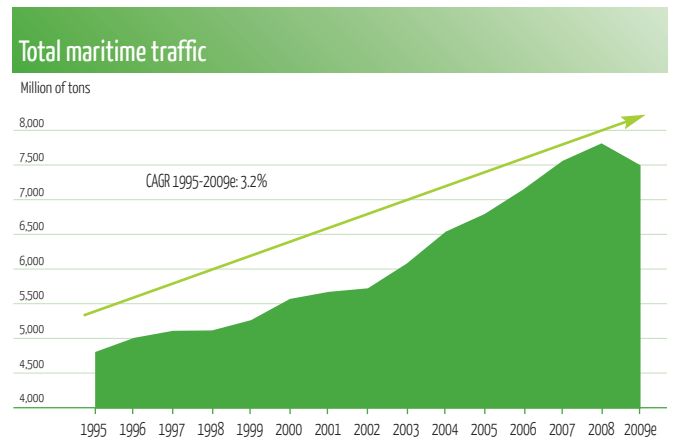
- Contracts and services related to the maintenance of buildings to improve energy efficiency. This is a sector on the rise, with strong growth potential derived from plans for savings promoted by governments.
- Airport services, aimed at aircraft, airports and the people who move through them (in particular those with reduced mobility).
- Special care for landscaped areas in administrative zones and business parks.
- Supply of catering services aimed at groups (students in schools and universities, patients in hospitals, employees in business centres, etc).

New opportunities arise not only in activities, but also for complete attention to new sectors and clients. In this regard it is worth mentioning the State Security Forces, one of the institutions with the greatest presence and highest number of material and human assets in the country, which is increasing its outsourcing of services.



Port services

In relation to the last segment of activity in Environment, Port Services and Logistics, the global economic crisis had a significant effect on container traffic and maritime transport activities during 2009.



Source: Fearnleys

In 2009, the number of containers in transit (in Spain, measured in TEUs) fell by 11% to a figure slightly over 6.2 million TEUs as a consequence of a difficult situation in terms of global trade and the transport of merchandise, which has meant that the main players in the industry have needed to take measures against the forecast slowing in activity, affecting margins from it.

However, the port of Valencia, operated by SPL through Marvalsa, its main asset, has defensive characteristics due to its location, mix of traffic and efficiency which have enabled it to be an exception almost worldwide and to finish the 2009 financial year with growth of 15.6% in TEUs transferred.



Source: Spanish Port System

Business strategy

The ACS Group's Environment area has maintained solid growth over recent years, which, combined with attractive profitability levels, has enabled it to position itself as one of the leaders in the sector in Spain. Furthermore, the Group's international presence is also being progressively increased, especially through Environment activities. For the future, the Group's strategy for this area is to seek to maintain this growth and development model, which is summed up in the following strategic principles:


- To grow internationally, especially in Environmental Services, to achieve a position of **leadership** in those activities in which the ACS Group specialises.
- To improve internal and the clients' **operating efficiency** by means of technological advances and improvements in the management of human resources and of capital.
- To continue with a coherent policy for **diversification of its activities**, applying its know-how and experience to new fields which show the capacity to generate added value.

This strategy is based on the ACS Group's values and culture, with which the Environment area is clearly aligned, since:

- Focus on the client is a central theme in its activity. It provides services to clients who demand significant benefits for society, continuous improvement in their efficiency, support for their outsourcing policies and rationalisation of tasks which are not a central part of their core business.
- The ACS Group's companies have a proven capacity for adapting to the changing characteristics of projects, enabling them to increase the efficiency of the services provided and, therefore, their profitability for clients and the ACS Group.

These characteristics are complemented by the following competitive advantages, which will enable the Environment area to maintain its prominent position in the sector in Spain:

- It is a step ahead of the competition technologically in waste treatment: street cleaning, recycling, composting and the generation of renewable energy from waste biomass (biomethanization and thermal treatments), enabling the ACS Group to compete in any country in the world with guarantees of success.
- Its solid financial position and appropriately balance structure enable it to tackle investments in concession-type and long-term projects which increase the viability and recurrence of income.
- The experience accumulated during over two decades in Facility Management services results in new opportunities arising in the multi-service field, aimed both at companies and authorities, such as: social services, airports, energy efficiency and industrial catering, among others.

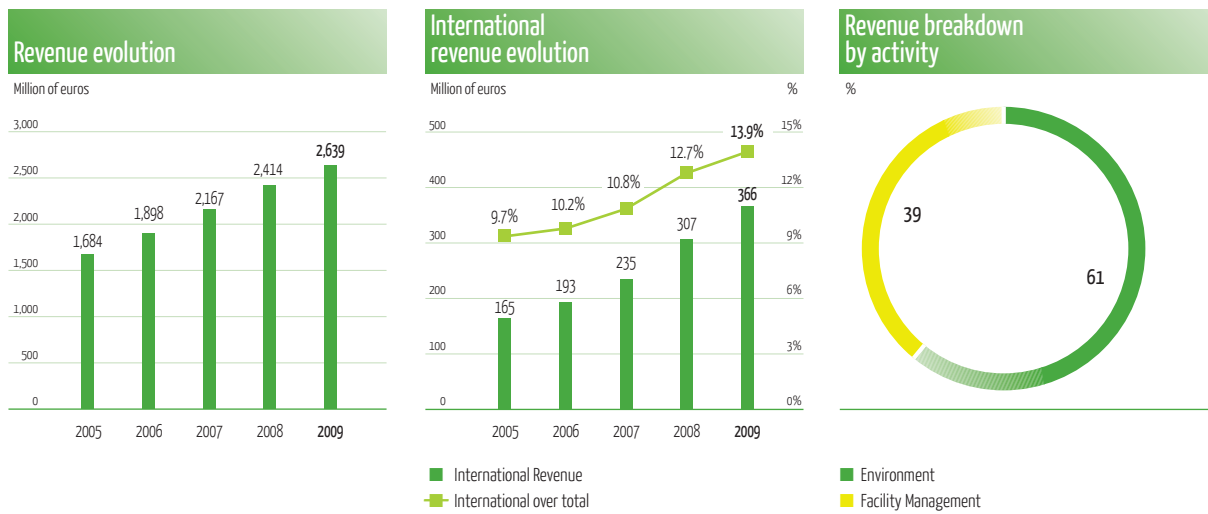


The aim of these activities is to maintain a sustainable growth rate with attractive returns.

Environment

Activity description

In 2009, the ACS Group achieved net sales of €2,639 million in the Environment area. This represents growth of 9.3% for the year¹ in comparable terms. The annual compound rate of growth over the last five years is 11.9%, reasserting ACS's leadership in Spain and consolidating the Group as a reference company in the European market.



Note: Port and Logistic Services have been excluded from these data for the 2005-2008 period in order to make the comparison with 2009 homogeneous.

Environment 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, is the leader in the management of solid urban waste treatment plants in Spain and has undertaken significant projects abroad.

During 2009, Urbaser managed the following facilities for the treatment and disposal of solid urban waste:

- 44 Plants for the pre-treatment of solid urban waste with an installed capacity of 7,026,436 tons/year.
- 8 Energy recovery plants with a treatment capacity of 2,076,000 tons/year and an installed electrical power of 205.09 MW.



¹ In all the data in this chapter, the Port and Logistic Services activity has been considered as an asset maintained for sale in order to make the historical data comparable with those for 2009.

- 19 Plants for the biomethanization of organic fractions with an installed capacity of 1,361,260 tons/year.
- 50 Composting installations with an installed capacity of 2,584,568 tons/year.
- 78 Transfer plant installations with an installed capacity of 7,004,008 tons/year.
- 48 Controlled waste dumps with an installed capacity of 9,179,439 tons/year.
- 14 Waste dump degasification installations which produce 421 Hm³ per year of biogas.

During 2009, Urbaser completed the construction of a large integral solid urban waste plant in Marseilles (France), which will process 450,000 tons per year and which is now starting commercial operation.

Furthermore, the expansion of a waste incinerating plant in Mallorca with two new lines to treat 450,000 tons/year was also completed. Provisional acceptance will take place in the first months of 2010 and it will then start commercial operation.



Ecoparc 1 in Barcelona has been operating at rated capacity after the remodelling carried out in 2008.

Activities continued in street cleaning, treatment and purification of urban waste water, gardening in cities, collection and treatment of hospital waste and disposal of industrial waste and waste from demolition and building.

In addition, it treated and disposed of 3.2 million tons of inert waste and 112,567 tons of industrial waste; 109,477 tons for the regeneration of mineral oils and 167,000 tons of Marpol-type oils.



International activity represents the 14% of the total turnover in this area.



Environment

Within the water cycle, the following facilities continued to be managed throughout 2009:

- 82 Industrial water purifying stations for 970,000 m³ per day for the equivalent of 5,300,000 inhabitants.
- 17 Sewage operations for the equivalent of 985,000 inhabitants.
- 14 Water supply facilities for 229,000 m³ per day for the equivalent of 910,000 inhabitants.
- 7 Drinking water treatment plants at 250,000 m³ per day for the equivalent of 290,000 inhabitants.
- 7 Analysis and monitoring laboratories for the equivalent of 1,400,000 inhabitants.

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, without forgetting new activities with great potential for the future, such as industrial catering or energy efficiency.

The following contracts being executed during 2009 stand out within cleaning and maintenance services, as provided to both public authorities and large corporations:

- Cleaning services for the following hospitals and health centres: Juan Ramón Jiménez in Huelva (as well as energy management and facility management), Universitario Insular de Gran Canaria, Materno Infantil de Canarias, Vecindario Specialist Care Centre, Prudencio Guzmán Specialist Care Centre, Universitario de Gerona and Jerez de la Frontera Hospitals.
- Cleaning services for: the main warehouse at Arinaga, the offices and other departments for the Canal de Isabel II, the offices of the Community of Madrid's Judicial Bodies, the buildings on the Santiago de Compostela University campus and of the University of Cantabria.
- Contracts for facility management of: the Príncipe de Asturias Hospital in Alcalá de Henares (Madrid), the buildings and installations on Universidad Autónoma de Madrid campus, Endesa's buildings in Andalusia and Badajoz and the Santander Group's Financial City in

Madrid. Also integral management of the Teatros del Canal and the Auditorium of the Community of Madrid.

- Management of the warehouses on the CEPSA refinery in Huelva and of the Villa de Madrid warehouse for Madrid City Council.

In social healthcare services, the following contracts are of particular interest:

- Integral management of the San José de las Longueras care centre for the mentally handicapped in Telde, Grand Canary.
- Integral management of the elderly people's homes at Buñol and La Cañada in Paterna (both in Valencia), as well as the "Baños Salud" home in Venta de Baños (Palencia) and the "Parque Coimbra" home in Madrid.
- Home help service contracts for Barcelona, Jaen provincial council and Valladolid.

The following contracts can be highlighted in Catering Services:

- Pupil dining hall services for schools in Málaga, Córdoba and Sevilla.
- Kitchen, dining room and cafeteria service for the Universitario de Bellvitge and Viladecans Hospitals in Barcelona.
- Service for subsistence, lunches and/or dinners for accident and emergency, primary healthcare and health emergency staff for the Castilla León Regional Health Authority.

The following activities stand out in those related to the green market:

- Preventive forestry treatments against fire in the Sierra de las Estancias and Santa María Heritage Woodlands at Los Vélez (Almería).
- Urban gardening maintenance service in Lérida.

Clece also operates in the airport services market, where the following contracts can be highlighted:

- Aircraft cleaning service at Fuerteventura and Barcelona airports for the company Flightcare.



- Cleaning service in Barcelona airport for AENA.
- Sales point concession for operating a catering service (employee dining room) in Palma de Mallorca airport.
- Handling service for Malaga airport.

Environment

Included in the area of **Port and Logistic Services** are port management and handling, maritime agency and transit activity, dry-dock management, intermodal transport and logistics.

In 2009, the ACS Group maintained its leadership as an operator of container terminals in Spain, handling nearly 5.0 million TEUs, continuing its outstanding presence in the ports of Valencia, Las Palmas - Grand Canary, Bilbao and Malaga.

Also noteworthy is the Group's leading role in other activities such as the handling of bulk materials (nearly 6 million tons), general cargo (over 4 million tons) and perishable goods (150,000 tons).

| Ports-Description | % ACS stake | Consolidation Method | Country | Port | Type | Cargo | Phase |
|---|-------------|----------------------|-----------|----------------|------------|---------------------------|------------------------|
| Marítima Valenciana | 100.00% | Global | Spain | Valencia | Concession | Containers | Operation |
| Operaciones Portuarias Canarias (OPCSA) | 45.00% | E.M.(1) | Spain | Las Palmas | Concession | Containers | Operation/Construction |
| Abra Terminales Marítimas (ATM) | 77.74% | E.M.(1) | Spain | Bilbao | Concession | Containers | Operation |
| ITI - Iquique | 40.00% | E.M.(1) | Chile | Iquique | Concession | Containers/General Cargo | Operation |
| Terminales Marítimas del Sudeste (Málaga) | 89.00% | Global | Spain | Málaga | Concession | Containers | Operation/Construction |
| Terminal de Caucedo | 15.00% | E.M. (1) | Dom. Rep. | Caucedo | Concession | Containers | Operation |
| Jing Tang | 52.00% | Global | China | Jing Tang | Concession | Containers | Operation |
| Tecasa | 77.78% | Global | Spain | Castellón | Stowage | Multi-use | Operation |
| TMS (Marmedsa) | 81.00% | Global | Spain | Santander | Stowage | Dirty/clean bulk | Operation |
| Marítima Servicesa (Marmedsa) | 51.25% | E.M. (1) | Spain | Valencia | Concession | Dirty bulk | Operation |
| Marítim. Valenc. Sagunto (Marvalsa) | 100.00% | Global | Spain | Sagunto | Concession | Gen.Cargo. Fruit (refrig) | Operation |
| Graneles Sólidos Minerales (GSM) | 81.00% | Global | Spain | Santander | Concession | Dirty bulk | Operation |
| Autoterminal | 40.40% | E.M.(1) | Spain | Barcelona | Concession | Vehicles | Operation |
| FRICASA (Marmedsa) | 75.00% | Global | Spain | Castellón | Concession | Fruit, perishables | Operation |
| Terminal Marítima de Cartagena, S.L. | 50.01% | E.M.(1) | Spain | Cartagena | Stowage | Bulk/General Cargo | Operation |
| Terminales Marítimos de Galicia | 19.98% | E.M.(1) | Spain | Coruña | Stowage | Bulk/General | Operation |
| WRC + TESC San Francisco do Sul | 50.00% | Prop. (2) | Brazil | Santa Catarina | Concession | Containers | Operation/Construction |
| Indira Container Terminal | 50.00% | Prop. (2) | India | Mumbai | Concession | Containers | Operation/Construction |
| Sadoport | 50.00% | Prop. (2) | Portugal | Setubal | Concession | Containers | Operation |
| Agemasa | 50.00% | Prop. (2) | Spain | Bilbao | Concession | Gen.Cargo. Fruit (refrig) | Operation |

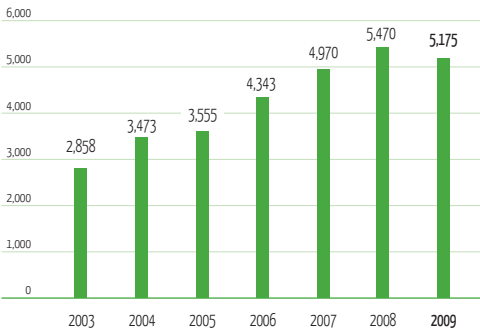
(1) Equity Method

(2) Proportional Integration



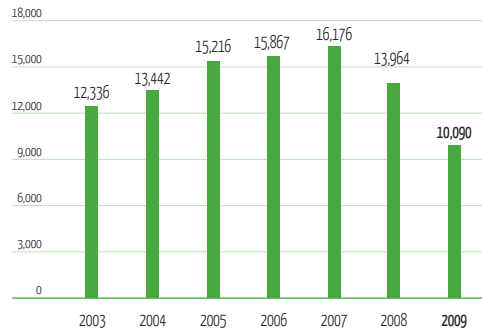
TEUS

Thousand of TEUS



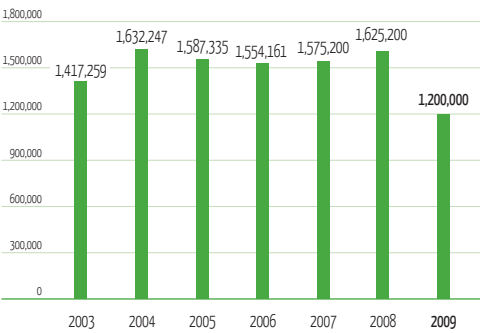
Bulk and other cargo

Thousand of tons



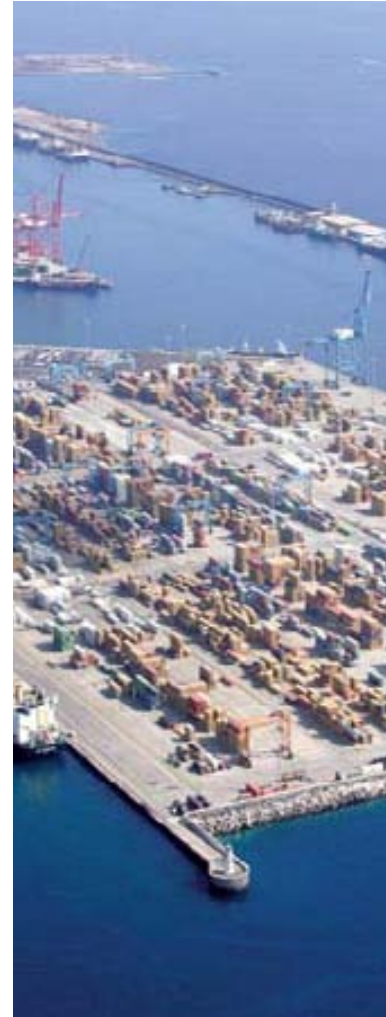
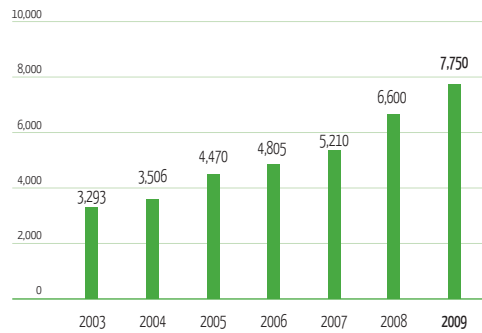
Vehicles

Vehicles



Agency Services

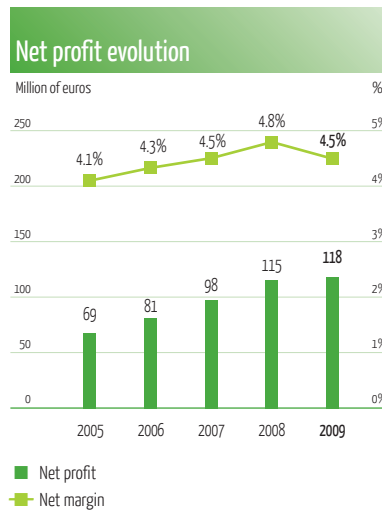
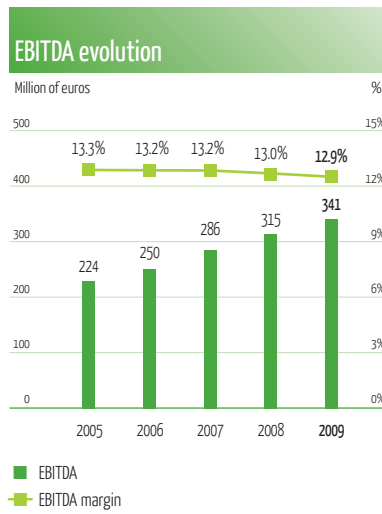
Port Calls



Environment activities are based on medium and long-term recurrent contracts for both public and private clients.

Environment

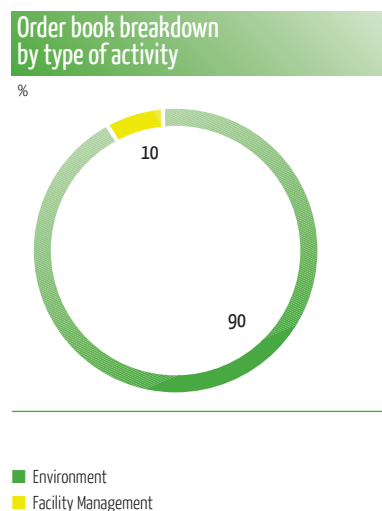
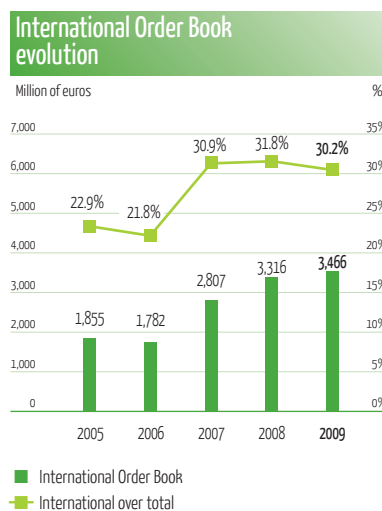
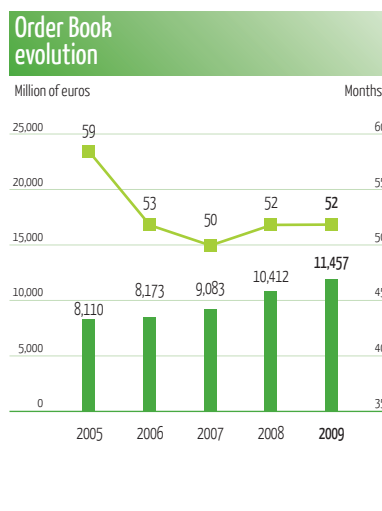
Environment activities are based on medium and long-term recurrent contracts for both public and private clients. Many of the activities are capital intensive and their concessional nature reduces risk and guarantees attractive profitability. This area provides the ACS Group with stability and geographic diversification in terms of revenues.



Note: Port and Logistic Services have been excluded from these data for the 2005-2008 period in order to make the comparison with 2009 homogeneous.



The ACS Group's Environment order book amounted to €11,457 million in 2009, up 10% on the previous year. This figure is equivalent to 52 months of activity.



Note: Port and Logistic Services have been excluded from these data for the 2005-2008 period in order to make the comparison with 2009 homogeneous.

Internationalisation

International turnover in the Environment area grew by 19% in 2009 to total €366 million, 13.9% of total turnover. The order book in the international area in 2009 was €3,466 million, 4.5% higher than the year before and representing 30.2% of the total order book. Sales and order book at an international level have experienced strong growth, at a compound annual rate of 22% and 17% respectively over the last five years, as a consequence mainly of the promotion of waste treatment plants, which has enabled ACS to tender for significant projects in large cities outside Spain.

The Environment activity is the area with the greatest international presence. In the waste treatment area, where Urbaser has great experience due to the large number of treatment plants it has built and has in operation, in 2009 significant projects came to fruition in France (plants in Marseilles, Valence, Calais, Roanne and Paris) and Portugal (biomethanization at Mafra). Likewise, the urban solid waste treatment plants for Chateau D'Olonne and Chalosse in France have been

tendered for and contracted. Additionally, bids have been presented in Italy (Verona, Sardinia), the United Kingdom (Gloucestershire, Milton Keynes, Lincolnshire, Plymouth, Leeds), the United States (Los Angeles, Salinas Valley) and Canada (Toronto).

As regards the awarding of other projects for environmental management, in 2009 contracts awards were obtained for cleaning the historic zone of Paris and for waste collection in Joinville-le-Pont and Val de Garonne (France), Cali (Colombia) and Salé (Morocco). Urbaser's presence in Mexico has also expanded with the awarding in 2009 of the transfer plants in Hermosillo and the dumpsites at Cuyuaco and Obregón.

Furthermore, Urbaser has continued its activity derived from the contracts awarded in previous years in Morocco, Argentina, Colombia, Chile, the Dominican Republic, Venezuela, Panama, Mexico, Portugal, England, France, Dubai and Egypt.

Countries where the ACS Group is developing Environment activity

2009 International Revenue

€366 mn
13.9% of total

2009 International Order Book

€3,466mn
30.2% of total



Environment

Main contracts awarded

The following contracts awarded in 2009 are noteworthy:

| Main contracts awarded in 2009 | Amount (million of euros) | Years | Awarded company |
|---|---------------------------|-------|-----------------|
| Project for the construction of an urban solid waste treatment plant in Barcelona (Spain) | 642 | 21 | Urbaser |
| Solid urban waste collection and street cleaning of the eastern area of the city of Barcelona (Spain) | 381 | 8 | Urbaser |
| Contract for the water supply facilities of the city of Totana (Valencia, Spain) | 87 | 24 | Urbaser |
| Concession for the dump exploitation of "Loma Los Colorados" (Chile) | 65 | 16 | Urbaser |
| Management of the at-home medical care service in two areas of the city of Barcelona (Spain) | 54 | 3 | Clece |
| Contract for the street cleaning and solid urban waste collection (Prat de Llobregat, Barcelona, Spain) | 51 | 8 | Urbaser |
| Contracts for toxic wastes management for a group of Spanish clients. | 50 | 1 | Urbaser |
| Water sewage systems management in the municipalities of Posadas and Garupá (Argentina) | 35 | 0 | Urbaser |
| Contract for the urban cleaning services in Aranda de Duero (Burgos, Spain) | 26 | 10 | Urbaser |
| Urban solid waste treatment plant construction in Chateau de D'Olonne (Vendée department, France) | 21 | 3 | Urbaser |
| Transport and collection of urban waste in Chiclaana (Cádiz, Spain) | 20 | 4 | Urbaser |
| Urban solid waste transfer plant in Hermosillo (Mexico) | 20 | 17 | Urbaser |
| At-home medical care services for the city of Malaga (Spain) | 20 | 1 | Clece |
| Concession for the dump exploitation of Obregon City (Mexico) | 19 | 20 | Urbaser |
| Dinning hall and cafeteria services for the Belvitge Hospital (Barcelona, Spain) | 19 | 6 | Clece |



Organisational Structure

Environment

100%



Company specialising 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.

100%



Company specialised 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

100%



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

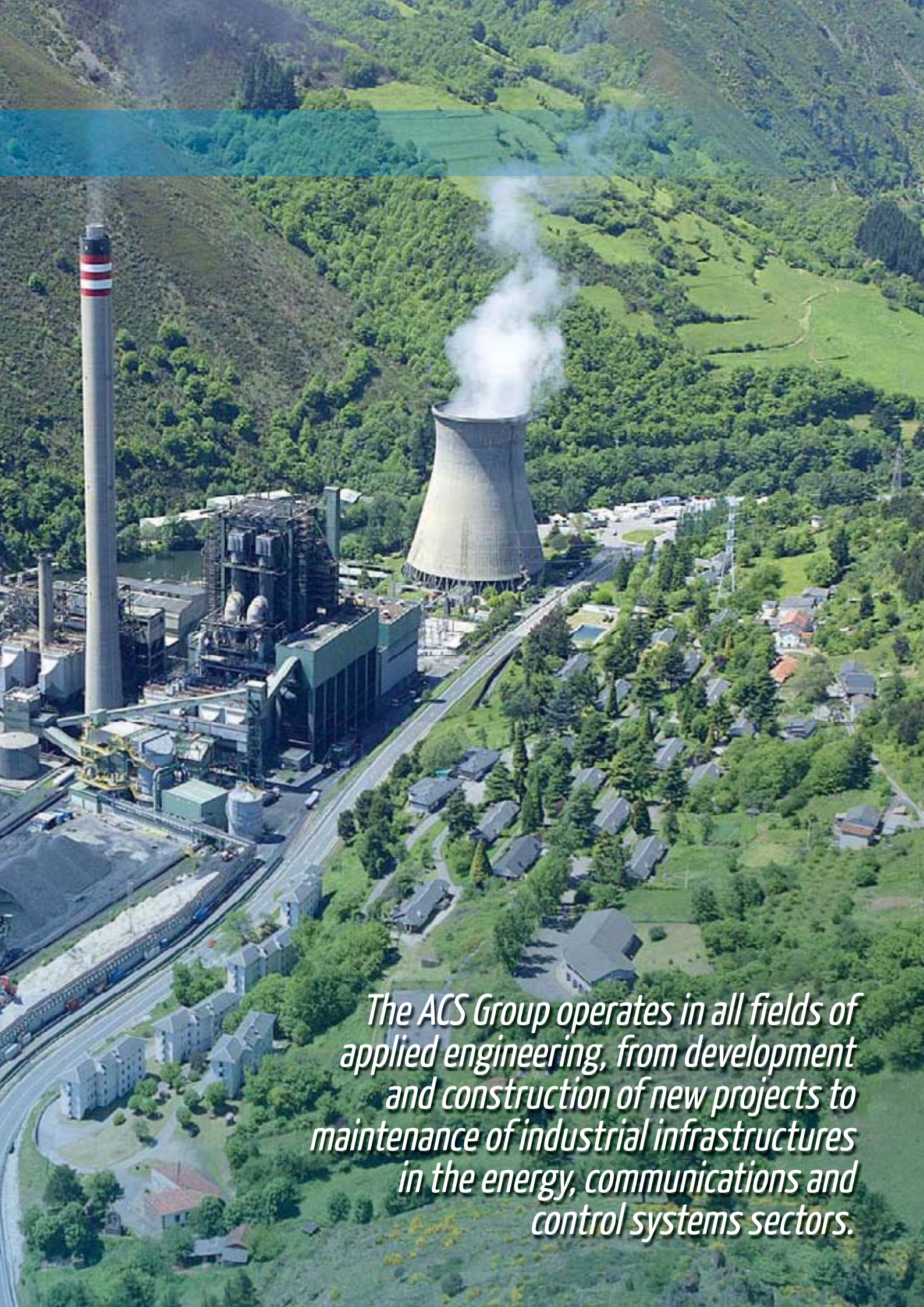
Industrial Services and Energy

| | |
|--------------------------|----|
| Sector environment | 64 |
| Business strategy | 73 |
| Activity description | 74 |
| Internationalisation | 83 |
| Contracts awarded | 86 |
| Organisational Structure | 87 |

39.3%

of the total is represented by the international order book in the Industrial Services and Energy area.





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.

Industrial Services and Energy

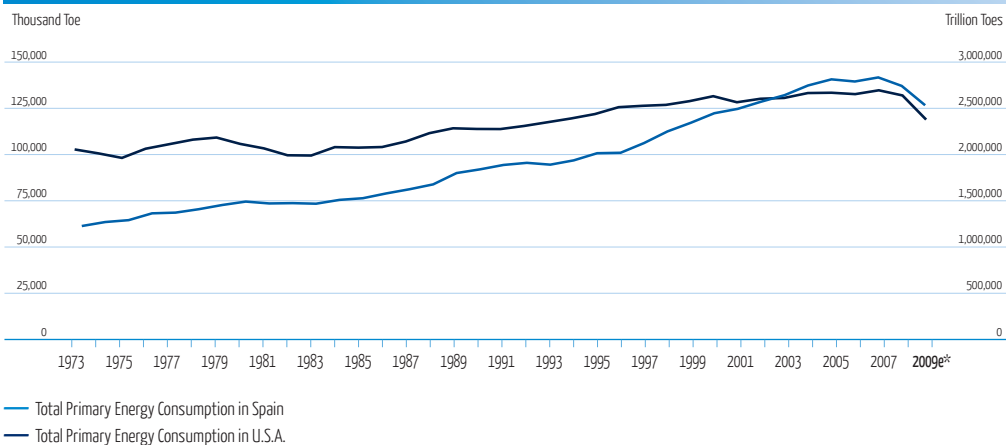


Sector environment

The motor for growth for the Industrial Services and Energy area is essentially the energy industry in all points in its value chain, from the extraction and refining of oil and gas, to the generation of electricity, its use for transport, heating and air conditioning systems or support services for large consumer industries.

In 2009 the global economic and financial crisis led to a significant fall in worldwide energy consumption, calculated at 2% according to the WEO (World Energy Outlook). This reduction is accompanied by two collateral effects, a drop of 3% in CO2 emissions and a noticeable reduction in investment in assets of all types, mainly in oil and gas, where investment budgets fell 19% in 2009 in comparison to 2008, an estimated reduction of \$90,000 million.

Evolution of primary energy consumption in U.S.A and Spain



Source: Ministry of Industry, Tourism and Trade and EIA (Energy Information Administration).

* 2009e: Spanish data was estimated based on Spanish Ministry of Industry information for June 2009, while U.S.A data was estimated based on the EIA data for September 2009.

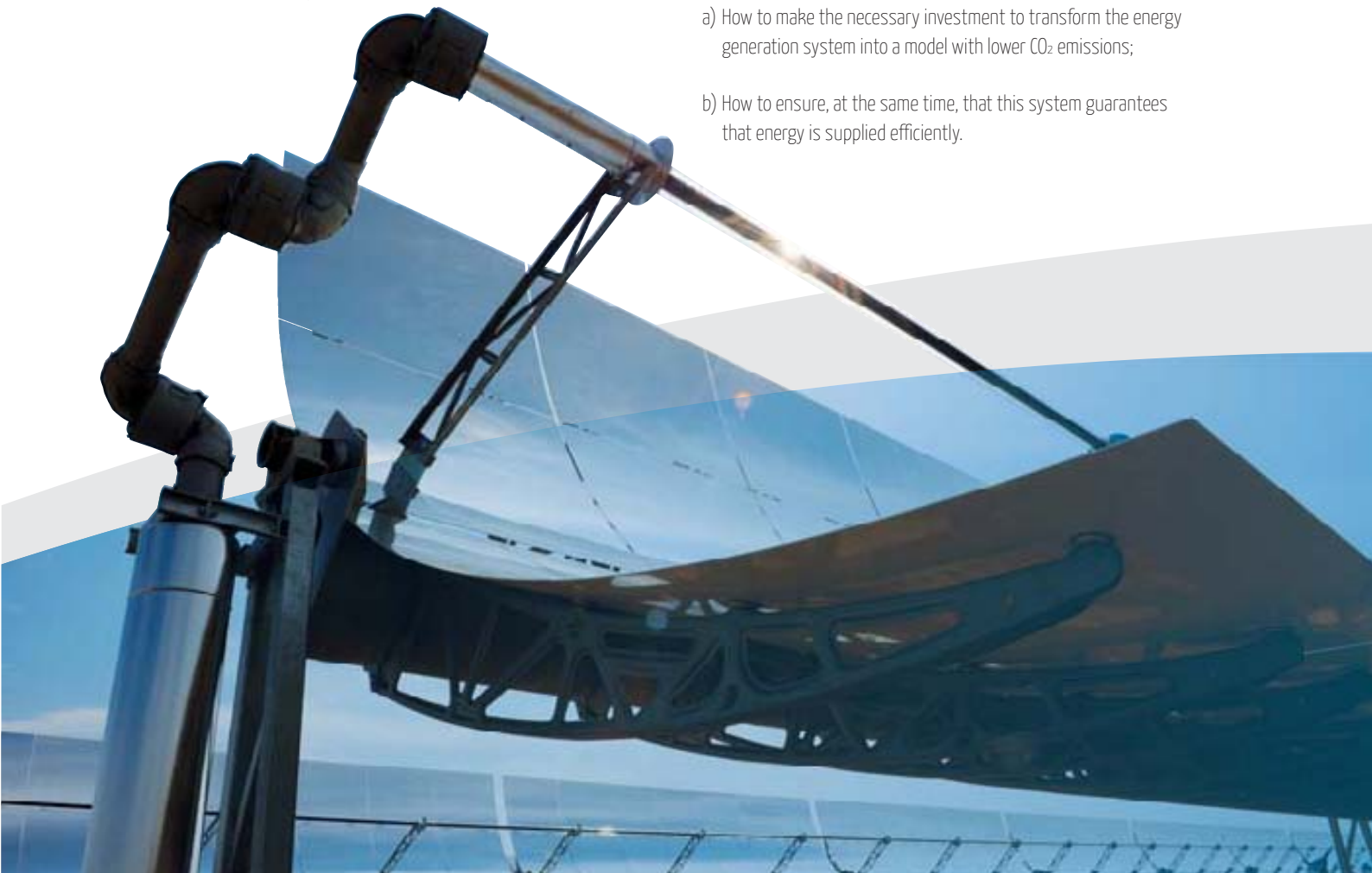
¹ Report published annually (in November) by the International Energy Agency.



Even so, with the majority of OECD economies coming out of recession in 2010 and with the large emerging countries growing at rates of over 8%, the WEO maintains forecasts for growth in consumption, CO₂ emissions and investment up to 2030.

The energy industry and the various interest groups involved in it identify two key aspects which need to be confronted at a global level in the coming years:

- a) How to make the necessary investment to transform the energy generation system into a model with lower CO₂ emissions;
- b) How to ensure, at the same time, that this system guarantees that energy is supplied efficiently.



Industrial Services and Energy



The response to these two questions requires that aspects such as the following are dealt with in the short and medium term:

- Investment in generating assets, both conventional and renewable.
- Which technology needs to be promoted to improve systems for transport and distribution of energy.
- How European countries will tackle their needs for storing fuels.
- And how to enable efficient and sustainable consumption of energy by the end user.

Therefore, the decisions taken with respect to this matrix made up of investment in assets and efficiency, sustainability and security of supply will greatly influence the future needs of the main clients of the ACS Group's Industrial Services and Energy area.

Investment in generating assets

At a global level, the WEO estimates that investment over \$26,000,000 million will be necessary over the next 20 years to meet world needs for primary energy. (TAMBIÉN ES UN RESALTADO) Added to this objective is the need for these investments to be focused on the fight against climate change, which will mean an increase in investment of an additional \$10,500,000 million.

The suppositions which feed this paradigm are based on the replacement of part of the primary energy produced using technologies with high emission levels by renewable sources, nuclear generation and assets with carbon capture and storage (CCS) systems.

Investment commitment in developed countries like Spain will be focused on the creation of a low-emission, manageable energy generating system in which renewables will come to represent 20% of the total primary energy produced in 2020. Spain was halfway to its objective in the final quarter of 2009, as 10% of its primary energy came from renewable sources, especially as a consequence of hydroelectric and wind power generation and through climate control systems which use biomass.

At a global level, the WEO estimates that investment over \$26,000,000 million will be necessary over the next 20 years to meet world needs for primary energy.

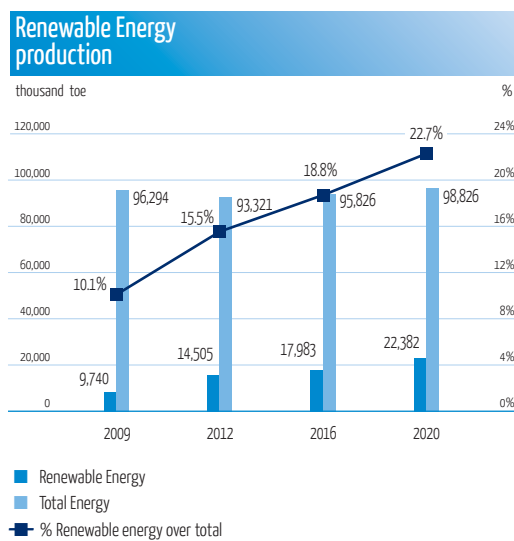


To meet the targets for 2020, renewable energy production needs to double in the next ten years, with the consequent investments this will entail.

IDAE estimates that if its macroeconomic projections are met, Spain will even have a surplus of 2.7 percentage points of production, which is expected to be exchanged with other European Union member states through the flexibility mechanisms included in the European Renewable Energy Directive.

Within primary energy sources, electricity generation is a determining factor. Its contribution to the total will multiply by 2.3 times between 2009 and 2020. In parallel, the adoption of renewable energies for transport will multiply by 7 times, but its importance in absolute terms will be lower. In the latter case, the adoption of the electric vehicle is defining.

According to the Secretary General for Energy of the Ministry of Industry, between 2009 and 2016, the installed renewable electrical power needs to go from the present 30,921 MW to 47,670 MW. This will mean a significant increase in investment, both in wind and solar power, responsible for over 70% of the total increase.



Source: Ministry of Industry, Tourism and Trade.

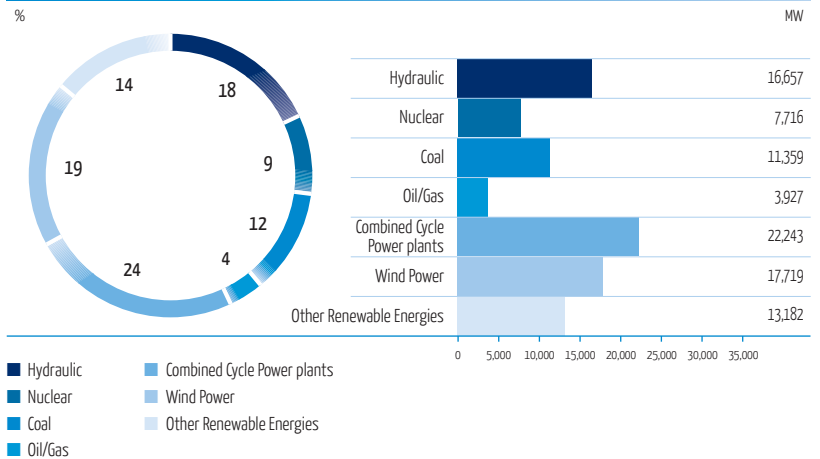
² Source: Spanish Institute for Energy Diversification and Saving (IDAE) newsletter on the evolution of consumption and energy intensity, November 2009.



Industrial Services and Energy



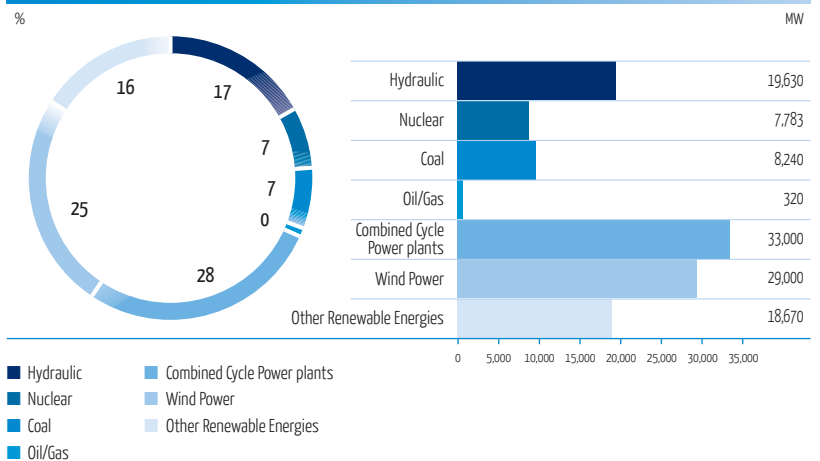
Structure of gross installed electrical power.
Total November 2009: 92,803 MW



Source: REE, IDAE, Ministry of Industry, Tourism and Trade.

This investment in renewable energies needs to be complemented by a parallel increase in ordinary regime generation, especially from combined cycle plants. It has been estimated that to maximise efficiency at peak periods, an additional 10,000 MW in power from combined cycle plants will be needed by 2016 to replace obsolete power stations and complement the installed power from renewable sources which is not manageable.

Structure of gross installed electrical power.
Forecast for 2016: 116,643 MW



Source: IDAE, Ministry of Industry, Tourism and Trade.

In turn, the relative weight of manageable renewable technologies needs to increase continually. Outstanding among these are the thermal solar plants with heat storage, such as Andasol I, Andasol II and Extresol I, which at 50 MW each are the world's most advanced thermal solar power plants. Manageable thermal solar energy, a technology in which ACS is a world leader, enables the needs of the electricity system to be met according to their characteristics, especially the electricity demand curve, generating capacity and how it responds to this demand and the generating mix that Spain plans to install.

These thermal solar plants enable the generation of energy during periods without sun thanks to storage using molten salts. Additionally, with heat storage systems, they permit over 20 hours daily of operation in summer periods, permitting output to be managed according to the needs of the system.

With over 1,900 MW to be developed in Spain in the next three years, thermal solar energy will be an undisputed driver of investment and of the ACS Group's activity, the latter developing 200 MW during this period with investment estimated at over €1,200 million.

In Europe, the need for manageable renewable energy is very important in facing up to compliance with the objectives laid down in the European Renewable Energy Directive. Furthermore, due to the inherent characteristics of the industry itself, which has focused on wind power generation and has few connections between European Union countries, these types of assets are positioned as a solid alternative for confronting the Union's ambitious targets.

Outside of Europe, it is worth highlighting the growth situation and the need for investment anticipated in Mexico, where an ambitious plan is being developed for reorganisation and investment in sources of primary energy generation.

In the case of electricity generation, investment is being made mainly in combined cycle plants, where 27,300 MW of capacity is to be developed in an investment plan covering up to 2024. Total estimated investment over this period exceeds \$86,600 million.

Tender processes for electricity power plants between 2009 and 2013, Mexico



Source: Ministry of Energy, Mexico

Industrial Services and Energy

In terms of oil and gas, the focus is on exploration and storage of gas deposits by means of contracts under concessions, for the exploration of large areas of ground, with investment over the next 14 years in excess of \$8,000 million. In the case of oil, the key is to increase and modernise refining capacity, avoiding dependence on petrol imports for an oil producing country like Mexico.

Investment in transmission networks

In accordance with the European Union's needs, the combination of efficient generating assets with an advanced system of energy transmission networks would enable a continental European market for electricity to be created in the near future. This market would involve the coordinated use of energy resources and would increase competitiveness, investment and technological progress.

In addition, it would enable the electricity generating mix to be restructured to one that is more coherent with the needs of the European Union's member countries.

HVDC transmission lines are a key element for the future of the European electricity market. The needs for manageability of the power generating system must be satisfied not only through advanced generating plants, but rather the European system for connection needs to be developed to match up to the challenge.

With the development of the new HVDC lines it would be more feasible to create an energy transmission system that would enable the needs for consumption and generating capacity to be balanced at a European/Mediterranean level, to incorporate the energy generated by the new renewable energy generating plants being developed both in northern Europe (offshore wind farms) and in the Mediterranean basin (thermal solar).

It is expected that over €200,000 million will be invested in these infrastructures in the next 15 years, without taking research and development or their subsequent maintenance into account.

³ High-voltage direct current: more efficient networks than conventional alternating current lines for transmission over long distances, with an average energy loss of 3% compared to the 7% for conventional lines.

HVDC connections in Europe. 2009





This need for investment is not exclusive to the European Union. The ACS Group develops energy transmission networks in Brazil, where investment estimated for the next two years exceeds €1,000 million, and in India, where a large scale national grid is being developed as the seed for future modernisation and expansion of the power generating capacity of the world's second most populous country.

Investment in storage assets

In parallel to these development commitments for transmission lines, the drive for other primary sources such as crude oil, gas or biofuels would move to investment in storage assets.

These would need to guarantee stability of supply at the same time as increasing the flexibility and adaptability of the system against possible sudden changes in demand or in supply at source. Outstanding in this regard are the Gaviota, Yela, Marismas, Serrablo, Poseidón and Castor projects, the latter led by the ACS Group.

These projects are in different phases of development and construction and may represent an investment of over €2,000 million in Spain in the next few years, which may exceed €10,000 million on including other assets to support these projects, as well as new, smaller storage facilities.

The objective of these projects is focussed on the creation of strategic deposits of gas and, in the future, crude oil. For natural gas, in the case of Gaviota and Castor, this is by means of old coastal oil wells, while in the case of the Yela, Serrablo, Marismas and Poseidón projects exhausted aquifers would be used. The key to this technology lies in the capacity for efficient storage for the needs of citizens and Spanish industry, independent from the geopolitical situation of producing countries or from price fluctuations.

It is estimated that the start up of these projects and their support infrastructures would mean an increase in capacity, with respect to the current level, of 238% in volume, 354% in capacity for injection into the system and 431% in extraction capacity.

Underground gas storage facilities, maximum capacity



Source: Own preparation

Industrial Services and Energy



Investments in promoting efficient energy consumption

Finally, among the main initiatives for making efficient energy consumption more widespread, the efforts to develop and commercialise electric vehicles can be highlighted. This will involve significant investments both in electricity demand management and in the energy storage network.

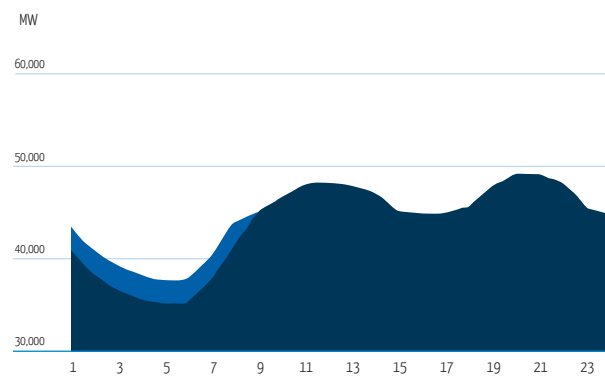
The implementation of the electric car seeks to achieve four basic objectives:

- 1) To adapt effective demand for electricity to the capacity installed in clean energies such as renewables, which would increase consumption in off-peak hours;
- 2) To reduce energy dependency on limiting consumption of fossil fuels;
- 3) To reduce polluting emissions, as the emissions from an electric vehicle are lower than the full cycle of the Spanish electrical mix, calculated at 390 g of CO₂/kWh;
- 4) For economic efficiency, on rationalising needs for investment in the electricity sector.

It is estimated that the infrastructures to develop this technology and its mass use will involve over €6,000 million in investment over the next 7 years.

Integration of electric vehicles into the 2014 electrical system

Demand profile for the market penetration of a million electrical vehicles in 2014, with an 8 hours battery recharge (winter day)



- Base scenario of a working day energy demand in 2014
- Electrical vehicles energy demand

Source: Spanish Institute for Energy Diversification and Saving (IDAE), Ministry of Industry

Business strategy

In this context, the ACS Group intends to maintain its commitment to all these initiatives through continued efforts in technological innovation, in management of its clients' needs and its own investment in new techniques and new assets which enable it to establish the basis for future growth for the Industrial Services and Energy area.

The strategy in Industrial Services and Energy, in line with the ACS Group's basic guidelines, seeks to maintain sustainable growth, requiring the selection of projects which can be carried out more efficiently and profitably, particularly in the international area. Specifically, the main strategic initiatives for 2010 will be:

- To maintain a **position of leadership** which enables the ACS Group to participate in a very competitive sector from a privileged position, attracting and retaining talent.
- Achieving a business balance which combines activities which provide **recurrence and visibility** of income and profit with specialised projects or "turnkey" solutions which contribute ever **higher levels of profitability**. All of this while maintaining a strict risk and cost control policy.
- Tackling **international markets** hand in hand with clients, meeting rigorous profitability and stability criteria.

The ACS Group, through its Industrial Services and Energy area, has long experience in development, construction, operation and maintenance of industrial and energy infrastructures. The companies and professionals in this area of activity share the ACS Group's values:

- A decentralised organisation focussed on the client, enabling it to adapt projects to their needs efficiently and profitably.
- Growth based on the technical excellence, enterprising mentality and contracting spirit of a team with experience and training.

This common corporate culture is complemented by the Industrial Services and Energy areas' competitive advantages:

- Leading company in the development, maintenance and operation of infrastructures related to electricity generation, both from renewable sources (wind, solar, hydroelectric, biomass) and fossil fuels (combined cycle, coal-fired and nuclear power plants).

- One of the leading multinational companies in the development of large-scale infrastructures for the oil and gas industries, such as the construction of platforms and modules, projects for exploration and construction of wells, treatment and storage of natural gas and liquid hydrocarbons, or "turnkey" projects for refineries and petrochemical plants.
- A leading provider of maintenance, development and operating services for existing industrial infrastructures such as treatment and distribution networks for water, gas and electricity, thermodynamic and mechanical installations, railway systems (both conventional and high-speed) and telecommunications.
- Likewise, the ACS Group is the leading domestic company in the development and maintenance of systems for public lighting, traffic management and industrial control.
- The ACS Group, through its Industrial Services and Energy area, is one of the leading investors in the development of wind and thermal solar renewable energies, in the development of high-voltage transmission lines under concessions in different countries and in the development of desalination and water treatment plants.

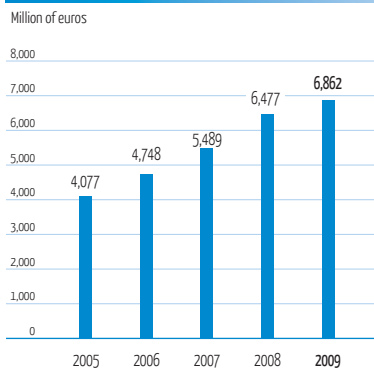


Industrial Services and Energy

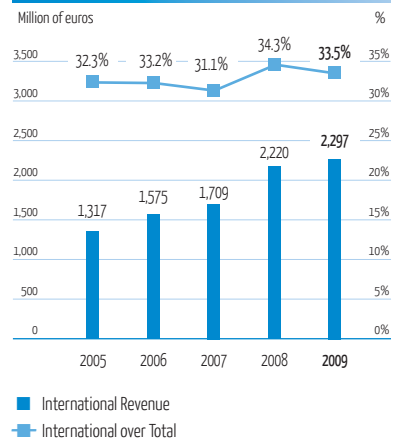
Activity description

In 2009, the Industrial Services and Energy area achieved a turnover of €6,862 million, representing growth of 6% with respect to 2008. The strong growth in activity experienced by Industrial Services and Energy over the last few years is reflected in the annual compound rate of growth of 14% recorded over the period between 2005 and 2009. Once again, the ACS Group consolidated its position as the leading company in this sector in Spain and Latin America, and as one of the main competitors in Europe and the other markets in which it operates.

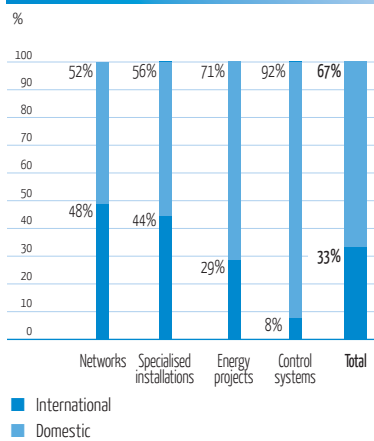
Revenue evolution



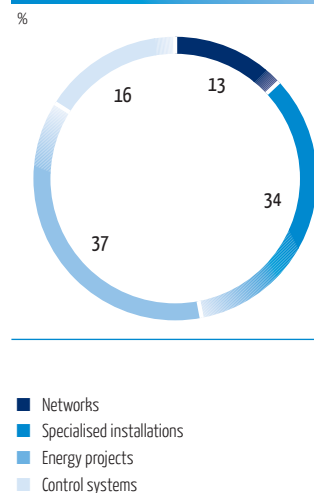
International revenue evolution



Revenue breakdown by market



Revenue breakdown by activity



Its wide range of services, its position of leadership and its geographical spread offer great opportunities for development in markets with growing needs for these types of services. In 2009, sales abroad represented 33.5% of the total, being the networks activities the most international, with 48% of turnover from outside of Spain.

The ACS Group's Industrial Services and Energy 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 for electrical, gas and water distribution networks with over 80 years of experience.
- **Specialised 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 2009 in the area of Support Services to Industry were:

- Worthy of note among maintenance and construction of distribution Network installations are:
 - The construction of gas distribution networks for Natural Gas in Barcelona, Madrid, Castilla La Mancha, Levante, Andalucía, Cantabria and Castilla León.
 - Technical service, meter readings and management of installations for Unión Fenosa in La Coruña, Vigo, Madrid, Guadalajara and Cuenca.
 - Contract for a comprehensive commercial operations management service for the electricity company Edelnor in various areas in Peru.
 - Supply and electrical cable laying work for the company AES Onel in Cameroon.
 - Repowering work for Unión Fenosa, for high voltage lines in different municipalities in Galicia.

- Within Specialised Installations, the following projects are worthy of note:

- The construction of 908 kilometres of high-voltage lines and the corresponding substations in Brazil.
- The construction of over 250 kilometres of high-voltage electricity distribution lines in countries such as Bangladesh, Cambodia and Mexico.
- Construction and maintenance of overhead line installations and associated systems for the stretch between Torrejón de Velasco and Motilla del Palancar, as well as the construction and maintenance of the power systems, detection systems, technical buildings and auxiliary works for the stretches between Motilla del Palancar and Valencia and Murcia on the high-speed line connecting Madrid, Castilla La Mancha, the Community of Valencia and Murcia.
- Design, construction and maintenance of the installations for the overhead contact line and associated systems for the high-speed railway line between Cordoba and Malaga in the stretch between Almodóvar del Río - Bobadilla - Los Prados and Malaga Station.
- Mechanical assembly work on various units for the refinery expansion project for Repsol in Cartagena (Murcia).
- Installation of the auxiliary systems and security for the high-speed railway line between Madrid, Barcelona and the French border, in the tunnels between Roda de Vara and Barcelona.
- Integral management of protection installations in the Guadarrama and San Pedro tunnels on the high-speed line between Madrid and Valladolid.
- Assembly of two waste heat boilers in the Combined Cycle Power Plant at Pego (Portugal).
- Maintenance of the installations for the overhead contact line on the high-speed line connecting Madrid and Sevilla, and Cordoba-Malaga.
- Maintenance contract for the Wind hydroelectric power plant and the Daule Peripa dam in Guayas (Ecuador).
- Mechanical and electrical turbine assembly for gas and steam and associated elements in the combined cycle power plant at Blénod in France.

Industrial Services and Energy



- In *Control Systems*, the following contracts stand out in 2009:
 - Automatic baggage handling system for terminal 1 of Barcelona airport.
 - Implementation of signalling, electrification and communications systems on the stretch of railway between Alameda and Concepción in Chile.
 - Supply and installation of LED optics for traffic management for various local councils in Spain.
 - Contracts for the conservation and maintenance of public lighting for various Spanish cities, such as Madrid, Pamplona and Valencia.
 - Supply and installation for BIT (intelligent transport ticketing) supply for Madrid's Municipal Transport Company.
 - Maintenance of the traffic management systems in Castellón.

In *Energy Projects*, the ACS Group engages in "turnkey" projects related to electricity, oil, gas and engineering applied to industry and to the development of renewable energies.

In *Energy Projects* related to renewable energies in 2009, the ACS Group took part in:

- Turnkey execution of construction, equipment supply, assembly and commissioning works for the Extresol I Thermal Solar Power Plant in Badajoz, with an installed power of 49.9 MW.
- Turnkey execution of construction, equipment supply, assembly and commissioning works for the Andasol II Thermal Solar Power Plant in Granada, with an installed power of 49.9 MW.
- Turnkey execution of construction, equipment supply, assembly and commissioning works for the wind farms at Tíjola in Almería, Los Isletes in Jerez de la Frontera (Cadiz) and Sargentos de Lora in Burgos, among other projects.
- Turnkey construction for the company Renovables Samca of the thermal electric solar power plants at La Florida and La Dehesa, both at Alvarado (Badajoz).

And in other *Energy Projects* (EPC⁴) related to oil and electricity and to engineering applied to industry, the most significant projects carried out in 2009 were:

- The Castor project: construction of an underground gas storage system on the coast at Castellón.
- Construction of a sulphur recovery plant for the oil company Pemex in the state of Coahuila (Mexico).
- Turnkey contract for the construction of the combined cycle plant at Lares, Figueira da Foz (Portugal).
- Construction for the Sagunto (Valencia) regasification plant of a liquefied natural gas tank and expansion of vaporisation for the plant.
- Contract for the conversion of a gas turbine plant into a combined cycle plant in Puebla (Mexico).
- Project, construction and operation of the installations for waste water purification in various municipalities in Bajo Aragon (Zaragoza).
- Desulphurisation plant for Group 3 of the Narcea thermal power station in Asturias.
- Fuel gas desulphurisation plant for the Los Barrios thermal power station (Cadiz).

⁴ EPC: Engineering, Procurement and Construction.

In *Renewable Energies*, as well as constructing both wind and solar energy generating installations as summarised above, the ACS Group was participating in 43 operating wind farms with an installed power of 1,175 MW and an attributable power of 870 MW at 31 December 2009.

Furthermore, the Group is participating in 6 wind farms currently under construction, five in Spain and one in Mexico, with an installed power of 288 MW and an additional 19 wind farms in the financing or development phase with installed power of 1,452 MW.

In the area of thermal solar energy, the construction of the Andasol II (Granada) and Extresol I (Badajoz) plants was completed during 2009. With these installations and the Andasol I plant, completed in November 2008, the ACS Group had an installed power of 149.7 MW at 31 December 2009. The ACS Group's 49.9 MW thermal solar plants have an advanced heat storage system which enables management of energy production and increases the load factor, clearly surpassing other plants without this technology.

In addition, four thermal solar energy plants are under construction, the development of which started in 2009:

- Extresol II and Extresol III, two thermal solar energy plants of 49.9 MW each, located in Badajoz.
- Manchasol I and Manchasol II, two thermal solar energy plants of 49.9 MW each, located in Ciudad Real.

Seven projects are also in the financing or development phase within the area of solar energy: five projects in Spain and two projects for California Sun Power in the states of California and Nevada (USA), with a total installed power of 399.5 MW.

The total generated energy produced in 2009 by the ACS Group by means of renewable energies, both wind and thermal solar, amounted to 2,575 GWh, 61.2% higher than 2008 production.

Additionally in 2009, the ACS Group started activity in the area of energy generation from biomass, with its participation in three projects in Portugal which are in the financing or development phase, with a total installed power of 14 MW.

At 31 December 2009, the ACS Group had a stake in 26 concession projects for the management and maintenance of high-voltage lines in Brazil and Peru, with secured financing from the Banco Nacional de Desenvolvimento Economico e Social do Brasil (BNDES). These projects total 10,616 km and a managed investment of over €3,000 million.

The ACS Group has been developing equipment and technologies for water purification and desalination since 1983. The Group is now a world reference in this field, especially in the desalination of water by reverse osmosis, ranking 4th as a company in the world in the production of water desalinated using this method, thanks to its broad international experience in carrying out projects in countries such as Algeria, Australia, Mexico, etc. The "Beni Saf" desalination plant in Algeria stands out due to its size and importance.



Industrial Services and Energy

| Wind farms in Operation | Location | Power, MW |
|---|-----------|----------------|
| Santa Ana | Albacete | 50.0 |
| El Colmenar II | Almería | 30.0 |
| Serón I | Almería | 50.0 |
| Tinadas | Almería | 10.0 |
| Tíjola | Almería | 36.8 |
| La Noguera | Almería | 30.0 |
| El Perul | Burgos | 49.6 |
| La Lastra (enlargement of El Perul wind farm) | Burgos | 11.7 |
| Lodoso | Burgos | 49.5 |
| Marmellar | Burgos | 49.5 |
| Lora I | Burgos | 49.6 |
| Lora II | Burgos | 49.6 |
| Las Caldera | Burgos | 22.5 |
| Sargentos | Burgos | 24.0 |
| Las Vegas | Cádiz | 23.0 |
| Los Isletes | Cádiz | 25.3 |
| Chumillas* | Cuenca | 50.0 |
| Monte da Serra (Somozas) | La Coruña | 16.1 |
| Monte Marbán (Somozas) | La Coruña | 11.4 |
| Monte Villalbesa(Somozas) | La Coruña | 22.2 |
| Monte Redondo (Vimianzo) | La Coruña | 49.5 |
| Novo | La Coruña | 18.8 |
| Outes | La Coruña | 35.1 |
| Requeixo* | La Coruña | 11.7 |
| Monte da Barda | La Coruña | 3.0 |
| Monte O'Barrigoso | La Coruña | 3.0 |
| Touriñán IV | La Coruña | 24.7 |
| Monte das Augas | La Coruña | 3.0 |
| Raposeras* | Logroño | 39.0 |
| Los Llanos* (Sierra de Utrera) | Málaga | 19.8 |
| El Juncal* (Sierra de Utrera) | Málaga | 13.6 |
| Tesosanto | Salamanca | 50.0 |
| Trucafort (L'Enderrocada) | Tarragona | 29.9 |
| Ecovent II (Tortosa) | Tarragona | 48.1 |
| Alrota | Zamora | 3.3 |
| Alrota II | Zamora | 1.7 |
| Sierra Las Carbás | Zamora | 40.0 |
| Penamacor | Portugal | 20.0 |
| Penamacor II | Portugal | 14.7 |
| Penamacor III | Portugal | 20.0 |
| Penamacor IIIB | Portugal | 25.2 |
| Penamacor III Exp. | Portugal | 14.7 |
| Sabugal | Portugal | 25.2 |
| Wind farms in Operation | | 1,174.6 |

Note: The average stake is 74.44%. The average stake in those farms incorporated as fully consolidated is 79.81%, while for those incorporated using the equity method, the average stake is 32.79%.

*Companies accounted for by the equity method.



| Wind farms under Construction | Location | Power, MW |
|--------------------------------------|----------|--------------|
| Arroyal | Burgos | 46.5 |
| Monte Gordo | Huelva | 50.0 |
| Santa Catalina | Valencia | 25.5 |
| El Viudo I | Valencia | 40.0 |
| El Viudo II | Valencia | 26.0 |
| Oaxaca 1 | Oaxaca | 100.0 |
| Wind farms under Construction | | 288.0 |

Note: The average stake is 95.96%.

| Wind farms in Promotion/ Financing | Location | Power, MW |
|---|---------------------|----------------|
| Campete | Cáceres | 28.0 |
| Campillo | Cáceres | 14.0 |
| Argallén | Cáceres | 6.0 |
| Castilla la Mancha | Cuenca | 85.0 |
| Loma del Capón* | Granada | 30.0 |
| Valcaire | Granada | 50.0 |
| Baza Caravaca | Granada | 100.0 |
| Palancas* | Oviedo | 18.0 |
| Buseco | Oviedo | 50.0 |
| Las Tadeas | Palencia | 36.8 |
| Valdehierro | Palencia | 14.4 |
| Bandeleras | Salamanca | 34.0 |
| Rodera Alta | Salamanca | 36.0 |
| Donado | Soria | 34.0 |
| Almazán Meco I | Soria | 300.0 |
| Almazán Meco II | Soria | 200.0 |
| Cerronegro | Valencia | 16.0 |
| Red Top Wind Power | New Mexico (U.S.A.) | 150.0 |
| U.S.A. | Texas (U.S.A.) | 250.0 |
| Wind farms in Promotion/ Financing | | 1,452.2 |

Note: The average stake is 85.04%.

| Thermal Solar Energy in Operation | Location | Power, MW |
|--|----------|--------------|
| Extresol I | Badajoz | 49.9 |
| Andasol I | Granada | 49.9 |
| Andasol II | Granada | 49.9 |
| Thermal Solar Energy in Operation | | 149.7 |

Note: The average stake is 100%.

* Companies accounted for by the equity method.

Industrial Services and Energy

| Thermal Solar Energy under Construction | Location | Power, MW |
|--|-------------|--------------|
| Extresol II | Badajoz | 49.9 |
| Extresol III | Badajoz | 49.9 |
| Manchasol I | Ciudad Real | 49.9 |
| Manchasol II | Ciudad Real | 49.9 |
| Thermal Solar Energy under Construction | | 199.6 |

Note: 100% stakes.

| Thermal Solar Energy in Promotion | Location | Power, MW |
|--|---------------------|--------------|
| Andasol III | Granada | 49.9 |
| Andasol IV | Granada | 49.9 |
| Andasol V | Granada | 49.9 |
| Andasol VI | Granada | 49.9 |
| Andasol VII | Granada | 49.9 |
| California Sun Power | Nevada (U.S.A.) | 50.0 |
| California Sun Power | California (U.S.A.) | 100.0 |
| Thermal Solar Energy in Promotion | | 399.5 |

Note: 100% stakes.

| Biomass Energy in Promotion | Location | Power, MW |
|------------------------------------|----------|-------------|
| Viseu | Portugal | 5.0 |
| Santarém | Portugal | 6.0 |
| Beja - Faro | Portugal | 3.0 |
| Biomass Energy in Promotion | | 14.0 |

Note: The average stake is 75%.



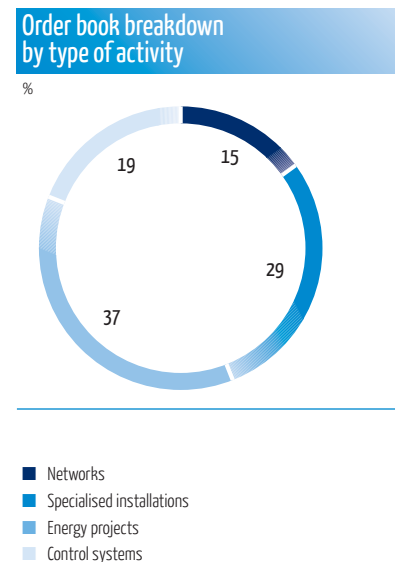
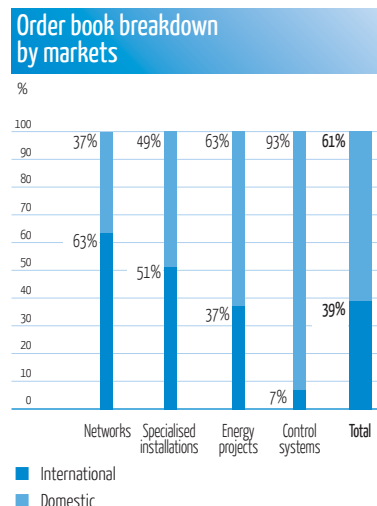
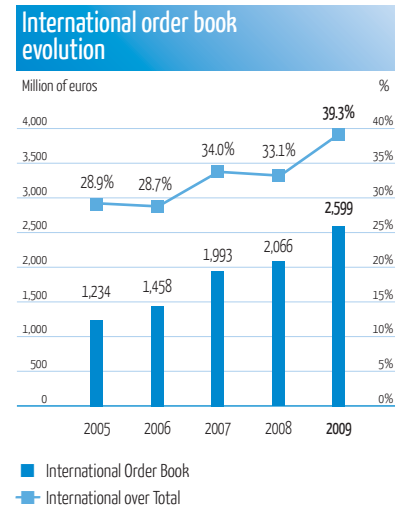
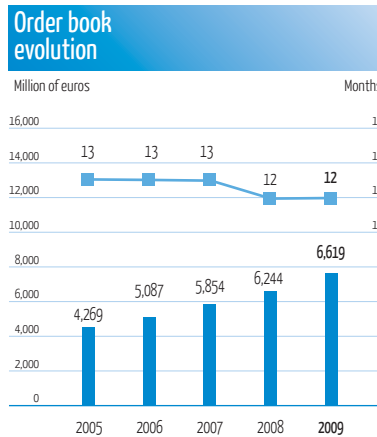
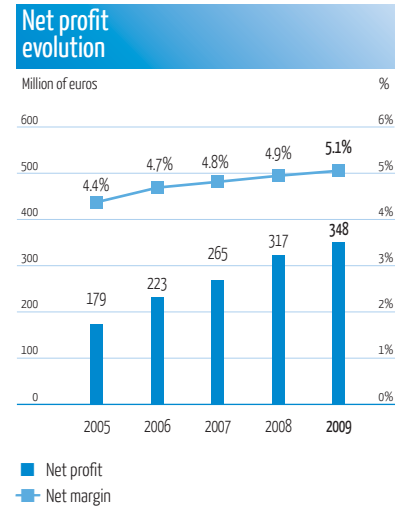
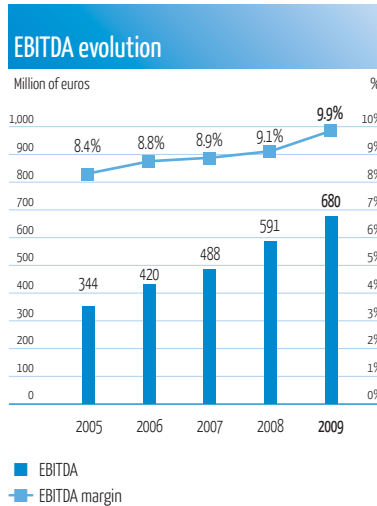
| Transmission Line Concession Projects | Country | Km | Voltage (Kv) |
|--|---------|---------------|--------------|
| UIRAPURU: Ivaipora - Londrina | Brazil | 122 | 525 |
| IEMG: Neves- Mesquita | Brazil | 172 | 200 |
| CPTe Cachoeira paulista | Brazil | 181 | 500 |
| ETIM Itumbiara Marimbondo | Brazil | 212 | 500 |
| SPTE Serra Paracatú Transmissora de Energia | Brazil | 246 | 500 |
| PCTE Poços de Caldas Transmissora de Energia | Brazil | 308 | 500 |
| VCTE: Tucuruí - Vila do Conde | Brazil | 324 | 230 |
| ARTEMIS: Concessionaria Paraná Lote B 03 | Brazil | 376 | 525 |
| NTE: Xingó- Angelim- Campina Grande | Brazil | 386 | 500/230 |
| STE: Uruguaiana- Maçambara- Santo Angelo- Santa Rosa | Brazil | 386 | 230 |
| Iracema: Sao Joao de Piauí - Milagres | Brazil | 400 | 500 |
| RPTE: Riberao Preto Transmissora de Energia | Brazil | 412 | 500 |
| PPTE: Imbirissu - P. Primavera - Dourados | Brazil | 490 | 230 |
| ETEE Expansión | Brazil | 581 | 500 |
| SMTE Serra da mesa | Brazil | 681 | 500/138 |
| LTT Triângulo Transmissora de Energia | Brazil | 708 | 500 |
| IENNE: Colinas - Sao Joao de Piauí | Brazil | 720 | 500 |
| ITE: Cuiabá - Itumbiara | Brazil | 808 | 500 |
| JTE: Jaurú Transmissora de Energia | Brazil | 949 | 230 |
| Linhas de Transmissao do Itatim | Brazil | 734 | 440/230/138 |
| IESUL: Nova Santa Rita - Scharlau, Double Circuit and Scharlau electrical substation | Brazil | 23 | 230 |
| Catxerê: Cuiabá - Riberaozinho- Rio Verde Norte | Brazil | 242 | 500 |
| Araraquara: Araraquara 2- Araraquara Furnas, Araraquara 2- Araraquara CTE | Brazil | 15 | 440/500 |
| REDESUR | Peru | 425 | 220 |
| BTE: LT Chapadao-Imbirussu-Sidrolandia-Anastacio | Brazil | 553 | 230/138 |
| Lote B-Leilao 005/2009, Piraporá-Montes Claros 2 and Padre Fialho and Itabirito electrical substations | Brazil | 162 | 500/345/138 |
| Total Kilometres | | 10,616 | |



Industrial Services and Energy

2009 EBITDA rose by 15.1% to €680 million. Net profit in 2009 was €348 million, 10% higher than the figure for 2008.

The characteristics of Industrial Services and Energy' offering mean that more than half the annual turnover is of a recurring nature, mainly relating to maintenance contracts with high visibility. The Industrial Services and Energy order book grew by over 6 % in 2009, guaranteeing activity over the coming years. The growth of 25.8% in the international order book is very significant, as this represents 39.3% of the total order book.



Internationalisation

The ACS Group, through its Industrial Services and Energy area, has continued a process of international expansion during 2009, including projects on five continents. International turnover in the Industrial Services and Energy area grew by 3.5% in 2009 to €2,297 million, representing 33.5% of total turnover.

The international order book was €2,599 million, 25.8% higher than the year before and has now reached 39.3% of the total order book. Sales and order book at an international level have recorded a compound annual rate of growth of 15% and 21% respectively over the last five years.

The Industrial Services and Energy area is the ACS Group's most international activity. It is present in the main Western European

countries, such as France and the United Kingdom. It has a powerful presence in almost the whole of Latin America, with an order book of projects at the end of 2009 of over €1,400 million, with special emphasis on Brazil and Mexico, where the Group has carried out significant projects in recent years. It has also been growing its activity in recent years in all the countries in North Africa and in Angola and South Africa, maintains a constant presence in the Gulf States in the Middle East and has been working in India for over 10 years. Finally, the Group has started to carry out projects, mainly related to the field of renewable energies, in the United States and Canada.

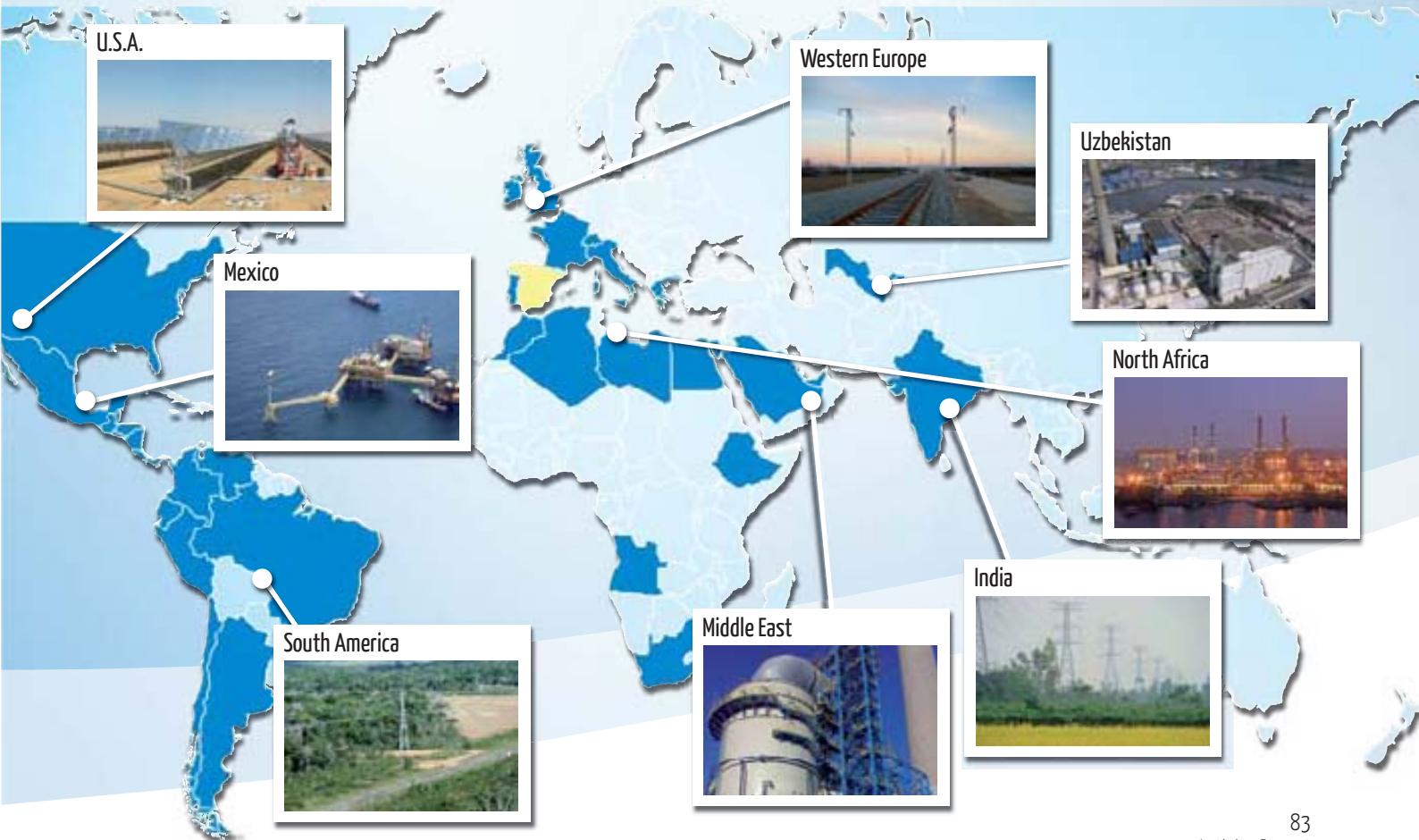
Countries where the ACS Group is developing Industrial Services and Energy activity

2009 International Revenue

€2,297 mn
33.5% of total

2009 International Order Book

€2,599mn
39.3% of total



Industrial Services and Energy

Among all those countries in which ACS operates, Brazil and Mexico are considered reference markets in the Industrial Services and Energy area, due to the number of projects carried out and their great potential for expansion.

In Brazil, the ACS Group currently has contracts for the installation, management and maintenance of over 10,200 kilometres of high-voltage lines. During 2009 the Group built over 900 kilometres of high-voltage line and the corresponding associated substations and was awarded the contract for the construction of over 1,000 kilometres of transmission lines and associated substations which it is executing in 2010.

In Mexico, ACS is the leader in the Industrial Services and Energy sector applied to oil, gas and electricity, as well as one of the main suppliers of services to Pemex and the Federal Electricity Commission. At 31 December 2009 the ACS Group had an order book of projects in this country totalling over €520 million.

Among the most important projects in which the Group is participating in Mexico are:

- Expansion of the country's refining capacity, with an investment programme worth over €5,000 million.
- The construction and maintenance of gas fields in the Nejo block located in the state of Tamaulipas, with a budget of €1,100 million.
- The construction of new oil platforms on the Gulf coast. Prospecting for gas in Mexico's northern states.
- The installation and maintenance of electricity generating plants and transmission networks throughout the country.
- The development of two wind farms in the state of Oaxaca, with a total power of 100 MW, which will be completed in the coming months.

ACS Presence in Mexico

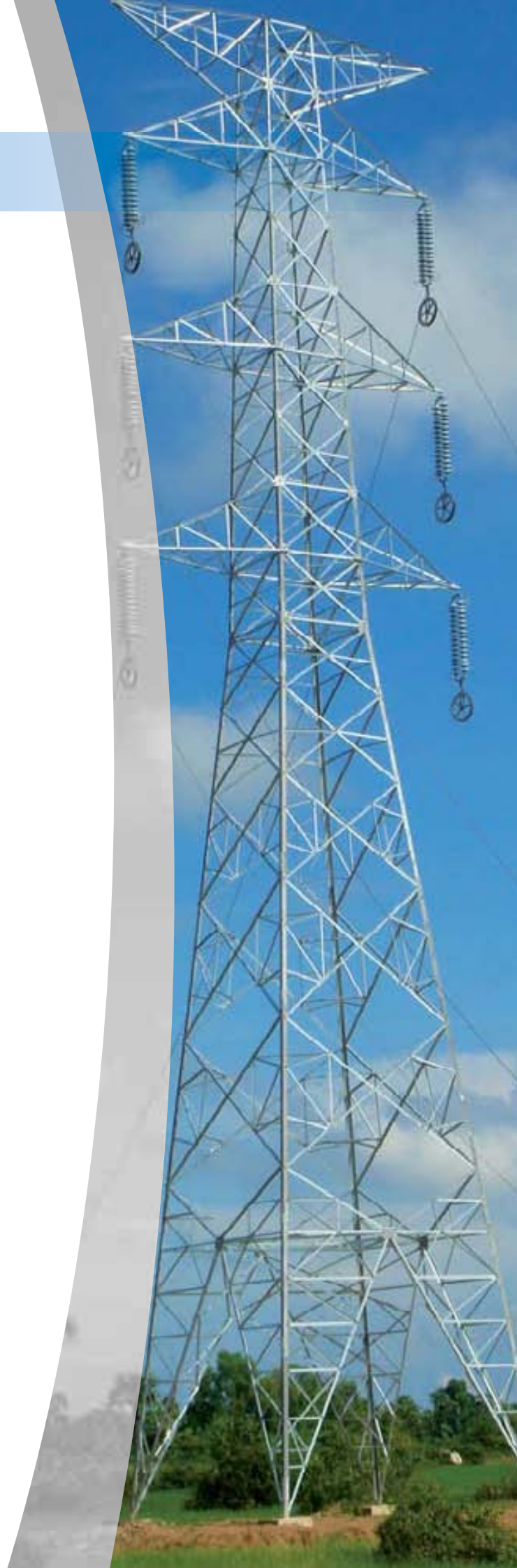


ACS participated in significant projects in other parts of the world in 2009, such as: the construction of 220 kilometres of high-voltage electricity distribution lines in Bangladesh and Cambodia; electrical cable laying works in Cameroon; the maintenance contract for the Wind hydroelectric power plant and the Daule Peripa dam in Ecuador, among other outstanding projects.

Those which stand out among the main new projects awarded during 2009 in the international area are the contract to carry out works for restoration of Line 1 of the Caracas (Venezuela) Metro, the construction of a 400 MW combined cycle power plant for Uzbekenergo (Uzbekistan), the construction of an electricity distribution network in the rural and urban zones of Nashik in India, the project for the Monte Lirio combined cycle power plant in Panama and the project for the construction of the high-voltage transmission line and electrification in Algeria.

The consolidation of the ACS Group's presence in these countries and its expansion into the United States, Canada and Oceania are the main objective for 2010. This strategy for expansion is based on the Group's capability to provide the technology, experience and capacity to resolve all those aspects of promotion, financing, construction, operation and maintenance of sophisticated infrastructures for a wide variety of technologies. ACS carries out works ranging from off-shore projects to traffic management, covering the whole value chain in sectors related to energy, such as electricity, gas and oil, and infrastructures of an environmental or urban nature, such as mass transport systems or water treatment or desalination plants.

The international expansion understood in this way will continue to provide the ACS Group, through its Industrial Services and Energy area, with a set of businesses with high recurrence and significant technical and financial requirements which will provide stability against fluctuations in the domestic market and critical mass which will enable it to invest in future development of greater experience and advanced technology.



Industrial Services and Energy

Main contracts awarded

| Contracts awarded in 2009 | Amount | Type of project |
|---|--------|---------------------------|
| <i>Million of euros</i> | | |
| Project for the Construction of the thermosolar plant Manchosal II with an installed capacity of 50 MW (Ciudad Real, Spain) | 350.0 | Energy Projects |
| Project for the enhancement of Caracas's subway line 1 (Venezuela) | 222.9 | Specialised Installations |
| Construction of a 400 MW Combined Cycle Power Plant for Uzbekenergo (Uzbekistan) | 213.7 | Energy Projects |
| Construction of a CCR plant for the Mexican oil company PEMEX (Mexico) | 186.0 | Energy Projects |
| Works for the construction of 1,041km of high tension transmission lines and 12 substations in Brazil | 165.0 | Specialised Installations |
| Project for the construction of a water treatment plant in Peru. | 146.0 | Energy Projects |
| Works for the construction and installation of an electric generation sea platform for the Mexican oil company PEMEX (Mexico) | 141.4 | Energy Projects |
| Construction of the high tension transmission line between Abu Quir and Badr (342km) in Egypt | 124.0 | Specialised Installations |
| Project for the construction of the transmission power grid in Nashik's area (India) | 113.1 | Networks |
| Project for the construction of a housing offshore platform for 201 people, the contract includes the engineering, construction, supplies, mooring, load and unload (Mexico) | 102.7 | Energy Projects |
| Design, construction, operation, maintenance and interconnection to the electricity grid of the Pando and Monte Lirio hydroelectric power plants (Panama) | 90.1 | Energy Projects |
| High tension line of 345 kv between Interlagos- Piratininga and four electrical substations (Brazil) | 88.5 | Specialised Installations |
| Systems for the railway line installation between Xingxiang and Rizhao (600 km) in China | 75.0 | Specialised Installations |
| Construction of Thénia/Tizi- Ouzou high tension transmission line, and Oued- Aissi electrical installations (Algeria) | 70.0 | Specialised Installations |
| Maintenance of traffic signaling systems, train protection systems, security and supervision systems, energy feeding systems, air conditioning and technical buildings in the high speed railway line between Madrid and Lérida | 64.6 | Control Systems |
| Construction of electrical substations for San Diegos de Cabruticas's electrical plant (Venezuela) | 54.8 | Energy Projects |



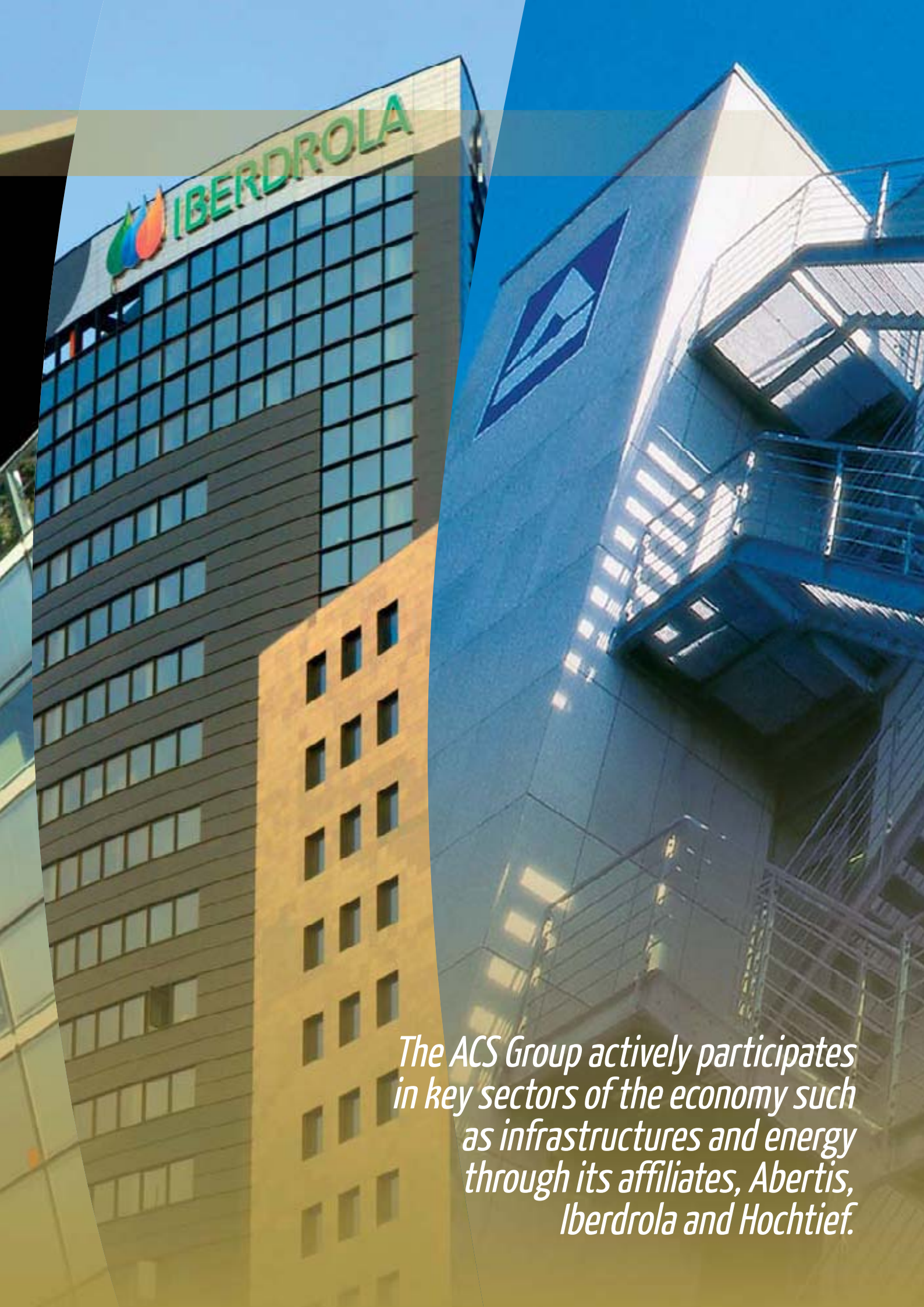
Organisational Structure



Strategic Investments

Abertis 91
Iberdrola 93
Hochtief 94





 **IBERDROLA**

The ACS Group actively participates in key sectors of the economy such as infrastructures and energy through its affiliates, Abertis, Iberdrola and Hochtief.

Strategic Investments



The ACS Group actively participates in key sectors of the economy such as infrastructures and energy through its affiliates, Abertis, Iberdrola and Hochtief, which contributed €400 million to the Group gross profit (before deduction of financial costs and taxes), 11.3% more than in 2008.

| Company | Sales* | EBITDA* | EBIT* | Profit Net | Consolidation Method | Capitalization 31/12/2009* | ACS's stake |
|-----------|--------|---------|-------|------------|----------------------|----------------------------|-------------|
| Abertis | 3,935 | 2,435 | 1,483 | 653 | Equity Method | 11,064 | 25.8% |
| Iberdrola | 24,559 | 6,815 | 4,509 | 2,824 | Non consolidated | 35,033 | 12.0% |
| Hochtief | 18,166 | 1,269 | 767 | 195 | Equity Method | 3,749 | 30.0% |

* Million of euros.



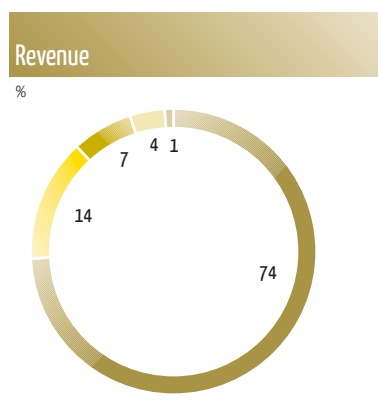


Abertis

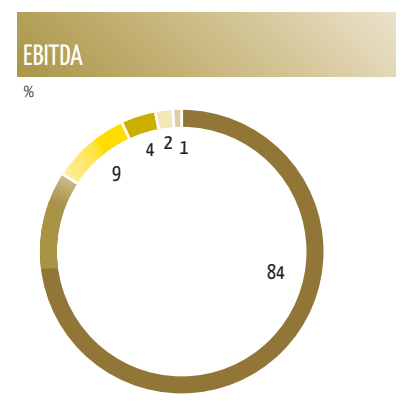
Abertis is the most important infrastructures company in Europe in terms of size and number of projects. It is a leading international group in the management of infrastructures for mobility and telecommunications through five business areas: toll roads, telecommunications, airports, car parks and logistics.

Abertis' revenue totalled €3,935 million in 2009, showing an increase of 6.9% with respect to 2008. This growth derives from the positive trend during the year in the different business sectors, outstanding among which is the telecommunications sector where activity increased by 25.5% with respect to 2008. Furthermore, tariff rises compensated for lower traffic volumes in the toll roads and airport sectors and there was a €159 million positive impact from changes in the consolidation scope derived from the investment effort made by the company in the last year. As such, the net profit attributable to the company at 31 December 2009 was €653 million, 5.6% higher than 2008. This represents a contribution to the ACS Group by the equity method of €139.6 million.

Its growth strategy, combining financial solvency and responsible application of resources, putting great emphasis on diversification, both at a business and a geographical level, has enabled a transformation in the company, achieving the figures of 48% of income from outside of Spain and 26% being generated from business not linked to the motorway sector.



- Toll roads
- Telecommunications
- Airports
- Car parks
- Logistics



- Toll roads
- Telecommunications
- Airports
- Car parks
- Logistics

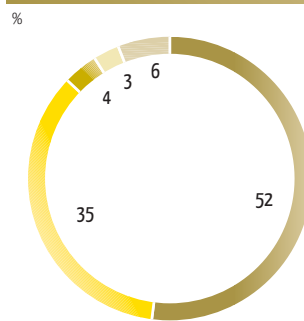
3,935
million of euros,
total revenue in 2009

2,435
million of euros,
total EBITDA in 2009

Strategic Investments



Internacional activity in 2009



Revenue

Million of euros

| | |
|----------------|--------------|
| Spain | 2,035 |
| France | 1,388 |
| United Kingdom | 166 |
| Chile | 120 |
| Others | 226 |
| Total | 3,935 |

A clear example of this strategy is the continued commitments made by Abertis through its investments, which totalled €1,394 million this year, of which the following are worthy of note:

- Completion of the operation to purchase assets of Itinere. With this operation, Abertis controls 100% of the Vasco to Aragonesa (Avasa) Motorway in Spain; 100% of Concesionaria del Elqui (Los Vilos to La Serena motorway) and 100% of Gestora de Autopistas, S.A. ("GESA") in Chile. In addition, also in Chile, it obtained a majority holding and control of Rutas del Pacífico, Rutas II and Operadora del Pacífico ("OPSA"), with a 78.9% holding.

As well as the expansion of its activity through investments made in:

- Motorways in France (Sanef) and Spain (more specifically the AP-7 and the C-32) for the expansion of carriageways and investment in new constructions.
- Hispasat and national roll out of DTT.
- Car parks in Italy, Spain and Chile.

The ACS Group's objective through its presence in Abertis, with 25.8% of its capital, is to participate in the whole value chain of the concessions business.



Iberdrola

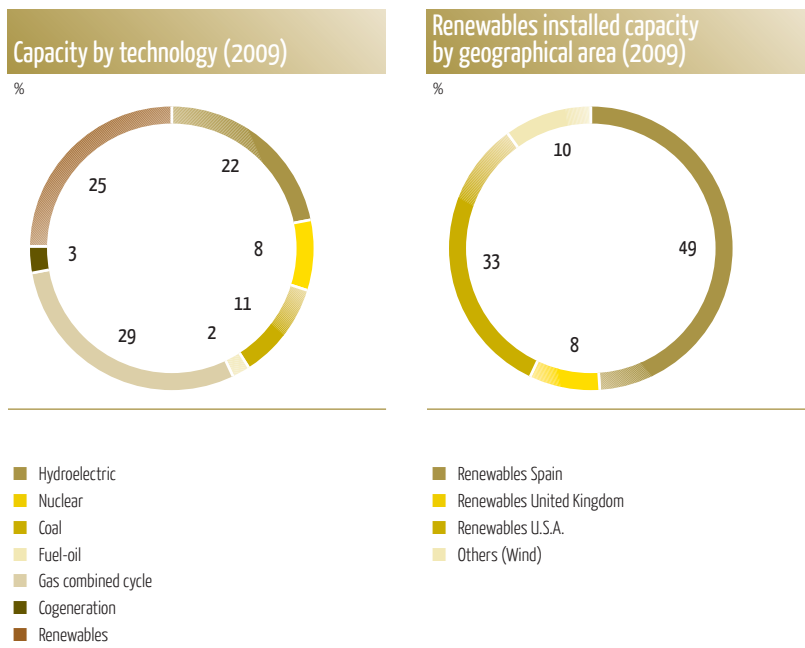
Iberdrola is Spain's leading energy group in terms of installed capacity, turnover and capitalization.

The company had an installed capacity of 43,667 MW in 2009, while production totalled 142,776 GWh, up 1.1% percent on the year before, driven by growth of 26.4% in production through renewable energies. In addition, in distribution and commercialisation, Iberdrola has over 24 million electricity customers, enabling it to distribute 204,826 GWh and around 3 million gas users, with distribution of 162,893 GWh and 2.2 billion m³ of gas storage. Iberdrola has a diversified, efficient and balanced generating mix, characterised by its commitment to the environment and to technologies with low CO₂ emissions.

The company is a world leader in development and management of renewable energies through its subsidiary, Iberdrola Renovables. It generated 21,490 GWh in 2009, 26.4% up on the figure for 2008, with an installed capacity of 10,752 MW, of which 51% is in the international area. The company's strong international influence in the field of renewable energies can also be seen in its 58,416 MW portfolio of projects, since 43% of these correspond to projects in the United States, while 33% correspond to projects in other international areas.

Its high level of diversification, its leading position in the development and management of renewable energies, as well as good management of operating efficiency, enabled the company to achieve EBITDA of €6,815 million, 6.3% higher than the 2008 figure, and net profit of €2,824 million, in spite of the adverse sector environment in 2009.

The ACS Group is the company's main shareholder with a 12% stake. Iberdrola contributes to the Group's profit through its dividends, which are accounted as financial profit. Its contribution in 2009 amounted to €208 million.



Strategic Investments

Hochtief



The ACS Group has been the main shareholder in the German construction and concessions group since 2009 and it currently holds 29.98% of its share capital.

Hochtief is the fifth largest construction company in the world and the third largest in Europe in sales volume, according to ENR, at €18,166 million in 2009, with a net profit of €195 million. It is also a truly global company, with 86.5% of its sales outside of Germany, mainly in Central Europe, the United States, Asia-Pacific and the Middle East, being one of the main private developers of concessions for public infrastructures and buildings in the world.

Hochtief carries out its business through six large business areas:

- Hochtief Americas: Carries out its business in the USA through Turner and Flatiron. Turner is the US leader in general construction and in high growth segments such as commercial offices, healthcare and educational buildings and "green" building. Flatiron is one of the 10 most important builders of transport infrastructure in the country, with a growing presence in Canada. They carried out several projects jointly within the last year.
- Hochtief Asia Pacific: Leighton, of which Hochtief owns 55%, is a leader in the Australian market and one of the top companies in Southeast Asia and the Persian Gulf. Leighton engages in building, construction and development of infrastructures, mineral extraction and concessions and services.
- Hochtief Europe: Engages in construction in Europe, not only in Germany, but also in other countries such as the United Kingdom, Austria, Russia, Poland and the Czech Republic, as well as carrying out some projects in other countries such as Qatar and Chile. It undertakes building and civil works and engineering, with an increasing focus on segments such as healthcare buildings, hotels and commercial buildings.
- Hochtief Concessions: Includes both airport concessions and PPP (Public Private Partnership) concessions. Hochtief participates in the airports for Athens, Dusseldorf, Hamburg, Sydney, Budapest and Tirana, maintaining an active focus on the search for new investment opportunities. In PPP Solutions, the portfolio is mainly made up of concessions for motorways in Germany, Austria, Greece and Chile and social infrastructures in Germany, the United Kingdom and Ireland.
- Hochtief Real Estate: Develops, executes and sells real estate projects, as well as providing management and support services for the properties.
- Hochtief Services: Engages in integrated management of, mainly industrial, properties and installations and in energy management, carrying out projects for efficient and responsible use of energy.

Hochtief is the fifth largest construction company in the world and the third largest in Europe in sales volume.



Hochtief has an order book of €35,593 million, which represents 23.5 months of sales. Outstanding among the main contract awards in 2009 are:

| Project | Country | Business area | Million of euros |
|---|----------------------|---------------|------------------|
| Desalination plant in Melbourne | Australia | Asia Pacific | 2,100 |
| Barwa Commercial Avenue | Qatar | Europe | 1,300 |
| Operation of the Senakin and Satui mines in Kalimantan | Indonesia | Asia Pacific | 1,180 |
| Contracts for the refinery gas project in Barrow Island | Australia | Asia Pacific | 989 |
| 7 school PPP project in Queensland | Australia | Asia Pacific | 632 |
| Telecommunication network expansion | New Zealand | Asia Pacific | 461 |
| Construction of the Port Mann Bridge in Vancouver | Canada | Americas | 413 |
| Expansion of the Terminal 2 of San Diego airport | USA | Americas | 375 |
| Hospital for the University Medical Center in Princeton | USA | Americas | 340 |
| Operation of the Duralie mine | Australia | Asia Pacific | 251 |
| RCD recycling plant in Abu Dhabi | United Arab Emirates | Asia Pacific | 233 |
| Railway construction in the Gobi desert | Mongolia | Asia Pacific | 207 |
| Operation of Orebody mine 23/25 | Australia | Asia Pacific | 201 |
| Extension of the water supply network | Australia | Asia Pacific | 189 |
| Hong Kong sewage network | China | Asia Pacific | 186 |
| Operation of the Ukhaakhadug mine | Mongolia | Asia Pacific | 181 |
| Peak Down mine operation in Queensland | Australia | Asia Pacific | 172 |
| Infrastructure for the public transport in Brisbane | Australia | Asia Pacific | 167 |
| Technology Park building in Chennai for Tata Group | India | Asia Pacific | 165 |
| Project for the construction of Jacksonville Courts | USA | Americas | 158 |
| Extension and refurbishment of the Joondalup Health Campus in Perth | Australia | Asia Pacific | 158 |
| Infrastructure for the National Broadband | Australia | Asia Pacific | 154 |
| PPP Project for the Town Hall and Civic Center of Moers | Germany | Concessions | 150 |



Main Economic-Financial figures of the ACS Group

Business performance of the ACS Group in 2009

| Key operating and financial indicators | 2008 | 2009 | Var. 09/08 |
|---|-----------------|------------------|---------------|
| <i>Million of euros</i> | | | |
| Turnover | 15,275.6 | 15,605.9 | +2.2% |
| <i>International</i> | <i>21.9 %</i> | <i>26.3 %</i> | |
| EBITDA | 1,382.5 | 1,458.0 | +5.5% |
| <i>Margin</i> | <i>9.1 %</i> | <i>9.3 %</i> | |
| EBIT | 1,042.7 | 1,079.9 | +3.6% |
| <i>Margin</i> | <i>6.8%</i> | <i>6.9 %</i> | |
| Net Profit from continuing operations* | 699.6 | 842.2 | +20.4% |
| Net profit attributable to the parent | 1,805.0 | 1,951.5 | +8.1% |
| EPS | 5.43 € | 6.28 € | +15.6% |
| Cash flow from operations | 971.7 | 1,652.2 | +70.0% |
| Net investments | 63.6 | (1,307.3) | n.a. |
| Investments | 2,813.1 | 4,597.9 | +63.4% |
| Disposals | 2,749.5 | 5,905.2 | +114.8% |
| Total net debt | 9,355.8 | 9,271.3 | -0.9% |
| Net debt with recourse | 2,933.7 | 302.1 | -89.7% |
| Non recourse financing | 6,422.1 | 8,969.2 | +39.7% |

* Profit after taxes not including exceptional results nor profits from discontinued operations.

Note: The figures included in this report are presented in accordance with the Groups management criteria and may differ with respect to those presented in the financial statements due to certain reclassifications which have no effect on net profit.

The year 2009 was very positive for the ACS Group. The ACS Groups turnover amounted to €15,606 million, up 2.2% on 2008, backed by a substantial increase in international sales (+22.4%). Operating profit also showed signs of good performance. Accordingly, EBITDA rose by 5.5% and EBIT grew by 3.6%.

The net profit attributable to the Group increased by 8.1% to €1,952 million. The earnings per share adjusted by the average numbers of shares outstanding, stood at €6.28 per share, up by 15.6%. Net profit from continuing operations, excluding the profit from Unión Fenosa and SPL, rose by 20.4% to €842 million.

The cash flow generated by operations increased by 70% to €1,652 million as a result of the positive performance of operating profit and the efficient management of working capital. The sound cash flow generation capacity of operations as well as the completion of the sale of 35.3% of Unión Fenosa enabled the Group to make the foreseen investments, which in 2009 amounted to €4,598 million, and to maintain the same net debt level as 12 months ago.

Specifically, the ACS Groups total net debt at 31 December 2009 amounted to €9,271 million, i.e. 0.9% lower than in the previous year. Net recourse debt amounted to €302 million, while non-recourse debt stood at €8,969 million.

Also noteworthy are different financial transactions performed in 2009 to reinforce the financial soundness and international expansion of the Group:

- In February 2009, after receiving the appropriate administrative authorisations, the remaining 35.3% of Unión Fenosa still held by the ACS Group was sold for €5,824.8 million.
- The “equity swap” for 4.88% of the shares of Iberdrola, S.A. was novated, and accordingly, the exercise period was expanded and the ACS Group acquired all the voting and economic rights inherent to the underlying shares.
- On 30 July 2009, the ACS Group, through Dragados, the company heading the Construction area, launched a takeover bid in the Warsaw stock market on shares representing 65.53% of the share capital of the Polish construction company Przedsiębiorstwo Robót Inżynierskich “Pol-Aqua” Spółka Akcyjna (hereinafter Pol-Aqua), at a price of 27 zlotys

per share. On 21 October 2009 this transaction was completed, and Dragados acquired an ownership interest of 66% in the share capital of Pol-Aqua for 486.6 million zlotys (€117.7 million).

- Also on 30 July, ACS Actividades de Construcción y Servicios S.A. entered into a loan agreement with a syndicate of 37 financial institutions amounting to €1,500 million, and then increased to €1,594 million, which matured in 2012.

- In December 2009 Dragados Construction USA, Inc., closed the acquisition of two US construction companies, Pulice Construction Inc., whose headquarters are in Phoenix (Arizona), and John P. Picone Inc., whose headquarters are in New York, for a total US \$ 245 million.

Consolidated income statement of the ACS Group

| Consolidated Income Statement | 2008 | % | 2009 | % | Var. 09/08 |
|---|-----------------|---------------|-----------------|---------------|---------------|
| Million of euros | | | | | |
| Revenue | 15,275.6 | 100.0% | 15,605.9 | 100.0% | +2.2% |
| Other revenues | 523.8 | 3.4% | 391.0 | 2.5% | -25.4% |
| Total income | 15,799.4 | 103.4% | 15,996.9 | 102.5% | +1.3% |
| Operating expenses | (10,644.0) | (69.7%) | (10,676.4) | (68.4%) | +0.3% |
| Staff costs | (3,772.9) | (24.7%) | (3,862.4) | (24.7%) | +2.4% |
| Operating cash flow (EBITDA) | 1,382.5 | 9.1% | 1,458.0 | 9.3% | +5.5% |
| Depreciation and amortisation expense | (299.4) | (2.0%) | (365.1) | (2.3%) | +22.0% |
| Operating allowances | (40.4) | (0.3%) | (13.0) | (0.1%) | -67.9% |
| Ordinary Operating profit (EBIT) | 1,042.7 | 6.8% | 1,079.9 | 6.9% | +3.6% |
| Impairment and gains on the disposal of financial instruments | 0.3 | 0.0% | 0.6 | 0.0% | n.a. |
| Other operating profit or loss | 147.6 | 1.0% | (39.2) | (0.3%) | n.a. |
| Operating profit | 1,190.6 | 7.8% | 1,041.4 | 6.7% | -12.5% |
| Finance income | 402.6 | 2.6% | 395.5 | 2.5% | -1.8% |
| Finance costs | (770.8) | (5.0%) | (664.6) | (4.3%) | -13.8% |
| Financial profit/Loss | (368.2) | (2.4%) | (269.1) | (1.7%) | -26.9% |
| Exchange gains and losses | 1.6 | 0.0% | (0.4) | (0.0%) | n.a. |
| Change in fair value of financial instruments | (650.8) | (4.3%) | (2.3) | (0.0%) | n.a. |
| Impairment and gains on the disposal of financial instruments | 703.8 | 4.6% | 22.8 | 0.1% | n.a. |
| Net Financial Profit/Loss | (313.6) | (2.1%) | (249.0) | (1.6%) | -20.6% |
| Companies accounted for by equity method | 157.3 | 1.0% | 195.6 | 1.3% | +24.3% |
| Profit before tax from continuing operations | 1,034.4 | 6.8% | 988.0 | 6.3% | -4.5% |
| Corporation tax | (27.6) | (0.2%) | (120.4) | (0.8%) | n.a. |
| Profit after tax from continuing operations | 1,006.8 | 6.6% | 867.5 | 5.6% | -13.8% |
| Profit after tax from discontinued operations | 816.0 | 5.3% | 1,113.0 | 7.1% | +36.4% |
| Profit for the year | 1,822.7 | 11.9% | 1,980.5 | 12.7% | +8.7% |
| Non-controlling interests | (17.7) | (0.1%) | (29.0) | (0.2%) | +63.7% |
| Net Profit Attributable to the Parent | 1,805.0 | 11.8% | 1,951.5 | 12.5% | +8.1% |

Main Economic-Financial figures of the ACS Group

Consolidated Balance Sheet at 31 December

| Consolidated Balance Sheet | 2008 | % | 2009 | % | Var. 09/08 |
|--|-----------------|----------------|-----------------|----------------|---------------|
| <small>Million of euro</small> | | | | | |
| Intangible assets | 1,466.9 | 2.9 % | 1,575.2 | 5.0 % | +7.4% |
| Property, plant and equipment | 1,718.5 | 3.3 % | 1,483.9 | 4.7 % | -13.7% |
| Non-current assets in projects | 3,587.1 | 7.0 % | 4,492.6 | 14.1 % | +25.2% |
| Investment property | 70.9 | 0.1 % | 61.0 | 0.2 % | -13.9% |
| Investments accounted for using the equity method | 3,892.8 | 7.6 % | 4,174.2 | 13.1 % | +7.2% |
| Non-current financial assets | 3,188.3 | 6.2 % | 5,156.6 | 16.2 % | +61.7% |
| Financial instrument receivables | 0.5 | 0.0 % | 21.7 | 0.1 % | n.a. |
| Deferred tax assets | 694.4 | 1.4 % | 773.2 | 2.4 % | +11.3% |
| Total non-current assets | 14,619.4 | 28.4 % | 17,738.4 | 55.9 % | +21.3% |
| Non-current assets held for sales | 24,350.6 | 47.4 % | 1,178.7 | 3.7 % | -95.2% |
| Inventories | 698.6 | 1.4 % | 657.8 | 2.1 % | -5.8% |
| Trade and other accounts receivable | 7,301.6 | 14.2 % | 7,174.9 | 22.6 % | -1.7% |
| Current financial investments | 2,185.1 | 4.3 % | 2,711.1 | 8.5 % | +24.1% |
| Other current assets | 62.0 | 0.1 % | 86.3 | 0.3 % | +39.2% |
| Cash and cash equivalents | 2,181.0 | 4.2 % | 2,207.0 | 7.0 % | +1.2% |
| Current assets | 36,779.0 | 71.6 % | 14,015.8 | 44.1 % | -61.9% |
| Total Assets | 51,398.4 | 100.0 % | 31,754.2 | 100.0 % | -38.2% |
| Equity attributed to the parent | 3,402.4 | 6.6 % | 4,303.4 | 13.6 % | +26.5% |
| Non-controlling interests | 6,510.6 | 12.7 % | 288.1 | 0.9 % | -95.6% |
| Equity | 9,913.0 | 19.3 % | 4,591.5 | 14.5 % | -53.7% |
| Grants | 65.4 | 0.1 % | 90.5 | 0.3 % | +38.4% |
| Non-current financial liabilities | 9,576.3 | 18.6 % | 11,774.3 | 37.1 % | +23.0% |
| Deferred tax liabilities | 230.8 | 0.4 % | 374.0 | 1.2 % | +62.1% |
| Non-current provisions | 158.6 | 0.3 % | 378.8 | 1.2 % | +138.8% |
| Financial instrument payables | 855.7 | 1.7 % | 320.0 | 1.0 % | -62.6% |
| Other non-current liabilities | 182.9 | 0.4 % | 242.2 | 0.8 % | +32.4% |
| Non-current Liabilities | 11,069.7 | 21.5 % | 13,179.8 | 41.5 % | +19.1% |
| Liabilities relating to non-current assets held for sale | 15,912.9 | 31.0 % | 845.1 | 2.7 % | -94.7% |
| Current provisions | 264.7 | 0.5 % | 275.2 | 0.9 % | +3.9% |
| Current financial liabilities | 4,145.7 | 8.1 % | 2,415.2 | 7.6 % | -41.7% |
| Trade and other accounts payable | 9,376.0 | 18.2 % | 9,850.0 | 31.0 % | +5.1% |
| Other current liabilities | 716.3 | 1.4 % | 597.5 | 1.9 % | -16.6% |
| Current Liabilities | 30,415.7 | 59.2 % | 13,982.9 | 44.0 % | -54.0% |
| Total Equity & Liabilities | 51,398.4 | 100.0 % | 31,754.2 | 100.0 % | -38.2% |

| Statement of Cash Flows | 2008 | 2009 | Var. 09/08 |
|---|------------------|------------------|---------------|
| <i>Million of euro</i> | | | |
| Net Profit | 1,805.0 | 1,951.5 | +8.1% |
| Adjustments to profit not giving rise to cash flows | (628.1) | (794.2) | |
| Changes in working capita | (205.2) | 494.9 | |
| Net cash flows from operating activities | 971.7 | 1,652.2 | +70.0% |
| 1. Investment payables | (2,813.1) | (4,597.8) | |
| 2. Disinvestment receivables | 2,468.5 | 5,905.1 | |
| Cash flows from investing activities | (344.6) | 1,307.3 | n.a. |
| 1. Purchase of treasury shares | (674.4) | (465.7) | |
| 2. Dividends payable | (600.2) | (653.2) | |
| 3. Other adjustments | (101.7) | (261.6) | |
| Other cash flows | (1,376.3) | (1,380.5) | +0.3% |
| Total cash flow | (749.2) | 1,579.0 | n.a. |

Significant events subsequent to year-end

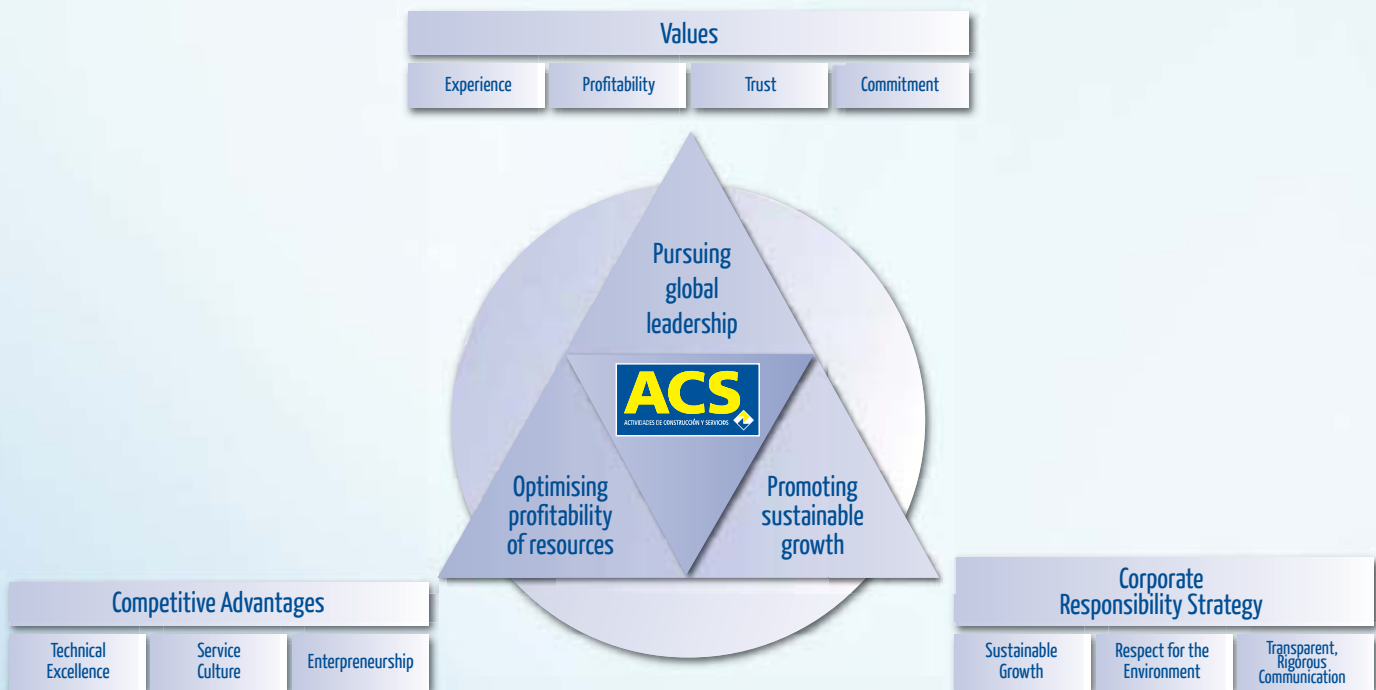
At the date of the preparation of these financial statements there were no events worthy of mention with an effect on the information contained in the financial statements.



The ACS Group and Corporate Responsibility

Corporate responsibility is part of the ACS Group's vision and strategy; the sustained growth and responsible development of not only the Group but also the society of which it forms part is an intrinsic part of each of the activities it promotes and develops, those rests in three basic pillars: Corporate Responsibility Strategy, Values and Competitive Advantages.

Since its foundation, the ACS Group and its companies have made a commitment to the various parties forming part of its operations and interacting with the Group or its employees. This commitment is based on the ethical principles guiding the ACS Group's operations and forming part of its corporate culture.



With the objective of supporting this statement of principles, the ACS Group has worked over recent years on developing a culture based around sustainable development and corporate responsibility.

The corporate tools have been provided to enable the company to put this strategy into practice. This was firstly through the publication of the Commitment to Corporate Responsibility, then through the formalisation of the Code of Conduct, which was already in use but not regulated formally, and finally the declaration of commitment to combating Climate Change. These documents were approved by the ACS Group's Board of Directors and their supervision is one of the responsibilities of the Board's Audit and Control Committee.

Combating Climate Change is an inherent part of the ACS Group operation, business and sustainability strategy.

This link to corporate responsibility is part of the ACS Group's continual effort to work in accordance with the five commitments to sustainability it has assumed to define its relationship with the environment, society and the agents and stakeholders with which it relates. This is the ACS Group's response to the challenge of Corporate Responsibility.

Commitment to the creation of value, distributing the wealth created among its shareholders, clients, suppliers and among the society as a whole.

The ACS Group's Mission includes a concept which is part of our commitment to the creation of value: "The search for profitability while improving the society in which we live".

All of the ACS Group's activities decisively contribute economic and social benefits, in addition to forming part of the wealth of the societies they serve.

Commitment to information transparency, so that those who have a relationship with the Company have accurate, reliable and accessible information available to them and are able to form an exact opinion of ACS.

For further information, see the webpage www.grupoacs.com

Commitment to research, development and innovation with a view to the future, profitable growth and the quality of its products and services.

The ACS Group invested 40.0 million euros in R+D+i in 2009, representing 4.8% of ordinary net profit for continuing activities.



The ACS Group and Corporate Responsibility

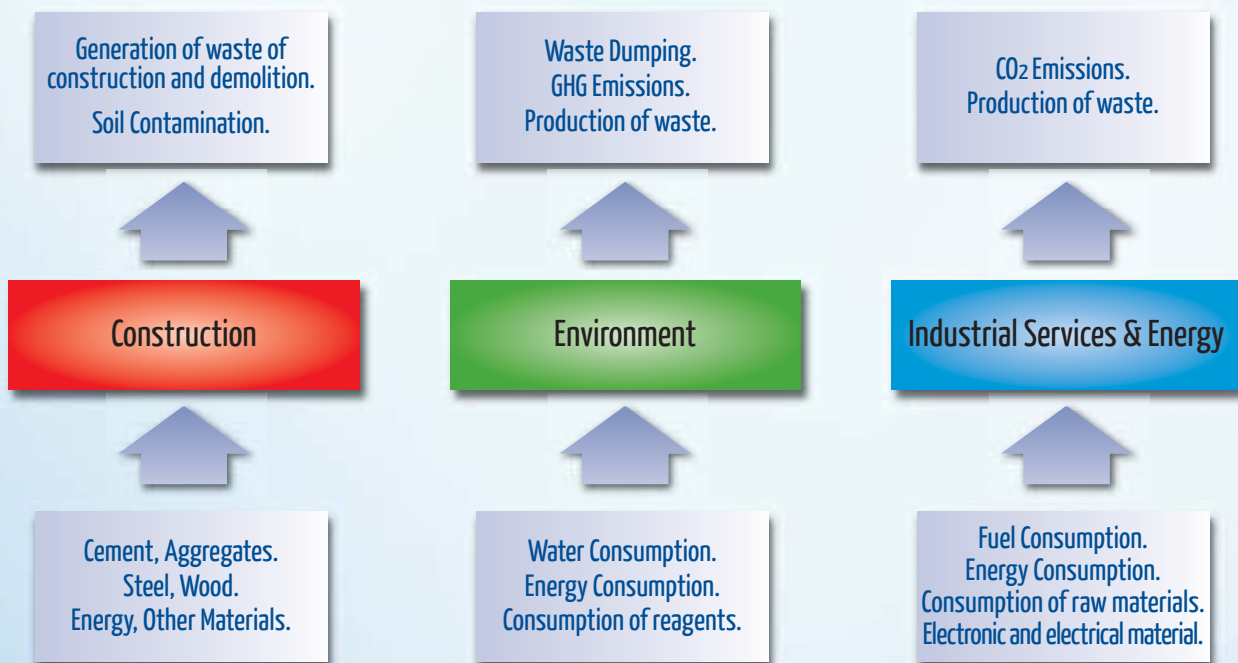
Commitment to the natural environment, implementing programs and procedures which contribute to minimising the impact of the ACS Group's activities.

Given the commitment of ACS to the natural environment, it undertakes specific measures in relation to each of the Group's activities in order to improve overall results, decrease risks and preserve, reuse and reduce the resources used.

| | | |
|---|--|--|
| <h2 style="font-size: 2em; margin: 0;">79%</h2> <p style="font-size: 0.8em; margin: 0;"><i>of the Group's production takes place in companies certified in accordance with ISO 14001.</i></p> | <h2 style="font-size: 2em; margin: 0;">58.5%</h2> <p style="font-size: 0.8em; margin: 0;"><i>recovery rate for Construction waste in 2009, 20.9 percentage points higher than in 2008.</i></p> | <h2 style="font-size: 2em; margin: 0;">150 MW</h2> <p style="font-size: 0.8em; margin: 0;"><i>of power installed in 2009. The ACS Group is pioneering the development of thermal solar plants.</i></p> |
|---|--|--|

"Everyone has the right to enjoy an environment appropriate for the development of the person and the duty to preserve it".

Main impacts of ACS Group activities



Commitment to individuals and the social environment, through the creation of employment, wealth and the contribution to the well-being and prosperity of the societies in which it operates.

The ACS Group is made up of a total of 142,176 people, 0.8% more than last year. In 2009, the ACS Group created over 1,174 net jobs.

The ACS Group is one of the construction and services sector companies that have most stably over time adapted their labour relations to the life of the company. It works toward fostering social justice and internationally proclaimed human and labour rights, respecting and protecting the forming of labour unions and employees' rights to freedom of association and granting equal opportunities and treatment, without discriminating on the basis of sex, ideology, religion, etc or any other social or individual circumstance or condition. The ACS Group has a firm commitment to underprivileged groups and particularly the disabled.

The Annual Training Plan comprises over 1,317,780 hours of study in courses and seminars relating to all its activities, as the ACS Group's strategy involves an overall approach of ongoing training in the workplace, in classes or by distance learning. Furthermore in the ACS Group, the prevention of workplace hazards is the most important training subject and the one in which the greatest effort and investment is made.

38%

proportion of women in the total workforce, 2 percentage points higher than in 2008, that means 54,055 women working in ACS.

82.9%

of clients were satisfied according to the surveys carried out in 2009.

3.7

million euros in investment in social action through the ACS Foundation during 2009.

The training and labour risk prevention campaign conducted by the ACS Group, as well as all safety initiatives and protocols implemented, contributed to reducing the accidents suffered by Group employees by over 5.5% in 2009.



The ACS Group and Corporate Responsibility

| Evolution of Prevention Rates | ACS Group | | | | |
|-------------------------------|-----------|------|------|------|------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| Frequency rate ⁽¹⁾ | 45 | 41 | 39 | 37 | 36 |
| Severity rate ⁽²⁾ | 0.96 | 0.94 | 0.85 | 0.78 | 0.87 |
| Incidence rate ⁽³⁾ | 74 | 73 | 70 | 71 | 64 |

The scope of this table is 82% of the ACS Group's workforce.

(1) Represents the number of accidents that occurred during the working day per million hours worked.

(2) Represents the number of working days lost due to accidents per 1,000 hours worked.

(3) Represents the number of accidents in relation to which sick leave was taken per 1,000 employees.

Each year the ACS Group dedicates notable effort to collaboration for the development of initiatives of community interest.

The ACS Group and Foundation monitor the philanthropic initiatives in which the group collaborates with third parties and the impact these might have on the reputation of the ACS Group.

In 2009 the Foundation diversified its activities relating to basic support programmes and expanded its relations with public and private institutions relating to these, investing 3.7 million of Euros in more than 98 projects and collaborations.



In 2002, the ACS Group became one of the Spanish Companies adhering to the United Nations Global Compact. The Group's commitment is to include the principles of the Global Compact in its strategy and operations.



Main Milestones in 2009

Investment of over €988 million in renewable energy generation projects, to develop 74 MW of wind farms and 100 MW of thermal solar plants with heat storage.

Reduction of CO₂ emissions either directly or through the savings arising from the ACS Group's operating activity.

Inclusion of the ACS Group in the Dow Jones Sustainability World Index.

Investment of €40.0 million in research, development and innovation. This investment is equivalent to 4.8% of ordinary net profit (€842 million in 2009).

Recycling and reuse of 58.5% of construction and demolition waste.

Savings of 4,095,935 tons of CO₂ as a result of waste treatment activity.

The proportion of women in the ACS Group rose by two percentage points relative to 2008 figures, to 38% of the total staff.

A total of 2,165 satisfaction surveys were carried out in 2009, with 82.9% of replies being satisfactory or very satisfactory.

12% increase in the ACS Foundation's investment in social works.

Improvement in accident frequency and incident rate at a Group level, with a 5.5% reduction in accidents.

Objectives and Challenges for 2010

Investment of over €700 million in renewable energy. International expansion.

In accordance with the objectives for 2008, the ACS Group continues to work to increase certified activity according to ISO standards in relation to quality and the environment.

To increase investment in R+D+i to 2008 levels (around €50 million).

To begin measurement of Scope 3 CO₂ emissions, mainly produced by travel, the supply chain and internal logistics.

Reductions in electricity, water and gas consumption and in waste generation.

Continued promotion of equal opportunity practices in all of the Group's activities.

Reinforcement of the ACS Group's labour risk prevention systems in all activity areas, in order to improve the work-related accident rate as compared to 2009.

An increase of over 10% in the budget of the Grupo ACS Foundation.

The ACS Group and Corporate Responsibility

Main figures of Corporate Responsibility

| Area of Activity | Construction | Environment | Industrial Services & Energy | ACS Group |
|--|--|---|--|------------------|
| % of total sales 2009 | 25% | 17% | 42% | 84% |
| Main environment indicators | | | | |
| Materials used | Cement, steel, aggregates, bitumen, chemical products, wood | Solid urban waste, industrial waste, hospital waste, mineral oil, gas neutralization products, acids, water | Cables, concrete, iron, steel, gas, diesel, wood, lighting, paper, computer equipment, floated concrete, aluminum, reflective materials, copper, aggregates, electronic equipment, electrical and plastics | |
| Consumption of energy broken down by primary source | | | | |
| Petrol + diesel consumption (million litres) | 16.2 | 35.8 | 23.0 | 75.1 |
| Natural gas consumption (m ³) | 213,620 | 5,111,096 | 38,870 | 5,363,585 |
| Electricity consumption (GWh) | 51 | 110 | 30 | 191 |
| Other consumptions (toe) | 369 | 1,621 | 0 | 1,991 |
| Total (toe) | 21,754 | 53,303 | 26,496 | 101,553 |
| <i>% of total ACS Group sales represented by the data obtained</i> | <i>25%</i> | <i>17%</i> | <i>42%</i> | <i>84%</i> |
| Water consumption | | | | |
| Obtained from the public mains (m ³) | 808,101 | 1,833,736 | 108,684 | 2,750,521 |
| Obtenida de otras fuentes (m ³) | 632,391 | 420,588 | 3,951 | 1,056,930 |
| Total (m³) | 1,440,492 | 2,254,324 | 112,636 | 3,807,451 |
| <i>% of total ACS Group sales represented by the data obtained</i> | <i>25%</i> | <i>17%</i> | <i>42%</i> | <i>84%</i> |
| Waste water dumped⁽¹⁾ | | | | |
| To the public network (m ³) | Not available | 1,039,150 | 93,622 | 1,132,772 |
| Drainage to the sea or rivers/lakes (m ³) | Not available | 14,491 | 1,568 | 16,059 |
| Total (m³) | Not available | 1,053,641 | 95,190 | 1,148,831 |
| <i>% of total ACS Group sales represented by the data obtained</i> | <i>0%</i> | <i>12%</i> | <i>34%</i> | <i>46%</i> |
| Greenhouse gas emissions | | | | |
| Total direct greenhouse gas emissions (t CO ₂) | 37,000 | 8,002,123 | 31,137 | 8,070,259 |
| Total indirect greenhouse gas emissions (t CO ₂) | 15,008 | 32,707 | 8,996 | 56,712 |
| Total direct and indirect greenhouse gas emissions (t CO₂) | 52,008 | 8,034,830 | 40,133 | 8,126,971 |
| <i>% of total ACS Group sales represented by the data obtained</i> | <i>25%</i> | <i>17%</i> | <i>42%</i> | <i>84%</i> |
| Other significant emissions to the air (already included in direct emissions) | | | | |
| NO _x (t) | 0.10 | 360.3 | 0.00 | 360.3 |
| SO _x (t) | 0.20 | 0.6 | 0.00 | 0.8 |
| Particles (t) | 0.00 | 2.4 | 0.00 | 2.4 |
| Other gases (t) | 0.40 | 0.0 | 0.00 | 0.4 |
| <i>% of total ACS Group sales represented by the data obtained</i> | <i>25%</i> | <i>8%</i> | <i>28%</i> | <i>61%</i> |
| Savings of greenhouse gas emissions (t) | | | | |
| | 0 | 4,095,935 | 2,414,034 | 6,509,969 |
| <i>% of total ACS Group sales represented by the data obtained</i> | <i>25%</i> | <i>17%</i> | <i>42%</i> | <i>84%</i> |
| Non-hazardous waste managed | | | | |
| | Surplus land excavation and CDR (rubble, wood, plastics, paper and cardboard and metals) | Waste from treatment of urban waste | Paper, cardboard, electronic waste, scrap, municipal waste | |
| Total (t) | 1,099,375 | 29,209 | 33,104 | 1,161,688 |
| <i>% of total ACS Group sales represented by the data obtained</i> | <i>25%</i> | <i>17%</i> | <i>42%</i> | <i>84%</i> |
| Hazardous waste managed (t) | | | | |
| | 2,251 | 8,501 | 7,436 | 18,188 |
| <i>% of total ACS Group sales represented by the data obtained</i> | <i>25%</i> | <i>17%</i> | <i>42%</i> | <i>84%</i> |
| Percentage of projects which are rated non-financial, such as environmental (%) | | | | |
| | 77% | 0% | 7% | 27% |
| <i>% of total ACS Group sales represented by the data obtained</i> | <i>25%</i> | <i>17%</i> | <i>42%</i> | <i>84%</i> |

(1) Not included treated water in the sewage treatment plants

| Area of Activity | Construction | Environment | Industrial Services & Energy | ACS Group |
|--|---------------|-------------|------------------------------|-----------|
| Quality and creation of value for clients | | | | |
| Investments dedicated to quality improvements (million of euros) | Not available | 1.7 | 1.9 | 3.7 |
| Percentage of the total production certified by the quality systems based on the ISO 9001 standard | 100% | 68% | 88% | 87% |
| Number of audits of quality carried out | 198 | 44 | 287 | 525 |
| Number of satisfaction surveys carried out | 531 | 350 | 1,284 | 2,165 |
| Percentage of the total answers of clients saying that they were "Satisfied" or "Very Satisfied" | 87% | 85% | 80% | 83% |
| Investments carried out in R+D+i (million of euros) | 21 | 5 | 14 | 40 |
| Commitment to the Natural Environment | | | | |
| Percentage of the total production of the Group environmentally certified in accordance with the ISO 14001 standard | 80% | 70% | 82% | 79% |
| Number of environmental audits carried out | 198 | 50 | 196 | 444 |
| Number of significant environmental incidents registered | 1,397 | 1 | 0 | 1,398 |
| Number of environmental fines | 26 | 1 | 1 | 28 |
| Employees | | | | |
| Total number of employees at 31th of December of 2009 <small>(377 employees in the corporation and other subsidiaries of the Group)</small> | 20,014 | 83,317 | 38,468 | 142,176 |
| Employees contracted directly and permanently | 47% | 3% | 25% | 15% |
| Employees contracted in relation to a specific project, work or temporary production joint venture. | 53% | 97% | 75% | 85% |
| Training | | | | |
| Number of hours of study | 181,072 | 765,681 | 371,027 | 1,317,780 |
| Number of courses | 892 | 3,131 | 2,721 | 6,744 |
| Number of participants | 11,524 | 32,143 | 12,544 | 56,211 |
| Total investment (million of euros) | 1.8 | 4.9 | 6.5 | 13.2 |
| Courses by type of content: Production | 524 | 772 | 1,509 | 2,805 |
| Courses by type of content: Job Safety | 288 | 2,280 | 1,045 | 3,613 |
| Courses by type of content: Environment | 80 | 79 | 167 | 326 |
| Labour risk prevention and job safety | | | | |
| Frequency rate <small>(Represents the number of accidents that occurred during the working day per million hours worked)</small> | 26.7 | 42.8 | 25.9 | 36.1 |
| Severity rate <small>(Represents the number of working days lost due to accidents per 1,000 hours worked)</small> | 0.79 | 1.0 | 0.6 | 0.9 |
| Incidence rate <small>(Represents the number of accidents in relation to which sick leave was taken per 1,000 employees)</small> | 50.1 | 74.9 | 46.6 | 63.9 |

Corporate Governance in the ACS Group

Ownership structure

At December 31, 2009 the share capital of the ACS Group was 157,332,297 euros, represented by 335,390,427 fully subscribed and paid shares, all with the same voting and dividend rights.

In 2009 and as resolved by the General Shareholders Meeting held on May 25, 2009, share capital was reduced by means of the redemption of 3,979,380 treasury shares representing 1.249% of the Group's share capital.

The Group's main shareholders, i.e. those with an ownership interest of over 5% in the Group's total share capital, are as follows:

| Name or corporate name of the shareholder | Number of shares | Percentage of total number of shares in December 2009 |
|---|------------------|---|
| Corporación Financiera Alba, S.A. | 73,887,279 | 23.481 |
| Inversiones Vesán, S.A. | 38,815,575 | 12.336 |
| Mr. Alberto Alcocer Torra | 21,799,070 | 6.928 |
| Mr. Alberto Cortina Alcocer | 21,799,071 | 6.928 |
| Sayglo Holding, S.L. | 17,741,012 | 5.638 |
| Southeastern Asset Management, Inc. | 17,166,306 | 5.455 |



Company management

In the Bylaws and Rules of the Board of Directors, it is stipulated that the ACS Group shall be governed by a Board of Directors consisting of a minimum of eleven (11) and a maximum of twenty-one (21) members.

As the decision-making body of the ACS Group, the General Shareholders' Meeting, at the proposal of the Board, is responsible for setting, within the aforementioned limits, the exact number of members of the Board of Directors, and appointing the individuals to fill these positions.

The composition of the Board of Directors is based on a principle of proportionality, and accordingly, the interests of all the groups of shareholders composing the ACS Group should be represented. At December 31, 2009 the Board of Directors of the ACS Group was formed by 19 directors: 4 executive directors, 9 external proprietary directors, 5 independent directors and 1 director in the category of other external directors. The mission of these independent or external directors is to represent the interests of floating capital within the Board of Directors.

Additionally, the ACS Group's commitment to gender equality and the inclusion of women on management bodies was reflected in the election of Ms. Sabina Fluxá as a board member of ACS, Actividades de Construcción y Servicios S.A, she have formed part of the Board since May 2009.

As for the function of the Board of Directors, it acts jointly and is granted the broadest of powers to represent and govern the Company, and carries out the general function of supervising and controlling the Company's operations. However, it may directly assume the responsibilities and decision-making powers required to manage the Company's business.

More specifically, the Board of Directors in full shall approve the following policies and general strategies:

- The investment and financing policy.
- Definition of the structure of the corporate group.
- Corporate governance policy.
- Corporate social responsibility policy.
- The strategic or business plan, management targets and annual budgets.
- Senior executive management evaluation and remuneration policies.
- Risk control and management policy, and the periodic monitoring of internal information and control systems.

- Policy on dividends and on treasury shares, and the limits to be applied.
- Related party transactions, unless such transactions meet the conditions reflected in the Rules of Procedure of the Board of Directors.

In order to improve efficiency, a number of Committees has been created within the Board of Directors, whose tasks consist in controlling and monitoring the areas of greatest importance for the good governance of the company. There are three such committees: Executive Committee, Audit Committee and the Appointment and Remuneration Committee.

In view of the ACS Group's policy of transparency and disclosure, the remuneration received throughout the year by all members of the Board of Directors and by the Group's Senior Executives is included in the Corporate Governance Report.

Additionally, in 2009 significant improvements were made aimed at reinforcing the transparency and independence of our system of governance, introducing the necessary changes in the rules of the Board of Directors to adapt the procedures to practically all the recommendations in the Unified Code of Good Governance.



Corporate Governance in the ACS Group

Shareholders' Rights and the Annual General Meeting

The manner in which the General Shareholders meeting functions and the shareholders' rights are set forth in the Shareholders' General Meeting By-Laws of the ACS Group. According to Article 1 of these by-laws, the General Meeting is recognised as the absolute institution representing the Company and its decisions.

Accordingly, the shareholders present in a General Meeting decide on all matters within their competence, and the Shareholders' Meeting is made up of all shareholders holding a minimum of at least one hundred shares present or represented. The owners of less than one hundred shares may form a group to reach this number.

Additionally, these by-laws set forth the shareholders' attendance and voting rights, guaranteeing that all shareholders are treated equally. A number of measures are also provided to foster the participation of the shareholders at the General Meeting. In this regard, not only do

the by-laws detail the possibilities of appointing a representative and voting by proxy, but also, Article 26 of the Company By-laws expressly includes the possibility of shareholders casting their vote from outside the General Meeting. Since the Ordinary Shareholders' Meeting held on May 19, 2005, this method of voting and the necessary rules and procedures for the remote voting via internet or fax were disseminated. The measures adopted by the Group to foster attendance at the General Meeting are positively reflected in the number of members present or represented at these meetings, which was 78.535% at the Annual General Shareholders' meetings held on May 25, 2009.

The shareholders' right to information is detailed in several sections of the bylaws of the Shareholders' Meeting. Prior to the date of each meeting, all required information is made available to the shareholders and investors. Moreover, in addition to the standard information provided to the company in the form of annual, quarterly or bi-yearly reports, the Group maintains an ACS Group website with fundamental information relating thereto. Also, periodic meetings are held with analysts so that this information reaches all shareholders and the market in general in the most balanced, symmetric and efficient manner possible.

The ACS Group has not only established permanent communications channels with its shareholders and investors, but also assures that the information made available to them is true and correct. For this purpose, the Audit Committee reviews this information before it is made public, to verify that it has been drawn up in accordance with the same professional principles, criteria and practices as the financial statements.

Additionally, for several years the Board of Directors of the ACS Group has promoted various measures for the purpose of assuring the transparency of the Company's operations in the financial market and the exercise of any duties inherent in its status as a listed company. In this regard, the relevant facts reported to the Spanish Stock Market Commission (CNMV) are disclosed to the lowest number of people possible, who are duly identified, until they are made public.

In short, the ACS Group's commitment to transparency is in line with the guidelines set by the Special Commission for the Promotion of Transparency and Security on the Markets and in Listed Companies (Aldama Report), provided in Law 26/2003 of 17 July and the Ministerial Order 3722/2003 in which it is enacted.





Directory head offices of the ACS Group's main companies

ACS, Actividades de Construcción y Servicios, S.A.

Avda. Pro XII, 102
28036 Madrid, Spain
Phone: +34 91 432 92 00, Fax: +34 91 343 94 56
www.grupoacs.com

DRAGADOS, S.A.

Avda. Camino de Santiago, 50
28050 Madrid, Spain
Phone: +34 91 343 93 00, Fax: +34 91 343 94 00
www.grupoacs.com

VÍAS Y CONSTRUCCIONES, S.A.

C/ Orense, 11 - 2º y 4º
28020 Madrid, Spain
Phone: +34 91 417 98 00
Fax: +34 91 417 98 30
www.vias.es

DRACE M. AMBIENTE

Avda. Camino de Santiago, 50
28050 Madrid, Spain
Phone: +34 91 703 56 00
Fax: +34 91 703 56 40
www.dracemedioambiente.com

FPS

Avda. Camino de Santiago, 50
28050 Madrid, Spain
Phone: +34 91 545 47 77
www.flotaps.com

SEIS

Avda. Camino de Santiago, 50
28050 Madrid, Spain
Phone: +34 91 703 68 00
www.seis6.com

DRAVO, S.A.

Plaza de Castilla, 3
28046 Madrid, Spain
Phone: +34 91 323 02 07
Fax: +34 91 323 06 87

TECSA

Avda. Madariaga, 1 - 4ª planta
48014 Bilbao, Spain
Phone: +34 94 448 86 00
Fax: +34 94 476 22 84
www.tecsa-constructora.com

GEOCISA

Llanos de Jerez, 10 - 12
Coslada, 28820 Madrid, Spain
Phone: +34 91 660 30 00
Fax: +34 91 671 64 60
www.geocisa.com

COGESA

C/ Orense, 34 - 1º
28020 Madrid, Spain
Phone: +34 91 417 96 50
Fax: +34 91 597 04 67

DYCVENSA

Veracruz, Edificio Torreón 3º - Esq
Urb. Las Mercedes, Caracas 1060 A
La Guarita, Venezuela
Phone: (58212) 992 31 11
Fax: (58212) 992 77 24
www.dycvensa.com.ve

DYCASA

Avda. Leandro N. Alem, 986, 4º
1001 - Buenos Aires, Argentina
Phone: (54114) 318 02 00
Fax: (54114) 318 02 30
www.dycasa.com

SCHIIVONE

150 Meadowlands Parkway
New Jersey 07094-1589
Secaucus, U.S.A.
Phone: (001) 201 867 5070
Fax: (001) 201 867 0911
Email: info@chiavone.net
www.schiavoneconstruction.com

JOHN PICONE

31 Garden Lane
Lawrence, NY11559 (Nueva York)
U.S.A.
Phone: 516.239.1600 / 718.634.1900
Fax: 516.239.1757
Email: info@johnpicone.com
<http://www.johnpicone.com/home.php>

PULICE

2033 West Mountain View Road
Phoenix, Arizona 85021
U.S.A.
Phone: (602) 944-2241
Fax: (602) 906-3783
Email: puliceinfo@pulice.com
www.pulice.com/home/index.html

POL-AQUA

ul. Dworska 1, 05-500 Piaseczno k /
Warszawy, Poland
Phone: +48 (22) 20 17 300
+48 (22) 20 17 310
Email: recepcja@pol-aqua.com.pl
<http://polaqua.mobi/pl>

ACS, Medio Ambiente

Avda. Camino de Santiago, 50
28050 Madrid, Spain
Phone: +34 91 703 60 00
Fax: +34 91 703 60 13

URBASER, S.A.

Avda. de Tenerife, 4 - 6
San Sebastián de los Reyes,
28703 Madrid, Spain
Phone: +34 91 121 80 00
Fax: +34 91 121 80 65
www.urbaser.com

DRAGADOS SERVICIOS PORTUARIOS Y LOGISTICOS, S.L.

Avda. de Tenerife, 4 - 6
San Sebastián de los Reyes,
28703 Madrid, Spain
Phone: +34 91 436 27 00
Fax: +34 91 578 03 26
www.dragados-spl.com

CLECE, S.A.

Avda. de Tenerife, 4 - 6
San Sebastián de los Reyes,
28703 Madrid, Spain
Phone: +34 91 745 91 00
Fax: +34 91 745 91 20
www.clece.es

PUBLIMEDIA SISTEMAS PUBLICITARIOS, S.L.

Avda. de Manóteras, 46 bis; 2º
28050 Madrid, Spain
Phone: +34 91 484 22 90
Fax: +34 91 512 04 73
www.publimedia-sp.com

Iridium Concesiones de Infraestructuras, S.A.

Avda. Camino de Santiago, 50
28050 Madrid, Spain
Phone: +34 91 343 93 00
Fax: +34 91 703 87 26
www.iridiumconcesiones.com

ACS, Servicios, Comunicaciones y Energía, S.L.

C/ Cardenal Marcelo Spínola, 10
28016 Madrid
Tel: 91 456 95 00, Fax: 91 456 94 50

COBRA GESTIÓN DE INFRAESTRUCTURAS, S.A. (GRUPO COBRA)

C/ Cardenal Marcelo Spínola, 10
28016 Madrid
Tel: 91 456 95 00
Fax: 91 456 94 50
www.grupocobra.com

ENERGÍAS Y RECURSOS AMBIENTALES, S.A. (EYRA)

C/ Cardenal Marcelo Spínola, 10
28016 Madrid
Tel: 91 456 95 00
Fax: 91 456 94 72

ELECTRONIC TRAFIC, S.A. (ETRA)

C/ Tres Forques, 147
Polígono Industrial Vara de Quart
46014 Valencia
Tel: 96 313 40 82
Fax: 96 350 32 34
www.etra.es

SOCIEDAD ESPAÑOLA DE MONTAJES INDUSTRIALES, S.A. (SEMI)

C/ Manzanares, 4
28005 Madrid
Tel: 91 308 93 35
Fax: 91 576 75 66
www.semi.es

MANTENIMIENTOS AYUDA A LA EXPLOTACIÓN Y SERVICIOS, S.A. (MAESSA)

C/ Manzanares, 4
28005 Madrid
Tel: 91 308 93 35
Fax: 91 576 75 66
www.maessa.com

IMESAPI, S.A.

Avda. de Manóteras, 26
Edificio ORION
28050 Madrid
Tel: 91 744 39 00
Fax: 91 744 39 01
www.imesapi.es

CONTROL Y MONTAJES INDUSTRIALES, S.A. (CYMI)

C/ Teide, 4- 2, Edificio F-7
San Sebastián de los Reyes,
28703 Madrid
Tel: 91 659 33 60
Fax: 91 659 33 80
www.cymi.es

DRAGADOS OFFSHORE

Bajo de la Cabezuela, s/n
Puerto Real, 11510 Cádiz
Tel: 956 47 07 00
Fax: 956 47 07 29
www.dragadosoffshore.com

MANTENIMIENTO Y MONTAJES INDUSTRIALES S.A. (MASA)

C/ Teide, 4 - 2
Edificio F-7
28703 Madrid
Tel: 91 659 33 60
Fax: 91 659 33 80
www.masagrupo.com

MAKIBER, S.A.

P. de la Castellana, 182
28046 Madrid
Tel: 91 484 30 00
Fax: 91 484 30 94
www.makiber.es

INTECSA INGENIERÍA INDUSTRIAL, S.A.

C/ Vía de los Poblados, 11
Edificio Trianon
28033 Madrid
Tel: 91 749 70 00
Fax: 91 749 70 01
www.intecsaindustrial.com

INITEC ENERGÍA

C/ Príncipe de Vergara, 120
28006 Madrid
Tel: 91 252 73 00
Fax: 91 563 01 15
www.initec.es

SICE TECNOLOGIA Y SISTEMAS, S.A.

Pol. Ind. Alcobendas
C/ Sepúlveda, 6
Alcobendas, 28108 Madrid
Tel: 91 623 22 00
Fax: 91 623 22 03
www.sice.com



Project Director and Editor
ACS Group

Creation and Design
IMAGIA officina

Photos
ACS Group Archives