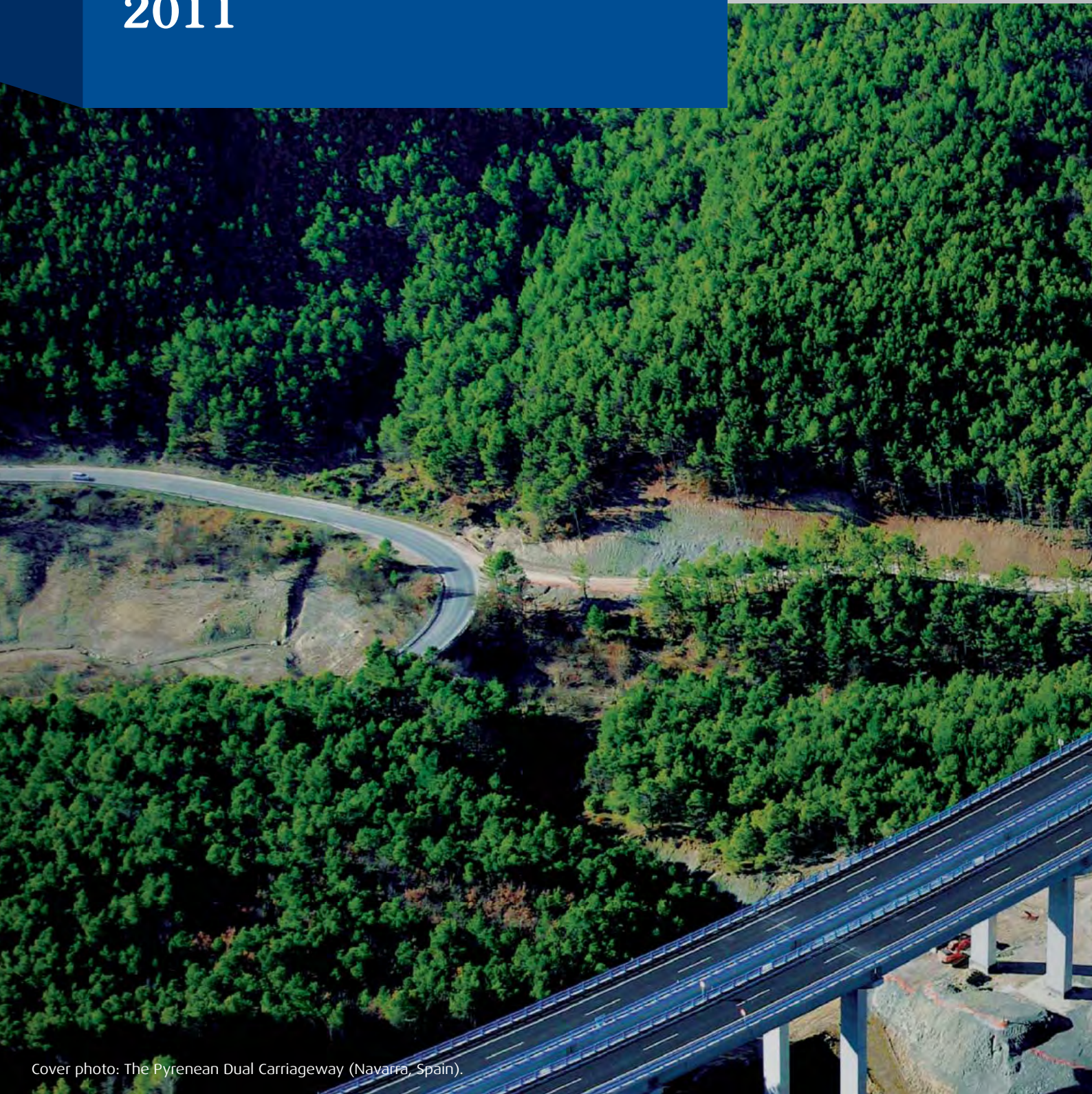


# Activity Report of ACS Group 2011



Cover photo: The Pyrenean Dual Carriageway (Navarra, Spain).







# Main Figures of the ACS Group

Financial and operating data	2006	2007 <sup>(1)</sup>	2008 <sup>(2)</sup>	2009 <sup>(3)</sup>	2010 <sup>(4)</sup>	2011
Million of euros						
Turnover	14,067.2	15,344.9	15,275.6	15,387.4	14,328.5	28,471.9
Gross operating profit (EBITDA)	1,270.3	1,379.8	1,382.5	1,429.3	1,431.7	2,317.7
Net operating profit (EBIT)	971.6	1,056.7	1,042.7	1,073.9	1,039.2	1,333.3
Attributable net profit	1,250.1	1,551.1	1,805.0	1,946.2	1,312.6	961.9
Cash-flow <sup>(*)</sup>	1,548.8	1,874.1	2,144.8	2,301.5	1,705.1	1,946.4
Dividends paid	211.7	441.1	600.2	653.2	618.2	613.9
Net investments/(Divestments)	5,407.1	2,475.0	170.5	(1,327.2)	2,317.2	2,901.9
Total assets	25,182.7	49,593.4	51,398.4	31,361.2	34,184.5	47,987.6
Equity	3,256.4	10,441.0	9,913.0	4,507.9	4,442.4	6,191.3
Equity attributable to the parent	3,115.7	4,653.8	3,402.4	4,219.6	4,178.5	3,319.1
Non-controlling interests	140.7	5,787.3	6,510.6	288.3	263.8	2,872.2
Total net debt	8,746.3	7,938.7	9,355.8	9,089.3	8,003.1	9,334.2
Net debt with recourse	1,753.4	1,871.4	2,933.7	219.4	956.6	3,368.7
Non recourse financing	6,992.9	6,067.3	6,422.1	8,870.0	7,046.5	5,965.5
Order book	29,918.3	32,322.8	27,679.0	28,581.0	27,602.0	66,152.0
Number of employees	123,652	132,048	138,117	137,015	89,039	162,262

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

Data per share	2006	2007 <sup>(1)</sup>	2008 <sup>(2)</sup>	2009 <sup>(3)</sup>	2010 <sup>(4)</sup>	2011
Euros						
Earnings	3.58	4.51	5.43	6.26	4.38	3.24
Gross dividend	1.25	1.75	2.05	2.05	2.05	2.05
Cash-flow	4.39	5.44	6.45	7.40	5.70	6.56
Equity attributable to the parent	8.83	13.52	10.23	13.57	13.96	11.19

Stock market data	2006	2007	2008	2009	2010	2011
Listed shares <sup>(5)</sup>	352,873,134	352,873,134	335,390,427	314,664,594	314,664,594	314,664,594
Market capitalization (€ Million)	15,071.2	14,344.3	10,950.5	10,953.3	11,036.7	7,205.7
Year-end closing price	42.71 €	40.65 €	32.65 €	34.81 €	35.08 €	22.90 €
Annual revaluation	56.96%	-4.82%	-19.68%	6.62%	0.76%	-34.71%

Key ratios	2006	2007 <sup>(1)</sup>	2008 <sup>(2)</sup>	2009 <sup>(3)</sup>	2010 <sup>(4)</sup>	2011
Operating margin	6.9%	6.9%	6.8%	7.0%	7.3%	4.7%
Net margin	8.9%	10.1%	11.8%	12.6%	9.2%	3.4%
ROE	45.5%	36.9%	41.2%	50.0%	32.5%	23.3%
Gearing <sup>(6)</sup>	268.6%	76.0%	94.4%	201.6%	180.2%	150.8%
Dividend yield	2.9%	4.3%	6.3%	5.9%	5.8%	9.0%

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

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

(3) 2009 are presented applying IAS 31 and IFRIC 12 in comparable terms using the same criteria as in 2010.

(4) 2010 data proforma, Clece was reclassified as "Discontinued Operation", using the same criteria as in 2011.

(5) 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, on 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.

(6) Gearing: Net Debt / (Equity attributable to the parent+Non-controlling interests).



# Main Figures of the ACS Group



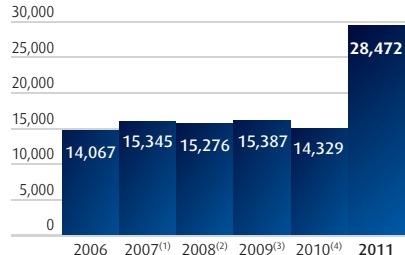
## International presence

Countries in which ACS Group is present

Algeria	France	Peru	
Argentina	Germany	Poland	
Australia	Greece	Portugal	
Austria	Guatemala	Puerto Rico	
Bahrein	Hungary	Qatar	
Belgium	India	Romania	
Brazil	Indonesia	Russia	
Cameroon	Ireland	Saudi Arabia	
Canada	Italy	South Africa	
Chile	Luxembourg	Spain	
China	Malaysia	Sweden	
Colombia	Mexico	Switzerland	
Czech Republic	Mongolia	Thailand	
Denmark	Morocco	The Netherlands	United States
Dominican Republic	Nicaragua	The Philippines	Uzbekistan
Ecuador	Norway	United Arab Emirates	Venezuela
Egypt	Panama	United Kingdom	Vietnam

### Turnover

Millions of euros



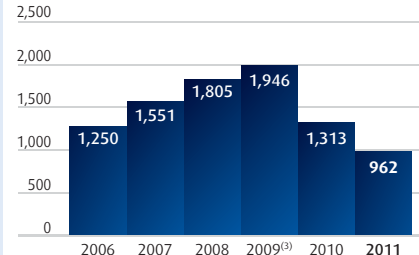
### Gross operating profit (EBITDA)

Millions of euros

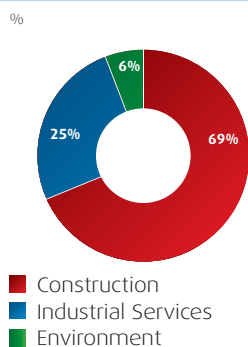


### Attributable net profit

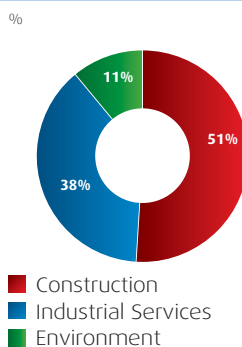
Millions of euros



### 2011 Turnover by business<sup>(5)</sup>

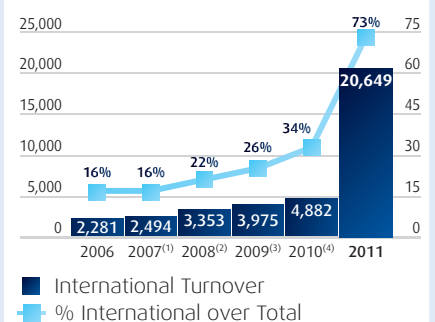


### 2011 Gross operating profit (EBITDA) by business<sup>(5)</sup>



### Internationalization

Millions of euros

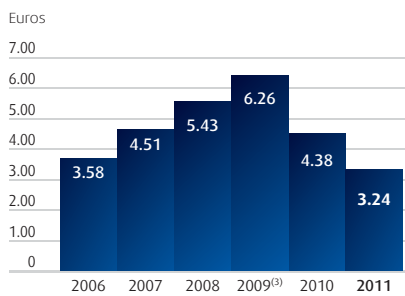


(1) 2007 data proforma, Union Fenosa was reclassified as "Assets held for sale", using the same criteria as in 2008.  
 (2) 2008 data proforma, SPL was reclassified as "Assets held for sale", using the same criteria as in 2009.  
 (3) 2009 are presented applying IAS 31 and IFRIC 12 in comparable terms using the same criteria as in 2010.  
 (4) 2010 data proforma, Clece was reclassified as "Discontinued Operation", using the same criteria as in 2011.  
 (5) Percentages are calculated considering the sum of activities considered in the graph. Construction includes Dragados, Hochtief and Iridium.

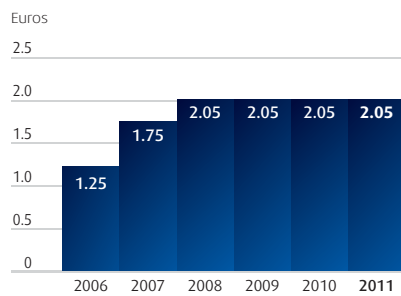




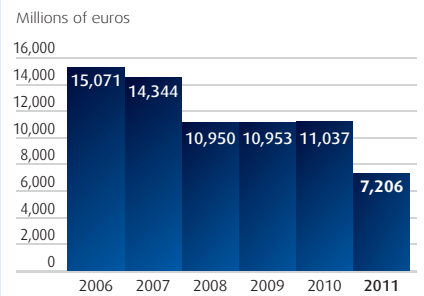
### Earnings per share



### Dividend per share



### Market capitalization



### Construction 2011 <sup>(1)</sup>

Millions of euros

Turnover	19,802
International	85.1%
Gross operating profit (EBITDA)	1,210
Margin	6.1%
Net profit	370
Margin	1.9%
Order book	50,336
Employees	90,819

### Industrial Services 2011

Millions of euros

Turnover	7,045
International	48.0%
Gross operating profit (EBITDA)	907
Margin	12.9%
Net profit	492
Margin	7.0%
Order book	6,875
Employees	41,462

### Environment 2011

Millions of euros

Turnover	1,686
International	24.2%
Gross operating profit (EBITDA)	253
Margin	15.0%
Net profit	128
Margin	7.6%
Order book	8,941
Employees	29,924

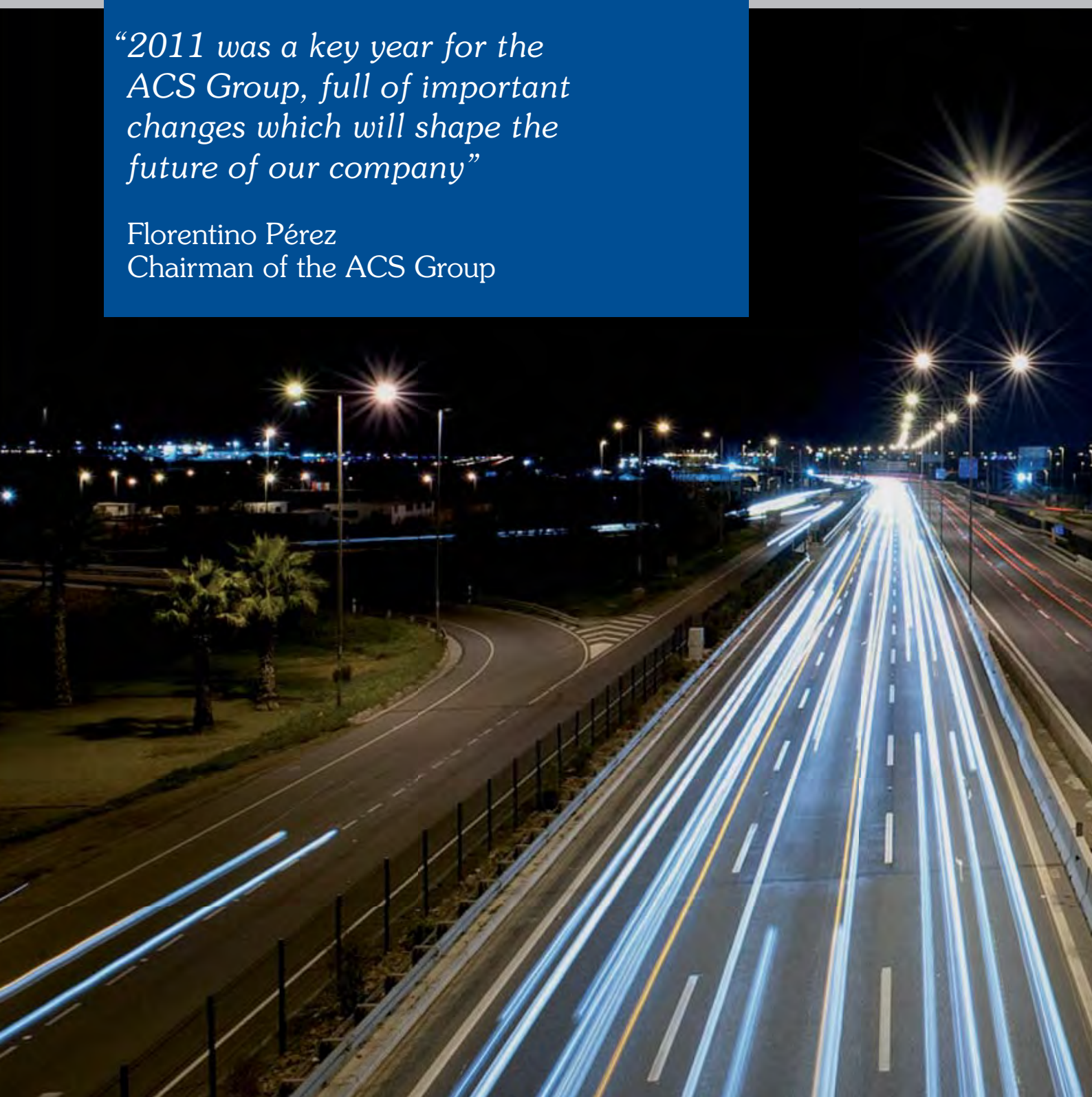
(1) In 2011 Construction includes the activity of Dragados, Hochtief and Iridium.



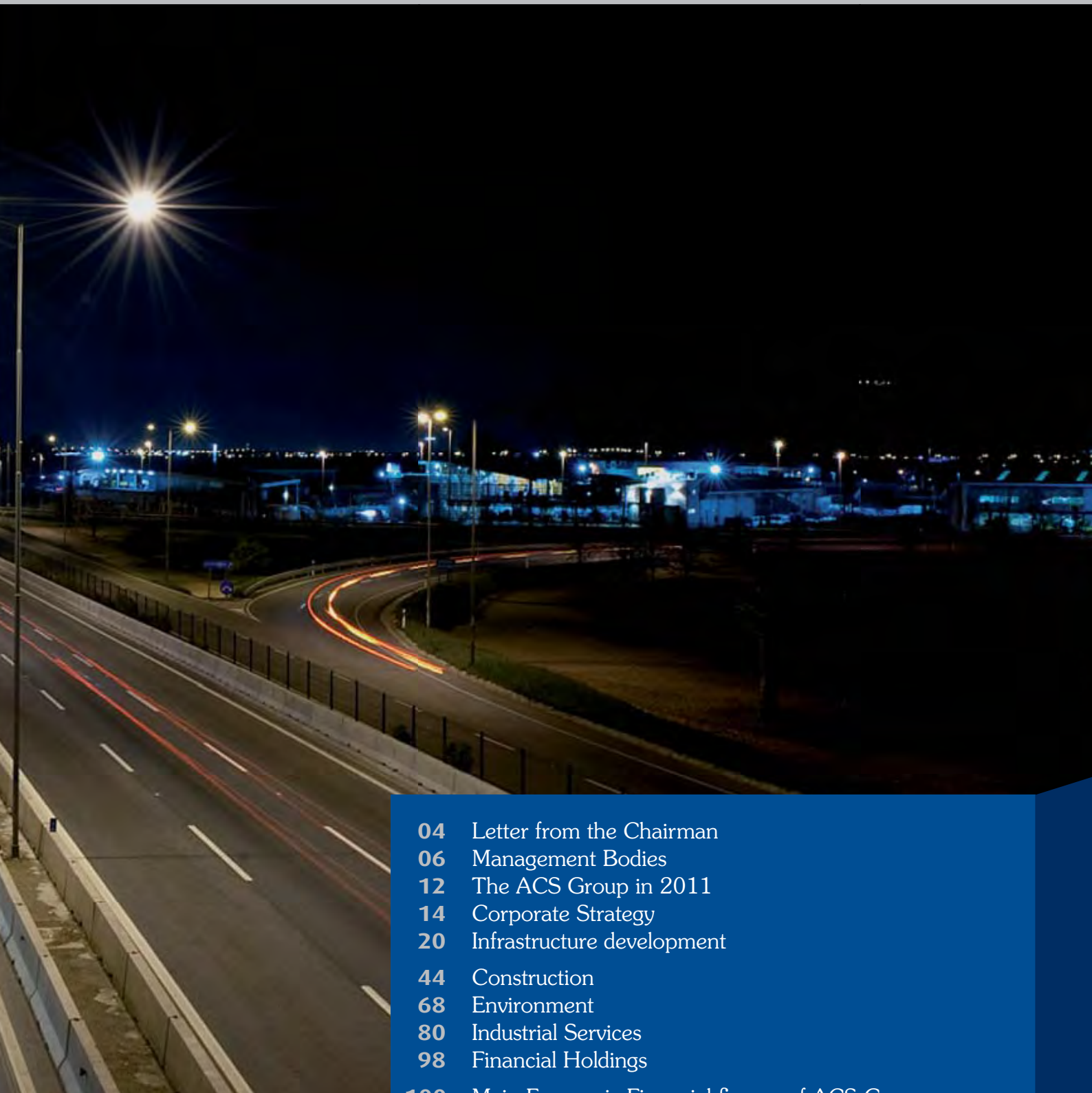
# Activity Report of ACS Group

*“2011 was a key year for the ACS Group, full of important changes which will shape the future of our company”*

Florentino Pérez  
Chairman of the ACS Group







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# Letter from the Chairman

## Dear Shareholder



In 1983 we, as a group of engineers, with high levels of excitement and a firm professional commitment, started a business project related to the construction sector in Spain. Now, three decades later, this project has become one of the world's largest infrastructure groups, with sales of 28,472 million euros in 2011 and a total order book of 66,152 million euros.

This Annual Report for 2011 summarises what has been achieved in these nearly thirty years and includes details on the ACS Group's management and activities during this last financial year. During this year we initiated an important industrial and strategic transformation project, by means of the acquisition of a majority stake in Hochtief AG, the German construction company with the greatest international foothold.

The incorporation of Hochtief into the Construction area since the first of June not only has enabled us to consolidate its financial statements, but also to reinforce our strategy of sustainable and profitable growth by incorporating a company with valuable assets and consummate human and technical resources. Our intention is to share our competitive advantages in order that Hochtief become a worldwide benchmark in size, technical capability, customer service and profitability for its shareholders.



From the operational point of view, we continued our geographic diversification activities in all business areas, leading us to continue our growth outside Spain both in sales and in our order book, which now represents over 80% of the total. We can now say that ACS is a completely global company, present on the five continents and all the significant markets in the infrastructure development industry.

We also met our profit targets. The ACS Group's attributable net profit in 2011 totalled 962 million euros and earnings per share exceeded 3.20 euro. Net recurring profit, which excludes the contribution from interrupted operations and extraordinary revenue, increased 8.8% on reaching 951 million euros.

Furthermore, our financial position combines the necessary flexibility with efficient capital allocation, enabling optimisation of financial resources. So, at 31 December 2011, the ACS Group had a balance of net debt of 9,334 million euros, implying a leverage ratio of 3.6 times the Group's gross operating profit.

This fact allows us to continue with our investment policy aimed at promoting future growth, laying the foundations for the profitability of our activities in the coming financial years. In addition to the investment for acquisition of Hochtief, the Group's various companies invested over 3,650 million euros more, mainly in concession projects. On the other hand, we have made significant divestments in mature or non-strategic assets, with a value of over 2,800 million euros.

This industrial, operational and financial capacity is not being recognised by the stock markets, which have disproportionately penalised ACS Group shares during the second half of 2011 and these first months of 2012. The macroeconomic and sovereign debt market situation, as well as some regulatory uncertainties, are affecting the share price, which does not reflect the fundamental value of the Group's assets. I consider the best way of counteracting this situation to be to go on growing, developing our industrial project rigorously and efficiently and offering those who trust in our labours attractive profitability on their investment through our dividend policy.

The ACS Group continues to promote the policies and good practices framed in its Corporate Social Responsibility strategy. Among these initiatives, I want to emphasise the excellence achieved in our dealings with our clients, 91% of whom, according to the surveys carried out, consider themselves satisfied or very satisfied; the commitment to safety in the workplace, as shown by the improvements obtained in all the accident indices; and the significance of the expansion and universal adoption of our General Code of Conduct, with the aim of adapting it to our more international and multicultural reality.

In summary, 2011 was a key year for the ACS Group, full of important changes which will shape the future of our company. As regards 2012, it represents the confirmation of our international leadership, through global growth and expansion, the result of the labour of over 162,000 employees who make up the ACS Group and who continue to do invaluable work. The task is enormous, but the result will be a leading Group at a worldwide level, not just in terms of activity, geographical presence or number of projects, but also in terms of profitability for you, our shareholders.

A handwritten signature in black ink, which reads 'Florentino Pérez'. The signature is written in a cursive, flowing style.

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

### Executive Vice Chairman

**Mr. Antonio García Ferrer** ■  
Civil Engineer  
Member of the Board of Directors of ACS Group since 2003

### Vice Chairman

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

### 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  
Vice Chairman of Zardoya Otis

**Mr. Agustín Batuecas Torrego**  
Civil Engineer  
Member of the Board of Directors of ACS Group since 1999

**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

**Mr. Javier Echenique Landiribar** ■■  
B.A. in Economics  
Member of the Board of Directors of ACS Group since 2003  
Chairman of Banco Guipuzcoano  
Executive Vice Chairman of Banco Sabadell  
Member of the Board of Directors of Telefónica Móviles Mexico  
Member of the Board of Directors of Telefónica Europa  
Member of the Board of Directors of ENCE  
Member of the Board of Directors of Repsol YPF  
Member of the Board of Directors of Calcinor

- Member of the Executive Committee
- Member of the Audit Committee
- Member of the Appointment and Remuneration Committee
- ☐ Secretary non-member



**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  
Executive Vice Chairwoman 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  
Cory Environmental Holdings Limited (UK)  
Member of the Board of Directors of INVIN

**Mr. Pedro López Jiménez** ■

Civil Engineer  
Member of the Board of Directors of  
ACS Group since 1989  
Vice Chairman of Dragados  
Member of the Board of Directors of Hochtief  
Member of the Board of Directors of Keller Group  
Chairman of Grupo Terratest  
Member of the Board of Directors of ENCE  
Member of the Board of Directors of GHESA

**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  
Corporación Financiera Alba  
Member of the Board of Directors of Indra  
Vice Chairman of Banca March

**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  
Secretary of the Board of Directors of  
Abertis Infraestructuras  
Secretary of the Board of Directors of  
Banco de Sabadell  
Member of the Board of Directors of Endesa  
Secretary of the Board of Directors of  
Grupo AGBAR

**Mr. Julio Sacristán Fidalgo** ■■

B.S. in Chemistry  
Member of the Board of Directors  
of ACS Group since 1998

**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  
Member of the Board of Directors of Hochtief



# Management Bodies

## Management Committee



From left to right

**Mr. José Luis del Valle Pérez**  
(Standing)

**Secretary General**

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. Florentino Pérez Rodríguez**  
(Seated)

**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. since 1984, 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., as result of the merger of Construcciones Padrós with Geocisa, and since 1997 as the chairman and CEO of the so-called ACS Group, as result of the merger of OCP Construcciones S.A. with Ginés Navarro, S.A. He is also Vice Chairman of Abertis.

**Mr. Eugenio Llorente Gómez**  
(Standing)

**Chairman and CEO of the Industrial Services 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 Area of the Group.





**Mr. Ángel García Altozano**  
(Standing)

Corporate General Manager

Born in 1949.  
Civil Engineer and MBA.

Mr. García Altozano 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. Antonio García Ferrer**  
(Seated)

Executive Vice Chairman

Born in 1945.  
Civil Engineer.

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

**Mr. Marcelino Fernández Verdes**  
(Standing)

Chairman and CEO of the Construction and Concessions and Environment Areas<sup>1</sup>

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 he was appointed Chairman of the company. In 2004 he was appointed Chairman and CEO of Dragados as well as responsible for ACS Servicios y Concesiones. In 2006 he was also appointed, Chairman and CEO of ACS Servicios y Concesiones, as well as responsible for the areas of Concessions and Environment, responsibility maintained until March 2012.

<sup>1</sup> Until March 2012. He was appointed Chief Operating Officer of Hochtief at April 15, 2012.



# 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

#### Hochtief

Mr. Frank Stieler  
*Chairman of the Vorstand<sup>2</sup> of Hochtief AG. CEO*

Mr. Marcelino Fernández Verdes<sup>3</sup>  
*Member of the Vorstand<sup>2</sup> of Hochtief AG. COO*

Mr. Peter Sassenfeld  
*Member of the Vorstand<sup>2</sup> of Hochtief AG. CFO*

Mr. Hamish Tyrwhitt  
*CEO of Leighton Holdings*

Mr. Peter Davoren  
*Chairman and CEO of Turner Construction*

Mr. Tom Rademacher  
*CEO of Flatiron Construction*

Mr. Rainer Eichholz<sup>4</sup>  
*CEO of Hochtief Solutions*

#### Dragados

Mr. Ignacio Segura Suriñach<sup>5</sup>  
*CEO*

Mr. Luis Nogueira Miguelsanz  
*Secretary General*

Mr. José Antonio López-Monis Plaza  
*International Development Director*

#### Iridium

Mr. Manuel García Buey  
*Chairman and CEO*

Mr. Adolfo Valderas Martínez  
*General Manager*

<sup>2</sup> Executive Board.

<sup>3</sup> Since April, 2012.

<sup>4</sup> Since February, 2012.

<sup>5</sup> Since March, 2012.

<sup>6</sup> Since May, 2012.



## Environment

Mr. José M<sup>a</sup> López Piñol  
*Chairman of Urbaser<sup>6</sup>*

Mr. Javier Polanco Gómez-Lavín  
*General Manager<sup>6</sup>*

## Industrial Services

Mr. Eugenio Llorente Gómez  
*Chairman and CEO*

Mr. José Alfonso Nebrera García  
*General Manager*

Mr. Epifanio Lozano Pueyo  
*Corporate General Manager*

Mr. Ramón Jiménez Serrano  
*General Project Manager*

Mr. Cristóbal González Wiedmaier  
*Finance Manager*





# The ACS Group in 2011



A worldwide leader in the

## Spain



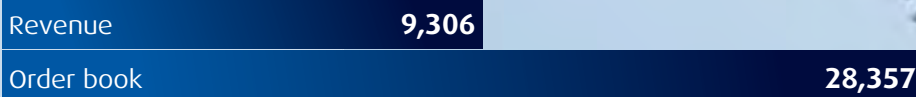
## Rest of Europe



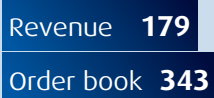
## America



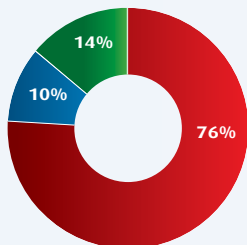
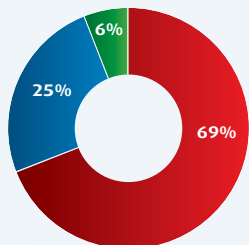
## Asia Pacific



## Rest of the World



Millions of euros



- Construction
- Industrial Services
- Environment



## infrastructure development sector



EBITDA  
**2,318**  
Millions of euros

Net Investments  
**2,902**  
Millions of euros

Net Profit  
**962**  
Millions of euros

Employees  
**162,262**



# Corporate Strategy

## Vision

A **worldwide reference** in the industry of **infrastructure** development, both civil and industrial engineering projects. A Group which participates in the **development** of sectors 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

All ACS Group activities show a determined customer orientation, with a contracting culture and as a guarantee for future, building solid long-term relationships based on **trust** and mutual knowledge.

The flexible and decentralized Group structure promotes the responsibility and entrepreneurship of the employees, being a basic tool for maximising **profitability** and encouraging the **excellence** necessary to offer the best services and products to the customers.

The ACS Group maintains an unavoidable **commitment** to sustainable development, in order to serve society in an efficient and ethically responsible manner through its capacity to create value for shareholders and all stakeholders, demanding the maximum **integrity** standards from its employees and collaborators.



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.





# Corporate Strategy

## Competitive advantages

- Client Knowledge.
- Flexibility.
- Global clients.

Contracting culture

Technical engineering capabilities

- Efficient management of resources.
- Constant growth and profitability targets.
- Investment Opportunities.

Entrepreneurship

### Civil Engineering

- Specialization in Infrastructure development.
- Large projects management.
- Development, Construction and Operation of Concessions.

### Industrial Engineering

- Integrated value chain: Engineering, development and maintenance contracts.
- Energy turnkey projects.
- Investment capacity: energy concession, high-voltage lines, desalination plants.



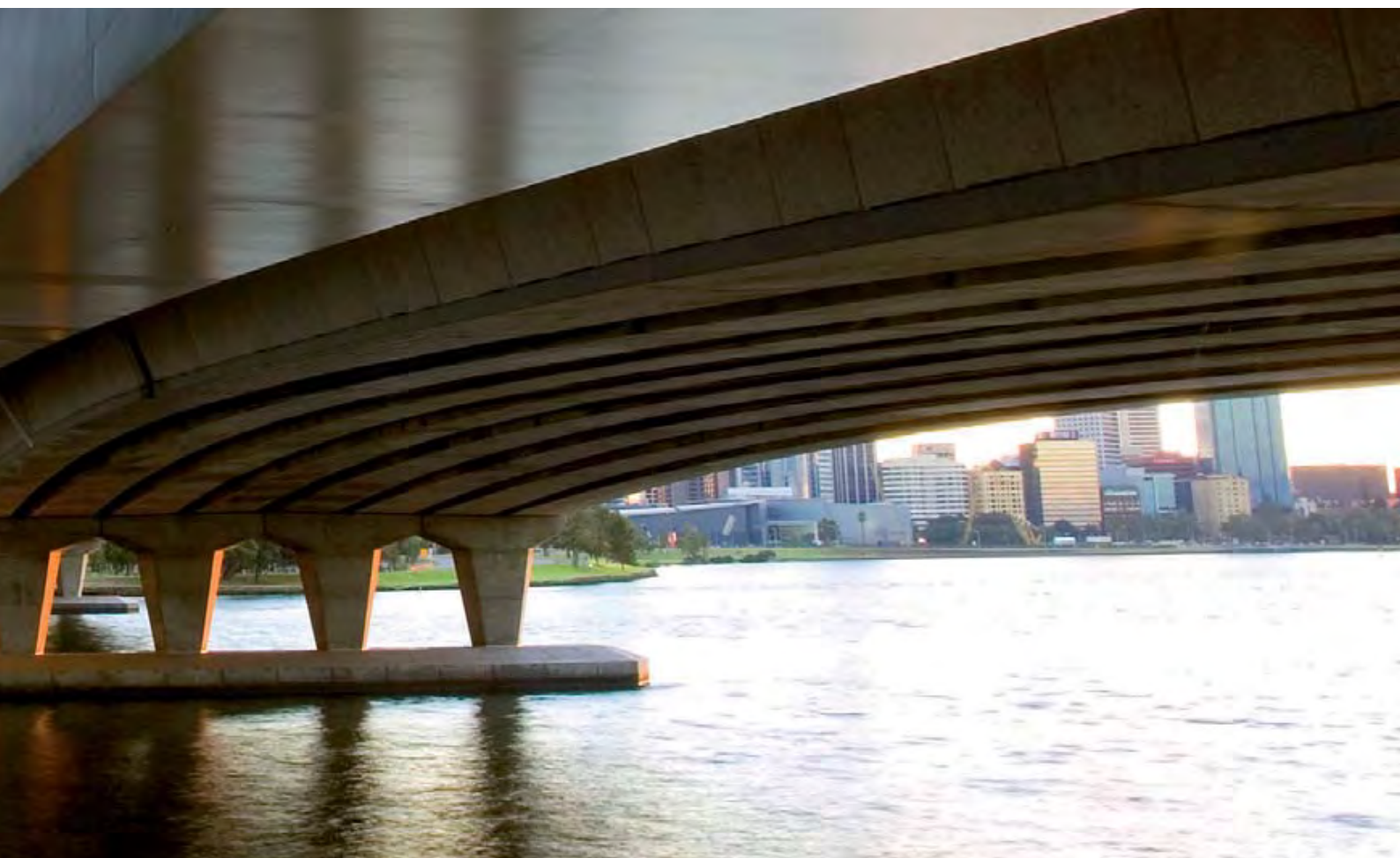


# Commitment to Sustainability

The ACS Group adopts voluntarily and responsibly a commitment to sustainability, based on five areas where it develops its Corporate Responsibility policy.



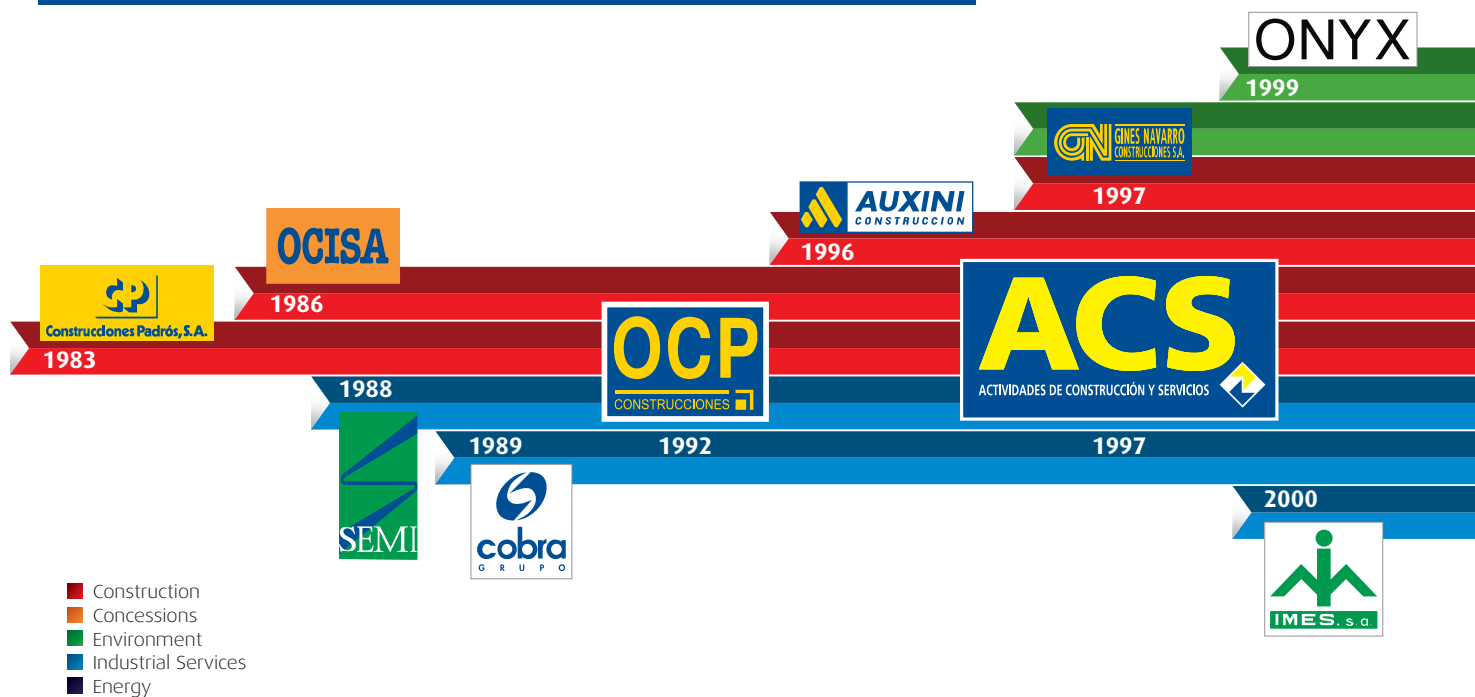
- Respect for the social setting and environment, framework for the society coexistence.
- Promotion of employment, well-being and profitability, as economic motors.
- Support of innovation and research in its application to infrastructure development.
- Respect for ethics, professionalism and quality in the relationship with clients, suppliers and other stakeholders.





# 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.

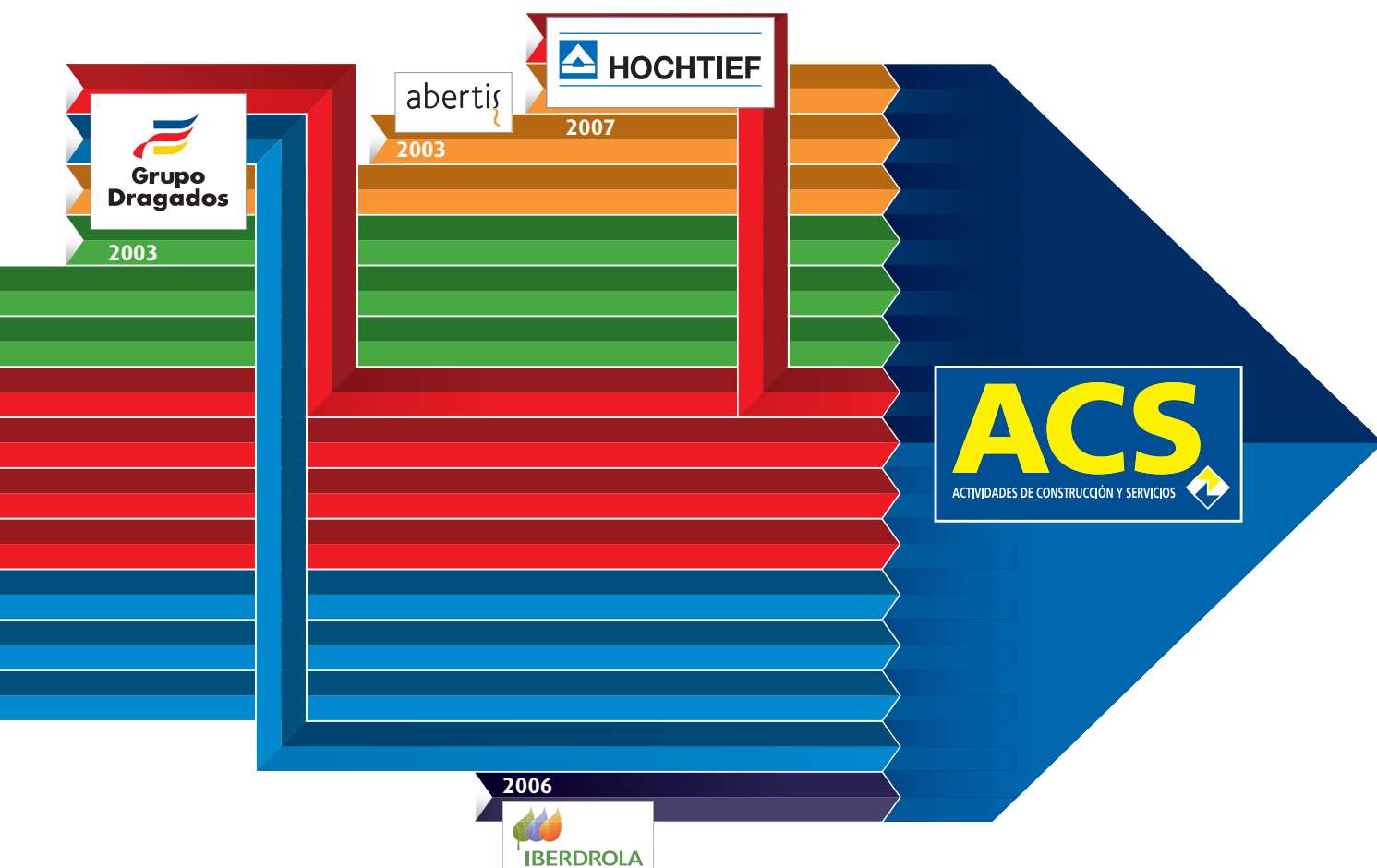
The first of the large company mergers took place in 1992 with the creation of OCP, which would be the seed for the Group structured as it is today. OCP became one of the leading construction company groups in Spain. A second large merger took place in 1997, with the creation of ACS as a result of OCP's 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 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. The ACS Group sold its 10.33% holding in April 2012 to allow a new industrial partner to enter and facilitate its expansion in the Brazilian market.

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 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 significant stake 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, maintaining its presence in energy sector through Iberdrola, leading Spanish electricity company, in which the ACS Group is a shareholder with an 18.83% stake at 31 December 2011, which was 14.85% in April 2012 due to the capital increase carried out by Iberdrola derived from scrip dividend scheme and the partial sale of its holding carried out by ACS Group.

In November 2008 ACS started to operate its first solar thermal plant with thermal storage devices in Spain, the plant Andasol I in Granada. This outstanding milestone is the beginning of the international expansion of this activity, as shown the contract awarded in 2011 for the development of a solar thermal project in Nevada (United States)

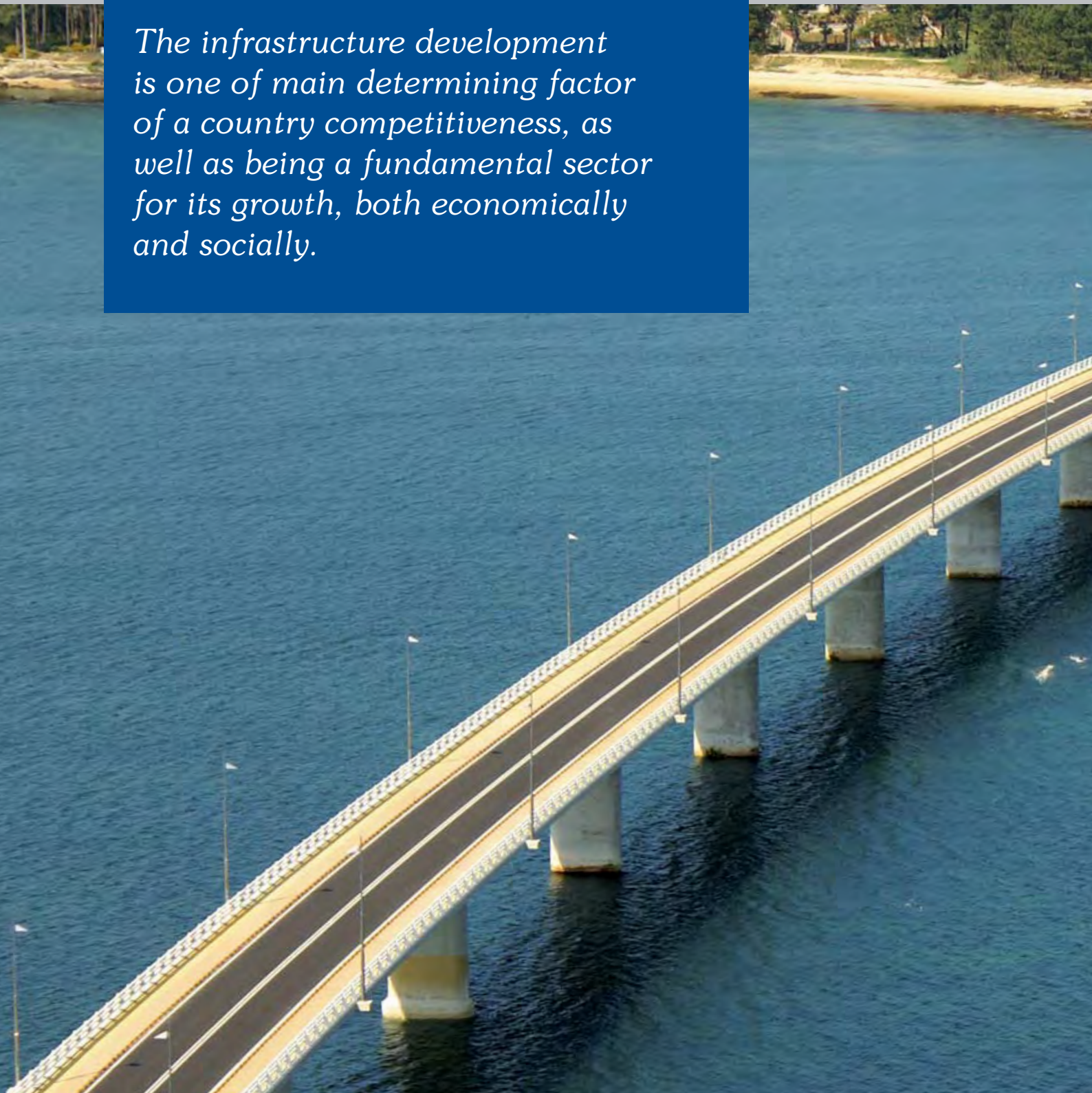
with this technology. Industrial Services area is a worldwide leading company in the construction of renewable energy facilities, both solar thermal plants and wind farms, infrastructures related to electricity generation, such as combined cycle and hydroelectric power plants, infrastructures related to oil industry, such as refineries and platforms and it is a reference company in the development of assets related to gas sector, such as liquefaction plants, regasification plants and massive gas storage facilities.

During the last years the ACS Group has carried out a strong international expansion process in all its areas of activity, focussing on large-scale projects. This strategy, which is mainly focused on guaranteeing the ACS Group's competitiveness, investment capacity and growth in the future, has been boosting during 2011 through the acquisition of a majority share in Hochtief, which implies an important platform for international growth and with the objective of global leadership in the infrastructure sector. As well, this strategic decision allows increasing the competitive advantages and the profitability of all companies of the Group, as a result of important opportunities of commercial collaboration, operating efficiency and a strengthening of ACS Group financial structure.



# Infrastructure Development

*The infrastructure development is one of main determining factor of a country competitiveness, as well as being a fundamental sector for its growth, both economically and socially.*









# Infrastructure Development

The **infrastructure development sector** represents one of the main growth factors in a country or region, both economically and socially.

An adequate system of infrastructures is fundamental to promoting competitiveness, as it is based on developing numerous strategic sectors such as transport, energy, communications and industrial activity in general.

The evolution of infrastructure development is conditioned by macroeconomic factors, as well as other social factors, such as demographics, changes in population structure, level of social development, technological innovation, regulatory and/or environmental requirements, among others, which directly affect investment in these types of assets.

These determining factors are inherent to each of the different geographic areas, hence it is necessary to analyse their investment characteristics and needs in a differentiated manner, as the ACS Group is present in the main markets given its status as a global reference in the sector.

## 1. Macroeconomic Environment

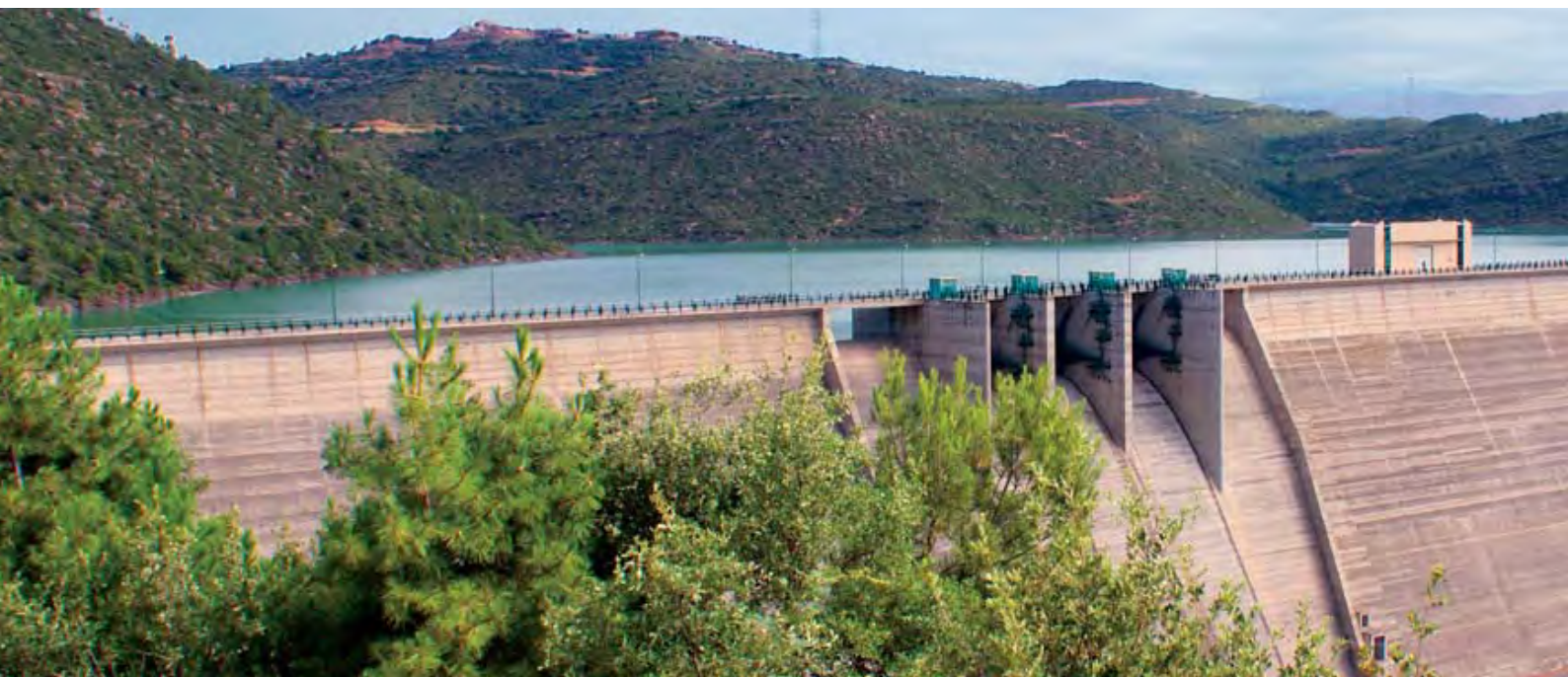
A country or region's level of investment in infrastructures directly depends on the outlook for the macroeconomic environment and this influences both public and private activity.

Although many figures can determine development in this sector, the main factors, among others, are: growth in production (variation in gross domestic product); percentage of activity allocated to investments in assets (gross fixed capital formation<sup>7</sup> over GDP) and the availability of resources allocated for financing in the hands of governmental bodies (government surplus/deficit as a percentage and general government debt ratio).

In the current environment of instability in the economy worldwide, the macroeconomic figures show uncertain prospects and vary according to the source consulted.

However, the various official organisations (International Monetary Fund, OECD, European Commission, World Bank, United Nations, etc.) are seen to be in agreement on the general trends.

<sup>7</sup> Gross fixed capital formation: Includes items for investment in construction, capital equipment and other tangible fixed assets, as well as investment in intangible fixed assets and improvements in fixed assets.



# An adequate system of infrastructures is fundamental to promoting competitiveness.



Analysing the anticipated evolution of gross domestic product at a **global level**, all the organisations point to a higher level of growth for 2012 than seen in the 2009-2010 period, but lower than that reported in 2011. In 2013, however, they forecast an improvement in prospects which, although more conservative than in the period before the crisis, consolidates the tendency to recovery.

At a **global level**, according to International Monetary Fund data, growth in domestic product of 3.3% is forecast for 2012, 50 basis points below that recorded in 2011. In turn, gross fixed capital formation is anticipated to increase in weight to represent 24.2% of total GDP. As regards the situation of public bodies for 2012, a slight decrease in Governments' fiscal deficit is indicated accompanied, even so, by an increase in general government debt.

The International Monetary Fund's economic prospects differ greatly between **developed economies and emerging or developing countries**.

Moderate growth in gross domestic product is forecast in developed economies in 2012, below that seen in 2011.

On the other hand, the advanced countries are immersed in plans for fiscal consolidation to

reduce the deficit generated in recent years. Although this reduction is positive for improving the countries' financial solidity, these processes will involve a reduction in investments from the public sector.

Emerging countries continue to show more dynamic growth, although some slowing of activity is seen in the short term, due to the effect and influence of the developed countries on their markets (financial, commercial, etc). The levels of investment of the emerging countries continue to be higher than those of the advanced countries (average forecast 2011-2016 of 32.8% of GDP in gross fixed capital formation, as against 20.1% for advanced economies) and with an appropriate level of growth in investment level to support their economic growth.

The levels of general government debt and fiscal deficit in the emerging countries are lower than in the developed countries, due to the reduced impact of the crisis, and although prospects are for improvement in the coming years, it is not expected that they will return to the levels of surplus of the 2005-2008 period in the medium term.



## Global GDP growth prospects

% Annual Change	2011e	2012e	2013e
International Monetary Fund	3.8%	3.3%	3.9%
United Nations	2.8%	2.6%	3.2%
World Bank	2.7%	2.5%	3.1%

Source: "World Economic Outlook", January 2012, International Monetary Fund; "World Economic Situation and Prospects 2012", December 2011, United Nations and "Global Economic prospects", January 2012, World Bank.

*According to the International Monetary Fund, a global GDP growth above 3% is forecast for 2012.*



# Infrastructure Development

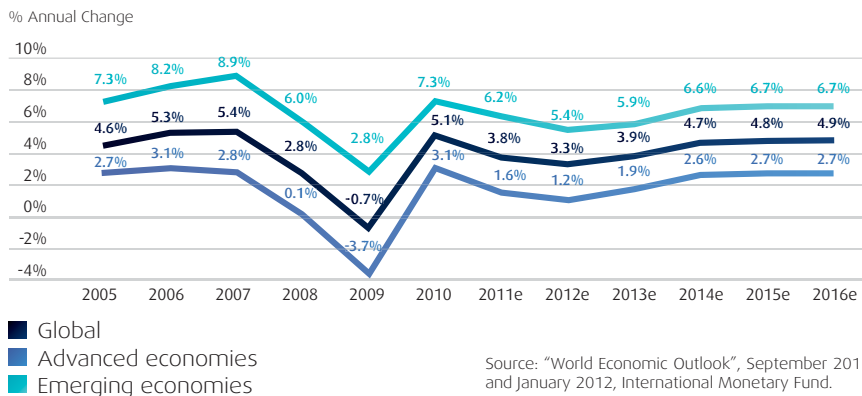
Two highly differentiated situations are forecast for **advanced economies**. On one hand, the United States and Canada are forecast to record growth in GDP of 1.8% and 1.7% respectively in 2012, driven by growth in internal demand. However, this growth will be lower than experienced in 2011, due to the tightening of financial conditions and a fiscal policy focused on reducing the fiscal deficit situation (from the -9.6% expected in 2011 in the United States to -7.9% in 2012). In Australia and other advanced economies in Asia and Europe, the situation of greater stability in internal demand and fiscal solidity mean that forecasts for growth in gross domestic product are above the average for developed countries (+2.6% in 2012, as against an average growth of 1.6% for advanced countries). However, the deterioration in the global economy and the influence on its markets will moderate growth in activity with respect to that recorded in 2011.

On the other hand, the European Union is forecast to end 2012 in recession, with a 0.1% decrease in GDP, resulting from the debt crisis in the zone. The uncertainties regarding the fiscal solidity of some countries is increasing their risk differentials far above normal levels which, added to greater demands on the banking sector, has restricted credit and raised the conditions for obtaining financing, weighing down prospects for recovery in the zone in this year.

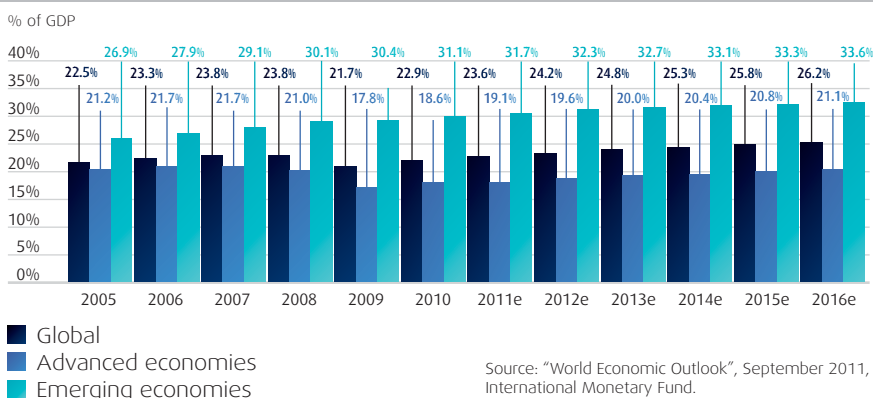
Outstanding in the **emerging economies** is the extremely strong position of Asia's developing countries, mainly India and China, in terms of GDP (anticipated growth from activity of 7.3% in 2012) and of gross fixed capital formation, exceeding 40% of total GDP.

In Latin America, prospects for growth and investment continue to show a positive trend

## Evolution of GDP



## Evolution of Investment





(3.6% growth in GDP and percentage growth in gross fixed capital investment of 40 basis points in total GDP in 2012). However, the growth forecasts are more conservative with respect to previous years, due to the strong linking of their markets to the United States and, to a lesser extent, to European Union countries. Additionally, their indebtedness is above average for emerging countries, which may imply possible cuts in public investment.

Eastern European countries will have their growth in 2012 impacted by the problems in the euro zone and growth in activity of 1.1% is forecast for this year, compared to the estimated 5% in 2011, although their levels of growth and investment are significantly higher than the rest of the European Union countries.

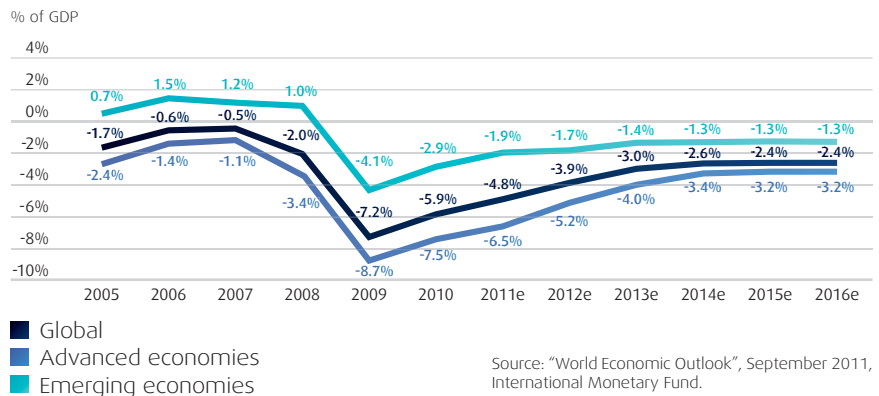
## 2. Sector Characteristics and Infrastructure Needs

Investments in infrastructure are linked not only to conditions in the economic cycle, but also to a series of sociological factors not directly related to the economy.

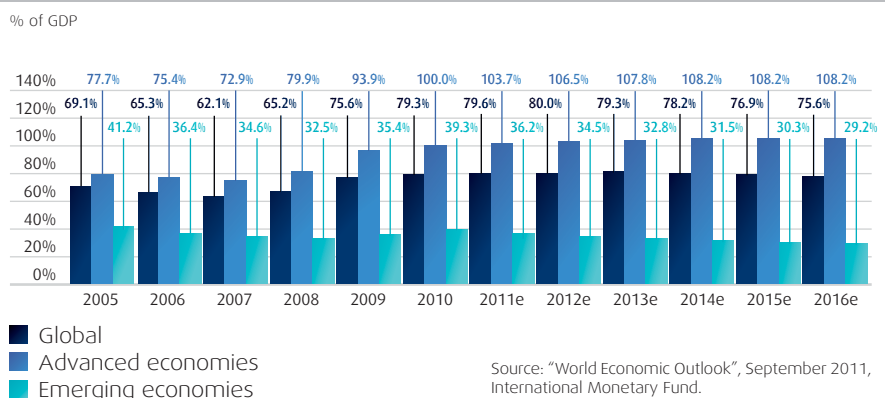
- Changes in population structure: population increase, migratory movements, tourist movements, ageing of the population, movement from rural areas to built-up areas.
- Development of the Welfare State, implying an increase in needs for transport, health, social, telecommunications, energy, etc infrastructures.
- Development of regulatory and environmental sustainability measures.



Evolution of fiscal (deficit)/surplus



Evolution of General Government Gross Debt





# Infrastructure Development



- Increased traffic of goods, people, energy transmission, improved telecommunications as a consequence of globalisation.

Therefore, a country's development produces investment requirements which need to be covered to guarantee proper operation and to serve its society's demand for services. In this regard, needs for civil works related to transport and for investments in the field of energy can be highlighted:

- **Transport Infrastructure**

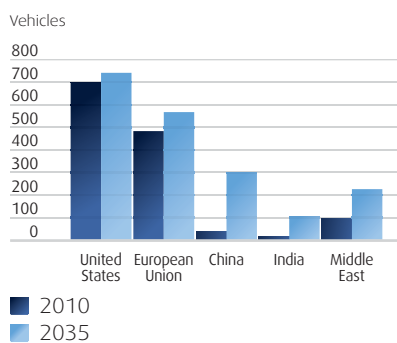
According to the latest estimates published in the OECD's report "Strategic Transport Infrastructure Needs to 2030", of November 2011, the average increase in air transport worldwide will show annual growth of 4.9% until 2030, maritime traffic will increase by 6% annually over the same period, while railway

passenger and goods traffic will increase by between 2% and 3% per year. Furthermore, according to the latest report from the International Energy Agency, it is estimated that the number of vehicles in the world will double between 2010 and 2035, reaching 1,700 million private cars in the world.

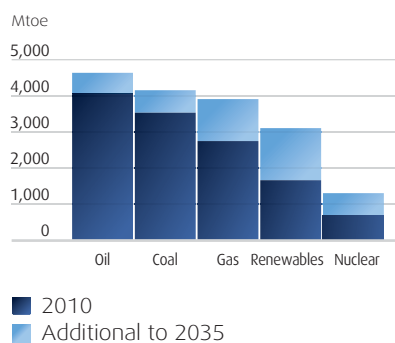
Needs for transport-related infrastructure will represent a large percentage of the total investment over the coming years.

In OECD countries alone, the forecast investment in airport, railway and port infrastructures for the 2009-2030 period is over 8,000,000 million euro. Considering that the majority of the economic growth over the coming years will come from countries which do not belong to the OECD, this figure for investment in transport infrastructure will be substantially higher at a global level.

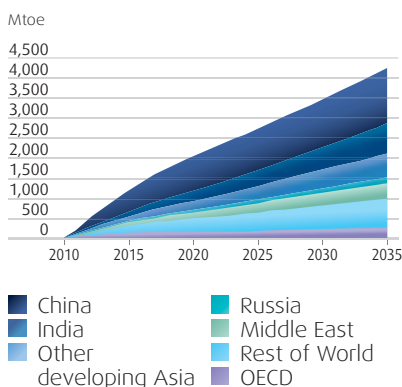
Vehicles per 1,000 people in selected markets



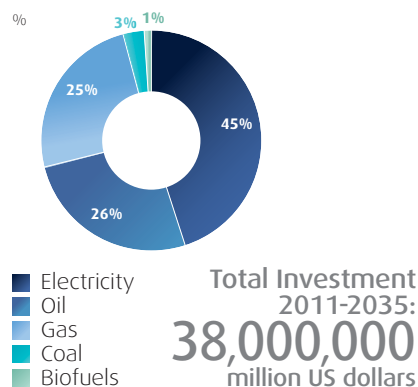
World primary energy demand



Growth in primary energy demand by geographical areas



Percentage of investment in new installed capacity by technology



Source: "World Energy Outlook 2011", November 2011, International Energy Agency.

# All countries are undertaking great infrastructure plans over the long term.

## • Energy Infrastructure

According to the latest World Energy Outlook report, published by the International Energy Agency, global primary energy consumption will increase by 33% between 2010 and 2035, with India and China being responsible for 50% of the total increase. By type of energy, over 60% of the total increase in demand will come from renewable energies and natural gas.

In this context, and according to its estimates, global investment of 38,000,000 million US dollars will be needed in the 2011-2035 period to cover this increased demand. These investments will mainly be made in emerging countries.

By type of energy, oil and natural gas will need investments of around 20,000,000 million US dollars during this period. Forty-five percent

of the investments will be allocated to the electricity sector, with renewable energies, led by hydroelectric and wind power, those which experience the greatest growth.

Countries are aware of these needs and, regardless of the current economic times, are undertaking great infrastructure plans over the long term which will represent opportunities for sustained growth for the sector's companies in the coming years.

These needs and the necessary investment plans will depend on the characteristics of the geographic market analysed.



### Infrastructure Investment Needs

Millions Dollars	Total investment Period	Annual investment
Airport assets	2,200,000	104,762
Port assets	830,000	39,524
Railway assets	5,000,000	238,095
<b>OECD countries transport investment needs (2009-2030)*</b>	<b>8,030,000</b>	<b>382,381</b>
Electricity generation assets	9,802,000	408,417
Electricity transmission assets	1,859,000	77,458
Electricity distribution assets	5,239,000	218,292
Oil extraction assets	8,700,000	362,500
Oil transportation assets	507,000	21,125
Oil refinery assets	1,000,000	41,667
Natural gas extraction assets	6,745,000	281,042
Natural gas liquefaction chain assets	570,000	23,750
Natural gas distribution and transmission assets	2,185,000	91,042
Assets related to mining and coal transportation	1,200,000	50,000
Assets related to biofuels	300,000	12,500
<b>World energy asset investment needs 2011-2035 **</b>	<b>38,107,000</b>	<b>1,587,792</b>

\* "Strategic transport infrastructure needs to 2030", November 2011, OECD.  
 \*\* "World Energy Outlook 2011", November 2011 International Energy Agency.





# Infrastructure Development

*The infrastructure needs and the necessary investment plans will depend on the characteristics of each geographic market.*



## Infrastructures and needs by geographical area

	Developed Economies	Emerging and Developing Economies
Prospects for Economic Growth		
Investment Percentage		
Public Administration Debt Levels		
Solidity of Fiscal Balance		
Prospects for Demographic Growth	Moderate growth, ageing of the population and high concentration in urban centres.	Countries with high levels of demographic growth, great migratory movements from rural to urban areas.
Growth in Energy Demand	Countries with greater energy intensity, investments to manage peaks in demand and for clean energies.	Very high demand for energy (90% of the growth in energy demand in the 2011-2035 period will come from emerging countries).
Development of Infrastructure Base	Maintenance, renewal and improvement of existing infrastructures.	Poorly developed system of infrastructures, less technologically advanced.
Regulatory and Environmental Requirements on Infrastructures	Projects for new more technologically complex infrastructures, with a clear focus on technological innovation and environmental sustainability.	Lesser regulatory and environmental requirements, more focused on serving needs from demand.
Solidity and Stability of Regulatory Frameworks		
Private Sector Participation in the Infrastructure Market	Promotion of public-private partnerships and other private financing systems which imply reduction in indebtedness and improve fiscal solidity. Users with greater ability to pay.	Low level of participation in financing and operation of infrastructures by private companies.
Development of Efficient Support Industry	Efficient sector support industry, with higher technical capabilities.	Support industry with lower technical capability. Project development more difficult.
Number of Competitors	Markets with large infrastructure development companies, higher level of competitiveness and lower levels of profitability.	Lack of large local infrastructure companies, with the exception of China.

- Above average
- Average
- Below average



# Infrastructure Development

## Characteristics of the infrastructure sector by geographical area

### Macroeconomic characteristics and prospects by geographical area

	European Union	Spain	Germany	France	United Kingdom	Portugal	Poland
Prospects for Economic Growth (% Var. GDP 2012e-2016e IMF)*	▼	▼	▼	▼	▼	▼	■
Investment Percentage (% Investment over GDP 2012e-2016e IMF)*	■	▼	▼	▼	▼	▼	■
Public Administration Debt Levels (% Gross Debt over GDP 2012e-2016e IMF)*	▲	■	■	▲	▲	▲	▼
Solidity of Fiscal Balance (% Fiscal (deficit) / surplus 2012E-2016E IMF)*	▼	▼	▲	■	▼	■	■
Prospects for Demographic Growth	▼	▼	▼	▼	▼	▼	■
Growth in Energy Demand	▼	▼	▼	▼	▼	▼	▼
Geographical Spread	▼	▼	▼	▼	▼	▼	■
Natural Resources	▼	▼	▼	▼	▼	▼	▼

### Characteristics of sector and investment needs by geographical area

	European Union	Spain	Germany	France	United Kingdom	Portugal	Poland
Quality and Development of infrastructure base (Position of the country amongst the 142 countries analysed in the Infrastructure section of the "The Global Competitiveness Report 2011/12" released by World Economic Forum)**	▲	▲ (12 <sup>th</sup> )	▲ (2 <sup>nd</sup> )	▲ (4 <sup>th</sup> )	▲ (6 <sup>th</sup> )	▲ (23 <sup>rd</sup> )	■ (74 <sup>th</sup> )
Development of Energy Infrastructure Base	(a) ▲	▲	▲	▲	▲	▲	■
Development of Transport and Telecommunication Infrastructure Base	(a) ▲	▲	▲	▲	▲	▲	■
Regulatory and Environmental Requirements on Infrastructures	▲	▲	▲	▲	▲	▲	■
Solidity and Stability of Regulatory Frameworks	▲	▲	▲	▲	▲	▲	▲
Development of an unique regulatory framework for infrastructure	▲	▲	▲	▲	▲	▲	▲
Private Sector Participation in the Infrastructure Market	(b) ▲	▲	▲	▲	▲	▲	■
Development of Efficient Support Industry	▲	▲	▲	▲	▲	▲	▲
Number of Competitors	▲	▲	▲	▲	▲	▲	■

- ▲ Above average
- Average
- ▼ Below average

\*Source: "World Economic Outlook", September 2011 and January 2012, International Monetary Fund.  
 \*\* Source: "The Global Competitiveness Report 2011/2012", World Economic Forum.



	North America	USA	Canada	Latin America	Brazil	Mexico	Asia Pacific	Australia	India	China	Other (Middle East and Africa)	United Arab Emirates
	▼	▼	▼	■	■	■	■	▼	▲	▲	▲	■
		+1.8%/+3.3%	+1.7%/+2.2%		+3.0%/+4.1%	+3.5%/+3.2%		+1.9%/+2.2%	+8.2%/+8.1%	+7.0%/+9.5%		+3.8%/+4.2%
	■	(c) ▼	(g) ■	(i) ▲	■	■	▲	(m) ▲	▲	▲	▲	▲
		16.2%/19.1%	24.0%/24.0%		20.6%/22.4%	26.0%/25.9%		29.3%/29.9%	38.4%/42.5%	48.1%/46.2%		21.5%/25.1%
	▲	▲	▲	■	▼	▼	▼	▼	▼	▼	▼	▼
		105.0%/115.4%	84.2%/75.9%		64.0%/57.2%	43.7%/43.2%		23.8%/18.2%	62.0%/59.7%	22.2%/11.0%		18.2%/19.2%
	▼	▼	▲	▲	■	■	▲	▲	▼	▲	▲	▲
		-7.9%/-5.9%	-3.2%/+2.3%		-2.8%/-2.4%	-2.8%/-2.2%		-1.9%/+0.2%	-7.3%/-6.8%	-0.9%/+0.5%		+9.4%/+9.3%
	■	■	■	▲	▲	▲	▲	■	▲	▲	▲	▲
	▲	▲	▲	▲	▲	▲	▲	■	▲	(q) ▲	▲	▲
	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
	▲	(d) ▲	▲	▲	▲	▲	▲	(n) ▲	▲	▲	(r) ▲	▲

	North America	USA	Canada	Latin America	Brazil	Mexico	Asia Pacific	Australia	India	China	Other (Middle East and Africa)	United Arab Emirates
	▲	▲	▲	■	■	(k) ■	■	▲	▼	■	■	(s) ▲
		(16 <sup>th</sup> )	(11 <sup>th</sup> )		(64 <sup>th</sup> )	(79 <sup>th</sup> )		(24 <sup>th</sup> )	(89 <sup>th</sup> )	(44 <sup>th</sup> )		(8 <sup>th</sup> )
	▲	▲	▲	■	■	■	■	▲	■	■	■	▲
	■	(e) ■	■	■	■	■	■	(o) ■	■	■	▼	■
	▲	▲	▲	■	■	■	■	▲	■	■	▼	▼
	▲	▲	▲	■	■	■	■	▲	■	■	■	■
	■	▼	(g) ■	■	■	■	■	(o) ■	■	■	▼	▼
	■	(f) ■	(h) ■	(j) ■	■	(l) ■	■	(p) ■	■	■	■	■
	▲	▲	▲	■	■	■	■	▲	▼	▼	▼	▼
	▲	▲	▲	■	■	■	■	▲	■	■	■	■

(a-s) Notes are developed in the following pages



# Infrastructure Development

## EUROPEAN UNION

### (a) Infrastructure Development in the European Union

Characteristics of sector and investment needs by geographical area	European Union
Development of Energy Infrastructure Base	(a) ▲
Development of Transport and Telecommunication Infrastructure Base	(a) ▲

In the European Union, according to the European Commission's estimates, a recovery is forecast in the medium term compared with the collapse during the 2009-2010 period. Even so, it continues to be seen that activity in the short term will persist in showing very conservative growth, of around 0.6% for 2012, derived from the fiscal consolidation measures being undertaken by governments to reduce fiscal deficit and from the credit restrictions in the banking sector.

This situation may delay investment decisions on new projects in both the public and private sectors. On the other hand, the significant infrastructure base that already exists in these countries means

that investments in maintenance and renewal of assets mitigate the fall off in new works.

As of 2013-2014, a recovery period in this sector will begin, supported by greater strength in internal demand. Euroconstruct estimates that production will grow by 1.9% and 2% in 2013 and 2014 respectively.

In spite of the economic context in the short term and the fact that a large part of its portfolio of assets is developed and highly competitive, Europe continues to be a very important market in infrastructure development and maintenance. Additionally, the countries are carrying out projects aimed at improving communications, as well as for integration of all member states. In countries such as Spain, France, the United Kingdom, Italy and Germany, in addition, projects are executed with high environmental and sustainability requirements.

According to an OECD report<sup>8</sup> for the period 2011 to 2020, investments of between 1,500,000 and

<sup>8</sup> "Pension Funds Investment in infrastructure a survey", September 2011, OECD.

### Evolution of Construction Investment

(% annual change)	2009	2010	2011e	2012e	2013e
Belgium	-6.7%	0.3%	6.4%	1.3%	1.2%
Germany	-3.0%	2.2%	5.7%	1.8%	2.7%
Greece	-10.0%	-12.2%	-17.5%	-5.0%	6.0%
Spain	-15.4%	-10.1%	-7.6%	-0.9%	1.2%
France	-6.3%	-5.9%	-0.9%	0.7%	0.8%
Ireland	-31.8%	-30.3%	-23.5%	-14.1%	-1.2%
Italy	-8.9%	-4.0%	-1.5%	-0.9%	0.3%
Cyprus	-9.0%	-6.0%	-6.6%	5.2%	3.7%
Luxembourg	-2.9%	-3.4%	2.6%	0.8%	4.7%
Netherlands	-8.1%	-11.7%	3.9%	1.0%	3.0%
Austria	-7.6%	-2.9%	2.3%	0.3%	1.9%
Portugal	-11.2%	-5.7%	-13.0%	-11.5%	1.3%
Slovenia	-20.6%	-17.3%	-21.7%	-0.9%	0.7%
Slovakia	-10.3%	-1.3%	2.0%	5.6%	4.0%
Estonia	-31.2%	-24.5%	12.6%	15.0%	4.2%
Finland	-15.2%	7.7%	6.5%	2.4%	2.1%
<b>Euro Area-17</b>	<b>-7.9%</b>	<b>-4.2%</b>	<b>-0.7%</b>	<b>0.2%</b>	<b>1.6%</b>
Czech Republic	-5.4%	1.2%	0.7%	-0.6%	1.1%
Denmark	-16.7%	-11.4%	5.9%	2.3%	3.6%
Lithuania	-37.1%	-7.7%	9.4%	6.3%	7.7%
Hungary	-5.9%	-13.7%	-8.7%	-2.6%	-0.2%
Poland	4.9%	3.4%	9.0%	2.0%	-1.9%
Romania	-18.8%	-15.5%	4.4%	2.7%	5.6%
Sweden	-10.3%	3.0%	9.2%	2.1%	0.6%
United Kingdom	-13.7%	0.2%	1.1%	0.2%	1.4%
<b>EU-27</b>	<b>-9.9%</b>	<b>-5.0%</b>	<b>1.1%</b>	<b>0.6%</b>	<b>2.0%</b>

Source: European Commission. Autumn 2011 forecasts.





# Europe continues to be a very important market in infrastructure development and maintenance.



2,000,000 million euros are estimated to be necessary, divided between:

- Investment of 500,000 million euros for the implementation of the Trans-European Transport Network. The European Commission establishes a five-year plan for promoting transport infrastructures between member countries and their improvement, so creating a single transport system at a supranational level.
- In the energy sector, the OECD estimates that the investments, both public and private, in European Union member countries will reach €400,000 million in distribution networks, 200,000 million euros in transmission and storage assets to guarantee stability and security of supply and 500,000 million euros in the renewal and construction of new generating capacity. In this regard, it is worth highlighting that one of the European Union's main objectives is to reach a level of 20% of energy generation from renewable technologies by 2020, which will mean an increase in investments in this type of asset at the expense of other energy sources with higher carbon dioxide emissions.

- Another of the objectives set for 2020 for the European Union consists of improving telecommunications, especially the internet. The target is for 50% of European homes to have internet connections with speeds of over 100 MB, for which investments of between 38,000 and 58,000 million euros are estimated for the period.

## (b) Public-Private Partnership Projects in Europe

Characteristics of sector and investment needs by geographical area	European Union
Private Sector Participation in the Infrastructure Market	(b) 

The market for public-private partnership projects in Europe is highly developed and offers strong growth prospects, as there are clear opportunities which have been identified, but not covered. Furthermore, the need to reduce deficit levels and lower public indebtedness will promote the use of these types of structures by governments.

### Public-private partnership projects. Europe

Investment (Million dollars)	Roads		Rail		Water		Building		Total	
	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment
Announced projects since 1985 to October 2011	350	337,400	114	161,100	229	35,800	355	100,500	1,048	634,800
Funded projects by October 2011	205	184,500	60	67,400	176	25,500	258	75,900	699	353,300

Source: Public Works Financing, November 2011. Includes European Union member and non-member countries.






# Infrastructure Development

## NORTH AMERICA


### (c) Level of Infrastructure Investment in the United States

Macroeconomic characteristics and prospects by geographical area	USA
Investment Percentage (% Investment over GDP 2012e-2016e IMF)	(c)  16.2%/19.1%

The United States has been investing in its infrastructures at lower levels than the rest of the developed countries (average investment in gross fixed capital formation in the 2005-2010 period of 18.2% of GDP compared with an average of 20.3% for advanced economies). This is due in part to the fragmentation of the market, to the different investment capacities between the States and the lack of a joint infrastructure plan nationally.

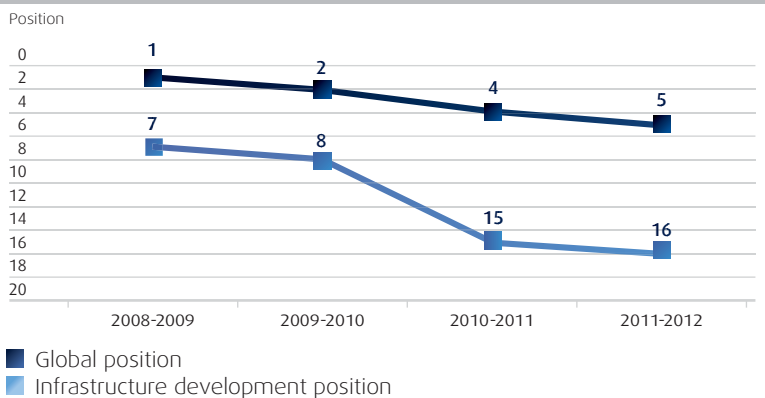
So, the United States, in spite of being one of the world's leading economies, has been affected by a progressive fall in its level of competitiveness, both at a general level and in the quality of its system of infrastructures.

### (d) Natural Gas Resources in the United States

Macroeconomic characteristics and prospects by geographical area	USA
Natural Resources	(d) 

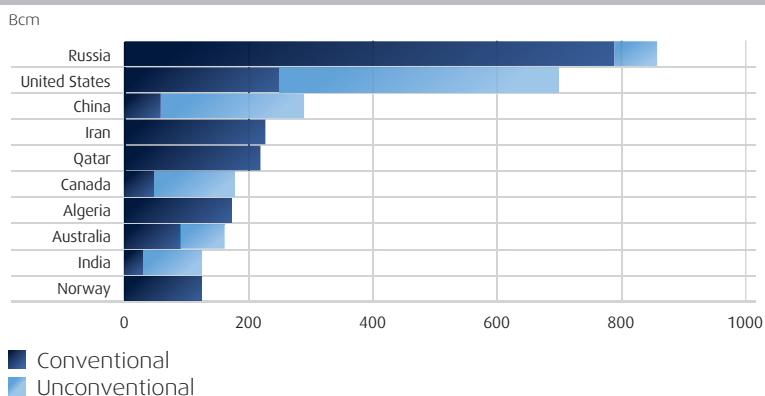
According to World Energy Outlook estimates, the United States will become the second largest producer of natural gas in the world by 2035, surpassed only by Russia. Over half the natural gas produced in the United States will come from non-conventional sources (tight

### Evolution of United States Competitiveness

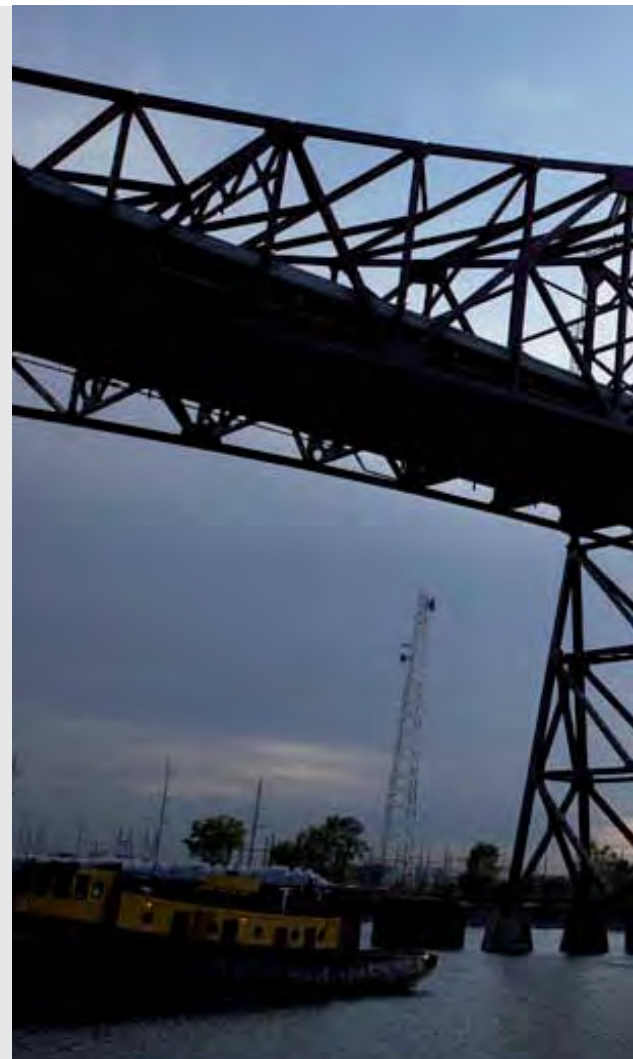


Source: "The Global Competitiveness Report", World Economic Forum.

### Largest natural gas producers in 2035



Source: "World Energy Outlook 2011", International Energy Agency.





sands gas, coal seam gas, etc). These resources are less exploited currently, but need greater investment for extraction and use.

### (e) Transport Infrastructure Market in the United States

Characteristics of sector and investment needs by geographical area	USA
Development of Transport and Telecommunication Infrastructure Base	(e) 

In 2009, the Obama Administration launched the TIGER Programme (Transportation Investment Generating Economic Recovery) to provide funding for investment in transport infrastructure. The budgetary funds for the 2012 to 2017 period exceed 550,000 million US dollars.

In spite of this effort, the low levels of investment historically in this area have led to the current United States transport network being obsolete and in need of significant works for improvement, renewal and modernisation. For example, according to various associations, 11.5% of United States bridges need repairs. These deficiencies can also be seen in the fact that there are over 40,000 km of high-speed railway networks built or under construction in the world, while no projects of this type have been carried out in the United States.



#### Spent on Capital Investment in Transportation Infrastructure

% of GDP	
Australia	2.40%
Sweden	1.66%
France	1.53%
Poland	1.48%
Spain	1.29%
United Kingdom	1.15%
Belgium	1.03%
Germany	0.80%
United States	0.60%

Source: "Building America's Future: Falling Apart & Falling Behind" 2011.





# Infrastructure Development

This transport infrastructure deficit leads numerous organisations to advocate the creation of a national plan to rectify this problem. So, for example, the Building America's Future Educational Fund estimates that to maintain the competitiveness of the US economy, it would be necessary to adopt a 10-year plan with investments of at least 200,000 million US dollars per year<sup>9</sup> to cover the expected growth in demand for transport. This growth will be supported by the sustained population growth, as the United States' population has had a sustained rate of growth of 1% annually over the last 10 years and, according to International Monetary Fund estimates, this rate of growth will be maintained during the 2012-2016 period.

<sup>9</sup> "Building America's Future: Falling Apart & Falling Behind" 2011.

## (f) Public-Private Partnership Projects in the United States

Characteristics of sector and investment needs by geographical area	USA
Private Sector Participation in the Infrastructure Market	(f) 

The PPP sector in the United States is still rather underdeveloped and has clear growth potential. The United States is a market with all the characteristics to encourage the development of these projects:

- needs for investment identified;
- regulatory stability;
- financial stability, etc.

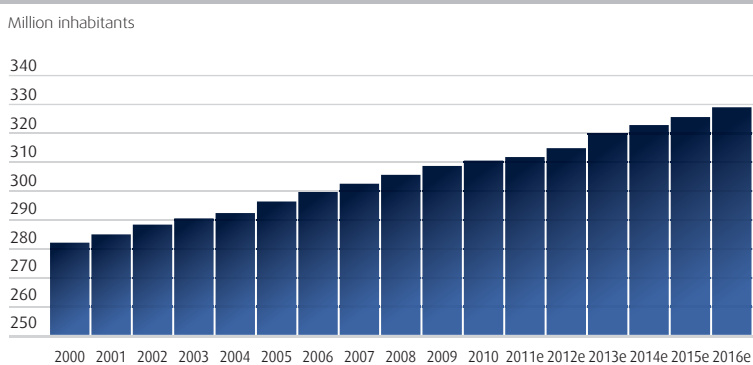
According to data reported by the journal Public Works Financing, of the 212,900 million US dollars in PPP projects announced up to October 2011, only 68,400 million US dollars had been completed.

### Publi-private partnership projects. United States

Investment (Million dollars)	Roads		Rail		Water		Building		Total	
	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment
Announced projects since 1985 to October 2011	114	94,900	37	86,800	214	19,600	165	11,600	495	212,900
Funded projects by October 2011	47	23,600	23	20,600	148	14,300	159	9,900	377	68,400

Source: Public Works Financing, November 2011.

### Evolution of United States population



Source: "World Economic Outlook" September 2011, International Monetary Fund.





# PPP'S sector development in North America has a clear potential for growth.



## (g) Investment in Infrastructures in Canada

Characteristics of the infrastructure sector by geographical area	Canada
Investment Percentage (% Investment over GDP 2012e-2012e IMF)	(g)  24.0%/24.0%
Development of an unique regulatory framework for infrastructure	(g)

In Canada, during the 1980's and 90's, investment in infrastructures was lower than the rest of the developed countries due to lack of financing, and although this trend was turned around as of 2000, the population movement to the urban areas and greater ageing of the population has contributed to the creation of an infrastructure deficit which OECD reports<sup>10</sup> put at between 50,000 and 150,000 million Canadian dollars.

The Canadian Government is making significant investment efforts to make good this deficit and,

<sup>10</sup> "Pension Funds Investment in infrastructure, a survey", September 2011, OECD.

among other measures, in 2007 it launched a 7-year plan called "Building Canada" to provide funds for developing new infrastructures between 2007 and 2014 for a value of 33,000 million Canadian dollars. These investments mainly focus on the areas of transport and provision of municipal facilities.

## (h) Public-Private Partnership Projects in Canada

Characteristics of sector and investment needs by geographical area	Canada
Private Sector Participation in the Infrastructure Market	(h)

According to the latest PWF publication in Canada, since 1985, 127 projects have been completed in Canada with a public/private framework and there are a further 60 projects which have been announced. This figure has increased in recent years after the creation of the so-called "PPP Canada Fund" in 2011, with the aim of supporting the financing of PPP projects which are significant for their social benefit.

### Publi-private partnership projects. Canada

Investment (Million dollars)	Roads		Rail		Water		Building		Total	
	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment
Announced projects since 1985 to October 2011	34	24,700	12	9,800	35	2,700	106	29,400	187	66,600
Funded projects by October 2011	26	15,700	2	2,200	19	1,300	80	26,000	127	45,200

Source: Public Works Financing, November 2011.





# Infrastructure Development

## LATIN AMERICA

### (i) Investment Needs in Latin America

Macroeconomic characteristics and prospects by geographical area	Latin America
Investment Percentage	(i) 

In spite of the high levels of investment recorded in the zone during recent years, according to a Banco de Desarrollo de América Latina report<sup>11</sup>, to close the gap in competitiveness between Latin America and the developed countries and serve future economic growth of 3%, it will be necessary to allocate a level of investment of 5.2% of regional GDPs to investment in infrastructure until 2020. This represents investment of between 200,000 million and 250,000 million dollars, 50% higher than current investment levels.

<sup>11</sup> "La Infraestructura en el Desarrollo Integral de América Latina" (Infrastructure in the Integral Development of Latin America), October 2011, Banco de Desarrollo de América Latina.

### (j) Public-Private Partnership Projects in Latin America

Characteristics of sector and investment needs by geographical area	Latin America
Private Sector Participation in the Infrastructure Market	(j) 

Private sector participation in the infrastructure sector in Latin America is increasing progressively, as the intense public investment made in recent years has led to an increase in government debt, which is higher in this zone than the levels in the rest of the emerging countries. The growing involvement of the private sector is endorsed by the significant number of PPP projects announced and uncompleted, as recorded by PWF.

### (k) Infrastructure Investments in Mexico

Characteristics of sector and investment needs by geographical area	Mexico
Quality and Development of infrastructure base	(k) 

During recent years, Mexico has been making significant investment efforts to improve its

#### Publi-private partnership projects. Latin America

Investment (Million dollars)	Roads		Rail		Water		Building		Total	
	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment
Announced projects since 1985 to October 2011	252	104,500	67	49,400	174	24,800	28	5,100	521	183,800
Funded projects by October 2011	152	62,100	28	11,300	94	12,500	15	2,600	289	88,500

Source: Public Works Financing, November 2011.





competitiveness and to develop its system of infrastructures with the aim of placing itself, by 2030, among the top rated countries according to the competitiveness index of its infrastructures, as published by the World Economic Forum. To achieve this objective, a National Infrastructure Plan 2007-2012 was prepared, which estimates total needs for investment over the period of 2,532,000 million Mexican pesos (approximately 152,000 million euros at the current rate of exchange), with 62% allocated to energy-related investments, 30% for investments related to communications and transport and the remaining 8% for infrastructures related to transport and water consumption.

The Mexican Government is currently preparing a new National Infrastructure Plan for the 2013-2018 period. According to the Mexican Civil Engineering Association, investment of approximately 400,000 million US dollars (approximately 5,000,000 million Mexican pesos) will be needed, especially in projects related to the environment and improving sustainability.

## (I) Public-Private Partnerships in Mexico

Characteristics of sector and investment needs by geographical area	Mexico
Private Sector Participation in the Infrastructure Market	(I) 

In January 2012, a Public-Private Partnerships Act was enacted in Mexico, the objective of which is to increase private sector participation in the infrastructure market. This law will recognise the figure of Public-Private Partnerships for construction over the long term of public infrastructures, as well as the provision of the services related with them. This law is intended to remove restrictions on these types of investments, make the awarding process more transparent and, above all, provide these types of contracts with greater certainty and legal security, so as to stimulate private initiative in Mexico in the coming years.

### Mexican National Infrastructure Plan 2007-2012

Sector	Total Investment (thousand of million Mexican pesos)	Annual average (thousand of million Mexican pesos)
Telecommunication and Transport	749	125
Water	202	34
Energy	1,581	264
<b>Total</b>	<b>2,532</b>	<b>422</b>

Source: Mexican National Infrastructure Plan 2007-12, Presidency of the Republic of Mexico.






# Infrastructure Development


## ASIA PACIFIC

### (m) Levels of Infrastructure Investment in Australia

Macroeconomic characteristics and prospects by geographical area	Australia
Investment Percentage (% Investment over GDP 2012e-2016e IMF)	(m)  29.3%/29.9%



Australia is a country with a significant infrastructure deficit due to the low level of investment in this area in the 1980's and 90's. This trend has been turned round in recent years, but even so, population and economic growth, added to significant growth in the mining and natural resource export sectors, offer great opportunities for developing a vigorous infrastructure market. According to the IMF, the prospects for gross fixed capital formation are 29.4% for the 2011-2016 period, while the average investment in advanced countries is 19.2%. According to estimates in an OECD report<sup>12</sup>, Australia has investment needs of between 450,000 and 770,000 million US dollars over the next decade.

### (n) Natural Resources in Australia

Macroeconomic characteristics and prospects by geographical area	Australia
Natural Resources	(n) 

Australia has significant mining resources, especially coal, and given its closeness to the countries with the greatest demand, it is one of the leading exporters of this mineral. According to the World Energy Agency report<sup>13</sup>, thanks to the increase in energy consumption of emerging countries, basically China and India, the use of coal will rise by 65% above where it is now by 2035. If the estimates in this scenario are fulfilled, coal will overtake oil as the dominant fuel in the world energy mix, with which, according to its estimates for this period, Australia's coal exports will double. This implies the need for new investments in prospecting, mining and infrastructures.

### (o) Development in Australia's Infrastructure Investments

Characteristics of the infrastructure sector by geographical area	Australia
Development of Transport and Telecommunication Infrastructure Base	(o) 
Development of an unique regulatory framework for infrastructure	(o) 

Australia has experienced significant growth in investment in the zone, and the Government continues to promote infrastructure improvements, as shown by the creation of "Infrastructure Australia", which is an official organisation with the mission to advise Public Authorities for the strategic development of a plan with which to modernise the system of infrastructures and to remove the bottlenecks created by this infrastructure deficit. Infrastructure Australia focuses on six fundamental themes for action:

- The creation of a national goods transport network;
- The development of a more competitive network of ports to cover import/export traffic;
- The creation of a national energy market through investment in networks and with the opportunity to develop renewable energies;
- Increasing the efficiency and sustainability of cities through improvements in transport networks;
- Improvement in services for indigenous communities;
- The development of a national data transmission network.

Specifically as regards transport infrastructure, given the geographical spread of the zone and the area's economic growth, according to Infrastructure Australia<sup>14</sup>, based on a PWC report, to serve the development of this

<sup>12</sup> "Pension Funds Investment in infrastructure, a survey", September 2011, OECD.

<sup>13</sup> "World Energy Outlook 2011", December 2011, International Energy Agency.

<sup>14</sup> "Infrastructure Finance Reform, Issues Paper", July 2011, Infrastructure Australia.



area, the construction of an additional 173,348 kilometres of roads would be necessary by 2050. This would involve an increase in investment of 2,500 million US dollars per year. Government involvement manifests itself in a significant increase in annual budgetary items allocated to infrastructures, the creation of various inter-year plans, such as the Australian Government's "Nation Building Program", through which the Australian Government will provide 36,200 million Australian dollars for transport infrastructure development in the 2013-2014 period, including 120 roads, 30 projects related to railway works and six public transport projects.


In spite of these efforts, in July 2011 Infrastructure Australia published a document in which it urged the authorities to make significant reforms in the infrastructure sector, as despite the efforts made, the results continued to be slow to come and the country's productivity and development were being affected. It recommended the taking of future actions to cover this infrastructure deficit and focusing on, among others, reforming the financing system, to increase private financing of infrastructures and the PPP model. In this case a list of priority investments was identified, representing needs for project financing of 86,000 million Australian dollars.

### (p) Superannuation Funds

<b>Characteristics of sector and investment needs by geographical area</b>	Australia
Private Sector Participation in the Infrastructure Market	(p) 

Australian pension funds (Superannuation funds) are investors with great resources and they are very active in infrastructure investments. They have great experience in the sector and 10% of their capital is currently allocated to the infrastructure sector.

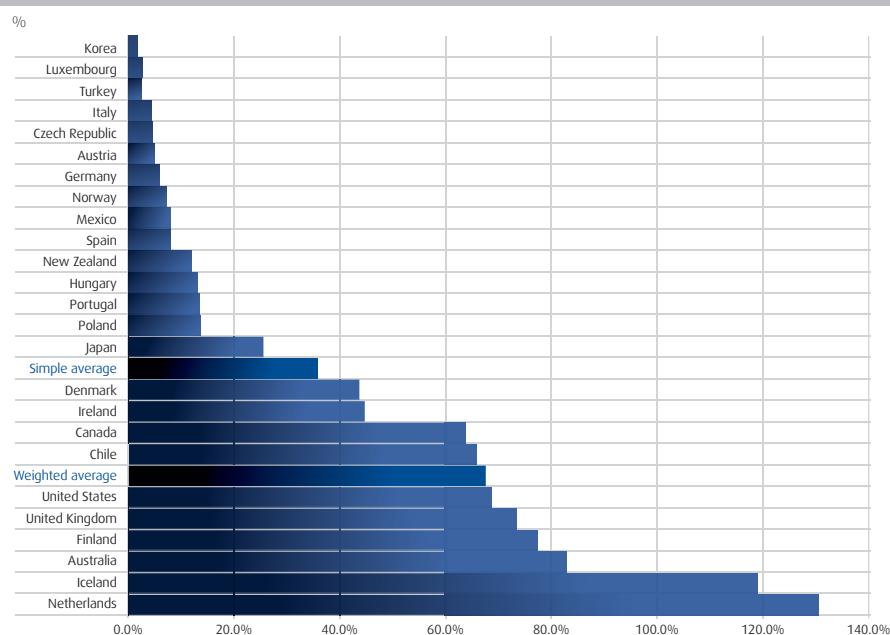
### (q) China's Energy Needs

<b>Macroeconomic characteristics and prospects by geographical area</b>	China
Growth in Energy Demand	(q) 

In 2035, China will be the world's leading energy consumer, using in that year 70% more energy than the United States, which will be the country in second place. Even so, per capita energy consumption in China in 2035 will be half the energy consumed per person in the United States, which implies that to cover the country's economic and social development, considerable investments will be needed in all types of energy assets in a sustained manner and over the very long term.



Pension assets as percentage of GDP in OECD countries, 2009



Source: "Pension Funds Investment in infrastructure, a survey", September 2011, OECD.



# Infrastructure Development

## OTHER GEOGRAPHICAL AREAS

### (r) Infrastructure Investment Needs in the Middle East

<b>Macroeconomic characteristics and prospects by geographical area</b>	Other (Middle East and Africa)
Natural Resources	(r) ▲

According to the IEA<sup>15</sup>, the depletion of the oilfields in the zone will involve the need to replace gross capacity of 47 million barrels per day by 2035, which implies doubling total current oil production from all the Middle East's OPEC countries.

According to the estimates on which the IEA report is based, investments of US\$100,000 million are needed between 2011 and 2015 in the Middle East and North Africa region. If this investment is less than 66,000 million US dollars in this period, the IEA indicates that the world energy markets would suffer serious repercussions which would be reflected in substantial increases in the short term in the price of oil, which it is estimated could rise to US\$150 per barrel.

<sup>15</sup> "World Economic Outlook 2011", International Energy Agency.

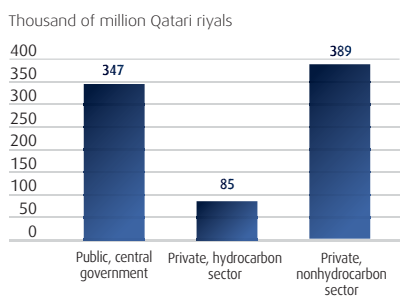
### (s) Investment Needs in Qatar

<b>Characteristics of sector and investment needs by geographical area</b>	United Arab Emirates
Quality and Development of infrastructure base	(s) ▲

The United Arab Emirates, due to its economic development and the existence of abundant natural resources, has a very high quality, highly developed system of infrastructures (8th in the competitiveness ranking for 2011/2012). However, prospects for economic growth for the zone forecast an increase in investment demand in the zone.

This fact will be especially relevant in Qatar, which will be the home to the football World Cup in 2022. According to its strategic plan for 2011-16, total domestic investment in the period will reach 820,000 million Qatari riyals (approximately 172,000 million euros). Of this total investment, 42% will come from public investment and the remaining 58% will be investments financed from the private sector. It is important to emphasise that 82% of private investment will be allocated to investments not related to the hydrocarbons sector.

### Cumulative gross domestic investment 2011-2016



Source: National Development Strategy 2011-16, Government of Qatar.





### 3. Conclusions

Progressive recovery of the global economy compared to crisis levels in the medium term.

The macroeconomic environment can still be adverse in some advanced economies in the short term.

Expectation of sustained growth in emerging countries.

Geographic and business diversification fundamental to maintaining company growth and profitability.

Need for considerable investments in development and maintenance of infrastructures sustained over time at a global level.

Increasing significance of emerging countries in the sector.

Need for new financing systems in infrastructures.

Greater private sector participation through public-private partnerships or specialised infrastructure funds.

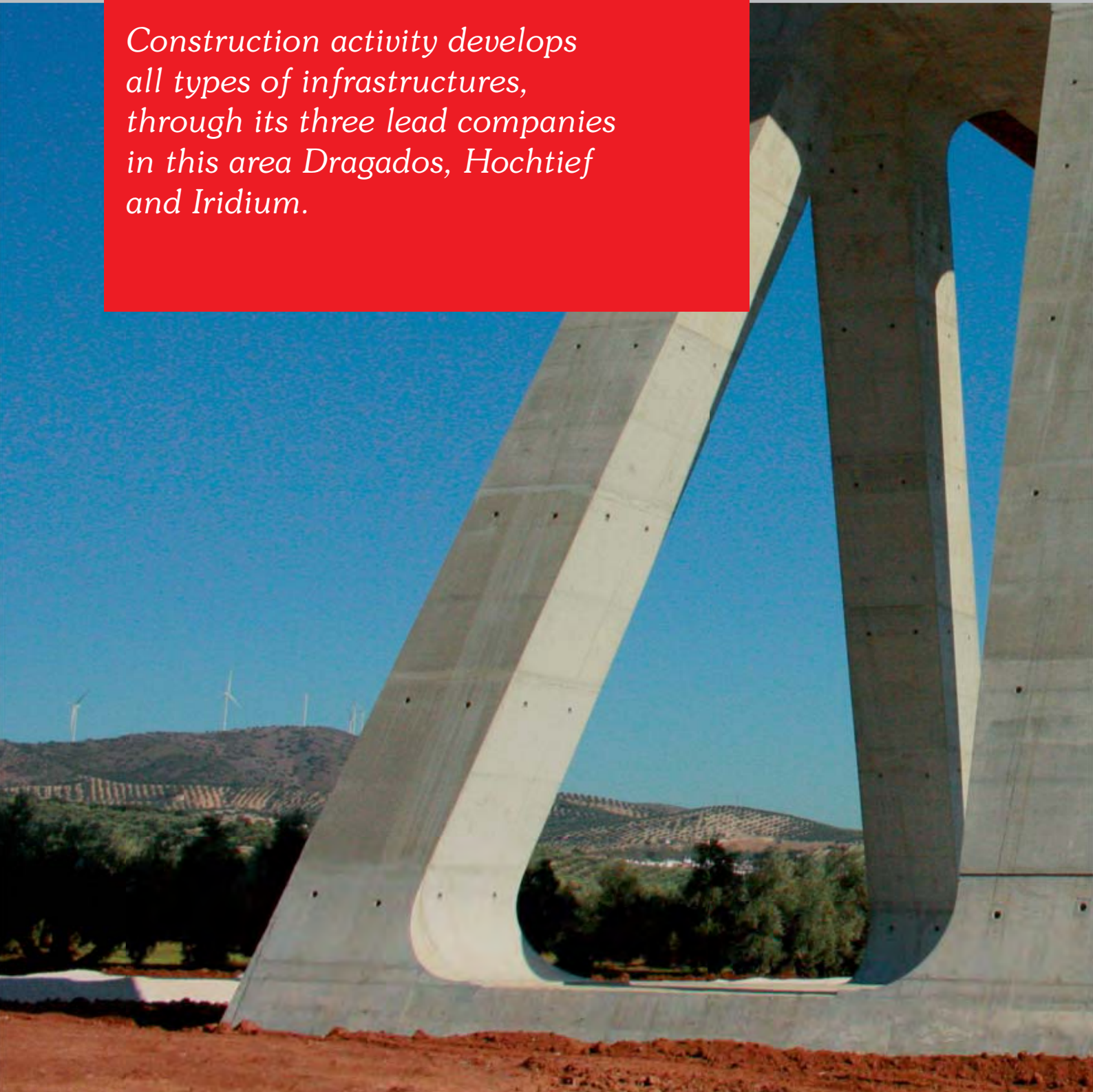
Growth opportunities for companies in the sector with a high technical level and the appropriate scale, human resources and financial solidity to develop large infrastructure projects in a globalised market.





# Construction

*Construction activity develops all types of infrastructures, through its three lead companies in this area Dragados, Hochtief and Iridium.*





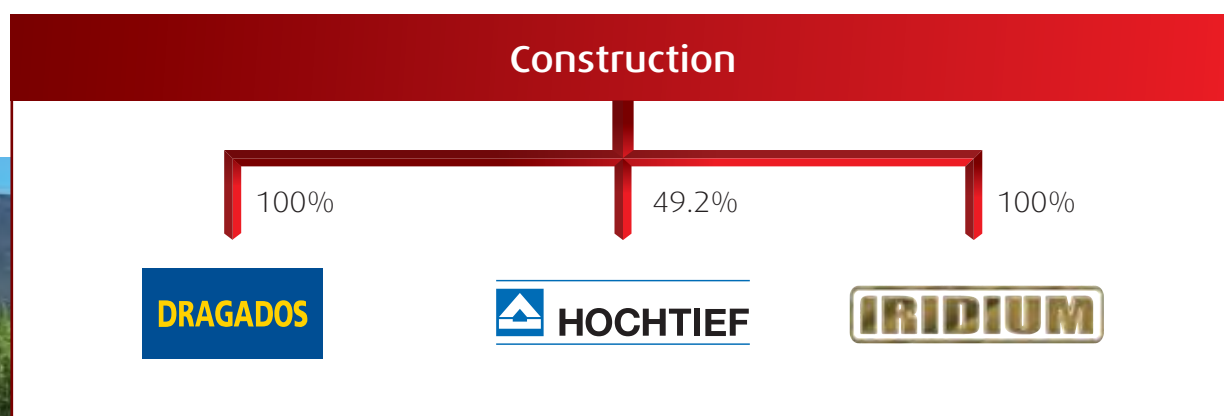


# Construction

The ACS Group's **Construction activity** focuses basically on developing all types of infrastructures, through construction projects for both public and private clients, as well as carrying out projects under concession arrangements through various public-private partnership contract models, covering the whole concession business value chain, from project design to financing, construction, commissioning and operation.

The ACS Group carries out this activity through an extensive group of companies, with three lead companies in this area Dragados, Hochtief and Iridium.

The integration of Hochtief into the Construction area fits in with the strategic objectives for the area; seeking to maintain a leadership position in Spain through Dragados and Iridium, while consolidating and expanding the ACS Group's presence in international markets by taking advantage of synergies between the three companies and their complementary nature, always seeking to maximum operational efficiency by carrying out larger projects with higher technical complexity, which provide the Group with higher margins of profitability.

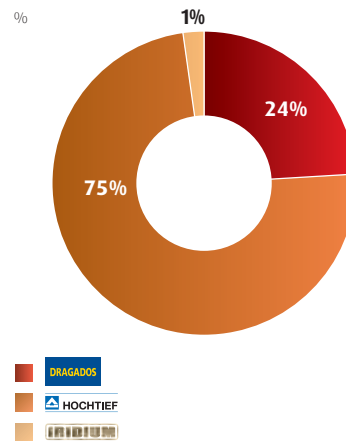




During 2011, the Construction area's consolidated **revenue** was 19,802 million euros. This figure includes the activity of Dragados and Iridium and Hochtief's revenue since 1 June 2011, the date on which its full consolidation in the ACS Group's accounts began.

By company, Dragados sales totalled €4,800 million euros, 14.2% lower than the figure for 2010, due to the contraction of the market in Spain. Hochtief's input during the 7 months of 2011 that it was fully consolidated into the ACS Group was 14,882 million euros, while Iridium's revenue was 119 million euros.

2011 Construction revenue breakdown by company



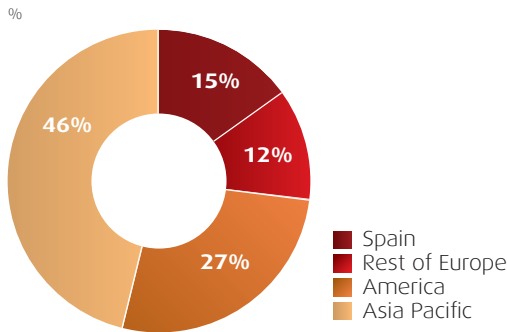
## Construction

Millions of euros	2010	2011	% Var.
<b>Revenue</b>	<b>5,703</b>	<b>19,802</b>	<b>247.2%</b>
Domestic Revenue	3,780	2,943	-22.1%
International Revenue	1,923	16,859	776.4%
<b>EBITDA</b>	<b>427</b>	<b>1,210</b>	<b>183.4%</b>
<i>Margin</i>	7.5%	6.1%	
<b>EBIT</b>	<b>343</b>	<b>449</b>	<b>30.8%</b>
<i>Margin</i>	6.0%	2.3%	
<b>Net profit</b>	<b>187</b>	<b>370</b>	<b>97.5%</b>
<i>Margin</i>	3.3%	1.9%	
<b>Order Book</b>	<b>11,088</b>	<b>50,336</b>	<b>354.0%</b>
<i>Months</i>	24	22	
Domestic Order Book	5,710	4,311	-24.5%
International Order Book	5,378	46,025	755.8%
<b>Employees</b>	<b>17,974</b>	<b>90,819</b>	



# Construction

2011 Construction revenue breakdown by geographical area



By geographic area, the Asia Pacific area stands out for its importance on representing 46% of the Construction area's total sales, derived from consolidating 9,056 million euros from activity carried out by Hochtief in the region, through its subsidiary Leighton, the leader in the sector in Australia.

America was the second largest market by turnover, with sales of 5,345 million euros in 2011, covering the activity in Building and Civil Works carried out in the United States and Canada through the Group's different subsidiaries –Dragados USA, Pulice, Picone, Turner, Flatiron and E.E. Cruz– as well as sales in markets such as Argentina, Chile, Peru, Venezuela and other Latin American countries where the ACS Group has subsidiaries, as well as extensive experience.

## Spain



## Rest of Europe



## America



## Asia Pacific

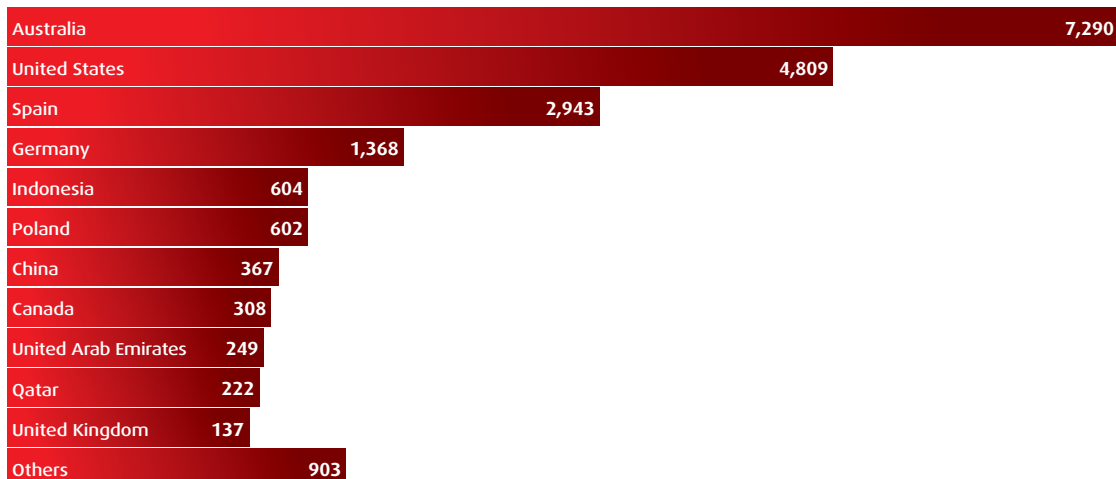


## Rest of the World



In million of euros

2011 Construction revenue breakdown by country



In million of euros





The ACS Group, through Dragados, occupies a leadership position in the construction sector in Spain. However, the conditions in the sector, affected by lower levels of investment by public authorities and slowing of building activity, mean that sales in this area were 2,943 million euros, representing only 15% of total turnover.

Outstanding in the rest of Europe is activity in countries such as Germany, due to Hochtief's position as leader in this market, Poland in Eastern Europe and other Western European markets such as the United Kingdom and Portugal, where the Group is carrying out significant projects related to transport infrastructure development. So the revenue recorded in this area in 2011 grew substantially, to 2,456 million euros, representing 12% of total revenue.





# Construction





**Gross operating profit** in 2011 totalled 1,210 million euros, with growth of 183.4% with respect to 2010, thanks to the full consolidation of Hochtief. Margin over sales was 6.1%.

Consolidated **net profit** in 2011 was 370 million euros, with growth of 97.5% with respect to 2010. This result includes the gains deriving from the sale of concession assets during 2011 (Vespucio Norte and the San Cristobal Tunnel in Chile and a 50% share in the I-595 in Florida, United States).

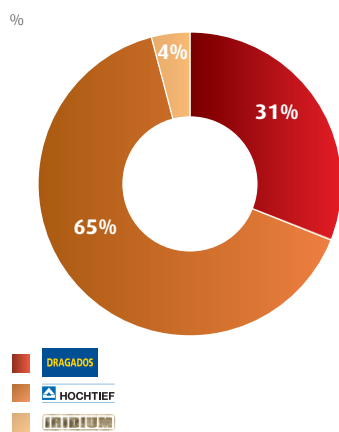
At 31 December 2011, the Group's Construction **order book** totalled 50,336 million euros, a figure which guarantees 21 months of activity. Thanks to the consolidation of Hochtief and the positive evolution of Dragados' companies in the international sphere, the international order book represented over 91.4% of the Group's total order book at 31 December 2011.

The Asia Pacific region, with a project order book of 27,636 million euros, is the Group's main growth area for the coming years, endorsed by the awarding of significant projects in Australia during 2011 in the mining and building areas, such as the contract

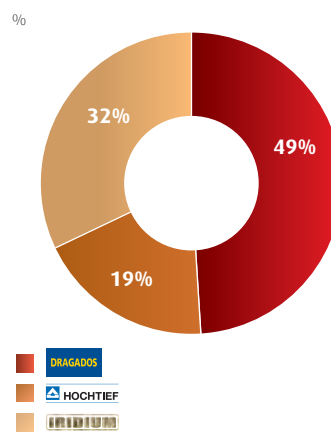
for operation of the Burton mine and the construction projects for the Royal Adelaide Hospital and the Perth Children's Hospital, as well as obtaining new contracts in Asia, such as the 408 million euros for the construction of a railway line in Hong Kong.

Similarly noteworthy due to its significance is the evolution of the order book in America, particularly in the United States and Canada, where Dragados was awarded the project for construction of the SR 99 in Alaska and Hochtief the construction of a new medical centre in Denver. In the rest of Europe, the order book is over 7,200 million euros, with new projects awarded in Germany, such as the construction and operation of the A8 motorway and public-private partnership projects in day centres and schools in the city of Brunswick, the construction of the Dabrowica-Witosa section of the S-17 highway in Poland and the project for the bridge over the Firth of Forth near Edinburgh in the United Kingdom.

2011 Construction EBITDA breakdown by company



2011 Construction net profit breakdown by company





# Construction

## ORDER BOOK

### Spain

2010	5,710
2011	4,311

### Rest of Europe

2010	2,241
2011	7,204

### America

2010	3,137
2011	11,185

### Asia Pacific

2010	Ø
2011	27,636

In million of euros

Design and Construction of the tunnel in the SR-99 in Seattle (U.S.A.)  
438 million euros

250-bed Mercy Westside Hospital Building in Cincinnati, Ohio (U.S.A.)  
100 million euros

Renovation Cleveland Medical Mart and Convention Center, Ohio (U.S.A.)  
225 million euros





-  Civil Works
-  Building
-  Mining

Construction of bridge and traffic connections for the Forth Replacement Crossing project in Scotland  
**250 million euros**

Plan, finance, upgrade, operate and maintain a A8 highway section in Germany  
**410 million euros**

S-17 highway construction between Dabrowica and Witosa (Poland)  
**245 million euros**

Project for the design, financing, building and operating of nine schools and three day care centers for children in Brunswick (Germany)  
**279 million euros**

Construction, operation and conservation of the A-308 dual carriageway from Iznalloz to Darro in Granada (Spain).  
**199 million euros**

Contract for the construction of North Gate Mall and office buildings in Doha  
**213 million euros**

Construction of the Al Mafraq hospital in Abu Dhabi  
**278 million euros**

Construction of a railway bridge, tunnel, elevated/underground stations and viaduct for the South Island railway line in Hong Kong  
**408 million euros**

Extension of the existing contract by three years for further development and operation of Teguh Sinar Abadi & Firman Ketaun Perkasa Coal Mines  
**368 million euros**

Contract for the mining in the Burton Coal Mine in Australia  
**970 million euros**

Contract for the mining in the Debswana diamonds mine in Botswana  
**245 million euros**

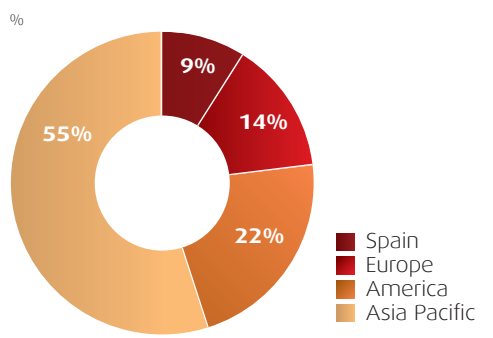
Wheatstone Projects: design and construction of the accommodation village, operations building, laboratory, fire station and other buildings; further: construction of a 1.2 km long tunnel under the ocean to connect two offshore gas reserves (Western Australia)  
**510 million euros**

Extension of Australia's broadband network  
**282 million euros**

Rail line sink and upgrade in Perth Station (Perth, Australia)  
**592 million euros**

Construction of a new children's hospital in Perth, Australia  
**658 million euros**

2011 Construction Order book breakdown by geographical area





# Construction

## DRAGADOS

In 2011, Dragados consolidated its position, for another year, as the leading construction company in Spain, carrying out its activity of executing Civil Works and Building projects, through its own activity and that of the rest of the Group's companies, specialised in geographic areas and activities.

Likewise, the carrying out of significant projects in the international sphere has continued, such as in Poland, through the subsidiary Pol-Aqua, Portugal, the United Kingdom and Ireland in Europe. In America, Dragados is present in both Latin America, especially in Chile, Argentina and Venezuela, where it has long experience and its own subsidiaries (Dycasa and Dycvensa), and in the United States and Canada, where Dragados has been competing for many years through its North American subsidiaries (Dragados USA, Schiavone, Pulice and John P. Picone) and already has a consolidated presence in the area.



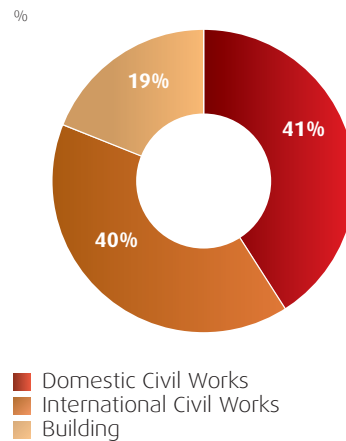


Dragados' sales fell by 14.2% in 2011 to 4,800 million euros, as a result of the macroeconomic conditions which have impacted on the construction sector in Spain.

In spite of this difficult situation in the Spanish market, Dragados' activity maintains solid margins on sales, with an increase in efficiency seen with respect to the previous year, thanks to Dragados' continuing efforts in improving productivity and controlling costs, and an appropriate business mix, focused on performing projects of a large size and high technical complexity, enabling the profitability of the activity to be maximised.

By type and technical characteristics, Dragados' production is structured into **Civil Works** and **Building** projects.

2011 Dragados revenue breakdown by type of activity



## Dragados

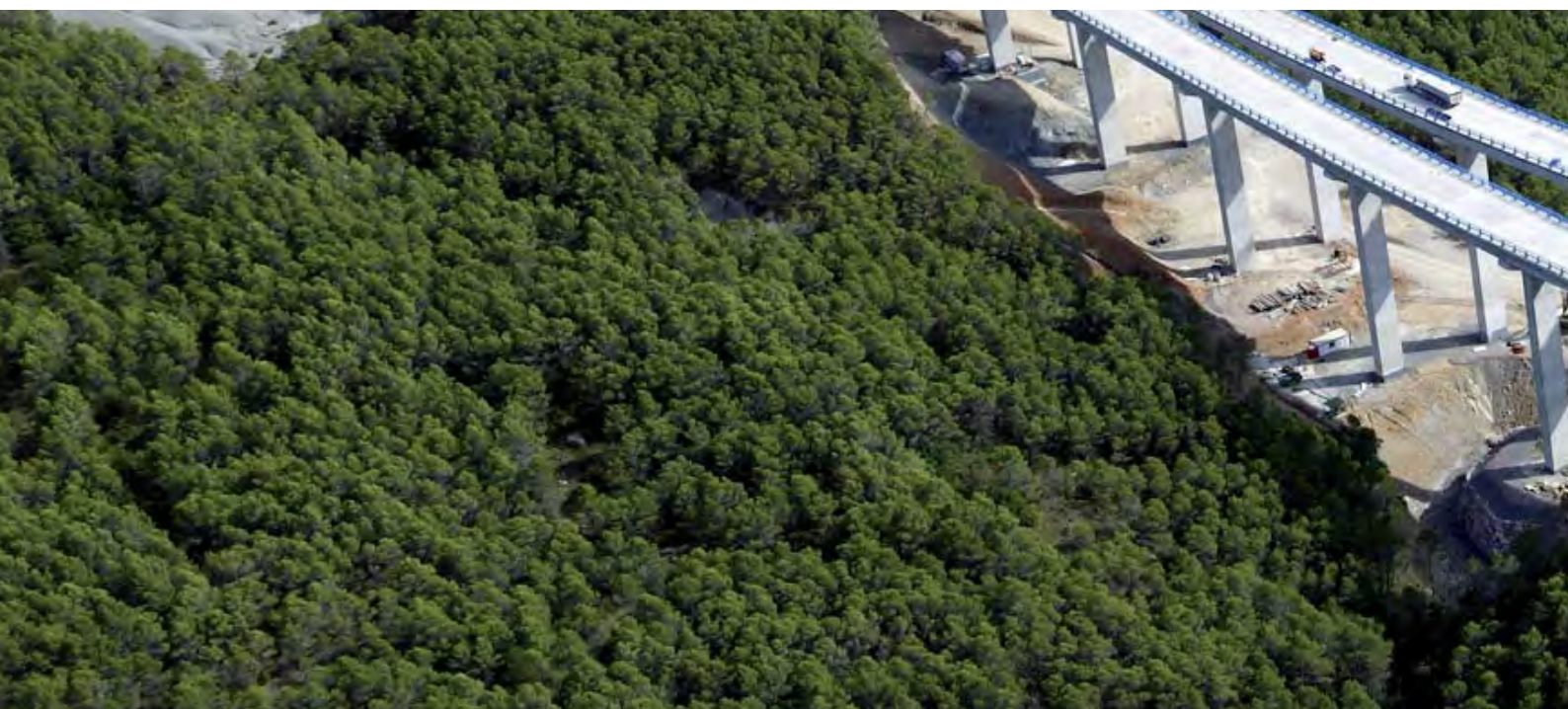
Millions of euros	2010	2011	% Var.
<b>Revenue</b>	<b>5,593</b>	<b>4,800</b>	<b>-14.2%</b>
Domestic Revenue	3,726	2,880	-22.7%
International Revenue	1,867	1,920	2.8%
<b>EBITDA</b>	<b>393</b>	<b>375</b>	<b>-4.7%</b>
<i>Margin</i>	7.0%	7.8%	
<b>EBIT</b>	<b>321</b>	<b>298</b>	<b>-7.4%</b>
<i>Margin</i>	5.7%	6.2%	
<b>Net profit</b>	<b>220</b>	<b>180</b>	<b>-18.1%</b>
<i>Margin</i>	3.9%	3.8%	
<b>Order Book</b>	<b>11,088</b>	<b>9,850</b>	<b>-11.2%</b>
<i>Months</i>	24	25	
Domestic Order Book	5,710	4,311	-24.5%
International Order Book	5,378	5,539	3.0%
<b>Employees</b>	<b>17,628</b>	<b>14,989</b>	



# Construction

**Civil Works** production during 2011 exceeded 80% of the activity carried out by Dragados and covers all kinds of activities aimed at developing infrastructure such as highways and railways, maritime, water and airport facilities. The main projects Dragados group companies carried out in 2011 were:

- Construction of the Navia - Tapia de Casariego stretch of the A-8 highway in Asturias (Spain).
- Execution of stretches 4 and 5 of the A-21 highway in Navarra (Spain).
- Project for construction of the Peña de los Enamorados – Archidona stretch of railway line for the route of the high-speed line to Granada (Spain).
- Project for execution of the “Arganzuela II” footbridge between Paseo de Yaserías and Avenida del Manzanares in Madrid (Spain).
- Construction of the San Salvador de Heras - Parbayón stretch of the Ronda de la Bahía de Santander highway (Spain).
- Project and works for the high-speed railway line on the North-Northwest Corridor in the provinces of Pontevedra and La Coruña (Spain).
- Quay AZ-2 alongside the Zibierna dock, corresponding to the expansion of the port of Bilbao outside El Abra (Spain).
- Replenishment of sands and improved accessibility to the Riazor, Orzán, Matadero and San Amaro beaches in the La Coruña municipal area (Spain).
- Expansion of the Andalucía Quay for installation of a container terminal and transfer of ASESÁ’s facilities in the Port of Tarragona (Spain).
- Project for development of the South Fraser motorway in Vancouver, a motorway with a concession arrangement, 40 kilometres long and with four lanes in each direction (Canada).
- Construction of a 36-kilometre stretch of the S5 express road (Poland).
- Demolition and reconstruction of the Calaveras Dam in California (United States).
- Structures for the construction of the East Side Access for the New York Subway (United States).
- Works for the construction of various buildings and structures for the construction of the generating plant at San Pedro, Chile.
- Construction of a new five-level traffic interchange for connection with the I-10. The construction consists of a new bridge, new on- and off-ramps (Maricopa, Arizona, United States).







- Repairs to port infrastructure and facilities at the dock at the head of the Chacabuco quay (Bahía de Concepción, municipality of Talcahuano, Chile).
- Construction of the Pareditas – El Sosneado stretch on National Route 40, province of Mendoza (Argentina).

**Building** activity represented 19% of total business in 2011. There remains a 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 main projects carried out in institutional or commercial building in 2011 were:

- Construction of the new Lugo Hospital (Spain).
- Alteration and expansion of the San Juan de Dios Hospital, León (Spain).
- Construction of the car park building, the development and the Technical Block for Vigo Airport (Spain).
- Expansion and alteration to the first phase of Soria General Hospital (Spain).

- Expansion of the Airport Terminal, first phase of Almeria Airport (Spain).
- Marineda Shopping Centre, La Coruña (Spain).
- Construction of two data processing centres at the Santander Group’s Cantabria Technology Centre (Spain).
- Expansion of Pontevedra Museum and restoration of the Sarmiento Building (Pontevedra, Spain).
- Construction of 10 primary health care centres in the towns of Andratx, Ariany, Es Molinar, Esporles, María de la Salud, Muro, Porreres, Sa Pobla, Ses Salines y Son Servera on Mallorca (Spain).

In terms of residential building, activity mainly took place in the construction of subsidised housing, such as the 318 housing units at Fuerte de San Francisco in Guadalajara. Dragados 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.





# Construction



Hochtief is one of the leading companies worldwide in the sector, being the eight largest company in the world in the construction sector according to ENR publication and a well-known company in the German market. It carries out development, building and operation of infrastructures and building projects. In 2011, the ACS Group completed the process of acquiring a majority stake in Hochtief, hence the company has been fully consolidated since 1 June 2011.

Hochtief carries out its activity in about 40 countries and has a consolidated position in the Asia Pacific, United States, Central Europe and Middle East markets. According to the journal ENR, Hochtief is the construction sector company with the highest turnover in the world outside its domestic market, recording sales figures of over 90% outside the German market in 2011. During the full 2011 financial year, Hochtief's revenue grew 15.5% with respect to 2010, reaching 23,282 million euros, accompanied by 2.5% growth in its order

book. However, total net profit for 2011 was strongly affected by extraordinary losses as a consequence of the negative results recognised at two projects in Australia (Victoria Desalination Plant and Airport Link) and in its United Arab Emirates subsidiary (Al Habtoor), both in the Asia Pacific region.

Hochtief's contribution to the ACS Group's turnover in 2011 was 14,882 million euros, with a gross operating profit margin of 5.3%. Total net profit contributed by Hochtief to the ACS Group in 2011, consolidated using the equity method up to 1 June 2011 and then subsequently fully consolidated after that date, was 73 million euros. This figure is affected by the revaluation of Hochtief's assets and liabilities, the consequent assignment of goodwill, the financial costs arising from the increased share and other effects arising from the change in the consolidation method.

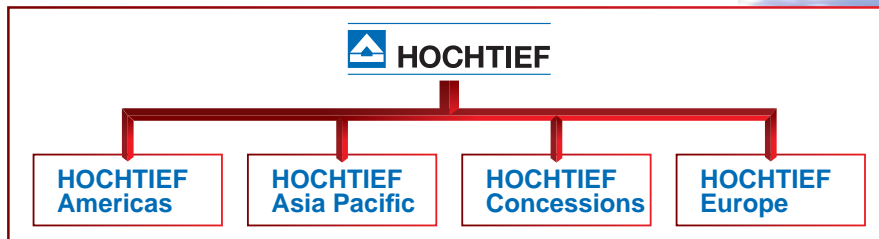
Hochtief				
Millions of euros	Hochtief**			Hochtief contribution to ACS 2011**
	2010	2011	% Var.	2011
<b>Revenue</b>	<b>20,159</b>	<b>23,282</b>	<b>15.5%</b>	<b>14,882</b>
<b>EBITDA</b>	<b>1,077</b>	<b>1,194</b>	<b>10.9%</b>	<b>789</b>
<i>Margin</i>	5.3%	5.1%		5.3%
<b>EBIT</b>	<b>366</b>	<b>414</b>	<b>13.1%</b>	<b>119</b>
<i>Margin</i>	1.8%	1.8%		0.8%
<b>Net profit</b>	<b>288</b>	<b>(160)</b>	<b>n.a.</b>	<b>73</b>
<i>Margin</i>	1.4%	-0.7%		0.5%
<b>Order Book</b>	<b>47,486</b>	<b>48,668</b>	<b>2.5%</b>	<b>40,486</b>
<i>Months</i>	25	23		21
<b>Employees</b>	<b>70,657</b>	<b>75,449</b>		<b>75,449</b>

\* Full year 2010 and 2011. Data presented according ACS Group management criteria.

\*\* Hochtief contribution to ACS during 2011 (Hochtief consolidated by five months by equity method and the other seven months it was fully consolidated).



At 31 December 2011, Hochtief's organisational structure comprised four large business areas: Hochtief Americas, Hochtief Asia Pacific, Hochtief Europe and Hochtief Concessions.



In the first quarter of 2012, the public-private partnership activities of Hochtief PPP Solutions GmbH were allocated through a share transfer to Hochtief Solutions AG, which spearheads the Hochtief Europe division, so that as from 2012, Hochtief's businesses will be divided into the three large geographical areas in which the company operates: Hochtief Americas, Hochtief Asia Pacific and Hochtief Europe.



### Hochtief. 2011 Results breakdown by division\*

Millions of euros

	Hochtief Americas	Hochtief Asia Pacific	Hochtief Europe	Hochtief Concessions	Corporate/ Adjustments	Total
<b>Revenue</b>	6,179	13,631	3,346	66	60	23,282
<b>EBITDA</b>	104	1,215	54	(62)	(116)	1,194
Margin	1.7%	8.9%	1.6%	n.s.		5.1%
<b>EBIT</b>	83	499	21	(63)	(125)	414
Margin	1.3%	3.7%	0.6%	n.s.		1.8%
<b>Net profit</b>	88	(155)	19	(40)	(72)	(160)
Margin	1.4%	-1.1%	0.6%	n.s.		-0.7%
<b>Order Book</b>	8,924	33,426	5,885	594	(161)	48,668
Months	16	26	21	n.s.		23
<b>Employees</b>	7,280	52,220	15,418	329	202	75,449

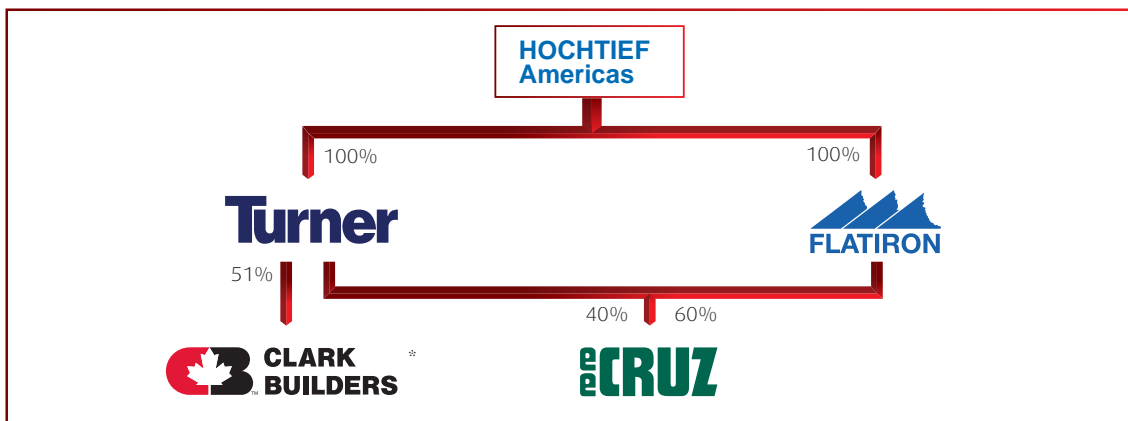
\* Full year 2011. Data presented according ACS Group management criteria.



# Construction

## Hochtief Americas:

It carries out its business in the USA and Canada through its subsidiaries Turner, Flatiron and E.E. Cruz, operating in the building, civil works and infrastructures segments, where it occupies reference positions in the sector.



\* Clark Builders from January 1, 2012.

Among its North American subsidiaries, Turner is the leading general builder in the US, ranking first or second in the major segments of the building construction field, carrying out its activity in high growth sectors such as commercial offices, healthcare and educational buildings and leading the “green” buildings segment. Flatiron is one of the United States’ main transport infrastructure constructors, in addition to participating in water and energy infrastructure projects. In 2010, Hochtief acquired E.E. Cruz, a company which carries out civil works projects in the New York area, so reinforcing its position in this market.

At the beginning of 2012, Hochtief Americas expanded its activity in the North American market with the finalisation of the acquisition, through Turner, of a majority share in the Canadian company Clark Builders, which is specialised in commercial and institutional building, as well as building sports and educational facilities.

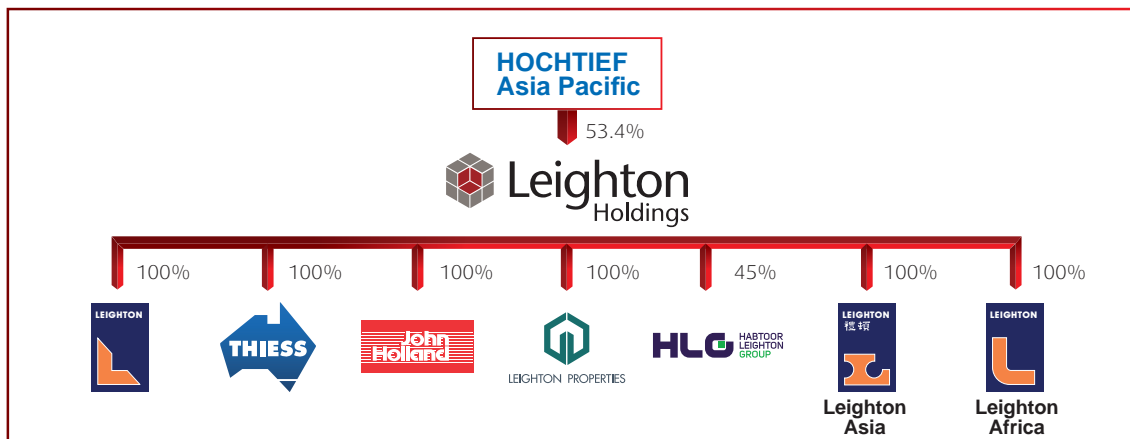
Within the projects carried out by these subsidiaries during 2011, the following can be highlighted:

- Demolition of old facilities and construction of the new Mills-Peninsula medical centre, with capacity for 311 rooms, as well as the adjacent car parking infrastructure (Burlingame, California, United States).
- Building of an office complex, the Great American Tower in Cincinnati, Ohio (United States).
- Execution of the project for construction of the Athabasca River Bridge at Fort McMurray in Alberta, the largest bridge in the province of Alberta, at 30 metres wide and around 500 metres long (Canada).
- Construction of the new Lake Champlain Bridge in northern New York State, connecting the counties of Essex and Addison (United States).
- Construction of the Northwest Corner laboratory and research building for Columbia University (New York, United States).
- Fort Belvoir Military Hospital, with capacity for more than 120 patients, as well as different units for specialised care (Virginia, United States).
- Renovation of Terminal 2 at San Francisco Airport (California, United States).
- Construction of the Yale University Medical Centre in New Haven (Connecticut, United States).



## Hochtief Asia Pacific:

Leighton, the Australian contractor in which Hochtief has a majority stake, is the biggest contract mining company in the world, as well as carrying out building, construction and the development of infrastructures, concessions and services.



Leighton is the leading company in its sector in Australia and one of the leading companies in Southeast Asia and the Middle East, as well as being in the process of expanding its activities to African countries, as shown by its obtaining a contract in 2011 for a diamond mine in Botswana.

Leighton carries out its business through various operating units, outstanding among which are Leighton Contractors, John Holland, Thies, Leighton Asia and the Al Habtoor Leighton Group.

Outstanding among the most significant projects in 2011 are:

- Construction of the Al Bustan complex, in which a shopping centre with a recreational area, an office block and residential flats were built, as well as a 100,000-square-metre underground car park (Abu Dhabi).
- Execution of the project to expand the city centre of Doha in Qatar, consisting of the construction of five towers with different functions, giving a gross floor area of 330,000 square metres.
- Project for infrastructure construction and start of mining activities at the Curragh North mine (Queensland, Australia).

- Works for the Hunter River environmental improvement project by means of excavation and decontamination works and the removal of sediments (New South Wales, Australia).
- Contract for the operation of the Mount Owen coal mine, as well as the design and construction of various facilities at the mine (New South Wales, Australia).
- Design and building of the One One One Eagle Street project, consisting of a 44-storey office tower, as well as other attached facilities, comprising a floor area of 62,000 square metres (Queensland, Australia).

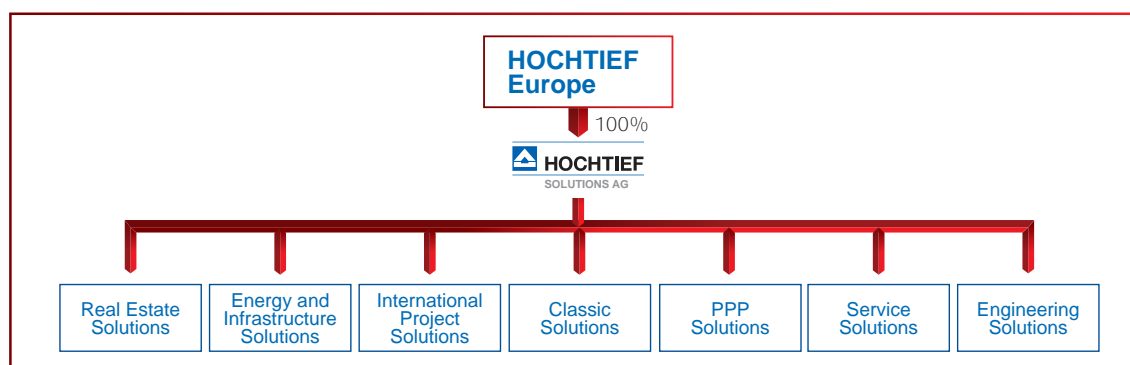
During 2011, Leighton was affected in terms of net profits by extraordinary losses on two projects in Australia (Victoria Desalination Plant and Airport Link) and in its United Arab Emirates subsidiary (Al Habtoor), but at an operating level it showed a positive performance with growth in sales and the obtaining of significant mining and infrastructure construction contracts. Furthermore, in addition to the sale of some mining contracts, Leighton increased its shareholding in Devine during the year, consolidated fully as of 2011, to reinforce its position in the Australian residential development market. It also acquired a new subsidiary, now called Leighton Engineering, which will provide support to Leighton with engineering services for carrying out projects related to oil and gas.



# Construction

## Hochtief Europe:

Hochtief reorganised its divisional structure at the beginning of 2011, so that Hochtief Europe's operating unit now includes the activities of the former Hochtief Europe, Hochtief Real Estate and Hochtief Services divisions.

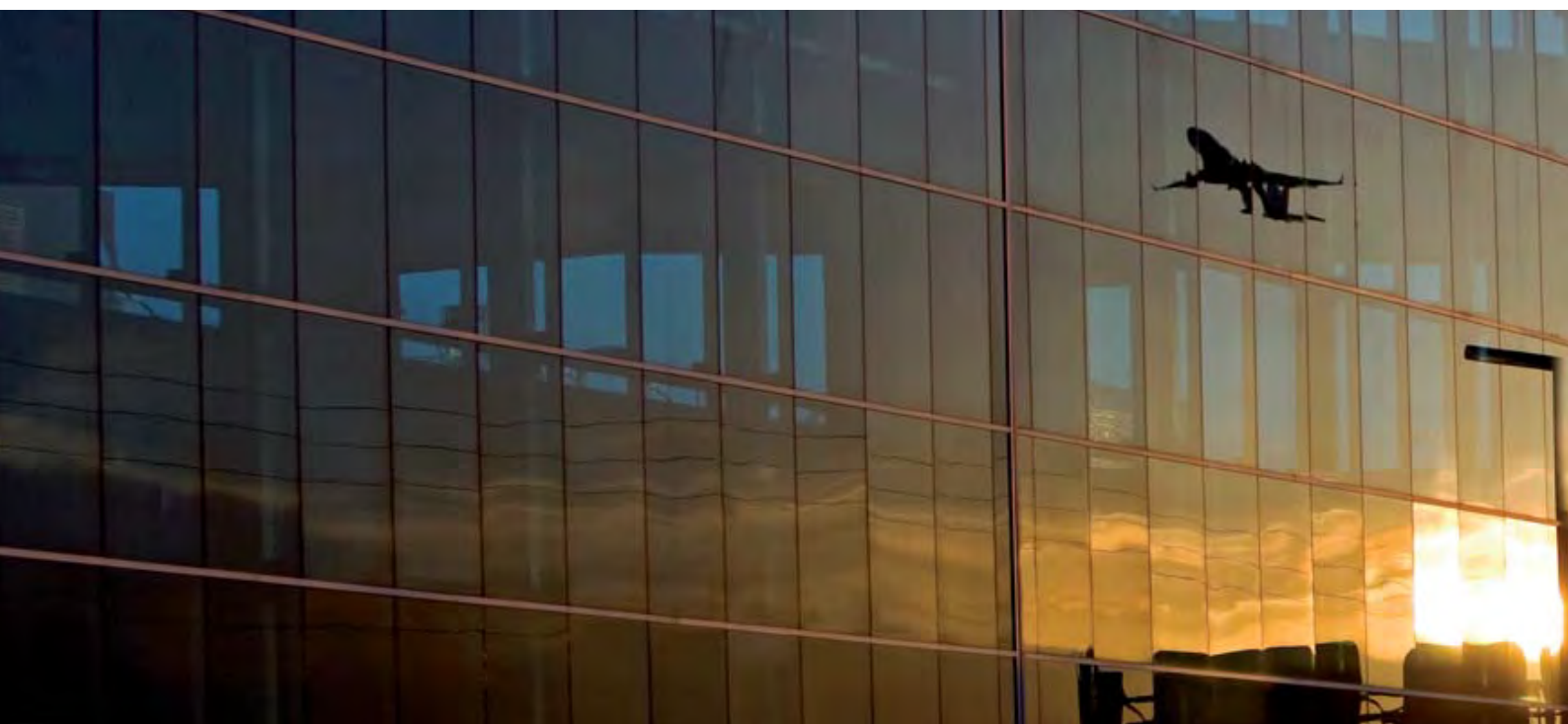


Hochtief Europe basically carries out development and construction projects for building, civil works and engineering, real estate activities, integral management services for properties and facilities, including projects for efficient and responsible energy use.

This division is geared towards carrying out civil works projects: roads, railways, water and marine infrastructures, in addition to carrying out industrial projects such as constructing offshore wind farms. In the building area, its activity is aimed at the social

facility and commercial building infrastructure segment, and through its subsidiary Aurelis it carries out real estate activities, basically in Germany.

Hochtief Europe has a consolidated position in Germany, as well as carrying out its business in other European countries such as the United Kingdom, Austria, Russia, Poland, the Czech Republic and other Eastern European countries. Outside Europe, it is carrying out projects in countries such as Chile and Qatar.





## Hochtief Concessions:

In 2011, some highlight-projects carried out by Hochtief Europe were:

- Construction of an energy recovery facility at Newhaven (England).
- Project for complete remodelling of the Kaiserschleuse locks in the city of Bremerhaven (Germany).
- Building of the Mercatura shopping centre (Germany).
- Construction of the Emporio complex, comprising the building of office premises, commercial spaces and residential areas, as well as a hotel with 325 rooms (Hamburg, Germany).
- Building of the skyscraper called Tower 185 in Frankfurt (Germany).
- Execution of works for the construction of the Barwa Commercial Avenue in Qatar, eight and a half kilometres long, along which commercial premises for offices and residences (Qatar).

In 2011 Hochtief grouped together the business units of both Hochtief Airports and Hochtief PPP Solutions, bringing together all the concession projects and public-private partnership projects in which Hochtief participates.

At 31 December 2011 this unit had six airports, eight roads including two tunnels, 111 schools, 18 police facilities, one community centre, one military base and two geothermal projects in its portfolio.

Hochtief is involved in Athens, Düsseldorf, Hamburg, Sydney, Budapest and Tirana airports. This airport unit was maintained as an asset for sale at 31 December 2011. 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.

In the first quarter of 2012, the public-private partnership activities of Hochtief PPP Solutions GmbH were allocated through a share transfer to Hochtief Solutions AG, which spearheads the Hochtief Europe division.





# Construction

## IRIDIUM

Iridium Concesiones de Infraestructuras is the ACS Group's company specialised in carrying out projects in public-private partnership, both for transport infrastructures and public facilities.

Iridium, together with the rest of the ACS Group, is a worldwide reference in infrastructure development, as shown by its current portfolio of over 70 managed companies, as well as its heading the ranking, for another year, of the world's main concession groups in 2011, according to the report published by the specialist journal Public Works Financing.

In the current context, characterised by a scarcity of financial resources and budgetary restrictions, public-private partnership contracts have once again shown that they are an excellent tool for financing/contracting to enable infrastructure development.

This context has represented a new challenge for Iridium, in which it has driven its strategy of development and internationalisation, through the selection of markets with great potential, with attractive infrastructure programmes in countries offering stability and legal security, which also have a developed financial system at the same time.

In its international expansion, Iridium conditions development of the concessional model on efficiency and the generation of added value, making Iridium a company committed to the society in which it works through the execution of each of its projects.

Based on its experience and knowledge, Iridium lays special emphasis on identifying and mitigating risks, so achieving optimal and manageable structures for them, permitting the viability and success of its projects.

### Iridium

Millions of euros

	2010	2011	% Var.
Revenue	110	119	8.3%
EBITDA	34	46	36.9%
EBIT	22	32	48.5%
Net profit	-22	117	n.a.
Employees	346	381	





Shown below is detail of the projects making up the Group's portfolio at 31 December 2011:

Concession - Description	ACS Group stake	Country	Activity	Phase	Unit	Expiry date	Total investment (million euros)	ACS Group investment (million euros)*
A8/AP1 - Bidelan Guipuzkoako Autobideak	50.0%	Spain	Highways	Operation	124	2018	57	3
La Mancha Highway	75.0%	Spain	Highways	Operation	52	2033	128	21
Alicante Ringroad	50.0%	Spain	Highways	Operation	148	2040 <sup>(1)</sup>	464	97
Autopista del Henares (R2 y M50)	35.0%	Spain	Highways	Operation	87	2024	933	81
Accesos Madrid (R3/R5 y M50)	19.7%	Spain	Highways	Operation	90	2049	1,655	54
Reus-Alcover	100.0%	Spain	Highways	Operation	10	2038	69	16
Ruta de los Pantanos	33.3%	Spain	Highways	Operation	22	2024	107	5
Santiago Brión	70.0%	Spain	Highways	Operation	16	2035	112	15
Los Pinares Highway (Valladolid Cuellar)	53.3%	Spain	Highways	Operation	44	2041	95	14
Medinaceli-Calatayud Highway (Aumecsa)	95.0%	Spain	Highways	Construction/Operation	93	2026	183	25
Autovia del Camp del Turia (CV 50)	65.0%	Spain	Highways	Construction	20	2042	116	10
Pirineo Highway (AP21)	72.0%	Spain	Highways	Construction	46	2039	224	53
Sierra de Arana Highway (A308 Iznalloz Darro)	40.0%	Spain	Highways	Construction	39	2040	200	8
EMESA (Madrid Calle 30)	50.0%	Spain	Highways	Operation	33	2040	300	80
Eje Diagonal	100.0%	Spain	Highways	Operation	67	2041	382	160
A-30 Nouvelle Autoroute 30	50.0%	Canada	Highways	Construction	74	2042	1,422	85
FTG Transportation Group	75.0%	Canada	Highways	Construction	45	2034	542	17
Windsor Essex	33.3%	Canada	Highways	Construction	11	2044	1,011	8
Ruta del Canal	80.0%	Chile	Highways	Construction	55	2050	145	31
Autopista Jónica (NEA ODOS)	33.3%	Greece	Highways	Construction/Operation	380	2037	1,384	63
Central Greece	33.3%	Greece	Highways	Construction	231	2038	1,692	52
CRG Waterford - Southlink	33.3%	Ireland	Highways	Operation	23	2036	321	22
CRG Portlaoise - Midlink	33.3%	Ireland	Highways	Operation	41	2037	328	23
Sper - Planestrada (Baixo Alentejo)	49.5%	Portugal	Highways	Construction	347	2038	539	78
Rotas do Algarve - Marestrada (Algarve Litoral)	45.0%	Portugal	Highways	Construction	260	2039	272	48
A-13, Thames Gateway	25.0%	United Kingdom	Highways	Operation	22	2030	287	7
I595 Express	50.0%	USA	Highways	Construction	17	2044	1,296	80
<b>Total Highways (km)</b>					<b>2,397</b>		<b>14,265</b>	<b>1,157</b>
Figueras Perpignan - TP Ferro	50.0%	Spain - France	Railways	Operation <sup>(2)</sup>	45	2057	1,185	51
Subway Barcelona's Line 9 Stretch II	50.0%	Spain	Railways	Construction	n.a.	2042	789	41
Subway Barcelona's Line 9 Stretch IV	50.0%	Spain	Railways	Construction/Operation	n.a.	2040	613	30
Sevilla Subway	34.0%	Spain	Railways	Operation	18	2038	683	45
Arganda Subway	8.1%	Spain	Railways	Operation	18	2029	136	3
ELoS - Ligações de Alta Velocidade	15.2%	Portugal	Railways	Construction	167	2050	1,649	19
<b>Total Railway (km)</b>					<b>248</b>		<b>5,053</b>	<b>190</b>
Brians Prison	100.0%	Spain	Jail	Operation	95,182	2034	106	14
Central Police Station (Ribera Norte)	100.0%	Spain	Police Station	Operation	60,330	2024	68	12
Vallés Police Station (Terrasa)	100.0%	Spain	Police Station	Operation	8,937	2031	17	3
Vallés Police Station (Barberá)	100.0%	Spain	Police Station	Operation	9,269	2031	16	4
Green Canal Golf	100.0%	Spain	Sport premises	Operation	60,000	2012	1	3
<b>Public Facilities (m<sup>2</sup>)</b>					<b>233,718</b>		<b>208</b>	<b>35</b>
Majadahonda Hospital	55.0%	Spain	Hospitals	Operation	749	2035	256	19
Son Dureta Hospital	49.5%	Spain	Hospitals	Operation	987	2038	306	17
Can Misses Hospital (Ibiza)	40.0%	Spain	Hospitals	Construction	297	2042	114	12
Mallorca Health Centres	49.5%	Spain	Health Centre	Operation	n.a.	2021	19	3
<b>Public Facilities (number of beds)</b>					<b>2,033</b>		<b>694</b>	<b>52</b>
Plaza de Castilla Transfer Station	50.0%	Spain	Transfer Station	Operation	59,650	2041	169	42
Príncipe Pio Transfer Station	70.0%	Spain	Transfer Station	Operation	28,300	2040	67	11
Avenida de América Transfer Station	100.0%	Spain	Transfer Station	Operation	41,000	2026	76	12
<b>Total Transfer Station (m<sup>2</sup>)</b>					<b>128,950</b>		<b>313</b>	<b>65</b>
Iridium Aparcamientos	100.0%	Spain	Parkings	Construction/Operation <sup>(3)</sup>	19,690	2058	57	48
Serrano Park	50.0%	Spain	Parkings	Operation	3,157	2048	132	20
<b>Total Parking (number of places)</b>					<b>22,847</b>		<b>189</b>	<b>68</b>
<b>Total Concessions</b>							<b>20,722</b>	<b>1,568</b>

\* The investment paid already by ACS up to December 2011 accounted for € 1,081 mn, while € 487 mn where pending.

(1) Extendable by 2044.

(2) Construction completed in 2011. Partial exploitation began in December, 2010.

(3) Cover main contracts managed by Iridium Aparcamientos.



# Construction

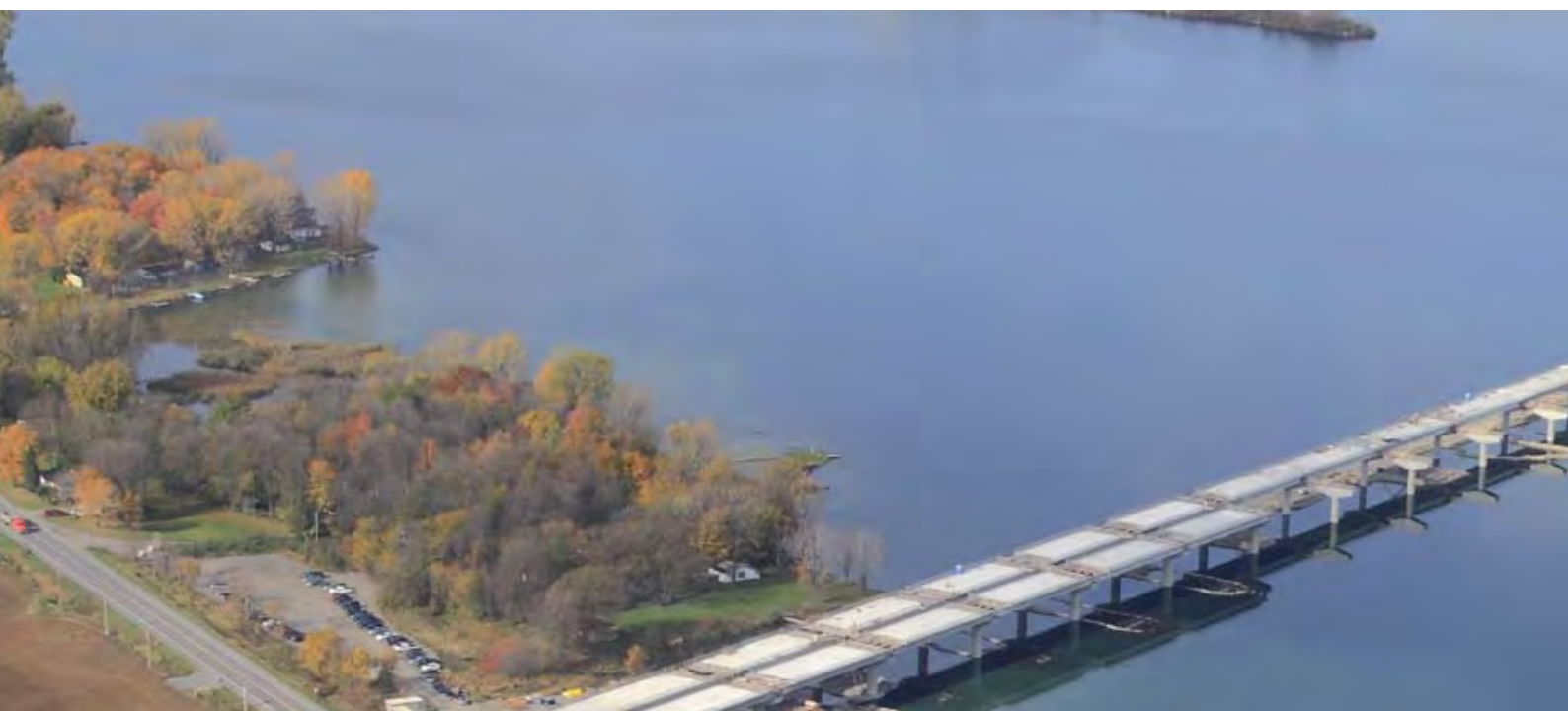
In 2011, the ACS Group was awarded the concession project for design, construction, financing, operation and maintenance of the A-308 Iznalloz – Darro highway, in the province of Granada. The project will connect, over its 37-kilometre length, the A-92 and A-44 highways to Jaén – Bailén – Madrid. Investment in the A-308 highway is 198.7 million euros, which will need to be repaid by the autonomous region's government to the company by means of an annual payment of 20.72 million euros subject to availability risk and over a period of 30 years.

Within the scope of the portfolio of operating projects, as well as of Iridium's corporate activity, the following significant events occurred in 2011:

- The Alberta Ministry of Transport (Canada), has shortlisted the consortium in which ACS Infrastructure Canada, the ACS Group's Canadian concessions subsidiary, represents a 33.33% share, for the Edmonton Ring Road, Northeast Anthony Henday Drive Project (Edmonton, Alberta, Canada). Investment in the project is estimated at 1,200 million euros Canadian dollars.
- The ACS Group, through its US subsidiary, ACS Infrastructure Development, has been shortlisted for the Goethals Bridge contract in New York (United States). The concession project has

an estimated investment of USD 1,000 million euros and a concession period of between 30 and 40 years.

- The consortium in which the Canadian subsidiary ACS Infrastructure Canada has a 40% stake was shortlisted for the final phase of the contest for the light rail project for Ottawa (Canada) with an approximate investment of 2,500 million euros Canadian dollars.
- The consortium in which the US subsidiary ACS Infrastructure Development has a 50% share, was shortlisted for the final phase of the contest for the Knik Arm Bridge in Alaska (United States), with an investment of approximately USD 700 million euros.
- In June 2011, the North Carolina Senate approved the State budget to finance the Mid-Currituck project in North Carolina. The ACS Group, through its subsidiary, ACS Infrastructure Development, has preferential negotiation rights on this contract.
- On 2 December 2011, the concession company Eix Diagonal Concessionària de la Generalitat de Catalunya, S.A., wholly owned by Iridium, opened the Diagonal Artery between Vilanova i la Geltrú and Manresa.





- On 27 January, financing arrangements were completed for the Ruta de Canal highway in Chile, for UF 3.2 million (approximately 104 million euros).
- On 28 February, financing arrangements were completed for the Serrano Park project in Madrid, Spain, for 53.3 million.
- On 27 January, the official partial opening of the Figueres – Perpiñán high-speed railway line took place.

At the international level, Iridium has and carries out projects in various countries which meet its investment requirements. The North American market is one set as a priority for the ACS Group, where Iridium is present through the companies ACS Infrastructure Development Inc. and ACS Infrastructure Canada Inc., subsidiary companies in the United States and Canada respectively.

The ACS Group continues to consolidate itself as a leader in public-private partnership projects in the United States and is currently qualified for the final tender phase of various concession projects promoted during 2011. Additionally, the ACS Group is working 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 framework still does not exist.

Canada continues to be a world leader in the promotion of concession projects, both in the field of transport infrastructures and in that for hospital and public facility infrastructure. Canada has an infrastructure plan with opportunities in the short and medium term. ACS is positioned as a reference in this market and has offices open in Ontario, Quebec, British Columbia and New Brunswick.

In the rest of the world, Iridium continues to have a special interest in the markets in the United Kingdom, France, Australia and Chile, which maintain programmes of new projects, other markets in which it is currently present and new markets which will potentially be significant in the coming years, such as India, Peru, Uruguay, Colombia and Poland, with the latter two being especially attractive due to their significant infrastructure plans.





# Environment

*Urbaser is a leader in the management of urban solid waste treatment plants in the Spanish market and is consolidating its position in the European market.*









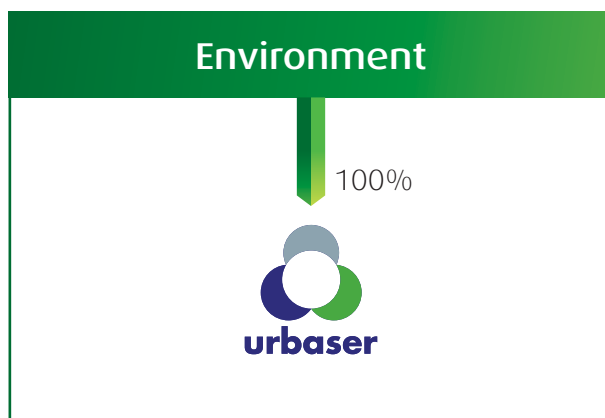
# Environment

The **Environment area** brings together the activities of **Environmental Services**, which specialises in waste and water management and treatment, as well as other related services, and the **Logistics** business, referring to port logistics, intermodal transport and car logistics activities.

Urbaser is the lead company in the Environment area, through which the ACS Group carries out its environmental services, street cleaning, waste collection and transport, urban,

commercial and industrial waste treatment and recycling, integral water cycle management and urban landscaping activities.

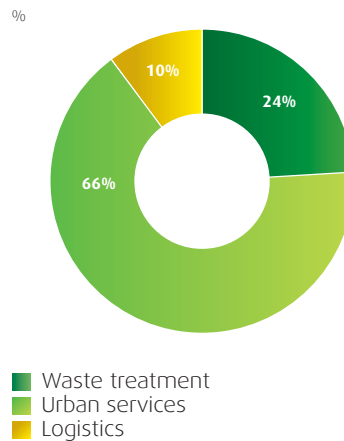
Urbaser is a leader in the management of urban solid waste treatment plants in the Spanish market and is consolidating its position in the European market, thanks to its continuing technological innovation, its financial solidity and the experience it has acquired in the sector.





Through its Environmental Services and Logistics activities, the ACS Group's Environment area's **revenue** in 2011 was 1,686 million euros, representing an increase in activity of 11.6%<sup>16</sup> with respect to 2010. Analysis of revenue evolution over the last 5 years gives a compound annual rate of revenue growth from 2007 to 2011 of 6.2%.

2011 Environment revenue breakdown by type of activity



<sup>16</sup>In all the data in this chapter, Clece has been considered an Interrupted Activity in order to make the historical data comparable with 2011.

## Environment

Millions of euros	2010	2011	% Var.
<b>Revenue</b>	<b>1,511</b>	<b>1,686</b>	<b>11.6%</b>
Domestic Revenue	1,227	1,278	4.1%
International Revenue	284	408	43.9%
<b>EBITDA</b>	<b>237</b>	<b>253</b>	<b>6.7%</b>
<i>Margin</i>	15.7%	15.0%	
<b>EBIT</b>	<b>125</b>	<b>112</b>	<b>-10.3%</b>
<i>Margin</i>	8.3%	6.6%	
<b>Net profit</b>	<b>152</b>	<b>128</b>	<b>-15.8%</b>
<i>Margin</i>	10.1%	7.6%	
<b>Order Book</b>	<b>9,669</b>	<b>8,941</b>	<b>-7.5%</b>
<i>Months</i>	77	64	
Domestic Order Book	6,236	5,629	-9.7%
International Order Book	3,433	3,312	-3.5%
<b>Employees</b>	<b>31,021</b>	<b>29,924</b>	



# Environment

By type of activity, the Waste Treatment area, covering the design, construction and operation of waste treatment plants, energy recovery, dumps and biomethanisation installations and other renewable energies, recorded growth of 17.5% in 2011, supported by strong activity in treatment plant development in the international market.

The Urban Services activity represents 66% of total activity and includes urban solid waste collection, gardening, urban cleaning and other management services for local councils. Urban Services' activity fell by 3.9% with respect to 2010, due to the reduction in this activity in Spain.

Consolidated revenue includes 173 million euros from Logistics' companies, which carry out port logistics, intermodal transport and car logistics activities.

By geographical area, turnover in international markets was 408 million euros in 2011, representing 24.2% of total revenue. In the Spanish market, revenue rose 4.1% to 1,278 million euros.

During 2011, Urbaser managed the following facilities in the **waste treatment and urban solid waste disposal** area:

- 42 Plants for the pre-treatment of urban solid wastes, managing 6,342,059 tonnes.
- 9 Energy recovery plants, where 2,079,000 tonnes were treated, with an installed electrical power of 200.1 MW.
- 20 Plants for biomethanisation of organic fractions, with a total of 1,263,404 tonnes managed.
- 49 Composting plants, managing 2,804,930 tonnes.
- 86 Transfer plant installations in which 7,395,394 tonnes were managed.
- 33 Packaging treatment facilities, where 395,032 tonnes were treated.

- 60 Controlled waste dumps, with an amount dumped of 9,188,242 tonnes.
- 14 Waste dump degasification installations which produce 271.59 Hm<sup>3</sup> of biogas.

Urbaser consolidated itself in the waste treatment sector, increasing the quantity of recyclable products obtained in the plants, as well as achieving better yield in biogas production from anaerobic digestion of organic fractions from urban solid wastes, an activity in which Urbaser is a world leader. All of this is thanks to its significant commitment to research, development and innovation (R&D+i) shown with the construction and operation of an Experimental Technological Centre.

On the other hand, marked contraction took place in the **construction and demolition waste** sector due to the influence of the current economic environment in the construction sector, which has been felt in the five facilities Urbaser manages in Spain.

The **integral management of industrial wastes** area covers collection, transport and carrying out of recovery, recycling, energy recovery and disposal of hazardous and non-hazardous industrial wastes. In the year, over 855,000 tonnes were treated by means of 18 treatment facilities, 37 transfer centres, 10 laboratories and a fleet of 268 vehicles. All this work was carried out under the most demanding quality criteria, using the best available technologies and applying the precedence principle to the various waste management options as a strategy in process improvement.

In the **urban solid waste collection** activity in 2011, over 5,000,000 tonnes of waste were collected in cities such as Barcelona, Buenos Aires, Casablanca, Santiago de Compostela, Cartagena de Indias and Abu Dhabi, among others.

**Street cleaning** activities were carried out in cities such as Madrid, Paris, Rabat and Santiago de Chile and on the Isle of Wight.



In **management of green spaces**, covering both landscaping and the maintenance of these areas, Urbaser looked after 50,000,000 square metres.

In **integral management of water**, carried out by the company SOCAMEX, the management of the following facilities is worthy of highlighting:

- 142 Industrial water purifying stations for 1,175,000 m<sup>3</sup> per day for the equivalent of 5,600,000 inhabitants.
- 19 Sewage operations for the equivalent of 1,385,000 inhabitants.
- 14 Water supply facilities for 229,000 m<sup>3</sup> per day for the equivalent of 910,000 inhabitants.

- 7 Drinking water treatment plants at 250,000 m<sup>3</sup> per day for the equivalent of 290,000 inhabitants.
- 7 Analysis and monitoring laboratories for the equivalent of 1,423,000 inhabitants.
- A central laboratory certified under ISO 9001 and accredited to ISO 17025 for potable water, waste water and sludges. This laboratory is accredited as a Collaborating Body for the Water Authority.

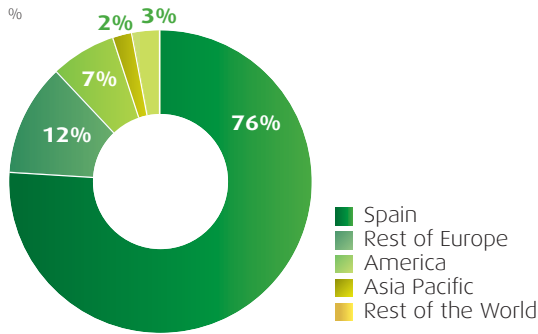
The most recent action in Urbaser's business diversification was its incorporation in the ESCo (Energy Service Company) sector with the objective of offering local councils integral and efficient energy management, so completing the range of services offered to them.





# Environment

2011 Environment revenue breakdown by geographical area



In the international sphere, Urbaser focused its efforts in 2011 on continuing to expand its **international activity**, bidding for tenders in the United Kingdom, France, the United States and Canada, as well as in Italy, where Urbaser is processing authorisations for construction of the Verona energy recovery plant. All of this resulted in an increase of 18.7% in Urbaser's revenue in 2011 in the various foreign markets.

## Spain



## Rest of Europe



## America



## Asia Pacific



## Rest of the World



In millions of euros

2011 Environment revenue breakdown by country



In millions of euros







Worth highlighting is the execution of Urbaser's activity in France, where in recent years the company has managed to position itself as one of the country's leading operators in the sector, standing out from the competition due to its added technological value. During 2011, the Group continued operation of the integral urban solid waste plant in Marseille, which went into commercial operation in 2010, as well as continuing with contracts currently awarded to it in this market, such as the urban solid waste treatment centre in Marseille and the collection and cleaning services for La Rochelle (Charente-Maritime), Charleville-Mézières and Givet, to which new waste collection contracts have been added for Boucle de Seine and the communes of Ceyreste and Carnoux en Provence. All this resulted in growth of 34.2% in the French market in 2011, with this market representing 9.8% of Urbaser's total revenue.





# Environment





Similarly, the ACS Group continued its activity deriving from contracts awarded in previous years in other countries such as Argentina, Venezuela and Mexico.

The development of environmental services activity in the United Kingdom is very significant. The contracts for waste collection and treatment obtained in previous years, such as those for the counties of Herefordshire and Worcestershire, together with new contracts obtained in 2011, such as the contract for collection and street cleaning for Gosport, resulted in the revenue in this area doubling by comparison with that recorded in 2010.

The significant increase in contracting in 2011, together with the important contract for 967 million euros awarded in early 2012 for the mechanical-biological treatment plant for urban solid waste in Essex, with capacity for treatment of 400,000 tonnes per year, and Urbaser's status at the end of 2011 as preferred bidder in the tender for the energy-from-waste plant for urban solid waste for Gloucestershire, with capacity for 185,000 tonnes per year, means that growth potential in the United Kingdom is very good.

As regards the evolution of **gross operating profit**, this was 253 million euros in 2011, with a margin over sales of 15.0%. This area provides the ACS Group with stability and

visibility in income generation, as it bases its activity on medium- and long-term recurring contracts with both public and private clients. Furthermore, many of its activities are capital intensive and their concessional nature reduces risk and guarantees attractive profitability.

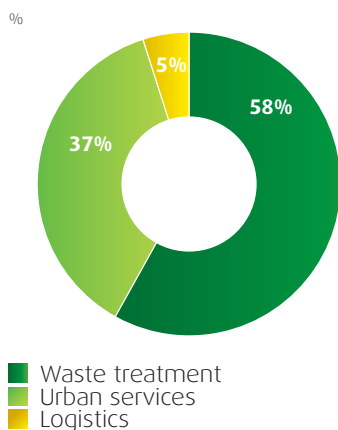
In 2011, the Environment area had **net profit** of 128 million euros, after the sale of port logistics assets during 2010.

The ACS Group's Environment **order book** amounted to 8,941 million euros in 2011, 7.5% below the previous year, impacted by the level of contracting in the Spanish market. This figure is equivalent to 64 months of activity.

By type of activity, the waste treatment area represents 58% of the total order book, while the Urban Services and Logistics areas represent 37% and 5% respectively.

In the international sphere, the order book was 3,311 million euros and represents 37% of the total. By geographical area, the order book for European countries is outstanding, representing 26% of the total, especially thanks to the contracts obtained in France, which had an order book of around 2,000 million euros at the end of 2011.

2011 Environment revenue breakdown by type of activity



*Environment area provides the ACS Group with stability and visibility in income generation, guaranteeing an adequate profitability.*



# Environment

## ORDER BOOK

### Spain

2010	6,236
2011	5,629

### Rest of Europe

2010	2,399
2011	2,321

### America

2010	401
2011	370

### Asia Pacific

2010	505
2011	479



### Rest of the World

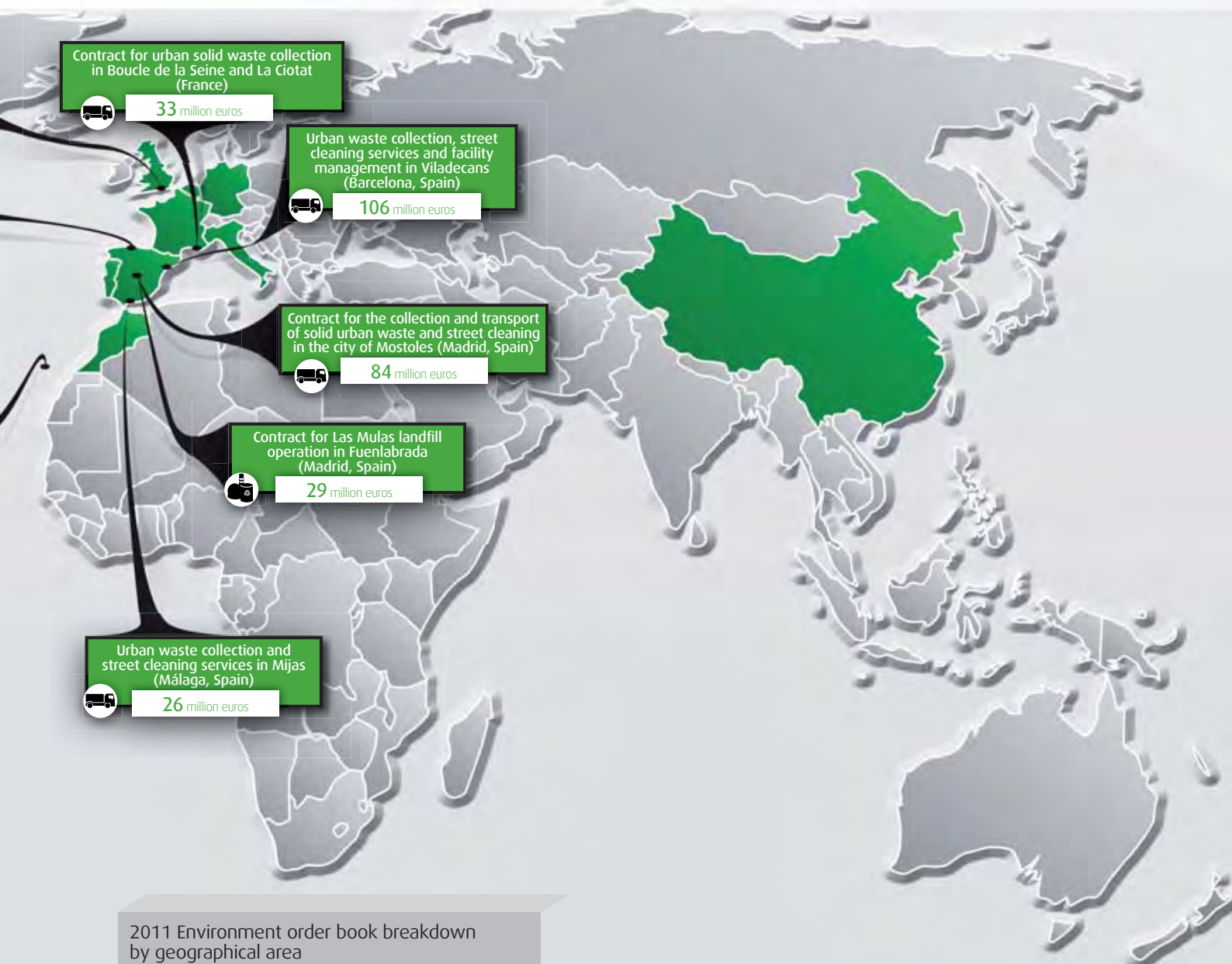
2010	128
2011	142

In millions of euros

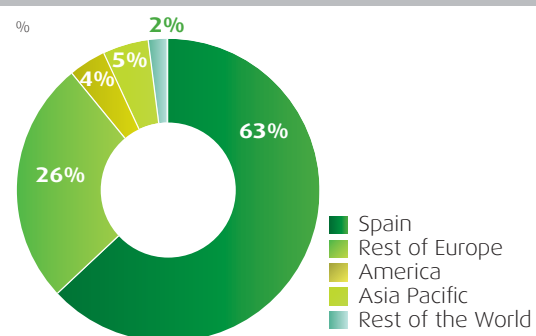




-  Waste treatment
-  Urban services



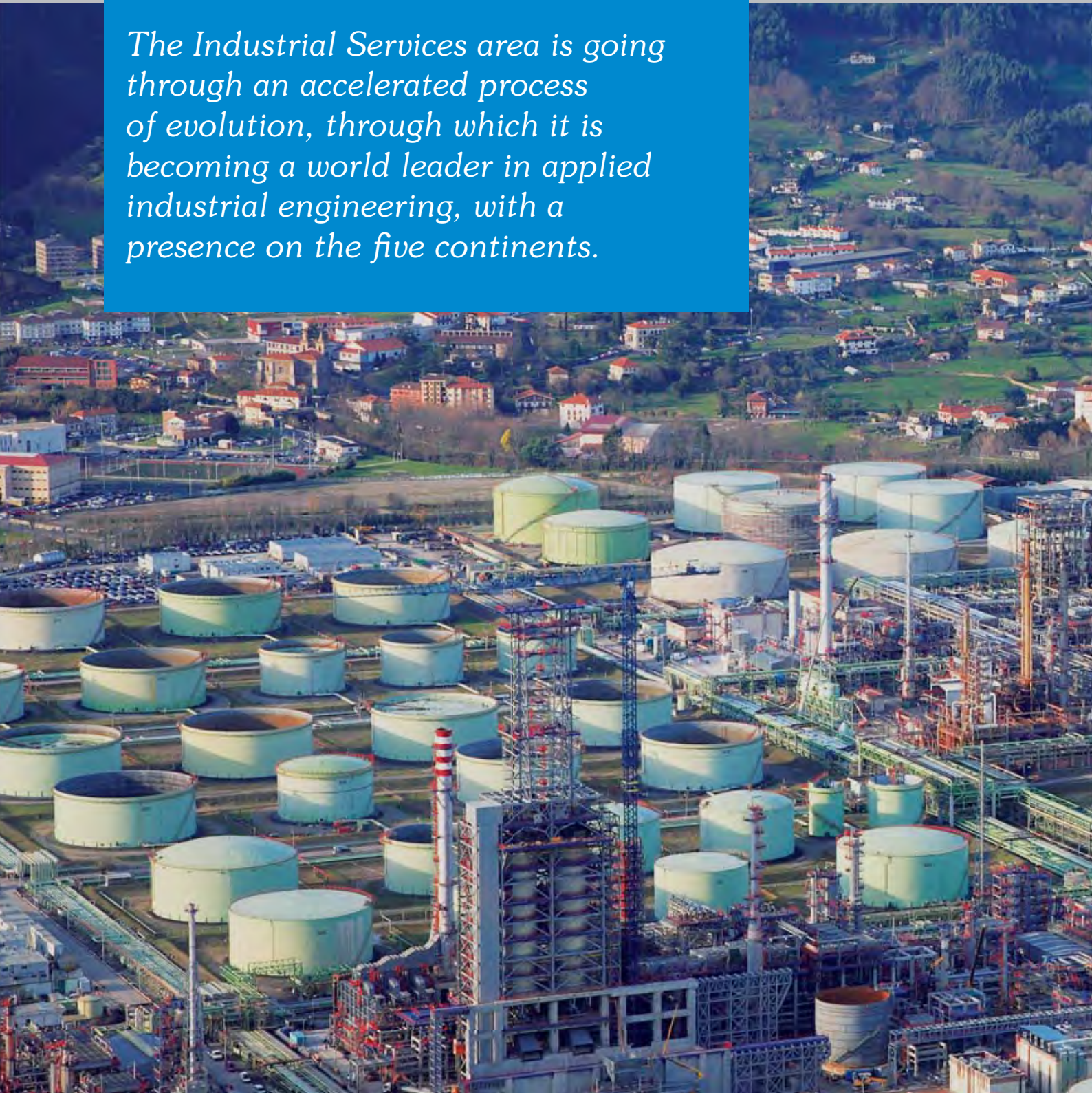
2011 Environment order book breakdown by geographical area





# Industrial Services

*The Industrial Services area is going through an accelerated process of evolution, through which it is becoming a world leader in applied industrial engineering, with a presence on the five continents.*









# Industrial Services

The ACS Group's **Industrial Services** area focuses on activities of development, construction, maintenance and operation of energy and industrial infrastructures in various strategic sectors of the economy.

The Industrial Services area is going through an accelerated process of evolution, through which it is becoming a world leader in applied industrial engineering, with a presence on the five continents.

Production outside Spain is growing at double digit rates, supported by the positive evolution of the Latin American economies, where Industrial Services has great experience and a high turnover, and growing presence in the United States, Africa, the Persian Gulf and Asian countries. Consolidation in those countries where there is already a powerful presence and growth to be expected, partly through alliances with other ACS Group companies with complementary activities (Dragados, Hochtief and Leighton group companies), gives reason to anticipate that this external development will accelerate in the coming years.

Contributing to this as well is the growing development in the world market in activities in which the ACS Group is a reference contractor, such as renewable energy generation (particularly solar and wind power), environmental projects, very high voltage transmission and the development and exploitation of hydrocarbons.

Finally, the ACS Group is starting or consolidating its activity in sectors which are expected to develop in the short or medium term, outstanding among which are offshore wind power and generation using geothermal resources, transmission using HVDC technology, sustainable mobility and underground hydrocarbon storage.

The Industrial Services area seeks to maintain its position as a worldwide reference through a balanced business mix combining activities with high recurrence and visibility with specialised projects and specific solutions for clients, always committing itself to continuous technological innovation and technical excellence and consolidating and expanding its activities into new markets which enable it to maintain sustainable development, though with exhaustive risk and cost controls.







# Industrial Services

During 2011, the ACS Group's Industrial Services area recorded **revenue** of 7,045 million euros, 1.6% lower than the figure for 2010 due to the reduction in activity in Spain. However, thanks to the business's high level of diversification, both in terms of activities and markets, the Industrial Services area has shown continued growth in activity during recent years, so its annual compound rate of growth between 2007 and 2011 is 6.4%, which has led the ACS Group to consolidate itself again as the sector leader in Spain and Latin America, in addition to being one of the reference companies in its sector in the rest of the countries in which it operates.

The activities carried out by the ACS Group's Industrial Services area are grouped into two basic business lines: Support Services to Industry and Energy Projects.

Support Services to Industry focuses on industrial maintenance and supporting clients' operational activities and includes three areas of activity:

- **Networks:** maintenance activity for electricity, 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, electricity installations and 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.

## Industrial Services

Millions of euros	2010	2011	% Var.
<b>Revenue</b>	<b>7,158</b>	<b>7,045</b>	<b>-1.6%</b>
Domestic Revenue	4,483	3,662	-18.3%
International Revenue	2,675	3,383	26.5%
<b>EBITDA</b>	<b>821</b>	<b>907</b>	<b>10.5%</b>
<i>Margin</i>	11.5%	12.9%	
<b>EBIT</b>	<b>628</b>	<b>828</b>	<b>31.8%</b>
<i>Margin</i>	8.8%	11.7%	
<b>Net Profit</b>	<b>400</b>	<b>492</b>	<b>23.0%</b>
<i>Margin</i>	5.6%	7.0%	
<b>Order book</b>	<b>6,846</b>	<b>6,875</b>	<b>0.4%</b>
<i>Months</i>	11	12	
Domestic Order Book	3,455	2,704	-21.7%
International Order Book	3,391	4,171	23.0%
<b>Employees</b>	<b>39,988</b>	<b>41,462</b>	



Outstanding among the projects carried out in 2011 on distribution **Network** installation maintenance and construction are the following:

- Projects for the construction and installation of various contracts for electricity distribution and transmission works in various Mexican states, consisting of 12 transmission lines at a total of over 130 kilometres in length, 6 electricity substations and 32 feeders.
- Construction of 70 kilometres of the Tuxpan branch gas pipeline in the state of Veracruz in Mexico.
- Project for the execution of works for the gas transmission pipeline from Linares to Villacarrillo, at a total length of 64 kilometres, in Jaen (Spain).
- Execution of works for the construction of gas transfer pipelines and gas gathering lines in San Fernando (Mexico).
- Works for the construction of the gas transmission pipeline to supply gas to the Escúzar municipal area (Granada, Spain).
- Construction and assembly of an underground regulating and metering station to supply natural gas to the city of Avila (Spain).
- Management of the joint waste water purifying plant for Cadiz and San Fernando, general sewers for grouping discharges and undersea outfall (Spain).

In the **Specialised Installations** activity, the main projects carried out during 2011 were:

- Execution of over 800 kilometres of transmission lines and their corresponding associated substations in Brazil.







# Industrial Services

- Design, construction and commissioning of two unloading and storage port terminals for the supply of liquefied petroleum gas, one terminal for the Tuxpan project in the state of Veracruz and the other for the company Gasoductos de Chihuahua in the state of Jalisco, both in Mexico.
  - Design and supply of equipment for a 300,000 Nm<sup>3</sup>/day gas plant in Lanzhou (China).
  - Project to expand the Repsol refinery at Cartagena (Murcia, Spain).
  - Civil works, assembly and erection of supports and stringing of conductors for the high voltage electricity line between Fardioua and Melloussa in Tangiers (Morocco).
  - Mechanical, assembly and installation works for three waste heat boilers, one for a combined cycle power plant at Diemen in Rotterdam and two for the Enecogen combined cycle power plant in Amsterdam (Holland).
  - Project for the construction of signalling, fixed telecommunications, centralised traffic control protection and safety system installations for the Ourense to Santiago de Compostela stretch of high-speed railway (Galicia, Spain).
  - Execution of works for the construction project and carrying out of maintenance on the two traction power supply substations and autotransformer centres associated with the main high-speed railway line from Ourense to Santiago on the North-Northwest Corridor.
  - Civil works, installation and maintenance work for fibre optic networks for Vodafone in Spain.
  - Project for the installation and management of a multiservice municipal wireless network in the city of Sevilla (Spain).
  - Installation and management of a corporate broadband network with WiMax technology for connecting municipal buildings and extension of WiFi spaces in Murcia Local Council.
- In **Control Systems**, the following contracts carried out in 2011 are worthy of note:
- Various contracts for maintenance, preservation and operation of the Automatic Hydrological Information System in the Tajo basin, the Ebro basin and the Northern Catchment Basin (Spain).







- Supply and installation of intelligent transport systems (ITS), shadow toll systems and tunnel control systems on the A-21 highway, as well as electromechanical systems for the Yesa and Liédana tunnels in Navarra (Spain).
- Projects for supply, installation and commissioning of the traffic control and shadow toll systems and installation in the tunnels for the Eix Diagonal road in Barcelona (Spain).
- Control centre for street lighting, tunnels and service galleries in Madrid and improvement of safety equipment in the Azca tunnels in Madrid (Spain).
- Consultancy and technical support for systems for evaluation and control of conditions, hydromechanical elements and electrical installations and programming of the management application for operating standards for the state-owned dams operating in the river Ebro basin (Spain).
- Various dynamic signalling and traffic management works on Spanish roads and motorways: on the CV-4 in the stretch between Alcudia and Albaida in Valencia; on the A-497 between Huelva and Punta Umbría; and on the A-92 on the Granada – Almería stretch.
- Contracts for preservation and maintenance of street lighting installations for various Spanish cities (Madrid, Murcia, Valencia, Salamanca, Castellón, Lugo, Málaga, Pamplona, etc).
- Supply and installation of necessary elements for implementation of the BARIK contactless transport card in Bizkaibus, Bilbobus and other buses and means of transport in Vizcaya (Spain).
- Design, development, supply, integration, installation, commissioning and operation of a video surveillance system on-board buses and in the control centre for Madrid's Municipal Transport Company (Spain).
- Installation works for signalling and communications systems and operational support systems for Line 2 of the Alicante Tram (Spain).





# Industrial Services

The ACS Group's **Energy Projects** focuses on carrying out "turnkey" or EPC<sup>17</sup>, projects related to the design, supply and construction of projects relating to electricity generation, oil, gas and engineering applied to industry.

During 2011, the ACS Group's Energy Projects area carried out various projects related to oil products, electricity and engineering applied to industry, outstanding among which were:

- Execution of works related to the development, infrastructures and maintenance of gas fields in the Activo Integral Burgos field in the state of Coahuila (Mexico).
- Development of detailed engineering, supply of equipment and commissioning of various units for the General Lázaro Cárdenas refinery for the Minatitlán project in the state of Veracruz (Mexico).
- Expansion of storage capacity for the Sagunto regasification plant with a fourth total containment storage tank of 150,000 m<sup>3</sup> for liquefied natural gas (Valencia, Spain).
- Waste water reuse treatment plant of 9,000 m<sup>3</sup>/day, for industrial use in Altona (Melbourne, Australia).
- Engineering, supply, manufacture, loading, securing, transport, installation, tests and start-up of an electricity generating platform for Campeche in the Gulf of Mexico.
- Development of the project for engineering, supply and construction of an ammonium phosphate plant in Saudi Arabia.
- Development of the detailed engineering, management of procurement, supervision of construction in the works for the project for the new coker block in the Petronor refinery in Bilbao (Spain).
- Works and supplies for completion of the turnkey project for the Castor offshore underground gas storage facility, located in Vinaroz (Castellón, Spain).

The Energy Projects area also stands out due to its carrying out of projects related to renewable energies, with its most significant projects being as follows:

- Project for construction of the Oaxaca wind farm, consisting of 51 wind turbines each of 2 MW in power connected to an electricity substation by means of five circuits, with a total installed power of 102 MW, and the development of the associated infrastructure for commissioning (Mexico).
- Construction project for two solar thermal electricity generating plants, Valle 1 and 2, each with an installed capacity of 49.9 MW, with each using a solar park of parabolic trough collectors with an approximate area of 510,000 square metres, both located in the San José del Valle municipal area (Cadiz, Spain).
- Execution of the Gemasolar project, consisting of the construction of a solar tower power plant with molten salt technology in the Fuentes de Andalucía municipal area (Sevilla, Spain).
- "Turnkey" construction of various photovoltaic installations in Italy, such as the Cerdeña photovoltaic park (6 MW of installed capacity), the Ferrandina photovoltaic park (6 MW of installed capacity) and the Corato photovoltaic park (1 MW of installed capacity).

On the other hand, the ACS Group has extensive experience in the development and stake holding in various concessional assets, basically related to energy, such as wind farms, solar thermal plants (with parabolic trough collectors and molten salt technology), transmission lines and desalination plants.

Group policy is to sell its stake in these assets once they have reached operational maturity, allowing resources to be released to continue with its activity of development, execution and maintenance of new projects related to renewable energies. So, 255 megawatts of wind power assets and two solar thermal plants with an installed capacity of 100 megawatts were sold during 2011.

<sup>17</sup> EPC: Engineering, Procurement and Construction.



At 31 December 2011, the ACS Group held a stake in 34 operating wind farms, 25 in Spain and 9 in Portugal, with a total installed power of 987.8 MW. On the other hand, the ACS Group held a stake in four projects in Spain and one in Mexico which are in the construction phase, with an installed power of 223.5 MW. In solar thermal power, at 31 December 2011, the ACS Group held a stake in four plants of 49.9 MW of installed power each, giving an installed capacity of 199.6 MW. In addition, it holds stakes in two additional plants in the construction phase, with a total capacity of 99.8 MW.

Total energy production generated from renewables during 2011 by the ACS Group in Spain, was 1,270.6 GWh in wind farms and 503.9 GWh from solar thermal, giving total production of 1,774.5 GWh<sup>18</sup> in 2011. In Portugal, the energy produced from wind farms was 280 GWh during 2011.

The ACS Group holds stakes in various 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. At 31 December 2011, after

the sale of seven transmission lines in Brazil during 2011, the ACS Group held stakes in 12 transmission lines (one of these in Peru), with a total length of 5,523 kilometres, and the Sete Lagoas electricity substation.

On the other hand, the ACS Group has been developing equipment and technologies for water purification and desalination since 1983. The ACS Group is a global reference in this field, particularly in water desalination by reverse osmosis, thanks to its extensive international experience in executing projects in countries such as Algeria, Australia, Mexico, Qatar, etc. Furthermore, at 31 December 2011, the ACS Group held stakes in two desalination plants with a water production capacity of 272,000 m<sup>3</sup>/day for human supply.

<sup>18</sup> This figure comprises the electricity production which obtained the guarantee of renewable sources for electricity from the CNE. This figure does not include 73.3 GWh produced by wind farms under construction in 2011, nor 17.1 GWh generated in wind farms which have not obtained the CNE's guarantee of renewable sources for electricity. Neither has the electricity production from Andasol I and II been included, which was 144.2 GWh until they were sold on 30 June 2011.



#### Energy concessional assets at 31 December 2011

Wind farms	Number of wind farms	Installed capacity
Wind farms in operation	34	987.8 MW
Wind farms in construction	5	223.5 MW
Solar Thermal plants	Number of plants	Installed capacity
Solar Thermal plants in operation	4	199.6 MW
Solar Thermal plants in construction	2	99.8 MW
Electricity transmission assets	Number	Kilometers
Transmission lines	12	5,523 kilometers
Electricity substation	1	
Other concessional assets	Number	Capacity
Desalination plants	2	272,000 m <sup>3</sup> /day
Gas storage assets	1	1,3 trillions m <sup>3</sup> of storage capacity



# Industrial Services

One of the ACS Group's strategic objectives is to seek a diversified and balanced business mix. In the Industrial Services area, the Energy Projects and Specialised Installations divisions represent 69% of total revenue for 2011. These activities, with greater technological requirements and hence better margins, are combined with businesses such as Network, Control System and Energy Generation projects, which are contracts of a recurrent nature which also provide the business with visibility.

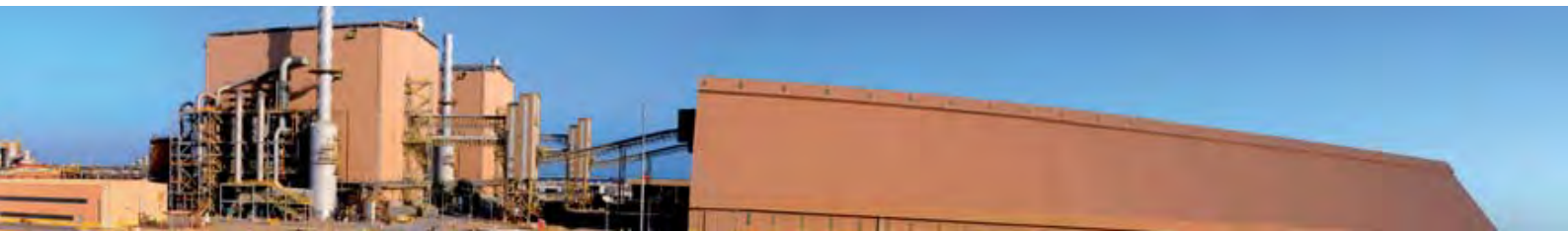
Its extensive offering of services, its position of leadership and geographical spread offer great opportunities for development in markets with growing needs for these types of services. As such,

the ACS Group continued its international expansion during 2011 and its growth of 26.5% in its international activity during the year was very significant. This reached 3,383 million euros in sales, now representing 48% of the area's total turnover.

The Specialised Installations business has the highest level of internationalisation, with 63% of its activity in the international sphere, followed by the Energy Projects business, whose proportion of international revenue is 52%. The growth recorded in these activities is around 25%, based on the significant energy projects awarded over recent years.

By geographical area, America, basically Latin America, continues to be the main

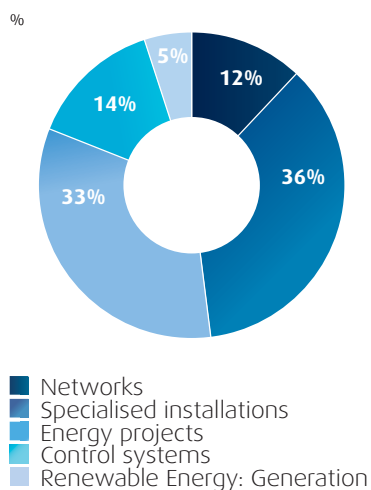




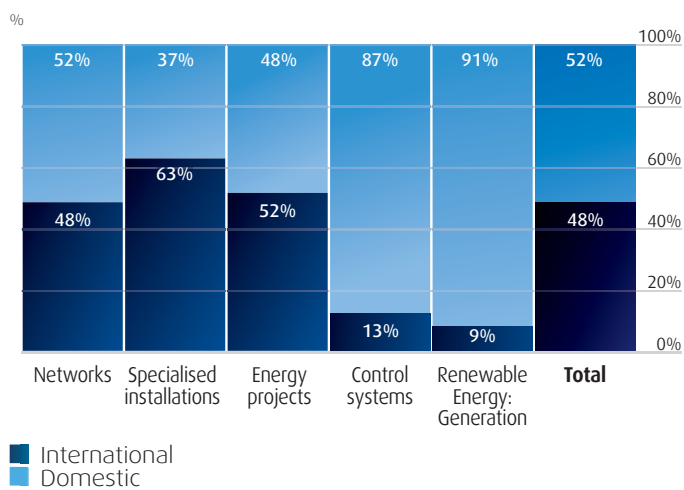
foreign market for the Industrial Services area, recording 33% of the area's total sales. Mexico is outstanding in this area due to its significance, with 1,086 million euros in turnover during 2011 and growth of 5.6% with respect to 2010 deriving from projects related to oil and natural gas awarded and carried out during recent years. Examples are the expansion of the Minatitlán refinery and the port terminals for liquefied petroleum gas storage; projects related to electricity such as the Manzanillo combined cycle power plant, awarded in 2010; and the numerous contracts granted by the Federal Electricity Commission for developing transmission and distribution assets. Brazil is the second most important country for this area, with sales of 485 million euros, 22.2% higher than the previous year. Outstanding

in this country were projects related to electricity, in transmission assets, power generation assets and the development of four wind farms of 120 MW in Río Grande do Sul, along with the construction of phase 4 of the Parnaíba combined cycle plant, awarded in 2011.

2011 Industrial Services revenue breakdown by activity



2011 Industrial Services revenue breakdown by market

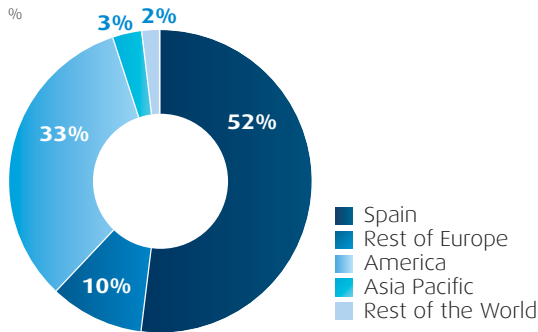


*A diversified and balanced business mix is one of the ACS Group's strategic objectives for the Industrial Services area.*



# Industrial Services

2011 Industrial Services revenue breakdown by geographical area



Likewise, Industrial Services is present in the main Western European countries – Germany, France, the United Kingdom, Norway – developing power generation projects, as well as infrastructures related with oil and gas products.

The Asia Pacific area represents 3% of total revenue, although the Group’s entry in recent years into markets such as India, where the ACS Group has over 10 years’

## Spain



## Rest of Europe



## America



## Asia Pacific

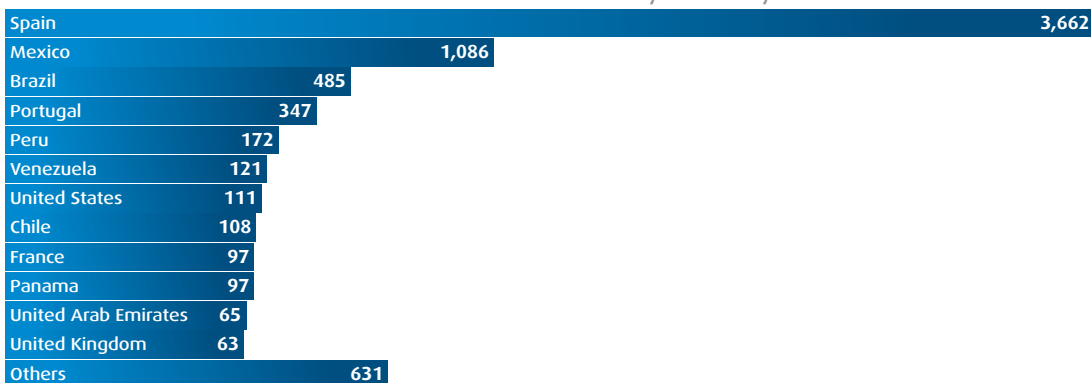


## Rest of the World



In millions of euros

## 2011 Industrial Services revenue breakdown by country



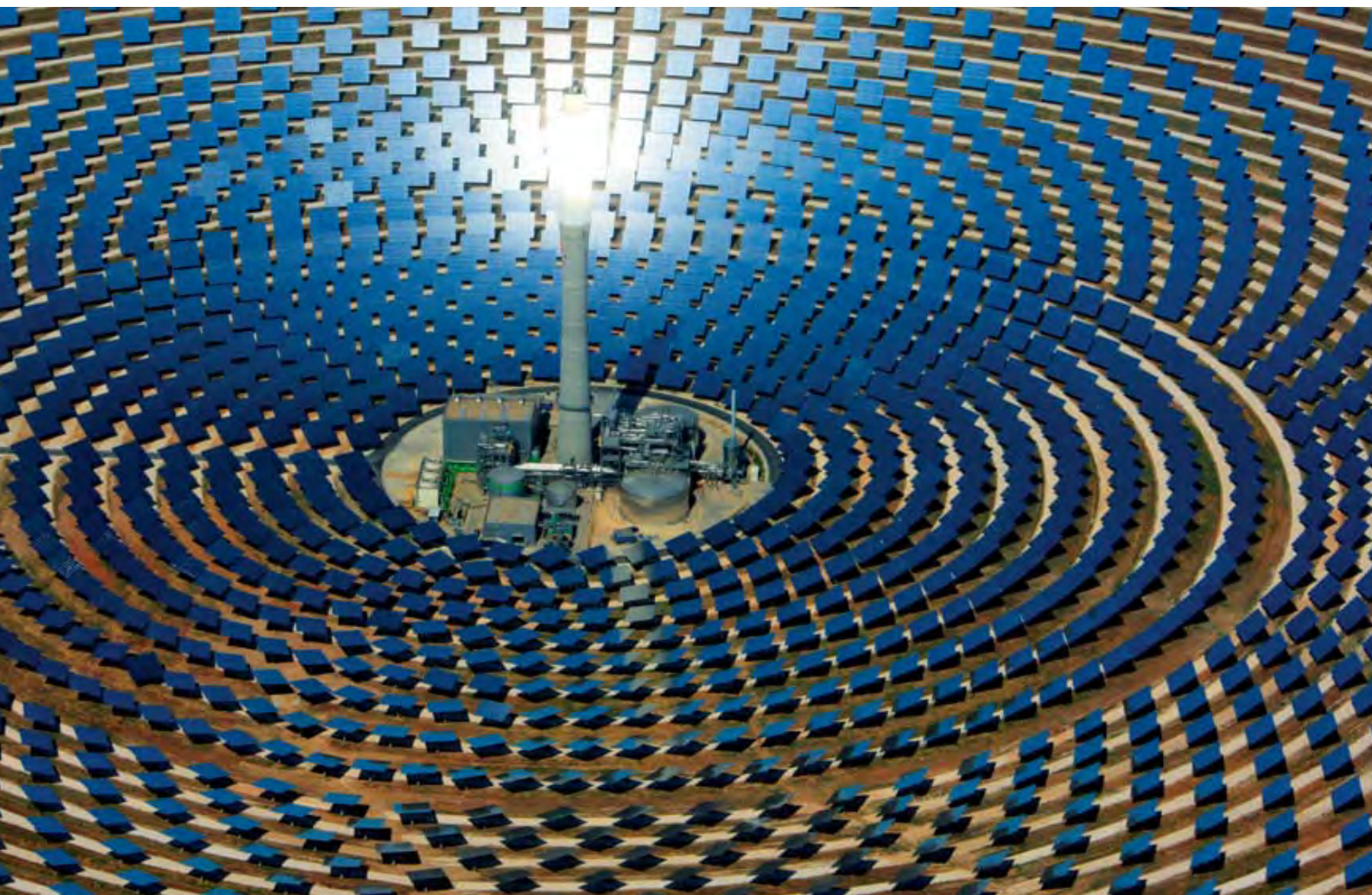
In millions of euros







experience, and China is very significant. These markets have great needs for investment in these types of activities, through projects carried out such as the Lanzhou natural gas plant or the project to electrify the Xinxiang-Heze-Yanzhou and Rizhao railway. In Australia, the Group has taken part in projects such as the Altona water treatment plant. Industrial Services' experience in developing projects, the prospects for growth and investment needs in this geographical area, together with the synergies derived from alliances between different ACS Group units, lead to forecasts for strong growth in business over the coming years.





# Industrial Services

The Industrial Services area's **gross operating income** in 2011 totalled 907 million euros, with a margin of 12.9%. Its diversification of markets and activities, together with the specialisation and complexity of the projects carried out, leads the Industrial Services area to provide the Group with high profit margins.

In 2011, the **net profit** recorded in this area was 492 million euros, including the gains derived from the sale of renewable energy assets and transmission lines in Brazil. Net of these gains, ordinary net profit in 2011 was 415 million euros, 10.9% higher than in 2010.

Industrial Services' **order book** was 6,875 million euros in 2011, implying coverage of 12 months' business.

By type of activity, the Energy Projects and Specialised Installations areas represent 66% of the total order book, with the high level of internationalisation of the order book being noteworthy in both divisions. In the case of Energy Projects, 82% of the order book comes from foreign markets.

As such, the international order book in 2011 represented almost 61% of the total order book and was a total of 4,171 million euros, with growth of 23% with respect to the previous year.

By geographical area, the order book in America totalled 2,860 million euros, 42% of the total. During 2011, in spite of a 23,7% increase in production, the sales figure in this area, at nearly 3,000 million euros, resulted in an increase in the order





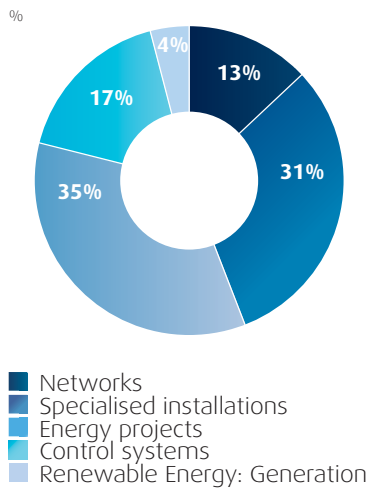
book in America of 31.2% with respect to 2010, thanks to the awarding of significant contracts such as the development of a solar thermal plant with a net installed capacity of over 100 megawatts at Tonopah (United States) and “turnkey” projects for various combined cycle plants in Mexico, Brazil and Peru.

Europe, without considering Spain, has an order book of 867 million euros and represents 13% of the total order book. In this area, thanks to the ACS Group’s acknowledged experience in developing oil assets internationally, significant projects have been obtained to develop various offshore oil platform units in the North Sea, such as the South Arne and Ekofisk projects, awarded in 2010, and the more recent Eldfisk II project.

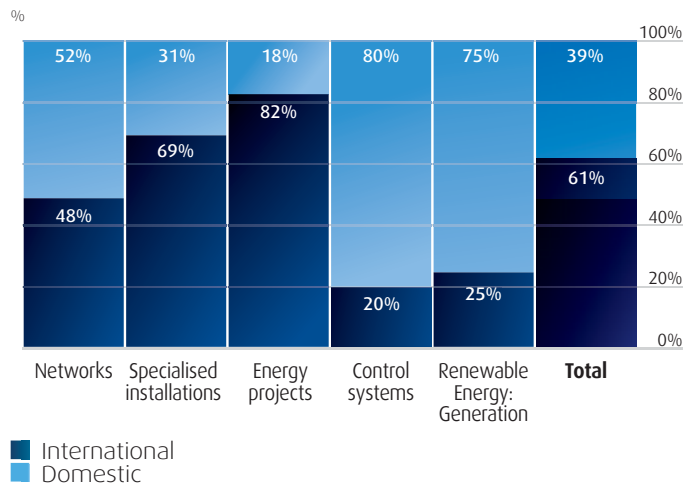
Furthermore, it is important to highlight that in 2011 a consortium of Spanish companies, including Cobra, was awarded the project for the construction of the 450 kilometres of high-speed railway between the cities of Mecca and Medina in Saudi Arabia and maintenance services in subsequent years. The total value awarded to Cobra is 420 million euros in the construction phase and 90 million euros annually thereafter, for maintenance services during the 12 years after it starts operating.



2011 Industrial Services order book breakdown by type of activity



2011 Industrial Services order book breakdown by type of activity



*Industrial Services order book in international area grew by 23% with respect to the previous year and amounted to 4,171 million euros.*



# Industrial Services

## ORDER BOOK

### Spain

2010	3,455
2011	2,704

### Rest of Europe

2010	803
2011	867

### America

2010	2,180
2011	2,860

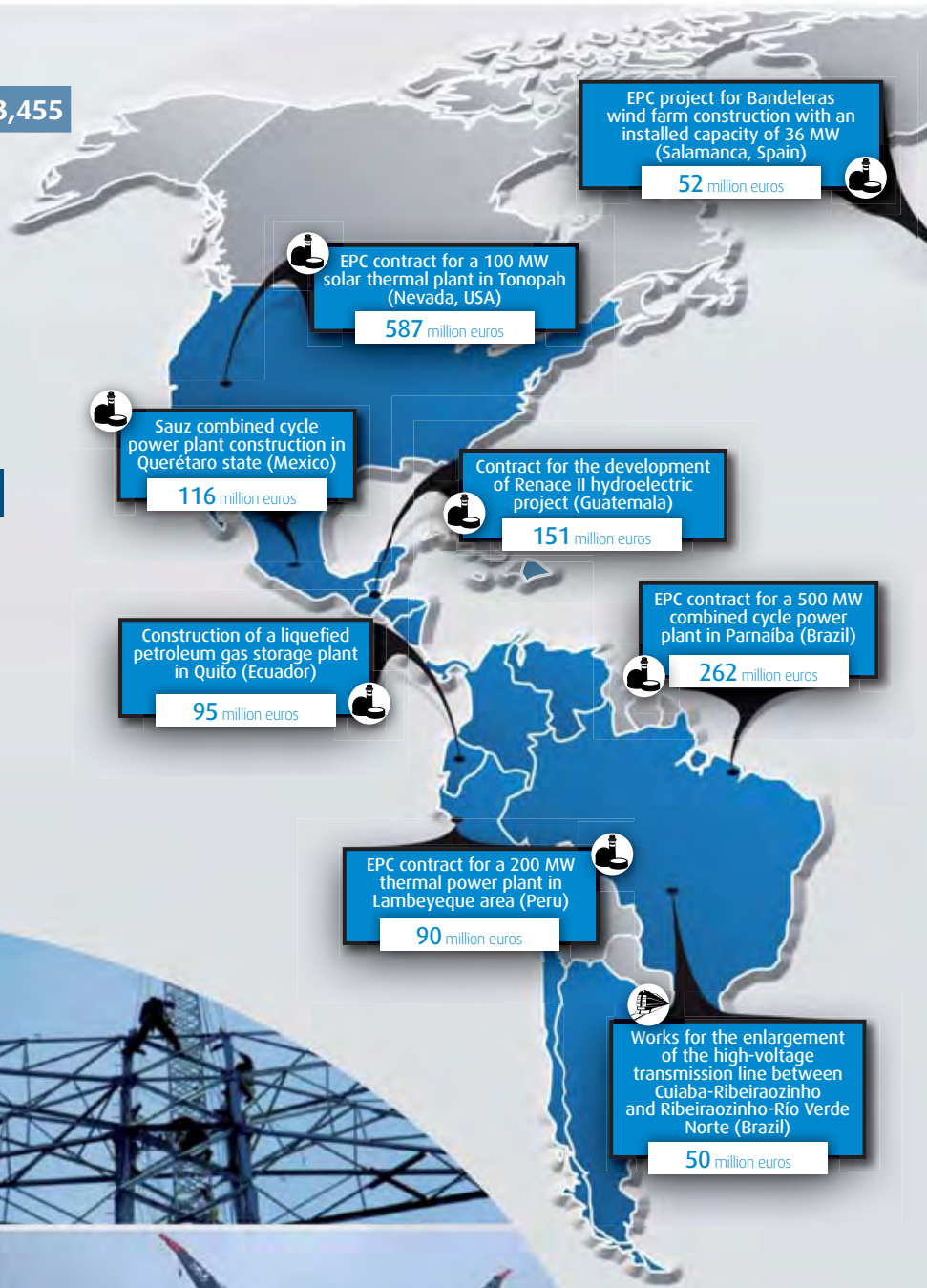
### Asia Pacific

2010	280
2011	241

### Rest of the World

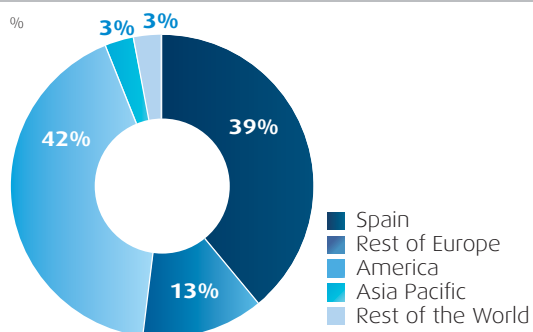
2010	128
2011	203

In millions of euros





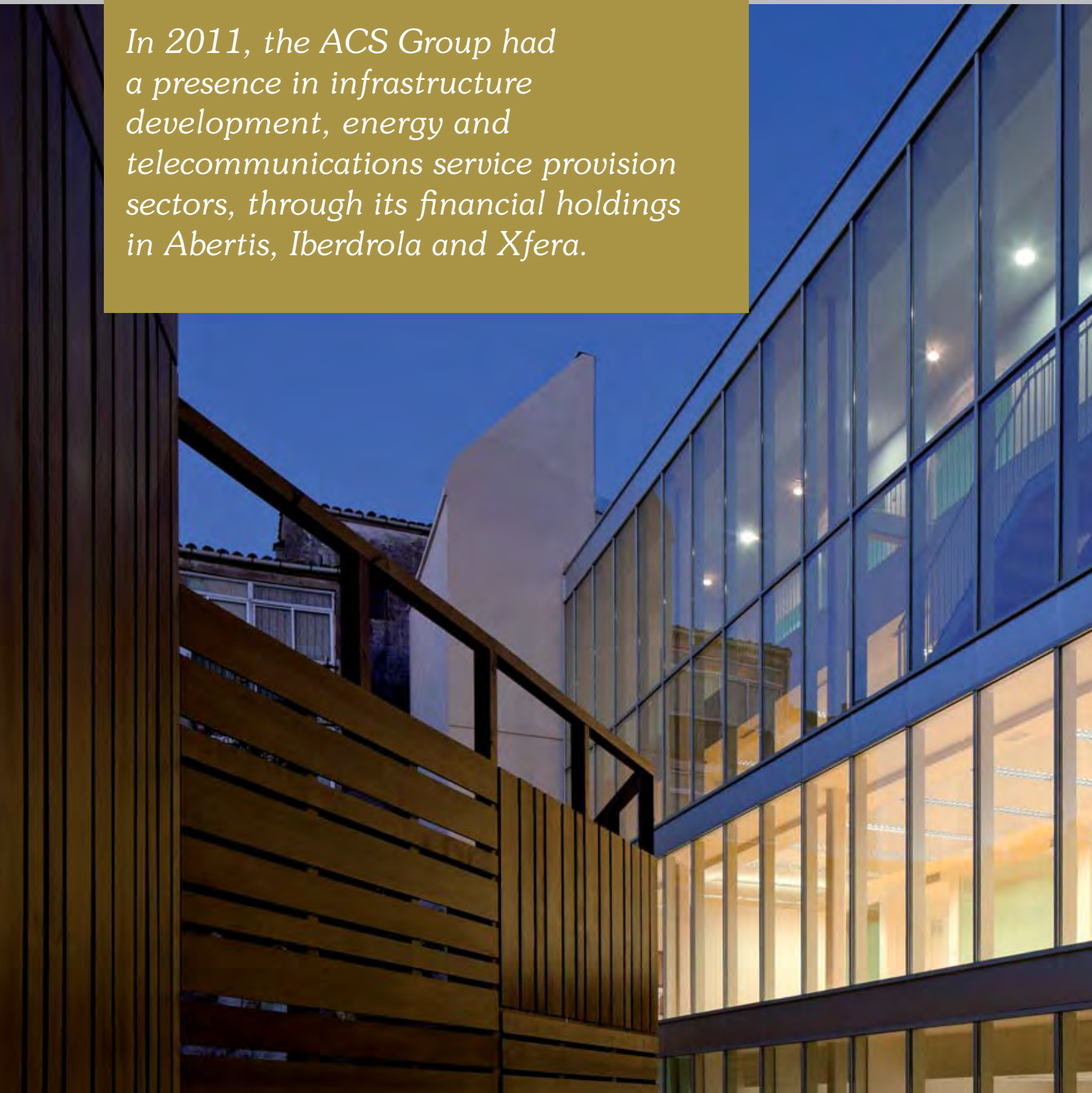
2011 Industrial Services order book breakdown by geographical area





# Financial Holdings

*In 2011, the ACS Group had a presence in infrastructure development, energy and telecommunications service provision sectors, through its financial holdings in Abertis, Iberdrola and Xfera.*



**Abertis** is a Spanish company founded by La Caixa and ACS, which manages infrastructures for mobility and telecommunications. It is a global benchmark in infrastructure management. The ACS Group sold its 10.33% holding in April 2012 to allow a new industrial partner to enter and facilitate its expansion in the Brazilian market.

The ACS Group is involved in the energy sector through its investment in **Iberdrola**, Spain's leading energy company and one of the world's largest electricity companies, in which the ACS Group is a shareholder with an 18.83% stake at 31 December 2011, which had reduced to 14.85% in April 2012 due to the capital increase carried out by Iberdrola derived from scrip dividend scheme and the partial sale of 3.69% of its holding carried out by ACS Group.



#### Financial Holdings in Listed Companies

Million euros	Sales	EBITDA	EBIT	Net Profit	Capitalization 31/12/2011	ACS's stake at 31/12/11	ACS's stake at 30/04/12
Abertis	3,915	2,454	1,517	720	9,576	10.33%	0.00%
Iberdrola	31,648	7,651	4,505	2,805	28,465	18.83%	14.85%

Among unlisted companies, the ACS Group holds a 17% stake in **Xfera Móviles**, a telecommunications service provision company in which the majority stakeholder is the TeliaSonera telecommunications group and which operates in Spain under the Yoigo brand name. Xfera's revenue in 2011 was 841 million euros, with an EBITDA of 47 million euros. The book value of the ACS Group's holding in Xfera was 198 million euros.



# Main Economic-Financial Figures of ACS Group

## Business performance of the ACS Group in 2011

Key operating and financial indicators			
Millions of euros	2010	2011	Var.
<b>Revenue</b>	14,329	28,472	+98.7%
<b>Backlog</b>	27,603	66,152	+139.7%
<i>Months</i>	23	22	
<b>Operating Cash Flow (EBITDA)</b>	1,432	2,318	+61.9%
<i>Margin</i>	10.0%	8.1%	
<b>Ordinary Operating Profit (EBIT)</b>	1,039	1,333	+28.3%
<i>Margin</i>	7.3%	4.7%	
<b>Ordinary Net Profit from Continuing Operations*</b>	875	951	+8.8%
<b>Attributable Net Profit</b>	1,313	962	-26.7%
<b>EPS</b>	4.38 €	3.24 €	-26.0%
<b>Cash Flow from Operations</b>	1,339	1,287	-3.9%
<b>Net investments</b>	2,317	2,902	+25.2%
<i>Investments</i>	5,099	4,755	-6.7%
<i>Disposals</i>	2,782	1,854	-33.4%
<b>Total Net Debt</b>	8,003	9,334	+16.6%
<i>Net debt with recourse</i>	957	3,369	+252%
<i>Non-recourse financing</i>	7,047	5,965	-15.3%

\* Profit after taxes and profit from non-controlling interests not including exceptional results or profit/loss from discontinued operations.  
Note: Data presented in accordance with ACS Group management criterion.

In 2011 the ACS Group acquired a majority ownership interest in Hochtief, and accordingly its financial statements have been fully consolidated since 1 June.

Against a very complicated economic and financial backdrop, the Group increased its international activity significantly, both through the integration of Hochtief and the organic growth of all its activities. In the United States, sales increased by 432.5%; in Mexico, sales grew by 5.7% and in Australia, 7,291 million euros was contributed through Hochtief. On the contrary, domestic production in Spain dropped by 17.2%.

The decline in operating margins was mainly due to the incorporation of Hochtief, which contributed with lower margins in relation to its activities in Europe and North America.

The Group's net profit decreased by 26.7% in 2011, and included the capital gains on the sale of Abertis. Without taking into account the effect of this sale, the recurrent profit of the ACS Group rose by 8.8%, in line with the goals established at the beginning of 2011. The ACS Group paid its shareholders dividends of 2.05 euro per share with a charge to its profit for 2010.

Funds generated by operating activities decreased by 3.9% compared to those generated in 2010. This figure includes a drop in working capital from operating activities basically due to the decrease in construction activity in Spain and the extraordinary effect of Leighton from Australia.

Investments included the acquisition of shares of Hochtief for 1,080 million euros. Meanwhile, divestments included the sales of different concession assets and mining contracts concluded in the course of the year.



The total net debt of the ACS Group amounted to 9,334 million euros, of which 5,965 million euros related to non-recourse debt.

In 2011 several strategic decisions were made designed to strengthen financial soundness, international expansion of the Group and the creation of value for the shareholder:

- On 4 February 2011 ACS, Construction and Services Activities, S. A. completed the takeover bid for all the shares of Hochtief A.G. upon acquiring 2,805,599 shares of the German company, which accounted for 3.64% of its share capital.
- On 10 February 2011 Residencial Monte Carmelo, S.A., fully owned by ACS, Actividades de Construcción y Servicios, S.A. and a holder of shares of Iberdrola, S.A. representing 6.19% of its capital, signed a financing contract with a group of twenty financial entities without recourse against the parent company, amounting to 2,059 million euros for a term of three years beginning on 28 December 2011. On this date the ACS Group reduced its principal balance to 1,661 million euros.
- On 12 May 2011 the Annual General Meeting of Shareholders of Hochtief was held, in which the ACS Group held the majority of present votes. At this meeting a total of four directors were appointed from ACS, which accounts for half of the shareholder representatives on the Board. Later, in June, the ACS Group reported that its ownership interest in Hochtief, plus all the treasury shares of the German group, exceeded 50% of its share capital. Consequently, the financial Statements of Hochtief were fully consolidated in the accounts of the ACS Group starting on 1 June 2011.
- In June, the ACS Group renewed its "equity swap" contract over the shares of Iberdrola for 2,430 million euros. Under this agreement, the same contract conditions were maintained and the contract was extended until March 2015.
- Also in June 2011 the ACS Group reached an agreement with UBS, through its wholly owned company Corporate Funding S.L., for the expansion of its loan agreement to 900 million euros for three years for the non-recourse financing of the purchase of shares of Iberdrola.
- On 30 June 2011 the ACS Group entered into an agreement with two companies controlled by the Funds RREEF Pan European Infrastructure Fund LP and by ANTIN Infrastructure Partners for the sale of 90% of its ownership interest in the companies owning the solar thermal power plants Andasol I and Andasol II. It also entered into an agreement with the Gas Natural Fenosa Group for the sale of its ownership interest in the companies owning five wind-powered facilities, with a total capacity of 95.5 MW. The total enterprise value of these assets amounted to approximately 950 million euros.
- In August, the ACS Group entered into two agreements with various investment funds managed by Canepa Asset Management and Bridgepoint for the sale of 20 wind-powered facilities, with an installed power of 657 MW. The enterprise value of both transactions amounted to 860 million euros. In the last quarter of 2011 the sale of five of these facilities with a combined installed capacity of 159 MW was finalized.
- On 27 October 2011, Cariátide, a company wholly owned by ACS, Actividades de Construcción y Servicios, S.A, entered into a contract with a syndicate of banks for the refinancing until 24 July 2015, of the acquisition of the initial block of shares of Hochtief A.G. in April 2007. This syndicate loan amounts to 602 million euros.
- In December, the ACS Group completed the sale to a consortium led by Brookfield Asset Management of its ownership interest in the Chilean concession operators of the Vespucio Norte highway and the Tunnel of San Cristóbal, for a total price of 216 million euros.
- Additionally, in December 2011, the ACS Group closed the transaction with Teachers insurance and annuity Association of America for the sale of 50% of its ownership interest in the American concession operator of the I-595 highway, located in Broward County, Florida (USA) for a total enterprise value of 588 million euros.



# Main Economic-Financial Figures of ACS Group

## Consolidated income statement of the ACS Group

Consolidated Income Statement					
Millions of euros	2010	%	2011	%	Var. 11/10
<b>Revenue</b>	<b>14,329</b>	<b>100.0%</b>	<b>28,472</b>	<b>100.0%</b>	<b>+98.7%</b>
<i>Other revenue</i>	339	2.4%	519	1.8%	+53.0%
<i>Total production value</i>	14,668	102.4%	28,991	101.8%	+97.7%
<i>Operating expenses</i>	(9,995)	(69.8%)	(20,355)	(71.5%)	n.s.
<i>Staff costs</i>	(3,241)	(22.6%)	(6,319)	(22.2%)	+94.9%
<b>Operating Cash Flow (EBITDA)</b>	<b>1,432</b>	<b>10.0%</b>	<b>2,318</b>	<b>8.1%</b>	<b>+61.9%</b>
<i>Depreciation and amortisation expense</i>	(391)	(2.7%)	(954)	(3.4%)	n.s.
<i>Working capital provisions</i>	(2)	(0.0%)	(30)	(0.1%)	n.s.
<b>Ordinary Operating Profit (EBIT)</b>	<b>1,039</b>	<b>7.3%</b>	<b>1,333</b>	<b>4.7%</b>	<b>+28.3%</b>
<i>Impairment and gains on the disposal of non-current assets</i>	(18)	(0.1%)	(40)	(0.1%)	n.s.
<i>Other operating profit or loss</i>	(0)	(0.0%)	81	0.3%	n.s.
<b>Operating Profit</b>	<b>1,021</b>	<b>7.1%</b>	<b>1,374</b>	<b>4.8%</b>	<b>+34.7%</b>
<i>Finance income</i>	490	3.4%	521	1.8%	+6.4%
<i>Finance costs</i>	(803)	(5.6%)	(1,217)	(4.3%)	+51.6%
<b>Financial Profit/Loss</b>	<b>(313)</b>	<b>(2.2%)</b>	<b>(695)</b>	<b>(2.4%)</b>	<b>+122.4%</b>
<i>Exchange gains and losses</i>	25	0.2%	(22)	(0.1%)	n.a.
<i>Changes in fair value of financial instruments</i>	(1)	(0.0%)	(98)	(0.3%)	n.s.
<i>Impairment and gains or losses on the disposal of financial instruments</i>	536	3.7%	367	1.3%	-31.5%
<b>Net Financial Profit/Loss</b>	<b>248</b>	<b>1.7%</b>	<b>(449)</b>	<b>(1.6%)</b>	<b>n.s.</b>
<i>Gains from companies accounted for using the equity method</i>	222	1.5%	318	1.1%	+43.6%
<b>Profit before tax from continuing operations</b>	<b>1,490</b>	<b>10.4%</b>	<b>1,244</b>	<b>4.4%</b>	<b>-16.5%</b>
<i>Corporate Income tax</i>	(217)	(1.5%)	(181)	(0.6%)	-16.6%
<b>Profit after tax from continuing operations</b>	<b>1,273</b>	<b>8.9%</b>	<b>1,063</b>	<b>3.7%</b>	<b>-16.5%</b>
<i>Profit after tax from discontinued operations</i>	81	0.6%	46	0.2%	-43.6%
<b>Profit for the year</b>	<b>1,354</b>	<b>9.5%</b>	<b>1,108</b>	<b>3.9%</b>	<b>-18.2%</b>
<i>Non-controlling interests</i>	(42)	(0.3%)	(147)	(0.5%)	n.s.
<b>Net Profit Attributable to the Parent</b>	<b>1,313</b>	<b>9.2%</b>	<b>962</b>	<b>3.4%</b>	<b>-26.7%</b>



## Consolidated Balance Sheet at 31 December

Consolidated Balance Sheet					
Millions of euros	Dec-10	%	Dec-11	%	Var. 11/10
Intangible assets	1,614	4.7%	4,753	9.9%	+194.6%
Property, plant and equipment	1,218	3.6%	3,344	7.0%	+174.5%
Non-current assets in projects	2,380	7.0%	835	1.7%	-64.9%
Investment property	57	0.2%	80	0.2%	+39.1%
Investments accounted for using the equity method	2,333	6.8%	1,570	3.3%	-32.7%
Non-current financial assets	7,509	22.0%	7,352	15.3%	-2.1%
Financial instrument receivables	60	0.2%	24	0.0%	-60.3%
Deferred tax assets	824	2.4%	2,083	4.3%	+152.8%
<b>Non-current assets</b>	<b>15,995</b>	<b>46.8%</b>	<b>20,040</b>	<b>41.8%</b>	<b>+25.3%</b>
Non-current assets held for sale	4,577	13.4%	8,087	16.9%	+76.7%
Inventories	618	1.8%	1,775	3.7%	+187.2%
Trade and other accounts receivables	6,939	20.3%	10,703	22.3%	+54.2%
Other current financial assets	3,502	10.2%	3,006	6.3%	-14.2%
Other current assets	101	0.3%	221	0.5%	+119.6%
Cash and cash equivalents	2,453	7.2%	4,155	8.7%	+69.4%
<b>Current assets</b>	<b>18,190</b>	<b>53.2%</b>	<b>27,948</b>	<b>58.2%</b>	<b>+53.6%</b>
<b>ASSETS</b>	<b>34,185</b>	<b>100%</b>	<b>47,988</b>	<b>100%</b>	<b>+40.4%</b>
Shareholders' Equity	5,519	16.1%	5,682	11.8%	+3.0%
Adjustments for Changes in Value	(1,341)	(3.9%)	(2,363)	(4.9%)	+76.3%
Non-controlling interests	264	0.8%	2,872	6.0%	n.a.
<b>Equity</b>	<b>4,442</b>	<b>13.0%</b>	<b>6,191</b>	<b>12.9%</b>	<b>+39.4%</b>
Subsidies	70	0.2%	58	0.1%	-16.9%
Non-current financial liabilities	9,621	28.1%	9,604	20.0%	-0.2%
Deferred tax liabilities	271	0.8%	1,175	2.4%	+333.7%
Non-current provisions	407	1.2%	2,033	4.2%	+399.3%
Financial instrument payables	240	0.7%	422	0.9%	+75.4%
Other non-current liabilities	161	0.5%	184	0.4%	+14.3%
<b>Non-current liabilities</b>	<b>10,771</b>	<b>31.5%</b>	<b>13,477</b>	<b>28.1%</b>	<b>+25.1%</b>
Liabilities relating to assets held for sale	3,590	10.5%	4,995	10.4%	+39.1%
Current provisions	233	0.7%	1,268	2.6%	+443.6%
Current financial liabilities	4,337	12.7%	6,891	14.4%	+58.9%
Trade and other accounts payable	10,155	29.7%	14,561	30.3%	+43.4%
Other current liabilities	656	1.9%	604	1.3%	-8.0%
<b>Current liabilities</b>	<b>18,971</b>	<b>55.5%</b>	<b>28,320</b>	<b>59.0%</b>	<b>+49.3%</b>
<b>EQUITY AND LIABILITIES</b>	<b>34,185</b>	<b>100%</b>	<b>47,988</b>	<b>100%</b>	<b>+40.4%</b>



# Main Economic-Financial Figures of ACS Group

## Net Cash flows

Net Cash flows			
Millions of euros	2010	2011	Var. 11/10
<b>Net profit</b>	<b>1,313</b>	<b>962</b>	<b>-26.7%</b>
<i>Adjustments to profit/loss not giving rise to operating cash flows</i>	(177)	1,210	
<b>Cash flows from operating activities net of working capital</b>	<b>1,135</b>	<b>2,172</b>	<b>+91.3%</b>
<i>Changes in operating working capital</i>	203	(885)	
<b>Net cash flows from operating activities</b>	<b>1,339</b>	<b>1,287</b>	<b>-3.9%</b>
<i>1. Investment payables</i>	(4,854)	(4,417)	
<i>2. Divestment receivables:</i>	2,784	1,691	
<b>Net cash flows from investing activities</b>	<b>(2,069)</b>	<b>(2,725)</b>	<b>+31.7%</b>
<i>1. Purchase of treasury shares</i>	(333)	(255)	
<i>2. Dividends payable</i>	(618)	(614)	
<i>3. Other adjustments</i>	(74)	90	
<b>Other cash flows:</b>	<b>(1,025)</b>	<b>(779)</b>	<b>-24.0%</b>
<b>Cash generated / (used)</b>	<b>(1,755)</b>	<b>(2,217)</b>	<b>+26.3%</b>







## Significant events subsequent to year-end

- On 9 February 2012, ACS Construction Activities and Services, S.A. entered into a contract with a syndicate of banks, composed of 32 Spanish and foreign entities, for a three-year refinancing of the syndicated loan at maturity (July 2012). The loan amounts to 1,377 million euros, and can be increased up to May 2012 to 1,650 million euros. At the date of the preparation of this Directors' Report, 34 million euros had been drawn down by entities.
- On 8 March 2012, the ACS Group sold an ownership interest of 23.5% of Clece, S.A. to various funds managed by Mercapital, to which it has also granted the option to buy the remaining capital. Following this date control of Clece is to be exercised by the acquiring funds and by ACS, and the company is to be accounted for using the equity method rather than being fully consolidated. The purchase price was 80 million euros, which represents a total enterprise value of 505.7 million euros.
- On 19 March 2012, Hochtief, A.G. issued a corporate bond amounting to 500 million euros maturing in five years and with a coupon of 5.50% per annum.





# The ACS Group and the Corporate Social Responsibility

## The ACS Group and the Corporate Social Responsibility

### Commitment to sustainability growth

The ACS Group adopts voluntarily and responsibly a commitment to sustainability, based on five areas where it develops its Corporate Responsibility policy.

ACS has defined its form of committing itself to its stakeholders through its five commitments to sustainability. The ACS Group sets its Corporate Responsibility activities and its relationship with its Stakeholders in context in accordance with these commitments which the company adopts voluntarily and responsibly.



- **Commitment to creating value:** laying out ACS's efforts to **distribute the wealth created** among its shareholders, clients, employees, suppliers and among the society as a whole.
- **Commitment to integrity:** in order to demonstrate the ACS Group's **ethical and professional conduct with complete transparency**, as well as the self-imposed demands in this field through its employees and the relationship with its clients and suppliers.
- **Commitment to technological development:** detailing the ACS Group's contributions to **technical and technological development** as a means to promote the sustainability of the ACS Group's activities and hence improve its contribution to society.
- **Commitment to the natural environment:** as a set of programmes contributing to minimising the impact of

the ACS Group's activities and promoting a commitment around the fight against climate change, respect for biodiversity and efficient use of energy and water resources.

- **Commitment to the social setting:** embodied in ACS's efforts to **generate well-paid, high-quality work based on equal opportunities**. Work which contributes to **creating wealth** and **contributing to the wellbeing** and prosperity of the societies in which it operates.

The ACS Group defines stakeholders as groups with the capacity to have an influence on the achievement of the organisation's objectives. Outstanding among them are shareholders, employees, clients, suppliers, infrastructure users and society in general, who benefit from its policies in quality, R&D+i, philanthropy and the environment.



## ACS's Business Sustainability

The ACS has a decentralised structure based around its three areas of:

### **Construction, Environment and Industrial Services,**

and it carries out its activities through dozens of different companies. This complex but highly efficient organisation encourages the Group's companies to compete and carry out their work independently, at the same time sharing common guidelines which add value for their clients.

Each of the ACS Group's companies is managed autonomously, with independent functional managements and flexible and sovereign executive bodies. The aim of this type of organisation is to promote:

- **Profitability.**
- **Decentralisation.**
- **Reduced bureaucracy.**
- **Entrepreneurship.**
- **Competitiveness.**
- **Flexibility and ability to adapt.**
- **Diversity.**
- **Subcontracting of activities.**

The objective is for all the ACS Group's companies to share the Group's values and culture, at the same time as each operates in a standalone manner, individually contributing numerous valid and profitable management formulas thanks to the multiple factors involved in their decision making and generating know-how and good practices which are also independent.

Therefore, contributions from a multitude of companies come together in the ACS Group's Sustainability effort, defining its policies for action autonomously and managing their resources in the most efficient manner possible, always covered by a common objective.

To tackle the immense challenge presented by the coordination of the ACS Group's sustainability, the company's Corporate Responsibility area carries out thorough data collection, with contributions from over one hundred functional directors from key areas for sustainability: Environment, Human Resources, Quality, R&D+i, Clients, Suppliers and Health and Safety.

From the analysis of the information a series of strategies and good practices become clear, resulting from the Group's strategic vision and in line with the aforementioned company's values.

This process is supported by independent external consultants who incorporate improvements periodically, both at the functional and procedural levels. Furthermore, the ACS Group's Corporate Responsibility Report is prepared according to the GRI's A+ standard and is verified annually.





# The ACS Group and the Corporate Social Responsibility

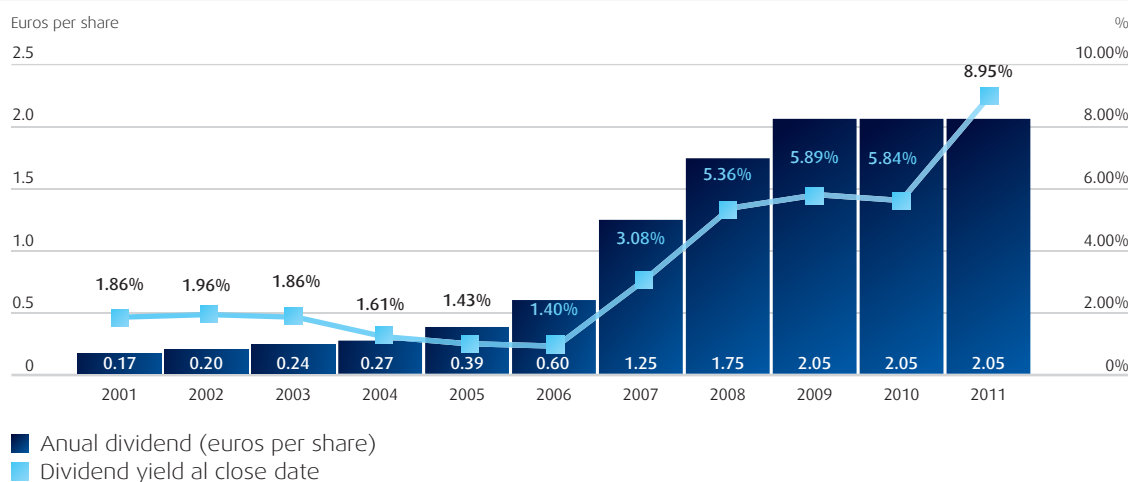
## Commitment to creating value

### Shareholders

ACS is committed to creating value for all its stakeholders. To provide growing and sustained profitability is one of the company's main objectives.

ACS stock	2009	2010	2011
<b>Closing Price</b>	<b>34.81 €</b>	<b>35.08 €</b>	<b>22.90 €</b>
Appreciation of ACS shares	6.62%	0.76%	-34.71%
Appreciation of the IBEX35	29.84%	-17.43%	-13.11%
<b>Maximum closing price</b>	<b>38.75 €</b>	<b>38.38 €</b>	<b>37.94 €</b>
<b>Minimum closing price</b>	<b>27.67 €</b>	<b>28.90 €</b>	<b>21.75 €</b>
<b>Average price over the period</b>	<b>34.61 €</b>	<b>34.15 €</b>	<b>29.67 €</b>
<b>Total volume (thousands)</b>	<b>196,115</b>	<b>194,506</b>	<b>220,147</b>
Average daily volume of shares (thousands)	769	757	857
<b>Effective (€ million)</b>	<b>6,759</b>	<b>6,533</b>	<b>6,531</b>
Effective daily average (€ million)	26.50	25.42	25.41
Number of shares (millions)	314.66	314.66	314.66
<b>Capitalisation at the end of the period (million)</b>	<b>10,953</b>	<b>11,037</b>	<b>7,206</b>

ACS as a company is highly committed to shareholder returns and dedicates a significant amount of funds to the annual payment of dividends.



Likewise, considering the concept of total return for shareholders, an investor who purchased an ACS share on 31 December 2000 would have obtained an annual yield of 15.73% at the end of 2011. If a shareholder had invested 100 euros on

that day, he or she would have had 498.91 euros at the end of 2011, meaning the investment had risen by 4.99 times, including the appreciation of the share during this period and the dividends paid by the ACS Group.



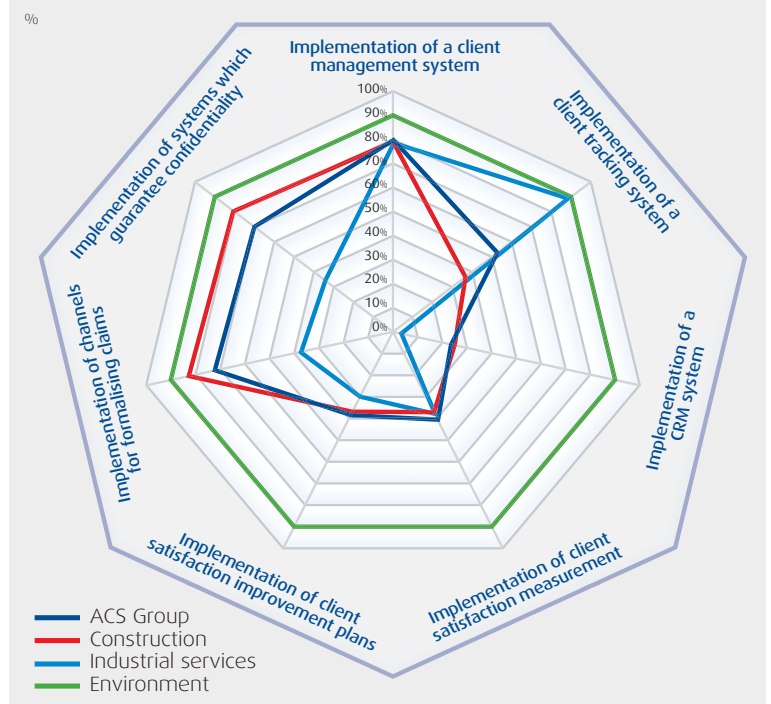
## Clients

The commitment to clients is one of the ACS Group's most important corporate values. Not for nothing is there a high level of trust between the client and the Group, thanks to the high added value services the company offers throughout time, promoting this close relationship.

Given the characteristics of ACS's business, where large infrastructure projects are carried out or general agreements are entered into for the provision of services (such as the cleaning of a city or maintenance of an electricity grid), the number of clients with whom ACS deals is very limited, or they are large corporations or public institutions from around the world.

In 2011, companies representing 79.6% of the ACS Group's sales reported the existence of a client management system, managed by each company's contracting management.

The adoption of the main management parameters in the Group is summarised in the following graph:



Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.





# The ACS Group and the Corporate Social Responsibility

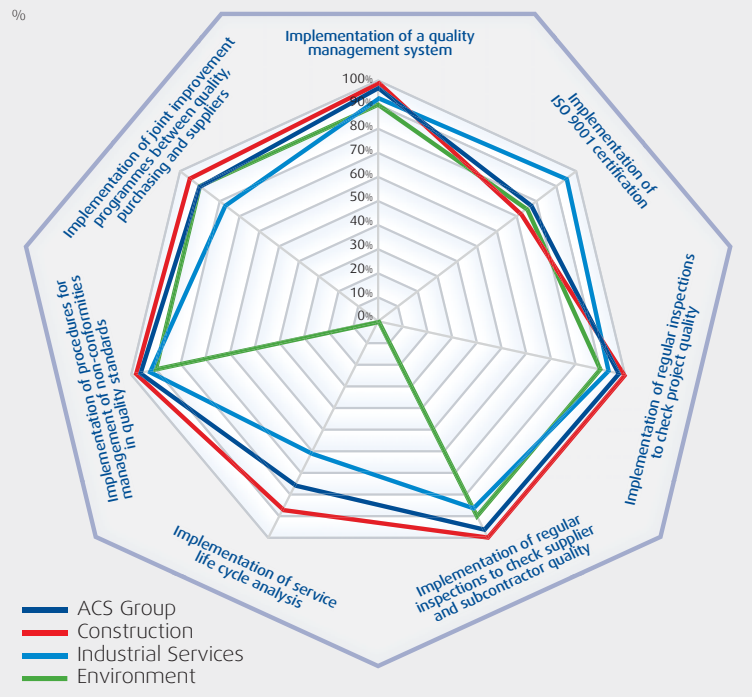
## Quality

Quality is a determining factor for the ACS Group, as it represents the factor distinguishing it from the competition in the infrastructure and services industry, with high technical sophistication.

The Quality Department in the Group's different companies is the entity responsible for implementing its own Quality Management Systems. Companies representing 96.9% of ACS Group sales presented some form of quality management system in 2011. In this period and as a consequence of these systems, the ACS Group invested a total of 5.71 million euros in promoting quality.

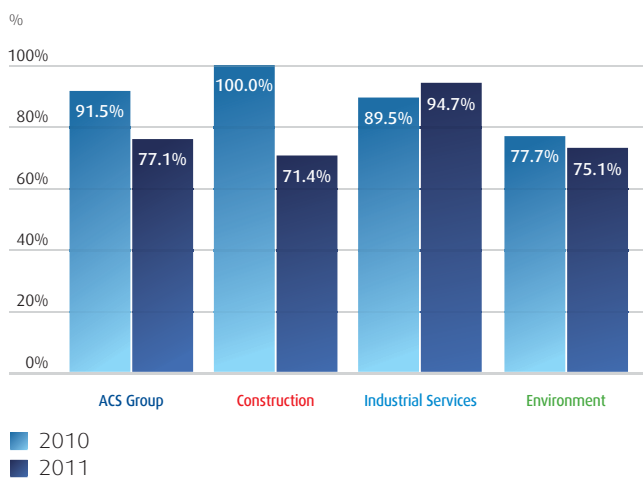
These quality systems are audited periodically in order to certify the Group's activities, mainly according to the ISO 9001 standard.

Each company in the group adapts its needs to the specific characteristics of its type of production, but a series of common lines of action have been identified within their Quality Management Systems:



Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.

Percentage of production certified under ISO 9001





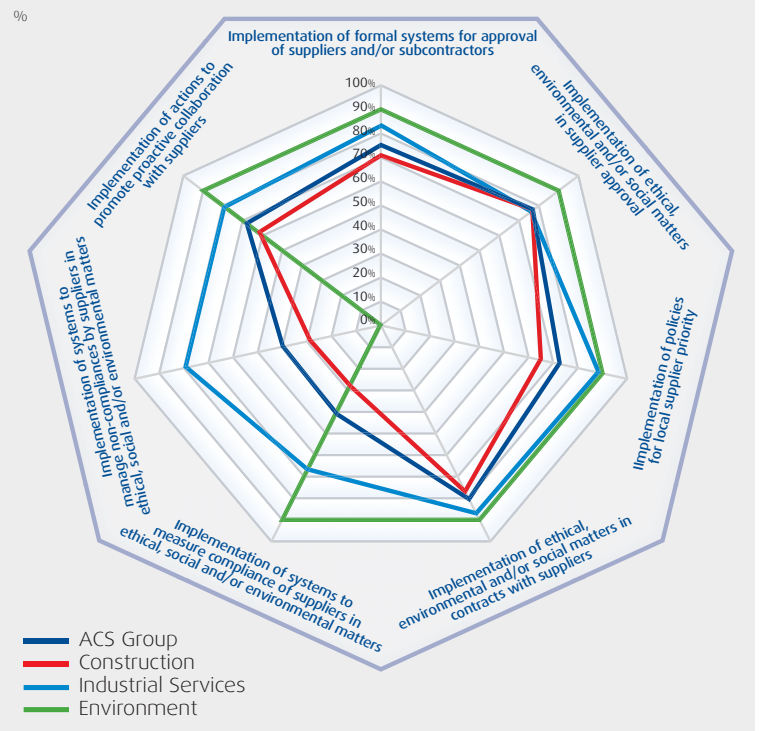
## Suppliers

In Group companies, the purchasing department manages the relationship with suppliers and contractors by means of specific systems for managing, classifying and approving them.

For the suppliers of services and materials which the ACS Group contracts, detailed management and control processes are defined. These have the following points in common in all the Group's companies:

- There are specific standards and a system for management, classification and approval of suppliers and subcontractors.
- The level of compliance with these systems is assessed.
- Collaboration with suppliers and transparency in contractual relationships are promoted.

The adoption of the main Supplier Management parameters in the ACS Group is summarised in the following graph:



Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.





# The ACS Group and the Corporate Social Responsibility



## Ethics, Integrity and Transparency in the ACS Group

### Ethics and Integrity: Code of Conduct

The ACS Group and the companies which make it up are fully committed to promotion, reinforcement and control in matters related to ethics and integrity, through measures which enable them to prevent, detect and eradicate bad practices.

Integrity is a very important aspect in the ACS Group. In 2011, important measures were promoted from the Board of Directors' Executive Committee to advance these values included in the ACS Group's Code of Conduct.

The ACS Group promotes knowledge of the general principles of conduct, ethics and integrity by all employees, clients, suppliers and contractors.

The Ethical Channel was developed in 2011 and the powers of a Monitoring Committee for the Code of Conduct were defined. A priority objective for the Group is the complete dissemination of the current ethical rules and proper and efficient management of the ethical incidents which may occur in the company.

It was created and published an e-mail address ([canaletico@grupoacs.com](mailto:canaletico@grupoacs.com)) and a postal address (Canal Ético, Grupo ACS, Av. Pío XII 102, 28036 Madrid, Spain), through which breaches of the rules are communicated or doubts related to the General Code of Conduct are resolved.





## Commitment to Information Transparency

This general objective of transparency is stated by means of the following guidelines:

- Transmitting the Company's overall corporate strategies, as well as those specific to each of the Company's business areas, to the outside world.
- Projecting the Group's business reality so that the Group's different stakeholders recognise it as being sound and well-managed in Spain and abroad.
- Contributing to the makeup of a positive corporate image which aids in the achievement of business objectives and in commercial activity.
- Maintaining a fluent relationship with external agents, particularly with representatives of the media.
- All of the above leads to an increase in the value of the ACS brand and of its different companies and businesses.

The ACS Group manages its commitment to transparency towards its stakeholders by three main means:

- The ACS Group's Communications Department.
- The ACS Group Website.
- Shareholder and investor information activities.



www.grupoacs.com	2009	2010	2011	Daily average 2011	Var. 10/11
Website visits	890,441	1,028,874	1,131,448	3,100	+9.97%
Pages viewed	8,677,863	10,598,226	14,583,027	39,953	+37.60%

Activity with institutional investors	2008	2009	2010	2011
Investors attended	174	180	167	191
Events	7	10	8	9



# The ACS Group and the Corporate Social Responsibility



## Commitment to Technological Development

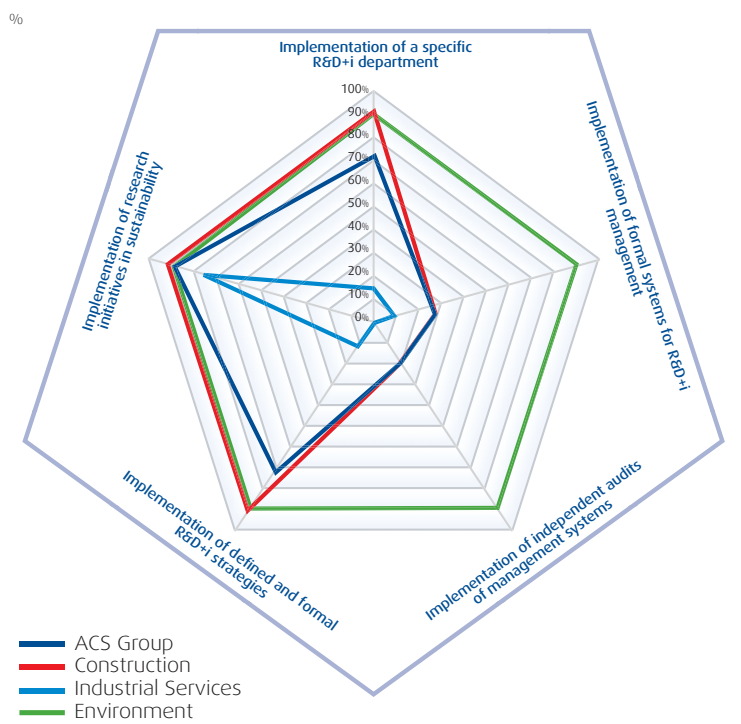
The ACS Group is an organisation which is continually evolving, adapting to the needs of its clients and demands from society. The diversification process through which the ACS Group is passing during these years has led it to undertake a wide range of activities which approach innovation and development in a different but determined manner. Through this commitment to technological development, the ACS Group responds to the growing demand for improvements in processes, technological progress and quality of service from its clients and from society.

Its involvement in research, development and innovation are clear in its increased investment and the R&D+i efforts that the ACS Group makes year after year. In 2011 the ACS Group invested a total of 55.89 million euros in research, development and innovation, which represents an increase of around 19.5% relative to 2010.

This effort leads to tangible improvements in productivity, quality, client satisfaction, occupational safety, the obtaining of new and better materials and products and the design of more efficient production processes and systems, among others.

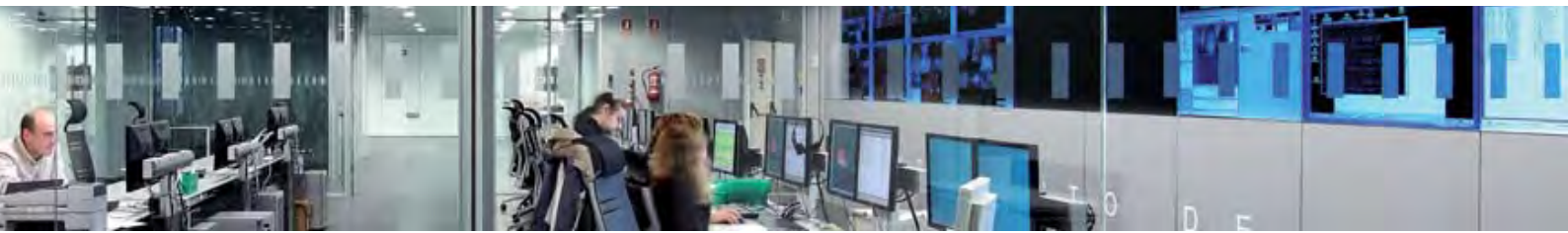
The ACS Group's activities as regards R&D+i also represent substantial support to the promotion of sustainability. The large number of projects which have the aim of increasing efficiency in the use of resources, minimising the impact of the services provided to clients and carrying out eco-design activities should be highlighted. At least one of these activities is carried out in companies representing 88.7% of ACS Group sales.

The adoption of the main R&D+i parameters in the ACS Group is summarised in the following graph:



Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.





## Commitment to the Natural Environment

The ACS Group combines its business objectives with protection of the environment and appropriate management of its stakeholders' expectations in this regard. ACS's environmental policy is intended to be a framework in which, on the one hand, the general lines to be followed (principles) are defined and, on the other hand, the particular features of each business line and each project are collected (articulation).

The principles are the ACS Group's general environmental commitments. These are sufficiently flexible as to accommodate the elements of policy and planning developed by the companies in the different business areas. In addition, these commitments need to keep within the requirements of the ISO 14001 Standard:

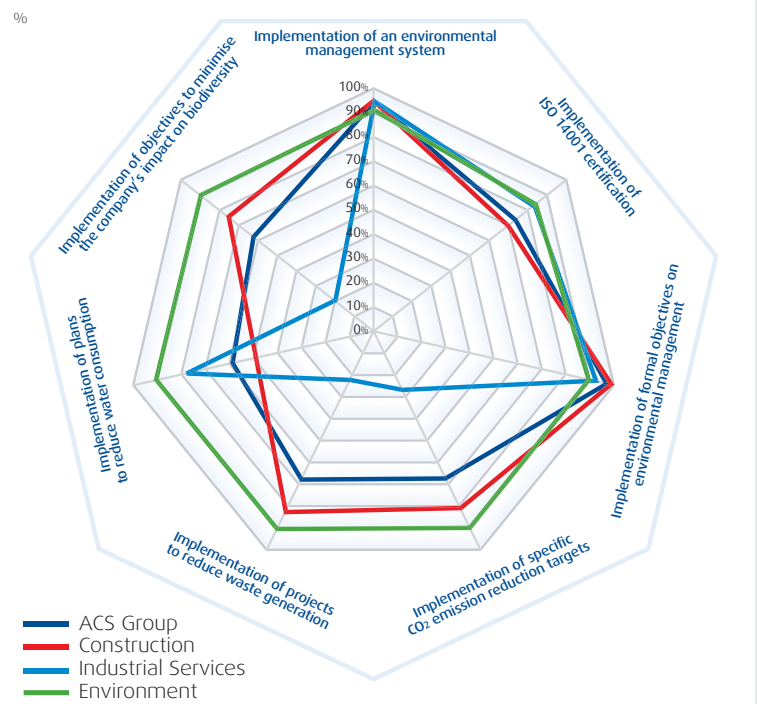
- Commitment to complying with the legislation.
- Commitment to preventing pollution.

- Commitment to continuous improvement.
- Commitment to transparency, communication and the training of Group employees, suppliers, clients and other stakeholders.

To be able to articulate and deploy a policy on these environmental commitments, the most significant are identified at corporate level and are compared with each company's management system and the environmental priorities for each business. For each of these common priorities, which later become common to the majority of the ACS Group, objectives are set and improvement programmes are established individually from company to company.



The summary of the main common aspects of the ACS Group companies' management models is shown in the following map of initiatives and their level of implementation.



Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.



# The ACS Group and the Corporate Social Responsibility

The significant level of implementation of an environmental management system, present in companies representing 92.7% of Group sales, is based on the objective of seeking adoption of the ISO 14001 standard in the majority of the Group's activities, which is already implemented in 72.6% of ACS Group sales<sup>19</sup>.

The responsibility of overseeing the ACS Group's environmental performance falls to the Environmental Department in each company. In general, the following common, general and most significant characteristics were found in the ACS Group's companies' management of environmental impacts:

- They themselves, in a decentralised and autonomous manner, develop their own policies and action plans (in ACS, companies representing 97.1% of its sales define formal environmental objectives periodically and, furthermore, 23.0% reward their workers according to fulfilment of these objectives).
- They implement projects for certification and/or independent external auditing (95.0% of the ACS Group's production was audited in 2011).
- The ACS Group's companies carry out detailed monitoring of their environmental performance:
  - A total of 972 environmental audits were carried out in 2011, 21.8% more than in 2010.
  - Companies representing 64.8% of ACS Group sales have some kind of centralised database to collect environmental data.
  - Companies with 54.1% of the ACS Group's sales have a system for collecting incidents, non-conformities or near misses related to the subject of the environment. A total of 1,601 environmental incidents occurred in 2011, which involved the origination of a total of 33 sanctioning administrative proceedings.

<sup>19</sup> Although this is not the only certification, as companies representing 30.35% of ACS Group sales reported having obtained another type of certification.

## Main Environmental Indicators

The ACS Group's main environmental indicators	2009	2010	2011
Water consumption (m <sup>3</sup> )	6,412,181.1	6,772,361.0	5,577,931.0
Production certified under ISO 14001 (%)	69.9%	71.7%	72.6%
Direct emissions (Scope 1) (tCO <sub>2</sub> eq)	1,958,109.1	1,998,929.4	1,742,344.1
Indirect emissions (Scope 2) (tCO <sub>2</sub> eq)	108,612.9	108,948.8	151,738.3
Indirect emissions (Scope 3)* (tCO <sub>2</sub> eq)	4,487.9	4,391.8	13,620.2
Non-hazardous waste sent for management (t)	1,115,301.0	824,735.0	1,168,706.0
Hazardous waste sent for management (t)	174,241.0	200,949.0	186,989.5

\* Due to employee travel.



# Commitment to the Social Setting

## The ACS Group's People

The ACS Group's business success comes from its team. Hence the company maintains its commitment to continuously improving their skills, capabilities and level of responsibility and motivation, at the same time as it attends to working and safety conditions with the greatest dedication.

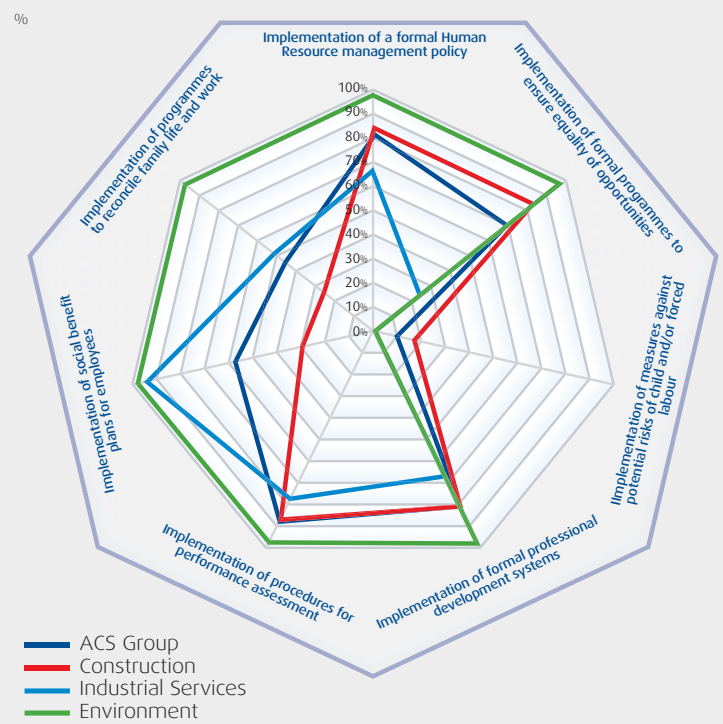
The ACS Group applies modern and efficient human resource management tools with the objective of retaining the best professionals. Companies representing 64.5% of the ACS Group's employees state that they set formal objective for Human Resource management. Some of the fundamental principles governing the companies' corporate human resource policies are based on the following common actions:

- Attracting, retaining and motivating talented individuals.
- Promoting teamwork and quality control as tools to drive excellence as work well done.
- Acting quickly, promoting the assumption of responsibilities and minimising bureaucracy.
- Supporting and increasing training and learning.
- Innovating to improve processes, products and services.

The ACS Group is an active defender of the human and labour rights recognised by various international organisations. The company promotes, respects and protects the forming of labour unions and employees' rights to freedom of association and guarantees equal opportunities and treatment, without discriminating on the basis of sex, ideology, religion or any other social or individual circumstance or condition.

Likewise, the Group promotes the professional development of its workers. With this aim, it has an employment policy which generates wealth in the zones where it operates and produces links which create positive synergies for the environment. Furthermore, it shows special interest in ensuring dignified working conditions, subject to the most advanced measures for health and safety at work. It promotes management by competences, performance assessment and management of the professional careers of its workers.

The summary of the main common aspects of the ACS Group companies' management models is shown in the following map of initiatives and their level of implementation.



Level of implementation as reported by ACS Group companies and according to the number of employees in each of them.

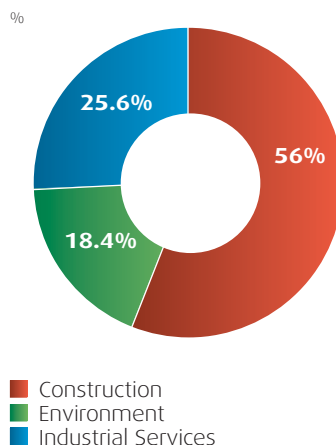


# The ACS Group and the Corporate Social Responsibility

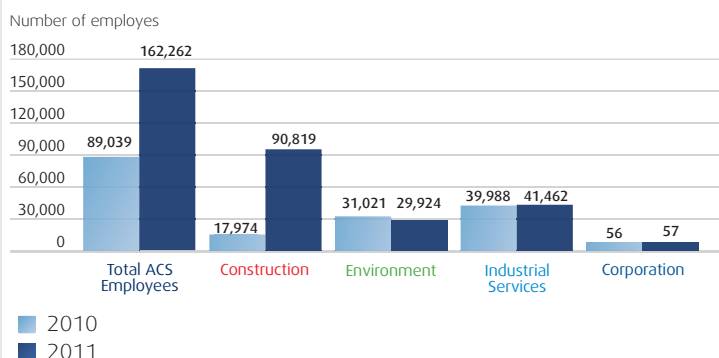
The ACS Group employs a total of 162,262 people, of whom 55,314 are working in Spain and 106,948 abroad. The ACS Group has employees in more than 54 countries, in which it promotes its worker's economic and social development.

Equality of opportunity and lack of discrimination and respect for human rights, which are basic principles included in the Group's Code of Conduct, are also determining factors when advancing the professional and personal development of all the ACS Group's employees.

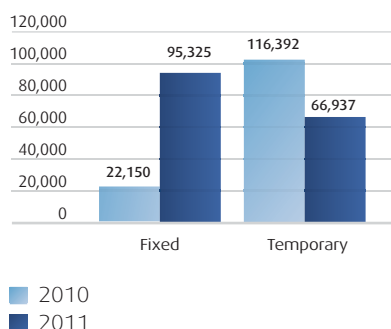
Personnel by area of activity



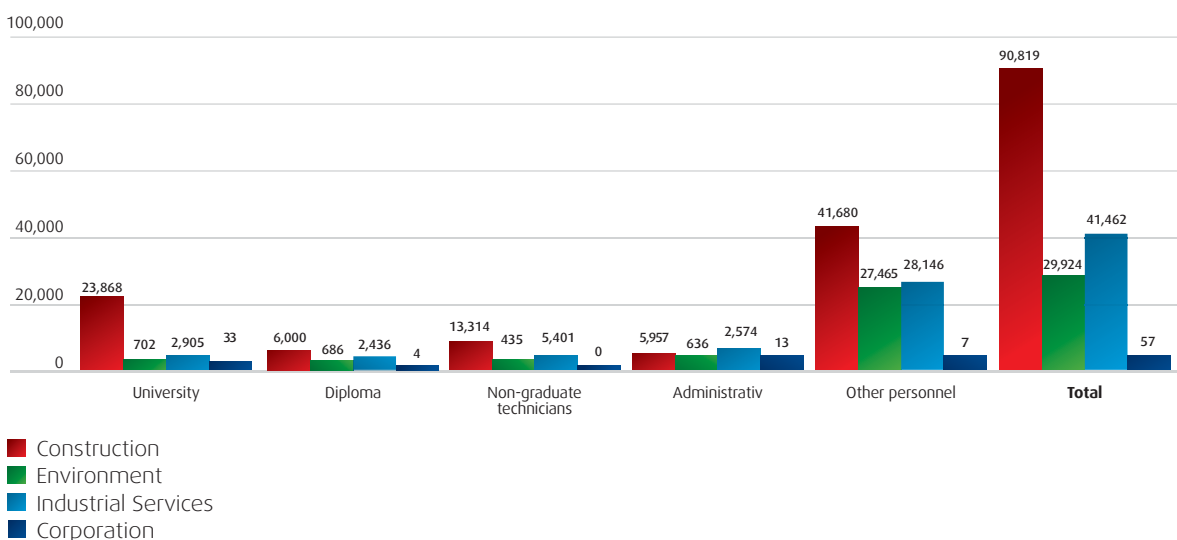
Number of employees by line of business



Types of contract



Personnel by professional category and area of activity





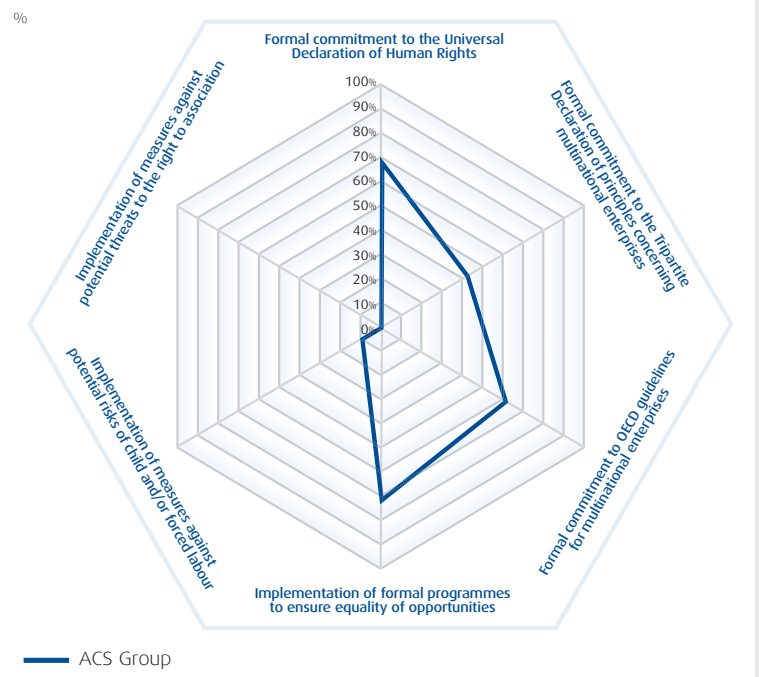
The ACS Group rejects any type of discrimination and, in particular, that due to age, sex, religion, race, sexual orientation, nationality or disability. This commitment extends to selection and promotion processes, which are based on assessment of the person's capabilities, on the analysis of the requirements of the job post and on individual performance.

Currently, companies representing 71.0% of ACS Group employees have formal programmes to ensure equality of opportunities. These Equality Plans have adopted specific actions

in companies representing 67.4% of ACS's employees, as regards selection and hiring of personnel, salary, training, working days, professional promotion, assistance, bonuses and social, health and occupational risk prevention policies, as well as in matters of gender violence.



### Sustainable Management of the ACS Group's People



Level of implementation as reported by ACS Group companies and according to the number of employees in each of them.



# The ACS Group and the Corporate Social Responsibility

## Safety in the Workplace in the ACS Group

The prevention of occupational risks is one of the strategic pillars of all ACS Group companies. Each of these companies and the Group in general maintain the commitment to reach the most demanding standards in this area and so become a reference in health and safety protection, not only for its own employees, but also for its suppliers, contractors and collaborating companies.

The main challenge lies in designing and implementing, in all its operating fields, a risk prevention service which meets expectations. Furthermore, the company considers it fundamental to reinforce its commitment to a risk prevention culture and to optimise resources.

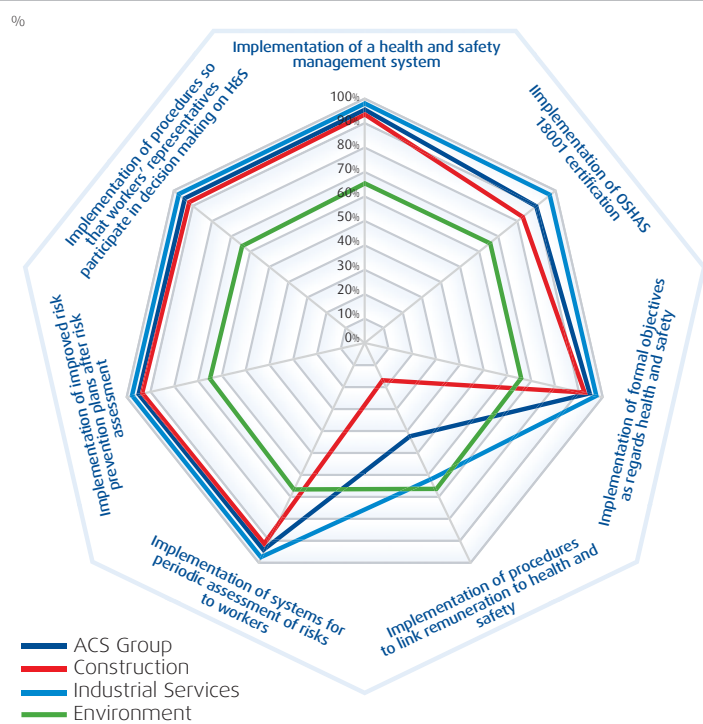
Thanks to the individual commitment of all its employees and the involvement of suppliers, contractors and collaborating companies, the ACS Group continues to advance in the construction of the desired risk prevention

culture, approaching its ultimate objective of achieving an accident rate of zero.

In line with the risk prevention policy, and within these Group companies' management systems, these are the main common characteristics:

- There are systems for regular assessment of the risks to which workers are exposed in companies representing 95.1% of ACS Group employees.
- Risk prevention plans are defined with take in the improvements detected in these assessment procedures (95.3% of Group employees).
- Systems which could have resulted in an incident are identified and recorded (analysis of near misses) in companies representing 91.2% of ACS's employees.
- Workers' and managers' remuneration are referenced to fulfilment of formal targets as regards health and safety in 42.7% of the ACS Group.

Strategic priorities of ACS Group companies



Level of implementation as reported by ACS Group companies and according to the number of employees in each of them.





- There are integrated computerised in companies representing 71.9% of Group employees used to monitor data related to employee and subcontractor health and safety.

The supervision and optimisation of these systems involves setting and monitoring objectives, which are generally annual, approved by senior management and transferred to the company's various levels to be fulfilled.

The ACS Group carries out detailed measurement of the main accident rate indices<sup>20</sup>.

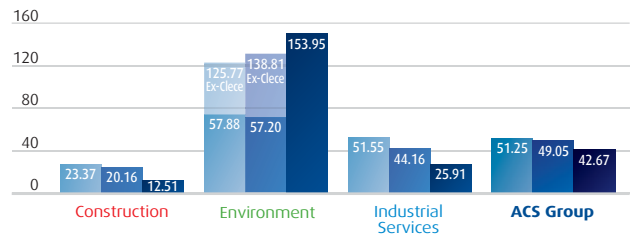
Faithful to its commitment to achieve its final objective of an accident rate of zero, ACS will continue to prepare specific plans for activities with the greatest risk and most severe accident indices, which consider improvement actions in the management of this area, not only internally, but also among its business partners.



## Employee accident rate indices

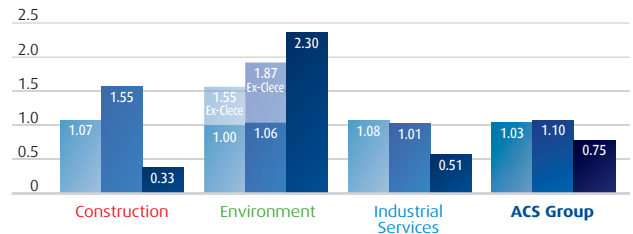
### Frequency rate

Number of accidents that occurred during the working day for every million hours worked



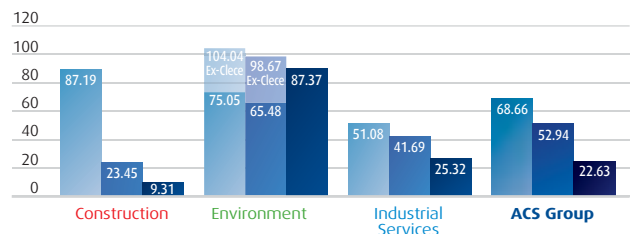
### Severity rate - Employees

Number of working days lost due to accidents per thousand hours worked



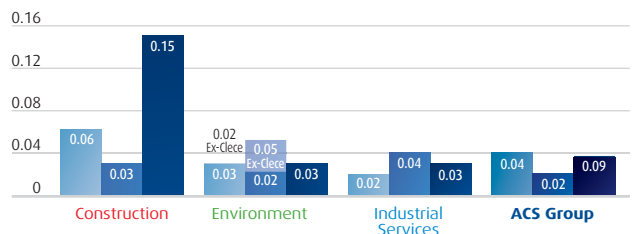
### Incident rate

Number of accidents with sick leave per thousand workers



### Professional disease rate

Total number of cases of occupational diseases over the total hours worked times 200,000



■ 2009  
■ 2010  
■ 2011

<sup>20</sup> In the graphs for this section, data is included in Environment for Clece for 2009 and 2010, but not for 2011, as the company has been consolidated as an asset prepared for sale. If Clece is discounted for 2009 and 2010, the Environment accident rate indices would be:  
Frequency rate: 2009 = 125.77; 2010 = 138.81  
Severity rate: 2009 = 1.55; 2010 = 1.87  
Incidence rate: 2009 = 104.04; 2010 = 98.67  
TOE: 2009 = 0.02; 2010 = 0.05



# The ACS Group and the Corporate Social Responsibility



## Social Action in the ACS Group

The ACS Group channels its social action through the ACS Foundation, the formal social action policy of which is stated in its foundation charters and which is guided by several principles for action:

- Philanthropic action by means of donations and contributions to specialised institutions.
- Actions in several areas of work: accessibility, assistance to development, environment, cultural and educational promotion, dissemination and restoration of Spanish national heritage, collaboration with scientific institutions and sponsorship and patronage of philanthropic institutions, universities, technical schools and other learning centres.
- Selection of projects which provide the greatest social benefit - carried out with prestigious bodies, leaders in their field - and of great general interest.
- Setting up of mixed monitoring committees, between donor and beneficiary, to monitor the execution of significant projects.

Annually, the ACS Foundation prepares its Action Plan, in which it explains in detail the activities planned for the following year. This report shows the most significant projects with the investment allocated for each area of action.

The ACS Foundation invested 3.847 million euros on 2011, 12.6% more than 2010, representing 95.5% of its budget for 2011.

A budget increase of 5% has been approved for 2012, with respect to 2011, to 4.2 million euros.



## GRI index



### Statement GRI Application Level Check

GRI hereby states that **Grupo ACS** has presented its report "Corporate Social Responsibility Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, February 28th 2012

  
Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



The "+" has been added to this Application Level because **Grupo ACS** has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on February 21st 2012. GRI explicitly excludes the statement being applied to any later changes to such material.



# ACS Group Governance

## Ownership Structure

ACS, Actividades de Construcción y Servicios, S.A., (ACS), the ACS Group's parent company, is a Spanish quoted limited company, the share capital of which totalled 157,332,297 euros at 31 December 2011, represented by 314,664,594 shares, with a face value of 0.50 euro per share, fully subscribed and paid up, all of a single class and with the same rights.

ACS's shares are represented by means of book entries and admitted to trading in all Spain's Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia). You can access the main data relating to the company's ownership structure in real time through the company's corporate website, [www.grupoacs.com](http://www.grupoacs.com), and that of the Spanish Stock Market Commission (C.N.M.V.), [www.cnmv.es](http://www.cnmv.es), as reflected in the following table as at 31 December 2011:

Shareholder's name or corporate name	Number of shares	Percentage of the total number of shares
Corporación Financiera Alba, S.A.	57,599,232	18.31%
Inversiones Vesán, S.A.	39,397,625	12.52%
Southeastern Asset Management, Inc.	23,527,063	7.48%
Mr. Alberto Cortina Alcocer	20,618,940	6.55%
Mr. Alberto Alcocer Torra	20,136,455	6.40%
Sayglo Holding, S.L.	17,741,012	5.64%

The information obtained from IBERCLEAR, the Spanish Central Securities Depository, for the call to the company's most recent General Shareholders' Meeting, held on 14 April 2011, showed a total of 45,693 shareholders. There were 40,979 resident minority shareholders who held 45.7 million shares between them. There were 4,714 non-resident shareholders and domestic institutional shareholders with a stake of 269.5 million shares.





## Company Administration

### ACS Governance Structure

It is laid down in the Company Bylaws and the Rules of the Board of Directors that the ACS will be governed by a Board of Directors made up of a minimum of eleven (11) and a maximum of twenty-one members (21). ACS's Board Members are named according to a procedure to assess their competences, knowledge, experience and dedication to proper fulfilment of their task, carried out by the Board of Directors' Appointments and Remuneration Committee.

As ACS's decision-making body, it falls to the Shareholders' Meeting, at the proposal of the Board of Directors, both to set the exact number of members of the Board, within these limits, and to name the people to occupy these posts.

The composition of the Board of Directors is based on a proportional principle, by means of which the interests of all ACS's groups of shareholders are represented on the Board. In this way, at 31 December 2011, ACS's Board of Directors was made up of 17 Board Members: 4 executive members, 8 members representing major shareholders, 4 independent members and 1 external member. There is one woman board member representing major shareholders, Sabina Fluxá Thienemann<sup>21</sup>. The mission of these independent and external board members is to represent the interests of the free-float capital on the Board of Directors. The Chairman of the Board of Directors, Florentino Pérez, is also the CEO of ACS.

<sup>21</sup> Personal information on ACS's board members can be found on the ACS Group's website: [http://www.grupoacs.com/index.php/es/c/gobiernocorporativo\\_consejodeadministracion](http://www.grupoacs.com/index.php/es/c/gobiernocorporativo_consejodeadministracion)





# ACS Group Governance

## Governance Procedures in ACS

As regards the function of the Board of Directors, this acts jointly and is granted the broadest of powers to represent and govern the company as the body supervising and controlling its activity, but also with the capacity to assume the responsibilities and decision-making powers directly on the management of the businesses.

In particular, the Board of Directors fully reserves the authority to approve the following general policies and strategies:

- The investment and financing policy.
- Definition of the corporate group structure.
- Corporate governance policy.
- Policy for Corporate Responsibility.
- The strategic or business plan, as well as management targets and annual budgets.
- Senior executive management assessment and remuneration policies.
- The risk control and management policy, in addition to the periodic monitoring of internal information and control systems.
- The policy on dividends as well as on treasury stock and its limits.
- Related-party transactions, except in those cases anticipated by the Regulations.

For greater efficiency in its functions, a series of Commissions are constituted within the Board of Directors, the task of which consists of controlling and monitoring those areas of greatest importance for the good governance of the company. The Board of Directors is currently made up of three commissions: the Executive Commission, the Audit Committee and the Appointments and Remuneration Committee.

The Executive Committee is a delegated committee which can exercise all the Board of Directors' powers except those which cannot be delegated or which the Board reserves as its competence.

The Audit Committee has 11 main functions, which are detailed in the ACS Group's Corporate Governance Report (Section B.2.4), outstanding among which are the accounting control functions, supervision of compliance with the ACS Group Code of Conduct and risk management.

Finally, the Appointments and Remuneration Committee has eight main functions, which are detailed in the ACS Group's Corporate Governance Report (Section B.2.4), outstanding among which are control of board member senior management remuneration and performance, proposals for their appointments and matters relating to gender diversity on the Board of Directors.

The Board Members' remuneration is defined by a general policy approved by the full Board, heeding the recommendations of the Appointments and Remuneration Committee. The total remuneration of the ACS Group's Board Members in 2011 was 10,68 million euros. Within the ACS Group's transparency and information policy, the remuneration received by both the members of the Board of Directors and the Senior Executives during the financial year is shown in the Annual Corporate Governance Report (Section B.1.11).

Assessment of the Board of Directors quality and efficiency of performance is a task which falls to the Board itself and cannot be delegated. It is carried out after receiving a report from the Appointments and Remuneration Committee. Furthermore, the General Shareholders' Meeting submits approval of the Board of Directors' management to a vote every year.

Finally, the ACS Group, through the Rules of the ACS Board of Directors, has detailed rules on the mechanisms laid down for detecting, determining and resolving possible conflicts of interest between the company and/or its group and its board members, managers or significant shareholders, as detailed in point C.6 of the ACS Group's Corporate Governance Report.



## Shareholders Rights and the General Shareholders' Meeting

The operation of the Shareholders' Meeting and the rights of the shareholders are regulated in ACS's Company Bylaws and in the Rules of the Shareholders' Meeting. According to Article 1 of the latter, the Shareholders' Meeting is the supreme body for the expression of the will of the company and its decision making.

As such, according to these Rules, the Group's shareholders represented in the General Shareholders' Meeting will decide all matters within the Meeting's powers by majority. This meeting will be made up of those holders of at least one hundred shares present or represented, such that holders of less than one hundred shares can group together to reach this number.

In addition, shareholders' attendance and voting rights are laid down in these Rules, by means of which egalitarian treatment is guaranteed for all, and a series of measures aimed at encouraging shareholders' participation in the General Meeting are included. As such, not only is delegation or representation of votes permitted during the Meeting, but the possibility of shareholders casting their vote remotely is also expressly established. Furthermore, since the Ordinary General Shareholders' Meeting of 19 May 2005, the necessary procedures have been articulated for exercising the right to vote in advance remotely. The measures adopted by the Group to encourage attendance of the Meeting are positively reflected in their attendance percentages.

Likewise, the shareholders' and investors' right to information is detailed in several parts of the Rules of the Shareholders' Meeting. Indeed, all

the necessary information is made available to the shareholders prior to holding each Meeting, in that, in addition to the standard information provided by the company in the annual, half-yearly or quarterly reports, the Group maintains a website with all the fundamental data on it and a Shareholder Service Web Forum to attend to requests for information resulting from the General Shareholders' Meeting, acting as a tool support in each period leading up to the General Shareholders' Meeting and will be available to all the Group's shareholders. Periodic meetings are also held with analysts for this information to reach both shareholders and the general market in the fairest, most symmetrical and efficient way possible.

The ACS Group not only sets up permanent communications channels with its shareholders and investors, but also ensures that all the information made available to them is truthful and rigorous. The Audit Commission reviews this information before it is transmitted to confirm that it is prepared in accordance with the professional principles, criteria and practices with which the accounts are prepared.

ACS's Board of Directors has, over a number of years, also been promoting measures to guarantee the transparency of the company's action in the financial markets and to exercise as many functions as result from its position as a listed company on the stock exchanges. To this effect, we try to ensure that knowledge of relevant facts is restricted, until made public, to the minimum number of identified people.

<b>Attendance at Shareholders' Meetings</b>	2009 Ordinary	2010 Ordinary	2010 Extraordinary	2011 Ordinary
Shareholders Present	208	213	115	179
Quorum Shareholders Present	7.66%	19.44%	19.93%	20.55%
Shareholders Represented	2,763	2,776	2,183	2,792
Quorum Shareholders Represented	70.88%	58.22%	57.11%	54.41%
Quorum Total	78.54%	77.66%	77.04%	74.96%



# Directory

## Head offices of the ACS Group's main companies

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