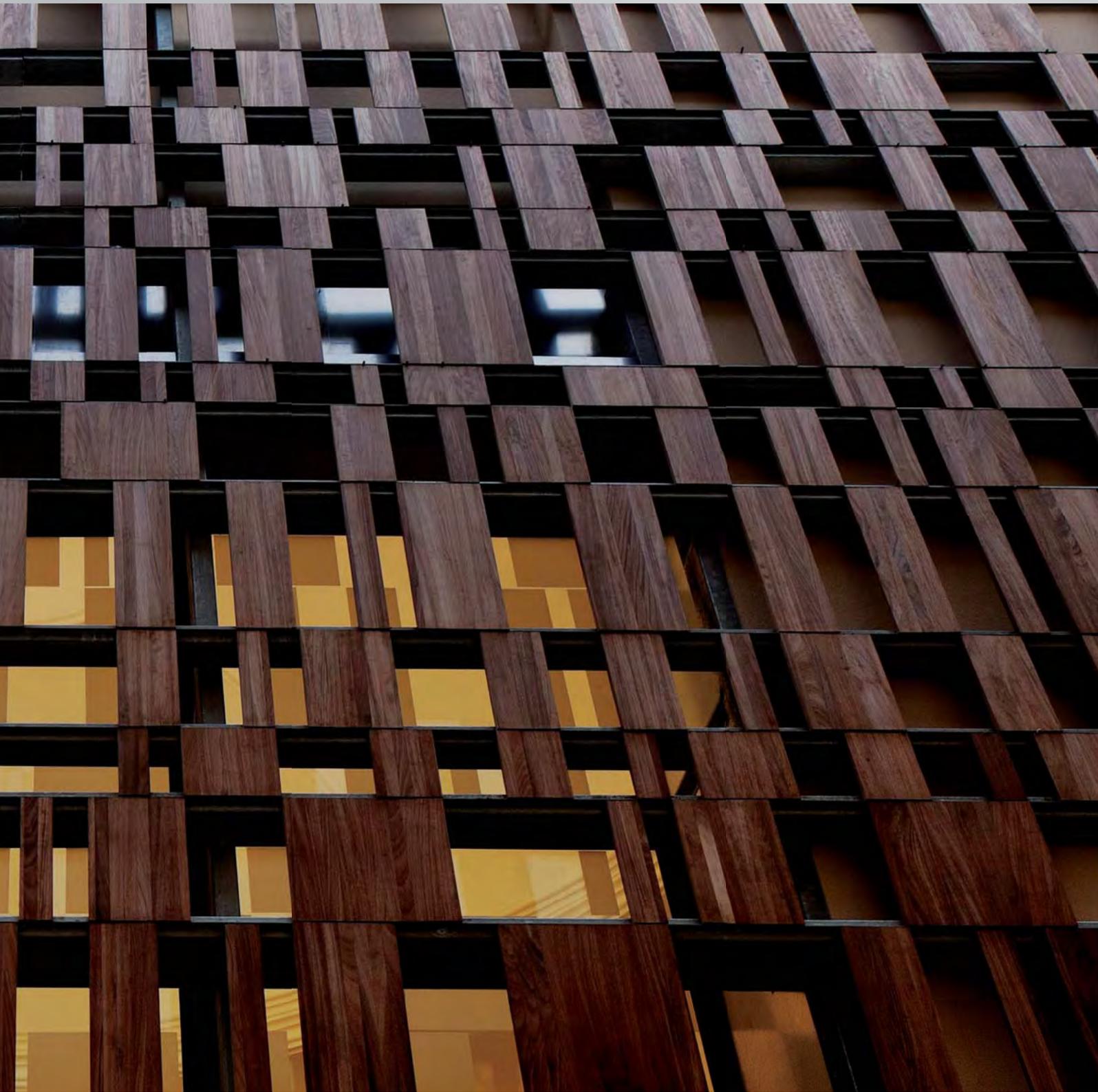


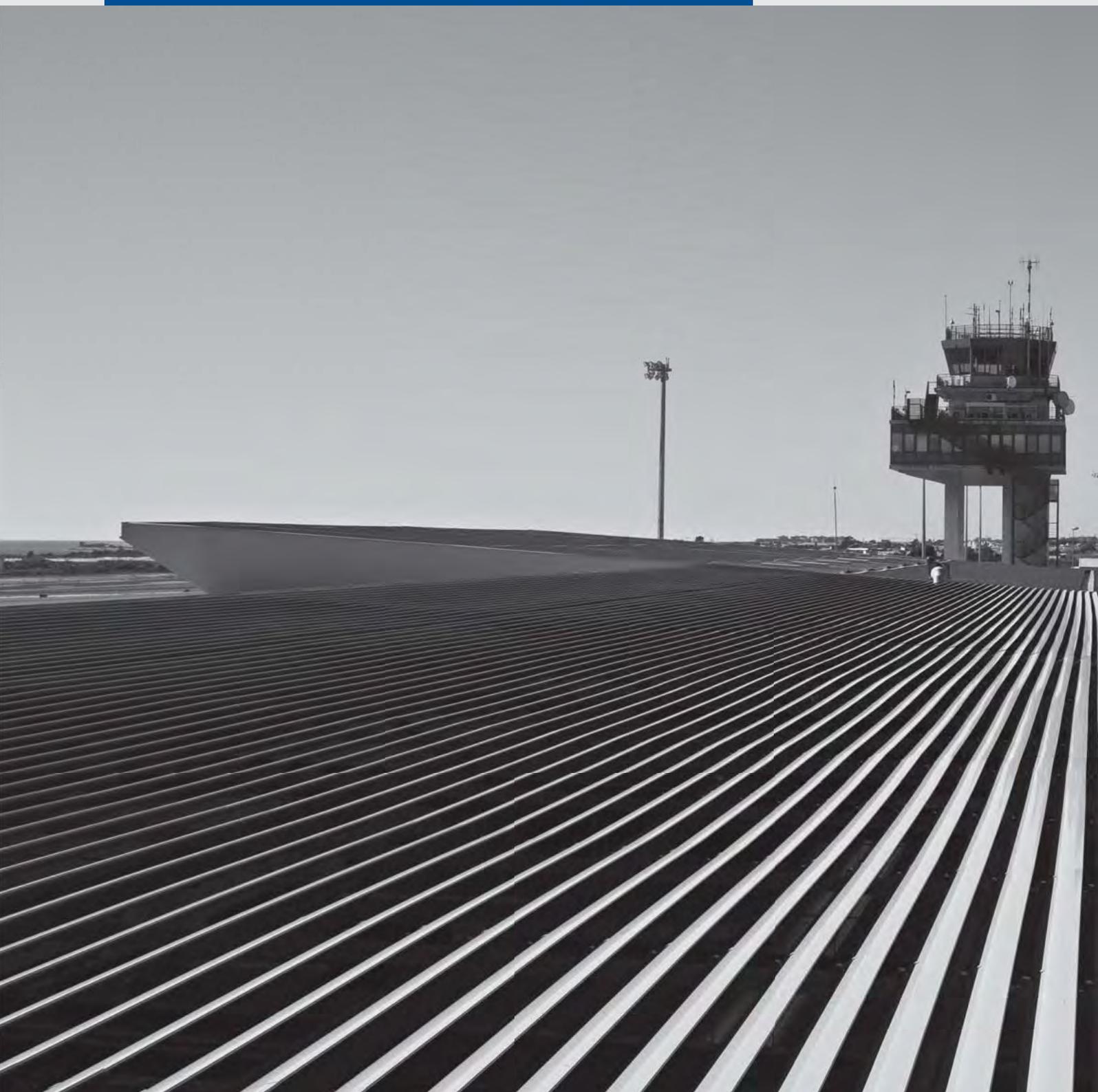
Economic and Financial Report of ACS Group 2011

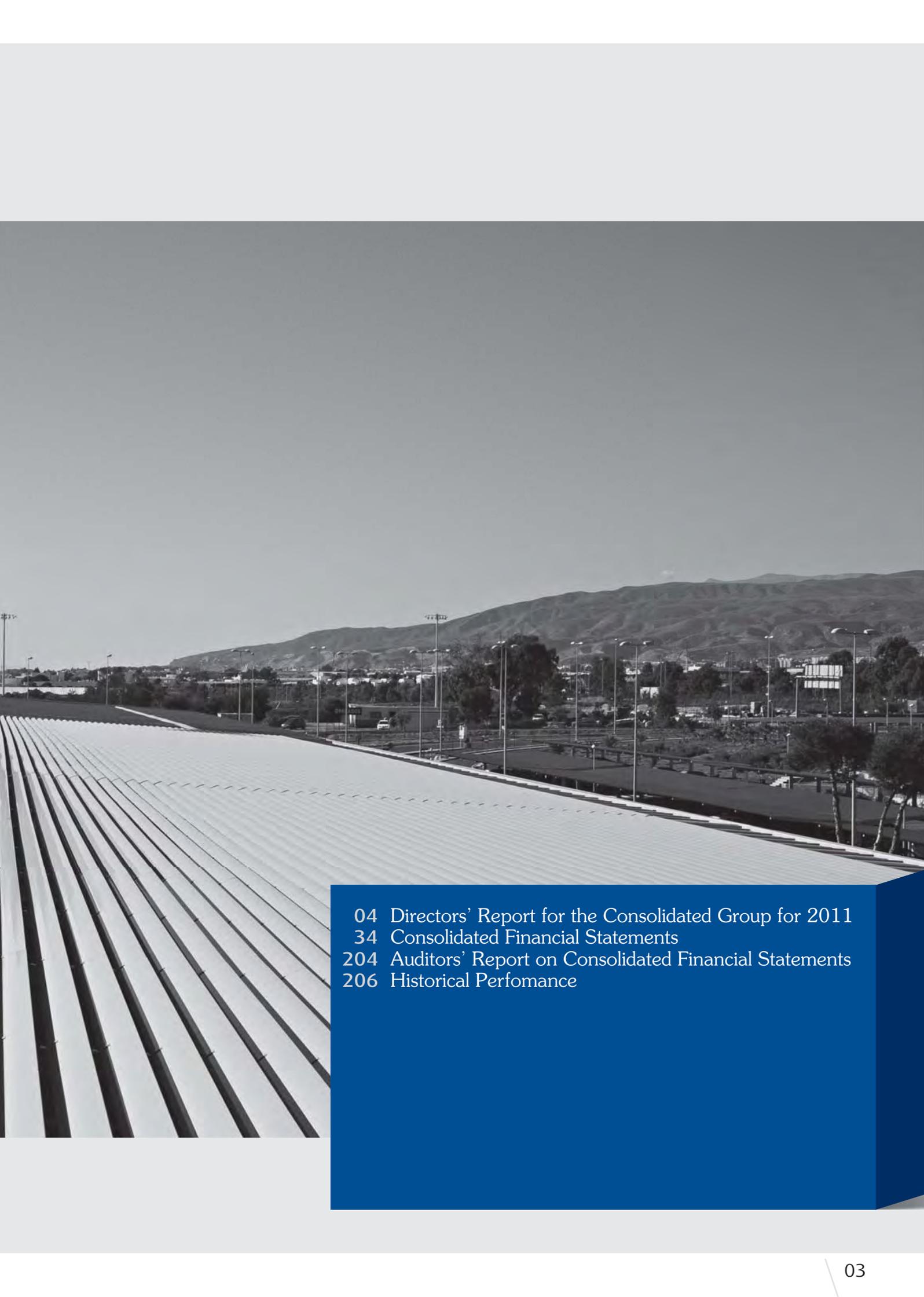


Cover photo: La Bañeza's Town Hall (León, Spain).



Economic and Financial Report of ACS Group





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Directors' report for the Consolidated Group for 2011

01. Business performance of the ACS Group in 2011

01.01. Main events

Key operating and financial indicators			
Millions of euros	2010	2011	Var.
Revenue	14,329	28,472	+98.7%
Backlog	27,603	66,152	+139.7%
<i>Months</i>	23	22	
Operating Cash Flow (EBITDA)	1,432	2,318	+61.9%
<i>Margin</i>	10.0%	8.1%	
Ordinary Operating Profit (EBIT)	1,039	1,333	+28.3%
<i>Margin</i>	7.3%	4.7%	
Ordinary Net Profit from Continuing Operations*	875	951	+8.8%
Attributable Net Profit	1,313	962	-26.7%
EPS	4.38 €	3.24 €	-26.0%
Cash Flow from Operations	1,339	1,287	-3.9%
Net investments	2,317	2,902	+25.2%
<i>Investments</i>	5,099	4,755	-6.7%
<i>Disposals</i>	2,782	1,854	-33.4%
Total Net Debt	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, EUR 7,291 million 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 EUR 2.05 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 EUR 1,080 million. 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 EUR 9,334 million, of which EUR 5,965 million 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:

1. 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.
2. 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 EUR 2,059 million for a term of three years beginning on 28 December 2011. On this date the ACS Group reduced its principal balance to EUR 1,661 million.
3. 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.
4. In June, the ACS Group renewed its "equity swap" contract over the shares of Iberdrola for EUR 2,430 million. Under this agreement, the same contract conditions were maintained and the contract was extended until March 2015.
5. 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 EUR 900 million for three years for the non-recourse financing of the purchase of shares of Iberdrola.
6. 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 EUR 950 million.
7. 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 EUR 860 million. In the last quarter of 2011 the sale of five of these facilities with a combined installed capacity of 159 MW was finalized.

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8. 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 EUR 602 million euros.
9. 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 EUR 216 million.
10. 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 EUR 588 million.

01.02. Consolidated income statement of the ACS Group

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

01.02.01. Revenue and portfolio

The revenue of the ACS Group includes the contribution of EUR 14,882 million by Hochtief, relating to the seven month period from the date of its full consolidation in June of 2011 and inclusion in construction activity.

This amount does not include the sales and portfolio of Clece in both years since this company was included in the Group's financial statements as a discontinued activity due to the fact that it is in the process of being sold.

Sales by geographical area show the diversification of the Group's income sources, which are distributed very similarly between Europe, America and Asia Pacific.

Sales by Geographical Area

Millions of euros	2010	%	2011	%	Var. 11/10
Spain	9,447	65.9%	7,823	27.5%	-17.2%
Rest of Europe	1,185	8.3%	3,345	11.7%	+182.3%
America	3,275	22.9%	7,819	27.5%	+138.7%
Asia Pacific	280	2.0%	9,306	32.7%	n.s.
Rest of the world	142	1.0%	179	0.6%	+26.6%
Total	14,329		28,472		+98.7%

Sales by Geographical Area (excluding eliminations between activity areas)

Millions of euros	Construction			Environment			Industrial Services		
	2010	2011	Var. 11/10	2010	2011	Var. 11/10	2010	2011	Var. 11/10
Spain	3,780	2,943	-22.1%	1,227	1,278	+4.1%	4,483	3,662	-18.3%
Rest of Europe	656	2,456	+274.4%	118	208	+75.9%	410	682	+66.3%
America	1,259	5,345	+324.5%	118	126	+6.9%	1,899	2,348	+23.7%
Asia Pacific	8	9,056	n.s.	1	26	n.s.	271	224	-17.2%
Rest of the world	1	2	n.s.	46	49	+5.6%	95	128	+35.0%
Total	5,703	19,802	+247.2%	1,511	1,686	+11.6%	7,158	7,045	-1.6%

By geographical area, in addition to the inclusion of the business activity of Hochtief in the rest of Europe, Australia and North America, noteworthy was the growth in Industrial Services in America, and particularly Mexico and Brazil. In Spain the counter-cyclical nature of Environment and Industrial Maintenance activities remained unchanged, while Construction and Industrial Projects dropped due to the general decline in investment activity.

The portfolio includes EUR 40,486 million from Hochtief, of which almost three-quarters relate to activity in Australia.

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Portfolio by Geographical Area

Millions of euros	2010	%	2011	%	Var. 11/10
Spain	15,402	55.8%	12,645	19.1%	-17.9%
Rest of Europe	5,444	19.7%	10,392	15.7%	+90.9%
America	5,718	20.7%	14,415	21.8%	+152.1%
Asia Pacific	785	2.8%	28,357	42.9%	n.s.
Rest of the World	253	0.9%	344	0.5%	+35.9%
Total	27,602		66,152		+139.7%

Portfolio by Geographical areas and Line of Business

Millions of euros	Construction			Environment			Industrial Services		
	2010	2011	Var. 11/10	2010	2011	Var. 11/10	2010	2011	Var. 11/10
Spain	5,710	4,311	-24.5%	6,236	5,629	-9.7%	3,457	2,705	-21.8%
Rest of Europe	2,241	7,204	+221.5%	2,399	2,321	-3.3%	803	867	+7.9%
America	3,137	11,185	+256.5%	401	370	-7.9%	2,180	2,860	+31.2%
Asia Pacific	0	27,636	n.s.	505	479	-5.1%	280	241	-13.7%
Rest of the World	0	0	n.a.	127	142	+11.4%	127	202	+58.5%
Total	11,087	50,336	+354.0%	9,669	8,941	-7.5%	6,846	6,875	+0.4%

By geographical area, noteworthy once again was Industrial Services in America, with a portfolio that grows more than proportionally to sales, which will have a positive effect on this line of business in the coming years.

01.02.02. Gross profit and loss from operations

The drop in margins in 2011 was primarily due to the inclusion of the business activity of Hochtief, which has profit margins below the average for the rest of the Group.

Net profit and loss from operations

Millions of euros	2010	2011	Var. 11/10
Operating Cash Flow (EBITDA)	1,432	2,318	+61.9%
<i>EBITDA margin</i>	10.0%	8.1%	
Depreciation and amortisation expense	(391)	(954)	+144.2%
<i>Construction</i>	(105)	(765)	+628.8%
<i>Industrial Services</i>	(179)	(54)	-69.7%
<i>Environment</i>	(105)	(133)	+26.5%
<i>Corporate Unit</i>	(1)	(1)	+3.1%
Working capital provisions	(2)	(30)	n.s.
Ordinary Operating Profit (EBIT)	1,039	1,333	+28.3%
<i>EBIT Margin</i>	7.3%	4.7%	

The significant increase in the depreciation and amortisation expense was due to the incorporation of Hochtief, whose subsidiary Leighton carries out highly capital intensive activities relating to mining contracts. This increase was also due to the amortisation of a greater value of certain assets as a result of purchase price allocation (PPA).

On the other hand, there was a decrease in depreciation and amortisation expenses incurred by Industrial Services as a result of the sale of renewable energy and energy concession assets. The increase in the Environment area's depreciation and amortisation was due to the growth of the waste treatment line of business, which has a larger capital component than the other urban services.

01.02.03. Net Financial profit/loss

Net Financial profit/loss			
Millions of euros	2010	2011	Var. 11/10
<i>Finance income</i>	490	521	+6.4%
<i>Finance costs</i>	(803)	(1,217)	+51.6%
Financial Profit/Loss	(313)	(695)	+122.4%
<i>Construction</i>	(142)	(245)	+72.8%
<i>Industrial Services</i>	(121)	(183)	+51.1%
<i>Environment</i>	(47)	(59)	+24.2%
<i>Corporate Unit</i>	(2)	(209)	n.a.

Finance costs rose by 51.6% as compared to the costs incurred in 2010 primarily due to the following:

There was an increase in debt as a result of the full consolidation of Hochtief beginning on 1 June, which gave rise to finance costs amounting to EUR 167 million. The gross debt of the German group amounted to EUR 3,847 million, while the net debt stood at EUR 990 million at the end of 2011.

Large-scale investment in the past 18 months, including:

- Increase in the ownership interest in Iberdrola at the end of 2010, which currently accounts for 18.55% of the share capital of the electric utility and which led to an increase in finance costs of EUR 85 million.
- The increase in the ownership interest in Hochtief in 2011, which was increased in the early months of the financial year in order to reach a majority shareholding at the General Meeting of Shareholders held in May, after having invested EUR 1,080 million.

The finance income recognised increased by 6.4%. This figure includes the dividends paid by the electricity utility amounting to EUR 373 million, net of the adjustment of EUR 180 million made following the principle of prudence to offset the net contribution of Iberdrola to the profit/loss for the year.

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Net financial profit/loss			
Millions of euros	2010	2011	Var. 11/10
Financial Profit/Loss	(313)	(695)	+122.4%
<i>Exchange gains and losses</i>	25	(22)	n.a.
<i>Changes in fair value of financial instruments</i>	(1)	(98)	n.s.
<i>Impairment and gains or losses on the disposal of financial instruments</i>	536	367	-31.5%
Net Financial Profit/Loss	248	(449)	n.a.

Net financial profit/loss included the impairment of the fair value of certain financial instruments amounting to EUR 98 million, mainly due to adjustments in the value of financial instruments relating to the ACS Group's "stock options" plan.

The gains on the disposal of financial instruments amounting to EUR 367 million include, inter alia, the following sales:

- The Vespucio Norte highway and the Tunnel of San Cristobal in Chile, in addition to the I595 highway in Florida (USA), in the Construction area.
- Renewable energy assets and transmission lines in Brazil, by Industrial Services.
- The hospital waste line of business, the towboat company in Barcelona and the port of Iquique in Chile, by the Environment area.

Even so, this total figure is considerably lower than the amount recognised in 2010, which included the capital gains on the partial sale of Abertis and the Platinum Corridor highway.

01.02.04. Gains on companies accounted for using the equity method

The gains on associated companies accounted for using the equity method include the contribution of profit by the Hochtief up to May, as well as the contribution of the shares of the German group starting in June, noteworthy of which are the holdings in airports and Aurelis. Also included are the gains arising from various projects in Leighton and Hochtief America carried out in collaboration with other shareholders through shared management joint ventures.

Gains on companies accounted for using the equity method			
Millions of euros	2010	2011	Var. 11/10
Gains from companies accounted for using the equity method	222	318	+43.6%
<i>Construction</i>	62	248	+302.4%
<i>Industrial Services</i>	28	19	-32.4%
<i>Environment</i>	14	12	-9.0%
<i>Corporate Unit</i>	119	40	-66.5%

The contribution of Abertis, recognised under Corporate Unit, decreased in 2011 as a result of its partial sale in the summer of 2010.

01.02.05. Net profit/loss attributable to the Group

Net ordinary profit from continuing operations net of extraordinary effects and discontinued operations rose to EUR 951 million, up by 8.8% on 2010.

Conciliation of recurring net profit			
Millions of euros	2010	2011	Var. 11/10
Attributable Net Profit	1,313	962	-26.7%
<i>Hochtief provisions (1Q 2011)</i>	-	76	
<i>Adjustment of Iberdrola contribution</i>	-	126	
<i>Capital gains on the fixed assets</i>	(384)	(224)	
<i>Gains on Clece</i>	(38)	(46)	
<i>Gains on SPL</i>	(43)	-	
<i>Other</i>	27	58	
Conciliation of recurring net profit*	875	951	+8.8%
<i>Number of shares outstanding (average)</i>	299	297	-0.9%
Recurring EPS	2.92 €	3.21 €	+9.8%

* Ordinary Net Profit from Continuing Operations.

The profit after tax from discontinued operations relates to Clece and was significantly lower in comparison to 2010, in which this figure also included the company Dragados SPL, sold the same year.

Profit attributable to non-controlling interests amounting to EUR 147 million relate mainly to the non-controlling interests of Hochtief, corresponding to both the full consolidation in the ACS Group and to profit attributable to Hochtief in relation to the consolidation of Leighton. This figure also includes profit attributable to international subsidiaries of ACS and the concession projects in which the Group has a majority shareholding.

The tax rate of the ACS Group was 32.8%, which was higher than the rate recognised in 2010 as a result of the consolidation of Hochtief, whose contribution when accounted for using the equity method in 2010 was after tax. Beginning in June 2011, the corporate income tax of the German group was also taken into account, and its effective tax rate was substantially higher.

Given the increase in the aforementioned items (tax, non-controlling interests and finance costs) as well as a lower level of capital gains than in 2010 (in which the sales of Abertis and other concession assets were recognised), the net profit attributable to the Group in 2011 was 26.7% lower than in 2010, amounting to EUR 962 million.

Directors' report for the Consolidated Group for 2011

01.03. 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%	-6.3%
Deferred tax assets	824	2.4%	2,083	4.3%	+152.8%
Non-current assets	15,995	46.8%	20,040	41.8%	+25.3%
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%
Current assets	18,190	53.2%	27,948	58.2%	+53.6%
ASSETS	34,185	100%	47,988	100%	+40.4%
Shareholder's 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.
Equity	4,442	13.0%	6,191	12.9%	+39.4%
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%
Non-current liabilities	10,771	31.5%	13,477	28.1%	+25.1%
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%
Current liabilities	18,971	55.5%	28,320	59.0%	+49.3%
EQUITY AND LIABILITIES	34,185	100%	47,988	100%	+40.4%

01.03.01. Non-current assets

Intangible assets include goodwill amounting to EUR 2,496 million, of which EUR 1,379 million relate to the acquisition of Hochtief.

The year-on-year decline in the net balance of concession project assets was due to the reclassification as assets held for sale of the renewable energy plants, transmission lines and desalinization plants, which also include the assets of Clece, other concession infrastructures and the ownership interest in airports managed by Hochtief.

The non-current financial investments include most notably, inter alia, the ownership interest in Iberdrola whose market value totals EUR 5,360 million, as well as various assets owned by Hochtief Concessions and by Environmental Services.

The difference, net of tax, between the recognised market value of the ownership interest in Iberdrola and the investment made was charged against equity adjustments for changes in value.

Additionally, the balance of investments accounted for using the equity method includes, inter alia, various ownership interests in associated companies of Hochtief and the ownership interest in Abertis, through Admirabilia.

01.03.02. Working capital

Changes in Working Capital					
Millions of euros	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11
<i>Construction</i>	(2,260)	(1,940)	(2,637)	(2,275)	(2,253)
<i>Industrial Services</i>	(1,611)	(1,613)	(1,445)	(1,682)	(1,636)
<i>Environment</i>	224	238	284	273	259
<i>Corporate unit/Adjustments</i>	261	184	(12)	(35)	(104)
Total	(3,386)	(3,130)	(3,810)	(3,718)	(3,734)

Note: Construction does not include the working capital arising from the PPA of Hochtief

Net working capital receivable increased by EUR 347 million in the past twelve months, basically due to the full consolidation of Hochtief in the accounts of ACS in June 2011. This made it possible to offset the downturn in working capital, which was mainly a result of the drop in domestic construction.

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Net borrowings					
Millions of euros	Construction	Environment	Industrial Services	Corporate unit/ Adjustments	ACS Group
<i>Long-term bonds and debentures</i>	723	-	-	-	723
<i>Short-term bonds and debentures</i>	46	-	-	-	46
Bonds and Debentures	769	-	-	-	769
<i>Non-current bank borrowings</i>	2,170	96	172	85	2,523
<i>Current bank borrowings</i>	1,642	1,178	582	2,689	6,091
Bank borrowings	3,812	1,274	754	2,774	8,614
<i>Other non-current financial liabilities</i>	989	11	31	(561)	470
<i>Other current financial liabilities</i>	982	157	11	(474)	676
Other financial liabilities	1,971	168	42	(1,035)	1,147
Cash and cash equivalents	4,875	513	1,677	97	7,161
Net Debt / (Cash)	1,677	929	(880)	1,642	3,369
<i>Non-current non-recourse financing</i>	742	170	35	4,941	5,888
<i>Current non-recourse financing</i>	23	24	10	21	77
Non-recourse financing	764	194	45	4,962	5,965
Net Borrowings	2,442	1,124	(835)	6,604	9,334

Note: Construction including Dragados, Hochtief and Iridium, as well as the acquisition debt of Hochtief (EUR 1.618 mn).

The total net debt of the ACS Group, which at the end of the reporting period amounted to EUR 9,334 million, is mainly composed of the following items:

- EUR 4,962 million of non-recourse debt included in the vehicles created for the acquisition of ACS's ownership interest in Iberdrola, which currently amounts to 18.55% of its capital.
- The remainder of the Group's non-recourse debt amounting to EUR 1,004 million, relates to various operating activity concession projects as well as non-recourse financing arranged for the initial acquisition of Hochtief.
- Net recourse debt relating to operational activities amounted to EUR 1,726 million, of which EUR 990 million arose from Hochtief.

The net recourse debt relating to the corporate unit amounted to EUR 1,642 million, noteworthy being the syndicated loan recently refinanced until July 2015 for an amount of EUR 1,411 million.

Changes in cash					
Millions of euros	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11
<i>Gross recourse debt</i>	6,911	6,607	9,704	10,159	10,530
<i>Gross non-recourse debt</i>	7,047	7,154	7,739	7,098	5,966
Gross Borrowings	13,958	13,761	17,442	17,257	16,496
<i>Cash and cash equivalents</i>	5,955	4,958	7,593	7,558	7,161
Net Borrowings	8,003	8,803	9,849	9,699	9,334
<i>Hochtief AG</i>	-	-	710	766	990
<i>ACS (ex Hochtief)</i>	8,003	8,803	9,139	8,932	8,344

Net debt relating to concession projects held for sale (renewable assets, transmission lines, desalination plants, concessions and Clece) amounted to EUR 3,723 million, and has been reclassified under assets and liabilities held for sale in the consolidated balance sheet of the Group at the end of the reporting period until the completion of their respective sales processes.

01.03.03. Equity

Equity			
Millions of euros	Dec-10	Dec-11	Var. 11/10
Shareholders' Equity	5,519	5,682	+3.0%
Adjustments for Changes in Value	(1,341)	(2,363)	+76.3%
Non-controlling interests	264	2,872	n.a.
Equity	4,442	6,191	+39.4%

This amount includes EUR 2,363 million arising from adjustments for changes in value, mainly due to the performance of the market price of Iberdrola shares, which amounted to EUR 1,791 million, and the effect of exchange rates. The year-on-year increase in the adjustment for changes in value relating to Iberdrola amounted to EUR 595 million.

The significant increase in the balance of non-controlling interests was due to the full consolidation of Hochtief beginning on 1 June 2011, and includes both the holdings of the minority shareholders of Hochtief as well as its non-controlling interests included in the balance sheet of the German company, and mainly relating to the minority shareholders of Leighton Holdings.

01.03.04. Net Cash flows

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

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The changes in the Group's working capital gave rise to a cash outflow of EUR 885 million, which was significantly higher than in the same period of the previous year and basically related to Construction activity, both by Dragados and by Hochtief in the last seven months of the year. The full consolidation of Hochtief made it possible to offset this effect.

Net borrowings recognised on the balance sheet increased by EUR 1,331 million in 2011; the difference compared to the figure recognised in this statement of cash flows being mainly due to the full consolidation of Hochtief and the changes in non-recourse financing for the assets held for sale since December 2010.

01.03.05. Investments

Breakdown of Investments					
Millions of euros	Operations	Projects	Total investment	Divestments	Net Investment
Construction	1,199	1,121	2,320	(944)	1,376
<i>Dragados</i>	61	-	61	(40)	21
<i>Hochtief</i>	1,139	530	1,668	(655)	1,013
<i>Iridium</i>	-	591	591	(249)	342
Environment	93	-	93	(229)	(137)
Industrial Services	95	1,141	1,236	(680)	556
Corporate Unit	26	1,081	1,106	-	1,106
Total	1,413	3,342	4,755	(1,854)	2,902

In the Corporate unit, noteworthy was the investment amounting to EUR 1,080 million for the acquisition of approximately 22% of Hochtief (3.6% through the takeover exchange of shares), increasing the ownership interest of ACS at the end of 2011 to 49.2%. Taking into account the treasury shares that the German construction company held at the end of the year (4.4%), its proportional ownership interest amounts to 51.5%.

Operating investments in Construction related mainly to the acquisition of machinery for mining contracts by Leighton (approx. EUR 800 Million). The concession projects amounted to EUR 1,121 million, and were divided between Iridium and Hochtief concessions.

The divestments in the Construction area related primarily to Iridium's highway concessions (EUR 249 million) and the sale of Leighton's mining contracts (EUR 350 million).

Investments in Industrial Services were primarily aimed at energy projects such as solar thermal plants (EUR 482 million), transmission lines (EUR 407 million), wind-powered facilities (EUR 135 million) or gas storage facilities (EUR 68 million). The divestments related to renewable energy assets (EUR 400 million) and transmission lines in Brazil (EUR 223 million).

01.03.06. Net cash flows from financing activities

The financing needs of the Group, including an increase in debt relating to assets held for sale, rose to EUR 2,217 million as a result of the heavy volume of investments.

In 2011 the Group paid its shareholders dividends of EUR 614 million with a charge against profit for 2010, equivalent to EUR 2.05 per share.

Transactions with treasury shares entered into by the Group in the year led to a net cash outflow of EUR 255 million. Treasury shares held by ACS at 31 December 2011 stood at 7.5% of its share capital.

01.04. Performance of Business areas

01.04.01. Construction

Key operating and financial indicators			
Millions of euros	2010	2011	Var.
Sales	5,703	19,802	+247.2%
EBITDA	427	1,210	+183.4%
<i>Margin</i>	7.5%	6.1%	
EBIT	343	449	+30.8%
<i>Margin</i>	6.0%	2.3%	
Net Profit	187	370	+97.5%
<i>Margin</i>	3.3%	1.9%	
Backlog	11,088	50,336	+354.0%
<i>Months</i>	24	22	
Net investments	747	1,376	+84.3%
<i>Concessions (Gross)</i>	729	1,121	
Working capital	(2,260)	(2,253)	-0.3%
Net debt	1,221	2,442	+99.9%
<i>ND/EBITDA</i>	2.9x	2.0x	

Total Construction sales in 2011 reached EUR 19,802 million. This figure takes into account the activity of all construction companies in ACS worldwide, including the contribution of Hochtief from the date of its full consolidation on 1 June 2011, and Iridium, the ACS Group's Concession activity.

The Construction area's EBITDA margin dropped to 6.1 per cent as a result of the incorporation of Hochtief, which contributed an EBITDA margin of 5.3% to the ACS Group's profit and loss.

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Net operating profit rose by 30.8% to EUR 449 million. The EBIT margin dropped to 2.3% of sales, basically due to the depreciation and amortisation of assets allocated to the acquisition of Hochtief and the lower margin of the German group.

The Construction area's net profit amounted to EUR 370 million. This figure was 97.5% higher than in 2010, due mainly to the effect of the capital gains on the sale of the Vespucio Norte highway, the Tunnel of San Cristobal in Chile and the I595 in Florida (USA).

The backlog grew as a result of the incorporation of Hochtief and contributed EUR 40,486 million, which added to the contribution of Dragados equals 22 months of activity.

Data by Geographical Area

Millions of euros	Spain			Rest of Europe			America			Asia Pacific		
	2010	2011	Var.	2010	2011	Var.	2010	2011	Var.	2010	2011	Var.
Sales	3,780	2,943	-22.1%	656	2,456	+274%	1,259	5,345	+325%	8	9,056	n.s.
Order book	5,710	4,311	-24.5%	2,241	7,204	+222%	3,137	11,185	+257%	0	27,636	n.s.
<i>Months</i>	18	18		41	22		30	17			23	

There was a downturn in domestic activity (-22.1%) as a result of the contraction of public investment in infrastructures and the drop in both residential and non-residential construction.

In the rest of Europe, construction increased as a result of the inclusion of activity in Germany, as well as the Group's performance in Poland.

Similarly, in America the business activity of Turner, Flatiron and EECruz of Hochtief were incorporated, which complemented the presence of Dragados in the United States and Canada.

The Asia Pacific activity was full contributed by Leighton through Hochtief in the last seven months of 2011.

Data by Business Group

Millions of euros	Dragados			Iridium			Hochtief			Total		
	2010	2011	Var.	2010	2011	Var.	2010	2011	Var.	2010	2011	Var.
Sales	5,593	4,800	-14.2%	110	119	+8.3%		14,882	n.a.	5,703	19,802	+247.2%
EBITDA	393	375	-4.7%	34	46	+36.9%		789	n.a.	427	1,210	+183.4%
<i>Margin</i>	7.0%	7.8%		30.7%	38.8%			5.3%		7.5%	6.1%	
EBIT	321	298	-7.4%	22	32	+48.5%		119	n.a.	343	449	+30.8%
<i>Margin</i>	5.7%	6.2%		19.8%	27.2%			0.8%		6.0%	2.3%	
Net Profit	220	180	-18.1%	(22)	117	n.a.	(11)	73	n.a.	187	370	+97.5%
<i>Margin</i>	3.9%	3.8%						0.5%		3.3%	1.9%	
Backlog	11,088	9,850	-11.2%					40,486	n.a.	11,088	50,336	+354.0%
<i>Months</i>	24	25						21		24	22	
Net investments	80	21	-74.0%	666	342	-48.7%		1,013	n.a.	747	1,376	
Net debt	(1,309)	(742)	-43.3%	1,194	576	-51.8%	1,336	2,608	+95.2%	1,221	2,442	+99.9%

Contribution of Hochtief to ACS profit / loss

Millions of euros	Hochtief profit/loss for 2011			Contribution to ACS in 2011		
	Jan-May	Jun-Dec	Total	Jan-May	Jun-Dec	Total
Sales	8,400	14,882	23,282		14,882	14,882
EBITDA	17	1,177	1,194		789	789
<i>Margin</i>	0.2%	7.9%	5.1%		5.3%	5.3%
EBIT	(262)	676	414		119	119
<i>Margin</i>	-3.1%	4.5%	1.8%		1.4%	0.8%
<i>Financial profit/loss</i>	(43)	(90)	(132)	(44)	(123)	(167)
<i>Profit attributable to companies accounted for using the equity method</i>	(170)	(480)	(650)	(24)	268	244
<i>Other profit/loss</i>	68	173	241	38	46	84
After-tax profit or loss	(407)	280	(127)	(30)	310	280
<i>Taxes</i>	92	(133)	(41)	2	(111)	(109)
<i>Non-controlling interests</i>	136	(129)	8		(99)	(99)
Net Profit	(178)	17	(160)	(28)	101	73
<i>Margin</i>	-2.1%	0.1%	-0.7%		0.7%	0.5%

The contribution of profit to the ACS Group by Hochtief in 2011 took place in two different phases, between January and May by the equity method and after June by full consolidation

As a result of the change in the method by which Hochtief was consolidated in the accounts of the ACS Group beginning on 1 June 2011, the assets and liabilities of the German group were readjusted to fair value ("Purchase Price Allocation" - PPA).

The main assets to which a higher value was attributed relate to the order book of construction work and the relationships with customers, whose balances are amortised based on the useful life taken into account and whose effect on the depreciation and amortization expense in the seven-month period ending on 31 December 2011 amounted to EUR 168 million.

Additionally, a higher value was allocated in the PPA, for an attributed net amount of EUR 62 million, mainly relating to assets that were sold following the full consolidation of Hochtief and which were not consequently taken into account in the profit of the ACS Group.

Furthermore, provisions amounting to EUR 216 million were recognised for estimated losses in different projects and investments of Hochtief, part of which were used over the seven months of full consolidation.

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HOCHTIEF. Breakdown by business area in 2011 *

Millions of euros.	America	Leighton	Concessions	Europe	Corporate unit /Adjustments	Total
Sales	6,179	13,631	66	3,346	60	23,282
EBITDA	104	1,215	(62)	54	(116)	1,194
<i>Margin</i>	1.7%	8.9%	n.s.	1.6%		5.1%
EBIT	83	499	(63)	21	(125)	414
<i>Margin</i>	1.3%	3.7%	n.s.	0.6%		1.8%
<i>Financial profit/loss</i>	(9)	(117)	11	(34)	17	(132)
<i>Profit attributable to companies accounted for using the equity method</i>	54	(820)	86	30	0	(650)
<i>Other profit/loss.</i>	14	154	(31)	76	27	241
After-tax profit or loss	142	(285)	4	93	(81)	(127)
<i>Taxes</i>	(39)	(240)	(5)	46	197	(41)
<i>Non-controlling interests</i>	(15)	85	(35)	(28)	0	8
Net Profit	88	(155)	(40)	19	(72)	(160)
<i>Margin</i>	1.4%	-1.1%	n.s.	0.6%		-0.7%

* Full Year 2011 reported by Hochtief.

Hochtief's loss for the year was marked by Leighton's exceptional losses. The net profit of the Australian company was affected by the losses in two significant projects (Victoria Desalination Plant and Airport Link) along with the losses of its wholly owned subsidiary Habtoor, based in the United Arab Emirates.

On the contrary, the operations of Hochtief America and Hochtief Europe divisions performed well in 2011, which allowed both companies to exceed the profits obtained in the previous year.

The Concessions division recognised losses of EUR 40 million resulting from the provision made to cover the potential impairment of the Greek and Chilean highways.

The profit/loss of the Corporate Unit included contingencies arising from commitments acquired with managers who exercised rights of compensation in accordance with control change clauses.

01.04.02. Environment

Key operating and financial indicators			
Millions of euros.	2010	2011	Var.
Sales	1,511	1,686	+11.6%
EBITDA	237	253	+6.7%
<i>Margin</i>	15.7%	15.0%	
EBIT	125	112	-10.3%
<i>Margin</i>	8.3%	6.6%	
Net Profit	152	128	-15.8%
<i>Margin</i>	10.1%	7.6%	
Backlog	9,669	8,941	-7.5%
<i>Months</i>	77	64	
Net investments	(34)	(137)	n.a.
Working capital	224	259	+15.8%
Net debt	1,188	1,124	-5.5%
<i>ND/Ebitda</i>	5,0x	4,4x	

Note: The Environment area does not include the sales recognised by Clece in either year since this Company was reclassified as a discontinued operation held for sale.

Sales in the Environment area increased by 11.6% in 2011 as compared to 2010. This growth was due to the inclusion of the waste treatment activity of Logistics Services and the 17.5% growth in sales of Waste Treatment activity.

EBITDA showed a decline in the sales margin of 70 basis points, as a result of the increase in competitive pressure in Spain and due to the inclusion of certain logistics activities with margins which were lower than those of Environmental Services.

EBIT dropped by 10.3% as compared to 2010 due to the increase in depreciation and amortisation expenses in both Urbaser and certain logistics activities.

Net profit fell by 15.8% with a margin of 7.6%. This decrease was a result of the contribution of profit in 2010 by SPL, which as a discontinued operation contributed EUR 43 million in that year.

This amount included the contribution of the ordinary profit of Clece as a "Discontinued Operation" amounting to EUR 45.8 million, and the gains on the sale of port assets and the hospital waste line of business.

Breakdown of sales by line of business			
Millions of euros.	2010	2011	Var.
Waste treatment	346	407	+17.5%
Urban Services	1,150	1,106	-3.9%
Logistics	14	173	n.s.
Total	1,511	1,686	+11.6%
International	284	408	+43.9%
<i>% sales</i>	18.8%	24.2%	

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The capital intensive waste treatment activity, which includes recycling plants, treatment, incineration, landfills and methane production and other renewable energy production facilities, recorded growth of 17.5% in 2011, due to the investment in this type of assets in recent years, especially in France and the United Kingdom.

Urban Services activity included urban solid waste collection, gardening, cleaning and other urban management services provided to city councils. This is an activity mainly carried out in Spain which is labour-intensive, and whose sales dropped by 3.9% in 2011.

Logistics relates mainly to port waste activities, which are basically international, as well as transport following the sale of SPL in 2010.

International sales rose by 43.9% and now account for a 24.2% of total sales, more than five percentage points above those reported last year.

Sales by Geographical Area

Millions of euros.	2010	2011	Var.
Spain	1,227	1,278	+4.1%
Rest of Europe	118	208	+75.9%
America	118	126	+6.9%
Asia Pacific	1	26	n.s.
Rest of the World	46	49	+5.6%
Total	1,511	1,686	+11.6%

This growth was the result of heavy waste treatment plant activity in international markets, and was due to the contracts awarded and the investments made in recent years.

Breakdown of backlog by activity

Millions of euros.	2010	2011	Var.
Waste treatment	5,464	5,166	-5.5%
Urban Services	3,700	3,295	-10.9%
Logistics	505	479	-5.1%
Total	9,669	8,941	-7.5%
International	3,433	3,311	-3.5%
% backlog	35.5%	37.0%	

The Environment backlog was EUR 8,941 million, equivalent to over five years of production, and up 7.5% on the previous year. The 9.7% drop in the order book in Spain was a result of the decrease in the contracts for cleaning and garbage collection in Spain.

The international order book, which basically relates to Environmental Services, accounted for a total 37.0% of the total order book and dropped by 3.5%.

Backlog by Geographical Area			
Millions of euros.	2010	2011	Var.
Spain	6,236	5,629	-9.7%
Rest of Europe	2,399	2,321	-3.3%
America	401	370	-7.9%
Asia Pacific	505	479	-5.1%
Rest of the World	127	142	+11.4%
Total	9,669	8,941	-7.5%

01.04.03. Industrial Services

Key operating and financial indicators			
Millions of euros.	2010	2011	Var.
Sales	7,158	7,045	-1.6%
EBITDA	821	907	+10.5%
<i>Margin</i>	11.5%	12.9%	
EBIT	628	828	+31.8%
<i>Margin</i>	8.8%	11.7%	
Net Profit	400	492	+23.0%
<i>Margin</i>	5.6%	7.0%	
Order book	6,846	6,875	+0.4%
<i>Months</i>	11	12	
Net investments	1,105	556	-49.7%
<i>Projects (Gross Inv)</i>	1,311	1,141	
Working capital	(1,611)	(1,636)	+1.5%
Net debt	(520)	(835)	+60.5%
<i>DN/Ebitda</i>	-0,6x	-0,9x	

Sales in Industrial Services dropped by 1.6% in 2011 to EUR 7,045 million, due to a lower level of Integrated Project activity in the Spanish market.

The EBITDA margin was higher than last year as a result of the change in mix experienced, especially noteworthy being the greater proportion of Renewable Energy activity even after the sale of assets in the year.

The net profit for the area rose by 23.0% to EUR 492 million as a result of a growth in operations and capital gains on the sale of renewable assets during the period.

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Sales by Geographical Area

Millions of euros.	2010	2011	Var.
Spain	4,483	3,662	-18.3%
Rest of Europe	410	682	+66.3%
America	1,899	2,348	+23.7%
Asia Pacific	271	224	-17.2%
Rest of the World	95	128	+35.0%
Total	7,158	7,045	-1.6%

International sales increased by 26.5% up to 48.0% of total sales, and amounted to EUR 3,383 million. This heavy increase was the result of new production in Latin American countries such as Mexico, Brazil, Chile and Peru, as well as the growth in the Northern Europe.

Breakdown by activity

Millions of euros.	2010	2011	Var.
Industrial Maintenance	4,213	4,388	+4.2%
Networks	739	841	+13.9%
Specialised Facilities	2,353	2,524	+7.3%
Control Systems	1,121	1,023	-8.8%
Integrated Projects	2,705	2,342	-13.4%
Renewable energy: Generation	309	373	+20.8%
Consolidation Eliminations	(69)	(59)	n.a.
Total	7,158	7,045	-1.6%
Total International	2,675	3,383	+26.5%
<i>% of total sales</i>	<i>37.4%</i>	<i>48.0%</i>	

Industrial Maintenance activity grew as a result of networking activity, which was very heavy in Spain and in South America, and due to the heavy international growth of Specialized Facilities, whose international activity already exceeds 62% of total activity.

In the Integrated Projects area production dropped by 13.4%, as a result of the 35% decline in this business activity in Spain, while international activity rose by 23%. This decline was a result of the completion of renewable energy projects and the drop in investment in new capacity by major industrial customers. International activity in Integrated Projects already exceeds the amount recorded in Spain.

In the case of the generation of energy from renewable sources, in June the thermal solar power plants Andasol I and II were sold, and the wind powered facilities were also sold to Gas Natural Fenosa. In the last quarter of 2011, five additional wind-powered facilities were sold.

Backlog by Geographical Area

Millions of euros.	2010	2011	Var.
Spain	3,457	2,705	-21.8%
Rest of Europe	803	867	+7.9%
America	2,180	2,860	+31.2%
Asia Pacific	280	241	-13.7%
Rest of the World	127	202	+58.5%
Total	6,846	6,875	+0.4%

Noteworthy was the 23% increase in backlog in international markets, given the impetus of the Integrated Projects area, which has recently been awarded contracts for turnkey projects in Latin America, Asia and Northern Europe.

Backlog by activity			
Millions of euros.	2010	2011	Var.
Industrial Maintenance	4,295	4,193	-2.4%
Domestic backlog	2,530	2,051	-18.9%
International backlog	1,765	2,143	+21.4%
Integrated and Renewable Projects	2,551	2,681	+5.1%
Domestic backlog	926	653	-29.4%
International backlog	1,626	2,028	+24.7%
Total	6,846	6,875	+0.4%
Domestic	3,455	2,704	-21.7%
International	3,391	4,171	+23.0%
<i>% of total backlog</i>	49.5%	60.7%	

The order book of Integrated and Renewable Projects rose by 5.1%. The downturn in Spain and the sale of renewable assets is being gradually replaced by the international backlog in America, in countries like the United States, Mexico and Brazil, where activity increased by 31% compared to 2010.

The Mexican market, which accounts for a third of the total international backlog, currently has the largest growth potential, with major contracts relating to the energy industry, both in the electricity as well as the oil and gas segments.

01.04.04. Listed associates

Main financial figures			
Millions of euros.	2010	2011	Var.
Abertis	119	36	-70.1%
Iberdrola	249	373	+50.0%
Contribution to gross profit/loss	368	409	+11.2%
Associated finance costs	(318)	(353)	+11.1%
Adjustment of profit/loss from Iberdrola		(180)	n.a.
Taxes	94	160	+69.3%
Net profit	144	36	-75.3%

The contribution of profit from Abertis accounted for using the equity method of Abertis, amounted to EUR 36 million, which was lower than in the previous year since this figure included the 25.8% holding accounted for using the equity method (up to August 2010) and in 2011 the related ownership interested amounted to 10.28%, through Admirabilia, S.L.

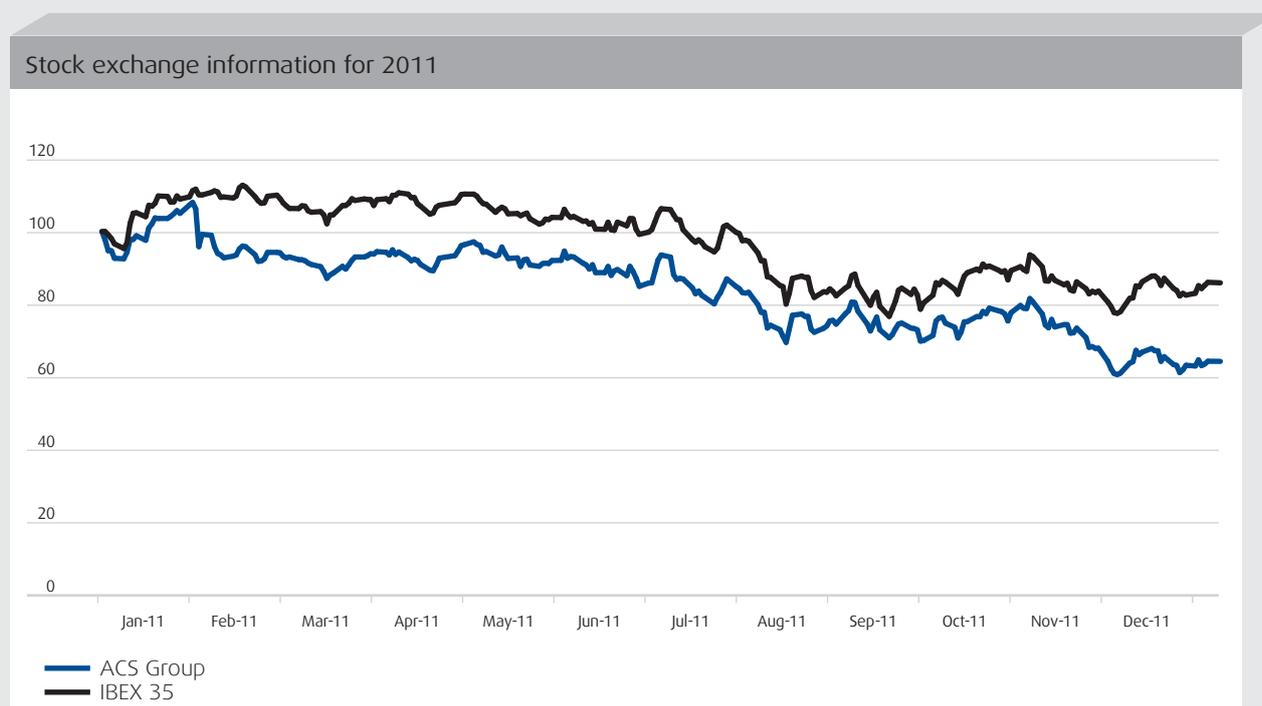
In the case of Iberdrola, the aforementioned adjustment offset the contribution of the dividends accrued by the electricity utility in 2011, which amounted to EUR 373 million, after deducting the finance cost net of taxes relating to the investment. The current ownership interest of the ACS Group in Iberdrola amounts to 18.55% of its share capital.

Directors' report for the Consolidated Group for 2011

02. Stock market performance

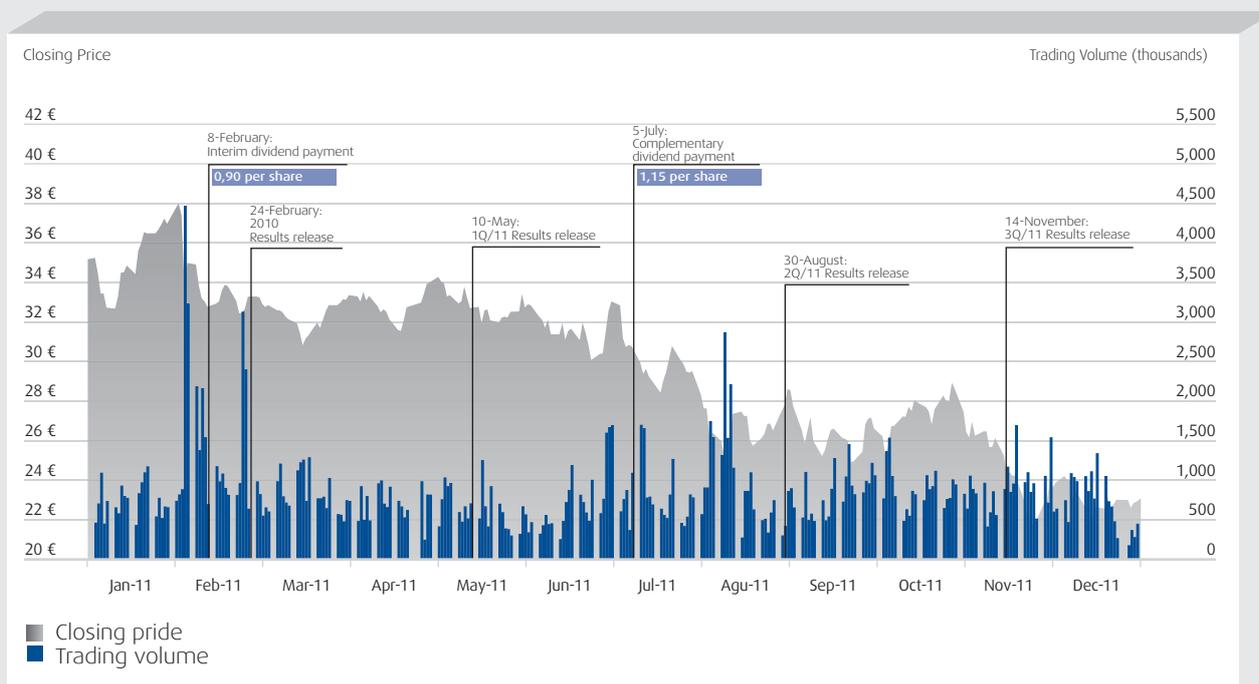
02.01. Stock market information for 2011

In terms of the stock market, 2011 was a negative year for the Ibex35 and for the ACS Group. The market price of the shares of the ACS Group fell by 34.7%, whereas the IBEX35 was down by 13.4%.



The detail of the ACS Group's main stock market data in 2011 and 2010 is as follows:

ACS share data		2010	2011
Closing price		35.08 €	22,90 €
Revaluation in the period		0.76%	-34.71%
Period high		38.80 €	37.94 €
<i>Date reached</i>		05-Jan	01-Feb
Period low		28.59 €	21.75 €
<i>Date reached</i>		25-May	24-Nov
Average in the period		33.58 €	29.67 €
Total volume of shares (thousands)		193,764	220,147
Daily average volume of shares (thousands)		756.89	856.60
Total traded effective (EUR millions)		6,507	6,531
Daily average effective (EUR millions)		25.42	25.41
Number of shares (millions)		314.66	314.66
Market cap at the end of reporting period (EUR millions)		11,037	7,206



02.02. Treasury shares

At 31 December 2011, the ACS Group had 23,608,833 treasury shares, accounting for 7.5% of its share capital. The detail of the transactions performed in the year is as follows:

	2011		2010	
	Number of Shares	Thousands of Euros	Number of Shares	Thousands of Euros
At beginning of year	19,542,383	683,491	9,835,633	350,747
Purchases	9,845,100	279,253	10,200,612	350,047
Sales	(5,778,650)	(202,093)	(493,862)	(17,303)
At end of reporting period	23,608,833	760,651	19,542,383	683,491

On 4 February 2011, in completion of the takeover bid for Hochtief AG, the ACS Group handed over 5,050,085 shares of ACS as consideration for the shares held by the shareholders of Hochtief AG, who accepted the bid.

Directors' report for the Consolidated Group for 2011

03. Information about the main risks and doubts intrinsic to the ACS Group's activity and management of financial risk

The ACS Group operates in sectors, countries and social, economic and legal environments which involve the exposure to different risk levels intrinsic to the businesses in which they engage.

The ACS Group monitors and controls the aforementioned risks in order to prevent an impairment of profitability for its shareholders, a danger to its employees or corporate reputation, a problem for its customers or a negative impact on the Group as a whole. For this purpose, the ACS Group has instruments enabling it to identify such risks sufficiently in advance to manage them appropriately either by avoiding them or by minimising the impact thereof, prioritizing their significance as necessary. Noteworthy are the systems relating to control in the bidding for, contracting, planning and management of works and projects, as well as the quality, environmental and human resource management systems.

In addition to the risks arising from the different lines of businesses in which the ACS Group engages, it is exposed to various financial risks, including the risks of changes in interest rates and exchange rates, as well as liquidity and credit risk.

Risks arising from changes in interest rates affecting cash flows are mitigated by hedging the rates through the use of financial instruments which cushion their fluctuation.

The risk of fluctuations in the rate of exchange is managed by acquiring debt instruments in the same effective currency as the assets that the Group finances abroad. In order to hedge net positions in currencies other than the Euro, the Group arranges different financial instruments to reduce the exposure to the risk of changes in exchange rates.

To manage the liquidity risk arising from temporary imbalances between funding requirements and receipt of the necessary funds, a balance is procured between the two terms involved while, at the same time, the Group borrows on a flexible basis designed to cater for its funding needs at any given time. This is linked to the management of capital by maintaining a financial-equity structure which is optimal for reducing costs, while safeguarding the capacity to continue operating with appropriate debt ratios. In this connection, noteworthy is the recent arrangement of a forward-start facility maturing in July 2015 for corporate financing, which has contributed to an improvement in the average duration of the Group's financial liabilities.

Finally, credit risk caused by the non-payment of commercial loans is dealt with through the preventive assessment of the solvency rating of potential Group customers, both at the commencement of the relationship with these customers for each work or project and during the term of the contract, through the evaluation of the credit quality of the outstanding amounts and the revision of the estimated recoverable amounts in the case of balances considered to be doubtfully collectible.

A more in-depth explanation of these risks and of the related risk control instruments is provided in the ACS Group's Annual Corporate Governance and Corporate Responsibility reports and the ACS Group's consolidated financial statements (www.grupoacs.com) Likewise, the Annual Report of Hochtief (www.hochtief.com) details the risks intrinsic in the German company and its control mechanisms.

Based on the information currently available, in the next six months following the closing of the accounts referred to in this document, the ACS Group does not expect to face situations of risk and uncertainty significantly different to those faced in the second half of 2011 except those arising from:

- The internationalization of the activities resulting from the incorporation of the Hochtief Group;
- The reduction of construction due to the Spanish Government's domestic plans to cut public investment in line with the budgetary adjustment policies in order to ensure the fiscal consolidation required by the European Union; and
- The economic and financial uncertainties arising from the international crisis.

The ACS Group's 2011 Corporate Governance report details these risk control instruments, as well as the risks and uncertainties to which it was exposed over the year.

04. Human Resources

At the end of the reporting period, the ACS Group employed a total of 162,262 people, 36,634 of whom are university graduates. The increase in staff this year was due to the incorporation of the Hochtief Group, which contributed 75,449 staff, of whom 20,832 are higher level university graduates.

Some of the fundamental principles governing the corporate human resource policies of the companies in the Group are based on the following common aims:

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

The ACS Group is an active advocate of the human and labour rights recognized by the various international bodies. It fosters, respects and protects the forming of labour unions and employees' rights to freedom of association; and granting equal opportunities and treatment, without discriminating on the basis of sex, ideology, religion, etc. or any other social or individual circumstance or condition.

The Group also promotes the professional development of its workers. To this end, it has an employment policy which generates wealth in the areas where it operates and produces links that create positive synergies for the environment. In addition, it shows a special interest in ensuring decent working conditions, subject to the most advanced measures of occupational safety and health, promoting skills management, performance evaluation and management of the professional career of its workers.

The Annual Corporate Responsibility Report provides more in-depth information regarding all the issues associated with corporate human resource policies, mainly in key areas for the Group as talent management and occupational safety.

Directors' report for the Consolidated Group for 2011

05. Technological innovation and environmental protection

05.01. Research and development activities

The ACS Group is committed to a policy providing for the ongoing improvement of its processes and of applied technology in all activities. Its involvement with research, development and innovation is evidenced by the increase in the ACS Group's R&D+i investment and efforts year after year. These investments lead to inter alia, tangible improvements in productivity, quality, client satisfaction, work safety, the obtainment of new and better materials and products, and the design of more efficient production processes and systems.

For this purpose, the ACS Group has an in-house research programme aimed at developing new technological know-how in the design of processes, systems, new materials, etc. in each activity. R&D management is carried out through a system that, in the most important companies and in general lines, follows the guidelines of the UNE 166002:2006 standard and is audited by independent technicians.

This program is based on three premises of action:

- 1) Development of projects which most benefit the technical and technological progress of the company, for which purpose it has procedures to analyse and discriminate the projects it undertakes prior to their implementation.
- 2) Development of projects together with other prestigious research institutions, both at national and European level, to complement the skills of the researchers of the ACS Group.
- 3) Increased and responsible investment for implementing research and generating patents and operational techniques consistently and efficiently.

The main lines of research to which the Group is currently devoting efforts are:

- Search for efficiency in the use of resources.
- Minimization of the environmental impacts of services.
- Energy efficiency and the fight against climate change.
- Development of initiatives that promote sustainable transport.
- Information and communication technologies.
- Improvement of transport infrastructure maintenance techniques.
- Improvement and optimization of processes.

The recent incorporation of Hochtief in the ACS Group will allow the best practices in the field of research and development to be combined and exchanged in order to improve resource efficiency and the safety of operations.

05.02. Environmental protection

The ACS Group carries out activities that involve a significant environmental impact, either directly as a consequence of changes in the environment or indirectly through the consumption of materials, energy and water resources.

The ACS Group carries out its activities in accordance with law, by adopting the most efficient measures to reduce these effects, and by reporting its activity in the mandatory environmental impact studies.

Additionally, it develops policies and adapts processes so that a high percentage of the Group activity is certified to the ISO 14001 standard, which involves an additional commitment required by the law in respect of good environmental practice.

- Commitment to pollution prevention.
- Commitment to continuous improvement.
- Commitment to transparency, communication and training to the Group's employees, suppliers, customers and other interest groups.

Additionally, ACS has various ongoing action plans in their companies to reduce the environmental impact in more specific areas. The main initiatives in development are:

- Actions that contribute to the reduction of climate change.
- Initiatives to enhance energy efficiency in its activities.
- Procedures that help to minimize the impact on biodiversity in those projects where necessary.
- Promotion of good practices aimed at saving water in those locations considered to have high water stress.

The detail of the results of R&D+i and environmental policies of the ACS Group are frequently collected and published in the web page of the ACS Group (www.grupoacs.com) and in the Annual Corporate Responsibility Report.

Hochtief also maintains its own environmental performance, social protection and research and development plans, which characterizes it as one of the most effective international building groups in terms of sustainability. These policies are detailed in the sustainability report of the German group, published in March of this year and available at www.hochtief.com.

Directors' report for the Consolidated Group for 2011

06. 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 EUR 1,377 million, and can be increased up to May 2012 to EUR 1,650 million. At the date of the preparation of this Directors' Report, EUR 34 million 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 EUR 80 million, which represents a total enterprise value of EUR 505.7 million.

On 19 March 2012, Hochtief, A. G. issued a corporate bond amounting to EUR 500 million maturing in five years and with a coupon of 5.50% per annum.

07. Outlook for 2012

In 2012 the ACS Group projects that its consolidated revenue will be close to EUR 35,000 million, while its EBITDA is expected to reach EUR 2,700 million. Net debt at the end of the year is expected to be less than three times the EBITDA mentioned.

To achieve these objectives, the ACS Group will continue to fully consolidate HOCHTIEF, while continuing to follow its operating policy of internationalisation, operational efficiency and promotion of profitability.

In terms of debt, the divestment plan started in the year 2010 will continue to be carried out in order to divest those assets that are considered to be mature and non-strategic. These include the sale of wind-powered facilities and solar thermal energy plants, transmission lines and mature infrastructure concessions and other businesses carried on.

08. Annual Corporate Governance Report

In accordance with corporate law, following is the Annual Corporate Governance Report, which forms an integral part of the 2011 Directors' Report.



Consolidated Financial Statements

Consolidated statement of financial position at 31 December 2011

Assets			
Thousands of euros	Note	31/12/2011	31/12/2010
NON-CURRENT ASSETS		20,039,669	15,995,005
Intangible assets	04	4,753,432	1,613,732
<i>Goodwill</i>		2,496,438	1,149,374
<i>Other intangible assets</i>		2,256,994	464,358
Tangible assets - property, plant and equipment	05	3,343,538	1,218,161
Non-current assets in projects	06	834,692	2,380,286
Investment property	07	79,511	57,176
Investments accounted for using the equity method	09	1,569,911	2,333,359
Non-current financial assets	10	7,351,522	7,508,570
Financial instrument receivables	22	23,739	59,766
Deferred tax assets	26.06	2,083,324	823,955
CURRENT ASSETS		27,947,941	18,189,522
Inventories	11	1,774,714	618,025
Trade and other receivables	12	10,703,493	6,939,239
<i>Trade receivables for sales and services</i>		9,625,068	5,880,970
<i>Other receivables</i>		951,857	1,009,275
<i>Current tax assets</i>	26	126,568	48,994
Other current financial assets	10	3,006,222	3,502,218
Other current assets	13	221,278	100,764
Cash and cash equivalents	14	4,155,177	2,452,570
Non-current assets held for sale and discontinued operations	03.09	8,087,057	4,576,706
TOTAL ASSETS		47,987,610	34,184,527

The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated statement of financial position at 31 December 2011.

Equity and liabilities

Thousands of euros	Note	31/12/2011	31/12/2010
EQUITY	15	6,191,264	4,442,386
SHAREHOLDERS' EQUITY		5,682,274	5,519,213
Share Capital		157,332	157,332
Share premium		897,294	897,294
Reserves		4,709,557	4,118,719
(Treasury shares and equity interests)		(760,651)	(683,491)
Profit for the year of the parent		961,940	1,312,557
(Interim dividend)		(283,198)	(283,198)
ADJUSTMENTS FOR CHANGES IN VALUE		(2,363,192)	(1,340,666)
Available-for-sale financial assets		(1,839,361)	(1,200,304)
Hedging instruments		(648,120)	(335,271)
Exchange differences		124,289	194,909
EQUITY ATTRIBUTABLE TO THE PARENT		3,319,082	4,178,547
NON-CONTROLLING INTERESTS		2,872,182	263,839
NON-CURRENT LIABILITIES		13,476,553	10,771,005
Grants	16	58,132	69,949
Non-current provisions	20	2,033,463	407,243
Non-current financial liabilities		9,604,305	9,621,194
<i>Bank borrowings, debt instruments and other marketable securities</i>	17	3,605,979	4,717,777
<i>Project finance with limited recourse</i>	18	5,888,061	4,860,106
<i>Other financial liabilities</i>	19	110,265	43,311
Derivative financial instruments	22	421,705	240,435
Deferred tax liabilities	26.06	1,174,599	270,835
Other non-current liabilities		184,349	161,349
CURRENT LIABILITIES		28,319,793	18,971,136
Current provisions	20	1,268,481	233,344
Current financial liabilities		6,891,279	4,336,735
<i>Bank borrowings, debt instruments and other marketable securities</i>	17	6,271,497	2,136,685
<i>Project finance with limited recourse</i>	18	77,432	2,186,426
<i>Other financial liabilities</i>	19	542,350	13,624
Trade and other payables	23	14,560,695	10,154,737
<i>Suppliers</i>		8,186,905	3,155,493
<i>Other payables</i>		6,285,641	6,915,324
<i>Current tax liabilities</i>	26	88,149	83,920
Other current liabilities	24	603,997	656,270
Liabilities relating to non-current assets held for sale and discontinued operations	03.09	4,995,341	3,590,050
TOTAL EQUITY AND LIABILITIES		47,987,610	34,184,527

The accompanying Notes 01 to 39 and Appendices I to IV are an integral part of the consolidated statement of financial position at 31 December 2011.

Consolidated Financial Statements

Consolidated income statement for the year ended 31 December 2011

Thousands of euros	Note	31/12/2011	31/12/2010
Revenue	27	28,471,883	14,328,505
Changes in inventories of finished goods and work in progress		(219,903)	14,561
Capitalised expenses of in-house work on assets	27	17,494	37,008
Procurements	28.01	(17,767,484)	(8,483,033)
Other operating income		518,922	339,109
Staff costs	28.02	(6,318,521)	(3,241,267)
Other operating expenses		(2,419,658)	(1,568,531)
Depreciation and amortisation charge	04,05,06 and 07	(953,952)	(390,622)
Allocation of grants relating to non-financial assets and others	16	4,525	3,438
Impairments and gains and losses on the disposal of non-current assets		(40,289)	(18,399)
Other profit or loss		81,134	(248)
Operating income		1,374,151	1,020,521
Financial income	28.06	521,055	489,891
Financial costs		(1,216,514)	(802,637)
Changes in the fair value of financial instruments	22 and 28.05	(98,195)	(546)
Exchange differences		(22,152)	25,219
Impairments and gains or losses on the disposal of financial instruments	29	367,087	536,223
Financial result		(448,719)	248,150
Results of companies accounted for using the equity method	09	318,469	221,766
Profit before tax		1,243,901	1,490,437
Income tax	26.04	(181,220)	(217,210)
Profit for the year from continuing operations		1,062,681	1,273,227
Profit for the year from discontinued operations	(*)	45,690	81,650
Profit for the year		1,108,371	1,354,877
Profit attributed to non-controlling interests	15.07	(146,528)	(41,803)
Profit from discontinued operations attributable to non-controlling interests	15.07	97	(517)
Profit attributable to the parent		961,940	1,312,557
(*) Profit after tax from discontinued operations attributable to non-controlling interests	03.09	45.787	81.133

Earnings per share

Euros per share	Note	31/12/2011	31/12/2010
Basic earnings per share	31	3.24	4.38
Diluted earnings per share	31	3.24	4.38
Basic earnings per share from discontinued operations	31	0.15	0.27
Basic earnings per share from continuing operations	31	3.09	4.11

The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated income statement at 31 December 2011.

Consolidated statement of comprehensive income for the year ended 31 December 2011

Thousands of euros	31/12/2011			31/12/2010		
	Of the Parent	Of non-controlling interests	TOTAL	Of the parent	Of non-controlling interests	TOTAL
A) Total consolidated profit	961,940	146,431	1,108,371	1,312,557	42,320	1,354,877
Profit from continuing operations	916,153	146,528	1,062,681	1,231,424	41,803	1,273,227
Profit from discontinued operations	45,787	(97)	45,690	81,133	517	81,650
B) Income and expenses recognised directly in equity	(1,082,158)	20,811	(1,061,347)	(470,343)	2,014	(468,329)
Measurement of financial instruments	(896,832)	(10,520)	(907,352)	(651,746)	-	(651,746)
Cash flow hedges	(523,700)	(75,197)	(598,897)	(239,763)	(13,714)	(253,477)
Exchange differences	(7,017)	111,891	104,874	197,734	11,614	209,348
Actuarial profit and loss	(25,330)	(46,340)	(71,670)	-	-	-
Tax effect	370,721	40,977	411,698	223,432	4,114	227,546
C) Transfers to profit or loss	43,278	(8,777)	34,501	135,825	2,540	138,365
Reversal of financial instruments	-	-	-	12,637	-	12,637
Cash flow hedges	133,735	15,901	149,636	176,185	2,540	178,725
Exchange differences	(63,603)	(19,195)	(82,798)	(11,587)	-	(11,587)
Tax effect	(26,854)	(5,483)	(32,337)	(41,410)	-	(41,410)
Total comprehensive income for the year	(76,940)	158,465	81,525	978,039	46,874	1,024,913

The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated statement of comprehensive income at 31 December 2011.

Consolidated Financial Statements

Consolidated statement of changes in equity for the year ended 31 December 2011

Thousands of euros	Share capital	Share premium	Retained Earnings and other reserves	Treasury shares	Adjustments for changes in value	Profit attributable to the Parent	Interim dividend	Non-controlling interests	TOTAL
Balance at 31 December 2009	157,332	897,294	2,871,360	(350,747)	(1,005,111)	1,951,531	(283,198)	287,555	4,526,016
IFRIC 12. Service concession arrangements	-	-	(12,440)	-	(1,037)	(5,344)	-	1,303	(17,518)
NIC 31- Change in Integration method	-	-	-	-	-	1	-	(579)	(578)
Adjusted balance at 1 January 2010	157,332	897,294	2,858,920	(350,747)	(1,006,148)	1,946,188	(283,198)	288,279	4,507,920
Revenue (expenses) for the year recognised in equity	-	-	-	-	(334,518)	1,312,557	-	46,874	1,024,913
Stock options	-	-	6,177	-	-	-	-	-	6,177
Distribution of profit from the prior year									
<i>To reserves</i>	-	-	1,301,126	-	-	(1,301,126)	-	-	-
<i>To dividends</i>	-	-	26,858	-	-	(645,062)	283,198	(15,374)	(350,380)
Treasury shares	-	-	(126)	(332,744)	-	-	-	-	(332,870)
Changes in quoted investee companies for actuarial profit and others	-	-	(24,253)	-	-	-	-	-	(24,253)
Change in the scope of consolidation and other effects of a lesser amount	-	-	(49,983)	-	-	-	-	(55,940)	(105,923)
2010 interim dividend	-	-	-	-	-	-	(283,198)	-	(283,198)
Balance at 31 December 2010	157,332	897,294	4,118,719	(683,491)	(1,340,666)	1,312,557	(283,198)	263,839	4,442,386
Revenue (expenses) for the year recognised in equity	-	-	(16,354)	-	(1,022,526)	961,940	-	158,465	81,525
Stock options	-	-	8,709	-	-	-	-	-	8,709
Distribution of profit from the prior year									
<i>To reserves</i>	-	-	667,495	-	-	(667,495)	-	-	-
<i>To dividends</i>	-	-	46,714	-	-	(645,062)	283,198	(55,437)	(370,587)
Treasury shares	-	-	(892)	(77,160)	-	-	-	-	(78,052)
Changes in quoted investee companies for actuarial profit and others	-	-	(111,814)	-	-	-	-	-	(111,814)
Change in the scope of consolidation and other effects of a lesser amount	-	-	(3,020)	-	-	-	-	2,505,315	2,502,295
2011 interim dividend	-	-	-	-	-	-	(283,198)	-	(283,198)
Balance at 31 December 2011	157,332	897,294	4,709,557	(760,651)	(2,363,192)	961,940	(283,198)	2,872,182	6,191,264

The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated statement of changes in equity at 31 December 2011.

Consolidated statement of cash flows for the year ended 31 December 2011

Thousands of euros	31/12/2011	31/12/2010
A) Cash flows from operating activities	1,286,649	1,338,617
1. Profit before tax	1,243,901	1,490,437
2. Adjustments to profit:	1,463,613	(18,227)
Depreciation and amortisation charge	953,952	390,622
Other adjustments to profit (net) (Note 03.23)	509,661	(408,849)
3. Changes in working capital	(884,922)	203,238
4. Other cash flows from operating activities:	(535,943)	(336,831)
Interest payable	(1,225,747)	(828,459)
Dividends receivable	541,434	369,640
Interest receivable	313,760	243,870
Income tax payment /proceeds	(165,390)	(121,882)
B) Cash flows from investing activities	(454,907)	(2,063,005)
1. Investment payables:	(2,146,363)	(4,845,160)
Group companies, associates and business units	836,351	(25,127)
Tangible assets - property, plant and equipment, intangible assets and property investments	(2,317,385)	(1,470,583)
Other financial assets	(364,185)	(2,816,543)
Other assets	(301,144)	(532,907)
2. Divestment:	1,691,456	2,782,155
Group companies, associates and business units	1,052,974	2,743,348
Tangible assets - property, plant and equipment, intangible assets and property investments	612,722	24,245
Other financial assets	12,149	11,742
Other assets	13,611	2,820
C) Cash flows from financing activities	695,476	1,005,670
1. Equity instrument proceeds (and payment):	(253,788)	(332,870)
Acquisition	(279,253)	(350,047)
Disposal	25,465	17,177
2. Liability instrument proceeds (and payment):	1,687,448	2,125,714
Issue	3,914,476	2,982,016
Refund and repayment	(2,227,028)	(856,302)
3. Dividends paid and remuneration relating to other equity instruments	(613,858)	(618,204)
4. Other cash flows from financing activities:	(124,326)	(168,970)
Other financing activity proceeds and payables	(124,326)	(168,970)
D) Effect of changes in exchange rates	175,389	-
E) Net increase (decrease) in cash and cash equivalents	1,702,607	281,282
F) Cash and cash equivalents at beginning of the year	2,452,570	2,171,288
G) Cash and cash equivalents at end of the year	4,155,177	2,452,570
1. Cash flows from operating activities	14,016	6,622
2. Cash flows from investing activities	-	124,828
3. Cash flows from financing activities	(14,016)	35,551
Net cash flows from discontinued operations	-	167,001
Cash and cash equivalents at end of year		
Cash and banks	3,086,946	1,625,306
Other financial assets	1,068,231	827,264
Total cash and cash equivalents at end of year	4,155,177	2,452,570

The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated statement of cash flows at 31 December 2011.

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Notes to the consolidated financial statements for the year ended 31 December 2011

01. Group activity

The Parent ACS, Actividades de Construcción y Servicios, S.A. is a company incorporated in Spain in accordance with the Spanish Consolidated Companies Law. Its registered office is at Avda. de Pío XII, 102, 28036 Madrid.

In addition to the operations carried on directly by it, ACS, Actividades de Construcción y Servicios, S.A. is the head of a group of subsidiaries that engage in various business activities and which compose, together with it, the ACS Group. Therefore, ACS, Actividades de Construcción y Servicios, S.A. is obliged to prepare, in addition to its own individual financial statements, the Group's consolidated financial statements, which also include the interests in joint ventures and investments in associates.

In accordance with its company objects, the main business activities of ACS, Actividades de Construcción y Servicios, S.A., the Parent of the ACS Group, are as follows:

1. The business of constructing all kinds of public and private works, as well as the provision of services, for the conservation, maintenance and operation motorways, highways, roads and, in general any type of public or private ways and any other type of works, and any kind of industrial, commercial and financial actions and operations which bear a direct or indirect relationship thereto.
2. Promoting, constructing, restoring and selling housing developments and all kinds of buildings intended for industrial, commercial or residential purposes, either alone or through third parties. Carrying out conservation and maintenance of works, facilities and services, whether urban or industrial.
3. The direction and execution of all manner of works, facilities, assemblies and maintenance related to production plants and lines, electric power transmission and distribution, substations, transformation, interconnection and switching centres, generation and conversion stations, electric, mechanical and track installations for railways, metros and light rail, railway, light rail and trolleybus electrification, electric dam installations, purifying plants, drinking water treatment plants, wharfs, ports, airports, docks, ships, shipyards, platforms, flotation elements, and any other elements for diagnostics, tests, security and protection, controls for interlocking, operating, metering – either directly remotely – for industries and buildings as well as those suited to the above listed, facilities, electrification, public lighting and illumination, electric installations in mines, refineries and explosive environments; and in general all manner of, facilities related to the production, transmission, distribution, upkeep, recovery and use of electric energy in all its stages and systems, as well as the operation repair, replacement and upkeep of the components thereof. Control and automation of all manner of electric networks and installations, remote controls and computer equipment required for the management, computerization and rationalisation of all kinds of energy consumption.
4. The direction and execution of all manner of works, facilities, assemblies and maintenance related to the electronics of systems and networks for telephone, telegraph, signalling and S.O.S. communications, civil defence, defence and traffic, voice and data transmission and use, measurements and signals, as well as transmission, broadcast, repetition and reception of all manner of waves, antennas, relays, radio-links, navigation aids, equipment and elements required for the execution of such works, assemblies and facilities.

5. The direction and execution of all manner of works, facilities, assemblies and maintenance related to the development, production, transformation, storage, transmission, channelling, distribution, use, metering and maintenance of any other kind of energy and energy product, and of any other energy that may be used in the future, including the supply of special equipment, elements required for installation and erection, and materials of all kinds.
6. The direction and execution of all manner of works, assemblies, facilities and maintenance of hydroelectric works to develop, store, raise, drive or distribute water, and its piping, transport and distribution, including water and gas treatment facilities.
7. The direction and execution of all manner of works, assemblies, facilities and maintenance for developing, transporting, channelling and distributing liquid and solid gases for all kinds of uses.
8. The direction and execution of all manner of works, assemblies, facilities and maintenance of ventilation, heating, air conditioning and refrigeration works and works to improve the environment, for all kinds of uses.
9. The direction and execution of all manner of works, facilities, assemblies and maintenance related to cable cars, gondola lifts, chair lifts and aerial lifts for both passenger and material transport by means of systems of cables or any type of mechanical element. The retrieval of ships and submerged elements, maritime salvages, ship breaking, naval fleet repairs, repairs and assembly of engines and mechanical elements for ships, and underwater work and sale of aquatic and sports material.
10. The manufacture, transformation, processing, handling, repair, maintenance and all manner of operations of an industrial nature for commercialisation related to machinery, elements, tools, equipment, electric protection material, bare and insulated conductors, insulators, metal fittings, machines, tools and auxiliary equipment for assemblies and installation of railways, metros and light trains, electric power transmission and distribution plants, lines and networks and for telephone and telegraph communications, telecommunication, security, traffic, telematics and voice and data transmission systems; of elements and machines for the development, transformation, transmission and use of all kinds of energies and energy products; of fluid and gas lift pumps, piping and other elements, mechanisms, accessory instruments, spare parts and materials required for execution and performance of any industrial, agricultural, naval, transport, communication and mining works, facilities and assemblies and others listed in the preceding paragraphs. Managing the business of production, sale and use of electric energy, as well as other energy sources, and carrying out studies related thereto, and managing the business of production, prospecting, sale and use of all kinds of primary solid, liquid or gaseous energy resources, specifically including hydrocarbons and gas, whether natural, liquid or in another state, in their different forms and classes. Energy planning and rationalisation of the use of energy and cogeneration of same. Research, development and operation of all aspects of communication and computing systems.
11. The manufacture, installation, assembly, erection, supply, maintenance and commercialisation of all kinds of products and elements pertaining to or derived from concrete, ceramics, resins, varnishes, paints, plastics or synthetic materials; as well as metal structures for industrial plants and buildings, bridges, towers and supports of metal or reinforced concrete or any synthetic material for all manner of communications and electric power transmission or distribution, or any other class of energy material or product related to all types of energy.
12. The manufacture, preparation, handling and finishing, diagnosis, treatment and impregnation for protection and preservation and sale of wood in general, and especially of posts used for electric, telephone and telegraph lines, impregnation or servicing for mine and gallery timbering, building supports, construction woodwork, crossties for railways and barricades, and the production and commercialisation of antiseptic products and running of procedures for preserving wood,

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elements, tools and equipment of this nature. The acquisition, provision, application and use of paints, varnishes, coverings, plating and, in general, construction materials.

13. The management and execution of reforestation and agricultural and fishery restocking works, as well as the maintenance and improvement thereof. Landscaping, planting, revegetation, reforestation, maintenance and conservation of parks, gardens and accessory elements.
14. The manufacture, installation, distribution and use in any way of all manner of ads and advertising supports. The design, construction, fabrication, installation, maintenance, cleaning, upkeep and advertising use of all manner of street furniture and similar elements.
15. The provision of all manner of public and private services of an urban nature, including the execution of any necessary works and facilities, either by administrative concession or leasing. The treatment, recycling and recovery of all kinds of urban, urban-similar, industrial and sanitary waste; the treatment and sale of waste products, as well as the management and operation of waste treatment and transfer plants. Drafting and processing of all manner of environment-related projects.
16. The cleaning services for buildings, constructions and works of any kind, of offices, commercial premises and public places. Preparation, upkeep, maintenance, sterilisation, disinfection and extermination of rodents. Cleaning, washing, ironing, sorting and transportation of clothing.
17. Furniture assemblies and installations, including tables, shelves, office material, and similar or complementary objects.
18. Transports of all kinds, especially ground transportation of passengers and merchandise, and the activities related thereto. Management and operation, as well as provision of auxiliary and complementary services, of all manner of buildings and properties or complexes for public or private use, intended for use as service areas or stations, recreational areas, and bus or intermodal transportation stations.
19. The provision of integral health care and social assistance services by qualified personnel (physicians, psychologists, educators, university graduates in nursing, social workers, physical therapists and therapists) and performance of the following tasks: home care service; tele-home care and social health care; total or partial running or management of homes, day care centres, therapeutic communities and other shelters and rehabilitation centres; transportation and accompaniment of the above-mentioned collectives; home hospitalisation and medical and nursing home care; supply of oxygen therapy, gas control, electro-medicine, and associated activities.
20. Provision of auxiliary services in housing developments, urban properties, industrial facilities, roadway networks, shopping centres, official agencies and administrative departments, sports or recreational facilities, museums, fairgrounds, exhibition galleries, conference and congress halls, hospitals, conventions, inaugurations, cultural and sports centres, sporting, social and cultural events, exhibits, international conferences, general shareholders' and owners' association meetings, receptions, press conferences, teaching centres, parks, farming facilities (agricultural, livestock and fisheries), forests, rural farms, hunting reserves, recreational and entertainment areas, and in general all kinds of properties and events, by means of porters, superintendents, janitors, ushers, guards or controllers, console operators, auditorium personnel, concierges, receptionists, ticket clerks (including ticket collection), telephone operators, collectors, caretakers, first aid personnel, hostesses and similar personnel or personnel who complement their functions, consisting of the maintenance and upkeep of the premises, as well as attention and service to neighbours, occupants, visitors and/or users, by undertaking the appropriate tasks, excluding in all cases those which the law reserves for security firms. Collection and tallying of cash, and the making, collection and charging of bills and receipts. The development, promotion, exhibition, performance, acquisition, sale and provision of

services in the field of art, culture and recreation, in their different activities, forms, expressions and styles.

21. Provision of emergency, prevention, information, telephone switchboard, kitchen and dining hall services. Opening, closing and custody of keys. Turning on and off, running, supervision, maintenance and repair of engines and heating and air conditioning, electricity and lift installations, water, gas and other supply pipes, and fire protection systems. The operation of rapid communication systems with public assistance services, such as police, firemen, hospitals and medical centres. Fire fighting and prevention services in general, in woodlands, forests, rural farms, and industrial and urban facilities.
22. Integral management or operation of public or private educational or teaching centres, as well as surveillance, service, education and control of student bodies or other educational collectives.
23. Reading of water, gas and electricity meters, maintenance, repair and replacement thereof, monitoring and transcription of readouts, meter inspection, data acquisition and updating, and instalment of alarms. Temperature and humidity measurements on roadways and, in general, all kinds of properties and real estate, and public and private facilities, providing all the controls required for proper upkeep and maintenance thereof, or of the goods deposited or guarded therein.
24. Handling, packing and distribution of food or consumer products; processing, flavouring and distribution of food for own consumption or supply to third parties; servicing, replacement and maintenance of equipment, machinery and dispensing machines of the mentioned products; and participation in operations with raw materials, manufactured goods and supplies.
25. Provision of ground services to passengers and aircraft. Integral logistic freight services, such as: loading, unloading, stowing and unstowing, transport, distribution, placement, sorting, warehouse control, inventory preparation, replacement, control of warehouse stocks and storage of all kinds of merchandise, excluding the activities subject to special legislation. Management and operation of places of distribution of merchandise and goods in general, and especially perishable products, such as fish exchanges and wholesale and retail markets. Reception, docking, mooring and service connections to boats.
26. Direct advertising services, postage and mailing of printed advertising and publicity material and, in general, all kinds of documents and packages, on behalf of the clients.
27. Management, operation, administration, maintenance, upkeep, refurbishment and fitting out of all kinds of concessions in the broadest sense of the word, including those that are part of the concessionary firm's shareholders and those that have any type of contractual relation to develop any of the above-listed activities.
28. The acquisition, holding, use, administration and disposal of all manner of own-account securities, excluding activities that special legislation, and in particular the legislation on the stock market, exclusively ascribes to other entities.
29. Manage and administer representative securities of the shareholders' equity of non-resident entities in Spanish territory, through the appropriate organisation of personal and material means suited to this end.
30. Preparation of all manner of studies, reports and projects, and entering into contracts concerning the activities indicated in this article, as well as supervision, direction and consulting in the execution thereof.
31. Occupational training and recycling of people who provide the services described in the preceding points.

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02. Basis of presentation of the consolidated financial statements and basis of consolidation

02.01. Basis of presentation

The consolidated financial statements for 2011 of the ACS Group were prepared:

- By the Directors of the Parent, at the Board of Directors' Meeting held on 22 March 2012.
- In accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council. The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2011 are summarised in Notes 02 and 03.
- Taking into account all the mandatory accounting policies and rules and measurement bases with a material effect on the consolidated financial statements, as well as the alternative treatments permitted by the relevant legislation in this connection, which are specified in Note 03 (accounting policies).
- So that they present fairly the Group's consolidated equity and financial position at 31 December 2011, and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.
- On the basis of the accounting records kept by the Company and by the other Group companies.

However, since the accounting policies and measurement bases used in preparing the Group's consolidated financial statements for 2011 (IFRSs as adopted by the European Union) differ from those used by the Group companies (local standards), the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with the International Financial Reporting Standards adopted in Europe.

The ACS Group's consolidated financial statements for 2010, (IFRSs as adopted by the European Union) were approved by the shareholders at the Annual General Meeting of ACS, S.A. on 14 April 2011. The 2011 consolidated financial statements of the Group have not yet been approved by the shareholders at the

Annual General Meeting. However, the Parent's Board of Directors considers that the aforementioned financial statements will be approved without any material changes.

At the end of the first quarter of 2011, the ACS Group took the decision to sell its integral maintenance line of business headed by Clece, which was sold in March 2012 (Note 32). Consequently, this line of business was recognised as a discontinued operation, and in accordance with IFRS 5, the assets and liabilities relating to this line of business were recognised as assets held-for-sale and liabilities associated with the assets held for sale under a separate heading in the consolidated statement of financial position. Additionally, the heading "Profit for the year from discontinued operations net of taxes" in the consolidated income statement for the year ended 31 December 2010 includes the net profit and loss from this line of business. The related items were reclassified in the 2010 consolidated income statement. For this reason, the figures recognised in this income statement differ from the income statement presented in the previous year, the main effects being as follow:

Thousands of euros	31/12/2010 Restated	Consideration of Clece as discontinued operation	31/12/2010
Revenue	14,328,505	(1,051,159)	15,379,664
OPERATING INCOME	1,020,521	(56,435)	1,076,956
Financial profit	248,150	2,831	245,319
Results of companies accounted for using the equity method	221,766	(450)	222,216
Profit before tax	1,490,437	(54,054)	1,544,491
Income tax	(217,210)	15,752	(232,962)
Profit for the year from continuing operations	1,273,227	(38,302)	1,311,529
Profit after tax from discontinued operations (*)	81,650	38,302	43,348
Profit for the year	1,354,877	-	1,354,877
Profit attributable to non-controlling interests	(41,803)	391	(42,194)
Profit from discontinued operations attributable to non-controlling interests	(517)	(391)	(126)
Profit attributable to the parent	1,312,557	-	1,312,557
(*) Profit after tax from discontinued operations attributed to non-controlling interests	81,133	37,911	43,222

However, in accordance with the IFRS 5, there was no restatement of the assets and liabilities related to this line of business in the statement of financial position as compared to the previous year. Therefore the ACS Group did not present the statement of financial position for the beginning of the first comparative year (i.e. 1 January 2010) since it was the same as the statement presented for comparative purposes in the 2010 consolidated financial statements.

Consolidated Financial Statements

Responsibility for the information and for the estimates made

The information in these financial statements is the responsibility of the Directors of the Parent of the Group.

The accompanying consolidated financial statements were prepared from the 2011 accounting records of ACS, Actividades de Construcción y Servicios, S.A. and of its subsidiaries whose respective individual financial statements were approved by the directors of each company and business segment, once they were adapted on consolidation in conformity with International Financial Reporting Standards, as adopted by the European Union.

In the Group's consolidated financial statements estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and commitments reported herein. These estimates relate basically to the following:

- The impairment losses on certain assets (Notes 03.01, 03.06 and 10.01).
- The fair value of assets acquired in business combinations (Note 02.02.f).
- The measurement of goodwill and the assignment of assets on acquisitions (Note 03.01).
- The recognition of earnings in construction contracts (Note 03.16.01).
- The amount of certain provisions (Note 03.13).
- The assumptions used in the calculation of liabilities and commitments to employees (Note 03.12).
- The market value of the derivatives, especially the "equity swaps", mentioned in the Notes 09 and 10.
- The useful life of the intangible and tangible assets - property, plant and equipment (Notes 03.02 and 03.03).

Although these estimates were made on the basis of the best information available at the date of this consolidated financial statements on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related future consolidated financial statements.

Changes in accounting estimates and policies and correction of fundamental errors

Changes in accounting estimates. The effect of any change in accounting estimates is recorded under the same heading in the income statements in which the revenue or expense based on the previous estimate was recorded.

Changes in accounting policies and correction of fundamental errors. The effect of any change in accounting policies or correction of fundamental errors is recorded in accordance with IAS 8, in the following manner: the cumulative effect at the beginning of the year is adjusted in reserves whereas the effect on the year is recorded under profit/loss for the year. Also, in these cases the financial date on the comparative year presented together with the year in course is restated.

No errors were corrected in the 2010 financial statements.

Except as indicated in the following paragraphs and the entry into force of new accounting standards, the consolidation criteria applied in 2011 are consistent with those applied in the 2010 consolidated financial statements.

Functional currency

These consolidated financial statements are presented in euros, since this is the functional currency in the area in which the Group operates. Transactions in currencies other than the euro are recognised in accordance with the policies established in Note 03.21.

02.02. Basis of consolidation

a) Balances and transactions with Group companies and associates

All significant intra-Group balances and transactions are eliminated on consolidation. Accordingly, all gains obtained by associates up to their percentage of ownership interest and all gains obtained by fully consolidated companies were eliminated.

However, in accordance with the criteria provided by IFRIC 12, balances and transactions relating to construction projects undertaken by the Construction and Industrial Services division companies for concession companies are not eliminated on consolidation since these transactions are considered to have been performed for third parties as the projects are being completed.

b) Standardisation of items

In order to uniformly present the various items comprising these consolidated financial statements, accounting standardisation criteria have been applied to the individual financial statements of the companies included in the scope of consolidation.

In 2011 and 2010 the reporting date of the financial statements of all the companies included in the scope of consolidation was the same or was temporarily standardised to that of the Parent.

c) Subsidiaries

“Subsidiaries” are defined as companies over which the ACS Group has the capacity to exercise effective control; control is, generally but not exclusively, presumed to exist when the Parent owns directly or indirectly half or more of the voting power of the investee or, even if this percentage is lower or zero, when, for example, there are agreements with other shareholders of the investee that give the Parent control. In accordance with IAS 27, control is the power to govern the financial and operating policies of a company so as to benefit from its activities.

The financial statements of the subsidiaries are fully consolidated with those of the Parent. Where necessary, adjustments are made to the financial statements of the subsidiaries to adapt the accounting policies used to those applied by the Group.

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Also, the Group has an effective ownership interest of less than 50% in certain companies considered to be subsidiaries since the Group holds the majority of the voting power of these companies as a result of the shareholder structure and composition thereof. Most relevant in this connection is Hochtief A. G. in which the Group held a 49.17% ownership interest at the end of 2011 (Note 02.02.f).

The ACS Group companies with dividend rights of more than 50% which are not fully consolidated include: Admirabilia, S.L., Hospital Majadahonda, S.A., Leighton Welspun and Autovía de los Pinares, S.A. This circumstance arises because the control over these companies is exercised by other shareholders or because decisions require the affirmative vote of another or other shareholders, and consequently, they have been recognised as joint ventures or companies accounted for using the equity method.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. a discount on acquisition) is credited to profit and loss on the acquisition date. The interest of non-controlling shareholders is stated at the non-controlling interest's proportion of the fair value of the assets and liabilities recognised.

Also, the share of third parties of:

- The equity of their investees is presented within the Group's equity under "Non-Controlling Interests" in the consolidated statement of financial position.
- The profit or loss for the year is presented under "Profit Attributable to Non-Controlling Interests" and "Profit from Discontinued Operations Attributable to Non-Controlling Interests" in the consolidated income statement and in the consolidated statement of changes in equity.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the date of acquisition to year-end. Similarly, the results of subsidiaries disposed of during the year are included in the consolidated income statement from the beginning of the year to the date of disposal.

Appendix I to these notes to the consolidated financial statements details the subsidiaries and information thereon.

Section f) of this note contains information on acquisitions, disposals, as well as increases and decreases in ownership interest.

d) Joint ventures

A "joint venture" is a contractual arrangement whereby two or more companies ("venturers") have interests in entities (jointly controlled entities) or undertake operations or hold assets so that strategic financial and operating decisions affecting the joint venture require the unanimous consent of all venturers. By applying the alternative provided in IAS 31, "interests in joint ventures" the ACS Group has accounted for jointly controlled companies by the equity method under the heading "Investments accounted for using the equity method" in the accompanying consolidated statement of financial position. The interest in the profit after tax of these companies is included under "Results of companies accounted for using the equity method" in the accompanying consolidated income statement.

Within the area of business in which the ACS Group operates, mention should be made of the Spanish UTEs (Unincorporated joint venture), which are entities with no separate legal personality, through which cooperation arrangements are entered into with other venturers in order to carry out a project or provide a service for a limited period of time. In cases where individual control of the assets and associated operations is evidenced, as in the case of Economic Interest Groupings, the companies are accounted for in the accompanying consolidated financial statements based upon the Group's ownership interest therein, in accordance with IAS 31.

The assets and liabilities assigned to unincorporated Joint Ventures and other similar entities are recognised in the consolidated statement of financial position, classified according to their specific nature and the Group's percentage of ownership interest therein. Likewise, income and expense arising from these entities is presented in the consolidated income statement on the basis of their specific nature and the Group's percentage of ownership therein.

Note 08 and Appendix II contain relevant information on the main joint ventures.

e) Associates

Associates are companies over which the Group is in a position to exercise significant influence, but not control or joint control, usually because it holds (directly or indirectly) 20% or more of the voting power of the investee.

Exceptionally, the following entities (in which the Group owns 20% or more of the voting rights) are not considered to be Group associates since they do not have a significant influence, or are fully inoperative and are irrelevant for the Group as a whole.

In the case of Iberdrola, S.A., the ACS Group directly and indirectly owns 18.8% of the voting rights, and is the main shareholder of this electricity utility company. Consequently, it should be assumed to exercise significant influence on Iberdrola, S.A. However, temporarily and to date, it has not been possible to secure a position on the Board of Directors of Iberdrola, S.A., circumstance which led the ACS Group to challenge the resolutions adopted by the shareholders at the Annual General Meetings of Iberdrola, S.A. held in March 2010 and 2011 in court. However, the ACS Group aims to ultimately gain access to the Board of Directors of Iberdrola, S.A., which would lead the investment in Iberdrola, S.A. to be recognised as an associate. This is a very unique and absolutely exceptional circumstance, and although a ruling had been handed down by the Commercial Court of First Instance of Bilbao against the interests of the ACS Group at the date of the presentation of these financial statements, the Group's Management has full confidence that the court will ultimately rule in the Company's favour.

Investments in associates are accounted for using the equity method, i.e. they are measured initially at acquisition cost, and subsequently, on each reporting date, are measured at cost, plus the variations in the net assets of the associate according to the Group's percentage of ownership. The excess of the cost of acquisition over the fair value of the net assets of the associate at the date of acquisition is recognised as goodwill. The goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess in the Group's share in the fair value of the net assets of the associate over acquisition cost at the acquisition date is recognised in profit or loss.

The profit or loss of associates net of taxes is included in the Group's consolidated income statement under "Results of companies accounted for using the equity method" according to the Group's percentage of ownership interest, after the required adjustments have been made to take into account the depreciation of the depreciable assets based on their fair value at the date of acquisition.

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If as a result of losses incurred by an associate its equity is negative, the investment should be presented in the Group's consolidated statement of financial position with a zero value, unless the Group is obliged to give it financial support.

Appendix III and Note 09 contain relevant information on the main associates.

f) Changes in the scope of consolidation

The main changes in the scope of consolidation of the ACS Group (formed by ACS, Actividades de Construcción y Servicios, S. A. and its subsidiaries) in the year ended 31 December 2011 are described in Appendix IV, especially noteworthy being the ownership interest in Hochtief A.G., which was fully consolidated rather than being accounted for using the equity method. Hochtief A.G. is a company listed on the Frankfurt stock exchange, which inter alia, has a controlling ownership interest in the share capital of Leighton Holdings Limited, a company listed on the Sydney stock exchange.

Acquisitions, sales, and other corporate transactions

In 2011, except for the purchases of shares of Hochtief, A. G., there were no relevant acquisitions of ownership interests in the share capital of subsidiaries, joint ventures or associates, and consequently changes in the scope of consolidation mainly related to the inclusion of newly incorporated companies. The most noteworthy acquisitions of ownership interests in the share capital of other companies were as follows:

Business Combinations and other Acquisitions or Increases in Ownership Interest in Subsidiaries

Name of the Company (or line of business) acquired or merged	Category	Effective transaction date	Net cost of combination (Thousands of Euros)		% of voting rights acquired	% of total voting rights in the company after the acquisition
			Amount (net) paid in the acquisition and other costs directly attributable to the combination	Fair value of the equity instruments issued for the acquisition of the company		
Serrezueta Solar II, S.L.	Subsidiary	12/04/2011	14,500	0,00	100.00%	100.00%
Hochtief, A.G.	Subsidiary	31/12/2011	1,080,479	0,00	21.92%	49.17%
Midasco, LLC.	Subsidiary	15/06/2011	18,771	0,00	100.00%	100.00%
Mostostal Pomorze, S.A.	Subsidiary	30/06/2011	5,502	0,00	20.01%	100.00%
Devine Limited	Subsidiary	30/06/2011	431	0,00	0.21%	26.61%
Central Solar Termoeléctrica Cáceres, S.A.U.	Subsidiary	08/11/2011	12,000	0,00	100.00%	100.00%

Hochtief, A.G.

On 16 September 2010, ACS, Actividades de Construcción y Servicios, S.A., decided to launch a takeover bid targeting all of the shareholders of the German company Hochtief A.G., payable in shares at a rate of 8 shares of ACS for every 5 shares of Hochtief. This exchange ratio was a result of the average market price of both companies in the three previous months.

On 1 December 2010, ACS, Actividades de Construcción y Servicios, S.A. published the voluntary bid document, which was amended on 15 December through a new document whereby the bid was increased to 9 shares of ACS for 5 shares of Hochtief, A.G. The bid period expired on 29 December 2010, and the following additional period expired on 18 January 2011. Finally, once the period for possible withdrawals was finalised on 1 February 2011, the bid for a total of 2,805,599 shares was accepted, which represented 3.6436% of the share capital of Hochtief, A. G. These shares were physically delivered on 4 February 2011.

At 31 December 2010, the Group held an ownership interest of 27.25% in the share capital of Hochtief, A. G, with a carrying amount of EUR 1,594,702 thousand at this date. Additionally, ACS, Actividades de Construcción y Servicios, S. A. signed two equity swaps in 2010, to be settled only for differences in relation to the 2.99% and 2.35% of the share capital of Hochtief A.G. These equity swaps were finally settled in full in February 2011. At 31 December 2010, the fair value of these swaps was recognised under the heading "Financial instrument receivables" on the asset side of the accompanying consolidated statement of financial position" the effect of their valuation being recognised in the consolidated income statement since they were not considered to be hedging instruments (Note 28.05).

On 12 May 2011, the Annual General Meeting of Hochtief was held, and since the ACS Group held a majority of its shares (ACS held 63.21% of the votes present or represented at the meeting), four members of the Board of Directors of Hochtief were appointed as proprietary members in representation of ACS which was half the board members not representing employees on this Board. On 16 June 2011, the ACS Group notified the supervisory authority of the German stock market (abbreviated "Bafin") that it held 50.16% of the voting rights including 4.46% of the treasury shares of Hochtief, in accordance with the criteria stipulated by Bafin. From the end of the additional bid acceptance period up to 31 December 2011, the ACS Group acquired an additional 14,070,782 shares of Hochtief, A. G., which added to the shares previously held and the result of the takeover bid exchange, totalled 37,860,381 shares representing 49.17% of the share capital of Hochtief, A. G.

Consequently, the ACS Group considered the conditions to be appropriate to fully consolidate its investment in Hochtief A. G, with effect from 1 June 2011. Therefore, only its income and expenses for the last seven months of the year were recognised in the consolidated income statement.

In accordance with accounting regulations, the ACS Group assessed the fair value of its ownership interest in Hochtief at the date of its full consolidation. In this regard, considering the increase in the share price of Hochtief in the Frankfurt Stock Exchange in the first half of 2011, the appraisals of the consensus of analysts who monitor the company and the appraisals requested from independent experts of recognised prestige, the ACS Group has not experienced any loss nor, for reasons of prudence, any gain arising from the valuation of its ownership interest prior to its full consolidation.

The costs associated with the purchase of shares of Hochtief, A. G. were recognised in the consolidated income statement for the related year, and consequently, were not capitalised.

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At that date, in accordance with IFRS 3, it was necessary to make an assessment so as to recognise the fair value of identifiable assets and liabilities acquired from Hochtief, A. G. separately from goodwill, the fair value of the identifiable assets and liabilities assumed from Hochtief, A.G. ("Purchase Price Allocation" or PPA) at the acquisition date. Since the ACS Group did not have all the information required for a final assessment at the reporting date of the consolidated financial statements, and in accordance with IFRS 3, the following provisional allocation was made, subsequent to which the Group is required to permanently allocate the purchase of the shares within 12 months:

Thousands of euros	Carrying amount	Allocation of net assets	Fair value of net assets
Tangible assets - property, plant and equipment	2,041,252	-	2,041,252
Intangible assets	565,832	1,504,370	2,070,202
Remainder of non-current assets	3,825,626	(28,918)	3,796,708
Current assets	9,131,438	(68,355)	9,063,083
Non-current liabilities	(2,903,875)	(1,692,459)	(4,596,334)
Current liabilities	(8,836,023)	(254,227)	(9,090,250)
Total net assets	3,824,250	(539,589)	3,284,661
Non-controlling interests	(1,268,420)	120,423	(1,147,997)
Fair value of the fully acquired net assets			2,136,664
Fair value of assets relating to non-controlling interests			1,172,663
Fair value of the net assets of the acquirer			964,001
Cumulative reserves from the purchase to the first date of full consolidation			(28,353)
Purchase price			2,371,136
Goodwill (Note 04.01)			1,378,782

The main adjustments made to the carrying amount of the assets and liabilities of Hochtief, A. G. were as follows.

- The main assets to which a higher value was attributed relate to the backlog of construction work and the relationships with customers, whose balances are amortised based on the useful life taken into account and whose effect on depreciation in the seven-month period ending on 31 December 2011 amounted to EUR 168 million.
- Additionally, a higher value was allocated in the PPA, for an attributed net amount of EUR 62 million, mainly relating to assets that were sold following the full consolidation of Hochtief and which were not consequently taken into account in the profit of the ACS Group.
- Additionally, provisions amounting to EUR 216 million were recognised for estimated losses in different projects and investments of Hochtief, part of which were used over the seven months of full consolidation.
- Hochtief's sales in 2011 amounted to EUR 23,282,236 thousand and the net loss attributable to the parent was EUR 160,288 thousand. Also, in 2010 the company's sales for the whole year amounted to EUR 20,159,286 thousand, with a net profit attributable to the parent of EUR 288,030 thousand.

In accordance with IAS 27, in all purchases of shares of Hochtief, A. G. subsequent to 1 June 2011, given that the company' was fully consolidated, the goodwill relating to the purchases was recognised against reserves (EUR 123,018 thousand).

The changes in the scope of consolidation include, inter alia, the sale of certain wind powered facilities and solar thermal power plants as well as the sale of ownership interests in various Brazilian concession companies providing electric power transmission lines in that country, as well as the sale of certain mining contracts of Henry Walker Eltin in addition to the ownership interest in the mining company Burton through Leighton. These disposals had no impact on the income statement of the ACS Group since the capital gains had been eliminated as a result of the adjustments made in the PPA.

Other disposals of ownership interests in the share capital of subsidiaries, joint ventures or associates in 2011 were as follows:

Decrease in ownership interest in Subsidiaries, Joint Ventures and/or Investments in Associates or Other Operations of a Similar Nature

Name of the company (line of business) sold, spun-off or winded-up	Category	Effective transaction date	% of voting power disposed of	% of voting power in the company following disposal	Gain (loss) (Thousands of Euros)
Iquique Terminal Internacional, S.A.	Associate	17/06/2011	40.00%	0.00%	13,821
Pt Operational Services Pty Ltd.	Associate	01/06/2011	33.40%	0.00%	4,578
Vectra, S.A.	Subsidiary	30/06/2011	100.00%	0.00%	6,322
Remolcadores de Barcelona, S.A.	Subsidiary	30/06/2011	75.98%	0.00%	5,657
Taurus Holdings Chile S.A.	Subsidiary	20/12/2011	100.00%	0.00%	156,988
I 595 Express, LLC.	Subsidiary	07/12/2011	50.00%	50.00%	51,870
Servicios Hospitalarios	Line of business	20/09/2011	100.00%	0.00%	33,497

The most significant changes in the scope of consolidation in 2010 were as follows:

The sale on 31 August 2010, to the investment fund advisor CVC Capital Partners, of 25.83% of the ownership interest in Abertis Infraestructuras, S.A. for EUR 15 per share to two companies, Admirabilia, S.L. and Trebol International, B.V. Under this agreement Admirabilia, S.L. acquired a 10.28% share in Abertis through a contribution and sale, and Trebol acquired the remaining 15.55% through a sale. The share capital of Admirabilia, S.L. was distributed among the shareholders as follows: at a rate of 99%, for the ACS Group and 1% for Trebol. The ownership interest in Trebol was distributed among the shareholders at a rate of 99% for Trebol Holdings S.A.R.L. and 1% for the ACS Group. At both companies 60% of the voting rights pertain to Trebol Holdings S.A.R.L. and the remaining 40% to the ACS Group. Accordingly, Admirabilia, S.L. was accounted for using the equity method. After having eliminated the profit earned by companies of the same ACS Group, thus reducing the carrying amount of the company, the gain on the disposal of the company net of taxes amounted to EUR 519,977 thousand, which was recognised under "Impairment and gains or losses on the disposal of financial instruments" in the accompanying consolidated income statement.

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For the partial financing of this acquisition, an agreement was reached by Admirabilia, S.L. and Trebol International, B.V. with a syndicate of banks (including La Caixa, Banco Santander, Mediobanca and Société General) for the arrangement of a loan amounting to EUR 1,500 million divided into two tranches: One amounting to EUR 1,250 million, maturing in three years; and the other to EUR 250 million and maturing in one year.

Also noteworthy was the sale in December 2010 of its ownership interests in different Brazilian concession companies providing a total of eight power transmission lines in this country, with combined gains net of taxes amounting to EUR 38,799 thousand, which were recognised under the heading "Impairment and gains or losses on the disposal of financial instruments" in the accompanying consolidated income statement.

In 2010 the ACS Group sold its ownership interest in the Platinum Corridor highway in South Africa with gains net of taxes amounting to EUR 57,856 thousand, which were recognised under the heading "Impairment and gains or losses on the disposal of financial instruments" in the accompanying consolidated income statement (Note 29).

Finally, also notable was the sale of assets relating to the port and logistics activities which had been classified as a discontinued operation (Note 03.09), and whose parent was Dragados SPL.

There were no significant business combinations after the end of the reporting period and before the preparation of these consolidated financial statements, except those indicated under the Note "Subsequent Events" in relation to the sale of Clece (Note 32).

Appendix IV contains information on the remaining acquisitions and disposals, as well as increases and decreases in ownership interest affecting the scope of consolidation.

03. Accounting policies

The principal accounting policies used in preparing the Group's consolidated financial statements, in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union, were as follows:

03.01. Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or jointly controlled entity at the date of acquisition.

Any excess of the cost of the investments in the consolidated companies over the corresponding underlying carrying amounts acquired, adjusted at the date of first-time consolidation, is allocated as follows:

- Those attributable to specific assets and liabilities of the companies acquired, by increasing the value of the assets (or reducing the value of the liabilities) whose market values were higher (lower) than the carrying amounts at which they had been recognised in their statements of financial position and whose accounting treatment was similar to that of the same assets (liabilities) of the Group: amortisation, accrual, etc. Those attributable to specific intangible assets, by recognizing them explicitly in the consolidated statement of financial position provided that the fair value at the date of acquisition can be measured reliably.

- Goodwill is only recognised when it has been acquired for consideration and represents, therefore, a payment made by the acquirer in anticipation of future economic benefits from assets of the acquired company that are not capable of being individually identified and separately recognised.
- Goodwill acquired on or after 1 January 2004, is measured at acquisition cost and that acquired earlier is recognised at the carrying amount at 31 December 2003.

In both cases, at the end of each reporting period goodwill is reviewed for impairment (i.e. a reduction in its recoverable amount to below its carrying amount) and any impairment is written down with a charge to “Impairment and Net Gains or Losses on the Disposal of Non-Current Assets” in the consolidated income statement, since, as stipulated in IFRS 3, goodwill is not amortised.

An impairment loss recognised for goodwill must not be reversed in a subsequent period.

On disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Goodwill arising on the acquisition of companies with a functional currency other than the Euro is translated to Euros at the exchange rates prevailing at the date of the consolidated statement of financial position, and changes are recorded as either exchange gains or losses or impairment losses.

Any negative differences between the cost of investments in consolidated companies and associates below the related underlying carrying amounts acquired, adjusted at the date of first-time consolidation, is are classified as negative goodwill and is allocated as follows:

- If the negative goodwill is attributable to specific assets and liabilities of the companies acquired, by increasing the value of the liabilities (or reducing the value of the assets) whose market values were higher (lower) than the carrying amounts at which they had been recognised in their statements of financial position and whose accounting treatment was similar to that of the same assets (liabilities) of the Group: amortisation, accrual, etc.
- The remaining amounts are presented under “Other Profit or Loss” in the consolidated income statement for the year in which the share capital of the subsidiary or associate is acquired.

03.02. Other intangible assets

The other intangible assets are identifiable non-cash assets without physical substance which arise as a result of a legal transaction or which are developed internally by the consolidated companies. Only assets whose cost can be estimated reliably and from which the consolidated companies consider it probable that future economic benefits will be generated are recognised.

Intangible assets are measured initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their useful life.

The ACS Group recognises any impairment loss on the carrying amount of these assets with a charge to “Impairment and Gains on the Disposal of Non-Current current Assets” in the consolidated income statement. The criteria used to recognise the impairment losses on these assets and, where applicable, the reversal of impairment losses recognised in prior years are similar to those used for tangible assets - property, plant and equipment (Note 03.06).

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03.02.01. Development Expenditure

Development expenditure is only recognised as intangible assets if the all of the following conditions are met:

- a) an identifiable asset is created (such as computer software or new processes);
- b) it is probable that the asset created will generate future economic benefits; and
- c) the development cost of the asset can be measured reliably.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives (over a maximum of five years). Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the year in which it is incurred.

03.02.02. Administrative Concessions

Concessions may only be recognised as assets when they have been acquired by the Group for a consideration (in the case of concessions that can be transferred) or for the amount of the expenses incurred to directly obtain the concession from the State or from the related public agency.

Concessions are generally amortised on a straight-line basis over the term of the concession.

In the event of non-compliance, leading to the loss of the concession rights, the carrying amount of the concession is written off.

03.02.03. Computer Software

The acquisition and development costs incurred in relation to the basic computer systems used in the Group's management are recorded with a charge to "Other Intangible Assets" in the consolidated statement of financial position.

Computer system maintenance costs are recognised with a charge to the consolidated income statement for the year in which they are incurred.

Computer software may be contained in a tangible asset or have physical substance and, therefore, incorporate both tangible and intangible elements. These assets will be recognised as tangible assets - property, plant and equipment if they constitute an integral part of the related tangible asset, which cannot operate without that specific software.

Computer software is amortised on a straight-line basis over a period of between three and four years from the entry into service of each application.

03.02.04. Remaining Intangible Assets

The remaining intangible assets relate to the acquired companies' construction order book and client base. These intangible assets are measured at fair value on the date of their acquisition, and if material, on the basis of independent external reports. The assets are amortised in the five to ten year period in which it is estimated that profit will be contributed to the Group.

03.03. Tangible assets - property, plant and equipment

Land and buildings acquired for use in the production or supply of goods or services or for administrative purposes are stated in the balance sheet at acquisition or production cost less any accumulated depreciation and any recognised impairment losses.

Capitalised costs include borrowing costs relating to external financing incurred only during the period of construction of the assets, provided that it is probable that they will give rise to future economic benefits for the Group. The capitalised borrowing costs relate both to specific financing expressly for the acquisition of assets and to general financing in accordance with the criteria of IAS 23. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other interest costs are recognised in profit or loss in the year in which they are incurred.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognised as additions to tangible assets - property, plant and equipment, and the items replaced or renewed are derecognised.

Periodic maintenance, upkeep and repair expenses are recognised in profit or loss on an accrual basis as incurred.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is calculated, using the straight-line method, on the basis of the acquisition cost of the assets less their residual value; the land on which the buildings and other structures stand has an indefinite useful life and, therefore, is not depreciated.

The period tangible assets - property, plant and equipment depreciation charge is recognised in the consolidated income statement and is basically based on the application of depreciation rates determined on the basis of the following average years of estimated useful life of the various assets:

	Years of estimated useful life
Buildings	20-50
Plant and machinery	3-20
Other fixtures, tools and furniture	3-14
Other items of tangible assets - property plant and equipment	4-12

Notwithstanding the foregoing, the fixed assets relating to certain service contracts which reverse back to the contracting body at the end of the term of the contract are depreciated over the lesser of the contract term or the useful life of the assets.

Assets held under finance leases are recognised in the corresponding asset category at the current value of the minimum payments to be made including their residual value, and are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

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Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are depreciated on a basis similar to that of owned assets. If there is no reasonable certainty that the lessee will ultimately obtain ownership of the asset upon the termination of the lease, the asset is depreciated over the shorter of its useful life or the term of the lease.

Interest relating to the financing of assets held under finance leases is charged to consolidated profit for the year in accordance with the effective interest method, on the basis of the repayment of the debt. All other interest costs are recognised in profit or loss in the year in which they are incurred.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

The future costs that the Group will have to incur in respect of dismantling, restoration and environmental rehabilitation of certain facilities are capitalised to the cost of the asset, at present value, and the related provision is recognised. The Group reviews each year its estimates of these future costs, adjusting the value of the provision recognised based on the related studies.

03.04. Non-current assets in projects

This heading includes the amount of investments, mainly in transport, energy and environmental infrastructures which are operated by ACS Group subsidiaries and which are financed by the project finance method (limited recourse financing applied to projects).

These financing structures are applied to projects capable in their own right of providing sufficient guarantees to the participating financial institutions with regard to the repayment of the funds borrowed to finance them. Thus, each project is performed through specific companies in which the project's assets are financed, on the one hand, through a contribution of funds by the developers, which is limited to a determined amount, and on the other, generally of a larger amount, through borrowed funds in the form of long-term debt. The debt servicing of these credit facilities or loans is mainly supported by the cash flows generated by the project in the future, and also by real guarantees on the project assets.

These assets are valued at the costs directly allocable to construction incurred through their entry into operation (studies and designs, compulsory purchases, reinstatement of services, project execution, project management and administration expenses, installations and facilities and similar items) and the portion relating to other indirectly allocable costs, to the extent that they relate to the construction period.

Also included under this heading will be the borrowing costs incurred prior to the entry into operation of the assets arising from external financing thereof. The capitalised borrowing costs relate to specific financing expressly for the acquisition of assets.

Repair and maintenance expenses which do not lead to a lengthening of the useful life of the assets or an extension of their production capacity are expensed currently.

The residual value, useful life and depreciation method used are reviewed periodically to ensure that the depreciation method used reflects the pattern in which the economic benefits arising from operating the assets are received.

This heading also includes the amounts relating to concessions to which IFRIC 12 has been applied. These mainly relate to investments in transport, energy and environmental infrastructures operated by ACS Group subsidiaries and financed by the method known as “Project finance” (limited recourse financing applied to projects), regardless of whether the demand risk is assumed by the group or the financial institution. The related loans are generally secured by the project cash flows.

The main features to be considered in relation to non-current assets in projects are as follows:

- The assets under concession are owned by the grantor in most cases.
- The grantor controls or regulates the service offered by the concession operator and the conditions under which it should be provided.
- The assets are operated by the concession operator as established in the concession tender specifications for an established concession period. At the end of this period, the assets are returned to the grantor, and the concession operator has no right whatsoever over these assets.
- The concession operator receives revenues for the services provided either directly from the users or through the grantor.

Generally, there are two clearly differentiated phases: the first where the concessionaire renders construction or improvement services to be recognised based on degree of completion in accordance with IAS 11 “Construction contracts”, with a balancing entry as either an intangible or financial asset, and a second phase where a series of maintenance or operating services are rendered for the aforementioned infrastructures to be recognised in accordance with IAS 18 “Revenue”.

Either an intangible asset or financial asset is recognised depending on whether demand risk is assumed by the concessionaire or the financing party, respectively, since the concessionaire has an unconditional contractual right to charge for construction or improvement services. The fee amounts paid are also recognised under these asset items.

Combinations may also exist where the demand risk is shared between the concessionaire and the financing party. This figure is irrelevant at the ACS Group.

All the infrastructures of the ACS Group concessionaires were built by Group companies, there being no infrastructures built by third parties. The revenue and expenses relating to infrastructure construction or improvement services are recognised at their gross amount (record of sales and associated costs), the construction margin being recognised in the consolidated financial statements.

Intangible assets

For concessions classified as intangible assets the provisions made for dismantling, removal or restoration are capitalised at the commencement of the concession, in addition to measures for improving and expanding capacity from which income is projected in the initial contract. The amortisation of these assets and the discounting of the aforementioned provisions are recognised in profit and loss. Period provisions for infrastructure replacement and repairs are systematically recognised in the income statement as the obligation is incurred.

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The interest arising from the financing of the infrastructure is recognized in profit or loss, excluding the interest accrued during the construction phase in the intangible asset model, which is capitalised until the infrastructures enter into operation.

Intangible assets are amortised on the basis of the expected consumption pattern, which is understood as the trend and best estimate of the production units for each of the different activities. Quantitatively, the most important concession business is highway construction, and the related assets are amortised on the basis of concession traffic.

Financial assets

The concessions classified as financial assets are recognised at the fair value of the construction or improvement services rendered. According to the amortised cost method, the related revenue is recognised according to the interest rate of the accounts receivable arising from forecasted flows of concession collections and payments, and are recognised as net sales in the accompanying consolidated income statement. As explained above, for the provision of maintenance or operation services, revenue and expenses are charged to income in accordance with IAS 18 "Revenue", as well as the interest costs associated with the concession, which are recognised according to their nature in the accompanying consolidated income statement.

Interest income on the concessions to which the accounts receivable model is applied is recognised as sales, since these are considered to be ordinary activities, forming part of the overall objective of the concessionaire, and are carried on and provide income on a regular basis.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognised as additions to tangible assets - property, plant and equipment, and the items replaced or renewed are derecognised.

The work performed by the Group for its fixed assets are assessed at the production cost, with the exception of the work carried out for concession companies, which are assessed at the sale price.

Concession operators cover all the investment made on completion of the concession term by way of amortisation.

The non-current assets in projects are amortized amortised on the basis of their pattern of use, which is usually determined in the case of highways, by the expected traffic for each year. However, there may be certain contracts that are characterised by having a term which is shorter than the useful life of the non-current assets in the same project, in which case the assets are amortized amortised based upon this term.

Companies periodically assess, at least at the end of each reporting period, whether there are signs of deterioration of any tangible asset or set of tangible assets -property, plant or equipment, as indicated in Note 03.06, in order to make or reverse provisions for the deterioration of the assets to adjust their net book value to their usage value.

The companies consider that the periodic maintenance plans of their facilities, whose cost is allocated to expenses in the year they are incurred, are sufficient to ensure that the assets used are reverted in good working condition on completion of the concession terms and that, accordingly, no significant expenses will arise as a result of the reversion.

03.05. Investment property

The Group classifies as investment property the investments in land and structures held either to earn rentals or for capital appreciation, rather than for their use in the production or supply of goods or services or for administrative purposes; or for their sale in the ordinary course of business. Investment property is measured initially at cost, which is the fair value of the consideration paid for the acquisition thereof, including transaction costs. Subsequently, accumulated depreciation, and where applicable, impairment losses are deducted from the initial cost.

In accordance with IAS 40, the ACS Group has elected not to periodically revalue its investment property on the basis of its market value, but rather to recognise it at cost, net of the related accumulated depreciation, following the same criteria as for plant, property and equipment.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Amortisation of these assets, on the same basis as other property assets, commences when the assets are ready for their projected use.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its sale or disposal by any other means.

Gains or losses arising from the retirement, sale or disposal of the investment property by other means are determined as the difference between the net disposal proceeds from the transaction and the carrying amount of the asset, and is recognised in profit or loss in the period of the retirement or disposal.

Investment property is depreciated on a straight-line basis over its useful life, which is estimated to range from 25 to 50 years based on the features of each asset, less its residual value, if material.

03.06. Impairment of property, plant and equipment and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets, as well as its investment properties, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of the impairment loss is recognised as income immediately.

03.07. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and overheads incurred in bringing the inventories to their present location and condition.

Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The cost of inventories is calculated by using the weighted average cost formula. Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The Group assesses the net realisable value of the inventories at year-end and recognises the appropriate loss if the inventories are overstated. When the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

03.08. Non-current and other financial assets

Except in the case of financial assets at fair value through profit or loss, financial assets are initially recognised at fair value, plus directly attributable transaction costs. The Group classifies its financial investments in four categories regardless of whether they are long- or short-term, excluding investments in associates and assets held for sale.

In the statement of financial position, financial assets maturing within no more than 12 months are classified as current assets and those maturing within more than 12 months as non-current assets.

03.08.01. Loans and receivables

These are non-derivative financial assets with fixed or determinable payments not traded in an active market. After their initial recognition, they are measured at amortised cost using the effective interest method.

The amortised cost is understood to be the initial cost of a financial asset or liability minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount. As regards financial assets, amortised cost includes any impairment losses that the asset may have suffered.

The effective interest rate is the discount rate that exactly matches the net carrying amount of a financial instrument to all its estimated cash flows of all kinds through its residual life.

Deposits and guarantees given are recognised at the amount delivered to meet contractual commitments, regarding gas, water and lease agreements, etc.

Period changes for impairment and reversals of impairment losses on financial assets are recognised in the consolidated income statement for the difference between their carrying amount and the present value of the recoverable cash flows.

03.08.02. Held-to-maturity investments

These are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to the date of maturity. After their initial recognition, they are also measured at amortised cost.

03.08.03. Financial assets at fair value through profit or loss

These include the financial assets held for trading and financial assets managed and measured using the fair value model. These assets are measured at fair value in the consolidated statement of financial position and changes are recognised in the consolidated income statement.

03.08.04. Available-for-sale investments

These are non-derivative financial assets designated as available for sale or not specifically classified within any of the previous categories. These relate mainly to investments in the share capital of companies not included in the scope of consolidation.

After their initial recognition at acquisition cost, these investments are measured at fair value, and the gains and losses from changes in fair value are recognised directly in equity until the asset is disposed of or it is determined that it has become impaired, at which time the cumulative gains or losses previously recognised in equity under the heading "Adjustments for changes in value" are recognised in the profit or loss for the year of the related financial assets.

The fair value of investments actively traded in organised financial markets is determined by reference to their closing market price at year-end. Investments for which there is no active market and whose fair value may not reliably be determined are valued at cost or at a lesser cost in the event that impairment is evidenced.

03.08.05. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership, as in the case of firm sales, transfers of trade receivables in factoring transactions in which no credit or interest risk is retained, sales of financial assets in relation to which repurchase agreements have been entered into at fair value or securitizations of financial assets in which the assignor does not retain subordinating financing or grant any type of guarantee or assume any other type of risk.

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On the contrary, the Group does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received where the Company retains substantially all the risks and rewards of ownership of the transferred asset, as in the case of draft discounting facilities, recourse factoring, the sale of financial assets in relation to which a repurchase agreement is entered into at a fixed price or at the sale price plus interest, and the securitisation of financial assets in which the assignor retains subordinated financing or other types of guarantees covering substantially all of the projected losses.

03.08.06. Fair value hierarchy

The assets and liabilities measured at fair value are broken down by levels in accordance with IFRS 7:

Level 1: Quoted prices (not adjusted) on active markets for identical assets or liabilities instruments.

Level 2: Data other than the listed price included in Level 1 that is observable for the asset or liability instrument, both directly (i.e. the prices) and indirectly (i.e. derived from the prices).

Level 3: Data for the asset or liability instrument that is not based upon observable market data.

03.09. Non-current assets held for sale, liabilities relating to non-current assets held-for-sale and discontinued operations

At 31 December 2011, the non-current assets held for sale related mainly to renewable energy assets (wind farms and solar thermal plants), ownership interests in the airports managed by Hochtief, certain concession assets relating to highways, transmission lines, logistics and integral maintenance activities carried on by Clece S.A. (the latter was considered to be a discontinued operation). In all the above cases a formal decision was made by the Group to sell these assets, a plan for their sale was initiated, the assets were made available-for-sale in their current condition and the sale is expected to be completed within a period of 12 months from the date of their classification as assets held for sale.

Additionally, in 2011 some circumstances arose which were considered to be unlikely in 2010 and certain assets classified as held-for-sale at the end of 2010 were not sold in 2011 (primarily assets relating to the renewable energy line of business). However, the group remains committed to its sale plans and all such assets are actively being marketed at a reasonable price which is higher than their book value. It is highly probable that these assets will be sold within the next twelve months.

Since the Group continued to have control over the Clece group (comprising Clece S.A., and its subsidiaries) at 31 December 2011, the "Non-controlling interests" related to this ownership interest continued to be recognised until control was lost on 8 March 2012 (see Note 32). At 31 December 2010, there were no assets held for sale relating to discontinued operations.

At 31 December 2010, the non-current assets held for sale related mainly to renewable energy assets (wind farms and solar thermal plants), whether domestic or international, certain power transmission lines in Brazil, which were sold in the first months of 2011, and certain ports and logistics assets such as Remolcadores de Barcelona, S.A., whose sale had not been finalised at the date of this report.

Discontinued Operations

The breakdown of the profit from discontinued operations, by line of business, in the years ended 31 December 2011 and 2010 is as follows:

Thousands of euros	31/12/2011	31/12/2010		
	Clece	Clece	SPL	Total
Revenue	1,082,310	1,051,159	540,964	1,592,123
Operating expenses	(1,011,559)	(994,724)	(476,965)	(1,471,689)
Net operating income	70,751	56,435	63,999	120,434
Profit before tax	64,456	54,054	31,090	85,144
Corporate income tax	(18,766)	(15,752)	(13,496)	(29,248)
Profit after tax from discontinued operations	-	-	2,350	2,350
Profit attributed to non-controlling interests	97	(391)	(126)	(517)
Profit after tax and non-controlling interests	45,787	37,911	19,818	57,729
Profit before tax from the disposal of discontinued operations	-	-	41,192	41,192
Tax on the disposal of discontinued operations	-	-	(17,788)	(17,788)
Net profit from the disposal of discontinued operations	-	-	23,404	23,404
Profit after tax and non-controlling interests from discontinued operations	45,787	37,911	43,222	81,133

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The detail of the assets and liabilities relating to discontinued operations at 31 December 2011 is as follows:

Thousands of euros	31/12/2011
	Clece
Tangible assets - property, plant and equipment	33,889
Intangible assets	40,420
Financial assets	12,026
Deferred tax and other non-current assets	5,731
Current assets	351,518
Non-current assets held for sale from discontinued operations	443,584
Non-current liabilities	26,530
Current liabilities	299,519
Liabilities relating to assets held for sale from discontinued operations	326,049
Non-controlling interests from discontinued operations	1,001

The net debt recognised under assets and liabilities of the Clece line as business, which was regarded as a discontinued operation at 31 December 2011, amounted to EUR 94,384 thousand.

No income and expenses were recognised under the heading "Adjustments for changes in value" in relation to discontinued operations at 31 December 2011 and 31 December 2010.

At 31 December 2011, the discontinued operations had no effect on the consolidated statement of comprehensive income other than the effects on profit or loss listed above. The breakdown of other additional effects on the consolidated statement of comprehensive income of the discontinued operations at 31 December 2010 is as follows:

Thousands of euros	31/12/2010
Income and expenses recognised directly in equity	570
Due to cash flow hedges	
<i>SPL</i>	3,536
Exchange differences	
<i>SPL</i>	(1,905)
Tax effect	(1,061)
Transfers to profit or loss	(11,355)
Total comprehensive profit or loss from discontinued operations	(10,785)

The breakdown of the effect of the discontinued operations on the 2011 and 2010 statement of cash flows is as follows:

Thousands of euros	31/12/2011	31/12/2010		
	Clece	Clece	SPL	Total
Cash flows from operating activities	14,016	37,851	(31,229)	6,622
Cash flows from investing activities	-	(7,260)	132,088	124,828
Cash flows from financing activities	(14,016)	4,322	31,229	35,551
Net cash flows from discontinued operations	-	34,913	132,088	167,001

Non-current assets held for sale

The lines of business relating to the renewable energy assets and power transmission lines are included under the Industrial Services activity area. Certain of the remaining port and logistics assets are included in the Environmental activity area and lastly, certain concession assets such as highways and airports managed by Hochtief are included in the Construction activity area.

In addition to the aforementioned assets and liabilities, also included as non-current assets and liabilities relating to non-current assets are certain immaterial assets and liabilities held for sale from among the ACS Group companies.

The breakdown of the main assets and liabilities held for sale at 31 December 2011 and 2010 is as follows:

Thousands of euros	31/12/2011							31/12/2010			
	SPL	Renewable energy	Transmission lines	Concessions	Airports managed by Hochtief	Other	Total	SPL	Renewable energy	Transmission lines	Total
Tangible assets - property, plant and equipment	31,050	21,451	-	770	201	9,092	62,564	77,820	19,204	-	97,024
Intangible assets	37,435	32,173	-	1,072	5,910	22,865	99,455	68,589	93,667	-	162,256
Non-current assets in projects	-	3,169,416	-	946,727	-	10,897	4,127,040	-	3,626,348	159,082	3,785,430
Non-current financial assets	5,875	97,593	31,090	31,935	1,397,734	150,372	1,714,599	13,675	89,888	4,821	108,384
Deferred taxes and other non-current assets	1,276	81,338	789,272	43,695	975	294,778	1,211,334	192	57,412	3,339	60,943
Current assets	51,398	161,246	32,359	94,680	51,011	37,787	428,481	71,356	276,793	13,960	362,109
Non-current assets held for sale	127,034	3,563,217	852,721	1,118,879	1,455,831	525,791	7,643,473	231,632	4,163,312	181,202	4,576,146
Non-current liabilities	14,531	2,838,659	322,140	872,047	3,174	264,824	4,315,375	28,471	3,204,215	68,320	3,301,006
Current liabilities	36,031	198,002	21,739	56,689	16,097	25,359	353,917	36,505	237,495	15,044	289,044
Liabilities related to non-current assets held for sale	50,562	3,036,661	343,879	928,736	19,271	290,183	4,669,292	64,976	3,441,710	83,364	3,590,050
Non-controlling interests held for sale	14,841	2,109	-	-	372,939	18,804	408,693	18,843	13,794	47,940	80,577

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The net debt recognised under assets and liabilities held for sale at 31 December 2011 amounted to EUR 2,568.3 million (EUR 2,869.9 million at 31 December 2010) in renewable energies, EUR 274.2 million (EUR 63.6 million at 31 December 2010) in transmission lines, EUR 672.4 millions in concession assets and EUR 113.4 million in other assets.

The income and expenses recognised under the heading "Adjustments for changes in value" in the consolidated statement of changes in equity, which relate to operations considered to be held for sale in 2011 and 2010 is as follows:

Thousands of euros	31/12/2011							31/12/2010			
	SPL	Renewable energies	Transmission lines	Concessions	Airports managed by Hochtief	Other	Total	SPL	Renewable energies	Transmission lines	Total
Available-for-sale financial assets	-	-	-	-	(138,853)	-	(138,853)	-	-	-	-
Exchange differences	2,289	(1,707)	(2,748)	(64,883)	(16)	(2,541)	(69,606)	(31)	223	12,890	13,082
Cash flow hedges	(220)	(184,910)	-	(8)	117,587	(48,162)	(115,713)	(220)	(114,977)	-	(115,197)
Adjustments for changes in value	2,069	(186,617)	(2,748)	(64,891)	(21,282)	(50,703)	(324,172)	(251)	(114,754)	12,890	(102,115)

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. For this to be the case, the assets or disposal groups must be available for immediate sale in their present condition, and their sale must be highly probable.

Discontinued operations represent Group components that have been sold or disposed of by any other means, or that have been classified as held for sale. These components comprise groups of operations and cash flows that can be distinguished, operationally and for financial reporting purposes, from the rest of the Group. They represent separate lines of business or geographic areas.

03.10. Equity

An equity instrument represents a residual interest in the assets of the Company after deducting all of its liabilities.

Capital and other equity instruments issued by the Group are recognised in equity at the proceeds received, net of direct issue costs.

03.10.01. Share capital

Ordinary shares are classified as capital. There are no other types of shares.

Expenses directly attributable to the issue or acquisition of new shares are recognised in equity as a deduction from the amount thereof.

03.10.02. Treasury shares

Note 15.04 summarises the transactions performed with treasury shares in 2011 and 2010. Such shares are recognised as a reduction of equity in the accompanying statement of financial position at 31 December 2011 and 2010.

When the Group acquires or sells treasury shares the amount paid or received for the treasury shares is recognised directly recognised in equity. No loss or gain from the purchase, sale, issue or amortisation of the Group's own equity instruments is recognised in the consolidated income statement for the year.

The shares of the Parent are measured at average acquisition cost.

03.10.03. Stock Options

The Group has granted options on ACS, Actividades de Construcción y Servicios, S.A. shares to certain employees.

In accordance with IFRS 2, the options granted are deemed to be equity-settled share-based payment transactions and are therefore measured at fair value at the grant date and are expensed over the vesting period with a credit to equity, based on the periods of irrevocability of the options.

Since market prices are not available, the value of the share options has been determined using valuation techniques taking into consideration all factors and conditions that would have been applied in an arm's length transaction between knowledgeable parties (Note 28.03).

In addition, the Hochtief Group has granted options on Hochtief, A. G. shares to management members.

03.11. Grants

The ACS Group has received grants from various government agencies mainly to finance investments in tangible assets - property, plant and equipment relating to environmental activity. Evidence of compliance with the conditions established in the related grant resolutions was provided to the relevant competent agencies.

Public grants given to the Group to acquire assets are carried to the consolidated income statement of the same period and on the same basis as those applied to depreciate the asset relating to the aforementioned grants.

Official grants to compensate offset costs are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to offset.

Official grants receivable to offset for expenses or losses already incurred, or for the purpose of giving financial support with no future related costs, are recognised as income in the period in which they become receivable.

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03.12. Financial liabilities

Financial liabilities are classified in accordance with the content and the substance of the contractual arrangements, bearing in mind the economic substance thereof.

The main financial liabilities held by the Group companies relate to held-to-maturity financial liabilities which are measured at amortised cost.

The financial risk management policies of the ACS Group are detailed in Note 21.

03.12.01. Bank borrowings, debt and other securities

Interest-bearing bank loans and overdrafts are recognised at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are recognised in profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Loans are classified as current items unless the Group has the unconditional right to defer repayment of the debt for at least 12 months from the end of the reporting period.

03.12.02. Trade and other payables

Trade payables are not interest bearing and are stated at their nominal value, which does not differ significantly from their fair value.

03.12.03. Current/Non-current classification

In the accompanying consolidated statement of financial position debts due to be settled within 12 months are classified as current items and those due to be settled within more than 12 months as non-current items.

Loans due within 12 months but whose long-term refinancing is assured at the Group's discretion, through existing long-term credit loan facilities, are classified as non-current liabilities.

Limited recourse financing of projects and debts is classified based on the same criteria, and the detail thereof is shown in Note 18.

03.12.04. Retirement benefit obligations

a) Post-employment benefit obligations

Certain Group companies have post-employment benefit obligations of various kinds to their employees. These obligations are classified by group of employees and may relate to defined contribution or defined benefit plans.

Under the defined contribution plans, the contributions made are recognised as expenditure under “Staff costs” in the consolidated income statements as they accrue, whereas for the defined benefit plans actuarial studies are conducted once a year by independent experts using market assumptions and the expenditure relating to the obligations is recognised on an accrual basis, classifying the normal cost for the current employees over their working lives under “Staff costs” and recognising the associated finance cost, in the event that the obligation were to be financed, by applying the rates relating to investment-grade bonds on the basis of the obligation recognised at the beginning of each year (see Note 21).

The post-employment benefit obligations include, inter alia, those arising from certain companies of the Hochtief Group, for which the Group has recognised the related liabilities and whose recognition criteria are explained in Note 03.13.

b) Other employee benefit obligations

The expense relating to termination benefits is recognised in full when there is an agreement or when the interested parties have a valid expectation that such an agreement will be reached that will enable the employees, individually or collectively and unilaterally or by mutual agreement with the company, to cease working for the Group in exchange for a termination benefit. If a mutual agreement is required, a provision is only recognised in situations in which the Group considers that it will give its consent to the termination of the employees. If a mutual agreement is required, a provision is only recognised in situations in which the Group considers that it will give its consent to the termination of the employees.

03.12.05. Termination benefits

Under current legislation, the Spanish consolidated companies and certain foreign companies are required to pay termination benefits to employees terminated without just cause. There are no redundancy plans making it necessary to record a provision in this connection.

03.13. Provisions

The Group’s consolidated financial statements include all the material provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed, as required by IAS 37.

Provisions, which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year, are used to cater for the specific obligations for which they were originally recognised. Provisions are fully or partially reversed when such obligations cease to exist or are reduced.

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Litigation and/or claims in process

At the end of 2011 certain litigation and claims were in process against the consolidated companies forming part of the ACS Group arising from the ordinary course of their operations. The Group's legal advisers and directors consider that the outcome of litigation and claims will not have a material effect on the financial statements for the years in which they are settled.

Provisions for termination benefits to employees

Also, pursuant to current legislation, a provision is recognised to meet the cost of termination of temporary employees with a contract for project work.

Provisions for pensions and similar obligations

In the case of foreign companies whose post-employment benefit obligations are not externalised, noteworthy are the provisions for pensions and similar obligations recorded by various Hochtief Group companies as explained below.

Provisions for pensions and similar obligations are recognised as current and future benefit payments for current employees and former employees and their dependants. The obligations mainly relate to basic and other optional supplementary pension benefits. Individual benefit obligations vary from one country to another and are mostly determined by length of service and salary scale. The Turner Group's obligation to pay the healthcare costs of its retired employees is also included in the provisions for pensions, due to its pension-related nature.

Provisions for pensions and similar obligations are calculated using the projected unit credit method, by which the present value of future rights are determined taking into account the current and future benefits already known on the reporting date, in addition to the expected increase in wages and pensions and, for the Turner Group, healthcare costs. The calculation is based on actuarial evaluations which use biometric criteria. The plan assets, as defined in IAS 19, are listed separately, as deductions from pension obligations. The plan assets include assets transferred to pension funds to meet the pension obligations, shares in investment funds acquired in accordance with deferred remuneration agreements, and qualified insurance policies in the form of pension liability insurance. If the fair value of the plan assets is greater than the present value of the benefits to the employees, the difference is indicated under the heading "Non-current Assets", subject to the limits set by IAS 19.

Under the option provided in IAS 19, actuarial gains and losses are recognised directly in equity in the period in which they occur. Current costs for the year are recognised under the heading "Staff Costs". The interest effect on the increase in the pension obligations, reduced by the estimated return on the plan assets, is recognised as net investments and financial income.

Past service costs are expensed currently, unless the changes in the pension plan depend on whether employees continue to work for a specific period of time (the tenure or vesting period). In this case, the past service costs are recorded under income from amortisation on a straight line basis in the year.

Provisions for completion of construction projects

Inspection fee expenses, estimated costs for site clearance and other expenses that may be incurred from completion of the project through final settlement thereof are accrued over the execution period on the basis of production volumes and are recognised under "Current Provisions" on the liability side of the consolidated statements of financial position.

Dismantling of non-current assets and environmental restoration

The Group is obliged to dismantle certain facilities at the end of their useful life, such as those associated with the closing of landfills, and to ensure the environmental restoration of the sites where they are located. The related provisions have been made for this purpose and the present value of the cost that these tasks would represent have been estimated, a concession asset being recorded as a balancing item.

Other provisions

Other provisions include mainly provisions for warranty costs.

03.14. Risk management policy

The ACS Group is exposed to certain risks which it manages by applying risk identification, measurement, concentration limitation and monitoring systems.

The main principles defined by the Group for its risk management policy are as follows:

- Compliance with corporate governance standards.
- Establishment by the Group's various lines of business and companies of the risk management controls required to assure that market transactions are performed in accordance with the policies, standards and procedures of the ACS Group.
- Special attention to the management of financial risk, basically including interest rate risk, foreign currency risk, liquidity risk and credit risk (see Note 21).

The ACS Group's risk management is of a preventative nature and is aimed at the medium- and long-term taking into account the most probable scenarios with respect to the performance of the variables affecting each risk.

03.15. Derivative financial instruments

The Group's activities are exposed mainly to financial risks of changes in foreign exchange rates and interest rates. The transactions performed are in line with the risk management policy defined by the Group.

Derivatives are initially recognised at acquisition cost in the consolidated statement of financial position and the required value adjustments are subsequently made to reflect their fair value at all times. These adjustments are recorded under "Financial Instrument Receivables" in the consolidated statement of financial position if they are positive and under "Financial Instrument Payables" if they are negative. Gains and losses from fair value changes are recognised in the consolidated income statement, unless the derivative has been designated and is highly effective as a hedge, in which case it is recognised as follows:

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Fair value hedges

The hedged item and hedging instrument are both measured at fair value, and changes in fair value are recognised in the consolidated income statement under "Changes in the Fair Value of Financial Instruments".

Cash flow hedges

Changes in the fair value of the derivatives are recognised, in respect of the effective portion of the hedges, in equity under "Adjustments for Changes in Value" in the accompanying consolidated statement of financial position. Hedges are considered to be effective or efficient for derivatives in relation to which the effectiveness test results are within a range of 80% to 125%. The cumulative gain or loss recognised in this account is transferred to the consolidated income statement to the extent that the underlying has an impact on this account in relation to the hedged risk, and the related effect is deducted from the same heading in the consolidated income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the income statement.

The fair value of the derivative financial instruments is calculated as follows:

- For derivatives whose underlying is quoted in an organized market, valuation is based on a Value at Risk (VaR) analysis, which determines the asset's expected value, taking into consideration its exposure to risk for a certain confidence level on the basis of market performance, the asset's characteristics and the potential loss arising under a scenario which is highly unlikely to occur. The analysis is based on applying a normal distribution to the daily evolution of the asset's price and the use of the expected volatility required on the basis of the derivative's characteristics to establish the probability associated to the required confidence level. For the purposes of this calculation, the periods required to undo this position without affecting the market are taken into account. The outstanding financial costs associated with each derivative evaluated is deducted from the values obtained.
- Derivatives not traded in organised markets are valued using normal financial market techniques, i.e., discounting the expected cash flows in the contract in view of its characteristics, such as the notional amount and the collection and payment schedule, based on spot and forward market conditions at the reporting date. Interest rate swaps are measured using zero-coupon curves, which is determined on the basis of the deposits and swaps traded at a given time through a bootstrapping process through which the discount factors are obtained. For derivatives with caps and floors or combinations thereof, occasionally tied to the fulfilment of special obligations, the interest rates used are the same as in the case of interest rate swaps. However, in order to allow for the random exercise of options, the Black-Scholes methodology is used, as is standard practice in the financial market.

03.16. Revenue recognition

Revenue is recognised to the extent that the economic benefits associated with the transaction flow to the Group. Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Sales of goods are recognised when substantially all the risks and rewards arising from their ownership have been transferred.

Revenue associated with the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period date, provided the outcome of the transaction can be estimated reliably.

In an agency relationship, when the reporting company acts as a commission agent, the gross inflows of economic benefits for amounts collected on behalf of the principal do not result in increases in equity for the company. Therefore, these inflows are not revenue and, instead, revenue is the amount of commissions.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

Following is a disclosure of specific revenue recognition criteria for certain activities carried on by the Group.

03.16.01. Construction business

In the construction business, the outcome of a construction contract is recognised by the percentage of completion method. The amount of production carried out until the reporting date is recognised as revenue on the basis of the percentage of completion of the entire project. The percentage of completion is measured by reference to the state of completion of the construction work, i.e. the percentage of work performed until the reporting date with respect to the total contract work performed. In these cases, this percentage of completion is determined by measuring the work performed.

In the construction line of business, the estimated revenues and costs of construction projects are susceptible to changes during the performance period which cannot be readily foreseen or objectively quantified. In this connection, production each year is valued at certification price of the units completed in the period that, since they are covered in the contract entered into with the owners, or in approved addenda or amendments thereto, do not give rise to any doubts regarding their certification. In addition, production is valued at certification price of other project units that have already been completed for which management of the consolidated companies consider there is reasonable assurance of recovery.

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Should the amount of production from inception, valued at certification price, of each project be greater than the amount certified through the date of the statement of financial position, the difference between the two amounts is recorded under "Trade and Other Receivables" on the asset side of the consolidated statement of financial position. Should the amount of production from inception be lower than the amount of the certificates issued, the difference is recorded as "Customer Advances" under the heading "Trade and Other Payables" on the liability side of the consolidated statement of financial position.

Machinery or other fixed assets acquired for a specific project are depreciated over the estimated project execution period and on the basis of the consumption pattern thereof. Permanent facilities are depreciated on a straight-line basis over the project execution period. The other assets are depreciated in accordance with the general criteria indicated in these notes to financial statements.

Late-payment interest arising in relation to delays in the collection of certification amounts is recognised when collected.

03.16.02. Industrial Services, environment and other service businesses

Group companies recognise as the outcome from the rendering of services for each year the difference between production (valued at the sale price of the services provided during the period, which are covered by the initial contract entered into with the customer or in approved modifications or addenda thereto, and of services which have not yet been approved but there is reasonable assurance of recovery) and the costs incurred in the year.

Price increases recognised in the initial contract entered into with the customer are recognised as revenue on an accrual basis, regardless of whether they have been approved annually by it.

Late-payment interest is recognised as financial income when finally approved or collected.

03.17. Expense recognition

An expense is recognised in the consolidated income statement when there is a decrease in the future economic benefits as a result of a reduction of an asset, or an increase in a liability, which can be measured reliably. This means that an expense is recognised simultaneously to the recognition of the increase in a liability or the reduction of an asset.

Additionally, an expense is recognised immediately when a disbursement does not give rise to future economic benefits or when the requirements for recognition as an asset are not met.

Also, an expense is recognised when a liability is incurred and no asset is recognised, as in the case of a liability relating to a guarantee.

In the specific case of expenses associated with commission income when the commission agent does not have any inventory risk, as in the case of certain Group logistics service companies, the cost to sell or to render the related service does not constitute an expense for the company (commission agent) since the latter does not assume the inherent risks. In these cases, as indicated in the section on revenue recognition, the sale or service rendered is recognised for the net amount of the commission.

03.18. Offsetting

Asset and liability balances must be offset and, therefore, the net amount thereof is presented in the consolidated statement of financial position only when they arise from transactions in which, contractually or by law, offsetting is permitted and the Group intends to settle them on a net basis, or to realise the asset and settle the liability simultaneously.

03.19. Corporation tax

The corporation tax expense represents the sum of the current tax expense and the change in deferred tax assets and liabilities.

The current income tax expense is calculated by aggregating the current tax arising from the application of the tax rate to the taxable profit for the year, after deducting the tax credits allowable for tax purposes, plus the change in deferred tax assets and liabilities.

Deferred tax assets and liabilities include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards.

Deferred tax liabilities are recognised for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill or the initial recognition (except in the case of a business combination) of other assets and liabilities in a transaction that affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for temporary differences to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax asset can be utilised, and the deferred tax assets do not arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that affects neither accounting profit nor taxable profit. The other deferred tax assets (tax loss and tax credit carryforwards) are only recognised if it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be utilised.

The deferred tax assets and liabilities recognised are reassessed at the end of each reporting period in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

Spanish companies in which the Parent ownership interest is higher than 75% of their share capital file consolidated tax returns in accordance with the current regulations as part of Tax Group 30/99.

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03.20. Earnings per share

Basic earnings per share are calculated by dividing net profit attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent held by the Group companies (see Note 31.01).

Diluted earnings per share are calculated by dividing net profit attributable to ordinary shareholders adjusted by the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares outstanding during the year, adjusted by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all the potential ordinary shares into ordinary shares of the Parent. For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period.

At 31 December 2011 and 2010, basic earnings per share were the same as diluted earnings per shares since none of the aforementioned circumstances arose.

03.21. Foreign currency transactions

The Group's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "Foreign Currency Transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

Foreign currency transactions are initially recognised in the functional currency of the Group by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates prevailing at the end of the reporting period date. Non-cash items measured at historical cost are translated to euros at the exchange rates prevailing on the date of the transaction.

Any exchange differences arising on settlement or translation at the closing rates of monetary items are recognised in the consolidated income statement for the year, except for items that form part of an investment in a foreign operation, which are recognised directly in equity net of taxes until the date of disposal.

On certain occasions, in order to hedge its exposure to certain foreign currency risks, the Group enters into forward currency contracts and options (see Note 21 for details of the Group's accounting policies in respect of such derivative financial instruments).

On consolidation, the assets and liabilities of the Group's foreign operations are translated to euros at the exchange rates prevailing at the end of the reporting period date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly. Any exchange differences arising are classified as equity. Such exchange differences are recognised as income or as expenses in the year in which the operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign company are treated as assets and liabilities of the foreign company and translated at the closing rate.

03.22. Entities and branches located in hyperinflationary economies

At the end of 2009, given the economic situation in Venezuela and in accordance with the definition of hyperinflationary economy provided by IAS 29, the country was classified as hyperinflationary and at the end of 2011 it continued to be classified as such. The ACS Group has investments in Venezuela through its subsidiaries of the Construction, Environment and Industrial Services segments, the amounts outstanding at 31 December 2011 and 2010, and the volume of transactions in the years 2011 and 2010 being immaterial.

No other of the functional currencies of the consolidated subsidiaries and associates located abroad relate to hyperinflationary economies as defined by IFRSs. Accordingly, at the 2011 and 2010 reporting period dates it was not necessary to adjust the financial statements of any of the subsidiaries or associates to correct for the effect of inflation.

03.23. Consolidated statement of cash flows

The following terms are used in the consolidated cash flow statements with the meanings specified:

Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.

Investing activities: the acquisition and disposal of non-current assets and other investments not included in cash and cash equivalents.

Financing activities: activities that result in changes in the size and composition of the equity and borrowings of the Group that are not operating activities.

In view of the diversity of the Group's businesses and activities, the Group opted to report cash flows using the indirect method.

For the purpose of the preparation of the consolidated statement of cash flows, "cash and cash equivalents" were considered to consist of cash and demand deposits, in addition to short-term, highly liquid investments that are convertible into cash, being subject to an insignificant risk of changes in value.

Additionally, in the preparation of the consolidated statement of cash flows for the year 2011, within the cash flows for investing in Group companies, associates and business units, the cash and cash equivalents recognised as a result of the consolidation of Hochtief, A.G, amounting to EUR 2,270,041 thousand were considered to reduced the value of the investment paid to acquire this company in 2011 amounting to EUR 903,923 thousand (excluding the treasury shares delivered in the takeover).

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The breakdown of the heading "Other Adjustments to Profit (net)" in the statement of cash flows is as follows:

Thousands of euros	2011	2010
Financial income	(521,055)	(489,572)
Financial costs	1,216,514	802,637
Profit (loss) from disposals	(465,110)	(582,932)
Results of companies accounted for using the equity method	(318,469)	(221,766)
Adjustments relating to the full consolidation of Hochtief which do not give rise to cash	333,350	-
Other effects	264,431	82,784
Total	509,661	(408,849)

03.24. Entry into force of new accounting standards

In 2011, the following interpretations of standards already adopted by the European Union came into force, and, if applicable, were used by the Group in the preparation of the accompanying consolidated financial statements:

(1) New standards, amendments and interpretations of standards whose application is mandatory in the year commencing 1 January 2011:

New standards, amendments and interpretations of standards:

		Mandatory application in the year commencing:
Approved for use in the European Union		
Amendment of IAS 32 Financial Instruments: Presentation - Classification of Rights Issues	Amends the accounting treatment of the rights, options and warrants denominated in a currency other than the functional currency	Annual periods commencing 1 February 2011
Revision of IAS 24 - Related Party Disclosures	It amends the definition of the related party and reduces the information disclosure requirements for the related companies only because they are under control, common control or under significant influence of the Government	Annual periods commencing 1 January 2011
Improvements in the IFRS (published in May 2010)	Amendments to a number of standards	Mostly mandatory in periods commencing 1 January 2011; some are mandatory in periods commencing 1 July 2011
Amendment of IFRIC 14 - Prepayments of minimum funding requirements	Prepayments of contributions under minimum funding requirements may give rise to an asset	Annual periods commencing 1 January 2011
IFRIC 19 Extinguishing financial liabilities with equity instruments	Treatment of the extinction of financial liabilities through the issue of shares	Annual periods commencing 1 July 2011

The breakdown detail of the improvements in the IFRS (published in May 2010) is as follows:

Standard	Amendment
IFRS 3	<p>The following clarifications and amendments to the standard were made:</p> <p>The free choice of the method of valuation of non-controlling is limited to the existing holdings which give the holder the right to a proportional share of the net assets of the entity in the event of liquidation (e.g. ordinary shares). All other components of non-controlling interests (e.g. stock options) are measured at fair value on the acquisition date, unless another valuation criteria is required in accordance with the IFRS.</p> <p>An improved guide is include regarding the treatment of share-based payments of an acquiree, as well as voluntarily replaced share-based payments by the acquiree at the acquisition date.</p> <p>In the transitional provisions it is stipulated that contingent consideration that arose from acquisitions preceding the application of the Revised IFRS 3 are to be accounted for in accordance with the former standard.</p>
IAS 27	Clarification regarding the effective dates of the parallel amendments of IAS 2, IAS 28 and IAS 31 as a result of the amendment of IAS 27 (amended in 2008).

Obligatory changes in periods commencing 1 January 2011:

Standard	Amendment
IFRS 1	<p>The following clarifications and amendments to the standard were made:</p> <p>It describes the disclosures required when an company amends its accounting policies or applies exemptions from the IFRS 1 in the period between the publication of its first interim financial report in accordance with IFRS and its first financial statements in accordance with IFRS. It also specifies that IAS 8 Accounting policies, changes in accounting estimates and errors is not applicable to these amendments.</p> <p>Property, plant and equipment and intangible assets used in regulated activities may be included in the amount calculated in accordance with previous GAAP (such as estimated cost) and be tested for impairment on the date of transition to the IFRSs.</p>
IFRS 7	It recommends strengthening qualitative disclosures and clarifies the level of disclosure required regarding credit risk and collateral.
IAS 1	<p>It clarifies the items that are required to be disclosed in the Statement of Changes in Equity.</p> <p>It indicates that entities should present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Also to be included in either the statement of changes in equity or the notes to the financial statements are the dividends distributed to shareholders and dividends per share.</p>
IAS 34	This amendment specifies the events and transactions that are required to be included in interim financial statements.
IFRIC 13	Clarification regarding the measurement at fair value of award credits granted to clients.

The application of the standards entering into force in 2011 did not have a significant impact on the financial statements of the ACS Group.

(2) New standards, amendments and interpretations of standards whose application is mandatory subsequent to the year commencing 1 January 2011 (applicable beginning in 2012):

At the date of the approval of these financial statements, the following standards and interpretations had been published by the IASB but had not yet entered into force, either because the date they were to enter into force was subsequent to the date of the financial statements, or because they had not yet been adopted by the European Union:

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New standards, amendments and interpretations of standards:

		Mandatory application in the year commencing:
Not approved for use in the European Union		
IFRS 9 Financial instruments: Classification and measurement (published in November 2009 and in October 2010)	It replaces the classification and measurement requirements of IAS 39.	Annual periods commencing 1 January 2015 (*)
Amendment of IAS12 – Income taxes – deferred taxes relating to investment property (published in December 2010)	Regarding the calculation of deferred taxes relating to investment properties in accordance with the fair value model of IAS 40.	Annual periods commencing 1 January 2012
IFRS 10 – Consolidated financial statements (published in May 2011)	It replaces the current consolidation requirements of IAS 27	Annual periods commencing 1 January 2013
IFRS 11 – Joint arrangements (published in May 2011)	It replaces the current IAS 31.	Annual periods commencing 1 January 2013
IFRS 12 – Disclosure of interests in other entities (published in May 2011)	Separate standard establishing the disclosures relating to interests in subsidiaries, associates, joint ventures and unconsolidated SPEs.	Annual periods commencing 1 January 2013
IFRS 13 – Measurement of fair value (published in May 2011)	It established a framework for fair value measurement.	Annual periods commencing 1 January 2013
IAS 27 – Individual financial statements (published in May 2011)	The standard has been revised given that following its the issue of IFRS 10, it will only comprise an entity's separate financial statements	Annual periods commencing 1 January 2013
IAS 28 (Revised) – Investments in associates and joint ventures (published in May 2011)	Parallel revision in relation to the issue of IFRS 11 Joint Ventures	Annual periods commencing 1 January 2013
Amendment of IAS 1 – Presentation of other comprehensive income (published in June 2011)	Minor amendment in relation to other comprehensive income	Annual periods commencing 1 January 2012
Amendment of IAS 19 – Employee benefits (published in June 2011)	The amendments mainly affect defined benefit plans given that one of the main changes is the elimination of corridor percentages	Annual periods commencing 1 January 2013
Amendment of IFRS 9 and IFRS 7 Effective date and transition disclosures (published in December 2011)	Difference in the effective date of IFRS 9 and amendments to transition requirements and disclosures	Not applicable
Amendment of IAS 32 Offsetting financial assets and financial liabilities (Published in December 2011)	Additional clarifications regarding the rules for offsetting financial assets and financial liabilities of IAS 32 and introduction of new associated disclosures in IFRS 7	Annual periods commencing 1 January 2014
Amendment of IFRS 7 Offsetting financial assets and financial liabilities (Published in December 2011)		Annual periods commencing 1 January 2013
Interpretation IFRIC 20: Stripping costs in the production phase of a surface mine (published in October 2011)	The IFRS Interpretations Committee deals with the accounting treatment of waste elimination costs in surface mines	Annual periods commencing 1 January 2013

(*) The original application date was 1 January 2013. On 16 December 2011 the IASB approved its postponement to 1 January 2015.

IFRS 9 “Financial instruments”.- The partially published IFRS 9 (not yet complete to date) replaces IAS 39 in the classification and measurement of financial assets (part published in November 2009) and financial liabilities (published in October 2010). The standard published in October 2010 also includes recognition and Derecognition requirements, which are essentially the same as in IAS 39. This standard could have a potentially significant effect on the financial statements of the ACS Group to the extent that the eventual impact of the impairment of the investment in Iberdrola indicated in Note 10.1 would not have to be recycled in the Group’s income statement. Although the application date for this IFRS 9 is 1 January 2015, early application is voluntary once the standard has been adopted for use by the European Union.

Amendment of IAS 12 “Income taxes – Deferred taxes relating to investment property”.- The amendment introduces an exception to the general principles of IAS 12 affecting deferred taxes relating to investment property measured according to the fair value model of IAS 40 “Investment property”. In these cases, for the purpose of calculating the applicable deferred taxes, it is presumed that the carrying value of these assets will be fully recovered through their sale. This presumption can be rejected when the investment property is amortisable and its business model requires the use of the property over time to earn financial profit rather than its sale.

IFRS 10 “Consolidated financial statements, IFRS 11 “Joint ventures”, IFRS 12 “Disclosure of interests in other entities”, IAS 27 (Revised) “Individual financial statements” and IAS 28 (Revised) “Investments in associates and joint ventures”.- This block of standards and amendments is issued together and will replace the current standards in relation to the consolidation and recording of investments in subsidiaries, associates and joint ventures, as well as the related disclosures. With respect to the recognitions of joint values, the standard is not expected to have a significant effect for the ACS Group since it accounts for its jointly controlled companies using the equity method.

IFRS 13 “Measurement of fair value”.- The aim of this standard is to be the only standard for calculating the fair value of assets and liabilities where such valuation is required by other standards. In this regard, it does not amend current valuation criteria in any way and is applicable to the valuation of financial and non-financial items. The standard changes the definition of fair value and introduces new particularities to be considered, focusing on the fair value hierarchy for its calculation, which is conceptually similar to that used by IFRS 7 for certain financial instrument disclosures.

Amendment of IAS 1 “Presentation of other comprehensive income. This amendment basically consists in the requirement to record a separate total of income and expenses under “other comprehensive income” in relation to those items which will and will not be recycled to profit and loss in the future.

Amendment of IAS 19 “Employee benefits”.- The main changes in this amendment of IAS 19 affects defined benefit plans.

Amendment of IAS 32 Financial instruments: presentation – Offsetting financial assets and liabilities”.- This amendment introduces a number of additional clarifications as a guide for following the requirements to be able to offset financial assets and liabilities on the statement of financial position which is provided in paragraph 42. IAS 32 already stipulates that a financial asset and liability can only be offset when the entity currently has the legal right to offset the amounts recognised.

Amendment of IAS 7 Financial instruments: Disclosures- Transfer of financial assets”.- It strengthens the disclosure requirements applicable to the transfer of assets, both when they are not derecognised on the statement of financial position, and those which are derecognised but in relation to which the entity is continually involved.

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Amendment of IAS 7 Financial Instruments: Information to be disclosed – Offsetting of financial assets and liabilities”.- This amendment introduces a specific section on the new disclosure requirements for financial assets and liabilities which are netted on the statement of financial position and also for financial instruments which are subject to an enforceable net offsetting agreement or similar, regardless of whether they are offset for accounting purposes in accordance with IAS 32.

IFRIC 20 “Stripping costs in the production phase of a surface mine”.- In surface mine operations, the entity needs to remove material in order to be able to access the mineral deposits. The interpretation deals with the accounting treatment of the related waste costs.

At the date of this report, the Group is in the process of assessing the effect that the future application of these standards might have on the financial statements once they enter into force. Except as indicated in the case of IFRS 9, the Group’s preliminary assessment is that the effects of the application of these standards will not be significant.

04. Intangible assets

04.01. Goodwill

The detail by line of business of the changes in goodwill in 2011 and 2010 is as follows:

Thousands of euros							
Line of Business	Balance at 31/12/2010	Transfer to assets held for sale	Additions	Disposals and allocations	Impairment	Exchange differences	Balance at 31/12/2011
Parent	780,939	-	-	-	-	-	780,939
Construction	175,768	-	1,378,782	-	-	(618)	1,553,932
Industrial Services	64,734	-	20,369	(7,389)	(313)	(436)	76,965
Environment	127,933	(36,612)	110	(6,651)	-	(178)	84,602
Total	1,149,374	(36,612)	1,399,261	(14,040)	(313)	(1,232)	2,496,438

Thousands of euros							
Line of Business	Balance at 31/12/2009	Transfer to assets held for sale	Additions	Disposals and allocations	Impairment	Exchange differences	Balance at 31/12/2010
Parent	780,939	-	-	-	-	-	780,939
Construction	142,971	-	23,527	(778)	(126)	10,174	175,768
Industrial Services	57,126	1,622	12,090	(6,104)	-	-	64,734
Environment	127,383	(115)	767	(69)	-	(33)	127,933
Total	1,108,419	1,507	36,384	(6,951)	(126)	10,141	1,149,374

In 2011 the most significant addition amounting to EUR 1,378,782 thousand is a result of the full consolidation of Hochtief A.G (see Note 02.02.f).

In 2010 the most significant additions amounting to EUR 23,527 thousand relate to the Construction area and specifically, the recalculation of goodwill, after the 12 month period provided in IFRS 3, which arose in 2009 on the acquisitions of Pol-Aqua, John P. Picone, Inc. and Pulice Construction, Inc.

In the case of the ACS Group's goodwill, annually the carrying amount of the company or cash-generating unit is compared to the value in use obtained by means of the cash flow discounting measurement method.

At 31 December 2011, the market value of the ACS Group's ownership interest in Hochtief amounted to EUR 1,692,170 thousand. In relation to the goodwill arising from the purchase of Hochtief in 2011, in accordance with IAS 36.80, this provisional goodwill was temporarily assigned to the main cash generating unit including Hochtief Asia Pacific and Hochtief Americas. For the purpose of testing the impairment of the goodwill of Hochtief assigned to Hochtief Asia Pacific, the ACS Group based its valuation on the projections made by the Leighton analysts, discounting the free cash flows at a weighted average cost of capital (WACC) of 12.0%, and using a perpetual growth rate of 2.5%. This value was compared to the analysts' average target value according to the consensus of Factset and to Leighton's cash flow discounting valuation, it being concluded that there was no impairment in any of the scenarios analysed.

For the valuation of the Hochtief Americas division the average sum of parts valuations of analysts was used. This value was compared to the internal cash flow discounting valuation of Hochtief Americas. Based on the results of these valuations it can be concluded that there was no impairment of the goodwill assigned to this cash generating unit.

Along with the goodwill arising from the full consolidation of Hochtief A.G. the most significant goodwill, which amounted to EUR 780,939 thousand, arose from the merger with Dragados Group in 2003, and related to the amount paid in excess of the value of the assets on the acquisition date. This goodwill was assigned mainly to the cash generating units of the Construction and Industrial Services areas. The ACS Group assessed the recoverability thereof in 2011 and 2010.

For the purposes of testing the impairment of the goodwill of the Dragados Group, excluding the Iridium's concession line of business whose carrying value was conservatively taken into consideration, the cash flow discounting method was used to obtain a valuation based on internal projections for each of the business units for the 2012-2016 period, by applying perpetual growth rates of 1.8%. The discount rate used (weighted average cost of capital or WACC) was 10.6% for Construction, 5.8% for Environment and 6.9% for Industrial Services. The combined result of the cash flow discounting valuation of the operating businesses and the valuation of the concession businesses significantly exceeds the carrying value plus the goodwill of the Dragados Group. Similarly, said value was compared to the valuations of analysts through the sum of the parts, and the value of the ACS Group on the market, there being no signs of impairment in any of the analysed cases.

The Group conducted sensitivity analyses on the goodwill impairment test carried out, concluding that reasonable changes in the main assumptions would not give rise to the need to recognise an impairment loss. In the case of the impairment test of Hochtief, the valuations of the cash-generating units evidence a gap of more than 10% compared to their carrying values.

The remaining goodwill, excluding that generated by the merger between ACS and the Dragados Group and the goodwill arising from the full consolidation of Hochtief A.G., is very fragmented. Thus, in the case of the Industrial Services area, the total goodwill on the statement of financial position amounts to EUR 76,965 thousand, which relates to 19 companies from this business area, the most significant relating to the acquisition of Midasco, LLC for EUR 15,723 thousand.

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In the Environmental area, total goodwill amounted to EUR 84,602 million, relating to 27 different companies, the largest amount being related to the purchase of the portion corresponding to the minority interests of Tecmed, now merged into Urbaser, for EUR 38,215 thousand. Additionally, EUR 36,612 thousand was reclassified to assets held for sale arising from the goodwill of Clece.

In the Construction area, in addition to the goodwill arising from the full consolidation of Hochtief A.G. noteworthy is the goodwill arising on the acquisitions of Pol-Aqua (EUR 39,485 thousand), Pulice (EUR 41,775 thousand), John P. Picone (EUR 41,765 thousand) and Schiavone (EUR 46,125 thousand).

In these areas, the calculated impairment tests are based upon scenarios similar to those that have been described for each area of activity or in the case of Dragados Group goodwill, taking into account the necessary adjustments based upon the peculiarities, geographic markets and specific circumstances of the affected companies.

According to the estimates and projections available to the directors of the Group and of each of the companies concerned, the projected cash flows attributable to these cash-generating units (or groups of units) to which the goodwill is allocated will make it possible to recover the net value of the goodwill recognised at 31 December 2011 and 2010. The impairment losses on goodwill in 2011 amounted to EUR 313 thousand (2010 EUR 126 thousand).

04.02. Other intangible assets

The changes in this consolidated statement of financial position heading in 2011 and 2010 were as follows:

Thousands of euros	Development expenditure	Computer software	Concessions	Other intangible assets	Total other intangible assets	Accumulated amortisation	Impairment losses	Total other intangible assets, net
Balance at 1 January 2010	10,885	34,601	75,561	546,534	667,581	(100,570)	(50)	566,961
Changes in the scope of consolidation	-	20	2	793	815	(770)	-	45
Additions or charges for the year	95	3,018	73,982	40,074	117,169	(22,366)	(19,252)	75,551
Disposals or reductions	(279)	(1,551)	(2)	(99,004)	(100,836)	2,129	2,277	(96,430)
Exchange differences	-	90	-	5,973	6,063	(78)	(324)	5,661
Transfers to/from other assets	(2,505)	351	5,485	(90,384)	(87,053)	7,242	(7,619)	(87,430)
Balance at 31 December 2010	8,196	36,529	155,028	403,986	603,739	(114,413)	(24,968)	464,358
Changes in the scope of consolidation	902	(1,994)	94,605	2,004,861	2,098,374	(70,644)	-	2,027,730
Additions or charges for the year	212	3,277	12,792	31,898	48,179	(224,136)	(18,254)	(194,211)
Disposals or reductions	(90)	(6,217)	(47,743)	(238,582)	(292,632)	34,856	-	(257,776)
Exchange differences	(3)	(24)	7,858	6,019	13,850	(3,741)	(49)	10,060
Transfers to/from other assets	2,598	194	181,468	34,577	218,837	(11,944)	(60)	206,833
Balance at 31 December 2011	11,815	31,765	404,008	2,242,759	2,690,347	(390,022)	(43,331)	2,256,994

The main additions in 2011 relate to the fair value assigned to intangible assets of the Hochtief Group, of which EUR 1,977,901 thousand were included under the heading "Other intangible assets" (see Note 02.02.f). The business combinations have focused on business characterised by the existence, inter alia, of a significant construction order book and client base, including many contracts which expire in the short-medium term and are subject to periodic renewals (on tacit occasions), thus establishing a recurring relationship over time with its most significant clients. In these cases, the ACS Group deems that, according to IFRS 3, part of the gain must be allocated to said contracts and generally to the contractual relationship with clients. The assessment of the order book signed on the acquisition date of the contractual relationships with clients, takes the planned margins (EBITDA) after taxes, the CAPEX forecasts and signed contractual period as a reference. This assessment gives rise to the generation of an intangible asset, which will be amortised over the remaining term of the contract and the term of the aforementioned contractual relationship, proportionally to the estimated cash flows.

At 31 December 2011, the main assets recognised under the heading "Other intangible assets" related to the order book of Hochtief (mainly including contracts in the areas of America and Pacific Asia) amounting to EUR 708,476 thousand, to the various trademarks of the Hochtief Group (EUR 221,020 thousand) and to the contractual relationships with clients of the Hochtief Group (EUR 813,140 thousand) generated in the first consolidation process (PPA) described in Note 02.02.f.

The intangible assets identified above are amortised on a straight-line basis over the estimated period in which they generate cash flows for the company. Additionally, "Other intangible assets" includes EUR 16,505 thousand relating to the highway concession in Santiago de Chile, which is to be reverted to the Chilean state upon the expiration of the concession in 2033.

Investments in 2011 amounted to EUR 48,179 thousand (EUR 117,169 thousand in 2010).

Disposals, retirements and reductions relate mainly to assets from the Hochtief Group, and primarily those associated with the sale of mining contracts of Henry Walter Eltin.

In 2011 the impairment losses included under "Other intangible assets" amounted to EUR 16,633 thousand and related to the Construction area (EUR 19,268 thousand in 2010). Impairment losses have not reverted to the income statements of 2011 and 2010.

No significant development expenditure was recognised as an expense in the 2011 and 2010 consolidated income statement.

At 31 December 2011, the amount of assets with an indefinite useful life other than those reported as goodwill, relate mainly to several trademarks of the Hochtief Group: Turner amounting to EUR 25,341 thousand, Flatiron amounting to EUR 2,860 thousands, E. E. Cruz amounting to EUR 2,628 thousand and Devine Ltd. amounting to EUR 18,864 thousand. Trademarks are not amortized systematically, but are checked for possible impairment annually. In 2011 there was no such impairment. At 31 December 2010, the amount of assets with an indefinite useful life other than those reported as goodwill was not material.

There were no material intangible asset items whose title was restricted in 2011 or 2010.

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05. Tangible assets - property, plant and equipment

The changes in this consolidated statement of financial position heading in 2011 and 2010 were as follows:

Thousands of Euros	Land and buildings	Plant and machinery	Other intangible assets	Advances and Property, plant and equipment in the course of construction	Total tangible assets - property, plant and equipment	Accumulated depreciation	Impairment losses	Total net tangible assets - property, plant and equipment
Balance at 1 January 2010	517,587	1,208,907	699,195	107,961	2,533,650	(1,276,234)	(18,367)	1,239,049
Changes in the scope of consolidation	5,385	24,207	2,457	6,669	38,718	(577)	(5)	38,136
Additions or charges for the year	13,627	79,357	108,611	67,685	269,280	(218,395)	(5,364)	45,521
Disposals or reductions	(1,568)	(44,414)	(44,070)	(3,483)	(93,535)	42,740	375	(50,420)
Exchange differences	1,558	5,115	5,452	3,142	15,267	(6,324)	14	8,957
Transfers from/to other assets	(48,086)	3,637	9,496	(25,400)	(60,353)	(2,279)	(450)	(63,082)
Balance at 31 December 2010	488,503	1,276,809	781,141	156,574	2,703,027	(1,461,069)	(23,797)	1,218,161
Changes in the scope of consolidation	268,236	3,379,881	192,940	3,807	3,844,864	(1,993,872)	143	1,851,135
Additions or charges for the year	21,114	876,509	81,701	35,772	1,015,096	(670,972)	(3,068)	341,056
Disposals or reductions	(25,975)	(338,679)	(70,322)	(2,940)	(437,916)	344,799	4,064	(89,053)
Exchange differences	9,128	285,664	7,405	(305)	301,892	(156,188)	(291)	145,413
Transfers from/to other assets	15,152	(90,478)	(4,086)	(62,357)	(141,769)	21,674	(3,079)	(123,174)
Balance at 31 December 2011	776,158	5,389,706	988,779	130,551	7,285,194	(3,915,628)	(26,028)	3,343,538

In 2011 there were significant changes in the scope of consolidation as a result of the full consolidation of the Hochtief Group which had previously been accounted for using the equity method (see Note 02.02.f). In 2010 there were no significant changes in the scope of consolidation.

The most significant additions in 2011 under this heading by line of business related to the Construction area and amounted to EUR 908,956 thousand, which mainly included investments made by Leighton in machinery (equipment for mining) amounting to EUR 804,447 thousand. The additions relating to the Environmental area amounted to EUR 66,009 thousand, and primarily included new cleaning service facilities in Malaga, industrial vehicles and other urban service machinery.

The most noteworthy additions in 2010 by line of business related to the Industrial Services Area and amounted to EUR 90,892 thousand and included, inter alia, the acquisitions of new transport items for EUR 38,704 thousand. The additions relating to the Environmental area amounted to EUR 98,241 thousand which were earmarked mostly for acquisitions and the replacement of machinery and tools in relation to the urban services required in oil treatment plants and the construction of a machinery pool in Madrid; in the Construction area additions amounted to EUR 78,930 thousand, and mainly consisted in the acquisition of new machinery (tunnel boring machine, tampers and asphalt plants) and equipment for the development of new projects.

In 2011 and 2010 gains on the disposal of non-current assets totalled a net carrying amount of EUR 89,053 and EUR 50,420 thousand, respectively.

Operating costs relating directly to capitalised tangible assets- property, plant and equipment in the course of construction in 2011 amounted to EUR 2,467 thousand, there being no material costs in 2010.

The Group has taken out insurance policies to cover the possible risks to which its tangible assets- property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

The indemnities received for claims covered by insurance policies recognised in profit or loss were not significant in 2011 or 2010.

The Group has mortgaged land and buildings with a carrying amount of approximately EUR 74,945 thousand (EUR 75,816 thousand in 2010) to secure banking facilities granted to the Group.

At 31 December 2011 the Group had recognised a net EUR 2,599,751 thousand relating to tangible assets - property, plant and equipment owned by foreign companies and branches of the Group (EUR 360,002 thousand in 2010).

At 31 December 2011, the Group had entered into contractual commitments for the future acquisition of tangible assets - property, plant and equipment amounting to EUR 520,534 thousand, including, inter alia, EUR 507,255 thousand mostly relating to mining operations in Leighton. The commitments entered into at 31 December 2010 amounted to EUR 25,484 thousand.

The impairment losses recognised in profit and loss at 31 December 2011 amounted to EUR 1,988 thousand and mainly related to the sale and impairment of machinery of Dragados (EUR 2,679 thousand in 2010). The impairment losses reversed and recognised in profit and loss in 2010 amounted to EUR 45 thousand (EUR 55 thousand in 2010).

The leased assets recognised under tangible assets - property, plant and equipment were as follows:

Thousands of euros	Land and buildings	Plant and machinery	Other tangible assets - property, plant and equipment	Total tangible assets - property, plant and equipment	Accumulated depreciation	Total net tangible assets - property, plant and equipment
Balance at 31 December 2010	3,228	19,153	34,372	56,753	(14,106)	42,647
Balance at 31 December 2011	3,147	432,064	26,341	461,552	(8,533)	453,019

The increase in leased assets at 31 December 2011 with respect to the previous year, is mainly a result of the full consolidation of the Hochtief Group, which had previously been accounted for using the equity method and amounted to EUR 410,571 thousand, mostly relating to plant and machinery of Leighton.

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06. Non-current assets in projects

The balance of "Non-Current Assets in Projects" in the consolidated statement of financial position at 31 December 2011, includes the costs incurred by the fully and proportionally consolidated companies in the construction of transport, service and power plant infrastructures whose operation constitutes the purpose of their respective concessions, the detail being as follows: These amounts related to tangible assets - property, plant and equipment associated with projects financed by means of the "project finance" figure and concessions identified as intangible assets or those that are included as a financial asset according to the criteria discussed in Note 03.24 above. The Group considers it to be more appropriate to present its infrastructure projects in a grouped manner for improved interpretation of this activity, although they are broken down by type of asset (financial or intangible) in this note.

All the project investments made by the ACS Group at 31 December 2011, and the related changes in the balance of this heading in 2011 are as follows:

Thousands of euros				
Type of infrastructure	End date of operation	Investment	Accumulated depreciation	Net carrying amount of non-current assets in projects
Waste treatment	2015 - 2038	588,701	(211,274)	377,427
Highways/roads	2012 - 2050	247,534	(17,208)	230,326
Police stations	2024 - 2032	79,543	-	79,543
Water management	2028 - 2037	39,235	(5,655)	33,580
Security	2014	64,128	(40,476)	23,652
Interchangers	2026 - 2040	18,348	-	18,348
Wind powered facilities	2020 - 2036	17,802	(512)	17,290
Energy transport	2038	9,980	(501)	9,479
Thermal solar power plants	2035 - 2036	8,564	-	8,564
Other infrastructures	-	41,845	(5,362)	36,483
Total		1,115,680	(280,988)	834,692

The changes in this heading in 2011 and 2010 were as follows:

Thousands of euros	2011			2010		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
Beginning balance	2,670,903	(290,617)	2,380,286	4,963,554	(461,030)	4,502,524
Changes in the scope of consolidation	(499,733)	7,265	(492,468)	(166,203)	-	(166,203)
Additions or charges for the year	1,445,587	(95,815)	1,349,772	1,797,941	(160,077)	1,637,864
Exchange differences	(9,978)	182	(9,796)	14,355	(1,286)	13,069
Disposals or reductions	(163,151)	9,019	(154,132)	(42,191)	28,760	(13,431)
Transfers	(2,327,948)	88,978	(2,238,970)	(3,896,553)	303,016	(3,593,537)
Ending balance	1,115,680	(280,988)	834,692	2,670,903	(290,617)	2,380,286

The breakdown of this heading by type in accordance with IFRIC 12, is as follows:

The concession assets identified as financial given that the Group does not assume the demand risk, and the changes in the balance of this heading in 2011 were as follows:

Thousands of euros				
Type of infrastructure	End date of operation	Investment	Accumulated depreciation	Net carrying amount of non-current assets in projects
Waste treatment	2015 - 2038	497,775	(189,049)	308,726
Highways/Roads	2012 - 2050	247,501	(17,187)	230,314
Water management	2028 - 2029	33,534	(5,655)	27,879
Other infrastructures	-	37,283	(5,362)	31,921
Total		816,093	(217,253)	598,840

Thousands of euros	2011			2010		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
Beginning balance	1,276,649	(229,887)	1,046,762	901,478	(211,205)	690,273
Changes in the scope of consolidation	-	-	-	-	-	-
Additions or charges for the year	411,332	(41,898)	369,434	377,027	(33,176)	343,851
Exchange differences	(693)	182	(511)	566	(492)	74
Disposals or reductions	(12,507)	9,236	(3,271)	(22,850)	17,844	(5,006)
Transfers	(858,688)	45,114	(813,574)	20,428	(2,858)	17,570
Ending balance	816,093	(217,253)	598,840	1,276,649	(229,887)	1,046,762

The concession assets identified as financial given that the Group does not assume the demand risk, and the changes in the balance of this heading in 2011 were as follows:

Thousands of euros			Thousands of euros	
Type of infrastructure	End date of operation	Concession arrangement Right to charge users	2011	2010
Police stations	2024 - 2032	79,543		
Interchangers	2026 - 2040	18,348		
Water management	2028 - 2037	5,701		
Other infrastructures	-	4,562		
Total		108,154		

Thousands of euros			Thousands of euros	
	2011	2010		
Beginning balance	1,105,726	661,156		
Changes in the scope of consolidation	(450,624)	(169,468)		
Investment	476,922	444,064		
Finance income	244,417	93,841		
Collections	(109,969)	(8,059)		
Disposals or reductions	(63,007)	(4,365)		
Exchange differences	(10,040)	6,019		
Transfers from/to other assets	(1,085,271)	82,537		
Ending balance	108,154	1,105,726		

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In accordance with the valuation criteria provided by IFRIC 12 and in Note 03.04, the financial income included under "Net sales" amounted to EUR 244,417 thousand in 2011 (EUR 93,841 thousand in 2010).

The borrowing costs accrued in relation to the financing of the concessions classified under the financial asset model amounted to EUR 28,910 thousand in 2011 (EUR 39,085 thousand in 2010).

The breakdown of the financial assets financed by means of "project finance" not meeting the requirements for recognition in accordance with IFRIC 12, and the changes in the balance of this heading in 2011 were as follows:

Thousands of euros				
Type of infrastructure	End date of operation	Investment	Accumulated depreciation	Net carrying amount of non-current assets in projects
Waste treatment	2019 - 2034	90,926	(22,225)	68,701
Security	2014	64,128	(40,476)	23,652
Wind powered facilities	2020 - 2036	17,802	(512)	17,290
Energy transport	2038	9,980	(501)	9,479
Highways/roads	2012 - 2043	33	(21)	12
Thermal solar power plants	2035 - 2036	8,564	-	8,564
Total		191,433	(63,735)	127,698

Thousands of euros	2011			2010		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
Beginning balance	288,528	(60,730)	227,798	3,400,920	(249,825)	3,151,095
Changes in the scope of consolidation	(49,109)	7,265	(41,844)	3,265	-	3,265
Additions or charges for the year	422,885	(53,917)	368,968	891,068	(126,901)	764,167
Exchange differences	755	-	755	7,770	(794)	6,976
Disposals or reductions	(87,637)	(217)	(87,854)	(14,976)	10,916	(4,060)
Transfers	(383,989)	43,864	(340,125)	(3,999,519)	305,874	(3,693,645)
Ending balance	191,433	(63,735)	127,698	288,528	(60,730)	227,798

In 2011 and 2010 the acquisitions of non-current assets in projects amounted to EUR 1,445,587 thousand and EUR 1,797,941 thousand, respectively.

The main project investments in 2011 were investments made by Industrial Services area in power lines amounting to EUR 584,268 (EUR 201,906 thousand in 2010), investments in photovoltaic and solar thermal power plants amounting to EUR 310,938 thousand (EUR 633,056 thousand in 2010) and investments in wind powered facilities amounting to EUR 72,191 (EUR 240,707 thousand in 2010). Additionally, most noteworthy of the investments made by Construction area were investments in highway concessions amounting to EUR 414,127 thousand (EUR 570,574 thousand in 2010). However, as a result of sales decisions in 2011 the balances relating to certain assets were transferred to assets held for sale.

Noteworthy in 2011 was the sale of 50% of the I-595 highway Express, Llc which led to a cost reduction amounting to EUR 5,378 thousand. In 2010 there were no material disposals of non-current assets in projects.

Interest capitalised in 2011 amounted to EUR 56,776 thousand (EUR 2,717 thousand in 2010). Said capitalisation was performed by applying an average capitalisation rate of 3.59% in 2011 (3.26% in 2010).

The impairment losses recognised in the income statement at 31 December 2011 amounted to EUR 37,910 thousand. No significant impairment losses were recognised in the income statement at December 31, 2010.

At 31 December 2011 and 2010, the Group had entered into contractual commitments for the acquisition of non-current assets or the completion of projects amounting to EUR 244,990 thousand and EUR 954,902 thousand, respectively, which mainly relate to the Group's current concession agreements. The year-on year decrease relates mainly to the sale of highway I-595.

The financing relating to non-current assets in projects is explained in Note 18.

The concession operator's obligations include, inter alia, the maintenance of restricted cash balances, known as reserve accounts and included under the heading "Other Current Financial Assets" (Note 10.05).

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07. Investment property

The changes in this heading in 2011 and 2010 were as follows:

Thousands of euros	2011	2010
Beginning balance	57,176	61,021
Changes in the scope of consolidation	23,788	-
Additions	866	-
Charges for the year	(3,179)	(3,121)
Impairment losses	(281)	(675)
Transfers from/to other assets	1,141	(49)
Ending balance	79,511	57,176

The Group's investment property relates mostly to subsidized housing in Madrid earmarked for lease by the lessee IMMA (Madrid Housing Institute) and maturing from 2023 to 2024. The rest relates to housing, car parks and commercial premises to be leased.

The rental income earned from investment property amounted to EUR 9,831 thousand in 2011 (EUR 8,785 thousand in 2010). The average occupancy level of the aforementioned assets was 54% with an average rentable area of 97,538 square meters in the year.

The direct operating expenses arising from investment properties included under "Other Operating Expenses", amounted to EUR 9,895 thousand (EUR 9,626 thousand in 2010).

There were no contractual commitments for the acquisition, construction or development of investment property, or for repairs, maintenance and improvements.

At the beginning of 2011, the gross carrying amount was EUR 70,515 thousand and accumulated depreciation (increased by accumulated impairment losses) amounted to EUR 13,339 thousand. At year-end, the gross carrying amount and accumulated depreciation were EUR 126,022 thousand and EUR 46,511 thousand, respectively. There were no material differences with respect to fair value in the accompanying consolidated financial statements.

08. Joint ventures

The main aggregates included in the accompanying consolidated financial statements relating to joint ventures for 2011 and 2010, in proportion to the percentage of ownership interest in the share capital of each joint venture, are as follows:

Thousands of euros	UTE's, EIG's		Companies	
	Balance at 31/12/2011	Balance at 31/12/2010	Balance at 31/12/2011	Balance at 31/12/2010
Activos no corrientes	447,347	359,801	2,330,097	309,474
Activos corrientes	3,569,457	4,519,076	1,271,061	182,244
Pasivos no corrientes	257,668	134,603	1,894,036	190,050
Pasivos corrientes	3,190,991	4,267,427	1,083,639	168,740
Ingresos	3,815,390	4,312,606	1,843,756	230,672
Resultado del ejercicio	426,610	309,841	(259,359)	14,529

In accordance with the opinion set forth in IAS 31, the companies are accounted for using the equity method (Note 02.01).

The identification data relating to the main ACS Group unincorporated joint ventures (UTES) are detailed in Appendix II.

09. Investments in companies accounted for using the equity method

The changes in the balance of this heading were as follows:

Thousands of euros	2011	2010
Beginning balance	2,333,359	4,193,671
Additions	1,015,484	206,475
Disposals	(815,800)	(1,732,223)
Elimination of unrealised gains	-	(358,501)
Change in consolidation method	(269,770)	(5,314)
Profit for the year	318,469	221,766
Changes in the equity of associates		
<i>Exchange differences/other</i>	241,865	32,500
<i>Cash flow hedges</i>	(241,326)	(34,748)
<i>Available-for-sale financial assets</i>	(38,285)	(61,200)
Transfer to non-current assets held for sale/discontinued operations	(770,603)	(12,038)
Distribution of dividends	(203,482)	(117,029)
Ending balance	1,569,911	2,333,359

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The detail, by company, of the investments accounted for by the equity method is as follows:

Thousands of euros Company	31/12/2011		31/12/2010	
	% ownership	Total carrying amount	% ownership	Total carrying amount
Hochtief, A.G.	-	-	27.25%	1,594,702
Admirabilia	99.00%	233,473	99.00%	239,221
Hochtief associates	-	1,019,884	-	-
Other associates	-	316,554	-	499,436
Total		1,569,911		2,333,359

The detail, by line of business, of the investments in companies accounted for by the equity method at December 31 2011 and 2010 is as follows:

Thousands of euros Line of business	2011			2010		
	Share of net assets	Profit for the year	Total carrying amount	Share of net assets	Profit for the year	Total carrying amount
Construction	864,750	247,556	1,112,306	1,648,269	61,523	1,709,792
Industrial Services	105,954	18,702	124,656	237,018	27,662	264,680
Environment	84,054	12,343	96,397	102,548	13,561	116,109
Corporate unit	196,684	39,868	236,552	123,758	119,020	242,778
Total	1,251,442	318,469	1,569,911	2,111,593	221,766	2,333,359

Hochtief, A.G.

At 31 December 2010 the Group held an ownership interest of 27.25% of the share capital of Hochtief, A. G, with a carrying value of EUR 1,594,702 thousand at this date. Since the Group now holds the majority of voting rights, as indicated in Note 02.02.f) this company had to be fully consolidated rather than being accounted for by the equity method as in the past. Additionally, the ownership interests held by Hochtief and accounted for by the equity method were recognised in accordance with the alternative provided by IAS 31 regardless of whether they are associates or joint ventures and amounted to EUR 1,019,884 thousand at 31 December 2011, noteworthy being the ownership interest in Aurelis Real Estate in Germany amounting to EUR 249,664 thousand.

Admirabilia, S.L. (Abertis Infraestructuras, S.A.)

This company holds the indirect ownership of the ACS Group in Abertis Infraestructuras, S.A., which amounts to 10.28% of its share capital. This company is accounted for by the equity method because the Group holds 40% of the voting rights in Admirabilia, S. L. (which, together with Trebol International, holds a 25.83% ownership interest in the share capital of Abertis Infraestructuras, S.A.) and because the ACS Group is a member of the Board of Directors of Abertis Infraestructuras, S.A.

The sale on 31 August 2010 to the investment fund advisor CVC Capital Partners, of 25.83% of the ownership interest in Abertis Infraestructuras, S.A. at a price of EUR 15 per share to two companies, Admirabilia, S.L. and Trebol International, B.V. Under this agreement Admirabilia, S.L. acquired a 10.28% share in Abertis through a contribution and sale, and Trebol acquired the remaining 15.55% through a sale. The share capital of Admirabilia, S.L. was distributed among the shareholders as follows: at a rate of 99%, for the ACS Group and 1% for Trebol.

The gains on this transaction before taxes, once having eliminated the profit arising between ACS Group companies, amounted to EUR 519,977 thousand, which was included under "Impairment and gains or losses on the disposal of financial instruments" in the accompanying consolidated income statement for 2010. In relation to this transaction, the ACS Group is entitled to additional compensation, which has not been considered in the calculation of the gain on the transaction, for the ownership interest sold in the event that certain corporate transactions are performed in the future at Abertis Infraestructuras, S.A. On the other hand, there are no agreements between shareholders giving rise to the transfer of risks and benefits associated with this ownership interest nor does the ACS Group maintain risks associated with the ownership interest in Abertis, which is considered to be an associate, since the Group continues to have significant influence on the management of the company through its positions on the board of directors.

In relation to the goodwill arising from the ownership interest in Abertis Infraestructuras, S.A. through Admirabilia, S.L., the ACS Group has tested the goodwill for impairment. In this regard, since the investee company is traded through the Spanish computerised trading system and as a result of the value of the transaction described above, the analysis has been conducted in comparison with the company's market price at the end of the reporting period, and accordingly no signs of impairment were considered to exist.

The market value of the associates accounted for by the equity method for which there are prices quoted in the stock market at December 31 of 2011 amounted to EUR 1,151,633 thousand (EUR 2,540,816 thousand in 2010). The year-on-year decrease was a result of the full consolidation of the ownership interest in Hochtief A.G.

At 31 December 2011, the main listed investee was Abertis Infraestructuras, S.A., whose attributable market value amounted to EUR 989,444 thousand (EUR 1,027,473 thousand in 2010).

In addition to the above-mentioned impairment tests, the Group has performed the corresponding impairment testing to verify the recoverability of the rest of the assets. For the purpose of carrying out these impairment tests, the Group considered the future cash flow projections as well as the discounting of dividends and external market valuations for each of the ownership interests in accordance with available information. Especially in relation to the underlying goodwill, the tests did not disclose the need to for a provision to cover significant impairment in the consolidated income statement at the end of 2011 and 2010.

The assets, liabilities, attributable equity, sales and profit for the year the companies included under this heading, as well as the ownership interest of the ACS Group in this company are presented in Appendix III.

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10. Financial assets

The detail of the balance of this heading in the consolidated statements of financial position in 2011 and 2010 is as follows:

Thousands of euros	31/12/2011		31/12/2010	
	Non-current	Current	Non-current	Current
Equity instruments	5,544,802	48,512	6,519,418	1,225
Loans to associates	957,488	95,175	457,090	64,277
Other loans	569,455	212,797	456,291	364,403
Debt securities	2,952	683,707	2,666	514,631
Other financial assets	276,825	1,966,031	73,105	2,557,682
Total	7,351,522	3,006,222	7,508,570	3,502,218

10.01. Equity instruments

The detail of the balance of this heading at 31 December 2011 and 2010 is as follows:

Thousands of euros	31/12/2011	31/12/2010
Iberdrola, S.A.	5,360,336	6,389,423
Xfera Móviles, S.A.	79,206	79,206
Other smaller investments	105,260	50,789
Total	5,544,802	6,519,418

In accordance with IAS 39 these investments are considered to be available-for-sale financial assets. They have been measured at cost since there is no reliable market for them, except for in the case of Iberdrola, S.A.

Iberdrola, S.A.

The Group's most significant equity instrument relates to Iberdrola.

In accordance with IAS 39, this ownership interest was adjusted to market value at the end of the reporting period (EUR 4.839 per share) to take effect on the equity up to an amount of EUR 5,360,336 thousand (EUR 6,389,423 thousand at 31 December 2010). The difference in total accumulated value, net of taxes, which amounts to EUR 1,791,480 thousand (EUR 1,196,879 thousand at 31 December 2010, with a market price at the end of 2010 of EUR 5.768 per share), is included under the heading "Adjustments for changes in value - available-for-sale financial assets" under equity in the accompanying consolidated statement of financial position.

At 31 December 2011, the ACS Group held 1,107,736,286 shares representing 18.83% of the share capital of Iberdrola, S.A. at that date (20.2% of the share capital of Iberdrola at 31 December 2010).

In 2011 there were no purchases or disposals of shares of Iberdrola, S.A., the decrease in the percentage of ownership interest being a result of the diluting effects of corporate transactions and the flexible Iberdrola dividend. The most significant change in 2010 was the acquisition of 477,457,327 shares for a total of EUR 2,752,617 thousand to reach a total of 1,107,736,286 shares at 31 December 2010.

This investment was mostly financed through a syndicated loan with different banks secured by the shares of Iberdrola, S.A., subordinated debt of ACS, Actividades de Construcción y Servicios, S. A. and an "equity swap" (Note 18).

In relation to the potential impairment of the ownership interest in Iberdrola, the following should be highlighted:

The ACS Group analyses the existence of signs of impairment of all relevant equity instruments. If any such signs of impairment exist, the calculations and estimates considered to be necessary are made to determine whether there is a significant or prolonged decline in the fair value of an investment, and if necessary, recognise an impairment loss. Additionally, it should be indicated that as concluded by the IASB, the international agency responsible for the development of the international financial reporting standards, there is wide diversity in the market in terms of the practical application of the concepts of significant or prolonged decline, and, in any case, the interpretation of the meaning of these concepts requires the professional judgment of the company's management. In fact, and to eliminate such diversity in the practical application of these concepts the IASB issued International Financial Reporting Standard 9 on Financial Instruments, which amended the international standards relating to the calculation of impairment, and required all changes in the fair value of financial instruments that are classified as 'available for sale' to be recognized in the company's equity, without the possibility of recycling this adjustment in the consolidated income statement. Finally, as mentioned in Note 03.24 it should be indicated that this new standard is not yet in force in Spain since it has not yet been endorsed by the EU.

ACS has declared its investment in Iberdrola to be a strategic and long-term holding. In fact, to strengthen the strategic nature of this holding and as already indicated significant purchases of shares of Iberdrola were made in 2010. However, temporarily and to date, it has not been possible to secure a position on the Board of Directors of Iberdrola, S.A., a circumstance which caused the ACS Group to challenge the resolutions adopted by the shareholders at the Annual General Meetings of Iberdrola, S.A. held in March 2010 and 2011 in court. This is a very unique and absolutely exceptional circumstance, and although a ruling had been handed down by the Courts of First and second Instance against the interests of the ACS Group at the date of the approval of these financial statements, the Group's Management has full confidence that the court will ultimately rule in the Company's favour.

Taking into account that the ownership interest is strategic in nature; the ACS Group is the largest shareholder of the company; the market value does not accurately reflect the value of such a significant block of shares of Iberdrola; and that the Group does not plan to recover its investment through stock market transactions, although there are signs of impairment considering that the market price of the shares has continued to decline, the ACS Group does not consider there to be objective evidence of the impairment of the ownership interest in Iberdrola. In this respect, paragraph 59 of IAS 39 provides that "a financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event" and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated".

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Loss events which might have an effect on the future estimated cash flows of the investment have not been identified in either the 2010 financial statements of Iberdrola or other public information published by Iberdrola and the shareholders of Iberdrola represented on the Board of Directors. Additionally, it is noteworthy that according to the information published by Iberdrola, the stock market capitalisation of Iberdrola at 31 December 2011 was 0.85 times its accounting value, EBITDA grew 1.6% with respect to 2010 and its net recurring profit increased by 1.2% in 2011.

Therefore, since there is no objective evidence of impairment, in the case that in accordance with the reports drawn up by independent experts and the dividend and cash flow discounting calculations, the recoverable value of the investment is higher than its carrying value, the ACS Group does not consider the drop in the shares' market price to necessarily be a reason for the recognition of an impairment loss.

In order to assess whether or not there was a need to recognise an impairment of the investment, several valuations by independent experts have been requested which evidence that the value of the investment is higher than the consolidated average cost of the shares of Iberdrola, S.A. prior to their adjustment to market value. These valuations do not include a premium, which would always be included in corporate transactions relating to an ownership percentage such as that held by the ACS Group in Iberdrola.

As a complement to the analysis, the ACS Group has conducted in-house an impairment test on their ownership interest in Iberdrola based on the discounting of future dividends and other information available on its investee Iberdrola, which also allowed it to conclude that there was no impairment.

The main assumptions of the impairment test are based on the latest information on dividends announced by the company, as well as the policy of shareholder compensation maintenance of Iberdrola (measured as a percentage of the recurring net profit). A perpetual growth rate of 3% was estimated (in this regard, it should be noted that the cumulative annual growth rate of dividends paid by Iberdrola in the period 1990-2010 was 6% and that the International Monetary Fund has estimated growth in Spain in terms of real GDP of 1.8% and inflation of 1.8% in 2016, according to its "World Economic Outlook" report of September 2011). The equity discount rate used was 8.04%.

As a result of all the analyses mentioned above, the directors of the ACS Group considered that there were no factors evidencing the existence of impairment at the end of 2011. Therefore, having analysed the signs of impairment of the investment existing at the end of the reporting period, and based on the above arguments, having concluded that there is no significant or prolonged decline in the fair value of the investment, the Company maintained the adjustments in value amounting to EUR 1,791,480 thousand under this heading without recognising any impairment in profit or loss.

However, the impairment test did evidence a very small gap in the recoverable amount as compared to the carrying amount, and it is highly sensitivity to changes in the discount rates, growth in residual value and the performance of the company's dividends, meaning that changes in these assumptions might give rise to the need to recognise impairment. In this context, and in accordance with the principle of prudence, the ACS Group has decided not to recognise the profit before taxes arising from its ownership interest in Iberdrola, S.A. in its consolidated income statement for 2011 (Note 28.06).

Xfera Móviles, S.A. (Yoigo)

At 31 December 2011 and 2010, the ACS Group had a 17% ownership interest in the share capital of Xfera Mobile, S.A. through ACS Telefonía Móvil, S.L. after the sale of part of its interest in 2006 to the Telia Sonera Group. In relation to the indirect ownership interest in Xfera Móviles, S.A., there is an unrecognized contingent price and in certain scenarios, puts and calls on the ACS interests, for which the conditions for exercising are unlikely to be met.

The carrying value of the ownership interest in Xfera amounted to EUR 198,376 thousand at 31 December 2011 and 2010, which following write-downs in previous years, relates to the contributions made in the years 2006 and later, including the participation loans associated with the same included under the heading "Other non-current loans". This carrying value relates to the contributions made after 2006, since the Group had recorded very significant provisions in relation to this ownership interest in the years previous to 2006.

In order to calculate the recoverable value of this investment the ACS Group used the discounted cash-flow method, on the basis of the company's internal projections for the period 2011-2016, using the weighted average cost of capital (WACC) of 10.4% as the discount rate and a perpetual growth rate of 2%. A sensitivity analysis was also performed taking into consideration different discount rates, a perpetual growth rate and even deviations of up to minus 50% in the business plan estimates for the company. Both in the baseline and in the rest of the scenarios considered, the recoverable value of this investment would be above its carrying value. This conclusion is consistent with the valuations of Xfera published by analysts and by its controlling shareholder Notwithstanding the foregoing, in accordance with the principle of prudence, and considering that Xfera is in the final stages of its launch phase, the Group has not revalued its ownership interest to its estimated market value.

Other investments

In 2011, other investments related to non-controlling interests including inter alia, the ownership interests held by subsidiaries of Hochtief amounting to a net EUR 64,718 thousand.

In 2010 noteworthy were the ownership interests held by the ACS Group in Accesos de Madrid Concesionaria Española, S.A. and the collection rights on future dividends of Sociedad Autovía de la Mancha, S.A., which were recognised as an equity instrument since it was conceptually considered to better reflect the true and fair image since it relates to future dividends of the shadow toll concession for a maximum period of 30 years, which is guaranteed by the flows generated by this Company.

The Group has assessed the recoverability of the assets included under this heading, recognising the related impairment on the basis of the recoverability analysis performed.

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10.02. Loans to associates

The detail of the balances of “Loans to Associates” and of the scheduled maturities at 31 December 2011, is as follows:

Thousands of euros	Current	Non-current					Total non-current
	2012	2013	2014	2015	2016 and subsequent years		
Loans to associates	95,175	581,847	349	80,153	295,139	957,488	

At 31 December 2011, the non-current loans in euros include, inter alia, the loan granted in relation to the acquisition of Aurelis Real Estate for EUR 142,010 thousand maturing in 2013. Also of significance were the non-current loans in euros granted to Línea Nueve (Tranches two and four) amounting to EUR 49,601 thousand, to Celtic Road Group (Waterford and Portlaoise) amounting to EUR 45,566 thousand, to Circunvalación de Alicante, S.A. amounting to EUR 42,793 thousand, to Infraestructuras y Radiales, S.A. amounting to EUR 41,177 thousand, to TP Ferro Concesionaria, S.A. amounting to EUR 30,901 thousand, and to Intercambiador de Transportes de Plaza Castilla, S.A. amounting to EUR 25,152 thousand.

Also, in relation to foreign currency loans, noteworthy is the loan granted to Habtoor Leighton Group for EUR 380,993 thousand, which matures in 2013. In relation to the loan to Habtoor Leighton Group, the investment in this company was fully provisioned in the accompanying financial statements, and other provisions were also recognised to cover other risks relating to this ownership interest.

The detail of the balances of “Loans to Associates” and of the scheduled maturities at 31 December 2010, is as follows:

Thousands of euros	Current	Non-current					Total non-current
	2011	2012	2013	2014	2015 and subsequent years		
Loans to associates	64,277	20,821	-	10,828	425,441	457,090	

At 31 December 2010, among the loans to associates, noteworthy was the current loan granted to the transmission line in Brazil Brillante Transmissora de Energía for EUR 34,104 thousand. Non-current loans included the loan granted to Escal UGS, S.L. for the amount of EUR 75,916 thousand. Among the non-current loans granted in euros, of significance was the loan granted to Circunvalación de Alicante, S.A. for EUR 41,967 thousand, to TP Ferro Concesionaria, S.A. for EUR 29,713 thousand, and to Intercambiador de Transportes de Plaza Castilla, S.A. for EUR 27,637 thousand, maturing in 2034, 2035 and 2039, respectively. In relation to foreign currency loans, noteworthy was the loan granted to Sociedad Concesionaria Vespucio Norte Express, S.A. in Chilean pesos for EUR 45,106 thousand, which matures after 2011.

These loans bear market interest.

10.03. Other loans

The detail of the balances of "Other Loans" and of the scheduled maturities at 31 December 2011, is as follows:

Thousands of euros	Current	Non-current					Total non-current
	2012	2013	2014	2015	2016 and subsequent years		
Other loans	212,797	131,389	187,321	57,200	193,545	569,455	

The detail of the balances of "Other Loans" and of the scheduled maturities at 31 December 2010, is as follows:

Thousands of euros	Current	Non-current					Total non-current
	2011	2012	2013	2014	2015 and subsequent years		
Other loans	364,403	170,746	40,737	37,515	207,293	456,291	

The non-current loans included under this heading mainly included refinanced loans to local corporations amounting to EUR 310,000 thousand at 31 December 2011 (EUR 229,611 thousand at 31 December 2010), as well as the participation loan to Xfera Móviles, S.A. amounting to EUR 119,170 thousand (EUR 119,170 thousand at 31 December 2010) (see Note 10.01.). Among the current loans, of most significance were those granted to local corporations for an amount of EUR 69,991 (EUR 37,655 thousand at 31 December 2010).

At 31 December 2010 this heading included the portion of the contributions made by the ACS Group to meet the financing arrangement ratios associated with the acquisitions of 8.08% of Iberdrola, S.A., which surpassed the amounts of the credit lines forming part of this financing and amounted to EUR 287,797 thousand (see Note 18).

Also classified under this statement of financial position heading are surplus cash investments relating to short-term debt securities.

These loans bear interest at a rate tied to Euribor less a market spread.

10.04. Debt securities

Included under this heading are mainly fixed-income securities maturing more than three months after the date of purchase, of which EUR 22,683 thousand are pledged and EUR 232,078 thousand are subject to availability restrictions. Also included under this heading are EUR 79,788 thousand in sovereign debt corresponding to Luxembourg.

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10.05. Other financial assets

At 31 December 2011, the heading "Other financial assets" included short-term deposits amounting to EUR 1,696,131 thousand (EUR 2,465,888 thousand at 31 December 2010). Of this amount, noteworthy is the EUR 1,319,930 thousand (EUR 947,299 thousand at 31 December 2010), contributed by the ACS Group to meet the coverage ratio relating to the financing of Iberdrola, S.A. and Hochtief, A.G. This amount is recognised under the current financial liabilities incurred to meet these commitments.

Non-current financial assets include EUR 171,786 thousand from Leighton whose use is subject to restrictions. These assets were classified as non-current given that they were not expected to be recovered prior to twelve months following the end of the reporting period.

Given the existence of coverage ratios on the value of the shares of Iberdrola, S.A. and of Hochtief A.G. in relation to the loans for the financing of these shares (including the equity swap on Iberdrola, S.A.) the Company considers the aforementioned amounts to be more fairly presented under this heading rather than under "Cash", since when the shares are delisted, these amounts would be used to meet and maintain the aforementioned ratios.

The balance of this heading also includes the current account with the asset securitisation funds (Note 12) and the balance of the reserve account relating to project activity.

Reductions for impairment

In 2011 the impairment losses on financial assets amounted to EUR 81,761 thousand. In 2010 the impairment losses amounted to EUR 42,742 thousands, of which most significant were the provisions made in relation to certain of the Group's concession assets.

There were no significant reversals due to the impairment of financial assets in 2011 or 2010.

11. Inventories

The detail of "Inventories" is as follows:

Thousands of euros	31/12/2011	31/12/2010
Merchandise	220,864	222,291
Raw materials and other procurements	383,346	215,538
Work in progress	1,061,048	38,223
Finished goods	7,669	4,211
By-products, waste and recovered materials	312	217
Advances to suppliers and subcontractors	101,475	137,545
Total	1,774,714	618,025

The increase in this balance with respect to December 2010 relates to the EUR 1,218,658 thousand contributed by the Hochtief Group, including work in progress amounting to EUR 1,021,219 thousand, and mainly real estate (land and buildings), of Hochtief and its Australian subsidiary Leighton, of which EUR 581,030 thousand were restricted at 31 December 2011.

Inventories with a carrying amount of EUR 15,312 thousand in 2011 (EUR 10,423 thousand in 2010) have been pledged and/or mortgaged as security for the repayment of debts.

The total impairment losses on inventories recognised and reversed in the consolidated income statement for 2011, relating to the various Group companies, amounted to EUR 753 thousand and EUR 822 thousand, respectively (EUR 2,298 thousand and EUR 1,311 thousand in 2010).

12. Trade and other receivables

The carrying amount of trade and other receivables reflects their fair value, the detail, by line of business, being as follows:

2011					
Thousands of euros					
	Construction	Industrial Services	Environment	Corporate unit and adjustments	Balance at 31/12/2011
Trade receivables for sales and services	6,201,094	2,262,617	678,919	2,374	9,145,004
Receivable from group companies and associates	245,678	281,758	17,913	(65,285)	480,064
Other receivables	307,789	499,862	137,126	7,080	951,857
Current tax assets	142,308	5,744	1,240	(22,724)	126,568
Total	6,896,869	3,049,981	835,198	(78,555)	10,703,493

2010					
Thousands of euros					
	Construction	Industrial Services	Environment	Corporate unit and adjustments	Balance at 31/12/2010
Trade receivables for sales and services	2,086,219	2,504,544	999,468	5,455	5,595,686
Receivable from group companies and associates	239,777	144,271	18,740	(117,504)	285,284
Other receivables	286,200	378,680	166,012	178,383	1,009,275
Current tax assets	10,511	18,165	793	19,525	48,994
Total	2,622,707	3,045,660	1,185,013	85,859	6,939,239

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Trade receivables for sales and services - Net trade receivables balance

The detail of trade receivables for sales and services - net trade receivables balance, by line of business, at 31 December 2011 and 2010, is as follows:

2011					
Thousands of euros	Construction	Industrial Services	Environment	Corporate unit and adjustments	Balance at 31/12/2011
Trade receivables and notes receivable	3,853,128	1,709,189	612,892	6,986	6,182,195
Completed work pending certification	2,541,499	655,800	87,973	15	3,285,287
Allowances for doubtful debts	(193,533)	(102,372)	(21,946)	(4,627)	(322,478)
Total receivables for sales and services	6,201,094	2,262,617	678,919	2,374	9,145,004
Advances received on orders (Note 23)	(1,356,808)	(1,432,737)	(12,517)	(1)	(2,802,063)
Total net trade receivables balance	4,844,286	829,880	666,402	2,373	6,342,941

2010					
Thousands of euros	Construction	Industrial Services	Environment	Corporate unit and adjustments	Balance at 31/12/2010
Trade receivables and notes receivable	1,826,880	1,919,418	855,670	10,066	4,612,034
Completed work pending certification	298,428	679,412	163,676	16	1,141,532
Allowances for doubtful debts	(39,089)	(94,286)	(19,878)	(4,627)	(157,880)
Total receivables for sales and services	2,086,219	2,504,544	999,468	5,455	5,595,686
Advances received on orders (Note 23)	(1,093,189)	(1,545,279)	(6,516)	1	(2,644,983)
Total net trade receivables balance	993,030	959,265	992,952	5,456	2,950,703

At 31 December 2011, retentions held by customers for contract work in progress amounted to EUR 461,403 thousand (EUR 143,984 thousand at 31 December 2010).

The Group companies assign trade receivables to financial entities, without the possibility of recourse against them in the event of non-payment. The balance of receivables was reduced by EUR 356,208 thousand in this connection at 31 December 2011 (EUR 436,930 thousand at 31 December 2010).

Substantially all the risks and rewards associated with the receivables, as well as control over them, were transferred through the sale and assignment of the receivables, since no repurchase agreements have been entered into between the Group companies and the credit institutions that have acquired the assets, and the credit institutions may freely dispose of the acquired assets without the Group companies being able to limit this right in any manner. Consequently, the balances receivable relating to the receivables assigned or sold under the aforementioned conditions were derecognised in the consolidated statement of financial position. The Group companies continued to manage collection during the period to maturity.

The balance of "Trade Receivables and Notes Receivable" was reduced by the amounts received from the "CAP-TDA2 Fondo de Titulización de Activos", a securitisation SPV which was set up on 19 May 2010.

The ACS Group companies fully and unconditionally assign receivables to the securitisation SPV. By means of this mechanism, at the date of assignment, the Company charges a set price (cash price) which does not reverse back to the securitisation SPV for any reason. This securitisation SPV, which is subject to Spanish law, transforms the receivables into marketable bonds. It is managed by a management company called Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A.

The amount of the receivables sold to the Securitisation Fund was EUR 276,158 thousand at 31 December 2011 (EUR 284,002 thousand at 31 December 2010), of which EUR 58,946 thousand (EUR 52,417 thousand at 31 December 2010) were recognised as a current account with the Securitisation Fund included under the heading "Other Current Financial Assets-Other Loans" (Note 10.05).

Clients with net sales of over 10%, in both 2011 and 2010, include Spanish public authorities, which accounted for 21% of the net balance of ACS Group clients at 31 December 2011 (61% at 31 December 2010).

Changes in the allowances for doubtful debts

The following is a breakdown by line of business, of the changes in the "Allowances for Doubtful Debts" in 2011 and 2010:

Thousands of euros					
Allowance for doubtful debts	Construction	Industrial Services	Environment	Corporate unit and adjustments	Total
Balance at 31 December 2009	(42,070)	(80,230)	(22,896)	(4,627)	(149,823)
Charges for the year	(336)	(25,025)	(11,565)	-	(36,926)
Reversals/Excesses	3,241	13,081	5,366	-	21,688
Changes in scope and other	76	(2,111)	9,218	(2)	7,181
Balance at 31 December 2010	(39,089)	(94,285)	(19,877)	(4,629)	(157,880)
Period provisions	(140,833)	(14,640)	(9,240)	2	(164,711)
Reversals/Excesses	319	6,553	1,708	-	8,580
Changes in scope and other	(13,930)	-	5,463	-	(8,467)
Balance at 31 December 2011	(193,533)	(102,372)	(21,946)	(4,627)	(322,478)

A concentration of credit risk is not considered to exist since the Group has a large number of customers engaging in various activities.

The net trade receivables balance at 31 December 2011 amounted to EUR 6,342,941 thousand, of which EUR 1,876,465 thousand relate to domestic activity and EUR 4,466,476 thousand to international activity.

With regard to domestic activity, EUR 1,332,131 thousand (71% of the balance) relates to the net balance receivable from the Spanish public authorities, the remainder relating to the private sector, without large concentrations thereof.

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In relation to foreign activity, this balance mainly relates to the activity carried on by Hochtief, A. G. and amounts to EUR 4,268,372 thousand. This figure includes amounts which were outstanding but not impaired at 31 December 2011, of which EUR 137,191 was up to 30 days overdue, EUR 36,817 thousand between 31 and 90 days overdue and EUR 66,432 thousand more than 90 days overdue.

Group management considers that the carrying amount of the trade receivables reflects their fair value. The Group companies are responsible for managing the accounts receivable and determining the need for an allowance, since each Company best knows its exact position and the relationship with each of its clients. However, each line of business lays down certain guidelines on the basis that each client has its own peculiarities depending on the business activity performed. In this regard, for the Construction area, the accounts receivable from public authorities pose no recoverability problems of significance, and international activity mainly relates to work performed for public authorities in foreign countries, which reduces the possibility of experiencing significant insolvency. On the other hand, for private clients there is an established guarantee policy prior to the beginning of construction, which significantly reduces the risk of insolvency.

In the Environmental area, the main problems are related to arrears from local public authorities. In these cases, the affected companies renegotiate with the public authorities involved for the collection of the receivable if it is not possible to recover the receivable in the short-term, by setting a long-term payment schedule. At 31 December 2011, this amount totalled EUR 300,960 thousand (EUR 229,611 thousand at 31 December 2010), which was included under the heading "Other Loans", and matures as follows:

Thousands of euros				
2012	2013	2014	2015 and subsequent years	Total
52,417	48,348	47,933	152,262	300,960

Additionally, the existence of arrears and of a possible default are low since besides the fact that the Group also has the right to request late interest from public authorities, its private clients are assigned a maximum risk level before contracting a service.

In the Industrial Services area, of most significance are private contracts, for which a maximum level of risk is assigned and collection conditions are based upon the solvency profile that is initially analysed for a client and for a specific project, depending on its size. In the case of foreign private clients, the practice is to require payments in advance at the beginning of the project and short-term collection periods allowing for positive management of working capital.

13. Other current assets

This heading in the statement of financial position fundamentally includes short-term accruals of prepaid expenses and interest.

14. Cash and cash equivalents

The “Cash and cash equivalents” heading includes the Group’s cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets amounting to EUR 85,212 reflect their fair value and there are no restrictions as to their use.

15. Equity

15.01. Capital

At 31 December 2011, the share capital of the Parent amounted to EUR 157,332 thousand and was represented by 314,664,594 fully subscribed and paid shares with a par value of EUR 0.5 each, all with the same voting and dividend rights.

Expenses directly attributable to the issue or acquisition of new shares are recognised in equity as a deduction from the amount thereof.

The General Shareholders’ Meeting held on 25 May 2009 authorised the Company’s Board of Directors to increase capital by up to half the Company’s share capital at the date of this resolution on one or more occasions, and at the date, in the amount and under the conditions freely agreed in each case, within five years following 25 May 2009, and without having previously submitted a proposal to the General Shareholders’ Meeting. Accordingly, the Board of Directors may set the terms and conditions under which capital is increased as well as the features of the shares, investors and markets at which the increases are aimed and the issue procedure, freely offer the unsubscribed shares in the preferential subscription period; and in the event of incomplete subscription, cancel the capital increase or increase capital solely by the amount of the subscribed shares.

The capital increase or increases may be carried out through the issue of new shares, either ordinary, without voting rights, preference or recoverable. The new shares shall be payable by means of monetary contributions equal to the par value of the shares and any share premium which may be agreed.

The Board of Directors was expressly empowered to exclude preferential subscription rights in full or in part in relation to all or some of the issues agreed under the scope of this authorisation, where it is in the interest of the company and as long as the par value of the shares to be issued plus any share premium agreed is equal to the fair value of the Company’s shares based on a report to be drawn up at the Board’s request, by an independent auditor other than the Company’s auditor, which is appointed for this purpose by the Spanish Mercantile Register on any occasion in which the power to exclude preferential subscription rights is exercised.

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Additionally, the Company's Board of Directors is authorised to request the listing or delisting of any shares issued, in Spanish or foreign organised secondary markets.

Also, at its meeting held on 25 May 2009 and in accordance with applicable legislation, the Shareholder's Meeting resolved to delegate to the Board of Directors the power to issue fixed income securities, either simple and exchangeable or convertible, and warrants on the Company's newly issued shares or shares in circulation, under the following terms: Securities may be issued on one or more occasions within five years following the resolution date. The total amount of the issue or issues of securities, plus the total number of shares listed by the Company, plus the total number of shares listed by the Company and outstanding at the issue date may not exceed a maximum limit of eighty per cent of the equity of ACS Actividades de Construcción y Servicios, SA. according to the latest approved statement of financial position.

The shares of ACS, Actividades de Construcción y Servicios, S.A. are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and traded through the Spanish computerised trading system.

In addition to Parent, the companies included in the scope of consolidation whose shares are listed on securities markets are Hochtief A.G. on the Frankfurt Stock Exchange (Germany), Dragados y Construcciones Argentina, S.A.I.C.I. on the Buenos Aires Stock Exchange (Argentina), Leighton Holdings Ltd., Macmahon Holdings Limited, Sedgman Limited on the Australia Stock Exchange and Pol-Aqua on the Warsaw Stock Exchange (Poland).

At 31 December 2011, the shareholders with an ownership interest of over 10% in the share capital of the Parent were Corporación Financiera Alba, S.A. with an ownership interest of 18.305%, Corporación Financiera Alcor, S.A. with an ownership interest of 12.625% and Inversiones Vesán, S.A. with an ownership interest of 12.521%.

15.02. Share premium

The share premium at 31 December 2011 and 2010 amounted to EUR 897,294 thousand. There have been no changes in the share premium account in the past two years.

The Consolidated Spanish Limited Liability Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use.

15.03. Retained earnings and other returns

The detail of this heading at 31 December 2011 and 2010 is as follows:

Thousands of euros	Balance at 31/12/2011	Balance at 31/12/2010
Reserves of the Parent	1,815,975	1,364,904
Reserves at consolidated companies	2,893,582	2,753,815
Total	4,709,557	4,118,719

15.03.01. Reserves of the Parent

This heading includes the reserves set up by the Group's Parent, mainly in relation to retained earnings, and if applicable, in compliance with the various applicable legal provisions.

The detail of this heading at 31 December 2011 and 2010 is as follows:

Thousands of euros	Balance at 31/12/2011	Balance at 31/12/2010
Legal reserve	35,287	35,287
Voluntary reserves	1,024,546	961,200
Reserve for redenomination of share capital in euros	162	162
Goodwill reserve	123,623	82,416
Other retained earnings	632,357	285,839
Total	1,815,975	1,364,904

Legal reserve

Under the Consolidated Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The legal reserve recognised by the Group's Parent, which amounts to EUR 35,287 thousand, has reached the stipulated level at 31 December 2011 and 2010.

Voluntary reserves

These are reserves, the use of which is not limited or restricted, freely set up by means of the allocation of the Parent's profits, after the payment of dividends and the required appropriations to the legal or other restricted reserves in accordance with current legislation.

Pursuant to the Consolidated Limited Liability Companies Law, the distribution of profit is prohibited unless the amount of the unrestricted legal reserves is at least equal to the amount of research and development expenses included under assets in the statement of financial position. In this case the reserves allocated to meet this requirement are considered to be restricted reserves.

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15.03.02. Reserves at consolidated companies

The detail, by line of business, of the balances of these accounts in the consolidated statement of financial position after considering the effect of consolidation adjustments, is as follows:

Thousands of euros	Balance at 31/12/2011	Balance at 31/12/2010
Construction	(51,397)	32,970
Environment	516,815	552,306
Industrial Services	606,987	542,546
Corporate Unit	1,821,177	1,625,993
Total	2,893,582	2,753,815

Certain Group companies have clauses in their financing agreements (this is standard practice in project financing) that place restrictions on the distribution of dividends until certain ratios are met.

15.04. Treasury shares

The changes in the "Treasury Shares" heading in 2011 and 2010 were as follows:

	2011		2010	
	Number of shares	Thousands of euros	Number of shares	Thousands of euros
At beginning of the year	19,542,383	683,491	9,835,633	350,747
Purchases	9,845,100	279,253	10,200,612	350,047
Sales	(5,778,650)	(202,093)	(493,862)	(17,303)
At end of the year	23,608,833	760,651	19,542,383	683,491

At 31 December 2011, the Group held 23,608,833 treasury shares of the Parent, with a par value of EUR 0.5 each, representing 7.50% of the share capital, with a carrying value per consolidated books of EUR 760,651 thousand which is recorded under "Treasury shares and equity interests" in the accompanying consolidated statement of financial position. At 31 December 2010, the Group held 19,542,383 treasury shares of the Parent, with a par value of EUR 0.5 each, representing 6.21% of the share capital, with a carrying value per consolidated books of EUR 683,491 thousand which is recorded under "Treasury shares and equity interests" in the accompanying consolidated statement of financial position.

The average purchase price of ACS shares in 2011 was EUR 28.36 per share and the average selling price of the shares in 2011 was EUR 34.97 per share (EUR 34.32 and EUR 35.04 per share, respectively, in 2010).

On 4 February 2011, in completion of the takeover bid for Hochtief AG, the ACS Group handed over 5,050,085 shares of ACS as consideration for the shares held by the shareholders of Hochtief AG who accepted the bid.

15.05. Interim dividend

At its meeting on 15 December 2011 the Parent's Board of Directors resolved to distribute an interim dividend of EUR 0.90 per share, totalling EUR 283,198 thousand, which was paid on 7 February 2012. For this purpose, the Parent prepared the liquidity statement required pursuant to Spanish Consolidated Companies Law evidencing that there is sufficient liquidity to distribute this dividend.

At its meeting on 16 December 2010 the Parent's Board of Directors resolved to distribute an interim dividend of EUR 0.90 per share, totalling EUR 283,198 thousand, which was paid on 8 February 2011. For this purpose, the Parent prepared the liquidity statement required pursuant to Spanish Consolidated Companies Law evidencing that there is sufficient liquidity to distribute this dividend.

This interim dividend paid is recognised under "Interim Dividend" and is deducted from "Equity Attributable to the Parent" included at 31 December 2011 and 2010 under the heading "Other Current Liabilities" in the accompanying consolidated statement of financial position.

15.06. Adjustments for changes in value

The changes in the balance of this heading in 2011 and 2010 were as follows:

Thousands of euros	2011	2010
Beginning balance	(1,340,666)	(1,006,148)
Hedging instruments	(312,850)	(54,928)
Available-for-sale financial assets	(639,056)	(465,736)
Exchange differences	(70,620)	186,146
Ending balance	(2,363,192)	(1,340,666)

The adjustments for hedging instruments relate to the reserve generated by changes in the fair value of the financial instruments designated and classified as cash flow hedges. These relate mainly to interest rate and exchange rate hedges tied to statement of financial position asset and liability items, as well as the future transaction commitments to which the recording of hedges applies, due to the fulfilment of certain requirements of IAS 39 - Hedge accounting.

Available-for-sale financial assets include the unrealised losses and gains arising from changes in fair value net of the related tax effect. The main changes arose from the ownership interest in Iberdrola, S.A., in relation to which a negative balance amounting to EUR 1,791,480 thousand was recognised at 31 December 2011 (EUR 1,196,879 thousand at 31 December 2010).

The exchange differences on 1 January 2004 were recognised in the transition to IFRSs as opening reserves. Consequently, the amount presented in the Group's consolidated statement of financial position at 31 December 2011 relates exclusively to the difference arising from 2004 to 2011, net of the tax effect, between the closing and opening exchange rates; on non-cash items whose fair value is adjusted against equity and on the translation to euros of the balances in the functional currencies of fully and proportionally consolidated companies, as well as companies accounted for using the equity method, whose functional currency is not the euro.

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Following are the main exchange differences by currency:

Thousands of euros	Balance at 31/12/2011	Balance at 31/12/2010
Australian dollar	174,553	197
Brazilian real	84,476	129,444
Mexican peso	(16,679)	353
Argentine peso	(14,945)	(16,524)
US dollar	13,351	13,858
Venezuelan bolivar	(9,996)	(11,106)
Polish zloty	(9,307)	7,244
Other currencies	(1,051)	4,185
Exchange differences of companies accounted for using the equity method	(96,113)	67,258
	124,289	194,909

15.07. Non-controlling interests

The detail, by line of business, of the balance of "Non-Controlling Interests" in the consolidated statement of financial position at 31 December 2011 and 2010 is presented below:

Thousands of euros	Balance at 31/12/2011			Balance at 31/12/2010		
	Non-controlling interests	Profit attributed to non-controlling interests	Profit from discontinued operations	Non-controlling interests	Profit attributed to non-controlling interests	Profit from discontinued operations
Line of Business						
Construction	2,609,544	104,160	-	51,894	2,060	-
Industrial Services	70,005	37,769	-	108,452	35,434	-
Environment	46,202	4,599	(97)	61,173	4,309	517
Total	2,725,751	146,528	(97)	221,519	41,803	517

The significant increase in the balance of non-controlling interests is due to the full consolidation of Hochtief beginning on 1 June 2011, and includes both the holdings of the minority shareholders of Hochtief as well as its non-controlling interests included in the balance sheet of the German company, which mainly relate to the minority shareholders of Leighton Holdings.

This heading in the accompanying consolidated statement of financial position reflects the proportional share of the equity of the companies in which the Group's minority shareholders have an interest. The changes in 2011, by item, were as follows:

Thousands of euros

Balance at 31 December 2010	263,839
Profit for the year from continuing operations	146,528
Loss for the year from discontinued operations	(97)
Dividends received	(55,437)
Change in scope of consolidation	2,473,013
Changes in share capital and other	32,302
Adjustments for changes in value	12,034
Balance at 31 December 2011	2,872,182

The changes in 2010, by item, were as follows:

Thousands of euros

Balance at 31 December 2009	288,279
Profit for the year from continuing operations	41,803
Profit for the year from discontinued operations	517
Dividends received	(15,374)
Change in scope of consolidation	(38,585)
Changes in share capital and other	(17,355)
Adjustments for changes in value	4,554
Balance at 31 December 2010	263,839

The detail of this balance at 31 December 2011, by business segment, is as follows:

Thousands of euros

Line of Business	Share Capital	Reserves	Profit for the year	Profit from discontinued operations	Total
Construction	1,424,848	1,184,696	104,160	-	2,713,704
Industrial Services	43,298	26,707	37,769	-	107,774
Environment	21,504	24,698	4,599	(97)	50,704
Total	1,489,650	1,236,101	146,528	(97)	2,872,182

The detail of this balance at 31 December 2010, by business segment, was as follows:

Thousands of euros

Line of Business	Share Capital	Reserves	Profit for the year	Profit from discontinued operations	Total
Construction	34,235	17,659	2,060	-	53,954
Industrial Services	95,699	12,753	35,434	-	143,886
Environment	22,328	38,845	4,309	517	65,999
Total	152,262	69,257	41,803	517	263,839

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At 31 December 2011, the shareholders with an ownership interest equal to or exceeding 10% of the share capital of the Group's main subsidiaries were as follows:

Group	Percentage of ownership	Shareholder
Construction		
John P. Picone, Inc. (*)	20.00%	John P. Picone
Besalco Dragados S.A.	50.00%	Besalco, S.A.
Autovía de La Mancha S.A. Conces. JCC Cast-La Mancha	25.00%	CYOP, S.A.
Concesionaria Santiago Brión, S.A.	30.00%	Francisco Gómez y CIA, S.L. (15%) Extraco Construcciones e Proyectos, S.A. (15%)
Intercambiador de Transportes de Príncipe Pío, S.A.	30.00%	Empresa de Blas y Compañía, S.L.
Autovía del Pirineo, S.A.	28.00%	Construcciones Mariezcurrena, S.L. (20%)
Sociedad Concesionaria Ruta del Canal, S.A.	20.00%	Claro, Vicuña, Valenzuela, S.A.
Industrial Services		
Beni Saf Water Company Spa.	49.00%	Algerian Energy Company -SPA
Emurtel, S.A.	49.90%	Ginés Heredia (20%) José María Rodríguez (29.9%)
Procme, S.A.	25.46%	José Reis Costa
Iberoamericana de Hidrocarburos S.A. de C.V.	40.50%	Monclova Pirineos Gas, S.A. de C.V.
Serpista, S.A.	49.00%	Temg Mantenimiento, S.A. (10%) Iberia, S.A. (39%)
Triana do Brasil Projetos e Serviços, Ltda.	50.00%	CTEEP Compañía de Transmisión Eléctrica Paulista
Sistemas Sec, S.A.	49.00%	Compañía Amerinana de Multiservicios Limitada
Environment		
Centro de Transferencias, S.A.	30.00%	Emgrisa
Residuos Sólidos Urbanos de Jaén, S.A.	40.00%	Diputación Provincial de Jaén
Tirmadrid, S.A.	33.64%	Enel Unión Fenosa Renovables, S.A. (18.64%) Enel Green Power España, S.L. (15%)
Urbana de Servicios Ambientales, S.L.	30.00%	Construcciones Sánchez Domínguez (20%)
Ecoparc de Barcelona, S.A.	33.60%	Comsa Medio Ambiente S.L.(28.30%)
Residuos Industriales de Zaragoza, S.A.	36,30%	Marcor Ebro, S.A.
Jingtang International Container Terminal Co. Ltd.	45.72%	Tangshan Port Industrial Group Co., Ltd.
Vertederos de Residuos, S.A.	16.03%	Fomento de Construcciones y Contratas, S.A.

(*) There is a purchase commitment of 20% for which the related liability was recognised.

Additionally, according to the available information, at 31 December 2011, the sole minority shareholder of Hochtief, A.G. with an ownership percentage greater than or equal to 10% is Qatar Holding Luxembourg (10%), there being no minority shareholder in the case of Leighton Holdings, Ltd.

16. Grants

The changes in the balance of this heading in 2011 and 2010 were as follows:

Thousands of euros	2011	2010
Beginning balance	69,949	90,524
Changes in the scope of consolidation	(5,440)	3
Additions	5,829	5,249
Transfers	(9,039)	(23,420)
Recognition in income statement	(3,167)	(2,407)
Ending balance	58,132	69,949

The grants related to assets recognised in the consolidated income statement (recognised under the heading "Allocation of grants relating to non-financial assets and others" of the consolidated income statement) amounted to EUR 4,525 thousand net of tax in 2011 (EUR 3,438 thousand in 2010). Following is a detail of the timing of recognition:

Thousands of euros	2011			2010		
	<1	2-5	>5	<1	2-5	>5
Grants related to assets	7,611	21,831	28,690	9,390	16,578	43,981

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17. Bank borrowings, debt instruments and other marketable securities

17.01. Debt instruments and other held-for-trading liabilities

At 31 December 2011, as a result of the full integration of Hochtief A.G., the ACS Group has a balance of debt instruments and bonds amounting to EUR 722,632 thousand and EUR 46,421 thousand, respectively. The debt instruments and bonds were issued by Leighton Holdings. In 2010 a bond of USD 350,000 thousand was issued with an equivalent value in thousands of euros amounting to EUR 273,997 at 31 December 2011. This bond has three tranches with maturities in 2015, 2017 and 2020, and interest rates ranging from 4.51% to 5.78%. This heading also includes a bond issued in 2009 amounting to EUR 220,074 thousand, with a nominal value of AUD 200,000 thousands at five years, and with a fixed coupon of 9.5%. In 2008, Leighton Holdings issued USD 280,000 thousand through a private placement repayable in 2013, 2015 and 2017, and with an interest rate ranging from 6.91% to 7.66%. The carrying value of this private placement at 31 December 2011 amounted to EUR 219,235 thousand. Finally, the debt instruments and bonds issued include EUR 55,747 thousand (AUD 70,900 thousand) relating to three additional bonds with fixed or variable interest rates held by Leighton Holdings.

The detail, by maturity, of these debt instruments and bonds is as follows:

Thousands of euros	Current	Non-Current					Total non-current
	2012	2013	2014	2015	2016 and subsequent		
Debentures and bonds	46,421	96,238	220,074	140,924	265,396	722,632	

At 31 December 2010 the ACS Group did not have any long-term or short-term debt instruments and bonds.

17.02. Bank loans

The detail of the bank borrowings at 31 December 2011, and the repayment schedules are as follows:

Thousands of euros	Current	Non-Current					Total non-current
	2012	2013	2014	2015	2016 and subsequent		
Bank loans in euros	5,540,058	805,568	537,258	317,593	599,185	2,259,604	
Foreign currency loans	551,081	172,188	79,685	5,850	5,852	263,575	
Finance lease obligations	133,937	327,313	5,362	4,680	22,813	360,168	
Total	6,225,076	1,305,069	622,305	328,123	627,850	2,883,347	

Under this heading, and in relation to bank borrowings with recourse, the most relevant changes arose due to the full integration of Hochtief, A. G. whose non-current financing amounted to EUR 1,578,917 thousand.

The detail of the bank borrowings at 31 December 2010, and the repayment schedules are as follows:

Thousands of euros	Current		Non-current			Total non-current
	2011	2012	2013	2014	2015 and subsequent	
Bank loans in euros	1,959,046	3,481,070	816,054	13,684	264,493	4,575,301
Foreign currency loans	167,827	91,558	1,185	27,703	15	120,461
Finance lease obligations	9,812	6,197	4,227	3,734	7,857	22,015
Total	2,136,685	3,578,825	821,466	45,121	272,365	4,717,777

The ACS Group's most significant bank loans are as follows:

At 31 December 2011, the balance contributed by the Hochtief Group included a five-year EUR 102,000 thousand as part of a loan of EUR 120,000 thousand loan issued on 25 November 2011, and arranged between domestic and international banks, of which EUR 18,600 were loaned to a subsidiary. This loans bears interest tied to six-month Euribor plus a market spread.

There was also a loan of EUR 240,000 thousand issued in 2010 in two tranches of EUR 59,500 thousand and EUR 180,500 thousand, respectively, with a maturity of five years and an interest rate tied to six-month Euribor plus a market spread.

Four loans were arranged by Hochtief in 2009 amounting to EUR 300,000 thousand and bearing interest at fixed and variables rates, of which EUR 140,000 thousand were repaid in 2011.

There were also bank loans amounting to EUR 236,000 thousand, which were arranged in 2008 and mature in seven years. These loans earn interest at a rate tied to six-month Euribor plus a market spread.

The syndicated loan of EUR 600,000 thousand arranged in 2005 and with an original maturity date on 22 November 2012 was refinanced in December 2011 with a combination of a guarantee and credit facility totalling EUR 2,000,000 thousand. An international syndicate of banks granted a five-year forward market credit facility of which EUR 1,500,000 thousand related to a tranche for guarantees EUR 500,000 thousand to a credit facility. At 31 December 2011 EUR 400,000 thousand had been drawn down.

Leighton Holding arranged bank loans amounting to EUR 464,590 thousand, most of which were to finance investments in Habtoor Leighton Group and other projects.

Also noteworthy is the non-current financing obtained for the purchase of shares of Hochtief, A.G. for a nominal amount of EUR 200,000 thousand with maturity in June of 2014 through the vehicle company Major Assets, S.L., and EUR 250,000 thousand with maturity in July 2014 through the company Corporate Statement, S.L., both secured by shares of Hochtief shares deposited therein, which at 31 December 2011, amounted to 13,948,778.

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Additionally, in relation to the purchases of shares of Iberdrola, S.A. in 2010, ACS, Actividades de Construcción y Servicios, S.A. obtained financing that finally matures on 27 June 2012 with a balance of EUR 628,117 thousand at 31 December 2010. This financing amount was reduced to EUR 205,684 thousand at 31 December 2011 and was reclassified to short-term. At the same time as this financing, a prepaid forward share contract was signed which can only be repaid in cash, in relation to which the ACS Group is able to make advance payments or repay in full at any time.

On 9 February 2012 ACS Actividades de Construcción y Servicios, S. A. entered into a contract with a syndicate of banks, composed of 32 Spanish and foreign entities, for the refinancing of the syndicated loan which now matures in July 2015. The amount contracted amounted to EUR 1,377 million, which could be increased until May 2012, to EUR 1,650 million. This contract was already adhered to by four banks for EUR 1,411 million at the date of the presentation of these consolidated financial statements. This refinancing ensures the liquidity of the ACS Group's operations. At 31 December 2011, this loan amounting to EUR 1,589,911 thousand was recognised under the heading "Current Liabilities" in the accompanying statement of financial position.

At 31 December 2011 the balance of current loans included the syndicate loan of Urbaser, S.A. amounting to EUR 750,000 thousand, which matures in May 2012 and is in the process of being renewed at the date of the preparation of these financial statements. Various interest rate swaps were arranged to fully hedge this loan, which matures in May 2012, at the same time as the notional amount.

The ACS Group held mortgage loans for an amount of EUR 57,877 thousand at 31 December 2011 (EUR 57,580 thousand at 31 December 2010).

At 31 December 2011 the Group companies had been granted credit facilities with limits of 6,886,169 thousand (EUR 3,636,110 thousand in 2010), of which the amount of EUR 2,633,253 thousand (EUR 1,528,887 thousand at 31 December 2010) were undrawn. These credit facilities sufficiently cover all the Group's needs in relation to its short-term commitments.

At 31 December 2011, the current and non-current bank borrowings in foreign currency amounted to EUR 814,656 thousand (EUR 288,288 thousand in 2010), of which EUR 464,590 thousand were in Australian dollars, EUR 222,676 thousand in US dollars (EUR 120,867 thousand in 2010), EUR 28,608 thousand in Canadian dollars (EUR 27,703 thousand in 2010), EUR 28,544 thousand in Moroccan dirham (EUR 23,255 thousand in 2010), EUR 28,462 thousand in Chilean pesos (EUR 42,626 thousand in 2010), EUR 15,120 thousand in Chinese yuan, EUR 9,602 thousand in Polish zloty (EUR 8,120 thousand in 2010), EUR 4,194 thousand in Argentine pesos (EUR 8,017 thousand in 2010) and EUR 3,122 thousand in Brazilian reals (EUR 47,744 thousand in 2010).

Foreign currency loans and credits are recognised at their equivalent euro value at each year-end, calculated at the exchange rates prevailing at 31 December.

In 2011 the Group's euro loans and credits bore average annual interest of 3.30% (2.92% in 2010). Foreign currency loans and credits bore average annual interest of 3.94% (3.51% in 2010).

In accordance with its risk management policy and in order to reduce liquidity risk, the ACS Group attempts to achieve a reasonable balance between non-current financing for the Group's strategic investments (above all, limited recourse financing as described in Note 18) and current financing for the management of working capital.

In 2011 and 2010 the ACS Group met all its financial debt payments at maturity. Additionally, up to the date of the preparation of the consolidated financial statements, the Group had not failed to meet any of its financial obligations.

17.03. Finance lease obligations

The amounts payable under finance leases which are included under the heading "Bank borrowings, obligations and other negotiable securities" in the accompanying consolidated statement of financial position at 31 December 2011 and 2010, were as follows:

2011				
Thousands of euros	Within one year	Between two and five years	More than five years	Balance at 31/12/2011
Present value of minimum lease payments	133,937	337,355	22,813	494,105
Unaccrued finance charges	13,383	23,189	649	37,221
Total amounts payable under finance leases	147,320	360,544	23,462	531,326

2010				
Thousands of euros	Within one year	Between two and five years	More than five years	Balance at 31/12/2010
Present value of minimum lease payments	9,813	14,158	7,858	31,829
Unaccrued finance charges	702	1,158	391	2,251
Total amounts payable under finance leases	10,515	15,316	8,249	34,080

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. Most of these leases were arranged by Leighton Holding for its mining activity. The average lease term is three to four years. Interest rates are set at the contract date. All leases are on a fixed repayment basis. The contingent rental payments were not material at 31 December 2011 or at 31 December 2010.

The Group's finance lease obligations are secured by the lessors' charges on the leased assets.

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18. Limited recourse financing of projects and debts

The heading "Project Finance with Limited Recourse" on the liability side of the statement of financial position includes the financing for the acquisition of Iberdrola, S.A. and Hochtief, A.G., as well as the financing amount associated with projects. The detail of the balance of this heading, by type of financed asset at 31 December 2011, is as follows:

Thousands of euros	Current	Non-current	Total
Iberdrola, S.A.	20,959	4,940,600	4,961,559
Hochtief Aktiengesellschaft	15,752	593,029	608,781
Project financing			
Waste treatment	23,230	161,544	184,774
Highways	1,185	93,828	95,013
Police station	3,907	64,375	68,282
Water management	1,616	24,203	25,819
Security systems	8,968	8,446	17,414
Interchangers	1,812	1,515	3,327
Photovoltaic plants	-	518	518
Other infrastructures	3	3	6
	77,432	5,888,061	5,965,493

The detail of the balance of this heading, by type of financed asset at 31 December 2010, is as follows:

Thousands of euros	Current	Non-current	Total
Iberdrola, S.A.	2,099,255	2,590,215	4,689,470
Hochtief Aktiengesellschaft	16,945	858,867	875,812
Project financing			
Highways	2,850	807,347	810,197
Waste treatment	26,071	169,743	195,814
Desalination plants	334	133,051	133,385
Energy	20,828	89,748	110,576
Police station	4,053	69,354	73,407
Interchangers	1,843	52,565	54,408
Photovoltaic plants	2,053	33,997	36,050
Water management	3,761	30,041	33,802
Other infrastructures	8,433	25,178	33,611
	2,186,426	4,860,106	7,046,532

The detail, by maturity, of non-current financing at 31 December 2011 and 2010 is as follows:

Thousands of euros	Maturity in				
	2013	2014	2015	2016 and subsequent years	Total
Balance at 31 December 2011	35,006	3,123,234	2,454,058	275,763	5,888,061

Thousands of euros	Maturity in				
	2012	2013	2014	2015 and subsequent years	Total
Balance at 31 December 2010	3,509,221	52,995	236,177	1,061,713	4,860,106

The most significant financing arrangements were as follows:

- Financing of the acquisition of Iberdrola, S.A.

The limited recourse financing for the acquisition of shares of Iberdrola included the financing of Residencial Monte Carmelo, S.A. (which holds 8.08% of the shares of Iberdrola) reached EUR 1,661,143 thousand which entered into force on 28 December 2011, the maturity date of the previous financing, which was extended three years to 28 December 2014. This was the main reason for the year-on-year increase in non-current financing. The main characteristics of the financing arrangement include the maintenance of a hedging ratio over the market value of the shares of Iberdrola, S.A. If this ratio were not to be met, the pledge could be executed.

Additionally, Corporate Funding, S.L. has limited recourse financing maturing in June 2014 which was increased with respect to 31 December 2010 by EUR 300,000 thousand, reaching a nominal amount of EUR 900,000 thousand, with interest tied to Euribor plus a spread and which was secured by shares amounting to EUR 283,523,297 at 31 December 2011. The main characteristics of the financing arrangement include the maintenance of a hedging ratio over the market value of the shares of Iberdrola, S.A. which obligates the contribution of funds up to a limit of EUR 450,000 thousand. If this ratio were not to be met, the pledge could be executed.

On 14 June 2011, the Company extended the maturity of its "equity swap" over shares of Iberdrola, S.A. to March 2015 for an amount of EUR 2,432,272 thousand (EUR 2,430,619 thousand at 31 December 2010). This loan is secured by shares amounting to 4.73% of the ownership interest in Iberdrola, S.A. and bears interest at a rate tied to Euribor. As in the case of the other loans described above, the ACS Group is required to meet a hedging ratio on this ownership interest.

Both at 31 December 2011 and at the date of the preparation of these financial statements, this hedging ratio was being met.

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- Financing of the acquisition of Hochtief, A.G.

An ownership interest of 22.80% of Hochtief was acquired in 2007 by means of financing amounting to an initial amount of EUR 948,000 thousand in which BBVA acted as the agent bank. Of this amount EUR 87,000 was repaid in advance in previous years. This financing is secured by the shares acquired and has a finance cost tied to Euribor. Its sole and final maturity date is 24 July 2012.

The main characteristics of the financing arrangement include the maintenance of a hedging ratio over the market value of the shares of Hochtief, A.G. If this ratio were not to be met, the pledge could be executed. If the aforementioned hedging ratio were not to be met and the ACS Group were to decide to maintain the financing, ACS, Actividades de Construcción y Servicios, S.A. would be required to provide funds up to a limit of EUR 316,000 thousand in the form of a subordinated loan.

In relation to the aforementioned loan, on 27 October 2011, Cariátide, S.A., entered into a contract with a syndicate of banks for the refinancing of the nominal amount of EUR 602,000 thousand until 24 July 2015.

Both at 31 December 2011, and at the date of the preparation of these financial statements, this hedging ratio was being met.

To cover the ratios required to be met for the financing of Hochtief A.G. and Iberdrola, S.A., the Group contributed funds amounting to EUR 1,547,918 thousand at 31 December 2011 (EUR 590,904 thousand at 31 December 2010). These funds reduced the limited recourse financing and the portion exceeding the credit facility amounts was recognised on the asset sided of the statement of financial position under "Other Current Financial Assets" (see Note 10.05).

In 2011 and 2010 the ACS Group met all its financial debt payments at maturity. Additionally, up to the date of the preparation of the consolidated financial statements, the Group had not failed to meet any of its financial obligations.

Project financing

The most significant change in this heading in the consolidated statement of financial position relates to the reclassification of wind powered facilities, solar thermal plants and certain highways and power transmission lines to assets held for sale (see Note 03.09).

The remainder of project financing at 31 December 2011 included, inter alia, the financing relating to waste treatment at the plant owned by Ecoparc de Barcelona, S.A. In this connection a loan was arranged on 30 July 2009 amounting to EUR 53,000 thousand at a floating interest rate tied to Euribor plus a market spread. This loan matures on 30 July 2024. The purpose of the financing is to construct, administer and operate the Metropolitan Integrated Water Treatment Plant located in the Zone Franca, Barcelona.

The Group has arranged various interest rate hedges in connection with the aforementioned financing (see Note 22).

The average interest rate for this type of project financing amounted to an annual 4.42% in 2011 and 4.11% in 2010.

The debts relating to limited recourse financing are secured by non-current assets in projects and include clauses requiring that certain ratios be complied with by the project and which were being met in all cases at 31 December 2011.

19. Other financial liabilities

The breakdown of the balances of this heading in the consolidated statements of financial position is as follows:

Thousands of euros	Balance at 31/12/2011		Balance at 31/12/2010	
	Non-current	Current	Non-current	Current
Non-bank borrowings at a reduced interest rate	56,009	6,019	39,053	5,786
Payable to associates	4,099	471,837	4,258	4,118
Other	50,157	64,494	-	3,720
Total	110,265	542,350	43,311	13,624

The balance of "Other financial liabilities" at 31 December 2011 includes mainly "Payable to associates", of which noteworthy is the payment obligation in relation to the desalination plant in Victoria (Australia) in the Asia Pacific division of Hochtief.

The "Non-bank borrowings at a reduced interest rate" are loans at reduced or zero interest rates granted by the Ministry of Industry, Commerce and Tourism and dependent agencies. The effect of the financing at market interest rates would not be material.

20. Provisions

The changes in non-current provisions in 2011 were as follows:

Thousands of euros	Provision for pensions and similar obligations	Provision for taxes	Provision for third-party liability	Provisions for actions on infrastructure	Total
Non-current					
Balance at 31 December 2010	2,043	14,241	360,988	29,971	407,243
Additions or charges for the year	20,110	7,366	220,520	(2,578)	245,418
Reversals and amounts used	34,832	(6,619)	(136,177)	(3,064)	(111,028)
Increases due to the passing of time and the effect of exchange rates on discount rates	1,388	-	426	111	1,925
Exchange differences	21,432	(799)	8,310	-	28,943
Changes in the scope of consolidation	369,234	-	1,099,941	(8,213)	1,460,962
Balance at 31 December 2011	449,039	14,189	1,554,008	16,227	2,033,463

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The Group companies recognised provisions on the liability side of the accompanying consolidated statement of financial position, for those current obligations that have arisen due to past events. At the maturity of said obligations and in order to pay them, the companies deem it probable that an outflow of financial resources will likely take place. A charge is made to provision at the date on which the related obligation arises, and the amount recognised is the best estimate, at the date of the accompanying financial statements, of the current value of the future disbursement required to cancel the obligation, the effect on the financial profit or loss being dependent on changes in this provision in the year.

Following is detailed information on the Group's provisions, distributed into three large groups:

Provisions for pensions and similar obligations

On the one hand, the defined benefit pension commitments were entered into by companies included in the group as a result of the merger by absorption of the Dragados Group in 2003. These commitments have been externalised through collective life insurance contracts, in which investments have been allocated whose flows coincide in time and amounts with the time and amounts of the payment of the insured benefits. Based on the valuation made, the amounts required to meet the commitments to current and retired employees amounted to EUR 27,026 thousand at 31 December 2011 (EUR 36,442 thousand at 31 December 2010) and EUR 193,627 thousand at 31 December 2011 (EUR 194,728 thousand in 2010), respectively. The actuarial assumptions used in the 2011 and 2010 valuations detailed above, are as follows:

Annual rate of increase of maximum social security pension benefit	2.00%
Annual wage increase	2.35%
Annual CPI growth rate	2.00%
Mortality table (*)	PERM/F-2000 P

(*) Guaranteed assumptions which will not vary.

The interest rates applied beginning on the date of the externalisation of the previous commitments ranged between a maximum 5.93% and a minimum 3.02%. The interest rate applied was 4.85% in 2011 and 4.81% in 2010.

The aforementioned amounts relating to pension commitments recognised under "Staff Costs" in the consolidated income statement for 2011, gave rise to an expense of EUR 471 thousand in 2011 (EUR 146 thousand of income in 2010).

Additionally, ACS, Actividades de Construcción y Servicios, S.A. and other Group companies have alternative pension system obligations to certain members of the management team and Board of Directors of the Parent. These obligations have been formalised through several group savings insurance policies which provide benefits in the form of a lump sum. The contribution required in this connection amounted to EUR 4,455 thousand (2010: EUR 4,483 thousand) and was recognised under the heading "Staff costs" in the consolidated statement of financial position. The portion relating to the Parent's directors who performed executive duties in 2011 amounted to EUR 1,955 thousand (EUR 2,152 thousand in 2010) (see Note 34).

Except as indicated above, the Spanish Group companies do not generally have pension plans which are supplementary to social security benefits. However, in accordance with the provisions of the Spanish Consolidated Pension Plan and Fund Regulation Law, in specific cases where there are similar obligations,

companies may externalise these pension and similar obligations to employees. The Group has no liability in this connection. Some of the Group's foreign companies are obligated to supplement the retirement benefit and other similar obligations to its employees, including those from the Hochtief Group. The valuation of the accrued liabilities and, if appropriate, of assets, was carried out by expert independent actuaries, using generally accepted actuarial methods and techniques, and are included in the consolidated statement of financial position, under the heading "Pensions and Similar Obligations - Non-Current Provisions" in accordance with the criteria provided by the IFRS.

The retirement benefits of the Hochtief Group include both defined contribution and defined benefit plans. Under the defined contribution plans, certain group companies voluntarily make payments to a public or private pension fund in accordance with legal and contractual stipulations and have no obligation to make additional contributions. Under the defined benefit plans, the obligation of certain Hochtief Group companies is to provide benefits to current and former employees. The defined benefit plans can be funded externally or through pension provisions.

The defined benefit plans are mostly used in Hochtief A.G., its subsidiaries in Germany and the Turner Group, as related to the services agreed upon up to 31 December 2003.

Since 1 January 2000, the pension arrangements in the Hochtief Group in Germany have consisted of a basic pension financed by the company in the form of a modular defined contribution plan as well as a supplementary pension linked to the company's performance. The size of the basic pension depends on the income and age of the employee (which results in an annual conversion factor) and a general pension contribution reviewed by Hochtief every three years. The size of the supplementary pension depends on profit growth based on IFRS after taxes. A total of 20% of the basic pension can be supplemented in this way. The types of pensions in force until 31 December 1999 included groups of benefits based on collective agreements. These benefits were integrated into the new system of retirement benefits as a component of the initial pension. The benefits include a retirement pension, a disability pension and pensions for dependants.

Turner changed from defined benefit to defined contribution plans, which have been in force subsequent to January 1 2004. Depending on the length of employment and salary level, from 3 to 6 per cent of an employee's salary is paid in an external fund. In addition, the employees of Turner have the option to pay up to 5 per cent of their wages in an investment fund. Turner increased its deferred remuneration up to 100 per cent depending on the length of employment. Employees can benefit from the plan after three years of service. Tax exemptions are given through payments to the fund; the employees assuming the investment risk. Similarly, Leighton and Flatiron have defined contribution plans and pay between 4 and 10 per cent of the employee's salary (before deductions) to an external fund.

The financing of the pensions of Hochtief A.G. was restructured through the creation of a contractual trust agreement (CTA) on 31 December 2004. This agreement was extended to all the major German companies of the Hochtief Group from 2005 to 2007. The transferred assets are managed in trust by Hochtief Pension Trust e. V. and are used solely to finance the pension obligations. The cash transferred is invested in the capital market in accordance with the investment principles established in the trust agreement. The defined benefit plans suspended on 31 December 2003 by the Turner Group, are covered by an external fund.

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The amount of the provisions for pensions is determined by means of an actuarial assessment. This necessarily involves the use of estimates. Specifically, the actuarial assumptions used are as follows:

Percentage	2011	
	Germany	Other Countries
Discount factor (*)	4.75	4.38
Wage increases	3.00	-
Pension increases	1.75	-
Increases in healthcare costs	-	5.00
Expected return on plan assets *	4.62	8.00

(*) Weighted average.

Due to the change in the types of pension in 2004, increases in salaries and pensions ceased to be taken into account in operations in countries such as those belonging to the Turner Group. The biometric assumptions regarding mortality are based on published statistics and the specific experience of each country. In Germany these assumptions are made using the 2005 G tables of the professor Dr. Klaus Heubek. Turner uses the RP-2000 mortality table for employees. The assumptions regarding the expected return on plan assets are based in Germany and in each country, on the projected order book structure and future performance in classes of individual assets. The projections are based on long-term historical averages. For the main domestic pension plans, the expected return on plan assets is also based on asset-liability studies.

Following are the changes in the present value of the defined benefit obligations and the market value of plan assets:

Changes in the present value of the defined benefit obligations

Thousands of euros	From June to December 2011		
	Germany	Other Countries	Total
Defined benefit obligations at 1 June	651,426	236,101	887,527
Cost of current services	5,791	785	6,576
Cost of past services	284	(1,651)	(1,367)
Interest expenses	17,784	6,834	24,618
Actuarial losses/ (gains)	23,910	10,872	34,782
Benefits paid by the company's assets	(116)	(1,208)	(1,324)
Benefits paid by fund assets	(19,461)	(13,270)	(32,731)
Employee contributions	1,843	-	1,843
Effect of transfers	(15)	-	(15)
Changes in consolidation	(154)	-	(154)
Currency adjustments	-	23,472	23,472
Defined benefit obligation at the end of the reporting period	681,292	261,935	943,227
Reclassification as liabilities associated with held for sale assets	(2,181)	-	(2,181)
Defined benefit obligation at the end of the reporting period following reclassification	679,111	261,935	941,046

Changes in the market value of the plan assets

Thousands of euros	From June to December 2011		
	Germany	Other countries	Total
Plan assets at 1 June	673,951	192,044	865,995
Expected return on plan assets	18,303	8,657	26,960
Difference between projected and real return	(37,404)	(23,607)	(61,011)
Withdrawal of plan assets due to excess pension obligation funds	(50,000)	-	(50,000)
Employer contributions	2,370	-	2,370
Employee contributions	1,843	-	1,843
Benefits paid	(19,461)	(13,270)	(32,731)
Changes in consolidation	(53)	-	(53)
Currency adjustments	-	16,975	16,975
Plan assets at the end of the reporting period	589,549	180,799	770,348
Reclassification as liabilities associated with held for sale assets	(2,062)	-	(2,062)
Defined benefit obligation at the end of the reporting period following reclassification	587,487	180,799	768,286
Additional Information:			
Actual return on plan assets (thousands of euros)	(19,101)	(14,950)	(34,051)

The investment plan assets used to cover the pension obligations generated actual losses amounting to EUR 34,051 thousand from June to December 2011.

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The defined benefit obligations are covered by the plan assets as follows:

Thousands of euros	Balance at 31 December 2011	
	Defined benefit obligation	Plan assets
Not covered by plan assets	53,840	-
Partially covered by plan assets	840,184	705,209
Incompletely covered by plan assets	894,024	705,209
Fully covered by plan assets	47,022	63,077
Total	941,046	768,286

Pension provisions are determined as follows:

Thousands of euros	Balance at 31 December 2011
Defined benefit obligation	941,046
(Less) plan assets	(768,286)
Level of financing:	172,760
Adjustments arising from the IAS limit in 19.58	-
Pension plan assets with excess funding	16,055
Provisions for pensions and similar obligations	188,815

The fair values of plan assets are divided between the classes of assets as follows:

Thousands of euros	Balance at 31 December 2011	
	Market value	%
Equity securities	166,336	21.65
Fixed-income securities	456,630	59.43
Real estate	26,777	3.49
Insurance policies	62,599	8.15
Commodities	35,858	4.67
Cash	20,086	2.61
Total	768,286	100.00

At 31 December 2011, the projected future pension payments were as follows:

Thousands of euros	
Maturity in 2012	54,554
Maturity in 2013	54,808
Maturity in 2014	56,284
Maturity in 2015	57,108
Maturity in 2016	57,935
Maturity from 2017 to 2021	295,457

The adjustments made based on experience, i.e. the effects of the difference between the previous actuarial assumptions and actual events, were as follows:

Thousands of euros	From June to December 2011
Defined benefit obligation at the end of the reporting period	941,046
Effect of differences in the fiscal year	(816)
Effect as a percentage of the defined benefit obligations	(0,09)
Plan assets at the end of the reporting period	768,286
Effect of differences in the fiscal year	(61,011)
Effect as a percentage of the plan assets	(7,94)
Level of financing at the end of the reporting period	172,760

The costs of pensions under the defined benefit plans are broken down as follows:

Thousands of euros	From June to December 2011		
	Germany	Other countries	Total
Cost of current services	5,791	785	6,576
Cost of past services	284	(1,651)	(1,367)
Total staff costs	6,075	(866)	5,209
Interest expense accrued on benefit obligations	17,784	6,834	24,618
Expected return on plan assets	(18,303)	(8,657)	(26,960)
Total interest costs (net investment and interest income)	(519)	(1,823)	(2,342)
Total pension costs	5,556	(2,689)	2,867

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From 1 June to 31 December 2011, EUR 164,034 thousand were paid in relation to defined contribution plans, mainly by the Leighton Group (EUR 145,513 thousand) and the Turner Group (EUR 15,573 thousand). An additional EUR 52,336 thousand were paid for government pension plans. The costs of defined contribution plans are recognised under "Staff Costs". The Turner Group's obligation to pay the healthcare costs of its retired employees are also included in the provisions for pensions, due to their pension-related nature. The defined benefit obligation at 31 December 2011 amounted to EUR 40,105 thousand. Healthcare costs accounted for EUR 746 thousand of current service costs and EUR 1,101 thousand of interest expenses.

The effects of a one percentage point change in the trend rate of the healthcare cost assumed are as follows:

Thousands of euros	Increase	Decrease
Effect on the total cost of existing services and interest expenses	15	(15)
Effect on the defined benefit obligation	362	(328)

The consolidated statement of comprehensive income includes EUR 95,793 thousand in actuarial losses recorded from June to December of 2011 before deferred taxes and after changes in consolidation. Before deferred taxes, the cumulative amount of actuarial losses was EUR 253,296 thousand.

In addition to the amount corresponding to the provisions for pensions and similar, the Hochtief Group had provisions amounting to EUR 259,324 thousand relating to the staff and consisting mainly of obligations related to the stock options of Hochtief, seniority bonuses and early retirement agreements.

Provisions for taxes

These provisions include the amounts estimated by the Group to cover the expenses of the proceedings relating to challenges presented in relation to the payment of different taxes, contributions and fees, and essentially real estate tax and other possible contingencies, as well as the amounts estimated to cope with probable or certain liabilities and pending applications, the exact payment amount or date being uncertain since it depends on the fulfilment of certain conditions. These provisions have been provided in accordance with the specific analysis of the probability that the related tax contingency or challenge, might be contrary to the interests of the ACS Group, under the consideration of the country in which it has its origin, and in accordance with the tax rates in this country. Since the timing for these provisions is dependent on certain facts, in some cases associated with the decisions handed down by the courts or similar bodies, the Group does not update these provisions given the uncertainty of the exact time in which the related risk may arise or disappear.

Provisions for third-party liability

These relate mainly to the following:

Provisions for litigation

These provisions cover the risks arising from ACS Group companies which are party to certain legal proceedings due to the liability inherent to the activities carried on by them. Although there were a

significant number of lawsuits, they were for amounts of little relevance considered individually, none of which was particularly noteworthy, excluding the lawsuit filed by Boliden-Apirsa in 2004. In relation to this case, the Supreme court finally dismissed the lawsuit filed by Boliden-Apirsa in accordance with its judgement handed down on 11 January 2012. Period charges to these provisions are made based on an analysis of the lawsuits or claims in progress, according to the reports prepared by the legal advisers of the ACS Group. As in the case of provisions for taxes, these amounts are not updated to the extent that the time at which the risk arises or disappears depends on circumstances linked to judgments or arbitration and it is impossible to determine the date on which they will be resolved. Additionally, these provisions are not derecognised until the judgements handed down are final and payment is made, or there is no doubt as to the disappearance of the associated risk.

Environmental Provisions

The ACS Group has an environmental policy based, not only on strict compliance with the law in force on the improvement and protection of the environment, but also on going even further through the establishment of proactive planning based on analysis and minimization of the environmental impact of the activities carried on by Group. These provisions are made to cover any likely environmental risks which might arise.

Guarantees and contractual and legal obligations

These provisions cover the expenses relating to obligations arising from contractual and legal obligations which are not of an environmental nature. A significant portion of these provisions is made by increasing the value of those assets related to the obligations in relation to administrative concession, whose effect on profit or loss occurs when the asset is depreciated in accordance with depreciation rates. Additionally, it includes provisions for highway concession companies, in relation to the costs of future expropriations borne by the concession companies in accordance with agreements with the grantors, as well as the current value of the investments made in concession contracts, according to the respective financial economic models.

Period charges to these provisions are generally mainly made to cover the costs of sealing and post-closing maintenance, as well as amounts associated with highway concession contracts and other activities undertaken in the form of a concession. The additions for the year relate mainly to companies which have initiated their activity and assume the contractual obligation of sealing or replacement. The uses and reversals of such provisions arise from the sealing of different vessels associated with waste treatment companies in the Group, in addition to the payment of amounts associated with the expropriation of land on which there are real estate assets. In this regard, noteworthy in 2011 were the changes in scope resulting from the full consolidation of Hochtief.

Such provisions are made when the associated commitments arise, the timing of their use being conditional in the case of waste treatment, on the number of tonnes treated and the fill rate of the different vessels, and in the case of concessions or other activities, on the use of the infrastructure and/or its wear. Timing is analysed according to the financial and economic model of each concession, considering related historical information in order to adjust for possible deviations that might arise in the payment schedule set for these models.

Provision for construction contract settlements and project losses

These relate to the expected or estimated losses incurred during the performance of construction work, as well as the related costs following the final contract settlement, calculated systematically according to the percentage of production value over the period in which the work is performed based on past experience with construction work.

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The breakdown of the provision for liabilities, by line of business, is as follows:

Line of Business	
Thousands of euros	
Construction	1,245,570
Industrial Services	108,361
Environment	154,916
Corporate unit	45,161
Total	1,554,008

The amount of the most significant provisions in the construction area related to the change in the scope of consolidation due to the full consolidation of the Hochtief Group, for which period provisions were made at 31 December 2011 amounting to EUR 451,555 thousand for employee obligations and claims. In addition to these amounts, as a result of the full consolidation of Hochtief, provisions were made to cover risks associated with certain investments and other liabilities of this group.

The changes in current provisions in 2011 were as follows:

Thousands of euros				
Current	Provision for termination benefits	Provision for contract work completion	Operating allowance	Total
Balance at 31 December 2010	14,488	110,684	108,172	233,344
Additions or charges for the year	8,360	14,762	305,408	328,530
Amounts used	(2,384)	(18,803)	(386,377)	(407,564)
Reversals	(921)	(1,178)	(56,213)	(58,312)
Exchange differences	(419)	(100)	29,541	29,022
Changes in the scope of consolidation	(2,145)	145	1,145,461	1,143,461
Balance at 31 December 2011	16,979	105,510	1,145,992	1,268,481

The most important change relates to the incorporation of the Hochtief Group.

21. Financial risk and capital management

In view of its activities, the ACS Group is exposed to different financial risks, mainly arising from the ordinary course of its operations, the borrowings to finance its operating activities, and its investments in companies with functional currencies other than the euro. The financial risks to which the operating units are subject include interest rate, foreign currency, liquidity and credit risks.

Interest rate risk on cash flows

This risk arises from changes in future cash flows from borrowings bearing interest at floating rates (or with current maturity and likely renewal) as a result of fluctuations in market interest rates.

The objective of the management of this risk is to mitigate the impact on the cost of the debt arising from fluctuations in interest rates. For this purpose financial derivatives which guarantee fixed interest rates or rates with a narrow range of fluctuation are arranged for a substantial portion of the borrowings that may be affected by this risk (see Note 22).

Taking into account the existing hedging instruments, as well as financing at a fixed interest rate, the sensitivity of the ACS Group's profit and loss and equity to changes in interest rates is as follows:

Millions of euros			
Year	Increase / Decrease in the interest rate (basic points)	Effect on profit or loss (prior to tax)	Effect on equity (after tax)
2011	50	(18.1)	119.6
	-50	18.1	(119.6)
2010	50	(12.8)	123.9
	-50	12.8	(123.9)

Foreign currency risk

The foreign currency risk arises mainly from the foreign operations of the ACS Group which makes investments and carries out business transactions in functional currencies other than the euro, and from loans granted to Group companies in currencies other than those of the countries in which they are located.

To reduce the risk inherent to structural investments in foreign operations with a functional currency other than the Euro, the Group attempts to arrange debt in the same functional currency as the asset being financed.

For the hedging of net positions in currencies other than the euro in the performance of contracts in force and contracts in the backlog, the Group uses different financial instruments for the purpose of mitigating exposure to foreign currency risk (see Note 22).

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The sensitivity analysis shown below reflects the potential effect on the ACS Group, both on equity and on the consolidated income statement of a five per cent fluctuation in the most significant currencies in comparison with the functional currency of each Group company, based on the situation at the end of the reporting period.

Effect on profit or loss before tax

Millions of euros		2011		2010	
Functional currency	Currency	5%	-5%	5%	-5%
EUR	USD	4.5	-4.5	12.2	-12.2
EUR	BRL	13.2	-13.2	2.4	-2.4
AUD	USD	5.5	5.5	-	-
CZK	EUR	-2.5	-2.5	-	-

Effect on equity before tax.

Millions of euros		2011		2010	
Functional currency	Currency	5%	-5%	5%	-5%
EUR	USD	13.3	-13.2	37.4	-37.4
EUR	BRL	38.6	-38.6	34.5	-34.5
EUR	CHF	2.1	2.1	-	-

Following is the breakdown of the major currencies of the financial assets and liabilities of the ACS Group:

At 31 December 2011										
Thousands of euros	US Dollar (USD)	Brazilian Real (BRL)	Moroccan Dirham (MAD)	Chilean Peso (CLP)	Mexican Peso (MXP)	Australian Dollar (AUD)	Egyptian Libra (EGP)	Indian Rupia (INR)	Other currencies	Balance at 31/12/2011
Marketable securities (portfolio of short- and long-term investments)	57,142	274	-	32,092	-	-	-	-	61	89,569
Loans to associates	43,911	59,386	40	-	116,629	388,657	84,444	22,227	3,693	718,987
Other loans	398,259	1,251	1,332	2,566	3,588	208,954	-	-	10,068	626,018
Bank borrowings (non-current)	114,059	3,122	24,294	1,037	1,630	1,158,468	-	-	13,920	1,316,530
Bank borrowings (current)	96,074	8,619	4,477	(18,484)	3,109	526,444	-	11,033	28,297	659,569

At 31 December 2010

Thousands of euros	US Dollar (USD)	Brazilian Real (BRL)	Moroccan Dirham (MAD)	Chilean Peso (CLP)	Mexican Peso (MXP)	Australian Dollar (AUD)	Egyptian Libra (EGP)	Indian Rupia (INR)	Other currencies	Balance at 31/12/2010
Marketable securities (portfolio of short- and long-term investments)	887	5,965	5	52,380	44,961	4,889	-	-	28,002	137,089
Loans to associates	58	143,857	40	60,678	14,446	-	48,471	54,512	4,978	327,040
Other loans	-	307	167	702	1,862	5	-	-	12,362	15,405
Bank borrowings (non- current)	346,443	25,619	24,230	-	-	-	-	-	11,600	407,892
Bank borrowings (current)	34,728	87,120	(590)	(14,971)	11,811	1	44,427	81,976	59,654	304,156

Liquidity risk

This risk results from the timing gaps between fund requirements for business investment commitments, debt maturities, working capital requirements, etc. and the funds arising from cash generated in the course of the Group's ordinary operations, different forms of bank financing, capital market operations and divestments.

The current financial market environment is marked by a liquidity crisis caused by the general downturn of credit. The ACS Group has a policy for the proactive management of liquidity risk through the comprehensive monitoring of cash and anticipation of the expiration of financial operations. The Group also manages liquidity risk through the efficient management of investments and working capital and the arrangement of lines of long-term financing.

The Group's objective with respect to the management of liquidity risk to maintain a balance between the flexibility, term and conditions of the credit facilities arranged on the basis of projected short-, medium-, and long-term fund requirements. In this connection, noteworthy is the use of limited recourse financing of projects and debts as described in Note 18, and current financing for working capital requirements.

In 2012 prior to the presentation of the financial statements, ACS, Actividades de Construcción y Servicios, S.A. entered into a contract with a syndicate of banks for the refinancing of the syndicated loan facility maturing in July 2012 until July 2015. The amount currently contracted amounts to EUR 1,411 million, which can be increased to EUR 1,650 million until May 2012. This refinancing ensures the liquidity of the ACS Group's operations.

In addition to the above, as a result of the substantial refinancing of debt in 2011, mainly in connection with the financing of Iberdrola and the acquisition of Hochtief, the Group has significantly extended the maturity dates of its financing.

Lastly, it should be noted in relation to this risk that as a precautionary measure, at its General Meeting of Shareholders held in 2009 and for a period of five years the ACS Group authorised the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. to increase the share capital, as well as the issuance of debt securities, simple, redeemable or convertible, etc. as detailed in Note 15.01.

At its Annual General Meeting held in 2011, the shareholders of the Hochtief Group also took measures to allow for an increase in capital.

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Credit risk

This risk mainly relates to the non-payment of trade receivables. The objective of credit risk management is to reduce the impact of credit risk exposure as far as possible by means of the preventive assessment of the solvency rating of the Group's potential clients. When contracts are being performed, the credit rating of the outstanding amounts receivable is periodically evaluated and the estimated recoverable doubtful receivables are adjusted and written down with a charge profit and loss for the year. The credit risk has historically been very limited.

Additionally, the ACS Group is exposed to the risk of breach by its counterparties in transactions involving financial derivatives and cash placement. The Corporate management of the ACS Group establishes counterparty selection criteria based on the quality of credit of the financial institutions which translates into a portfolio of entities of high quality and solvency. In this regard, there were no significant payment defaults in 2011 or 2010.

Exposure to publicly traded share price risk

The ACS Group is exposed to risks relating to the performance of the share price of listed companies.

This exposure relates to derivative agreements which are related to remuneration systems linked to the performance of the ACS share price (see Note 22). These equity swaps eliminate the uncertainty regarding the period price of remunerations systems. However, since the derivatives are not considered to comply with hedge accounting criteria, their market value has an effect on the consolidated statement of income (positive in the case of an increase in the share price and negative on the contrary).

The ACS Group is also exposed to the risk of changes in the price of shares of Abertis, Hochtief and Iberdrola. In the case of Abertis, since this investee is considered to be an associate and there are significant capital gains on its consolidated value, the performance of its share price does not have a direct effect on the consolidated financial statements (see Note 09). In the case of Hochtief, the exposure is mainly focused on the possible risk of impairment of derivatives relating to remuneration Systems linked to the price of Hochtief shares (see Notes 04.01 and 28.03). Lastly, in the case of Iberdrola, changes in market value have an effect on equity and are an indicator of possible impairment (see Note 10.01).

Capital management

The ACS Group's objectives in relation to capital management are to maintain an optimal financial-equity structure in order to reduce the cost of capital, while safeguarding the Company's ability to continue operating with an adequately stable debt-to-equity ratio.

The capital structure is mainly controlled through the debt ratio which is calculated by dividing net financial debt by net equity. Net financial debt is understood to comprise the following:

- + Net recourse debt:
 - + Non-current bank borrowings
 - + Current bank borrowings
 - + Issue of bonds and debentures
 - Cash and other current financial assets
- + Project financing debt.

The Group's directors consider the leverage to be appropriate at 31 December 2011 and 2010. Following is the detail thereof:

Thousands of euros	31/12/2011	31/12/2010
Net recourse debt	3,368,692	956,610
Non-current bank borrowings	2,883,347	4,717,777
Current bank borrowings	6,225,075	2,136,685
Issue of bonds and debentures	769,053	-
Other financial liabilities	652,616	56,935
Other current financial assets and cash	(7,161,399)	(5,954,787)
Project financing	5,965,493	7,046,531
Equity	6,191,264	4,442,386
Leverage	151%	180%
Leverage to net recourse debt	54%	22%

Estimation of fair value

The breakdown at 31 December 2011 and 2010 of the ACS Group's assets and liabilities measured at fair value according to the hierarchy levels mentioned in Note 03.08.06 is as follows:

Thousands of Euros	Value at 31/12/2011	Level 1	Level 2	Level 3
Assets	5,865,505	5,697,710	119,040	48,755
Equity instruments	5,434,562	5,385,807	-	48,755
Debt securities	392,831	311,903	80,928	-
Financial instrument receivables				
Non-current	23,739	-	23,739	-
Current	14,373	-	14,373	-
Liabilities	476,548	-	445,848	30,700
Financial instrument receivables				
Non-current	421,705	-	421,705	-
Current	54,843	-	24,143	30,700

Thousands of Euros	Value at 31/12/2010	Level 1	Level 2	Level 3
Assets	6,449,189	6,389,423	59,766	-
Equity instruments	6,389,423	6,389,423	-	-
Debt securities	-	-	-	-
Financial instrument receivables				
Non-current	59,766	-	59,766	-
Current	-	-	-	-
Liabilities	240,806	-	240,806	-
Financial instrument receivables				
Non-current	240,435	-	240,435	-
Current	371	-	371	-

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22. Derivative financial instruments

The ACS Group's different lines of business expose it to financing risks, mainly foreign currency and interest rate risks. In order to minimise the impact of these risks and in accordance with its risk management policy (see Note 21), the ACS Group entered into various financial derivative contracts, most of which have non-current maturities.

The detail, by maturity, of the notional amounts of the aforementioned hedging instruments, on the basis of the nature of the contracts, is as follows:

Financial year 2011

Thousands of euros	Notional value	2012	2013	2014	2015	2016	Subsequent years	Net fair value
Interest rate	6,081,407	3,164,438	219,021	1,730,114	240,000	209,623	518,211	(182,129)
Exchange rate	402,740	271,067	70,548	41,713	415	18,997	-	(4,452)
Price	164,466	7,270	-	157,196	-	-	-	(111,845)
Non-qualified hedges	2,132,578	944,889	201,734	149,203	581,266	204,000	51,486	(140,010)
Total	8,781,191	4,387,664	491,303	2,078,226	821,681	432,620	569,697	(438,436)

The notional value for non-current assets and liabilities held for sale related to renewable energy and concession activities, was the following at 31 December 2011:

Financial year 2011

Thousands of euros	Notional value	2012	2013	2014	2015	2016	Subsequent years
Interest rate	2,583,680	16,728	16,130	15,703	-	3,474	2,531,645

Financial year 2010

Thousands of euros	Notional value	2011	2012	2013	2014	2015	Subsequent years	Net fair value
Interest rate	6,322,159	2,778,210	2,135,719	59,667	17,293	-	1,331,090	(170,877)
Exchange rate	43,672	43,672	-	-	-	-	-	(8,523)
Price	32,022	32,022	-	-	-	-	-	3,602
Non-qualified hedges	215,777	215,777	-	-	-	-	-	(5,242)
Total	6,613,630	3,069,681	2,135,719	59,667	17,293	-	1,331,090	(181,040)

The following table shows the fair value of the hedging instruments based on the nature of the contract, at 31 December 2011 and 2010:

Thousands of euros	2011		2010	
	Assets	Liabilities	Assets	Liabilities
Interest rate				
Cash flows	392	182,521	3,150	174,027
Non-efficient	-	-	-	-
Exchange rate	7,623	12,075	-	8,523
Price		111,845	8,188	4,586
Non-qualified hedges	30,097	170,107	48,428	53,670
Total	38,112	476,548	59,766	240,806

The Group has no Hedges for investments in foreign operations, since the foreign currency risk is covered with transactions carried out in local currencies. Additionally, the most significant foreign investments were made with non-current financing, in which the interest rates on project financing debt were hedged.

Cash flow hedges (interest rate)

The objective of using these derivatives was to limit changes in interest rates on its project borrowings and to guarantee fixed interest rates, mainly by entering into interest rate swaps as the borrowings are arranged and used.

Most of the hedges are interest rate swaps which mature on the same date as or slightly earlier than the underlying amounts hedged.

Hedges of this type are mainly related to the various syndicated loans within the Group and to project and other non-current financing, both at 31 December 2011 and 31 December 2010 (see Notes 17 and 18).

In relation to syndicated loans, the following hedges were arranged:

- Loan of EUR 1,594 million. Various interest rate swaps amounting to EUR 1,500 million were arranged to hedge 100% of this loan, which mature in July 2012.
- The syndicated financing of the Urbaser Group is hedged by interest rate swaps amounting to EUR 750,000 thousand, which mature in May 2012.
- The volume of interest rate hedging derivatives related to the financing of Hochtief A.G. amounted to EUR 903,633 thousand at 31 December 2011.

Noteworthy are the following Hedges in relation to limited recourse Financing of projects and debts:

- Interest rate hedge relating to the financing of 8.08% of the purchase of Iberdrola, S.A. for a nominal amount of EUR 1,551,250 thousand, which matures on 25 July 2014.

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- Interest rate swap to hedge of the loan for the acquisition of 22.80% of Hochtief, A.G. for EUR 632,000 thousand, which matures in July 2012.

The derivative liabilities relating to solar thermal plants, wind powered facilities and highway concessions were reclassified to liabilities relating to assets held for sale. In this regard, there are interest rate swaps to hedge 75 to 100% of the financing of the solar thermal plants, which mature between 2019 and 2022, and interest rate swaps to hedge the Financing of the wind powered facilities, which mature between 2011 and 2024. In the case of highway concessions, noteworthy are the interest rate hedges:

- Autovía de La Mancha and Inversora de La Mancha have interest rate swaps amounting to EUR 139,060 thousand which mature in 2032.
- La Concesionaria Santiago Brión, S.A. has entered into two interest rate swaps amounting to EUR 27,000 thousand and maturing in 2032.
- Autovía del Pirineo has interest rate swaps amounting to EUR 151,162 thousand which mature in 2030.
- Eje Diagonal has interest rate swaps amounting to EUR 249 million which mature in 2017.
- Fraser Transportation Group has interest rate swaps amounting to CDN 169,260 thousand which mature in 2033.

Cash flow hedges (exchange rate)

The foreign currency risk relates mainly to contract work in which payables and/or receivables are in a currency other than the functional currency.

The most significant derivatives contracted to hedge these risks relate to foreign currency hedges arranged mostly by Leighton (subsidiary of the Hochtief group) for a notional amount of EUR 253,724 thousand, which mature between 2012 and 2014.

In the case of Industrial Services, the most significant derivatives relate to exchange rate hedges for foreign projects for a nominal amount of EUR 52,083 thousand in 2011, which mature between 2012 and 2014 (EUR 43,672 thousand in 2010 and with maturity in 2011).

Price hedges

The fair value of the price hedges amounted to EUR 111,845 thousand at 31 December 2011. These hedges relate Leighton's payment obligation with respect to an infrastructure project in Australia, which matures in 2014.

Derivative Instruments not classified as hedges

The liabilities relating to financial instruments not qualified as hedges include the fair value of the derivatives which do not meet hedging conditions. In this connection the most significant liability relates to the derivative included in the externalisation to a financial institution of the 2010 stock option plan amounting to EUR 80,249 thousand at 31 December 2011 (EUR 53,670 thousand at 31 December 2010). The financial institution has acquired these

shares on the market for delivery to the management who are beneficiaries of this Plan in accordance with the conditions therein, at the exercise price of the option.

In the contract with the financial institution, the latter does not assume any risk relating to the drop of the listed share price below the exercise price. The exercise price of the option for the 2010 plan is EUR 34.155 per share. Therefore this risk in the drop in the market price below the option price is assumed by ACS, Actividades de Construcción y Servicios, S.A., and was not subject to any hedging with another financial institution. This right in favour of the financial institution, called a "put", is recognised at fair value at the end of the reporting period, and therefore the Group recognises a liability in profit or loss with respect to the value of the option in the previous year, which in the case of the 2010 Plan is zero since it was newly created. The risk of an increase in the share price is not assumed by either the financial institution or the Group, since in this case, the management would exercise its call option and directly acquire the shares from the financial institution which agrees to sell them to the beneficiaries at the exercise price. Consequently, upon completing the plan, if the shares have a higher market price than the value of the option, the derivative will have zero value at this date.

Additionally, according to the contract, at the time of final maturity of the Plan, in the event that there are options that have not been exercised by their directors (i.e. due to voluntary resignation in the ACS Group), the pending options are settled by differences. In other words, the financial institution sells the pending options on the market, and the result of the settlement, whether positive or negative, is received by ACS in cash (never in shares). Consequently, at the end of the Plan, the Company does not ever receive shares derived from the same, and therefore it is not considered treasury stock.

Additionally, the ACS Group had derivative instruments not qualified as hedges on shares of the Parent, which are settled by differences and whose negative market value amounted to EUR 47,605 thousand at 31 December 2011.

In addition to the derivatives of ACS, Actividades de Construcción y Servicios, S.A., Hochtief has derivatives not qualified as Hedges which represent a liability amounting to EUR 42,253 thousand, noteworthy being those relating to price risk in the case of options on equity instruments and forwards on shares. In this connection and on an individual basis, in relation to the sale in 2007 and 2008 of 16.25% of its ownership interest in the Chilean highway Vespucio Norte Express, Hochtief, A.G. gave its investors a guarantee which expires on 31 December 2012. This guarantee had a fair value of EUR 30,700 thousand at the end of the reporting period.

Assets relating to derivatives not qualified as hedging include the measurement at fair value of derivative financial instruments in Hochtief which are settled by differences, which amounted to EUR 30,005 thousand at 31 December 2010 (see Note 02.02.f). These derivatives were settled at the beginning of 2011 with a gain of EUR 2,083 thousand, which was recognised as a gain in "Change in the fair value of financial instruments" in the consolidated statement of income for 2011 (see Note 28.05.).

At the end of December 2010, the ACS Group purchased a firm ownership interest of 1.9% in the shares of Iberdrola, S.A. which granted it with all the voting and dividend rights associated with the same. To finance this acquisition, the ACS Group structured the transaction through the signing of a prepaid forward share with a financial institution, which matures at 27 June 2012, can only be settled in cash and can be partially or fully settled at any time. The related derivative is secured by the shares of Iberdrola as underlying assets. This transaction was offset at the beginning of 2011 with a "reverse collar", and therefore, at 31 December 2011 the fair value of the two derivatives is offset and has no significant impact on the consolidated financial statements.

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23. Trade and other payables

This heading mainly includes the amounts outstanding for trade purchases and related costs, as well as customer advances for contract work amounting to EUR 2,802,063 thousand in 2011 (EUR 2,644,983 thousand in 2010) (see Note 12).

Disclosures on the deferral of payments to suppliers. Additional Provision Three. "Duty of Disclosure" of Spanish Law 15/2010, of 5 July.

In relation to the disclosures required by Additional Provision Three of Law 15/2010, of 5 July for these first financial statements prepared since the entry into force of the Law, at 31 December 2010, there were balances payable to suppliers that were past due by more than the maximum payment period at 31 December 2011 amounting to EUR 235,640 thousand (EUR 67,007 thousand at 31 December 2010).

This balance relates to Spanish consolidated group companies which due to their nature are trade creditors with payables to suppliers of goods and services and included under the heading "Current Liabilities" in the consolidated statement of financial position at 31 December 2011 and 2010. Amounts payable to non-current asset suppliers and finance lease payables are not included in this balance.

The maximum payment period applicable to the Spanish consolidated group companies under Law 3/2004, of 29 December, on combating late payment in commercial transactions ranges between 85 and 120 days.

The following table provides information relating to the deferral of payments to suppliers, in accordance with the Spanish Accounting and Audit Institute resolution of 29 September 2010 implementing the duty of disclosure regulations provided in Spanish Law 15/2010 of 5 July:

	Thousands of euros	%
With maximum legal period	5,579,062	85%
Other	1,000,285	15%
Total	6,579,347	100%
Weighted average days outstanding	108 days	
Deferrals exceeding legal maximum limit at 31 December (PMPE)	235,640	

PMPE is the Spanish abbreviation for "Plazo medio ponderado excedido de pagos" (Weighted average days outstanding), i.e. the sum of each of the payments made to suppliers subsequent to the maximum legal period for payment and the number of days outstanding divided by the total payments made in the year later subsequent to the maximum legal period.

24. Other current liabilities

The detail of this heading at 31 December 2011 and 2010 is as follows:

Thousands of euros	Balance at 31/12/2011	Balance at 31/12/2010
Advance payments received	50,921	27,283
Payable to non-current asset suppliers	13,295	166,424
Interim dividend payable (Note 15.05)	283,198	283,198
Deposits and guarantees received	4,941	9,356
Other	251,642	170,009
Total	603,997	656,270

25. Segments

25.01. Basis of segmentation

The structure of the ACS Group reflects its focus on different lines of business or activity areas. Segment reporting based on the different lines of business includes information regarding the Group's internal organisation, taking into account the bodies involved in monitoring operations and taking decisions.

25.01.01. Primary segments – business segments

The business segments used to manage the ACS Group are as follows:

- **Construction.** This segment includes the activities carried on mainly by Dragados, Hochtief and Iridium which are focused on the construction of civil works, residential and non-residential buildings, concession activity (mainly transport infrastructures), mining and real estate.
- **Industrial Services.** This segment is engaged in the development of applied engineering services, installations and the maintenance of industrial infrastructures in the energy, communications and control systems sectors.
- **Environment.** This segment groups together environmental services such as road cleaning, waste collection and transport, treatment and recycling of urban, commercial and industrial waste, integral management of the water cycle and urban landscaping. Also included in this segment are integral building maintenance activities (which are now considered to be discontinued activities since they were carried on through Clece).
- **Corporate Unit.** This comprises the business activity carried on by ACS, Actividades de Construcción y Servicios, S.A., and also groups together strategic investments in energy (Iberdrola, S.A.), telecommunications (Xfera Móviles, S.A.) and concessions (Abertis Infraestructuras, S.A.).

The full consolidation of the Hochtief Group in 2011 led to a change in the Group's segment structure. Hochtief was previously accounted for using the equity method and is now fully consolidated within the Construction area. In 2010 the concessions area was consolidated within the construction area. The comparative information in the 2010 notes to the financial statements was reclassified in accordance with the new grouping for the purpose of uniformity.

25.01.02. Geographical segments

The ACS Group is managed by business segments and the management based on geographical segments is irrelevant. Accordingly, a distinction is made between Spain and the rest of the world, in accordance with the stipulations of IFRS 8.

25.02. Basis and methodology for business segment reporting

The reporting structure is designed in accordance with the effective management of the different segments comprising the ACS Group. Each segment has its own resources based on the entities engaging in the related business, and accordingly, has the assets required to operate the business.

Each of the business segments relates mainly to a legal structure, in which the companies report to a holding company representing each activity for business purposes. Accordingly, each legal entity has the assets and resources required to perform its business activities in an autonomous manner.

Segment reporting for these businesses is presented below.

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25.02.01. Income statement by business segment: 2011

Thousands of Euros					
	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Revenue	19,801,527	1,685,710	7,045,007	(60,361)	28,471,883
Changes in inventories of finished goods and work in progress	(224,948)	5,864	(819)	-	(219,903)
Capitalised expenses of in-house work on assets	9,232	7,540	86	636	17,494
Procurements	(13,214,312)	(434,131)	(4,166,324)	47,283	(17,767,484)
Other operating income	427,801	47,770	42,631	720	518,922
Staff costs	(4,078,602)	(801,217)	(1,407,591)	(31,111)	(6,318,521)
Other operating expenses	(1,506,899)	(270,428)	(631,455)	(10,876)	(2,419,658)
Depreciation and amortisation charge	(765,128)	(133,194)	(54,317)	(1,313)	(953,952)
Allocation of grants relating to non-financial assets and other	180	4,062	283	-	4,525
Impairment and gains on the disposal of non-current assets	(3,073)	647	(37,863)	-	(40,289)
Other profit or loss	55,254	(578)	5,777	20,681	81,134
Operating income	501,032	112,045	795,415	(34,341)	1,374,151
Finance income	145,945	43,648	130,703	200,759	521,055
Finance costs	(390,734)	(102,557)	(313,883)	(409,340)	(1,216,514)
Changes in the fair value of financial instruments	(24,960)	(5)	-	(73,230)	(98,195)
Exchange differences	(18,399)	(423)	(3,346)	16	(22,152)
Impairment and gains on the disposal of non-current assets	208,604	52,967	106,321	(805)	367,087
Financial profit /loss	(79,544)	(6,370)	(80,205)	(282,601)	(448,719)
Results of companies accounted for using the equity method	247,556	12,343	18,702	39,868	318,469
Profit before tax	669,044	118,018	733,912	(277,074)	1,243,901
Corporate income tax	(194,618)	(30,995)	(204,549)	248,942	(181,220)
Profit for the year from continuing operations	474,426	87,023	529,363	(28,132)	1,062,681
Profit after tax from discontinued operations	-	45,690	-	-	45,690
Profit for the year	474,426	132,713	529,363	(28,132)	1,108,371
Profit attributed to non-controlling interests	(104,160)	(4,599)	(37,769)	-	(146,528)
Profit from discontinued operations attributed to non-controlling interests	-	97	-	-	97
Profit attributable to the parent	370,266	128,211	491,594	(28,132)	961,940

25.02.02. Income statement by business segment: 2010

Thousands of Euros					
	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Revenue	5,703,291	1,510,669	7,157,818	(43,273)	14,328,505
Changes in inventories of finished goods and work in progress	(27,080)	41,800	(443)	284	14,561
Capitalised expenses of in-house work on assets	27,609	8,051	273	1,075	37,008
Procurements	(3,765,969)	(414,719)	(4,356,747)	54,402	(8,483,033)
Other operating income	272,995	39,147	44,972	(18,005)	339,109
Staff costs	(1,091,939)	(760,021)	(1,360,540)	(28,767)	(3,241,267)
Other operating expenses	(670,917)	(197,473)	(679,150)	(20,991)	(1,568,531)
Depreciation and amortisation charge	(104,979)	(105,289)	(179,079)	(1,275)	(390,622)
Allocation of grants relating to non-financial assets and other	174	2,631	633	-	3,438
Impairment and gains on the disposal of non-current assets	(19,596)	1,258	(62)	1	(18,399)
Other profit or loss	(5,589)	2,484	(8,933)	11,790	(248)
Operating income	318,000	128,538	618,742	(44,759)	1,020,521
Finance income	59,291	30,236	119,052	281,312	489,891
Finance costs	(200,957)	(77,664)	(240,267)	(283,749)	(802,637)
Changes in the fair value of financial instruments	(460)	7	-	(93)	(546)
Exchange differences	12,957	1	12,243	18	25,219
Impairment and gains on the disposal of non-current assets	(18,759)	(244)	39,129	516,097	536,223
Financial profit /loss	(147,928)	(47,664)	(69,843)	513,585	248,150
Results of companies accounted for using the equity method	61,523	13,561	27,662	119,020	221,766
Profit before tax	231,595	94,435	576,561	587,846	1,490,437
Corporate income tax	(42,076)	(18,991)	(141,587)	(14,556)	(217,210)
Profit for the year from continuing operations	189,519	75,444	434,974	573,290	1,273,227
Profit after tax from discontinued operations	-	81,650	-	-	81,650
Profit for the year	189,519	157,094	434,974	573,290	1,354,877
Profit attributed to non-controlling interests	(2,060)	(4,309)	(35,434)	-	(41,803)
Profit from discontinued operations attributed to non-controlling interests	-	(517)	-	-	(517)
Profit attributable to the parent	187,459	152,268	399,540	573,290	1,312,557

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25.02.03. Statement of financial position by business segment: 2011

Assets					
Thousands of euros	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Non-current assets	10,570,626	2,092,248	709,875	6,666,920	20,039,669
Intangible assets	3,942,954	419,518	115,841	275,119	4,753,432
Goodwill	2,059,756	84,602	76,965	275,115	2,496,438
Other intangible assets	1,883,198	334,916	38,876	4	2,256,994
Tangible assets-property, plant and equipment / Property investments	2,757,851	473,693	180,792	10,713	3,423,049
Non-current assets in projects	325,280	382,634	126,778	-	834,692
Non-current financial assets	2,420,703	787,674	237,501	5,475,555	8,921,433
Other current assets	1,123,838	28,729	48,963	905,533	2,107,063
Current assets	16,140,708	1,975,432	9,812,318	19,483	27,947,941
Inventories	1,610,871	47,688	123,925	(7,770)	1,774,714
Trade and other receivables	6,896,866	835,201	3,049,980	(78,554)	10,703,493
Other current financial assets	1,617,157	424,133	862,286	102,646	3,006,222
Other current assets	186,110	8,738	24,137	2,293	221,278
Cash and cash equivalents	3,253,756	89,056	811,497	868	4,155,177
Non-current assets held for sale	2,575,948	570,616	4,940,493	-	8,087,057
Total assets	26,711,334	4,067,680	10,522,193	6,686,403	47,987,610
Equity and liabilities					
Thousands of euros	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Equity	4,287,045	1,118,107	957,394	(171,282)	6,191,264
Equity attributed to the Parent	1,573,189	1,067,402	849,621	(171,130)	3,319,082
Non-controlling interests	2,713,856	50,705	107,773	(152)	2,872,182
Non-current liabilities	7,675,725	580,929	457,058	4,762,840	13,476,553
Grants	1,474	53,724	2,934	-	58,132
Non-current financial liabilities	4,623,260	277,434	238,660	4,464,951	9,604,305
Bank borrowings, debt instruments and other marketable securities	3,239,026	107,084	175,046	84,823	3,605,979
Limited recourse project financing	741,746	170,350	35,365	4,940,600	5,888,061
Other financial liabilities	642,488	-	28,249	(560,472)	110,265
Financial instrument payables	198,748	17,463	11,056	194,438	421,705
Other non-current liabilities	2,852,243	232,308	204,408	103,451	3,392,411
Current liabilities	14,748,564	2,368,644	9,107,741	2,094,845	28,319,793
Current financial liabilities	2,693,328	1,359,321	603,157	2,235,473	6,891,279
Bank borrowings, debt instruments and other marketable securities	1,819,155	1,179,216	584,277	2,688,849	6,271,497
Limited recourse project financing and debt	22,656	23,979	9,836	20,961	77,432
Other financial liabilities	851,517	156,126	9,044	(474,337)	542,350
Trade and other payables	9,649,142	560,225	4,559,939	(208,611)	14,560,695
Other current liabilities	1,458,087	72,487	273,922	67,983	1,872,478
Liabilities relating to non-current assets held for sale	948,007	376,611	3,670,723	-	4,995,341
Total equity and liabilities	26,711,334	4,067,680	10,522,193	6,686,403	47,987,610

25.02.04. Statement of financial position by business segment: 2010

Assets					
Thousands of euros	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Non-current assets	5,062,351	2,129,142	1,489,937	7,313,575	15,995,005
Intangible assets	812,053	420,336	106,229	275,114	1,613,732
Goodwill	681,588	127,938	64,734	275,114	1,149,374
Other intangible assets	130,465	292,398	41,495	-	464,358
Tangible assets-property, plant and equipment / Property investments	550,240	523,623	197,836	3,638	1,275,337
Non-current assets in projects	1,254,184	405,073	722,333	(1,304)	2,380,286
Non-current financial assets	2,171,879	767,852	406,356	6,495,842	9,841,929
Other current assets	273,995	12,258	57,183	540,285	883,721
Current assets	5,553,425	1,902,853	9,175,356	1,557,888	18,189,522
Inventories	437,335	33,501	154,886	(7,697)	618,025
Trade and other receivables	2,634,007	1,185,014	3,045,661	74,557	6,939,239
Other current financial assets	1,037,997	327,964	674,644	1,461,613	3,502,218
Other current assets	61,601	11,845	26,321	997	100,764
Cash and cash equivalents	1,382,485	112,897	928,770	28,418	2,452,570
Non-current assets held for sale	-	231,632	4,345,074	-	4,576,706
Total assets	10,615,776	4,031,995	10,665,293	8,871,463	34,184,527
Equity and liabilities					
Thousands of euros	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Equity	1,121,562	1,075,838	1,011,476	1,233,510	4,442,386
Equity attributed to the Parent	1,067,451	1,009,839	867,590	1,233,667	4,178,547
Non-controlling interests	54,111	65,999	143,886	(157)	263,839
Non-current liabilities	3,125,647	1,365,467	712,863	5,567,028	10,771,005
Grants	6,334	52,613	11,002	-	69,949
Non-current financial liabilities	2,654,168	1,110,134	504,862	5,352,030	9,621,194
Bank borrowings, debt instruments and other marketable securities	446,956	928,460	191,176	3,151,185	4,717,777
Limited recourse project financing	1,788,134	181,266	300,490	2,590,216	4,860,106
Other financial liabilities	419,078	408	13,196	(389,371)	43,311
Financial instrument payables	122,345	6,796	20,055	91,239	240,435
Other non-current liabilities	342,800	195,924	176,944	123,759	839,427
Current liabilities	6,368,567	1,590,690	8,940,954	2,070,925	18,971,136
Current financial liabilities	987,495	518,982	578,047	2,252,211	4,336,735
Bank borrowings, debt instruments and other marketable securities	827,403	486,619	542,196	280,467	2,136,685
Limited recourse project financing and debt	25,693	28,211	33,268	2,099,254	2,186,426
Other financial liabilities	134,399	4,152	2,583	(127,510)	13,624
Trade and other payables	5,076,553	914,527	4,570,672	(407,015)	10,154,737
Other current liabilities	304,519	92,206	267,160	225,729	889,614
Liabilities relating to non-current assets held for sale	-	64,975	3,525,075	-	3,590,050
Total equity and liabilities	10,615,776	4,031,995	10,665,293	8,871,463	34,184,527

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The detail of revenue from construction is as follows:

Thousands of euros	2011	2010
Spain	2,943,330	3,779,715
Dragados	2,879,991	3,725,947
Hochtief	155	-
Concessions	63,184	53,768
International	16,858,197	1,923,576
Dragados	1,920,420	1,867,170
Hochtief	14,881,650	-
Concessions	56,127	56,406
Total	19,801,527	5,703,291

The detail of revenue from Industrial Services is as follows:

Thousands of euros	2011	2010
Networks	841,304	738,661
Specialized facilities	2,523,942	2,352,883
Integrated projects	2,342,248	2,704,773
Control systems	1,022,853	1,121,127
Renewable energy: generation	373,368	308,939
Eliminations	(58,708)	(68,565)
Total	7,045,007	7,157,818

Of the total revenues from services, EUR 3,382,652 thousand related to international operations in 2011 (EUR 2,674,806 thousand in 2010), representing 48.0% and 37.4%, respectively.

The detail of revenue from Environment activity is as follows:

Thousands of euros	2011	2010
Environment	1,512,458	1,496,712
Integral services	173,252	13,957
Total	1,685,710	1,510,669

Of the total revenues from services, EUR 408,182 thousand related to international operations in 2011 (EUR 283,611 thousand in 2010), representing 24.2% and 18.8%, respectively.

Revenue is allocated on the basis of the geographical distribution of clients.

The reconciliation of ordinary income by business segment to consolidated ordinary income at 31 December 2011 and 2010 is as follows:

Thousands of euros	31/12/2011			31/12/2010		
	External income	Inter-segment income	Total income	External income	Inter-segment income	Total income
Segments						
Construction	19,790,819	10,708	19,801,527	5,703,805	(514)	5,703,291
Environment	1,681,075	4,635	1,685,710	1,505,354	5,315	1,510,669
Industrial Services	6,999,989	45,018	7,045,007	7,111,488	46,330	7,157,818
Corporate unit	-	-	-	7,858	-	7,858
(-) Adjustment and elimination of ordinary income between segments	-	(60,361)	(60,361)	-	(51,131)	(51,131)
Total	28,471,883	-	28,471,883	14,328,505	-	14,328,505

The reconciliation of profit/loss by Business segment with consolidated profit/loss before taxes at 31 December 2011 and 2010 is as follows:

Thousands of euros	31/12/2011	31/12/2010
Segments		
Construction	474,426	189,519
Environment	132,713	157,094
Industrial Services	529,363	434,974
Total profit for reported segments	1,136,502	781,587
(+/-) Non-assigned profit	(28,034)	572,773
(+/-) Elimination of internal profit (between segments)	-	-
(+/-) Other profit or loss	-	-
(+/-) Income tax and/or profit from discontinued operations	135,433	136,077
Profit before tax	1,243,901	1,490,437

Net revenue by geographical area at 31 December 2011 and 2010 was as follows:

Revenue by geographical area		
Thousands of euros	31/12/2011	31/12/2010
Domestic market	7,822,852	9,446,512
Foreign market	20,649,031	4,881,993
a) European Union	3,265,180	1,181,298
b) OECD countries	13,861,025	2,139,200
c) Other countries	3,522,826	1,561,495
Total	28,471,883	14,328,505

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Inter-segment sales are made on an arm's length basis at market prices.

The breakdown of certain of the Group's consolidated balances based on the geographical location of the companies that gave rise to them is as follows:

Thousands of euros	Spain		Rest of the world	
	2011	2010	2011	2010
Revenue	7,822,852	9,446,512	20,649,031	4,881,993
Segment assets	25,953,620	27,633,874	22,033,990	6,550,653
Total net investments	523,422	2,055,185	2,378,437	269,176

The additions to non-current assets, by line of business, were as follows:

Thousands of euros	2011	2010
Construction	1,365,396	665,800
Environment	92,052	185,297
Industrial Services	1,148,096	1,246,293
Corporate unit and adjustments	7	1,220
Total	2,605,551	2,098,610

26. Tax matters

26.01. Consolidated tax group

Pursuant to current legislation, ACS, Actividades de Construcción y Servicios, S.A. is the Parent of the Tax Group 30/99, which includes the Spanish subsidiaries in which the Parent has a direct or indirect ownership interest of at least 75% which meet the requirements provided for in Spanish legislation regulating the tax consolidation regime.

The Group's other subsidiaries file individual tax returns in accordance with the tax legislation in force in each country.

26.02. Tax Audit

In 2010 the tax audit being performed on the consolidated companies included in Tax Group 30/99 by the Spanish tax authorities in relation to Corporation tax for the years 2003 and 2005 as well as the other taxes applicable to the ACS Group companies was completed, the total effect being recognised in the financial statements for 2010. An audit on the years 2006 to 2011 is still pending in relation to consolidated income tax for the Tax Group 30/99.

In 2011 there was no inspection by the tax authorities with a significant effect.

In view of the varying interpretations that can be made of the applicable tax legislation, the outcome of the tax audits of the open years that could be conducted by the tax authorities in the future could give rise to tax liabilities which cannot be objectively quantified at the present time. However, the directors of the ACS Group consider that the liabilities that might arise, if any, would not have a material effect on the consolidated financial statements for 2011.

26.03. Reconciliation of the current income tax expense to accounting profit

The reconciliation of the income tax expense resulting from the application of the standard tax rate in force in Spain to the current tax expense recognised, as well as the determination of the average effective tax rate, are as follows.

Thousands of euros	2011	2010
Consolidated profit before tax	1,243,901	1,490,437
Net profit from equity accounted investments	(318,469)	(221,766)
Permanent differences	324,690	(87,145)
Taxable profit	1,250,122	1,181,526
Tax at 30%	375,037	354,458
Tax credits and tax relief	(243,241)	(144,609)
Effect of different standard tax rate in other countries	14,167	4,779
Current tax income expense	145,963	214,628
Effective rate, excluding equity method	15.77%	16.92%

The tax credits relate to the credit for the double taxation of dividends of Iberdrola, S.A. amounting to EUR 110,330 thousand in 2011 and EUR 73,709 thousand in 2010, in addition to the tax relief for the reinvestment of capital gains and other tax incentives generated by the Group's Spanish companies amounting to EUR 60,629 thousand. The tax credits generated by the Group's foreign companies amounted to EUR 72,282 thousand. The permanent differences arising in 2011 related mainly to the inclusion of certain negative items directly recognised net of the tax effect in consolidated profit before taxes as a result of the first-time integration of the Hochtief Group. The permanent differences in 2010 related mainly to the tax exemption applicable to the capital gains arising from the sale of assets abroad and to the application of provisions not deducted in previous years without previously recording the deferred tax.

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26.04. Detail of income tax expense

The detail of the corporation tax expense is as follows:

Thousands of euros	2011	2010
Current income tax expense (Note 26.03)	145,963	214,628
Expense/(income) relating to adjustments to tax for the current year	(3,583)	13,391
Expense/(income) relating to adjustments to prior year's tax	(5,354)	(10,004)
(Income) arising from the application of prior year's deferred tax assets	(606)	(1,154)
Expense arising from deferred tax assets generated in the year and not capitalised	33,999	9
Tax expense relating to deferred tax assets not generated or used in the year	10,801	340
Final balance of the corporation tax expense	181,220	217,210

The expenses relating to the deferred tax assets which were not recognised are a result of the decision, in accordance with the principle of prudence, not to recognise the tax assets associated to tax losses incurred in 2011 by the Group companies whose registered office is in Germany.

26.05. Tax recognised in equity

Independently from the Corporation tax recognised in the consolidated statement of income, the Group directly recognised EUR 379,361 thousand in 2011 (EUR 186,136 thousand in 2010) in equity. These amounts relate mainly to the tax effect of adjustments to available-for-sale assets amounting to EUR 261,205 thousand in 2011 (EUR 173,373 thousand in 2010) and cash flow derivatives amounting to EUR 92,755 thousand in 2011 (EUR 12,763 thousand in 2010).

26.06. Deferred taxes

The detail of the main deferred tax assets and liabilities recognised by the Group and of the changes therein in 2011 and 2010 is as follows:

Thousands of euros	Balance at 31 December 2010	Current movement in the year	Charge/credit to equity				Business combinations		Balance at 31 December 2011
			Exchange differences	Charge/credit to asset and liability revaluation reserve	Available-for-sale financial assets	Other	Period acquisitions	Period disposals	
Assets									
Temporary differences	656,296	(264,765)	402	17,113	325,097	18,360	1,046,361	(14,032)	1,784,832
Tax losses	30,436	58,383	91	59	(4,140)	(329)	23,437	(489)	107,448
Tax credits	137,223	49,307	1	-	-	4,708	-	(195)	191,044
Liabilities									
Temporary differences	270,835	(70,310)	(518)	(1,335)	(7,618)	(5,523)	990,455	(1,387)	1,174,599

Thousands of euros	Balance at 31 December 2009	Current movement in the year	Charge/credit to equity				Reclassification to held for sale	Business combinations		Balance at 31 December 2010
			Exchange differences	Charge/credit to asset and liability revaluation reserve	Available-for-sale financial assets	Other		Period acquisitions	Period disposals	
Assets										
Temporary differences	638,142	2,660	-	24,310	52,669	(4,074)	(57,412)	-	1	656,296
Tax losses	17,479	10,695	12	226	-	(121)	-	2,812	(667)	30,436
Tax credits	118,870	18,501	-	-	-	(148)	-	-	-	137,223
Liabilities										
Temporary differences	371,116	70,129	1,016	1,227	3,317	(5,896)	(134,038)	-	(36,036)	270,835

The Tax Group 30/99 is expected to file a consolidated tax return in Spain with taxable profit. However, this will not absorb the effect of all tax credit and relief generated. In this respect, the increase in tax assets relating to tax credits is the result of the tax loss carryforwards estimated. On the contrary the increase in tax loss carryforwards arose in Group companies not domiciled in Spain or Germany.

Deferred tax assets and liabilities have not been offset.

The breakdown of the deferred tax assets and liabilities in 2011 due to temporary differences is as follows:

Thousands of euros	31/12/2011	31/12/2010
Deferred tax assets arising from:		
Asset valuation adjustments and impairment losses	684,615	358,588
Other provisions	297,679	119,068
Pension costs	118,352	25,580
Income with different tax and accounting accruals	82,007	92,315
Business combinations	323,062	2,489
Other	279,117	58,256
Total	1,784,832	656,296
Deferred tax liabilities arising from:		
Assets recognised at an amount higher than their tax base	722,978	167,417
Income with different tax and accounting accrual	34,059	30,861
Other	417,562	72,557
Total	1,174,599	270,835

There was a significant increase in deferred tax assets due to the tax assets associated with adjustments in equity and to the inclusion of tax assets recognised on the balance sheet of the Hochtief Group, arising due to differences between accounting and tax criteria, especially in relation to provisions. The latter led to the increase in deferred tax liabilities.

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In addition to the amounts recognised on the asset side of the statement of financial position, as detailed above, the Group has other deferred tax assets and tax loss and tax credit carryforwards not recognised on the asset side of the statement of financial position because it is impossible to predict the related future flows of profit, which are significant in the Group companies domiciled in Germany. Therefore the tax assets relating to income tax loss carryforwards amounting to EUR 833,521 thousand, and to municipal taxes amounting to EUR 1,044,718 thousand were not recognised.

27. Revenue

The distribution of revenue relating to the Group's ordinary operations, by business segment, is as follows:

Thousands of euros	2011	2010
Construction	19,801,527	5,703,291
Industrial Services	7,045,007	7,157,818
Environment	1,685,710	1,510,669
Corporate unit and other	(60,361)	(43,273)
Total	28,471,883	14,328,505

In 2011 foreign currency transactions relating to sales and services amounted to EUR 16,552,597 thousand (EUR 1,293,323 thousand in 2010) and those relating to purchases and services received amounted to EUR 1,364,559 thousand (EUR 934,176 thousand in 2010).

The distribution of revenue relating to the Group's ordinary operations, by the main countries where it operates, excluding the domestic market, is as follows:

Revenue by country		
Thousands of euros	2011	2010
Australia	7,291,262	19,728
USA	4,919,673	923,911
Germany	1,392,950	2,926
Mexico	1,094,552	1,035,126
Indonesia	603,707	-
Poland	602,098	459,045
Brazil	485,378	397,066
Portugal	424,877	349,409
China	398,476	14,426
United Arab Emirates	313,845	31,112
Canada	308,701	158,385
Other	2,813,512	1,490,859
Total	20,649,031	4,881,993

The backlog by line of business at 31 December 2011 and 2010 was as follows:

Thousands of euros	2011	2010
Construction	50,335,869	11,087,450
Industrial Services	6,874,688	6,846,214
Environment	8,940,593	9,669,231
Total	66,151,150	27,602,895

EUR 17,494 thousand (EUR 37,030 thousand in 2010) relating to in-house work on tangible assets - property, plant and equipment and intangible assets in projects were recognised under “Capitalised Expenses of In-House Work on Assets” in the income statement in 2011.

“Other Revenue” related mainly to services provided to third parties in relation to joint ventures in the Construction area and to operating grants received.

28. Expenses

28.01. Procurements

The detail of the balance of this heading is as follows:

Thousands of euros	2011	2010
Cost of merchandise sold	1,548,529	1,930,018
Cost of raw materials and other consumables used	11,478,192	1,527,657
Contract work carried out by other companies	4,740,767	5,026,180
Impairment of merchandise, raw material and procurements	(4)	(822)
Total	17,767,484	8,483,033

28.02. Staff costs

The detail of “Staff Costs” is as follows:

Thousands of euros	2011	2010
Wages and salaries	5,323,300	2,536,666
Social security costs	774,087	656,347
Other staff costs	218,910	39,121
Provisions	2,224	9,133
Total	6,318,521	3,241,267

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Staff costs amounting to EUR 8,709 thousand in 2011 and EUR 6,177 thousand in 2010 relating to the ACS, Actividades de Construcción y Servicios, S.A. stock option plans were charged to profit and loss and are recognised under “Wages and Salaries”.

The average number of employees at Group companies in 2011 was 164,923 (90,877 employees in 2010).

The detail of the average number of employees, by professional category and sex is as follows:

Category	Average number of employees at 31/12/2011			Average number of employees at 31/12/2010		
	Men	Women	Total	Men	Women	Total
University graduates	21,538	5,985	27,523	5,254	1,657	6,911
Junior college graduates	7,355	2,043	9,398	4,172	1,091	5,263
Non-graduate line personnel	17,111	2,843	19,954	8,212	1,268	9,480
Clerical personnel	4,259	5,128	9,387	2,229	2,681	4,910
Other staff	91,177	7,484	98,661	59,543	4,780	64,323
Total	141,440	23,483	164,923	79,410	11,477	90,887

The distribution of the average number of employees, by line of business, was as follows:

Number of employees	2011	2010
Construction	91,957	19,288
Industrial Services	42,044	40,630
Environment	30,865	30,915
Corporate Unit and Other	57	54
Total	164,923	90,887

28.03. Share-based payment systems

A total of 2,720,000 stock options relating to the 2004 Plan 2004 were exercised in 2010 at an exercise price of 13.91 euros per share, with an average weighted market price of 34.68 euros per share. In 2010 these options were fully exercised.

The stock options relating to the 2005 Plan (extension of 2004 Plan 2004), have an exercise price of 24.10 euros per share. A total of 795,632 stock options relating to this plan were exercised in 2010 with a weighted average market price of 35.24 euros per share. There were a total of 3,918,525 options which had not yet been exercised at the end of 2010. All 2005 Plan stock options which had not yet been exercised were exercised in the first quarter of 2011 with an average weighted market price for all beneficiaries of 34.06 euros per share.

Additionally, at its meeting held on 27 May 2010 the Executive Committee agreed to set up a stock option plan, in keeping with the resolution adopted by the shareholders at the Annual General Meeting held on 25 May 2009, and at the request of the Remuneration Committee. The features of this Plan are as follows:

- Number of shares covered under the Plan: 6,203,454 shares.
- Beneficiaries: 57 managers: 1 manager with 936,430 shares, 4 managers with between 752,320 and 351,160 shares; 8 managers with 92,940 shares; 16 managers with 69,708 shares and 28 managers with 46,472 shares.
- Acquisition price: EUR 34.155 per share.

The options are exercisable in three half and equal parts and may be accumulated at the beneficiary's option in the fourth and fifth year after 1 May 2010, inclusively. However, in the case of the termination of an employee for causes other than just cause or the beneficiary's own will, the options will be exercisable six months following the event in question, in the cases of death, retirement, early retirement or permanent disability, and following 30 days in all other cases. Tax withholdings and taxes will be borne exclusively by the beneficiaries. The exercise method is the same as for the 2004 and 2005 plans and is settled by means of equity instruments. In 2011 no options relating to this plan had been exercised.

The commitments arising from this plan are hedged through a financial institution (Note 22).

The stock market price of ACS shares at 31 December 2011 was EUR 22.900 euros per share (EUR 35.075 in 2010).

Within the Hochtief Group there are also share-based payment remuneration systems for the group's management. These plans were set up in 2004, following the sale of the ownership interest of RWE in Hochtief and have continued up to the present year. All of these stock option plans form part of the remuneration system for senior management of Hochtief, and in relation to long-term incentives. The amount provisioned for these share-based payments amounted to EUR 37,208 thousand at 31 December 2011, which is in addition to EUR 2,250 thousand included as liabilities relating to assets held for sale. The expense recognised in the consolidated statement of income for this item in 2011 was not significant. To hedge the risk of exposure to changes in the market price of the Hochtief shares, it has a number of derivatives which are not considered to be accounting hedges.

An additional factor to be taken into account in relation to the management of Hochtief, AG is the expense of EUR 15,699 thousand incurred by the former management committee members who exercised their contract termination rights on the basis of the control change clauses.

28.04. Operating leases

The most significant information relating to the operating leases held by the Group as lessee is as follows:

Thousands of euros	2011	2010
Lease payments under operating leases recognised in profit for the year	614,071	386,454

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At the end of the reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Thousands of euros	2011	2010
Within one year	393,992	32,854
Between two and five years	838,358	61,148
Over five years	237,260	40,454

The Group has no material operating leases as lessor.

28.05. Changes in the fair value of financial instruments

This heading includes the effect on the income statement of derivative instruments which do not meet the efficiency criteria provided in IAS 39, or which are not hedging instruments. The most significant effect in 2011 is a result of the derivative valuation of the ACS Group's 2010 stock option plan and the market valuation of certain derivatives amounting to EUR 78,112 thousand. In 2010 this heading included the negative effect of the fair value measurement of the derivative relating to stock option plans which were partially offset by the fair value measurements of the equity swaps of Hochtief AG and of the derivative relating to the "prepaid forward share" of Iberdrola.

28.06. Finance income

The balance of finance income includes the dividends of Iberdrola, S.A. amounting to EUR 373,099 thousand (EUR 245,702 thousand in 2010) net of the adjustment made of EUR 179,657 on the basis of the prudence principle to neutralise the net contribution of this company to the profit or loss for the year.

29. Impairment and gains or losses on the disposal of financial instruments

In 2011, noteworthy were the net capital gains arising from the sale of certain concessions such as the Vespucio Norte Express highway and the Tunnel of San Cristóbal in Chile for EUR 156,988 thousand, certain renewable energy assets, the sale of certain transmission lines in Brazil, the capital gains on the sale of concession assets (mainly the I-595 highway for EUR 51,870 thousand), as well as the gains on the sales of ownership interests in logistics and other environmental businesses. Also included under this heading are the provisions made in relation to certain concession assets amounting to EUR 57,200 thousand.

In the period ended 31 December 2010 noteworthy were the gains on the sale of Abertis Infraestructuras, S.A. amounting to EUR 519,977 thousand, the sale of ownership interests in different Brazilian concession companies of a total of eight power transmission lines for a combined EUR 38,799 thousand and the sale

of the ownership interest in the Platinum Corridor highway in South Africa with a gain before taxes of EUR 57,856 thousand.

In 2010 this heading also included the losses resulting from the dilution arising from the capital increase at Hochtief A.G. amounting to EUR 38,045 thousand (Note 09) as well as the effect in the consolidated statement of income of the provisions made in certain concession assets amounting to EUR 32,400 thousand.

30. Distribution of profit

The proposed distribution of the profit for 2011 that the Company's directors will submit for approval by the shareholders at the Annual General Meeting is as follows:

Thousands of euros	
To goodwill reserve	41,208
To voluntary reserve	442,566
To dividends	283,198
Total	766,972

The proposed dividend for 2010 amounts to EUR 0.90 per share, totalling EUR 283,198 thousand, which is the same as the interim dividend paid in February 2012.

In relation to the interim dividend paid in previous years, at the date of the call of the Annual General Meeting, the Board of Directors, has agreed to propose an alternative remuneration system enabling bonus shares of ACS, Actividades de Construcción y Servicios, S.A., or cash through the sale of the related free allotment rights to shares. in line with other companies quoted on the IBEX. This option would be instrumented through an increase in paid-in capital, which would be subject to approval by the shareholders at the Annual General Meeting. If approved, the increase in paid-in capital could be carried out by the Board or Directors, or by delegation, the Executive Committee on two occasions, in order to take into account not only the remuneration traditionally paid in July but also the possible interim dividend for the year. Upon each capital increase, each shareholder of ACS, Actividades de Construcción y Servicios, S.A. would receive a free allotment right for each share of ACS, Actividades de Construcción y Servicios, S.A. The free allotment rights would be traded on the Madrid, Barcelona, Bilbao and Valencia stock exchanges. Depending on the alternative chosen, shareholders would be able to either receive additional paid-in shares of ACS, Actividades de Construcción y Servicios, S.A. or sell their free allotment rights in the market or sell them to the company at a specific price calculated using an established formula. The 2010 dividend amounted to 2.05 euros per share, totalling EUR 645,062 thousand.

As previously discussed, a dividend of EUR 0.90 per share was already approved for 2011 (the same as in 2010), totalling EUR 283,198 thousand (the same as in 2010), which was recognised as a reduction in the ACS Group's equity at 31 December 2011. The Board of Directors has presented the liquidity statement required under Article 277 of the Consolidated Companies Law in the individual financial statements of the Parent.

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31. Earnings per share

31.01. Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributed to the Group by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares held in the year.

Accordingly:

	31/12/2011	31/12/2010	Variación (%)
Net profit for year (Thousands of Euros)	961,940	1,312,557	(26.71)
Weighted average number of shares outstanding	296,612,696	299,368,861	(0.92)
Basic earnings per share (Euros)	3.24	4.38	(26.03)
Profit after tax and non-controlling interests of discontinued operations (Thousands of Euros)	45,787	81,133	(43.57)
Basic earnings per share (Euros)	0.15	0.27	(44.44)
Basic earnings per share from discontinued operations (Euros)	3.09	4.11	(24.82)

31.02. Diluted earnings per share

The diluted earnings per share were the same as basic earnings per share. At 31 December 2011 and 2010, the ACS Group had no ordinary shares that could potentially be diluted since no convertible debt had been issued and as stipulated in Note 28.03, the share based payments would not involve an increase in capital for the Group given the manner in which they operate. Therefore, in no case would exercising share options lead to diluted earnings.

32. Events after the reporting period

On 9 February 2012 ACS Actividades de Construcción y Servicios, S. A. entered into a contract with a syndicate of banks, composed of 32 Spanish and foreign entities, for the refinancing of the syndicated loan which now matures in July 2015. The amount contracted amounted to EUR 1,377 million, which could be increased until May 2012, to EUR 1,650 million. This contract was already adhered to by four banks for EUR 1,411 million at the date of the presentation of these consolidated financial statements.

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 jointly 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 EUR 80 million, which represents a total enterprise value of EUR 505.7 million (Note 03.09).

On 19 March 2012, Hochtief, A. G. issued a corporate bond amounting to EUR 500 million maturing in five years and with a coupon of 5.50% per annum.

33. Related party balances and transactions

The transactions between the Parent and its subsidiaries, which are related parties, were eliminated in the consolidation process and are not disclosed in this note. The transactions between the Group and its associated are detailed below. Transactions between the Parent and its subsidiaries and associates are disclosed in the Parent's individual financial statements.

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

33.01. Transactions with associates

In 2011 the Group companies performed the following transactions with related parties that do not form part of the Group:

Thousands of euros	2011	2010
Sale of goods and services	138,850	232,191
Purchase of goods and services	8,618	7,394
Accounts receivable	1,547,115	814,537
Accounts payable	643,656	136,861

Transactions between Group companies are carried under normal market conditions.

33.02. Balances and transactions with other related parties

Information relating to the transactions with related parties carried out in 2011 is disclosed in accordance with the Order EHA/3050/2004, of 15 September of the Ministry of Economy and Finance and the CNMV Circular 1/2005, of 1 April.

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Transactions between individuals, companies or Group entities related to Group shareholders or Board members

The transactions performed in 2011 were as follows (in thousands of euros):

Thousands of euros 2011 related transactions	Significant shareholders			Directors and managers	Other related parties							Total	Total
	Banca March	Grupo Iberostar	Total	Total	Fidalsar, S.L.	Rosán Inversiones S.L.	Terratest Técnicas Especiales S.A.	Indra	Zardoya Otis, S.A.	Unipsa, Correduría Seguros, S.A.	Total		
Expenses and revenue													
Management or cooperation agreements	1,125	-	1,125	-	-	-	3,059	-	-	-	-	3,059	4,184
Leases	-	-	-	-	200	-	-	-	-	-	-	200	200
Reception of services	-	-	-	-	62	-	5,467	5,709	1,112	-	-	12,350	12,350
Purchase of goods (unfinished or finished)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	43,137	-	43,137	43,137
Expenses	1,125	-	1,125	-	262	-	8,526	5,709	1,112	43,137	-	58,746	59,871
Provision of services	-	1,052	1,052	644	-	5,434	-	3,472	17	-	-	8,923	10,619
Revenue	-	1,052	1,052	644	-	5,434	-	3,472	17	-	-	8,923	10,619

Thousands of euros 2011 Related Transactions	Significant shareholders		Other related parties					Total	Total
	Banca March	Total	Banco Sabadell Guipuzcoano	Fidwei Inversiones, S.L.	Lynx Capital, S.A.	Fidalsar, S.L.	Total		
Other transactions									
Financing agreements: Loans and capital contributions (lender)	91,280	91,280	974,055	-	-	-	-	974,055	1,065,335
Guarantees given	42,730	42,730	-	-	-	-	-	-	42,730
Dividends and other distributed profit	-	-	-	861	702	1,025	-	2,588	2,588
Other transactions	100,753	100,753	-	-	-	-	-	-	100,753

The transactions performed in 2010 were as follows (in thousands of euros):

Thousands of euros 2010 Related transactions	Significant shareholders					Directors and managers	Other related parties						Total	
	Alba participaciones, S.A.	Inversiones Vesán, S.A.	Rosán Inversiones, S.L.	Grupo Iberostar	Total		Total	Fidalsar, S.L.	Terratest Técnicas Especiales, S.A.	Indra	Zardoya Otis, S.A.	Unipsa Correduría de Seguros, S.A.		Geblasa
Expenses and revenue														
Management or cooperation agreements	-	-	-	-	-	-	-	3,806	-	-	-	-	3,806	3,806
Leases	-	-	-	-	-	-	302	-	-	-	-	-	302	302
Reception of services	-	-	-	8	8	-	50	1,548	2,999	1,762	-	-	6,359	6,367
Purchase of goods (unfinished or finished)	-	-	-	-	-	-	-	-	-	-	-	8	8	8
Other expenses	15,291	2,885	-	2,860	21,036	-	-	-	-	-	52,835	-	52,835	73,871
Expenses	15,291	2,885	-	2,868	21,044	-	352	5,354	2,999	1,762	52,835	8	63,310	84,354
Provision of services	-	-	428	1,019	1,447	10	-	-	1,453	-	-	-	1,453	2,910
Revenue	-	-	428	1,019	1,447	10	-	-	1,453	-	-	-	1,453	2,910

Thousands of euros 2010 Related transactions	Significant shareholders		Other related parties					Total	Total
	Banca March	Total	Banco Sabadell Guipuzcoano	Fidwei Inversiones, S.L.	Lynx Capital, S.A.	Fidalsar, S.L.	Total		
Other transactions									
Financing agreements: Loans and capital contributions (lender)	81,003	81,003	97,079	-	-	-	-	97,079	178,082
Guarantees given	60,230	60,230	100,635	-	-	-	-	100,635	160,865
Dividends and other distributed profit	-	-	-	1,311	916	575	-	2,802	2,802
Other transactions	149,687	149,687	-	-	-	-	-	-	149,687

At 31 December 2011, the outstanding balance payable to Banca March for credit facilities and loans granted to ACS Group companies amounted to EUR 53,722 thousands (EUR 75,398 thousand in 2010). The transactions being maintained at 31 December 2011, in accordance with the information available to ACS Group companies amounted to EUR 24,770 thousand (EUR 45,277 thousand at 31 December 2010) of guarantees, EUR 29,230 thousand (EUR 59,504 thousand at 31 December 2010) of confirming transactions to suppliers and EUR 756 thousand at 31 December 2010 for factoring transactions.

At 31 December 2011, the balance payable to Banco Sabadell Guipuzcoano amounted to EUR 477,036 (64,007 thousand in 2010) for loans and credit facilities granted to ACS Group companies. The transactions being maintained at 31 December 2011, in accordance with the information available to ACS Group companies amounted to EUR 191,600 thousand (EUR 85,486 thousand at 31 December 2010) of guarantees, EUR 634 thousand (EUR 8,864 thousand at 31 December 2010) of confirming transactions to suppliers and EUR 21,825 thousand at 31 December 2010 for factoring transactions.

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Banca March is considered to be a significant shareholder given that it is a shareholder of Corporación Financiera Alba, S.A., the main direct shareholder of ACS, Actividades de Construcción y Servicios, S.A.. Banca March has performed typical transactions relating to its ordinary course of business such as granting loans, providing guarantees for bid offers and/or the execution of works, confirming and non-recourse factoring to several ACS Group Companies.

The Iberostar is disclosed due to its tie as a direct shareholder of ACS, Actividades de Construcción y Servicios, S.A. As a tourism and travel agency, this Group has provided services to ACS Group entities as part of its business transactions. The ACS Group has also carried out air-conditioning activities in main hotels owned by Iberostar.

Rosán Inversiones, S.L. is listed due to its relation with its Chairman and CEO of the Company which holds a significant ownership interest through Inversiones Vesán, S.A., since it has received services by part of certain Group companies in relation to its construction contract, of which the Board was informed at the time it was contracted and subsequently amended.

With the three aforementioned shareholders (Corporación Financiera Alba, S.A., Iberostar Hoteles and Apartamentos, S.L. e Inversiones Vesán, S.A.), ACS, Actividades de Construcción y Servicios, S.A. entered into share loan commitment agreements by which 93,113,937 shares of ACS (representing 29.59% of the share capital) were made available so that combined with their portfolio, they could be used in the takeover bid for Hochtief. In the end, these shares were not authorised by the German regulator in the prospectus giving rise to the approval of the takeover bid. The expenses incurred by ACS in relation to this share loan commitment are included under the heading "Other expenses" in the related table in 2010 and amounted to EUR 21,036 thousand.

The transactions with other related parties, are listed due to the relationship of certain Board Members of ACS, Actividades de Construcción y Servicios, S.A. with companies in which they are either shareholders or a senior management position. In this connection, the transactions with Fidalser, S.L., Terratest Técnicas Especiales, S.A., Fidwei Inversiones, S.L and Lynx Capital, S.A. are listed given the relationship of the Board Member Pedro López Jiménez with them. Transactions with Indra are listed due to its relationship with the Board Member Javier Monzón. Transactions with Geblasa are listed due to its relationship with the Board Member Julio Sacristán, and the transactions with Zardoya Otis, S.A. due to its relationship with the Board Member José María Loizaga. Transactions with Banco Guipuzcoano are listed due to the relationship of the Board Member Javier Echenique. Transactions with Unipsa, Compañía de Seguros, S.A. are listed due to the relationship with Banca March, although in this case, the figures listed are intermediate premiums paid by companies of the ACS Group, and these amounts are not consideration for insurance Brokerage services. Finally, pursuant to case no. 63/2011 of 17 March 2011 tried in the Madrid court of first instance no. 18 de Madrid, a sentence was handed down ordering Hochtief A.G. EUR 1,857 thousand to Percacer, S.L. and to Comercio y Finanzas, S.L. (shareholders of ACS) on 20 June 2011 for principal and ordinary interest in addition to late payment interest (in relation to the lawsuit filed against Hochtief in 1999 in relation to "PACSA Peninsular de Asfaltos y Construcciones, S.A").

The heading "Other Transactions" includes all transactions not related to the specific sections include in the period public information reported in accordance with the regulations published by the CNMV. In 2011 "Other transactions" related exclusively to Banca March, to the extent that it is the main shareholder of Corporación Financiera Alba, S.A., which is a direct shareholder of the ACS Group. As a financial institution La Banca March provides different financial services to several ACS Group companies as part of its normal business operations amounting to EUR 100,753 thousand (EUR149,687 thousand in 2010) in relation to "confirming" lines for suppliers amounting to EUR 100,753 thousand (EUR148,597 thousand in 2010) and advance invoice payments and trade receivables amounting to EUR 1,090 thousand in 2010.

All these commercial transactions were carried out on an arm's length basis in the ordinary course of business and relate to the normal operations of the Group companies.

The transactions performed between ACS consolidated group companies were eliminated in the consolidation process and form part of the normal business of the companies in terms of their company object and conditions. The transactions are performed on an arm's length basis and the related information is not necessary to fairly present the equity, financial position and results of the Group's operations.

In accordance with the information available to ACS, Actividades de Construcción y Servicios, S.A. the members of the Board of Directors had not conflicts of interest in 2011, in the terms provided by Article 229 of the Consolidated Spanish Limited Liability Companies Law.

34. Board of Directors and senior executives

In 2011 the members of the Board of Directors de ACS, Actividades de Construcción y Servicios, S.A. received the following remuneration for membership of the Boards of Directors of the Parent or Group companies and/or for being senior executives of the Group companies.

Thousands of euros	2011	2010
Fixed remuneration	3,617	3,563
Variable remuneration	3,788	3,629
By-law stipulated director's emoluments	3,278	3,559
Other	1	121
Total	10,684	10,872

EUR 808 thousand and EUR 1,324 thousand were charged to income in relation to share options granted to members of the Board of Directors with executive duties in 2011 and 2010, respectively. The year-on-year increase is a result of the new stock option plan approved on 1 May 2010. This amount corresponds to a proportion of the plan's value at its concession date.

The benefits relating to pension funds and plans, and life insurance premiums are as follows:

Other Benefits		
Thousands of euros	2011	2010
Pension funds and plans: contributions	1,955	2,152
Pension funds and plans: obligations assumed	1,955	2,152
Life insurance premiums	16	16

The amount recognised under "Pension Funds and Plans: Contributions" relates to disbursements by the Company during the year. The amount recognised under "Pension Funds and Plans: Obligations Assumed" relates, in addition to the foregoing, to obligations charged to income in the year in this connection, even if they

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had been disbursed prior to the related year. The obligations assumed in relation to pension plans are the same as the amounts contributed in this connection, since these obligations have been externalized and transferred to an insurance company. Accordingly, the Group has not assumed any outstanding obligation other than the contribution of the annual premium.

The ACS Group has not granted any advances, loans or guarantees to any of the Board members.

Remuneration, by type of director, including the amounts charged to the income statement relating to share options, were as follows:

Thousands of euros	2011	2010
Executive Directors	8,243	8,217
Non-executive nominee Directors	1,436	1,675
Non-executive independent Directors	687	713
Other Non-Executive Directors	318	267
Total	10,684	10,872

34.01. Transactions with members of the Board of Directors

The transactions with members of the Board of Directors or with companies in which they have an ownership interest giving rise to a relation with the ACS Group are indicated in Note 33.02 on transactions with related parties.

34.02. Remuneration of senior executives

The remuneration of the Group's senior executives in 2011 and 2010, excluding those who are simultaneously executive directors, was as follows:

Other Benefits		
Thousands of euros	2011	2010
Salaries (fixed and variable)	27,352	30,842
Pension Plans	2,165	2,221
Life insurance	44	56

EUR 6,901 thousand and EUR 4,8523 thousand were charged to income in relation to share options granted to the Group's senior executives in 2011 and 2010, respectively. The year-on-year increase is a result of the new stock option plan approved on 1 May 2010. As discussed in the case of board members, this amount corresponds to a proportion of the plan's value at its concession date.

There were no other ACS Group transactions with senior executives other than those previously mentioned on remuneration.

35. Other disclosures concerning the Board of Directors

Pursuant to Article 229 of the Spanish Capital Companies Law, following is a detail of the companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of ACS, Actividades de Construcción y Servicios, S.A. in which the sole director (ACS, Actividades de Construcción y Servicios, S.A.) own equity interests, of the functions, if any, that they discharge thereat:

Owner	Investee	Line of Business	Ownership Interest	Functions
Pablo Vallbona Vadell	Abertis Infraestructuras, S.A.	Concessions	0.001%	Board Member
Joan David Grimá Terré	Cory Environmental Management Limited	Environment	0.000%	Board Member
Pedro López Jiménez	GTCEISU Construcción, S.A. Grupo Terratest	Special Foundations	45.00%	Chairman (through Fapindus, S.L.)
Santos Martínez-Conde Gutiérrez-Barquín	Fomento de Construcciones y Contratas, S.A.	Construction and Services	0.004%	None
Santos Martínez-Conde Gutiérrez-Barquín	Técnicas Reunidas, S.A.	Construction of Industrial Facilities	0.002%	None
Santos Martínez-Conde Gutiérrez-Barquín	Repsol YPF, S.A.	Energy	0.001%	None
Santos Martínez-Conde Gutiérrez-Barquín	Indra Sistemas, S.A.	Information technologies and defence systems	0.004%	None
Santos Martínez-Conde Gutiérrez-Barquín	Endesa, S.A.	Energy	0.000%	None
Santos Martínez-Conde Gutiérrez-Barquín	Ferrovial, S.A.	Construction and Services	0.001%	None
Santos Martínez-Conde Gutiérrez-Barquín	Telefónica, S.A.	Telephony	0.001%	None
Santos Martínez-Conde Gutiérrez-Barquín	Abertis Infraestructuras, S.A.	Concessions	0.001%	None
Santos Martínez-Conde Gutiérrez-Barquín	Gas Natural SDG, S.A.	Energy	0.001%	None
Santos Martínez-Conde Gutiérrez-Barquín	Enagas, S.A.	Energy	0.002%	None
Santos Martínez-Conde Gutiérrez-Barquín	Iberdrola, S.A.	Energy	0.001%	None
Julio Sacristán Fidalgo	Abertis Infraestructuras, S.A.	Concessions	0.00%	None
José Luis del Valle Pérez	Del Valle Inversiones, S.A.	Real Estate	33.33%	Board Member acting severally
José Luis del Valle Pérez	Sagital, S.A.	Private security and integral building maintenance	5.10%	None
Juan March de la Lastra	Indra Sistemas, S.A.	Information technologies and defence systems	0.005%	Board Member
Florentino Pérez Rodríguez	Abertis Infraestructuras, S.A.	Concessions	0.00%	Deputy Chairman

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Also pursuant to the aforementioned law, following is a detail of the activities performed by the directors, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company object of ACS, Actividades de Construcción y Servicios, S.A.

Name	Activity Performed	Type of Arrangement	Company through which the Activity is Performed	Position or Function at the Company Concerned
Pablo Valbona Vadell	Concessions	Employee	Abertis Infraestructuras, S.A.	Board Member
Pablo Valbona Vadell	Holding	Employee	Corporación Financiera Alba, S.A.	Deputy Chairman
Manuel Delgado Solís	Construction	Employee	Dragados, S.A.	Board Member
Javier Echenique Landiribar	Industrial Services	Employee	ACS, Servicios, Comunicaciones y Energía, S.L.	Board Member
Javier Echenique Landiribar	Finance	Employee	Banco Sabadell	Deputy Chairman
Javier Echenique Landiribar	Energy	Employee	Repsol YPF, S.A.	Board Member
Javier Echenique Landiribar	Paper	Employee	Ence, S.A.	Board Member
Juan March de la Lastra	Holding	Employee	Corporación Financiera Alba, S.A.	Board Member
Juan March de la Lastra	Information Technologies	Employee	Indra Sistemas, S.A.	Board Member
José María Loizaga Viguri	Lifts	Employee	Zardoya Otis, S.A.	Deputy Chairman
José María Loizaga Viguri	Venture Capital	Independent Professional	Cartera Industrial REA, S.A.	Chairman
Antonio García Ferrer	Construction	Employee	Dragados, S.A.	Board Member
Antonio García Ferrer	Industrial Services	Employee	ACS, Servicios, Comunicaciones y Energía, S.L.	Board Member
Antonio García Ferrer	Urban services and concessions	Employee	ACS, Servicios y Concesiones, S.L.	Board Member
Agustín Batuecas Torrego	Transport interchange	Employee	Intercambiador de Transporte de Avenida de América	Chairman
Agustín Batuecas Torrego	Rail transport of goods	Employee	Continental Rail, S.A.	Individual representing Continental Auto, S.L. Chairman and CEO
Agustín Batuecas Torrego	Transport interchange	Employee	Intercambiador de Transportes Príncipe Pío, S.A.	Individual representing Continental Auto, S.L. Chairman and CEO
Agustín Batuecas Torrego	Transport interchange	Employee	Intercambiador de Transportes Plaza de Castilla, S.A.	Individual representing Continental Auto, S.L. Chairman and CEO
Agustín Batuecas Torrego	Rail transport of goods	Employee	Construirail, S.A.	Board Member
Agustín Batuecas Torrego	Rail transport	Employee	Logitren	Joint Director
Pedro José López Jiménez	Construction and Services	Employee	Hochtief, A.G.	Board Member

Name	Activity Performed	Type of Arrangement	Company through which the Activity is Performed	Position or Function at the Company Concerned
Pedro José López Jiménez	Paper	Employee	Ence, S.A.	Board Member
Pedro José López Jiménez	Industrial Services	Employee	ACS, Servicios, Comunicaciones y Energía, S.L.	Board Member
Pedro José López Jiménez	Construction	Employee	Dragados, S.A.	Deputy Chairman
Pedro José López Jiménez	Urban services and concessions	Employee	ACS, Servicios y Concesiones, S.L.	Board Member
Pedro José López Jiménez	Special Foundations	Employee	GTCEISU Construcción, S.A.	Chairman (through Fapindus, S.L.)
Santos Martínez-Conde Gutiérrez-Barquín	Finance	Employee	Banca March, S.A.	Board Member
Santos Martínez-Conde Gutiérrez-Barquín	Holding	Employee	Alba Participaciones, S.A.	Chairman
Santos Martínez-Conde Gutiérrez-Barquín	Steel	Employee	Acerinox, S.A.	Board Member
Santos Martínez-Conde Gutiérrez-Barquín	Holding	Employee	Corporación Financiera Alba, S.A.	Board Member - CEO
Javier Monzón de Cáceres	Urban services and concessions	Employee	ACS, Servicios y Concesiones, S.L.	Board Member
Javier Monzón de Cáceres	Information Technologies	Employee	Indra Sistemas, S.A.	Chairman
Miguel Roca Junyent	Infrastructure Concessions	Employee	Abertis Infraestructuras, S.A.	Non-Board Member secretary
Miguel Roca Junyent	Textile	Employee	La Seda de Barcelona, S.A.	Chairman of the AGM
Miguel Roca Junyent	Finance	Employee	Banco Sabadell, S.A.	Non-Board Member secretary
Miguel Roca Junyent	Energy	Employee	Endesa	Independent External Board Member
Álvaro Cuervo García	Stock Exchange	Employee	BME-Bolsas y Mercados Españoles, S.A.	Board Member
José Luis del Valle Pérez	Urban services and concessions	Employee	ACS, Servicios y Concesiones, S.L.	Board Member-Secretary
José Luis del Valle Pérez	Industrial Services	Employee	ACS, Servicios, Comunicaciones y Energía, S.L.	Board Member-Secretary
José Luis del Valle Pérez	Engineering and Assembly Work	Employee	Cobra Gestión de Infraestructuras, S.L.	Board Member-Secretary
José Luis del Valle Pérez	Infrastructure Concessions	Employee	Iridium Concesiones de Infraestructuras, S.A.	Board Member
José Luis del Valle Pérez	Integral Maintenance	Employee	Clece, S.A.	Board Member

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Name	Activity Performed	Type of Arrangement	Company through which the Activity is Performed	Position or Function at the Company Concerned
José Luis del Valle Pérez	Urban Services	Employee	Urbaser, S.A.	Board Member
José Luis del Valle Pérez	Investments	Employee	Del Valle Inversiones, S.A.	Board Member acting severally
José Luis del Valle Pérez	Construction and Services	Employee	Hochtief, A.G.	Member of the Supervisory Board
José Luis del Valle Pérez	Concessions	Employee	Admirabilia, S.L.	Board Member
José Luis del Valle Pérez	Concessions	Employee	Trebol Internacional	Board Member
Joan David Grimá Terré	Environment	Employee	Cory Environmental Management Limited	Board Member
Florentino Pérez Rodríguez	Concessions	Employee	Abertis Infraestructuras, S.A.	Deputy Chairman
Julio Sacristán Fidalgo	Construction	Employee	Dragados, S.A.	Board Member
Julio Sacristán Fidalgo	Industrial Services	Employee	ACS, Servicios, Comunicaciones y Energía, S.L.	Board Member
Sabina Fluxá Thienemann	Tourism	Employee	Iberostar Hoteles y Apartamentos, S.L.	Board Member

In 2011 the ACS Group had commercial relationships with companies in which certain of its directors hold management functions. All these commercial transactions were carried out on an arm's-length basis in the ordinary course of business, and related to ordinary Company transactions.

The members of the Company's Board of Directors have had no conflicts of interest over the year.

36. Guarantee commitments to third parties

At 31 December 2011, the ACS Group had provided guarantees to third parties in connection with its business activities totalling EUR 13,548,136 thousand.

Noteworthy are the guarantees given by Hochtief. In this connection the syndicated guarantee lines obtained by Hochtief A.G. in 2007 were refinanced together with a syndicated credit facility in December 2011, with a combined credit and guarantee line of EUR 2,000,000 thousand by an international syndicate of banks. The guarantee tranche amounted to EUR 1,500,000 thousand, of which EUR 1,120,200 thousand had been drawn down at the end of the reporting period. This line is available for ordinary activities, mainly relating to the concession area and Europe division of Hochtief, and has been granted for a five year term, expiring on 13 December 2016.

The Hochtief Group also has undrawn guarantee lines amounting to EUR 5,740,000 thousand from insurance companies and banks.

Hochtief A.G. has arranged a limited guarantee line for US insurance companies in relations to the obligations of the Turner and Flatiron Groups. This is the type of Financing used in the United States to guarantee the performance of public works and for certain clients. E Financing totalled US \$6,500,000 thousand of which US \$4,417,000 thousand has been used in 2011. The guarantee furnished by Hochtief has never been called and it is not projected that this will occur in the future.

The Group's directors consider that no material liabilities additional to those recognised in the accompanying consolidated balance sheet will arise as a result of the transactions described in this Note.

The contingent liabilities include that relating to the normal liability of the companies with which the Group carries on its business activities. Normal liability is that related to compliance with the contractual obligations assumed in the course of the provision of construction, Industrial Services or urban services by the companies or the joint ventures of which they are venturers.

This coverage is achieved by means of the corresponding guarantees provided to secure the performance of the contracts, compliance with the obligations assumed in the concession contracts, etc.

Lastly, the various Group companies are exposed to the risk of having court and out-of-courts claims filed against them. In this connection, in relation to one of the concession companies in which the Company holds an indirect ownership interest, the non-controlling interests have a potential option to sell. However, the Group and its legal advisors do not consider that the conditions stipulated for its execution have been met, and accordingly, no liability was recognised in this connection in the accompanying financial statements. In these cases, the directors of the Group companies consider that the possible effect on the financial statements would not be material.

In relationship to the ownership interest held by Hochtief in the airport of Budapest, the minority shareholders have the option to sell their interest in the event of a change of control in Hochtief, at a price that would be set by a third party. This would obligate Hochtief to purchase these assets. However, to date there is no knowledge of action taken by the minority shareholders. The Group and its legal advisors are to the understanding in the case that action were to be taken, this control option would have to be assessed exclusively to the direct ownership interest of ACS en Hochtief, which is less than 50%.

37. Information on the environment

The ACS combines its business aims with the objective of protecting the environment and appropriately managing the expectations of its stakeholders in this area. The environmental policy of the ACS Group attempts to provide a Framework which defines broad policies to be followed (principles as well as the particularities of each line of business and Project).

The principles are the general environmental commitments of the ACS Group. These are flexible enough to accommodate elements of the policy and planning of companies in the different business areas. Additionally, these commitments have to abide by the requirements of the ISO 14001 Standard:

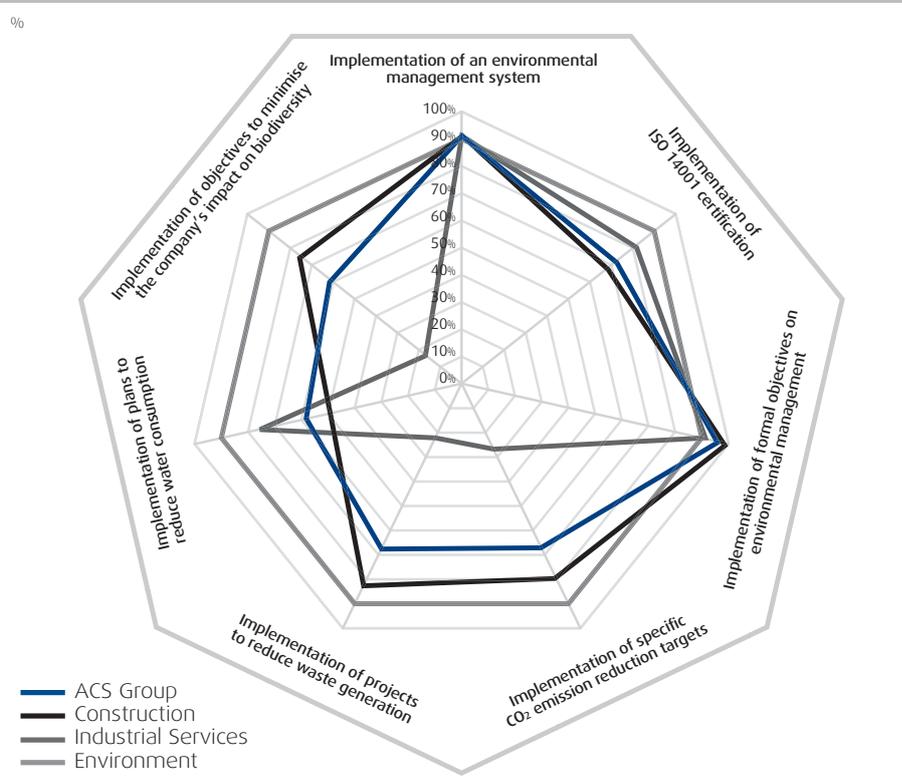
- Commitment to compliance with law.
- Commitment to pollution prevention.
- Commitment to continuous improvement.
- Commitment to transparency, communication and training for the Group's employees, suppliers, customers and other interest groups.

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In order to devise and publicize the Group's environmental commitments and policies, those of most significance at corporate level are identified, and contrasted with the Management Systems of each company and the environmental priorities for each line of business. These common priorities, which then become common to the majority of the ACS Group members, establish objectives and programs to individually improve each company.

Following is a map outlining the main common features of the ACS Group company management models and summarizing their initiatives and degree of implementation:

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 significant degree of implementation of an environmental management system present in 92.7% of the Group's sales is based on the future objective of seeking the adoption of ISO 14001 standards in the majority of the Group's activities. This standard is already implemented in 72.6% of the ACS Group sales, although it is not the only certification, considering that ACS Group companies accounting for 30.35% of sales have reported the obtainment of other types of certifications.

The responsibility for monitoring the environmental performance of the ACS Group rests with the Environment area Management of each company. The following general features were found which are of most significance in the management of the environmental effect of the ACS Group:

These companies develop policies and action plans in a decentralized independent manner (in ACS companies accounting for 97.1% of sales, objectives are defined in relation to the environment on a regular basis, and 23% of the companies reward employees for complying with these objectives).

They also implement certification schemes and external independent audits (95% of the ACS Group's production was audited in 2011).

The ACS Group companies closely monitor environmental performance:

- 972 environmental audits were carried out in 2011, 21.8% more than in 2010.
- Companies accounting for 64.8% of ACS Group sales have some type of centralised database for the Collection of environmental data. Companies representing 51% of the ACS Group's sales have an incident reporting system for detailing near misses relating to environmental matters. In 2011 there were 1,601 environmental incidents which led to a total of 33 penalty proceedings.
- The main environmental assets are purifying facilities, biogas, incineration and leachate systems to prevent and reduce environmental pollution and minimise environmental damage. These assets, net of depreciation, amount to EUR 18,020 thousand (EUR 21,221 thousand in 2010).
- Environmental expenses in 2011 amounted to EUR 1,343 thousand (EUR 1,238 thousand in 2010).

38. Auditors' fees

The fees for financial audit services provided to the various companies in 2011 and 2010 were as follows:

Thousands of euros	2011	2010
Audit service fees	14,745	5,346
Main auditor	8,735	3,749
Other auditors	6,010	1,597
Fees for tax services	3,614	360
Main auditor	878	56
Other auditors	2,736	304
Other services	5,334	2,195
Main auditor	3,039	1,219
Other auditors	2,295	976
Total	23,693	7,901

The year-on-year increase is due to the full consolidation of Hochtief A.G. whose main auditor is also Deloitte, and includes the fees of Leighton, whose main auditor is KPMG.

39. Explanation added for translation to English

These consolidated financial statements are presented on the basis of IFRSs as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

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Appendix

As stated in Note 2 to the financial statements, Appendices I, II and III list the subsidiaries, joint ventures and associates of most significance in the ACS Group in 2011, including their registered office and the Group's effective percentage of ownership.

The information is grouped in accordance with the management criteria of the ACS Group on the basis of the different business segments or lines of business carried on.

1. Corporate Unit

This includes the Parent of the Group, ACS, Actividades de Construcción y Servicios, S.A., and companies with strategic ownership interests in energy, telecommunications and concessions.

2. Construction

Information is separated on the basis of the two companies heading this line of business:

- **Dragados.** This includes both domestic and foreign activities relating to civil construction works (highways and roads, railways, hydraulic infrastructures, coasts and ports, etc., as well as residential and non-residential buildings).
- **Hochtief.** This segment includes the activities carried on by the different business segments of this company:
 - **Hochtief Americas.** Its activity is mainly carried on in the USA and Canada and relates to the construction of buildings (public and private), infrastructures, civil engineering, and educational and Sports facilities.
 - **Hochtief Asia Pacific.** Its activities are carried on by its Australian subsidiary Leighton, noteworthy being construction, mining contracts and the operation and development of real estate infrastructures.
 - **Hochtief Concessions.** This segment operates concession relating to airports, roads, tunnels and social infrastructure (schools, and public centres), most with public and private collaboration.
 - **Hochtief Europe.** This segment mainly operates through Hochtief Solutions A.G., which designs, develops, constructs and operates infrastructure projects, real estate and facilities.
- **Iridium.** It carries out infrastructure promotion and development, both in relation to transport and public facilities, managing different public-private collaboration models.

3. Industrial Services

This segment is engaged in the development of applied engineering services, installations and the maintenance of industrial infrastructures in the energy, communications and control systems sectors.

4. Environmental

This segment groups together environmental services such as road cleaning, waste collection and transport, treatment and recycling of urban, commercial and industrial waste, integral management of the water cycle and urban landscaping.

Appendix I. Subsidiaries

Company	Registered Office	% Effective Ownership
PARENTS		
ACS, Actividades de Construcción y Servicios, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain	-
ACS Colombia, S.A.	Santa Fé de Bogotá. Colombia	100.00%
ACS Telefonía Móvil, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Aurea Fontana, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Cariátide, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Corporate Funding, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Corporate Statement, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Equity Share, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Major Assets, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Novovilla, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
PR Pisa, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Residencial Monte Carmelo, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Roperfeil, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Villa Aurea, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Villanova, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
CONSTRUCTION- DRAGADOS		
Acainsa, S.A.	C/ Orense, 34-1º. 28020 Madrid. Spain	100.00%
Aparcamiento Tramo C. Rambla-Coslada, S.L.	C/ Orense, 34-1º. 28020 Madrid. Spain	100.00%
Besalco Dragados, S.A.	Avda. Tajamar nº 183 piso 1º Las Condes. Santiago de Chile. Chile	50.00%
Castellano Leonesa de Minas, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Cesionario Vallés Occidental, S.A.	Avda. Josep Tarradellas, nº 8-10. 08029 Barcelona. Spain	100.00%
Comunidades Gestionadas, S.A. (COGESA)	C/ Orense, 34-1º. 28020 Madrid. Spain	100.00%
Concesionaria San Rafael, S.A.	C/ Diputado José Rivas, s/n. 07816 Sant Antonio de Port. Ibiza. Spain	100.00%
Consortio Dragados Conpax Dos S.A.	Avda. Vitacura 2939 ofic. 2201. Las Condes. Santiago de Chile Chile	55.00%
Consortio Dragados Conpax, S.A.	Avda. Vitacura 2939 ofic. 2201. Las Condes. Santiago de Chile. Chile	60.00%
Consortio Tecdra, S.A.	Avda. Vitacura 2939 ofic. 2201. Las Condes. Santiago de Chile. Chile	100.00%
Construcciones y Servicios del Egeo, S.A.	Alamanas, 1 151 25 Maroussi. Athens. Greece	100.00%
Constructora Dycven, S.A.	Veracruz Edif. Torreón, 3º, Urbaniz. Las Mercedes. Caracas. Venezuela	100.00%
Constructora Vespucio Norte, S.A.	Avda. Vitacura 2939 ofic. 2201. Las Condes. Santiago de Chile. Chile	54.00%
Construrail, S.A.	C/ Orense, 11. 28020 Madrid. Spain	51.00%
Continental Rail, S.A.	C/ Orense, 11. 28020 Madrid. Spain	100.00%
Drace Medio Ambiente, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Drace United States of America, Inc.	2711 Centerville Road, Suite 400, Wilmington. New Castle. Delaware. United States of America	100.00%
Dragados Canada, Inc.	Suite 1400 40 Elgin Street. Ottawa. Ontario. Canada	100.00%
Dragados Construction United States of America, Inc.	500 Fifth Avenue, 38 th. Floor. New York, NY 10110. United States of America	100.00%
Dragados CVW Constructora, S.A.	Avda. Vitacura 2939 ofic. 2201. Las Condes. Santiago de Chile. Chile	80.00%
Dragados Inversiones United States of America, S.L.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Dragados Ireland Limited	The Oval, Block 3, end floor 160, Shelbourn Road Dublin 4. Dublin. Ireland	100.00%
Dragados Obra Civil y Edificac Mexico S.A. de C.V.	C/ Hamburgo, 172, piso 1. Juarez Distrito Federal. 06000 Mexico	100.00%
Dragados UK Ltd.	Hill House 1 Little New Street. London EC4A3TR United Kingdom	100.00%
Dragados United States of America, Inc.	500 Fifth Avenue, 38 th. Floor. New York, NY 10110. United States of America	100.00%
Dragados, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Dycasa S.A.	Avda. Leandro N. Alem. 986. Buenos Aires. Argentina	66.10%
Eix Diagonal Construccions, S.L.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Flota Proyectos Singulares, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Gasoductos y Redes Gisca, S.A.	C/ Orense, 11. 28020 Madrid. Spain	52.50%
Geocisa UK Ltd.	1 Canada Square, 37th floor Canary Wharf. London E14 5LQ. United Kingdom	100.00%
Geocisa United States of America Inc.	2711 Centerville Road, Suite 400, Wilmington, New Castle - Delaware. United States of America	100.00%
Geotecnia y Cimientos, S.A.	C/ Los Llanos de Jerez, 10-12. 28823 Coslada. Madrid. Spain	100.00%
Gestifisa, S.A.	C/ Orense, 34 1º. 28020 Madrid. Spain	100.00%
Hullera Oeste de Sabero, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Inmobiliaria Alabega, S.A.	C/ Orense, 34-1º. 28020 Madrid. Spain	100.00%
John P. Picone Inc.	31 Garden Lane. Lawrence. NY 11559 United States of America	80.00%
Lucampa, S.A.	C/ Orense, 34-1º. 28020 Madrid. Spain	100.00%
Manteniment i Conservació del Vallés, S.A.	Avda. Josep Tarradellas, nº 8 2º puerta 4. 08029 Barcelona. Spain	100.00%
Mostostal Pomorze, S.A.	80-557 Gdansk ul. Marynarki Polskiej 59	66.00%
Newark Real Estate Holdings, Inc.	500 Fifth Avenue, 38 th. Floor. New York, NY 10110 United States of America	100.00%
PA CONEX Sp. z o.o.	09-500 Gostynin ul. Ziejkowa 2a	66.00%
PA Wyroby Betonowe Sp. z o.o.	82-300 Elblag ul. Plk. Dabka 215	66.00%
Placidus Investments Sp. z o.o.	00-728 Warszawa ul. Kierbedzia 4	39.60%
Pol-Aqua Wostok Sp. z o.o.	115184 Moscow ul. Nowokuznieckaja 9	33.66%
Pol-Aqua, S.A.	Dworska 1, 05-500 Piaseczno k/. Warsaw. Poland	66.00%

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Company	Registered Office	% Effective Ownership
Protide, S.A.	C/ Orense,34-1º 28020 Madrid. Spain	100.00%
Pulice Construction, Inc.	2033 W Mountain View Rd. Phoenix. AZ 85021 Phoenix. United States of America	100.00%
Remodelación Ribera Norte, S.A.	Avda. Josep Tarradellas, nº 8 2º puerta 4. 08029 Barcelona. Spain	100.00%
Residencial Leonesa, S.A.	C/ Orense, 34-1º. 28020 Madrid. Spain	100.00%
Schiavone Construction Company	150 Meadowlands Parkway Seacaucus. New Jersey 07068. United States of America	100.00%
Servia Conservación y Mantenimiento, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	51.00%
Sicsa Rail Transport, S.A.	C/ Orense, 11. 28020 Madrid. Spain	76.00%
Sussex Realty, LLC.	31 Garden Lane Lawrence, NY 11559. United States of America	90.00%
Técnicas e Imagen Corporativa, S.L.	Avda. de Paris, 1. 19200 Azuqueca de Henares. Guadalajara. Spain	100.00%
TECO Sp. z.o.o.	51-502 Wrocław ul. Mydlana 1	66.00%
Tecsa Empresa Constructora, S.A.	Avda. Madariaga, 1, 4º. 48014 Bilbao. Spain	100.00%
Tedra Australia Pty. L.T.D.	293 Queen Street, Altona, Meadows VIC 3028. Australia	100.00%
Vias Canada Inc.	150 King Street West, Suite 805. Toronto ON. Canada	100.00%
Vias United States of America Inc.	2711 Centerville Road, Suite 400, Wilmington. New Castle. Delaware. United States of America	100.00%
Vias y Construcciones, S.A.	C/ Orense,11. 28020 Madrid. Spain	100.00%
Weneda Sp. z.o.o.	45-355 Opole ul. 1-go Maja 77/1	66.00%
CONSTRUCTION - IRIDIUM (Concessions)		
ACS Infrastructure Canada, Inc.	150 King Street West, Suite 805, P.O. Box 48, M5H 1J9 ON Canada	100.00%
ACS Infrastructure Development, Inc.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street. Wilmington New Castle. Delaware 19801. United States of America	100.00%
ACS WEP Holdings, Inc.	1 Germain Street Suite 1500. Saint John NB E2L4V1. Canada.	100.00%
Autovía de La Mancha, S.A. Concesionaria JCC Castilla La Mancha	21.500 de la CM-42 en el 45.430 de Mascaraque. Toledo. Spain	75.00%
Autovía del Camp del Turia, S.A.	C/ Alvaro de Bazán, nº 10 Entlo. 46010 Valencia. Spain	65.00%
Autovía del Pirineo, S.A.	C/Emilio Arrieta 8 - 6º, 31002 Pamplona (Navarra). Spain	72.00%
Autovía Medinaceli-Catalayud Soc. Conces. Estado, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	95.00%
Can Brians 2, S.A.	Avinguda Josep Tarradellas, 34-36, 9º. 08029 Barcelona. Spain	100.00%
CAT Desenvolupament de Concessions Catalanes, S.L.	Avinguda Josep Tarradellas, 34-36, 9º. 08029 Barcelona. Spain	100.00%
Concesionaria Santiago Brión, S.A.	Centro de Control AG-56 Enlace de Pardiñas - Costola. 15895 Ames. A Coruña. Spain	70.00%
Concesiones Viarias Chile Tres, S.A.	José Antonio Soffia N°2747, Oficina 602, Comuna de Providencia. Santiago de Chile. Chile	100.00%
Concesiones Viarias Chile, S.A.	José Antonio Soffia N°2747, Oficina 602, Comuna de Providencia. Santiago de Chile. Chile	100.00%
Desarrollo de Concesionarias Viarias Dos, S.L.	Avenida del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Desarrollo de Concesionarias Viarias Uno, S.L.	Avenida del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Desarrollo de Concesiones Ferroviarias, S.L.	Avenida del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Desarrollo de Equipamientos Públicos, S.L.	Avenida del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Dragados Concessions, Ltd.	Hill House, 1 - Little New Street. London EC4A 3TR. England	100.00%
Dragados Waterford Ireland, Ltd.	The Oval, Building 3. 160 Shelbourne Rd. Ballsbridge. Dublin. Ireland	100.00%
Eix Diagonal Concessionària de la Generalitat de Catalunya, S.A.	Av. Josep Tarradellas, 34-36, 9º Dcha 08029 Barcelona	100.00%
Estacionament Centre Direccional, S.A.	Puerto Tarraco-Moll de Llevant. Edificio B5, 1ª Planta.43004 Tarragona. Spain	100.00%
Explotación Comercial de Intercambiadores, S.A.	Avda. de America, 9A (Intercambiador de Tptes) Madrid. Spain	100.00%
FTG Fraser Transportation Group Partnership	1300 - 777 Dunsmuir Street Po Box 10424 Stn Pacific Ctr. Vancouver Bc V7Y 1K2. Canada	75.00%
FTG Holding Limited Partnership	1300 - 777 Dunsmuir Street Po Box 10424 Stn Pacific Ctr. Vancouver Bc V7Y 1K2. Canada	100.00%
FTG Holdings, Inc.	1300 - 777 Dunsmuir Street Po Box 10424 Stn Pacific Ctr. Vancouver Bc V7Y 1K2. Canada	100.00%
Green Canal Golf, S.A.	Avenida Philippines, s/n esquina Avenida Pablo Iglesias s/n 28003 Madrid. Spain	100.00%
I 595 ITS Solutions, LLC.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street. Wilmington New Castle. Delaware 19801. United States of America	100.00%
Intercambiador de Transportes de Avda. de América, S.A.	Avda. América, 2-17-B. 28002 Madrid. Spain	100.00%
Intercambiador de Transportes de Príncipe Pío, S.A.	Avda. América, 2-17-B. 28002 Madrid. Spain	70.00%
Inversora de la Autovía de la Mancha, S.A.	Avda. Camino de Santiago, 50 28050 Madrid. Spain	75.00%
Iridium Aparcamientos, S.L.	Avda. Camino de Santiago, 50 28050 Madrid. Spain	100.00%
Iridium Concesiones de Infraestructuras, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Iridium Nouvelle Autoroute 30, Inc.	1, Place Ville-Marie 37e étage Montreal. Quebec H3B 3P4. Canada	100.00%
Iridium Portlaoise Ireland Limited	The Oval, Building 3. 160 Shelbourne Rd. Ballsbridge. Dublin. Ireland	100.00%
Marestrada-Operações e Manutenção Rodoviária, S.A.	Rua Julieta Ferrão, nº 10 - 6º andar 1600-131 Lisboa. Portugal	70.00%
Parking Mérida III, S.A.	Avenida Lusitania, 15 1º Puerta 7. Mérida. Badajoz. Spain	100.00%
Parking Nou Hospital del Camp, S.L.	Avenida de la Universitat, s/n. 43201 Reus. Tarragona. Spain	100.00%
Parking Palau de Fires, S.L.	Avenida de la Universitat, s/n. Spain. 43201 Reus. Tarragona	100.00%
Planestrada - Operação e Manutenção Rodoviária, S.A.	Cerrado das Aranhas, lote 18. 7570-115 Grândola. Portugal	70.00%
Reus-Alcover Conc de la Generalitat de Catalunya, S.A.	Avinguda Josep Tarradellas, 34-36, 9º. 08029 Barcelona. Spain	100.00%
Sociedad Concesionaria Ruta del Canal, S.A.	Antonio Varas N° 216, Oficina 701. Puerto Montt. Chile	80.00%
Sociedad Inversora de Infraestructuras de la Mancha, S.L.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	66.67%
The Currituck Development Group, LLC.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street. Wilmington New Castle. Delaware 19801. United States of America	100.00%

Company	Registered Office	% Effective Ownership
CONSTRUCTION - HOCHTIEF		
Hochtief Aktiengesellschaft	Essen, Germany	51.46%
Beggen PropCo Sàrl	Strassen, Luxembourg	51.46%
Builders' Credit Reinsurance Company S.A.	Steinfurt, Luxembourg	51.46%
Eurafrica Baugesellschaft mbH	Essen, Germany	51.46%
Hochtief Global One GmbH	Essen, Germany	51.46%
Hochtief Insurance Broking and Risk Management Solutions GmbH	Essen, Germany	51.46%
Steinfurt Capital Growth SICAV-SIF	Bertrange, Luxembourg	51.46%
Steinfurt Fund of Funds SICAV-SIF	Findel-Golf, Luxembourg	51.46%
Steinfurt Propco Sàrl	Strassen, Luxembourg	51.46%
Vintage Real Estate HoldCo Sàrl	Strassen, Luxembourg	51.46%
Hochtief Americas		
2501 Constructors LLC	DC, United States of America	51.46%
ASI-Flatiron Inc.	Longmont, United States of America	51.46%
Auburndale Company, Inc.	Ohio, United States of America	51.46%
Audubon Bridge Constructors	New Roads, United States of America	27.79%
Bethesda View Constructors LLC	Maryland, United States of America	51.46%
California Steel Advisory Services	Walnut Creek, United States of America	51.46%
Canadian Turner Construction Company (Nova Scotia)	Nova Scotia, Canada	51.46%
Canadian Turner Construction Company Ltd.	Markham, Canada	51.46%
Capitol Building Services LLC	Maryland, United States of America	51.46%
Caribbean Operations, Inc.	Delaware, United States of America	51.46%
DCN, United States of America Inc.	Delaware, United States of America	51.46%
E. E. Cruz and Company Inc.	Holmdel, United States of America	51.46%
Facilities Management Solutions, LLC	Delaware, United States of America	51.46%
FCI Constructors/Balfour Beatty	San Marco, United States of America	36.02%
FCI Constructors/Cleveland Bridge	Longmont, United States of America	28.30%
FECO Equipment	Denver, United States of America	51.46%
Flatiron Construction Corp.	Wilmington, United States of America	51.46%
Flatiron Construction Services	Vancouver, United States of America	51.46%
Flatiron Constructors Canada Limited	Vancouver, Canada	51.46%
Flatiron Constructors Inc.	Wilmington, United States of America	51.46%
Flatiron Constructors Inc. Canadian Branch	Vancouver, Canada	51.46%
Flatiron Electric AL Group	Wilmington, United States of America	51.46%
Flatiron Equipment Company Canada	Calgary, Canada	51.46%
Flatiron Holding Inc.	Wilmington, United States of America	51.46%
Flatiron Parsons	Los Angeles, United States of America	36.02%
Flatiron West Inc.	Wilmington, United States of America	51.46%
Flatiron West Inc., San Marcos	Wilmington, United States of America	51.46%
Flatiron/C.M. Piech	Longmont, United States of America	26.24%
Flatiron/Kiewit, a Joint Venture	Longmont, United States of America	33.45%
Flatiron/Turner Construction of New York LLC	New York, United States of America	51.46%
Flatiron/United	Chocowinity, United States of America	30.88%
Flatiron-Lane	Longmont, United States of America	28.30%
Flatiron-Manson	Minneapolis, United States of America	36.02%
Flatiron-Tidewater Skanska	Tampa, United States of America	30.88%
Henry Street Builders, LLC	Virginia, United States of America	51.46%
Hochtief Americas GmbH	Essen, Germany	51.46%
Hochtief Argentina S.A.	Buenos Aires, Argentina	51.46%
Hochtief United States of America INC.	Wilmington, United States of America	51.46%
HT CONSTRUCTION INC.	Dover, United States of America	51.46%
Lacona, Inc.	Tennessee, United States of America	51.46%
Maple Red Insurance Company	Vermont, United States of America	51.46%
Metacon Technology Solutions, LLC	Texas, United States of America	51.46%
Mideast Construction Services, Inc.	Delaware, United States of America	51.46%
Misener Constru-Marina S.A. de C.V.	Ciudad Juarez, Mexico	51.46%
Misener Servicios S.A. de D.V.	Ciudad Juarez, Mexico	51.46%
North Carolina Constructors	Longmont, United States of America	30.88%
Offshore Services, Inc.	Delaware, United States of America	51.46%
OMM Inc.	Plantation, United States of America	51.46%
Palmetto Transportation Constructors	Longmont, United States of America	33.45%
Saddleback Constructors	Mission Viejo, United States of America	27.79%
Services Products Buildings, Inc.	Ohio, United States of America	51.46%
TC Professional Services, LLC	Delaware, United States of America	51.46%
TCCO of South Carolina, LLC	South Carolina, United States of America	51.46%
TGS/SamCorp JV (Paso del Norte - Port of Entry)	District of Columbia, United States of America	51.46%
The Lathrop Company, Inc.	Delaware, United States of America	51.46%
The Turner Corporation	Dallas, United States of America	51.46%
Tompkins Builders, Inc.	Washington, United States of America	51.46%

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Company	Registered Office	% Effective Ownership
Tompkins Turner Grunley Kinsley JV (C4ISR Aberdeen)	District of Columbia, United States of America	26.24%
Tompkins/Gilford JV (Prince George's Community College Center)	District of Columbia, United States of America	36.02%
Turner (East Asia) Pte. Ltd.	Singapore	51.46%
Turner Alpha Limited	Trinidad, Trinidad y Tobago	36.02%
Turner Caribe, Inc.	Delaware, United States of America	51.46%
Turner Cayman Ltd.	United Kingdom	51.46%
Turner Construction Company	New York, United States of America	51.46%
Turner Construction Company - Singapore (US)	Singapore	51.46%
Turner Construction Company of Indiana, LLC	Indiana, United States of America	51.46%
Turner Construction Company of Ohio LLC	Delaware, United States of America	51.46%
Turner Construction Company of Texas	Texas, United States of America	51.46%
Turner Cornerstone Korea	South Korea	51.46%
Turner Cross Management IV (Blackrock Wilmington 400 Bellevue)	New York, United States of America	36.02%
Turner Cross Management IV (Blackrock)	New York, United States of America	30.88%
Turner Davis JV (Laurelwood/Rowney)	New York, United States of America	26.24%
Turner Development Corporation	Delaware, United States of America	51.46%
Turner Hochtief Construction Management GmbH	Essen, Germany	51.46%
Turner International (East Asia) Pte. Limited	Sri Lanka	51.46%
Turner International (Hong Kong) Limited	Hong Kong	51.46%
Turner International (UK) Ltd.	London, Great Britain	51.46%
Turner International Consulting Co.	Shanghai, China	51.46%
Turner International Industries, Inc.	Delaware, United States of America	51.46%
Turner International Korea LLC	South Korea	51.46%
Turner International Limited	Bermuda, United States of America	51.46%
Turner International LLC	Delaware, United States of America	51.46%
Turner International Malaysia SDN BHD	Malaysia	51.46%
Turner International Mexico SRL	United States of America	51.46%
Turner International Professional Services, S. De R. L. De C. V.	Mexico	51.46%
Turner International Pte. Limited	Singapore	51.46%
Turner International Support Services, S. De R. L. De C. V.	Mexico	51.46%
Turner Logistics Canada Ltd.	New Brunswick, Canada	51.46%
Turner Logistics, LLC	Delaware, United States of America	51.46%
Turner Project Management India Private Ltd.	India	51.46%
Turner Support Services, Inc.	Delaware, United States of America	51.46%
Turner Surety & Insurance Brokerage Inc.	New Jersey, United States of America	51.46%
Turner Trotter JV (Clarian Fishers Medical Center)	New York, United States of America	38.60%
Turner Vietnam Co. Ltd.	Vietnam	51.46%
Turner/ADCo DTA (OUSD downtown education center)	New York, United States of America	36.02%
Turner/Con-Real - Forest/JV	New York, United States of America	30.88%
Turner/Con-Real (Tarratin County college District SE Campus New Wing)	New York, United States of America	36.02%
Turner/Hallmark JV1 (Beaumont ISD Athletic Complex)	New York, United States of America	51.46%
Turner/HSC JV (Cooper University Hospital)	New York, United States of America	36.02%
Turner/JGM JV (Proposition Q)	New York, United States of America	34.48%
Turner/Trevino JV1 (HISD Program Management)	New York, United States of America	33.45%
Turner-Davis Atlanta Airport joint Venture (Hartsfield Jackson Intl Aripport DOA Security Office Renovation)	New York, United States of America	30.88%
Turner-Penick JV (US Marine Corp BEQ Pkg 4 & 7)	New York, United States of America	30.88%
Turner-Tooles JV	New York, United States of America	41.17%
Universal Construction Company, Inc.	Delaware, United States of America	51.46%
West Coast Rail Constructors	San Marco, United States of America	33.45%
Hochtief Asia Pacific		
111 Margaret Street Pty Limited	Victoria, Australia	13.75%
145 Ann Street Pty. Ltd.	Australia	27.50%
145 Ann Street Trust	Australia	27.50%
512 Wickham Street Pty. Ltd.	Australia	27.50%
512 Wickham Street Trust	Australia	27.50%
A.C.N. 126 130 738 Pty. Ltd.	Australia	27.50%
A.C.N. 151 868 601 Pty Ltd	Victoria, Australia	27.50%
Ashmore Developments Pty Limited	Australia	27.50%
Ausindo Holdings Pte. Ltd.	Singapore	27.50%
Australia-Singapore Cable (International) Limited	Australia	27.50%
Australia-Singapore Cable (Singapore) Pte Ltd	Bermuda, Great Britain	27.50%
Boggo Road Project Pty Limited	Singapore	27.50%
Boggo Road Project Trust	Queensland, Australia	27.50%
BOS Australia Pty. Ltd.	South Bank, Australia	27.50%
Broad Construction Services (NSW/VIC) Pty. Ltd.	Newcastle, Australia	22.27%

Company	Registered Office	% Effective Ownership
Broad Construction Services (NT) Pty. Ltd.	Perth, Australia	22.27%
Broad Construction Services (QLD) Pty. Ltd.	Gold Coast, Australia	22.27%
Broad Construction Services (SA) Pty. Ltd.	Eastwood, Australia	22.27%
Broad Construction Services (VIC) Pty. Ltd.	Melbourne, Australia	22.27%
Broad Construction Services (WA) Pty. Ltd.	Australia	22.27%
Broad Group Holdings Pty. Ltd.	Perth, Australia	24.75%
Deep Blue Consortium Pty Ltd	Australia	10.05%
Delron Cleaning Pty Ltd	Australia	21.99%
Delron Group Facility Services Pty Limited	Australia	21.99%
Devine Bacchus Marsh Pty Limited	WA, Australia	6.88%
Devine Constructions Pty Limited	Queensland, Australia	6.88%
Devine Funds Pty Limited	Queensland, Australia	6.88%
Devine Funds Unit Trust	Victoria, Australia	6.88%
Devine Homes Pty Limited	Australia	6.88%
Devine Land Pty Limited	Queensland, Australia	6.88%
Devine Ltd.	Australia	13.77%
Devine Management Services Pty Limited	Queensland, Australia	6.88%
Devine Queensland No. 10 Pty Limited	Queensland, Australia	6.88%
Devine Springwood No. 1 Pty Limited	Queensland, Australia	6.88%
Devine Springwood No. 2 Pty Limited	NSW, Australia	6.88%
DMB Pty Limited	Queensland, Australia	6.88%
DPS Leighton Offshore Engineering Sdn Bhd	Queensland, Australia	27.50%
Ewenissa Pty Ltd.	Sydney, Australia	27.50%
Giddens Investment Ltd.	Hong Kong	27.50%
Green Construction Company	Wilmington, U.S.A.	27.50%
Gridcomm Pty. Ltd.	Melbourne, Australia	27.50%
Hamilton Harbour	Australia	20.62%
Hamilton Harbour Unit Trust (Devine Hamilton Unit Trust)	Australia	20.62%
Hochtief Asia Pacific GmbH	Essen, Alemania	51.46%
Hochtief AUSTRALIA HOLDINGS LIMITED	Sydney, Australia	51.46%
Hunter Valley Earthmoving Co. Pty Ltd.	Rutherford, Australia	27.50%
HWE Cockatoo Pty Ltd	Australia	27.50%
HWE Maintenance Services Pty. Ltd.	Australia	27.50%
HWE Mining Pty Ltd	Australia	27.50%
HWE Newman Assets Pty Ltd	Australia	27.50%
Infoplex Pty. Ltd.	Sydney, Australia	27.50%
Jarra Wood Pty. Ltd.	Australia	22.27%
JH Rail Holdings Pty. Limited	Australia	16.22%
JH Rail Investments Pty. Limited	Australia	16.22%
JH Rail Operations Pty. Limited	Australia	16.22%
JHG Mutual Limited	Australia	27.50%
Joetel Pty. Limited	Australia	16.22%
John Holland - Leighton (South East Asia) Joint Venture	Hong Kong	27.50%
John Holland (NZ) Ltd.	New Zealand	27.50%
John Holland AD Holdings Pty. Ltd.	Abbotsford, Australia	27.50%
John Holland AD Investments Pty. Ltd.	Abbotsford, Australia	27.50%
John Holland AD Operations Pty. Ltd.	Abbotsford, Australia	27.50%
John Holland Aviation Services Pty. Ltd.	Australia	27.50%
John Holland Development & Investment Pty. Ltd.	Abbotsford, Australia	27.50%
John Holland Engineering Pty. Ltd.	Australia	27.50%
John Holland Group Pty Ltd.	Abbotsford, Australia	27.50%
John Holland Infrastructure Nominees Pty. Ltd.	Australia	27.50%
John Holland Infrastructure Pty. Ltd.	Australia	27.50%
John Holland Infrastructure Trust	Australia	27.50%
John Holland Investment Pty. Ltd.	Australia	27.50%
John Holland Melbourne Rail Franchise Pty. Ltd.	Australia	27.50%
John Holland Pty Ltd.	Abbotsford, Australia	27.50%
John Holland Queensland Pty. Ltd.	Australia	27.50%
John Holland Rail Pty. Ltd.	Abbotsford, Australia	27.50%
John Holland Services Pty. Ltd.	Australia	27.50%
Kingscliff Resort Trust	Australia	27.50%
LCPL (PNG) Limited	Papua New Guinea	27.50%
Leighton (PNG) Limited	Papua New Guinea	27.50%
Leighton Admin Services Pty Ltd.	Sydney, Australia	27.50%
Leighton Arranging Pty. Ltd.	Australia	27.50%
Leighton Asia (China) Limited	Hong Kong	27.50%
Leighton Asia (Hong Kong) Holdings (No. 2) Limited	Hong Kong	27.50%
Leighton Asia Ltd.	Hong Kong	27.50%
Leighton Asia Southern Pte. Ltd.	Singapore	27.50%

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Company	Registered Office	% Effective Ownership
Leighton Botswana (Proprietary) Limited	Botswana	27.50%
Leighton Construction and Mining Africa	Botswana	27.50%
Leighton Contractors (Asia) Ltd.	Hong Kong	27.50%
Leighton Contractors (China) Ltd.	Hong Kong	27.50%
Leighton Contractors (Indo-China) Ltd.	Hong Kong	27.50%
Leighton Contractors (Laos) Company Ltd.	Laos	27.50%
Leighton Contractors (Malasia) Sdn. Bhd.	Malaysia	27.50%
Leighton Contractors (Philippines) Inc.	Philippines	11.00%
Leighton Contractors Asia (Cambodia) Co. Ltd.	Cambodia	27.50%
Leighton Contractors Asia (Vietnam) Limited	Vietnam	27.50%
Leighton Contractors Inc.	Wilmington, United States of America	27.50%
Leighton Contractors Infrastructure Nominees Pty. Ltd.	Australia	27.50%
Leighton Contractors Infrastructure Pty. Ltd.	Australia	27.50%
Leighton Contractors Infrastructure Trust	Australia	27.50%
Leighton Contractors Lanka (Private) Ltd.	Sri Lanka	27.50%
Leighton Contractors Mauricio Ltd.	Mauritius	27.50%
Leighton Contractors Pty Ltd.	Sydney, Australia	27.50%
Leighton Engineering & Construction (Singapore) Pte Ltd	Singapur	27.50%
Leighton Finance (U.S.A.) Pty. Ltd.	Australia	27.50%
Leighton Finance International Pty Ltd.	Australia	27.50%
Leighton Finance Ltd.	Sydney, Australia	27.50%
Leighton Foundation Engineering (Asia) Ltd.	Hong Kong	27.50%
Leighton Funds Management Pty Ltd.	Sydney, Australia	27.50%
Leighton Geotech Ltd.	Bangkok, Thailandia	6.60%
Leighton Harbour Trust	Australia	27.50%
Leighton Holdings Infrastructure Nominees Pty. Ltd.	Australia	27.50%
Leighton Holdings Infrastructure Pty. Ltd.	Australia	27.50%
Leighton Holdings Infrastructure Trust	Australia	27.50%
Leighton Holdings Investments Pty. Ltd.	Australia	27.50%
Leighton Holdings Limited	Sydney, Australia	27.50%
Leighton Holland Browse JV	Australia	27.50%
Leighton Infrastructure Investments Pty. Ltd.	Sydney, Australia	27.50%
Leighton International FZ LLC	Australia	27.50%
Leighton International Holdings Limited	United Arab Emirates	27.50%
Leighton International Ltd.	Cayman Islands, Great Britain	27.50%
Leighton International Mauricio Holdings Limited No. 3	Mauritius	27.50%
Leighton International Mauricio Holdings Limited No. 4	Mauritius	27.50%
Leighton International Mauricio Holdings Limited No. 5	Mauritius	27.50%
Leighton International Mauricio Holdings Limited No. 6	Mauritius	27.50%
Leighton International Mauricio Holdings Limited No. 7	Mauritius	27.50%
Leighton Investments Mauricio Limited	Mauritius	27.50%
Leighton Investments Mauricio Limited No. 3	Mauritius	27.50%
Leighton Investments Mauricio Limited No. 4	Mauritius	27.50%
Leighton Investments Mauricio Limited No. 5	Mauritius	27.50%
Leighton Investments Mauricio Limited No. 6	Mauritius	27.50%
Leighton Investments Mauricio Limited No. 7	Mauritius	27.50%
Leighton John Holland Joint Venture (Lai Chi Kok)	Hong Kong	27.50%
Leighton LLC	Mongolia	27.50%
Leighton Mauricio (Africa) Limited	Mauritius	27.50%
Leighton Motorway Investments No. 2 Pty. Ltd.	Sydney, Australia	27.50%
Leighton Offshore Australia Pty. Ltd.	Australia	27.50%
Leighton Offshore Pte. Ltd.	Singapore	27.50%
Leighton Offshore Sdn Bhd (formerly Leighton International Sdn. Bhd.)	Malasia	27.50%
Leighton Offshore-John Holland Joint Venture (LTA Project)	Australia	27.50%
Leighton Pacific St Leonards Pty. Ltd.	Australia	27.50%
Leighton Pacific St Leonards Unit Trust	Australia	27.50%
Leighton Portfolio Services Pty Ltd.	Sydney, Australia	27.50%
Leighton Project Management Sdn. Bhd.	Malaysia	27.50%
Leighton Projects Consulting (Shanghai) Ltd.	China	27.50%
Leighton Properties (Brisbane) Pty Ltd.	Sydney, Australia	27.50%
Leighton Properties (VIC) Pty Ltd.	Sydney, Australia	27.50%
Leighton Properties (WA) Pty. Ltd.	Australia	27.50%
Leighton Properties Pty Ltd.	Sydney, Australia	27.50%
Leighton Properties Resorts Pty Limited	Australia	27.50%
Leighton Property Development Pty Ltd.	Sydney, Australia	27.50%
Leighton Property Funds Management Ltd.	Sydney, Australia	27.50%
Leighton Property Management Pty Ltd.	Sydney, Australia	27.50%
Leighton Residential Investments Pty. Ltd.	Australia	27.50%

Company	Registered Office	% Effective Ownership
Leighton Services Australia Pty Ltd.	Sydney, Australia	27.50%
Leighton Staff Shares Pty Ltd.	Sydney, Australia	27.50%
Leighton Superannuation Pty Ltd.	Sydney, Australia	27.50%
Leighton United States of America Inc.	United States of America	27.50%
Leighton-John Holland Joint Venture	Australia	27.50%
Leighton-LNS Joint Venture	Hong Kong	21.99%
Leighton-Macmahon Joint Venture	Hong Kong	20.62%
LH Holdings Co Pty Ltd	Australia	27.50%
LMENA No. 1 Pty. Ltd.	Australia	27.50%
LMENA Pty. Ltd.	Australia	27.50%
LSE Technology (Australia) Pty Ltd.	Sydney, Australia	27.50%
Martox Pty. Ltd.	Australia	16.22%
Mayfield Engineering Pty. Ltd.	Australia	27.50%
Menette Pty. Limited	Australia	27.50%
Metro Developments Australia Pty. Ltd.	Australia	22.27%
Metronode Investments Pty Limited (formerly Vytel Investments)	Sydney, Australia	27.50%
Metronode M2 Pty Ltd	Australia	27.50%
Metronode Pty Ltd.	Sydney, Australia	27.50%
Metronode S2 Pty Ltd	Victoria, Australia	27.50%
Moonamang Joint Venture Pty Ltd	Australia	27.50%
Moorookyle Devine Pty Limited	Victoria, Australia	1.72%
Nestdeen Pty. Ltd.	Australia	27.50%
Nextgen Networks Pty. Ltd.	Australia	27.50%
Nextgen Pure Data Pty Ltd	Australia	27.50%
Nextgen Telecom (WA) Pty Ltd (formerly known as Silk Telecom (WA))	WA, Australia	27.50%
Nextgen Telecom Pty Limited (formerly Silk Telecom Pty. Limited)	Victoria, Australia	27.50%
Nexus Point Hong Kong Company Limited	Hong Kong	27.50%
Nexus Point Solutions Pty. Ltd.	Sydney, Australia	27.50%
Opal Insurance (Singapore) Pte Ltd.	Singapore	27.50%
Oz Solar Power Pty. Ltd.	Australia	27.50%
Pioneer Homes Australia Pty Limited	Queensland, Australia	3.44%
Plant & Equipment Leasing Pty Ltd.	Sydney, Australia	27.50%
PT Cinere Serpong Jaya	Indonesia	21.99%
PT Leighton Contractors Indonesia	Indonesia	27.50%
PT Ngawi Kertosono Jaya	Indonesia	26.12%
PT Solo Ngawi Jaya	Indonesia	26.12%
PT Thiess Contractors Indonesia	Jakarta, Indonesia	27.50%
River Links Developments Pty. Ltd.	Australia	27.50%
Silverton Group (Aust) Pty. Ltd.	Australia	22.27%
Silverton Group Pty. Ltd.	Australia	22.27%
Swan Water Services Pty. Ltd.	Australia	27.50%
Talcliff Pty Limited	Queensland, Australia	6.88%
Technical Resources Pty Ltd.	Sydney, Australia	27.50%
Telecommunication Infrastructure Pty. Ltd.	Abbotsford, Australia	27.50%
Thai Leighton Ltd.	Bangkok, Thailand	13.47%
Thiess (Mauritius) Pty. Ltd.	Mauritius	27.50%
Thiess Contractors (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	27.50%
Thiess Contractors (PNG) Ltd.	Papua New Guinea	27.50%
Thiess India Pvt Ltd	India	27.50%
Thiess Infraco Pty. Limited	Australia	27.50%
Thiess Infrastructure Nominees Pty. Ltd.	Australia	27.50%
Thiess Infrastructure Pty. Ltd.	Australia	27.50%
Thiess Infrastructure Trust	Australia	27.50%
Thiess Investments Pty Ltd.	South Bank, Australia	27.50%
Thiess John Holland Joint Venture (Airport Link)	Australia	27.50%
Thiess John Holland Joint Venture (Eastlink)	Australia	27.50%
Thiess John Holland Joint Venture (Lane Cove Tunnel)	Australia	27.50%
Thiess John Holland Motorway Services	Australia	27.50%
Thiess Leighton India Pvt. Ltd.	India	27.50%
Thiess Minecs India Pvt. Ltd.	India	24.75%
Thiess NC	New Caledonia	27.50%
Thiess NZ Limited	Auckland, New Zealand	27.50%
Thiess Pty Ltd.	South Bank, Australia	27.50%
Thiess Services John Holland Services Joint Venture	Australia	27.50%
Thiess Services Ltd.	New Zealand	27.50%
Thiess Services Pty Ltd.	South Bank, Australia	27.50%
Thiess Southland Pty Ltd.	South Bank, Australia	27.50%
Think Consulting Group Pty. Ltd.	Australia	27.50%

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Company	Registered Office	% Effective Ownership
Think Consulting Group Pty. Ltd.	Australia	27.50%
Townsville City Project Pty Ltd	Australia	20.62%
Townsville City Project Trust	Australia	20.62%
Victorian Wave Partners Pty. Ltd.	Australia	27.50%
Vision Hold Pty Ltd.	St. Leonards, Australia	27.50%
Visionstream Australia Pty Ltd.	St. Leonards, Australia	27.50%
Visionstream Pty Ltd.	Sydney, Australia	27.50%
Visionstream Services Pty Ltd.	Sydney, Australia	27.50%
Vytel Pty Ltd.	Sydney, Australia	27.50%
Western Port Highway Trust	Australia	27.50%
Yoltax Pty. Limited	Australia	16.22%
Zelmex Pty. Limited	Australia	16.22%
Hochtief Concessions		
Airport Partners GmbH	Düsseldorf, Germany	20.58%
AVN Chile Dritte Holding GmbH	Essen, Germany	38.60%
AVN Chile Fünfte Holding GmbH	Essen, Germany	51.46%
AVN Chile Vierte Holding GmbH	Essen, Germany	51.46%
HAP Hamburg Airport Partners GmbH & Co. KG	Hamburg, Germany	36.54%
Hochtief AS Holding GmbH	Wien, Austria	51.46%
Hochtief AirPort Capital Verwaltungs GmbH & Co. KG	Essen, Germany	51.46%
Hochtief AirPort GmbH	Essen, Germany	51.46%
Hochtief AirPort Retail SHPK	Tirana, Albania	51.46%
Hochtief Canada Holding Inc.	Toronto, Canada	51.46%
Hochtief Concessions AG	Essen, Germany	51.46%
Hochtief Concessions India Private Limited	Haryana, India	51.46%
Hochtief PPP Bundeswehrpartner FWK München GmbH & Co. KG	Essen, Germany	51.46%
Hochtief PPP Schools Capital Limited	Swindon, Great Britain	26.24%
Hochtief PPP Schulpartner Braunschweig GmbH	Braunschweig, Germany	51.46%
Hochtief PPP Schulpartner Frankfurt am Main GmbH & Co. KG	Frankfurt am Main, Germany	51.46%
Hochtief PPP Schulpartner GmbH & Co. KG	Heusenstamm, Germany	48.84%
Hochtief PPP Schulpartner Köln P 1 GmbH & Co. KG	Essen, Germany	51.46%
Hochtief PPP Schulpartner Köln Rodenkirchen GmbH & Co. KG	Essen, Germany	51.46%
Hochtief PPP Solutions (Ireland) Limited	Dublin, Ireland	51.46%
Hochtief PPP Solutions (UK) Limited	Swindon, Great Britain	51.46%
Hochtief PPP Solutions Chile Limitada	Santiago de Chile, Chile	51.46%
Hochtief PPP Solutions GmbH	Essen, Germany	51.46%
Hochtief PPP Solutions North America Inc.	Delaware, United States of America	51.46%
SCE Chile Holding GmbH	Essen, Germany	51.46%
SCE Chilean Holding S.A.	Santiago de Chile, Chile	51.46%
Sydney Airport Investest GmbH	Essen, Germany	23.83%
Hochtief Europe		
A.L.E.X.-Bau GmbH	Essen, Germany	51.46%
ACL Investment a.s.	Praga, Czech Republic	51.46%
Advago S.A.	Sparta, Greece	26.24%
Area of Sports mbH & Co. KG	Mönchengladbach, Germany	25.73%
car.e Facility Management GmbH	Hamburg, Germany	51.46%
car.e Facility Management Kft.	Budapest, Hungary	51.46%
Constructora Cheves S.A.C.	Lima, Peru	33.45%
Constructora Hochtief - Tecsa S.A.	Santiago de Chile, Chile	36.02%
Deutsche Bau- und Siedlungs-Gesellschaft mbH	Essen, Germany	51.46%
Deutsche Baumanagement GmbH	Essen, Germany	51.46%
Dobroviz a.s.	Praga, Czech Republic	51.46%
DURST-BAU GmbH	Wien, Austria	51.46%
Entreprise Générale de Construction Hochtief-LUXEMBOURG S.A.	Luxembourg, Luxembourg	51.46%
Euripus s.r.o.	Praga, Czech Republic	51.46%
Europaviertel Baufeld 4d GmbH & Co. KG	Essen, Germany	51.46%
FM Go! GmbH	München, Germany	38.54%
FM Holding GmbH	Essen, Germany	51.46%
forum am Hirschgarten Nord GmbH & Co. KG	Essen, Germany	51.46%
forum am Hirschgarten Süd GmbH & Co. KG	Essen, Germany	51.46%
GVG mbH & Co. Objekt RPU Berlin 2 KG	Essen, Germany	51.46%
Hochtief (UK) Construction Ltd.	Swindon, Great Britain	51.46%
Hochtief Ackerstraße 71-76 GmbH & Co. KG	Berlin, Germany	51.46%
Hochtief Aurestis Beteiligungsgesellschaft mbH	Essen, Germany	51.46%

Company	Registered Office	% Effective Ownership
Hochtief Construction Austria GmbH & Co. KG	Wien, Austria	51.46%
Hochtief Construction Chilena Ltda.	Santiago de Chile, Chile	51.46%
Hochtief Construction Erste Vermögensverwaltungsgesellschaft mbH	Essen, Germany	51.46%
Hochtief Construction Management Middle East GmbH	Essen, Germany	51.46%
Hochtief CZ a.s.	Praga, Czech Republic	51.46%
Hochtief Development Austria GmbH	Wien, Austria	51.46%
Hochtief Development Austria Verwaltungs GmbH & Co. KG	Wien, Austria	51.46%
Hochtief Development Czech Republic s.r.o.	Praga, Czech Republic	51.46%
Hochtief Development Hungary Kft.	Budapest, Hungary	51.46%
Hochtief Development Poland Sp. z o.o.	Warsaw, Poland	51.46%
Hochtief Development Project One SRL	Bucarest, Romania	51.46%
Hochtief Development Project Three SRL	Bucarest, Romania	51.46%
Hochtief Development Project Two SRL	Bucarest, Romania	51.46%
Hochtief DEVELOPMENT ROMANIA SRL	Bucarest, Romania	51.46%
Hochtief Development Schweden AB	Estocolmo, Sweden	51.46%
Hochtief Energy Management GmbH	Essen, Germany	51.46%
Hochtief Energy Management Harburg GmbH	Hamburg, Germany	33.45%
Hochtief Facility Management Bahrein Airport W.L.L.	Manama, Bahrein	13.12%
Hochtief Facility Management Bahrein W.L.L.	Manama, Bahrein	26.24%
Hochtief Facility Management Hamburg GmbH	Hamburg, Germany	51.46%
Hochtief Facility Management Hellas S.A.	Sparta, Greece	51.46%
Hochtief Facility Management Polska Sp. z o.o.	Warsaw, Poland	51.46%
Hochtief Facility Management Swiss AG	Zurich, Switzerland	51.46%
Hochtief Facility Management UK Limited	London, Great Britain	51.46%
Hochtief Global Trade GmbH	Essen, Germany	51.46%
Hochtief Hamburg GmbH	Hamburg, Germany	36.02%
Hochtief HUNGARIA Facility Management Kft.	Budapest, Hungary	38.60%
Hochtief Kirchberg Services S.A.	Luxembourg, Luxembourg	51.46%
Hochtief Offshore Crewing GmbH	Essen, Germany	51.46%
Hochtief ÖPP Projektgesellschaft mbH	Essen, Germany	51.46%
Hochtief Polska S.A.	Warsaw, Poland	51.46%
Hochtief Projektentwicklung 'Am Europagarten' GmbH & Co. KG	Essen, Germany	51.46%
Hochtief Projektentwicklung GmbH	Essen, Germany	51.46%
Hochtief Projektentwicklung 'Helfmann Park' GmbH & Co. KG	Essen, Germany	51.46%
Hochtief Property Management GmbH	Essen, Germany	51.46%
Hochtief Solutions AG	Essen, Germany	51.46%
Hochtief Solutions Middle East Qatar W.L.L.	Doha, Qatar	25.22%
Hochtief Solutions Real Estate GmbH	Essen, Germany	51.46%
Hochtief ViCon GmbH	Essen, Germany	51.46%
Hochtief ViCon Qatar W.L.L.	Doha, Qatar	25.22%
HTD Bauprojektmanagement GmbH	Wien, Austria	51.46%
HTP Grundbesitz Blue Heaven GmbH	Essen, Germany	48.37%
HTP Immo GmbH	Essen, Germany	51.46%
I.B.G. Immobilien- und Beteiligungsgesellschaft Thüringen-Sachsen mbH	Essen, Germany	51.46%
Immobilière de Hamm S.A.	Luxembourg, Luxembourg	51.46%
LOFTWERK Eschborn GmbH & Co. KG	Essen, Germany	51.46%
MK 1 Am Nordbahnhof Berlin GmbH & Co. KG	Essen, Germany	51.46%
MOLTENDRA Grundstücks- und Vermietungsgesellschaft mbH & Co. Objekt Mainoffice KG	Frankfurt am Main, Germany	51.46%
OOO Hochtief	Moscu, Russia	51.46%
Perlo Sp.z o.o.	Warsaw, Poland	51.46%
Project Development Poland 3 B.V.	Amsterdam, Netherlands	51.46%
Projektgesellschaft Börsentor Frankfurt GmbH & Co. KG	Essen, Germany	51.46%
Projektgesellschaft Luxembourger Straße Essen GmbH & Co. KG	Essen, Germany	51.46%
Projektgesellschaft Marco Polo Tower GmbH & Co. KG	Hamburg, Germany	36.02%
Projektgesellschaft Quartier 21 mbH & Co. KG	Essen, Germany	28.30%
RheinauArtOffice GmbH & Co. KG	Essen, Germany	25.73%
Serpentino KH s.r.o.	Praga, Czech Republic	51.46%
Soduker B.V.	Amsterdam, Netherlands	51.46%
Stadion Nürnberg Betriebs - GmbH	Nürnberg, Germany	38.54%
Streif Baulogistik GmbH	Essen, Germany	51.46%
STREIF Baulogistik Polska Sp.z o.o.	Warsaw, Poland	51.46%
Tinea s.r.o.	Praga, Czech Republic	51.46%
Tirpser B.V.	Amsterdam, Netherlands	51.46%
TORTOREX s.r.o.	Praga, Czech Republic	51.46%
Uferpalais Projektgesellschaft mbH & Co. KG	Essen, Germany	36.02%

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Company	Registered Office	% Effective Ownership
INDUSTRIAL SERVICES		
ACS industrial Services, LLC.	3511 Silverside road suite 105 Wilmington Delaware 19810 County of New Castle	100.00%
ACS Peru	Avenida Víctor Andrés Belaúnde 887 Distrito: Carmen de Le Legua Reinoso	100.00%
ACS Servicios Comunicac y Energía de Mexico SA CV	C/ Juan Racine, 112 Piso 8. 11510 Mexico DF	100.00%
ACS Servicios Comunicaciones y Energía, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Actividades de Instalaciones y Servicios, Cobra, S.A.	Calle 21 nº 7070, Parque Empresarial Montevideo. Bogotá. Colombia	100.00%
Actividades de Montajes y Servicios, S.A. de C.V.	C/ Melchor Ocampo, 193 Torre C, Piso 14, Letra D Colonia Verónica Anzures. Mexico	100.00%
Actividades de Servicios e Instalaciones Cobra, S.A.	2 Avda. 13-35 Zona 17, Ofibodegas los Almendros Nº 3. 01017 Ciudad de Guatemala. Guatemala	100.00%
Actividades de Servicios e Instalaciones Cobra, S.A.	Avda. Amazonas 3459-159 e Ñaquito Edificio Torre Marfil. Oficina 101. Ecuador	100.00%
Actividades y Servicios, S.A.	Nicaragua 5935 3 Piso. Buenos Aires. Argentina.	100.00%
Agadirver	Rua Rui Teles Palhinha, 4. Leirão. 2740-278 Porto Salvo. Portugal	74.54%
Agua Energía e Meio Ambiente, Ltda.	Rua Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil.	100.00%
Al-Andalus Wind Power, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Albatros Logistic, Maroc, S.A.	Rue Ibnou El Coutia. Lotissement At Tawfiq hangar 10 Casablanca. Morocco	75.00%
Albatros Logistic, S.A.	C/ Franklin Naves, 16-22. 28906 Getafe. Madrid. Spain	100.00%
Albufera Projetos e Serviços, Ltda.	Av. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil	50.00%
Aldebarán S.M.E., S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Aldeire Solar, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Aldeire Solar-2, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Alfrani, S.L.	C/ Manzanares, 4. 28005 Madrid. Spain	100.00%
Altomira Eólica, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 3 Central Termosolar Tres, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 4 Central Termosolar Cuatro, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 5 Central Termosolar Cinco, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 6 Central Termosolar Seis, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 7 Central Termosolar Siete, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Antennea Technologies, S.L.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain	100.00%
Apadil Armad. Plást. y Acces. de Iluminación, S.A.	E.N. 249/4 Km 4.6 Trajouce. São Domingos de Rana. 2775, Portugal	100.00%
API Fabricación, S.A.	Raso de la Estrella, s/n. 28300 Aranjuez. Spain	100.00%
API Movilidad, S.A.	Avda. de Manoterias, 26. 28050 Madrid. Spain	100.00%
Aplied Control Technology, LLC.	5005 N. Stateline Av. Texarcana Texas TX 75503. United States of America	85.00%
Araraquara Transmissora de Energia, S.A.	Av. Marechal Camara, 160 Sala 1036 (parte) Rio de Janeiro - Brazil	100.00%
Araucária Projetos e Serviços de Construção, Ltda.	Av. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil	50.00%
Argencobra, S.A.	Nicaragua 5935 2- Piso. CP C1414BWK Buenos Aires. Argentina	100.00%
Asistencia Offshore, S.A.	Bajo de la Cabezueta, s/n.11510 Puerto Real. Cadiz. Spain.	100.00%
Atil-Cobra, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Atlántica I Parque Eólico, S.A.	Av. Carlos Gómez. Porto Alegre. Brazil.	99.99%
Atlántica II Parque Eólico, S.A.	Avda. Marechal Camera, 160. Sala 120. Rio de Janeiro. Brazil.	99.99%
Atlántica IV Parque Eólico, S.A.	Avda. Marechal Camera, 160. Sala 120. Rio de Janeiro. Brazil.	99.99%
Atlántica V Parque Eólico, S.A.	Avda. Marechal Camara, 160. Rio de Janeiro. Brazil.	99.99%
Atlântico- Concessões Transp Energia do Brazil Ltda.	Rua Marcos Macedo 1333 sala 1410 Ed. P tio D. Luiz Torre II. 60150-190. Fortaleza. Brazil.	67.09%
Audeli, S.A.	C/ Anabel Segura 11, edificio 2 C. Madrid 28108. Spain.	73.00%
B.I. Josebeso, S.A.	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela	82.80%
Barra do Peixe Montagens e Serviços, Ltda.	Avd. Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil.	99.90%
Benisaf Water Company, Spa	29 Bis Rue Abou Nouas, Hydra - Alger. Argel. Algeria.	51.00%
Berea Eólica, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	70.00%
Biobeiraner, Lda.	3475-031 Caramulo. Fresquesia do Guardao - Conelho de Tondela. Portugal.	21.62%
Biodemira, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal.	74.54%
Bioparque Mira, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal.	74.54%
Biorio, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal.	74.54%
BTOB Construccion Ventures, S.L.	C/ Teide, 4-1ª Plta. 28709 San Sebastián de los Reyes. Madrid. Spain	100.00%
C. A. Weinfer de Suministro de Personal	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela	82.80%
Cachoeira Montages e Serviços, Ltda.	Marechal Camera,160 Rio de Janeiro. Brazil 20020	100.00%
Calidad e Inspecciones Offshore, S.L.	Bajo de la Cabezueta, s/n.11510 Puerto Real. Cadiz. Spain.	100.00%
California Sun Power, LLC.	818 West Seventh Street Los Angeles California 90017. United States of America	100.00%
Calvache Eólica, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	70.00%
Carta Valley Wind Power, LLC.	2711 Centerville Road Suite 400. Wilmington county of New Castle delaware 19808. U.S.A.	100.00%
Castellwind Asturias, S.L.	C/ Celestino Junquera, 2, oficina 56. Gijón Spain	65.22%
Catalana de Treballs Públics, S.A.	Carretera del Mig, 37. 08940 Cornellà de Llobregat. Barcelona. Spain	100.00%
Cataventos Acarau, Ltda.	Fazenda Libra Acarau S/N. 62.580-000. Acarau, Estado do Cear. Brazil.	74.54%
Cataventos de Paracuru, Ltda.	Sítio Freixiras S/N. 62.680-000. Paracuru, Estado do Cear. Brazil.	74.54%
Cataventos Embuaca, Ltda.	Fazenda Bodes S/N Praia da Embuaca. 62.690-000. Trairi, Estado do Cear. Brazil.	74.54%
Catxeré Transmissora de Energia, S.A.	Av. Marechal Camara, 160 Sala 1036 (parte) Rio de Janeiro - Brazil	100.00%
CCR Platforming Cangrejera S.A. de C.V.	C/ Juan Racine, 112 Piso 8. 11510 Mexico DF	68.00%
Central Térmica de Mejillones, S.A	Avda. José Pedro Alessandri 2323 Maclul. Santiago de Chile. Chile	100.00%
Centro de Control Villadiego, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Chaparral Wind Power, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%

Company	Registered Office	% Effective Ownership
CIL	Avda. Marechal Camera 160. Rio de Janeiro. Brazil	100.00%
CM- Construções, Ltda.	Rua, XV de Novembro 200, 14º Andar San Paulo. Brazil CPE 01013-000	74.54%
Cme Águas, S.A.	Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo. Portugal	74.54%
Cme Angola, S.A.	Av. 4 de Fevereiro, 42. Luanda. Angola.	74.54%
CME Cabo Verde, S.A.	Achada Santo António. Praia. Cabo Verde.	74.54%
CME Chile, SPA.	Puerto Madero 9710, Of 35-36A. Pudahuel. Chile.	74.54%
CME Construction Mecano Electric, S.A.	332 Bd. Brahim Roudani 12 Ma rif. Casablanca 01. Morocco	74.54%
Cme Madeira, S.A.	Rua Alegria N.º 31-3º. Madeira. Portugal	37.79%
CME Peru, S.A.	Av. Víctor Andrés Belaunde 395. San Isidro. Lima. Peru.	74.54%
Cobra Bahia Instalações e Serviços	Cuadra 4, 10 Estrada do Coco/Bahia Brazil 47680	100.00%
Cobra Bolivia, S.A.	Rosendo Gutierrez, 686 Sopocachi. Bolivia	100.00%
Cobra Concesiones Brazil, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Concesiones, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra CSP United States of America, Inc.	2711 Centerville Road, Suite 400, Wilmington. County of Newcastle. Delaware 19808. United States of America	100.00%
Cobra Energy Investment, LLC.	7380 West Sahara, Suite 160. Las Vegas NV 89117. United States of America.	100.00%
Cobra Energy, Ltd	60 Solonos street, Athens. Greece	100.00%
Cobra Gestión de Infraestructuras, S.L.U	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Gibraltar Limited	Suites 21&22 Victoria House, 26 Main Street. Gibraltar	100.00%
Cobra Great Island Limited	160 Shelbourne Road Ballbridge. Dublin. Ireland	100.00%
Cobra Industrial Services, Inc.	3511 Silverside road suite 105. Wilmington Delaware 19810 County of New Castle. United States of America	100.00%
Cobra Infraestructuras Hidráulicas, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Infraestructuras Internacional, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Ingeniería de Montajes, S.A.	Fernando Villalon, 3. 41004 Sevilla. Spain.	100.00%
Cobra Instalaciones Mexico, S.A. de C.V.	C/ Melchor Ocampo, 193 Colonia Verónica Anzures. Mexico	100.00%
Cobra Instalaciones y Serv. India PVT	B-324 New Friends Colony New Delhi-110 025. India	100.00%
Cobra Instalaciones y Servicios Internacional, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Instalaciones y Servicios Dominican Republic	Av. Anacanoa Hotel Dominican Fiesta Santo Domingo, DN. Santo Domingo. Dominican Republic	100.00%
Cobra Instalaciones y Servicios, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Instalacoes y Servicios, Ltda.	Rua Uruguai, 35, Porto Alegre, Rio Grande do Sul. Brazil	100.00%
Cobra Inversiones y Gestión, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra La Rioja Sur	Concepción Arenal 2630 CP 1426 Capital Federal Buenos Aires. Argentina	100.00%
Cobra Peru II, S.A.	Avda. Víctor Andrés Belaúnde 887 Distrito: Carmen de Le Legua Reinoso. Peru	100.00%
Cobra Peru, S.A.	Avda. Víctor Andrés Belaúnde 887 Distrito: Carmen de Le Legua Reinoso. Peru	100.00%
Cobra Servicios Auxiliares, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Sistemas de Seguridad, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Sistemas y Redes, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Solar del Sur, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Sun Power United States of America, Inc.	2711 Centerville Road Suite 400. Wilmington Country of New Castle Delaware 19808. United States of America	100.00%
Cobra Termosolar United States of America, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Thermosolar Plants, Inc.	3773 Howard Hughes. Las Vegas, Nevada. United States of America	100.00%
Cobra-Udisport Conde de Guadalhorce, S.L.	Paseo Cerrado de Calderón, 18. Edif. Mercurio 1º Plta. 29018 Málaga. Spain	51.00%
COICISA Industrial, S.A. de C.V.	Melchor Ocampo, 193 Verónica Anzures 11300. Mexico	60.00%
Coinsal Instalaciones y Servicios, S.A. de C.V.	Residencial Palermo, Pasaje 3, polígono G Casa #4 San Salvador, El Salvador	100.00%
Coismar Instalaciones y Servicios, SARLAU	210 Boulevard Serketoungi Angle Boulevard Roudani nº 13, Maarif 2100. Casablanca. Morocco	100.00%
Concesionaria Angostura Sigüas, S.A.	Avda. Victor Andrés Belaunde, 887. Lima. Peru	60.00%
Consortio Especializado Medio Ambiente, S.A. de C.V	Melchor Ocampo, 193 piso 14. Mexico D.F. Mexico	60.00%
Consortio Sice-Comasca TLP S.A.	Av. Vitacura 2670. Oficina 702 – piso 7. Las Condes Santiago de Chile. Chile	50.00%
Construção e Manutenção Electromecânica S.A. (CME)	Rua Rui Teles Palhinha 4 Leião 2740-278 Porto Salvo. Portugal	74.54%
Construcciones Dorsa, S.A.	Cristóbal Bordiú, 35-5º oficina 515-517. Madrid. Spain	99.73%
Control y Montajes Industriales Cymi Chile, Ltda.	C/ Apoquindo 3001 Piso 9.206-744 Las Condes. Santiago de Chile. Chile.	100.00%
Control y Montajes Industriales CYMI, S.A.	C/ Teide 4, 2ª Planta. 28709 San Sebastián de los Reyes. Madrid. Spain	100.00%
Control y Montajes Industriales de Méjico, S.A. de C.V.	C/ Juan Racine, 116- 6º. 11510 Mexico DF	100.00%
Corporación Ygnus Air, S.A.	C/ Anabel Segura 11, edificio 2 C. Madrid 28108. Spain.	73.00%
Cosersa, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain	100.00%
Cotefy S.A. de C.V.	Calzada de las Águilas, 1948. Ensenada. Mexico	80.00%
Cymi do Brazil, Ltda.	Av. Presidente Wilson 231, sala 1701 20030-020 Rio de Janeiro. Brazil	100.00%
Cymi Holding, S.A.	Av. Presid Wilson 231 Sala 1701 Parte Centro. Rio de Janeiro. Brazil	100.00%
Cymi Investment United States of America, S.L.	C/ Teide, 4-2ª Plta. 28709 San Sebastián de los Reyes. Madrid. Spain	100.00%
Cymi Seguridad, S.A.	C/ Teide, 4-2ª Plta. 28709 San Sebastián de los Reyes. Madrid. Spain	100.00%
Cymimasa Serviços Industriais Ltda.	Avda. Presidente Wilson nº 231, Sala 1701 Parte cero. Rio de Janeiro. Brazil	100.00%
Delta P I, LLC.	400-A Georgia Av. Deer Park Texas 77536. United States of America	85.00%
Depuradoras del Bajo Aragón S.A.	Paraíso 3- 50410 Cuarte de Huerva. Zaragoza. Spain	55.00%
Desarrollo Informático, S.A.	Avda. de Santa Eugenia, 6. 28031 Madrid. Spain	100.00%
Desarrollos Energéticos Riojanos, S.L.	Pol. Industrial Las Merindades, calle B s/n, Villarcayo. 09550 Burgos. Spain	80.00%
Dimática, S.A.	C/ Saturnino Calleja, 20. 28002 Madrid. Spain	100.00%
Dinsa Eléctricas y Cymi, S.A. de CV	C/ Juan Racine, 116-6º. 11510 Mexico DF	100.00%
Dragados Construc. Netherlands, S.A.	Claude Debussylaan 24, 1082 MD Amsterdam. Netherlands	100.00%

Consolidated Financial Statements

Company	Registered Office	% Effective Ownership
Dragados Gulf Construction, Ltda.	P. O Box 3140 Al Khobar 31952 Kingdom of Saudi Arabia	100.00%
Dragados Industrial, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Dragados Industrial Algeria S.P.A.	Lot nº7 - Ville Coopérative El Feteh - El Bihâr. Alger. Algérie	100.00%
Dragados Industrial Canada, Inc.	620 Rene Levesque West Suite 1000 H3B 1 N7 Montreal. Quebec. Canada	100.00%
Dragados Offshore de Méjico KU-A2, S.A. de C.V.	Juan Racine n 112, piso 8, Col. Los Morales 11510 Mexico D.F.	100.00%
Dragados Offshore de Méjico, S.A. de C.V.	Juan Racine n 112, piso 8, Col. Los Morales 11510 Mexico D.F.	100.00%
Dragados Offshore United States of America, Inc.	One Riwerway, Suite 1700.77056 Texas. Houston. United States of America	100.00%
Dragados Offshore, S.A.	Bajo de la Cabezueta, s/n. 11510 Puerto Real. Cádiz. Spain	100.00%
Dragados Proyectos Industriales de Méjico, S.A. de C.V.	Juan Racine 112 8 piso Colonia Los Morales Mexico (DF) Delegacion Miguel Hidalgo 11510	100.00%
Dyctel infraestrutura de Telecomunicações, Ltda.	C/ Rua Riachuelo, 268. 90010 Porto Alegre. Brazil	100.00%
Dyctel Infraestructuras de Telecomunicaciones, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	100.00%
Ecocivil Electromur G.E., S.L.	C/ Paraguay, Parcela 13/3. 30169 San Ginés. Murcia. Spain	94.50%
El Otero Wind Power, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
El Recuenco Eólica, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
Electren United States of America Inc.	500 Fifth Avenue, 38th floor. Nueva York 10110. United States of America	100.00%
Electrén, S.A.	Avda. del Brazil, 6. 28020 Madrid. Spain	100.00%
Electromur, S.A.	C/ Cuatro Vientos, 1. San Ginés. Murcia. Spain	100.00%
Electronic Traffic, S.A.	C/ Tres Forques, 147. 46014 Valencia. Spain	100.00%
Emplogest, S.A.	Rua Alfredo Trindade, 4 Lisboa. 01649 Portugal	98.21%
Emurtel, S.A.	C/ Carlos Egea, parc. 13-18. Pl. Oeste. Alcantarilla. Murcia. Spain	50.10%
Enclavamientos y Señalización Ferroviaria, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	100.00%
Enelec, S.A.	Av. Marechal Gomes da Costa 27. 1800-255 Lisboa. Portugal	100.00%
Energía Sierrezuela, S.L.	Cardenal Marcelo Spínola, 10. Madrid 28016. Spain	100.00%
Energía y Recursos Ambientales Internacional, S.L.	Cardenal Marcelo Spínola, 10. Madrid 28016. Spain	100.00%
Energías Ambientales de Guadalajara, S.L.	Cardenal Marcelo Spínola, 10. Madrid 28016. Spain	100.00%
Energías Ambientales de Oaxaca, S.A. de C.V.	Juan Racine, 112 piso 6 Mexico D.F.	100.00%
Energías Ambientales de Soria, S.L.	Cardenal Marcelo Spínola, 10. Madrid 28016. Spain	100.00%
Energías Renovables Andorranas, S.L.	Cardenal Marcelo Spínola, 10. Madrid 28016. Spain	75.00%
Energías y Recursos Ambientales, S.A.	Avda. de Pio XII, 102. 28036 Madrid. Spain	100.00%
Enipro, S.A.	Rua Rui Teles Palhinha, 4. Leião. 2740-278 Porto Salvo. Portugal	74.54%
Enq, S.L.	C/ F, nº 13. Pl. Mutilva Baja. Navarra. Spain	100.00%
Eólica del Guadiana, S.L.	C/ Manuel Siurot, 27. 21004 Huelva. Spain	90.00%
Eólica Majadillas, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
Eólica Torrellana, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
EPC Ciclo Combinado Norte, S.A. de C.V.	Melchor Ocampo, 193, Torre C piso 14D. 11300 Mexico D.F. Mexico	75.00%
Equipos de Señalización y Control, S.A.	C/ Severino Covas, 100. Vigo. Pontevedra. Spain	100.00%
Etra Cataluña, S.A.	C/ Mercuri, 10-12. Cornellá de Llobregat. Barcelona. Spain	100.00%
Etra Interandina, S.A.	C/ 100, nº 8A-51, Of. 610 Torre B. Santafe de Bogota. Colombia	100.00%
Etra Investigación y Desarrollo, S.A.	C/ Tres Forques, 147. 46014 Valencia. Spain	100.00%
Etracontrol, S.L.	Av. Manóteras, 28.28050 Madrid. Spain.	100.00%
Etralux, S.A.	C/ Tres Forques, 147. 46014 Valencia. Spain	100.00%
Etranorte, S.A.	C/ Errerruena, pab. G. Pl. Zabalondo. Munguía. Vizcaya. Spain	100.00%
Extresol 2, S.L.	Torre de Miguel Sesmero. Badajoz Carretera N-432 Badajoz-Granada km 32,700. Spain	100.00%
Extresol 3, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Extresol-1, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Extresol-4 S.L.	Cardenal Marcelo Spínola, 10.28016 Madrid. Spain	100.00%
Eyra Energías y Recursos Ambientais, Lda.	Avda Sidonio Pais, 28 Lisboa. Portugal	98.00%
Eyra Instalaciones y Servicios, S.L.	Cardenal Marcelo Spínola,10.28016 Madrid. Spain	100.00%
Eyra Wind Power United States of America Inc	2711 Centerville Road Suite 400. Wilmington county of New Castle delaware 19808. United States of America	100.00%
France Semi, S.A.	20/22 Rue Louis Armand rdc. 75015 Paris. France	99.73%
Fuengirola Fotovoltaica, S.L.	CL Sepulveda, 6 28108 Alcobendas. Madrid. Spain	100.00%
Garby Aprovechamientos Energéticos, S.L.	José Luis Bugallal Marchesi, 20. 15008 La Coruña. Spain	100.00%
Geida Beni Saf, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Gerovitae La Guanchar, S.A.	Ctra. del Rosario Km 5,2. La Laguna. 38108 Santa Cruz Tenerife. Islas Canarias. Spain	100.00%
Gestão de Negocios Internacionais SGPS, S.A.	Rua Rui Teles Palhinha 4 - 3ª Lei o 2740-278. Porto Salvo. Portugal.	74.54%
Global Spa, S.L.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	100.00%
Golden State Environmental Tedagua Corporation, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Grafic Planet Digital, S.A.U.	C/ Anabel Segura,10 2º. 28109 Madrid. Spain	100.00%
Guatemala de Tráfico y Sistemas, S.A.	C/ Edificio Murano Center, 14. Oficina 803 3-51. Zona 10. Guatemala	100.00%
H.E.A Instalações Ltda.	Rua das Patativas, 61 Salvador de Bahia. Brazil	55.00%
Hidra de Telecomunicaciones y Multimedia, S.A.	C/ Severo Ochoa, 10. 29590 Campanillas. Málaga. Spain	100.00%
Hidraulica de Cochea, S.A.	Dr Ernesto Perez Balladares, s/n. Chiriqui. Panama	100.00%
Hidráulica de Mendre, S.A.	Dr. Ernesto Pérez Balladares. Provincia de Chiriqui. Panama	100.00%
Hidráulica de Pedregalito S.A.	Urbanización Doleguita Calle D Norte, Edificio Plaza Real, Apto/Local 1. Chiriqui. Panama	100.00%
Hidráulica del Alto, S.A.	Dr. Ernesto Pérez Balladares. Provincia de Chiriqui. Panama	75.00%
Hidráulica del Chiriqui, S.A.	Dr. Ernesto Pérez Balladares. Provincia de Chiriqui. Panama	100.00%
Hidráulica Río Piedra, S.A.	Dr. Ernesto Pérez Balladares David. Chiriqui. Panama	100.00%
Hidráulica San José, S.A.	Dr. Ernesto Perez Balladares, s/n. Chiriqui. Panama	100.00%

Company	Registered Office	% Effective Ownership
Hidrogestión, S.A.	Avda. Manoteras, 28. Madrid. Spain	100.00%
Hidrolazan, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Humiclíma Caribe Cpor A. Higüey	Ctra Cruce De Fri United States of America, s/n. Higüey. Altigracia. Dominican Republic	100.00%
Humiclíma Centro, S.A.	C/ Orense,4 1º planta. 28020 Madrid. Spain	100.00%
Humiclíma Est Catalunya, S.L.	Carretera del Mig, 37. 08940 Cornellá de Llobregat. Barcelona. Spain	100.00%
Humiclíma Est, S.A.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	100.00%
Humiclíma Jamaica Limited	Corner Lane 6 Montego Bay. St James. Jamaica	100.00%
Humiclíma Magestic Grupo, S.L.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	100.00%
Humiclíma Mexico, S.A. de C.V.	Cancun (Quintana De Roo). Mexico	100.00%
Humiclíma Panama, S.A.	Calle 12, Corregimiento de Rio Abajo. Panama	100.00%
Humiclíma Sac, S.A.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	100.00%
Humiclíma Sur, S.L.	C/ Morocco, 12. Jérez de La Frontera. Cádiz. Spain	100.00%
Humiclíma Valladolid, S.L.	C/ Puente Colgante, 46. Valladolid. Spain	100.00%
Hydro Management, S.L.	Avda. Teniente General Gutierrez Mellado, 9. 30008 Murcia. Spain	79.63%
Iberoamericana de Hidrocarburos, S.A. de C.V.	C/ Melchor Ocampo 193. Colonia Verónica Anzures. Mexico	59.50%
ImesAPI Maroc	Rue ibnou El Coutia. Lotissement At Tawfiq hangar 10. Casablanca. Morocco	100.00%
Imesapi, LLC.	The Corporation Trust Center, 1209 Orange Street. Wilmington, Delaware 19801. United States of America.	100.00%
ImesAPI, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain	100.00%
Imocme, S.A.	Rua Rui Teles Palhinha, 4. Leião. 2740-278 Porto Salvo. Portugal	74.54%
Infraest. Energéticas Medioambi. Extremeñas, S.L.	Polígono Industrial Las Capellanías. Parcela 238B. Cáceres. Spain	100.00%
Infraestructuras Energéticas Aragonesas, S.L.	C/ Paraíso, 3. 50410 Cuarte de Huerva. Zaragoza. Spain	100.00%
Infraestructuras Energéticas Castellanas, S.L.	Aluminio, 17. 47012 Valladolid. Spain	51.00%
Ingeniería de Transporte y Distribución de Energía Eléctrica, S.L. (Intradel)	Cardenal Marcelo Spínola,10.28016 Madrid. Spain	100.00%
Initec do Brazil Engenharia e Construcoes, Ltda.	Avenida Rio Branco, 151 5º andar, Grupo 502, Centro.20040 - 911 Rio de Janeiro. Brazil	100,00%
Initec Energía Ireland, LTD.	The Oval, Block 3, 2nd Floor, Shelbourne Road Ballsbridge 160. Dublin 4. Ireland	100.00%
Initec Energía, S.A.	Vía de los Poblados, 11. 28033 Madrid. Spain	100.00%
Injar, S.A.	C/Catamarca Esq. C/Mendoza Polígono El Sebadal. 35008 Las Palmas. Islas Canarias. Spain	100.00%
Inotec	Rua Vula Matadi, 154 - Vila Alice, Luanda. Angola	33.75%
Instalaciones y Montajes de Aire Climatizado, S.L.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	100.00%
Instalaciones y Servicios Codeni, S.A.	De la Casa del Obrero 1C Bajo, 2C Sur, 75 Varas abajo, Casa #1324 Bolonia Managua. Nicaragua	100.00%
Instalaciones y Servicios Codepa, S.A.	Calle 12, Rio Abajo Ciudad de Panama. Panama	100.00%
Instalaciones y Servicios Codeven, C.A.	Avda. S. Fco. Miranda. Torre Parque Cristal. Torre Este, planta 8. Oficina 8-10. Chacao. Caracas. Venezuela	100.00%
Instalaciones y Servicios INSERPA, S.A.	Urb. Albrook C/Principal Local 117. Panama	100.00%
Intebe, S.A.	C/ Doctor Alexandre Frias nº 3, 3º C. Cambrils. Tarragona. Spain	99.40%
Intecsa Ingeniería Industrial, S.A.	Vía de los Poblados, 11. 28033 Madrid. Spain	100.00%
Integrated Technical Products, LLC.	1117 Joseph Street Shreveport Louisiana LA 71107. United States of America	85.00%
Invexta Recursos, S.L.	Ayala, 120. 28006 Madrid. Spain	100.00%
Iracema Transmissora de Energía, S.A.	Av. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil	100.00%
Iscobra Instalacoes e Servicos, Ltda.	General Bruce,810 Rio de Janeiro. Brazil 20921	100.00%
Itumbiara Marimbondo, Ltda.	Marechal Camera,160 Rio de Janeiro. Brazil 20020	100.00%
La Caldera Energía Burgos, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	61.79%
LestEnergía	Calçada Da Rabaça, Nº 11. Penamacor. Portugal	74.54%
Linhas de Transmissao de Montes Claros, Ltda.	Avda. Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil.	100.00%
Linhas de Transmissao do Itatim, Ltda.	Avda. Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil.	100.00%
Litran do Brazil Partipacoes S.A.	Avda. Marechal Camera 160, sala 1808. Rio de Janeiro. Brazil.	75.00%
LTE Energía, Ltda.	Pz. Centenario - Av. Nações Unidas 12995. 04578-000. Sao Paulo. Brazil.	74.54%
Lumicán, S.A.	C/ Arco, nº 40. Las Palmas de Gran Canaria. Islas Canarias. Spain	100.00%
Lusobrisa	Rua Rui Teles Palhinha, 4-3º. Leião 2740-278 Porto Salvo. Portugal	74.54%
Luziana Montagens e Servicos, Ltda.	Av. Marechal Camara, 160. Rio de Janeiro. Brazil	100.00%
Maessa Telecomunicaciones, S.A. (MAETEL)	C/ Bari, 33 Edificio 3. 50197 Zaragoza. Spain	99.40%
Maintenance et Montages Industriels S.A.S	64 Rue Montgrand. Marseille. 13006 Marseille. France.	100.00%
Makiber, S.A.	Paseo de la Castellana, 182-2º. 28046 Madrid. Spain	100.00%
Manchasol 1 Central Termosolar Uno, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Manchasol 2 Central Termosolar Dos, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Mantenimiento y Montajes Industriales, Masa Chile, Ltda.	C/ Apoquindo 3001 Piso 9.206-744 Las Condes. Santiago de Chile. Chile.	100.00%
Mantenimiento y Montajes Industriales, S.A.	Edif. Milenium, C/ Teide 5-1º. 28709 San Sebastián de los Reyes. Madrid. Spain	100.00%
Mantenimientos Integrales Senax, S.A.	C/ Tarragones, 12. L'Hospitalet de L'Infant. Tarragona. Spain	100.00%
Mantenimientos, Ayuda a la Explotación y Servicios, S.A. (MAESSA)	C/ Cardenal Marcelo Spínola Nº 42 - planta 11º. 28016 Madrid. Spain	100.00%
Mas Vell Sun Energy, S.L.	C/ Prósper de Bofarull, 5. Reus (Tarragona). Spain	100.00%
Masa Algeciras, S.A.	Av. Blas Infante, Edificio Centro Blas Infante, local 8. 11201 Algeciras. Cádiz. Spain	100.00%
Masa Galicia, S.A.	Políg. Ind. De la Grela - C/ Guttember, 27, 1º Izqd. 15008 La Coruña. Spain	100.00%
Masa Huelva, S.A.	C/ Alonso Ojeda, 1. 21002 Huelva. Spain	100.00%
Masa Méjico, S.A. de C.V.	C/ Juan Racine, 112, 8º - Colonia Los Morales, Del. Miguel Hidalgo - 11510 Mexico D.F.	100.00%
Masa Norte, S.A.	C/ Ribera de Axpe, 50-3º. 48950 Erandio Las Arenas. Vizcaya. Spain	100.00%
Masa Puertollano, S.A.	Crta. Calzada de Calatrava, km. 3,4. 13500 Puertollano. Ciudad Real. Spain	100.00%
Masa Servicios, S.A.	Políg. Ind. Zona Franca, Sector B, Calle B. 08040 Barcelona. Spain	100.00%

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Company	Registered Office	% Effective Ownership
Masa Tenerife, S.A.	Pº Milicias de Garachico, 1, 4º, Ofic. 51 - Edif. Hamilton. 38002 Sta. Cruz de Tenerife. Islas Canarias. Spain	100.00%
MASE Internacional, CRL	PO Box 364966. San Juan. Puerto Rico.	100.00%
Menci, S.L.	C/ Biniarroca s/n, Local 16. 07710 Sant Lluís. Menorca. Islas Baleares. Spain.	100.00%
Mexicana de Servicios Auxiliares, S.A. de C.V.	Av. Paseo de la Reforma, 404. Piso 15.1502. Colonia Juárez. Delegación Cuauhtemoc. 06600 Mexico D.F. Mexico	100.00%
Mexicobra, S.A.	Colonia Polanco C/Alejandro Dumas,160. Mexico D.F. 11500	100.00%
Mexsemi, S.A. de C.V.	Avda. Dolores Hidalgo 817 CD Industrial Irapuato Gto. 36541. Mexico	99.73%
Midasco, Llc.	7121 Dorsey Run Road Elkridge. Maryland 21075-6884. United States of America	100.00%
Mimeca, C.A.	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela	82.80%
Minuano Montangens e Servicios, Ltda.	Avda. Marechal Camera, 160 Sala 1626. Rio de Janeiro. Brazil	100.00%
Moncobra Canarias Instalaciones, S.A.	León y Castillo, 238. 35005 Las Palmas de Gran Canaria. Islas Canarias. Spain	100.00%
Moncobra Peru	Avda Víctor Andrés Belaúnde 887 Distrito: Carmen de la Legua Reinosa. Peru	100.00%
Moncobra, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Monelec, S.L.	C/ Ceramistas, 14. Málaga. Spain	100.00%
Montrasa Maessa Asturias, S.L.	C/ Camara, nº 54-1º dchra. 33402 Avilés. Asturias. Spain	50.00%
Moyano Maroc SRALU	269 8D Zertouni Etg 5 Appt 1. Casablanca. Morocco	100.00%
Murciana de Tráfico, S.A.	Carril Molino Nerva, s/n. Murcia. Spain	100.00%
NGS - New Generation Services, Ltda.	Pz. Centenario - Av. Nações Unidas 12995. 04578-000Sao Paulo. Brazil	74.54%
NGS - New Generation Supplier, Unipessoal Lda	Rua Rui Teles Palhinha, Nº 4, 3º Andar 2740-278 Porto Salvo Lisboa. Portugal	74.54%
North Africa Infrastructures, S.L.	Cardenal Marcelo Spínola, 10.28016 Madrid. Spain	51.00%
OCP Peru	Avda Víctor Andrés Belaúnde 887 Distrito: Carmen de la Legua Reinosa	100.00%
Oficina Técnica de Estudios y Control de Obras, S.A	C/ Guzmán el Bueno, 133-1º. Edificio Britania. 28003 Madrid. Spain	100.00%
Opade Organizac. y Promoc. de Actividades Deportivas, S.A.	Avda. de América, 10. Madrid. Spain	100.00%
PE. Sierra de las Carbás, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	61.79%
PE. Marcona, S.R.L.	Alfredo Salazar, 409 Miraflores. Lima. Peru	99.99%
PE. Monte das Aguas, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	60.00%
PE. Monte dos Nenos, S.L.	José Luis Bugallal Marchesi, 20. 15008 La Coruña. Spain	100.00%
PE. Donado, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
PE. Tesosanto, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	61.79%
Parque Eólico Buseco, S.L.	Comandante Caballero, 8. 33005 Oviedo. Asturias. Spain	80.00%
Parque Eólico de Valdecarro, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Parque Eólico La Boga, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	75.00%
Parque Eólico Marmellar, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	70.10%
Parque Eólico Santa Catalina, S.L.	La Paz, 23-2ºB. Valencia. Spain	100.00%
Parque Eólico Tadeas, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	51.48%
Parque Eólico Tres Hermanas, S.A.C	Avda. Alfredo Salazar,409. Lima. Peru	100.00%
Parque Eólico Valcaire, S.L.	Ayuntamiento, 7 Padul. 18640 Granada. Spain	100.00%
Parque Eólico Valdehiero, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	51.48%
Percomex, S.A.	Melchor Ocampo, 193 Torre C-Colonia Verónica Anzures. Mexico	100.00%
Pilatequia, S.L.	C/ Velazquez 61 Planta 1, Puerta IZQ.28001 Madrid. Spain	52.18%
Planta de Tratamiento de Aguas Residuales, S.A.	Avda Argentina, 2415 Lima. Peru	100.00%
Porto Primavera, Ltda.	Rua Marechal Camara,160. Rio de Janeiro. Brazil	100.00%
Procmex, S.A.	Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo. Portugal	74.54%
Promservi, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain	100.00%
Recursos Ambientales de Guadalajara, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
Recursos Eólicos de Mexico, S.A. de C.V.	Juan Racine, 112 piso 6. Mexico D.F. Mexico	100.00%
Red Top Wind power, LLC.	2711 Centerville Road Suite 400. Wilmington County of New Castle Delaware 19808. United States of America	100.00%
Remodelación el Sauz, S.A. de C.V.	José Luis Lagrande, 103 P-8. Los Morales Polanco. Mexico	95.00%
Repotenciación C.T. Manzanillo, S.A. de C.V.	Juan Racine,112 piso 8. Mexico D.F. Mexico.	100.00%
Riansares Eólica, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	70.00%
Ribagrande Energía, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
Rioparque, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal	74.54%
Robledo Eólica, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
Roura Cevasa, S.A.	Caracas, 5. Barcelona. Spain	100.00%
Salmantina de Seguridad Vial, S.A.	Cascalajés, 65-69. 37184 Villares de la Reina. Salamanca. Spain	100.00%
Sao-Simao Montangens e Servicos de Electricidade, Ltda.	Rua Marechal Camara, 160. Rio de Janeiro. Brazil	100.00%
Sedmiruma, S.R.L.	Bucarest, sector 3, Str Ion Nistor 4. Romania	100.00%
Sedmive, C.A. (Soc. Españ. Montajes Indus Venezuela)	Av. Rómulo Gallegos con 4ta. Av. Palos Grandes, 1ra. Av. Santa Eduvigis, edificio KLM, piso 2 oficina 2-D Urb. Los Palos Grandes, zona postal 1060 Caracas, Venezuela	100.00%
Seguridad Integral Metropolitana, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	90.00%
SEMI Bulgaria, S.L.U.	Calle Stara Planina, 5. Sofia. Bulgaria	100.00%
Semi Germany, S.A.	Schlüter Str. 17 10625. Berlin. Germany	100.00%
Semi Italy, S.R.L.	Via Uberto Visconti Di Modrone 3. Milan. Italy	100.00%
Semi Maroc, S.A.	5 Rue Fakir Mohamed. Casablanca Sidi Belyout. Morocco	99.73%
SEMI Panama, S.A.	Edificio El Peñón, calle 40, Bellavista. Panama	100.00%
Semi Polska	Ul. Flory 9. Warsaw. Poland	100.00%
Semi Dominican Republic, S.R.L.	Av John Kennedy, Esq Lope de Vega, Edif. Scotiabank. Santo Domingo. Dominican Republic	100.00%
Semicosta Inc Sociedad Anónima	Diagonal al parque del Centro Comercial el Pueblo. San José. Costa Rica	100.00%

Company	Registered Office	% Effective Ownership
Sermacon Joel, C.A.	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela	82.80%
Sermicro, S.A.	C/ Pradillo, 46. 28002 Madrid. Spain	100.00%
Serpimex, S.A. de C.V.	Juan Racine 112 8. Colonia Los Morales Polanco. Delegación Miguel Hidalgo. Mexico DF 11510	100.00%
Serpista, S.A.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	51.00%
Serrezuela Solar II, S.L.	Rafael Calvo, 42 Bj Dcha.28010 Madrid. Spain	100.00%
Serveis Catalans, Serveica, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain	100.00%
Servicios Administrativos Offshore, S.A. de C.V.	Juan Racine 112 8º piso Colonia Los Morales 11510. Mexico D.F. Mexico	100.00%
Servicios Cymimex, S.A. de C.V.	Juan Racine 112 6º piso Colonia Los Morales 11510. Mexico D.F. Mexico	100.00%
Servicios Dinsa, S.A. de C.V.	Juan Racine 112 3º piso Colonia Los Morales Mexico (DF) Delegación Miguel Hidalgo 11510	100.00%
Servicios Logísticos y Auxiliares de Occidente, S.A.	Avda. Ofibodegas Los Almendros, 3 13-35 Guatemala	100.00%
Servicios Operativos Offshore, S.A. de C.V.	Juan Racine Nº 112 Piso 8 Col. Los Morales C.P 11510 Mexico D.F.	100.00%
Servicios Proyectos Industriales de Méjico, S.A. de C.V.	Juan Racine 112 8 piso Colonia Los Morales Mexico (DF) Delegación Miguel Hidalgo 11510	100.00%
Sete Lagoas Transmissora de Energia, Ltda.	Avda. Marechal Camera, 160. Rio de Janeiro. Brazil.	100.00%
Setec Soluções Energeticas de Transmissao e Controle, Ltda.	Av. Presidente Wilson 231, sala 1701 20030-020 Rio de Janeiro. Brazil	100.00%
Sice do Brazil, S.A.	C/ Joaquim Eugenio de Lima, 680. Sao Paulo. Brazil	100.00%
Sice Energía, S.L.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain	100.00%
Sice Hellas Sistemas Tecnológicos Sociedad Unipersonal de Responsabilidad Limitada	C/ Omirou. 14562 Kifissia. Greece	100.00%
Sice NZ Limited	Level 4, Corner Kent & Crowhurst Streets, New Market. Auckland, 1149. Australia	100.00%
SICE PTY, Ltd.	Level 5, Mayne Building. 390 St. Kilda Road, Melbourne, Vicotira 3004. Australia	100.00%
Sice Puerto Rico, Inc.	C/ Fordham 275 San Juan PR 00927. University Gardens. Puerto Rico	100.00%
Sice South Africa Pty, Ltd.	C/ PO Box 179. 009 Pretoria, Sudáfrica	100.00%
Sice Tecnología en Minería, S.A.	Av. Vítacura 2670. Oficina 702 – piso 7. Las Condes Santiago de Chile. Chile	100.00%
Sice Tecnología y Sistemas, S.A.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain	100.00%
SICE, Inc.	Two Alhambra Plaza,suite 1106. Coral Gables. Fl 33134. Miami. United States of America	100.00%
SICE, LLC.	Rublesvkoye Shosse 83/1 121467 Moscu. Russia	100.00%
Sidetel, S.A.	Avda. Manoteras, 28. Madrid. Spain	100.00%
Sistemas Integrales de Mantenimiento, S.A.	C/ Teide, 5-1º. 28709 San Sebastián de los Reyes. Madrid. Spain	100.00%
Sistemas Radiantes F. Moyano, S.A.	C/ De La Cañada, 53. 28850 Torrejón de Ardoz. Madrid. Spain	100.00%
Sistemas Sec, S.A.	C/ Miraflores 383. Santiago de Chile. Chile	51.00%
Small Medium Enterprises Consulting, B.V.	Claude Debussylaan, 44, 1082 MD. Amsterdam. Netherlands	74.54%
Soc Iberica de Construcciones Electricas de Seguridad, S.L.	C/ La Granja 29. 28108 Alcobendas. Madrid. Spain	100.00%
Soc. Española de Montajes Industriales, S.A. (SEMI)	C/ Manzanares, 4. 28005 Madrid. Spain	99.73%
Sociedad Ibérica de Construcciones Eléctricas, S.A.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain	100.00%
Sociedad Industrial de Construcción Eléctricas, S.A	C/ Aquilino de la Guardia. Edificio IGRA Local 2. Urbanización Bella Vista Panama	100.00%
Sociedad Industrial de Construcciones Eléctricas de Costa Rica, S.A.	C/ San Jose Barrio Los Yosés - Final Avenida Diez.25 m. norte y 100 este. San Jose. Costa Rica	100.00%
Sociedad Industrial de Construcciones Eléctricas Siceandina, S.A.	C/ Chinchinal, 350. Barrio El Inca. Pichincha - Quito (Ecuador)	100.00%
Sociedad Industrial de Construcciones Eléctricas, S.A. de C.V.	Paseo de la Reforma, 404. Despacho 1502, Piso 15 Col. Juarez 06600 Delegación Cuauhtemoc Mexico D.F.	100.00%
Sociedad Industrial de Construcciones Eléctricas, S.L., Ltda.	CL 94 NO. 15 32 P 8. Bogota D.C. Colombia	100.00%
Société Industrielle de Construction Electrique, S.A.R.L.	Espace Porte D Anfa 3 Rue Bab Mansour Imm C 20000 Casa Blanca. Morocco	100.00%
Soluciones Auxiliares de Guatemala, S.A.	2 Avda. 13-35 Zona 17, Ofibodegas los Almendros Nº 3. 01017 Ciudad de Guatemala. Guatemala	100.00%
Soluciones Eléctricas Integrales de Guatemala, S.A.	2 Avda. 13-35 Zona 17, Ofibodegas los Almendros Nº 3. 01017 Ciudad de Guatemala. Guatemala	100.00%
Spcobra Instalações e Serviços, Ltda.	Joao Ventura Batista,986 Sao Paulo. Brazil 02054	56.00%
Sti Telecom Spa	Av. Vítacura 2670. Oficina 702 – piso 7. Las Condes Santiago de Chile. Chile	100.00%
Sumipar, S.A.	C/ B Sector B Zona Franca 4. 08040 Barcelona. Spain	100.00%
Tecneira Acarau Geração e Comercialização de Energia Eletrica S.A.	Rua Marcos Macedo 1333 Sala 416 CEP 60.150-190 Aldeota. Fortaleza. Brazil	74.54%
Tecneira do Paracuru, Ltda.	Sítio Freixeiras, S/N. 62.680-000. Paracuru, Estado do Cear. Brazil	74.54%
Tecneira Novas Eneerías SGPS, S.A.	Rua Rui Teles Palhinha, 4. Leiao 2740 Oeiras. Portugal	74.54%
Tecneira, S.A.	Rua Rui Teles Palhinha, 4. Leiao 2740-278 Porto Salvo. Portugal	74.54%
Técnicas de Desalinización de Aguas, S.A.	Procesador, 19. Telde 35200 Las Palmas. Islas Canarias. Spain	100.00%
Técnicas de Sistemas Electrónicos, S.A. (Eyssa-Tesis)	Rua General Pimenta do Castro 11-1. Lisboa. Portugal	100.00%
Tecnotel Clima, S.L.	Pg Ind. Valle Guimar Manz, 6. Arafo. Santa Cruz de Tenerife. Islas Canarias. Spain	100.00%
Tecnotel de Canarias, S.A.	Misiones, 13. Las Palmas de Gran Canaria. Spain	100.00%
Tedagua Internacional, S.L.	Cardenal Marcelo Spinola, 10.28016 Madrid. Spain	100.00%
Tedagua Renovables, S.L.	Procesador, 19. Telde 35200 Las Palmas. Islas Canarias. Spain	100.00%
Telcarrier, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	100.00%
Telsa Instalaciones de Telecomunicaciones y Electricidad, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	100.00%
Tesca Ingeniería del Ecuador, S.A.	Avda. 6 de diciembre N37-153 Quito. Ecuador	100.00%
TNG Brazil, Ltda.	Av. Dom Luis Paracuru 1200, Bairro de Meireles. 60.160-230. Fortaleza, Estado do Cear. Brazil	74.54%
Tonopah Solar Energy Holdings I, LLC.	7380 West Sahara, Suite 160. Las Vegas NV 89117. United States of America	36.60%
Tonopah Solar Energy Holdings II, LLC.	2425 Olympic Blvd, suite 500E. Santa Monica, CA 90404. United States of America	36.60%
Tonopah Solar Energy, LLC	2425 Olympic Blvd, suite 500E. Santa Monica, CA 90404. United States of America	36.60%
Trafiurbe, S.A.	Estrada Oct vio Pato C Empresar-Sao Domingo de Rana. Portugal	76.20%
Triana do Brazil Projetos e Serviços, Ltda.	Av. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil	50.00%
Trigeneración Extremeña, S.L.	Cardenal Marcelo Spinola, 10.28016 Madrid. Spain.	100.00%

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Company	Registered Office	% Effective Ownership
Tucuruí Dourados Montagens e Serviços, Ltda.	Avd. Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil	99.00%
Tulifox, S.A.	Colinia Apartamento 305. Montevideo. Uruguay	100.00%
UrbaEnergía Instalaciones y Servicios, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Urbaenergía, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Valdelagua Wind Power, S.L.	Cardenal Marcelo Spínola, 10. Madrid 28016. Spain	100.00%
Venezolana de Limpiezas Industriales, C.A. (VENELIN)	Pz Venezuela, Torre Phelps, s/n. 1050 Caracas. Venezuela	82.80%
Ventos da Serra Produção de Energia, Ltda.	Monte do Poço Branco, Estrada de Sines EN121. 7900-681. Ferreira do Alentejo. Portugal	74.54%
Viabal Manteniment i Conservacio, S.A.	Roders, 12. 07141 Marratxi. Islas Baleares. Spain	100.00%
Vieyra Energía Galega, S.A.	José Luis de Bugallal Marchesi, 20-1 izq. 15008 La Coruña. Spain	50.00%
Villanueva Cosolar, S.L.	Guadalajara, 14. 19193 Guadalajara. Spain	59.63%
ENVIRONMENT		
ACS Servicios y Concesiones, S.L.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Aureca Aceites United States of Americad y Recuper Energét de Madrid, S.L.	Avda. Logroño km 9.800. 28042 Madrid. Spain	100.00%
AXIL 3 Ingenieros, S.L.U.	Plazoleta Arq. Marrero Regalado, 4. bajo dcha.38001 Santa Cruz de Tenerife. Spain	100.00%
Blas Moreno, S.L.	Avda. Diagonal, nº 611 - 2º. Barcelona. Spain	60.00%
Centro de Transferencias, S.A.	Polígono Los Barriales, s/n. Valladolid. Spain	70.00%
Cytrar, S.A. de C.V.	Calle Lázaro Cardenas, Km 6 en Hermosillo, Sonora. Mexico	100.00%
Dramar Andalucía Tratamiento de Marpoles, S.L.	Muelle Isla Verde, s/n. 11207 Algeciras. Cadiz. Spain	100.00%
Ecoentorno Ambiente, S.A.	Camino de la Muñoza, s/n. Ctra. Madrid-Barcelona, km. 15,200. 28042 Madrid	51.00%
Ecoparc de Barcelona S.A.	C/ A. Polig. Industrial Zona Franca. Barcelona. Spain	66.40%
Edafología y Restauración del Entorno Gallego, S.L.	C/ Copérnico, s/n 1º-1 dcha Pol. Ind. A Grenla. Coruña. Spain	100.00%
Empordanesa de Neteja, S.A.	Avda. Diagonal, nº 611 - 2º. Barcelona. Spain	60.00%
Evar, S.A.S.	1140, Avenue Albert Einstein. 34000 Montpellier Cedex 09. France	96.75%
Evere, S.A.S.	Av. Albert Einstein. 34000 Montpellier. France	99.35%
France Auto Service Transport, E.U.R.L.	Place de la Madeleine, 6. 75008 Paris. France	100.00%
Gestión Ambiental Canaria, S.L.	Alejandro del Castillo, s/n. San Bartolomé de Tirajana. Las Palmas Gran Canaria. Spain	100.00%
Gestión Medioambiental de Torrelavega, S.A.	Boulevard Demetrio Herrero, 6. 39300 Torrelavega. Santander. Spain	60.00%
Gestión y Protección Ambiental, S.L.	Condado de Treviño, 19. Burgos. Spain	70.00%
Interenvases, S.A.	Vial Secundario, s/n. Polígono Industrial de Araia. Bilbao. Spain	100.00%
Jingtang International Container Terminal Co. Ltd.	Haigang Development Zone of Tangshan of Hebei Province of R.P. China/Hebei Province R.P. China	54.28%
Laboratorio de Gestión Ambiental, S.L.	Avda. de Tenerife 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	100.00%
Monegros Depura, S.A.	Pza. Antonio Beltrán Martínez, nº 1 - Edificio Trovador, oficina 6 C. 50002 Zaragoza. Spain	55.00%
Mora la Nova Energia, S. L.	c/ Lincoln, 11. 08006 Barcelona. Spain	71.00%
Octeva, S.A.S.	ZA Marcel Doret rue Jacques Monod. 62100 Calais. France	68.69%
Olimpia, S.A. de C.V.	C/ 6 Oriente - Colonia Francisco Sarabia - Tehuacan, Puebla. Mexico	100.00%
Orto Parques y Jardines, S.L.	Luçar Dócean s/n. Parroquia de Orto. A Coruña. Spain	100.00%
Pruvalsa, S.A.	Calle Independencia, Sector centro, Edificio Ariza, piso 2, ofic. 2-2, Valencia, Edo. Carabobo. Venezuela	82.00%
Puerto Seco Santander-Ebro, S.A.	C/ Ramón y Cajal, 17. Luceni. Zaragoza. Spain	62.50%
Recogida de Aceites EE.UU.dos, S.A.	Pol. Ind. Torrelarragoiti, s/n. 48170 Zamudio. Vizcaya. Spain	100.00%
Recuperación Crom Industrial, S.A. (RECRISA)	Passeig Verdaguer 118 Igualada. Barcelona. Spain	75.00%
Recuperación de Rodas e Madeira, S.L.	Camiño das Plantas, s/n. 36313 Xestoso. Bembibre. León. Spain	100.00%
Recuperación Int. Residuos de Castilla y León, S.A.	Polígono Industrial Ntra. Sra. de Los Angeles. Parcela 10, nave 8 y 9. Palencia. Spain	100.00%
Residuos de la Janda, S.A.	C/ La Barca de Vejer s/n. Vejer de La Frontera. Cádiz. Spain	60.00%
Residuos Industriales de Teruel, S.A.	Ctra. de Madrid, km. 315,800 Edif. Expo Zaragoza, 3 Ofic. 14 - 50012 Zaragoza. Spain	63.70%
Residuos Industriales de Zaragoza, S.A.	Crta de Madrid Edif. Expozaragoza Km. 315.8 3 of 14. 50012 Zaragoza. Spain	63.70%
Residuos Sólidos Urbanos de Jaén, S.A.	Palacio de la Excm. Diputación de Jaén. Jaén. Spain	60.00%
RetraOil, S.L.	Pol. Ind. Tambarria parcela 20. 26540 Alfaro. La Rioja. Spain	100.00%
Salins Residuos Automoción, S.L.	C/ 31 c/v calle 27 - Nave 715-701, Pl. Catarroja. Valencia. Spain	80.00%
SCI Sintax	Route de Phaffans. 90380 Roppe. France	100.00%
Servicios de Aguas de Misiones, S.A.	Avda. López y Planes, 2577. Misiones. Argentina	90.00%
Servicios Generales de Jaén, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	75.00%
Servicios Selun, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	100.00%
Servicios Corporativos TWC, S.A. de C.V.	Calle Lázaro Cardenas, Km 6 en Hermosillo, Sonora. Mexico	100.00%
Sintax Est EU RL	Place de la Madeleine, 6. 75008 Paris. France	100.00%
Sintax Ile de France EU RL	7 Rue du Docteur Fourniols, 95420 Magny en Vexin. France	100.00%
Sintax Logística Transportes, S.A.	Vale Ana Gomez, Ed. Sintax Estrada de Algeruz. Setubal. Portugal	100.00%
Sintax Logística, S.A.	C/ Diputación, 279, Atico 6º. Barcelona. Spain	100.00%
Sintax Logistics Zeebrugge, S.A.R.L.	283 Avenue Louise, Bruxelles. Bélgica.	100.00%
Sintax Logistique France, S.A.S.	Place de la Madeleine, 6. 75008 Paris. France	100.00%
Sintax Logistique Maroc, S.A.R.L.	332 Boulevard Brahim Roudani - Maarif. Casablanca. Morocco	100.00%
Sintax Logistique Mediterranée, E.U.R.L.	Place de la Madeleine, 6. 75008 Paris. France	100.00%
Sintax Logistique Region Parisienne, E.U.R.L.	Place de la Madeleine, 6. 75008 Paris. France	100.00%
Sintax Logistique Valenciennes, S.A.R.L.	Place de la Madeleine, 6. 75008 Paris. France	100.00%
Sintax Navigomes, Ltda.	Av. Luisa Todi, 73. 2900 Setúbal. Portugal	51.00%
Sintlogistica, Ltda.	Vale Ana Gomez, Ed. Sintax Estrada de Algeruz. Setubal. Portugal	100.00%
Socamex, S.A.	C/ Coboalto s/n Par. 213. Pol. San Cristóbal. Valladolid. Spain	100.00%

Company	Registered Office	% Effective Ownership
Somasur, S.A.	20, Rue Meliana Hai Ennahada. Rabat. Morocco	100.00%
Tecmed Environment, S.A.S.	21 Rue Jules Guesde. 69230 Saint Genis Laval. Lyon. France	96.75%
Tecmed Maroc, S.A.R.L.	AV capitaine Sidi Omar Elaissaoui cite OLM-Suissi II. Rabat. Morocco	65.00%
Tecmed Servicios de Recolección, S.A. de C.V.	C/ Homero nº 109 Dp 604 Colonia Chapultepec, Morales del Miguel Hidalgo. Mexico DF	100.00%
Tecmed Técnicas Mediamb. de Mexico, S.A. de C.V.	Melchor Ocampo, no 193 Torre C, piso 14D. Mexico	100.00%
Técnicas Aplicadas de Recuperaciones Industriales, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	95.00%
Técnicas de Recuperación e Inertización, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	100.00%
Tirmadrid, S.A.	C/ Cañada Real de las Merinas, s/n. Madrid. Spain	66.36%
Tracemar, S.L.	Avda de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	100.00%
Trans Inter Europe, S.A.S.	Route de Phaffans. 90380 Roppe. France	100.00%
Trans Inter Uberherrn, E.U.R.L.	33 Langwies, D-66 802 Überherrn. Germany	100.00%
Transportes Residuos Industriales y Peligrosos, S.L.	C/ Copérnico, 1 1º dcha., Pl. La Grenla. A Coruña. Spain	100.00%
Tratamiento de Residuos Sólidos Urbanos, S.A. de C.V.	Calle Lázaro Cardenas, Km 6 en Hermosillo, Sonora. Mexico	100.00%
Tratamiento Integral de Residuos de Cantabria S.L.U.	Avda de Tenerife, 4-6.28703 San Sebastián de los Reyes Madrid. Spain	100.00%
Tresima Limpiezas Industriales, S.A. (TRELIMSA)	C/ Copérnico, 1 1º dcha., Pl. La Grenla (A Coruña)-Spain	80.00%
Urbacet, S.L.	Calle Fray Junipero Serra nº 65 3º, 08030 Barcelona. Spain	100.00%
Urbamar Levante Residuos Industriales, S.L.	C/ 31 c/v calle 27 - Nave 715-701, Pl. Catarroja. Valencia. Spain	80.00%
Urbana de Servicios Ambientales, S.L.	Avda. José Ortega y Gasset, nº 194-196. Madrid. Spain	70.00%
Urbaoil, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	100.00%
Urbaser Argentina, S.A.	L.N. Alem 986, Piso 3 - Capital Federal. Buenos Aires. Argentina	100.00%
Urbaser Barquisimeto, C.A.	Carrera, 4 Zona Ind Barquisimeto. Lara. Venezuela	100.00%
Urbaser de Méjico, S.A. de C.V.	C/ Juan Racine 112-8º, Col. Los Morales, 11510 Mexico DF	100.00%
Urbaser Environnement, S.A.S.	1140 Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France	96.75%
Urbaser INC.	Hunton&William LLP,1111 Brickell Av. Suite 2500 Miami, Florida 33131. U.S.A.	100.00%
Urbaser Libertador, C.A.	Av. Paseo Cabriales, Sector Kerdell, Torre Movilnet, piso 11, ofic. 4. Valencia. Estado de Carabobo. Venezuela	100.00%
Urbaser Mérida, C.A.	Calle 26, entre Av. 2 y 3, C.C. La Casona, piso 2, local 18. Mérida. Estado Mérida. Venezuela	100.00%
Urbaser S.r.l.	Via Archimede, 161. Roma. Italy.	100.00%
Urbaser San Diego, C.A.	Cent Com Fin de Siglo, pta baja, Av. D. Julio Centeno, Sector La Esmeralda, Local 11. Venezuela	65.00%
Urbaser Transportes, S.L.	Avda. Diagonal, nº 611 - 2º. Barcelona. Spain	100.00%
Urbaser United Kingdom, Ltd.	Pillar House, 113-115 Bath Road, Cheltenham, Gloucestershire; GL53 7LS, England	100.00%
Urbaser Valencia, C.A.	C/ 123, s/n, cruce con avenida 94, avda. lizandro Alvarado, zona industrial la Guacamaya, Galpon, Urbaser, Valencia Estado Carabobo. Venezuela	100.00%
Urbaser, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	100.00%
Urbasys, S.A.S.	Route de Tremblay, F-91480 Varennes-Jarcy. France	99.35%
Vadereli, S.L.	Av. Tenerife, 4 y 6.28703 San Sebastián de los Reyes. Madrid. Spain	51.00%
Valenciana de Eliminación de Residuos, S.L.	Paraje "El Cabez del Pino". Real de Montroi. Valencia. Spain	85.00%
Valenciana de Protección Ambiental, S.A.	L' Alcudia de Crepins - Polig. El Canerí - Parcela 6. Valencia. Spain	99.55%
Valorga International, S.A.S.	1140 Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France	96.75%
Valorgabar, S.A.S.	1140, Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France	99.35%
Vertedero Las Mulás, S.L.	Camino de Las Mulás, s/n. 28945 Fuenlabrada. Madrid. Spain	100.00%
Vertederos de Residuos, S.A. (VERTRESA)	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	83.97%
Vicente Fresno Aceite, S.L.	Barrio de San Martín, 141. 48170 Zamudio. Vizcaya. Spain	100.00%

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Appendix II. UTE's/EIG's

UTE / EIG	Address	% Effective Ownership	Revenue
CONSTRUCTION - DRAGADOS			
Ave Ulla	Avda. Finisterre, 25. A Coruña. Spain	100.00%	27,440
Gorg. Línea 9	C/ Via Laietana, 33. Barcelona. Spain	43.50%	37,376
Túneles de Pajares 2	Avda. Camino de Santiago, 50. Madrid. Spain	84.00%	34,551
Nuevo Hospital La Fe	C/ Álvaro de Bazán, 10. Valencia. Spain	70.00%	32,622
Tunel Guadarrama Sur	Avda. Europa, 18. Alcobendas. Spain	34.46%	20,804
Langosteira	Avda. Finisterre, 25. A Coruña. Spain	55.00%	87,292
Tunel Archidona	Ps. Pablo Ruiz Picasso, 1. Málaga	100.00%	22,270
Estacion Mercado Central	C/ Álvaro de Bazán, 10. Valencia. Spain	100.00%	16,498
Ave Girona	C/ Acanto, 22 - 5ª Planta - Madrid. Spain	40.00%	108,946
Ronda Bahía	C/ Castelar, 13 - Santander. Spain	60.00%	20,550
Complejo Administrativo 9 De Octubre	Pz. Legión Española, 12 - Valencia. Spain	54.00%	20,664
Zaratamo	Pz. Venezuela, 1 - Bilbao. Spain	90.00%	15,187
Quejigares	Carretera Villanueva De Tapia, 2 - Archidona - Málaga. Spain	100.00%	29,345
Obras Abrigo Puerto Valencia	C/ Álvaro de Bazán, 10. Valencia. Spain	29.00%	33,035
Serrano	C/ Cardenal Marcelo Spinola, 52 - Madrid. Spain	50.00%	25,486
Muelle AZ-2	Pz. Venezuela, 1 - Bilbao. Spain	95.00%	31,480
Ave Tunel De Serrano	C/ Cardenal Marcelo Spínola, 52. Madrid. Spain	42.00%	59,719
Boetticher	Avda. Tenerife, 4 y 6. San Sebastián de los Reyes. Spain	50.00%	17,536
Baixo Alentejo	Avda. Visconde de Valmor, 66. Lisboa. Portugal	44.00%	108,251
Estacions L9-Besos	C/ Via Laietana, 33. Barcelona. Spain	50.00%	41,876
Vía Litoral	C/ Candelaria, 28 - 3ª Planta - Ed. Olympo - Santa Cruz de Tenerife. Spain	80.00%	17,985
Algarve Litoral	Avda. Visconde De Valmor, 66. Lisboa. Portugal	40.00%	15,613
Ampliacion Complejo Atocha Fase I	Avda. Camino de Santiago, 50. Madrid. Spain	100.00%	30,976
Viaducto De Archidona	Avda. Camino de Santiago, 50. Madrid. Spain	50.00%	65,318
Shanganagh	Wilton Works, Naas Road, Clondalkin, Dublin 22. Ireland	50.00%	17,935
Autovia Del Pirineo	Avda. Roncesvalles, 6. Pamplona - Iruña. Spain	72.00%	118,007
Terminal Aeropuerto De Ibiza	Pz. Es Forti, 4. Palma de Mallorca. Spain	70.00%	19,059
Beasain Este	Barrio Loinatz. Beasain. Spain	47.00%	20,603
Tolosa	C/ Gran Vía, 53. Bilbao. Spain	40.00%	32,458
Tunel Mandri	C/ Via Laietana, 33. Barcelona. Spain	43.50%	16,510
Fornells - Vilademuls	C/ Arago, 390. Barcelona. Spain	67.50%	30,956
Ave San Isidro-Orihuela	C/ Álvaro de Bazán, 10. Valencia. Spain	70.00%	18,558
CPDS Santander	Barrio La Venta, s/n. Igollo de Camargo. Spain	50.00%	15,087
Estacions L9 Llobregat	Cl. Via Laietana, 33 - Barcelona. Spain	50.00%	34,584
Dragados-Sisk Crosrail Eastern R. Tunnels	25 Canal Sq. 33 fl. Canary Wharf - London	90.00%	62,191
Forth Crossing Bridge Constructors	Grange House West Main Road, Grange Mouth - Scotland	28.00%	57,216
Ave Trinidad, Tramo Montcada	C/ Caballero Andante, 8. Madrid. Spain	33.33%	34,483
Nudo Venta de Baños	C/ Orense, 11. Madrid. Spain	50.00%	55,492
Vía I - Aeropuerto	C/ Orense, 11. Madrid. Spain	40.00%	17,529
Hospital Ibiza	C/ Antigua Senda de Senet, 5º, 11. Valencia. Spain	50.00%	33,530
Pulice-Granite	2033 W Mountain View Road, 85021. Phoenix. U.S.A.	75.00%	56,653
Dragados / Judlau (009)	26-15 Ulmer Street, College Point. New York 11354. U.S.A.	70.00%	17,771

UTE / EIG	Address	% Effective Ownership	Revenue
Dragados / Judlau (019)	26-15 Ulmer Street, College Point. New York 11354	55.00%	106,755
Seattle Tunnel Partners	999 3rd Avenue, 22nd Floor. Seattle 98104	55.00%	69,405
Nouvelle Autoroute A30 Montreal	21025 Route Transcanadienne, Suite A203, Sainte-Anne-de-Bellevue - Quebec - H9X 3r2	40.00%	443,043
South Fraser Perimeter Road	8100 Nordel Way Delta bc V4G 8A9	41.80%	67,409
Parkway Infrastructure Constructors	2187 Huron Church Road, Windsor, on, N9C 2l8	33.33%	70,590
Picone / Schiavone (312)	31 Garden Lane, Lawrence NY 11559	100.00%	19,537
Picone / WDF (312)	31 Garden Lane, Lawrence NY 11559	50.00%	16,345
Rondout Constructor (185)	150 Meadowlands Pkwy Secaucus, NY 07094	76.40%	39,047
Picone / Schiavone / Frontier / Drag. United States (538)	31 Garden Lane, Lawrence NY 11559	87.50%	37,393
Skanska / Picone II (47)	20 North Central Ave, Valley Stream, NY 11580	27.50%	57,238
Schiavone/ Picone (41)	150 Meadowlands Pkwy Secaucus, NY 07094	51.00%	32,121
S3 Tunnel Constructors (514)	207 East 94th St., NY	37.50%	59,486
S3 II Tunnel Constructors (516)	360 West 31st St., NY	30.00%	155,805
Schiavone / WDF (520)	460 Kingsland Ave, NY	55.00%	82,151
Schiavone / Kiewit (521)	29-60 Northern Blvd, NY	60.00%	26,422
Plaza Schiavone (523)	195 Broadway, 18th Floor, NY	40.00%	36,984
SSK Constructors (524)	1181 Broadway, 5th Floor, NY	42.50%	88,465
Most Północny	Ul. Branickiego 15 Warszawa	55.00%	57,329
CONSTRUCTION - HOCHTIEF			
Gotthard Basis Tunnel, Lose Bodio&Faido	CH - 6743 - Bodio / Consorzio TAT	25.00%	100,264
Arge Tunnel XFEL	D - Hamburg	50.00%	34,076
Forth Replacement Crossing	GB - Schottland	28.00%	56,200
Bau-ARGE BAB A8 Ulm - Augsburg	D - 86441 Zusmarshausen / Im Z United Statesmtal 7	50.00%	26,888
Arge Saale - Elster - Brücke	D - 06258 Schkopau / Hallesche Straße 174	36.00%	28,847
Norra Länken Los 35	S - Stockholm	50.00%	18,534
ARGE Tunnel Lichtenfels	D - 96215 Lichtenfels / Arge Tunnel Lichtenf	50.00%	16,476
INDUSTRIAL SERVICES			
UTE ACS Cobra Castor	C/ Cardenal Marcelo Spinola 10. Madrid. Spain	90.00%	386,227
Ute C.T. Valle uno	C/ Severo Ochoa, 4 28760. Tres Cantos Madrid. Spain	50.00%	85,244
Ute C.T. Vale dos	C/ Severo Ochoa, 4 28760. Tres Cantos Madrid. Spain	50.00%	90,692
Ute Ptar Taboada	C/ Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	100.00%	15,917
Ute Bandeleras	C/ Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	70.00%	55,015
UTE Luz Madrid	C/ Evaristo San Miguel, 4. 28008 Madrid. Spain	20.00%	22,572
Semla UTE	C/ Afueras S/N. C.N. Ascó. Tarragona. Spain	50.00%	22,477
Enwesa- Maessa EAE UTE	C/ Tarragones 12, bajo planta 4ª 43890. Hospitalet del Infante. Tarragona. Spain	50.00%	13,854
La Réunion UTE	8 rue du Grand Hotel - 97434 Saint Gilles Les Bains. La Réunion. France	84.00%	16,513
U.T.E. Manchazol-2	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	20.00%	48,155
Ute Servicios Coker ADI-1000	Muskiz (Vizcaya). Spain	50.00%	13,432
ENVIRONMENT			
UTE Vertresa Rwe Proces (Las Dehesas)	Ctra. Valencia, km 14. Complejo Valdemingomez. Madrid. Spain	100.00%	20,589
UTE Ebro	Parque Tecnológico de Reciclad. Parc. C1-18. Crta. La cartuja a Torrecilla de Valmadrid. Km. 1,195. 50720 Zaragoza. Spain	100.00%	16,760
UTE Ecoparque V	Ctra. Terrasa - Manresa C-58 Barcelona. Spain	20.00%	18,173

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Appendix III. Associates

Company	Address	% Effective Ownership	Data on the investee (100%)				
			Assets	Liabilities	Equity*	Revenue	Profit for the year
PARENTS							
Admirabilia, S.L.	Avda. de Pio XII, 102. 28036 Madrid. Spain	99.00%	1,170,334	499,646	670,688	-	74,909
Trebol International, B.V.	Avda. de Pio XII, 102. 28036 Madrid. Spain	1.00%	1,738,581	749,268	989,313	-	71,818
CONSTRUCTION - DRAGADOS							
ACS Sacyr Chile, S.A.	Avda. Vitacura, 2939, ofic. 1102. Las Condes. Santiago de Chile. Chile.	50.00%	1,436	1,321	115	-	(10)
Blue Clean Water, Ll.	150 Meadownlans PKWY, Secaucus. New Jersey 07094. United States of America.	76.40%	3,934	5	3,929	424	286
Central Greece Motorway Concession, S.A.	Municipality of Athens, 87 Themistokleous, 10683 Athens. Greece	33.33%	668,754	850,756	(182,002)	9,358	-
Citic Construction Xinlong Contracting Co., Ltd.	Xidaqiao Lu,69. Distrito Miyun. Beijing. China.	50.00%	1,954	50	1,904	-	36
Cleon, S.A.	Avda. General Perón, 36 1º-28020 Madrid. Spain	25.00%	131,323	30,718	100,605	-	61
Constructora Comsa Dragados, S.A.	Avda. Vitacura, 2939, ofic. 2201. Las Condes. Santiago de Chile. Chile.	50.00%	5,802	13,185	(7,383)	13,584	(7,856)
Constructora DCB, S.A.	Avda. Tajamar nº 183 piso 5º. Las Condes. Santiago de Chile. Chile.	33.33%	34,726	34,487	239	7,201	223
Corfica 1, S.L.	C/ Los Vergos, 26-5º. 08017 Barcelona. Spain	50.00%	65	1	64	-	-
Draga, S.A.	Crta. de la Comella, 11, Edif. Cierco AD500. Andorra	50.00%	5,038	4,313	725	8,420	(6)
Dragados Besalco, S.A.	Avda. Vitacura, 2939, ofic. 1102. Las Condes. Santiago de Chile. Chile.	50.00%	10,740	10,173	567	31,186	5,616
Dragados Fomento Canada, S.A.L.	Queen Street, 570 Fredericton NB. Canada	50.00%	9,660	12,045	(2,385)	4,587	
Dravo, S.A	Plaza de Castilla, 3 Piso 21-A. 28046 Madrid. Spain	50.00%	33,423	21,813	11,610	36,555	4,093
Elaboración de Cajones Pretensados, S.L.	Avda. general Peron, 36. 28020 Madrid. Spain	50,00%	100	98	2	-	(2)
Empresa Mantenimiento y Explotación M-30, S.A.	C/ Méndez Alvaro, 95. 28053 Madrid. Spain	50.00%	240,685	234,085	6,600	26,890	8,614
Gaviel, S.A.	Avda. Diagonal, 407 bis planta 21. 08008 Barcelona. Spain	50.00%	1,294	3	1,291	-	(4)
Juluna, S.A.	C/ Sorni, 3 bajo. 46004 Valencia. Spain	24.45%	685	9	676	-	(6)
Logitren Ferroviaria, S.A.	Avda. del Puerto, 332. 46026 Valencia. Spain	33.33%	1,641	1.260	381	1,480	(395)
PKO BP Inwestycje-Sarnia Dolina, Limited Liability Company	00-073 Warszawa ul. Pilsudskiego 3	29.04%	3,741	5,423	(1,682)	-	(421)
SDD Shanganagh (Water Treatment) Limited	Wilton Works, Naas Road, Clondalkin. Dublin 22. Ireland	50.00%	5,752	5,747	5	-	1
Superco Orense, S.A.	C/ Benito Blanco Rajoy, 9. 15006 La Coruña. Spain	35.00%	4	-	4	-	-

* Non-controlling interests not included.

Company	Address	% Effective Ownership	Data on the investee (100%)				
			Assets	Liabilities	Equity*	Revenue	Profit for the year
CONSTRUCTION - IRIDIUM (CONCESSIONS)							
Autovía de la Sierra de Arana, S.A.	C/ Acera del Darro, 72.18005 Granada. Spain.	40.00%	6,060	1,087	4,973	2,117	1
Autovía de los Pinares, S.A.	Km 20.200 A-601. 47160 Portillo. Valladolid. Spain	53.33%	103,817	107,129	(3,312)	5,293	(2,319)
Bidelan Guipuzkoako Autobideak, S.A.	Asti Auzoa, 631 B. 20800 Zarauz. San Sebastián. Spain	50.00%	25,476	13,816	11,659	42,124	2,375
Celtic Roads Group (PortLaoise) Limited	Toll Plaza Balgeen Co. Meath Ireland	33.33%	306,187	363,642	(57,455)	17,583	(6,159)
Celtic Roads Group (Waterford), Ltd.	Toll Plaza, Balgeen, Co. Meath Ireland	33.33%	232,262	268,969	(36,707)	11,815	(2,200)
Circunvalación Alicante, S.A.C.E.	Autopista AP 7. pk 703. Area Monforte del Cid. 03670 Monforte del Cid. Alicante. Spain	50.00%	457,818	487,167	(29,350)	12,612	(12,904)
Concesionaria Aparcamiento La Fe, S.A.	Tres Forques, 149 Accesorio.46014 Valencia. Spain.	50.00%	10,326	9,411	915	1,012	(22)
Concesionaria Atención Primaria, S.A.	Plaza Es Fortí, 4, 1º A. 07011 Palma de Mallorca. Islas Baleares. Spain	49.50%	24,498	20,179	4,319	3,093	922
Concesionaria Hospital Son Dureta, S.A.	Plaza Es Forti 4, 1º A. 07011 Palma de Mallorca. Islas Baleares. Spain	49.50%	401,420	406,632	(5,212)	36,605	113
Estacionamientos El Pilar, S.A.	C/ Madre Rafols 2 oficina 1-A. 5004. Zaragoza. Spain	50.00%	16,223	7,584	8,639	2,984	1,077
Gran Hospital Can Misses, S.A.	C/ Corona, S/N, (Casetas de Obra), 07800 Ibiza. Islas Baleares	40.00%	59,700	51,984	7,716	4,922	(118)
Hospital de Majadahonda, S.A.	C/ Joaquín Rodrigo, 2. 28220 Majadahonda. Madrid. Spain.	55.00%	271,703	254,774	16,928	41,790	5,369
I 595 Express, LLC	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street. Wilmington New Castle. Delaware 19801. United States	50.00%	746,495	736,234	10,261	36,948	4,800
Infraestructuras y Radiales, S.A.	Ctra. M-100 Alcalá de Henares a Daganzo Km 6.300. 28806 Alcalá de Henares. Madrid. Spain	35.00%	840,775	927,759	(86,984)	35,366	(8,610)
Intercambiador de transportes Plaza de Castilla, S.A.	Avda. de América 2-17B. Madrid. Spain	50.00%	200,981	167,007	33,975	25,572	10,296
Línea Nou Manteniment, S.L.	Avda. Josep Tarradellas, 34-36 4º Dcha.08029 Barcelona. Spain.	50.00%	-	-	-	-	-
Línia Nou Tram Dos, S.A.	Avda. Josep Tarradellas, 34-36 4º Dcha.08029 Barcelona. Spain.	50.00%	534,619	595,080	(60,462)	40,545	731
Línia Nou Tram Quatre, S.A.	Avda. Josep Tarradellas, 34-36 4º Dcha.08029 Barcelona. Spain.	50.00%	558,517	584,202	(25,686)	44,480	5,939
Metro de Sevilla Sdad Conce Junta Andalucía, S.A.	C/ Carmen Vendrell, s/n (Prolongación de Avda. de Hytasa) 41006 Sevilla. Spain	34.01%	443,164	312,032	131,132	48,375	5,746
Nea Odos Concession Societe Anonyme	Municipality of Athens; 87 Themistokleous; 10683 Athens. Greece	33.33%	400,893	351,003	49,890	65,947	-
Nouvelle Autoroute 30, S.E.N.C.	1 Place Ville-Marie 37e étage. Montreal. Quebec) H3B 3P. Canada	50.00%	933,386	1,094,648	(161,262)	58,641	5,459
Operadora Can Misses, S.L.	C/ Corona, s/n.07800 Ibiza. Spain.	40.00%	-	-	-	-	-
Road Management (A13), Plc.	24 Birch Street, Wolverhampton, WV1 4HY	25.00%	169,317	306,531	(137,215)	28,985	(5,297)

* Non-controlling interests not included.

Consolidated Financial Statements

Company	Address	% Effective Ownership	Data on the investee (100%)				
			Assets	Liabilities	Equity*	Revenue	Profit for the year
Rotas Do Algarve Litoral, S.A.	Rua Julieta Ferrão, nº 10 – 6º andar 1600-131 Lisboa. Portugal	45.00%	97,301	117,406	(20,106)	-	-
Ruta de los Pantanos, S.A.	Carretera M-501; p.k. 10,200. 28670 Villaviciosa de Odon. Madrid	33.33%	81,294	79,271	2,023	12,622	2,645
Serranopark, S.A.	Pza. Manuel Gomez Moreno, 2. 28020 Madrid. Spain	50.00%	104,222	92,238	11,983	3,137	(3,446)
Sociedad Hospital de Majadahonda Explotaciones, S.L	C/ Joaquín Rodrigo, 2. 28220 Majadahonda. Madrid. Spain	55.00%	20,855	16,947	3,908	24,319	982
SPER - Sociedade Portuguesa para la Construção e Exploração Rodoviária, S.A.	Rua Julieta Ferrão, nº 10 – 6º andar 1600-131 Lisboa. Portugal	49.50%	231,952	273,252	(41,299)	-	-
Systelec Quebec, Inc.	3700-1 place Ville-Marie. Montréal (Quebec) H3B3P4. Canada.	50.00%	-	-	-	-	-
Systelec S.E.C	3700-1 place Ville-Marie. Montréal (Quebec) H3B3P4. Canada.	50.00%	-	-	-	-	-
Tag Red, S.A.	Avda. Vitacura nº 2939 piso 8. Las Condes. Santiago de Chile. Chile.	25.00%	6	2,243	(2,237)	-	-
TP Ferro Concesionaria, S.A.	Ctra. de Llers a Hostalets GIP-5107 p.k. 1, s/n 17730 Llers (Girona) Spain	50.00%	1,191,982	1,155,656	36,326	3,239	-
Windsor Essex Mobility Group	150 King Street West, Suite 805, P.O.Box 48, M5H 1J9 ON. Canada.	33.33%	171,911	211,952	(40,041)	9,481	844
Zachry American/ACS 69 Partners, Llc.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street. Wilmington New Castle. Delaware 19801. United States	50.00%	-	-	-	-	-
CONSTRUCTION - HOCHTIEF							
Hochtief Americas							
E.E. Cruz/Tully Construction, LLC	Holmdel, United States	25.73%	28,182	19,963	8,219		
Kiewit/Flatiron	Richmond, United States	14.15%	92,709	31,522	61,187		
Perini/Tompkins	District of Columbia, United States	20.58%	4,504	763	3,741		
Turner - PCL - Flatiron	New York, United States	26.24%	18,211	14,296	3,915		
Turner jointly controlled entities in total		0.00%					20,912
Flatiron jointly controlled entities in total		0.00%					14,053
Hochtief Asia Pacific							
Al Habtoor Engineering Enterprises Co. LLC	Dubai, United Arab Emirates	12.37%	1,218,223	920,057	298,66		
City West Property Investment (No.6) Trust	Australia	13.75%	43,866	5	43,861		
Hassall Street Trust	Australia	13.75%	28,465	10,633	17,832		
Leighton Welspun Contractors Private Ltd.	Kala Ghoda Fort, India	17.87%	241,056	61,157	179,899		
MacMahon Holding Ltd.	Australia	5.22%	127,870	55,412	72,458		
SA Health Partnership Nominees Pty. Ltd.	Australia	5.50%	95,301	66,113	29,188		
Sedgman Pty. Ltd.	Australia	8.80%	89,855	44,243	45,612		
Hochtief Concessions							
Airport Holding Tanácsadó Kft.	Zalaegerszeg, Ungarn	25.56%					12,461
Athens International Airport S.A.	Athen, Greece	13.72%					15,652
Bonaventura Straßenerhaltungs-GmbH	Wien, Austria	12.87%	1,192	916	276		173
Flughafen Düsseldorf GmbH	Düsseldorf, Germany	10.29%					6,213

* Non-controlling interests not included.

Company	Address	% Effective Ownership	Data on the investee (100%)				
			Assets	Liabilities	Equity*	Revenue	Profit for the year
Flughafen Hamburg GmbH	Hamburg, Germany	17.90%					22,430
Inversiones de Infraestructura S.A.	Santiago de Chile, Chile	21.05%	32,090	20,950	11,140		(135)
Olympia Odos Operation Company S.A.	Athen, Greece	8.75%	2,265	768	1,497		464
Raststätten Betriebs GmbH	Wien, Austria	25.73%	15,985	14,543	1,442		(216)
S&W TLP (PSP ONE) Limited	Swindon, Gran Bretaña	25.73%	32,759	32,481	278		16
Tirana International Airport SHPK	Tirana, Albania	24.19%					2,242
Hochtief Europe							
Am Opernboulevard GmbH & Co. KG	Hamburg, Germany	24.19%	37,483	30,475	7,008		477
Arbeitsgemeinschaft GÜ Köbis Dreieck KPMG	Berlin, Germany	25.73%	183	43	140		(1)
aurelis Real Estate GmbH & Co. KG	Eschborn, Germany	25.73%	692,199	583,535	108,664		23,650
CONTUR Wohnbauentwicklung und Projektsteuerung GmbH & Co. KG	Köln, Germany	25.47%	350	342	8		8
D1 Construction s.r.o.	Bratislava, Slovakia	25.73%	1,097	778	319		-
Grundstücksges. Köbis Dreieck GmbH & Co. Development KG	Berlin, Germany	25.73%	12,865	8,821	4,044		666
HGO InfraSea Solutions GmbH & Co. KG	Bremen, Germany	25.73%	51,088	40,189	10,899		(601)
Le Quartier Central Teilgebiet C GmbH & Co. KG	Essen, Germany	25.73%	29,033	27,339	1,694		2,464
L United Statesil Hochtief Q.S.C.	Doha, Qatar	25.22%	241	218	23		-
SEVERINS WOHNEN GmbH & Co. KG	Köln, Germany	25.73%	251	218	33		33
Skyliving GmbH & Co. KG	Oststeinbek, Germany	25.73%					
Wohnpark Gießener Straße GmbH & Co. KG	Kriftel, Germany	25.73%	4,768	3,874	894		379
INDUSTRIAL SERVICES							
Afta, S. A.	Nucleo Central, 100 Tagus Park, 2780. Porto Salvo. Portugal.	24.84%	-	-	-	-	-
Andasol 1, S.A.	Plaza Rodrigo s/n. 18514 Aldeire Granada. Spain	10.00%	315,675	294,810	20,865	45,561	5,327
Andasol 2, S.A.	Plaza Rodrigo s/n. 18514 Aldeire Granada. Spain	10.00%	341,128	327,764	13,364	45,952	1,034
AR Sieniawa sp z. o. o.	Al. Jerozolimskie 56 C, Warsaw. Poland.	22.36%	-	-	-	-	-
Brilhante Transmissora de Energias, S.A.	Avda. Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil.	50.00%	150,637	108,043	42,594	10,852	175
C.I.E.R. S.L.	Pol Ind. Las Merindades Calle B s/n09550 Villarcayo. Burgos. Spain.	50.00%	-	-	-	-	-
Carreteras Pirenaicas, S.A.	Pza. de Aragón, nº 11 1º Izqda.50004 - Zaragoza. Spain.	47.50%	3,540	79	3,461	-	(100)
CME Al Arabia, Lda.	PO BOX 42651. 11551Riad. Saudi Arabia.	37.27%	-	-	-	-	-
CME Construção e Manutenção Eletromecania Romania, SARL	Ploiesti, NR. 73-81 Parcul Victoria, Corpul III, Viroul 220 Sector 1, Bucuresti	74.54%	-	-	-	-	-
Concesionaria Jauru Transmissora de Energia	Rua Marechal Camara,160. Sala 1534 Rio de Janeiro. Brazil	33.00%	146,624	69,988	76,636	19,486	(131)
Consortio de Telecomunicaciones Avanzadas, S.A.	Avda Juan Carlos I, 59-6. Espinardo. Murcia. Spain	10.52%	3,701	1,071	2,630	1,794	63
Desarrollos Energéticos Asturianos, S.L.	Pol. Industrial Las Merindades calle B, s/n. 09550 Villarcayo. Burgos. Spain	50.00%	524	58	466	-	(2)
Dora 2002, S.L.	C/ Monte Esquinza, 34. 28010 Madrid. Spain	45.39%	47	-	47	-	-
Electra de Montanchez, S.A.	Periodista Sánchez Asensio, 1. Cáceres. Spain	40.00%	320	19	301	-	(34)

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Company	Address	% Effective Ownership	Data on the investee (100%)				
			Assets	Liabilities	Equity*	Revenue	Profit for the year
Energía de la Loma S.A.	C/ Las Fuentecillas, s/n. Villanueva del Arzobispo. 23330 Jaén. Spain.	20.00%	14,899	6,015	8,884	8,879	1,140
Energías Alternativas Eólicas, S.L.	Gran Vía Juan Carlos I, 9. 26002 Logroño. Spain	37.50%	23,732	16,292	7,440	8,305	2,932
Energías Renovables de Ricobayo, S.A.	Avda. Europa, 6 Parque Empresarial La Moraleja. 28108 Alcobendas. Madrid. Spain	50.00%	1,091	730	361	1,475	(29)
Enervouga - Energias do Vouga, Lda.	Tagus Sapce. Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal.	37.50%	1,065	1,062	3	-	-
Equipamentos Informaticos, Audio e Imagem, S.A.	Rua Helder Neto, 87. Malanga. Luanda. Angola.	16.88%	-	-	-	-	-
Escal UGS, S.L.	C/ San Francisco de Sales, Nº 38-1º Pta. Madrid. Spain	66.67%	1,204,296	1,216,416	(12,120)	-	(31)
Evacuación Valdecaballeros, S.L.	C/ María de Molina, 4 5ª planta. Madrid. Spain	9.99%	-	-	-	-	-
Hospec, S.A.	Tamer Bldg., Sin El Deirut. Lebano	50.00%	31	59	(28)	-	-
Hydrotua - Hidroelectricas do Tua, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal.	37.50%	2,306	2,303	3	-	-
Incro, S.A.	C/ Serrano, 27. 28016 Madrid. Spain	50.00%	14,503	12,444	2,059	6,559	1,882
Interligação Elétrica Norte e Nordeste, S.A.	Avda. Marechal Camara 160 sala 1833 y 1834. 20030-020 Rio de Janeiro. Brazil	25.00%	272,076	159,552	112,524	35,080	(19,673)
Interligação Elétrica Sul, S.A.	Rua Casa do Ator, 1115, 8º andar Vila Olímpia. São Paulo. Brazil.	49.90%	68,397	24,084	44,313	18,822	(5,966)
JC Deux Cevasa	Avda. de Aragón 328 28022 Madrid	50.00%	304	87	217	244	57
Parqa, S. A.	Rua Dr. António Loureiro Borges 9. Portugal	37.27%	-	-	-	-	-
Parque Eólico Bandelera, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	75.08%	50,709	49,866	843	-	-
Parque Eólico Región de Murcia, S.A.	Central, 12. 30007 Murcia. Spain	20.00%	101	-	101	-	(4)
Parque Eólico Roderia Alta, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	75.08%	47,775	46,812	963	-	-
Planta de Reserva Fría Eten, S.A.	Avda. Argentina 2415. Lima. Peru.	50.00%	-	-	-	-	-
Portwind sp z. o. o.	Warszawa, UL. Aleje, Jerozolimskie, 56 C 00-803. Poland.	37.50%	-	-	-	-	-
Red Eléctrica del Sur, S.A.	Juan de la Fuente, 453 miraflores Lima. Peru	23.75%	41,260	31,729	9,531	7,922	3,040
Serrezuela Solar II, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	50.00%	48,456	48,739	(283)	-	-
Sistema Eléctrico de Conexión Hueneja, S.L.	C/ Loja nº 8 - Local 26. Albolote. Granada. Spain	24.35%	26,510	28,037	(1,527)	-	(1,169)
Sistema Eléctrico de Conexión Valcaire, S.L.	C/ Loja nº 8 Local 26. Albolote. Granada. Spain	29.79%	-	-	-	-	-
Sociedad Aragonesa de Estaciones Depuradoras, S.A.	Doctor Aznar Molina, 15-17. 50002 Zaragoza. Spain	40.00%	23,370	19,293	4,077	2,317	(524)
Sociedad de Aguas Residuales Pirineos, S.A.	Doctor Aznar molina, 15-17. 50002 Zaragoza. Spain.	37.50%	5,364	39	5,325	-	(15)
Sociedad de Generación Eólica Manchega, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain.	75.08%	24,659	22,417	2,242	-	-
Somozas Energías Renovables, S.A.	Lg Iglesia, 1. 15565 La Coruña. Spain	25.00%	8,607	7,667	940	2,583	431
Tonopah Solar Investments, LLC.	7380 West Sahara, Suite 160. Las Vegas NV 89117. United States of America	50.00%	-	-	-	-	-
Torre de Miguel Solar, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	50.00%	64,094	64,185	(91)	-	-

* Non-controlling interests not included.

Company	Address	% Effective Ownership	Data on the investee (100%)				
			Assets	Liabilities	Equity*	Revenue	Profit for the year
ENVIRONMENT							
Aguas del Gran Buenos Aires, S.A.	C/ 48 N° 877, piso 4 oficina 408. La Plata Provincia de Buenos Aires. Argentina	26.34%	2,652	3,298	(646)	-	(93)
Betearte, S.A.	C/ Colón de Larrategui, 26. Bilbao. Spain	33.33%	18,423	16,164	2,259	2,591	1,503
CITIC Construction Investment Co., Ltd.	Xidaqiao Lu, 69 Distrito Miyun - Beijing - China	50.00%	5,487	443	5,044	-	(400)
Demarco, S.A.	Alcalde Guzmán, 18. Quilicura. Chile	50.00%	23,482	20,463	3,019	18,096	(254)
Desarrollo y Gestión De Residuos, S.A. (Degersa)	Avda. Barón de Carcer, 37. Valencia. Spain	40.00%	22	(0)	22	-	-
Desorción Térmica, S.A.	C/ Velázquez, 105-5ª Plta. 28006 Madrid. Spain	45.00%	2,810	300	2,510	15	(810)
Ecoparc del Mediterrani, S.A.	Avda. Eduard Maristany, s/n. 08930 Sant Adria de Besós. Barcelona. Spain	32.00%	19,631	9,581	10,050	12,389	4,116
Electrorecycling, S.A.	Ctra. BV 1224, Km. 6,750 El Pont de Vilomara i Rocafort - Barcelona - Spain	33.33%	6,496	1,533	4,963	6,435	1,235
Empresa Mixta de Limpieza, S.A.	Av. Logroño II, 10. 24001 León. Spain	49.00%	5,366	2,951	2,415	5,964	382
Empresa Municipal de Aguas del Ferrol, S.A.	C/ Praza da Ilustracion, 5-6 Baixo. Ferrol. La Coruña. Spain	49.00%	14,864	9,722	5,142	5,534	(282)
Energías y Tierras Fértiles, S.A.	Pascual y Genís, 19. 46002 Valencia. Spain	33.36%	63	-	63	-	-
Entaban Biocombustibles del Pirineo, S.A.	Paseo Independencia, 28. Zaragoza. Spain	37.50%	9,837	15,325	(5,488)	-	(1,724)
Esteritex, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	50.00%	3,532	3,189	343	1,193	(62)
Gestión Medioambiental de L'Anoia, S.L.	C/ Viriato, 47. 08000 Barcelona. Spain	50.00%	333	435	(102)	-	0
Huesca Oriental Depura, S.A.	Ctra. de Madrid, km. 315,800 Edif. Expo Zaragoza, 3 Ofic. 14 - 50012 Zaragoza. Spain	60.00%	5,934	1,612	4,322	-	-
Indira Container Terminal Private Limited	Indira Dock, Green Gate, Mumbai Port Mumbai 400038. India	50.00%	50,125	39,528	10,597	860	(1,459)
International City Cleaning Company	Bordi Masser Lel-Siaha, Maydan. Al-Abbasia Aawan. Egypt	30.00%	-	-	-	-	-
KDM, S.A.	Alcalde Guzmán, 18. Quilicura. Chile	50.00%	122,152	72,755	49,397	50,418	6,043
Mac Insular, S.L.	Calle Julián Álvarez, nº 12-A-1º. Palma de Mallorca. Spain	8.00%	56,759	47,428	9,331	14,871	(3,163)
Marpolgal, S.L.	C/ Canovas del Castillo, 10, 1º, oficina 8. Vigo. Spain.	50.00%	3	-	3	-	-
Pilagest, S.L.	Ctra. BV 1224, Km. 6,750 El Pont de Vilomara i Rocafort - Barcelona-Spain	50.00%	2,236	(0)	2,236	49	1,013
Salmedina Tratamiento de Residuos Inertes, S.L.	Cañada Real de las Merinas, s/n. Cº de los Aceiteros, 101. Madrid. Spain	41.98%	12,463	8,462	4,000	7,157	242
Servicios Urbanos e Medio Ambiente, S.A.	Avda. Julio Dinis, 2. Lisboa. Portugal	38.50%	273,839	206,994	66,844	110,488	8,425
Starco, S.A.	Alcalde Guzmán, 18. Quilicura. Chile	50.00%	15,596	15,572	24	14,426	165
Técnicas Medioambientales del Golfo, S.A. de C.V.	Mier y Teran No. 260 4to piso en Cd Victoria Tamaulipas. Mexico	50.00%	7,240	3,716	3,524	1,961	339
Tirme, S.A.	Ctra. de Soller, Km 8,2. 07120 Son Reus. Palma de Mallorca. Spain	20.00%	585,975	536,925	49,050	90,288	7,651
Tractaments Ecologics, S.A.	Pl. La Valldan C/ Serra Fariols, 137 Berga - Barcelona - Spain	50.00%	2,953	1,742	1,211	3,028	480
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91. 08008 Barcelona. Spain	33.33%	9,014	2,800	6,214	9,272	759
Valdemingomez 2000, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	33.59%	10,352	6,649	3,703	5,898	115
Waste Syclo, S.A.	Katehaki 75 & kifisias Avenue, 115-25. Athens. Greece.	51.00%	62	2	60	-	(40)
Zoreda Internacional, S.A.	C/ Rodriguez San Pedro, 5. Gijón. Asturias. Spain	40.00%	50	-	50	-	(0)

* Non-controlling interests not included.

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Appendix IV. Changes in the scope of consolidation

The main companies included in the scope of consolidation are as follows:

Línea Nou Manteniment, S.L.	Actividades y Servicios, S.A.
Parking Nou Hospital del Camp, S.L.	Minuano Montangens e Servicos, Ltda.
Centre D'Integració Social Balear Ceo, S.L.	Armando Cunha, ACE
Waste Syclo, S.A.	AR Sieniawa Sp z. o. o.
Cymimasa Serviços Industriais, Ltda.	Enervouga - Energias do Vouga, Lda.
Zenit Air Traffic Control, S.A.	Hydrotua - Hidroelectricas do Tua, Lda.
Hidráulica Río Piedra, S.A.	Portwind Sp z. o. o.
Cotefy, S.A. de C.V.	NGS - New Generation Supplier, Unipessoal Lda.
Sete Lagoas Transmissora de Energia, Ltda.	Marpolgal, S.L.
Atlántica I Parque Eólico, S.A.	AXIL 3 Ingenieros, S.L.U.
Atlántica II Parque Eólico, S.A.	Urbaser, S.r.l.
Atlántica IV Parque Eólico, S.A.	Parque Eólico Tres Hermanas, S.A.C
Remodelación el Sauz, S.A. de C.V.	Energías Renovables Andorranas, S.L.
Cobra Thermosolar Plants, Inc.	Etracontrol, S.L.
ImesAPI Maroc	Initec do Brasil Engenharia e Construcoes, Ltda.
Carreteras Pirenaicas, S.A.	Sice NZ, Limited
Vias U.S.A., Inc.	Semi Germany, S.A.
Parking Palau de Fires, S.L.	Sedmiruma, S.R.L.
Imesapi, Ll.	Semi República Dominicana, S.R.L.
Corporate Statement, S.L.	Trigeneración Extremeña, S.L.
Sice Tecnología en Minería, S.A.	Central Solar Termoeléctrica Cáceres, S.A.U.
Sti Telecom, Spa	Planta de Reserva Fria Eten, S.A.
Constructora Dragados Comsa, S.A.	Control y Montajes Industriales Cymi Chile, Ltda.
Serrezuela Solar II, S.L.	Mantenimiento y Montajes Industriales, Masa Chile, Ltda.
Extresol-4, S.L.	Moyano Maroc, SRALU
Midasco, Ll.	Vias Canada, Inc.
Autovía de la Sierra de Arana, S.A.	Electren U.S.A., Inc.
Maintenance et Montages Industriels, S.A.S	MASE Internacional, CRL
Semicosta Inc. Sociedad Anónima	Initec Energia Ireland, Ltd.
SEMI Bulgaria, S.L.U.	Tecneira Acarau Geraçao e Comercialização de Energia Eletrica, S.A.
SEMI Panamá, S.A.	Pilatequia, S.L.
Operadora Can Misses, S.L.	Cobra Energy Investment, LLC.
North Africa Infrastructures, S.L.	Tonopah Solar Investments, LLC.
Evacuación Valdecaballeros, S.L.	Tonopah Solar Energy Holdings I, LLC.
Geocisa UK, Ltd.	Tonopah Solar Energy Holdings II, LLC.
Systelec Quebec, Inc.	Tonopah Solar Energy, LLC
Systelec, S.E.C	Cobra Great Island, Limited
Tulífox, S.A.	Equity Share, S.L.

The main companies no longer included in the scope of consolidation are as follows:

Urbaser Santo Domingo, S.A.	Energías Ambientales, S.A.
Nordeste Transmisora de Energia, Ltda.	Energías Ambientales de Novo, S.A.
STE - Sul Transmissora de Energia, Ltda.	Societat Eólica de l' Enderrocada, S.A.
Interligação Elétrica de Minas Gerais, S.A.	Energías Ambientales de Vimianzo, S.A.
Iquique Terminal Internacional, S.A.	Explotaciones Eólicas Sierra de Utrera, S.L.
Pt Operational Services Pty, Ltda.	Vila do Conde, Ltda.
Recurba Medio Ambiente, S.A.	Cachoeira Paulista Transmisora de Energia, S.A.
Cabeço das Pedras	Gpme, S.A.
Benq	Yetech
Tecneira Moçambique SA-Tecnologias Energéticas, S.A.	ABL CME Advanced Communications
Vectra, S.A.	Vortal, S.A.
Albares Renovables, S.L.	Cme Business
Remolcadores de Barcelona, S.A.	Sociedad Concesionaria Túnel San Cristóbal, S.A.
Servicio Puerto Rada y Antipolucción, S.A.	Taurus Holdings Chile, S.A.
Hércules International Towage Services, S.A.	Sociedad Concesionaria Vespuccio Norte Express, S.A.
Urbalia Panama, S.A.	Senderol, S.A.
Aseo Urbano, S.A. E.S.P.	Reciclados del Mediterraneo, S.L.
Urbaser S.A. E.S.P.	Eco Actrins, S.L.U.
Consensur, S.A.	DPI Terminals Dominicana, Ltda.
Clærh, S.A.	Eolicaman, S.A.
Ecología y Técnicas Sanitarias, S.L.	Loma del Capón, S.L.
Sanypick Plastic, S.A.	Colonial Leasing Corporation
Sermed, S.A.	Agrupación Offshore 60, S.A. de C.V.
Artemis Transmissora de Energia, Ltda.	Serra do Moncoso Cambas, S.L.
Uirapuru Transmissora de Energia, Ltda.	Ecoven Parc Eólic, S.A.
Energías Ambientales de Somozas, S.A.	Energías Ambientales de Outes, S.A.

Companies considered as Discontinued operations:
Group Clece

Clece, S.A.	GPL Limpiezas, S.L.
Limpiezas Lafuente, S.L.	Soluciones para el medioambiente, S.L.
Lireba Serveis Integrats, S.L.	Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Valencia, S.L.
Talher, S.A.	Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Andalucía, S.L.
Zenit Servicios Integrales, S.A.	Integra Manteniment, Gestio i Serveis Integrats, Centre Especial de Treball, Catalunya, S.L.
Multiservicios Aeroportuarios, S.A.	Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Galicia S.L.
Publimedia Sistemas Publicitarios, S.L.	Integra Logística, Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo, S.L.
Trenmedia, S.A.	Sociedad Peninsular de Limpiezas Mecanizadas, Lda.
Limpieza Guía, Ltd.	Clece, Inc.
Mapide,S.A.	Montaje de Aparatos Elevadores y Mantenimiento, S.L.
Net Brill, S.L.	Centre D'Integració Social Balear Ceo, S.L.
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo, S.L.	Zenit Air Traffic Control, S.A.
Limpiezas Deyse, S.L.	

Auditors' Report on Consolidated Financial Statements

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

Consolidated Financial Statements for the year ended 31 December 2011 and Directors' Report, together with Independent Auditors' Report.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain (see Notes 2 and 39). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
ACS, Actividades de Construcción y Servicios, S.A.:

1. We have audited the consolidated financial statements of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries, which comprise the consolidated statement of financial position at 31 December 2011 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. As indicated in Note 2.1 to the accompanying consolidated financial statements, the Parent's directors are responsible for the preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.
2. In our opinion, the accompanying consolidated financial statements for 2011 present fairly, in all material respects, the consolidated equity and consolidated financial position of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries at 31 December 2011, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.
3. The accompanying consolidated directors' report for 2011 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2011. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries.

DELOITTE, S.L.
Registered in ROAC under no. 80692

Javier Parada Pardo
22 March 2012

Historical performance

Consolidated income statement evolution

Million of euros

	2006	2007	2008	2009 ⁽¹⁾	2010 ⁽²⁾	2011	TACC ⁽³⁾ 11/06
Revenues	13,868.7	15,344.9	15,275.6	15,387.4	14,328.5	28,471.9	15.5%
<i>Dragados</i>	6,750.3	7,352.9	6,625.4	6,077.7	5,593.1	4,800.4	-6.6%
<i>Concessions</i>	26.1	35.8	66.1	73.5	110.2	119.3	35.5%
<i>Hochtief</i>	-	-	-	-	-	14,881.8	n.a.
Construction	6,776.4	7,388.7	6,691.5	6,151.2	5,703.3	19,801.5	23.9%
Environment	2,458.6	2,834.9	2,413.8	2,469.8	1,510.7	1,685.7	-7.3%
Industrial Services	4,747.7	5,488.7	6,476.7	6,849.6	7,157.8	7,045.0	8.2%
Holding / Adjustments	(114.0)	(368.4)	(306.4)	(83.2)	(43.3)	(60.4)	-11.9%
EBITDA	1,218.9	1,379.8	1,382.5	1,429.3	1,431.7	2,317.7	13.7%
<i>Dragados</i>	504.0	548.9	494.3	456.4	393.0	374.7	-5.8%
<i>Concessions</i>	6.9	381.5	23.2	18.0	33.8	46.3	46.3%
<i>Hochtief</i>	-	-	-	-	-	788.7	n.a.
Construction	510.9	930.3	517.5	474.5	426.8	1,209.7	18.8%
Environment	324.7	381.5	314.8	304.1	237.3	253.3	-4.8%
Industrial Services	419.6	488.4	591.2	686.9	821.4	907.3	16.7%
Holding / Adjustments	(36.3)	(39.4)	(41.0)	(36.2)	(53.9)	(52.6)	7.7%
EBIT	942.5	1,056.7	1,042.7	1,073.9	1,020.5	1,374.2	7.8%
<i>Dragados</i>	422.7	460.3	410.9	378.6	297.2	282.5	-7.7%
<i>Concessions</i>	(2.7)	(5.2)	7.8	5.9	20.8	30.5	n.a.
<i>Hochtief</i>	-	-	-	-	-	188.0	n.a.
Construction	420.0	455.1	418.7	384.4	318.0	501.0	3.6%
Environment	195.5	232.8	195.3	180.3	128.5	112.0	-10.5%
Industrial Services	364.7	412.5	471.9	547.8	618.7	795.4	16.9%
Holding / Adjustments	(37.7)	(43.7)	(43.2)	(38.5)	(44.8)	(34.3)	-1.8%
Net Profit	1,250.1	1,551.1	1,805.0	1,946.2	1,312.6	961.9	-5.1%
<i>Dragados</i>	282.1	310.3	275.0	241.4	220.4	180.4	-8.6%
<i>Concessions</i>	(17.3)	3.7	20.2	(21.9)	(21.9)	117.2	n.a.
<i>Hochtief</i>	-	-	-	-	(11.0)	72.7	n.a.
Construction	264.8	314.0	295.3	219.5	187.5	370.3	6.9%
Environment	109.1	131.7	144.6	146.2	152.3	128.2	3.3%
Industrial Services	222.6	264.9	316.7	346.7	399.5	491.6	17.2%
Listed Associates	81.1	57.7	17.4	117.2	144.2	35.6	-15.2%
Holding / Adjustments	402.4	782.4	1,031.1	1,116.6	429.1	(63.7)	n.a.

(1) 2009 are presented applying IAS 31 and IFRIC 12 in comparable terms using the same criteria that it has been used in 2010.

(2) 2010 data proforma, Clece has been reclassified as "Discontinued Operation", using the same criteria that it has been used in 2011 and Hochtief results has been included in Construction area.

(3) CAGR: Compound Annual Growth Rate.

Consolidated balance sheet as of December, 31

Million of euros	2006	2007	2008	2009	2010	2011
Fixed and other noncurrent assets	14,018.1	32,265.7	37,837.5	17,505.7	19,422.3	25,630.3
Property, plant and equipment	2,917.2	18,294.2	5,207.6	4,435.9	1,469.1	3,550.4
Intangible assets	397.6	1,670.4	503.2	1,272.5	1,545.2	2,856.2
Non-current financial assets	10,227.5	10,299.7	7,081.7	9,888.8	11,007.4	9,053.3
Other non-current assets ⁽¹⁾	475.8	2,001.4	25,045.0	1,908.5	5,400.7	10,170.4
Goodwill	1,086.6	2,950.4	1,132.6	1,108.4	1,149.4	2,496.4
Working capital	(2,496.7)	(3,441.0)	(2,294.9)	(2,799.3)	(3,386.3)	(3,733.7)
Total Assets	12,608.0	31,775.0	36,675.1	15,814.8	17,185.4	24,393.0
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
Other non-current liabilities⁽²⁾	605.3	4,759.5	17,406.3	2,217.6	4,739.9	8,867.6
Non-current liabilities	10,120.9	16,804.5	9,576.3	11,636.8	9,621.2	9,604.3
Non-recourse project financing	6,797.6	9,278.3	6,245.2	8,591.9	4,860.1	5,888.1
Non-current bank borrowings	3,323.3	7,526.2	3,331.0	3,044.9	4,761.1	3,716.2
Current payables/ Current liabilities	(1,374.6)	(230.0)	(220.5)	(2,547.5)	(1,618.1)	(270.1)
Non-recourse project financing	195.4	363.2	176.8	278.0	2,186.4	77.4
Current bank borrowings	1,237.7	3,479.3	3,968.8	2,103.6	2,150.3	6,813.8
Other current financial assets	(1,880.9)	(1,420.9)	(2,185.1)	(2,757.9)	(3,502.2)	(3,006.2)
Cash and cash equivalents	(926.6)	(2,651.6)	(2,181.0)	(2,171.3)	(2,452.6)	(4,155.2)
Total Equity and Liabilities	12,608.0	31,775.0	36,675.1	15,814.8	17,185.4	24,393.0

(1) In 2008, there is included "Non-current assets held for sale" accounted for 24,351 million of euros derived from the sale of Union's Fenosa stake. In 2009 there is included 1,177 million of euros related to SPL. In 2010 there is included 4,010.7 million of euros related to renewable energy assets, 152.6 million of euros related to Murcia desalination plants, 181.2 million of euros related to Brazilian transmission lines and 231.6 million of euros related to SPL assets. In 2011 there is included 3,563.2 million of euros related to renewable energy assets, 371.3 million euros related to desalination plants, 852.7 million of euros related to Brazilian transmission lines, 127 million of euros related to SPL assets, 443.6 million of euros related to Clece assets, 1,118.9 million of euros related to Iridium concessional assets, 1,455.8 million of euros related to Hochtief airport assets and 154.5 million of euros related to other assets held for sale.

(2) In 2008, there is included "Non-current liabilities held for sale" accounted for 15,931 million of euros derived from the sale of Union's Fenosa stake. In 2009 there is included 845 million of euros related to SPL. In 2010 there is included 3,294.7 million of euros related to renewable energy assets, 147 million of euros related to Murcia desalination plan, 83.4 million of euros related to Brazilian transmission lines and 65 million of euros related to SPL assets. In 2011 there is included 3,036.7 million of euros related to renewable energy assets, 274.6 million euros related to desalination plants, 343.9 million of euros related to Brazilian transmission lines, 50.6 million of euros related to SPL assets, 326 million of euros related to Clece assets, 928.7 million of euros related to Iridium concessional assets, 19.3 million of euros related to Hochtief airport assets and 15.4 million of euros related to other assets held for sale.



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