

ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



Results Report Year 2010

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INDEX

1.	EXECUTIVE SUMMARY.....	3
1.1.	Main financial figures	3
1.2.	Main figures by activity.....	4
1.3.	Relevant facts of the period.....	5
2.	CONSOLIDATED FINANCIAL STATEMENTS.....	7
2.1.	Income Statement	7
2.2.	Consolidated balance sheet	10
2.3.	Cash flow statement.....	13
3.	BUSINESS PERFORMANCE.....	15
3.1.	Construction	15
3.2.	Concessions	17
3.3.	Environmental Services.....	18
3.4.	Industrial Services & Energy.....	20
3.5.	Affiliated Listed Companies	22
4.	MATERIAL FACTS OCCURRING SINCE THE LAST CLOSE	23
5.	DESCRIPTION OF MAIN RISKS AND UNCERTAINTIES.....	23
6.	HUMAN RESOURCES.....	24
7.	TECHNOLOGICAL INNOVATION AND ENVIRONMENTAL PROTECTION	25
8.	INFORMATION ON RELATED PARTIES	26
	ANNEXES.....	27
	Annex I. P&L Account per area of activity.....	27
	Annex II. Balance Sheet per area of activity.....	28
	Annex III. 2009 Results re-expressed according to IAS 31 and IFRIC 12	29
	Annex IV. Infrastructure Concessional assets portfolio.....	30
	Annex V. Stock price evolution.....	31
	Annex VI. Main contracts awarded	32

1. Executive Summary

1.1. Main financial figures

ACS Group			
Main financial figures			
	January - December		
Million Euro	2009	2010	Var. 10/09
Turnover	15,387	15,380	0.0%
<i>International</i>	25.8%	31.8%	+23.1%
EBITDA	1,429	1,505	+5.3%
<i>Margin</i>	9.3%	9.8%	
EBIT	1,074	1,099	+2.4%
<i>Margin</i>	7.0%	7.1%	
Ordinary Net Profit from Continuing Operations*	837	923	+10.3%
Ordinary EPS from Continuing Operations	2.69 €	3.08 €	+14.6%
Attributable Net Profit	1,946	1,313	-32.6%
Cash Flow from Operations	1,591	1,377	-13.4%
Net Investments	(1,327)	2,324	n.a.
Investments	4,578	5,112	+11.7%
Disposals	5,905	2,788	-52.8%
Total Net Debt	9,089	8,003	-12.0%
Net Debt with recourse	219	957	+336%
Non recourse Financing	8,870	7,046	-20.6%

* Profit after taxes not including exceptional results nor discontinued operations

Note: all data is presented according to ACS management criteria. 2009 data are presented in comparable terms applying IFRIC 12 criteria.

- In 2010 Grupo ACS has accounted a total turnover of € 15,380 million, roughly the same as last year's figure, backed by the significant growth of international sales (+23.1%) whose backlog is still growing at similar rates (+22.7%). Domestic sales decrease by 8.1%.
- EBITDA grew by 5.3%, accounting for € 1,505 million, whilst EBIT increased by 2.4% to € 1,099 million.
- Profit from continuing operations, not including the contribution of Abertis in 2010 and UNF in 2009 and Ports and Logistics on both exercises, grew by 10.3% up to € 923 million. Ordinary EPS grew by 14.6%.
- Net profit of the Group accounted for € 1,313 million and includes, amongst others, a net capital gain from the sale of 15.55% Abertis of €384 million. Even so, it shows a decrease of 32.6% compared to December 2009 figures, when were accounted both the sale of 35.3% of Union Fenosa (€ 1,001 million).
- Cash flow from operations before taking into consideration working capital variations accounted for € 1,188 million, accounting this variation, cash flow from operations outperformed up to € 1,377 million.
- In 2010 total investments accounted for € 5,112 million. The disposals generated funds for € 2,788 million, and are basically the sale of Abertis.
- Total net debt amounted to € 8,003 million. Out of that figure € 957 million corresponded to a net debt with recourse, whilst the non recourse debt amounted to € 7,046 million.

1.2. Main figures by activity

TURNOVER			January - December		
Million Euro	2009	%	2010	%	Var. 10/09
Construction	6,078	39%	5,593	36%	-8.0%
Concessions	73	1%	110	1%	+49.9%
Environmental Services	2,470	16%	2,562	17%	+3.7%
Industrial Services	6,850	44%	7,158	46%	+4.5%
Holding / Adjustments	(84)		(43)		
TOTAL	15,387		15,380		0.0%

EBITDA			January - December		
Million Euro	2009	%	2010	%	Var. 10/09
Construction	456	31%	393	25%	-13.9%
Concessions	18	1%	34	2%	+87.6%
Environmental Services	304	21%	311	20%	+2.2%
Industrial Services	687	47%	821	53%	+19.6%
Holding / Adjustments	(36)		(54)		
TOTAL	1,429		1,505		+5.3%

EBIT			January - December		
Million Euro	2009	%	2010	%	Var. 10/09
Construction	379	34%	321	28%	-15.1%
Concessions	6	1%	22	2%	+271.5%
Environmental Services	180	16%	185	16%	+2.6%
Industrial Services	548	49%	628	54%	+14.6%
Holding / Adjustments	(39)		(57)		
TOTAL	1,074		1,099		+2.4%

NET PROFIT			January - December		
Million Euro	2009	%	2010	%	Var. 10/09
Construction	241	29%	220	24%	-8.7%
Concessions*	(22)	(3%)	(22)	(2%)	+0.0%
Environmental Services	146	18%	152	17%	+4.1%
Industrial Services	347	42%	400	44%	+15.2%
Listed Associates	117	14%	159	17%	+35.7%
Holding / Adjustments	1,117		404		
TOTAL	1,946		1,313		-32.6%

BACKLOG			January - December		
Million Euro	2009	months	2010	months	Var. 10/09
Construction	11,340	22	11,087	24	-2.2%
Industrial Services	6,518	11	6,846	11	+5.0%
Services	10,723	52	10,844	51	+1.1%
TOTAL	28,581		28,777		+0.7%

Note: The percentages have been calculated as the sum of the activities considered in each area

1.3. Relevant facts of the period

- Grupo ACS Board of Directors agreed on its meeting on December 16th, 2011, the distribution of a gross interim dividend from 2010 exercise of ninety euro cents per share. This dividend was paid last February 8th, 2011.
- During all 2010 Grupo ACS has acquired 477.5 million shares of Iberdrola, equivalent to 8.7% of the share capital of the utility company, meaning an investment of € 2.753 million. The Grupo ACS stake in Iberdrola has grown up to 20.2% of the total share capital.
- The last December 17th, 2010, Grupo ACS sold its stake in eight transmission lines in Brazil for a total sale price of € 278.4 million, with a capital gain before taxes of € 38.8 million.
- The last December 2nd, 2010, Grupo ACS, via its associate company, ACS Servicios y Concesiones, S.L., completed the sale, to funds managed by a consortium led by institutional investors advised by J.P. Morgan Asset Management, of the entirety of share capital of Dragados Servicios Portuarios y Logísticos, S.L., for a total company value upwards of € 700 million, excluding international assets and stakes in the companies Rebarsa and Sintax.
- Last November 25th, 2010, ACS agreed to initiate the sale process of its renewable energy assets, both domestic – registered or pre-registered in the appropriate public registries – and the international, which account for 2,148 MW (1,757 MW attributable to ACS), distributed as follows:
 - 1,414 MW (1,056 MW attributable) of wind energy in Spain.
 - 385 MW (352 MW attributable) of wind energy abroad
 - 349 MW, 100% attributable to ACS, of thermal solar energy in Spain.
- The 16th of September of 2010, Grupo ACS submitted a Public Exchange Offer to the shareholders of the German company Hochtief A.G., payable in ACS shares at a ratio of nine ACS shares per five Hochtief shares.

On February 4th, 2011, the public Exchange Offer was completed successfully, with a total acceptance level of 2,805,599 shares representing 3.64% of Hochtief AG share capital. As of today, ACS holds a 36.2% of the German company share capital.
- In August 2010, ACS closed the transaction to partially sale its stake in Abertis to a set of investment funds managed by CVC. The transaction was structured to allow ACS and CVC to control the whole 25.8% stake in Abertis.

In said structure, 60% corresponded to CVC and 40% to ACS. Thus, ACS and CVC play an active role in the management of Abertis—they are present in the governing bodies of the company and will support it in the same way that ACS has done thus far.

The transaction was executed at a price of 15 Euros per share, therefore the total valuation of the ACS holding in Abertis amounted to 2.9 billion Euros. The transaction has been paid for in cash (50%), and the remaining 50% has been financed through credit provided by several financial institutions both from Spain and abroad.

The pre tax capital gains obtained by Grupo ACS as a consequence of the partial transmission of its stake in Abertis, representing 15.55% of its share capital, accounted for € 520 million. Grupo ACS has also increased its net cash position as a result of this transaction by € 2,263 million.

- Last June 30th, 2010 ACS signed with Natixis the extension for 1 year period, until March 2012, the contract related to equity swaps over 4.68% stake of Iberdrola, keeping unchanged the rest of conditions.
- On May 27th, 2010, the Company's Executive Commission, following AGM 2009 decision on that matter, established a Share Options Plan of ACS for 6,203,454 shares, with a strike price of 34.155 Euros per share. The options shall be exercisable, in halves and in equal parts during the fourth and fifth years following 1st of May 2010.

2. Consolidated financial statements

2.1. Income Statement

ACS Group					
Consolidated Income Statement					
January - December					
Million Euro	2009	%	2010	%	Var. 10/09
Net Sales	15,387	100.0%	15,380	100.0%	0.0%
Other revenues	389	2.5%	356	2.3%	-8.4%
Total Income	15,776	102.5%	15,736	102.3%	-0.3%
Operating expenses	(10,569)	(68.7%)	(10,195)	(66.3%)	-3.5%
Personnel expenses	(3,778)	(24.6%)	(4,036)	(26.2%)	+6.8%
Operating Cash Flow (EBITDA)	1,429	9.3%	1,505	9.8%	+5.3%
Fixed assets depreciation	(343)	(2.2%)	(405)	(2.6%)	+17.9%
Current assets provisions	(12)	(0.1%)	(1)	(0.0%)	n.a.
Ordinary Operating Profit (EBIT)	1,074	7.0%	1,099	7.1%	+2.4%
Results on fixed assets disposals	0	0.0%	(18)	(0.1%)	n.a.
Other operating results	(40)	(0.3%)	(4)	(0.0%)	n.a.
Operating Profit	1,035	6.7%	1,077	7.0%	+4.1%
Financial income	378	2.5%	493	3.2%	+30.4%
Financial expenses	(661)	(4.3%)	(808)	(5.3%)	+22.3%
Ordinary Financial Result	(283)	(1.8%)	(316)	(2.1%)	+11.5%
Foreign exchange Results	(4)	(0.0%)	25	0.2%	n.a.
Impairment non current assets results	(2)	(0.0%)	(1)	(0.0%)	n.a.
Results on non current assets disposals	23	0.1%	536	3.5%	n.a.
Net Financial Result	(266)	(1.7%)	245	1.6%	-192.1%
Results on equity method	213	1.4%	222	1.4%	+4.5%
Ordinary income of continued operations	981	6.4%	1,544	10.0%	+57.4%
Corporate income tax	(117)	(0.8%)	(233)	(1.5%)	+98.3%
Profit after taxes of the continued operations	864	5.6%	1,312	8.5%	+51.8%
Profit after taxes of the discontinued operations	1,113	7.2%	43	0.3%	n.a.
Consolidated Result	1,977	12.8%	1,355	8.8%	-31.5%
Minority interest	(31)	(0.2%)	(42)	(0.3%)	+38.3%
Net Profit Attributable to the Parent Company	1,946	12.6%	1,313	8.5%	-32.6%

2.1.1. Net Sales

- Sales reached € 15,380 million, roughly the same as in 2009. This evolution is backed by the 3.7% growth in Environmental Services coupled by the 4.5% increase of sales in Industrial Services. Both compensated the Construction activity that decreases by 8.0%, compared to 2009.
- International sales grew by 23.1% up to € 4,892 million, which means 31.8% of total sales. All activities grew significantly, particularly Construction, which increased its production by 34.6%.
- Per countries, it is significant to highlight the growth experienced in the North American markets, both in Mexico in Industrial Services as well as in the US and Canada in Construction.

Sales per country			January - December		
Euro Million	2009	%	2010	%	Var. 10/09
Mexico	590	14.8%	1,035	21.2%	+75.4%
US	660	16.6%	924	18.9%	+40.1%
Poland	385	9.7%	459	9.4%	+19.1%
Brazil	319	8.0%	397	8.1%	+24.3%
Portugal	445	11.2%	349	7.1%	-21.6%
Chile	258	6.5%	258	5.3%	+0.0%
Argentina	220	5.5%	195	4.0%	-11.6%
France	169	4.3%	169	3.5%	-0.1%
Canada	35	0.9%	158	3.2%	+346%
Rest of countries	894	22.5%	948	19.3%	+6.0%
Total International	3,975		4,892		+23.1%

- Growth in the international backlog, which reached € 12,211 million and that now accounts for 42.4% of the total, is backed by Industrial Services international backlog, growing by 30.3% to reach 49.5% of the total area of activity backlog. Also is worthwhile to highlight Construction international evolution, whose backlog now represents 48.5% of the total after having grown by 27.1%.

2.1.2. Operating Results

- EBITDA accounted for € 1,505 million, 5.3% more than last year's figure. Margin over sales is 9.8%, 50 basic points better than last year.
- The EBITDA growth achieved during this period is backed by the positive evolution of Industrial Services, which grew by 19.6%, as well as Environmental Services, which shows a good performance growing by 2.2%. Concessions also grew obtaining an EBITDA of € 34 million. All three areas do compensate the drop in Construction EBITDA of 13.9%, due to the activity plunge in Spain.
- EBIT accounted for € 1,099 million, 2.4% above last year's figure. Margin on sales accounted for 7.1% , 10 b.p. up from December 09 figure.

2.1.3. Ordinary Financial Result

- Financial expenses accounted for € 808 million, showing an increase of 22.3% mainly due to the increase in the investment in concessional and renewable energy assets, which are financed with non recourse debt.
- Financial income amounted to € 493 million, 30.4% more than last year. The dividends from Iberdrola paid last year are included in this figure, and accounted for € 248.7 By December 31st, 2010, ACS owned 20.2% of Iberdrola.
- The net financial expenses, adjusted by Forex results which have contributed positively to this period net income with € 25 million, favoured by the US dollar – Euros exchange rate evolution, have grown by 1.3% up to € 290 million.

2.1.4. Ordinary income from continued operations

- Accounted for € 1,544 million, 57.4% above the figure from last year as a consequence of the positive impact of the sale of a 15.5% of Abertis.
- Profit from affiliates accounting by the equity method reached for € 222 million. Abertis contributed with € 119.3 million and Hochtief accounted for € 72.3 million. The remaining is due to profits from minority stakes in several projects developed by Industrial Services and Concessions.

2.1.5. Net profit attributable to the Parent Company

- Net profit attributable to the Parent Company reached € 1,313 million, and includes the € 384 million from the net capital gain obtained after the sale of a 15.55% of Abertis. Even so, this figure means a decrease of 32.6% compared to 2009 figure when both, the sale of 35.3% of Union Fenosa (€ 1,001 million) and its results up to February 2009 (€ 80 million), were accounted.
- Ordinary net profit from continuing operations reached € 923 million growing by 10.3% in comparable terms, excluding the exceptional result from the sale of Abertis and the accounting of the derivative related to the stock option plan awarded in May 2010. Recurrent EPS grew by 14.6%.

Grupo ACS		January - December	
Ordinary Net Profit			
€ Million	2009	2010	Var. 10/09
Net Profit	1,946	1,313	-32.6%
Capital gain from 35,3% UNF disposal	(1,001)		
Ordinary Profit from UNF	(80)		
Profit from SPL	(28)	(43)	
Capital gain from 15,5% ABE disposal		(384)	
Other exceptionals		38	
Ordinary Net Profit from Continuing Operations	837	923	+10.3%
<i>Outstanding number of shares (average)</i>	<i>311.0</i>	<i>299.4</i>	<i>-3.7%</i>
Ordinary EPS from Continuing Operations	2.69 €	3.08 €	+14.6%

- Corporate taxes from continuing operations reached € 233.0 million. Effective tax rate, adjusted by those results whose contribution is already net of taxes (mainly equity method and dividends from financial investments), is around 23.7% as tax deductions have been accounted during this period.
- Net profit attributable to minority interests accounted for € 42.2 million and mainly corresponds to concession subsidiaries and other affiliates.

2.2. Consolidated balance sheet

ACS Group					
Consolidated Balance Sheet					
Million Euro	Dec-09	%	Dec-10	%	Var.
Intangible Fixed Assets	1,675	5.3%	1,614	4.7%	-3.7%
Tangible Fixed Assets	1,239	4.0%	1,218	3.6%	-1.7%
Concession Projects Assets	4,503	14.4%	2,380	7.0%	-47.1%
Property Assets	61	0.2%	57	0.2%	-6.3%
Investments accounted by Equity Method	4,194	13.4%	2,333	6.8%	-44.4%
Long Term Financial Investments	5,012	16.0%	7,509	22.0%	+49.8%
Financial Instruments Debtors	22	0.1%	60	0.2%	+175.0%
Deferred Taxes Assets	774	2.5%	824	2.4%	+6.4%
Fixed and Non-current Assets	17,480	55.7%	15,995	46.8%	-8.5%
Non Current Assets Held for Sale	1,134	3.6%	4,577	13.4%	+303.6%
Inventories	654	2.1%	618	1.8%	-5.5%
Accounts receivables	7,080	22.6%	6,939	20.3%	-2.0%
Short Term Financial Investments	2,758	8.8%	3,502	10.2%	+27.0%
Other Short Term Assets	84	0.3%	101	0.3%	+20.0%
Cash and banks	2,171	6.9%	2,453	7.2%	+13.0%
CURRENT ASSETS	13,881	44.3%	18,190	53.2%	+31.0%
TOTAL ASSETS	31,361	100%	34,185	100%	+9.0%
Shareholders' Equity	5,226	16.7%	5,519	16.1%	+5.6%
Adjustment s from Value Changes	(1,006)	(3.2%)	(1,341)	(3.9%)	+33.2%
Minority Interests	288	0.9%	264	0.8%	-8.5%
Net Worth	4,508	14.4%	4,442	13.0%	-1.5%
Subsidies	91	0.3%	70	0.2%	-22.7%
Long Term Financial Liabilities	11,637	37.1%	9,621	28.1%	-17.3%
Deferred Taxes Liabilities	371	1.2%	271	0.8%	-27.0%
Long Term Provisions	394	1.3%	407	1.2%	+3.3%
Financial Instruments Creditors	320	1.0%	240	0.7%	-24.8%
Other Long Term Accrued Liabilities	242	0.8%	161	0.5%	-33.3%
Non-current Liabilities	13,054	41.6%	10,771	31.5%	-17.5%
Liabilities from Assets Held for Sale	800	2.6%	3,590	10.5%	+348.6%
Short Term Provisions	268	0.9%	233	0.7%	-13.1%
Short Term Financial Liabilities	2,382	7.6%	4,337	12.7%	+82.1%
Trade accounts payables	9,773	31.2%	10,155	29.7%	+3.9%
Other current payables	576	1.8%	656	1.9%	+14.0%
Current Liabilities	13,799	44.0%	18,971	55.5%	+37.5%
TOTAL EQUITY & LIABILITIES	31,361	100%	34,185	100%	+9.0%

2.2.1. Non-current assets

- Intangible fixed assets account for € 1,614 million of which € 1,149 million correspond to goodwill, whilst the tangible fixed assets account for € 1,218 million.
- Non-current assets in concessional projects account for € 2,380 million. The reduction in this account is due to the reclassification as assets held for sale of the renewable energy assets, transmission lines and other assets whose sale process started the last quarter of the year.
- Long term financial investments, including the 20.2% stake in Iberdrola as of 31st of December 2010 at market prices, account for € 7,509 million. The difference between this figure and the investment performed (€ 8.099 million), after the tax impact, has been accounted against Net Worth in the Adjustments from value changes paragraph.
- Investments accounted by equity method include the stakes in Abertis, through Admirabilia, and Hochtief and account for € 2,333 million.
- The appropriate impairment tests of the investments in the listed companies held by ACS at the close of the exercise, show that their recoverable value is higher than their cost.

2.2.2. Working capital

- Working capital presents a credit balance of € 3,386 million, which means an increase of the credit balance of € 587 million in the last 12 months.
- The credit balance increase is due to the operating working capital improvement for € 189 million, where Construction and Industrial Services evolution excel, and compensate the debit balance increase accounted by Environmental Services.
- Other positive impacts come from the tax credit balance increase of € 96 million, the refinancing of € 61 million trade debtors as long term debtors and the deferred payments on some investments performed during the last quarter of the year.

2.2.3. Net Debt

Net Debt (€ mn)	Construction	Concessions	Environmental Services	Industrial Services	Corporation / Adjustments	Grupo ACS
December 31, 2010						
Non-current loans from credit entities	284	149	923	189	3,151	4,696
Current loans from credit entities	630	196	482	539	280	2,127
Loans from credit entities	913	345	1,405	728	3,432	6,823
Other non-current financial liabilities	39	4	6	15	0	65
Other current financial liabilities	9	57	9	6	(57)	23
Other financial liabilities	49	61	15	21	(57)	89
Cash and equivalents	2,345	76	441	1,603	1,490	5,955
Net Debt / (Cash)	(1,383)	330	979	(854)	1,885	957
LT non recourse financing	69	860	181	301	3,449	4,860
ST non recourse financing	4	5	28	33	2,116	2,186
Non recourse financing	74	865	210	334	5,565	7,046
TOTAL NET DEBT	(1,309)	1,194	1,188	(521)	7,450	8,003

- Net debt of the Group by 31st of December 2010 reached to € 8,003 million, being € 7,046 million without recourse whilst the operating activities present a net debt position of € 957 million.
- The non recourse debt in the Corporation accounts for € 5,565 million, corresponding to the financing of the vehicles used to acquire Iberdrola (€ 4,689 million) and Hochtief (€ 876 million) shares. The rest of non recourse debt, € 1,481 million, is coming from project finance, mainly from renewable energy assets.
- The net debt corresponding to the Renewable Energy assets, as well as the debt from other assets held for sale account for € 2,914 million and has been reclassified to the account “Liabilities from Assets Held for Sale” in the consolidated balance sheet of Grupo ACS.

2.2.4. Net worth

- Reached a € 4,442 million, of which € 5,519 million corresponds to shareholder’s equity, which has grown by 5.6% compared to 2009.
- Adjustments for changes in value have a negative impact of € 1,341 million, € 335 million more, mainly due to the Iberdrola share price evolution.

2.3. Cash flow statement

ACS Group			
Cash Flow Statement		January - December	
Million Euro	2009	2010	Var. 10/09
Net Profit	1,946	1,313	-32.6%
Adjustments to net profit without cash flow	(822)	(125)	
Working Capital Variation	466	189	
Cash Flow from Operating Activities	1,591	1,377	-13.4%
1. Investments	(4,578)	(4,858)	
2. Disinvestments	5,905	2,788	
Cash flow from Investing Activities	1,327	(2,070)	n.a.
1. Treasury stock acquisition	(466)	(333)	
3. Dividends paid	(653)	(618)	
4. Other adjustments	(231)	(112)	
Other Cash Flows	(1,350)	(1,063)	-21.3%
Total Cash Flow	1,568	(1,757)	n.a.

Note: The net debt accounted in the balance sheet has decreased by € 1,086 million during 2010; the difference with this Cash Flow Statement is mainly due to the reclassification of the non recourse debt from assets held for sale by December 2010.

2.3.1. Cash flow from operations

- In 2010 the cash flow from operating activities accounted for € 1,377 million, € 214 million less than in 2009.
- This evolution has been influenced by the changes in operating working capital of Grupo ACS, which has increased its credit balance by € 189 million, compared to the € 466 million of 2009. Not taking into consideration this effect, the net cash flow from operating activities would have grown by 5.6% up to € 1,188 million.

2.3.2. Net consolidated investments

- Total investments of the Group during the period reached € 5,112 million, while disposals amounted to € 2,788 million. Both are broken down as follows:

Grupo ACS			
Net Investments		January - December	
Euro Million	Gross Investment	Disposals	Net Investment
Construction	106	(26)	80
Concessions	729	(63)	666
Environmental Services	116	(143)	(27)
Industrial Services	1,389	(284)	1,105
Holding & others	2,773	(2,273)	500
TOTAL	5,112	(2,788)	2,324

- In the Corporation are included the funds from the sale of 15.55% of Abertis, that generated cash for € 2.273 million, whilst the investments figure of € 2,773 million correspond to the acquisition of 477.5 million shares of Iberdrola, a 8.71% of the share capital of the company, out of which € 116 million correspond to the extension of the equity swap.
- The Group has invested in Construction € 80 million, mainly in equipment and machinery.
- In Concessions, the Group has invested € 729 million, highlighting the € 181 million in the I-595 US highway, the € 226 million in Eje Diagonal Highway in Barcelona and the € 92 million in the Pyrenees Highway in Spain. The disposal corresponds to the sale of the ACS stake in Platinum Corridor highway in South Africa.
- In Environmental Services the Group has invested € 116 million, mainly in equipment and machinery. The disposal corresponds primarily to the sale of Ports and Logistics area of activity.
- In Industrial Services, the Group has invested € 1,389 million, mainly in renewable energy projects, both in thermosolar plants (€ 603 million) and wind farms (€ 262 million), as well as in transmission lines (€ 314 million) and in the Castor Project (€ 96 million).

2.3.3. Cash flow from financing activities

- The cash requirements of Grupo ACS, including the debt assigned to assets held for sale, have reached € 1,757 million in this period, because of the significant investments performed in the period and the attractive shareholders remuneration plan in place.
- During 2010 the Group has paid € 618 million in dividends for their shareholders corresponding to the year 2009, equivalent to 2.05 Euros per share.
- During 2010 the Group has bought treasury stock for € 333 million. At the year end, the treasury stock represented 6% of share capital.

3. Business Performance

3.1. Construction

Construction			
Main financial figures		January - December	
Million Euro	2009	2010	Var. 10/09
Turnover	6,077.7	5,593.1	-8.0%
EBITDA	456.4	393.0	-13.9%
Margin	7.5%	7.0%	
EBIT	378.6	321.4	-15.1%
Margin	6.2%	5.7%	
Net Profit	241.4	220.4	-8.7%
Margin	4.0%	3.9%	
Backlog	11,340	11,087	-2.2%
Months	22	24	

3.1.1. Turnover breakdown by activity

Construction			
Turnover breakdown by activity		January - December	
Million Euro	2009	2010	Var. 10/09
Civil Works	4,341.4	4,196.7	-3.3%
Non Residential Building	1,189.3	1,050.0	-11.7%
Residential Building	547.0	346.4	-36.7%
TOTAL	6,077.7	5,593.1	-8.0%
International	1,387.3	1,867.2	+34.6%
% over total sales	23%	33%	

- Sales in 2010 in Construction reached to € 5,593.1 million, 8.0% less than in 2009.
- The decrease in the activity in Spain during 2010, 20.6% lower than last year, is still a consequence of the general decrease in the execution from the public administration due to the significant restriction of its budgets.
- The reduction of the infrastructure investment confirmed by the 2011 General Budget means that there will be a stagnation period for Civil Works in Spain.
- The international activity has grown by 34.6% as a result of the increase of the sales and backlog the United States (€854 million), Canada (€ 137 million) and Chile (€ 109 million) in America and in Poland (€ 459 million) and other countries in Europe (Greece, Portugal, Ireland and the UK). In these figures are included the sales of the companies acquired in 2009. The international production amounts for 33% of the total, ten percentage points above last year's figure, and is almost completely focused on Civil Works.

3.1.2. Operating results

- Operating margins in Construction have suffered in 2010 a decrease of 50 basic points, both EBITDA and EBIT margins, compared to the margins registered in 2009. This decrease is

produced by the stronger competitive pressure suffered by the Construction companies of the Group, as well as because the lesser dilution of overheads due to the production decrease. Thus EBITDA margin remains at 7.0% and EBIT margin is 5.7%.

- International activity shows a slightly lower margins that the domestic ones, but in line with ACS's targets of profitability and growth for the area of activity.

Construction			
January - December			
Million Euro	Domestic	International	Int/Total
Sales	3,725.9	1,867.2	33.4 %
EBITDA	264.8	128.2	32.6 %
Margin	7.1%	6.9%	
EBIT	219.5	101.8	31.7 %
Margin	5.9%	5.5%	

- Net Profit accounted for € 220.4 million, 8.7% less than 2009 figure with a margin on sales of 3.9%.

3.1.3. Backlog evolution

Construction			
Backlog breakdown by activity			
January - December			
Million Euro	2009	2010	Var. 10/09
Civil Works	9,453.4	9,750.3	+3.1%
Non Residential Building	1,427.0	1,045.7	-26.7%
Residential Building	460.0	291.5	-36.6%
TOTAL	11,340.4	11,087.5	-2.2%
International	4,232.2	5,377.7	+27.1%
% over total backlog	37%	49%	

- Backlog reaches € 11,087 million, a level equivalent to 24 months of activity, which represents an decrease of 2.2% compared to last year's figure.
- International backlog, already 49% of the total, is composed by Civil Works projects, and grows by 27.1%, which compensates the decrease of 16.3% in the Civil Works backlog in Spain. As a whole, Civil Works backlog grows by 3.1%.
- Building backlog continues decreasing as a consequence of the evolution of the Spanish real estate market that is experiencing a sharp drop. Compared to the backlog accounted in December 2009, building backlog decreases by 36.6%.

3.2. Concessions

Concessions		January - December	
Main financial figures			
Million Euro	2009	2010	
Turnover	73.5	110.2	
EBITDA	18.0	33.8	
EBIT	5.9	21.8	
Equity method	(10.5)	(16.1)	
Attributable Net Profit	(21.9)	(21.9)	

- Revenues and operating profits of Concessions activity are generated by several projects which are under operation, namely the motorways La Mancha, Santiago-Brion and Reus-Alcover, the transfer stations of Av America and Principe Pio in Madrid and some parking lots.
- In the results of Concessions it is included the capital gain for the sale of the Platinum Corridor Highway, in South Africa, that compensates the provision accounted for the investment in some highway concessions due to the evolution of their activity.
- ACS held by year end a portfolio of 48 infrastructure concessional projects (see annex IV) that account for a total investment under management above € 20,600 million, out of which ACS has a planned contribution of € 1.697 million, being € 989 million already paid and € 708 million pending payment.
 - The majority of these projects (28) correspond to highways, where the investment under management is above € 14 billion and the ACS contribution accounts for € 1.291 million.
 - There are under development several significant projects, like the I595 highway in Florida, the Eje Diagonal Highway and the subway line 9, both of them in Barcelona.

3.3. Environmental Services

Environmental Services			
Main financial figures		January - December	
Million Euro	2009	2010	Var. 10/09
Turnover	2,469.8	2,561.8	+3.7%
EBITDA	304.1	310.9	+2.2%
Margin	12.3%	12.1%	
EBIT	180.3	184.9	+2.6%
Margin	7.3%	7.2%	
Net Profit	146.2	152.3	+4.1%
Margin	5.9%	5.9%	
Backlog	10,723	10,844	+1.1%
Months	52	51	

3.3.1. Turnover breakdown by activity

Environmental Services			
Turnover breakdown by activity		January - December	
Million Euro	2009	2010	Var. 10/09
Waste Management	1,486.2	1,498.4	+0.8%
Facility Management	983.6	1,049.4	+6.7%
Logistics	0.0	14.0	n.a.
TOTAL	2,469.8	2,561.8	+3.7%
International	259.3	293.4	+13.2%
% over total sales	10%	11%	

- In 2010 Environmental Services has increased its sales by 3.7%, based on the good performance of Facility Management area, that grew by 6.7%, whilst the Waste Management activities maintained also a growth figure, increasing sales by 0.8%. The remaining activity after the sale of SPL is also included in this area of activity, and corresponds to logistic in Spain.
- Sales in the domestic market show its stability and grew by 2.6% in 2010, backed by the strong performance of Facility Management. On the contrary, Waste Management domestic activity decreased by 1.2%.
- At the same time, the international sales showed an increase of 13.2% based on the solid activity of international treatment plants projects, awarded during the last years.

3.3.2. Operating results

- EBITDA grew by 2.2% showing a slight decrease in margins due to the increased weight of Facility Management, whose margin is lower than Waste Management one.
- EBIT also grew by 2.6% compared to the figure accounted in 2009.
- Margin on sales account for 12.1% (EBITDA) and 7.2% (EBIT).
- Net Profit grew by 4.1% with a margin on sales of 5.9%. This figure includes the contribution of Ports and Logistic Services as a Discontinued Operation, until it was sold, for € 43.2 million.

3.3.3. Backlog evolution

Environmental Services			
Backlog breakdown by activity			
	January - December		
Million Euro	2009	2010	Var. 10/09
Waste Management	9,099.7	9,164.0	+0.7%
Facility Management	1,102.3	1,174.5	+6.6%
Logistics	520.6	505.2	-3.0%
TOTAL	10,722.6	10,843.7	+1.1%

- Environmental Services backlog accounts € 10,844 million, more than 4 years of activity, and growing by 1.1%.
- The international backlog is now 32% of the total, accounting for € 3,442.1 million, a figure that grows by 10.5%.

3.4. Industrial Services

Industrial Services			
Main financial figures		January - December	
Million Euro	2009	2010	Var. 10/09
Turnover	6,849.6	7,157.8	+4.5%
EBITDA	686.9	821.4	+19.6%
Margin	10.0%	11.5%	
EBIT	547.8	627.7	+14.6%
Margin	8.0%	8.8%	
Net Profit	346.7	399.5	+15.2%
Margin	5.1%	5.6%	
Backlog	6,518	6,846	+5.0%
Months	11	11	

3.4.1. Turnover breakdown by activity

Industrial Services			
Turnover breakdown by activity		January - December	
Million Euro	2009	2010	Var. 10/09
Support Services	4,310.3	4,212.7	-2.3%
Networks	868.0	738.7	-14.9%
Specialized Products	2,345.9	2,352.9	+0.3%
Control Systems	1,096.4	1,121.1	+2.3%
EPC Projects	2,414.8	2,704.8	+12.0%
Renewable Energy: Generation	191.7	308.9	+61.2%
<i>Consolidation Adjustments</i>	<i>-67.2</i>	<i>-68.6</i>	<i>n.a.</i>
TOTAL	6,849.6	7,157.8	+4.5%
International	2,304.8	2,674.8	+16.1%
% over total sales	34%	37%	

- Sales on Industrial Services grew in 2010 by 4.5%.
- International sales grew by 16.1% up to 37% of the total. There has been a strong production growth in Latin American countries like Mexico, Brazil, Chile and Peru, as well as in the Asian market, already weighting 10% over the total international sales.
- Support Services activity slightly decreases by 2.3% and its affected by the decrease in the maintenance activity in Spain (around 8%); this effect is being partly compensated by the increase of international sales, specially Specialized Products that grows by close to 20%.
- EPC Projects activity grew solidly by 12.0%, with an excellent performance in the international markets that contribute to the sales growth with 31.0%.
- Renewable energy generation activity grows by 61.2% up to € 308.9 million due to the start in the operation of several plants in 2010..

3.4.2. Operating results

- EBITDA grew by 19.6% with a margin on sales of 11.5%, 150 b.p. better than last year as a result of the change of mix experienced, where EPC Projects and specially Renewable Energies have a greater weight.
- EBIT grew by 14.6% leaving the margin on sales on 8.8%, 80 b.p. better than last year. The increase in the depreciation account is generated by the higher contribution of capital intensive businesses as the investments in energy concessions.

3.4.3. Backlog evolution

Industrial Services		January - December	
Backlog breakdown by activity			
Million Euro	2009	2010	Var. 10/09
Support Services	3,986.6	4,294.7	+7.7%
EPC Projects & Renewables	2,531.4	2,551.5	+0.8%
TOTAL	6,518.0	6,846.2	+5.0%
Domestic	3,915.0	3,455.4	-11.7%
International	2,603.0	3,390.8	+30.3%
<i>% over total backlog</i>	<i>40%</i>	<i>50%</i>	

- The backlog of € 6,846 million (+5.0%) means more than a year of activity.
- International backlog grows by more than 30%, backed by the good performance of EPC Projects area that has been awarded with several turn-key contracts in Latin America, Asia and Northern Europe.
- The Mexican market, with a current backlog close to one third of the total, shows the highest growth potential with significant contracts in the energy sector, including facilities for the electricity and oil&gas industries.

3.5. Affiliated Listed Companies

Associates			
Main financial figures		January - December	
Million Euro	2009	2010	Var. 10/09
Abertis	132.1	119.3	-9.7%
Hochtief	51.4	72.3	+40.7%
Iberdrola	209.1	248.7	+18.9%
Income from Associates	392.5	440.2	+12.2%
Financial expenses	(392.1)	(400.3)	+2.1%
Corporate tax	116.8	119.2	+2.1%
Attributable Net Profit	117.2	159.1	+35.7%

- The contribution from these companies to the Net Profit of the Group, before financial expenses and taxes accounts for € 440.2 million, 12.2% more than last year.
 - Abertis contribution accounted for € 119.3 million. This figure includes the stake of 25.8% up to August and the 10.3% thereafter from the indirect stake in Admirabilia.
 - The stake of 29.9% that ACS Group holds in Hochtief has contributed with € 72.3 million by equity method.
 - Iberdrola has contributed with its accrued dividends of € 248.7 million accounted as financial income. This figure includes the complementary dividend paid in July 2010 and the interim dividend from 2010 received by late December 2010, coming from the shares held by ACS on December, 2nd, 2010, representing 15.6% of Iberdrola's share capital.
- Financial expenses associated to the investments in these companies account for € 400.3 million. The positive tax impact accounts for € 119.2 million.
- Hence, attributable net profit of the listed affiliates in 2010 accounts for € 159.1 million, 36% more than last year.

4. Material facts occurring since the last close

- Last February 10th, 2011, Residencial Monte Carmelo S.A., fully owned by ACS, Actividades de Construcción y Servicios, S.A., and holder of shares of Iberdrola, S.A. representing 6.58% of its share capital, has entered into a Financing Agreement amounting to 2,059 million euros with a number of financial institutions, which will enter into force on December 28th, 2011, the expiry date of the financing renewed today, for a term of three years starting from the aforementioned date of entry into force and without recourse to the parent company
- Last February 4th, 2011, ACS completed its public tender offer on 100% of Hochtief AG shares, acquiring 2,805,599 shares of the German company, representing 3.64% of its share capital.
- In relation to the court procedure being handled at Commercial Court No. 1 of Bilbao, requesting the annulment of the resolution passed by the General Meeting of Shareholders of Iberdrola on March 26th, 2010, whereby the Director appointed by ACS was removed using their right of proportional representation, today we have received notice of a judgment dismissing said request and, disagreeing with the contents of said judgment, ACS has decided to lodge the relevant appeal for review, which is to be resolved by the Provincial Appellate Court of Vizcaya.

5. Description of main risks and uncertainties

- Grupo ACS undertakes its activities in various sectors, countries and legal and economic environments and is thus exposed to the different degrees of risk inherent in the businesses it conducts.
- Grupo ACS monitors and manages these risks to prevent them from: affecting the return obtained by its shareholders; becoming a danger for its employees or its corporate reputation; creating difficulties for its customers or having a negative effect on the Group as a whole. To do this the Group has a series of instruments that allow it to identify risks sufficiently in advance to be able to manage them adequately, whether by forestalling their occurrence or minimising their impact, and, in all cases, by ranking them in order of importance. Of special note in this context are the control systems in place with respect to bidding for tenders, contracting, planning and managing works and projects, and managing quality, environmental issues and human resources.
- In addition to the risks inherent in its various business activities, Grupo ACS is exposed to various financial risks, such as changes in interest rates or exchange rates, liquidity risk and credit risk.
- Risks arising from sudden changes in interest rates are mitigated by hedge instruments that cushion their effects.

- 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. To cover net positions in currencies other than the euro, the Group obtains hedge instruments that mitigate its exposure to the exchange-rate risk.
- 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 done in close coordination with the management of its capital base, which aims at maintaining an optimal equity and borrowing position in order a) to reduce borrowing costs, and b) to allow the Group to undertake its activities at adequate debt-to-equity ratios. In this sense, it is worthwhile to highlight the recent signature of the term extension (“forward-start facility”), up to December 2014, of the financing for the acquisition of the initial stake of Iberdrola, which means a significant improvement in the average duration of the financial liabilities of the Group.
- Lastly, credit risk arising from non-performing business loans is managed by carefully gauging the solvency of potential customers both at the outset of relations and subsequently in the course of contract completion, assessing the credit rating of amounts outstanding and subjecting to constant review both the amounts held recoverable and those considered doubtful.
- Monitoring risk of a financial nature is undertaken by strict application of IFRS (in line with the new Spanish accounting rules) and by drawing up regular reports to ensure that monitoring and controlling such risks remains an intrinsic part of management decision-making.
- The Corporate Governance Report and the Annual Consolidated Accounts for Grupo ACS go into greater detail on the above risks and the instruments used to control them.
- In the next semester, based on the information available to it at the present time, Grupo ACS does not expect to encounter risks or uncertainties that differ materially from those present in the last semester except for those derived from the Construction activity in Spain, as a result of the public investment cuts planned by the Government in order to reduce its deficit to meet the fiscal consolidation measures demanded by the European Union.

6. Human Resources

- At December 31st, 2010, the ACS Group employed a total of 138,542 individuals, of which more than 14,000 have a university degree. In this period, the ACS Group created 1,527 net jobs.
- The ACS Group's human resource policy consists mainly in maintaining and hiring committed teams of individuals, with a high level of knowledge and specialization, capable of offering the best service to the customer and generating business opportunities with rigour and efficiency.

These objectives are achieved by means of active personnel selection policies, the fostering of teamwork, excellence in decision-making and cutting down on bureaucracy. Additionally, specialized training is promoted in each activity, aimed at fostering innovation and professional expertise in order to improve ACS Group processes, products, services and safety levels.

7. Technological Innovation and Environmental Protection

Research and development activities

- Grupo ACS is committed to a policy of continuous improvement of its processes and applied technology in all areas of activity. To this end maintains its own program of research to develop new technological knowledge for the design of processes, systems, new materials, etc., in each activity
- This program is based on three principles of action:
 - Development of projects with the maximum beneficial impact on the technical and technological advancement of the company, for which there are procedures of analysis and discrimination of which projects to undertake prior to their implementation.
 - Development of projects with prestigious research institutions, both national and at European level, to complement the capabilities of the ACS researchers.
 - Increased and responsible investment in order to implement the research objectives, generating patents and operational techniques consistently and efficiently.
- The main directions of research in which the Group is focusing efforts today are:
 - In the area of Construction the main efforts are aimed at increasing quality, worker safety and improving processes and techniques with the ultimate goal of respecting the environment.
 - The work in the Industrial Services area are related to technological improvements in the area of energy, including renewable energy, urban control systems or systems related to high-speed trains.
 - Within the Environmental area, efforts were concentrated on two main activities, improved procedures and technology in the management of solid waste (SUW) and reducing CO₂ emissions.

Environmental Protection

- Grupo ACS carries out activities involving a significant environmental impact, directly as a result of the change in environment or indirectly by the consumption of materials, energy and water.

- Grupo ACS operates in a manner respectful to the law, adopting the most efficient measures to reduce these effects, and reporting their activities in the mandatory environmental impact studies.
- Additionally develops policies and suites its processes to certify according to ISO 14001 a large percentage of the activity of the Group, which is an additional commitment than the one required by law in respect of good environmental practice.
- Also, ACS has various ongoing action plans in their companies to reduce the environmental impact in more specific areas. Major initiatives under development are:
 - Actions to help reduce climate change.
 - Initiatives to enhance energy efficiency in their activities.
 - Procedures that help to reduce the minimum impact on biodiversity in those projects where necessary.
 - Promoting good practices aimed at saving water in those locations considered to have a high water stress
- The detailed results of R&D&i and Group's environmental policies are collected and published frequently in the ACS web page (www.grupoacs.com) and the Corporate Responsibility Report.

8. Information on related parties

- The information on transactions with related parties is contained in the relevant section of the annual financial report filed with the CNMV.
- During the last semester the operations with related parties did not materially affect either the financial position or the results of the Group in the period.
- All the Group's transactions with related parties were undertaken in the course of normal business, in market conditions and correspond to the usual transactions of the companies of the Group

Annexes

Annex I. P&L Account per area of activity

	Construction	Concessions	Environmental Services	Industrial Services	Holding / Adjustments	Grupo ACS
Million Euro						
Net Sales	5,593	110	2,562	7,158	(43)	15,380
Other revenues	274	(1)	56	45	(18)	356
Total Income	5,867	109	2,618	7,203	(61)	15,736
Operating expenses	(4,406)	(51)	(753)	(5,021)	36	(10,195)
Personnel expenses	(1,068)	(24)	(1,555)	(1,361)	(29)	(4,036)
Operating Cash Flow (EBITDA)	393	34	311	821	(54)	1,505
Fixed assets depreciation	(93)	(12)	(119)	(179)	(1)	(405)
Current assets provisions	21	(0)	(7)	(15)	(1)	(1)
Ordinary Operating Profit (EBIT)	321	22	185	628	(57)	1,099
Fixed assets depreciation	(20)	0	1	(0)	0	(18)
Other operating results	(5)	(1)	(1)	(9)	12	(4)
Operating Profit	297	21	185	619	(45)	1,077
Financial income	47	13	33	119	281	493
Financial expenses	(66)	(54)	(83)	(240)	(365)	(808)
Ordinary Financial Result	(20)	(41)	(50)	(121)	(83)	(316)
Foreign exchange Results	11	2	0	12	0	25
Impairment non current assets results		(0)	0		(0)	(1)
Results on non current assets disposals	25	(6)	(0)	39	478	536
Net Financial Result	17	(46)	(50)	(70)	395	245
Results on equity method	5	(16)	14	28	191	222
Ordinary income of continued operations	319	(41)	148	577	541	1,544
Corporate income tax	(98)	20	(35)	(142)	21	(233)
Profit after taxes of the continued operations	221	(21)	114	435	562	1,312
Profit after taxes of the discontinued operations			43			43
Consolidated Result	221	(21)	157	435	562	1,355
Minority interest	(1)	(1)	(5)	(35)	(0)	(42)
Net Profit Attributable to the Parent Company	220	(22)	152	400	562	1,313

Annex II. Balance Sheet per area of activity

December 31, 2010	Construction	Concessions	Environmental Services	Industrial Services	Holding / Adjustments	Grupo ACS
Million Euro						
Intangible Fixed Assets	801	11	420	106	275	1,614
Tangible Fixed Assets	487	4	524	197	6	1,218
Concession Projects Assets	110	1,144	405	722	(1)	2,380
Property Assets	59			1	(3)	57
Investments accounted by Equity Method	47	68	116	265	1,837	2,333
Long Term Financial Investments	75	387	652	142	6,253	7,509
Financial Instruments Debtors		1	2	8	48	60
Deferred Taxes Assets	181	71	10	49	512	824
Fixed and Non-current Assets	1,760	1,687	2,129	1,490	8,929	15,995
Non Current Assets Held for Sale			232	4,345		4,577
Inventories	437	0	34	155	(8)	618
Accounts receivables	2,568	55	1,185	3,046	86	6,939
Short Term Financial Investments	1,012	26	328	675	1,462	3,502
Other Short Term Assets	60	1	12	26	1	101
Cash and banks	1,333	50	113	929	28	2,453
CURRENT ASSETS	5,410	132	1,903	9,175	1,569	18,190
TOTAL ASSETS	7,171	1,818	4,032	10,665	10,498	34,185
Shareholders' Equity	725	226	1,025	872	2,671	5,519
Adjustments from Value Changes	(16)	(95)	(15)	(4)	(1,210)	(1,341)
Minority Interests	37	17	66	144	(0)	264
Net Worth	746	149	1,076	1,011	1,460	4,442
Subsidies		6	53	11		70
Long Term Financial Liabilities	393	1,013	1,110	505	6,600	9,621
Deferred Taxes Liabilities	45	25	37	66	98	271
Long Term Provisions	74	49	127	97	60	407
Financial Instruments Creditors	10	82	7	20	122	240
Other Long Term Accrued Liabilities	55	61	31	13		161
Non-current Liabilities	576	1,237	1,365	713	6,879	10,771
Liabilities from Assets Held for Sale			65	3,525		3,590
Short Term Provisions	139	13	30	29	22	233
Short Term Financial Liabilities	643	257	519	578	2,340	4,337
Trade accounts payables	4,918	158	915	4,571	(407)	10,155
Other current payables	147	4	62	239	204	656
Current Liabilities	5,848	433	1,591	8,941	2,159	18,971
TOTAL EQUITY & LIABILITIES	7,171	1,818	4,032	10,665	10,498	34,185

Annex III. 2009 Results re-expressed according to IAS 31 and IFRIC 12

Since 1st of January 2010, Grupo ACS has decided to apply IAS 31 (related to the consolidation method for companies with shared control, opting by equity method consolidation) and IFRIC 12 (related to the accounting of "Service concession agreements"). Consequently, and just for comparative purposes, 2009 financial statements have been restated with the same criteria. Please find below a table summarizing the main impacts by business unit.

TURNOVER			
Million Euro	2009 reported	Restatements	2009 restated
Construction	6,125	(48)	6,078
Concessions	64	10	73
Environmental Services	2,639	(169)	2,470
Industrial Services & Energy	6,862	(13)	6,850
Holding / Adjustments	(84)	(0)	(84)
TOTAL	15,606	(219)	15,387

EBITDA			
Million Euro	2009 reported	Restatements	2009 restated
Construction	459	(2)	456
Concessions	14	4	18
Environmental Services	341	(37)	304
Industrial Services & Energy	680	6	687
Holding / Adjustments	(36)	0	(36)
TOTAL	1,458	(29)	1,429

EBIT			
Million Euro	2009 reported	Restatements	2009 restated
Construction	380	(1)	379
Concessions	(1)	7	6
Environmental Services	202	(22)	180
Industrial Services & Energy	537	10	548
Holding / Adjustments	(38)	(1)	(39)
TOTAL	1,080	(6)	1,074

NET PROFIT			
Million Euro	2009 reported	Restatements	2009 restated
Construction	241		241
Concessions	(27)	5	(22)
Environmental Services	146	(0)	146
Industrial Services & Energy	348	(1)	347
Holding / Adjustments	1,243	(9)	1,234
TOTAL	1,952	(5)	1,946

BACKLOG			
Million Euro	2009 reported	Restatements	2009 restated
Construction	11,431	(91)	11,340
Industrial Services & Energy	6,619	(101)	6,518
Services	11,457	(735)	10,723
TOTAL	29,507	(926)	28,581

NET DEBT			
Construction	2009 reported	Restatements	2009 restated
Construction	(945)	(87)	(1,033)
Concessions	545	1	546
Environmental Services	1,192	(48)	1,144
Industrial Services & Energy	2,036	(48)	1,988
Holding / Adjustments	6,444		6,444
TOTAL	9,271	(182)	9,089

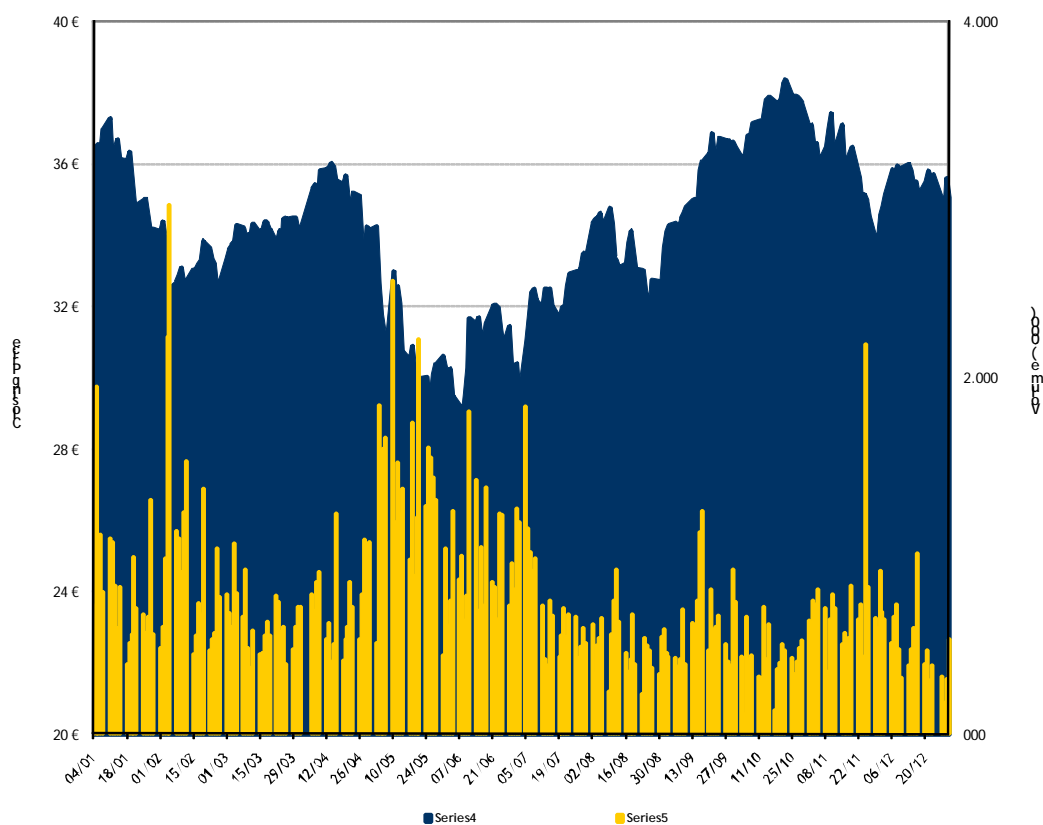
Annex IV. Infrastructure Concessional assets portfolio

Concession - Description	ACS Stake	Accounting method	Country	Activity	Stage	Units	Expiration Date	Investment Planned in the project	Planned ACS contribution*
A8/AP1 - Bidelan Guipuzkoako Autobideak	50.0%	E.M.	Spain	Highways	Operation	124	2013 (2018)	62	3
Autovía de La Mancha	75.0%	Global	Spain	Highways	Operation	52	2033	128	21
Circunvalación de Alicante	50.0%	E.M.	Spain	Highways	Operation	148	2040 (2044)	456	68
Autopista del Henares (R2 y M50)	35.0%	E.M.	Spain	Highways	Operation	87	2024	933	81
Accesos Madrid (R3/R5 y M50)	19.7%	N.C.	Spain	Highways	Operation	90	2049	1646	68
Reus-Alcover	85.0%	Global	Spain	Highways	Operation	10	2038	72	14
Ruta de los Pantanos	33.3%	E.M.	Spain	Highways	Operation	22	2024	107	5
Santiago Brión	70.0%	Global	Spain	Highways	Operation	16	2035	112	15
Autovía de los Pinares (Valladolid Cuellar)	53.3%	E.M.	Spain	Highways	Operation	44	2041	95	14
Autovía Medinaceli-Calatayud (Aumeca)	95.0%	Global	Spain	Highways	Building	93	2026	122	13
Autovía del Camp del Turia (CV 50)	65.0%	Global	Spain	Highways	Building	20	2042	121	10
Autovía del Pirineo (AP21)	72.0%	Global	Spain	Highways	Building	46	2039	226	53
EMESA (Madrid Calle 30)	50.0%	Prop.	Spain	Highways	Operation	33	2040	300	50
Eje Diagonal	100.0%	Global	Spain	Highways	Building	67	2041	410	159
A-30 Nouvelle Autoroute 30	50.0%	E.M.	Canada	Highways	Building	74	2042	1180	85
FTG Transportation Group	75.0%	Global	Canada	Highways	Building	45	2033	537	17
Windsor Essex	33.3%	E.M.	Canada	Highways	Building	11	2040	996	10
Vespucio Norte Express	46.5%	E.M.	Chile	Highways	Operation	29	2032	787	103
Túnel San Cristobal	50.0%	E.M.	Chile	Highways	Operation	4	2035	99	20
Ruta del Canal	80.0%	Global	Chile	Highways	Building	55	2040	147	30
Autopista Jónica (NEA ODOS)	33.3%	E.M.	Greece	Highways	Building /operation	380	2037	1115	64
Central Greece	33.3%	E.M.	Greece	Highways	Building	231	2037	1623	52
CRG Waterford - Southlink	33,33% (Waterford) 16% (Souhtlink)	E.M. / N.C	Ireland	Highways	Operation	24	2036	319	22
CRG Portlaoise - Midlink	33,33% (Portlaoise) 16% (Midlink M7/M8)	E.M. / N.C	Ireland	Highways	Operation	41	2037	367	23
Sper - Planestrada (Baixo Alentejo)	49,5% (SPER)	E.M. / Global	Portugal	Highways	Building	347	2039	539	78
Rotas do Algarve - Marestrada (Algarve Litoral)	70% (Planestrada) 45% (ROTAS)	E.M. / Global	Portugal	Highways	Building	260	2039	271	48
A-13, Puerta del Tâmesis	25.0%	E.M.	UK	Highways	Operation	22	2030	293	10
I595 Express	100.0%	Global	USA	Highways	Building	17	2044	1254	155
Total Higways (Unit:km)						2,392		14,316	1,291
Figueras Perpignan - TP Ferro	50.0%	E.M.	Spain - Fr	Railways	Operation (1)	45	2057	1147	51
Línea 9 Tramo II	50.0%	E.M.	Spain	Railways	Building	-	2042	790	41
Línea 9 Tramo IV	50.0%	E.M.	Spain	Railways	Building /operation	48	2040	592	31
Metro de Sevilla	34.0%	E.M.	Spain	Railways	Operation	18	2038	681	45
Metro de Arganda	8.1%	N.C.	Spain	Railways	Operation	18	2029	133	3
ELOS - Ligações de Alta Velocidade	15.2%	N.C.	Portugal	Railways	Building	167	2049	1632	18
Total Railways (Unit:km)						296		4,975	189
Cárcel de Brians	100.0%	Global	Spain	Jail	Operation	95,182	2034	106	14
Comisaría Central (Ribera norte)	100.0%	Global	Spain	Police Station	Operation	60,330	2024	66	12
Comisaría del Vallés (Terrasa)	100.0%	Global	Spain	Police Station	Operation	8,937	2031	16	3
Comisaría del Vallés (Barberá)	100.0%	Global	Spain	Police Station	Operation	9,269	2031	16	4
Green Canal Golf	100.0%	Global	Spain	Sport Premises	Operation	60,000	2012 (2017)	1	2
Total Public Facilities (Unit:m2)						233,718		204	35
Hospital Majadahonda	55.0%	E.M.	Spain	Hospitals	Operation	749	2035	255	19
Hospital Son Dureta	49.5%	E.M.	Spain	Hospitals	Operation	987	2038	312	17
Hospital de Can Misses (Ibiza)	40.0%	E.M.	Spain	Hospitals	Building	297	2042	125	12
Centros de Salud de Mallorca	49.5%	E.M.	Spain	Health center	Building	13,693	2021	19	3
Total Health Facilities (Unit:# beds)						15,726		711	51
Intercambiador Plaza de Castilla	50.0%	E.M.	Spain	Transfer station	Operation	59,650	2041	169	42
Intercambiador Príncipe Pio	70.0%	Global	Spain	Transfer station	Operation	28,300	2040	64	11
Intercambiador Avda América	100.0%	Global	Spain	Transfer station	Operation	41,000	2026	23	5
Total Transfer Stations (Unit:m2)						128,950		256	58
Iridium Aparcamientos	100.0%	Global	Spain	Parking	Building /operation	19,690	2058	63	48
Serrano Park	50.0%	E.M.	Spain	Parking	Building	3,157	2048	132	25
Total Parkings (Unit:Parking lots)						22,847		195	73
Total Concessions								20,658	1,697

(*) The investment paid by December 2010 accounted for € 989 mn, whilst € 708 mn are still pending to be paid.

Annex V. Stock price evolution

ACS Shares Data	2009	2010
Closing price	34.81 €	35.08 €
YTD performance	6.62%	0.76%
Maximum in the period	38.75 €	38.80 €
Maximum Date	30-Apr	5-Jan
Minimum in the period	27.67 €	28.59 €
Minimum Date	9-Mar	25-May
Average in the period	34.46 €	33.58 €
Total volume ('000)	196,116	193,764
Daily average volume ('000)	769.08	753.95
Total traded effective (€ mn)	6,759	6,507
Daily average effective (€ mn)	26.51	25.32
Number of shares (mn)	314.66	314.66
Market cap (€ mn)	10,953	11,037



Annex VI. Main contracts awarded

i. Construction

Civil Works – Roads

- Project for Windsor Essex highway construction in Ontario (Canada)
- South Fraser perimeter road construction in Vancouver (Canada)
- Works for the Santan Freeway between I-10 and Gilbert in Maricopa County (Arizona, U.S.A.)
- Works for the construction of the Puerto Montt-Pargua highway in Chile
- Works for the Ellsworth road in Maricopa County (Arizona, U.S.A.)
- Works for the AP-7 highway (Gerona, Spain)
- Project for M-509 road extension, in the section between M-50 and Villanueva del Pardillo (Madrid, Spain)
- Works on Almanzora highway for the connection to the AL-7106 road in Almería (Spain)
- Improvement works for the Eje Diagonal in Barcelona (Spain)

Civil Works - Railways

- Contract for the construction of two twin tunnels 11.9 km long of new underground rail tunnels in London (U.K.)
- Construction of the main cavern of the Station on 72nd Street for the new 2nd Avenue Subway line in Manhattan (New York, USA)
- Project for an interchange on New York's subway, the Fulton Street Transit Centre (U.S.A.)
- Refurbishment works for the railway system, after the earthquake, in Chile
- Works for the construction of the high-speed railway line between San Isidro and Orihuela (Alicante, Spain)
- Project for the construction of the Sagrera railway station (Barcelona, Spain)
- Railway platform construction for the Madrid-Galicia high-speed line in the stretch between Ponte Ambia and Taboleta (Orense, Spain)
- Works on Barcelona's Subway line 9 (Spain)
- Works for the high-speed railway section between Utrera and Jerez Airport (Spain)
- Works for the high-speed railway section between Caudete and Alicante (Spain)
- Works for the construction of a by-pass tunnel in Atocha railway station (Madrid, Spain)
- Railway line construction between Son Servera and Arta in Mallorca (Spain)
- Works for the railway improvement in the stretch between Villar Chinchilla and Almansa (Albacete, Spain)
- Works for the connection between the new terminal of Barcelona's airport and Barcelona's Subway line 9

Civil Works – Hydraulic or Maritime

- Villapresente-Burgos gas pipeline construction (Cantabria, Spain)
- New container terminal construction for La Plata port (Buenos Aires, Argentina)
- Mapocho water treatment plant construction in Chile
- Works for the Rio Puerto Nuevo flood control project in San Juan (Puerto Rico, U.S.A.)
- Works for the construction of Arzew port's dike (Algeria).
- Project for Nuevo Tibisa-Argos gas pipeline construction (Tarragona, Spain)
- Construction of the jetty and other improvements works in the Gijón Port (Asturias, Spain)
- Works for the construction of Punta de Langosteira port's dike (La Coruña, Spain).

- Works for the construction of a Cádiz Bridge section (Cádiz, Spain).
- Works for the enlargement of a dock in the port of Cartagena (Murcia, Spain)
- Construction and exploitation of the sewage treatment plant in Benicarló (Castellón, Spain).
- Project for the construction of a sewage treatment plant and sanitary sewer in Peñíscola (Castellón, Spain).
- "Sotogutiérrez" sewage treatment plant construction (Madrid, Spain).

Non Residential Building

- Works for the construction of Banco Santander data center facilities (Cantabria, Spain)
- Málaga II correctional facility construction in Málaga (Spain)
- Ciudad del Medio Ambiente institutional building construction (Soria, Spain)
- Works for the extension of the Valencia Airport parking (Valencia, Spain)
- Underground parking construction for La Boquería market (Barcelona, Spain)
- Construction of the heliport for the Reus Hospital (Barcelona, Spain)
- Construction of the extension of Sevilla Airport parking (Sevilla, Spain)
- Works for the improvement of La Fe Hospital in Valencia (Spain)
- Refurbishment of a steel manufacturing plant in Avilés (Asturias, Spain).
- Hotel Paseo de Gracia building in Barcelona (Spain).
- Works for the new Banco Popular headquarters building (Madrid, Spain)
- New "Mercado del Fondo" building construction in Santa Coloma (Barcelona, Spain)

Residential Building

- Project for the building of a housing development in Velilla (Madrid, Spain)
- Building of 152 apartments in Madrid (Spain)
- Building of 162 apartments financed by the government (Guadalajara, Spain)
- Project for 132 apartment financed by the government building (Zaragoza, Spain)
- Building of 194 apartments financed by the government (Madrid)

ii. Concessions

- Project for Windsor Essex highway development in Ontario (Canada)
- Contract to build and develop the 40 Km of the South Fraser Highway, in British Columbia province, Vancouver
- The project for to execute the works for the new Can Misses Welfare Centre and two associated health centres (Ibiza), as well as their conservation and maintenance throughout the term of the concession
- Construction, conservation and operation of 10 new health centres and basic health units in Mallorca

iii. Environmental Services

Environment

- Project for the construction and exploitation of an energy recovery plant in Bayona (France)
- Extension of the contract for urban waste collection and treatment in the Hereford and Worcester County (UK)
- Urban waste collection services for the city of La Rochelle (France)
- Contract for urban waste collection services in the area of La Challeville-Mezisres (France)
- Contract for urban cleaning services in Samba (Angola)
- Works for several landfills of Chubut province (Argentina)

- Waste treatment plant construction in Chile
- Solid urban waste collection and street cleaning services for the area of Vale do Sousa (Portugal)
- Extension of the contract for the management of a solid urban waste treatment plant in Alicante (Spain)
- Contract for the water supply system of the city of Totana (Murcia, Spain)
- Contract for street cleaning services and urban waste collection in Aviles (Asturias, Spain)
- Street cleaning services and urban waste collection, transport and treatment in Calafell (Tarragona, Spain)
- Contract for the management of an urban solid waste transfer plant in Ceuta (Spain)
- Contract for cleaning services and other services in Ayamonte beaches (Huelva, Spain)
- Project for the construction of a solid urban waste treatment plant in Antequera (Málaga, Spain)
- Urban waste collection and street cleaning in Torrelodones (Madrid, Spain)

Facility Management

- Cleaning, disinfecting, treating for insects and treating for rodents services for the facilities of the Spanish Police.
- Contract for the advertising in Madrid's urban buses
- Extension of the contract for the freight transportation in the Barajas Airport (Madrid, Spain)
- Home help service contracts for the city of Almeria (Spain)
- Contract for the management of 50 primary schools in Madrid (Spain)
- Catering services for Son Dureta Hospital (Palma de Mallorca, Spain)
- Concession for the management of two sports facilities in Vitoria (Spain)
- Maintenance services for grassy areas and street furniture in Bilbao (Spain)
- Cleaning services for Nuestra Señora de la Candelaria Hospital in Tenerife (Spain)
- Contract for the cleaning services of the commuters trains in two areas of Spain.
- Cleaning services for sports facilities in the city of San Sebastian (Spain)
- At-home help service contracts for the city of Malaga (Spain)
- Extension of the contract for street cleaning services, beach and urban gardening maintenance services for the council of Vera (Almería)
- Contract for cleaning services in the Vall d'Hebrón Hospital (Spain)
- Urban gardening maintenance services in Málaga (Spain)
- Extension of the contract for cleaning services in the health centres of the Agencia Valenciana de Salud and Consellería de Sanidad (Valencia, Spain)
- Extension of the contract for the advertising space in Madrid's Subway (Spain)

iv. Industrial Services

Networks

- Contract for operations and distribution network maintenance of Union Fenosa in two areas of Panama.
- Construction and maintenance contract during three years of the energy distribution network of Iberdrola in several areas of Spain
- Supply services and management of supply points for Gas Natural in Spain
- Gas network construction project in Jaen (Spain)

Specialized Products

- Project for the construction of an ammonia storage system for OCP company in Jorf Lasfar (Morocco)

- Extension of the contract for the jobs related to the operation and maintenance of Nejo gas field in Tamaulipas state (Mexico)
- Works for the construction of a high-voltage transmission line in Araraquara State (Brazil)
- Gas pipelines construction for the Nejo plant in Mexico
- Works for the construction of 4 high-voltage transmission lines and 2 electrical substations in Jalisco (Mexico)
- Works for electrical grid installation in Piura department (Peru)
- Supply and assembly of diesel motors for a generation plant in Reunion Island (France).
- High-voltage transmission line and electrical substation in Campeche (Mexico)
- Works for the railway electrification system for the high-speed line between Madrid, Barcelona and the French border (Spain)
- Assembly and engineering works for an hydrocracker unit for the Spanish company Técnicas Reunidas
- Contract for services and technical support to the users of Telefónica (Spain)
- Mechanical assembly work on various units for the refinery expansion project for Repsol in Cartagena (Murcia, Spain).
- Construction and maintenance of the catenaries and associated systems for the stretch between Albacete and Alicante station on the high-speed line connecting Madrid, Castilla la Mancha, Valencia and Murcia (Spain)

EPC Projects

- Project for the construction of the Manzanillo combined cycle plant, with an installed capacity of 1,400MW (Mexico)
- Turnkey project for 4 wind farms with an installed capacity of 120 MW in Rio Grande do Sul (Brazil)
- Mittelsbüren (Germany) combined cycle power plant construction, with an installed capacity of 400 MW
- Contract for the expansion of the existing South Arne field offshore Denmark, that includes engineering, procurement and construction (EPC) of two wellhead platforms and the two jackets supporting these platforms
- Project for the engineering and construction of two topsides and bridges associated for an oil offshore platform in the North Sea (Norway)
- Contract for the development of El Alto Maipo hydroelectric project (Panama)
- Engineering, procurement and Construction for Barro Blanco hydropower project (Panama)
- Project for the construction of a gas storage facility in Tuxpan port (Veracruz, Mexico)
- Works for the transmission line concession Artemis in Brazil
- Contract for the development of Cochea hydroelectric project (Panama)
- Enlargement works for the Colinas transmission line of 500 kv between Riberiro Gonçalves - Sao João do Piaui (Brazil)
- Project for the construction of two water treatment plants, Dumbraveni and Arpasel, in Romania.
- Project for the enlargement of the Bahía Bizkaia Gas regasification plant (Vizcaya, Spain)

Control Systems

- Contract for Intelligent Transportation Systems (ITS) installation in the I-595 highway (Miami, USA)
- Implementation of signalling, communication, control and protection system on railway line (Orense, Spain)
- Contract for maintenance and exploitation services for the A-2 highway in Lerida (Spain)
- Maintenance and exploitation works for several areas of Guipuzcoa road system.(Spain)
- Maintenance services for Vizcaya roads (Spain).

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