

# **ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries**

Consolidated Financial  
Statements for the year ended  
31 December 2012 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 and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 39). In the event of a discrepancy, the Spanish-language version prevails.*

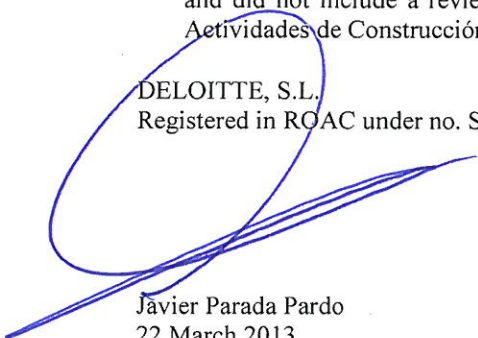
*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (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 2012 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 2012 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 2012, 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 2012 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 2012. 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. S0692



Javier Parada Pardo  
22 March 2013

## **ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries**

Consolidated Financial Statements for the year ended 31 December 2012, prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Consolidated Directors' Report

## **ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries**

Consolidated Financial Statements for the year ended 31 December 2012, prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union

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**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2012**

ASSETS	Note	Thousands of Euros	
		31/12/2012	31/12/2011
<b>NON-CURRENT ASSETS</b>		<b>15,172,747</b>	<b>20,039,669</b>
<b>Intangible assets</b>	04	<b>4,540,185</b>	<b>4,753,432</b>
Goodwill		2,559,822	2,496,438
Other intangible assets		1,980,363	2,256,994
<b>Tangible assets - property, plant and equipment</b>	05	<b>2,950,977</b>	<b>3,343,538</b>
<b>Non-current assets in projects</b>	06	<b>729,893</b>	<b>834,692</b>
<b>Investment property</b>	07	<b>71,086</b>	<b>79,511</b>
<b>Investments accounted for using the equity method</b>	09	<b>1,731,614</b>	<b>1,569,911</b>
<b>Non-current financial assets</b>	10	<b>1,848,469</b>	<b>7,351,522</b>
<b>Long-term deposits</b>	10 and 18	<b>362,722</b>	-
<b>Derivative financial instruments</b>	22	<b>470,697</b>	<b>23,739</b>
<b>Deferred tax assets</b>	26.06	<b>2,467,104</b>	<b>2,083,324</b>
<b>CURRENT ASSETS</b>		<b>26,390,629</b>	<b>27,947,941</b>
<b>Inventories</b>	11	<b>1,920,115</b>	<b>1,774,714</b>
<b>Trade and other receivables</b>	12	<b>11,414,486</b>	<b>10,703,493</b>
Trade receivables for sales and services		10,158,368	9,625,068
Other receivable		1,173,250	951,857
Current tax assets	26	82,868	126,568
<b>Other current financial assets</b>	10	<b>1,705,449</b>	<b>3,006,222</b>
<b>Derivative financial instruments</b>	22	<b>9,014</b>	-
<b>Other current assets</b>	13	<b>212,238</b>	<b>221,278</b>
<b>Cash and cash equivalents</b>	14	<b>4,527,836</b>	<b>4,155,177</b>
<b>Non-current assets held for sale and discontinued operations</b>	03.09	<b>6,601,491</b>	<b>8,087,057</b>
<b>TOTAL ASSETS</b>		<b>41,563,376</b>	<b>47,987,610</b>

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 2012.

## ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2012

EQUITY AND LIABILITIES	Note	Thousands of Euros	
		31/12/2012	31/12/2011
<b>EQUITY</b>	15	5,711,508	6,191,264
<b>SHAREHOLDERS' EQUITY</b>		3,382,358	5,682,274
Share capital		157,332	157,332
Share premium		897,294	897,294
Reserves		4,828,866	4,709,557
(Treasury shares and equity interests)		(574,696)	(760,651)
Profit for the period of the parent		(1,926,438)	961,940
(Interim dividend)		-	(283,198)
<b>ADJUSTMENTS FOR CHANGES IN VALUE</b>		(725,840)	(2,363,192)
Available-for-sale financial assets		154	(1,839,361)
Hedging instruments		(801,806)	(648,120)
Exchange differences		75,812	124,289
<b>EQUITY ATTRIBUTED TO THE PARENT</b>		2,656,518	3,319,082
<b>NON-CONTROLLING INTERESTS</b>		3,054,990	2,872,182
<b>NON-CURRENT LIABILITIES</b>		10,917,000	13,476,553
Grants	16	54,215	58,132
Non-current provisions	20	1,892,041	2,033,463
<b>Non-current financial liabilities</b>		6,956,583	9,604,305
Bank borrowings, debt instruments and other marketing securities	17	5,745,365	3,605,979
Project finance with limited recourse	18	1,103,847	5,888,061
Other financial liabilities	19	107,371	110,265
<b>Derivative financial instruments</b>	22	594,363	421,705
<b>Deferred tax liabilities</b>	26.06	1,232,499	1,174,599
<b>Other non-current liabilities</b>		187,299	184,349
<b>CURRENT LIABILITIES</b>		24,934,868	28,319,793
<b>Current provisions</b>	20	1,213,613	1,268,481
<b>Current financial assets</b>		4,591,375	6,891,279
Bank borrowings, debt, and other held-for-trading liabilities	17	3,943,345	6,271,497
Project finance with limited recourse	18	278,575	77,432
Other financial liabilities	19	369,455	542,350
<b>Derivative financial instruments</b>	22	23,865	-
<b>Trade and other payables</b>	23	14,741,614	14,560,695
Suppliers		8,726,149	8,186,905
Other payables		5,945,128	6,285,641
Current tax liabilities	26	70,337	88,149
<b>Other current liabilities</b>	24	275,121	603,997
<b>Liabilities relating to non-current assets held for sale and discontinued operations</b>	03.09	4,089,280	4,995,341
<b>TOTAL EQUITY AND LIABILITIES</b>		41,563,376	47,987,610

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 2012.



**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES****CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	Thousands of Euros	
		31/12/2012	31/12/2011
<b>REVENUE</b>	27	<b>38,396,178</b>	<b>28,471,883</b>
Changes in inventories of finished goods and work in progress		83,704	(219,903)
Capitalised expenses of in-house work on assets	27	25,581	17,494
Procurements	28.01	(23,918,513)	(17,767,484)
Other operating income		403,684	518,922
Staff costs	28.02	(8,680,555)	(6,318,521)
Other operating expenses		(3,265,407)	(2,419,658)
Depreciation and amortisation charge	04,05,06 and 07	(1,468,872)	(953,952)
Allocation of grants relating to non-financial assets and others	16	3,550	4,525
Impairment and gains on the disposal of non-current assets		36,913	(40,289)
Other profit or loss		(24,766)	81,134
<b>OPERATING INCOME</b>		<b>1,591,497</b>	<b>1,374,151</b>
Finance income	28.06	507,853	521,055
Financial costs		(1,289,785)	(1,216,514)
Changes in the fair value of financial instruments	22 and 28.05	105,476	(98,195)
Exchange differences		219	(22,152)
Impairment and gains or losses on the disposal of financial instruments	29	(3,769,932)	367,087
<b>FINANCIAL RESULT</b>		<b>(4,446,169)</b>	<b>(448,719)</b>
Results of companies accounted for using the equity method	09	339,353	318,469
<b>PROFIT BEFORE TAX</b>		<b>(2,515,319)</b>	<b>1,243,901</b>
Income tax	26.04	1,003,104	(181,220)
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>(1,512,215)</b>	<b>1,062,681</b>
Profit after tax from discontinued operations	(*)	107,465	45,690
<b>PROFIT FOR THE PERIOD</b>		<b>(1,404,750)</b>	<b>1,108,371</b>
Profit attributed to non-controlling interests	15.07	(521,677)	(146,528)
Profit from discontinued operations attributable to non-controlling interests	15.07	(11)	97
<b>PROFIT ATTRIBUTABLE TO THE PARENT</b>		<b>(1,926,438)</b>	<b>961,940</b>

(**) Profit after tax from discontinued operations attributable to non-controlling interests	03.09	107,454	45,787
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**EARNINGS PER SHARE**

		Thousands of Euros	
		31/12/2012	31/12/2011
Basic earnings per share	31	-6.61	3.24
Diluted earnings per share	31	-6.61	3.24
Basic earnings per share from discontinued operations	31	0.37	0.15
Basic earnings per share from continuing operations	31	-6.98	3.09

The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated income statement at 31 December 2012.

## ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012**

	Thousands of Euros					
	31/12/2012			31/12/2011		
	Of the Parent	Of non-controlling interests	Total	Of the Parent	Of non-controlling interests	Total
<b>A) Total consolidated profit</b>	<b>(1,926,438)</b>	<b>521,688</b>	<b>(1,404,750)</b>	<b>961,940</b>	<b>146,431</b>	<b>1,108,371</b>
Profit/(Loss) from continuing operations	(2,033,892)	521,677	(1,512,215)	916,153	146,528	1,062,681
Profit/(Loss) from discontinued operations	107,454	11	107,465	45,787	(97)	45,690
<b>B) Income and expenses recognised directly in equity</b>	<b>(1,252,253)</b>	<b>(71,623)</b>	<b>(1,323,876)</b>	<b>(1,082,158)</b>	<b>20,811</b>	<b>(1,061,347)</b>
Measurement of financial instruments	(1,314,582)	7,852	(1,306,730)	(896,832)	(10,520)	(907,352)
Cash flow hedges	(289,663)	(5,195)	(294,858)	(523,700)	(75,197)	(598,897)
Exchange differences	(48,421)	(27,752)	(76,173)	(7,017)	111,891	104,874
Arising from actuarial profit and loss and losses	(69,242)	(64,574)	(133,816)	(25,330)	(46,340)	(71,670)
Tax effect	469,655	18,046	487,701	370,721	40,977	411,698
<b>C) Transfers to profit or loss</b>	<b>2,844,907</b>	<b>11,793</b>	<b>2,856,700</b>	<b>43,278</b>	<b>(8,777)</b>	<b>34,501</b>
Measurement of financial instruments	3,925,165	-	3,925,165	-	-	-
Cash flow hedges	117,782	16,847	134,629	133,735	15,901	149,636
Exchange differences	(56)	-	(56)	(63,603)	(19,195)	(82,798)
Tax effect	(1,197,984)	(5,054)	(1,203,038)	(26,854)	(5,483)	(32,337)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(333,784)</b>	<b>461,858</b>	<b>128,074</b>	<b>(76,940)</b>	<b>158,465</b>	<b>81,525</b>

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 2012.

**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2012**

	Miles de Euros								
	Share capital	Share premium	Retained earnings and other reserves	Treasury shares	Valuation adjustments	Profit/(Loss) attributed to the Parent	Interim dividend	Non-controlling interests	TOTAL
<b>Balance at 31 December 2010</b>	<b>157,332</b>	<b>897,294</b>	<b>4,118,719</b>	<b>(683,491)</b>	<b>(1,340,666)</b>	<b>1,312,557</b>	<b>(283,198)</b>	<b>263,839</b>	<b>4,442,386</b>
Income/(expenses) recognised in equity	-	-	(16,354)	-	(1,022,526)	961,940	-	158,465	<b>81,525</b>
Stock options	-	-	8,709	-	-	-	-	-	<b>8,709</b>
Distribution of profit from the prior year	-	-	-	-	-	-	-	-	-
To reserves	-	-	667,495	-	-	(667,495)	-	-	-
To dividends	-	-	46,714	-	-	(645,062)	283,198	(55,437)	<b>(370,587)</b>
Treasury shares	-	-	(892)	(77,160)	-	-	-	-	<b>(78,052)</b>
Change in listed investees as a result of actuarial and other gains	-	-	(111,814)	-	-	-	-	-	<b>(111,814)</b>
Change in the scope of consolidation and other effects of a lesser amount	-	-	(3,020)	-	-	-	-	2,505,315	<b>2,502,295</b>
2010 interim dividend	-	-	-	-	-	-	(283,198)	-	<b>(283,198)</b>
<b>Balance at 31 December 2011</b>	<b>157,332</b>	<b>897,294</b>	<b>4,709,557</b>	<b>(760,651)</b>	<b>(2,363,192)</b>	<b>961,940</b>	<b>(283,198)</b>	<b>2,872,182</b>	<b>6,191,264</b>
Income/(expenses) recognised in equity	-	-	(44,698)	-	1,637,352	(1,926,438)	-	461,858	<b>128,074</b>
Capital increases/(reductions)	3,666	-	(3,666)	-	-	-	-	-	-
Stock options	-	-	8,709	-	-	-	-	-	<b>8,709</b>
Distribution of profit from the prior year	-	-	-	-	-	-	-	-	-
To reserves	-	-	462,045	-	-	(462,045)	-	-	-
To dividends	-	-	24,143	-	-	(499,895)	283,198	(178,907)	<b>(371,461)</b>
Treasury shares	(3,666)	-	(266,043)	185,955	-	-	-	-	<b>(83,754)</b>
Change in listed investees as a result of actuarial and other gains	-	-	(54,773)	-	-	-	-	-	<b>(54,773)</b>
Change in the scope of consolidation and other effects of a lesser amount	-	-	(6,408)	-	-	-	-	(100,143)	<b>(106,551)</b>
<b>Balance at 31 December 2012</b>	<b>157,332</b>	<b>897,294</b>	<b>4,828,866</b>	<b>(574,696)</b>	<b>(725,840)</b>	<b>(1,926,438)</b>	<b>-</b>	<b>3,054,990</b>	<b>5,711,508</b>

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 2012.

**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012**

		Thousands of Euros	
		31/12/2012	31/12/2011
<b>A)</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>1,299,550</b>	<b>1,286,649</b>
1.	Profit/(Loss) before tax	(2,515,319)	1,243,901
2.	Adjustments for:	4,688,045	1,463,613
	Depreciation and amortisation charge	1,468,872	953,952
	Other adjustments to profit (net) (Note 1.i)	3,219,173	509,661
3.	Changes in working capital	(206,989)	(884,922)
4.	Other cash flows from operating activities:	(666,187)	(535,943)
	Interest payable	(1,297,728)	(1,225,747)
	Dividends received	542,588	541,434
	Interest received	242,574	313,760
	Income tax payment/proceeds	(153,621)	(165,390)
<b>B)</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>2,285,124</b>	<b>(454,907)</b>
1.	Investment payables:	(2,496,027)	(2,146,363)
	Group companies, associates and business units	(515,952)	836,351
	Property, plant and equipment, intangible assets and property investments	(1,749,222)	(2,317,385)
	Other financial assets	(135,468)	(364,185)
	Other assets	(95,385)	(301,144)
2.	Divestment:	4,781,151	1,691,456
	Group companies, associates and business units	1,457,507	1,052,974
	Property, plant and equipment, intangible assets and investment property	640,884	612,722
	Other financial assets	2,678,297	12,149
	Other assets	4,463	13,611
<b>C)</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(3,174,971)</b>	<b>695,476</b>
1.	Equity instrument proceeds (and payment):	(83,754)	(253,788)
	Acquisition	(155,880)	(279,253)
	Disposal	72,126	25,465
2.	Liability instrument proceeds (and payment):	(2,323,237)	1,687,448
	Issue	4,584,893	3,914,476
	Refund and repayment	(6,908,130)	(2,227,028)
3.	Dividends paid and remuneration relating to other equity instruments:	(639,150)	(613,858)
4.	Other cash flows from financing activities:	(128,830)	(124,326)
	Other financing activity proceeds and payables:	(128,830)	(124,326)
<b>D)</b>	<b>EFFECT OF CHANGES IN EXCHANGE RATES</b>	<b>(37,044)</b>	<b>175,389</b>
<b>E)</b>	<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>372,659</b>	<b>1,702,607</b>
<b>F)</b>	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>4,155,177</b>	<b>2,452,570</b>
<b>G)</b>	<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>4,527,836</b>	<b>4,155,177</b>

1. CASH FLOWS FROM OPERATING ACTIVITIES	-	14,016
2. CASH FLOWS FROM INVESTING ACTIVITIES	80,860	-
3. CASH FLOWS FROM FINANCING ACTIVITIES	-	(14,016)
<b>CASH FLOWS FROM DISCONTINUED OPERATIONS</b>	<b>80,860</b>	<b>-</b>

**CASH AND CASH EQUIVALENTS AT YEAR END**

Cash and banks	3,583,950	3,086,946
Other financial assets	943,886	1,068,231
<b>TOTAL CASH AND CASH EQUIVALENTS AT YEAR END</b>	<b>4,527,836</b>	<b>4,155,177</b>

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 2012.

## ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries

Notes to the Consolidated Financial Statements for the year ended 31 December 2012

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### 01. Group Activity

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

In addition to the operations carried on directly thereby, 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 the Company, 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 object, 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 of 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. The promotion, construction, restoration and sale of housing developments and all kinds of buildings intended for industrial, commercial or residential purposes, either alone or through third parties. The 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 propagation, broadcast, repetition and reception of all kinds 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. The production, sale and use of electricity and of other energy sources and the performance of studies relating thereto, and the production, exploration, sale and use of all manner of solid, liquid or gaseous primary energy resources, including specifically all forms and kinds of hydrocarbons and natural, liquefied or any other type of gas. Energy planning and rationalisation of the use of energy and combined heat and power generation. The research, development and exploitation of communications and information technologies in all their facets.
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, 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. To manage and administer fixed-income and equity securities of companies not resident in Spain, through the related organisation of the appropriate material and human resources in this connection.
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.

## **02. Basis of presentation of the Consolidated Financial Statements and basis of consolidation**

### **02.01.- Basis of presentation**

The consolidated financial statements for 2012 of the ACS Group were prepared:

- By the Directors of the Parent, at the Board of Directors' Meeting held on 21 March 2013.
- 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 and subsequent amendments. The consolidation

bases and the principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2012 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 2012, 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 2012 (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 2011, (IFRSs as adopted by the European Union) were approved by the shareholders at the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 31 May 2012.

The resolutions adopted in relation to the approval of these financial statements were challenged by one shareholder who holds 104 shares (0.000033% of the Parent's share capital). The directors of ACS, Actividades de Construcción y Servicios, S.A. believe that the financial statements for 2011 were correctly prepared and ratified by the auditor, and that the challenge is not likely to be upheld.

The 2012 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.

#### **Responsibility for the information and use of estimates**

The information in these consolidated financial statements is the responsibility of the directors of the Group's Parent.

The consolidated financial statements were prepared from the 2012 accounting records of ACS, Actividades de Construcción y Servicios, S.A. and of its Group companies, whose respective separate financial statements were approved by the directors of each company and business segment, once they had been adapted for 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 measurement aimed at determining any 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 allocation 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 (such as equity swaps, call spreads, etc.) mentioned in Notes 09 and 10.
- The useful life of the intangible assets and 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 preparation of these 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 recognised in the same income statement line item as that in which the expense or income measured using the previous estimate had been previously recognised.

Changes in accounting policies and correction of fundamental errors.- In accordance with IAS 8, the effect of any change in accounting policies and of any correction of fundamental errors is recognised as follows: the cumulative effect at the beginning of the year is adjusted in reserves, whereas the effect on the current year is recognised in profit or loss. Also, in these cases the financial date for the comparative year presented together with the year in course is restated.

No errors were corrected in the 2011 financial statements.



Except as indicated in the following paragraphs and the entry into force of new accounting standards, the consolidation criteria applied in 2012 are consistent with those applied in the 2011 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 companies of the Construction and Industrial Services division for concession operators 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 2012 and 2011 the reporting date of the financial statements of all the companies included in the scope of consolidation was the same or was temporarily brought into line with 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, in general 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.

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 49.90% ownership interest at the end of 2012 (Note 02.02.f).

The main companies of the ACS Group with dividend rights of more than 50% which are not fully consolidated include: Clece, S.A., Leighton Welspun Contractors, Hospital Majadahonda, S.A. 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 their proportion of the fair values 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 and increases and decreases in ownership interests.

#### **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 the venturers. By applying the alternative provided in IAS 31 on Interests in joint ventures, the ACS Group has accounted for jointly controlled companies using the equity method under "Investments accounted for using the equity method" in the accompanying consolidated statement of financial position. The share in the profit after tax of these companies is recognised under "Share of results of entities 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 ventures) and similar entities (various types of joint ventures) abroad, which are entities 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, the companies are accounted for proportionately 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 these types of entities are recognised in the consolidated statement of financial position, classified according to their specific nature on the basis of the existing percentage of ownership. Similarly, income and expense arising from these entities is presented in the consolidated income statement on the basis of their specific nature and in proportion to the Group's ownership interest.

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 and which are not subsidiaries or interests in joint ventures. Significant influence generally exists when the Company 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 irrelevant for the Group as a whole.

Investments in associates are accounted for using the equity method, whereby they are initially recognised at acquisition cost. Subsequently, on each reporting date, they are measured at cost, plus the changes in the net assets of the associate based on the Group's percentage of ownership. The excess of the cost of acquisition over the Group's share of 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, net of tax, of the associates is included in the Group's consolidated income statement under "Share of results of entities accounted for using the equity method", in proportion to the percentage of ownership. Prior to this, the appropriate adjustments are made to take into account the depreciation of the depreciable assets based on their fair value at the date of acquisition.

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 2012 are described in Appendix I, especially noteworthy being the sale of the 23.5% ownership interest in Clece and the 10.28% in Abertis Infraestructuras, S.A.

Acquisitions, sales, and other corporate transactions

In 2012, except for the purchase of 51% of Clark Builders carried out by Turner, a subsidiary 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		
Clark Builders	Subsidiary	01/01/2012	49,910	-	51.00%	51.00%
Hochtief, A. G.	Subsidiary	2012	20,091	-	0.73%	49.90%

- *Hochtief, A.G.*

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 2011 were recognised in the consolidated income statement at 31 December 2011. In 2012 the income and expenses for all twelve months of the year were included and, therefore, this effect should be taken into account in the comparative information.

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.

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 2011 year-end, 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. Once this twelve-month period has elapsed, the definitive assignment of the assets identified and the liabilities assumed as a result of the acquisition of Hochtief, A.G. is as follows:

	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
Other non-current assets	3,825,626	56,580	3,882,206
Current assets	9,131,438	(68,355)	9,063,083
Non-current liabilities	(2,903,875)	(1,847,616)	(4,751,491)
Current liabilities	(8,836,023)	(381,625)	(9,217,648)
<b>Total net assets</b>	<b>3,824,250</b>	<b>(736,646)</b>	<b>3,087,604</b>
Non-controlling interests	(1,268,420)	195,532	(1,072,888)
<b>Fair value of the fully acquired net assets (100%)</b>			<b>2,014,716</b>
Fair value of assets relating to non-controlling interests			1,105,734
<b>Fair value of the net assets of the acquirer</b>			<b>908,982</b>
Cumulative reserves from the purchase to the first date of full consolidation			(28,353)
Purchase price			2,371,136
<b>Goodwill (Note 2.01)</b>			<b>1,433,801</b>

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 construction backlog 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 ended 31 December 2011 amounted to EUR 168,472 thousand and EUR 282,900 thousand in 2012.
- Accordingly, a higher value was allocated in the PPA, for an attributed net amount of EUR 25 million (EUR 62 million in the seven months of 2011), 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 during the related period.
- In addition, provisions were allocated for estimated losses in various projects and investments of Hochtief, which included an attributed net amount of EUR 167 million in 2012 (EUR 216 million in the seven months of 2011), and were not taken into account in the profit of the ACS Group.
- 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.

In accordance with IAS 27, the goodwill arising from the acquisition of Hochtief, A.G. shares subsequent to 1 June 2011, given that the ACS Group had already fully consolidated this ownership interest, was recognised in reserves (EUR 29,289 thousand in 2012 and EUR 123,018 thousand in 2011).

Other disposals of ownership interests in the share capital of subsidiaries, joint ventures or associates in 2012 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 or derecognised	% of voting power in the company following disposal	Profit/(Loss) before tax (Thousands of Euros)
Clece, S.A.	Subsidiary	08/03/2012	23.50%	76.50%	216,496
Abertis Infraestructuras, S.A.	Associate	25/04/2012	10.28%	0.00%	196,699
Sociedad Concesionaria Vespucio Norte Express, S.A.	Subsidiary	30/09/2012	45.45%	0.00%	88,200

The following regarding changes in scope of consolidation are noteworthy of mention:

- On 8 March 2012, the ACS Group sold its ownership interest of 23.25% of Clece S.A. to various funds managed by Mercapital, to which it has also granted the option to purchase the remaining capital. Following this date, control of Clece, S.A. 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 business value of EUR 505.7 million.
- The sale of all ownership interest in Abertis Infraestructuras, S.A. and a profit before taxes of EUR 196,699 thousand recognised under "Impairment and gains or losses on disposals of financial instruments" in the accompanying income statement. After ACS, Actividades de Construcción y Servicios, S.A. disposed of its ownership interest in Abertis Infraestructuras, S.A., ACS and Trebol Holdings S.à.r.l. reached an agreement to terminate the shareholders agreement that was published on 1 September 2010.
- With regard to Sociedad Concesionaria Vespucio Norte Express, S.A., a portion of these gains were not recognised in the ACS Group's consolidated income statement, since these gains were eliminated as a result of the adjustments made in the PPA.

The most significant changes in the scope of consolidation in 2011 relate to the sale of certain wind farms and solar thermal plants, the sale of ownership interest in various Brazilian concession operators of electricity lines throughout this country, and the sale of certain mining contracts of Henry Walker Eltin and the ownership interest in Burton, a mining company located in Leighton. These last 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.

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:

- If it is attributable to specific assets and liabilities of the companies acquired, 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 balance sheets and whose accounting treatment (amortisation, accrual, etc.) was similar to that of the same assets (liabilities) of the Group. If it is attributable to specific intangible assets, recognising it explicitly in the consolidated statement of financial position provided that the fair value at the acquisition date 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, if there is any impairment, the goodwill is written down with a charge to "Impairment and 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 recognised as translation differences or impairment, as appropriate.

Any negative differences between of 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 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 balance sheets and whose accounting treatment (amortisation, accrual, etc.) was similar to that of the same assets (liabilities) of the Group.
- The remaining amounts are presented under "Other gains or losses" 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**

Intangible assets are identifiable non-monetary 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 or losses 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 property, plant and equipment (Note 03.06).

**03.02.01. Development expenditure**

Development expenditure is only recognised as intangible assets if 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 company 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 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**

This heading basically includes the intangible assets related to the acquired companies' construction backlog and customer base, mainly of the Hochtief Group. 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 statement of financial position at acquisition or production cost less any accumulated depreciation and any recognised impairment losses.

The capitalised costs include borrowing costs incurred during the asset construction period only, provided that it is probable that they will give rise to future economic benefits for the Group. Capitalised borrowing costs arise from both specific borrowings expressly used for the acquisition of an asset and general borrowings in accordance with the criteria established in 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 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.

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

	<b>Years of Estimated Useful Life</b>
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 property, plant and equipment assigned to certain contracts for services that revert to the contracting agency at the end of the contract term are amortised over the shorter of the term of the contract or the useful life of the related assets.

Assets held under finance leases are recognised in the corresponding asset category, are measured at the present value of the minimum lease payments payable and are amortised over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

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 amortised 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 non-current assets held under finance leases is charged to consolidated profit for the year using the effective interest method, on the basis of the repayment of the related borrowings. 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 under a project finance arrangement (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. Each project is performed through specific companies in which the project assets are financed, on the one hand, through a contribution of funds by the developers, which is limited to a given amount, and on the other, generally representing 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 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. Capitalised borrowing costs arise from specific borrowings expressly used for the acquisition of an asset.

Upkeep and maintenance expenses that do not lead to a lengthening of the useful life of the assets or an increase in their production capacity are expensed currently.

The residual value, useful life and depreciation method applied to the companies' assets are reviewed periodically to ensure that the depreciation method used reflects the pattern in which the economic benefits arising from operating the non-current assets in projects are consumed.

This heading also includes the amount of the 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 under a project finance arrangement (limited recourse financing applied to projects), regardless of whether the demand risk is assumed by the group or the financial institution. In general, the loans are supported by security interests over the project cash flows.

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

- The concession assets are owned by the concession 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.

In general, a distinction must be drawn between two clearly different phases: the first in which the concession operator provides construction or upgrade services which are recognised under intangible or financial assets by reference to the stage of completion pursuant to IAS 11, "Construction Contracts" and; a second phase in which the concession operator provides a series of maintenance or operation services of the aforementioned infrastructure, which are recognised in accordance with IAS 18, "Ordinary Income".

An intangible asset is recognised when the demand risk is borne by the concession operator and a financial asset is recognised when the demand risk is borne by the concession grantor since the operator has an unconditional contractual right to receive cash for the construction or upgrade services. These assets also include the amounts paid in relation to the fees for the award of the concessions.

In certain mixed arrangements, the operator and the grantor may share the demand risk, although this is not common for 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, provisions for dismantling, removal and rehabilitation and any steps to improve and increase capacity, the revenue from which is contemplated in the initial contract, are capitalised at the start of the concession and the amortisation of these assets and the adjustment for provision discounting are recognised in profit or loss. Also, provisions to replace and repair the infrastructure are systematically recognised in profit or loss as the obligation is incurred.

Borrowing costs arising from the financing of the infrastructure are recognised in the period in which they are incurred and those accruing from the construction until the entry into service of the infrastructure are capitalised only in the intangible asset model.

Intangible assets are amortised on the basis of the pattern of consumption, taken to be the changes in and best estimates of the production units of each activity. The most important concession business in quantitative terms is the highway activity, whose assets are depreciated or amortised on the basis of the concession traffic.

#### **Financial assets**

Concessions classified as a financial asset are recognised at the fair value of the construction or improvement services rendered. In accordance with the amortised cost method, the related revenue is allocated to profit or loss at the interest rate of the receivable arising on the cash flow and concession payment projections, which are presented as revenue on the accompanying consolidated income statement. As described previously, the revenue and expense relating to the provision of the operation and maintenance services are recognised in the consolidated income statement in accordance with IAS 18, "Ordinary Income", and the finance costs relating to the concession are recognised in the accompanying consolidated income statement according to their nature.

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 property, plant and equipment, and the items replaced or renewed are derecognised.

The work performed by the Group on non-current assets is measured at production cost, except for the work performed for concession operators, which is measured at selling price.

Concession operators amortised these assets so that the carrying amount of the investment made is zero at the end of the concession.

Non-current assets in projects are depreciated on the basis of the pattern of use which, in the case of highways, is generally determined by the traffic projected for each year. However, certain contracts have terms shorter than the useful life of the related non-current assets, in which case they are depreciated over the contract term.

At least at each balance sheet date, the companies determine whether there is any indication that an item or group of items of property, plant and equipment is impaired so that, as indicated in Note 03.06, an impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their value in use.

The companies consider that the periodic maintenance plans for their facilities, the cost of which is recognised as an expense in the year in which it is incurred, are sufficient to ensure delivery of the assets that have to be returned to the concession provider in good working order on expiry of the concession contracts and that, therefore, no significant expenses will arise as a result of their return.

### **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. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended 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 tangible assets – property, plant and equipment and intangible assets excluding goodwill**

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets, as well as its investment properties, to determine whether there is any indication that those assets might 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.

The 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.

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 any directly attributable transaction costs. The Group classifies its non-current and current financial assets, excluding investments in associates and those held for sale, in four categories.

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 acquisition cost of a financial asset or liability minus principal repayments, plus or minus the cumulative amortisation taken to profit or loss of any difference between that initial cost and the maturity amount. In the case of financial assets, amortised cost also includes any reduction for impairment losses.

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 cost of acquisition, these investments are measured at fair value, recognising the gains or losses arising thereon in equity until the investment is sold or suffers impairment losses, at which time the cumulative gain or loss previously presented in equity under "Valuation Adjustments" is transferred to profit or loss as gains or losses on the corresponding 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 cannot be reliably determined are measured at cost or at their underlying carrying amount, or at a lower amount if there is any evidence of impairment.

#### **03.08.05. Derecognition of financial assets**

The Group derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the Group does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk.

However, the Group does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of bill discounting, with-recourse factoring, sales of financial assets under an agreement to repurchase them at a fixed price or at the selling price plus interest and the securitisation of financial assets in which the transferor retains a subordinated interest or any other kind of guarantee that absorbs substantially all the expected losses.

#### **03.08.06. Fair value hierarchies**

Financial assets and liabilities measured at fair value are classified according to the hierarchy established in IFRS 7, as follows:

- Level 1:* Quoted prices (unadjusted) on active markets for identical assets or liabilities.
- Level 2:* Inputs other than prices quoted included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:* Inputs for the asset or liability that are not based on 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 2012, non-current assets held for sale relate mainly to the line of business of renewable energy (wind farms and solar thermal plants), assets related to airports managed by Hochtief, investments in certain assets related to telecommunications infrastructure belong to Leighton, highway concession assets and logistics activities. In all the above cases a formal decision was made by the Group to sell these assets, and a plan for their sale was initiated. These assets are currently available for sale 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.

The main year-on-year increase was due to the sale of 23.5% of Clece to various funds managed by Mercapital, to which a purchase option was granted on the remaining share capital. As of 8 March 2012, the date of the sale, the company became jointly controlled. Other significant changes included the sale of the waste collection activity carried out by Thiess, and the sale of certain transmission lines in Brazil and certain wind farms. Accordingly, in 2012 certain activities related to the telecommunications infrastructure activity carried out by Leighton in Australia were included in this heading.

It is noteworthy of mention that the renewable assets, the airports managed by Hochtief and most of the concessions, which were classified as held for sale, were held in this category for a period of over twelve months. However, they were not sold due to certain circumstances, which at the time of their classification were not likely, mainly related to regulatory uncertainties in the electricity sector and the situation of the financial markets. However, the Group continues to be committed to the plans for selling these assets, which are being actively marketed, and there is a high probability that the sale will take place in the short term. In other cases, sales agreements were signed where the customary conditions precedent have yet to be met in agreements of this type in order to definitively derecognise the assets.

#### **Discontinued operations**

The breakdown of the profit from discontinued operations in the periods ended 31 December 2012 and 2011 is as follows:

	Thousands of Euros	
	31/12/2012	31/12/2011
	Clece	Clece
Revenue	183,043	1,082,310
Operating expenses	(171,082)	(1,011,559)
Net operating income	11,961	70,751
<b>Profit before tax</b>	<b>10,508</b>	<b>64,456</b>
Corporate income tax	(3,143)	(18,766)
Profit after tax from discontinued operations	-	-
Profit attributed to non-controlling interests	(11)	97
<b>Profit after tax and non-controlling interests</b>	<b>7,354</b>	<b>45,787</b>
Profit before tax from the disposal of discontinued operations	216,496	-
Tax on the disposal of discontinued operations	(66,396)	-
<b>Net profit from the disposal of discontinued operations</b>	<b>150,100</b>	-
<b>Profit after tax and non-controlling interests from discontinued operations</b>	<b>157,454</b>	<b>45,787</b>

After the sale by the ACS Group of the 23.5% ownership interest in the Clece Group (formed by Clece, S.A. and its subsidiaries) on 8 March 2012, Clece was no longer classified under discontinued operations and became accounted for using the equity method on having joint control with the new shareholder. Therefore, the net unrealised gain on the sale of Clece amounted to EUR 150,100 thousand and was recognised under "Profit after tax from discontinued operations" in the consolidated income statement for the first half of the year. This profit included both the unrealised gain on the sale of the 23.5% ownership interest, which amounted to EUR 39.7 million, and the revaluation to its market value of the investment held as a result of the loss of control, which amounted to EUR 110.3 million.

In addition to the foregoing, it includes profit from this activity during the first two months of 2012 amounting to EUR 7,354 thousand, net of taxes and non-controlling interests.

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
<b>Non-current assets held for sale from discontinued operations</b>	<b>443,584</b>
Non-current liabilities	26,530
Current liabilities	299,519
<b>Liabilities relating to assets held for sale from discontinued operations</b>	<b>326,049</b>
<b>Non-controlling interests from discontinued operations</b>	<b>1,001</b>

Since the ACS Group maintained control over the subsidiaries of the Clece Group (head of the activity) at 2011 year-end, the effects of this investment were kept under "Non-controlling interests" until its sale.

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 or expenses were recognised under the heading "Valuation adjustments" in the consolidated statement of changes in equity in relation to discontinued operations at 31 December 2011 or at the time of sale. At 31 December 2012 and 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 the effect of the discontinued operations on the 2012 and 2011 statement of cash flows is as follows:

	Thousands of Euros	
	31/12/2012	31/12/2011
	Clece	Clece
Cash flows from operating activities	-	14,016
Cash flows from investing activities	80,860	-
Cash flows from financing activities	-	(14,016)
<b>Net cash flows from discontinued operations</b>	<b>80,860</b>	<b>-</b>

Accordingly, a net provision of taxes of EUR 50,000 thousand was recognised for future possible contingencies relating to discontinued operations sold that reduce the amount under "Profit after tax and non-controlling interests from discontinued operations" in the consolidated income statement to a profit of EUR 107,454 thousand.

#### **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 segment. Certain of the remaining port and logistics assets are included in the Environment activity segment and lastly, certain concession assets such as airports managed by Hochtief, highways and assets related to telecommunications infrastructures in Australia are included in the Construction activity segment.

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

The breakdown of the main assets and liabilities held for sale at 31 December 2012 and 2011 is as follows:

	Thousands of Euros						
	31/12/2012						
	SPL	Renewable energy	Concessions	Airports managed by Hochtief	TelCo	Other	Total
Tangible assets - property, plant and equipment	27,239	19,029	709	185	464,178	16,661	528,001
Intangible assets	37,326	23,095	592	5,905	15,080	21,986	103,984
Non-current assets in projects	-	2,610,991	797,787	-	-	10,026	3,418,804
Financial Assets	4,524	96,157	29,171	1,312,146	-	15,270	1,457,268
Deferred tax assets	2,099	110,281	48,955	-	-	7,344	168,679
Other non-current assets	-	-	-	1,278	20,002	548,497	569,777
Current assets	43,550	167,329	57,996	16,000	17,130	52,973	354,978
<b>Financial assets held for sale</b>	<b>114,738</b>	<b>3,026,882</b>	<b>935,210</b>	<b>1,335,514</b>	<b>516,390</b>	<b>672,757</b>	<b>6,601,491</b>
Non-current liabilities	10,960	2,626,331	763,469	4,373	30,056	301,029	3,736,218
Current liabilities	32,940	137,358	20,754	13,675	107,056	41,279	353,062
<b>Liabilities relating to assets held for sale</b>	<b>43,900</b>	<b>2,763,689</b>	<b>784,223</b>	<b>18,048</b>	<b>137,112</b>	<b>342,308</b>	<b>4,089,280</b>
<b>Non-controlling interests held for sale</b>	<b>12,454</b>	<b>(1,180)</b>	<b>-</b>	<b>372,861</b>	<b>-</b>	<b>16,840</b>	<b>400,975</b>

The ACS Group recognised a provision for EUR 300,000 thousand which has reduced the balance of "Non-current assets held for sale". This provision is a preliminary estimate and includes the impairment losses on the carrying amount, which arose as the result of, among others, the various legislation approved in 2012, including Law 15/2012, of 27 December (which is currently has yet to be implemented) and Law 16/2012, of 27 December. On 1 February 2013, Royal Decree Law 2/2013 on urgent measures in the electricity system and financial industry was approved. The current estimate is that these measures will not have a significant impact on the carrying amount of the assets affected in 2013 in relation to the ACS Group's consolidated financial statements.

	Thousands of Euros						
	31/12/2011						
	SPL	Renewable energy	Transmission lines	Concessions	Airports managed by Hochtief	Other	Total
Tangible assets - property, plant and equipment	31,050	21,451	-	770	201	9,092	62,564
Intangible assets	37,435	32,173	-	1,072	5,910	22,865	99,455
Non-current assets in projects	-	3,169,416	-	946,727	-	10,897	4,127,040
Financial Assets	5,875	97,593	31,090	31,935	1,397,734	150,372	1,714,599
Deferred tax assets	1,276	81,338	-	43,695	-	5,831	132,140
Other non-current assets	-	-	789,272	-	975	288,947	1,079,194
Current assets	51,398	161,246	32,359	94,680	51,011	37,787	428,481
<b>Financial assets held for sale</b>	<b>127,034</b>	<b>3,563,217</b>	<b>852,721</b>	<b>1,118,879</b>	<b>1,455,831</b>	<b>525,791</b>	<b>7,643,473</b>
Non-current liabilities	14,531	2,838,659	322,140	872,047	3,174	264,824	4,315,375
Current liabilities	36,031	198,002	21,739	56,689	16,097	25,359	353,917
<b>Liabilities relating to assets held for sale</b>	<b>50,562</b>	<b>3,036,661</b>	<b>343,879</b>	<b>928,736</b>	<b>19,271</b>	<b>290,183</b>	<b>4,669,292</b>
<b>Non-controlling interests held for sale</b>	<b>14,841</b>	<b>2,109</b>	-	-	<b>372,939</b>	<b>18,804</b>	<b>408,693</b>

The net debt recognised under assets and liabilities held for sale at 31 December 2012 amounted to EUR 2,170,058 thousand (EUR 2,568,300 thousand at 31 December 2011) in renewable energies, EUR 596,367 thousand (EUR 672,386 thousand at 31 December 2011) in concession assets, EUR 53,550 thousand (EUR 274,231 thousand at 31 December 2011) in transmission lines, and EUR 168,331 thousand (EUR 113,416 thousand at 31 December 2011) in other assets.

The income and expenses recognised under "Valuation adjustments" in the consolidated statement of changes in equity, which relate to operations considered to be held for sale at 31 December 2012 and 2011, are as follows:

	Thousands of Euros					
	31/12/2012					
	SPL	Renewable energy	Concessions	Airports managed by Hochtief	Other	Total
Financial assets held for sale	-	-	-	138,854	-	138,854
Exchange differences	2,068	(822)	(72,933)	(1,444)	(6,163)	(79,294)
Cash flow hedges	-	(226,919)	(167)	(117,425)	(81,865)	(426,376)
<b>Adjustments for changes in value</b>	<b>2,068</b>	<b>(227,741)</b>	<b>(73,100)</b>	<b>19,985</b>	<b>(88,028)</b>	<b>(366,816)</b>

	Thousands of Euros						
	31/12/2011						
	SPL	Renewable energy	Transmission lines	Concessions	Airports managed by Hochtief	Other	Total
Financial assets held for sale	-	-	-	-	(138,853)	-	(138,853)
Exchange differences	2,289	(1,707)	(2,748)	(64,883)	(16)	(2,541)	(69,606)
Cash flow hedges	(220)	(184,910)	-	(8)	117,587	(48,162)	(115,713)
<b>Adjustments for changes in value</b>	<b>2,069</b>	<b>(186,617)</b>	<b>(2,748)</b>	<b>(64,891)</b>	<b>(21,282)</b>	<b>(50,703)</b>	<b>(324,172)</b>

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 business lines or geographical areas that can be considered separately from the others.

### **03.10. Equity**

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

Capital and other equity instruments issued by the Parent 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**

The transactions involving treasury shares in 2012 and 2011 are summarised in Note 15.04. Treasury shares were deducted from equity in the accompanying statement of financial position at 31 December 2012 and 2011.

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. Share 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 property, plant and equipment for its Environment business. Evidence of compliance with the conditions established in the related grant award resolutions was provided to the relevant agencies.

Government grants received by the Group to acquire assets are taken to income over the same period and on the same basis as those used to depreciate the asset relating to the aforementioned grant.

Government grants to compensate costs are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

A government grant receivable as compensation for expenses or losses already incurred or for the purpose of giving financial support with no future related costs is recognised in profit or loss of the period in which it becomes receivable.

### **03.12. Financial liabilities**

Financial liabilities are classified in accordance with the content and the substance of the contractual arrangements.

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 amount 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.

**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 employee 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.

#### **Litigation and/or claims in process**

At the end of 2012 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, no representative at the individual level. 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 employee termination benefit costs**

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 for current and future benefit payments to active and former employees and their surviving dependants. The obligations primarily relate to pension benefits, partly for basic pensions and partly for optional supplementary pensions. The individual benefit obligations vary from one country to another and are determined for the most part by length of service and pay scales. The Turner Group's obligations to meet healthcare costs for retired staff are likewise included in pension provisions due to their pension-like nature.

Provisions for pensions and similar obligations are computed by the projected unit credit method. This determines the present value of future entitlements, taking into account current and future benefits already known at the reporting date plus anticipated future increases in salaries and pensions and, for the Turner Group, in healthcare costs. The computation is based on actuarial appraisals using biometric accounting principles. Plan assets as defined in IAS 19 are shown separately as deductions from pension obligations. Plan assets comprise assets transferred to pension funds to meet pension obligations, shares in investment funds purchased under deferred compensation arrangements, and qualifying insurance policies in the form of pension liability insurance. If the fair value of plan assets is greater than the present value of employee benefits, the difference is reported—subject to the limit in IAS 19—under other non-current assets.

Pursuant to the option in IAS 19, actuarial gains and losses are recognised directly in equity in the period during which they arise. The current service cost is reported under personnel costs. The interest element of the increase in pension obligations, diminished by anticipated returns on plan assets, is reported in net investment and interest income.

Past service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are recognised in income by amortization on a straight-line basis over the vesting period.

#### **Provisions for project completion**

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 of carrying out these tasks has been estimated, recognising a concession asset as a balancing entry.

#### **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 ACS Group for its risk management policy are as follows:

- Compliance with corporate governance rules.
- 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 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 future changes in 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 valuation 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 they are recognised according to their classification.

**Classification****- 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 for their net amount under "Change in 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 "Valuation adjustments" in the accompanying consolidated statement of financial position. Hedges giving results of between 80% and 125% in the effectiveness test are considered to be or effective or efficient. 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.

**Assessment**

The fair value of the various derivative financial instruments is calculated using techniques widely used in financial markets, by discounting the flows envisaged in each contract on the basis of its characteristics, such as the notional amount and the collection and payment schedule based on spot and futures market conditions at the end of each year.

Interest rate hedges are measured by using the zero-coupon rate curve, determined by employing the Black-Scholes methodology in the case of caps and floors for the deposits and rates that are traded at any given time, to obtain the discount factors.

Equity swaps are measured as the result of the difference between the quoted price at year end and the strike price initially agreed upon, multiplied by the number of contracts reflected in the swap.

Derivatives whose underlying asset is quoted on an organised market and are not qualified as hedges, are measured using the Black-Scholes methodology and applying market parameters such as implicit volatility and estimated dividends.

For those derivatives whose underlying asset is quoted on an organised market, but in which the derivative forms part of financing agreement and where its arrangement substitutes the underlying assets, the measurement is based on the calculation of its intrinsic value at the calculation date.

### **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 also recognised by reference to the stage of completion of the transaction at the reporting 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, only the amount of the commissions is recognised as revenue.

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 the construction industry, the estimated revenue and costs of construction projects are susceptible to changes during contract performance which cannot be readily foreseen or objectively quantified. In this regard, the budgets used to calculate the stage of completion and the production of each year include the measurement at the sale price of the units completed, for which management of the consolidated companies consider there is reasonable assurance of their being collected, as well as their estimated costs.

Should the amount of output from inception, measured at the sale price, of each project be greater than the amount billed up to the end of the reporting period, the difference between the two amounts is recognised under "Trade and other receivables" on the asset side of the consolidated statement of financial position. Should the amount of output from inception be lower than the amount of the progress billings, the difference is recognised under "Trade and other payables - Customer advances" in liabilities in the consolidated statement of financial position.

Machinery or other fixed assets acquired for a specific project are amortised 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 businesses**

The Group companies recognise as the result of the services rendered by them each year the difference between output (valued at the selling price of the services provided during the period, which are covered by the initial contract entered into with the customer or by approved modifications or addenda thereto, and of services that have not yet been approved but for which there is reasonable assurance of collection) and the costs incurred in the year.

Price increases agreed 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 the customer.

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 the net amount is presented in the consolidated statement of financial position when, and only when, they arise from transactions in which, contractually or by law, offsetting is permitted and the Group companies intend 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 (tax loss) 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. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

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 (loss) nor taxable profit (tax loss).

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 (loss) nor taxable profit (tax loss). The other deferred tax assets (tax loss and tax credit carryforwards) are only recognised when it is probable that the consolidated companies will have sufficient taxable profits in the future 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.

The Spanish companies more than 75% owned by the Parent file consolidated tax returns, as part of Tax Group 30/99, in accordance with current legislation.

### **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 or loss 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 2012 and 2011, 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. Non-monetary items measured at historical cost are translated to euros at the exchange rates prevailing on the date of the transaction.

The exchange rates of the main currencies in which the ACS Group operates in 2012 and 2011 are as follows:

	Average exchange rate		Closing exchange rate	
	2012	2011	2012	2011
1 U.S. Dollar (USD)	0.775	0.715	0.758	0.772
1 Australian Dollar (AUD)	0.803	0.746	0.788	0.790
1 Polish Zloty (PLN)	0.240	0.242	0.246	0.225
1 Brazilian Real (BRL)	0.395	0.428	0.370	0.415
1 Mexican Peso (MXN)	0.059	0.057	0.059	0.055
1 Canadian Dollar (CAD)	0.776	0.726	0.764	0.758

All exchange rates are in euros.

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. 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 company whose functional currency is not the euro are treated as assets and liabilities of the foreign company and are 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 2012 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 2012 and 2011, and the volume of transactions in the years 2012 and 2011 being immaterial.

None of the functional currencies of the consolidated subsidiaries and associates located abroad relate to hyperinflationary economies as defined by IFRSs. Accordingly, at the 2012 and 2011 accounting close 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 Statements 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 long-term 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 liabilities that are not operating activities.

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

In preparing the consolidated statement of cash flows, cash and cash equivalents were considered to be cash on hand, demand deposits at banks and short-term, highly liquid investments that can be converted into cash and are subject to an insignificant risk of changes in value.

As a result of the novation of the equity swap on 277,971,800 shares of Iberdrola, S.A. carried out in December 2012, which ACS may choose to pay in shares or in cash, the reduction of the financial liability amounting to EUR 1,432 million was not considered to be a cash outflow in the accompanying statement of cash flows.

The breakdown of "Other adjustments to profit (net)" in the statement of cash flows is as follows:

	Thousands of Euros	
	2012	2011
Financial income	(507,853)	(521,055)
Financial costs	1,289,785	1,216,514
Impairment and gains or losses on disposals of non-current assets	(36,913)	40,289
Results of companies accounted for using the equity method	(339,353)	(318,469)
Adjustments related to the assignment of net assets of Hochtief	(335,365)	333,350
Impairment and gains or losses on disposal of financial instruments	3,769,932	(367,087)
Adjustments related to the restructuring of Iberdrola and other effects	(621,060)	126,119
<b>Total</b>	<b>3,219,173</b>	<b>509,661</b>

It should also be noted that for comparison purposes, the cash and cash equivalents recognised as a result of the first full consolidation of Hochtief, A.G. amounting to EUR 2,270,041 thousand, were included in the cash flows from investing activities in Group companies, associates and business units in the preparation of the consolidated statement of cash flows for 2011, and were considered to reduce the value of the investment paid to acquire this company in 2011 amounting to EUR 903,923 thousand (excluding the value of the treasury shares delivered in the takeover).

**03.24. Entry into force of new accounting standards**

In 2012 the following standards and interpretations came into force and were adopted by the European Union and, where applicable, were used by the Group in the preparation of these consolidated financial statements:

**(1) New standards, amendments and interpretations whose application is mandatory in the year beginning 1 January 2012:**

New standards, amendments and interpretations:		Mandatory application in the years beginning on or after:
<b>Approved for use in the European Union</b>		
Amendment to IFRS 7 - Financial Instruments: Disclosures - Transfers of Financial Assets (published in October 2010)	Extends and reinforces the disclosures on transfers of financial assets	Annual periods beginning on or after 1 July 2011

New standards, amendments and interpretations:		Mandatory application in the years beginning on or after:
<b>Not yet approved for use by the European Union</b>		
Amendment to IAS 12 - 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 beginning on or after 1 January 2012 (1)

(1) Approved by the EU on 29 December 2012.

The application of these standards did not have a material effect on the ACS Group's condensed consolidated financial statements.

**(2) New standards, amendments and interpretations whose application is mandatory subsequent to the calendar year beginning 1 January 2012 (applicable from 2013 onwards):**

At the date of approval of these condensed consolidated financial statements, the following standards and interpretations had been published by the IASB but had not yet come into force, either because their effective date is subsequent to the date of the half-yearly condensed consolidated financial statements or because they had not yet been adopted by the European Union:

New standards, amendments and interpretations:		Mandatory application in the years beginning on or after:
<b>Approved for use in the European Union</b>		
Amendment to IAS 1 - Presentation of other comprehensive income (published in June 2011)	Minor amendment in relation to other comprehensive income	Annual periods beginning on or after 1 July 2012
IFRS 10 - Consolidated financial statements (published in May 2011)	Replaces current consolidation requirements of IAS 27.	Annual periods beginning on or after 1 January 2013 (2)
IFRS 11 - Joint arrangements (published in May 2011)	Replaces current IAS 31 on joint ventures.	Annual periods beginning on or after 1 January 2013 (2)
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 companies.	Annual periods beginning on or after 1 January 2013 (2)
IFRS 13 - Measurement of fair value (published in May 2011)	Establishes a framework for measuring fair value.	Annual periods beginning on or after 1 January 2013
IAS 27 (Revised) - 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 beginning on or after 1 January 2013 (2)
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 beginning on or after 1 January 2013 (2)
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 beginning on or after 1 January 2014
Amendment to IFRS 7 Disclosures: Offsetting financial assets and financial liabilities (Published in December 2011)		Annual periods beginning on or after 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 beginning on or after 1 January 2013
Amendment to 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 approach.	Annual periods beginning on or after 1 January 2013

New standards, amendments and interpretations:		Mandatory application in the years beginning on or after:
<b>Not approved for use in the European Union</b>		
IFRS 9 Financial instruments: Classification and measurement (published in November 2009 and in October 2010) and subsequent amendment to IFRS 9 and IFRS 7 on the effective date and transition disclosures (published in December 2011)	Replaces the requirements for classifying, measuring and derecognising financial assets and liabilities of IAS 39.	Annual periods beginning on or after 1 January 2015
Improvements to IFRSs, 2009-2011 Cycle (published in May 2012)	Minor amendments to certain standards.	Annual periods beginning on or after 1 January 2013
Transition rules: Amendment to IFRS 10, 11 and 12 (published in June 2012)	Clarification of the transition rules of these standards.	Annual periods beginning on or after 1 January 2013
Investment companies: Amendment to IFRS 10, IFRS 12 and IAS 27 (published in October 2012)	Exceptions in consolidation for parent companies that meet the definition of an investment company.	Annual periods beginning on or after 1 January 2014

(2) On 1 June 2012, the EU Accounting Regulatory Committee approved to delay the effective date of IFRS 10, 11 and 12 and the new standards IAS 27 and IAS 28 to the years beginning on or after 1 January 2014. These standards may be applied early once they have been approved for use in the EU.

The Group is in the process of analysing the impact of these standards, however they are not expected to have a significant impact. Certain comments are included below regarding these standards:

- 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 those currently in IAS 39. The remaining phases of IFRS 9 are expected to be carried out in 2013 (impairment and hedge accounting) to finally fully replace IAS 39. After the ACS Group recognised impairment losses in the income statement on its investment in Iberdrola, S.A., the potential effect of this standard on the ACS Group's financial statements was reduced considerably, given that impairment losses would only be recognised on shares it holds directly (see Note 10.01). Although the application date for IFRS 9 is 1 January 2015, it may be voluntarily applied early once adopted for use by the European Union.
- The basic change addressed by IFRS 11 with regard to the current standard is the elimination of the option of proportional consolidation for entities that are jointly controlled, which would then be accounted for using the equity method. Besides this noteworthy amendment, IFRS 11 also change the approach of analysing joint arrangement in certain contexts. Under IAS 31 the conclusion depends to great extent on the legal structure of the agreement, whereas in IFRS 11, this is more of a secondary step, whereby the primary approach of the analysis is whether or not the joint arrangement is structured through a separate vehicle or whether it represents a distribution of net benefits or right or obligation of one party in proportion to its assets and liabilities, respectively. In this regard, the standard defines two unique types of joint arrangements which will be either a joint transaction or jointly controlled investees. 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 measurement bases established by other standards and is applicable to the valuation of financial and non-financial items. This standard clarifies that credit risk must be explicitly taken into consideration in measuring the market value of derivative financial instruments.

#### **Improvements to IFRSs (published in May 2012)**

Obligatory changes for periods beginning on or after 1 January 2013. This standard has not yet been adopted by the EU. This summary does not include the amendment relating to the first-time adoption of IFRSs (IFRS 1).

Obligatory changes for periods beginning on or after 1 January 2013:



Standard	Amendment
<b>IAS 1</b>	<p>Clarification of the requirements for comparative information.</p> <p>When an entity retrospectively changes an accounting policy or corrects an error or reclassifies an item, the standard requires a third balance sheet at the beginning of the comparative period to be presented. The amendment clarifies that this third balance sheet is required when this retrospective amendment has a material effect on the figures of the opening balance sheet and specifies the disclosures to be provided in relation to this balance sheet, clarifying that related notes are not necessary.</p> <p>Several clarifications were also included in relation to the additional comparative information that may be included in IFRS financial statements.</p>
<b>IAS 16</b>	<p>Classification of servicing equipment.</p> <p>The amendment resolves an inconsistency regarding the classification of servicing equipment which, as spare parts, meet the definition of a tangible asset, and must be classified as property, plant and equipment.</p>
<b>IAS 32</b>	<p>Tax effect of distributions to equity holders.</p> <p>This standard introduces a clarification to indicate that the tax effects of distributions to equity holders or transaction costs related to equity are recognised in accordance with IAS 12 - Income taxes.</p>
<b>IAS 34</b>	<p>Interim financial reporting and segment information.</p> <p>All assets and liabilities of a reportable segment will be disclosed in interim financial statements only if this information is provided to the maximum authority responsible for taking decisions and if there was a significant change from the figures reported for the segment in the last annual financial statements.</p>

The Group is currently assessing the effect that the future application of these standards might have on the financial statements once they enter into force. 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 2012 and 2011 is as follows:

Line of Business	Thousands of Euros					
	Balance at 31/12/2011	Additions	Disposals and allocations	Impairment	Exchange differences	Balance at 31/12/2012
Parent	780,939	-	-	-	-	<b>780,939</b>
Construction	1,553,932	85,520	(16,246)	(1,673)	(3,756)	<b>1,617,777</b>
Industrial Services	76,965	1,218	-	(1,152)	(283)	<b>76,748</b>
Environment	84,602	-	(72)	-	(172)	<b>84,358</b>
<b>Total</b>	<b>2,496,438</b>	<b>86,738</b>	<b>(16,318)</b>	<b>(2,825)</b>	<b>(4,211)</b>	<b>2,559,822</b>

Line of Business	Thousands of Euros						
	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	-	-	-	-	-	<b>780,939</b>
Construction	175,768	-	1,378,782	-	-	(618)	<b>1,553,932</b>
Industrial Services	64,734	-	20,369	(7,389)	(313)	(436)	<b>76,965</b>
Environment	127,933	(36,612)	110	(6,651)	-	(178)	<b>84,602</b>
<b>Total</b>	<b>1,149,374</b>	<b>(36,612)</b>	<b>1,399,261</b>	<b>(14,040)</b>	<b>(313)</b>	<b>(1,232)</b>	<b>2,496,438</b>

In accordance with the table above, the most significant goodwill is the result of the full consolidation of Hochtief, A.G. (see Note 02.02.f) amounting to EUR 1,433,801 thousand and the result of the merger of the Parent with Grupo Dragados, S.A. The most significant changes in 2012, in addition to the change in provisional goodwill of Hochtief, A.G. at 31 December 2011 amounting to EUR 55,019 thousand, relate to the acquisition of Clark Builders for EUR 30,501 thousand.

In 2011 the most important addition related to the global consolidation of Hochtief, A.G. (see Note 02.02.f) for a provisional amount of EUR 1,378,782 thousand.

In the case of goodwill, each year the ACS Group the carrying amount of the related company or cash-generating unit against its value in use, determined by the discounted cash flow method.

In relation to the goodwill arising from the purchase of Hochtief in 2011, in accordance with IAS 36.80, this goodwill was assigned to the main cash-generating units, which are Hochtief Asia Pacific and Hochtief Americas. In 2012 the ACS Group assessed the recoverability of this goodwill. For the purpose of testing the impairment of the goodwill of Hochtief assigned to the business carried out by Hochtief Asia Pacific, the ACS Group based its valuation on the internal projections made according to the Hochtief business plan for this line of business, discounting the free cash flows at a weighted average cost of capital (WACC) of 8.5%, and using a perpetual growth rate of 2.4%. In addition, this value was compared with that obtained by discounting the average free cash flows based on the projections of the Leighton analysts, using the same WACC and the same perpetual growth rate, and it was concluded that there are no impairment losses in any of the scenarios analysed.

In order to value the Hochtief Américas line of business, an internal valuation was also carried out based on the projections of the Hochtief business plan for this line of business, discounting the cash flows at a weighted average cost of capital (WACC) of 7.6% and using a perpetual growth rate of 2.10%. In addition, this value was compared with the valuations of the analysts for this Hochtief line of business, and it was concluded that there were no impairment losses in the scenarios analysed.

Along with the goodwill arising from the aforementioned 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. In 2012 and 2011, the ACS Group assess whether or not this goodwill could be recovered using the discounted cash flow method, with internal projections of the Group for each of the cash-generating units for the 2013-2017 period, except for the concession business of Iridium, for which the carrying amount was conservatively considered.

The discount rate used in each business unit is the weighted average cost of capital (WACC), which was calculated by taking into consideration the cost of average weighted goodwill based on the sales by country of each business unit. In order to calculate the cost of each country's own funds, the country's risk-free rate was used, the deleveraging beta of the sector according to Damodaran, releveraged by the debt of each business unit and the market risk premium according to Damodaran. The cost of the debt is the consolidated actual effective cost of the debt of each business unit and the tax rate used is the weighted average, by country, of the activity of the business units. The discount rate used for Dragados was therefore 8.4%, of which 6.5% was for the Environment business and 6.7% for Industrial Services business.

The perpetual growth rate (g) used is the weighted average based on the sales, by country, of each business unit. The perpetual growth rate of each country relates to the increase of the CPI in 2017 for each of the countries, according to the FMI report of October 2012, and ranges from 1.6% to 2.3% depending on each business.

The combined result of the valuation using discounted cash flows of the operating businesses significantly exceeds the carrying value of the goodwill of the Dragados Group. This value was also compared to the valuations of the ACS Group analysts and its value on the market, there being no signs of impairment in any of the cases analysed.

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 highly fragmented. Thus, in the case of the Industrial Services area, the total goodwill on the statement of financial position amounts to EUR 76,748 thousand, which relates to 19 companies from this business area, the most significant relating to the acquisition of Midasco, LLC for EUR 15,177 thousand.

In the Environmental area, total goodwill amounted to EUR 81,105 million, relating to 23 different companies, the largest amount being related to the purchase of the portion corresponding to the non-controlling interests of Tecmed, now merged into Urbaser, for EUR 38,215 thousand.

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 41,487 thousand), Pulice (EUR 46,873 thousand), John P Picone (EUR 40,977 thousand) and Schiavone (EUR 45,255 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.

The Group conducted sensitivity analyses on the tests for impairment of goodwill carried out, and concluded that, except in the case of Pol-Aqua where the impairment test evidenced a very small gap, 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 20% compared to their carrying values.

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 carrying amount of the goodwill recognised at 31 December 2012 and 2011. The impairment losses on goodwill in 2012 amounted to EUR 2,825 thousand (2011 EUR 313 thousand).

#### 04.02. Other intangible assets

The changes in this heading in the consolidated statement of financial position in 2012 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
<b>Balance at 1 January 2011</b>	<b>8,196</b>	<b>36,529</b>	<b>155,028</b>	<b>403,986</b>	<b>603,739</b>	<b>(114,413)</b>	<b>(24,968)</b>	<b>464,358</b>
Changes in the scope of consolidation	902	(1,994)	94,605	2,004,861	<b>2,098,374</b>	(70,644)	-	<b>2,027,730</b>
Additions or charges for the year	212	3,277	12,792	31,898	<b>48,179</b>	(224,136)	(18,254)	<b>(194,211)</b>
Disposals or reductions	(90)	(6,217)	(47,743)	(238,582)	<b>(292,632)</b>	34,856	-	<b>(257,776)</b>
Exchange differences	(3)	(24)	7,858	6,019	<b>13,850</b>	(3,741)	(49)	<b>10,060</b>
Transfers to/from other assets	2,598	194	181,468	34,577	<b>218,837</b>	(11,944)	(60)	<b>206,833</b>
<b>Balance at 31 December 2011</b>	<b>11,815</b>	<b>31,765</b>	<b>404,008</b>	<b>2,242,759</b>	<b>2,690,347</b>	<b>(390,022)</b>	<b>(43,331)</b>	<b>2,256,994</b>
Changes in the scope of consolidation	-	4	26,815	(57,779)	<b>(30,960)</b>	919	-	<b>(30,041)</b>
Additions or charges for the year	1,503	1,996	46,118	12,062	<b>61,679</b>	(355,360)	(47,252)	<b>(340,933)</b>
Disposals or reductions	(59)	(1,065)	(27,533)	21,395	<b>(7,262)</b>	3,596	(287)	<b>(3,953)</b>
Exchange differences	10	71	(1,335)	4,106	<b>2,852</b>	1,188	(1,489)	<b>2,551</b>
Transfers to/from other assets	14	313	(2,884)	225,909	<b>223,352</b>	(127,607)	-	<b>95,745</b>
<b>Balance at 31 December 2012</b>	<b>13,283</b>	<b>33,084</b>	<b>445,189</b>	<b>2,448,452</b>	<b>2,940,008</b>	<b>(867,286)</b>	<b>(92,359)</b>	<b>1,980,363</b>

At 31 December 2012, the transfers recognised under "Other intangible assets" relate mainly to Tirmadrid, S.A. and UTE Dehesas, which in 2011 were classified under "Non-current assets in projects". These assets are now classified as intangible assets since their financing matured in 2012.

The disposals and reductions in 2012 relate mainly to concession assets arising from the Hochtief Group.

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 "Other intangible assets" related to Hochtief construction backlog (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 221,096 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.

In 2012 the losses on items classified as other intangible assets amounting to EUR 46,269 thousand relating to the Construction area (EUR 16,633 thousand at 31 December 2011) were recognised under "Impairment and gains or losses on disposals of non-current assets" in the accompanying consolidated income statement. No impairment losses were reversed in the income statements for 2012 and 2011.

No significant development expenditure was recognised as an expense in the consolidated income statement for 2012 and 2011.

At 31 December 2012, the amount of assets with an indefinite useful life other than those reported as goodwill, relate mainly to several trademarks of the Hochtief Group amounting to EUR 54,895 thousand (EUR 49,693 thousand at 31 December 2011). Trademarks are not amortised systematically, but are checked for possible impairment annually. No impairment losses were recognised in this connection in 2012 or 2011.

There were no material intangible asset items whose title was restricted in 2012 or 2011.

#### 05. Tangible assets – property, plant and equipment

The changes in this heading in the consolidated statement of financial position in 2012 and 2011 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
<b>Balance at 1 January 2011</b>	<b>488,503</b>	<b>1,276,809</b>	<b>781,141</b>	<b>156,574</b>	<b>2,703,027</b>	<b>(1,461,069)</b>	<b>(23,797)</b>	<b>1,218,161</b>
Changes in the scope of consolidation	268,236	3,379,881	192,940	3,807	<b>3,844,864</b>	(1,993,872)	143	<b>1,851,135</b>
Additions or charges for the year	21,114	876,509	81,701	35,772	<b>1,015,096</b>	(670,972)	(3,068)	<b>341,056</b>
Disposals or reductions	(25,975)	(338,679)	(70,322)	(2,940)	<b>(437,916)</b>	344,799	4,064	<b>(89,053)</b>
Exchange differences	9,128	285,664	7,405	(305)	<b>301,892</b>	(156,188)	(291)	<b>145,413</b>
Transfers from/to other assets	15,152	(90,478)	(4,086)	(62,357)	<b>(141,769)</b>	21,674	(3,079)	<b>(123,174)</b>
<b>Balance at 31 December 2011</b>	<b>776,158</b>	<b>5,389,706</b>	<b>988,779</b>	<b>130,551</b>	<b>7,285,194</b>	<b>(3,915,628)</b>	<b>(26,028)</b>	<b>3,343,538</b>
Changes in the scope of consolidation	(485)	(44)	6,242	-	<b>5,713</b>	288	449	<b>6,450</b>
Additions or charges for the year	64,795	1,132,036	86,388	42,301	<b>1,325,520</b>	(1,054,086)	(2,408)	<b>269,028</b>
Disposals or reductions	(77,018)	(887,686)	(89,517)	(17,418)	<b>(1,071,639)</b>	882,164	1,720	<b>(187,755)</b>
Exchange differences	1,219	(41,716)	(3,202)	(645)	<b>(44,344)</b>	26,293	(222)	<b>(18,273)</b>
Transfers from/to other assets	(30,153)	(497,702)	(3,098)	(54,370)	<b>(585,323)</b>	122,662	650	<b>(462,011)</b>
<b>Balance at 31 December 2012</b>	<b>734,516</b>	<b>5,094,594</b>	<b>985,592</b>	<b>100,419</b>	<b>6,915,121</b>	<b>(3,938,307)</b>	<b>(25,839)</b>	<b>2,950,977</b>

In 2012 there were no significant changes in the scope of consolidation. 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 and amounted to EUR 2,041,252 thousand (see Note 02.02.f).

In 2012 the most relevant acquisitions, by line of business, relate mainly to the Construction Area amounting to EUR 1,213,146 thousand, mainly from Hochtief as the result of acquiring equipment for the Leighton mining operations in Leighton for EUR 1,073,595 thousand, to the Industrial Services Area for EUR 63,112 thousand for the acquisition of machinery and equipment to carry out new projects, and to the Environmental Area for EUR 49,256 thousand, mostly earmarked for the acquisition and renovation of machinery and tools.

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.

In 2012 and 2011 gains on the disposal of non-current assets totalled a net carrying amount of EUR 187,755 and EUR 89,053 thousand, respectively.

Operating expenses relating directly to property, plant and equipment capitalised in the course of construction were not material in 2012 or 2011.

The Group has taken out insurance policies to cover the possible risks to which its 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 2012 or 2011.

At 31 December 2012, there were restrictions on technical equipment and machinery of the Australian subsidiary, Leighton, amounting to EUR 171,718 thousand (EUR 58 thousand at 31 December 2011). In addition to the aforementioned restrictions, the ACS Group has

mortgaged land and buildings with a carrying amount of approximately EUR 67,149 thousand (EUR 74,945 thousand in 2011) to secure banking facilities granted to the Group.

At 31 December 2012 the Group had recognised a net EUR 2,276,614 thousand, net of depreciation, relating to property, plant and equipment owned by foreign companies and branches of the Group (EUR 2,599,751 thousand in 2011).

At 31 December 2012, the Group had entered into contractual commitments for the future acquisition of property, plant and equipment amounting to EUR 421,428 thousand (EUR 520,534 thousand at 31 December 2011), including most notably EUR 405,388 thousand (EUR 507,255 thousand at 31 December 2011) relating mainly to mining operations in Leighton.

The impairment losses recognised in profit and loss at 31 December 2012 amounted to EUR 2,417 thousand and mainly related to the sale and impairment of machinery of Dragados (EUR 1,988 thousand in 2011). No impairment losses were reversed or recognised in the income statement in 2012 (EUR 45 thousand in 2011).

The leased assets recognised under 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	Impairment losses	Total net tangible assets - property, plant and equipment
Balance at 31 December 2011	3,147	432,064	26,341	461,552	(8,533)	-	453,019
Balance at 31 December 2012	2,033	671,622	42,574	716,229	(18,719)	(15)	697,495

In 2012 there were no significant changes in the scope of consolidation. 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.

#### 06. Non-current assets in projects

The balance of "Non-current assets in projects" in the consolidated statement balance sheet at 31 December 2012, includes the costs incurred by the fully consolidated companies in the construction of transport, services and power generation centres whose operation forms the subject matter of their respective concessions. These amounts relate to property, plant and equipment associated with projects financed under a project finance arrangement and concessions identified as intangible assets or those that are included as a financial asset according to the criteria discussed in Note 03.04 above. To better understand its activities relating to infrastructure projects, the Group considers it more appropriate to present its infrastructure projects in a grouped manner, 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 2012, and the related changes in the balance of this heading in 2011 are as follows:

Type of infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Waste treatment	2019 - 2050	429,051	(107,123)	321,928
Highways/roads	2024 - 2038	232,292	(19,919)	212,373
Police stations	2024 - 2032	75,848	-	75,848
Water management	2025 - 2032	40,265	(7,351)	32,914
Car parks	2040-2051	32,584	(6,023)	26,561
Security	2014	64,128	(48,928)	15,200
Wind farms	-	13,114	(218)	12,896
Solar thermal plants	-	8,911	-	8,911
Energy transmission	2040	7,515	-	7,515
Other infrastructures	-	16,256	(509)	15,747
<b>Total</b>		<b>919,964</b>	<b>(190,071)</b>	<b>729,893</b>

The changes in this heading in 2012 and 2011 were as follows:

	Thousands of Euros					
	2012			2011		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
<b>Beginning balance</b>	<b>1,115,680</b>	<b>(280,988)</b>	<b>834,692</b>	<b>2,670,903</b>	<b>(290,617)</b>	<b>2,380,286</b>
Changes in the scope of consolidation	-	-	-	(499,733)	7,265	(492,468)
Additions or charges for the year	147,062	(56,320)	90,742	1,445,587	(95,815)	1,349,772
Exchange differences	1,938	632	2,570	(9,978)	182	(9,796)
Disposals or reductions	(19,116)	3,560	(15,556)	(163,151)	9,019	(154,132)
Transfers	(325,600)	143,045	(182,555)	(2,327,948)	88,978	(2,238,970)
<b>Ending balance</b>	<b>919,964</b>	<b>(190,071)</b>	<b>729,893</b>	<b>1,115,680</b>	<b>(280,988)</b>	<b>834,692</b>

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

The concession assets identified as intangible assets, as a result of the Group assuming the demand risk, and the changes in the balance of this heading in 2011 are as follows:

Type of infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Waste treatment	2020 - 2050	313,528	(72,470)	<b>241,058</b>
Highways/roads	2024 - 2038	232,273	(19,905)	<b>212,368</b>
Car parks	2040 - 2051	32,583	(6,022)	<b>26,561</b>
Water management	2025 - 2028	33,557	(7,351)	<b>26,206</b>
Other infrastructures	-	2,676	(494)	<b>2,182</b>
<b>Total</b>		<b>614,617</b>	<b>(106,242)</b>	<b>508,375</b>

	Thousands of Euros					
	2012			2011		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
<b>Beginning balance</b>	<b>816,093</b>	<b>(217,253)</b>	<b>598,840</b>	<b>1,276,649</b>	<b>(229,887)</b>	<b>1,046,762</b>
Changes in the scope of consolidation	-	-	-	-	-	-
Additions or charges for the year	117,161	(41,533)	75,628	411,332	(41,898)	369,434
Exchange differences	1,938	632	2,570	(693)	182	(511)
Disposals or reductions	(23,704)	2,967	(20,737)	(12,507)	9,236	(3,271)
Transfers	(296,871)	148,945	(147,926)	(858,688)	45,114	(813,574)
<b>Ending balance</b>	<b>614,617</b>	<b>(106,242)</b>	<b>508,375</b>	<b>816,093</b>	<b>(217,253)</b>	<b>598,840</b>

The concession assets identified as financial assets, as a result of the Group non assuming the demand risk, and the changes in the balance of this heading in 2011 are as follows:

Type of infrastructure	End date of operation	Thousands of Euros
		Collection rights arising from concession arrangements
Police stations	2024 - 2032	75,848
Waste treatment	2040	12,421
Energy transmission	2040	7,512
Water management	2032	6,708
Other infrastructures	-	10,032
<b>Total</b>		<b>112,521</b>

	Thousands of Euros	
	2012	2011
<b>Beginning balance</b>	<b>108,154</b>	<b>1,105,726</b>
Changes in the scope of consolidation	-	(450,624)
Investment	26,883	476,922
Finance income	8,991	244,417
Collections	(14,613)	(109,969)
Disposals or reductions	7,243	(63,007)
Exchange differences	-	(10,040)
Transfers from/to other assets	(24,137)	(1,085,271)
<b>Ending balance</b>	<b>112,521</b>	<b>108,154</b>

In accordance with the measurement bases of IFRIC 12 and Note 03.04, the amount of financial remuneration included under "Revenue" amounted to EUR 128,365 thousand in 2012, of which EUR 119,374 thousand corresponding to concession assets identified as financial assets are classified as "Non-current assets held for sale and discontinued operations" (EUR 244,417 thousand in 2011).

The borrowing costs accrued in relation to the financing of the concessions classified under the financial asset model amounted to EUR 12,534 thousand in 2012 (EUR 28,910 thousand in 2011).

The detail of the financial assets financed through a project finance arrangement that do not meet the requirements for recognition in accordance with IFRIC 12, and the changes in the balance of this heading in 2012 were as follows:

Type of infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Waste treatment	2019 - 2041	103,102	(34,653)	<b>68,449</b>
Security	2014	64,128	(48,928)	<b>15,200</b>
Wind farms	-	13,114	(218)	<b>12,896</b>
Solar thermal plants	-	8,911	-	<b>8,911</b>
Highways/roads	2026	19	(14)	<b>5</b>
Energy transmission	-	3	-	<b>3</b>
Other infrastructures	-	3,549	(16)	<b>3,533</b>
<b>Total</b>		<b>192,826</b>	<b>(83,829)</b>	<b>108,997</b>

	Thousands of Euros					
	2012			2011		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
<b>Beginning balance</b>	<b>191,433</b>	<b>(63,735)</b>	<b>127,698</b>	<b>288,528</b>	<b>(60,730)</b>	<b>227,798</b>
Changes in the scope of consolidation	-	-	-	(49,109)	7,265	(41,844)
Additions or charges for the year	8,640	(14,787)	(6,147)	422,885	(53,917)	368,968
Exchange differences	-	-	-	755	-	755
Disposals or reductions	(2,655)	593	(2,062)	(87,637)	(217)	(87,854)
Transfers	(4,592)	(5,900)	(10,492)	(383,989)	43,864	(340,125)
<b>Ending balance</b>	<b>192,826</b>	<b>(83,829)</b>	<b>108,997</b>	<b>191,433</b>	<b>(63,735)</b>	<b>127,698</b>

In 2012 and 2011 non-current assets in projects were acquired for EUR 147,062 thousand and EUR 1,445,587 thousand, respectively.

The main investments in projects made in 2012 relate to the Construction business, especially noteworthy of mention being those made in highway concessions for EUR 93,845 thousand (EUR 414,127 thousand in 2011), and the Environment business in waste treatment amounting to EUR 37,181 thousand. In 2011 the main investments also related to the Industrial Services business in transmission lines for EUR 584,268 thousand, solar thermal plants and photovoltaic plants for EUR 310,938 thousand and wind farms for EUR 72,191 thousand, which are mostly considered as held for sale.

In addition, non-current assets in projects were transferred as a result of selling the 40% ownership interest held in the Avenida de América transfer point and 29% in Concesionaria Ruta del Canal, S.A. In both cases the percentage held became accounted for using the equity method and represented a decrease in the cost of non-current assets in projects of EUR 24,137 thousand and EUR 98,822 thousand, respectively. No unrealised gains arose as a result of these transactions or from the sale or revaluation of the ownership interest held.

After the maturity of the project debt of Tirmadrid, S.A. and UTE Dehesas, they were no longer considered non-current assets in projects and were included under intangible assets for EUR 136,304 thousand and EUR 69,066 thousand, respectively.

Noteworthy of mention in 2011 was the sale of 50% of the I-595 highway Express, Llc which led to a cost reduction of EUR 5,378 thousand.

There were no impairment losses in the income statement at 31 December 2012 (EUR 37,910 thousand at 31 December 2011).

At 31 December 2012 and 2011, the Group had entered into contractual commitments for the acquisition of non-current assets in projects amounting to EUR 35,787 thousand and EUR 244,990 thousand, respectively, which mainly relate to the Group's current concession agreements.

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

The concession operators are also obliged to hold restricted cash reserves, known as reserve accounts, included under "Other current financial assets" (see Note 10.05).

Lastly, it should be noted that the Group has non-current assets in projects classified under "Non-current assets held for sale and discontinued operations" (see Note 03.09).

#### **07. Investment property**

The changes in this heading in 2012 and 2011 were as follows:

	Thousands of Euros	
	2012	2011
<b>Beginning balance</b>	<b>79,511</b>	<b>57,176</b>
Changes in the scope of consolidation	-	23,788
Additions	-	866
Sales	(2,442)	-
Charges for the year	(3,106)	(3,179)
Impairment losses	-	(281)
Transfers from/to other assets	(2,877)	1,141
<b>Ending balance</b>	<b>71,086</b>	<b>79,511</b>

The Group's investment property relates mostly to subsidised housing in Madrid earmarked for lease by the lessee IVIMA (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 9,913 thousand in 2012 (EUR 9,831 thousand in 2011). The average occupancy level of the aforementioned assets was 56% with an average rentable area of 183,540 square meters in the year.

The direct operating expenses arising from investment properties included under "Other operating expenses", amounted to EUR 8,296 thousand (EUR 9,895 thousand in 2011).

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

At the beginning of 2012, the gross carrying amount was EUR 126,022 thousand and accumulated depreciation (increased by accumulated impairment losses) amounted to EUR 46,511 thousand. At year-end, the gross carrying amount and accumulated depreciation were EUR 118,561 thousand and EUR 47,475 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 2012 and 2011, 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 31/12/2012	Balance at 31/12/2011	Balance at 31/12/2012	Balance at 31/12/2011
Non-current assets	349,395	447,347	2,607,362	2,330,097
Current assets	2,639,239	3,569,457	1,257,506	1,271,061
Non-current liabilities	381,152	257,668	1,840,488	1,894,036
Current liabilities	2,359,260	3,190,991	1,242,862	1,083,639
Revenue	2,561,789	3,815,390	3,175,811	1,843,756
Profit for the year	272,865	426,610	100,234	(259,359)

In accordance with the opinion set forth in IAS 31, the companies are accounted for using the equity method (Note 02.02.d).

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	
	2012	2011
<b>Beginning balance</b>	<b>1,569,911</b>	<b>2,333,359</b>
Additions	604,132	1,015,484
Disposals	(519,353)	(815,800)
Change in consolidation method	285,835	(269,770)
Profit for the year	339,353	318,469
Changes in the equity of associates		
Exchange differences/other	(209,994)	241,865
Cash flow hedges	(111,153)	(241,326)
Available-for-sale financial assets	-	(38,285)
Transfer to non-current assets held for sale/discontinued operations	1,185	(770,603)
Distribution of dividends	(228,302)	(203,482)
<b>Ending balance</b>	<b>1,731,614</b>	<b>1,569,911</b>

The detail, by line of business, of the investments in companies accounted for by the equity method at 31 December 2012 and 2011 is as follows:

Line of Business	31/12/2012			31/12/2011		
	Share of net assets	Profit/Loss for the year	Total carrying amount	Share of net assets	Profit/Loss for the year	Total carrying amount
Construction	886,443	264,087	<b>1,150,530</b>	864,750	247,556	<b>1,112,306</b>
Industrial Services	192,545	4,073	<b>196,618</b>	105,954	18,702	<b>124,656</b>
Environment	356,559	26,781	<b>383,340</b>	84,054	12,343	<b>96,397</b>
Corporate Unit	(43,286)	44,412	<b>1,126</b>	196,684	39,868	<b>236,552</b>
<b>Total</b>	<b>1,392,261</b>	<b>339,353</b>	<b>1,731,614</b>	<b>1,251,442</b>	<b>318,469</b>	<b>1,569,911</b>

**- Construction**

At 31 December 2012, noteworthy of mention in the Construction Area is the ownership interest from the Hochtief Group accounted for using the equity method, both if they are associates and joint ventures, in accordance with the alternative included in IAS 31, amounting to EUR 1,062,102 thousand (EUR 1,019,884 thousand at 31 December 2011). The ownership interest in Aurelis Real Estate amounting

to EUR 284,040 thousand (EUR 249,664 thousand at 31 December 2011) and in Leighton Welspun Contractors EUR 178,381 thousand (EUR 179,900 thousand at 31 December 2011) are noteworthy of mention.

- *Environment*

The main change in the Environment Area relates to accounting for the Clece Group using the equity method, the reason for which the ACS Group acquired joint control over certain funds managed by Mercapital. The carrying value at 31 December 2012 amounted to EUR 269,713 thousand.

- *Corporate Unit*

In April 2012 the ACS Group sold all of its ownership interest held in Abertis Infraestructuras, S.A., which until then was accounted for using the equity method through Admirabilia, S.A., with a profit before taxes of EUR 196,699 thousand. This is the main change that occurred in the equity method relating to the Corporate Unit.

The market value of the associates accounted for using the equity method for which there are prices quoted in the stock market at 31 December 31 of 2012 amounted to EUR 112,896 thousand (EUR 1,151,633 thousand in 2011). This year-on-year decrease is due mainly to the sale of all the Company's ownership interest in Abertis Infraestructuras, S.A., the value of which on the stock market amounted to EUR 989,444 thousand at 31 December 2011.

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 2012 and 2011.

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.

## 10. Financial assets

The detail of the balance of this heading in the consolidated statements of financial position in 2012 and 2011 is as follows:

	Thousands of Euros			
	31/12/2012		31/12/2011	
	Non-Current	Current	Non-Current	Current
Equity instruments	504,512	110,855	5,544,802	48,512
Loans to associates	859,467	131,773	957,488	95,175
Other loans	362,747	111,537	569,455	212,797
Debt securities	3,155	802,325	2,952	683,707
Other financial assets	118,588	548,959	276,825	1,966,031
<b>Total</b>	<b>1,848,469</b>	<b>1,705,449</b>	<b>7,351,522</b>	<b>3,006,222</b>

### 10.01. Equity instruments

The detail of the balance of this heading at 31 December 2012 and 2011 is as follows:

	Thousands of Euros	
	31/12/2012	31/12/2011
Iberdrola, S,A,	315,423	5,360,336
Xfera Móviles, S,A,	79,206	79,206
Other smaller investments	109,883	105,260
<b>Total</b>	<b>504,512</b>	<b>5,544,802</b>

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.**

At 31 December 2012, the ACS Group held 75,190,459 shares representing 1.22% of the share capital of Iberdrola, S.A. at that date (1,107,736,286 shares representing 18.83% of the share capital of Iberdrola at 31 December 2011). The consolidated average cost amounted to EUR 4.195 per share (EUR 7.1 per share, prior to taking into account the valuation adjustments at 31 December 2011).

The ownership interest in Iberdrola is recognised at its market price at the end of each year (EUR 4.195 per share in 2012 and EUR 4.839 per share in 2011) amounting to EUR 315,423 thousand (EUR 5,360,336 thousand at 31 December 2011). At 31 December 2011, a negative valuation adjustment of EUR 1,791,480 thousand, net of the related tax effect, was recognised under "Equity - Valuation adjustments - Available-for-sale financial assets"

The most relevant transactions in 2012 with regard to Iberdrola are as follows:

- On 18 April 2012, ACS Actividades de Construcción y Servicios, S.A. carried out an accelerated bookbuilding process through UBS and Société Générale among professional and qualified investors both in Spain and abroad, of a package of 220,518,120 Iberdrola, S.A. shares, representing 3.69% of its share capital. The placement price resulting from the process was EUR 3.62 per share. As a result of this transaction, the ACS Group incurred a loss before tax, along with other expenses related thereto, amounting to EUR 855,689 thousand recognised under "Impairment and gains or losses on disposals of financial instruments" in the accompanying consolidated income statement (see Note 29).
- Accordingly, on 13 July 2012 Residencial Monte Carmelo, S.A., wholly owned by ACS, Actividades de Construcción y Servicios, S.A., entered into a prepaid forward finance transaction with Société Générale, which allowed the company to cancel the syndicated loan of EUR 1,599,223 thousand it had entered into with a bank syndicate, in which Banco Bilbao Vizcaya Argentaria, S.A. acted as the agent (see Note 18). This agreement was amended on 21 December 2012 and the prepaid forward was cancelled subsequent to 2012 year-end (see Note 18).
- In 2012 ACS, Actividades de Construcción y Servicios, S.A. also signed several amendments to the equity swap agreement entered into with Natixis, which entailed changing the repayment of the underlying value from EUR 1,000 million to EUR 1,432 million on 277,971,800 Iberdrola, S.A. shares, the elimination of the margin calls, the arrangement of a fixed guarantee of EUR 355,531 thousand, establishing the maturity date as 31 March 2015 and amending the method of terminating the agreement.

Following these transactions, at 31 December 2012, the ACS Group only held the aforementioned 1.22% ownership interest in Iberdrola and the following derivative financial instruments, which were measured at fair value through profit or loss at 2012 year-end:

- A group of financial derivatives on 597,286,512 Iberdrola, S.A. shares that limit the ACS Group's exposure to fluctuations in the market of the aforementioned company's shares (see Note 22).
- An equity swap signed with Natixis on 277,971,800 Iberdrola, S.A. shares (see Note 22), in which the ACS Group continues holding the usufruct rights on these shares.

In 2011 there were no purchases or disposals of Iberdrola, S.A. shares, whereby the decrease in the percentage of ownership interest as compared to 2010 was a result of the diluting effects of corporate transactions and the flexible Iberdrola dividend.

With regard to impairment on the ownership interest in Iberdrola, it should be noted that, as in previous years, the ACS Group has internally tested its 1.22% ownership interest for impairment based on the discounting of future dividends and other information available on its investee, which also allowed it to conclude that there was no impairment since the recoverable value of the investment was below the consolidated average cost. A loss to the market price at the end of the year amounting to EUR 222,139 was therefore recognised under "Impairment and gains or losses on disposals of financial instruments" in the accompanying consolidated income statement (see Note 29). In 2011 the Group concluded that, based on the assumptions existing at this date, no impairment losses need be recognised on its ownership interest in Iberdrola.

"Impairment and gains or losses on disposals of financial instruments" in the accompanying consolidated income statement for 2012 (see Note 29) includes the aforementioned loss with regard to the sale of the 3.69% of the share capital of Iberdrola, the impairment of the 1.22% ownership interest and additional losses of EUR 2,873,344 thousand as a result of the Residencial Monte Carmelo transactions and the equity swap. The market value of the derivative financial instruments held at year end in relation to Iberdrola shares represented a profit of EUR 232,333 thousand which was recognised under "Changes in fair value of financial instruments".

**Xfera Mviles, S.A. (Yoigo)**

At 31 December 2012 and 2011, the ACS Group had a 17% ownership interest in the share capital of Xfera Mviles, S.A. through ACS Telefonía Mvil, S.L. after the sale of part of its holding in 2006 to the Telia Sonera Group. In relation to this sale transaction, there is an

unrecognised contingent price and in certain scenarios, call and put options on the ownership interest of ACS, the conditions of which are not likely to be met.

The carrying value of the ownership interest in Xfera amounted to EUR 198,376 thousand at 31 December 2012 and 2011, which, following write-downs in previous years, relates to the contributions made in the years 2006 onwards, including the participating loans related thereto included under "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 cashflow method, on the basis of the company's internal projections until 2017, using the weighted average cost of capital (WACC) of 10.46% as the discount rate and a perpetual growth rate of 1.4%. 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

At 31 December 2012, other investments relates mainly to non-controlling interests including, among others, the ownership interests held by subsidiaries of Hochtief amounting to a net EUR 91,492 thousand (EUR 64,718 thousand at 31 December 2011).

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.

#### 10.02. Loans to associates

The detail of the balances of "Loans to associates" and of the scheduled maturities at 31 December 2012, is as follows:

	Thousands of Euros					
	Current	Non-current				
	2013	2014	2015	2016	2017 and subsequent years	Total non-current
Loans to associates	131,773	560,931	32,803	12,480	253,253	859,467

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

At 31 December 2012, the non-current loans in euros include, inter alia, the loan granted in relation to the acquisition of Aurelis Real Estate for EUR 88,459 thousand (EUR 142,010 thousand at 31 December 2011) maturing in 2014. In addition, it should be noted that non-current loans granted in euros were granted to Línea Nueve (Branches Dos and Cuatro) for EUR 62,868 thousand (EUR 49,601 thousand in 2011), Celtic Road Group (Waterford and Portlaoise) for EUR 45,566 thousand (the same as in 2011), Circunvalación de Alicante, S.A. for EUR 52,161 thousand (EUR 42,793 thousand in 2011), Infraestructuras y Radiales, S.A. for EUR 41,177 thousand (the same as in 2011), and TP Ferro Concesionaria, S.A. for 32,138 thousand (EUR 30,901 thousand in 2011).

In relation to foreign currency loans, the loan granted to Habtoor Leighton Group for EUR 402,500 thousand (EUR 380,993 thousand in 2011) is also noteworthy of mention. 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.

These loans bear interest at market rates.

#### 10.03. Other loans

The detail of the balances of "Other loans" and of the scheduled maturities at 31 December 2012, is as follows:

	Thousands of Euros					
	Current	Non-current				
	2013	2014	2015	2016	2017 and subsequent years	Total non-current
Other loans	111,537	285,258	10,108	6,487	60,894	362,747

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

Non-current loans include mainly the debt that continues to be refinanced to local corporations, amounting to EUR 101,798 thousand at 31 December 2012 (EUR 310,000 thousand at 31 December 2011), and the participating loans to Xfera Móviles, S.A., amounting to EUR 119,170 thousand at 31 December 2012 and 2011 (see Note 10.01). Among the current loans, of most significance were those granted to local corporations for an amount of EUR 18,454 (EUR 69,991 thousand at 31 December 2011).

These loans earn interest tied to Euribor plus a market spread.

#### 10.04. Debt securities

At 31 December 2012, this heading included the investments in securities maturing in the short term relating mainly to Hochtief for EUR 517,948 thousand, to Cobra for EUR 121,251 thousand and to Urbaser for EUR 79,633. The increase in this heading is due mainly to the purchases of Level 1 fixed income and equity securities from the Hochtief Group (see Note 21). This heading also includes pledges of EUR 22,683 thousand at 31 December 2012 and 2011 as well as restricted as the use of their balances of EUR 255,577 thousand (EUR 232,078 thousand at 31 December 2011). Also included under this heading are EUR 76,821 thousand in sovereign debt corresponding to Luxembourg (EUR 79,788 thousand at 31 December 2011).

#### 10.05. Other financial assets

At 31 December 2012, "Other financial assets" included short-term deposits amounting to EUR 418,123 thousand (EUR 1,696,131 thousand at 31 December 2011). In 2012 the most relevant portion relates to the amounts contributed to meet the coverage ratios of certain financing for the ownership interest in Hochtief (see Notes 17 and 18) and certain derivatives arranged by the Group (see Note 22). The reduction with regard to 2011 is due to the cancellation of the amounts contributed by the ACS Group to meet the coverage ratios in the Iberdrola, S.A. equity swap and the ownership interest in this company through Residencial Monte Carmelo, which amounted to EUR 1,140,497 thousand. These amounts earn interest at market rates and their availability depends on the compliance with the coverage ratios. A balancing entry is recognised for this amount in relation to the current bank borrowings incurred to meet these commitments.

At 31 December 2011, other non-current financial assets included EUR 171,786 thousand from Leighton which had restrictions with regard to the use of their balances and which were recovered in December 2012.

The balance of this heading also includes the current account with the securitisation SPV (see Note 12) and the balance of the reserve account relating to activity of the projects.

#### Impairment losses

In 2012 no significant impairment losses were recognised on the financial assets in addition to those relating to the ACS Group's ownership interest in Iberdrola (see Note 10.01). In 2011 the impairment losses on financial assets amounted to EUR 81,761 thousand. The most significant reversals due to the impairment of financial assets in 2012 amounted to EUR 7,188 thousand (EUR 419 thousand in 2011).

#### 11. Inventories

The detail of "Inventories" is as follows:

	Thousands of Euros	
	31/12/2012	31/12/2011
Merchandise	225,092	220,864
Raw materials and other supplies	413,760	383,346
Work in progress	1,126,536	1,061,048
Finished goods	7,472	7,669
By-products, waste and recovered materials	197	312
Advances to suppliers and subcontractors	147,058	101,475
<b>Total</b>	<b>1,920,115</b>	<b>1,774,714</b>

Inventories at 31 December 2012 mostly relates to the EUR 1,362,941 thousand (EUR 1,218,658 thousand at 31 December 2011) contributed by the Hochtief Group, including work in progress amounting to EUR 1,099,627 thousand (EUR 1,021,219 thousand at 31 December 2011), and mainly real estate (land and buildings), of Hochtief and its Australian subsidiary Leighton, of which EUR 699,284 thousand were restricted at 31 December 2012 (EUR 581,030 thousand at 31 December 2011). In addition to the aforementioned restrictions, inventories with a carrying amount of EUR 7,579 thousand in 2012 (EUR 15,312 thousand in 2011) have been pledged and/or mortgaged as security for the repayment of debts.

Impairment losses on inventories recognised and reversed in the consolidated income statement for 2012, relating to the various ACS Group companies, amounted to EUR 212 thousand and EUR 6,129 thousand, respectively (EUR 753 thousand and EUR 822 thousand in 2011).

## 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:

2012	Thousands of Euros				
	Construction	Industrial Services	Environment	Corporate unit and adjustments	Balance at 31/12/2012
Trade receivables for sales and services	6,473,517	2,585,646	504,862	1,193	9,565,218
Receivable from group companies and associates	235,930	385,875	3,901	(32,556)	593,150
Other receivables	412,480	647,530	113,744	(504)	1,173,250
Current tax assets	56,125	53,063	6,119	(32,439)	82,868
<b>Total</b>	<b>7,178,052</b>	<b>3,672,114</b>	<b>628,626</b>	<b>(64,306)</b>	<b>11,414,486</b>

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
<b>Total</b>	<b>6,896,869</b>	<b>3,049,981</b>	<b>835,198</b>	<b>(78,555)</b>	<b>10,703,493</b>

### Trade receivables for sales and services - Net trade receivables balance

The detail of trade receivables for sales and services and net trade receivables balance, by line of business, at 31 December 2012 and 2011, is as follows:

2012	Thousands of Euros				
	Construction	Industrial Services	Environment	Corporate unit and adjustments	Balance at 31/12/2012
Trade receivables and notes receivable	3,371,245	1,402,984	418,074	5,671	5,197,974
Completed work pending certification	3,291,857	1,274,815	107,979	17	4,674,668
Allowances for doubtful debts	(189,585)	(92,154)	(21,191)	(4,494)	(307,424)
<b>Total receivables for sales and services</b>	<b>6,473,517</b>	<b>2,585,645</b>	<b>504,862</b>	<b>1,194</b>	<b>9,565,218</b>
Advances received on orders (Note 23)	(1,039,643)	(1,768,535)	(6,078)	1	(2,814,255)
<b>Total net trade receivables balance</b>	<b>5,433,874</b>	<b>817,110</b>	<b>498,784</b>	<b>1,195</b>	<b>6,750,963</b>

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)
<b>Total receivables for sales and services</b>	<b>6,201,094</b>	<b>2,262,617</b>	<b>678,919</b>	<b>2,374</b>	<b>9,145,004</b>
Advances received on orders (Note 23)	(1,356,808)	(1,432,737)	(12,517)	(1)	(2,802,063)
<b>Total net trade receivables balance</b>	<b>4,844,286</b>	<b>829,880</b>	<b>666,402</b>	<b>2,373</b>	<b>6,342,941</b>

At 31 December 2012, retentions held by customers for contract work in progress amounted to EUR 517,209 thousand (EUR 461,403 thousand at 31 December 2011).

The Group companies assign trade receivables to financial institutions, without the possibility of recourse against them in the event of non-payment. The balance of receivables was reduced by EUR 307,872 thousand in this connection at 31 December 2012 (EUR 356,208 thousand at 31 December 2011).

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 there are no repurchase agreements between the Group companies and the banks that have acquired the assets, and the banks 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.

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 acquired into 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 SPV was EUR 229,531 thousand at 31 December 2012 (EUR 276,158 thousand at 31 December 2011), of which EUR 48,792 thousand (EUR 58,946 thousand at 31 December 2011) were recognised as a current account with the Securitisation SPV included under "Other Current financial assets - Other loans" (see Note 10.05).

There was no customer at 31 December 2012 that represented more than 10% of total revenue. At 31 December 2011, customers with net sales of over 10% include the Spanish public authorities, which accounted for 21% of the net trade receivables balance of the ACS Group.

#### 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 2012 and 2011:

Allowance for doubtful debts	Thousands of Euros				
	Construction	Industrial Services	Environment	Corporate unit and adjustments	Total
<b>Balance at 31 December 2010</b>	<b>(39,089)</b>	<b>(94,285)</b>	<b>(19,877)</b>	<b>(4,629)</b>	<b>(157,880)</b>
Charges for the year	(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)
<b>Balance at 31 December 2011</b>	<b>(193,533)</b>	<b>(102,372)</b>	<b>(21,946)</b>	<b>(4,627)</b>	<b>(322,478)</b>
Period provisions	(20,402)	(22,098)	(6,028)	-	(48,528)
Reversals/Excesses	26,005	30,297	6,225	133	62,660
Changes in scope and other	(1,655)	2,019	558	-	922
<b>Balance at 31 December 2012</b>	<b>(189,585)</b>	<b>(92,154)</b>	<b>(21,191)</b>	<b>(4,494)</b>	<b>(307,424)</b>

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 2012 amounted to EUR 6,750,963 thousand (EUR 6,342,941 thousand at 31 December 2011), of which EUR 1,122,587 thousand (EUR 1,876,465 thousand at 31 December 2011) relate to domestic activity and EUR 5,628,377 thousand (EUR 4,466,476 thousand at 31 December 2011) to international activity.

With regard to domestic activity, EUR 703,124 thousand (EUR 1,332,131 thousand at 31 December 2011), 63% of the balance (71% of the balance at 31 December 2011) relates to the net balance receivable from the Spanish public authorities, the remainder relating to the private sector, without large concentrations thereof.

In relation to foreign activity, this balance mainly relates to the activity carried on by Hochtief, A.G. and amounts to EUR 5,139,079 thousand. This figure includes amounts which were outstanding but not impaired at 31 December 2012, of which EUR 126,043 was up to 30 days overdue, EUR 94,257 thousand between 31 and 90 days overdue and EUR 86,152 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 Environmen 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 2012, this amount totalled EUR 101,798 thousand (EUR 300,960 thousand at 31 December 2011), which was included under the heading "Other loans", and matures as follows:

2014	2015	2016	2017 and subsequent years	Total
62,982	6,057	2,563	30,196	101,798

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 establish collection periods based on the type of project, which are either short term or non-recourse discounts are negotiated, allowing for positive management of working capital.

### 13. Other current assets

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

### 14. Cash and cash equivalents

"Cash and cash equivalents" 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 50,222 thousand (EUR 85,212 thousand at 31 December 2011) reflect their fair value and there are no restrictions as to their use.

### 15. Equity

#### 15.01. Capital

At 31 December 2012, 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 share capital by up to 50% at the date of this resolution on one or several 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 share capital increase or increases may be carried out by issuing new shares, either ordinary, without voting rights, preference or redeemable shares. 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 Registry on any occasion in which the power to exclude preferential subscription rights is exercised.

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.

Similarly, at the General Shareholders' Meeting held on 25 May 2009, the shareholders 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 Ordinary General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 31 May 2012 resolved, among other matters, to a share capital increase and reduction.

In this regard, the Company resolved in increase share capital to a maximum of EUR 646 million with a charge to voluntary reserves, whereby the first capital increase may not exceed EUR 362 million and the second increase may not exceed EUR 284 million, indistinctly granting the Executive Commission, the Chairman of the Board of Directors and the Director Secretary the power to execute the resolution. The capital increase is expected to take place, in the case of the first increase, within the two months following the date of the General Shareholders' Meeting for 2011 and, in the case of the second increase, within the first quarter of 2013, thereby coinciding with the dates on which the ACS Group has traditionally distributed the final dividend and the interim dividend.

Specifically, and by virtue of this delegation, on 28 June 2012 the Company resolved to carry out the first capital increase for a maximum amount of EUR 362 million. This capital increase is aimed at establishing an alternative remuneration system, as in many Ibx companies, that would allow shareholders to receive bonus shares from ACS or cash through the sale of the related bonus issue rights which are trade on the stock market, or that may be sold to ACS at a certain price based on a formula approved by the Board.

In relation to the foregoing, the Company increased its share capital by EUR 3,666,047.50 relating to 7,332,095 ordinary shares of EUR 0.5 par value each.

With regard to the capital reduction, the resolution adopted by the Board consists of reducing share capital through the retirement of the Company's treasury shares for a nominal amount equal to the nominal amount for which the aforementioned capital increase was effectively carried out. The Board of Directors is granted the power to execute these resolutions, on one or two occasions, simultaneously with each of the share capital increases.

In addition to the aforementioned authorisation to reduce capital, at the General Shareholders' Meeting held on 31 May 2012, the shareholders resolved, among other matters, to expressly allow the treasury shares acquired by the Company or its subsidiaries to be earmarked, in full or in part, for sale or retirement, for delivery to the employees or directors of the Company or the Group and for reinvestment plans for dividends or similar instruments. The Board of Directors is granted the power for its execution.

With regard to this point, and simultaneously with the aforementioned capital increase, share capital was reduced by EUR 3,666,047.50 relating to 7,332,095 ordinary shares of EUR 0.5 par value each through the retirement of the Parent's treasury shares (see Note 15.04).

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 2012, the shareholders with an ownership interest of over 10% in the share capital of the Parent were Corporacion Financiera Alba, S.A. with an ownership interest of 18.305% and Inversiones Vesan, S.A. with an ownership interest of 12.521%.

#### 15.02. Share premium

At 31 December 2012 and 2011, the share premium amounted to EUR 897,294 thousand and there had been no changes therein in the previous 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 2012 and 2011 is as follows:

	Thousands of Euros	
	Balance at 31/12/2012	Balance at 31/12/2011
Reserves of the Parent	2,356,541	1,815,975
Reserves at consolidated companies	2,472,325	2,893,582
<b>Total</b>	<b>4,828,866</b>	<b>4,709,557</b>

##### 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 2012 and 2011 is as follows:

	Thousands of Euros	
	Balance at 31/12/2012	Balance at 31/12/2011
Legal reserve	35,287	35,287
Voluntary reserves	1,078,092	1,024,546
Reserve for redenomination of share capital in euros	3,666	-
Goodwill reserve	162	162
Other retained earnings	164,831	123,623
Legal reserve	1,074,503	632,357
<b>Total</b>	<b>2,356,541</b>	<b>1,815,975</b>

##### **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 of the Group's Parent, which amounts to EUR 35,287 thousand, has reached the stipulated level at 31 December 2012 and 2011.

**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 Spanish Companies Law, profit may not be distributed 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.

**Reserve for retired capital**

As a result of the retirement of the Parent's shares carried out in 2012, in accordance with that established in Article 33.5.c of the Consolidated Spanish Companies Law, ACS, Actividades de Construcción y Servicios, S.A. arranged a restricted reserve for retired capital amounting to EUR 3,666 thousand, which is equivalent to the nominal value of the reduced share capital.

**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 31/12/2012	Balance at 31/12/2011
Construction	277,884	(51,397)
Environment	605,946	516,815
Industrial Services	752,479	606,987
Corporate Unit	836,016	1,821,177
<b>Total</b>	<b>2,472,325</b>	<b>2,893,582</b>

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 "Treasury shares" in 2012 and 2011 were as follows:

	2012		2011	
	Number of shares	Thousands of euros	Number of shares	Thousands of euros
<b>At beginning of the year</b>	<b>23,608,833</b>	<b>760,651</b>	<b>19,542,383</b>	<b>683,491</b>
Purchases	9,393,512	155,880	9,845,100	279,253
Sales	(4,013,784)	(115,262)	(5,778,650)	(202,093)
Bonus Payments 2011	(287,700)	(9,269)	-	-
Depreciation	(7,332,095)	(217,304)	-	-
<b>At end of the year</b>	<b>21,368,766</b>	<b>574,696</b>	<b>23,608,833</b>	<b>760,651</b>

At 31 December 2012, the Group held 21,368,766 treasury shares of the Parent, with a par value of EUR 0.5 each, representing 6.79% of the share capital, with a consolidated carrying amount of EUR 574,696 thousand which is recorded under "Treasury shares" in equity in the accompanying consolidated statement of financial position. 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 consolidated carrying amount of EUR 760,651 thousand which was recorded under "Treasury shares" in equity in the accompanying consolidated statement of financial position.

The average purchase price of ACS shares in 2012 was EUR 16.59 per share and the average selling price of the shares in 2012 was EUR 28.72 per share (EUR 28.36 and EUR 34.97 per share, respectively, in 2011).

On 7 July 2012, 7,332,095 treasury shares were retired with a carrying amount of EUR 217,304 thousand in accordance with the resolutions adopted by the General Shareholders' Meeting held on 31 May 2012 in relation to the shareholder remuneration system (see Note 15.01).

On 4 February 2011, as a result of completing the takeover bid for Hochtief, A.G., the ACS Group delivered 5,050,085 ACS shares as consideration for the shares held by the shareholders of Hochtief, A.G., who accepted the bid.

On 23 January 2013, the ACS Group sold a total of 20,200,000 treasury shares (see Note 32).

#### 15.05. Interim dividend

At 31 December 2012, as a result of the losses incurred by the Parent and in accordance with Article 277 of the Consolidated Spanish Companies Law, no interim dividends were paid.

At the 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. The Board of Directors prepared the accounting statement required by the Spanish Companies Law in which it stated to have sufficient liquidity to distribute this dividend.

This interim dividend paid is recognised under "Interim dividend" and is deducted from "Equity attributed to the Parent" included at 31 December 2011 under "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 2012 and 2011 were as follows:

	Thousands of Euros	
	2012	2011
<b>Beginning balance</b>	<b>(2,363,192)</b>	<b>(1,340,666)</b>
Hedging Instruments	(153,686)	(312,850)
Available-for-sale financial assets	1,839,515	(639,056)
Exchange differences	(48,477)	(70,620)
<b>Ending balance</b>	<b>(725,840)</b>	<b>(2,363,192)</b>

The adjustments for hedging instruments relate to the reserve set up for the effective portion of changes in the fair value of the financial instruments designated and effective as cash flow hedges. They relate mainly to interest rate hedges and, to a lesser extent, foreign exchange rate hedges, tied to asset and liability items in the balance sheet, and to future transaction commitments qualifying for hedge accounting because they meet the requirements provided for in IAS 39 on hedge accounting.

The changes relating to available-for-sale financial assets include the unrealised gains or losses arising from changes in their fair value net of the related tax effect. The change was mainly the result of the transactions carried out in relation to the ownership interest in Iberdrola, S.A. (see Note 10.01) which at 31 December 2011 had a negative balance of EUR 1,791,480 thousand under "Valuation adjustments - Available-for-sale financial assets".

The translation differences at 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 2012 relates exclusively to the difference arising in the period from 2004 to 2012, net of the related tax effect, between the closing and opening exchange rates, on non-monetary items whose fair value is adjusted against equity and on the translation to euros of the balances in the functional currencies of fully and proportionately consolidated companies and as companies accounted for using the equity method whose functional currency is not the euro.

The main translation differences, by currency, were as follows:

	Thousands of Euros	
	Balance at 31/12/2012	Balance at 31/12/2011
Australian dollar	81,762	174,553
Brazilian real	55,724	84,476
Mexican peso	(7,473)	(16,679)
Argentine peso	(21,732)	(14,945)
US dollar	7,680	13,351
Venezuelan bolivar	(18,818)	(9,996)
Polish zloty	2,264	(9,307)
Other currencies	(23,596)	(1,051)
Exchange differences of companies accounted for using the equity method	1	(96,113)
	<b>75,812</b>	<b>124,289</b>

In addition to the balance of translation differences at 31 December 2012, the balance of "Valuation adjustments" include a loss of EUR 801,806 thousand for hedging instruments and a gain of EUR 154 thousand for assets available for sale.

#### 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 2012 and 2011 is as follows:

Line of Business	Thousands of Euros					
	Balance at 31/12/2012			Balance at 31/12/2011		
	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
Construction	2,418,313	471,079	-	2,609,544	104,160	-
Industrial Services	72,683	49,558	-	70,005	37,769	-
Environment	42,306	1,040	11	46,202	4,599	(97)
<b>Total</b>	<b>2,533,302</b>	<b>521,677</b>	<b>11</b>	<b>2,725,751</b>	<b>146,528</b>	<b>(97)</b>

Non-controlling interests mainly relates to the full consolidation of Hochtief as of 1 June 2011, and includes both the ownership interests of the non-controlling shareholders of Hochtief as well as the non-controlling interests included in the balance sheet of the German company, amounting to EUR 1,603,445 thousand at 31 December 2012 (EUR 1,511,976 thousand at 31 December 2011), which mainly relate to the non-controlling shareholders of Leighton Holdings.

"Non-controlling interests" in the accompanying consolidated statement of financial position reflects the proportional share of the equity of Group companies in which there are non-controlling interests. The changes in 2012, by item, were as follows:

	Thousands of Euros
<b>Balance at 31 December 2011</b>	<b>2,872,182</b>
Profit for the year from continuing operations	521,677
Loss for the year from discontinued operations	11
Dividends received	(178,907)
Change in scope of consolidation	(113,177)
Changes in share capital and other	13,034
Adjustments for changes in value	(59,830)
<b>Balance at 31 December 2012</b>	<b>3,054,990</b>

The changes in 2011, by item, were as follows:

	Thousands of Euros
<b>Balance at 31 December 2010</b>	<b>263,839</b>
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
<b>Balance at 31 December 2011</b>	<b>2,872,182</b>

The detail of this balance at 31 December 2012, by business segment, is as follows:

Line of Business	Thousands of Euros				
	Share Capital	Reserves	Profit for the year	Profit from discontinued operations	Total
Construction	1,407,456	1,010,857	471,079	-	2,889,392
Industrial Services	43,425	29,258	49,558	-	122,241
Environment	20,657	21,649	1,040	11	43,357
<b>Total</b>	<b>1,471,538</b>	<b>1,061,764</b>	<b>521,677</b>	<b>11</b>	<b>3,054,990</b>

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

Line of Business	Thousands of Euros				
	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
<b>Total</b>	<b>1,489,650</b>	<b>1,236,101</b>	<b>146,528</b>	<b>(97)</b>	<b>2,872,182</b>

At 31 December 2012, 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
<b>Construction</b>		
John P. Picone, Inc. ( * )	20.00%	John P. Picone
Besalco Dragados S.A.	50.00%	Besalco Construcciones, 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%)
Autovía del Pirineo, S.A.	28.00%	Construcciones Mariezcurrena, S.L. (20%)
<b>Industrial Services</b>		
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
<b>Environment</b>		
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%	Unión Fenosa Energías Especiales, S.A. (18.64%) Endesa Cogeneración y Renovables, S.A. (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.
Tangshan 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.

In addition, according to the available information, at 31 December 2012, the non-controlling shareholder of Hochtief, A.G. with an ownership percentage greater than or equal to 10% is Qatar Holding Luxembourg (10%), there being no non-controlling shareholder in the case of Leighton Holdings, Ltd.

## 16. Grants

The changes in the balance of this heading in 2012 and 2011 were as follows:

	Thousands of Euros	
	2012	2011
<b>Beginning balance</b>	<b>58,132</b>	<b>69,949</b>
Changes in the scope of consolidation	-	(5,440)
Additions	1,966	5,829
Transfers	(3,398)	(9,039)
Recognition in income statement	(2,485)	(3,167)
<b>Ending balance</b>	<b>54,215</b>	<b>58,132</b>

The grants related to assets recognised in the consolidated income statement (recognised under "Allocation to profit or loss of grants related to non-financial non-current assets and other grants" in the consolidated income statement) amounted to EUR 3,550 thousand before tax in 2012 (EUR 4,525 thousand in 2011). The timing of recognition in profit or loss is detailed as follows:

	Thousands of Euros					
	2012			2011		
	<1	2-5	>5	<1	2-5	>5
Grants related to assets	6,315	18,268	29,632	7,611	21,831	28,690

## 17. Bank borrowings, debt instruments and other marketable securities

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

At 31 December 2012, the ACS Group had non-current debentures and bonds issued amounting to EUR 1,483,824 thousand and EUR 157,670 thousand in current issues (EUR 722,632 thousand in non-current and EUR 46,421 thousand in current, respectively, at 31 December 2011) from Leighton Holdings and Hochtief, A.G. The most relevant changes with regard to 2011 arise from a corporate bond issued by Hochtief, A.G. for a nominal amount of EUR 500 million maturing in five years with an annual coupon of 5.5%, and a carrying amount of EUR 516,189 thousand at 31 December 2012, and the issue by Leighton of secured bonds for a nominal amount of USD 500 million maturing at 10 years at a fixed annual rate of 5.95%, and a carrying amount of EUR 371,912 thousand at 31 December 2012. At 31 December 2011, the balance in full was from its Australian subsidiary, Leighton. In 2010 a bond of USD 350 million was issued with an equivalent value in euros of EUR 263,987 thousand (EUR 273,997 thousand 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 220,265 thousand (EUR 220,074 thousand at 31 December 2011), with a nominal value of AUD 280 million maturing at five years, and with a fixed coupon of 9.5%. In 2008, Leighton Holdings issued USD 280 million through a private placement repayable in 2013, 2015 and 2017, and with an interest rate ranging from 6.91% to 7.66%. The carrying amount of this private placement at 31 December 2012 amounted to EUR 211,422 thousand (EUR 219,235 thousand at 31 December 2011). Finally, the debentures and bonds issued include EUR 57,719 thousand (EUR 55,747 thousand at 31 December 2011) relating to three additional bonds with fixed or floating interest rates held by Leighton Holdings.

The detail, by maturity, of these debentures and bonds at 31 December 2012 is as follows:

	Thousands of Euros					
	Current	Non-current				
	2013	2014	2015	2016	2017 and subsequent years	Total non-current
<b>Debentures and bonds</b>	<b>157,670</b>	225,598	136,152	-	1,122,074	<b>1,483,824</b>

The detail, by maturity, of these debentures and bonds at 31 December 2011 is as follows:

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

## 17.02. Bank loans

The detail of the bank borrowings at 31 December 2012 and the repayment schedules are as follows:

	Thousands of Euros					
	Current	Non-current				
	2013	2014	2015	2016	2017 and subsequent years	Total non-current
Bank loans in euros	<b>3,169,859</b>	1,142,227	1,933,731	160,226	96,080	<b>3,332,264</b>
Foreign currency loans	<b>434,317</b>	259,847	13,520	18,273	41,399	<b>333,039</b>
Finance lease obligations	<b>181,499</b>	160,745	107,250	137,890	190,353	<b>596,238</b>
<b>Total</b>	<b>3,785,675</b>	<b>1,562,819</b>	<b>2,054,501</b>	<b>316,389</b>	<b>327,832</b>	<b>4,261,541</b>

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

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

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

- The long-term financing from the investee Hochtief, A.G. amounted to EUR 1,148,816 thousand (EUR 1,578,917 thousand at 31 December 2011). This amount includes EUR 84,500 thousand for a five-year loan with an initial amount of EUR 120,600 thousand issued on 25 November 2011 and placed among Spanish and international banks. This loan 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 issued by Hochtief in 2009 for an initial amount of EUR 300,000 thousand maturing between three and five years, earning interest at fixed and floating rates, and which were repaid for EUR 129,500 thousand in 2012, the principle of which amounted to EUR 30,000 thousand at 31 December 2012. There were also two additional bank loans amounting to EUR 193,750 thousand from 2008, one with a nominal amount of EUR 154,750 thousand maturing in five years, and the other for EUR 39,000 thousand maturing in seven years, bearing interest at six-month Euribor plus a market spread. An international syndicate of banks granted a five-year forward market credit facility which amounted to EUR 1,500,000 thousand in a tranche for guarantees and EUR 500,000 thousand credit facility. At 31 December 2012, EUR 200,000 thousand were repaid (EUR 400,000 thousand at 31 December 2011). In addition, Leighton Holding arranged bank loans amounting to EUR 256,094 thousand (EUR 464,590 thousand at 31 December 2011), most of which were to finance investments in Habtoor Leighton Group and other projects.
- Also noteworthy is the financing obtained for the acquisition of Hochtief, A.G. shares for a nominal amount of EUR 200,000 thousand maturing in June 2014 through the SPV Major Assets, S.L., and EUR 250,000 thousand maturing in July 2014 through Corporate Statement, S.L., both with an in rem guarantee secured by Hochtief shares deposited therein, which at 31 December 2012, amounted to 13,948,778.
- 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. At 31 December 2012, the amount contracted totalled EUR 1,430,300 thousand and was classified as non-current. At 31 December



2011, this loan amounting to EUR 1,589,911 thousand was recognised under "Current financial liabilities" in the accompanying consolidated statement of financial position.

- In May 2012 the Group renewed the syndicated loan with Urbaser for EUR 506,300 thousand (EUR 750,000 thousand at 31 December 2011) maturing at 28 November 2014, which was then reclassified as non-current.
- The ACS Group held mortgage loans amounting to EUR 59,261 thousand at 31 December 2012 (EUR 57,877 thousand at 31 December 2011).
- At 31 December 2012, the Group companies had undrawn bilateral credit facilities with limits of 7,847,547 thousand (EUR 6,886,169 thousand in 2011), of which the amount of EUR 4,123,347 thousand (EUR 2,633,253 thousand at 31 December 2011), which sufficiently covers the Group's needs with respect to its short-term obligations.

At 31 December 2012, the current and non-current bank borrowings in foreign currency amounted to EUR 767,356 thousand (EUR 814,656 thousand in 2011), of which EUR 326,794 thousand were in Australian dollars (EUR 464,590 thousand in 2011), EUR 237,464 thousand were in US dollars (EUR 222,676 thousand in 2011), EUR 82,663 thousand were in Canadian dollars (EUR 28,608 thousand in 2011), EUR 36,006 thousand were in Chilean pesos (EUR 28,462 thousand in 2011), EUR 24,944 thousand were in Chinese yuan (EUR 15,120 thousand in 2011), EUR 20,258 thousand were in Moroccan dirham (EUR 28,544 thousand in 2011), EUR 9,406 thousand were in Indian rupee, EUR 9,345 thousand were in Brazilian reals (EUR 3,122 thousand in 2011), EUR 5,154 thousand were in Polish zloty (EUR 9,602 thousand in 2011) and EUR 5,760 thousand were in Argentine pesos (EUR 4,194 thousand in 2011).

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 (see note 03.21).

In 2012 the Group's euro loans and credits bore average annual interest of 3.63% (3.30% in 2011). Foreign currency loans and credits bore average annual interest of 6.12% (3.94% in 2011).

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. The effect of the changes in interest rates on finance costs are indicated in Note 21.

In 2012 and 2011 the ACS Group satisfactorily met its bank borrowing payment obligations on 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. Accordingly, at 31 December 2012, the ACS Group met all ratios required by its financing arrangement.

### 17.03. Finance lease obligations

The amounts payable under finance leases which are included under the heading "Bank borrowings, debt instruments and other marketable securities" in the accompanying consolidated statement of financial position at 31 December 2012 and 2011, were as follows:

2012	Thousands of Euros			
	Within one year	Between two and five years	More than five years	Balance at 31/12/2012
Present value of minimum lease payments	181,499	405,885	190,353	<b>777,737</b>
Unaccrued finance charges	29,362	56,119	4,908	<b>90,389</b>
Total amounts payable under finance leases	<b>210,861</b>	<b>462,004</b>	<b>195,261</b>	<b>868,126</b>

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	<b>494,105</b>
Unaccrued finance charges	13,383	23,189	649	<b>37,221</b>
Total amounts payable under finance leases	<b>147,320</b>	<b>360,544</b>	<b>23,462</b>	<b>531,326</b>

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 2012 or at 31 December 2011.

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

#### 18. Limited recourse financing of projects and debts

"Project finance and limited recourse borrowings" on the liability side of the statement of financial position includes, in addition to the financing for the acquisition of Iberdrola, S.A. and Hochtief, A.G., the amount of the financing related to infrastructure projects. The detail of the balance of this heading, by type of financed asset at 31 December 2012, is as follows:

	Thousands of Euros		
	Current	Non-current	Total
Hochtief Aktiengesellschaft	12,076	589,631	<b>601,707</b>
<b>Project financing</b>			
Property assets (Inventories)	239,353	117,340	<b>356,693</b>
Waste treatment	12,147	173,243	<b>185,390</b>
Highways	388	131,469	<b>131,857</b>
Police station	4,161	60,214	<b>64,375</b>
Water management	1,996	21,766	<b>23,762</b>
Energy transmission	-	9,655	<b>9,655</b>
Security	8,446	-	<b>8,446</b>
Photovoltaic plants	8	529	<b>537</b>
	<b>278,575</b>	<b>1,103,847</b>	<b>1,382,422</b>

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	<b>4,961,559</b>
Hochtief Aktiengesellschaft	15,752	593,029	<b>608,781</b>
<b>Project financing</b>			
Waste treatment	23,230	161,544	<b>184,774</b>
Highways	1,185	93,828	<b>95,013</b>
Police station	3,907	64,375	<b>68,282</b>
Water management	1,616	24,203	<b>25,819</b>
Security systems	8,968	8,446	<b>17,414</b>
Transport interchange	1,812	1,515	<b>3,327</b>
Photovoltaic plants	-	518	<b>518</b>
Other infrastructures	3	3	<b>6</b>
	<b>77,432</b>	<b>5,888,061</b>	<b>5,965,493</b>

The detail, by maturity, of non-current financing at 31 December 2012 and 2011 is as follows:

	Thousands of Euros				
	Maturity in				
	2014	2015	2016	2017 and subsequent years	Total
<b>Balance at 31 December 2012</b>	152,136	613,523	28,908	309,280	<b>1,103,847</b>

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

The most significant financing arrangements were as follows:

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

In 2012 the main changes took place as a result of the transactions carried out in relation to the ACS Group's ownership interest in Iberdrola, S.A. mentioned in Note 10.01.

In this regard, the most noteworthy of mention within the limited-recourse financing for the acquisition of Iberdrola shares is the financing that Residencial Monte Carmelo, S.A. has entered into with a syndicate of banks, in which Banco Bilbao Vizcaya Argentaria, S.A. acted as the agent, maturing in 2014, with an in rem guarantee on the shares acquired and the existence of a coverage ratio on the market value of the Iberdrola, S.A. shares such that if this ratio is not maintained, it could cause the pledge to be enforced. On 13 July 2012, the company entered into a financial transaction with Société Générale which would allow the aforementioned syndicated loan to be cancelled for the total amount payable at this date (EUR 1,599,223 thousand) (see Note 6). In December 2012, as a result of the amendment made to this agreement, the ACS Group derecognised the financing associated thereto amounting to EUR 1,605,699 thousand. The financial transaction (including the prepaid forward and the share loan) were definitively cancelled in full in February 2013.

As a result of the sale of a share package relating to the 3.69% ownership interest in Iberdrola, the ACS Group repaid the financing relating to Corporate Funding, S.L., which amounted to a nominal amount of EUR 700 million.

On 14 June 2011, the Company extended the maturity of its equity swap over Iberdrola, S.A. shares to March 2015 for an amount of EUR 2,432,272 thousand at 31 December 2011. In 2012 the Company repaid EUR 1,000 million by offsetting the amounts contributed as collateral to meet the coverage ratios. This loan was secured by shares amounting to 4.73% of the underlying value of Iberdrola, S.A. and bears interest at a rate tied to Euribor. With regard to this financing, on 27 July 2012 ACS, Actividades de Construcción y Servicios, S.A. signed a new amendment in order to eliminate the margin calls and, in this regard, a fixed guarantee was determined until maturity amounting to EUR 355,531 thousand which is recognised under "Long-term deposits" in the accompanying consolidated statement of financial position. On 24 December 2012, an additional novation agreement was signed, whereby the contract could be settled in the form of cash of ACS shares. In view of this amendment, the ACS Group recognised the aforementioned equity swap as a financial derivative at 2012 year-end (see Note 22).

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

In relation to the initial package of Hochtief, A.G. share acquired in 2007, on 27 October 2011 Cariatide, S.A. entered into a refinancing agreement with a bank syndicate for a nominal amount of EUR 602,000 thousand until 24 July 2015. At 31 December 2012 and at the date of approval of these condensed financial statements, the coverage ratios envisaged by this financing were met.

The main characteristics of the financing arrangement include the maintenance of a coverage ratio over the market value of the shares of Hochtief, A.G. If this ratio were not to be met, the pledge on the acquired shares could be enforced. In the event that the aforementioned coverage ratio is not maintained, ACS, Actividades de Construcción y Servicios, S.A. would be obligated to contribute additional funds.

At 31 December 2012, and at the date of the preparation of these financial statements, this coverage ratio stipulated in this agreement was being met.

To cover the ratios required in the financing of Hochtief A.G., the Group contributed funds amounting to EUR 90,957 thousand at 31 December 2012 (EUR 92,157 thousand at 31 December 2011). These funds reduced the limited recourse financing and the portion exceeding the amount of the credit facility was recognised under "Other current financial assets" on the asset side of the statement of financial position (see Note 10.05).

**Project financing**

Project financing most notably includes that from Hochtief with regard to real estate assets (classified for accounting purposes as inventories in the accompanying consolidated statement of financial position) obtained for the development of real estate assets, both of Hochtief and Leighton.

At 31 December 2012, other project financing most notably included that relating to the waste treatment plant of Ecoparc de Barcelona, S.A. The purpose of the loan is to finance the project for the construction, administration and operation of the metropolitan complex for integral municipal waste treatment in the duty-free zone of 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 4.15% in 2012 and 4.42% in 2011.

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 2012.

In 2012 and 2011 the ACS Group satisfactorily settled all its project financing debts with limited recourse on maturity. Additionally, up to the date of the preparation of the consolidated financial statements, the Group had complied with all its financial obligations.

## 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 31/12/2012		Balance at 31/12/2011	
	Non-current	Current	Non-current	Current
Non-bank borrowings at a reduced interest rate	52,338	6,620	56,009	6,019
Payable to associates	4,475	348,497	4,099	471,837
Other	50,558	14,338	50,157	64,494
<b>Total</b>	<b>107,371</b>	<b>369,455</b>	<b>110,265</b>	<b>542,350</b>

At 31 December 2012, "Other financial liabilities" includes mainly "Payable to associates", which most notably includes the payment obligation in relation to the various projects 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 2012 were as follows:

NON-CURRENT	Thousands of Euros				
	Provision for pensions and similar obligations	Provision for taxes	Provision for third-party liability	Provisions for actions on infrastructure	Total
<b>Balance at 31 December 2011</b>	<b>449,039</b>	<b>14,189</b>	<b>1,554,008</b>	<b>16,227</b>	<b>2,033,463</b>
Additions or charges for the year	204,587	13,662	280,603	6,641	505,493
Reversals and amounts used	(128,483)	(9,255)	(503,157)	(77)	(640,972)
Increases due to the passing of time and the effect of exchange rates on discount rates	2,530	-	2,588	114	5,232
Exchange differences	(3,089)	(79)	(4,716)	-	(7,884)
Changes in the scope of consolidation	-	-	255	(3,546)	(3,291)
<b>Balance at 31 December 2012</b>	<b>524,584</b>	<b>18,517</b>	<b>1,329,581</b>	<b>19,359</b>	<b>1,892,041</b>

The Group companies recognise provisions on the liability side of the accompanying consolidated statement of financial position for present obligations arising from past events which the companies consider will probably require an outflow of resources embodying economic benefits to settle them on maturity. These provisions are recognised when the related obligation arises and the amount recognised is the best estimate at the date of the accompanying consolidated financial statements of the present value of the future expenditure required to settle the obligation. The change in the year relating to the discount to present value is recognised as interest cost in the consolidated income statement.

Following is detailed information on the Group's provisions, distributed into three large groups:

### **Provisions for pensions and similar obligations**

On the one hand, 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 were externalised through collective life insurance contracts, in which investments have been allocated whose flows coincide in time and amounts with the amounts and payment timetable of the insured benefits. Based on the valuation made, the amounts required to meet the commitments to current and retired employees amounted to EUR 19,643 thousand at 31 December 2012 (EUR 27,026 thousand at 31 December 2010) and EUR 193,162 thousand at 31 December

2012 (EUR 193,627 thousand in 2011), respectively. The actuarial assumptions used in the 2012 and 2011 valuations detailed above, are as follows:

Annual rate of increase of maximum social security pension deficit	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 since the pension obligations were externalised ranged from a maximum of 5.93% to a minimum 3.02%. The interest rate applied was 4.90% in 2012 and 4.85% in 2011.

The aforementioned amounts relating to pension commitments recognised under "Staff costs" in the consolidated income statement for 2012, gave rise to an expense of EUR 49 thousand in 2012 (EUR 471 thousand in 2011).

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, which represented a contribution in 2012 of EUR 3,757 thousand and was recognised under "Staff costs" in the 2012 consolidated statement of financial position. EUR 4,455 thousand were recognised in this connection in 2011. The portion relating to the Parent's directors who performed executive duties in 2012 amounted to EUR 1,811 thousand (EUR 1,955 thousand in 2011) (see Note 34).

Except as indicated above, in general, the Spanish Group companies have not established any pension plans to supplement the social security pension benefits. However, pursuant to the Consolidated Pension Fund and Plan Law, in the specific cases in which similar obligations exist, the companies externalise their pension and other 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 accrued obligations and, where appropriate, the related plan assets were measured by independent actuarial experts using generally accepted actuarial methods and techniques and the related amounts are recognised under "Long-Term Provisions – Provisions for Pensions and Similar Obligations" in the accompanying consolidated statement of financial position, in accordance with IFRSs.

The Group's retirement benefits include both defined contribution and defined benefit plans. Under defined contribution plans, the Company pays into a state or private pension fund voluntarily or in accordance with statutory or contractual stipulations and has no obligation to pay further contributions. Under defined benefit plans, the Company's obligation is to provide agreed benefits to current and former employees. Defined benefit plans can be funded externally or through pension provisions.

Defined benefit plans are mostly in use at Hochtief A.G., its German subsidiaries and the Turner Group (benefits agreed up to December 31, 2003).

Since January 1, 2000, pension arrangements in the Hochtief Group in Germany have consisted of a company-funded basic pension in the form of a modular defined contribution plan and a supplementary pension linked to company performance. These benefits are classed as defined benefit liabilities under IAS 19. The size of the basic pension component depends on employee income and age (resulting in an annuity conversion factor) and a general pension contribution reviewed by Hochtief every three years. The size of the supplementary pension component depends on growth in IFRS-basis profit after taxes. The basic pension can be supplemented in this way by up to 20 percent. The pension arrangements in force until December 31, 1999 featured benefit groups based on collective agreements. These benefits were integrated into the new system of retirement benefits as an initial pension component. Benefits comprise an old-age pension, an invalidity pension and a surviving dependants' pension.

Turner changed from defined benefit to defined contribution plans with effect from January 1, 2004. Depending on length of service and salary level, between three percent and six percent of an employee's salary is paid into an external fund. In addition, Turner employees have an option to pay up to 25 percent of their salaries into an investment fund as part of a 401 (k) plan. Turner tops up the first five percent of the deferred compensation by up to 100 percent depending on length of service. Employees can join the plan after three years' service. Tax relief is granted on payments into the fund; the investment risk is borne by employees. Leighton and Flatiron likewise have defined contribution plans and pay between four and ten percent of salary (before deductions) into an external fund.

Hochtief A.G.'s pension finances were restructured with the creation of a contractual trust arrangement (CTA) as of December 31, 2004. This arrangement was extended to all major Hochtief Group companies in subsequent years. The transferred assets are administered in trust by Hochtief Pension Trust e. V. and serve exclusively to fund pension obligations. The transferred cash is invested on the capital market in accordance with investment principles set out in the trust agreement. The defined benefit plans discontinued by the Turner Group effective December 31, 2003 are covered by an external fund.

The size of pension provisions is determined on an actuarial basis. This necessarily involves estimates. Specifically, the actuarial assumptions used are as follows:

	Percent			
	2012		2011	
	Germany	Other Countries	Germany	Other Countries
Discount factor *	3.50	3.45	4.75	4.38
Wage increases	3.00	–	3.00	–
Pension increases	2.00	–	1.75	–
Health cost increases	–	5.00	–	5.00
Anticipated return on plan assets *	4.51	8.00	4.62	8.00

\* weighted average

The discount factors are derived from the Mercer Pension Discount Yield Curve (MPDYC) model taking into account the company-specific duration of pension liabilities. Salary and pension increases ceased to be taken into account in foreign operations (the Turner Group) in 2004 due to the changeover in pension arrangements. Biometric mortality assumptions are based on published country-specific statistics and experience. For the German market, they are determined using the Prof. Dr. Klaus Heubeck 2005 G tables. Turner uses the RP-2000 Mortality Table for employees. Assumptions regarding the anticipated return on plan assets are based in each country on the intended portfolio structure and future returns on individual asset classes. Projections are based on long-term historical averages. For the main domestic pension plans, the anticipated return on plan assets was additionally derived using asset-liability studies.

Changes in the present value of defined benefit obligations and of the market value of plan assets are as follows:

#### Changes in the present value of defined benefit obligations

	Thousands of Euros					
	2012			From June to December 2011		
	Germany	Other countries	Total	Germany	Other countries	Total
<b>Defined benefit obligations at beginning of period</b>	<b>681,292</b>	<b>261,935</b>	<b>943,227</b>	<b>651,426</b>	<b>236,101</b>	<b>887,527</b>
Current service cost	8,641	1,632	10,273	5,791	785	6,576
Past service cost	1,599	–	1,599	284	(1,651)	(1,367)
Interest expense	31,070	10,889	41,959	17,784	6,834	24,618
Actuarial (gains)/losses	129,546	25,285	154,831	23,910	10,872	34,782
Benefits paid from Company assets	(726)	(1,957)	(2,683)	(116)	(1,208)	(1,324)
Benefits paid from fund assets	(35,860)	(12,794)	(48,654)	(19,461)	(13,270)	(32,731)
Employee contributions	1,599	–	1,599	1,843	–	1,843
Effect of transfers	(98)	–	(98)	(15)	–	(15)
Consolidation changes	146	–	146	(154)	–	(154)
Currency adjustments	–	(5,515)	(5,515)	–	23,472	23,472
<b>Defined benefit obligation at end of year</b>	<b>817,209</b>	<b>279,475</b>	<b>1,096,684</b>	<b>681,292</b>	<b>261,935</b>	<b>943,227</b>
Reclassification as liabilities associated with assets held for sale	(3,295)	–	(3,295)	(2,181)	–	(2,181)
<b>Defined benefit obligation at end of year after reclassification</b>	<b>813,914</b>	<b>279,475</b>	<b>1,093,389</b>	<b>679,111</b>	<b>261,935</b>	<b>941,046</b>

#### Changes in the market value of plan assets

	Thousands of Euros					
	2012			From June to December 2011		
	Germany	Other countries	Total	Germany	Other countries	Total
<b>Plan assets at beginning of period</b>	<b>589,549</b>	<b>180,799</b>	<b>770,348</b>	<b>673,951</b>	<b>192,044</b>	<b>865,995</b>
Anticipated returns on plan assets	26,690	13,873	40,563	18,303	8,657	26,960
Difference between anticipated and actual returns	17,589	9,147	26,736	(37,404)	(23,607)	(61,011)
Withdrawal of plan assets due to overfunding of pension obligation	–	–	–	(50,000)	–	(50,000)
Employer contributions	2,503	4,372	6,875	2,370	–	2,370
Employee contributions	1,599	–	1,599	1,843	–	1,843
Effect of transfers	(8)	–	(8)	–	–	–
Benefits paid	(35,860)	(12,794)	(48,654)	(19,461)	(13,270)	(32,731)
Consolidation changes	53	–	53	(53)	–	(53)
Currency adjustments	–	(3,785)	(3,785)	–	16,975	16,975
<b>Plan assets end of year</b>	<b>602,115</b>	<b>191,612</b>	<b>793,727</b>	<b>589,549</b>	<b>180,799</b>	<b>770,348</b>
Reclassification as liabilities associated with assets held for sale	(2,170)	–	(2,170)	(2,062)	–	(2,062)
<b>Plan assets at end of year after reclassification</b>	<b>599,945</b>	<b>191,612</b>	<b>791,557</b>	<b>587,487</b>	<b>180,799</b>	<b>768,286</b>

Investing plan assets to cover future pension obligations generated actual returns of EUR 67,299 thousand (in June to December 2011 losses of EUR 34,051 thousand).

Defined benefit obligations are covered by plan assets as follows:

	Thousands of Euros			
	31/12/2012		31/12/2011	
	Defined benefit obligation	Plan assets	Defined benefit obligation	Plan assets
Uncovered by plan assets	54,348	-	53,840	-
Partially covered by plan assets	983,169	727,870	840,184	705,209
<b>Incompletely covered by plan assets</b>	<b>1,037,517</b>	<b>727,870</b>	<b>894,024</b>	<b>705,209</b>
Fully covered by plan assets	55,872	63,687	47,022	63,077
<b>Total</b>	<b>1,093,389</b>	<b>791,557</b>	<b>941,046</b>	<b>768,286</b>

The pension provisions are determined as follows:

	Thousands of Euros	
	31/12/2012	31/12/2011
Defined benefit obligation	1,093,389	941,046
Less plan assets	791,557	768,286
<b>Funding status</b>	<b>301,832</b>	<b>172,760</b>
Adjustments arising from the limit in IAS 19.58	-	-
Assets from overfunded pension plans	7,815	16,055
<b>Provisions for pensions and similar obligations</b>	<b>309,647</b>	<b>188,815</b>

The fair value of plan assets is divided among asset classes as follows:

	Thousands of Euros			
	31/12/2012		31/12/2011	
	Market value	%	Market value	%
Stock	225,236	28.46	166,336	21.65
Fix-interest securities	421,850	53.29	456,630	59.43
Real estate	32,686	4.13	26,777	3.49
Insurance policies	63,196	7.98	62,599	8.15
Commodities	29,310	3.70	35,858	4.67
Cash	19,279	2.44	20,086	2.61
<b>Total</b>	<b>791,557</b>	<b>100.00</b>	<b>768,286</b>	<b>100.00</b>

As of December 31, 2012, anticipated pension payments for future years are as follows:

	Thousands of Euros
Due in 2013	55,065
Due in 2014	56,452
Due in 2015	57,010
Due in 2016	57,922
Due in 2017	58,726
Due in 2018 to 2022	296,460

Experience adjustments—the effects of differences between the previous actuarial assumptions and what has actually occurred—are as follows:

	Thousands of Euros	
	2012	From June to December 2011
<b>Defined benefit obligation at end of year</b>	<b>1,093,389</b>	<b>941,046</b>
Effect of differences in fiscal year	(4,733)	(816)
Effect as percentage of defined benefit obligations	(0.43)	(0.09)
<b>Plan assets at end of year</b>	<b>791,557</b>	<b>768,286</b>
Effect of differences in fiscal year	26,736	(61,011)
Effect as percentage of plan assets	3.38	(7.94)
<b>Funding status at end of year</b>	<b>301,832</b>	<b>172,760</b>

Pension expense under defined benefit plans is made up as follows:

	Thousands of Euros					
	2012			From June to December 2011		
	Germany	Other countries	Total	Germany	Other countries	Total
Current service cost	8,641	1,632	10,273	5,791	785	6,576
Past service cost	1,599	–	1,599	284	(1,651)	(1,367)
<b>Total personnel expense</b>	<b>10,240</b>	<b>1,632</b>	<b>11,872</b>	<b>6,075</b>	<b>(866)</b>	<b>5,209</b>
Interest expense for accrued benefit obligations	31,070	10,889	41,959	17,784	6,834	24,618
Anticipated return on plan assets	(26,690)	(13,873)	(40,563)	(18,303)	(8,657)	(26,960)
<b>Total interest expense (net investment and interest income)</b>	<b>4,380</b>	<b>(2,984)</b>	<b>1,396</b>	<b>(519)</b>	<b>(1,823)</b>	<b>(2,342)</b>
<b>Total pension expense</b>	<b>14,620</b>	<b>(1,352)</b>	<b>13,268</b>	<b>5,556</b>	<b>(2,689)</b>	<b>2,867</b>

EUR 323,187,000 was paid into defined contribution plans in 2012 (from June to December 2011: EUR 164,034 thousand), mostly in the Leighton Group (EUR 290,108 thousand; June to December 2011: EUR 145,513 thousand) and the Turner Group (EUR 28,502 thousand; June to December 2011: EUR 15,573 thousand). An additional EUR 83,834 thousand (June to December 2011: EUR 52,336 thousand) was paid into state pension schemes. Costs of defined contribution plans are reported as part of personnel expenses. The Turner Group's obligations to meet healthcare costs for retired staff are included in pension provisions due to their pension-like nature. The defined benefit obligation as of December 31, 2012 came to EUR 45,028 thousand (2011: EUR 40,105 thousand). Healthcare costs accounted for EUR 1,569 thousand (June to December 2011: EUR 746 thousand) of the current service cost and EUR 1,692 thousand (June to December 2011: EUR 1,101 thousand) of the interest expense.

The effects of a one percentage point change in the assumed healthcare cost trend rate are as follows:

	Thousands of Euros			
	31/12/2012		31/12/2011	
	Increase	Decrease	Increase	Decrease
Effect on the sum of current service cost and interest expense	–	–	15	(15)
Effect on defined benefit obligation	4	(4)	362	(328)

The Consolidated Statement of Comprehensive Income includes EUR 128,095 thousand in actuarial losses recognised in 2012 before deferred taxes and after consolidation changes (June to December 2011: EUR 95,793 thousand). Before deferred taxes, the cumulative amount of actuarial losses is EUR 381,391 thousand (2011: EUR 253,296 thousand).

#### Provisions for taxes

Non-current provisions include the amounts estimated by the Group to settle claims brought in connection with the payment of various taxes, levies and local taxes, mainly property tax and other possible contingencies, as well as the estimated consideration required to settle probable or certain liabilities and outstanding obligations for which the exact amount of the corresponding payment cannot be determined or for which the actual settlement date is not known, since they are contingent upon meeting certain terms and 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. The lawsuits that may be significant represent scanty material amounts when considered individually, based on the size of the ACS Group, and none of them are particularly noteworthy, except for the arbitration proceedings relating to the highway concessions R-2, R-3 and R-5 of the Autonomous Community of Madrid (Spain) which belong to companies that are not fully consolidated by the ACS Group. With regard to the claim filed by Boliden-Apirsa, the Supreme Court finally dismissed this lawsuit through the judgment of 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 goes beyond strict compliance with current legislation in the area of environmental improvement and protection to include the establishment of preventative planning and the analysis and minimisation of the environmental impact of the activities carried on by the Group. These provisions are made to cover any likely environmental risks which might arise.

#### *Guarantees and contractual and legal obligations*

This heading includes the provisions to 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.

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.

The breakdown of provisions for third-party liabilities, by line of business, is as follows:

Line of Business	Thousands of Euros
Construction	943,760
Industrial Services	122,799
Environment	138,385
Corporate unit	124,637
<b>Total</b>	<b>1,329,581</b>

The most significant provisions in the Construction area relate to the incorporation of the Hochtief Group, for which period provisions were made at 31 December 2012 amounting to EUR 309,835 thousand for employee obligations and claims. In addition to these amounts, as a result of the liabilities assumed due to the full consolidation of Hochtief, provisions were made to cover risks associated with certain investments and other liabilities of this group (see Note 02.02.f).

The changes in current provisions in 2011 were as follows:

CURRENT	Thousands of Euros			
	Provision for termination benefits	Provision for contract work completion	Operating allowance	Total
<b>Balance at 31 December 2011</b>	<b>16,979</b>	<b>105,510</b>	<b>1,145,992</b>	<b>1,268,481</b>
Additions or charges for the year	7,637	19,722	941,457	968,816
Amounts used	(8,918)	(22,824)	(690,332)	(722,074)
Reversals	(1,710)	(1,714)	(293,716)	(297,140)
Exchange differences	(1,048)	(169)	(2,247)	(3,464)
Changes in the scope of consolidation	(34)	-	(972)	(1,006)
<b>Balance at 31 December 2012</b>	<b>12,906</b>	<b>100,525</b>	<b>1,100,182</b>	<b>1,213,613</b>

Provisions for project completion relate to the losses budgeted or estimated during execution of the projects and for the expenses arising from such projects from the date of their completion to the date of their definitive settlement, which are determined systematically as a percentage of the value of production over the term of the project based on experience in the construction business.

## 21. Financial risk and capital management

In view of its activities, the ACS Group is exposed to various 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 mainly interest rate, foreign currency, liquidity and credit risks.

### Cash flow interest rate risk

This risk arises from changes in future cash flows relating to 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 caps and floors are arranged for a substantial portion of the borrowings that may be affected by this risk (see Note 22).

The sensitivity of the ACS Group's profit and equity to changes in interest rates, taking into account its existing hedging instruments and fixed rate financing, is as follows:

Year	Increase / Decrease in the interest rate (basic points)	Thousands of Euros	
		Effect on profit or loss (prior to tax)	Effect on equity (after tax)
2012	50	(2,721)	91,557
	-50	2,721	(91,557)
2011	50	(18,114)	119,626
	-50	18,114	(119,626)

### 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 hedge the risk inherent to structural investments in foreign operations with a functional currency other than the euro, the Group endeavours to make these investments in the same functional currency as the assets 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 various financial instruments for the purpose of mitigating exposure to foreign currency risk (see Note 22).

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

		Thousands of Euros			
		2012		2011	
Functional currency	Currency	5%	-5%	5%	-5%
EUR	USD	5.8	-5.7	4.5	-4.5
EUR	BRL	7.9	-7.9	13.2	-13.2
EUR	RON	-1.8	1.8	-	-
AUD	USD	5.2	-5.2	5.5	-5.5
CZK	EUR	-1.1	1.1	-2.5	2.5
QAR	EUR	2.1	-2.1	1.0	-1.0

## Effect on equity before tax

		Thousands of Euros			
		2012		2011	
Functional currency	Currency	5%	-5%	5%	-5%
EUR	USD	29.1	-29.0	13.3	-13.2
EUR	BRL	10.4	-10.4	38.6	-38.6
EUR	DZD	7.6	-7.6	7.6	-7.6
EUR	PEN	2.5	-2.5	2.2	-2.2
EUR	CHF	2.0	-2.4	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 2012

	Thousands of Euros							Balance at 31/12/2012
	US Dollar (USD)	Brazilian Real (BRL)	Moroccan Dirham (MAD)	Chilean Peso (CLP)	Mexican Peso (MXP)	Australian Dollar (AUD)	Other currencies	
Marketable securities (portfolio of short- and long-term investments)	223,724	312	-	1,671	-	657	1,833	228,197
Loans to associates	14,121	8,493	-	9,748	-	410,170	244	442,776
Other loans	123,341	-	215	662	18	76,646	8,612	209,494
Bank borrowings (non-current)	98,614	19	-	-	827	1,672,559	3,820	1,775,839
Bank borrowings (current)	119,111	33	14,902	45,753	5,927	499,011	52,661	737,398

## At 31 December 2011

	Thousands of Euros							Balance at 31/12/2011
	US Dollar (USD)	Brazilian Real (BRL)	Moroccan Dirham (MAD)	Chilean Peso (CLP)	Mexican Peso (MXP)	Australian Dollar (AUD)	Other currencies	
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	110,364	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	39,330	659,569

## Liquidity risk

This risk arises from the timing differences between borrowing requirements for business investment commitments, debt maturities, working capital requirements, etc. and the funds obtained from the conduct of the Group's ordinary operations, different forms of bank financing, capital market transactions 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 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 taken out totals EUR 1,430,300 thousand and the syndicated loan with Urbaser for EUR 506,300 thousand was refinanced until November 2014, as well as most of the financing of its investment in Iberdrola (as described in Note 10.01). At 31 December 2012, the liquidity risk related to Iberdrola relates exclusively to the derivatives indicated in the aforementioned Note, which may be settled in the long term. Accordingly, the Group obtained EUR 1,224.6 million after applying Royal Decree Law 04/2012 on financing payments to suppliers. These refinancing transactions ensure the liquidity of the ACS Group's operations.

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.

#### **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 2012 or 2011.

#### **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 exercise price of the remuneration systems, however, since the derivatives do not qualify for hedge accounting, their market value has an effect on the consolidated statement of income (positive in the case of an increase in share price and negative if this is not the case).

With regard to the Company's exposure to price fluctuations of the shares of Abertis, Hochtief, Iberdrola and ACS, in 2012 this risk with Abertis shares disappeared when the shares were sold and the exposure to this risk with Iberdrola decreased as a result of the partial divestment indicated in Note 10.01 and the other transactions mentioned in this Note. In the case of Hochtief, the exposure is mainly focused on the possible risk of impairment that fluctuations in the price of Hochtief shares entail (see Notes 04.01 and 28.03).

It should be indicated that changes in the price of the shares of listed companies, with regard to which the ACS Group has derivative instruments, financial investments, etc., will have an impact on the income statement thereof.

#### **Capital management**

The objectives of capital management at the ACS Group are to maintain an optimum financial and net worth structure to reduce the cost of capital and at the same time to safeguard the Group's ability to continue to operate with sufficiently sound debt/equity ratios.

The capital structure is controlled mainly through the debt/equity ratio, calculated as net financial debt divided by equity. Net financial debt is taken to be:

- + Net debt with recourse:
  - + 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 that the gearing ratio at 31 December 2012 and 2011 was adequate, the detail being as follows:

	Thousands of Euros	
	31/12/2012	31/12/2011
<b>Net recourse debt</b>	<b>3,569,529</b>	<b>3,368,692</b>
Non-current bank borrowings	4,261,541	2,883,347
Current bank borrowings	3,785,675	6,225,075
Issue of bonds and debentures	1,641,494	769,053
Other financial liabilities	476,826	652,616
Long term deposits, other current financial assets and cash	(6,596,007)	(7,161,399)
<b>Project financing</b>	<b>1,382,422</b>	<b>5,965,493</b>
<b>Equity</b>	<b>5,711,508</b>	<b>6,191,264</b>
Leverage	87%	151%
<b>Leverage to net recourse debt</b>	<b>62%</b>	<b>54%</b>

#### Estimate of fair value

The breakdown at 31 December 2012 and 2011 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 31/12/2012	Level 1	Level 2	Level 3
<b>Assets</b>	<b>1,900,558</b>	<b>866,874</b>	<b>958,611</b>	<b>75,073</b>
Equity instruments	615,367	348,926	191,368	75,073
Debt securities	805,480	517,948	287,532	-
Financial instrument receivables				
Non-current	470,697	-	470,697	-
Current	9,014	-	9,014	-
<b>Liabilities</b>	<b>618,228</b>	-	<b>618,228</b>	-
Financial instrument receivables				
Non-current	594,363	-	594,363	-
Current	23,865	-	23,865	-

	Thousands of Euros			
	Value at 31/12/2011	Level 1	Level 2	Level 3
<b>Assets</b>	<b>5,865,505</b>	<b>5,697,710</b>	<b>119,040</b>	<b>48,755</b>
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	-
<b>Liabilities</b>	<b>476,548</b>	-	<b>445,848</b>	<b>30,700</b>
Financial instrument receivables				
Non-current	421,705	-	421,705	-
Current	54,843	-	24,143	30,700

**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 has arranged various financial derivatives, most of which have non-current maturities.

Following is the detail, by maturity, of the notional amounts of the aforementioned hedging instruments at 31 December 2012 and 2011, based on the nature of the contracts:

2012	Thousands of Euros							
	Notional value	2013	2014	2015	2016	2017	Subsequent years	Net fair value
Interest rate	3,360,318	332,249	1,475,776	914,239	119,029	33,209	485,816	(134,413)
Exchange rate	502,207	411,121	68,099	2,476	20,511	-	-	(4,511)
Price	-	-	-	-	-	-	-	-
Non-qualified hedges	4,289,831	267,535	226,180	3,721,927	13,420	13,752	47,017	407
<b>TOTAL</b>	<b>8,152,356</b>	<b>1,010,905</b>	<b>1,770,055</b>	<b>4,638,642</b>	<b>152,960</b>	<b>46,961</b>	<b>532,833</b>	<b>(138,517)</b>

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)
<b>TOTAL</b>	<b>8,781,191</b>	<b>4,387,664</b>	<b>491,303</b>	<b>2,078,226</b>	<b>821,681</b>	<b>432,620</b>	<b>569,697</b>	<b>(438,436)</b>

The notional amount for non-current assets and liabilities held for sale relating to renewable energy and concession activities at 31 December 2012 was as follows:

	Thousands of Euros						
	Notional value	2013	2014	2015	2016	2017	Subsequent years
Interest rate	2,428,630	-	2,819	-	-	199,008	2,226,803

The notional amount for non-current assets and liabilities held for sale relating to renewable energy and concession activities at 31 December 2011 was as follows:

	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

The following table shows the fair value of the hedging instruments based on the nature of the contract, at 31 December 2012 and 2011 (in thousands of euros):

	2012		2011	
	Assets	Liabilities	Assets	Liabilities
Interest rate				
Cash flows	7	134,420	392	182,521
Non-efficient	-	-	-	-
Exchange rate	5,345	9,856	7,623	12,075
Price	-	-	-	111,845
Non-qualified hedges	474,359	473,952	30,097	170,107
<b>TOTAL</b>	<b>479,711</b>	<b>618,228</b>	<b>38,112</b>	<b>476,548</b>

The Group does not have any hedges of its foreign investments, since the foreign currency risk is hedged by the transactions performed in the local currency. Additionally, most significant foreign investments were made with long-term financing in which the interest rates on project financing debt are hedged.

#### **Cash flow hedges (interest rate)**

The purpose of using these derivatives is to limit changes in interest rates on its borrowings and to guarantee fixed interests rates, mainly by arranging interest rate swaps as the borrowings are arranged and used.

Most hedges are interest rate swaps that expire at the same time or slightly sooner than the underlying that they are hedging.

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 2012 and 31 December 2011 (see Notes 17 and 18).

In relation to syndicated loans, the following hedges were arranged:

- Syndicated loan of ACS, Actividades de Construcción y Servicios, S.A. for EUR 1,430,300 thousand. Various interest rate swaps amounting to EUR 1,058,000 thousand were arranged maturing between July 2014 and 2015.
- The syndicated financing of the Urbaser Group is hedged by interest rate swaps amounting to EUR 506,300 thousand, which mature in November 2014.
- The volume of interest rate hedging derivatives related to the financing of Hochtief A.G. amounted to EUR 614,893 thousand at 31 December 2012.

Noteworthy are the following hedges in relation to limited recourse project and debt financing:

- Coverage of the syndicated loan for the acquisition of Hochtief, A.G. (EUR 602,000 thousand) amounting to EUR 452,025 thousand, with final maturity in July 2014 through an interest rate swap.
- 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 2025, and interest rate swaps to hedge the financing of the wind powered facilities, which mature between 2019 and 2024.
- In the case of highway concessions, noteworthy are the interest rate hedges:
  - Autovia de La Mancha and Inversora de La Mancha has hedges amounting to EUR 134,109 thousand instrumented in an interest rate swap expiring in 2032.
  - Autovía del Pirineo has hedges amounting to EUR 121,600 million instrumented in an interest rate swap expiring in 2030.
  - Eix Diagonal has hedges amounting to EUR 199,008 million instrumented in an interest rate swap expiring in 2017.

#### **Cash flow hedges (exchange rate)**

The foreign currency risk relates mainly to projects in which payments and/or collections are made 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 364,870 thousand, which mature between 2013 and 2016.

In the case of Industrial Services, the most significant derivatives relate to exchange rate hedges for foreign projects for a nominal amount of EUR 47,108 thousand in 2012, which mature in 2013 (EUR 52,083 thousand in 2011 maturing between 2012 and 2014).

#### **Price hedges**

In 2011 the fair value of the price hedges amounted to EUR 111,845 thousand and related to Leighton's payment obligation with respect to an infrastructure project in Australia.

**Derivative instruments not classified as hedges**

The assets and liabilities relating to financial instruments not qualified as hedges include the fair value of the derivatives which do not meet hedging conditions. Noteworthy of mention within assets relating to financial instruments is the measurement at fair value of the call spread contracted in relation to the refinancing on Iberdrola, S.A. shares carried out in July 2012 (see Note 10.01) on an underlying amount of 597,286,512 Iberdrola shares. The market value at 2012 year-end gave rise to the recognition of an asset amounting to EUR 460,506 thousand. This effect, net of the cost of the paid premium, was recognised as income under "Changes in fair value of financial instruments" in the accompanying consolidated financial statements (see Note 28.05).

With regard to liabilities related to financial instruments the most significant at 31 December 2012 relates to the fair value of the equity swap on Iberdrola, S.A. shares. The fair value thereof at 31 December 2012 amounted to EUR 266,327 thousand. In addition, other liabilities relate to the derivative included in the outsourcing to a financial institution of the 2010 stock option plan amounting to EUR 95,092 thousand (EUR 80,249 thousand at 31 December 2011). The financial institution acquired these shares on the market for delivery to management who are beneficiaries of this Plan in accordance with the conditions included therein, at the exercise price of the option. The measurement of fair value of this instrument is included under "Changes in fair value of financial instruments" (see Note 28.05).

In the contract with the financial institution, the latter does not assume any risk relating to the drop in the market price of the share below the exercise price. The exercise price of the option for the 2010 plan is EUR 34.155 per share. Therefore, this risk relating to 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 put option in favour of the financial institution, 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. The risk of an increase in the share price is not assumed by either the financial institution or the Group, since, in this case, 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 shares.

At 31 December 2012, the ACS Group held other derivatives that did not qualify for hedge accounting, which included the measurement at fair value of the financial instruments that are settled by differences and whose negative market value amounted to EUR 93,513 thousand (EUR 47,605 thousand at 31 December 2011), thereby giving rise to a loss of EUR 45,908 thousand recognised under "Changes in fair value of financial instruments" (see Note 28.05).

At the end of December 2010, the ACS Group purchased 1.9% ownership interest in the share capital of Iberdrola, S.A. and was thereby granted all voting and dividend rights associated therewith. To finance this acquisition, the ACS Group structured the transaction by signing a prepaid forward share commitment with a financial institution, which matured in July 2012. This commitment can only be settled in cash and can be settled in part or in full at any time by the ACS Group. The related derivative is secured by the Iberdrola shares as the underlying assets. The measurement at fair value of this instrument gave rise to a loss for 2012 of EUR 42,660 thousand recognised under "Changes in fair value of financial instruments" in the consolidated income statement (see Note 28.05).

**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 2,814,255 thousand in 2012 (EUR 2,802,063 thousand in 2011) (see Note 12).

**Disclosures on deferred payments to suppliers Additional Provision Three. "Duty of Disclosure" of 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 2011, there were balances payable to suppliers that were past due by more than the legal maximum payment period at 31 December 2012 amounting to EUR 271,731 thousand (EUR 235,640 thousand at 31 December 2011).

This balance relates to Spanish consolidated group companies which, due to their nature, are trade payables to suppliers of goods and services and included under "Current liabilities" in the consolidated statement of financial position at 31 December 2012 and 2011. Amounts payable to non-current asset suppliers and finance lease payables are not included in this balance.



The legal 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 75 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 Law 15/2010 of 5 July:

	Thousands of Euros	%
Within maximum legal period	1,960,791	45%
Other	2,374,018	55%
<b>Total</b>	<b>4,334,809</b>	<b>100%</b>
<b>Weighted average days outstanding (PMPE)</b>	148 days	
Deferrals exceeding legal maximum limit at 31 December	271,731	

PMPE is understood to be the "Weighted average period past due", in other words, the ratio between the payments made to all suppliers in the year within a period exceeding the legal payment term and the number of days by which this deadline was exceeded, over the total amount of payments made in the year subsequent to the legal deadline.

#### 24. Other current liabilities

The detail of this heading at 31 December 2012 and 2011 is as follows:

	Thousands of Euros	
	Balance at 31/12/2012	Balance at 31/12/2011
Advance payments received	56,824	50,921
Payable to non-current asset suppliers	18,447	13,295
Interim dividend payable (Note 15.05)	-	283,198
Deposits and guarantees received	2,756	4,941
Other	197,094	251,642
<b>Total</b>	<b>275,121</b>	<b>603,997</b>

#### 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, A.G. 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. It should be noted that the debt arising from the acquisition of Hochtief was reclassified to the Corporation area at 31 December 2012.
- **Industrial Services.** This area engages in the provision of applied engineering services and the installation and maintenance of industrial infrastructure in the energy, communications and control systems industries.
- **Environment.** This segment groups together environmental services such as street 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 the outsourcing of integral building maintenance activities (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 the main investments in activities in Iberdrola, S.A. and Xfera Mviles, S.A.

**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 various 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 information for these businesses is presented below:

**25.02.01. Income statement by business segment: 2012**

	Thousands of Euros				
	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
<b>REVENUE</b>	<b>29,682,756</b>	<b>1,690,799</b>	<b>7,050,012</b>	<b>(27,389)</b>	<b>38,396,178</b>
Changes in inventories of finished goods and work in progress	83,009	1,037	(342)	-	83,704
Capitalised expenses of in-house work on assets	5,087	20,372	122	-	25,581
Procurements	(19,612,238)	(455,635)	(3,878,645)	28,005	(23,918,513)
Other operating income	359,572	52,268	3,155	(11,311)	403,684
Staff costs	(6,498,197)	(790,895)	(1,360,651)	(30,812)	(8,680,555)
Other operating expenses	(2,045,387)	(287,089)	(915,399)	(17,532)	(3,265,407)
Depreciation and amortisation charge	(1,290,238)	(128,177)	(49,020)	(1,437)	(1,468,872)
Allocation of grants relating to non-financial assets and other	185	3,264	101	-	3,550
Impairment and gains on the disposal of non-current assets	71,106	(1,577)	(32,616)	-	36,913
Other profit or loss	506	1,753	2,097	(29,122)	(24,766)
<b>OPERATING INCOME</b>	<b>756,161</b>	<b>106,120</b>	<b>818,814</b>	<b>(89,598)</b>	<b>1,591,497</b>
Finance income	227,998	27,800	95,094	156,961	507,853
Finance costs	(468,026)	(134,055)	(273,706)	(413,998)	(1,289,785)
Changes in the fair value of financial instruments	(45,138)	(47)	-	150,661	105,476
Exchange differences	(10,970)	(600)	11,812	(23)	219
Impairment and gains on the disposal of non-current assets	179,914	22,506	(7,536)	(3,964,816)	(3,769,932)
<b>FINANCIAL PROFIT /LOSS</b>	<b>(116,222)</b>	<b>(84,396)</b>	<b>(174,336)</b>	<b>(4,071,215)</b>	<b>(4,446,169)</b>
Results of companies accounted for using the equity method	264,087	26,781	4,073	44,412	339,353
<b>PROFIT BEFORE TAX</b>	<b>904,026</b>	<b>48,505</b>	<b>648,551</b>	<b>(4,116,401)</b>	<b>(2,515,319)</b>
Corporate income tax	(183,686)	(8,483)	(183,320)	1,378,593	1,003,104
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>720,340</b>	<b>40,022</b>	<b>465,231</b>	<b>(2,737,808)</b>	<b>(1,512,215)</b>
Profit after tax from discontinued operations	-	157,465	-	(50,000)	107,465
<b>PROFIT FOR THE YEAR</b>	<b>720,340</b>	<b>197,487</b>	<b>465,231</b>	<b>(2,787,808)</b>	<b>(1,404,750)</b>
Profit attributed to non-controlling interests	(471,054)	(1,040)	(49,558)	(25)	(521,677)
Profit from discontinued operations attributed to non-controlling interests	-	(11)	-	-	(11)
<b>PROFIT ATTRIBUTABLE TO THE PARENT</b>	<b>249,286</b>	<b>196,436</b>	<b>415,673</b>	<b>(2,787,833)</b>	<b>(1,926,438)</b>

**25.02.02. Income statement by business segment: 2011**

	Thousands of Euros				
	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
<b>REVENUE</b>	<b>19,801,527</b>	<b>1,685,710</b>	<b>7,045,007</b>	<b>(60,361)</b>	<b>28,471,883</b>
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	(1,506,873)	(270,428)	(631,455)	(10,902)	(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
<b>OPERATING INCOME</b>	<b>501,058</b>	<b>112,045</b>	<b>795,415</b>	<b>(34,367)</b>	<b>1,374,151</b>
Finance income	145,801	43,648	130,703	200,903	521,055
Finance costs	(313,270)	(102,557)	(313,883)	(486,804)	(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
<b>FINANCIAL PROFIT /LOSS</b>	<b>(2,224)</b>	<b>(6,370)</b>	<b>(80,205)</b>	<b>(359,920)</b>	<b>(448,719)</b>
Results of companies accounted for using the equity method	247,556	12,343	18,702	39,868	318,469
<b>PROFIT BEFORE TAX</b>	<b>746,390</b>	<b>118,018</b>	<b>733,912</b>	<b>(354,419)</b>	<b>1,243,901</b>
Corporate income tax	(217,822)	(30,995)	(204,549)	272,146	(181,220)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>528,568</b>	<b>87,023</b>	<b>529,363</b>	<b>(82,273)</b>	<b>1,062,681</b>
Profit after tax from discontinued operations	-	45,690	-	-	45,690
<b>PROFIT FOR THE YEAR</b>	<b>528,568</b>	<b>132,713</b>	<b>529,363</b>	<b>(82,273)</b>	<b>1,108,371</b>
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
<b>PROFIT ATTRIBUTABLE TO THE PARENT</b>	<b>424,408</b>	<b>128,211</b>	<b>491,594</b>	<b>(82,273)</b>	<b>961,940</b>

## 25.02.03. Statement of financial position by business segment: 2012

ASSETS	Thousands of Euros				
	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
<b>NON-CURRENT ASSETS</b>	<b>9,700,079</b>	<b>2,123,766</b>	<b>787,360</b>	<b>2,561,542</b>	<b>15,172,747</b>
Intangible assets	3,690,050	465,741	109,276	275,118	4,540,185
Goodwill	2,123,602	84,358	76,748	275,114	2,559,822
Other intangible assets	1,566,448	381,383	32,528	4	1,980,363
Tangible assets-property, plant and equipment / Property investments	2,388,569	422,338	201,868	9,288	3,022,063
Non-current assets in projects	270,401	326,529	132,963	-	729,893
Non-current financial assets	2,277,773	840,155	293,213	531,664	3,942,805
Other current assets	1,073,286	69,003	50,040	1,745,472	2,937,801
<b>CURRENT ASSETS</b>	<b>17,022,775</b>	<b>1,402,499</b>	<b>9,670,263</b>	<b>(1,704,908)</b>	<b>26,390,629</b>
Inventories	1,727,446	42,638	157,818	(7,787)	1,920,115
Trade and other receivables	7,178,049	628,628	3,672,115	(64,306)	11,414,486
Other current financial assets	1,822,044	437,173	1,104,902	(1,658,670)	1,705,449
Derivative financial instruments	5,225	-	-	3,789	9,014
Other current assets	172,602	8,925	28,303	2,408	212,238
Cash and cash equivalents	3,320,216	170,397	1,017,565	19,658	4,527,836
Non-current assets held for sale	2,797,193	114,738	3,689,560	-	6,601,491
<b>TOTAL ASSETS</b>	<b>26,722,854</b>	<b>3,526,265</b>	<b>10,457,623</b>	<b>856,634</b>	<b>41,563,376</b>

EQUITY AND LIABILITIES	Thousands of Euros				
	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
<b>EQUITY</b>	<b>6,059,283</b>	<b>1,236,404</b>	<b>917,864</b>	<b>(2,502,043)</b>	<b>5,711,508</b>
Equity attributed to the Parent	3,169,721	1,193,047	795,623	(2,501,873)	2,656,518
Non-controlling interests	2,889,562	43,357	122,241	(170)	3,054,990
<b>NON-CURRENT LIABILITIES</b>	<b>6,013,416</b>	<b>1,109,075</b>	<b>423,679</b>	<b>3,370,830</b>	<b>10,917,000</b>
Grants	1,957	50,001	2,257	-	54,215
Non-current financial liabilities	3,357,727	749,243	164,606	2,685,007	6,956,583
Bank borrowings, debt instruments and other marketable securities	2,993,646	567,781	87,872	2,096,066	5,745,365
Limited recourse project financing	279,794	181,462	52,960	589,631	1,103,847
Other financial liabilities	84,287	-	23,774	(690)	107,371
Derivative financial instruments	63,054	35,688	10,658	484,963	594,363
Other non-current liabilities	2,590,678	274,143	246,158	200,860	3,311,839
<b>CURRENT LIABILITIES</b>	<b>14,650,155</b>	<b>1,180,786</b>	<b>9,116,080</b>	<b>(12,153)</b>	<b>24,934,868</b>
Current financial liabilities	3,108,309	564,346	706,296	212,424	4,591,375
Bank borrowings, debt instruments and other marketable securities	2,190,470	359,071	686,409	707,395	3,943,345
Limited recourse project financing and debt	243,902	12,880	9,717	12,076	278,575
Other financial liabilities	673,937	192,395	10,170	(507,047)	369,455
Derivative financial instruments	23,331	6	528	-	23,865
Trade and other payables	9,353,035	518,177	4,965,430	(95,028)	14,741,614
Other current liabilities	1,226,097	54,357	337,829	(129,549)	1,488,734
Liabilities relating to non-current assets held for sale	939,383	43,900	3,105,997	-	4,089,280
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26,722,854</b>	<b>3,526,265</b>	<b>10,457,623</b>	<b>856,634</b>	<b>41,563,376</b>

## 25.02.04. Statement of financial position by business segment: 2011

ASSETS	Thousands of Euros				
	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
<b>NON-CURRENT ASSETS</b>	<b>9,319,466</b>	<b>2,092,248</b>	<b>709,875</b>	<b>7,918,080</b>	<b>20,039,669</b>
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	1,172,259	787,674	237,501	6,723,999	8,921,433
Other current assets	1,121,122	28,729	48,963	908,249	2,107,063
<b>CURRENT ASSETS</b>	<b>16,041,480</b>	<b>1,975,432</b>	<b>9,812,318</b>	<b>118,711</b>	<b>27,947,941</b>
Inventories	1,610,871	47,688	123,925	(7,770)	1,774,714
Trade and other receivables	6,890,248	835,201	3,049,980	(71,936)	10,703,493
Other current financial assets	1,524,798	424,133	862,286	195,005	3,006,222
Derivative financial instruments	-	-	-	-	-
Other current assets	186,110	8,738	24,137	2,293	221,278
Cash and cash equivalents	3,253,505	89,056	811,497	1,119	4,155,177
Non-current assets held for sale	2,575,948	570,616	4,940,493	-	8,087,057
<b>TOTAL ASSETS</b>	<b>25,360,946</b>	<b>4,067,680</b>	<b>10,522,193</b>	<b>8,036,791</b>	<b>47,987,610</b>

EQUITY AND LIABILITIES	Thousands of Euros				
	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
<b>EQUITY</b>	<b>4,691,431</b>	<b>1,118,107</b>	<b>957,394</b>	<b>(575,668)</b>	<b>6,191,264</b>
Equity attributed to the Parent	1,977,575	1,067,402	849,621	(575,516)	3,319,082
Non-controlling interests	2,713,856	50,705	107,773	(152)	2,872,182
<b>NON-CURRENT LIABILITIES</b>	<b>6,032,177</b>	<b>580,929</b>	<b>457,058</b>	<b>6,406,389</b>	<b>13,476,553</b>
Grants	1,474	53,724	2,934	-	58,132
Non-current financial liabilities	3,023,650	277,434	238,660	6,064,561	9,604,305
Bank borrowings, debt instruments and other marketable securities	2,792,917	107,084	175,046	530,932	3,605,979
Limited recourse project financing	148,717	170,350	35,365	5,533,629	5,888,061
Other financial liabilities	82,016	-	28,249	-	110,265
Derivative financial instruments	189,694	17,463	11,056	203,492	421,705
Other non-current liabilities	2,817,359	232,308	204,408	138,336	3,392,411
<b>CURRENT LIABILITIES</b>	<b>14,637,338</b>	<b>2,368,644</b>	<b>9,107,741</b>	<b>2,206,070</b>	<b>28,319,793</b>
Current financial liabilities	2,582,101	1,359,321	603,157	2,346,700	6,891,279
Bank borrowings, debt instruments and other marketable securities	1,813,208	1,179,216	584,277	2,694,796	6,271,497
Limited recourse project financing and debt	6,904	23,979	9,836	36,713	77,432
Other financial liabilities	761,989	156,126	9,044	(384,809)	542,350
Derivative financial instruments	-	-	-	-	-
Trade and other payables	9,649,142	560,225	4,559,939	(208,611)	14,560,695
Other current liabilities	1,458,088	72,487	273,922	67,981	1,872,478
Liabilities relating to non-current assets held for sale	948,007	376,611	3,670,723	-	4,995,341
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,360,946</b>	<b>4,067,680</b>	<b>10,522,193</b>	<b>8,036,791</b>	<b>47,987,610</b>

The detail of revenue from Construction is as follows:

	Thousands of Euros	
	2012	2011
<b>Spain</b>	<b>1,810,091</b>	<b>2,943,330</b>
Dragados	1,720,580	2,879,991
Hochtief	25	155
Concessions	89,486	63,184
<b>International</b>	<b>27,872,665</b>	<b>16,858,197</b>
Dragados	2,318,350	1,920,420
Hochtief	25,527,697	14,881,650
Concessions	26,618	56,127
<b>Total</b>	<b>29,682,756</b>	<b>19,801,527</b>

The detail of revenue from Industrial Services is as follows:

	Thousands of Euros	
	2012	2011
Networks	769,351	841,304
Specialised products	2,420,780	2,523,942
EPC projects	2,688,605	2,342,248
Control systems	856,327	1,022,853
Renewable energy: generation	374,266	373,368
Eliminations	(59,317)	(58,708)
<b>Total</b>	<b>7,050,012</b>	<b>7,045,007</b>

In 2012 total revenue from Industrial Services amounted to EUR 4,111,801 thousand, relating to international operations, and represented 58.3% (EUR 3,382,652 thousand representing 48.0% in 2011).

The detail of revenue from the Environment area is as follows:

	Thousands of Euros	
	2012	2011
Environment	1,523,919	1,512,458
Integral services	166,880	173,252
<b>Total</b>	<b>1,690,799</b>	<b>1,685,710</b>

In 2012 total revenue from the Environment area amounted to EUR 436,650 thousand, relating to international operations, and represented 25.8% (EUR 408,182 thousand representing 24.2% in 2011).

Revenue is allocated on the basis of the geographical distribution of clients.

The reconciliation of revenue, by segment, to consolidated revenue at 31 December 2012 and 2011 is as follows:

Segments	Thousands of Euros					
	31/12/2012			31/12/2011		
	External income	Inter-segment income	Total income	External income	Inter-segment income	Total income
Construction	29,672,154	10,602	<b>29,682,756</b>	19,790,819	10,708	<b>19,801,527</b>
Environment	1,690,167	632	<b>1,690,799</b>	1,681,075	4,635	<b>1,685,710</b>
Industrial Services	7,033,857	16,155	<b>7,050,012</b>	6,999,989	45,018	<b>7,045,007</b>
(-) Adjustments and eliminations of ordinary inter-segment income	-	(27,389)	<b>(27,389)</b>	-	(60,361)	<b>(60,361)</b>
<b>Total</b>	<b>38,396,178</b>	-	<b>38,396,178</b>	<b>28,471,883</b>	-	<b>28,471,883</b>

Inter-segment sales are made on an arm's length basis at market prices.

The reconciliation of the profit/loss, by business, with consolidated profit/loss before taxes at 31 December 2012 and 2011 is as follows:

	Thousands of Euros	
	31/12/2012	31/12/2011
<b>Segments</b>		
Construction	720,340	528,568
Environment	197,487	132,713
Industrial Services	465,231	529,363
<b>Total profit of the segments reported upon</b>	<b>1,383,058</b>	<b>1,190,644</b>
(+/-) Non-assigned profit	(2,787,819)	(82,176)
(+/-) Elimination of internal profit (between segments)	-	-
(+/-) Other profits (loss)	-	-
(+/-) Income tax and /or profit (loss) from discontinued operations	(1,110,558)	135,433
<b>Profit/(Loss) before tax</b>	<b>(2,515,319)</b>	<b>1,243,901</b>

Revenue, by geographical area, at 31 December 2012 and 2011 was as follows:

Net amount of turnover by Geographical Area	Thousands of Euros	
	31/12/2012	31/12/2011
Domestic market	5,975,062	7,822,852
Foreign market	32,421,116	20,649,031
a) European Union	4,234,636	3,265,180
b) O.E.C.D countries	23,276,437	13,861,025
c) Rest of countries	4,910,043	3,522,826
<b>Total</b>	<b>38,396,178</b>	<b>28,471,883</b>

The following table shows the detail, by geographical area, of certain of the Group's consolidated balances:

	Thousands of Euros		Thousands of Euros	
	Spain		Rest of the world	
	2012	2011	2012	2011
Revenue	5,975,062	7,822,852	32,421,116	20,649,031
Segment assets	15,952,695	25,953,620	25,610,681	22,033,990
Total net investments	(3,445,163)	523,422	1,160,039	2,378,437

The assets at 31 December 2012, by geographical area, are as follows:

	Thousands of Euros
	31/12/2012
<b>Europe</b>	<b>22,220,151</b>
Spain	15,952,695
Germany	3,946,036
Rest of Europe	2,321,420
<b>Rest of geographic areas</b>	<b>19,343,225</b>
Americas	7,590,082
Asia	6,260,526
Australia	5,392,491
Africa	100,126
<b>TOTAL</b>	<b>41,563,376</b>

The additions to non-current assets, by line of business, were as follows:

	Thousands of Euros	
	2012	2011
Construction	1,360,099	1,365,396
Environment	95,046	92,052
Industrial Services	78,654	1,148,096
Corporate unit and adjustments	10	7
<b>Total</b>	<b>1,533,809</b>	<b>2,605,551</b>

## 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, either individually or with groups of companies.

### 26.02. Tax Audit

In 2012 there was no inspection by the tax authorities with a significant effect.

An audit on the years 2006 to 2012 is still pending in relation to consolidated income tax for the Tax Group 30/99. Other companies and taxes are still pending in accordance with the periods established by the related regulations.

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	
	2012	2011
Consolidated profit before tax	(2,515,319)	1,243,901
Net profit from equity accounted investments	(339,353)	(318,469)
Permanent differences	53,429	324,690
Taxable profit	(2,801,243)	1,250,122
Tax at 30%	(840,373)	375,037
Tax credits and tax relief	(179,517)	(243,241)
Effect of different standard tax rate in other countries	8,941	14,167
Current tax income expense	(1,010,949)	145,963
Effective rate, excluding equity method	34.16%	15.77%

The permanent differences in 2012 are due to various items which, in accordance with applicable legislation, are not deductible for tax purposes. 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 2012 tax credits relate to the elimination of the double taxation of dividends (in particular those received from Iberdrola) and gains totalling EUR 143,774 thousand (EUR 110,330 thousand in 2011), as well as tax incentives amounting to EUR 35,743 thousand (EUR 132,911 thousand in 2011) mainly in connection with R&D (and profit reinvestment in 2011), which, for the most part, were obtained by companies not residing in Spain in both years.



**26.04. Detail of income tax expense**

The detail of the income tax expense is as follows:

	Thousands of Euros	
	2012	2011
Current income tax expense (Note 26.03)	(1,010,949)	145,963
Expense/(income) relating to adjustments to prior year's tax	(5,474)	(5,354)
(Income) arising from the application of prior year's deferred tax assets	(26,674)	(606)
Expense arising from deferred tax assets generated in the year and not capitalised	68,233	33,999
Expense / (Income) other adjustments to tax for the year	(28,240)	7,218
<b>Final balance of the corporation tax expense</b>	<b>(1,003,104)</b>	<b>181,220</b>

The expenses relating to the deferred tax assets generated in the year and not recognised are a result mainly of the decision, in accordance with the principle of prudence, not to recognise the tax assets associated to tax losses incurred by the Group companies whose registered office is in Germany.

**26.05. Tax recognised in equity**

In addition to the tax effects recognised in the consolidated income statement, in 2012 a charge of EUR 715,337 thousand was recognised directly in the Group's equity (a credit of EUR 379,361 thousand in 2011). These amounts relate to tax effects due to adjustments of assets available for sale, with a charge of EUR 773,852 thousand in 2012 (a credit of EUR 261,205 thousand in 2011), the cash flow derivatives, with a credit of EUR 16,764 thousand in 2012 (EUR 92,755 thousand in 2011), and actuarial losses, with a credit of EUR 41,751 thousand in 2012 (EUR 25,401 thousand in 2011).

**26.06. Deferred taxes**

The detail of the main deferred tax assets and liabilities recognised by the Group and of the changes therein in 2012 and 2011 is as follows:

	Thousands of Euros								Balance at 31 December 2012
	Balance at 31 December 2011	Current movement in the year	Charge/credit to equity				Business combinations		
			Actuarial gains and losses	Charge/credit to asset and liability revaluation reserve	Available-for-sale financial assets	Other	Period acquisitions	Period disposals	
<b>Assets</b>									
-Temporary differences	1,784,832	9,335	41,751	2,606	(558,310)	(2,882)	39,250	(8,601)	1,307,981
-Tax losses	107,448	709,281	-	-	-	(7,815)	-	(448)	808,466
-Tax credits	191,044	159,613	-	-	-	-	-	-	350,657
<b>Liabilities</b>									
-Temporary differences	1,174,599	81,122	-	32	(15,110)	(7,370)	-	(774)	1,232,499

	Thousands of Euros								Balance at 31 December 2011
	Balance at 31 December 2010	Current movement in the year	Charge/credit to equity				Business combinations		
			Actuarial gains and losses	Charge/credit to asset and liability revaluation reserve	Available-for-sale financial assets	Other	Period acquisitions	Period disposals	
<b>Assets</b>									
-Temporary differences	656,296	(264,765)	25,401	17,113	325,097	(6,639)	1,046,361	(14,032)	1,784,832
-Tax losses	30,436	58,383	-	59	(4,140)	(238)	23,437	(489)	107,448
-Tax credits	137,223	49,307	-	-	-	4,709	-	(195)	191,044
<b>Liabilities</b>									
-Temporary differences	270,835	(70,310)	-	(1,335)	(7,618)	(6,041)	990,455	(1,387)	1,174,599

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	
	31/12/2012	31/12/2011
<b>Deferred tax assets arising from:</b>		
Asset valuation adjustments and impairment losses	193,207	684,615
Other provisions	279,450	297,679
Pension costs	153,880	118,352
Income with different tax and accounting accruals	70,336	82,007
Business combinations	205,482	323,062
Financial expenses not deductible	129,570	-
Other	276,056	279,117
<b>Total</b>	<b>1,307,981</b>	<b>1,784,832</b>
<b>Deferred tax liabilities arising from:</b>		
Assets recognised at an amount higher than their tax base	642,709	722,978
Income with different tax and accounting accrual	28,912	34,059
Other	560,878	417,562
<b>Total</b>	<b>1,232,499</b>	<b>1,174,599</b>

The main changes recognised in 2012 regarding tax assets consist of the generation of the tax loss carryforward for EUR 707,173 thousand, linked to the consolidated tax loss of the ACS tax group in Spain estimated for 2012, which expire in eighteen years. These tax loss carryforwards, which arose mainly as a result of impairment losses and unrealised losses arising from the investment in Iberdrola, S.A., did not exist in 2011, the year in which the tax effect of the valuation adjustments of Iberdrola were included for the most part as deferred tax assets for temporary differences recognised at 31 December 2011 amounting to EUR 577,365 thousand, which also impacts the decrease recognised under assets for temporary differences.

Since a tax loss was generated, the tax credits of the consolidated tax could not be applied in that year and, therefore, may be applied in subsequent years, which caused an increase in tax assets due to tax credits. Tax credits for double taxation expire in seven years and tax credits relating to incentives expire between fifteen and eighteen years.

With regard to deferred tax assets generated as a result of temporary differences, the only item for which tax legislation considers a specific expiry period is that of non-deductible finance costs arising from the application of the new income tax regulation in Spain, which limits the deductibility of these costs to 30% of the operating profit, thereby allowing adjustments for excess to be offset by the differences to the contrary generated over the following eighteen years.

The deferred tax assets indicated in this Note were recognised in the consolidated statement of financial position because the Group's directors considered that, based on their best estimate of the Group's future earnings, it is probable that these assets will be recovered.

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 970,282 thousand (EUR 833,521 thousand in 2011), and to municipal taxes amounting to EUR 1,229,886 thousand (EUR 1,044,718 thousand in 2011) 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	
	2012	2011
Construction	29,682,756	19,801,527
Industrial Services	7,050,012	7,045,007
Environment	1,690,799	1,685,710
Corporate unit and other	(27,389)	(60,361)
<b>Total</b>	<b>38,396,178</b>	<b>28,471,883</b>

In 2012 foreign currency transactions relating to sales and services amounted to EUR 28,006,322 thousand (EUR 16,552,597 thousand in 2011) and those relating to purchases and services received amounted to EUR 19,569,347 thousand (EUR 11,255,473 thousand in 2011).

The distribution of revenue relating to the Group's ordinary operations, by the main countries where it operates, is as follows:

Net Revenue by Geographical Area	Thousands of Euros	
	31/12/2012	31/12/2011
Australia	12,494,377	7,291,262
United States	8,250,834	4,919,673
Spain	5,975,062	7,822,852
Germany	1,916,208	1,392,950
Mexico	1,305,731	1,094,552
Indonesia	1,015,674	603,707
Canada	935,953	308,701
United Arab Emirates	925,054	313,845
Poland	722,052	602,098
Brazil	539,630	398,476
China	504,625	485,378
United Kingdom	487,734	207,211
Portugal	337,137	424,877
Other	2,986,107	2,606,301
<b>Total</b>	<b>38,396,178</b>	<b>28,471,883</b>

The backlog by line of business at 31 December 2012 and 2011 was as follows:

	Thousands of Euros	
	2012	2011
Construction	49,264,770	50,335,869
Industrial Services	7,160,659	6,874,688
Environment	9,200,577	8,940,593
<b>Total</b>	<b>65,626,006</b>	<b>66,151,150</b>

Capitalised expenses amounting to EUR 25,581 thousand (EUR 17,494 thousand in 2011), relating mainly to in-house work on property, plant and equipment and intangible assets, were recognised under "In-house work on non-current assets" in the consolidated income statement in 2012.

"Other operating income" includes mainly the amounts billed to joint ventures in the Construction area and to grants related to income received by the Group.

**28. Expenses****28.01. Procurements**

The detail of the balance of this heading is as follows:

	Thousands of Euros	
	2012	2011
Cost of merchandise	1,569,340	1,548,529
Cost of raw materials and other consumables used	18,277,139	11,478,192
Contract work carried out by other companies	4,072,355	4,740,767
Impairment of merchandise, raw material and procurements	(320)	(4)
<b>Total</b>	<b>23,918,513</b>	<b>17,767,484</b>

**28.02. Staff costs**

The detail of "Staff costs" is as follows:

	Thousands of Euros	
	2012	2011
Wages and salaries	7,447,514	5,323,300
Social security costs	841,482	774,087
Other staff costs	385,603	218,910
Provisions	5,956	2,224
<b>Total</b>	<b>8,680,555</b>	<b>6,318,521</b>

Staff costs amounting to EUR 8,709 thousand in 2012 and 2011 relating to the ACS, Actividades de Construcción y Servicios, S.A. share option plans were charged to profit and loss and are recognised under "Wages and salaries".

The average number of employees at Group companies in 2012 was 164,342 (164,923 employees in 2011). In calculation the Group's average workforce in 2012, the average number of employees of the Hochtief Group was taking into considering during this same period, without a weighting coefficient being applied.

The detail of the average number of employees, by professional category and gender, is as follows:

Category	Average number of employees					
	31/12/2012			31/12/2011		
	Men	Women	TOTAL	Men	Women	TOTAL
University graduates	24,280	6,308	<b>30,588</b>	21,538	5,985	<b>27,523</b>
Junior college graduates	5,820	1,677	<b>7,497</b>	7,355	2,043	<b>9,398</b>
Non-graduate line personnel	10,727	1,415	<b>12,142</b>	17,111	2,843	<b>19,954</b>
Clerical personnel	3,462	6,354	<b>9,816</b>	4,259	5,128	<b>9,387</b>
Other employees	96,047	8,252	<b>104,299</b>	91,177	7,484	<b>98,661</b>
<b>Total</b>	<b>140,336</b>	<b>24,006</b>	<b>164,342</b>	<b>141,440</b>	<b>23,483</b>	<b>164,923</b>

The distribution of the average number of employees, by line of business, was as follows:

	Number of employees	
	2012	2011
Construction	94,357	91,957
Industrial Services	40,276	42,044
Environment	29,654	30,865
Corporate Unit and Other	55	57
<b>Total</b>	<b>164,342</b>	<b>164,923</b>

**28.03. Share-based payment systems**

The share options relating to the 2005 Plan (extension of 2004 Plan), have an exercise price of EUR 24.10 per share. All 3,918,525 share options of the 2005 Plan were exercised in 2011 with an average weighted market price for the beneficiaries of EUR 34.06 per share. The 2005 Plan was executed in full in 2012.

Additionally, at its meeting held on 27 May 2010, the Executive Committee agreed to set up a share option plan, in keeping with the resolution adopted by the shareholders at the General Shareholders' 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:	6,203,454 shares
Beneficiaries:	57 executives: 1 executive with 936,430 shares, 4 executives with between 752,320 and 351,160 shares; 8 executives with 92,940 shares; 16 executives with 69,708 shares and 28 executives with 46,472 shares
Acquisition price:	EUR 34.155 per share.

The options may be exercised in two equal parts, cumulative if the beneficiary so wishes, during the fourth and fifth years after 1 May 2010, inclusive. However, in the case of an employee is terminated without just cause or if it is the beneficiary's own will, the options may be exercised six months following the event in question in the cases of death, retirement, early retirement or permanent disability, and after 30 days in all other cases. Tax withholdings and the taxes to be paid as a result of exercising the share options will be borne exclusively by the beneficiaries. The method for exercising the option is settled through equity instruments. No options relating to this plan were exercised in 2012 or 2011.

The commitments arising from this plan are hedged through a financial institution (see Note 22).

The stock market price of ACS shares at 31 December 2012 and 2011 was EUR 19.040 and EUR 22.900 per share, respectively.

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 share option plans form part of the remuneration system for senior executives of Hochtief, and long-term incentive plans. The total amount provisioned for these share-based payment plans amounted to EUR 21,456 thousand at 31 December 2012 (EUR 37,208 thousand at 31 December 2011). The effect on the consolidated statement of income for 2012 in this connection 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.

**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	
	2012	2011
Lease payments under operating leases recognised in profit for the year	751,695	614,071

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	
	2012	2011
Within one year	345,820	393,992
Between two and five years	730,924	838,358
Over five years	132,500	237,260

The Group does not have any material operating leases as a 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 is the market value of the derivative financial instruments held at year-end in relation to Iberdrola shares, which generated a gain of EUR 232,333 thousand (see Note 10.01). Accordingly, losses were incurred in 2012 mainly as a result of the valuation of the derivative of the 2010 ACS share option plan and the market value of certain derivatives (see Note 22) amounting to EUR 60,751 thousand (EUR 78,112 thousand in 2011).

**28.06. Finance income**

At 31 December 2012, finance income included, among other items, the dividends from Iberdrola, S.A. which amounted to EUR 223,435 thousand. At 31 December 2012, the dividends from Iberdrola, S.A. amounting to EUR 373,099 thousand, less the adjustment made amounting to EUR 179,657 thousand, on the basis of the policy of prudence, to neutralise the net contribution of this company to profit or loss for the year.

**29. Impairment and gains or losses on the disposal of financial instruments**

This heading of the accompanying consolidated financial statements for 2012 includes the losses incurred in relation to the sale of the 3.69% share capital of Iberdrola, the impairment losses on the 1.22% ownership interest, and the additional losses as a result of the Residencial Monte Carmelo, S.A. transactions and the equity swap of Iberdrola, the transactions of which are described in Note 10.01. It is also noteworthy of mention that in 2012 the gains on the sale of the 10.28% holding of Abertis Infraestructuras, S.A. amounted to EUR 196,699 thousand.

In 2011, this heading included the capital gains arising from the sale of certain concessions such as the Vespucio Norte Express highway and the San Cristobal tunnel 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. This heading also includes the provisions made in relation to certain concession assets amounting to EUR 57,200 thousand.

**30. Distribution of profit**

The proposed allocation of loss for 2012 that the Company's directors will submit for approval by the shareholders at the General Shareholders' Meeting consists of offsetting the loss for the year with a charge to future profits.

In addition to the foregoing, at the date of the call notice of the General Shareholders' 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. 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 bonus issue right for each share of ACS, Actividades de Construcción y Servicios, S.A. The rights received would be traded on the Madrid, Barcelona, Bilbao and Valencia stock markets. 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 bonus issue rights on the market or sell them to the company at a specific price calculated using an established formula.

**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:

	31/12/2012	31/12/2011	Change (%)
Net profit for the period (thousands of Euros)	(1,926,438)	961,940	(300.27)
Weighted average number of shares outstanding	291,343,082	296,612,696	(1.78)
<b>Basic earnings per share (Euros)</b>	<b>(6.61)</b>	<b>3.24</b>	<b>(304.01)</b>
Profit after tax and non-controlling interests from discontinued operations (Thousands of Euros)	107,454	45,787	134.68
<b>Basic earnings per share from discontinued operations (Euros)</b>	<b>0.37</b>	<b>0.15</b>	<b>146.67</b>
<b>Basic earnings per share from continuing operations (Euros)</b>	<b>(6.98)</b>	<b>3.09</b>	<b>(325.89)</b>

**31.02. Diluted earnings per share**

The diluted earnings per share were the same as basic earnings per share. At 31 December 2012 and 2011, 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 23 January 2013, the ACS Group definitively sold a total of 20,200,000 treasury shares to three entities at a price which was the weighted average of the share price at 2:00 pm on the same day less 3%, which gave rise to a unit price of EUR 17.83 and a total amount of EUR 360,166,000 (see Note 15.04). In addition, the Group entered into a derivative contract for the same number of ACS shares, payable only in cash and within a period of two years that may be extended for a further year.

On 14 March 2013, Hochtief, A.G. issued a corporate bond amounting to EUR 750 million maturing in seven years and with an annual coupon of 3.875%.

On 21 March 2013, in using the authorisation granted by the shareholders at the Annual General Meeting held on 25 May 2009 and in executing the resolution of the Board of Directors of 8 November 2012, ACS, Actividades de Construcción y Servicios, S.A. formally executed the Euro Commercial Paper (ECP) programme for a maximum of EUR 500 million, which was subscribed by the Irish Stock Exchange. By means of this programme, ACS will be able to issue promissory notes maturing between 1 and 364 days, thereby enabling it to diversify its means of obtaining financing on capital markets.

**33. Related party balances and transactions**

Transactions between the Parent and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note. Transactions between the Group and its associates are disclosed 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	
	2012	2011
Sale of goods and services	101,340	138,850
Purchase of goods and services	8,868	8,618
Accounts receivable	1,585,106	1,547,115
Accounts payable	489,960	643,656

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 2012 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.

**Transactions between individuals, companies or Group entities related to Group shareholders or directors**

The transactions performed in 2012 were as follows (in thousands of euros):

2012 Related transactions	Significant shareholders		Directors and managers	Other related parties							Total	
	Grupo Iberostar	Total	Total	Fidalsar, S.L.	Rosán Inversiones, S.L.	Terratest Técnicas Especiales, S.A.	Indra	Zardoya Otis, S.A.	March-JLT, S.A.	Total		
Management or cooperation agreements	-	-	-	-	-	3,211	-	-	-	-	3,211	3,211
Leases	-	-	-	182	-	-	-	-	-	-	182	182
Reception of services	-	-	-	66	-	1,092	2,756	1,113	-	-	5,027	5,027
Other expenses	-	-	-	-	-	-	-	-	41,806	-	41,806	41,806
<b>Expenses</b>	-	-	-	<b>248</b>	-	<b>4,303</b>	<b>2,756</b>	<b>1,113</b>	<b>41,806</b>	-	<b>50,226</b>	<b>50,226</b>
Provision of services	538	538	97	-	276	-	2,130	5	-	-	2,411	3,046
<b>Revenue</b>	<b>538</b>	<b>538</b>	<b>97</b>	-	<b>276</b>	-	<b>2,130</b>	<b>5</b>	-	-	<b>2,411</b>	<b>3,046</b>

2012 Related transactions	Significant shareholders		Other related parties					Total
	Banca March	Total	Banco Sabadell	Fidwei Inversiones, S.L.	Lynx Capital, S.A.	Fidalsar, S.L.	Total	
Financing agreements: Loans and capital contributions (lender)	52,120	52,120	859,603	-	-	-	859,603	911,723
Guarantees given	41,120	41,120	-	-	-	-	-	41,120
Dividends and other distributed profit	-	-	-	554	674	1,059	2,287	2,287
Other transactions	30,645	30,645	-	-	-	-	-	30,645

The transactions performed in 2011 were as follows (in thousands of euros):

2011 Related transactions	Significant shareholders			Directors and managers	Other related parties							Total
	Banca March	Grupo Iberostar	Total	Total	Fidalsar, S.L.	Rosán Inversiones, S.L.	Terratest Técnicas Especiales, S.A.	Indra	Zardoya Otis, S.A.	March-JLT, S.A.	Total	
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
Other expenses	-	-	-	-	-	-	-	-	-	43,137	43,137	43,137
<b>Expenses</b>	<b>1,125</b>	<b>-</b>	<b>1,125</b>	<b>-</b>	<b>262</b>	<b>-</b>	<b>8,526</b>	<b>5,709</b>	<b>1,112</b>	<b>43,137</b>	<b>58,746</b>	<b>59,871</b>
Provision of services	-	1,052	1,052	644	-	5,434	-	3,472	17	-	8,923	10,619
<b>Revenue</b>	<b>-</b>	<b>1,052</b>	<b>1,052</b>	<b>644</b>	<b>-</b>	<b>5,434</b>	<b>-</b>	<b>3,472</b>	<b>17</b>	<b>-</b>	<b>8,923</b>	<b>10,619</b>

2011 Related transactions	Significant shareholders		Other related parties					Total
	Banca March	Total	Banco Sabadell	Fidwei Inversiones, S.L.	Lynx Capital, S.A.	Fidalsar, S.L.	Total	
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



At 31 December 2012, the outstanding balance payable to Banca March for credit facilities and loans granted to ACS Group companies amounted to EUR 47,075 thousands (EUR 53,722 thousand in 2011). The transactions being maintained at 31 December 2012, in accordance with the information available regarding ACS Group companies, amounted to EUR 22,893 thousand (EUR 24,770 thousand at 31 December 2011) in guarantees, EUR 18,123 thousand (EUR 29,230 thousand at 31 December 2011) in reverse factoring transactions to suppliers.

At 31 December 2012, the balance payable to Banco Sabadell amounted to EUR 261,191 thousand (EUR 477,036 thousand in 2011) for loans and credit facilities granted to ACS Group companies. Accordingly, the transactions maintained by this bank at 31 December 2012, in accordance with the information available regarding ACS Group companies, amounted to EUR 209,706 thousand (EUR 191,600 thousand at 31 December 2011) in guarantees and sureties, EUR 35,429 thousand (EUR 75,887 thousand at 31 December 2011) in reverse factoring transactions to suppliers. In addition, at 31 December 2011 the balance of discounting facilities amounted to EUR 634 thousand and factoring transactions totalled EUR 21,825 thousand.

Banca March is considered to be a significant shareholder given that it is a shareholder of Corporacion 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, reverse factoring and non-recourse factoring to several ACS Group companies.

The Iberostar Group 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 companies as part of its business transactions. The ACS Group has also carried out air-conditioning activities in main hotels owned by Iberostar.

Rosan Inversiones, S.L. is listed due to its relationship with the Chairman and CEO of the Company which holds a significant ownership interest through Inversiones Vesan, 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.

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 senior executives. In this regard, the transactions with Fidalsar, S.L., Terratest Tecnicas Especiales, S.A., Fidwei Inversiones, S.L. and Lynx Capital, S.A. are listed due to the relationship of the director, Pedro Lopez Jimenez, with these companies. Transactions with Indra are listed due to its relationship with the director Javier Monzon. The transactions performed with the Zardoya Otis, S.A. are indicated due to its relationship with the director José María Loizaga. The transactions with Banco Sabadell are listed due to the bank's relationship with the director Javier Echenique. The transactions with the insurance broker, March-JLT, S.A., are listed due to the company's relationship with Banca March, although in this case the figures listed are intermediate premiums paid by ACS Group companies, rather than considerations for insurance brokerage services.

"Other transactions" includes all transactions not related to the specific sections included in the periodic public information reported in accordance with the regulations published by the CNMV. In 2012 "Other transactions" related exclusively to Banca March, since it is the main shareholder of Corporacion Financiera Alba, S.A., which is a direct shareholder of the ACS Group. Banca March, as a financial institution, provides various financial services to ACS Group companies in the ordinary course of business amounting to a total EUR 30,645 thousand (EUR 100,753 thousand in 2011), and in this case they relate to the reverse factoring lines of credit for suppliers.

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 activities of the companies in terms of their company object and conditions. The transactions were carried out on an arm's length basis and they do not have to be disclosed to present fairly the equity, financial position and results of the operations of the Group.

In accordance with the information available to ACS, Actividades de Construcción y Servicios, S.A., the members of the Board of Directors were not involved in any conflicts of interest in 2012 or 2011, in accordance with that indicated in Article 229 of the Spanish Companies Law.

#### **34. Board of Directors and senior executives**

In 2012 and 2011 the Board members of ACS, Actividades de Construcción y Servicios, S.A. received the following remuneration either as members of the boards of directors of the Parent and the Group companies or as senior executives of Group companies.

	Thousands of Euros	
	2012	2011
Fixed remuneration	3,862	3,617
Variable remuneration	3,885	3,788
By-law stipulated director's emoluments	2,734	3,278
Other	1	1
<b>Total</b>	<b>10,482</b>	<b>10,684</b>

In addition, EUR 1,808 thousand were charged to consolidated income in 2012 and 2011 as a result of the share options granted to members of the Board of Directors with executive posts. This amount relates to the proportion of the value of the plan at the date on which it was granted.

The benefits relating to pension funds and plans, and life insurance premiums are as follows:

Other Benefits	Thousands of Euros	
	2012	2011
Pension funds and plans: contributions	1,811	1,955
Pension funds and plans: obligations assumed	1,811	1,955
Life insurance premiums	16	16

The amount recognised under "Pension funds and plans: Contributions" includes the payments made by the Company in 2012. 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 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 externalised 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	
	2012	2011
Executive Directors	8,393	8,243
Non-executive nominee Directors	1,256	1,436
Non-executive independent Directors	524	687
Other Non-Executive Directors	309	318
<b>Total</b>	<b>10,482</b>	<b>10,684</b>

#### **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 in 2012 and 2011 of the Group's senior executives who are not also executive directors was as follows:

	Thousands of Euros	
	2012	2011
Salaries (fixed and variable)	21,025	27,352
Pension Plans	1,690	2,165
Life insurance	25	44

EUR 6,901 thousand were charged to consolidated income in 2012 and 2011 as a result of the share options granted to the Group's senior executives, and were not recognised under "Total remuneration".

With regard to the Group's senior executives, only one transaction was recognised with Group companies, which consisted of purchasing assets for EUR 453 thousand on an arm's-length basis.

### 35. Other disclosures concerning the Board of Directors

Pursuant to Article 229 of the Spanish 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 members of the Board of Directors at 2012 year-end own equity interests, and of the functions, if any, that they discharge thereat:

Name	Investee	Line of Business	Ownership Interest	Function
Joan David Grimá Terré	Cory Environmental Management Limited	Environment	0.000%	Board Member
Pedro López Jiménez	GTCEISU Construcción, S.A. (the Terratest Group)	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	Gás 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
D. 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%	Director 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	0.009%	Board Member
Antonio García Ferrer	Ferrovial, S.A.	Construction and Services	0.000%	None

Also pursuant to the aforementioned law, set forth below are the activities carried on, as independent professionals or as employees, by the various members of the Board of Directors that are identical, similar or complementary to the activity that constitutes the company object of ACS, Actividades de Construcción y Servicios, S.A. for 2012.

Name	Activity performed	Type of arrangement	Company through which the activity is performed	Position or function at the company concerned
Pablo Valbona Vadell	Finance	Employee	Banca March, S.A.	First Deputy Chairman
Manuel Delgado Solís	Construction	Employee	Dragados, S.A.	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 Raíl, 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
Agustín Batuecas Torrego	Transport interchange	Employee	Intercambiador de Transportes Plaza de Castilla, S.A.	Individual representing Continental Auto, S.L. Chairman
Agustín Batuecas Torrego	Rail transport of goods	Employee	Construrail, S.A.	Board Member
Pedro José López Jiménez	Construction and Services	Employee	Hochtief, A.G.	Board Member
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.	Deputy Chairman
Pedro José López Jiménez	Construction	Employee	Dragados, S.A.	Acting Chairman and Deputy Chairman
Pedro José López Jiménez	Urban services and concessions	Employee	ACS, Servicios y Concesiones, S.L.	Acting Chairman and Deputy Chairman

Name	Activity performed	Type of arrangement	Company through which the activity is performed	Position or function at the company concerned
Pedro José López Jiménez	Special Foundations	Employee	GTCEISU Construction, 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 Members
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	Construction	Employee	Dragados, S.A.	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	Integral Maintenance	Employee	Clece, S.A.	Chairman
José Luis del Valle Pérez	Investments	Employee	Del Valle Inversiones, S.A.	Director acting severally
José Luis del Valle Pérez	Construction and Services	Employee	Hochtief, A.G.	Member of the Supervisory Board
Joan David Grimá Terré	Environment	Employee	Cory Environmental Management Limited	Board Member
Florentino Pérez Rodríguez	Holding	Independent Professional	Inversiones Vesán, S.A.	Board Member
D. Julio Sacristán Fidalgo	Holding	Employee	Inversiones Vesán, S.A.	Board Member
Sabina Fluxá Thienemann	Tourism	Employee	Iberostar Hoteles y Apartamentos, S.L.	Board Member

In 2012 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 Group 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 2012, the ACS Group had provided guarantees to third parties in connection with its business activities totalling EUR 13,495,400 thousand (EUR 13,548,136 thousand in 2011).

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. Financing totalled USD 6,500,000 thousand, of which USD 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 do not expect any material liabilities additional to those recognised in the accompanying consolidated statement of financial position to arise as a result of the transactions described in this Note.

The contingent liabilities include the ordinary liability of the companies with which the Group carries on its business activities. Normal liability is that concerning compliance with the contractual obligations undertaken in the course of construction, industrial services or urban services by the companies themselves or the joint ventures (UTEs) in which they participate.

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 operators in which the Group holds ownership interests, the non-controlling shareholders have a potential option to sell and guarantees to third parties. 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. The directors of the Group companies consider that the possible effect on the financial statements would not be material.

In relation to the ownership interest held by Hochtief in the airport of Budapest, included under "Assets classified as held for sale", the non-controlling shareholders have the option of selling 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 require Hochtief to purchase the asset, which is currently subject to arbitration. The Group and its legal advisors consider that, should actions be taken, this control option would have to be assessed exclusively based on 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. ACS's environmental policy is intended to be a framework in which, on the one hand, the general lines to be followed (principles) are defined and, on the other hand, the particular features of each business line and each project are collected (articulation).

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

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

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

In order to be able articulate and deploy a policy on these environmental commitments, the most significant are identified at corporate level and are compared with each company's management system and the environmental priorities for each business. These common priorities, which then become common to the majority of the ACS Group members, establish objectives and programs to individually improve each company.

The significant degree of implementation of an environmental management system present in companies representing 55.8% of the Group's sales, is based on the aim of seeking to adopt the ISO 14001 standard in the majority of the Group's activities. This standard is already implemented in companies representing 68.0% of the ACS Group sales, although it is not the only certificate, considering that ACS Group companies accounting for 78.13% of sales have reported the obtainment of other types of certifications, many in addition to the ISO14001 international standard.

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

These companies develop policies and action plans in a decentralised independent manner (in ACS companies accounting for 96.0% of sales, objectives are defined in relation to the environment on a regular basis, and 25.0% of the companies reward employees for complying with these objectives).

They also implement certification schemes and external independent audits (55.8% of the ACS Group's production was audited in 2012).

They perform environmental audits (724 in 2012).

Companies representing 71.6% of ACS Group sales have some type of centralised database to collect environmental data.

Companies representing 33.0% of the ACS Group's sales have an incident reporting system for detailing near misses relating to environmental matters. A total of 967 environmental incidents occurred in 2012, which involved the origination of a total of 20 sanctioning administrative proceedings.

The main environmental assets relate to the water treatment facilities, biogas, incineration and leachate systems to prevent and reduce environmental pollution and damage. At 31 December 2012, the value of these assets, net of depreciation, was EUR 17,511 thousand (EUR 18,020 thousand in 2011).

Environmental expenses incurred in 2012 amounted to EUR 1,979 thousand (EUR 1,343 thousand in 2011).

### 38. Auditors' fees

The fees for financial audit services provided to the various companies in 2012 and 2011 were as follows:

	Thousands of Euros	
	2012	2011
<b>Audit service fees</b>	<b>15,189</b>	<b>14,745</b>
Main auditor	11,204	8,735
Other auditors	3,985	6,010
<b>Fees for tax services</b>	<b>1,892</b>	<b>3,614</b>
Main auditor	370	878
Other auditors	1,522	2,736
<b>Other services</b>	<b>3,963</b>	<b>5,334</b>
Main auditor	2,508	3,039
Other auditors	1,455	2,295
<b>Total</b>	<b>21,044</b>	<b>23,693</b>

### 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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# **APPENDICES**

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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 effective percentage indicated in the Appendices includes, in the event it is applicable to subsidiaries, the proportional part of the treasury shares held by the subsidiary.

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 ownership interests mainly in energy and telecommunications.

#### 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 America* – 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. 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.

## APPENDIX I

## Subsidiaries

Company	Registered Office	% Effective Ownership
<b>PARENTS</b>		
ACS, Actividades de Construcción y Servicios, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain.	-
ACS Actividades Finance, B.V.	Amsterdam. Holanda.	100.00%
ACS Telefonía Móvil, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain.	100.00%
Admirabilia, 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%
Funding Statement 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%
Roperfeli, 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%
<b>CONSTRUCTION - DRAGADOS</b>		
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. del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Cesionaria 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%
Consortio Dragados Compax Dos S.A.	Avda. Vitacura 2939 of. 2201. Las Condes. Santiago de Chile. Chile	55.00%
Consortio Dragados Compax, S.A.	Avda. Vitacura 2939 of. 2201. Las Condes - Santiago de Chile. Chile.	60.00%
Consortio Teadra, S.A.	Almirante Pastene, 244.702 Providencia. Santiago de Chile. Chile.	100.00%
Construcciones y Servicios del Egeo, S.A.	Alamanas, 1 151 25 Maroussi. Atenas. Grecia.	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 Of.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 Infraestructuras S.A.	Avda. del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Drace Infraestructures USA, Llc.	701 5 th Avenue, Suite 7170 Seattle, WA 98104. Washington. United States.	100.00%
Dragados Canada, Inc.	Suite 1400 40 Elgin Street. Ottawa. Ontario. Canada	100.00%
Dragados Construction USA, Inc.	500 Fifth Avenue, 38 th. Floor. New York, NY 10110. United States.	100.00%
Dragados CVV Constructora, S.A.	Avda. Vitacura 2939 of. 2201. Las Condes. Santiago de Chile. Chile.	80.00%
Dragados Inversiones USA, 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 USA, Inc.	500 Fifth Avenue, 38 th. Floor. New York, NY 10110. United States	100.00%
Dragados, S.A.	Avda. del 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. del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Flota Proyectos Singulares UK Ltd.	Regina house second floor, 1-5 Queen Street. London. United Kingdom	100.00%
FPS Encon Precast, Llc.	1660 Lincoln St, suite 1800. Denver, CO 80264. United States.	55.00%
Gasoductos y Redes Gisca, S.A.	C/ Orense, 11. 28020 Madrid. Spain	52.50%
Geocisa UK Ltd.	6 Mitre Passage, Floor 8. Greenwich Peninsula - Peninsula Central. London SE10 0ER. United Kingdom.	100.00%
Geocisa USA Inc.	2711 Centerville Road, Suite 400, Wilmington, New Castle - Delaware. United States.	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%
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.	80.00%
Lucompa, 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. Poland	66.00%
Newark Real Estate Holdings, Inc.	500 Fifth Avenue, 38 th. Floor. New York, NY 10110. United States	100.00%
PA CONEX Sp. z.o.o.	09-500 Gostynin ul. Ziejkowa 2a. Poland	66.00%
PA Wyroby Betonowe Sp. z.o.o.	82-300 Elblag ul. Plk. Dabka 215. Poland	66.00%
Placidus Investments Sp. z.o.o.	00-728 Warszawa ul. Kierbedzia 4. Poland	39.60%
Pol-Aqua Wostok Sp. z.o.o.	115184 Moscow ul. Nowokuznieckaja 9. Russia	33.66%
Pol-Aqua, S.A.	Dworska 1, 05-500 Piaseczno k./Varsow. Poland.	66.00%
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.	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.	100.00%
Sicsa Rail Transport, S.A.	C/ Orense, 11. 28020 Madrid. Spain	76.00%
Sussex Realty, Llc.	31 Garden Lane Lawrence, NY 11559. United States	90.00%
Técnicas e Imagen Corporativa, S.L.	Avda. de París, 1 - 19200 Azuqueca de Henares. Guadalajara. Spain	100.00%
TECO Sp. z.o.o.	51-502 Wrocław ul. Mydlana 1. Poland	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 USA Inc.	2711 Centerville Road, Suite 400, Wilmington. New Castle. Delaware. United States.	100.00%
Vias y Construcciones UK Limited	Regina House 2nd Floor, 1-5. Queen Street. London. United Kingdom	100.00%
Vías 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. Poland	66.00%
<b>CONSTRUCTION - IRIDIUM (Concessions)</b>		
ACS Infrastructure Canada, Inc.	155 University Avenue, Suite 1800, Toronto, Ontario M5H 3B7. Canada.	100.00%
ACS Infrastructure Development, Inc.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street. Wilmington New Castle. Delaware 19801.	100.00%
ACS NA30 Holding Inc.	3700-1 Place Ville-Marie. Montreal, Quebec H3B 3P4. Canada	100.00%
ACS Neah Partner Inc.	2800 Park Place. 666 Burrard Street. Vancouver BC V6C 2Z7. Canada.	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 Mascarague. 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.	Autovía del Pirineo A-21, pk. 39, 31487 Liédena, Navarra. Spain.	72.00%
Autovía Medinaceli-Calatayud Soc. Conces. Estado, S.A.	Avda. Camino de Santiago, 50 - 28050 Madrid. Spain.	95.00%
Can Brians 2, S.A.	Avinguda Josep Tarradellas, 8, 2º. 08029 Barcelona. Spain.	100.00%

## APPENDIX I

## Subsidiaries

Company	Registered Office	% Effective Ownership
CAT Desenvolupament de Concessions Catalanes, S.L.	Avinguda Josep Tarradellas, 8, 2º. 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%
Dragados Concessions, Ltd.	Hill House, 1 - Little New Street. London EC4A 3TR. Inglaterra.	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.	Ctra N-340, Km 1213,80 Km 1213. 08720 Vilafranca del Penedes. Barcelona. Spain.	100.00%
Estacionament Centre Direccional, S.A.	Avenida de la Universitat, s/n. 43206 Reus. Tarragona. Spain.	100.00%
Explotación Comercial de Intercambiadores, S.A.	Avda. de America, 9A (Intercambiador de Tptes) Madrid. Spain	100.00%
FTG Holding Limited Partnership	1300 - 777 Dunsmuir Street Po Box 10424 Stn Pacific Ctr. Vancouver Bc V7Y 1K2. Canada.	66.68%
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 Filipinas, 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.	100.00%
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.	Avenida del Camino de Santiago, nº 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. 43206 Reus. Tarragona. Spain.	100.00%
Parking Palau de Fires, S.L.	Avenida de la Universitat, s/n. Spain. 43206 Reus. Tarragona.	100.00%
PLANESTRADA - Operação e Manutenção Rodoviária, SA	CAM Grândola EN120 – Bairro da Tirana 7570 Grândola . Portugal.	70.00%
Reus-Alcover Conc de la Generalitat de Catalunya, S.A.	Avinguda Josep Tarradellas, 8, 2º. 08029 Barcelona. Spain.	100.00%
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.	100.00%

## CONSTRUCTION - HOCHTIEF

Company	Registered Office	% Effective Ownership
Hochtief Aktiengesellschaft	Essen, Germany	52.20%
Airport Partners GmbH	Düsseldorf, Germany	20.88%
Beggen PropCo Sàrl	Strassen, Luxembourg	52.20%
Builders Reinsurance S.A.	Steinfort, Luxembourg	52.20%
Eurafrica Baugesellschaft mbH	Essen, Germany	52.20%
HAP Hamburg Airport Partners GmbH & Co. KG	Hamburg, Germany	37.06%
HOCHTIEF AirPort Capital Verwaltungs GmbH & Co. KG	Essen, Germany	52.20%
HOCHTIEF AirPort GmbH	Essen, Germany	52.20%
HOCHTIEF AirPort Retail SHPK	Tirana, Albania	52.20%
HOCHTIEF Concessions India Private Limited	Haryana, India	52.20%
HOCHTIEF Global One GmbH	Essen, Germany	52.20%
HOCHTIEF Insurance Broking and Risk Management Solutions GmbH	Essen, Germany	52.20%
Steinfort Capital Growth SICAV-SIF	Bertrange, Luxembourg	52.20%
Steinfort Fund of Funds SICAV-SIF	Findel-Golf, Luxembourg	52.20%
Steinfort Propco Sàrl	Strassen, Luxembourg	52.20%
Sydney Airport Intervest GmbH	Essen, Germany	24.17%
Vintage Real Estate HoldCo Sàrl	Strassen, Luxembourg	52.20%

## Hochtief Americas

2501 Constructors LLC	DC, United States	52.20%
ASI-Flatiron Inc.	Longmont, United States	52.20%
Auburndale Company, Inc.	Ohio, United States	52.20%
Audubon Bridge Constructors	New Roads, United States	28.19%
Bethesda View Constructors LLC	Maryland, United States	52.20%
California Steel Advisory Services	Walnut Creek, United States	52.20%
Canadian Turner Construction Company (Nova Scotia)	Nova Scotia, Canada	52.20%
Canadian Turner Construction Company Ltd.	Markham, Canada	52.20%
Capitol Building Services LLC	Maryland, United States	52.20%
Caribbean Operations, Inc.	Delaware, United States	52.20%
CB Finco Corporation	Alberta, Canada	26.62%
CB Resources Corporation	Alberta, Canada	26.62%
Clark Builders Partnership Corporation	Alberta, Canada	26.62%
E. E. Cruz and Company Inc.	Holmdel, United States	52.20%
Facilities Management Solutions, LLC	Delaware, United States	52.20%
FCI Constructors/Balfour Beatty	San Marco, United States	36.54%
FCI Constructors/Cleveland Bridge	Longmont, United States	28.71%
FECO Equipment	Denver, United States	52.20%
Flatiron Construction Corp.	Wilmington, United States	52.20%
Flatiron Construction Services	Vancouver, United States	52.20%
Flatiron Constructors Canada Limited	Vancouver, Canada	52.20%
Flatiron Constructors Inc.	Wilmington, United States	52.20%
Flatiron Constructors Inc. Canadian Branch	Vancouver, Canada	52.20%
Flatiron Electric AL Group	Wilmington, United States	52.20%
Flatiron Equipment Company Canada	Calgary, Canada	52.20%
Flatiron Holding Inc.	Wilmington, United States	52.20%
Flatiron Parsons	Los Angeles, United States	36.54%
Flatiron West Inc.	Wilmington, United States	52.20%
Flatiron West Inc., San Marcos	Wilmington, United States	52.20%
Flatiron/C.M. Piech	Longmont, United States	26.62%
Flatiron/Kiewit, a Joint Venture	Longmont, United States	33.93%
Flatiron/Turner Construction of New York LLC	New York, United States	52.20%
Flatiron/United	Chocowinity, United States	31.32%
Flatiron-Lane	Longmont, United States	28.71%
Flatiron-Manson	Minneapolis, United States	36.54%
Flatiron-Tidewater Skanska	Tampa, United States	31.32%
Henry Street Builders, LLC	Virginia, United States	52.20%
HOCHTIEF Americas GmbH	Essen, Germany	52.20%
HOCHTIEF Argentina S.A.	Buenos Aires, Argentina	52.20%
HOCHTIEF USA INC.	Dallas, United States	52.20%
HT CONSTRUCTION INC.	Dover, United States	52.20%
Lacona, Inc.	Tennessee, United States	52.20%
Maple Red Insurance Company	Vermont, United States	52.20%
McKissack & McKissack, Turner, Tompkins, Gilford JV(MLK Jr.	New York, United States	28.71%

## Subsidiaries

Company	Registered Office	% Effective Ownership
Metacon Technology Solutions, LLC	Texas, United States	52.20%
Mideast Construction Services, Inc.	Delaware, United States	52.20%
Misener Constru-Marina S.A. de C.V.	Ciudad Juarez, Mexico	52.20%
Misener Servicios S.A. de D.V.	Ciudad Juarez, Mexico	52.20%
North Carolina Constructors	Longmont, United States	31.32%
O'Brien Edwards/Turner Joint Venture (Denby High School Renov)	New York, United States	26.10%
Offshore Services, Inc.	Delaware, United States	52.20%
OMM Inc.	Plantation, United States	52.20%
Palmetto Transportation Constructors	Longmont, United States	33.93%
Saddleback Constructors	Mission Viejo, United States	28.19%
Services Products Buildings, Inc.	Ohio, United States	52.20%
TC Professional Services, LLC	Delaware, United States	52.20%
TCCO of South Carolina, LLC	South Carolina, United States	52.20%
TGS/SamCorp JV (Paso del Norte - Port of Entry)	New York, United States	52.20%
The Lathrop Company, Inc.	Delaware, United States	52.20%
The Turner Corporation	Dallas, United States	52.20%
Tompkins Builders, Inc.	Washington, United States	52.20%
Tompkins Turner Grunley Kinsley JV (C4ISR Aberdeen)	District of Columbia, United States	26.62%
Tompkins/Ballard JV (Richmond City Jail)	New York, United States	39.15%
Tompkins/Gifford JV (Prince George's Community College Center)	District of Columbia, United States	39.15%
Turner (East Asia) Pte. Ltd.	Singapore	52.20%
Turner Alpha Limited	Trinidad, Trinidad und Tobago	36.54%
Turner Canada Holdings Inc.	New Brunswick, Canada	52.20%
Turner Caribe, Inc.	Delaware, United States	52.20%
Turner Cayman Ltd.	Great Britain	52.20%
Turner Construction Company	New York, United States	52.20%
Turner Construction Company - Singapore (US)	Singapore	52.20%
Turner Construction Company of Indiana, LLC	Indiana, United States	52.20%
Turner Construction Company of Ohio LLC	Delaware, United States	52.20%
Turner Cornerstone Korea	Südkorea	52.20%
Turner Cross Management (Blackrock)	New York, United States	31.32%
Turner Cross Management IV (Blackrock Wilmington 400 Bellevue)	New York, United States	36.54%
Turner Davis JV (Laurelwood/Rowney)	New York, United States	26.62%
Turner Development Corporation	Delaware, United States	52.20%
Turner Harmon JV (Clarian Hospital - Fishers)	New York, United States	39.15%
Turner HGR JV(Smith County Jail-Precon/Early Release)	New York, United States	31.32%
Turner International (East Asia) Pte. Limited	Sri Lanka	52.20%
Turner International (Hong Kong) Limited	Hong Kong	52.20%
Turner International (UK) Ltd.	London, Great Britain	52.20%
Turner International Industries, Inc.	Delaware, United States	52.20%
Turner International Korea LLC	Südkorea	52.20%
Turner International Limited	Bermuda, United States	52.20%
Turner International LLC	Delaware, United States	52.20%
Turner International Malaysia SDN BHD	Malaysia	52.20%
Turner International Mexico SRL	United States	52.20%
Turner International Professional Services, S. De R. L. De C. V	Mexico	52.20%
Turner International Pte. Limited	Singapore	52.20%
Turner International Support Services, S. De R. L. De C. V.	Mexico	52.20%
Turner Lee Lewis (Lubbock Hotel)	New York, United States	31.32%
Turner Logistics Canada Ltd.	New Brunswick, Canada	52.20%
Turner Logistics, LLC	Delaware, United States	52.20%
Turner Management Consulting (Shanghai) Co. Ltd.	Schanghai, China	52.20%
Turner Partnership Holdings Inc.	New Brunswick, Canada	52.20%
Turner Project Management India Private Ltd.	India	52.20%
Turner Support Services, Inc.	Delaware, United States	52.20%
Turner Surety & Insurance Brokerage Inc.	New Jersey, United States	52.20%
Turner Trotter II(IPS Washington School)	New York, United States	26.10%
Turner Trotter JV (Clarian Fishers Medical Center)	New York, United States	39.15%
Turner Vietnam Co. Ltd.	Vietnam	52.20%
Turner/ADCo DTA (OUSD downtown education center)	New York, United States	36.54%
Turner/Con-Real - Forest/JV	New York, United States	31.32%
Turner/Con-Real (Tarratn County college District SE Campus New	New York, United States	36.54%
Turner/Hallmark JV1 (Beaumont ISD Athletic Complex)	New York, United States	52.20%
Turner/HSC JV (Cooper University Hospital)	New York, United States	36.54%
Turner/JGM JV (Proposition Q)	New York, United States	34.97%
Turner/Trevino JV1 (HISD Program Management)	New York, United States	33.93%
Turner/White JV (Sinai Grace Hospital)	New York, United States	31.32%
Turner-Davis Atlanta Airport joint Venture (Hartsfield Jackson Intl)	New York, United States	31.32%
Turner-Penick JV (US Marine Corp BEQ Pkg 4 & 7)	New York, United States	31.32%
Turner-Powers & Sons (Lake Central School Corporation)	New York, United States	31.32%
Turner-Toolles JV (Cobo Conference Center)	New York, United States	41.76%
Universal Construction Company, Inc.	Delaware, United States	52.20%
West Coast Rail Constructors	San Marco, United States	33.93%
White/Turner Joint Venture (New Munger PK-8 )	New York, United States	26.10%
White/Turner Joint Venture Team (DPS Mumford High School )	New York, United States	26.10%
White-Turner JV ( City of Detroit Public Safety)	New York, United States	26.10%

## Hochtief Asia Pacific

111 Margaret Street Pty Limited	Victoria, Australia	13.95%
145 Ann Street Pty. Ltd.	Australia	27.89%
145 Ann Street Trust	Australia	27.89%
512 Wickham Street Pty. Ltd.	Australia	27.89%
512 Wickham Street Trust	Australia	27.89%
A.C.N. 126 130 738 Pty. Ltd.	Australia	27.89%
A.C.N. 151 868 601 Pty Ltd	Victoria, Australia	27.89%
ACN 112 829 624 Pty Ltd	Australia	27.89%
Ashmore Developments Pty Limited	Australia	27.89%
Ausindo Holdings Pte. Ltd.	Singapore	27.89%
Australia-Singapore Cable (Australia) Pty Limited	Australia	27.89%
Australia-Singapore Cable (International) Limited	Australia	27.89%
Australia-Singapore Cable (Singapore) Pte Ltd	Bermuda, Great Britain	27.89%
Boggo Road Project Pty Limited	Singapore	27.89%
Boggo Road Project Trust	Queensland, Australia	27.89%
BOS Australia Pty. Ltd.	South Bank, Australia	27.89%
Broad Construction Services (NSW/VIC) Pty. Ltd.	Newcastle, Australia	27.89%
Broad Construction Services (NT) Pty. Ltd.	Perth, Australia	27.89%

## Subsidiaries

Company	Registered Office	% Effective Ownership
Broad Construction Services (QLD) Pty. Ltd.	Gold Coast, Australia	27.89%
Broad Construction Services (SA) Pty. Ltd.	Eastwood, Australia	27.89%
Broad Construction Services (VIC) Pty. Ltd.	Melbourne, Australia	27.89%
Broad Construction Services (WA) Pty Ltd.	Australia	27.89%
Broad Group Holdings Pty. Ltd.	Perth, Australia	27.89%
Deep Blue Consortium Pty Ltd	Australia	10.19%
Delron Cleaning Pty Ltd	Australia	22.31%
Delron Group Facility Services Pty Limited	Australia	22.31%
Devine Bacchus Marsh Pty Limited	WA, Australia	6.98%
Devine Constructions Pty Limited	Queensland, Australia	6.98%
Devine Funds Pty Limited	Queensland, Australia	6.98%
Devine Funds Unit Trust	Victoria, Australia	6.98%
Devine Homes Pty Limited	Australia	6.98%
Devine Land Pty Limited	Queensland, Australia	6.98%
Devine Ltd.	Brisbane, Australia	13.96%
Devine Management Services Pty Limited	Queensland, Australia	6.98%
Devine Queensland No. 10 Pty Limited	Queensland, Australia	6.98%
Devine Springwood No. 1 Pty Limited	Queensland, Australia	6.98%
Devine Springwood No. 2 Pty Limited	NSW, Australia	6.98%
Devine Springwood No. 3 Pty Ltd.	Australia	6.98%
DMB Pty Limited	Queensland, Australia	6.98%
DoubleOne 3 Pty Ltd	Australia	13.96%
DoubleOne 3 Unit Trust	Australia	13.96%
DPS Leighton Offshore Engineering Sdn Bhd	Queensland, Australia	27.89%
Ewenissa Pty Ltd.	Sydney, Australia	27.89%
Giddens Investment Ltd.	Hong Kong	27.89%
Green Construction Company	Wilmington, United States	27.89%
Gridcomm Pty. Ltd.	Melbourne, Australia	27.89%
Hamilton Harbour	Australia	20.92%
Hamilton Harbour Unit Trust (Devine Hamilton Unit Trust)	Australia	20.92%
HOCHTIEF Asia Pacific GmbH	Essen, Germany	52.20%
HOCHTIEF AUSTRALIA HOLDINGS LIMITED	Sydney, Australia	52.20%
Hunter Valley Earthmoving Co. Pty Ltd.	Rutherford, Australia	27.89%
HWE Cockatoo Pty Ltd	Australia	27.89%
HWE Maintenance Services Pty. Ltd.	Australia	27.89%
HWE Mining Pty Ltd	Australia	27.89%
HWE Newman Assets Pty Ltd	Australia	27.89%
Infoplex Pty. Ltd.	Sydney, Australia	27.89%
Jarra Wood Pty. Ltd.	Australia	27.89%
JH Rail Holdings Pty. Limited	Australia	16.45%
JH Rail Investments Pty. Limited	Australia	16.45%
JH Rail Operations Pty. Limited	Australia	16.45%
JHG Mutual Limited	Australia	27.89%
Joetel Pty. Limited	Australia	16.45%
John Holland - Leighton (South East Asia) Joint Venture	Hong Kong	27.89%
John Holland (NZ) Ltd.	New Zealand	27.89%
John Holland AD Holdings Pty. Ltd.	Abbotsford, Australia	27.89%
John Holland AD Investments Pty. Ltd.	Abbotsford, Australia	27.89%
John Holland AD Operations Pty. Ltd.	Abbotsford, Australia	27.89%
John Holland Aviation Services Pty. Ltd.	Australia	27.89%
John Holland Development & Investment Pty. Ltd.	Abbotsford, Australia	27.89%
John Holland Engineering Pty. Ltd.	Australia	27.89%
John Holland Group Pty Ltd.	Abbotsford, Australia	27.89%
John Holland Infrastructure Nominees Pty. Ltd.	Australia	27.89%
John Holland Infrastructure Pty. Ltd.	Australia	27.89%
John Holland Infrastructure Trust	Australia	27.89%
John Holland Investment Pty. Ltd.	Australia	27.89%
John Holland Melbourne Rail Franchise Pty. Ltd.	Australia	27.89%
John Holland Pty Ltd.	Abbotsford, Australia	27.89%
John Holland Queensland Pty. Ltd.	Australia	27.89%
John Holland Rail Pty. Ltd.	Abbotsford, Australia	27.89%
John Holland Services Pty. Ltd.	Australia	27.89%
Kingscliff Resort Trust	Australia	27.89%
LCPL (PNG) Limited	Papua-Neuguinea	27.89%
Leighton (PNG) Limited	Papua-Neuguinea	27.89%
Leighton Admin Services Pty Ltd.	Sydney, Australia	27.89%
Leighton Africa Botswana (Proprietary) Limited	Botswana	27.89%
Leighton Arranging Pty. Ltd.	Australia	27.89%
Leighton Asia (China) Limited	Hong Kong	27.89%
Leighton Asia (Hong Kong) Holdings (No. 2) Limited	Hong Kong	27.89%
Leighton Asia Ltd.	Hong Kong	27.89%
Leighton Asia Southern Pte. Ltd.	Singapore	27.89%
Leighton Construction and Mining Africa (Pty) Ltd	Botswana	27.89%
Leighton Contractors (Asia) Ltd.	Hong Kong	27.89%
Leighton Contractors (China) Ltd.	Hong Kong	27.89%
Leighton Contractors (Indo-China) Ltd.	Hong Kong	27.89%
Leighton Contractors (Laos) Sole Company Ltd.	Laos	27.89%
Leighton Contractors (Malaysia) Sdn. Bhd.	Malaysia	27.89%
Leighton Contractors (Philippines) Inc.	Philippines	11.16%
Leighton Contractors Asia (Cambodia) Co. Ltd.	Cambodia	27.89%
Leighton Contractors Asia (Vietnam) Limited	Vietnam	27.89%
Leighton Contractors Inc.	Wilmington, United States	27.89%
Leighton Contractors Infrastructure Nominees Pty. Ltd.	Australia	27.89%
Leighton Contractors Infrastructure Pty. Ltd.	Australia	27.89%
Leighton Contractors Infrastructure Trust	Australia	27.89%
Leighton Contractors Lanka (Private) Ltd.	Sri Lanka	27.89%
Leighton Contractors Mauritius Ltd.	Mauritius	27.89%
Leighton Contractors Pty Ltd.	Sydney, Australia	27.89%
Leighton Engineering & Construction (Singapore) Pte Ltd	Singapore	27.89%
Leighton Engineering Joint Venture	Malaysia	19.52%
Leighton Finance (USA) Pty. Ltd.	Australia	27.89%
Leighton Finance International Pty Ltd.	Australia	27.89%
Leighton Finance Ltd.	Sydney, Australia	27.89%
Leighton Foundation Engineering (Asia) Ltd.	Hong Kong	27.89%
Leighton Funds Management Pty Ltd.	Sydney, Australia	27.89%
Leighton Geotech Ltd.	Bangkok, Thailand	6.70%
Leighton Harbour Trust	Australia	27.89%

## Subsidiaries

Company	Registered Office	% Effective Ownership
Leighton Holdings Infrastructure Nominees Pty. Ltd.	Australia	27.89%
Leighton Holdings Infrastructure Pty. Ltd.	Australia	27.89%
Leighton Holdings Infrastructure Trust	Australia	27.89%
Leighton Holdings Investments Pty. Ltd.	Australia	27.89%
Leighton Holdings Limited	Sydney, Australia	27.89%
Leighton Holland Browse JV	Australia	27.89%
Leighton Infrastructure Investments Pty. Ltd.	Sydney, Australia	27.89%
Leighton International FZ LLC	United States	27.89%
Leighton International Holdings Limited	Cayman Islands, Great Britain	27.89%
Leighton International Ltd.	Cayman Islands, Great Britain	27.89%
Leighton International Mauritius Holdings Limited No. 4	Mauritius	27.89%
Leighton International Projects (India) Private Limited	India	27.89%
Leighton Investments Mauritius Limited	Mauritius	27.89%
Leighton Investments Mauritius Limited No. 2	Hong Kong	27.89%
Leighton Investments Mauritius Limited No. 4	Mauritius	27.89%
Leighton John Holland Joint Venture (Lai Chi Kok)	Hong Kong	27.89%
Leighton LLC	Mongolia	27.89%
Leighton Mauritius (Africa) Limited	Mauritius	27.89%
Leighton Middle East and Africa (Holding) Limited	Great Britain	27.89%
Leighton Motorway Investments No. 2 Pty. Ltd.	Sydney, Australia	27.89%
Leighton Offshore Australia Pty. Ltd.	Australia	27.89%
Leighton Offshore Pte. Ltd.	Singapore	27.89%
Leighton Offshore Sdn Bhd (formerly Leighton International Sdn. Bhd.)	Malaysia	27.89%
Leighton Offshore-John Holland Joint Venture (LTA Project)	Australia	27.89%
Leighton Pacific St Leonards Pty. Ltd.	Australia	27.89%
Leighton Pacific St Leonards Unit Trust	Australia	27.89%
Leighton Portfolio Services Pty Ltd.	Sydney, Australia	27.89%
Leighton Projects Consulting (Shanghai) Ltd.	China	27.89%
Leighton Properties (Brisbane) Pty Ltd.	Sydney, Australia	27.89%
Leighton Properties (VIC) Pty Ltd.	Sydney, Australia	27.89%
Leighton Properties (WA) Pty. Ltd.	Australia	27.89%
Leighton Properties Pty Ltd.	Sydney, Australia	27.89%
Leighton Properties Resorts Pty Limited	Australia	27.89%
Leighton Property Development Pty Ltd.	Sydney, Australia	27.89%
Leighton Property Funds Management Ltd.	Sydney, Australia	27.89%
Leighton Property Management Pty Ltd.	Sydney, Australia	27.89%
Leighton Residential Investments Pty. Ltd.	Australia	27.89%
Leighton Services Australia Pty Ltd.	Sydney, Australia	27.89%
Leighton Staff Shares Pty Ltd.	Sydney, Australia	27.89%
Leighton USA Inc.	United States	27.89%
Leighton-John Holland Joint Venture	Australia	27.89%
Leighton-LNS Joint Venture	Hong Kong	27.31%
Leighton-Macmahon Joint Venture	Hong Kong	20.92%
Leighton Offshore / Leighton Engineering & Construction JV	Singapore	27.89%
Leighton Offshore Arabia Co. Ltd.	Saudi Arabian	27.89%
LH Holdings Co Pty Ltd	Australia	27.89%
LMENA No. 1 Pty. Ltd.	Australia	27.89%
LMENA Pty. Ltd.	Australia	27.89%
LPWRAP Pty Ltd	Australia	27.89%
LSE Technology (Australia) Pty Ltd.	Sydney, Australia	27.89%
Martox Pty. Ltd.	Australia	16.45%
Menette Pty. Limited	Australia	27.89%
Metro Developments Australia Pty. Ltd.	Australia	27.89%
Metronode (NSW) Pty Ltd	Australia	27.89%
Metronode Investments Pty Limited (formerly Vytel Investments)	Sydney, Australia	27.89%
Metronode M2 Pty Ltd	Australia	27.89%
Metronode New Zealand Limited	New Zealand	27.89%
Metronode Pty Ltd.	Sydney, Australia	27.89%
Metronode S2 Pty Ltd	Victoria, Australia	27.89%
Moonamang Joint Venture Pty Ltd	Australia	27.89%
Moorookyle Devine Pty Limited	Victoria, Australia	1.74%
Nestdeen Pty. Ltd.	Australia	27.89%
Nextgen Networks Pty. Ltd.	Australia	27.89%
Nextgen Pure Data Pty Ltd	Australia	27.89%
Nextgen Telecom (WA) Pty Ltd (formerly known as Silk Telecom (WA))	WA, Australia	27.89%
Nextgen Telecom Pty Limited (formerly Silk Telecom Pty. Limited)	Victoria, Australia	27.89%
Nexus Point Solutions Pty. Ltd.	Sydney, Australia	27.89%
Opal Insurance (Singapore) Pte Ltd.	Singapore	27.89%
Pioneer Homes Australia Pty Limited	Queensland, Australia	3.49%
Plant & Equipment Leasing Pty Ltd.	Sydney, Australia	27.89%
PT Cinere Serpong Jaya	Indonesia	27.89%
PT Leighton Contractors Indonesia	Indonesia	27.89%
PT Ngawi Kertosono Jaya	Indonesia	26.50%
PT Solo Ngawi Jaya	Indonesia	26.50%
PT Thiess Contractors Indonesia	Jakarta, Indonesia	27.89%
River Links Developments Pty. Ltd.	Australia	27.89%
Riverstone Rise Gladstone Pty Ltd	Australia	13.96%
Riverstone Rise Gladstone Unit Trust	Australia	13.96%
Silverton Group (Aust) Pty. Ltd.	Australia	27.89%
Silverton Group Pty. Ltd.	Australia	27.89%
Talcliff Pty Limited	Queensland, Australia	6.98%
Technical Resources Pty Ltd.	Sydney, Australia	27.89%
Telecommunication Infrastructure Pty. Ltd.	Abbotsford, Australia	27.89%
Thai Leighton Ltd.	Bangkok, Thailand	13.67%
Thiess (Mauritius) Pty. Ltd.	Mauritius	27.89%
Thiess Contractors (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	27.89%
Thiess Contractors (PNG) Ltd.	Papua-Neuguinea	27.89%
Thiess India Pvt Ltd	India	27.89%
Thiess Infraco Pty. Limited	Australia	27.89%
Thiess Infrastructure Nominees Pty. Ltd.	Australia	27.89%
Thiess Infrastructure Pty. Ltd.	Australia	27.89%
Thiess Infrastructure Trust	Australia	27.89%
Thiess Investments Pty Ltd.	South Bank, Australia	27.89%
Thiess John Holland Joint Venture (Airport Link)	Australia	27.89%
Thiess John Holland Joint Venture (Eastlink)	Australia	27.89%
Thiess John Holland Joint Venture (Lane Cove Tunnel)	Australia	27.89%
Thiess John Holland Motorway Services	Australia	27.89%

## Subsidiaries

Company	Registered Office	% Effective Ownership
Thiess Minecs India Pvt. Ltd.	India	25.10%
Thiess NC	New Caledonia	27.89%
Thiess NZ Limited	Auckland, New Zealand	27.89%
Thiess Pty Ltd.	South Bank, Australia	27.89%
Thiess Services John Holland Services Joint Venture	Australia	27.89%
Thiess Services Ltd.	New Zealand	27.89%
Thiess Services Pty Ltd.	South Bank, Australia	27.89%
Thiess Southland Pty Ltd.	South Bank, Australia	27.89%
Think Consulting Group Pty. Ltd.	Australia	27.89%
Townsville City Project Pty Ltd	Australia	20.92%
Townsville City Project Trust	Australia	20.92%
Vision Hold Pty Ltd.	St. Leonards, Australia	27.89%
Visionstream Australia Pty Ltd.	St. Leonards, Australia	27.89%
Visionstream Pty Ltd.	Sydney, Australia	27.89%
Visionstream Services Pty Ltd.	Sydney, Australia	27.89%
Vytel Pty Ltd.	Sydney, Australia	27.89%
Wai Ming Contracting Company Limited	Hong Kong	27.89%
Western Port Highway Trust	Australia	27.89%
Yoltax Pty. Limited	Australia	16.45%
Zelmex Pty. Limited	Australia	16.45%

## Hochtief Europe

A.L.E.X.-Bau GmbH	Essen, Germany	52.20%
ACL Investment a.s.	Prag, Czech Republic	52.20%
Advago S.A.	Spata, Greece	26.62%
Area of Sports mbH & Co. KG	Mönchengladbach, Germany	26.10%
AVN Chile Fünfte Holding GmbH	Essen, Germany	52.20%
AVN Chile Vierte Holding GmbH	Essen, Germany	52.20%
car.e Facility Management GmbH	Hamburg, Germany	52.20%
car.e Facility Management Kft.	Budapest, Hungary	52.20%
Constructora Cheves S.A.C.	Lima, Peru	33.93%
Constructora HOCHTIEF - Teca S.A.	Santiago de Chile, Chile	36.54%
Constructora Nuevo Maipo S.A.	Santiago de Chile, Chile	36.54%
Copernicus Apartments Sp.z o.o.	Warschau, Poland	52.20%
Deutsche Bau- und Siedlungs-Gesellschaft mbH	Essen, Germany	52.20%
Deutsche Baumanagement GmbH	Essen, Germany	52.20%
DURST-BAU GmbH	Wien, Austria	52.20%
Entreprise Générale de Construction HOCHTIEF-LUXEMBOURG S.A.	Luxembourg, Luxembourg	52.20%
Euripus s.r.o.	Prag, Czech Republic	52.20%
Europaviertel Baufeld 4d GmbH & Co. KG	Essen, Germany	52.20%
FM Go! GmbH	München, Germany	39.10%
FM Holding GmbH	Essen, Germany	52.20%
forum am Hirschgarten Nord GmbH & Co. KG	Essen, Germany	52.20%
forum am Hirschgarten Süd GmbH & Co. KG	Essen, Germany	52.20%
GVG mbH & Co. Objekt RPU Berlin 2 KG	Essen, Germany	49.07%
HOCHTIEF (UK) Construction Ltd.	Swindon, Great Britain	52.20%
HOCHTIEF A5 Holding GmbH	Wien, Austria	52.20%
HOCHTIEF ABC Schools Partner Inc.	Calgary, Canada	52.20%
HOCHTIEF Ackerstraße 71-76 GmbH & Co. KG	Berlin, Germany	52.20%
HOCHTIEF Asset Services GmbH	Essen, Germany	52.20%
HOCHTIEF Aurestis Beteiligungsgesellschaft mbH	Essen, Germany	52.20%
HOCHTIEF B2L Partner Inc.	Calgary, Canada	52.20%
HOCHTIEF Canada Holding 1 Inc.	Toronto, Canada	52.20%
HOCHTIEF Canada Holding 2 Inc.	Toronto, Canada	52.20%
HOCHTIEF Canada Holding 3 Inc.	Calgary, Canada	52.20%
HOCHTIEF Canada Holding Inc.	Toronto, Canada	52.20%
HOCHTIEF Construction Austria GmbH & Co. KG	Wien, Austria	52.20%
HOCHTIEF Construction Chilena Ltda.	Santiago de Chile, Chile	52.20%
HOCHTIEF Construction Erste Vermögensverwaltungsgesellschaft mbH	Essen, Germany	52.20%
HOCHTIEF Construction Management Middle East GmbH	Essen, Germany	52.20%
HOCHTIEF CZ a.s.	Prag, Czech Republic	52.20%
HOCHTIEF Development Austria GmbH	Wien, Austria	52.20%
HOCHTIEF Development Austria Verwaltungs GmbH & Co. KG	Wien, Austria	52.20%
HOCHTIEF Development Czech Republic s.r.o.	Prag, Czech Republic	52.20%
HOCHTIEF Development Hungary Kft.	Budapest, Hungary	52.20%
HOCHTIEF Development Poland Sp. z o.o.	Warschau, Poland	52.20%
HOCHTIEF Development Project One SRL	Bukarest, Romania	52.20%
HOCHTIEF Development Project Three SRL	Bukarest, Romania	52.20%
HOCHTIEF Development Project Two SRL	Bukarest, Romania	52.20%
HOCHTIEF DEVELOPMENT ROMANIA SRL	Bukarest, Romania	52.20%
HOCHTIEF Development Schweden AB	Stockholm, Suecia	52.20%
HOCHTIEF Development Schweiz Projekt 2 AG	Opfikon, Switzerland	52.20%
HOCHTIEF Energy Management GmbH	Essen, Germany	52.20%
HOCHTIEF Energy Management Harburg GmbH	Hamburg, Germany	33.93%
HOCHTIEF Facility Management Bahrain Airport W.L.L.	Manama, Bahrain	13.31%
HOCHTIEF Facility Management Bahrain W.L.L.	Manama, Bahrain	26.62%
HOCHTIEF Facility Management Hellas S.A.	Spata, Greece	52.20%
HOCHTIEF Facility Management Polska Sp. z o.o.	Warschau, Poland	52.20%
HOCHTIEF Facility Management Swiss AG	Zürich, Switzerland	46.98%
HOCHTIEF Facility Management UK Limited	London, Great Britain	52.20%
HOCHTIEF Hamburg GmbH	Hamburg, Germany	36.54%
HOCHTIEF HUNGARIA Facility Management Kft.	Budapest, Hungary	52.20%
HOCHTIEF Kirchberg Services S.A.	Luxembourg, Luxembourg	52.20%
HOCHTIEF NEAH Partner Inc.	Edmonton, Canada	52.20%
HOCHTIEF Offshore Crewing GmbH	Essen, Germany	52.20%
HOCHTIEF ÖPP Projektgesellschaft mbH	Essen, Germany	52.20%
HOCHTIEF Polska S.A.	Warschau, Poland	52.20%
HOCHTIEF PPP Bundeswehrpartner FWK München GmbH & Co. KG	Essen, Germany	52.20%
HOCHTIEF PPP Schools Capital Limited	Swindon, Great Britain	26.62%
HOCHTIEF PPP Schulpartner Braunschweig GmbH	Braunschweig, Germany	52.20%
HOCHTIEF PPP Schulpartner Frankfurt am Main GmbH & Co. KG	Frankfurt am Main, Germany	52.20%
HOCHTIEF PPP Schulpartner GmbH & Co. KG	Heusenstamm, Germany	49.54%
HOCHTIEF PPP Schulpartner Köln P 1 GmbH & Co. KG	Essen, Germany	52.20%

## APPENDIX I

## Subsidiaries

Company	Registered Office	% Effective Ownership
HOCHTIEF PPP Schulpartner Köln Rodenkirchen GmbH & Co. KG	Essen, Germany	52.20%
HOCHTIEF PPP Solutions (Ireland) Limited	Dublin, Ireland	52.20%
HOCHTIEF PPP Solutions (UK) Limited	Swindon, Great Britain	52.20%
HOCHTIEF PPP Solutions GmbH	Essen, Germany	52.20%
HOCHTIEF PPP Solutions North America Inc.	Delaware, United States	52.20%
HOCHTIEF Presidio Holding LLC	Wilmington, United States	52.20%
HOCHTIEF Projektentwicklung 'Am Europagarten' GmbH & Co. KG	Essen, Germany	52.20%
HOCHTIEF Projektentwicklung GmbH	Essen, Germany	52.20%
HOCHTIEF Projektentwicklung 'Helfmann Park' GmbH & Co. KG	Essen, Germany	52.20%
HOCHTIEF Property Management GmbH	Essen, Germany	52.20%
HOCHTIEF Shield Investment Inc.	Toronto, Canada	52.20%
HOCHTIEF Solutions AG	Essen, Germany	52.20%
HOCHTIEF Solutions Middle East Qatar W.L.L.	Doha, Qatar	25.58%
HOCHTIEF Solutions Real Estate formart GmbH	Essen, Germany	52.20%
HOCHTIEF Solutions Real Estate GmbH	Essen, Germany	52.20%
HOCHTIEF Trade Solutions GmbH	Essen, Germany	52.20%
HOCHTIEF ViCon GmbH	Essen, Germany	52.20%
HOCHTIEF ViCon Qatar W.L.L.	Doha, Catar	25.58%
HTD Smart Office Nr.1 GmbH & Co. KG	Wien, Austria	52.20%
HTP Grundbesitz Blue Heaven GmbH	Essen, Germany	49.07%
HTP Immo GmbH	Essen, Germany	52.20%
I.B.G. Immobilien- und Beteiligungsgesellschaft Thüringen-Sachsen mbH	Essen, Germany	52.20%
Immobilière de Hamm S.A.	Luxembourg, Luxembourg	52.20%
Inversiones HOCHTIEF PPP Solutions Chile dos Ltda.	Santiago de Chile, Chile	52.20%
LOFTWERK Eschborn GmbH & Co. KG	Essen, Germany	52.20%
MK 1 Am Nordbahnhof Berlin GmbH & Co. KG	Essen, Germany	52.20%
MOLTENDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Mainoffice KG	Frankfurt am Main, Germany	52.20%
OOO HOCHTIEF	Moscu, Russia	52.20%
Project Development Poland 3 B.V.	Amsterdam, Holland	52.20%
Project SP1 Sp. z o.o.	Warschau, Poland	52.20%
Projektgesellschaft Börsentor Frankfurt GmbH & Co. KG	Essen, Germany	52.20%
Projektgesellschaft Konrad-Adenauer-Ufer Köln GmbH & Co. KG	Essen, Germany	52.20%
Projektgesellschaft Marco Polo Tower GmbH & Co. KG	Hamburg, Germany	36.54%
Projektgesellschaft Quartier 21 mbH & Co. KG	Essen, Germany	28.71%
PSW Leinetal GmbH	Freden, Germany	52.20%
RheinauArtOffice GmbH & Co. KG	Essen, Germany	26.10%
SCE Chile Holding GmbH	Essen, Germany	52.20%
SCE Chilean Holding S.A.	Santiago de Chile, Chile	52.20%
Soduker B.V.	Amsterdam, Holland	52.20%
Spiegel-Insel Hamburg GmbH & Co. KG	Essen, Germany	52.20%
Stadion Nürnberg Betriebs - GmbH	Nürnberg, Germany	39.10%
Streif Baulogistik GmbH	Essen, Germany	52.20%
STREIF Baulogistik Polska Sp.z o.o.	Warschau, Poland	52.20%
Tirpser B.V.	Amsterdam, Holland	52.20%
Tivoli Garden GmbH & Co. KG	Essen, Germany	52.20%
Uferpalais Projektgesellschaft mbH & Co. KG	Essen, Germany	36.54%

## INDUSTRIAL SERVICES

ACS Industrial Services, LLC.	3511 Silverside road suite 105 Wilmington Delaware 19810 County of New Castle. United States.	100.00%
ACS Peru	Avenida Victor Andrés Belaúnde 887 Distrito Carmen de Le Legua Reinoso. Lima. Peru.	100.00%
ACS Servicios Comunicac y Energía de Mexico SA CV	C/ Juan Racine, 112 Piso 8. 11510 Mexico DF. Mexico.	100.00%
ACS Servicios Comunicaciones y Energía, S.L.	Cardenal Marcelo Spinola, 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 N° 3. 01017 Ciudad de Guatemala. Guatemala	100.00%
Actividades de Servicios e Instalaciones Cobra, S.A.	Avda. Amazonas 3459-159 e Iñaquito 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. Leão. 2740-278 Porto Salvo. Portugal	74.54%
Água Energia e Meio Ambiente, Ltda.	Rua Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil.	100.00%
Al-Andalus Wind Power, S.L.	Cardenal Marcelo Spinola, 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	100.00%
Aldebarán S.M.E., S.A.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain.	100.00%
Aldeire Solar, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	100.00%
Aldeire Solar-2, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	100.00%
Alfrani, S.L.	C/ Manzanares, 4. 28005 Madrid. Spain	100.00%
Altomira Eólica, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	100.00%
Andasol 3 Central Termosolar Tres, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	100.00%
Andasol 4 Central Termosolar Cuatro, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	100.00%
Andasol 5 Central Termosolar Cinco, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	100.00%
Andasol 6 Central Termosolar Seis, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	100.00%
Andasol 7 Central Termosolar Siete, S.L.	Cardenal Marcelo Spinola, 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 Manoteras, 26. 28050 Madrid. Spain	100.00%
Applied Control Technology, LLC.	5005 N. Stateline Av. Texarcana Texas TX 75503. United States.	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 2º 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 Spinola, 10. 28016 Madrid. Spain	100.00%
Atlântico-Concessões Transp Energia do Brazil Ltda.	Rua Marcos Macedo 1333 sala 1410 Ed. P tio D. Luiz Torre II. 60150-190. Fortaleza. Brazil.	74.54%
Audeli, S.A.	C/ Anabel Segura 11, edificio 2 C. Madrid 28108. Spain.	88.90%
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. Argelia.	51.00%
Berea Eólica, S.L.	Cardenal Marcelo Spinola, 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%



## APPENDIX I

## Subsidiaries

Company	Registered Office	% Effective Ownership
BTOB Construcción Venturas, S.L.	C/ Teide, 4-1ª Plta. 28709 San Sebastián de los Reyes. Madrid. Spain	100.00%
C. A. Weinfeder 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	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. United States.	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 Freixeiras 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%
CCR Platforming Cangrejera S.A. de C.V.	C/ Juan Racine, 112 Piso 8. 11510 Mexico DF. Mexico.	68.00%
Central Térmica de Mejillones, S.A	Avda. José Pedro Alessandri 2323 Macul.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%
CIL	Avda. Marechal Camera 160. Rio de Janeiro. Brazil	100.00%
CM- Constrições, 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. Leão 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 Bahía Instalações e Serviços	Cuadra 4, 10 Estrada do Coco/Bahia. Brazil 47680	100.00%
Cobra Bolívia, 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 USA, Inc.	2711 Centerville Road, Suite 400, Wilmington.County of Newcastle. Delaware 19808. United States.	100.00%
Cobra Energy Investment, LLC.	7380 West Sahara, Suite 160.Las Vegas NV 89117. United States.	100.00%
Cobra Energy, Ltd	60 Solonos street, Atenas. Grecia	100.00%
Cobra Georgia, Llc.	Old Tbilisi Region, 27/9 Brother Zabalashvili Street. Georgia	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. IrelandIreland Dublin.	100.00%
Cobra Group Australia Pty, Ltd.	Level 5 Mayne Building 390 ST Kilda Road.Melbourne. Australia.	100.00%
Cobra Industrial Services, Inc.	3511Silverside road suite 105.Wilmington Delaware 19810 County of New Castle. United States.	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 Ingeniería Uruguay, S.A.	Colinia Apartamente 305 .Montevideo. Uruguay.	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 Instalações y Serviços, 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 USA, Inc.	2711 Centerville Road Suite 400.Wilmington Country of New Castle Delaware 19808. United States.	100.00%
Cobra Termosolar USA, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Thermosolar Plants, Inc.	3773 Howard Hughes.Las Vegas, Nevada. EEUU.	100.00%
Cobra-Udisport Conde de Guadalhorce, S.L.	Paseo Cerrado de Calderón, 18. Edif.Mercurio 1ª Plta. 29018 Málaga. Spain	51.00%
COICISA Industrial, S.A. de C.V.	Melchor Ocampo, 193 Verónica Anzures 11300. Méjico.	60.00%
Coinal Instalaciones y Servicios, S.A. de C.V.	Residencial Palermo, Pasaje 3, polígono G Casa #4 San Salvador, El Salvador	100.00%
Coinsmar Instalaciones y Servicios, SARLAU	210 Boulevard Serketouni Angle Boulevard Roudani nº 13, Maarif 2100. Casablanca. Morocco	100.00%
Concesionaria Angostura Siguas, S.A.	Avda. Víctor Andrés Belaunde, 887.Lima. Peru.	60.00%
Consortio Especializado Medio Ambiente, S.A.de C.V	Melchor Ocampo,193 piso 14.Méjico D.F. Mejico.	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 Leão 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 D.F	100.00%
Conyceto Pty Ltd.	22 On Kildare. 22 Kildare Road.7700 Newlands.South Africa	92.00%
Corporación Ygnus Air, S.A.	C/ Anabel Segura 11, edificio 2 C.Madrid 28108. Spain.	88.90%
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 USA, 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%
Cymi USA INC.	5005N State Line Ave.Texasarkana -TX75503. United States.	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. USA	100.00%
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%
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 D.F	100.00%
Dragados Construc. Netherlands, S.A.	Claude Debussylaan 24, 1082 MD Amsterdam. Holanda.	100.00%
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 Bihar. 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 USA, Inc.	One Riwerway, Suite 1700.77056 Texas. Houston. United States.	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%
Dragados-Swiber Offshore, S.A.P.I. de C.V.	Juan Racine, 112. Piso 8, Col.Los Morales 11510 Mexico D.F. Mexico.	51.00%

## APPENDIX I

## Subsidiaries

Company	Registered Office	% Effective Ownership
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	100.00%
El Otero Wind Power, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain.	100.00%
El Recuento Eólica, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain.	100.00%
Electren USA Inc.	500 Fifth Avenue, 38th floor. Nueva York 10110. United States.	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%
Electronic Traffic de Mexico, S.A. de C.V.	Melchor Ocampo 193 Torre C Piso 14D. Veronica Anzures . D.F. 11300. Mexico.	100.00%
Emplogest, S.A.	Rua Alfredo Trindade, 4 Lisboa. 01649 Portugal	98.21%
Emurtel, S.A.	C/ Carlos Egea, parc. 13-18. P.I. 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. 28016 Madrid. 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. 28016 Madrid. Spain.	75.00%
Energías y Recursos Ambientales, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Engemisa Engenharia Limitada	Ruas das Patativas, 61 41720-100.Salvador de Bahia. Brazil.	100.00%
Enipro, S.A.	Rua Rui Teles Palhinha, 4. Leão. 2740-278 Porto Salvo. Portugal	74.54%
Enq, S.L.	C/ F, nº 13. P.I. 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%
EPC Ciclo Combinado Norte, S.A. de C.V.	Melchor Ocampo, 193, Torre C piso 14D. 11300 Méjico D.F. Mexico	75.00%
EPC Plantas Fotovoltaicas Lesedi y Letsatsi, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Equipos de Señalización y Control, S.A.	C/ Severino Covas, 100. Vigo. Pontevedra. Spain	100.00%
Etra Bonal, 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%
Etrabras Mobilidade e Energia Ltda.	Av. Marechal Camara, 160, Sala 1619. 20020-080 Centro.Rio de Janeiro. Brazil.	100.00%
Etracontrol, S.L.	Av. Manoteras, 28.28050 Madrid. Spain.	100.00%
Etralux, S.A.	C/ Tres Forques, 147. 46014 Valencia. Spain	100.00%
Etranorte, S.A.	C/ Errerriena, pub. G. P.I. Zabalondo. Munguia. 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 USA Inc	2711 Centerville Road Suite 400. Wilmington county of New Castle delaware 19808. United States.	100.00%
Firefly Investments 261	22 On Kildare. 22 Kildare Road. 7700 Newlands. South Africa	92.00%
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 Guancha, S.A.	Ctra. del Rosario Km 5,2. La Laguna. 38108 Santa Cruz Tenerife. Islas Canarias. Spain	100.00%
Gestão de Negócios Internacionais SGPS, S.A.	Rua Rui Teles Palhinha 4 - 3ª Lei o 2740-278. Porto Salvo. Portugal.	74.54%
Gestión Inteligente de Cargas, S.L.	Cardenal Marcelo Spínola 10. 28016 Madrid. Spain.	100.00%
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/ Anable Segura, 10 2ª. 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	55.00%
Hidra de Telecomunicaciones y Multimedia, S.A.	C/ Severo Ochoa, 10. 29590 Campanillas. Málaga. Spain	100.00%
Hidráulica 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%
Hidrogestión, S.A.	Avda. Manoteras, 28. 28050 Madrid. Spain	100.00%
Hidrolazan, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Hochtief Cobra Grid Solutions GmbH	Alfredstrade, 236. Essen. Germany.	100.00%
Humiclíma Caribe Cpor A.Higüey	Ctra Cruce De Friusa, s/n. Higüey. Altigracia. Dominican Republic	100.00%
Humiclíma Centro, S.A.	C/ Orense, 4 1ª 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 Río 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. Jerez 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.	100.00%
ImesAPI, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain	100.00%
Imocme, S.A.	Rua Rui Teles Palhinha, 4. Leão. 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.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain.	100.00%
Intec do Brazil Engenharia e Construções, Ltda.	Avenida Rio Branco, 151 5ª andar, Grupo 502, Centro. 20040 - 911 Rio de Janeiro. Brazil.	100.00%
Intec Energía Ireland, LTD.	The Oval, Block 3, 2nd Floor, Shelbourne Road Ballsbridge 160. Dublin 4. Ireland.	100.00%
Intec 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%
Innovtec, S.R.L.U.	Immeuble les Baux RN 8.13420 Gemenos. France.	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, Río Abajo Ciudad de Panama. Panama	100.00%

## APPENDIX I

## Subsidiaries

Company	Registered Office	% Effective Ownership
Instalaciones y Servicios Codeven, C.A.	Avda.5.Fco Miranda. Torre Parque Cristal. Torre Este, planta 8. Oficina 8-10. Chacao. Caracas. Venezuela	100.00%
Instalaciones y Servicios INSERPA, S.A.	Urb. Albroom C/Principal Local 117. Panama.	100.00%
Instalaciones y Servicios Uribe Cobra, S.A. de C.V	José Luis Lagrange, 103 piso 8 Los Morales Miguel Hidalgo.Mexico D.F. Mexico.	51.00%
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.	100.00%
Invexta Recursos, S.L.	Ayala, 120. 28006 Madrid. Spain	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 Spinola, 10. 28016 Madrid. Spain	61.79%
LestEnergía	Calçada Da Rabaça, Nº 11. Penamacor. Portugal	74.54%
Linhas de Transmissao de Montes Claros, Ltda.	Avd.Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil.	100.00%
Litran do Brazil Partipações 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%
Maetel Peru, S.A.C.	Calle Julian Arias Araguez nº250. Lima. Per Lima. Peru.	100.00%
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 Spinola, 10. 28016 Madrid. Spain	100.00%
Manchasol 2 Central Termosolar Dos, S.L.	Cardenal Marcelo Spinola, 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. 28079 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 Spinola Nº 42 - planta 11º. 28016 Madrid. Spain.	100.00%
Mas Vell Sun Energy, S.L.	C/ Prósper de Bofarull, 5 . Reus (Tarragona)	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%
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 Juarez. Delegación Cuauhtemoc. 06600 Mexico D.F. Mexico.	100.00%
Mexicobra, S.A.	Colonia Polanco C/Alejandro Dumas,160. Mexico D.F. 11500. Mexico	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.	100.00%
Mimeca, C.A.	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela.	82.80%
Minuano Montagens e Servicos, 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 Constructie si Instalare, S.R.L.	Floresca, 169-A floresca Business Park.Bucarest. Romania	100.00%
Moncobra Dom	3296 Bld Marquisat de Houelbourg- Zl de Jarry97122 Baie Mahault. Guadalupe	100.00%
Moncobra Peru	Avda Víctor Andrés Belaúnde 887 Distrito: Carmen de le Legua Reinoso. Peru.	100.00%
Moncobra, S.A.	Cardenal Marcelo Spinola, 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%
New Generation Sistems, S.R.L.	139, rue Simone Signoret - Tournezy II.34070 Montpellier . France	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 Infraestructures, S.L.	Cardenal Marcelo Spinola, 10.28016 Madrid. Spain.	51.00%
OCP Peru	Avda Víctor Andrés Belaúnde 887 Distrito: Carmen de le Legua Reinoso	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 Organización y Promoción de Actividades Deportivas, S.A.	Avda. de América, 10. Madrid. Spain.	100.00%
P. E. Sierra de las Carbas, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	61.79%
P.E. Marcona, S.R.L.	Alfredo Salazar, 409 Miraflores.Lima. Peru.	99.99%
P.E. Monte das Aguas, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	60.00%
P.E. Monte dos Nenos, S.L.	José Luis Bugallal Marchesi, 20. 15008 La Coruña. Spain	100.00%
P.E.Donado, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	100.00%
P.E.Tesosanto, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	61.79%
Parque Cortado Alto, S.L.	Cardenal Marcelo Spinola, 10.28016 Madrid. Spain	51.00%
Parque Eólico Buseco, S.L.	Comandante Caballero, 8. 33005 Oviedo. Asturias. Spain	80.00%
Parque Eólico de Valdecarro, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	100.00%
Parque Eólico La Val, S.L.	Cardenal Marcelo Spinola, 10.28016 Madrid. Spain	51.00%
Parque Eólico Santa Catalina, S.L.	La Paz, 23-2ºB. Valencia. Spain	100.00%
Parque Eólico Tadeas, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	51.48%
Parque Eólico Tres Hermanas, S.A.C	Avda. Alfredo Salazar,409.Lima. Peru.	100.00%
Parque Eólico Valdehiero, S.L.	Cardenal Marcelo Spinola, 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%
Procme, S.A.	Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo. Portugal.	74.54%
Promservi, S.A.	Avda. de Manoterias, 26. 28050 Madrid. Spain	100.00%
Railways Infraestructures Instalac y Servicios LLC		100.00%
Recursos Ambientales de Guadalaajara, S.L.	Cardenal Marcelo Spinola 10. 28016 Madrid. 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.	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. Méjico.	100.00%
Riansares Eólica, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	70.00%
Ribagrande Energía, S.L.	Cardenal Marcelo Spinola 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 Spinola 10. Madrid 28016. Spain.	100.00%
Roura Cevasa, S.A.	Caracas, 5. Barcelona. Spain	100.00%
Salam Sice Tech Solutions, Llc.	Salam Tower West Bay P. O. Box 15224 DOHA (Qatar)Box 15224 Doha. Qatar	49.00%
Salmantina de Seguridad Vial, S.A.	Cascalajes, 65-69. 37184 Villares de la Reina. Salamanca. Spain	100.00%
Sao-Simao Montagens 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	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%

APPENDIX I

Subsidiaries

Company	Registered Office	% Effective Ownership
Semi Germany, S.A.	Schlüter Str.17 10625.Berlin. Germany.	100.00%
Semi Italia, SRL.	Via Uberto Visconti Di Modrone 3.Milan. Italia.	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 Servicios de Energia Industrial y Comercio SL	Gülbahar Mah. Altan Erbulak Sok. Atasoy Is Hani No: 3/1.Estambul. Turquia.	100.00%
Semi USA Corporation	2800 Post Oak Blvd. Suite 5858.Houston, Texas. United States.	100.00%
Semicosta Inc Sociedad Anónima	Diagonal al parque del Centro Comercial el Pueblo.San José. Costa Rica.	100.00%
Semona, S.R.L.	Av John Kennedy, Esg Lope de Vega, Edif. Scotiabank.Santo Domingo. Rep blica Dominicana.	70.00%
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. Mex DF11510	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 Nº 112 Piso 8 Col. Los Morales C.P. 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 3 piso Colonia Los Morales Mexico (DF) Delegación Miguel Hidalgo 11510	100.00%
Servicios Logísticos y Auxiliares de Occidente, SA	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. Mexico	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	C/Omirou. 14562 Kifissia. Grecia	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	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. Vitacura 2670. Oficina 702 – piso 7. Las Condes Santiago de Chile. Chile.	60.00%
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.	100.00%
SICE, LLC.	Rublesvkoye Shosse 83/1 121467 Moscú. 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. Holanda.	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 Construccion 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 Yoses - 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	100.00%
Sociedad Industrial de Construcciones Eléctricas, S.L., Ltda.	CL 94 NO. 15 32 P 8. Bogot 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. Vitacura 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%
Taxway, S.A.	Colonia, 981.Montevideo. Uruguay	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 Eneerias 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	36.60%
Tonopah Solar Energy Holdings II, LLC.	2425 Olympic Blvd, suite 500E.Santa Monica, CA 90404. United States	36.60%
Tonopah Solar Energy, LLC	2425 Olympic Blvd, suite 500E.Santa Monica, CA 90404. United States	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%
Tucurui Dourados Montagens e Serviços, Ltda.	Avd.Marechal Camera, 160 sala 1621.Rio de Janeiro. Brazil.	99.00%
UrbaEnergía Instalaciones y Servicios, S.L.	Cardenal Marcelo Spinola,10.28016 Madrid. Spain.	100.00%
Urbaenergía, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	100.00%
Valdelagua Wind Power, S.L.	Cardenal Marcelo Spinola 10. Madrid 28016. Spain.	100.00%
Venelin Colombia SAS	Calle 107 A Nº. 8-22.Bogotá. D.C. Colombia	82.80%
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%
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%
Eco Actrins, S.L.U.	C/ Alcalde Luis Pascual, 17 Bajo Caudete. Albacete. Spain.	50.00%
Ecoentorno Ambiente, S.A.	Camino de la Muñozoa, s/n. Ctra. Madrid-Barcelona, km. 15.200. 28042 Madrid. Spain.	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 Gresla. Coruña. Spain	100.00%
Empordanesa de Neteja, S.A.	Avda. Diagonal, nº 611 - 2º. Barcelona. Spain	60.00%

## APPENDIX I

## Subsidiaries

Company	Registered Office	% Effective Ownership
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 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%
Laboratorio de Gestión Ambiental, S.L.	Avda. de Tenerife 4-6. 28703 San Sebastian 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 Energía, 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 Dócan 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%
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%
Salins Residuos Automoción, S.L.	Calle 31 c/v calle 27 - Nave 715-701, P.I. Catarroja. Valencia. Spain	80.00%
SCI Sintax	Route de Phaffans. 90380 Roppe. France	100.00%
Sertego, S.L.	Camino de Hormigueras, 171.28031 Madrid. Spain	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 Sebastian de los Reyes. Madrid. Spain	75.00%
Servicios Selun, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastian 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 S.A.R.L.	Place de la Madeleine, 6. 75008 Paris. France	100.00%
Sintax Ile de France S.A.R.L.	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 6ª. Barcelona. Spain	100.00%
Sintax Logística 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%
Sintlogística, Ltda.	Vale Ana Gomez, Ed. Sintax Estrada de Algeruz. Setubal. Portugal	100.00%
Socamex, S.A.	C/ Cobalto s/n Par. 213. Pol. San Cristóbal. Valladolid. Spain	100.00%
Somasur, S.A.	20, Rue Meliana Hai Ennahada. Rabat. Morocco	100.00%
Tangshan International Container Terminal Co. Ltd.	Tangshan Port Development Zone. Hebei Province. República Popular China.	54.28%
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 Elaiassoufi cite OLM-Suissi II. Rabat. Morocco	65.00%
Tecmed Servicios de Recolección, S.A. de C.V.	C/ Homero nº109 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 Sebastian de los Reyes. Madrid. Spain	95.00%
Técnicas de Recuperación e Inertización, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain	100.00%
Tirmadrid, S.A.	C/ Cañada Real de las Merinas, s/n. Madrid. Spain	66.36%
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 1ª dcha., P.I. La Gresla. 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 Sebastian de los Reyes Madrid. Spain.	100.00%
Tresima Limpiezas Industriales, S.A. (TRELIMSA)	C/ Copérnico, 1 1ª dcha., P.I. La Gresla (A Coruña)-Spain	80.00%
Urbacet, S.L.	Calle Fray Junipero Serra nº 65 3ª, 08030 Barcelona. Spain	100.00%
Urbamar Levante Residuos Industriales, S.L.	C/ 31 c/v calle 27 - Nave 715-701, P.I. Catarroja. Valencia. Spain	80.00%
Urbana de Servicios Ambientales, S.L.	Avda. José Ortega y Gasset, nº 194-196. Madrid. Spain	70.00%
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 112-8ª, 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.USA	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 Limited	Unit F, 2nd Floor, Pate Court, St. Margaret's Road,Cheltenham, GL50 4DY. United Kingdom.	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. Italia.	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 - 2ª. Barcelona. Spain	100.00%
Urbaser Valencia, C.A.	C/ 123, s/n, cruce con avenida 94, avda. Izandro Alvarado, zona industrial la Guacamaya, Galpon, Urbaser, Valencia	100.00%
Urbaser, S.A.	Camino de Hormigueras, 171.28031 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 Sebastian de los Reyes. Madrid. Spain.	51.00%
Valenciana de Eliminación de Residuos, S.L.	Paraje "El Cabezo del Pino". Real de Montroi. Valencia. Spain	85.00%
Valenciana de Protección Ambiental, S.A.	L' Alcudia de Crepins - Polig. El Caneri - 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 Mulas, S.L.	Camino de Las Mulas, s/n. 28945 Fuenlabrada. Madrid. Spain	100.00%
Vertederos de Residuos, S.A. (VERTRESA)	Camino de Hormigueras, 171.28031 Madrid. Spain.	83.97%

## APPENDIX II

UTE / EIG

UTE / EIG	Address	% Effective Ownership	Revenue
<b>CONSTRUCCION - DRAGADOS</b>			
Ave Lalín	Avda. Finisterre, 25 - A Coruña	100.00%	10,088
Ave Ulla	Avda. Finisterre, 25 - A Coruña	100.00%	34,872
Yesa	Cl. Rene Petit, 25 - Yesa	33.33%	10,095
Gorg Línea 9	Cl. Via Laietana, 33 - Barcelona	43.50%	15,238
Túneles de Pajares 2	Avda. Camino de Santiago, 50 - Madrid	84.00%	22,478
Langosteira	Avda. Finisterre, 25 - A Coruña	55.00%	54,745
Puente de Cádiz	Avda. Tenerife, 4 y 6 - San Sebastián de los Reyes	100.00%	25,122
Ave Girona	Cl. Acanto, 22 - 5ª Planta - Madrid	40.00%	56,168
Complejo Administrativo 9 de Octubre	Cl. Alvaro de Bazan, 10 - Valencia	54.00%	25,204
Central Greece Motorway E-65	Av. Messogeion, 85 - Atenas	33.33%	14,630
Zaratamo	Pz. Venezuela, 1 - Bilbao	90.00%	13,951
Hospital de Bellvitge	Cl. Via Laietana, 33 - Barcelona	55.00%	10,965
Obras Abrigo Puerto Valencia	Cl. Alvaro de Bazan, 10 - Valencia	29.00%	19,825
Viaducto Río Ulla	Cl. Wenceslao Wernández Florez, 1 - A Coruña	100.00%	12,761
Metro de Granada	Cl. Lope de Vega, 4 - Granada	70.00%	10,300
Ampliación Puerto de Tazacorte	Cl. Candelaria, 28 - 3ª Planta - Ed. Olympo - Santa Cruz De Tenerife	85.00%	10,223
Contradique de Granadilla	Cl. Candelaria, 28 - 3ª Planta - Ed. Olympo - Santa Cruz De Tenerife	80.00%	13,584
Ave Túnel de Serrano	Cl. Cardenal Marcelo Spinola, 52 - Madrid	42.00%	45,131
Baixo Alentejo	Avda. Visconde De Valmor, 66 - Lisboa	44.00%	47,067
Estacions L9-Besos	Cl. Via Laietana, 33 - Barcelona	50.00%	23,841
Vía Litoral	Cl. Candelaria, 28 - 3ª Planta - Ed. Olympo - Santa Cruz De Tenerife	100.00%	18,363
Ampliación Complejo Atocha Fase I	Avda. Camino de Santiago, 50 - Madrid	100.00%	24,945
Viaducto de Archidona	Avda. Camino de Santiago, 50 - Madrid	50.00%	10,609
Autovía del Pirineo	Avda. Roncesvalles, 6 - Pamplona - Iruña	72.00%	10,950
Terminal Aeropuerto de Ibiza	Pz. Es Forti, 4 - Palma de Mallorca	70.00%	17,010
Beasain Este	Barrio Loinatz - Beasain	47.00%	12,287
Edificio Usos Múltiples en Salamanca	Pz. Juan de Austria, 2 - Valladolid	99.00%	10,720
Tolosa	Cl. Gran Via, 53 - Bilbao	40.00%	30,735
Estructura Sagrera Ave	Cl. Via Laietana, 33 - Barcelona	33.50%	21,756
Urbanización Terminal Polivalente	Cl. Maestro Alonso, 1 - Murcia	50.00%	10,356
Ave San Isidro - Orihuela	Cl. Alvaro de Bazan, 10 - Valencia	70.00%	48,740
Estacions L9-Llobregat	Cl. Via Laietana, 33 - Barcelona	50.00%	58,312
Construcción Plataforma Tramo Urrieta - Hernani	Cl. Gran Via, 53 - Bilbao	37.00%	13,765
Dragados-Sisk Crossrail Eastern R. Tunnels	25 Canal Sq. 33 fl. Canary Wharf - London	90.00%	161,024
Forth Crossing Bridge Constructors	Grange House West Main Road, Grange Mouth - Scotland	28.00%	151,463
HVDC Tunnel GEIE	Cl. 2, Rue Helene Boucher - 93330 Neuilly Sur Marne	50.00%	49,187
Consorcio Dragados - Conca	Cl. 94 A, Nº 13-08 Barrio Chico - Bogotá	70.00%	14,715
Estación Girona	Cl. Acanto, 22 - 5ª Planta - Madrid	40.00%	13,125
Maceiras Redondela	Cl. Caballero Andante, 42 - Madrid	50.00%	15,860
Durango - Amorebieta	Cl. Elcano, 14 - Bilbao	75.00%	19,254
A-32 Ibrós - Ubeda	Cl. Orense, 11 - Madrid	65.00%	13,074
Loiola Herrera	Barrio Loyola, 25 - Azpetitia	50.00%	14,060
Nudo Venta de Baños	Cl. Orense, 11 - Madrid	50.00%	25,939
Medinaceli	Cl. Acanto, 22 - 5ª Planta - Madrid	22.40%	10,140
Depósito de Vallecás	Cl. Orense, 11 - Madrid	60.00%	10,731
Antequera	Cl. Orense, 11 - Madrid	85.38%	29,157
Techint- Dycasa	Hipólito Bouchard 557 piso 17 - Buenos Aires	40.00%	29,286
Dragados Cobra Initec JV- Great Ireland	The Oval Building , Block 3, 2nd Floor 160, Shelbourne Road, Ballsbridge, Dublin	33.33%	36,739
Dragados / Judlau (019)	26-15 Ulmer Street, College Point - New York 11354	55.00%	122,149
Seattle Tunnel Partners	999 3rd Avenue, 22nd Floor - Seattle 98104	55.00%	188,681
Picone / Schiavone / Frontier / Drag. USA (538)	31 Garden Lane, Lawrence NY 11559	87.50%	37,766
Dragados/ Flatiron/ Sukut	P.O Box 608, Sunol CA 94586	40.00%	39,834
Picone / Schiavone (312)	31 Garden Lane, Lawrence NY 11559	100.00%	22,085
41G Constructors (520)	150 Meadowlands Pkwy Secaucus, NY 07094	100.00%	58,389
Rondout Constructor (185)	150 Meadowlands Pkwy Secaucus, NY 07094	76.40%	23,846
Skanska / Picone II (47)	20 North Central Ave, Valley Stream, NY 11580	27.50%	52,063
S3 Tunnel Constructors (514)	207 East 94th St., NY,NY	37.50%	24,055
S3 II Tunnel Constructors (516)	360 West 31st St., NY, NY	30.00%	37,185
Schiavone/Kiewit (521)	29-60 Northern Blvd, NY, NY	60.00%	20,113
Plaza Schiavone (523)	195 Broadway, 18th Floor, NY, NY	40.00%	39,927
SSK Constructors (524)	1181 Broadway, 5th Floor, NY, NY	42.50%	140,034
Project - S-8 sec 6,7	Ul. Adama Branickiego, 15 - Warszawa	51.00%	37,478
Project - S-8 sec 3	Al. Ujazdowskie, 41 - Warszawa	51.00%	64,376
Project - S-8 sec 5	Ul. Adama Branickiego, 15 - Warszawa	51.00%	19,259
<b>CONSTRUCCION - HOCHTIEF</b>			
Bau-ARGE BAB A8 Ulm - Augsburg	D - 86441 Zusmarshausen / Im Zusamtal 7	50.00%	100,111
Forth Replacement Crossing	GB - Schottland	28.00%	151,123
Gotthard Basis Tunnel, Lose Bodio&Faido	CH - 6743 - Bodio / Consorzio TAT	25.00%	167,602
Crossrail C310 Thames Tunnel (incl. HT UK-Anteil)	GB - London / Hiview House, Highgate Road	50.00%	89,327
Arge Tunnel XFEL	D - Hamburg	50.00%	42,679
Arge Saale - Elster - Brücke	D - 06258 Schkopau / Hallesche Straße 174	36.00%	49,170
ARGE Tunnel Lichtenfels	D - 96215 Lichtenfels / Arge Tunnel Lichtenf.	50.00%	32,502
Maliakos Kleidi CJV/OJV	GR - Itea-Gonnoi	61.02%	26,858
E6 Dovrebanen FP2	NO - Eidsvoll/ Minnesund	40.00%	36,966
Arge Montgelas-Park München	D - München / Törringstraße 2-4	65.00%	11,689

## APPENDIX II

## INDUSTRIAL SERVICES

UTE ACS-COBRA-CASTOR	Calle Cardenal Marcelo Spinola, 10 - Madrid	100.00%	176,297
CONSORCIO LARRAYNAGA	C/ Reparto San Juan, Hotel Seminole, 300 Mangua Nicaragua	100.00%	14,041
UTE C.T. VALLE UNO	C/ Severo Ochoa, 4 28760 Tres Cantos - Madrid	50.00%	42,021
UTE C.T. VALLE DOS	C/ Severo Ochoa, 4 28760 Tres Cantos - Madrid	50.00%	42,507
UTE C.C. BREMEN	C/ Cardenal Marcelo Spinola,10 - Madrid	100.00%	29,998
EP UTE PTAR TABOADA	Avda. Victor Andrés Belaunde, 887 - Perú	100.00%	23,323
UTE DRAGADOS COBRA INITEC JV	C/ Shelbourne Road, 160 Dublin - Irlanda	100.00%	36,734
UTE AMPLIACION BBG	C/ Zugazarte, 56 48930 Las Arenas Getxo - Vizcaya	68.00%	35,245
UTE LOS COCOS	C/ Cardenal Marcelo Spinola, 10 - Madrid	100.00%	35,522
EP UTE YX LOS COCOS	C/ Anacaona, 20 Santo Domingo - República Dominicana	100.00%	16,722
UTE ACELEC	Avda del Brasil, 6 - MADRID	33.33%	14,326
Ute Luz Madrid	Evaristo San Miguel 4 - Madrid	60.00%	22,984
Ute Vea 2012	Orense, 68 - Madrid	50.00%	10,767
Enwesa- Maessa EAE UTE	C/ Tarragones 12, bajo planta 4ª-43890 Hospitalet del Infante - Tarragona	50.00%	11,957
La Réunion UTE	8 rue du Grand Hotel - 97434 Saint Gilles Les Bains - La Réunion - FrancE	84.00%	15,213
UTE MOGENTE-ALCUDIA DE CRESPINS	Avda de Manoteras, 46 1ª - Madrid	15.00%	14,474
UTE ACELEC	Avda de Brasil 6,2ª planta - Madrid	33.33%	14,326

## ENVIRONMENT

UTE Legio	Cl. Valle de Portugal, s/n - San Román de La Vega (León)	50.00%	12,756
UTE Ebro	Parque Tecnológico de Reciclados. Parc. C1-18. Crta. La cartuja a Torrecilla de Valmadrid. Km. 1,195 - 50720 Zaragoza	100.00%	16,585
UTE La Paloma	Crta. De Valencia Km. 14, Valdemingomez -, Madrid	62.00%	11,206
UTE BKU - Tecmed (Albada)	Nostian s/n, 15010 - La Coruña	100.00%	12,497
UTE Vertresa Rwe Proces (Las Dehesas)	Ctra. Valencia, km 14. Complejo Valdemingomez - Madrid	100.00%	20,200
UTE Urbamar	Nuevo Dique del Este s/n, Puerto de Valencia - Valencia	80.00%	15,647
UTE Logroño Limpio	Polg. Ind. Portalada II C/ La Nevera, nº 18. 26006 Logroño - La Rioja.	50.00%	10,061
UTE Ecoparque V	Ctra. Terrasa - Manresa C-58 Barcelona	20.00%	10,002
UTE Ecored	C/ Soliraditat 41, Aldaia - Valencia	100.00%	12,999
UBB (Essex) Construction JV	Unit F Pate Court, St Margarets Road, Cheltenham, GL50 4DY	70.00%	12,562
UTE Moron (Urbaser Argentina, S.A)	Gral. J. M. de Pueyrredón 937 - Morón	100.00%	14,652
UTE Urbasur (Urbaser Argentina, S.A.)	Brandsen 2720 - Caba	70.00%	53,882
UTE Vertresa - FCC (Tenerife)	Pol. Ind. San Isidro - El Rosario (Tenerife)	90.00%	16,135

APPENDIX III

Associates

Data on the investee (100%)

COMPANY	Address	% Effective Ownership	Assets	Liabilities	Equity*	Revenue	Profit for the year
<b>CONSTRUCTION - DRAGADOS</b>							
ACS Sacyr Chile, S.A.	Avda. Vitacura, 2939, ofic. 1102. Las Condes. Santiago de Chile. Chile.	50.00%	1,297	1,183	114	-	(9)
Blue Clean Water, Llc.	150 Meadowlans PKWY, Secaucus. New Jersey 07094. United States.	76.40%	2,711	5	2,706	501	367
Central Greece Motorway Concession, S.A.	Municipality of Athens, 87 Themistokleous, 10683 Athens. Greece.	33.33%	703,873	957,580	(253,707)	8,408	-
Citic Construction Xinlong Contracting Co., Ltd.	Xidaqiao Lu,69. Distrito Miyun.Beijing.China.	50.00%	1,814	39	1,775	-	(13)
Cleón, S.A.	Avda. General Perón, 36 1º. 28020 Madrid. Spain.	50.00%	131,367	31,132	100,235	-	(370)
Constructora Comsa Dragados, S.A.	Avda. Vitacura, 2939, ofic. 2201. Las Condes. Santiago de Chile. Chile.	50.00%	3,433	2,726	707	417	(1,570)
Constructora DCB, S.A.	Avda. Tajamar nº 183 piso 5º.Las Condes. Santiago de Chile. Chile.	33.33%	42,774	42,551	223	45,092	209
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%	3,079	2,053	1,026	4,578	302
Dragados Besalco, S.A.	Avda. Vitacura, 2939, ofic. 1102. Las Condes. Santiago de Chile. Chile.	50.00%	4,569	4,659	(90)	4,211	(1,098)
Dragados Fomento Canada, S.A.L.	Queen Street, 570 Fredericton NB. Canada	50.00%	10,224	12,021	(1,797)	4,093	618
Dravo, S.A	Plaza de Castilla, 3 Piso 21-A. 28046 Madrid. Spain	50.00%	18,234	9,388	8,846	17,341	1,329
Elaboración de Cajones Pretensados, S.L.	Avda. general Peron. 36. 28020 Madrid. Spain	50.00%	100	96	4	-	-
Empresa Mantenimiento y Explotación M-30, S.A.	C/ Méndez Alvaro, 95. 28053 Madrid. Spain.	50.00%	228,625	221,731	6,894	28,556	1,201
FPS Brunet Inc.	1625 Monseigneur-Langlois Boulevard. Salaberry de Valleyfield, Quebec, J6S 1C2. Canada.	50.00%	881	816	65	559	(3)
Gaviel, S.A.	Avda. Diagonal, 407 bis planta 21. 08008 Barcelona. Spain.	50.00%	1,277	3	1,274	-	(17)
Juluna, S.A.	C/ Sornj, 3 bajo. 46004 Valencia. Spain	24.45%	687	10	677	-	1
PKO BP Inwestycje-Sarnia Dolina, Limited Liability Company	00-073 Warszawa ul. Pilsudskiego 3. Poland	29.04%	4,131	6,325	(2,194)	-	(353)
SDD Shanganagh (Water Treatment) Limited	Wilton Works, Naas Road, Clondalkin. Dublin 22. Ireland.	50.00%	1,031	1,030	1	-	(5)
Supercó Orense, S.A.	C/ Copérnico,7 Edificio Work Center 2ºA ,Poligono la Grela. 15008 La Coruña. Spain	35.00%	3	27	(24)	-	-
Vía Olmedo Pedralba, S.A.	C/ Orense. 11.28020 Madrid. Spain	50.40%	15	-	15	-	-

CONSTRUCTION - IRIDIUM (Concessions)

Autovía de la Sierra de Arana, S.A.	C/ Sierra Umría, 10. 18850 Iznalloz. Granada. Spain.	40.00%	10,430	5,457	4,973	-	-
Autovía de los Pinares, S.A.	Km 20.200 A-601. 47160 Portillo. Valladolid. Spain	53.33%	106,013	115,483	(9,470)	4,929	(2,779)
Bidelan Guipuzkoako Autobideak, S.A.	Asti Auzoa, 631 B. 20800 Zarauz. San Sebastian. Spain	50.00%	18,162	8,431	9,731	41,571	2,122
Capital City Link General Partnership	12009 Meridian St, Edmonton. Alberta T6S 1B8. Canada.	25.00%	412,128	416,119	(3,991)	25,205	(4,055)
Celtic Roads Group (Portlaoise) Limited	Toll Plaza Balgeen Co. Meath Ireland	33.33%	303,904	377,262	(73,358)	19,295	(3,953)
Celtic Roads Group (Waterford), Ltd.	Toll Plaza , Balgeen , Co. Meath Ireland	33.33%	229,480	276,399	(46,919)	13,469	(1,715)
Circunvalación Alicante, S.A.C.E.	Autopista AP 7.pk 703. Area Monforte del Cid. 03670 Monforte del Cid. Alicante. Spain	50.00%	462,224	519,425	(57,201)	5,156	(17,948)
Concesionaria Aparcamiento La Fe, S.A.	Tres Forques, 149 Accesorio.46014 Valencia. Spain.	50.00%	10,358	9,386	972	1,294	53
Concesionaria Atención Primaria, S.A.	Plaza Es Fortí, 4, 1º A. 07011 Palma de Mallorca. Islas Baleares. Spain	49.50%	22,157	17,459	4,698	3,475	905
Concesionaria Hospital Son Dureta, S.A.	Carretera Valldemosa, 79. 07120 Palma de Mallorca. Islas Baleares. Spain	49.50%	417,922	430,769	(12,847)	39,646	2,982
Desarrollo de Equipamientos Públicos, S.L.	Avenida del Camino de Santiago, 50. 28050 Madrid. Spain.	60.00%	64,108	17,647	46,461	25	35
Estacionamientos El Pilar, S.A.	Calle Madre Rafols 2 oficina 1-A. 5004. Zaragoza. Spain	50.00%	13,500	5,298	8,202	3,120	639
FTG Fraser Transportation Group Partnership	1300 - 777 Dunsmuir Street Po Box 10424 Stn Pacific Ctr. Vancouver Bc V7Y 1K2. Canada.	50.00%	173,665	169,896	3,769	12,688	2,763
Gran Hospital Can Mises, S.A.	Calle Corona, S/N, (Casetas de Obra). 07800 Ibiza. Islas Baleares	40.00%	66,287	57,758	8,529	5,396	(356)
Hospital de Majadahonda, S.A.	C/ Joaquín Rodrigo, 2. 28220 Majadahonda. Madrid. Spain.	55.00%	264,826	250,132	14,694	38,824	4,435
I 595 Express, LLC	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street.Wilmington New Castle. Delaware 19801. United States.	50.00%	995,944	979,827	16,117	66,417	5,691
Infraestructuras y Radiales, S.A.	Ctra.M-100 Alcalá de Henares a Daganzo Km 6.300. 28806 Alcalá de Henares. Madrid. Spain	35.00%	841,997	953,911	(111,914)	15,095	(24,175)
Intercambiador de Transportes de Avda. de América, S.A.	Avda. América, 2-17-B. 28002 Madrid. Spain	60.00%	36,796	22,149	14,647	6,438	2,076
Intercambiador de Transportes de Príncipe Pío, S.A.	Avda. América, 2-17-B. 28002 Madrid. Spain	42.00%	78,968	67,194	11,774	8,961	2,766
Intercambiador de Transportes Plaza de Castilla, S.A.	Avda. de América 2-17B. Madrid. Spain	22.20%	225,676	184,330	41,346	30,545	11,085
Línea Nou Manteniment, S.L.	Avenida Josep Tarradellas, 34-36 4º Dcha.08029 Barcelona. Spain.	50.00%	2,186	1,268	918	1,735	916
Línea Nou Tram Dos, S.A.	Avenida Josep Tarradellas, 34-36 4º Dcha.08029 Barcelona. Spain.	50.00%	645,521	726,872	(81,351)	57,948	4,192
Línea Nou Tram Quatre, S.A.	Avenida Josep Tarradellas, 34-36 4º Dcha.08029 Barcelona. Spain.	50.00%	608,639	649,659	(41,020)	51,467	8,669
Metro de Sevilla Sdad Conce Junta Andalucía, S.A.	C/ Carmen Vendrell, s/n (Prolongación de Avda. de Hytasa) 41006 Sevilla. Spain	34.01%	418,178	294,609	123,569	47,074	3,544
Nea Odos Concession Societe Anonyme	Municipality of Athens; 87 Themistokleous; 10683 Athens. Greece	33.33%	413,196	361,781	51,415	57,835	-
Nouvelle Autoroute 30, S.E.N.C.	5388 Pierre Danseream. Salaberry-de-Vallefield. Quebec H9R 5B1. Canada.	50.00%	1,061,382	1,067,876	(6,494)	82,328	9,674
Operadora Can Mises, S.L.	Calle Corona, s/n.07800 Ibiza. Spain.	40.00%	4	3	1	-	(1)
Road Management (A13), Plc.	24 Birch Street, Wolverhampton, WV1 4HY	25.00%	169,879	313,996	(144,117)	32,248	(3,294)
Rotas Do Algarve Litoral, S.A.	Rua Julieta Ferrão, nº 10 – 6º andar 1600-131 Lisboa. Portugal	45.00%	118,358	138,157	(19,799)	-	-
Serranopark, S.A.	Pza. Manuel Gomez Moreno, 2. 28020 Madrid. Spain	50.00%	107,610	101,462	6,148	4,719	(3,677)
Sociedad Concesionaria Ruta del Canal, S.A.	Antonio Varas Nº 216, Oficina 701.Puerto Montt. Chile.	51.00%	111,884	86,815	25,069	-	-
Sociedad Hospital de Majadahonda Explotaciones, S.L	C/ Joaquín Rodrigo, 2. 28220 Majadahonda. Madrid. Spain	55.00%	19,742	19,490	252	22,975	239
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A.	Rua Julieta Ferrão, nº 10 – 6º andar 1600-131 Lisboa. Portugal	49.50%	309,817	347,790	(37,973)	-	-
Systelec Quebec, Inc.	3700-1 place Ville-Marie.Montreal (Quebec) H3B3P4. Canada.	50.00%	-	1	(1)	-	(1)
Systelec S.E.C	3700-1 place Ville-Marie.Montreal (Quebec) H3B3P4. Canada.	50.00%	7,650	10,084	(2,434)	5,712	1,933
Tag Red, S.A.	Avda. Vitacura nº 2939 piso 8. Las Condes. Santiago de Chile. Chile.	25.00%	6	2,389	(2,383)	-	-
TP Ferro Concesionaria, S.A.	Ctra. de Llers a Hostalets GIP-5107 p.k. 1, s/n 17730 Llers (Girona) Spain	50.00%	1,216,867	1,180,380	36,487	3,079	-
Windsor Essex Mobility Group	2187 Huron Church Road, Suite 210. Windsor. Ont N9C 2L8. Canada.	33.33%	427,189	461,537	(34,348)	24,970	2,309

CONSTRUCTION - HOCHTIEF

Hochtief Americas

Columbia-Investment	Holmdel, United States	26.62%	15,210	6,024	9,186	-	4,021
E.E. Cruz/Tully Construction, LLC	Holmdel, United States	26.10%	26,000	21,342	4,658	-	(5,824)
Kiewit/Flatiron	Richmond, United States	14.36%	65,342	33,484	31,858	-	7,742
Perini/Tompkins	District of Columbia, United States	20.88%	3,887	219	3,668	-	(297)
Turner - PCL - Flatiron	New York, United States	26.62%	20,701	13,927	6,774	-	4,055
Turner jointly controlled entities other	-	-	144,988	126,063	18,924	-	16,331
Flatiron jointly controlled entities in other	-	-	73,847	85,557	(11,710)	-	(63)

Hochtief Asia Pacific

Al Habtoor Engineering Enterprises Co. LLC	Dubai,United Arab Emirates	12.55%	993,840	761,250	232,590	-	(37,838)
City West Property Investment (No.6) Trust	Australia	13.95%	44,120	-	44,120	-	609
Kentz E & C Pty Ltd.	Australia	13.95%	16,781	-	16,781	-	11,439
Leighton Welspun Contractors Private Ltd.	Kala Ghoda Fort, India	18.13%	228,110	49,729	178,381	-	5,362
MacMahon Holding Ltd.	Australia	5.30%	163,983	97,225	66,758	-	(2,537)
Sedgman Pty. Ltd.	Australia	9.20%	102,040	50,735	51,305	-	8,704
Leighton associates in other	-	-	99,457	88,401	11,056	-	(22,633)
Leighton jointly controlled entities other	-	-	206,297	119,101	87,196	-	(21,857)



## APPENDIX III

## Associates

Data on the investee (100%)

COMPANY	Address	% Effective Ownership	Assets	Liabilities	Equity*	Revenue	Profit for the year
<b>Hochtief Europe</b>							
Am Opernboulevard GmbH & Co. KG	Hamburg, Germany	24.53%	12,171	4,191	7,980		326
Arbeitsgemeinschaft GÜ Köbis Dreieck KPMG	Berlin, Germany	26.10%	178	38	140		
Aurelis Real Estate GmbH & Co. KG	Eschborn, Germany	26.10%	630,407	487,367	143,040		33,469
Golden Link Concessionaire LLC (Presidio Parkway)	New York, United States	26.10%	41,736	23,253	18,483		1,227
Grundstücksgesellschaft Köbis Dreieck GmbH & Co. Development KG	Essen, Germany	26.10%	6,155	2,317	3,838		(205)
HGO InfraSea Solutions GmbH & Co. KG	Bremen, Germany	26.10%	125,408	113,751	11,657		(171)
HKG Holding AG	Risch, Switzerland	18.27%	6,488	1,785	4,703		472
HKP Dahlemer Weg Objekt 1 tertius PE GmbH & Co. KG	Berlin, Germany	26.10%	201	161	40		(15)
HKP Dahlemer Weg Objekt 2 ETW PE GmbH & Co. KG	Berlin, Germany	26.10%	4,139	74	4,065		(183)
HOCHTIEF Offshore Development Solutions S. à r.l.	Luxembourg, Luxembourg	26.10%	13,023	5,683	7,340		(211)
HTP PSP LIMITED	Swindon, Great Britain	26.10%	15,383	15,329	54		34
Le Quartier Central Teilgebiet C GmbH & Co. KG	Essen, Germany	26.10%	31,645	26,024	5,621		4,581
Lusail HOCHTIEF Q.S.C.	Doha, Qatar	25.58%	4,264	3,478	786		764
Olympia Odos Operation Company S.A.	Athens, Greece	8.87%	1,054	884	170		(1,327)
PANSUEVIA Service GmbH & Co. KG	Jettingen-Scheppach, Germany	26.10%	1,745	1,344	401		524
Projektentwicklungsgesellschaft Holbeinviertel mbH & Co. KG	Kriftel, Germany	26.10%	9,892	5,796	4,096		3,861
Raststätten Betriebs GmbH	Großebersdorf, Austria	26.10%	15,336	14,051	1,285		50
S&W TLP (PSP TWO) Limited	Swindon, Great Britain	26.10%	31,089	31,079	10		(7)
Shield Infrastructure Partnerships (OPP)	Toronto, Canada	26.10%	50,634	49,847	787		1,141
Sociedad Concesionaria Túnel San Cristóbal S.A.	Santiago de Chile, Chile	26.10%	57,962	57,962			(2,375)
Wohnpark Gießener Straße GmbH & Co. KG	Kriftel, Germany	26.10%	13,264	9,239	4,025		3,131
HT Europe associates in other	-	-	-	-	-		(1,651)
HT Europe jointly controlled entities other	-	-	1,129,185	1,129,188	(3)		(6,781)

## Konzernzentrale

Airport Holding Kft.	Zalaegerszeg, Hungary	25.93%	1,208,062	1,100,380	107,682		
Athens International Airport S.A.	Athens, Greece	13.92%	342,870	216,994	125,876		28,368
Flughafen Düsseldorf GmbH	Düsseldorf, Germany	10.44%	464,391	377,309	87,082		21,415
Flughafen Hamburg GmbH	Hamburg, Germany	18.16%	723,789	356,186	367,603		23,122
Tirana International Airport SH.P.K.	Tirana, Albania	24.53%	44,240	30,851	13,389		4,471

## INDUSTRIAL SERVICES

Afta, S.A.	Nucleo Central, 100 Tagus Park, 2780.Porto Salvo. Portugal.	24.84%	3,852,745	2,545,957	1,306,789		(29,231)
Andasol 1, S.A.	Plaza Rodrigo s/n. 18514 Aldeire Granada. Spain	10.00%	292,468	229,307	63,161	46,917	8,023
Andasol 2, S.A.	Plaza Rodrigo s/n. 18514 Aldeire Granada. Spain	10.00%	327,575	270,830	56,745	53,835	9,898
AR Sieniawa sp z. o. o.	Al. Jerozolimskie 56 C, Warsaw. Poland.	22.36%	-	-	-	-	-
Brilhante Transmissora de Energias, S.A.	Avd.Marechal Camera, 160 sala 1621 Rio de Janeiro. Brazil.	50.00%	103,579	51,582	51,997	12,932	3,093
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 1ºIzqda.50004 - Zaragoza. Spain.	47.50%	3,520	18	3,502	-	41
CME Al Arabia, Lda.	PO BOX 42651. 11551Riad. Arabia Saudi.	37.27%	-	-	-	-	-
CME Construção E Manutenção Eletromecania Romania, SARL	Ploiesti, NR. 73-81 Parcul Victoria, Corpul III, Viroul 220 Sector 1, Bucarest. Rumania.	74.54%	-	-	-	-	-
Concesionaria Jauru Transmissora de Energia	Rua Marechal Camara,160. Sala 1534 Rio de Janeiro. Brazil	33.00%	70,439	39,443	30,996	21,035	569
Consorcio de Telecomunicaciones Avanzadas, S.A.	Av Juan Carlos I, 59-6. Espinardo. Murcia. Spain	10.52%	3,519	911	2,608	1,831	4
Desarrollos Energéticos Asturianos, S.L.	Pol.Industrial Las Merindades calle B, s/n. 09550 Villarcayo. Burgos. Spain	50.00%	551	86	465	-	(2)
Dora 2002, S.L.	C/ Monte Esquinza, 34. 28010 Madrid. Spain	45.39%	47	-	47	-	-
Electra de Montanech, S.A.	Periodista Sánchez Asensio, 1. Cáceres. Spain	40.00%	284	23	261	-	(2)
Energía de la Loma S.A.	c/ Las Fuentesillas, s/n - Villanueva del Arzobispo.23330 Jaén. Spain.	20.00%	15,538	6,100	9,438	8,879	554
Energías Alternativas Eólicas, S.L.	Gran Vía Juan Carlos I, 9. 26002 Logroño. Spain	37.50%	25,450	16,450	9,000	8,305	1,560
Energías Renovables de Ricobayo, S.A.	Avda. Europa,6 Parque Empresarial La Moraleja. 28108 Alcobendas. Madrid. Spain	50.00%	1,061	800	261	1,475	(100)
Enervouga - Energias do Vouga, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278.Porto Salvo. Portugal.	37.50%	2,461,265	2,457,979	3,286	-	(1,190)
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 38-1ª Plta. Madrid. Spain	66.67%	1,518,826	1,570,884	(52,058)	-	5
Hospec, S.A.	Tamer Bldg., Sin El Deirut. Líbano.	50.00%	59,779	114,253	(54,474)	-	-
Hydrotua - Hidroeléctricas do Tua, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278.Porto Salvo. Portugal.	37.50%	5,451,669	5,450,649	1,020	-	(3,462)
Incro, S.A.	Serrano, 27. 28016 Madrid. Spain	50.00%	16,902	14,270	2,632	8,473	2,455
Interligação Elétrica Norte e Nordeste, S.A.	Av. Marechal Camara 160 sala 1833 y 1834. 20030-020 Rio de Janeiro. Brazil	25.00%	244,284	122,100	122,184	19,312	22,795
Interligação Elétrica Sul, S.A.	Rua Casa do Ator, 1115, 8º andar Vila Olímpia.São Paulo. Brazil.	49.90%	78,121	22,633	55,488	19,131	6,085
JC Deaux Cevasa	Avda. de Aragón 328. 28022 Madrid	50.00%	273	40	233	137	16
Operadora OCACSA-SICE, S.A. de C.V.	Montecito n 38, piso 36 oficina 3y4, colonia Napoles.03810 Mexico D.F. Mexico	30.00%	-	-	-	-	-
Parqa, S. A.	Rua Dr. António Loureiro Borges 9. Portugal	37.27%	2,094,267	1,862,354	231,913	-	187,063
Parque Eólico Región de Murcia, S.A.	Central, 12. 30007 Murcia. Spain	20.00%	101	-	101	-	(4)
Planta de Reserva Fria Eten, S.A.	Avda.Argentina 2415.Lima. Per .	50.00%	-	-	-	-	5
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%	10,023	6,387	3,636	2,522	1,084
Serrezeuela Solar II, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	50.00%	251,800	252,083	(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)
Sociedad Aragonesa de Estaciones Depuradoras, S.A.	Dr. Aznar Molina, 15-17. 50002 Zaragoza. Spain	40.00%	9,488	7,735	1,753	1,212	288
Sociedad de Aguas Residuales Pireneos, S.A.	Doctor Aznar molina, 15-17.50002 Zaragoza. Spain.	37.50%	6,272	271	6,001	277	9
Somozas Energías Renovables, S.A.	La Iglesia 1. 15565 La Coruña. Spain	25.00%	8,010	6,507	1,503	2,874	563
Tonopah Solar Investments, LLC.	7380 West Sahara, Suite 160.Las Vegas NV 89117. United States	50.00%	196,198	152,136	44,062	-	(968)
Torre de Miguel Solar, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. Spain	50.00%	69,113	69,163	(50)	-	41

## ENVIRONMENT

Aguas del Gran Buenos Aires, S.A.	C/ 48 Nº 877, piso 4 oficina 408. La Plata Provincia de Buenos Aires. Argentina	26.34%	2,279	2,896	(617)	-	(68)
Betearte, S.A.	Colón de Larrategui, 26. Bilbao. Spain	33.33%	19,375	17,217	2,157	2,642	(117)
Centre D'Integració Social Balear Ceo, S.L.	C/ Pescadors, 1.Palma de Mallorca. 07012 Illes Balears. Spain.	38.88%	263	248	15	185	10
CITIC Construction Investment Co., Ltd.	69 Xidaqiao Road. Miyun District. Beijing.China.	50.00%	5,575	19	5,556	-	127
Clece Seguridad S.A.U.	Avda. de Manóteras, 46, Bis 1º Pl. Mod. C 28050 Madrid. Spain.	76.24%	191	197	(6)	105	(66)
Clece, Inc.	1111 Brickell Avenue 11Th Floor.Flórida 33131. Miami. U.S.A.	76.24%	1	-	1	-	-
Clece, S.A.	Avda. Manóteras, 46 Bis 2ª Planta. 28050 Madrid. Spain.	76.24%	360,508	237,839	122,669	978,771	36,331
Demarco, S.A.	Alcalde Guzmán, 18. Quilicura. Chile	50.00%	32,935	28,378	4,557	34,682	1,276
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%	2,843	561	2,282	1	(227)
Ecoparc del Besós, S.A.	Rambla de Catalunya, 91-93, 9º3ª.08080 Barcelona. Spain.	28.00%	82,295	76,971	5,324	29,373	1,720

## APPENDIX III

Associates

Data on the investee (100%)

COMPANY	Address	% Effective Ownership	Assets	Liabilities	Equity*	Revenue	Profit for the year
Ecoparc del Mediterrani, S.A.	Avda. Eduard Maristany, s/n. 08930 Sant Adria de Besós. Barcelona. Spain	32.00%	15,205	5,347	9,858	11,215	(192)
Electrorecycling, S.A.	Ctra.BV 1224, Km. 6,750 El Pont de Vilomara i Rocafort - Barcelona - Spain	33.33%	5,639	1,262	4,377	5,814	1,348
Empresa Mixta de Aguas del Ferrol, S.A.	C/ Praza da Ilustracion, 5-6 Baixo. Ferrol. La Coruña. Spain	49.00%	16,417	11,050	5,367	5,374	236
Empresa Mixta de Limpieza, S.A.	Av. Logroño II, 10. 24001 León. Spain	49.00%	4,686	2,065	2,621	4,873	503
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%	8,775	15,875	(7,100)	-	(1,596)
Gestión de Marpol Galicia, S.L.	C/ Canovas del Castillo, 10, 1º, oficina 8.Vigo. Spain.	50.00%	1	-	1	-	(2)
Gestión Medioambiental de L'Anoia, S.L.	C/ Viriato, 47. 08000 Barcelona. Spain	50.00%	334	440	(106)	-	(4)
GPL Limpiezas, S.L.	C/ Diputación, 180-1ª Planta. 08011 Barcelona. Spain	76.24%	2,336	1,722	614	7,771	341
Huesca Oriental Depura, S.A.	Ctra. de Madrid, km. 315,800 Edif. Expo Zaragoza, 3 Ofic. 14 - 50012 Zaragoza-Spain	60.00%	5,874	1,552	4,322	-	-
Indira Container Terminal Private Limited	Indira Dock, Green Gate, Mumbai Port, Mumbai 400038. India.	50.00%	66,819	58,460	8,359	1,024	(2,205)
Integra Formación Laboral y Profesional, S.L.	C/ Resina, 29. Villaverde Alto. 28021 Madrid. Spain.	76.24%	2	-	2	-	(1)
Integra Logística, Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo, S.L.	C/ Resina, 29. Villaverde Alto. 28021 Madrid. Spain.	76.24%	1,380	1,229	151	1,999	37
Integra Manteniment, Gestio i Serveis Integrats, Centre Especial de Treball, Catalunya, S.L.	C/ Pamplona, 54 Bajo. 08005 Barcelona.Spain	76.24%	1,000	428	572	2,370	240
Integra Mantenimiento, Gestión Y Servicios Integrados Centro Especial de Empleo Andalucía, S.L.	C/ Industria Edif Metròpoli, 1 Esc 4, Pl MD P20. 41927 Mairena de Aljarafe. Sevilla. Spain	76.24%	825	631	194	1,217	48
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Extremadura, S.L.	Avda Santiago Ramón y Cajal, 11, entreplanta 2, Pta 3.06001 Badajoz. Spain	76.24%	3	1	2	-	(1)
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Galicia S.L.	Avda. Hispanidad, 75. 36203 Vigo. Pontevedra. Spain	76.24%	52	41	11	107	1
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Valencia, S.L.	Avda. Cortes Valencianas, 45B 1ª 46015 Valencia.Spain	76.24%	424	287	137	623	39
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo, S.L.	C/ Resina, 29. Villaverde Alto. 28021 Madrid. Spain.	76.24%	7,012	6,124	888	9,850	(88)
International City Cleaning Company	Bordi Masser Lel-Siaha, Maydan. Al-Abbasia Aawan. Egypt	30.00%	1,454	1,782	(328)	-	(742)
KDM, S.A.	Alcalde Guzmán,18. Quilicura. Chile	50.00%	137,863	73,021	64,842	64,320	11,163
Limpiezas Deyse, S.L.	C/ Lérica, 1. Manresa. Barcelona. Spain	76.24%	2,333	1,748	585	7,952	424
Limpiezas Lafuente, S.L.	C/ Puerto de Santa María, 8. 46015 Valencia. Spain	76.24%	2,543	1,663	880	8,490	347
Lireba Serveis Integrats, S.L.	Cami de Jesús, s/n edificio Son Valentí Pol Son Valentí 1ª Planta. 07012 Palma de Mallorca. Islas Baleares. Spain.	38.88%	6,822	4,472	2,350	12,345	(155)
Mac Insular, S.L.	Calle Julián Álvarez, nº 12-A-1ª. Palma de Mallorca. Spain	8.00%	53,988	46,552	7,436	12,726	(1,895)
Montaje de Aparatos Elevadores y Mantenimiento, S.L.	Avda. Manoterías, 46 Bis 2ª Planta. 28050 Madrid. Spain.	76.24%	38	163	(125)	354	(21)
Multiservicios Aeroportuarios, S.A.	Avda. Manoterías 46 Bis 2ª Planta. 28050 Madrid. Spain	38.88%	21,481	13,981	7,500	57,951	718
Net Brill, S.L.	Camino Les Vinyes, 15. Mataró. 08302 Barcelona. Spain	76.24%	2,113	1,661	452	7,013	375
Pilagest, S.L.	Ctra.BV 1224, Km. 6,750 El Pont de Vilomara i Rocafort - Barcelona-Spain	50.00%	1,227	1	1,225	-	1,300
Publimedia Sistemas Publicitarios, S.L.	Avda. de Manoterías,46 Bis, 2ª Planta 28050 Madrid. Spain	76.24%	23,640	26,870	(3,230)	33,770	(9,933)
Salmedina Tratamiento de Residuos Inertes, S.L.	Cañada Real de las Merinas, s/n. Cº de los Aceiteros, 101. Madrid. Spain.	41.98%	11,593	9,142	2,451	6,043	(1,504)
Servicios Urbanos E Medio Ambiente, S.A.	Avda. Julio Dinis, 2. Lisboa. Portugal.	38.50%	235,352	151,893	83,459	116,218	11,164
Soluciones para el medioambiente, S.L.	Avda. Manoterías, 46 Bis, 2ª Planta 28050 Madrid. Spain	76.24%	2,853	1,528	1,325	3,707	67
Starco, S.A.	Alcalde Guzmán,18. Quilicura. Chile.	50.00%	15,204	14,380	824	10,567	799
Talher, S.A.	Avda. de Manoterías,46 Bis, 2ª Planta 28050 Madrid. Spain	76.24%	31,497	15,284	16,213	42,593	2,372
Técnicas Medioambientales del Golfo, S.A de C.V.	Mier y Teran No. 260 4to piso en Cd Victoria Tamaulipas. Mexico	50.00%	7,738	4,037	3,701	2,108	206
Tirme, S.A.	Ctra. de Soller, Km 8,2. 07120 Son Reus. Palma de Mallorca. Spain	20.00%	566,128	511,025	55,103	89,060	8,561
Tractaments Ecologics, S.A.	P.I. La Vall dan C/ Serra Farríols, 137 Berga. Barcelona. Spain.	50.00%	3,141	1,731	1,410	3,057	449
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91. 08008 Barcelona. Spain	33.33%	10,089	1,923	8,166	9,059	1,952
Trenmedia, S.A.	Avda. Manoterías, 46 Bis 2ª Pl 28050.Madrid.Spain	38.88%	1	906	(905)	-	(405)
Valdemingomez 2000, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain	33.59%	12,661	8,718	3,943	6,050	240
Waste Syclo, S.A.	Katehaki 75 & kifisias Avenue, 115-25.Athens. Greece.	51.00%	40	65	(25)	-	(84)
Zenit Traffic Control, S.A.	Avda. de Manoterías, 46 Bis.28050 Madrid. Spain.	76.24%	55	1	54	-	(1)
Zoreda Internacional, S.A.	C/ Rodriguez San Pedro, 5. Gijón. Asturias. Spain	40.00%	50	-	50	-	(0)

(\*) Non-controlling interests not included.

## APPENDIX IV

### Changes in the scope of consolidation

The main companies included in the scope of consolidation are as follows:

Clece Seguridad, S.A.U.  
Funding Statement, S. L.  
HKG Holding AG  
HOCHTIEF COBRA Grid Solutions GmbH  
HOCHTIEF Offshore Development Solutions S. á r.l.  
Clark Builders Partnership Corporation  
CB Resources Corporation  
CB Finco Corporation  
Turner Canada Holdings, Inc.  
Turner Partnership Holdings, Inc.  
White-Turner JV ( City of Detroit Public Safety)  
White/Turner Joint Venture Team (DPS Mumford High School )  
White/Turner Joint Venture (New Munger PK-8 )  
O'Brien Edwards/Turner Joint Venture  
HOCHTIEF Engineering International GmbH  
HOMEART Sp.z o.o.  
Turner-Peter Scalandre & Sons JV  
Dragados-Swiber Offshore, S.A.P.I. de C.V.  
Electronic Trafic de Mexico, S.A. de C.V.  
FPS USA , Llc.  
ACS Neah Partner, Inc.  
Capital City Link General Partnership  
Semi Servicios de Energia Industrial y Comercio, S. L.  
Semi USA Corporation  
FPS Encon Precast, Llc.  
Cobra Georgia, Llc.  
Engemisa Engenharia Limitada  
Cobra Group Australia Pty, Ltd.  
Parque Eólico La Val, S.L.  
Parque Cortado Alto, S.L.  
DoubleOne 3 Pty Ltd  
DoubleOne 3 Unit Trust  
Leighton Engineering Joint Venture  
Leighton Middle East and Africa (Holding) Limited  
Lpwrap Pty Ltd  
Metronode (NSW) Pty Ltd  
Metronode New Zealand Limited  
Riverstone Rise Gladstone Pty Ltd  
Riverstone Rise Gladstone Unit Trust  
Copernicus B5 Sp.z o.o.  
HOCHTIEF B2L Partner Inc.  
HOCHTIEF Canada Holding 1 Inc.  
HOCHTIEF Canada Holding 2 Inc.  
HOCHTIEF NEAH Partner Inc.  
HOCHTIEF Presidio Holding LLC  
HOCHTIEF Shield Investment Inc.  
Project SP1 Sp. z o.o.  
Flatiron - Dragados - Aecon - LaFarge - Joint Venture  
Abigroup Contractors Pty Ltd & Coleman Rail Pty Ltd & John Holland Pty Ltd (Integrate Rail JV)  
Applemead Pty. Ltd.  
Barclay Mowlem Thiess Joint Venture  
Boulderstone Leighton Joint Venture

## APPENDIX IV

### Changes in the scope of consolidation

EV LNG Australia Pty Ltd & Thiess Pty Ltd (EVT JV)  
Garlanja Joint Venture  
John Holland & Leed Engineering Joint Venture (NIAW)  
Leighton/Ngarda Joint Venture  
Mosaic Apartments Holdings Pty. Ltd.  
Mosaic Apartments Pty. Ltd.  
Mosaic Apartments Unit Trust  
N.V Besix S.A & Thiess Pty Ltd (Best JV)  
SA Health Partnership Pty. Ltd.  
Thiess Barnard Joint Venture  
Thiess MacDow Joint Venture  
Wallan Project Pty. Ltd.  
Wallan Project Trust  
Wrap Southbank Unit Trust  
Capital City Link General Partnership  
Golden Link Concessionaire LLC (Presidio Parkway)  
Ecoparc del Besós, S.A.  
Eco Actrins, S.L.U.  
Maetel Peru, S.A.C.  
Flota Proyectos Singulares UK Ltd.  
Integra Formación Laboral y Profesional, S.L.  
Integra Mant. Gestión y Serv Integrados CEE Extremadura S.L.  
Taxway, S.A.  
Railways Infraestructuras Instalaciones y Servicios, LLC  
Moncobra Constructie si Instalare, S.R.L.  
New Generation Systems, S.R.L.  
Innovtec, S.R.L.U  
ABC Schools Partnership  
AVN Chile Erste Holding GmbH  
AVN Chile Zweite Holding GmbH  
Dragados Flatiron Joint Venture  
Formart Frankfurt Eins Grundstücksverwaltungs GmbH  
HOCHTIEF ABC Schools Partner Inc.  
HOCHTIEF Canada Holding 3 Inc.  
Niteo Sp.z o.o.  
Objekt Hilde und Tom München Verwaltungs-GmbH  
SALTA Verwaltungs-GmbH  
UKSH Zweite Beteiligungsgesellschaft mbH  
WTS GmbH  
Venelin Colombia SAS  
ACS NA30 Holding Inc.  
Salam Sice Tech Solutions, Llc.  
Operadora OCACSA-SICE, S.A. de C.V.  
Moncobra Dom  
Instalaciones y Servicios Uribe Cobra, S.A. de C.V.  
EPC Plantas Fotovoltáicas Lesedi y Letsatsi, S.L.  
Hochtief Cobra Grid Solutions GmbH  
Conyceto Pty Ltd.  
Firefly Investments 261  
Vias y Construcciones UK Limited  
Vía Olmedo Pedralba, S.A.  
Etrabras Mobilidade e Energia Ltda.  
Cymi USA Inc.  
Objekt Hilde und Tom München GmbH & Co. KG  
TERRA CZ s.r.o.

## APPENDIX IV

### Changes in the scope of consolidation

Nightgale Property A.S.  
HT Sol RE formart "Flensburg K" GmbH & Co. KG  
HT Sol RE formart "Flensburg P" GmbH & Co. KG  
HT Sol RE Projekt 4 GmbH & Co. KG  
HT Sol RE Projekt 6 GmbH & Co. KG  
HT Sol RE Projekt 7 GmbH & Co. KG  
HT Sol RE Projekt 8 GmbH & Co. KG  
HT Sol RE Projekt 9 GmbH & Co. KG  
HT Sol RE Projekt 10 GmbH & Co. KG  
HT Sol RE Projekt 11 GmbH & Co. KG  
HOCHTIEF Solutions 3. Beteiligungs GmbH  
HOCHTIEF Solutions Insaat Hizmetleri A.S.  
Project SP2 sp.z.o.o.  
Project SP sp.z.o.o.  
Copernicus JV B.V.  
Gravitas Offshore Ltd.  
Wohnentwicklung Theresienstr. GmbH & Co. KG  
Le Quartier Central Teilgebiet C Verwaltungs GmbH  
Spiegel-Insel Hamburg GmbH & Co. KG  
Inversiones PPP Solutions Chile dos Ltd.  
Constructora Nuevo Maipo S.A.  
Fondshaus Hamburg Gesellschaft für Immobilienbeteiligungen mbH & Co. KG  
SA Health Partnership Nominees Pty. Ltd.LCIP-CO\_INVESTMENT UNIT TRUST  
Turner/White JV (Sinai Grace Hospital)  
Turner-Powers & Sons (Lake Central School Corporation)  
Turner HGR JV (Smith County Jail-Precon/Early Release)  
Turner Lee Lewis (Lubbock Hotel)  
Turner Trotter II (IPS Washington School)  
Turner Harmon JV (Clarian Hospital - Fishers)  
Mc Kissack & Mc Kissack, Turner, Tompkins, Gilford JV (MLK Jr. Memorial)  
Tompkins/Ballard JV (Richmond City Jail)  
Australia-Singapore Cable (Australia) Pty Limited  
Devine Springwood No. 3 Pty Ltd.  
Leigthon Offshore / Leigthon Engineering & Construction JV  
Leigthon Offshore Arabia Co. Ltd.  
Wai Ming Contracting Company Limited  
Leighton Investments Mauritius Limited No. 3  
Oz Solar Power Pty. Ltd.  
Rockstad Flatiron  
Turner/New South Joint Venture  
McKissack & McKissack, Brailsford & Dunlavy and Turner LLC  
McKissack/Turner

### The main companies no longer included in the scope of consolidation are as follows:

Recuperación Crom Industrial, S.A. (RECRISA)  
Limpieza Guía, Ltd.  
Agrupación Offshore 60, S.A. de C.V.  
Le Quartier Central Teilgebiet C Verwaltungs GmbH  
Mc Kissack & Mc Kissack / Brailsford & Dunlavy / Turner LLC  
Turner Smoot  
Zachry American/ACS 69 Partners, Llc.  
Abertis Infraestructuras, S.A.  
Trebol International, B.V.  
Logitren Ferroviaria, S.A.

## APPENDIX IV

### Changes in the scope of consolidation

ACS Colombia, S.A.  
Semi Polska  
Parque Eólico Valcaire, S.L.  
Parque Eólico Bandelera, S.L.  
Parque Eólico Roderer Alta, S.L.  
Sociedad de Generación Eólica Manchega, S.L.  
Parque Eólico Marmellar, S.L.  
Parque Eólico La Boga, S.L.  
Desarrollos Energéticos Riojanos, S.L.  
Leighton International Mauritius Holdings Limited No. 3  
Leighton International Mauritius Holdings Limited No. 5  
Leighton International Mauritius Holdings Limited No. 6  
Leighton International Mauritius Holdings Limited No. 7  
Leighton Investments Mauritius Limited No. 5  
Leighton Investments Mauritius Limited No. 6  
Leighton Investments Mauritius Limited No. 7  
Leighton Project Management Sdn Bhd3  
Leighton Superannuation Pty Ltd  
Swan Water Services Pty Ltd  
Victorian Wave Partners Pty Ltd  
Macmahon Leighton Joint Venture  
New PBJV defects project  
Ubique Finance Pty Ltd  
Servia Conservación y Mantenimiento S.A.  
Esteritex, S.A.  
Atlántica I Parque Eólico, S.A.  
Atlántica II Parque Eólico, S.A.  
Atlántica IV Parque Eólico, S.A.  
Atlántica V Parque Eólico, S.A.  
DCN, USA Inc.  
S.P Saint-Petersburg International Airport Holdings Limited  
Serpentino KH s.r.o.  
Serpentino KH s.r.o.  
Sociedad Concesionaria Vespucio Norte Express S.A.  
TINEA s.r.o.  
TORTOREX s.r.o.  
Ruta de los Pantanos, S.A.  
Drace USA, Inc.  
Hullera Oeste de Sabero, S.A.  
Concesionaria San Rafael, S.A.  
Catxeré Transmissora de Energia, S.A.  
Araraquara Transmissora de Energia, S.A.  
Porto Primavera Ltda.  
Linhas de Transmissao do Itatim, Ltda.  
Iracema Transmissora de Energia, S.A.  
Medska s.r.o.  
TAG Stadthaus am Anger GmbH  
Sana Tgmed GmbH  
Dobrovíz a. s.  
Inversiones de Infraestructura S.A.  
HOCHTIEF PPP Solutions Chile Limitada  
HOCHTIEF Facility Management Hmaburg GmbH  
Lmach Pty. Ltd.



*Directors' Report of the Consolidated Group for  
2012*

21 March 2013

## 1 Performance of the ACS Group in 2012

### 1.1 Highlights

<b>Key operating &amp; financial figures</b>			
Million Euro	<b>2011</b>	<b>2012</b>	<b>Var.</b>
<b>Turnover</b>	<b>28,472</b>	<b>38,396</b>	<b>+34.9%</b>
<b>Backlog</b>	<b>66,152</b>	<b>65,626</b>	<b>-0.8%</b>
Months	22	21	+0%
<b>EBITDA</b>	<b>2,318</b>	<b>3,088</b>	<b>+33.3%</b>
Margin	8.1%	8.0%	+0.0%
<b>EBIT</b>	<b>1,333</b>	<b>1,579</b>	<b>+18.5%</b>
Margin	4.7%	4.1%	+0.0%
<b>Comparable Net Profit*</b>	<b>782</b>	<b>705</b>	<b>-9.9%</b>
<b>Attributable Net Profit</b>	<b>962</b>	<b>(1,926)</b>	<b>n.a.</b>
<b>EPS</b>	<b>3.24 €</b>	<b>-6.61 €</b>	<b>n.a.</b>
<b>Cash Flow from Operations</b>	<b>1,287</b>	<b>1,299</b>	<b>+1.0%</b>
Cash Flow excl. HOT & IBE**	467	902	+93.1%
<b>Net Investments</b>	<b>2,902</b>	<b>(2,285)</b>	<b>n.a.</b>
Investments	4,755	2,496	-47.5%
Disposals	1,854	4,781	+157.9%
<b>Total Net Debt</b>	<b>9,334</b>	<b>4,952</b>	<b>-46.9%</b>
HOCHTIEF AG	990	1,164	+17.6%
ACS exHOT	8,344	3,788	-54.6%

NOTE: Data presented in accordance with ACS Group management criterion. HOCHTIEF has been fully consolidated since 1 June 2011.

\* Net profit does not include extraordinary profit.

\*\* Does not include funds generated from operations at HOCHTIEF AG and Iberdrola.

Sales for 2012 reached EUR 38,396 million, which in comparable terms represents growth of 4.1%, including all business activity of HOCHTIEF in 2011. As a result of the incorporation of HOCHTIEF and the international expansion of the Group, business activities abroad represented 84.4% of sales. Accordingly, production in Spain fell by 23.6%.

The Group's profit (EBITDA and EIBT) grew substantially as a result of HOCHTIEF being fully consolidated as of June 2011.

In 2012 the ACS Group incurred in losses of EUR 1,926 million, caused by various extraordinary factors relating to the investment in Iberdrola.

- In 2012 the Group sold 755 million Iberdrola shares, representing 12% of its share capital, in successive operations throughout the year. Net losses incurred as a result of the partial divestment of Iberdrola, after discounting taxes and related expenses, amounted to EUR 1,312 million.
- The Group also incurred a loss of EUR 1,308 million as a result of the impairment tests carried out on the shares of Iberdrola and the valuation adjustments made to the market prices of the derivatives on Iberdrola, which relate to a call spread on 597 million shares and an equity swap on 278 million shares.

Unrealised gains on the sale of assets for EUR 322 million are also included in this period, mainly as a result of the sale of ownership interest in Abertis and the partial sale of Clece. In addition, extraordinary losses of EUR 333 million were recorded, arising from provisions on assets, expenses related to the financial restructuring and valuation adjustments on derivatives on treasury shares.



<b>Comparable net profit calculation</b>			
Euro Million	<b>2011</b>	<b>2012</b>	<b>var.</b>
Ordinary Net Profit Construction	277	274	-1%
Ordinary Net Profit Industrial Services	415	416	+0.2%
Ordinary Net Profit Environment	121	97	-19.3%
Ordinary Net Profit Holding	(31)	(82)	-160.3%
<b>Comparable net profit</b>	<b>782</b>	<b>705</b>	<b>-9.9%</b>
Capital gains from assets sales	224	322	
Other extraordinary expenses	(44)	(333)	
<b>Net profit prior to IBD extraordinaries</b>	<b>962</b>	<b>694</b>	<b>-27.9%</b>
Net Results from the sale of a 12% of IBD		(1,312)	
IBD impairment test adjustments		(1,308)	
<b>Net Results</b>	<b>962</b>	<b>(1,926)</b>	<b>n.a.</b>

Excluding the effects of extraordinary profit and loss in both periods, the ACS Group's ordinary net profit amounted to EUR 705 million, down 9.9% on 2011.

The funds generated by the operations grew soundly in terms of operating cash even after the impact of the problematic projects of Leighton and the impairment losses of Iberdrola, recording a profit of EUR 1,299 million, up 1.0% on 2011. Net cash flows from the ACS Group's operating activities, not including HOCHTIEF AG and Iberdrola, amounted to EUR 902 million, a figure three times higher than that recorded in 2011. The positive performance of operating working capital, which generated EUR 217 million in cash, is also noteworthy.

The ACS Group's net debt decreased by 47%, EUR 4,382 million, over the last twelve months to a net balance of EUR 4,952 million. This figure includes EUR 1,164 relating to HOCHTIEF AG.

The following relevant events occurred during 2012:

- On 8 March 2012, the ACS Group sold the 23.5% ownership interest of Clece, S.A. to various funds managed by Mercapital, to which the Group also granted a purchase option on the remaining share capital. As of that date the company was controlled jointly, with the subsequent change in the consolidation method. The purchase price of this ownership interest was EUR 80 million, which represents a total business value of EUR 506 million.
- On 15 April 2012, the Supervisory Board of HOCHTIEF AG appointed Marcelino Fernández Verdes as Chief Operating Officer (COO), who then became part of HOCHTIEF's Executive Committee. As a result of this appointment, Mr. Fernández Verdes ceased to perform the duties carried out in the ACS Group.
- On 18 April 2012, ACS sold 3.69% of its share capital in Iberdrola through an accelerated bookbuilding transaction on the market at a price of EUR 3.62 per share. The transaction amounted to EUR 798 million.
- On 25 April 2012, ACS, Actividades de Construcción y Servicios S.A., through Admirabilia, S.L., sold a package of Abertis shares, representing 10,035% of this company's share capital, for a total of EUR 875 million.
- On 28 May 2012, the ACS Group, through its subsidiaries of the Industrial Area, Cobra, Cymi and CME, entered into an agreement for the sale of seven electricity transmission lines in Brazil, completed or under construction, wholly owned for a total business value at that date (based on the exchange rate of the Brazilian real in relation to the euro that day) of EUR 751 million, EUR 423 million of which is recognised as shareholders' equity and EUR 328 million as debt. The execution of the sale and purchase was partially completed (five transmission lines) in December 2012, which led to income of EUR 652 million. The sale of the two remaining transmission lines is expected to be completed during the first half of 2013.
- The adoption of the remuneration system through optional dividends, the first execution of which was carried out in July, was approved at the General Shareholders' Meeting held in Madrid on 31 May 2012.

The result of this first execution determined that the irrevocable obligation to purchase rights assumed by ACS was accepted by the holders of 202,899,907 bonus issue rights, representing 64.5% of the total, for a gross amount of EUR 216.7 million.

Consequently, 7,332,095 ordinary shares of EUR 0.5 par value each were definitively issued in the first execution, and share capital was simultaneously reduced by the same number of shares through the retirement of treasury shares, approved by the shareholders and the same General Meeting of 31 May 2012.

- At the end of September, HOCHTEIF AG sold the 45.45% holding it had in the Vespucio Norte Express highway in Chile for EUR 230 million to a consortium led by Brookfield.
- On 28 September 2012, Leighton Holdings completed the sale of its subsidiary Thiess Waste Management to Remondis AG for a total of EUR 153 million.

Events relating to the refinancing process:

- 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 finally contracted totalled EUR 1,430 million.
- On 29 May 2012, Urbaser, a wholly-owned subsidiary of ACS, Actividades de Construcción y Servicios, S.A., entered into a refinancing contract with a syndicate of banks, composed of 17 Spanish and foreign entities, in which Société Générale acts as the bank agent, for EUR 506 million maturing on 28 November 2014.
- On 13 July 2012, Residencial Monte Carmelo, S.A. ("RMC"), a wholly-owned subsidiary of ACS, Actividades de Construcción y Servicios, S.A., entered into a financing transaction with Société Générale, which allowed it to cancel the syndicated loan it had with a syndicate of banks, in which BBVA acted as the bank agent, for a gross amount of EUR 1,599 million.

This financing transaction, with a three-year term, consisted of arranging certain derivatives and entering into a prepaid forward contract for shares of Iberdrola, S.A., which can be paid in 2015, equal to 8.25% of its share capital. These instruments eliminated the need to arrange additional guarantees or margin calls, and limited the exposure to market fluctuations of the aforementioned Iberdrola shares.

As a result of the change introduced on 21 December 2012, whereby the prepaid forward may only be paid in shares, ACS recognised the divestment of 493 million Iberdrola shares and cancelled the liability linked to this operation for EUR 1,606 million. This operation was definitively cancelled on 25 February 2013.

- On 27 July 2012, the ACS Group, in relation to the equity swap contract entered into with Natixis for a nominal amount of EUR 1,434 million, which had a total of 277,971,800 shares of Iberdrola, S.A. as the underlying asset, amended the contract in order to substantially reduce the margin calls that required the Group to provide guarantees based on the market fluctuations of the Iberdrola shares.

The equity swap matures on 31 March 2015 and may be paid in shares or in cash, at the discretion of ACS, by virtue of the novation agreed upon on 24 December 2012. This change implied that this equity swap would be recognised as a financial derivative.

## 1.2 Consolidated Income Statement of the ACS Group

Consolidated Income Statement					
Million Euro	2011		2012		Var.
<b>Net Sales</b>	<b>28,472</b>	<b>100.0 %</b>	<b>38,396</b>	<b>100.0 %</b>	<b>+34.9%</b>
Other revenues	519	1.8 %	404	1.1 %	-22.2%
Total Income	28,991	101.8 %	38,800	101.1 %	+33.8%
Operating expenses	(20,355)	(71.5 %)	(27,031)	(70.4 %)	+32.8%
Personnel expenses	(6,319)	(22.2 %)	(8,681)	(22.6 %)	+37.4%
<b>Operating Cash Flow (EBITDA)</b>	<b>2,318</b>	<b>8.1 %</b>	<b>3,088</b>	<b>8.0 %</b>	<b>+33.3%</b>
Fixed assets depreciation	(954)	(3.4 %)	(1,469)	(3.8 %)	+54.0%
Current assets provisions	(30)	(0.1 %)	(40)	(0.1 %)	+32.0%
<b>Ordinary Operating Profit (EBIT)</b>	<b>1,333</b>	<b>4.7 %</b>	<b>1,579</b>	<b>4.1 %</b>	<b>+18.5%</b>
Impairment & gains on fixed assets	(40)	(0.1 %)	37	0.1 %	n.a.
Other operating results	81	0.3 %	(25)	(0.1 %)	n.a.

<b>Operating Profit</b>	<b>1,374</b>	<b>4.8 %</b>	<b>1,591</b>	<b>4.1 %</b>	<b>+15.8%</b>
Financial income	521	1.8 %	508	1.3 %	-2.5%
Financial expenses	(1,217)	(4.3 %)	(1,290)	(3.4 %)	+6.0%
<b>Ordinary Financial Result</b>	<b>(695)</b>	<b>(2.4 %)</b>	<b>(782)</b>	<b>(2.0 %)</b>	<b>+12.4%</b>
Foreign exchange results	(22)	(0.1 %)	0	0.0 %	n.a.
Changes in fair value for financial instruments	(98)	(0.3 %)	105	0.3 %	n.a.
Impairment & gains on financial instruments	367	1.3 %	(3,770)	(9.8 %)	n.a.
<b>Net Financial Result</b>	<b>(449)</b>	<b>(1.6 %)</b>	<b>(4,446)</b>	<b>(11.6 %)</b>	<b>n.a.</b>
Results on equity method	318	1.1 %	339	0.9 %	+6.6%
<b>PBT of continued operations</b>	<b>1,244</b>	<b>4.4 %</b>	<b>(2,515)</b>	<b>(6.6 %)</b>	<b>n.a.</b>
Corporate income tax	(181)	(0.6 %)	1,003	2.6 %	n.a.
<b>Net profit of continued operations</b>	<b>1,063</b>	<b>3.7 %</b>	<b>(1,512)</b>	<b>(3.9 %)</b>	<b>n.a.</b>
Profit after taxes of the discontinued operations	46	0.2 %	107	0.3 %	+134.7%
<b>Consolidated Result</b>	<b>1,108</b>	<b>3.9 %</b>	<b>(1,405)</b>	<b>(3.7 %)</b>	<b>n.a.</b>
Minority interest	(147)	(0.5 %)	(522)	(1.4 %)	n.a.
<b>Net Profit Attributable to the Parent Company</b>	<b>962</b>	<b>3.4 %</b>	<b>(1,926)</b>	<b>(5.0 %)</b>	<b>n.a.</b>

### 1.2.1 Revenue and backlog

The ACS Group's revenue in 2012 amounted to EUR 38,396 million. Growth in comparable terms, include HOCHTIEF sales between January and May 2011, reached 4.1%. This growth was the result of the Group's international expansion, both from growth relating to HOCHTIEF and from other ACS activities.

Sales according to geographical area show the diversification of the Group's sources of income, where Asia Pacific represented almost 40% of sales, America 32% and Europe 27%. Spain represented 16% of the Group's total sales.

Sales per Geographical Areas					
Euro Million	2011	%	2012	%	Var.
Spain	7,823	27.5 %	5,975	15.6 %	-23.6%
Rest of Europe	3,345	11.7 %	4,349	11.3 %	+30.0%
America	7,819	27.5 %	12,298	32.0 %	+57.3%
Asia Pacific	9,306	32.7 %	15,551	40.5 %	+67.1%
Africa	179	0.6 %	223	0.6 %	+24.3%
<b>TOTAL</b>	<b>28,472</b>		<b>38,396</b>		<b>+34.9%</b>

Sales per Geographical Area (excluding adjustments between areas of activity)									
Euro Million	Construction			Environment			Industrial Services		
	2011	2012	Var.	2011	2012	Var.	2011	2012	Var.
Spain	2,943	1,810	-38.5%	1,278	1,254	-1.8%	3,662	2,938	-19.8%
Rest of Europe	2,456	3,370	+37.2%	208	196	-5.3%	682	782	+14.7%
America	5,345	9,146	+71.1%	126	162	+28.5%	2,348	2,992	+27.4%
Asia Pacific	9,056	15,355	+69.6%	26	30	+16.5%	224	166	-25.8%
Africa	2	2	n.s.	49	48	-1.4%	128	172	+34.0%
<b>TOTAL</b>	<b>19,802</b>	<b>29,683</b>	<b>+49.9%</b>	<b>1,686</b>	<b>1,691</b>	<b>+0.3%</b>	<b>7,045</b>	<b>7,050</b>	<b>+0.1%</b>

By geographical area, in addition to the contribution of the business activity of Hochtief in the rest of Europe, Australia and North America, noteworthy was the growth in Industrial Services in European and America, and particularly in the United States, Mexico and Brazil. In Spain the counter-cyclical nature of Environment activities remained unchanged, even after the sale of Consenur in 2011, while Construction and Industrial Services dropped due to the general decline in investment activity.

With regard to the backlog, America, both the United States and Canada in Construction and Latin American in Industrial Services are noteworthy. In Asia Pacific, the backlog decreased by 4.8% as a result of the sale of Thiess Waste Management carried out by Leighton in 2012.

Backlog per Geographical Areas					
Euro Million	Dec-11	%	Dec-12	%	Var.
Spain	12,645	19.1 %	11,448	17.4 %	-9.5%
Rest of Europe	10,392	15.7 %	10,501	16.0 %	+1.1%
America	14,415	21.8 %	16,067	24.5 %	+11.5%
Asia Pacific	28,357	42.9 %	26,984	41.1 %	-4.8%
Africa	344	0.5 %	625	1.0 %	+81.8%
<b>TOTAL</b>	<b>66,152</b>		<b>65,626</b>		<b>-0.8%</b>

Backlog per Geographical Area									
Euro Million	Construction			Environment			Industrial Services		
	Dec-11	Dec-12	Var.	Dec-11	Dec-12	Var.	Dec-11	Dec-12	Var.
Spain	4,311	3,598	-16.5%	5,629	5,304	-5.8%	2,705	2,545	-5.9%
Rest of Europe	7,204	6,866	-4.7%	2,321	3,004	+29.4%	867	631	-27.2%
America	11,185	12,475	+11.5%	370	350	-5.4%	2,860	3,243	+13.4%
Asia Pacific	27,636	26,325	-4.7%	479	449	-6.3%	241	209	-13.3%
Africa	0	0	n.a.	142	94	-33.7%	202	533	+164.3%
<b>TOTAL</b>	<b>50,336</b>	<b>49,264</b>	<b>-2.1%</b>	<b>8,941</b>	<b>9,201</b>	<b>+2.9%</b>	<b>6,875</b>	<b>7,161</b>	<b>+4.2%</b>

The growth in the backlog in American was driven by countries such as the United States, which grew by 11%, the United Kingdom, which doubled as a result of the construction work and waste treatment contracts, Canada, which grew by 21%, Poland, and Mexico, which grew around 11%, and Peru, where backlog was three times that of December 2011.

## 1.2.2 Operating results

Operating Results			
Million Euro	2011	2012	Var.
<b>EBITDA</b>	<b>2,318</b>	<b>3,088</b>	<b>+33.3%</b>
EBITDA Margin	8.1%	8.0%	
Depreciation	(954)	(1,469)	+54.0%
Construction	(765)	(1,290)	+68.6%
Industrial Services	(54)	(49)	-9.8%
Environment	(133)	(128)	-3.8%
Corporation	(1)	(1)	+9.4%
Current assets provisions	(30)	(40)	+32.0%
<b>EBIT</b>	<b>1,333</b>	<b>1,579</b>	<b>+18.5%</b>
EBIT Margin	4.7%	4.1%	

The significant increase in the depreciation and amortisation expenses was due to the incorporation of HOCHTIEF, which was fully consolidated as of 1 June 2011, and its subsidiary Leighton, which carries out highly capital-intensive activities relating to mining contracts. This increase was also due to the depreciation 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 as a result of the sale of energy concession assets.

### 1.2.3 Financial results

<b>Financial Results</b>			
Million Euro	2011	2012	Var.
Financial income	521	508	-2.5%
Financial expenses	(1,217)	(1,290)	+6.0%
<b>Ordinary Financial Result</b>	<b>(695)</b>	<b>(782)</b>	<b>+12.4%</b>
Construction	(167)	(240)	+43.3%
Industrial Services	(183)	(179)	-2.5%
Environment	(59)	(106)	+80.4%
Corporation	(286)	(257)	-10.1%

Financial income decreased slightly, even after the increase recognised due to the inclusion of HOCHTIEF, which contributed EUR 161 million, as a result of offsetting the lower dividends of Iberdrola due to the reduction in the Group's ownership interest.

Financial costs rose by 6.0% as compared to the costs incurred in 2011 mainly due to the following:

- The increase in debt as a result of the acquisition and subsequent full consolidation of HOCHTIEF, with a total impact on finance costs of EUR 306 million relating to HOCHTIEF. The gross debt of the German group amounted to EUR 4,454 million, while net debt stood at EUR 1,164 million at the end of 2012.
- The increase in the spread on the interest rates recorded in recent months as a result of the greater credit crunch on the market.

Net financial results included an increase in the fair value of certain financial instruments amounting to EUR 105 million. This figure included four effects:

- The valuation adjustments of the ACS Group's stock options plan, which entailed impairment losses.
- The increase in the valuation of the Iberdrola call spread arranged on 597 million shares of the utilities company, as a result of revaluation the shares between July 2012 and the end of the year.
- The cost of arranging these derivative instruments on Iberdrola.
- The valuation adjustments on certain concession assets of HOCHTIEF.

<b>Financial Results</b>			
Euro Million	2011	2012	Var.
<b>Ordinary Financial Result</b>	<b>(695)</b>	<b>(782)</b>	<b>+12.4%</b>
Foreign exchange Results	(22)	0	n.a.
Impairment non-current assets results	(98)	105	n.a.
Results on non-current assets disposals	367	(3,770)	n.a.
<b>Net Financial Result</b>	<b>(449)</b>	<b>(4,446)</b>	<b>n.a.</b>

The losses due to impairment on and disposal of financial instruments, which amounted to EUR 3,770 million, included, among others, the following:

- The impact of the sale of the 12% holding in Iberdrola and the impairment losses on the rest of the ACS Group's ownership interest.
- The positive impact as a result of the sale of the ownership interest that ACS held in Abertis.

### 1.2.4 Share of results of entities accounted using the equity method

The share of results of associates accounted using the equity method includes mainly the contribution of the HOCHTIEF investments, which most notably include the investments in airports and Aurelis. The gains and losses arising from various projects in Leighton and HOCHTIEF America carried out in collaboration with other shareholders through shared management joint ventures are also included.

<b>Equity Method</b>			
Million Euro	2011	2012	Var.
<b>Results on equity method</b>	<b>318</b>	<b>339</b>	<b>+6.6%</b>
Construction	248	264	+6.7%
Industrial Services	19	4	-78.2%
Environment	12	27	+117.0%
Abertis	40	44	+11.4%

### 1.2.5 Net loss attributable to the Group

The net loss attributable to the Group amounted to EUR 1,926 million.

<b>Comparable net profit calculation</b>			
Euro Million	2011	2012	var.
Ordinary Net Profit Construction	277	274	-1%
Ordinary Net Profit Industrial Services	415	416	+0.2%
Ordinary Net Profit Environment	121	97	-19.3%
Ordinary Net Profit Holding	(30)	(83)	+172.1%
<b>Comparable net profit</b>	<b>782</b>	<b>705</b>	<b>-9.9%</b>
Capital gains from assets sales	224	322	
Other extraordinary expenses	(44)	(333)	
<b>Net profit prior to IBD extraordinaries</b>	<b>962</b>	<b>694</b>	<b>-27.9%</b>
Net Results from the sale of a 12% of IBD		(1,312)	
IBD impairment test adjustments		(1,308)	
<b>Net Results</b>	<b>962</b>	<b>(1,926)</b>	<b>n.a.</b>

This figure was affected by various extraordinary events recognised in the period:

- The extraordinary factors relating to the investment in Iberdrola mentioned above.
- The sale of the ownership interest in Abertis for a net positive impact of EUR 197 million was also included in this period and the net capital gain recognised for the partial sale of Clece, which relates to the entire ownership interest as a result of changing its consolidation method in the ACS Group's financial statements, which is included under "Profit after tax from discontinued operations".
- Other extraordinary profit or loss mainly relate to the aforementioned valuation adjustments, the extraordinary financial results arising from the refinancing processes carried out in 2012 and the provisions made on the value of certain assets, mainly relating to renewable energy.

Excluding the effects of these operations, the ACS Group's comparable net profit amounted to EUR 705 million, down 9.9% on 2011 as a result mainly of the lower contribution of the Construction area, due to the increase in depreciation and finance costs, and the Environment area, which included the hospital waste treatment business of Consenur, which was sold in the third quarter of 2011.

Profit attributable to non-controlling interests amounting to EUR 522 million relates mainly to the non-controlling interests of HOCHTIEF, arising from the full consolidation in the ACS Group, as well as the non-controlling interests from HOCHTIEF as a result of the consolidation of Leighton.

The tax rate of the ACS Group is 32.6%.

**Consolidated Balance Sheet at 31 December**

<b>Consolidated balance sheet</b>					
Million Euro	<b>dic-11</b>		<b>dic-12</b>		<b>Var.</b>
Intangible Fixed Assets	5,353	11.2 %	5,049	12.1 %	-5.7%
Tangible Fixed Assets	3,550	7.4 %	3,131	7.5 %	-11.8%
Investments accounted by Equity Method	1,570	3.3 %	1,732	4.2 %	+10.3%
Long Term Financial Investments	7,460	15.5 %	1,961	4.7 %	-73.7%
Long Term Deposits	0	0.0 %	363	0.9 %	n.a.
Financial Instruments Debtors	24	0.0 %	471	1.1 %	n.a.
<b>Deferred Taxes Assets</b>	<b>2,083</b>	<b>4.3 %</b>	<b>2,467</b>	<b>5.9 %</b>	<b>+18.4%</b>
<b>Fixed and Non-current Assets</b>	<b>20,040</b>	<b>41.8 %</b>	<b>15,173</b>	<b>36.5 %</b>	<b>-24.3%</b>
Non-Current Assets Held for Sale	8,087	16.9 %	6,601	15.9 %	-18.4%
Inventories	1,775	3.7 %	1,920	4.6 %	+8.2%
Accounts receivables	10,703	22.3 %	11,414	27.5 %	+6.6%
Short Term Financial Investments	3,006	6.3 %	1,705	4.1 %	-43.3%
Financial Instruments Debtors	0	0.0 %	9	0.0 %	n.a.
Other Short Term Assets	221	0.5 %	212	0.5 %	-4.1%
Cash and banks	4,155	8.7 %	4,528	10.9 %	+9.0%
<b>Current Assets</b>	<b>27,948</b>	<b>58.2 %</b>	<b>26,391</b>	<b>63.5 %</b>	<b>-5.6%</b>
<b>TOTAL ASSETS</b>	<b>47,988</b>	<b>100 %</b>	<b>41,563</b>	<b>100 %</b>	<b>-13.4%</b>
Shareholders' Equity	5,682	11.8 %	3,382	8.1 %	-40.5%
Adjustments from Value Changes	(2,363)	(4.9 %)	(726)	(1.7 %)	-69.3%
Minority Interests	2,872	6.0 %	3,055	7.4 %	+6.4%
<b>Net Worth</b>	<b>6,191</b>	<b>12.9 %</b>	<b>5,712</b>	<b>13.7 %</b>	<b>-7.7%</b>
Subsidies	58	0.1 %	54	0.1 %	-6.7%
Long Term Financial Liabilities	9,604	20.0 %	6,957	16.7 %	-27.6%
Deferred Taxes Liabilities	1,175	2.4 %	1,232	3.0 %	+4.9%
Long Term Provisions	2,033	4.2 %	1,892	4.6 %	-7.0%
Financial Instruments Creditors	422	0.9 %	594	1.4 %	+40.9%
Other Long Term Accrued Liabilities	184	0.4 %	187	0.5 %	+1.6%
<b>Non-current Liabilities</b>	<b>13,477</b>	<b>28.1 %</b>	<b>10,917</b>	<b>26.3 %</b>	<b>-19.0%</b>
Liabilities from Assets Held for Sale	4,995	10.4 %	4,089	9.8 %	-18.1%
Short Term Provisions	1,268	2.6 %	1,214	2.9 %	-4.3%
Short Term Financial Liabilities	6,891	14.4 %	4,591	11.0 %	-33.4%
Financial Instruments Creditors	0	0.0 %	24	0.1 %	n.a.
Trade accounts payables	14,561	30.3 %	14,742	35.5 %	+1.2%
Other current payables	604	1.3 %	275	0.7 %	-54.4%
<b>Current Liabilities</b>	<b>28,320</b>	<b>59.0 %</b>	<b>24,935</b>	<b>60.0 %</b>	<b>-12.0%</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>47,988</b>	<b>100 %</b>	<b>41,563</b>	<b>100 %</b>	<b>-13.4%</b>

**1.3.1 Non-current assets**

Intangible assets include goodwill amounting to EUR 2,560 million, of which EUR 1,434 million arose from the acquisition of HOCHTIEF and EUR 781 million from the merger of ACS with Dragados.

The impairment losses on the investment in Iberdrola had the following effects:

- Non-current financial assets decreased since at the end of the year they only included:
  - The direct ownership interest of ACS in Iberdrola (75 million shares) at market price.
  - Various assets in the concessions area of HOCHTIEF and the Environmental Services area, among others.
- The valuation of the call spread at market prices, arranged on 597 million Iberdrola shares, is included under "Financial instrument debtor".
- "Long-term deposits" includes those that act as collateral in the Natixis vehicle for the Iberdrola financing, which was extended in July until 2015.
- The equity swap on the ownership interest in Iberdrola (278 million shares on which ACS holds a right of beneficial use, in the Natixis vehicle) was also recognised as a financial derivative, at market prices, and was included as a liability under "Financial instruments creditors".

The balance of investments accounted for using the equity method includes various ownership interests in associates of HOCHTIEF and the remaining ownership interest in Clece. This heading does not include the ownership interest in Abertis, sold in April 2012.

### 1.3.2 Working capital

<b>Working Capital evolution</b>					
Million Euro	<b>Dec-11</b>	<b>Mar-12</b>	<b>Jun-12</b>	<b>Sep-12</b>	<b>Dec-12</b>
Construction	(2,253)	(1,319)	(1,554)	(992)	(1,428)
Industrial Services	(1,636)	(1,665)	(1,896)	(1,618)	(1,445)
Environment	259	287	155	176	108
Corporation	(104)	(52)	207	(346)	67
<b>TOTAL</b>	<b>(3,734)</b>	<b>(2,749)</b>	<b>(3,087)</b>	<b>(2,780)</b>	<b>(2,698)</b>

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

Net working capital decreased its credit balance over the last twelve months by EUR 1,036 million, mainly due to the reassignment of provisions to long term and other liabilities to short term, and the effect of the interim dividend (EUR 262 million) accrued in December 2011 and paid at the beginning of 2012.

A loss of EUR 207 million in operating working capital was recognised in 2012, substantially improved over the previous year when it dropped by EUR 885 million. This improved performance was due mostly to the supplier payment plan executed during the summer of 2012 in Spain and the strict control of working capital by the lines of business.



### 1.3.3 Net debt

Net Debt (€mn)	Construction	Environmental Services	Industrial Services	Corporation / Adjustments	ACS Group
LT loans from credit entities	936	554	80	2,096	3,665
ST loans from credit entities	1,859	355	683	707	3,604
<b>Debt with Credit Entities</b>	<b>2,794</b>	<b>909</b>	<b>763</b>	<b>2,803</b>	<b>7,270</b>
Bonds	1,641	0	0	0	1,641
Non-Recourse Financing	524	194	63	602	1,382
Other financial liabilities	847	18	37	0	902
<b>Total External Gross Debt</b>	<b>5,806</b>	<b>1,121</b>	<b>863</b>	<b>3,405</b>	<b>11,195</b>
Debts with Group's companies	660	192	8	(508)	353
Loans to Group's companies	1,004	272	857	(2,001)	132
<b>Net debt with Group's companies &amp; Affiliates</b>	<b>(344)</b>	<b>(80)</b>	<b>(849)</b>	<b>1,493</b>	<b>221</b>
<b>Total Gross Debt</b>	<b>5,462</b>	<b>1,042</b>	<b>14</b>	<b>4,899</b>	<b>11,416</b>
ST & other financial investments	828	165	251	692	1,936
Cash & Equivalents	3,320	170	1,018	20	4,528
<b>Total cash and equivalents</b>	<b>4,148</b>	<b>336</b>	<b>1,269</b>	<b>711</b>	<b>6,464</b>
<b>NET DEBT</b>	<b>1,314</b>	<b>706</b>	<b>(1,255)</b>	<b>4,187</b>	<b>4,952</b>

Note: Construction includes Dragados, Hochtief and Iridium. The debt from the acquisition of Hochtief (EUR 1,439 million) was reclassified to the Corporation.

The total net debt of the ACS Group, which at the end of the reporting period amounted to EUR 4,952 million, is mainly composed of the following items:

- Operating activities include EUR 765 million in net debt. This figure includes EUR 1,164 million of the debt of HOCHTIEF AG, mainly from its subsidiary, Leighton.
- The Corporation area had net debt of EUR 4,187 million, which mainly includes EUR 1,439 million from the acquisition of the ownership interest that ACS holds in HOCHTIEF AG, the syndicated loan refinanced until July 2015 and other bilateral loans.

The debt related to the acquisition of Iberdrola shares is reduced to zero as a result of the restructuring carried out during the second half of 2012.

Net debt relating to concession projects held for sale (renewable assets, transmission lines, desalination plants and concessions) amounted to EUR 3,023 million, and has been reclassified under assets and liabilities held for sale in the Group's consolidated balance sheet at the end of the reporting period until the completion of their respective sales processes. This heading most notably includes:

- EUR 2,170 million in net debt of renewable assets
- EUR 238 million from investments in transmission lines and desalination plants
- Approximately EUR 600 million in transport infrastructure assets

### 1.3.4 Net worth

ACS Group	Net Worth		
Million Euro	Dec-11	Dec-12	Var.
Shareholders' Equity	5,682	3,382	-40.5%
Adjustments from Value Changes	(2,363)	(726)	-69.3%
Minority Interests	2,872	3,055	+6.4%
<b>Net Worth</b>	<b>6,191</b>	<b>5,712</b>	<b>-7.7%</b>

Despite the net loss of EUR 1,926 million, equity only decreased by EUR 480 million in 2012, since most of the adjustments in the market value of Iberdrola were already recognised in equity at December 2011. "Valuation adjustments" includes mainly the impact of the changes in interest rate and exchange rate hedges on certain renewable assets and concession assets.

The balance of non-controlling interests includes both the holdings of the non-controlling shareholders of HOCHTIEF as well as its non-controlling interests included in the balance sheet of the German company, which mainly relate to the non-controlling shareholders of Leighton Holdings.

### **Net cash flows**

Net Cash Flows								
Euro Million	2011			2012			Var.	
	TOTAL	HOT	ACS exHOT	TOTAL	HOT	ACS exHOT	TOTAL	ACS exHOT
<b>Net Profit</b>	<b>962</b>	<b>17</b>	<b>945</b>	<b>(1,926)</b>	<b>158</b>	<b>(2,085)</b>	n.a.	n.a.
Adjustments to net profit without cash flow	1,210	1,110	100	3,433	1,189	2,244		
<b>Cash Flow from Operating Activities before Working Capital</b>	<b>2,172</b>	<b>1,127</b>	<b>1,045</b>	<b>1,506</b>	<b>1,347</b>	<b>159</b>	<b>-30.6%</b>	<b>-84.7%</b>
Operating working capital variation	(885)	(308)	(577)	(207)	(424)	217		
<b>Cash Flow from Operating Activities</b>	<b>1,287</b>	<b>819</b>	<b>467</b>	<b>1,299</b>	<b>923</b>	<b>377</b>	<b>+1.0%</b>	<b>-19.4%</b>
1. Payments due for investments	(4,417)	(1,506)	(2,910)	(2,496)	(1,724)	(772)		
2. Cash collected from disposals	1,691	493	1,199	4,781	588	4,194		
<b>Cash flow from Investing Activities</b>	<b>(2,725)</b>	<b>(1,013)</b>	<b>(1,712)</b>	<b>2,285</b>	<b>(1,136)</b>	<b>3,422</b>	n.a.	n.a.
1. Treasury stock acquisition	(255)	0	(255)	(84)	1	(85)		
2. Dividends paid	(614)	(47)	(567)	(639)	(151)	(488)		
3. Other adjustments	90	216	(126)	(125)	(12)	(113)		
<b>Other Cash Flows</b>	<b>(779)</b>	<b>170</b>	<b>(949)</b>	<b>(848)</b>	<b>(162)</b>	<b>(685)</b>	<b>+9%</b>	<b>-27.8%</b>
<b>Total Cash Flow generated / (Consumed)</b>	<b>(2,217)</b>	<b>(24)</b>	<b>(2,193)</b>	<b>2,737</b>	<b>(376)</b>	<b>3,113</b>	n.a.	n.a.

Cash flows from operating activities entailed a strong inflow of cash of EUR 1,299 million, which represents an increase of 1.0%. This had both positive and negative effects on the following aspects:

- First of all, HOCHTIEF, through its subsidiary Leighton, required a significant amount of cash, mainly as a result of paying for losses recognised in 2011. This affected the changes in the operating working capital of HOCHTIEF AG, which represented an impairment of cash for the year of EUR 424 million.
- Operating working capital in the Group's other business areas had improved as compared to 2011, which entailed the inflow of cash of EUR 217 million, supported for the most part by the collection of customer accounts with public authorities by virtue of the supplier payment plan.
- The impairment losses on the investment in Iberdrola gave rise to a sharp reduction in the dividends received and an extraordinary and unique impact for 2012.
- In 2012 the ACS Group, without recognising the impact of Iberdrola or HOCHTIEF AG, generated ordinary net cash flows of EUR 902 million, virtually twice that generated in 2011.

ACS Group	Ordinary Cash Flows excluding HOCHTIEF AG and Iberdrola			
	Euro million	2011	2012	Var.
<b>Net Profit</b>		<b>945</b>	<b>656</b>	<b>-30.6%</b>
Adjustments to net profit without cash flow		100	94	
<b>Cash Flow from Operating Activities before Working Capital</b>		<b>1,045</b>	<b>749</b>	<b>-28.3%</b>
Operating working capital variation		(577)	153	
<b>Cash Flow from Operating Activities</b>		<b>467</b>	<b>902</b>	<b>+93.1%</b>
1. Payments due for investments		(2,910)	(772)	
2. Cash collected from disposals		1,199	1,620	
<b>Cash flow from Investing Activities</b>		<b>(1,712)</b>	<b>848</b>	<b>n.a.</b>
1. Treasury stock acquisition		(255)	(85)	
2. Dividends paid		(567)	(488)	
3. Other adjustments		(126)	(113)	
<b>Other Cash Flows</b>		<b>(949)</b>	<b>(685)</b>	<b>-27.8%</b>
<b>Total Cash Flow generated / (Consumed)</b>		<b>(2,193)</b>	<b>1,065</b>	<b>n.a.</b>

Note: Net profit for 2012 included the net profit before the extraordinary loss of Iberdrola (EUR -2,767 million) less the ordinary contribution of Iberdrola (EUR 27 million) and HOCHTIEF AG (EUR 158 million).

### 1.3.6 Investments

Investments					
Euro Million	Operational Capex	Investments in Projects	Total Investments	Disposals	Net Investments
<b>Construction</b>	1,396	497	<b>1,892</b>	(683)	<b>1,209</b>
<i>Dragados</i>	54		<b>54</b>	(25)	<b>30</b>
<i>Hochtief</i>	1,341	383	<b>1,724</b>	(588)	<b>1,136</b>
<i>Iridium</i>	0	114	<b>114</b>	(71)	<b>43</b>
<b>Environmental Services</b>	98	0	<b>98</b>	(128)	<b>(30)</b>
<b>Industrial Services</b>	45	430	<b>476</b>	(485)	<b>(10)</b>
<b>Corporation &amp; others</b>	10	20	<b>30</b>	(3,485)	<b>(3,455)</b>
<b>TOTAL</b>	1,549	947	<b>2,496</b>	(4,781)	<b>(2,285)</b>

Operating investments in Construction related mainly to the acquisition of machinery for mining contracts by Leighton (approx. EUR 1,100 million). Concession projects amounted to EUR 497 million, and were divided between Iridium and HOCHTIEF concessions.

The divestments in Environment arose from the partial sale of Clece for EUR 80 million.

Investments in Industrial Services were primarily aimed at energy projects such as solar thermal plants and wind farms (EUR 166 million), transmission lines (EUR 197 million) or gas storage facilities (EUR 48 million).

### 1.3.7 Net cash flows from financing activities

In 2012 the ACS Group paid its shareholders EUR 488 million, of which EUR 268 million related to interim dividends charged to the income statement in 2011, equal to EUR 0.9 per share, and the remaining as a result of the distribution of a flexible dividend to those shareholders that opted to sell their rights to the Group.

The subsidiaries of HOCHTIEF, mainly Leighton, paid their non-controlling shareholders EUR 151 million as dividends charged to the income statement for the year ended December 2011.

#### 1.4 Performance of business areas

##### 1.4.1 Construction

<b>Construction</b>			
Million Euro	2011	2012	Var.
<b>Turnover</b>	<b>19,802</b>	<b>29,683</b>	<b>+49.9%</b>
<b>EBITDA</b>	<b>1,210</b>	<b>1,995</b>	<b>+65.0%</b>
<i>Margin</i>	6.1%	6.7%	
<b>EBIT</b>	<b>449</b>	<b>685</b>	<b>+52.5%</b>
<i>Margin</i>	2.3%	2.3%	
<b>Ordinary Net Profit</b>	<b>277</b>	<b>274</b>	<b>-1.0%</b>
<i>Margin</i>	1.4%	0.9%	
<b>Backlog</b>	<b>50,336</b>	<b>49,264</b>	<b>-2.1%</b>
<i>Months</i>	22	20	
<b>Net Investments</b>	<b>1,376</b>	<b>1,209</b>	<b>-12.1%</b>
<i>Concessions (Gross Inv.)</i>	1,121	497	
<b>Working Capital</b>	<b>(2,253)</b>	<b>(1,428)</b>	<b>-36.6%</b>
<b>Net Debt</b>	<b>824</b>	<b>1,314</b>	<b>+59.5%</b>
<i>ND/Ebitda</i>	0.7x	0.7x	

Total Construction sales reached EUR 29,683 million. This figure takes into account the activity of all ACS construction companies, including the contribution of HOCHTIEF in 2012, and Iridium, the ACS Group's Concession activity. HOCHTIEF contributed with its business activities since June 2011.

The Construction EBITDA margin amounted to 6.7%, 60 basis points above that recorded in 2011.

EBIT recorded in 2012 was EUR 685 million was affected by the depreciation of the assets assigned in the acquisition of HOCHTIEF and the lower margin of the German group. Ordinary net profit of Construction reached EUR 274 million, slightly less than that recorded in 2011 (down 1.0%).

<b>Construction</b>	<b>Sales per geographical areas</b>		
	2011	2012	Var.
Million Euro			
Spain	2,943	1,810	-38.5%
Rest of Europe	2,456	3,370	+37.2%
America	5,345	9,146	+71.1%
Asia Pacific	9,056	15,355	+69.6%
Africa	2	2	n.s.
<b>TOTAL</b>	<b>19,802</b>	<b>29,683</b>	<b>+49.9%</b>

Construction	Backlog per geographical areas			
	Million Euro	Dec-11	2012	Var.
Spain		4,311	3,598	-16.5%
Rest of Europe		7,204	6,866	-4.7%
America		11,185	12,475	+11.5%
Asia Pacific		27,636	26,325	-4.7%
Africa		0	0	n.a.
<b>TOTAL</b>		<b>50,336</b>	<b>49,264</b>	<b>-2.1%</b>

The backlog accounted at the end of the period dropped 2.1% as compared to that recorded at the end of 2011. This decrease was the result of a drop in Europe, specifically as a result of the sale of Thiess Waste Management in Leighton. The total Construction backlog was equal to 20 months of business activity.

There was a downturn in domestic activity (-38.5%) 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. Business activities of Asia Pacific were contributed in full by Leighton.

The sales of Dragados Internacional in 2012 were up 21% and already exceeded turnover in Spain.

Construction										Data per company		
Euro Million	Dragados			Iridium			HOCHTIEF & Adjmts			TOTAL		
	2011	2012	Var.	2011	2012	Var.	2011	2012	Var.	2011	2012	Var.
<b>Turnover</b>	<b>4,800</b>	<b>4,039</b>	<b>-15.9%</b>	<b>119</b>	<b>116</b>	<b>-2.7%</b>	<b>14,882</b>	<b>25,528</b>	<b>+72%</b>	<b>19,802</b>	<b>29,683</b>	<b>+50%</b>
<b>EBITDA</b>	<b>375</b>	<b>305</b>	<b>-18.5%</b>	<b>46</b>	<b>45</b>	<b>-3.0%</b>	<b>789</b>	<b>1,645</b>	<b>+109%</b>	<b>1,210</b>	<b>1,995</b>	<b>+65%</b>
<i>Margin</i>	7.8%	7.6%					5.3%	6.4%		6.1%	6.7%	
<b>EBIT</b>	<b>298</b>	<b>258</b>	<b>-13.5%</b>	<b>32</b>	<b>19</b>	<b>-42.1%</b>	<b>119</b>	<b>408</b>	<b>+243%</b>	<b>449</b>	<b>685</b>	<b>+53%</b>
<i>Margin</i>	6.2%	6.4%					0.8%	1.6%		2.3%	2.3%	
<b>Net Profit</b>	<b>180</b>	<b>135</b>	<b>-25.2%</b>	<b>(30)</b>	<b>(21)</b>	<b>n.a.</b>	<b>127</b>	<b>160</b>	<b>+26.3%</b>	<b>277</b>	<b>274</b>	<b>-1.0%</b>
<i>Margin</i>	3.8%	3.3%				<b>+0.0%</b>	0.9%	0.6%		1.4%	0.9%	
<b>Backlog</b>	<b>9,850</b>	<b>8,432</b>	<b>-14.4%</b>				<b>40,486</b>	<b>40,832</b>	<b>+0.9%</b>	<b>50,336</b>	<b>49,264</b>	<b>-2.1%</b>
<i>Months</i>	25	25					21	19		22	20	
<b>Net Investments</b>	<b>21</b>	<b>30</b>	<b>+42.1%</b>	<b>342</b>	<b>43</b>	<b>n.a.</b>	<b>1,013</b>	<b>1,136</b>	<b>+12.2%</b>	<b>1,376</b>	<b>1,209</b>	<b>-12%</b>
<b>Net Debt</b>	<b>(742)</b>	<b>(531)</b>	<b>-28.4%</b>	<b>576</b>	<b>680</b>	<b>+18.2%</b>	<b>990</b>	<b>1,164</b>	<b>+17.6%</b>	<b>824</b>	<b>1,314</b>	<b>+59%</b>

Note: The finance costs associated with the acquisition by ACS of the ownership interest in HOCHTIEF were reclassified under the Corporation area.

As a result of the change in the method for accounting for HOCHTIEF in the ACS Group's financial statements as of 1 June 2011, the assets and liabilities of the German group were revaluated at fair value (Price Purchase Allocation - PPA), which include two projects (Victoria Desalination Plant and Airport Link) that generated substantial losses in Leighton. These losses were therefore eliminated from the ACS Group's income statement.

Hochtief	Breakdown by area of activity 2012							
	Million Euro	Americas	Leighton	Airports	Europe	Corp/Adj.	HOCHTIEF	Cons. Adj.*
<b>Turnover</b>	<b>7,375</b>	<b>15,180</b>	<b>11</b>	<b>2,856</b>	<b>106</b>	<b>25,528</b>	<b>0</b>	<b>25,528</b>
<b>EBITDA</b>	<b>67</b>	<b>1,376</b>	<b>(3)</b>	<b>(59)</b>	<b>(78)</b>	<b>1,303</b>	<b>342</b>	<b>1,645</b>
<i>Margin</i>	<i>0.9%</i>	<i>9.1%</i>	<i>-26.3%</i>	<i>-2.1%</i>		<i>5.1%</i>		<i>6.4%</i>
<b>EBIT</b>	<b>38</b>	<b>528</b>	<b>(3)</b>	<b>(117)</b>	<b>(96)</b>	<b>349</b>	<b>59</b>	<b>408</b>
<i>Margin</i>	<i>0.5%</i>	<i>3.5%</i>	<i>-26.9%</i>	<i>-4.1%</i>		<i>1.4%</i>		<i>1.6%</i>
Financial results	(11)	(161)	18	(37)	45	(145)	2	(143)
Equity Method	26	(59)	77	37	0	81	181	262
Other results	10	104	1	146	1	261	0	261
<b>EBT</b>	<b>63</b>	<b>411</b>	<b>93</b>	<b>29</b>	<b>(50)</b>	<b>546</b>	<b>242</b>	<b>788</b>
Taxes	(16)	(97)	(7)	(57)	16	(161)	15	(146)
Minorities	(1)	(161)	(40)	(26)		(227)	(255)	(482)
<b>Net Profit</b>	<b>46</b>	<b>153</b>	<b>47</b>	<b>(54)</b>	<b>(34)</b>	<b>158</b>	<b>2</b>	<b>160</b>
<i>Margin</i>	<i>0.6%</i>	<i>1.0%</i>	<i>n.s.</i>	<i>-1.9%</i>		<i>0.6%</i>		<i>0.6%</i>

The net impact after the depreciation of the PPA (EUR 283 million before taxes and non-controlling interests; EUR 65 million, net) and the non-controlling interest of Leighton Holdings and HOCHTIEF AG amounted to EUR 160 million.

#### 1.4.2 Environment

Environment			
Million Euro	2011	2012	Var.
<b>Turnover</b>	<b>1,686</b>	<b>1,691</b>	<b>+0.3%</b>
<b>EBITDA</b>	<b>253</b>	<b>241</b>	<b>-4.8%</b>
<i>Margin</i>	<i>15.0%</i>	<i>14.3%</i>	
<b>EBIT</b>	<b>112</b>	<b>106</b>	<b>-5.4%</b>
<i>Margin</i>	<i>6.6%</i>	<i>6.3%</i>	
<b>Ordinary Net Profit</b>	<b>121</b>	<b>97</b>	<b>-19.3%</b>
<i>Margin</i>	<i>7.1%</i>	<i>5.8%</i>	
<b>Backlog</b>	<b>8,941</b>	<b>9,201</b>	<b>+2.9%</b>
<i>Months</i>	<i>64</i>	<i>65</i>	
<b>Net Investments</b>	<b>(137)</b>	<b>(30)</b>	<b>n.a.</b>
<i>Concessions</i>	<i>0</i>	<i>0</i>	
<b>Working Capital</b>	<b>259</b>	<b>108</b>	<b>-58.5%</b>
<b>Net Debt</b>	<b>1,124</b>	<b>706</b>	<b>-37.2%</b>
<i>ND/Ebitda</i>	<i>4.4x</i>	<i>2.9x</i>	

Sales in the Environment area grew by 0.3%. This figure, as well as other income from operations, was affected by the sale of Consenur in the third quarter of 2011. Excluding the profit and loss of this company's business activities in 2011, the sales of the Environment area would have grown by 3.1%.

EBITDA dropped 4.8%, once again affected by the sale of Consenur. However, the EBITDA would have remained stable had these results of 2011 been excluded.

Ordinary net profit decreased by 19.3% as a result of the sale in 2011 of Consenur and other logistics assets.

<b>Environment</b>	<b>Sales breakdown</b>		
Million Euro	<b>2011</b>	<b>2012</b>	<b>Var.</b>
<b>Waste Treatment</b>	<b>407</b>	<b>373</b>	<b>-8.4%</b>
<b>Urban Services</b>	<b>1,106</b>	<b>1,151</b>	<b>+4.1%</b>
<b>Logistics</b>	<b>173</b>	<b>167</b>	<b>-3.7%</b>
<b>TOTAL</b>	<b>1,686</b>	<b>1,691</b>	<b>+0.3%</b>
<b>International</b>	<b>408</b>	<b>437</b>	<b>+7.0%</b>
<i>% over total sales</i>	<i>24.2%</i>	<i>25.8%</i>	

The waste treatment business activities, which are highly capital intensive and include the recycling, treatment and incineration plants, landfills and biomethanisation and other renewable energy facilities, recorded a drop of 8.4%. This drop was the result of the aforementioned sale of Consenur.

Urban Services includes urban solid waste collection, gardening, urban cleaning and other management services provided to city councils. This is a labour-intensive business, the sales of which grew by 4.1%.

Logistics activities relate mainly to international logistics and transport port assets.

International sales grew by 7.0% and represented 25.8% of the total.

<b>Environment</b>	<b>Sales per geographical areas</b>		
Million Euro	<b>2011</b>	<b>2012</b>	<b>Var.</b>
Spain	1,278	1,254	-1.8%
Rest of Europe	208	196	-5.3%
America	126	162	+28.5%
Asia Pacific	26	30	+16.5%
Africa	49	48	-1.4%
<b>TOTAL</b>	<b>1,686</b>	<b>1,691</b>	<b>+0.3%</b>

The Environment backlog was EUR 9,201 million, equal to over five years of production, up 2.9% on the previous year as a result of the strong growth abroad Spain.

<b>Environment</b>	<b>Backlog breakdown by activity</b>		
Million Euro	<b>2011</b>	<b>2012</b>	<b>Var.</b>
<b>Waste Treatment</b>	<b>5,167</b>	<b>6,045</b>	<b>+17.0%</b>
<b>Urban Services</b>	<b>3,295</b>	<b>2,707</b>	<b>-17.8%</b>
<b>Logistics</b>	<b>479</b>	<b>449</b>	<b>-6.3%</b>
<b>TOTAL</b>	<b>8,941</b>	<b>9,201</b>	<b>+2.9%</b>
<b>International</b>	<b>3,311</b>	<b>3,896</b>	<b>+17.7%</b>
<i>% over total backlog</i>	<i>37.0%</i>	<i>42.3%</i>	

The international backlog, which basically relates to Environmental Services, accounted for 42.3% of the total and was up 17.7% year-on-year.

<b>Environment</b>	<b>Backlog per geographical areas</b>		
Million Euro	<b>Dec-11</b>	<b>Dec-12</b>	<b>Var.</b>
Spain	5,629	5,304	-5.8%
Rest of Europe	2,321	3,004	+29.4%
America	370	350	-5.4%
Asia Pacific	479	449	-6.3%
Africa	142	94	-33.7%
<b>TOTAL</b>	<b>8,941</b>	<b>9,201</b>	<b>+2.9%</b>

### 1.4.3 Industrial Services

<b>Industrial Services</b>			
Million Euro	<b>2011</b>	<b>2012</b>	<b>Var.</b>
<b>Turnover</b>	<b>7,045</b>	<b>7,050</b>	<b>+0.1%</b>
<b>EBITDA</b>	<b>907</b>	<b>904</b>	<b>-0.3%</b>
<i>Margin</i>	12.9%	12.8%	
<b>EBIT</b>	<b>828</b>	<b>849</b>	<b>+2.6%</b>
<i>Margin</i>	11.7%	12.0%	
<b>Ordinary Net Profit</b>	<b>415</b>	<b>416</b>	<b>+0.2%</b>
<i>Margin</i>	5.9%	5.9%	
<b>Backlog</b>	<b>6,875</b>	<b>7,161</b>	<b>+4.2%</b>
<i>Months</i>	12	12	
<b>Net Investments</b>	<b>556</b>	<b>(10)</b>	<b>-101.8%</b>
<i>Concessions (Gross Inv.)</i>	1,141	430	
<b>Working Capital</b>	<b>(1,636)</b>	<b>(1,445)</b>	<b>-11.7%</b>
<b>Net Debt</b>	<b>(835)</b>	<b>(1,255)</b>	<b>+50.3%</b>
<i>ND/Ebitda</i>	-0.9x	-1.4x	

Sales in Industrial Services recorded EUR 7,050 million, almost the same level as that of 2011.

Ordinary net profit of Industrial Services increased by 0.2% to EUR 416 million.

<b>Industrial Services</b>	<b>Sales per geographical areas</b>		
Euro Million	<b>2011</b>	<b>2012</b>	<b>Var.</b>
Spain	3,662	2,938	-19.8%
Rest of Europe	682	782	+14.7%
America	2,348	2,992	+27.4%
Asia Pacific	224	166	-25.8%
Africa	128	172	+34.0%
<b>TOTAL</b>	<b>7,045</b>	<b>7,050</b>	<b>+0.1%</b>

International sales increased by 21.6%, up to 58.3% of total sales, and amounted to EUR 4,112 million. This sharp increase was the result of new production in countries such as Brazil, the United States, Panama and Peru, as well as the growth in Northern Europe.



<b>Industrial Services</b>	<b>Turnover breakdown by activity</b>		
Million Euro	<b>2011</b>	<b>2012</b>	<b>Var.</b>
<b>Support Services</b>	<b>4,388</b>	<b>4,046</b>	<b>-7.8%</b>
<i>Networks</i>	841	769	-8.6%
<i>Specialized Products</i>	2,524	2,421	-4.1%
<i>Control Systems</i>	1,023	856	-16.3%
<b>EPC Projects</b>	<b>2,342</b>	<b>2,689</b>	<b>+14.8%</b>
<b>Renewable Energy: Generation</b>	<b>373</b>	<b>374</b>	<b>+0.1%</b>
<i>Consolidation Adjustments</i>	(59)	(59)	n.a.
<b>TOTAL</b>	<b>7,045</b>	<b>7,050</b>	<b>+0.1%</b>
<b>International</b>	<b>3,383</b>	<b>4,112</b>	<b>+21.6%</b>
<i>% over total sales</i>	48.0%	58.3%	

Support services activities decreased as a result of less demand for these services in Spain, and the sales of Specialised Facilities and Control Systems decreased as a result of the drop in public investment, among others, in railway infrastructures.

Production increased significantly in the EPC Projects area, up 14.8%, despite the 33.5% drop in activity in Spain. The growth in international activities reached 60% and has already doubled that recorded in Spain.

<b>Industrial Services</b>	<b>Backlog per geographical areas</b>		
Euro Million	<b>Dec-11</b>	<b>2012</b>	<b>Var.</b>
Spain	2,705	2,545	-5.9%
Rest of Europe	867	631	-27.2%
America	2,860	3,243	+13.4%
Asia Pacific	241	209	-13.3%
Africa	202	533	+164.3%
<b>TOTAL</b>	<b>6,875</b>	<b>7,161</b>	<b>+4.2%</b>

Noteworthy is the strong growth in the backlog of international markets, of a 10.7% is the result of the significant boost received from the Control Systems and EPCProjects area, whose international backlogs grew by 36.5% and 17%, respectively. All these areas include projects recently awarded in Latin America, South Africa, the Middle East, Asia and Northern Europe.

The Industrial Services backlog abroad Spain already represents 64.5% of the total.

<b>Industrial Services</b>	<b>Backlog breakdown by activity</b>		
Million Euro	<b>2011</b>	<b>2012</b>	<b>Var.</b>
<b>Support Services</b>	<b>4,194</b>	<b>4,070</b>	<b>-3.0%</b>
<i>Domestic Backlog</i>	2,051	1,850	-9.8%
<i>International Backlog</i>	2,143	2,219	+3.6%
<b>EPC Projects &amp; Renewables</b>	<b>2,681</b>	<b>3,091</b>	<b>+15.3%</b>
<i>Domestic Backlog</i>	653	695	+6.4%
<i>International Backlog</i>	2,028	2,396	+18.2%
<b>TOTAL</b>	<b>6,875</b>	<b>7,161</b>	<b>+4.2%</b>
<b>Domestic</b>	<b>2,704</b>	<b>2,545</b>	<b>-5.9%</b>
<b>International</b>	<b>4,171</b>	<b>4,616</b>	<b>+10.7%</b>
<i>% over total backlog</i>	60.7%	64.5%	

1.4.4 **Listed Affiliates**

Affiliates	Main financial figures		
	2011	2012	Var.
Million Euro			
Abertis	36	44	+24.7%
Iberdrola	373	223	-40.1%
<b>Gross Income from Associates</b>	<b>409</b>	<b>268</b>	<b>-34.5%</b>
Financial expenses	(353)	(278)	-21.2%
Corporate tax	106	82	-22.5%
<b>Net Income from Associates</b>	<b>161</b>	<b>72</b>	<b>-55.6%</b>
Capital Gains after the sale of Abertis	0	197	n.a.
Sale of a 3.69% of Iberdrola	0	(1,312)	n.a.
Impairment test of Iberdrola stake	(126)	(1,308)	n.a.
<b>Extraordinary contribution to results</b>	<b>(126)</b>	<b>(2,423)</b>	<b>n.a.</b>
<b>Contribution to Net Profit</b>	<b>36</b>	<b>(2,351)</b>	<b>n.a.</b>

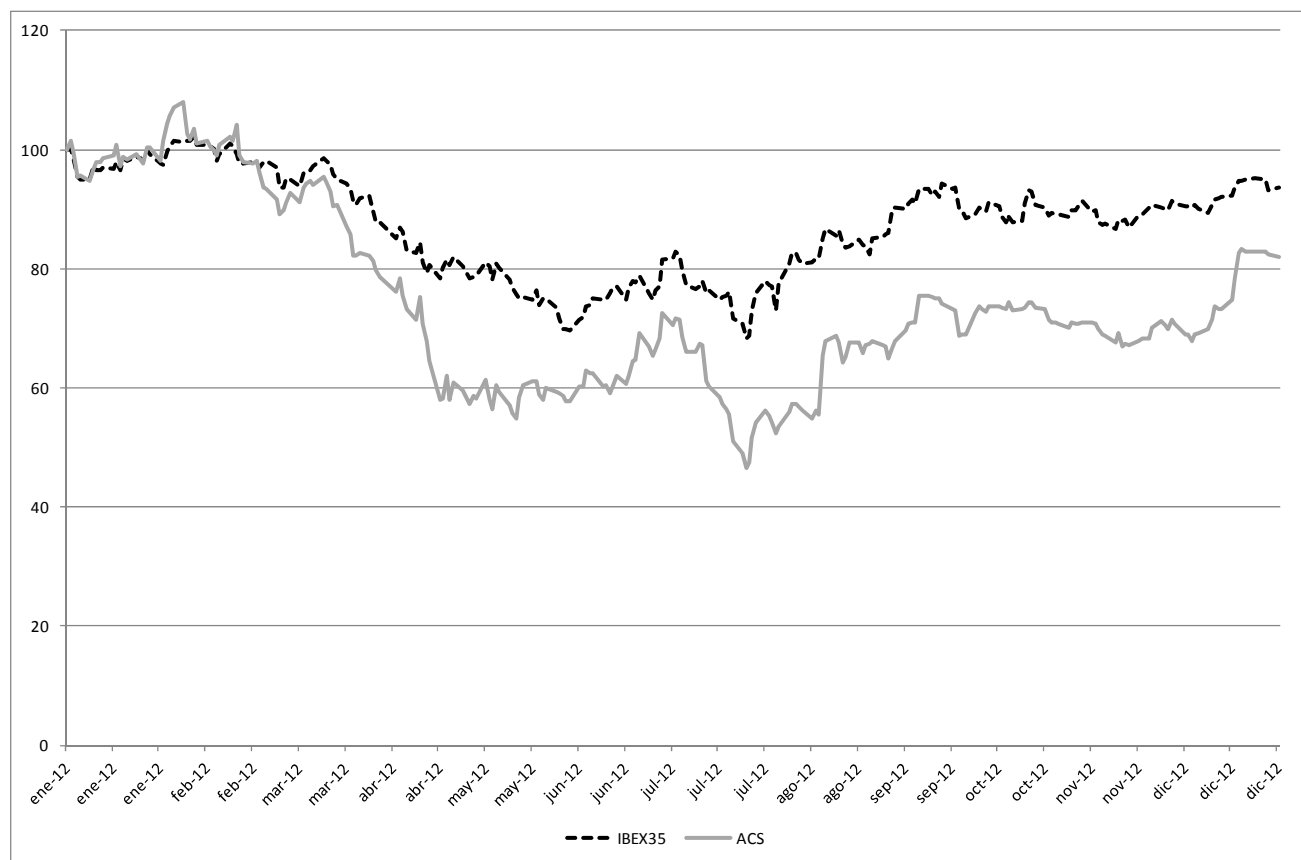
The contribution of accounting for Abertis using the equity method until its sale on 25 April, reached EUR 44 million and includes the profit proportional to the partial sale of Eutelsat performed by the concessional company.

As a result of the sale of Abertis, ACS cashed in EUR 875 million which were used to reduce the debt related to this investment and strengthen the Group's liquidity position. The capital gains obtained, net of taxes, amounted to EUR 197 million.

During the period, ACS received dividends from Iberdrola amounting to EUR 223 million. Finance costs, net of taxes, related to the investment in Iberdrola during this period amounted to EUR 196 million.

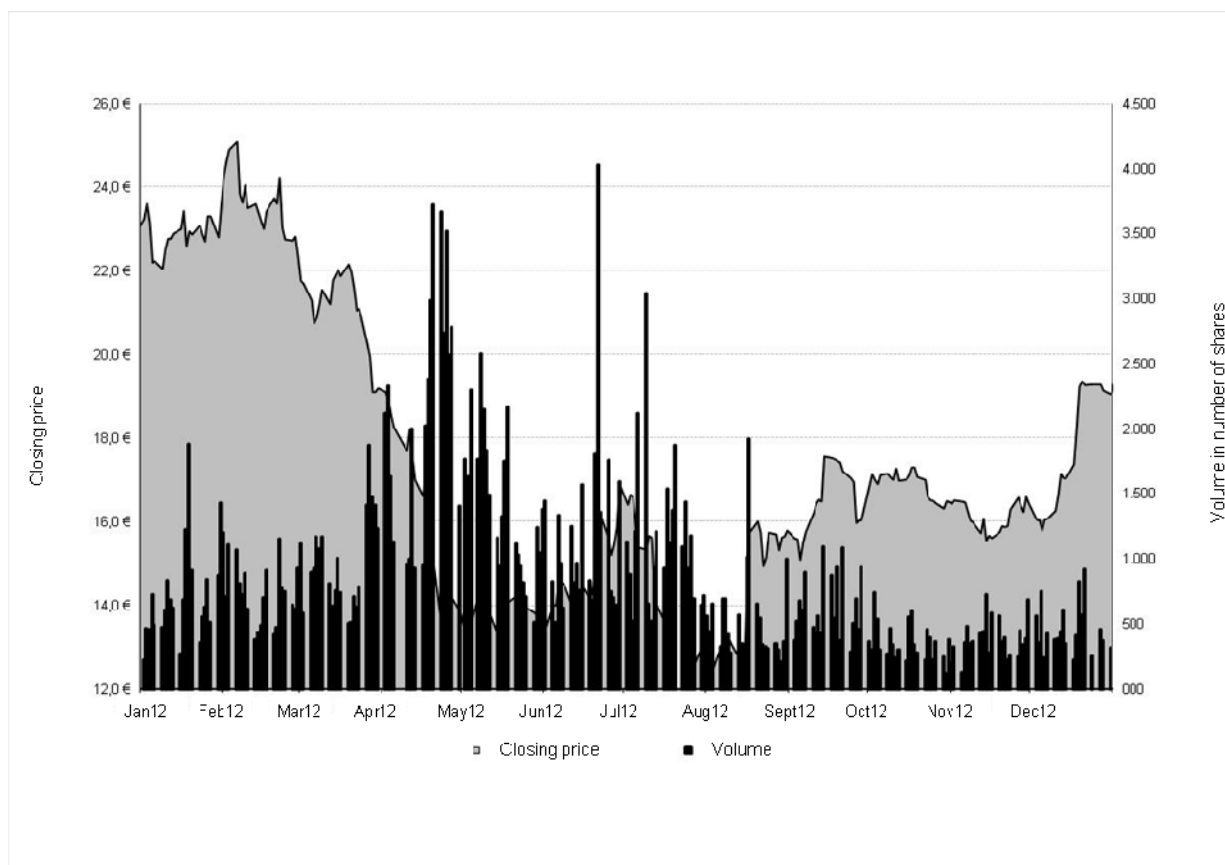
## 2 Share performance

### 2.1 Share information for 2012



The detail of the ACS Group's main market data is as follows:

ACS Shares Data	2011	2012
Closing price	22.90 €	19.04 €
Period performance	-34.71%	-16.86%
Maximum in the period	38.27 €	25.10 €
Maximum Date	02-feb	06-feb
Minimum in the period	21.32 €	10.38 €
Minimum Date	25-nov	25-jul
Average in the period	29.67 €	16.77 €
Total volume ('000)	220,147	227,383
Daily average volume ('000)	856.60	888.22
Total traded effective (€ mn)	6,531	3,812
Daily average effective (€ mn)	25.41	14.89
Number of shares (mn)	314.66	314.66
Market cap (€ mn)	7,206	5,991



## 2.2. Treasury shares

At 31 December 2012, the ACS Group had 21,368,766 treasury shares, accounting for 6,791% of its share capital. The detail of the transactions performed in the year is as follows:

	2012		2011	
	Number of shares	Thousands of euros	Number of shares	Thousands of euros
<b>At beginning of the year</b>	<b>23,608,833</b>	<b>760,651</b>	<b>19,542,383</b>	<b>683,491</b>
Purchases	9,393,512	155,880	9,845,100	279,253
Sales	(4,013,784)	(115,262)	(5,778,650)	(202,093)
Bonus Payments 2011	(287,700)	(9,269)	-	-
Depreciation	(7,332,095)	(217,304)	-	-
<b>At end of the year</b>	<b>21,368,766</b>	<b>574,696</b>	<b>23,608,833</b>	<b>760,651</b>

On 23 January 2013, the ACS Group definitively sold a total of 20,200,000 treasury shares to three entities at a price which was the weighted average of the share price at 2:00 pm on the same day less 3%, which gave rise to a unit price of EUR 17.83 and a total amount of EUR 360,166,000.

## 3 Information on the main risks and uncertainties facing the activity of the ACS Group and financial risk management

The Group carries on its activities in different industries, countries and socio-economic and legal environments, which entails exposure to different levels of risk inherent to the businesses in which it operates.

The ACS Group monitors and controls these risks in order to prevent them from reducing shareholder returns, jeopardising its employees or its corporate reputation, causing problems for its customers or giving rise to a negative impact on the Group as a whole. In order to carry out this risk

control, the ACS Group has instruments which enable it to identify the risks early enough so as to be able to manage them appropriately, either by avoiding their materialisation or by minimising their impact, and to prioritise them, where necessary, according to their importance. Particularly worthy of note are the systems related to risk control in the tenders, contracts, planning and management of construction work and projects, as well as quality management, environmental management and human resources systems.

In addition to the risks inherent to its different business activities, the ACS Group is exposed to various risks of a financial nature due to interest rate or exchange rate fluctuations, liquidity risk and credit risk.

- Risks arising from changes in interest rates on cash flows are mitigated by hedging the interest rates through financial instruments that curb the effect of any fluctuations therein.
- Foreign currency risk is managed by arranging debt in the same functional currency as that of the asset financed by the Group abroad. In order to hedge net positions in currencies other than the euro, the Group uses various financial instruments in order to mitigate exposure to foreign currency risk.
- With regard to exposure to price fluctuations of the shares of Abertis, Hochtief, Iberdrola and ACS, this risk with Abertis shares disappeared when the shares were sold and the exposure to this risk with Iberdrola decreased as a result of the partial divestment and the changes in financing made throughout the year.
- In relation to liquidity risk, and despite the current market situation due to the liquidity crisis and the general restriction on credit, in 2012 the ACS Group, as indicated above, refinanced the corporate syndicated loan, the Urbaser syndicated loan and the cancellation of the financing of its investment in Iberdrola.
- Accordingly, the Group received collections amounting to EUR 1,225 million after applying Royal Decree Law 04/2012 on financing payments to suppliers.
- 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](http://www.grupoacs.com)). Likewise, the Annual Report of Hochtief ([www.hochtief.com](http://www.hochtief.com)) details the risks inherent to 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 expects to face risk situations and uncertainty similar to those faced in the second half of 2012, especially those arising from:

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

#### **4 Human Resources**

At the end of 2012, the ACS Group employed a total of 161,865 people, 37,918 of whom are university graduates. The ACS Group had 0.2% less employees than in 2011.

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

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

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

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

The 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

## **5 Technological innovation and environmental protection**

### **5.1 Research and development activities**

The ACS Group is committed to a policy providing for the on-going improvement of its processes and of applied technology in all activities. Its involvement in research, development and innovation are clear in its increased investment and the R&D+i efforts that the ACS Group makes year after year. This effort leads to tangible improvements in productivity, quality, customer satisfaction, occupational safety, obtaining new and better materials and products and the design of more efficient production processes and systems, among others.

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 which, in the largest companies and in general, follows the guidelines in UNE 16602:2006 standard and is audited by independent specialists.

This program is based on three premises of action:

- 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.
- 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.
- 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.
- Minimisation 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 optimisation 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.

### **5.2 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 preventing pollution.
- Commitment to continuous improvement.
- Commitment to transparency, communication and the training of Group employees, suppliers, clients and other stakeholders.

Additionally, ACS has various on-going 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 minimise 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 gathered and published on the web page of the ACS Group ([www.grupoacs.com](http://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 characterises 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](http://www.hochtief.com).

## **6 Significant events subsequent to year-end**

On 23 January 2013, the ACS Group definitively sold a total of 20,200,000 treasury shares to three entities at a price which was the weighted average of the share price at 2:00 pm on the same day less 3%, which gave rise to a unit price of EUR 17.83 and a total amount of EUR 360,166,000.

In addition, the Group entered into a derivative contract for the same number of ACS shares, payable only in cash and within a period of two years that may be extended for a further year.

On 14 March 2013, Hochtief, A.G. issued a corporate bond amounting to EUR 750 million maturing in five years and with an annual coupon of 3,875%.

On 21 March 2013, in using the authorisation granted by the shareholders at the Annual General Meeting held on 25 May 2009 and in executing the resolution of the Board of Directors of 8 November 2012, ACS, Actividades de Construcción y Servicios, S.A. formally executed the Euro Commercial Paper (ECP) programme for a maximum of EUR 500 million, which was subscribed by the Irish Stock Exchange. By means of this programme, ACS will be able to issue promissory notes maturing between 1 and 364 days, thereby enabling it to diversify its means of obtaining financing on capital markets.

## **7 Outlook for 2013**

In 2013 the ACS Group expects to increase its revenue, improve its profitability ratios and reduce its net debt on the balance sheet to around EUR 3,000 million.

In order to achieve these objectives, the ACS Group will reinforce growth of its activities globally, in profitable developing markets and in activities related to civil and industrial infrastructures.

The Group will implement measures to improve HOCHTIEF's return, including the ACS risk control system, focusing mainly on four basic aspects: the selection of the country, the size of the projects, the certainty of collection and the execution of the works. The objective is for all Group companies to be profitable and sustainable in all their markets and activities.

Lastly, the ACS Group will continue to reduce its net debt by selling non-strategic assets and generating cash through its operating activities.

## **8 Annual Corporate Governance Report**

In accordance with corporate law, following is the Annual Corporate Governance Report, which forms an integral part of the 2012 Directors' Report.

# **ANNUAL CORPORATE GOVERNANCE REPORT**

## **LISTED COMPANIES**

## **ISSUER'S PARTICULARS**

REPORTING DATE: 31/12/2012

Tax ID No.: A-28004885

Company name: ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

For a better understanding of the model and subsequent preparation of the report, please read the instructions at the end before filling it in.

### A - OWNERSHIP STRUCTURE

A.1 Complete the following table on the company's share capital:

Date of last change	Share capital (euros)	Number of shares	Number of voting rights
01/07/2009	157,332,297.00	314,664,594	314,664,594

Indicate whether there are different classes of shares carrying different rights:

NO

A.2 List the direct and indirect holders of significant ownership interests in the company at year-end, excluding Board Members:

Name or company name of the shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
CORPORACIÓN FINANCIERA ALBA, S.A.	0	57,599,232	18.305
INVERSIONES VESÁN, S.A.	39,397,625	0	12.521
SOUTHEASTERN ASSET MANAGEMENT, INC	0	29,027.63.	9.225
SAYGLO HOLDING SL	0	17,741,012	5.638
MR. ALBERTO CORTINA ALCO CER	4,875	13,853,216	4.404
MR. ALBERTO ALCO CER TORRA	0	13,803,134	4.387

Name or company name of the indirect shareholder	Through: name or company name of the direct shareholder	Number of direct voting rights	% of total voting rights
CORPORACIÓN FINANCIERA ALBA, S.A.	ALBA PARTICIPACIONES, S.A.	56,050,975	17.813
CORPORACIÓN FINANCIERA ALBA, S.A.	BALBOA PARTICIPACIONES	1,548,257	0.492
SAYGLO HOLDING, S.L.	GLOYSA TRUST, B.V.	97,355	0.031
SAYGLO HOLDING, S.L.	IBEROSTAR HOTELES Y APARTAMENTOS, S.L.	17,643,657	5.607
MR. ALBERTO CORTINA ALCOCER	CORPORACIÓN FINANCIERA ALCOR, S.A.	466,440	0.148
MR. ALBERTO CORTINA ALCOCER	IMVERNELIN PATRIMONIO, S.L.	6,279,456	1.996
MR. ALBERTO CORTINA ALCOCER	PERCACER, S.A.	7,107,320	2.259
MR. ALBERTO ALCOCER TORRA	COMERCIO Y FINANZAS, S.A.	7,057,237	2.243
MR. ALBERTO ALCOCER TORRA	CORPORACIÓN FINANCIERA ALCOR, S.A.	466,440	0.148
MR. ALBERTO ALCOCER TORRA	IMVERNELIN PATRIMONIO, S.L.	6,279,457	1.996

Indicate the most significant changes in the shareholding structure occurring the year:

Name or company name of the shareholder	Transaction date	Description of the transaction
IMVERNELIN PATRIMONIO, S.L.	23/08/2012	Ownership interest has fallen below 10% of share capital

A.3 Complete the following tables on the members of the company's Board of Directors who hold voting rights through company shares:

Name or company name of the Board Member	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
MR. FLORENTINO PÉREZ RODRÍGUEZ	0	39,397,625	12.521
MR. ANTONIO GARCÍA FERRER	100,572	0	0.032
MR. PABLO VALLBONA VADELL	28,457	0	0.009
MR. AGUSTÍN BATUECAS TORREGO	952,000	1,500,000	0.779
MR. JAVIER ECHENIQUE LANDIRIBAR	27,715	0	0.009
MR. JAVIER MONZÓN DE CÁCERES	4,200	0	0.001
MR. JOSÉ ÁLVARO CUERVO GARCÍA	0	42,000	0.013
MR. JOSÉ MARÍA LOIZAGA VIGURI	128,313	0	0.041
MR. JUAN DAVID GRIMÁ TERRÉ	0	0	0.000
MR. JUAN MARCH DE LA LASTRA	100	0	0.000
MR. JULIO SACRISTÁN FIDALGO	4,666	0	0.001
MR. MANUEL DELGADO SOLÍS	0	0	0.000
MR. MIGUEL ROCA JUNYENT	12	0	0.000
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	0	903,787	0.287
MS. SABINA FLUXÀ THIENEMANN	0	0	0.000
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUIN	8,208	0	0.003
MR. JOSÉ LUIS DEL VALLE PÉREZ	278,902	0	0.089

Name or company name of the indirect shareholder	Through: name or company name of the direct shareholder	Number of direct voting rights	% of total voting rights
MR. FLORENTINO PÉREZ RODRÍGUEZ	INVERSIONES VESÁN, S.A.	39,397,625	12.521
MR. AGUSTÍN BATUECAS TORREGO	INVERSIONES BATUECAS TORREGO, S.L.	1,400,000	0.445

Name or company name of the indirect shareholder	Through: name or company name of the direct shareholder	Number of direct voting rights	% of total voting rights
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	FIDALSER, S.L.	610,713	0.194
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	LYNX CAPITAL, S.A.	293,074	0.093
MR. AGUSTÍN BATUECAS TORREGO	INVERSIONES CEDA, S.L.	100,000	0.032
MR. JOSÉ ÁLVARO CUERVO GARCÍA	SOCIEDAD DE ESTUDIOS DE ESTRATEGIA EMPRESARIAL, S.A.	42,000	0.013

% of total voting rights held by the Board of Board Members	13.785
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Complete the following table on the members of the company's Board of Directors who hold rights over shares in the company:

Name or company name of the Board Member	Number of direct options	Number of indirect options	Equivalent number of shares	% of total voting rights
MR. FLORENTINO PÉREZ RODRÍGUEZ	936,430	1	936,430	0.298
MR. JOSÉ LUIS DEL VALLE PÉREZ	351,160	0	351,160	0.112

A.4 Indicate, as applicable, any relationships of a family, commercial, contractual or corporate nature existing between the holders of significant ownership interests, insofar as they are known to the company, unless they have scant relevance or arise from the ordinary course of business:

A.5 Indicate, as applicable, any relationships of a commercial, contractual or corporate nature existing between the holders of significant ownership interests and the company and/or the group, unless they have scant relevance or arise from the ordinary course of business:

**Type of relationship:**

Contractual

**Brief description:**

In 2012 Rosan Inversiones, S.L., with tax identification number B-78962099 and wholly owned by Mr. Florentino Perez Rodríguez, has carried out service billing transactions with certain companies of the ACS Group: with Dragados, S.A. for EUR 97 thousand; with Moncobra, S.A. for EUR 53 thousand; with Humiclíma, S.A. for EUR 36 thousand and with Clece, S.A. for EUR 188 thousand.

**Name or company name of related party**

INVERSIONES VESÁN, S.A.

**Type of relationship:**

Contractual

**Brief description:**

In 2012 Rosan Inversiones, S.L., with tax identification number B-78962099 and wholly owned by Mr. Florentino Perez Rodríguez, has carried out service billing transactions with certain companies of the ACS Group: with Moncobra, S.A. for EUR 53 thousand; with Humiclíma, S.A. for EUR 36 thousand and with Clece, S.A. for EUR 188 thousand.

In addition, Mr. Florentino Pérez Rodríguez carried out service billing transactions with Dragados, S.A. amounting to EUR 97 thousand.

**Name or company name of related party**

INVERSIONES VESÁN, S.A.

A.6 Indicate whether the company has been notified of any shareholders agreements that affect it in accordance with Article 112 of the Securities Market Law (LMV). If so, provide a brief description and list the shareholders that are party to the agreement:

NO

Indicate whether the company is aware of any concerted actions between its shareholders. If so, provide a brief description:

NO

Expressly indicate any amendment to or termination of such agreements or concerted actions during the year:

A.7 Indicate if there is any individual or legal entity that exercises or could exercise control over the company under the terms of the Securities Market Law. If so, identify them:

NO

A.8 Complete the following tables on the company's treasury shares:

At year-end:

Number of direct shares	Number of indirect shares (*)	% of total share capital
4,135,813	17,232,953	6.791

(\*) Through:

Name or company name of the direct shareholder	Number of direct shares
PR PISA, S.A.U.	17,232,953
Total	17,232,953

Give details of any significant changes during the year, in accordance with Royal Decree 1362/2007:

Notification date	Total direct shares acquired	Total indirect shares acquired	% of total share capital
03/04/2012	4,303,498	0	1.367
31/07/2012	3,514,795	0	1.118
20/11/2012	3,466,091	0	1.106

<b>Gains/(Losses) on treasury shares disposed of during the year (thousands of euros)</b>	<b>-51,016</b>
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A.9 Give details of the conditions and time periods governing any resolutions of the General Shareholders' Meeting authorising the Board of Board Members to acquire or transfer treasury shares.

The following resolution was adopted at the Ordinary General Shareholders' Meeting held on 31 May 2012:

In rendering the authorisation granted through the resolutions of the Company's General Shareholders' Meeting held on 14 April 2011 null and void and in accordance with the provisions of Articles 146 et seq. and 509 of the Spanish Companies Law, the Board of Directors of the Company and those of its subsidiaries are authorised, during a period of one year from the date of this meeting, which shall be automatically extended for periods of equal duration up to a maximum of five years, unless stipulated otherwise by the shareholders at the General Meeting, and in accordance with the conditions and requirements envisaged in the legal provisions in force at the time, to acquire, at any given time and as many times as deemed advisable and through any of the means admitted by law, with a charge to profit for the year and/or

unrestricted reserves, shares of the Company, the nominal value of which when added to those already owned by the Company or by its subsidiaries does not exceed 10% of the share capital issued or, where applicable, the maximum amount authorised by the legislation applicable at any given time. The minimum price and the maximum price, respectively, will be the nominal value and the weighted average price relating to the last trading day prior to the transactions increased by 20%. The Board of Directors of the Company and those of its subsidiaries are also authorised, within the period and in accordance with the conditions established above to the extent that it is possible, to acquire shares of the Company through loans, for a consideration or otherwise, on an arm's-length basis, taking into account market conditions and the characteristics of the transaction.

Express authorisation is given for the treasury shares acquired by the Company or its subsidiaries to be earmarked, in full or in part: (i) for sale or retirement, (ii) for delivery to workers, employees or Board Members of the Company or its Group, when there is a right recognised either directly through or as a result of exercising the options they hold, for the purposes envisaged in the last paragraph of Article 146.1.a) of the Spanish Companies Law, and (iii) for reinvestment plans for dividends or similar instruments.

In order to retire treasury shares and granting the execution of this task to the Board of Directors in accordance with that indicated below, the Board resolved to reduce share capital, with a charge to profit or unrestricted reserves, for an amount equal to the total nominal value of the treasury shares which the Company directly or indirectly holds at the date of this resolution.

In accordance with Article 7 of the Company bylaws, the Board of Directors is empowered (with express powers of substitution) to execute this resolution to reduce share capital, which may be carried out once or several times within the maximum period of five years from the date of this resolution, performing such formalities, taking such steps and providing such authorisations as might be necessary or required by the Spanish Companies Law and other applicable provisions. In particular, the Board of Directors is authorised to, by the deadline and with the aforementioned limits, (i) set the date or dates for the specific share capital reduction or reductions, taking into account market conditions, the share price, the Company's economic-financial position, its cash, reserves, business performance and any other matter that is reasonable to consider; (ii) specify the amount of each share capital reduction; (iii) use of the amount of the reduction, either to restricted reserves or to unrestricted reserves, providing such guarantees as might be required and complying with the related legal requirements; (iv) amend Article 6 of the bylaws to the new share capital figure; (v) apply for the delisting of the retired shares; and, in general, adopt any resolutions as might be necessary to ensure the full effectiveness of the retirement of these shares and the concomitant capital reduction, designating the persons empowered to implement these resolutions.

The execution of these share capital reduction shall be subordinate to the execution of the capital reduction through the retirement of treasury shares proposed to the shareholders at the Ordinary General Shareholders' Meeting under item 9 on the agenda, such that under no circumstances may the execution of this resolution be prevented in accordance therewith.

A.10 Indicate, as applicable, any restrictions imposed by law or the Company's bylaws on exercising voting rights, as well as any legal restrictions on the acquisition or transfer of ownership interests in the share capital. Indicate whether there are any legal restrictions on the exercise of voting rights:

NO

<b>Maximum percentage of voting rights that may be exercised per shareholder due to legal restrictions</b>	<b>0</b>
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Indicate whether there are any restrictions included in the bylaws on exercising voting rights.

NO

<b>Maximum percentage of voting rights that may be exercised per shareholder due to bylaw restrictions</b>	<b>0</b>
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Indicate whether there are any legal restrictions on the acquisition or transfer of share capital:

NO

A.11 Indicate whether the shareholders at the General Meeting have resolved to take measures to neutralise a takeover bid pursuant to Law 6/2007.

NO

If so, explain the measures adopted and the situations in which the restrictions would be inoperative:

## **B – MANAGEMENT STRUCTURE OF THE COMPANY**

### B.1 Board of Directors

B.1.1 List the maximum and minimum number of Directors as per the bylaws.

<b>Maximum number of Board Members</b>	21
<b>Minimum number of Board Members</b>	11

B.1.2 Complete the following table with the Board members' details:

<b>Name or company name of the Board Member</b>	<b>Representative</b>	<b>Position on the Board</b>	<b>Date of first appointment</b>	<b>Date of last appointment</b>	<b>Appointment procedure</b>
MR. FLORENTINO PÉREZ RODRÍGUEZ	--	CHAIRMAN AND CEO	28/06/1989	03/12/2008	VOTE AT GENERAL MEETING



<b>Name or company name of the Board Member</b>	<b>Representative</b>	<b>Position on the Board</b>	<b>Date of first appointment</b>	<b>Date of last appointment</b>	<b>Appointment procedure</b>
MR. ANTONIO GARCÍA FERRER	--	EXECUTIVE DEPUTY CHAIRMAN	14/10/2003	03/12/2008	VOTE AT GENERAL MEETING
MR. PABLO VALLBONA VADELL	--	DEPUTY CHAIRMAN	05/09/1997	03/12/2008	VOTE AT GENERAL MEETING
MR. AGUSTÍN BATUECAS TORREGO	--	BOARD MEMBER	29/06/1999	03/12/2008	VOTE AT GENERAL MEETING
MR. JAVIER ECHENIQUE LANDIRIBAR	--	BOARD MEMBER	20/05/2004	25/05/2009	VOTE AT GENERAL MEETING
MR. JAVIER MONZÓN DE CÁCERES	--	BOARD MEMBER	20/05/2004	25/05/2009	VOTE AT GENERAL MEETING
MR. JOSÉ ÁLVARO CUERVO GARCÍA	--	BOARD MEMBER	05/09/1997	03/12/2008	VOTE AT GENERAL MEETING
MR. JOSÉ MARÍA LOIZAGA VIGURI	--	BOARD MEMBER	28/06/1989	03/12/2008	VOTE AT GENERAL MEETING
MR. JUAN DAVID GRIMÀTERRÉ	--	BOARD MEMBER	14/10/2003	03/12/2008	VOTE AT GENERAL MEETING
MR. JUAN MARCH DE LA LASTRA	--	BOARD MEMBER	30/07/2008	03/12/2008	VOTE AT GENERAL MEETING
MR. JULIO SACRISTÁN FIDALGO	--	BOARD MEMBER	24/06/1998	03/12/2008	VOTE AT GENERAL MEETING
MR. MANUEL DELGADO SOLÍS	--	BOARD MEMBER	20/05/2004	25/05/2009	VOTE AT GENERAL MEETING
MR. MIGUEL ROCA JUNYENT	--	BOARD MEMBER	14/10/2003	03/12/2008	VOTE AT GENERAL MEETING
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	--	BOARD MEMBER	28/06/1989	03/12/2008	VOTE AT GENERAL MEETING

Name or company name of the Board Member	Representative	Position	Date of first appointment	Date of last appointment	Appointment procedure
MS. SABINA FLUXÀ THIENEMANN	--	BOARD MEMBER	25/05/2009	25/05/2009	VOTE AT GENERAL MEETING
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	--	BOARD MEMBER	19/06/2002	03/12/2008	VOTE AT GENERAL MEETING
MR. JOSÉ LUIS DEL VALLE PÉREZ	--	BOARD MEMBER - SECRETARY	28/06/1989	03/12/2008	VOTE AT GENERAL MEETING

**Total number of Board Members**

**17**

Indicate the resignation from the Board of Directors that occurred during the period:

B.1.3 Complete the following tables on the Board members and their positions: EXECUTIVE BOARD MEMBERS

Name or company name of the Board Member	Committee proposing the appointment	Position per company organisation chart
MR. FLORENTINO PÉREZ RODRÍGUEZ	APPOINTMENTS AND REMUNERATION COMMITTEE	CHAIRMAN AND CEO
MR. ANTONIO GARCÍA FERRER	APPOINTMENTS AND REMUNERATION COMMITTEE	EXECUTIVE DEPUTY CHAIRMAN
MR. AGUSTÍN BATUECAS TORREGO	APPOINTMENTS AND REMUNERATION COMMITTEE	BOARD MEMBER
MR. JOSÉ LUIS DEL VALLE PÉREZ	APPOINTMENTS AND REMUNERATION COMMITTEE	SECRETARY - BOARD MEMBER

<b>Total number of executive Board Members</b>	4
<b>Total % of the Board</b>	23.529

#### PROPRIETARY AND EXTERNAL BOARD MEMBERS

<b>Name or company name of the Board Member</b>	<b>Committee proposing the appointment</b>	<b>Name or company name of significant shareholder represented or proposing appointment</b>
MR. PABLO VALLBONA VADELL	APPOINTMENTS AND REMUNERATION COMMITTEE	CORPORACIÓN FINANCIERA ALBA, S.A.
MR. JAVIER ECHENIQUE LANDIRIBAR	APPOINTMENTS AND REMUNERATION COMMITTEE	CORPORACIÓN FINANCIERA ALCOR, S.A.
MR. JAVIER MONZÓN DE CÁCERES	APPOINTMENTS AND REMUNERATION COMMITTEE	CORPORACIÓN FINANCIERA ALCOR, S.A.
MR. JUAN MARCH DE LA LASTRA	APPOINTMENTS AND REMUNERATION COMMITTEE	CORPORACIÓN FINANCIERA ALBA, S.A.
MR. JULIO SACRISTÁN FIDALGO	APPOINTMENTS AND REMUNERATION COMMITTEE	INVERSIONES VESÁN, S.A.
MR. MANUEL DELGADO SOLÍS	APPOINTMENTS AND REMUNERATION COMMITTEE	CORPORACIÓN FINANCIERA ALCOR, S.A.
MS. SABINA FLUXÀ THIENEMANN	APPOINTMENTS AND REMUNERATION COMMITTEE	SAYGLO HOLDING, S.L.
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	APPOINTMENTS AND REMUNERATION COMMITTEE	CORPORACIÓN FINANCIERA ALBA, S.A.

<b>Total number of proprietary Board Members</b>	8
<b>Total % of the Board</b>	47.059

#### INDEPENDENT EXTERNAL BOARD MEMBERS

##### **Name or company name of the Board Member**

MR. JOSÉ ÁLVARO CUERVO GARCÍA

##### **Profile**

Born in 1942 in Carreño (Asturias).

Professor of Business Economy at the Universidad Complutense de Madrid. Director of the Centro Universitario de Estudios Financieros (CUNEF - University Centre). Rey Jaime I Economy Award (1992), Economy Award of Castilla Leon "Infanta Cristina" (1999) and Doctor Honoris Causa by the Universities of Oviedo, Leon, Castilla La Mancha, Las Palmas de Gran Canaria and Salamanca.

He has worked as a professor at the Universities of Valladolid, Oviedo and CIDE (Mexico), and was a visiting professor at Saloman Center (Stern School of Business) of the University of New York and at the Institute of Management, Innovation and Organization of the University of California, Berkeley. Vice-dean of the Schools of Economic and Business Sciences at the Complutense de Madrid and Oviedo Universities, and Dean of the latter. His lines of research focus on three areas: economy and business management, finance and the financial system and privatisation and public companies.

He is currently a member of the Board of Directors of Bolsas y Mercados Espanoles (BME and SONAE SGPS, S.A. (Portugal)) and a member of the Advisory Council of Privatisation of the Spanish Government.

**Name or company name of the Board Member**

MR. JOSÉ MARÍA LOIZAGA VIGURI

**Profile**

Born in Bilbao (1936). He began his career in Banco Vizcaya and has held various executive positions. In 1968, he was General Manager of Zardoya and played a role in 1972 in the merger with Schneider Otis. Up to 1980, he was the head of Otis Elevator for Southern Europe. In 1980 he founded Banco Hispano Industrial (Grupo BHA) and in 1982 he was appointed Deputy Chairman and CEO of Banco Union which merged with Banco Urquijo where he held a position until 1985.

In 1985 he founded Mercapital, S.A. and was Chairman of this group until 2008.

He has held, among others, the position of Chairman of Bodegas Barón de Ley, Board Member of Banque Privée Edmond de Rothschild, Suez International, Otis International, Amorim Investment, Lácteos G Baquero, Unión Fenosa, etc.

He is currently Chairman of Cartera Industrial Rea, Bodegas Lan and Deputy Chairman of Zardoya Otis, as well as a Board Member of Otis Elevadores Portugal, Mecalux, etc., and he is Commandeur de l'Ordre de Léopold II.

**Name or company name of the Board Member**

MR. JUAN DAVID GRIMÁ TERRÉ

**Profile**

Born in 1953 in Sabadell (Barcelona). He has a PhD in Economics and Business; and has studied at the Universidad Autónoma de Barcelona, Baylor and Harvard Business School. From 1992 to 2010 he was the general manager of Banco Santander.

In January 2002 he was appointed Deputy Chairman and CEO of the Auna Group, a position he held in addition to his responsibilities at the Bank up to November 2005.

He is a Board Member of TEKA, S.A.

**Name or company name of the Board Member**

MR. MIGUEL ROCA JUNYENT

**Profile**

Born in 1940 in Cauderan (France)

Degree in Law from Universidad de Barcelona.

Secretary of the Board of Directors of Accesos de Madrid, Concesionaria Española, since January 2000. Secretary of the Board of Directors of Abertis Infraestructuras, S.A.

Board Member of Endesa, S.A. Chairman of the Abertis Foundation

Partner - Chairman of Despacho Roca Junyent.

<b>Total number of independent Board Members</b>	4
Total % of the Board	23.529

**OTHER EXTERNAL BOARD MEMBERS**

<b>Name or company name of the Board Member</b>	<b>Committee which proposed the appointment</b>
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	APPOINTMENTS AND REMUNERATION COMMITTEE

<b>Total number of other external Board Members</b>	1
Total % of the Board	5.882

Indicate the reasons why they cannot be considered proprietary or independent Board Members and their relationships with the company and its executives or shareholders.

**Name or company name of the Board Member**

MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ

**Company, executive or shareholder with whom there is a relation**

**Reasons**

Mr. Pedro Lopez Jimenez currently has an indirect ownership in the company of 0.287 %. However, he has been considered to be a proprietary Board Member ever since he was one of the Company's majority shareholders and owned 10% of the Company's shares. This ownership interest has progressively been diluted as a result mainly of the corresponding corporate mergers. Therefore, he was elected as a external Board Member at the Extraordinary General Shareholders' Meeting held on 3 December 2008.

Indicate any changes in the status of each Board Member that may have occurred during the year:

B.1.4 If applicable, explain the reasons for the appointment of any proprietary Board Members at the request of shareholders controlling less than 5% of the share capital.

Indicate whether any rejection of a formal request for a place on the Board from shareholders whose ownership interest is equal to or greater than that of others whose nomination of proprietary Board Members was accepted. If so, explain why these requests were rejected.

NO

B.1.5 Indicate whether any Board Members resigned from office before the expiration of their term of office, whether and in what manner the Board Member explained the reasons for resignation to the Board and, in the event that resignation was tendered in writing to the Board in full, detail below the reasons given by the Board Member:

NO

B.1.6 Indicate what powers, if any, have been delegated to the chief executive officer(s):

**Name or company name of the Board Member**

MR. FLORENTINO PÉREZ RODRÍGUEZ

**Brief description**

ALL POWERS CORRESPONDING TO THE BOARD EXCEPT THOSE THAT CANNOT BE TRANSFERRED

B.1.7 Identify, if applicable, the Board members who hold office as Board Members or executives at other companies forming part of the listed company's group:

<b>Name or company name of the Board Member</b>	<b>Company name of the group entity</b>	<b>Position</b>
MR. ANTONIO GARCÍA FERRER	ACS SERVICIOS Y CONCESIONES, S.L.	BOARD MEMBER
MR. ANTONIO GARCÍA FERRER	ACS SERVICIOS, COMUNICACIONES Y ENERGÍA, S.L.	BOARD MEMBER
MR. ANTONIO GARCÍA FERRER	DRAGADOS, S.A.	BOARD MEMBER
MR. AGUSTÍN BATUECAS TORREGO	CONSTRURAIL, S.A.	BOARD MEMBER
MR. AGUSTÍN BATUECAS TORREGO	CONTINENTAL RAIL, S.A.	INDIVIDUAL REPRESENTATIVE
MR. AGUSTÍN BATUECAS TORREGO	INTERCAMBIADOR DE TRANSPORTES AVENIDA DE AMÉRICA, S.A.	CHAIRMAN
MR. AGUSTÍN BATUECAS TORREGO	INTERCAMBIADOR DE TRANSPORTES PLAZA DE CASTILLA, S.A.	INDIVIDUAL REPRESENTATIVE
MR. AGUSTÍN BATUECAS TORREGO	INTERCAMBIADOR DE TRANSPORTES PRÍNCIPE PÍO, S.A.	INDIVIDUAL REPRESENTATIVE
MR. AGUSTÍN BATUECAS TORREGO	LOGITREN, S.A.	JOINT DIRECTOR
MR. JAVIER MONZÓN DE CÁCERES	ACS SERVICIOS Y CONCESIONES, S.L.	BOARD MEMBER
MR. MANUEL DELGADO SOLÍS	DRAGADOS, S.A.	BOARD MEMBER
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	ACS SERVICIOS Y CONCESIONES, S.L.	ACTING CHAIRMAN AND DEPUTY CHAIRMAN
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	ACS SERVICIOS, COMUNICACIONES Y ENERGÍA, S.L.	DEPUTY CHAIRMAN
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	DRAGADOS, S.A.	ACTING CHAIRMAN AND DEPUTY CHAIRMAN

Name or company name of the Board Member	Company name of the group entity	Position
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	HOCHTIEF AKTIENGESELLSCHAFT	MEMBER OF THE SUPERVISORY BOARD
MR. JOSÉ LUIS DEL VALLE PÉREZ	ACS SERVICIOS Y CONCESIONES, S.L.	BOARD MEMBER - SECRETARY
MR. JOSÉ LUIS DEL VALLE PÉREZ	ACS SERVICIOS, COMUNICACIONES Y ENERGÍA, S.L.	BOARD MEMBER - SECRETARY
MR. JOSÉ LUIS DEL VALLE PÉREZ	CLECE, S.A.	CHAIRMAN
MR. JOSÉ LUIS DEL VALLE PÉREZ	COBRA GESTIÓN DE INFRAESTRUCTURAS, S.L.	BOARD MEMBER-SECRETARY
MR. JOSÉ LUIS DEL VALLE PÉREZ	DRAGADOS, S.A.	BOARD MEMBER - SECRETARY
MR. JOSÉ LUIS DEL VALLE PÉREZ	HOCHTIEF AKTIENGESELLSCHAFT	MEMBER OF THE SUPERVISORY BOARD

B.1.8 List, if applicable, of any Board Members of the company who are members of the Boards of Directors of other non-group companies that are listed on official securities markets in Spain, as disclosed to the company:

Name or company name of the Board Member	Company name of listed company	Position
MR. JAVIER ECHENIQUE LANDIRIBAR	REPSOL YPF, S.A.	BOARD MEMBER
MR. JAVIER ECHENIQUE LANDIRIBAR	GRUPO EMPRESARIAL ENCE, S.A.	BOARD MEMBER
MR. JAVIER ECHENIQUE LANDIRIBAR	BANCO SABADELL, S.A.	DEPUTY CHAIRMAN
MR. JAVIER MONZÓN DE CÁCERES	INDRA SISTEMAS, S.A.	CHAIRMAN
MR. JOSÉ ÁLVARO CUERVO GARCÍA	BOLSAS Y MERCADOS ESPAÑOLES. SDAD HOLDING DE MDOS Y STMAS FIN., S.A.	BOARD MEMBER
MR. JOSÉ MARÍA LOIZAGA VIGURI	CARTERA INDUSTRIAL REA, S.A.	CHAIRMAN
MR. JOSÉ MARÍA LOIZAGA VIGURI	ZARDOYA OTIS, S.A.	DEPUTY CHAIRMAN
MR. JUAN MARCH DE LA LASTRA	INDRA SISTEMAS, S.A.	BOARD MEMBER
MR. JUAN MARCH DE LA LASTRA	CORPORACIÓN FINANCIERA ALBA, S.A.	BOARD MEMBER
MR. MIGUEL ROCA JUNYENT	ENDESA, S.A.	BOARD MEMBER

Name or company name of the Board Member	Company name of listed company	Position
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUIN	ACERINOX, S.A.	BOARD MEMBER
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUIN	CORPORACIÓN FINANCIERA ALBA, S.A.	CEO

B.1.9 Indicate, and if applicable, explain whether the Company has established any rules about the number of Boards on which its Board Members may sit:

YES

Explanation of the rules
Article 14 of the Regulations of the Board of Directors provides that directors may not, either directly or indirectly, hold positions in companies or firms that are competitors of the Company or of any of the Group companies or provide representation services on their behalf. Additionally, the Regulations of the Board of Directors, as currently worded, limits the number of Groups which a Board Member of the Company can form part of to five, except in the case of express authorisation on a reasonable basis.

B.1.10 In relation to Recommendation 8 of the Unified Code, indicate the general policies and strategies of the company reserved for approval by the Board in plenary session:

Investment and financing policy	YES
Definition of the structure of the corporate group	YES
Corporate governance policy	YES
Corporate social responsibility policy	YES
Strategic or business plan and the annual management and budget targets	YES
Remuneration and evaluation of senior executives	YES
Risk control and management policy, and the periodic monitoring of internal information and control systems	YES
Dividend policy and the policy and limits applicable to treasury shares	YES

B.1.11 Complete the following tables on the aggregate remuneration of Board Members paid during the year:



a) At the reporting company:

Remuneration item	Data in thousands of euros
Fixed remuneration	3,414
Variable remuneration	3,885
Expenses	0
Bylaw-stipulated Board Members' emoluments	2,239
Share options and/or other financial instruments	0
Others	0
<b>Total</b>	<b>9,538</b>

Other benefits	Data in thousands of euros
Advances	0
Loans granted	0
Pension funds and plans: contributions	1,811
Pension funds and plans: obligations assumed	1,811
Life insurance premiums	16
Guarantees provided by the company for Board Members	0

b) Due to company Board Members' membership of other boards of directors and/or of the senior management of group companies:

Remuneration item	Data in thousands of euros
Fixed remuneration	448
Variable remuneration	0
Expenses	0
Bylaw-stipulated Board Members' emoluments	495
Share options and/or other financial instruments	0

Remuneration item	Data in thousands of euros
Others	1
<b>Total</b>	<b>944</b>

Other benefits	Data in thousands of euros
Advances	0
Loans	0
Pension funds and plans: contributions	0
Pension funds and plans: obligations assumed	0
Life insurance premiums	0
Guarantees provided by the company for Board Members	0

c) Total remuneration by type of Board Member:

Type of Board Member	By company	By group
Executives	7,904	489
Proprietary and external Board Members	985	271
External independent Board Members	524	0
Other external Board Members	125	184
<b>Total</b>	<b>9,538</b>	<b>944</b>

d) With respect to profit attributable to the parent

<b>Total Board Members' remuneration (thousands of euros)</b>	<b>10,482</b>
Total Board Members' remuneration/profit attributable to the parent (expressed as %)	0.0

B.1.12 Identify the senior executives who are not executive Board Members and indicate the total remuneration paid to them during the year:

Name or company name	Position
MR. ANGEL MEDINA TRIGO	General Manager of Initec Energía, S.A.
MR. JOSE MARÍA LÓPEZ PIÑOL	Chairman of Urbaser, S.A.
MR. PEDRO ASCORBE TRIAN	General Manager of Dragados Off Shore, S.A.
MR. ALEJANDRO CANGA BOTTEGHEIZ	Western US Manager of Dragados, S.A.
MR. ALEJANDRO MATA ARBIDE	Administration Manager of ACS Actividades de Construcción y Servicios, S.A.
MR. CARLOS GEREZ PASCUAL	Director of Machinery of Dragados, S.A.
MR. LUIS NOGUEIRA MIGUELSANZ	General Secretary of Construction, Concessions and Environment
MR. JUAN MATA ARBIDE	General Manager of Geotécnica y Cimientos, S.A. (Geocisa)
MR. EPIFANIO LOZANO PUEYO	Corporate General Manager of ACS, Servicios Comunicaciones y Energía, S. L.
MR. RAMON JIMÉNEZ SERRANO	General Manager of Integrated Projects of Cobra Gestión de Infraestructuras, S.A.
MR. JOSÉ ANTONIO PÉREZ PÉREZ	General Manager of Mantenimientos y Ayuda a la Explotación, S.A. (Maessa)
MR. ANDRES SANZ CARRO	Secretary General of Sociedad Española de Montajes Industriales, S.A. (SEMI)
MR. JUAN JOSÉ FANJUL PASTRANA	General Manager of Cobra Instalaciones y Servicios, S.A.
MR. IGNACIO SEGURA SURIÑACH	CEO of Dragados, S.A.
MR. ENRIQUE PÉREZ RODRÍGUEZ	CEO of Cogesa, S.A.
MR. GONZALO GÓMEZ-ZAMALLOA BARAIBAR	CEO of Vías y Construcciones, S.A.

Name or company name	Position
MR. GUSTAVO TUNELL AYUSO	Manager of Poland at Dragados, S.A.
MR. FRANCISCO JAVIER LÓPEZ SANCHEZ	Manager of Building at Dragados, S.A.
MR. RAÚL LLAMAZARES DE LA PUERTA	CEO of Initec, Intecsa and Makiber
MR. JOSÉ MARÍA CASTILLO LACABEX	General Manager of Imesapi, S.A.
MR. JOSÉ LUÍS LOPEZ MOLINILLO	Manager of ACS, Actividades de Construcción y Servicios, S.A.
MR. EUGENIO LLORENTE GÓMEZ	Chairman and CEO of Industrial Services
MR. JOSE IGNACIO LEGORBURU ESCOBAR	European Assistant Manager of Dragados, S.A.
MR. ALFONSO AGUIRRE DÍAZ-GUARDAMINO	General Manager of ACS, Servicios Comunicaciones y Energía, S. L.
MR. JOSÉ ZORNOZA SOTO	Finance Manager of ACS, Actividades de Construcción y Servicios, S.A.
MR. JOSÉ MARÍA AGUIRRE FERNÁNDEZ	General Manager of Tecsa, Empresa Constructora, S.A.
MR. RICARDO MARTIN DE BUSTAMANTE VEGA	European Manager of Dragados, S.A.
MS. MARTA FERNÁNDEZ VERDES	Finance Director of Dragados, S.A.
MR. RICARDO CUESTA CASTIÑEYRA	Head of the Legal Department of Dragados, S.A.
MR. EUSEBIO ARNEDO FERNÁNDEZ	Head of Human Resources of Dragados, S.A.
MR. DIEGO MIGUEL ZUMAQUERO GARCÍA	Director of Spanish of Dragados, S.A.
MR. ÁNGEL GUERRA ZALABARDO	General Manager of Sice, Tecnología de Sistemas, S.A.
MR. BERNARDO DE LA FUENTE ELVIRA	General Manager of Control y Montajes Industriales, S.A.
MR. ROMÁN GARRIDO SÁNCHEZ	North American Manager of Dragados, S.A.

Name or company name	Position
MR. JESUS GARCÍA ARIAS	General Manager of Sociedad Española de Montajes Industriales, S.A. (SEMI)
MR. CRISTOBAL GÓNZALEZ WIEDMAIER	Finance Manager of ACS, Servicios Comunicaciones y Energía, S.L.
MR. MANUEL ÁLVAREZ MUÑOZ	Production Manager of Vías y Construcciones, S.A.
MR. CARLOS ABILIO PÉREZ	General Manager of Tratamiento de Residuos Urbanos de Urbaser, S.A.
MR. JOSÉ REIS COSTA	Chairman of Procme LTD
MR. ÁNGEL MANUEL GARCÍA ALTOZANO	Corporate General Manager of ACS, Actividades de Construcción y Servicios, S.A.
MR. MANUEL ANDRÉS MARTÍNEZ	General Manager of Urban Services at Urbaser, S.A.
MR. ADOLFO VALDERAS MARTÍNEZ	General Manager of Iridium, Concesiones de Infraestructuras, S.A.
MR. JOSÉ LUIS CELORRIO GARCÍA	General Manager of Maessa Telecomunicaciones, S.A. (Maetel)
MR. JOSE ALFONSO NEBRERA GARCÍA	General Manager of ACS, Servicios Comunicaciones y Energía, S.L.
MR. JOSÉ ANTONIO FERNÁNDEZ GARCÍA	General Manager of the Etra Group
MS. CRISTINA ALDAMIZ-ECHEVARRÍA GÓNZALEZ DE DURANA	Director of Investments and Management Control of ACS Actividades de Construcción y Servicios, S.A.
MR. SALVADOR MYRO CUENCO	Development Manager of Iridium, Concesiones de Infraestructuras, S.A.
MR. RICARDO FRANCO BARBERA	Eastern US Manager of Dragados, S.A.

Total remuneration of senior executives (thousands of euros)	21,025
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B.1.13 Identify in aggregate terms whether there are any guarantee or golden parachute clauses for senior executives, including executive Board Members of the company or of its group, in the event of termination or changes in control. Indicate whether these contracts have to be disclosed to and/or approved by the bodies of the company or of its group:

<b>Number of beneficiaries</b>	<b>6</b>
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	<b>Board of Directors</b>	<b>General Meeting</b>
<b>Body authorising the clauses</b>	YES	NO

<b>Is the General Meeting informed of the clauses?</b>	<b>NO</b>
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B.1.14 Indicate the process for setting Board members' remuneration and the relevant provisions in the company bylaws.

<b>Process for establishing the remuneration of the Board members and the provisions in the bylaws</b>
<p>The remuneration of the various Board members for bylaw-stipulated Board Members' emoluments is proposed by the Appointments and Remuneration Committee and the full amount is submitted at the General Meeting for approval by the shareholders within the resolution relating to the appropriate of profit or loss.</p> <p>This matter is regulated in the last three paragraphs of Article 34 of the bylaws, which provide the following: In addition to the attendance fees and emoluments agreed on by the General Meeting, with regard to bylaw-stipulated compensation, the Board of Directors will also be entitled to remuneration that does not exceed ten per cent of net profits, which can only be paid once all legal reserves have been attended to and, if applicable, all statutory reserves have been made and the shareholders have been paid a dividend of at least four per cent of paid in capital per share.</p> <p>Remuneration to all or some of the members of the Board of Directors and to management personnel of the Company and the companies that belong to the Group may take the form of company shares or share options or may be tied to the value of these shares in the form, terms, and conditions established by the General Shareholders' Meeting in accordance with established legal requirements.</p> <p>The Board of Directors shall decide on the manner in which the remuneration payable under this article, the amounts of which may differ, shall be distributed among its members.</p> <p>In accordance with Article 16 of the Regulations of the Board of Directors, the Board will determine, after a report from the Appointments and Remuneration Committee, the distribution of the total amount and frequency of the payments in accordance with legislation and Company bylaws in force. Additionally, in accordance with Article 24 of these Regulations, the Appointments and Remuneration Committee is responsible for reporting to the Board of Directors on the following:</p> <ol style="list-style-type: none"> <li>1. The remuneration system for the Chairman of the Board of Directors and other senior executives in the Company.</li> <li>2. The distribution among the members of the Board of Directors of the overall remuneration agreed upon by the shareholders at the General Meeting and, if applicable, the establishment of supplementary remuneration and other payments corresponding to executive Board Members in relation to their functions.</li> <li>3. Board Members' remuneration.</li> <li>4. Multi-annual plans that may be set up according to the share value such as share option plans.</li> </ol>

Indicate whether the plenary Board meeting reserves approval of the following decisions.

<b>At the proposal of the company's chief executive, the appointment and removal of senior executives and provisions relating to termination benefits.</b>	YES
<b>Board Members' remuneration and, in the case of executive Board Members, the additional consideration for their management duties and other contract conditions.</b>	YES

B.1.15 Indicate whether the Board of Directors approves a detailed remuneration policy and specify the matters addressed thereby:

YES

<b>Amount of the fixed components with a breakdown, if applicable, of fees for attending Board and committee meetings and an estimate of the annual fixed remuneration arising therefrom.</b>	YES
<b>Variable remuneration</b>	YES
<b>Main features of welfare systems and the estimated amount or equivalent annual cost</b>	YES
<b>Conditions to be met in the contracts of executive Board Members who discharge senior management functions</b>	YES

B.1.16 Indicate whether the Board submits a report on the Board Members' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate item on the agenda. If so, explain the remuneration policy matters approved by the Board for future years, the most significant changes in the policy with respect to that applied in the year and a summary of the application of the remuneration policy in the year. Detail the role played by the Remuneration Committee and, if external advisors were used, the identity of the external consultants:

YES

<b>Matters addressed in the remuneration policy</b>
<p>The report on the Board Members' remuneration policy shall be submitted to an advisory vote of the shareholders as a separate item on the agenda at the next General Meeting to be held on 9 and 10 May 2013, on the first and second call, respectively.</p> <p>Articles 4 and 16 of the Board Regulations stipulate that the Board shall approve an annual report on the remuneration policy explaining the criteria and foundations used to determine the Board Members' remuneration, which shall be submitted to the shareholders at the Ordinary General Meeting.</p> <p>The 2012 report on the Board Members' remuneration policy shall be published this year separately from the Group's Annual Report. In addition to an itemised breakdown of the Board Members' remuneration, this report shall include the Board Members' remuneration policy for 2013.</p>

**Role played by the Remuneration Committee**

In accordance with Article 24 of the Board Regulations, the Appointments and Remuneration Committee has drafted the policy contained in the report on the Board Members' remuneration policy for 2012. It was submitted for the approval by the Board at its meeting held on 21 March 2012.

**Were external advisors used?**

**NO**

**Identity of the external consultants**

B.1.17 Indicate, as appropriate, which members of the Board are, in turn, members of the Boards of Directors, executives or employees of companies that hold significant ownership interests in the listed company and/or group companies:

<b>Name or company name of the Board Member</b>	<b>Company name of the significant shareholder</b>	<b>Position</b>
Mr. FLORENTINO PÉREZ RODRÍGUEZ	INVERSIONES VESÁN, S.A.	DIRECTOR
MR. JUAN MARCH DE LA LASTRA	CORPORACIÓN FINANCIERA ALBA, S.A.	BOARD MEMBER
MS. SABINA FLUXÀ THIENEMANN	IBEROSTAR HOTELES Y APARTAMENTOS, S.L.	BOARD MEMBER
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	CORPORACIÓN FINANCIERA ALBA, S.A.	CEO

List, as appropriate, any material relationships, other than those envisaged under the preceding heading, of the members of the Board of Directors with significant shareholders and/or at group companies:

**Name or company name of the related Board Member**

MR. PABLO VALLBONA VADELL

**Name or company name of the related significant shareholder**

CORPORACIÓN FINANCIERA ALBA, S.A.

**Description of relationship**

DEPUTY CHAIRMAN OF BANCA MARCH, S.A., MAIN SHAREHOLDER OF CORPORACIÓN FINANCIERA ALBA

**Name or company name of the related Board Member**

MR. JUAN MARCH DE LA LASTRA

**Name or company name of the related significant shareholder**

CORPORACIÓN FINANCIERA ALBA, S.A.

**Description of relationship**

DEPUTY CHAIRMAN OF BANCA MARCH, S.A., MAIN SHAREHOLDER OF CORPORACIÓN FINANCIERA ALBA, S.A.



**Name or company name of the related Board Member**

MR. JULIO SACRISTÁN FIDALGO

**Name or company name of the related significant shareholder**

INVERSIONES VESÁN, S.A.

**Description of relationship**

BROTHER IN LAW OF MR. FLORENTINO PÉREZ, DIRECTOR OF INVERSIONES VESÁN, S.A.

**Name or company name of the related Board Member**

MR. MANUEL DELGADO SOLÍS

**Name or company name of the related significant shareholder**

PERCACER, S.A.

**Description of relationship**

LAWYER

**Name or company name of the related Board Member**

MR. MANUEL DELGADO SOLÍS

**Name or company name of the related significant shareholder**

IMVERNELIN PATRIMONIO, S.L.

**Description of relationship**

LAWYER

**Name or company name of the related Board Member**

MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN

**Name or company name of the related significant shareholder**

CORPORACIÓN FINANCIERA ALBA, S.A.

**Description of relationship**

BOARD MEMBER OF BANCA MARCH, S.A., MAIN SHAREHOLDER OF CORPORACIÓN FINANCIERA ALBA, S.A.

B.1.18 Indicate whether any amendments have been made to the Regulations of the Board of Directors during the year:

YES

**Description of amendments**

Amendment to Articles 5 and 8 of the Regulations of the Board of Directors, which shall be worded as follows:

**Article 5.- Duty to inform shareholders**

In order for the General Shareholders' Meeting to appropriately perform its functions, the Company's Board of Directors must make available to shareholders, prior to each Meeting being held, all information that may be legally required or which, without being so, must reasonably be provided in accordance with the interests of the company and of the shareholders, in order for them to lay down criteria. In this regard, the Board of Directors is obliged to respond to shareholders' requests, regardless of whether these requests are formulated before or after General Shareholders' Meetings, provided that the Company's interests are not jeopardised.

For the purposes transparency and maximum distribution of the corresponding information and to facilitate immediate access to it by shareholders, and investors in general, the Board of Directors shall have a Company web page that includes all those documents that are for general dissemination and, especially, the Company bylaws; the Regulations of the Board of Directors; the reports which, in accordance with legislation in force, must be given to the stock markets; the call notices to the General Shareholders' Meetings and the proposals that are submitted for deliberation and approval as well as the resolutions adopted at recently held General Shareholders' Meetings.

#### Description of amendments

Additionally, the Web Page shall include the composition of the Board of Directors, and the professional profile of each Board Member; the other Board of Directors of which he is a member, whether he is an executive and proprietary Board Member, and the shareholder which he represents; or whether he is an independent or external Board Member; the date on which he was appointed, and if applicable, re-elected; and the company shares or share options which he holds.

#### Article 8.- Meetings and call notices

The Board shall meet whenever required to do so by the Company's interests, prior notice from the Chairman or, in his or her absence, by a Deputy Chairman, either on his or her own initiative or on the request of, at least, two Board Members. In any event, the Board shall meet at least six times a year in order to periodically examine the Group's progress compared to the budgets and previous year.

Call notice shall be given by means of letter, telex, telegram, telefax or any other means of written communication that permits verification that it has been received by the various Board Members, including the agenda.

Except in cases of emergency, which shall be freely determined by the Chairman, notice must be given at least three days in advance of the date on which the Board Meeting is expected to be held.

The Board of Directors shall meet at the Company registered office or at any other location determined by the Chairman and specified in the call notice.

Attendance of Board Members at the Board of Directors meetings shall be equally valid by means of remote communication, provided that these means allow the Board Members attending to mutually recognised and identify each other, to be in permanent communication, and to take the floor and vote in real time. Board of Director meetings that are attended by Board Members through means of remote communication, in accordance with that provided in this article, shall be considered unique and held at the location from where the Chairman of the body, or whoever stands in for him, is attending. The meeting minutes and certificates of the resolutions must express the adoption thereof.

The Board of Directors shall empower one of the independent Board Members to:

1. Call a meeting of the Board of Directors.
2. Request that new items be added to the Agenda of the Board of Director's meeting.
3. State and coordinate the voicing of concerns by independent, proprietary and external Board Members.
4. Direct the evaluation by the Board of Directors of its Chairman.

The Board Members that constitute at least one third of the members of the Board may call a meeting, indicating the agenda and as to whether the meeting is to be held at the company's registered office, if the Chairman failed to call the meeting, without just cause, within a period of one month after having submitted the request to do so.

B.1.19. Indicate the procedures for the appointment, re-election, evaluation and removal of Board Members. List the competent bodies, the formalities to be fulfilled and the criteria to be used in each of the procedures.

#### APPOINTMENT OF BOARD MEMBERS

The appointment of Board Members is regulated in the following articles of the Regulations of the Board of Directors, which are worded as follows:

#### Article 3.- Composition and appointments

Within the limits stipulated in Article 13 of the Company bylaws in force and notwithstanding the powers of proposal which, under the legislation in force, may correspond to the shareholders, the Board of Directors shall be responsible for proposing to the General Shareholders' Meeting the number of directors and individuals or legal entities to be appointed. The appointment proposal must specify whether the director is an executive, proprietary, independent or external director.

Furthermore, should any vacancies arise, the Board of Directors may provisionally fill them among the shareholders until the next General Shareholders' Meeting where a definitive appointment shall take place.

Article 4.- Functions (...) In particular, the Board of Directors shall have the following responsibilities, which cannot be delegated:

- Accept the resignation of directors.
- Appoint, remove and accept the resignation of the positions of Chairman, Deputy Chairman and Secretary to the Board.
- Appoint, remove and accept the resignation of Board Members who must form part of the Commissions and Committees envisaged in these Regulations.
- Delegate to any of their members, in full or in part, the powers corresponding to the Board, except those which cannot be delegated.
- Prepare the individual and consolidated financial statements and directors' reports and submit them for approval by the General Shareholders' Meeting. Draw up an annual report on the Board Member's remuneration policy, which shall be submitted to an advisory vote at the Company's General Shareholders' Meeting as a separate item on the agenda.
- Draw up reports, including the Annual Corporate Governance Report, and the proposals which, in accordance with the legislation in force and the Company bylaws, the Board of Directors is responsible for adopting.
- Approve the yearly budget.
- Approve the merger, acquisition, spin-off or business combinations involving the Group's main subsidiaries of which the Company is the Parent.
- Approve the block issue of debentures, promissory notes, bonds or similar securities by the Group's main subsidiaries of which the Company is the Parent.
- Approve the transfer of rights regarding the brand name, trademarks and other intellectual and industrial property rights that belong to the Company or the companies of its Group, whenever they are of financial relevance.
- Assess each year the quality and efficiency of its operation; the Chairman and, if appropriate, CEO's performance of their duties, following the issuance of a report by the Appointments and Remuneration Committee; and the operation of the Board of Director's Committees, following the issuance of a report by these Committees.
- Amending these Regulations.
- Carry out, in general, all functions that correspond by law, by regulation or in accordance with these Regulations, and to perform any other functions which have been delegated thereto by the General Shareholders' Meeting. The Board may, in turn, only delegate those that are expressly permitted in the resolution on delegation of the General Shareholders' Meeting.

Article 11.- Term of appointment for Board Members

Board Members shall hold their positions during the six-year term for which they were elected. They may be re-elected one or more times for terms of the same maximum duration.

Should a vacancy exist for any reason, the Board may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive appointment shall take place.

The appointment of the Board Members shall expire when the term has ended and the next General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether or not to approve the financial statements for the previous year.

Notwithstanding the above, proprietary Board Members must resign when the shareholder they represent fully disposes of his shares by any means.

#### Article 17.- The Chairman

The Board shall elect a Chairman from among its members, who, in addition to the functions that may correspond in accordance with the legislation in force, the Company bylaws and these Regulations, shall perform the tasks corresponding to his or her condition as the Company's maximum executive, within the guidelines laid down by the General Shareholders' Meeting, the Board of Directors and the Executive Committee.

The Chairman shall enjoy the broadest powers for performing his or her tasks and, unless otherwise stipulated by law, may fully or partially delegate such powers to other Board Members and the Company's management personnel and, in general, whoever he or she deems advisable or necessary.

#### Article 18.- The Deputy Chairmen

The Board may also elect from among its Board Members one or two Deputy Chairmen who shall act as the Chairman in cases of delegation, absence or illness and, in general, perform all the tasks that may be entrusted to them by the Chairman, the Executive Committee and the Board of Directors.

Substitution of the Chairman shall take place by chronological order of the Deputy Chairmen's appointment, in the absence of such order, by order of seniority and, lastly by order of greater to lesser age.

#### Article 19.- The Chief Executive Officer

The Board may appoint a Chief Executive Officer, delegating him the powers deemed expedient except those which, by law or Company bylaws, cannot be delegated.

#### Article 20.- The Secretary

Following the issuance of a report by the Appointments and Remuneration Committee, the Board of Directors shall appoint a Secretary, who may be a non-Board Member, and who must be a practising lawyer. Apart from the functions laid down by the legislation in force, the Company bylaws and these Regulations, the Secretary to the Board of Directors is responsible for ensuring that actions arising from the Company bodies he forms part of comply with the requirements of the law, issuing warnings in this respect and registering them in the minutes; and ensuring that the Board of Directors bears in mind in its actions the recommendations of the Unified Code of Good Corporate Governance in force.

#### Article 24.- The Appointments and Remuneration Committee

Likewise, the Board of Directors shall set up an Appointments and Remuneration Committee to be made up of a Chairman and a minimum of two Members who shall be freely elected and moved, from among its members, by the Board of Directors, and who shall perform their functions indefinitely or during the term for which they were elected. The appointment of the Chairman must fall on one of the independent Board Members. The Secretary to the Board of Directors shall attend the Committee's meetings and shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.

The meeting shall only be deemed to be convened when the majority of its members attend and agreements shall be adopted by majority

vote of those attending, with the Chairman having the casting vote in the event of a tie. The Committee shall meet, when convened by the Chairman, at least twice a year.

The Appointments and Remuneration Committee has the following tasks:

- 1.- Report on the remuneration system for the Chairman of the Board of Directors and other senior executives in the Company. Where appropriate, make the pertinent recommendations to the Board so that the succession of the Chairman and, if applicable, Chief Executive Officer, proceeds in a planned and orderly manner. Consult with the Chairman, and if appropriate, the Chief Executive Officer, on any matters within its competence affecting the Company's executive Board Members and other senior executives.
- 2.- Report on the distribution among the members of the Board of Directors of the overall remuneration agreed upon by the General Shareholders' Meeting, and if applicable, the establishment of supplementary remuneration and other payments corresponding to executive Board Members in relation to their functions.
- 3.- Report on the remuneration of Board Members.
- 4.- Report on multi-annual plans that may be set up according to share value such as share option plans.
- 5.- Propose the appointment or re-election of independent Board Members and report on the proposals for the appointment of other Board Members and the Secretary to the Board of Directors. For these purposes, the skills, knowledge, experience and dedication to the good performance of their duties of those proposed as Board Members should be assessed. The Committee shall also report on the proposed early resignation of any independent Board Members.
- 6.- Propose appointments of senior executives, especially those who will form part of the Group's Management Committee, and the basic conditions of their contracts.
- 7.- Issues relating to gender diversity on the Board of Directors.
- 8.- Any other matters under its competence pursuant to these Regulations, which may be especially entrusted to it by the Board of Directors.

Insofar as it were deemed necessary, and with the natural adaptations, the operation of the Appointments and Remuneration Committee shall be governed by the provisions of these Regulations regarding the operation of the Board of Directors.

#### RE-ELECTION OF BOARD MEMBERS

Board Members shall hold their positions during the six-year term for which they were elected. They may be re-elected one or more times for terms of the same maximum duration.

Should a vacancy exist for any reason, the Board may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive appointment shall take place.

The appointment of the Board Members shall expire when the term has ended and the next General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether or not to approve the financial statements for the previous year.

Notwithstanding the above, proprietary Board Members must resign when the shareholder they represent fully disposes of his shares by any means.

#### REMOVAL OF BOARD MEMBERS

The removal of Board Members is regulated in the following articles of the Regulations of the Board of Directors, which are worded as follows:

##### Article 3.- Composition and appointments

Within the limits stipulated in Article 13 of the Company bylaws in force and notwithstanding the powers of proposal which, under the legislation in force, may correspond to the shareholders, the Board of Directors shall be responsible for proposing to the General

Shareholders' Meeting the number of Board Members and individuals or legal entities to be appointed. The appointment proposal must specify whether the Board Member is an executive, proprietary, independent or external Board Member.

Furthermore, should any vacancies arise, the Board of Directors may provisionally fill them among the shareholders until the next General Shareholders' Meeting where a definitive appointment shall take place.

Article 4.- Functions (...) In particular, the Board of Directors shall have the following responsibilities, which cannot be delegated: Accept the resignation of Board Members.

Appoint, remove and accept the resignation of the positions of Chairman, Deputy Chairman and Secretary to the Board.

Appoint, remove and accept the resignation of Board Members who must form part of the Commissions and Committees envisaged in these Regulations.

Article 11.- Term of appointment for Board Members

Board Members shall hold their positions during the six-year term for which they were elected. They may be re-elected one or more times for terms of the same maximum duration.

Should a vacancy exist for any reason, the Board may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive appointment shall take place.

The appointment of the Board Members shall expire when the term has ended and the next General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether or not to approve the financial statements for the previous year.

**B.1.20 Indicate the cases in which the Board Members must resign.**

In accordance with Article 11 of the Regulations of the Board of Directors, proprietary Board Members shall resign from the Board of Directors when the shareholder they represent fully disposes of his shares by any means.

**B.1.21 State whether the chairman of the Board of Directors also performs the functions of the company's chief executive. If so, describe the measures taken to limit the risks of power being concentrated in the hands of one person:**

YES

**Measures to limit risks**

The Chairman of the Board, Mr. Florentino Perez Rodriguez, is also CEO and has been delegated all the powers of the Board except those that cannot be delegated. Therefore, in accordance with the Regulations of the Board of Directors, the Chairman shall undertake the duties that befit the status of the chief executive officer of the Company, within the guidelines laid down by the General Shareholders' Meeting, the Board of Directors and the Executive Committee. His duties are not only delimited by this scope of powers that cannot be delegated, but also by the duties that he carries out as the Chairman of the Executive Committee.

Also noteworthy is that any resolution of special relevance to the Company shall be submitted to the approval of the Board of Directors, and an absolute majority shall be required, in which case neither the Chairman nor the corresponding Committee shall have a casting vote.

Indicate and, if applicable, explain whether rules have been established to enable one of the independent Board Members to convene a Board meeting or add items to the agenda, to coordinate and give voice to the concerns of external Board Members and lead the Board's evaluation of the Chairman.

YES

**Explanation of the rules**

In accordance with the Regulations of the Board, an independent Board Member shall have this power, and for these purposes, Mr. Miguel Roca Junyent has been appointed.

B.1.22 Are qualified majorities, other than statutory majorities, required for any type of decision?:

NO

Indicate how resolutions are adopted by the Board of Directors and specify, at least, the minimum attendance quorum and the type of majority for adopting resolutions:

B.1.23 State whether there are any specific requirements, apart from those relating to the Board Members, to be appointed chairman.

NO

B.1.24 Indicate if the chairman has a casting vote:

NO

B.1.25 Indicate whether the bylaws or the Board Regulations set any age limit for Board Members:

NO

Age limit of chairman	Age limit of chief executive officer	Age limit of Board Member
0	0	0

B.1.26 Indicate whether the bylaws or the Board regulations set a limited term of office for independent Board Members:

NO

<b>Maximum number of years in office</b>	<b>0</b>
--	----------

B.1.27 In the event that there are few or no female Board Members explain the reasons for the situation and the measures taken to correct it.

<b>Explanation of reasons and measures taken</b>
<p>Equal opportunity and non-discrimination, basic principles of ACS included in the Company's Code of Conduct, are determining factors when promoting the professional and personal development of all ACS employees, and the Company assures equal opportunities through its policies. The effectiveness of this equal opportunities policy is guaranteed since it is accompanied by measures aimed at breaking down the traditional barriers on the entrance of females in a sector which is traditionally male and measures to reconcile professional and personal life, which has enabled it to increase the number of women with executive responsibilities in the Group.</p>

In particular, indicate whether the Appointments and Remuneration Committee has established procedures for selection processes to ensure that they do not suffer from any implicit bias against women candidates and that purposely identify candidates with the target profile:

NO

B.1.28 Indicate whether there are any formal procedures for granting proxies to vote at Board meetings. If so, give brief details.

Without prejudice to attendance obligations, Board Members who are unable to attend a meeting in person may be represented and cast a vote through another Board Member. This proxy must be sent to the Chairman in writing in the form of a letter, telegram, telex or fax or any other written means that allows its reception by this addressee to be verified.

B.1.29 Indicate the number of Board meetings held during the year and how often the Board has met without the chairman's attendance:

<b>Number of Board meetings</b>	<b>6</b>
<b>Number of Board meetings without chairman's attendance</b>	<b>0</b>



Indicate how many meetings of the various Board committees were held during the year.

<b>Number of Executive or Delegated Committee meetings</b>	11
<b>Number of Audit Committee meetings</b>	7
<b>Number of Appointments and Remuneration Committee meetings</b>	2
<b>Number of Appointments Committee meetings</b>	0
<b>Number of Remuneration Committee meetings</b>	0

B.1.30 Indicate the number of Board meetings held during the year that were not attended by all the Board Members. The calculation of absences shall include proxies granted without specific instructions:

<b>Number of Board Member absences during the year</b>	5
Number of absences as a % of the total votes during the year	4.900

B.1.31 Indicate whether the separate and consolidated financial statements submitted for approval by the Board are certified previously:

YES

Identify, if applicable, the person(s) who certified the company's separate and consolidated financial statements for authorisation for issue by the Board:

<b>Name</b>	<b>Position</b>
MR. ÁNGEL MANUEL GARCÍA ALTOZANO	CORPORATE GENERAL MANAGER

B.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent qualified auditors' reports on the separate and consolidated financial statements prepared by it from being submitted at the General Meeting.

In this respect, routine meetings are held between the accounts auditor and the Audit Committee to analyse with sufficient notice any differences between the accounting criteria of the Company and its Group and the auditors' interpretation of the accounts. The foregoing is in accordance with Article 20 bis of the Company bylaws. It is considered that the 2012 auditors' reports on ACS Actividades de Construcción y Servicios, S.A. and the ACS Group will be favourable, as they were in 2010 and 2011.

B.1.33 Is the Secretary of the Board a Board Member?

YES

B.1.34 Explain the procedure for appointing and removing the secretary of the Board and indicate whether the appointment and removal are subject to a report of the Appointments Committee and are approved by the Board in plenary session.

**Procedure for appointment and dismissal**

Following the issuance of a report by the Appointments and Remuneration Committee, the Board of Directors shall appoint a Secretary, who may be a non-Board Member, and who must be a practising lawyer. In addition to the duties laid down by current legislation, the Company bylaws and these Regulations, the Secretary of the Board of Directors must also oversee the legality of the acts issued by the company bodies that he forms part of, providing the due warnings and recording them in the minutes. The appointment of the Secretary was not reported to the Appointments and Remuneration Committee since he was appointed years prior to the formation of this Committee.

Does the Appointments Committee report on the appointment?	YES
Does the Appointments Committee report on the dismissal?	YES
Does the Board in plenary session approve the appointment?	YES
Does the Board in plenary session approve the removal?	YES

Is the secretary of the Board particularly entrusted with ensuring compliance with good governance recommendations?

YES

B.1.35 Indicate the mechanisms, if any, established by the company to preserve the independence of the auditors, of financial analysts, investment banks and of rating agencies.

With regard to the auditor, Article 23 of the Board Regulations expressly stipulates that the duties of the Audit Committee shall be as follows:

- Monitor the effectiveness of the Company's internal control, internal audit and, if applicable, risk management systems, and discuss any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms.
- Oversee the preparation and presentation of the regulated financial information.
- Propose to the Company's Board of Directors, for submission to the General Shareholders' Meeting, the appointment of auditors or audit firms in accordance with applicable law.

- Establish the appropriate relationships with auditors or audit firms for the purpose of receiving information on any matter which may compromise their independence and any other matter relating to the process of auditing the accounts, in addition to any other communication laid down in Spanish legislation regarding auditing accounts and technical auditing standards. In any case, auditors and audit firms shall annually furnish the committee with written confirmation of their independence from the company or directly and indirectly related companies, in addition to reporting any additional services of any type presented to these companies by the aforementioned auditors or firms, or related individuals or companies, in accordance with the provisions of current Spanish legislation.
- Annually and prior to issuing the auditors' report, issue a report expressing an opinion on the independence of the auditors or audit firms. In any case, this report shall give an opinion on the provision of the additional services mentioned above.
- Review and report on the estimates made by Company management and of those companies comprised within its Group of companies with respect to possible significant tax and legal contingencies.
- Ascertain the results of inspections conducted by official entities.

B.1.36 Indicate whether the company changed its external auditors during the year. If so, identify the incoming and outgoing auditor:

NO

Outgoing auditor	Incoming auditor
------------------	------------------

In the event of any disagreement with the outgoing auditors, specify the substance thereof:

NO

B.1.37 Indicate whether the audit firm performs other non-audit work for the company and/or its group, and if so, state the amount of fees received for such work and the percentage they represent of the fees billed to the company and/or its group:

YES

	Company	Group	Total
<b>Amount of other non-audit work (thousands of euros)</b>	736	2,142	2,878
<b>Amount of other non-audit work/total amount billed by audit firm (as a %)</b>	78.220	16.300	20.440

B.1.38 Indicate whether the auditors' report for the previous year included any reservations or qualifications. If so, indicate the reasons given by the chairman of the Audit Committee to explain the content and scope of the reservations or qualifications.

NO

B.1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements of the company and/or its group. Also indicate the number of years audited by the current audit firm as a percentage of the total number of years during which the financial statements have been audited:

	Company	Group
<b>Number of uninterrupted years</b>	11	11

	Company	Group
<b>Number of years audited by current audit firm/number of years the company has been audited (as a %)</b>	47.8	47.8

B.1.40 Indicate any ownership interests, disclosed to the company, held by the members of the company's Board of Directors in the capital of entities engaging in an activity that is identical, similar or complementary to the activity that constitutes the object of the company or of its group. Also indicate the positions they hold or the functions they discharge at these companies:

<b>Name or company name of the Board Member</b>	<b>Name of the company in question</b>	<b>% of ownership interest</b>	<b>Position or functions</b>
MR. ANTONIO GARCÍA FERRER	FERROVIAL, S.A.	0.000	--
MR. PABLO VALLBONA VADELL	ABERTIS INFRAESTRUCTURAS, S.A.	0.001	Board Member
MR. JAVIER MONZÓN DE CÁCERES	INDRA SISTEMAS, S.A.	0.094	Chairman
MR. JUAN DAVID GRIMÁ TERRÉ	CORY ENVIRONMENTAL MGT LTD UK	0.000	BOARD MEMBER
MR. JUAN MARCH DE LA LASTRA	INDRA SISTEMAS, S.A.	0.009	BOARD MEMBER
MR. JULIO SACRISTÁN FIDALGO	ABERTIS INFRAESTRUCTURAS, S.A.	0.000	-
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	GRUPO TERRATEST	45.000	CHAIRMAN (through Fapindus, S.L.)
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	FERROVIAL, S.A.	0.001	-
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	IBERDROLA, S.A.	0.001	-

Name or company name of the Board Member	Name of the company in question	% of ownership interest	Position or functions
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	GAS NATURAL SDG, S.A.	0.001	-
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	REPSOL YPF, S.A.	0.001	-
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	ABERTIS INFRAESTRUCTURAS, S.A.	0.001	-
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	TELEFONICA, S.A.	0.001	-
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	ENDESA, S.A.	0.000	-
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.	0.004	-
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	TÉCNICAS REUNIDAS, S.A.	0.002	--
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	ENAGAS, S.A.	0.002	-
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	INDRA SISTEMAS, S.A.	0.004	-
MR. JOSÉ LUIS DEL VALLE PÉREZ	SAGITAL, S.A.	5.100	-
MR. JOSÉ LUIS DEL VALLE PÉREZ	DEL VALLE INVERSIONES, S.A.	33.330	JOINT AND SEVERAL

B.1.41 Indicate whether there is a procedure for Board Members to be able to receive outside advisory services, and if so, give details:

YES

**Details of the procedure**

Article 15 of the Board Regulations expressly provides that Board Members have the right to request and obtain information and advice required to carry out their functions. This information may be requested through the Chairman or Secretary of the Board and, under special circumstances, may consist of external advice at the Company's expense.

B.1.42 Indicate whether there is a procedure for the Board Members to be able to receive the necessary information to prepare for meetings of the managing bodies sufficiently in advance, and if so, give details:

YES

**Details of the procedure**

Article 15 of the Board Regulations expressly provides that Board Members have the right to request and obtain information and advice required to carry out their functions. This information may be requested through the Chairman or Secretary of the Board.

B.1.43 Indicate, whether the company has established rules obliging Board Members to report and, if applicable, resign, in situations which could harm the company's good name and reputation and if so, give details:

YES

**Explanation of the rules**

Article 13 expressly states that in regard to the duty of loyalty, Board Members shall avoid conflicts of interest among themselves, or their most immediate relatives and the Company. Should any conflict of interest exist and be unavoidable, it must be reported to the Board of Directors and recorded in the minutes of the first Board meeting that takes place. Furthermore, they must notify the Company as soon as possible, and in all cases, within the five following days, of the shares, share options or derivatives referring to the share value which may be directly or indirectly held by either the Board Members themselves and by their most direct relatives.

Board Members must notify the Company of the most significant changes that take place in their professional circumstances, and especially, those affecting the qualities taken into account for appointing them as such. Furthermore, they shall notify the Company of any legal or administrative proceedings which, on account of their importance, may seriously affect the Company's reputation.

The Board Members shall abstain from intervening in the deliberations and casting their vote on those matters in which they have a particular interest, which will be expressly registered in the Minutes.

B.1.44 Indicate whether any of the Board Members have informed the company of any indictments or the commencement of oral proceedings against him/her for any of the offences specified in Article 124 of the Spanish Public Limited Liability Companies Law:

NO

Indicate whether the Board of Directors has analysed the case. If this response is affirmative, explain the reasons for the decision taken as to whether or not this Board Member shall continue to hold office.

NO

Decision taken	Detailed explanation

## B.2 Committees of the Board of Directors

B.2.1 Give details of all the committees of the Board of Directors and their members:

### EXECUTIVE OR DELEGATED COMMITTEE

Name	Position	Type
MR. FLORENTINO PÉREZ RODRÍGUEZ	CHAIRMAN	EXECUTIVE
MR. JOSÉ MARÍA LOIZAGA VIGURI	DEPUTY CHAIRMAN	INDEPENDENT
MR. ANTONIO GARCÍA FERRER	MEMBER	EXECUTIVE
MR. JAVIER ECHENIQUE LANDIRIBAR	MEMBER	PROPRIETARY
MR. JUAN MARCH DE LA LASTRA	MEMBER	PROPRIETARY
MR. PABLO VALLBONA VADELL	MEMBER	PROPRIETARY
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	MEMBER	OTHER EXTERNAL

### AUDIT COMMITTEE

Name	Position	Type
MR. JOSÉ MARÍA LOIZAGA VIGURI	CHAIRMAN	INDEPENDENT
MR. JOSÉ ÁLVARO CUERVO GARCÍA	MEMBER	INDEPENDENT
Mr. JULIO SACRISTÁN FIDALGO	MEMBER	PROPRIETARY
MR. MANUEL DELGADO SOLÍS	MEMBER	PROPRIETARY
MR. SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	MEMBER	PROPRIETARY

### APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
MR. JOSÉ MARÍA LOIZAGA VIGURI	CHAIRMAN	INDEPENDENT
MR. JAVIER ECHENIQUE LANDIRIBAR	MEMBER	PROPRIETARY
MR. JULIO SACRISTÁN FIDALGO	MEMBER	PROPRIETARY
MR. MIGUEL ROCA JUNYENT	MEMBER	INDEPENDENT

Name	Position	Type
MR. PABLO VALLBONA VADELL	MEMBER	PROPRIETARY

B.2.2 Indicate whether the Audit Committee is charged with the following duties:

Supervise the preparation and integrity of the financial information of the Company and, if applicable, of the group, and check compliance with legal provisions, the accurate demarcation of the scope of consolidation and the correct application of accounting standards.	YES
Review internal control and risk management systems on a regular basis, so that the main risks are properly identified, managed and disclosed.	YES
Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-appointment and removal of the head of internal audit; propose the internal audit department's budget; receive regular reports on its activities; and verify that senior management acts on the findings and recommendations of its reports.	YES
Establish and monitor a mechanism whereby employees can report, in a confidential or, if appropriate, anonymous manner, any potentially significant irregularities within the Company, particularly of a financial and accounting nature.	YES
Propose to the Board the selection, appointment, re-election and replacement of the external auditors, as well as the terms and conditions of the engagement.	YES
Receive regular information from the external auditors on the progress and findings of the audit plan, and check that senior management is acting on its recommendations.	YES
Ensure the independence of the external auditor	YES
In the case of groups, the Committee should prevail on the group auditors to take on the auditing of all component companies.	YES

B.2.3 Describe the rules relating to the organisation and functioning of the Board committees, as well as the responsibilities attributed to each of them.

**Committee name**

EXECUTIVE OR DELEGATED COMMITTEE

**Brief description**

The Executive Committee shall be made up of the Chairman of the Board of Directors, who shall act as its Chairman, and by the Deputy Chairman or both Deputy Chairmen, in the event that these positions had been appointed, of Board Members appointed by the Board of Directors for such purpose, and of the Secretary to the Board, with the right to speak but not to vote, who shall act as its Secretary.

The Executive Committee shall meet as often as it is convened by its Chairman, on his or her own initiative or at the request of, at least, two of its members. It shall be deemed to be set up when the majority of its members attend, present or represented, and unless the legislation in force, the Company bylaws or these Regulations provide otherwise, it shall adopt its agreements by majority vote of those attending, present or represented.



The Executive Committee shall exercise all duties delegated thereto by the Board of Directors, except those that cannot be delegated by law or the company bylaws. Nevertheless, the Board of Directors may pass on knowledge of and the decision upon any matter of its competence, and on its part, the Executive Committee may subject the decision on any matter to the Board of Directors, which even though a matter of its competence, deems necessary or expedient for the Board to decide upon.

Insofar as deemed necessary, and with the natural adaptations, the operation of the Executive Committee shall be governed by the provisions of the company bylaws or the Board regulations regarding the operation of the Board of Directors.

**Committee name**

AUDIT COMMITTEE

**Brief description**

In accordance with the provisions of Article 20 bis of the Company bylaws, there shall be an Audit Committee made up of a minimum of three and a maximum of five members who shall be appointed and discharged, from among its members, by the Board of Directors. Under no circumstances may such appointment cannot fall to anyone who currently performs or who has carried out tasks of an executive or labour-related nature in the Company during the three immediately preceding years. At least one of the members of the Audit Committee shall be independent and shall be appointed on the basis of his or her knowledge and experience in accounting or auditing or both. The Chairman's appointment, also to be carried out by the Board of Directors, shall necessarily correspond to one of the Company's external Board Members, who may not remain in such position for a period in excess of four years, although he may, nevertheless, be re-elected after the term of one year has elapsed from the moment of termination. The Secretary to the Board of Directors shall attend the Committee's meetings and shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.

The meeting shall only be deemed to be convened when the majority of its members attend and it shall adopt its agreements by majority vote of those attending, with the Chairman having the casting vote in the event of a tie. The Committee shall meet, when convened by the Chairman, at least twice a year, coinciding with the initial and final stages of the audit of the Company's financial statements and of the Group's consolidated financial statements and always prior to issuing the corresponding audit reports. Meetings may be attended, when specially summoned, by the auditor of the Company for the purposes of explaining the most significant aspects in the audits carried out.

Insofar as it were deemed necessary, and with the natural adaptations, the operation of the Audit Committee shall be governed by the provisions of these Regulations regarding the operation of the Board of Directors.

**Committee name**

APPOINTMENTS AND REMUNERATION COMMITTEE

**Brief description**

Likewise, the Board of Directors shall set up an Appointments and Remuneration Committee to be made up of a Chairman and a minimum of two Members who shall be freely elected and moved, from among its members, by the Board of Directors, and who shall perform their functions indefinitely or during the term for which they were elected. The appointment of the Chairman must fall on one of the independent Board Members. The Secretary to the Board of Directors shall attend the Committee's meetings and shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.

The meeting shall only be deemed to be convened when the majority of its members attend and agreements shall be adopted by majority vote of those attending, with the Chairman having the casting vote in the event of a tie. The Committee shall meet, when convened by the Chairman, at least twice a year.

Insofar as it were deemed necessary, and with the natural adaptations, the operation of the Appointments and Remuneration Committee shall be governed by the provisions of these Regulations regarding the operation of the Board of Directors.

B.2.4 Indicate, where appropriate, the advisory and consultative powers and any delegated authority held by each of the committees:

**Committee name**

EXECUTIVE OR DELEGATED COMMITTEE

**Brief description**

The Executive Committee shall exercise all duties delegated thereto by the Board of Directors, except those that cannot be delegated by law or the company bylaws. Nevertheless, the Board of Directors may pass on knowledge of and the decision upon any matter of its competence, and on its part, the Executive Committee may subject the decision on any matter to the Board of Directors, which even though a matter of its competence, deems necessary or expedient for the Board to decide upon.

**Committee name**

AUDIT COMMITTEE

**Brief description**

The Audit Committee shall have the following functions:

- 1.- Report to the General Shareholders' Meeting on the questions presented therein on matters of their authority.
- 2.- Monitor the effectiveness of the company's internal control, internal audit, and if applicable, risk management systems, and discuss any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms.
- 3.- Oversee the preparation and presentation of the regulated financial information.
- 4.- Propose to the Company's Board of Directors, for submission to the General Shareholders' Meeting, the appointment of auditors or audit firms in accordance with applicable law.
- 5.- Establish the appropriate relationships with auditors or audit firms for the purpose of receiving information on any matter which may compromise their independence and any other matter relating to the process of auditing the accounts, in addition to any other communication laid down in Spanish legislation regarding auditing accounts and technical auditing standards. In any case, auditors and audit firms shall annually furnish the committee with written confirmation of their independence from the company or directly and indirectly related companies, in addition to reporting any additional services of any type presented to these companies by the aforementioned auditors or firms, or related individuals or companies, in accordance with the provisions of current Spanish legislation.
- 6.- Annually and prior to issuing the auditors' report, issue a report expressing an opinion on the independence of the auditors or audit firms. In any case, this report shall give an opinion on the provision of the additional services mentioned above.
- 7.- Review and report on the estimates made by Company management and of those companies comprised within its Group of companies with respect to possible significant tax and legal contingencies.
- 8.- Ascertain the results of inspections conducted by official entities.
- 9.- Ascertain the information periodically provided to the stock markets on the company's accounts.
- 10.- Give the Board of Directors prior notice of any related party transactions to be submitted for its approval.

- 11.- Any other matters for which it is responsible in accordance with the provisions of these Regulations, or which may be especially entrusted to it by the Board of Directors or attributed to it under current Spanish legislation.

**Committee name**

APPOINTMENTS AND REMUNERATION COMMITTEE

**Brief description**

The Appointments and Remuneration Committee has the following tasks:

- 1.- Report on the remuneration system for the Chairman of the Board of Directors and other senior executives in the Company. Where appropriate, make the pertinent recommendations to the Board so that the succession of the Chairman and, if applicable, Chief Executive Officer, proceeds in a planned and orderly manner. Consult with the Chairman, and if appropriate, the Chief Executive Officer, on any matters within its competence affecting the Company's executive Board Members and other senior executives.
- 2.- Report on the distribution among the members of the Board of Directors of the overall remuneration agreed upon by the General Shareholders' Meeting, and if applicable, the establishment of supplementary remuneration and other payments corresponding to executive Board Members in relation to their functions.
- 3.- Report on the remuneration of Board Members.
- 4.- Report on multi-annual plans that may be set up according to share value such as share option plans.
- 5.- Propose the appointment or re-election of independent Board Members and report on the proposals for the appointment of other Board Members and the Secretary to the Board of Directors. For these purposes, the skills, knowledge, experience and dedication to the good performance of their duties of those proposed as Board Members should be assessed. The Committee shall also report on the proposed early resignation of any independent Board Members.
- 6.- Proposed appointment of senior executives, especially those who will form part of the Group's Management Committee, and the basic conditions of their contracts.
- 7.- Issues relating to gender diversity on the Board of Directors.
- 8.- Any other matters under its competence pursuant to these Regulations, which may be especially entrusted to it by the Board of Directors.

Insofar as it were deemed necessary, and with the natural adaptations, the operation of the Appointments and Remuneration Committee shall be governed by the provisions of these Regulations regarding the operation of the Board of Directors.

B.2.5. Indicate, as appropriate, whether there are any regulations for the Board committees; if so, indicate where they can be consulted and whether any amendments have been made during the year. Also indicate whether any annual report on the activities of each committee has been prepared voluntarily.

**Committee name**

EXECUTIVE OR DELEGATED COMMITTEE

**Brief description**

The Board Committees are governed by Articles 19, 20 and 20 bis of the bylaws and Articles 21 to 24 of the Regulations of the Board of Directors. Both documents are available on the corporate website [www.grupoacs.com](http://www.grupoacs.com).

The specific rules relating to the Executive Committee are set forth in Article 22 of the Regulations of the Board of Directors.

**Committee name**

AUDIT COMMITTEE

**Brief description**

The Board Committees are governed by Articles 19, 20 and 20 bis of the bylaws and Articles 21 to 24 of the Regulations of the Board of Directors. Both documents are available on the corporate website [www.grupoacs.com](http://www.grupoacs.com).

The Audit Committee is governed in accordance with Article 23 of the Board Regulations.

**Committee name**

APPOINTMENTS AND REMUNERATION COMMITTEE

**Brief description**

The Board Committees are governed by Articles 19, 20 and 20 bis of the bylaws and Articles 21 to 24 of the Regulations of the Board of Directors. Both documents are available on the corporate website [www.grupoacs.com](http://www.grupoacs.com).

The Appointments and Remuneration Committee is governed in accordance with Article 24 of the Board Regulations.

B.2.6 Indicate whether the composition of the executive committee reflects the participation of the various Board Members on the Board according to their status:

YES

## C - RELATED-PARTY TRANSACTIONS

C.1 Indicate whether, subject to a favourable report of the Audit Committee or any other committee entrusted with this function, the Board in plenary session reserves the approval of company transactions with Board Members, significant shareholders or representatives on the Board or with persons related thereto:

YES

C.2 List any material transactions entailing a transfer of funds or obligations between the company or group companies and the significant shareholders of the company:

C.3 List any material transactions entailing a transfer of funds or obligations between the company or group companies and the company's Board Members or executives:

C.4 List any material transactions by the company with other companies of the same group, where such transactions are not eliminated in the process of preparing the consolidated financial statements and from the standpoint of their subject-matter or terms and conditions are not part of the company's ordinary business:

C.5 Indicate any conflicts of interest of the company's Board Members, as provided for in Article 127 ter of the Spanish Companies Law.

NO

C.6 List the mechanisms in place for detecting, identifying and resolving any potential conflicts of interest between the company and/or its group and its Board Members, executives or significant shareholders.

1.- There are several standards included in the Board Regulations. Article 13 of the Board Regulations specifically governs conflicts of interest, whereupon by virtue of their loyalty as Company representatives, Board Members shall avoid any conflicts of interest between themselves, or their closest relatives, and the Company. Should any conflict of interest arise that cannot be avoided, it must be reported to the Board of Directors, and recorded in the minutes of the next Board Meeting. Furthermore, they must notify the Company as soon as possible, and in all cases, within the five following days, of the shares, share options or derivatives referring to the share value which may be directly or indirectly held by either the Board Members themselves and by their most direct relatives.

Board Members must notify the Company of the most significant changes that take place in their professional circumstances, and especially, those affecting the qualities taken into account for appointing them as such. Furthermore, they shall notify the Company of any legal or administrative proceedings which, on account of their importance, may seriously affect the Company's reputation.

The Board Members shall abstain from intervening in the deliberations and casting their vote on those matters in which they have a particular interest, which will be expressly registered in the Minutes.

Article 14 on non-competition and use of information stipulates that Board Members may not form part of more than five management bodies of companies other than those in the group of companies in which the company is the parent, without previous express authorization from the Board provided on a reasonable basis. For these purposes, companies in the same group shall be considered as a single company. Board Members may not directly or indirectly hold positions in or represent companies or organisations that are in competition with the Company or with any company of its Group.

Board Members may not use in any manner non-public information of which they have become aware in carrying out their duties as Board Member for private purposes. In particular, Board Members may not take advantage, for their own benefit, of the commercial operations of which they have become aware in carrying out these duties unless expressly authorized by the Board of Directors.

Except in cases of duly authorized benefits in kind, Board Members may not make use of the Company's assets or take advantage of their position to obtain advantages relating to assets without satisfying adequate consideration.

2.- There are Rules of Conduct for Securities Markets that include a set of rules designed to detect and regulate any possible conflicts of interest between the company and/or its group, and its Board Members, executives or significant shareholders.

The Executive Committee of ACS, Actividades de Construcción y Servicios, S.A., through the use of the powers delegated by the Board of Directors, approved the Rules of Conduct for Securities Markets at its meeting held on 17 July 2003. This was reported to the National Securities Market Committee (CNMV) on 31 July 2003. At its meeting held on 1 July 2004, the Board of Directors unanimously agreed to approve a series of amendments to the Rules of Conduct for Securities Markets, which were reported to the CNMV on 2 July 2004.

In general, the Rules of Conduct apply to the members of the Board of Directors, members of the Group's Management Committee and to those Company representatives and staff who carry out activities that may have an essential bearing on the price of the Company's shares. They also apply to Company representatives or staff and to external advisers who, with respect to a specific operation, are aware of privileged or reserved information regarding the Company's securities.

The Monitoring Unit envisaged in the Rules of Conduct will provide the stock exchange supervisory authorities with an updated list of all Board Members, Company representatives and personnel, and external consultants subject to the rules in a general or specific manner. Both inclusion in, and exclusion from, such list shall be reported in writing to the affected parties by the Chairman of the Monitoring Unit.

The Rules apply to matters concerning shares, share options and similar agreements involving the right to subscribe or acquire Company shares, or whose underlying asset involves Company shares, convertible or non-convertible bonds, debentures, promissory notes, subordinated debt and, in general, any type of financial instrument issued by the Company or, where appropriate, Group companies. The Rules of Conduct shall also apply to cases of conflicts of interest pursuant to Article 7 thereof.

All persons who are subject to these Regulations must abstain from conducting or preparing to conduct any type of action that distorts the free formation of prices on the stock market, and must abstain from using, whether in their own benefit or in benefit of third parties, any kind of privileged or relevant information relating to the stock market which they may have obtained in the performance of their functions in or for the Company.

All members of the Board of Directors, Company representatives and staff who have information that could be deemed as privileged and which refers to the transferable securities and financial instruments issued by the Company itself or by companies of its group, have the obligation to safeguard it, notwithstanding their obligation to communicate and collaborate with the legal and administrative authorities in the terms provided for by law.

In the stages of study or negotiation of any kind of legal or financial operation that may significantly influence the market price of the securities referred to in these Rules, the Company's managers of such operations shall be obliged to:

- a) Limit knowledge of the information strictly to those persons, internal or external to the organisation, whose participation is essential.
- b) Maintain a register of documents for each operation including the names of the persons referred to above and the date on which each of them became aware of the information.
- c) Expressly warn the persons included in the register on the nature of the information and their duty to confidentiality and the prohibition of its use.
- d) Set up security measures for the safe-keeping, filing, access, reproduction and distribution of the information.
- e) Monitor the evolution of the market in transferable securities or financial instruments relating to the operation in process in addition to the news broadcast by the media, whether specialized in economic information or not, which may affect them.
- f) In the event of an abnormal trend in traded volumes or prices and if there are reasonable grounds to believe that these changes are the result of premature, partial or distorted reporting of the transaction, the individuals responsible for the transaction shall immediately inform the General Secretary and the Board, who shall then report a relevant occurrence, providing clear and precise information on the status of the transaction in progress or containing advanced notice of the information to be made public.

The persons subject to these Rules who carry out any kind of operation on transferable securities or financial instruments issued by the Company must comply with the following:

- a) Report in writing to the Company, through the Chairman of the Monitoring Unit, on any type of operation involving the sale, purchase or acquisition of option rights carried out in their own benefit which is related to the securities that constitute the scope of application of these Rules. Operations carried out by spouses shall be deemed equivalent to operations carried out by individuals themselves, unless they only affect their personal or exclusive assets in accordance with the rules governing their matrimonial property, as shall those carried out by children not of legal age or handicapped persons under the parental control of the person under obligation or by companies controlled, directly or indirectly by them or by intermediate persons. Those

operations where there has been no participation at all by the person subject to these Rules are exempt from these disclosure requirements since they were ordered by the institutions which the affected party has entrusted to manage his portfolio. In this case, it is sufficient to notify the Chairman of the Monitoring Unit of the existence of the portfolio management contract and the name of the management agency.

- b) Report, in full detail, upon request by the Chairman of the Monitoring Unit, on the operations carried out independently and related to the securities that constitute the scope of application of these Rules.
- c) Notify the Chairman of the Monitoring Unit in writing, at the moment of accepting the position of Board Member, Company representative or staff member subject to these Rules, of the list of the securities of the Company or of the Group institutions that he or she owns, directly or indirectly through controlled companies or intermediate persons or institutions or which act of a common accord, in addition to those which belong to their children below legal age or to handicapped persons under the parental control of the obligated individual or to his or her spouse, unless in the last of these cases they belong to his or her private and exclusive assets in accordance with the rules governing their matrimonial property. Furthermore, they must report, also in writing, the existence of any established portfolio management contract and the name of the management agency.
- d) Submit to the Monitoring Unit, through its Chairman, any doubts regarding the application of these Rules, thereby abstaining from any activity until the corresponding response to the query submitted has been received.

Notwithstanding the foregoing, when transactions involving securities or financial instruments issued by the Company are performed by Board Members, they must also inform the stock markets on which the securities are traded and the National Securities Market Commission (CNMV) in the terms envisaged by Law.

The Secretary to the Monitoring Unit shall conserve, duly filed and ordered, the communications, notifications and any other action relating to these Rules, safeguarding the confidentiality of such file, and at any time may request confirmation from the persons subject to these Rules of the balances of securities and financial instruments arising from their file.

The Monitoring Unit, through its Chairman, is responsible for determining and updating which persons are subject to these Rules of Conduct. The Monitoring Unit shall be made up of the Secretary to the Board of Directors, who shall act as Chairman, by the General Corporate Manager and by the Administration Manager, who shall act as its Secretary.

Failure to comply with these Rules of Conduct, developed in accordance with current standards for order and discipline on the stock markets, could result in the application of the corresponding administrative sanctions and other consequences arising from applicable legislation. Insofar as they affect Company staff, they shall be considered professional misconduct.

C.7 Is more than one Group company listed in Spain?

NO

Identify the listed subsidiaries:

## D - RISK CONTROL SYSTEMS

D.1 General description of the risk policy of the company and/or its group, giving details of and evaluating the risks covered by the system, together with evidence that the system is appropriate for the profile of each type of risk.

The ACS Group's risk control system is based on a range of strategic and operational actions designed to mitigate risks and fulfil the objectives established by the Board of Directors.

The diversity and complexity of the sectors in which the Group carries out its activities implies a variety of risks; the Corporate Unit is responsible for defining basic guidelines in order to homogenise performance criteria in each of the divisions to guarantee an adequate level of internal control. The companies and divisions of the Group are responsible for developing the required and appropriate internal regulation to govern the implementation of any necessary internal controls, which, in turn, shall guarantee optimum performance of such internal control in accordance with the special circumstances of their activities.

In order to respond to the need for global and homogeneous risk management, the Corporate Unit has established a risk management model which includes the identification, evaluation, classification, valuation, processing and follow-up of risks at the Group and operational business line levels. Once these risks have been identified, a risk map is prepared.

In light of the above, risks have been identified as follows:

- Operating risks, stemming from the different businesses that the Group develops and which vary depending on the area of activity, but which can be summarised in risks relative to entering into contracts, planning and control of the execution of the various works and projects, quality-related risks, environmental risks, and risks related to international activities.
- Non-operating risks, which also vary depending on the different businesses that the Group develops, such as risks relating to image, human resources, legal or regulatory matters, tax, financial matters and insurance coverage. Non-operating risks includes, with particular importance, those related to control and risk management systems related to the disclosure of financial information onto the market.
- The aforementioned systems are detailed in the report supplementing these Annual Corporate Governance Report regard the matters contained in Article 61 bis of the Securities Market Law.
- As indicated previously, the Group's risk control systems are based on a series of strategic and operational actions aimed at complying with risk policies by each area of Group activity. The actions are organised according to a decentralised model that allows each business unit to carry out its risk control and evaluation policies in accordance with certain basic principles. These principles are the following:
  - Definition of the maximum risk limits that may be assumed by each business in accordance with the characteristics and expected return of the same, and which are implemented at the time contracts are entered into.
  - Establishment of procedures to identify, approve, analyse, control and report the different risks for each business area.
  - Coordination and communication to ensure that the risk policies of each business area are consistent with the Group's overall risk strategy.

The systems provide the necessary information to supervise and evaluate the risk exposure of each business area and develop the corresponding management information required for decisions with the monitoring of the appropriate indicators.

The control systems implemented in each business area may be classified into the following categories:

- Management systems for the entering into contracts and bidding processes for works and projects: Aimed at evaluating the profitability of projects from a technical and economic point of view, with sufficient guarantees to ensure client solvency.
- Management systems for the planning and execution of works and projects: The Group and the various activity areas have several economic and production control systems designed to give reliable knowledge of the economic forecasts and deadlines for projects, from planning phase through execution of the projects, and information on the actual status at all times. These systems are part of a comprehensive economic and budgetary control system for each business area, and are adapted to the characteristics



of their activities in order to provide the necessary information to the persons responsible for each area so that they may control the risks deriving from any possible deviation and make the appropriate decisions to optimise the management process. All information is kept in economic information systems which allow the consolidated parameters to be easily monitored and controlled in a dynamic and strict manner. By giving Group Management detailed knowledge of the economic situation and potential and assumed risks, the system has become an essential element in the decision-making process.

- Quality management systems: These are the means used to ensure the products manufactured and the services provided are in accordance with the requirements specified in the contract, as well as legal and statutory requirements, for the purpose of ensuring client satisfaction. The systems, which meet the requirements of the ISO 9001 standard, are based on preliminary identification of the relevant processes from the quality management point of view in which the activities developed in different areas are organised in order to plan them and track them accordingly. The periodic review of the systems by the management and the setting of targets allows for on-going improvements to be made to same.
- Environmental management systems: The implementation of these systems in the different business areas of the Group allows them to undertake their activities while guaranteeing maximum respect for the environment. The systems, regulated by international standard ISO 14001, are based on the identification and evaluation of environmental aspects on which the business can have an impact, planning the necessary steps in order to eliminate or minimise risks by establishing adequate control measures in accordance with current legal requirements and the environmental code of conduct corresponding to each business unit. The basic criteria are as follows:
  - Incorporation of the most advanced technologies in environmental issues, such as:
    - Conservation of energy and raw materials.
    - Using recyclable and biodegradable materials.
    - Minimising waste production and a respectful treatment with the environment.
    - Promoting the reforestation and landscaping of construction sites.
  - Development of specific actions for activities that so require, depending on the effect of the impact and the means to provide clients with continuous information regarding environmental risks and possible preventive measures.
- Human resources management systems: These systems are designed to establish compensation remuneration and objectives (especially for management personnel), hiring, training, evaluation of performance, motivation, control and follow-up of collective labour agreements and policies on expatriates. Under this heading, the prevention of labour risks is noteworthy. The ACS Group has developed an occupational risk prevention policy in accordance with current legislation on which the specific control systems for each line of business are based. The criteria taken into consideration in this policy follow the basic principles of training, participation, individual responsibility and control of safety conditions. The systems are adapted to the specific characteristics of each business area. Occupational risk prevention plans based on the identification of risks are designed and implemented in order to eliminate them, evaluating potential risks to minimise these and take the necessary protective measures.
- Financial risk control systems: The following are financial risks associated with Group activities:
  - The liquidity risk is managed by maintaining sufficient amounts available to negotiate the substitution of transactions coming due for different, new transactions under the best terms and to meet short- term cash needs. In loan transactions, periodically a follow-up is performed on the concentration risk by financial entity to avoid an excessive concentration and be able to rely on a number of entities to manage risk situations in case the need should arise. In this area, the Group's objectives in relation to capital management are to maintain an optimum financial and equity structure to reduce the cost of capital, while safeguarding its capacity to continue operating with solid debt ratios.
  - Risks arising from changes in foreign exchange currency rates. In this case the Group finances its investments, when possible, in the same currency as the cash flows from said investments. This is not possible in the shallow markets associated with investments fundamentally in Latin America.
  - The risk arising from changes in interest rates, in which the impact that this could have on the Group results is evaluated. In this way, to avoid that such risk may give rise to elevated volatilities, the need to reduce said volatility is considered in such a way that the financing expense has a reduced percentage of variation.

- Credit risk, which arises from the incapacity of clients and debtors to fulfil the obligations established under contract. Client analysis is performed in specific cases and by analysing payment capacity through the knowledge existing in the Group on transactions with such client, from the moment at which negotiations with the client are to begin. In the case of foreign transactions, this analysis is performed in a thorough manner. In countries in which there is elevated risk, transactions are only performed if the party paying the job or service is an international entity of acknowledged prestige and solvency, or is sufficiently insured.
- Exposure to equity security risk arises in investments performed in listed companies. Therefore, the market price of the securities of these companies are monitored and impairment tests are performed to verify their appropriateness. In this connection, the performance of investments by means of equity swaps is aimed at hedging possible changes in the disbursements to be made to obtain strategic holdings. Although the uncertainty of the effects of the disbursements to be made and of the obtainment of strategic holdings is eliminated, since the IFRS do not consider these to be hedges, they are subject to positive and negative fluctuations in the event of increases and decreases in value. The monitoring of financial risks is performed through methodological application in accordance with personal income tax and the preparation of a series of reports that allow for the monitoring and control of said risks for decision-making.
- Other systems: For legal or tax risks, the appropriate departments in each Company, business area or at the corporate level are relied upon, along with external support of renowned prestige in the area necessary to mitigate regulatory risks, litigation, etc. Additionally, the signing of contracts is supervised by the legal counsel of each company and, depending on its relevance, by the legal counsel of the various business areas or of the Group.

The Group has a strategy for covering accidental risks which could affect Group assets and activities that involves the underwriting of insurance policies for any coverable risks. These policies are reviewed periodically to adapt them to the current and specific status of the risk covered.

The Hochtief Group, which has been fully consolidated by the ACS Group since 2011, has defined a risk control policy that is consistent with its business activity. The detail of these policies and systems is include in the 2012 Annual Report on pages 119 to 127, inclusive, which is available at web [www.hochtief.com](http://www.hochtief.com).

D.2 Indicate whether any of the different types of risk (operational, technological, financial, legal, reputational, tax, etc.) affecting the company and/or its group have materialised during the year.

YES

If so, indicate the circumstances leading to the risk and whether the control systems in place worked.

**Risk materialised during the year**

Drop in value of the financial investments in listed companies

**Circumstances responsible for this occurrence**

The financial and economic crisis in Spain

**Functioning of the control systems**

The ACS Group applied the appropriate protection mechanisms and then restructured its financial investments by refinancing and selling a portion thereof, contracting additional financial coverage mechanisms through derivatives and extending the period for the financing linked to these investments.

**Risk materialised during the year**

Those risks relating to the Hochtief Group activity explained in its Annual Report.

**Circumstances responsible for this occurrence**

Those typical in carrying out business activities, especially in projects with its subsidiaries in Europe and Australia (see Hochtief's Annual Report)

**Functioning of the control systems**

Risk management is an integral part of the Hochtief Group management system which enables it to identify such risk, guaranteeing the continuity of its operations and assuring the Group's development.

**Risk materialised during the year**

Those inherent to the business activities of Group companies

**Circumstances responsible for this occurrence**

Those typical in carrying out business activities, mainly as a result in the drop of activity in the Spanish market

**Functioning of the control systems**

All the risk control systems operated correctly enabling them to be managed appropriately, without any relevant effect on the operating and strategic performance of the Group or its equity.

D.3 Indicate whether any committee or other governing body is responsible for establishing and overseeing these control mechanisms.

YES

If so, describe their duties.

**Name of the committee or body**

Audit Committee

**Description of functions**

The Board of Directors delegates the supervision of compliance with the established procedures to the Audit Committee, with the latter also responsible for the generic monitoring of compliance with the risk levels relevant to each activity.

**Name of the committee or body**

Management Committee

**Description of functions**

The Management Committee determines the Group's global risk policy and, if appropriate, sets up the management mechanisms that ensure that the risks are kept within the approved levels.

D.4 Identification and description of the processes for compliance with the regulations that affect the company and/or its group.

Direct or indirect reference is made throughout this report to the processes for complying with the various Regulations to which the Company is subject in relation to corporate governance.

Additionally, at an operating level, there is a risk management system under which each management level is responsible for complying with internal rules and procedures applicable to its activity. Its effectiveness is verified by means of periodic assessment by the technical services of

the various business areas as well as the Internal Audit services.

The Internal Audit department contributes to managing the risks faced by the Group in relation to the fulfilment of its objectives and to the prevention and control of fraud, by means of the on-going analysis of the procedures and control systems of each of the companies forming part of the Group in the various business areas. The related conclusions and recommendations are reported to Group management and to the heads of the companies assessed. Subsequently, the implementation of the actions contained in the aforementioned recommendations is strictly monitored.

In accordance with the Company bylaws and Regulations of the Board of Directors, the Audit Committee receives periodic information from the internal audit services and assures compliance with the internal codes of conduct and rules of corporate governance.

In relation to this item, on 30 August 2011, the Executive Committee of the Board of Directors approved a new General Code of Conduct, which involves, among other matters, the implementation of an ethics channel enabling any person to report irregularities observed at any of the ACS Group companies (see the attached Supplementary Report to the Annual Corporate Governance Report on matters included in Article 61 bis of the Securities Market Law).

Lastly, at its meeting held on 16 December 2010, the Board of Directors resolved to adhere to the Code of Good Tax Practices.

## E - GENERAL SHAREHOLDERS' MEETING

E.1 Indicate the quorum required for constitution of the General Shareholders' Meeting established in the Company's bylaws and how it differs from the system of minimum quorums established in the LSA.

NO

	% quorum differing from that established in Art. 102 LSA for general cases	% quorum differing from that established in Art. 102 LSA for special cases pursuant to Art. 103
<b>Quorum required on first call</b>	0	0
<b>Quorum required on second call</b>	0	0

E.2 Indicate and, if applicable, describe any differences between the rules established in the Spanish Companies Law (LSA) for adopting resolutions and the company's rules.

NO

Describe the differences with respect to the rules established in the LSA.

E.3 List any rights of the shareholders in connection with General Meetings that differ from those established in the LSA.

There are no rights different from those established in the LSA, except that in order to be able to attend the General Shareholders' Meetings, it is necessary to hold 100 shares either alone, or jointly with other shareholders.

E.4 Indicate the measures, if any, adopted to encourage participation by shareholders at General Meetings.

Implementation of measures that make the vote delegation mechanism more transparent and to accentuate communication of the Company with its shareholders.

Provide detailed justification of the voting proposals that are offered in the application, with regard to the adoption of resolutions that involve a certain delegation importance, and reveal the existence of any conflict of interest, whenever appropriate.

The creation of channels or instruments of flexible communication. In addition to the standard information that the Company provides in the form of annual, six-monthly or quarterly reports, to promote meetings with market analysts, in order that these experiences reach the investors. The purpose of these measures is to maintain permanent communication channels with the shareholder that are complementary to the right to question at the General Shareholders' Meeting provided for under current legislation. This will allow shareholders to obtain the information they require at any time. In addition, Article 26 of the Company bylaws expressly includes the possibility of shareholders casting their vote remotely and, since the Ordinary General Shareholders' Meeting held on 19 May 2005, this method of voting has been disseminated and the necessary rules and procedures for the remote voting via internet or fax are detailed on the Company's website.

E.5 Indicate whether the Chairman of the Board of Directors chairs General Meetings. Give details of what measures, if any, are adopted to ensure the independence and correct functioning of the General Meeting:

YES

**Detail of measures**

--

E.6 Indicate, if applicable, any amendments introduced in the General Meeting Regulations during the year.

Amendments to Articles 3, 4, 5, 6, 8, 10, 11, 15, 16, 17 and 18 of the General Meeting Regulations, which are to be worded as follows:

Article 3.- Ordinary General Shareholders' Meetings

1. An ordinary general meeting, previously called for this purpose, shall meet within the first six months of each financial year in order to, if applicable, approve the conduct of the company's business and the financial statements for the preceding year, and resolve upon the distribution of profit or allocation of loss.  
An Ordinary General Shareholders' Meeting shall be valid even if it is called or held outside this period.
2. Once the required provisions to the legal reserve and any other reserves established in law have been made and the amount relating to the payment of a minimum dividend of one percent for non-voting shares, where appropriate, has been allocated, in accordance with Article 6 of the Company bylaws, the remaining profit for the year may be allocated to voluntary reserves and any other item permitted in law. The rest, where applicable, will be destined to the distribution of dividends in the quantity that the General Shareholders' Meeting agrees between the ordinary shareholders in proportion to the capital value of each share and the statute remuneration due to the Board as set out in the next paragraph, with prior compliance to all legal requisites.
3. In addition to the attendance fees and emoluments agreed on by the General Meeting, with regard to bylaw-stipulated compensation, the Board of Directors will also be entitled to remuneration that does not exceed ten per cent of net profits, which can only be paid once all legal reserves have been attended to and, if applicable, all statutory reserves have been made and the shareholders have been paid a dividend of at least four per cent of paid in capital per share.
4. Remuneration to all or some of the members of the Board of Directors and to management personnel of the Company and the companies that belong to the Group may take the form of company shares or share options or may be tied to the value of these shares in the form, terms, and conditions established by the General Shareholders' Meeting in accordance with established legal requirements.
5. The Board of Directors shall decide on the manner in which the remuneration payable under this article, the amounts of which may differ, shall be distributed among its members.
6. In the case where the shareholders at the General Meeting have approved the payment of dividends, the Administrators will set the location, the period and the manner in which payments are made. The distribution of the amounts to dividend accounts may be agreed by the Board of Directors according to legally established conditions. The shareholders at the General Meeting may resolve to pay the dividend in cash in full or in part, provided that the assets and securities to be distributed are homogeneous, admitted to trading on the stock market when the resolution takes effect or when the company can duly guarantee that liquidity can be obtained with less than one year.
7. The non-reclaimed dividends will be prescribed to the Company within a period of five years from the date of issue.
8. A separate vote shall be taken on each item of the agenda. Additionally, a separate vote shall be taken on the appointments or ratifications of directors, which shall be voted on individually, and on proposed amendments to the Company bylaws, which shall be voted on Article by Article or by substantially independent groups of Articles.

Article 4.- Extraordinary General Shareholders' Meetings

All general meetings other than those provided for in the preceding Article shall be deemed to be extraordinary general meetings.

A separate vote shall be taken on each item of the agenda. Additionally, a separate vote shall be taken on the appointments or ratifications of Board Members, which shall be voted on individually, and on proposed amendments to the Company bylaws, which shall be voted on Article by Article or by substantially independent groups of Articles.

#### Article 5.- Call notice of the General Meeting

Ordinary or Extraordinary General Shareholders' Meetings shall be convened, following resolution by the Board of Directors, by the Chairman of the Board of Directors or in his absence by a Deputy Chairman, or by the Secretary, by means of notice published in the Official Bulletin of the Mercantile Registry, or in one of the major newspapers in Spain, on the CNMV website and on the Company's website, at least one month before the date stipulated for it to be held, or in any other manner and time period laid down under current Spanish legislation. Extraordinary General Shareholders' Meetings may only be called fifteen days in advance in accordance with the requirements envisaged by law.

The announcement shall stipulate the date of the meeting date at first call and all matters to be discussed, in addition to particulars specified in the legislation in force.

Shareholders representing at least five per cent of the share capital may request that a supplement to the notice of the Ordinary General Shareholders' Meeting be published including one or more additional items on the agenda. This right must be exercised through a notice by duly authenticated means to be received at the company's registered office within five days following publication of the call notice. The additional items shall be published at least fifteen days prior to the date set for the general meeting.

Similarly, shareholders that represent at least five per cent of the share capital may, within the period indicated in the paragraph above, submit supported proposals for resolutions on matters already included or that must be included in the agenda of the meeting called. The Company will ensure that these proposals for resolutions and the documentation attached thereto, as the case may be, is continuously published on its website when received.

If shareholders attend the general meeting by telematic means which duly guarantee the identity of the subject, the call notice shall specify the deadlines, forms and methods to exercise the shareholders' rights stipulated by the Board of Directors to enable the ordered process of the meeting. In particular, the Board of Directors may determine that the speeches and motions which, pursuant to the law are to be made by shareholders attending by telematic means, must be sent to the company prior to the convening of the meeting. The responses of the shareholders exercising the right to information during the meeting shall be given in writing within seven days following termination of the meeting.

#### Article 6.- Second call

1. The call notice mentioned in the previous article may also include, where applicable, the date for holding the general meeting on second call.
2. A period of at least twenty-four hours must elapse between the first and second call.
3. If a duly called general meeting is not held on first call, and the call notice does not stipulate a date for the meeting on second call, notice of the meeting on second call shall be given, subject to the same disclosure requirements as those for the meeting on first call, within fifteen days of the date originally set for the meeting and ten days prior to the date of the new meeting.

#### Article 8.- Right and obligation to call a meeting

1. The Board Members may call an Extraordinary General Shareholders' Meeting whenever it deems it to be in the Company's interests to do so.

2. It shall also call an Extraordinary General Shareholders' Meeting whenever requested by shareholders holding at least five per cent of the share capital, and the request shall state the business to be transacted thereat. In such case, the meeting shall be called to be held within two months after the date on which the Board Members were requested by notarial means to call it.
3. The Board Members shall prepare the agenda, and must include the requested business.

#### Article 10.- Right to information

1. Following the date on which the call notice was published and up until seven days prior to the day on which the meeting is to be held, shareholders may seek information from Board Members on points included on the agenda or any other information or clarification they may require, or formulate any questions they deem pertinent in writing. Shareholders may seek information or clarifications or formulate questions in writing regarding any information accessible to the public that shall have been provided by the company to the National Securities Market Commission since the date of the last general meeting. The Board Members shall be obliged to provide the information in writing regarding the auditors' report until the date set for holding the meeting.
2. During the general meeting, the company's shareholders may orally request information or clarifications considered appropriate regarding items on the agenda and, in the event that it is not possible to comply with the right of the shareholder at that time, the Board Members shall be obliged to provide this information in writing within the seven days following the conclusion of the meeting.
3. The Board Members shall be obliged to provide the information set forth above unless, in the view of the Chairman, (i) the publication of the information could have an adverse effect on the Company's interests; or (ii) stipulated otherwise according to laws or regulations.

The Board Members shall not be obliged to respond to specific questions posed by the shareholders when, prior to being posed, the information requested is clear and directly available for all shareholders on the company's website under the question-response section.

4. The information shall not be refused when the request is supported by shareholders holding at least one quarter of the share capital.

#### Article 11.- Special instruments of disclosure

1. The company shall comply with the duty of disclosure by any technical, computer or telematic means, without prejudice to the shareholders' right to request printed information.
2. The company shall have a website in order to satisfy the shareholders' right to information and to disseminate the relevant information required under the securities market law, which must include at least the following:
  - a) The Company bylaws.
  - b) The Regulations of the General Shareholders Meeting
  - c) The Regulations of the Board of Directors and, where applicable, the Regulations of the its Committees.
  - d) The Annual Report and the internal rules of conduct.
  - e) The Corporate Governance Report.
  - f) The documents relating to the call notices of Ordinary and Extraordinary General Shareholders' Meetings that are required or may be required at any given time, with information on the agenda, proposals made by the Board of Directors, as well as any other relevant information that may be required by the shareholders to cast a vote, all within the period set forth under the law in force.
  - g) Information will be provided on what occurs during the General Meetings, specifically, the composition of the General Meetings when it is convened and the resolutions adopted, with the number of votes cast in favour and against the proposals included in the agenda, within the period stipulated by current legislation.
  - h) The communication channels that exist between the company and the shareholders and, specifically, explanations on how to exercise the shareholder's right to information, indicating the postal and e-mail addresses that may be used.
  - i) The means and procedures used to grant representation at the General Shareholders' Meeting, according to the specifications established through current legislation.
  - j) The ways and procedures for the carrying out remote voting according to the rules laid out by this system including, wherever necessary, the forms to accredit the attendance, and the right to vote via telematics means at the General



Shareholders' Meetings.

- k) The significant events, in accordance with the provisions included in the current legislation.
- l) The composition of the Board of Directors, and the professional profile of each Board Member; the other Board of Directors of which he is a member, whether he is a proprietary Board Member, and the shareholder which he represents; or whether he is an independent or executive Board Member; the date on which he was appointed, and if applicable, re-elected; and the company shares or share options which he holds.

3. For the purposes of facilitating communication prior to general meetings, the company website shall set up an Electronic Forum for Shareholders with duly guaranteed access for individual shareholders and any voluntary associations that may be formed. Any supplementary proposals to the agenda announced in the notice of the general meeting may be posted on the Forum, together with requests for support for such proposals, initiatives to reach the percentage required to exercise statutory non-controlling shareholder rights and any offers or requests to act as a voluntary proxy.

Shareholders may form specific voluntary associations to exercise their rights and to better defend their common interests. The shareholder associations shall be registered in a special register created for this purpose at the National Securities Market Commission.

The rules of operation of the Electronic Forum for Shareholders approved by the Board of Directors shall be made available on the Company's website, and compliance with these rules shall be mandatory for shareholders.

In order to access the Forum and use its applications, such shareholders and voluntary associations of shareholders must log on as a "Registered User" evidencing both their identity and their status as a shareholder of the company, under the terms and conditions described on the Company's website using the corresponding registration form.

Access to the Forum by Registered Users is subject at all times to maintaining status as a shareholder of the Company, or as a voluntary association of shareholders duly established and registered.

4. The Board of Directors shall establish the contents of the information to be provided on the website, in accordance with the indications of the Ministry of Economy and Finance or as expressly authorised by the National Securities Market Commission.

Article 15.- Limitations on attendance and voting rights. Representation.

- 1. Each shareholder is entitled to a number of votes equal to the number of shares owned or represented. Shareholders with attendance rights may be represented at the Meeting by any person. The representation granted to shareholders who only have voting right by grouping themselves together can fall to any of them.
- 2. The proxy must be granted in writing or by any remote means of communication that duly guarantees the identity of the subject to exercise the voting rights. The Company's website includes means and procedures used to grant representation at the General Shareholders' Meeting, according to the specifications established through current legislation. In any case, the proxy must be granted specifically for each Meeting.
- 3. The restrictions set forth in the previous sections shall not apply where the proxy is the spouse, ascendant or descendant of the person represented or is the holder of a general power of attorney granted in a public document with powers to manage all the assets of the principal in Spain.
- 4. Proxies may be revoked at any time. The revocation of proxies must be documented and reported to the company through the means described in section 2 above of this article.

Should the represented shareholder have issued voting instructions, the proxy will vote accordingly and shall keep these instructions for one year from the date of the corresponding General Meeting.

The proxy may represent more than one shareholder with no limit on the number of shareholders they may represent. When a proxy represents various shareholders, they may issue different votes according to the instructions received from each shareholder.

In any event, the number of shares represented shall be included in the number required to hold a valid meeting.

Prior to appointment, the proxy must notify the shareholder as to whether he is affected by any conflict of interests. If the conflict is subsequent to the appointment and the represented shareholder has not been notified of its possible existence, they must be informed immediately. In both cases, if new precise voting instructions are not received for each of the issues on which the proxy should vote on

behalf of the shareholder, they must abstain from voting. In particular, the proxy may be affected by a conflict of interest when in any of the following situations:

- (a) When he is a controlling shareholder of the company or of a company controlled thereby.
- (b) When he is a member of the administrative, managing or supervisory bodies of the company, of the controlling shareholder or of a company controlled thereby.
- (c) When he is an employee or auditor of the company, of the controlling shareholder or of a company controlled thereby.
- (d) When he is an individual related to the aforementioned persons. Related individuals shall be considered as follows: the spouse or the person who had been the spouse in the two previous years, or domestic partner, or the person who had been the domestic partner in the two previous years, as well as ascendants, descendants, siblings and their respective spouses.

Personal attendance at the meeting shall have the effect of revoking the proxy.

#### Article 16.- Remote voting and proxy votes.

1. The vote on items included in the agenda of any type of general meeting may be delegated or exercised by the shareholder through postal or electronic vote or by any other means of remote communication, provided that the identity of the person exercising the right to vote is duly guaranteed. The means and procedures for remote voting, in accordance with the rules relating to this system, including, where applicable, the forms for verifying attendance and voting by telematic means are included in the call notice for the general meeting and on the Company's web page.
2. Shareholders voting remotely shall be deemed present for the purpose of convening the meeting.
3. If proxy voting cards, with or without specific instructions and on which the name of the proxy is left blank, are received at corporate headquarters on the days prior to the General Meeting, it will be understood that the shareholder empowers the Chairman of the Board of Directors to appoint a Board Member as proxy from among those who have requested such duty.
4. In the event that several shareholders have appointed the same financial intermediary as proxy, and when requested by this representative, he shall be allowed to divide his vote for the purpose of abiding by the instructions received from each of the shareholders represented.

#### Article 17.- Public request for representation

1. Should the Board Members or entities acting as depositories of the certificates or responsible for the book-entry register of public limited liability companies request representation for themselves or for another and, in general, provided that a public request is made, the document that places the power of attorney on record shall contain or attach the agenda, the request for instructions to exercise the right to vote and the indication of how the proxy wishes to vote in the event that specific instructions are not provided.
2. As an exception, the proxy may vote contrary to instructions should circumstances arise that were unknown at the time the instructions were sent and the proxy runs the risk of damaging the interests of the person represented. Should the vote cast be contrary to instructions, the proxy must immediately inform the principal in writing and explain the reasons behind the vote.
3. A public request shall be deemed to have been made when the same person represents more than three shareholders.
4. In the event the members of the Board of Directors or another person acting on behalf of or in the interests of the former, publicly request representation, the Board Member that acts as the representative may not exercise the voting rights carried by the represented shares with respect to items on the agenda that give rise to a conflict of interest, unless he received specific voting instructions from the represented shareholder for each of these items. In any case, the Board Member shall be considered to be in a conflict of interest with regard to the following decisions:
  - a) His appointment, re-election or ratification as a Board Member.
  - b) His dismissal, termination or removal from the position of Board Member.
  - c) Any corporate liability action against the Board Member in question.
  - d) The approval or, where applicable, ratification of company transactions with the Board Member in question or with

companies controlled by the Board Member or represented by him or by persons acting on his behalf.

5. The proxy may also include items that are not included on the agenda established in the notice of the general meeting but which are dealt with, in accordance with the law, in the general meeting. In this case the provisions of the preceding paragraph shall apply.

#### Article 18.- Meeting venue and time

1. The general meetings shall be held at the place where the Company has its registered office on the day indicated in the call notice, but may be extended for one or more consecutive days. However, general meetings may be held in any location in Spain or abroad if so stipulated by the Board of Directors in the call notice.
2. An extension may be approved at the instance of the Board Members or at the request of a number of members representing one quarter of the share capital attending the meeting.
3. Regardless of the number of sessions held, the meeting shall be treated as one session and a single set of minutes for all of them shall be drawn up.
4. Attendance of the General Shareholders' Meetings must take place either at the place at which the meeting will be held or, where applicable, at other locations stipulated by the company, as indicated in the call notice, which are connected thereto through any valid means that allow the recognition and identification of those attending, permanent communication between those present regardless of their location, and attendees to take the floor and vote in real time. The main location must be located in the municipality indicated in the call notice as the office of the general meeting, whereby additional locations are not necessary. Those attending at any of the locations shall be considered, for all purposes relating to the General Shareholders' Meeting, as attendees of the one and the same meeting. The meeting shall be considered to be held at the main office:

E.7 Indicate the data on attendance at the General Meetings held in the year to which this report refers:

Attendance information					
Date of the General Meeting	% attendance in person	% attendance by proxy	% remote voting		Total
			Electronic voting	Others	
31/05/2012	20.050	51.400	0.000	0.00	71.450

E.8 Briefly indicate the resolutions adopted at the General Meetings held in the year to which this report refers and the percentage of votes with which each resolution was adopted.

#### ORDINARY GENERAL SHAREHOLDERS' MEETING OF 31 MAY 2012

The proposals of the Board relating to

- Item 1 on the agenda - The following were approved by majority vote: 1) Approval of the financial statements: 224,823,351 votes in favour (representing 99.9959% of the shares present or represented), 8,475 abstentions (representing 0.0038% of the shares present or represented) and 647 votes against (representing 0.0003% of the shares present or represented); and 2) distribution of profits: 224,827,051 votes in favour (representing 00.9976% of the shares present and represented), 4,775 abstentions (representing 0.0021% of the shares present or represented) and 647 against (representing 0.0003% of the shares present or represented).
- Item 2 on the agenda - Recognition of the 2011 Corporate Social Responsibility Report and the Report on amendments to the Regulations of the Board of Directors. Since this was a simple acknowledgement, it was not taken to a vote.
- Item 3 on the agenda - Annual report on Board Members' remuneration for 2011 which, in applying the provisions of Article 4 of the Regulations of the Board of Directors and Article 61 ter of the Securities Market Law, was subject to a consultative vote at the Ordinary General Shareholders' Meeting and approved by a majority vote with: 215,544,915 votes in favour (representing 95.8691% of the shares present and represented), 5,778 abstentions (representing 0.0026% of the shares present or represented) and 9,281,780 against (representing 4.1283% of the shares present or represented).
- Item 4 on the agenda - Approval of the management of the Board of Directors in 2011, was approved by a majority: 224,807,501 votes in favour (representing 99.9889% of the shares present and represented), 9,809 abstentions (representing 0.0044% of the shares present or represented) and 15,163 against (representing 0.0067% of the shares present or represented).
- Item 5 on the agenda - Ratification, retirement and appointment, as the case may be, of Board Members. This was not taken to a vote.
- Item 6 on the agenda - Appointment of auditors of both the company and the group, was approved by a majority vote with: 224,643,674 votes in favour (representing 99.9160% of the shares present and represented), 30,267 abstentions (representing 0.0135% of the shares present or represented) and 158,532 against (representing 0.0705% of the shares present or represented).
- Item 7 on the agenda - Amendment to Articles 7, 12, 16, 22, 24, 25, 26, 28 and 35 of the Company bylaws, was approved by majority vote with: 224,789,139 votes in favour (representing 99.9807% of the shares present or represented), 34,715 abstentions (representing 0.0154% of the shares present or represented) and 8,619 votes against (representing 0.0038% of the shares present or represented).
- Item 8 on the agenda - Amendment to Articles 3, 4, 5, 6, 8, 10, 11, 15, 16, 17 and 18 of the Regulations of the General Meeting , was approved by majority vote with: 224,787,639 votes in favour (representing 99.9801% of the shares present and represented), 36,215 abstentions (representing 0.0161% of the shares present or represented) and 8,619 against (representing 0.0038% of the shares present or represented).
- Item 9 on the agenda - Share capital increase fully charged to reserves and a capital reduction to retire treasury shares, was approved by majority vote with: 224,820,855 votes in favour (representing 99.9948% of the shares present and represented), 11,498 abstentions (representing 0.0051% of the shares present or represented) and 120 against (representing 0.0001% of the shares present or represented).
- Item 10 on the agenda - Authorisation for the derivative acquisition of treasury shares and the share capital reduction in order to retire

treasury shares, was approved by majority vote with: 224,454,583 votes in favour (representing 99.8319% of the shares present or represented), 9,705 abstentions (representing 0.0043% of the shares present or represented) and 368,185 votes against (representing 0.1638% of the shares present or represented).

- Item 11 on the agenda - Delegation of powers for the execution and formalisation of resolutions, was approved by majority vote with: 224,824,268 votes in favour (representing 99.9964% of the shares present or represented), 4,505 abstentions (representing 0.0020% of the shares present or represented) and 3,700 votes against (representing 0.0016% of the shares present or represented).

E.9 Indicate whether the bylaws contain any restrictions with respect to a minimum number of shares required to attend General Meetings.

YES

Number of shares required to attend General Meetings	100
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E.10 Indicate and provide support for the policies followed by the company with respect to proxy voting at General Meetings.

The company does not pursue any specific policy with regard to proxy voting at General Meeting.

E.11 Indicate whether the company is aware of the policy of institutional investors on participating or not participating in the company's decisions:

NO

E.12 Indicate the address and the means of accessing corporate governance content on your website.

The address is <http://www.grupoacs.com/index.php/es/c/gobiernocorporativo>

It is very easy to access the website: once at the web page, a page appears with several tabs on the edge, one of which is "CORPORATE GOVERNANCE"; if you click on this tab, the following sub-sections appear: Company bylaws, Regulations of the General Meeting, Annual Corporate Governance Report, Board of Directors, Shareholders' Agreements and Rules of Conduct for Securities Markets; each sub-section contains pertinent information. If you click on "Annual Corporate Governance Report" and following a brief introduction, there are specific instructions to click on it to therefore download all annual reports since 2003 as PDFs.

## F - DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's degree of compliance with the Recommendations of the Unified Good Governance Code. In the event of non-compliance with any of the Recommendations, explain the recommendations, rules, practices or criteria applied by the company.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

*See sections: A.9, B.1.22, B.1.23 and E.1, E.2*

Complies

2. When a parent and a subsidiary are listed companies, both should provide detailed disclosure on:

a) The type of activity they engage in, and any business dealings between them, as well as between the listed subsidiary and other group companies;

b) The mechanisms in place to resolve possible conflicts of interest

*See sections: C.4 and C.7*

Not applicable

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Meeting for approval. In particular:

a) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating core activities to subsidiaries that were previously carried out by the originating company, even though the latter retains full control of the former;

b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;

c) Operations that effectively add up to the company's liquidation.

Complies

4. Detailed proposals of the resolutions to be adopted at the General Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

Complies

5. Separate votes should be taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case.

This rule particularly applies to the following:

a) The appointment or ratification of Board Members, with separate voting on each candidate;

b) Amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

*See section: E.8*

Complies

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

*See section: E.4*

Complies

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximise its value over time

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the industries and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Complies

8. The Board should fulfil the core components of its mission of approving the company's strategy and authorising the organisational resources to carry it forward, and of ensuring that management meets the objectives set while pursuing the company's interests and object. As such, the Board in plenary session should reserve the right to approve:

a) The company's general policies and strategies, and in particular:

- i) The strategic or business plan, management targets and annual budgets;
- ii) Investment and financing policy;
- iii) Design of the structure of the corporate group;
- iv) Corporate governance policy;
- v) Corporate social responsibility policy;
- vi) Remuneration and evaluation of senior executives;
- vii) Risk control and management, and the periodic monitoring of internal information and control systems;
- viii) Dividend policy, as well as the policies and limits applying to treasury shares.

*See sections: B.1.10, B.1.13, B.1.14 and D.3*

b) The following decisions:

i) At the proposal of the Company's Chief Executive, the appointment and removal of senior officers, and their compensation clauses.

*See section: B.1.14*

ii) Board Members' remuneration and, in the case of executive Board Members, the additional consideration for their management duties and other contract conditions.

*See section: B.1.14*

iii) The financial information that all listed companies must periodically disclose.

iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Meeting;

v) The creation or acquisition of ownership interests in special purpose vehicles or entities resident in jurisdictions considered to be tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Transactions which the company conducts with Board Members, significant shareholders, shareholders with Board representation or other persons related thereto ("related party transactions").

However, Board authorisation shall not be required for related party transactions that simultaneously meet the following three conditions:

1. They are governed by standard form agreements applied on an across-the-board basis to a large number of clients;
2. They are performed at market rates, generally set by the person supplying the goods or services;
3. Their amount is no more than 1% of the company's annual revenue.

It is advisable that related party transactions should only be approved on the basis of a favourable report from the Audit Committee or some other committee charged with the same function; and that the Board Members involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the Board deliberates and votes.

Ideally, the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the Board in plenary session.

*See sections: C.1 and C.6*

Complies

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

*See section: B.1.1*

Explain

There are currently 17 Board members, which is a number comprised within the 11 to 21 member limit provided in Article 13 of the bylaws, and is in accordance with the Spanish Limited Liability Companies Law. To date, this was considered to be most appropriate number in accordance with the company's needs and characteristics with regard to shareholder structure.

10. External, proprietary and independent Board Members should occupy an ample majority of Board places, while the number of executive Board Members should be the minimum practical, bearing in mind the complexity of the corporate group and the ownership interests held by the executive Board Members.

*See sections: A.2, A.3, B.1.3 and B.1.14*

Complies

11. In the event that a external Board Member can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company, its senior executives, or its shareholders.

*See section: B.1.3*

Complies

12. Among external Board Members, the relation between proprietary members and independents should match the proportion of the capital represented on the Board by proprietary Board Members to the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of proprietary Board Members is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no ownership interests attain the legal threshold for significant shareholdings, despite the existence of shareholders with considerable investments in absolute terms.



2. In companies with multiple shareholders represented on the Board but not otherwise related.

*See sections: B.1.3, A.2 and A.3*

Complies

13. The number of independent Board Members should represent at least one third of all Board members.

*See section: B.1.3*

Explain

It is to our understanding that the distribution of the different types of Board Members (executive, proprietary and independent) is appropriate based on the Company's characteristics, i.e., a large cap company with four significant shareholders holding different ownership percentages ranging from 18% to 5%.

14. The nature of each Board Member should be explained by the Board to the General Meeting, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Appointments Committee. The Report should also disclose the reasons for the appointment of proprietary Board Members at the request of shareholders controlling less than 5% of capital and explain any rejection of a formal request for a Board place from shareholders whose ownership interest is equal to or greater than that of others applying successfully for a proprietary Board Membership.

*See sections: B.1.3 and B.1.4*

Complies

15. When women Board Members are few or non-existent, the Board should state the reasons for this situation and the measures taken to correct it; in particular, the Appointments Committee should take steps to ensure that:

a) The process of filling board vacancies has no implicit bias against women candidates;

b) The company makes a conscious effort to include women with the target profile among the candidates for Board places.

*See sections: B.1.2, B.1.27 and B.2.3*

Complies

16. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that Board Members are supplied with sufficient information in advance of Board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organise and coordinate regular evaluations of the Board and, where appropriate, the company's chief executive, along with the chairmen of the relevant Board committees.

*See section: B.1.42*

Complies

17. When a company's Chairman is also its chief executive, an independent Board Member should be empowered to request the calling of Board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external Board Members; and to manage the Board's evaluation of the Chairman.

*See section: B.1.21*

Complies

18. The Secretary should take care to ensure that the Board's actions:

- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
- b) Comply with the company bylaws and the regulations of the General Meeting, the Board of Directors and others;
- c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Appointments Committee and approved by the Board in plenary session; the relevant appointment and removal procedures being stipulated in the Board Regulations.

*See section: B.1.34*

Complies

19. The Board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agenda set at the beginning of the year, to which each Board Member may propose the addition of other items.

*See section: B.1.29*

Complies

20. Board Members' absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When Board Members have no choice but to delegate their vote, they should do so with instructions.

*See sections: B.1.28 and B.1.30*

Complies

21. When Board Members or the Secretary express concerns about a proposal or, in the case of Board Members, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minutes.

Complies

22. The Board in plenary session should evaluate the following points on a yearly basis:

- a) The quality and efficiency of the Board's operation;
- b) On the basis of a report submitted by the Appointments Committee, the performance of the Chairman of the Board and the company's chief executive;
- c) The performance of its committees on the basis of the reports furnished by them.

*See section: B.1.19*

Complies

23. All Board Members should be able to exercise their right to receive any additional information they require on matters within the Board's competence. Unless the bylaws or Board Regulations indicate otherwise, such requests should be addressed to the Chairman or Secretary.

*See section: B.1.42*

Complies

24. All Board Members should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.

*See section: B.1.41*

Complies

25. Companies should organise induction programmes for new Board Members to acquaint them rapidly with the workings of the company and its corporate governance rules. Board Members should also be offered refresher programmes when circumstances so advise.

Complies

26. Companies should require their Board Members to devote sufficient time and effort to perform their duties effectively, and, as such:

- a) Board Members should apprise the Appointments Committee of any other professional obligations, in case they might detract from the necessary dedication;
- b) Companies should lay down rules about the number of Board Memberships their board members can hold.

*See sections: B.1.8, B.1.9 and B.1.17*

Complies

27. The proposal for the appointment or re-election of Board Members which the Board submits to the General Meeting, as well as provisional appointments by the method of co-optation, should be approved by the Board:

- a) On the proposal of the Appointments Committee, in the case of independent Board Members.
- b) Subject to a report from the Appointments Committee in all other cases.

*See section: B.1.2*

Complies

28. Companies should post the following Board Member particulars on their websites and keep them permanently updated:

- a) Professional experience and background;
- b) Board Memberships held at other companies, listed or otherwise;
- c) An indication of the Board Member's classification as executive, proprietary or independent; in the case of proprietary Board Members, stating the shareholder they represent or have links with;
- d) The date of their first and subsequent appointments as a company Board Member, and;
- e) Shares held in the company and any options thereon.

Complies

29. Independent Board Members should not hold office as such for a continuous period of more than twelve years.

*See section: B.1.2*

Explain

It is to our understanding that holding office for over a period of 12 years does not comprise the Board Member's independence in any manner, and since there is no limit (legal, statutory or regulatory) regarding age or permanence on the Board, it is not appropriate to specifically lay down a rule for independent Board Members.

30. Proprietary Board Members should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary Board Members, the latter's number should be reduced accordingly.

*See sections: A.2, A.3 and B.1.2*

Complies

31. The Board of Directors should not propose the removal of independent Board Members before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the Board, based on a proposal from the Appointments Committee. In particular, just cause will be presumed when a Board Member is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (Definitions) of this Code.

The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

*See sections: B.1.2, B.1.5 and B.1.26*

Complies

32. Companies should establish rules obliging Board Members to inform the Board of any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

When a Board Member is sued or tried for any of the offences stated in Article 124 of the Companies Law the Board should examine the matter and, in view of the particular circumstances, decide whether or not he or she should be called on to resign. The Board should also disclose all such determinations in the Annual Corporate Governance Report

*See sections: B.1.43 and B.1.44*

Complies

33. All Board Members should express clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other Board Members unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking Board representation.

When the Board makes material or reiterated decisions about which a Board Member has expressed serious reservations, then he or she must draw the pertinent conclusions. Board Members resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The terms of this Recommendation should also apply to the Secretary of the Board; Board Member or otherwise.

Complies

34. Board Members who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board. Irrespective of whether such resignation is filed as a significant event, the motive for it must be explained in the Annual Corporate Governance Report.

*See section: B.1.5*

Not applicable

35. The company's remuneration policy, as approved by its Board of Board Members, should specify at least the following points:

a) Amount of the fixed components with a breakdown, if applicable, of fees for attending Board and committee meetings and an estimate of the annual fixed remuneration arising therefrom.

b) Variable components, in particular:

i) The types of Board Members they apply to, with an explanation of the relative weight of variable to fixed remuneration items;

ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;

iii) The main parameters and grounds for any system of annual bonuses or other, non-cash benefits; and

iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, on the basis of the degree of compliance with pre-set targets or benchmarks.

c) The main characteristics of welfare systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.

d) The conditions to apply to the contracts of executive Board Members exercising senior management functions, including the following:

i) Duration:

ii) Notice periods; and

iii) Any other clauses covering joining bonuses, termination benefits or golden parachutes in the event of early termination of the contractual relationship between the company and the executive Board Member.

*See section: B.1.15*

Complies

36. Remuneration comprising the delivery of shares in the company or in other companies in the group, share options or other share-based instruments, payments linked to the company's performance or membership of welfare schemes should be confined to executive Board Members.

The delivery of shares is excluded from this limitation when Board Members are obliged to retain them until the end of their tenure.

*See sections: A.3 and B.1.3*

Complies

37. External Board Members' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their Independence.

Complies

38. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditors' report.

Complies

39. In the case of variable remuneration, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the recipients and not simply the general progress of the markets or the company's industry or circumstances of this kind.

Complies

40. The Board should submit a report on the directors' remuneration policy to the advisory vote of the General Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the Board has approved for the current year, with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year referred to the General Shareholders' Meeting. It shall also provide a general summary of how remuneration policy was implemented in the prior year.

The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisers engaged.

*See section: B.1.16*

Complies

41. The notes to the financial statements should list individual Board Members' remuneration in the year, including:

a) A breakdown of the remuneration earned by each Board Member, to include where appropriate:

- i) Attendance fees and other fixed Board Member payments;
- ii) Additional remuneration for acting as chairman or member of a Board committee;
- iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;
- iv) Contributions on the Board Member's behalf to defined-contribution pension plans or any increase in the Board Member's vested rights in the case of contributions to defined-benefit schemes;
- v) Any termination benefits agreed or paid;
- vi) Any remuneration they receive as Board Members of other companies in the group;
- vii) The remuneration Executive Board Members receive in respect of their senior management posts;
- viii) Any kind of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it may be deemed a related party transaction or when its omission would detract from the fair presentation of the total remuneration received by the Board Member.

b) An individual breakdown of deliveries to Board Members of shares, share options or other share-based instruments, itemised by:

- i) Number of shares or options granted in the year, and the exercise terms;
- ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
- iii) Number of share options outstanding at the annual close, specifying their price, date and other exercise conditions;

- iv) Any change in the year in the exercise terms of previously granted options.
- c) Information on the relation in the year between the remuneration obtained by executive Board Members and the company's profits, or some other measure of company performance.

Complies

42. When the company has an Executive or Delegated Committee ("Executive Committee"), the breakdown of its members by Board Member category should be similar to that of the Board itself. The Secretary of the Board should also act as secretary to the Executive Committee.  
*See sections: B.2.1 and B.2.6*

Complies

43. The Board should be kept fully informed of the business transacted and the resolutions adopted by the Executive Committee. To this end, all Board members should receive a copy of the Committee's minutes.

Complies

44. In addition to the Audit Committee mandatory under the Securities Market Law, the Board of Directors should form a committee, or two separate committees, of Appointments and Remuneration.

The rules governing the composition and operation of the Audit Committee and the Appointments and Remuneration committee or committees should be set forth in the Board Regulations, and include the following:

- a) The Board of Directors should appoint the members of such Committees having regard to the knowledge, aptitudes and experience of its Board Members and the remit of each Committee and shall discuss their proposals and reports. The Committees should report the business transacted and account for the work performed at the first plenary session of the Board following each Committee meeting.
- b) These Committees should be formed exclusively of external Board Members and have a minimum of three members. Executive Board Members or senior executives may also attend meetings at the Committee's invitation.
- c) Committees should be chaired by an independent Board Member.
- d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meetings should be recorded in minutes and a copy sent to all Board members.

*See sections: B.2.1 and B.2.3*

Complies

45. The job of overseeing compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Appointments Committee or, as the case may be, separate Compliance or Corporate Governance Committees.

Complies

46. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.

Complies

47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of reporting and internal control systems.

Complies

48. The head of internal audit should present an annual work programme to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

Complies

49. The control and risk management policy should specify at least:

- a) The different types of risk (operational, technological, financial, legal, reputational, etc.) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;
- b) The determination of the risk level the company sees as acceptable;
- c) Measures in place to mitigate the impact of identified risks, should they occur;
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.

*See sections: D*

Complies

50. The Audit Committee's role should be:

1. With respect to internal control and reporting systems:

- a) Oversee the preparation and integrity of the financial information of the Company and, if applicable, of the group, and check compliance with legal provisions, the accurate demarcation of the scope of consolidation and the correct application of accounting standards.
- b) Review internal control and risk management systems on a regular basis, so that the main risks are properly identified, managed and disclosed.
- c) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-appointment and removal of the head of internal audit; propose the internal audit department's budget; receive regular reports on its activities; and verify that senior management acts on the findings and recommendations of its reports.
- d) Establish and monitor a mechanism whereby employees can report, in a confidential or, if appropriate, anonymous manner, any potentially significant irregularities within the Company, particularly of a financial and accounting nature.

2. With respect to the external auditors:

- a) Propose to the Board the selection, appointment, re-election and replacement of the external auditors, as well as the terms and conditions of the engagement.
- b) Receive regular information from the external auditors on the progress and findings of the audit plan, and check that senior management is acting on its recommendations.
- c) Monitor the independence of the external auditors, to which end:
  - i) The company should notify any change of auditors to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditors and the reasons for the same.
  - ii) The Committee should ensure that the company and the auditors adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditors' business and, in general, other requirements designed to safeguard auditors' independence;



iii) The Committee should investigate the issues giving rise to the resignation of any external auditors.

d) In the case of groups, the Committee should prevail on the group auditors to take on the auditing of all component companies.

*See sections: B.1.35, B.2.2, B.2.3 and D.3*

Complies

51. The Audit Committee may call on any company employee or manager to be present at its meeting, even ordering their presence without another manager.

Complies

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to Board decision-making:

a) The financial information that all listed companies must periodically disclose. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditors to conduct a limited review.

b) The creation or acquisition of ownership interests in special purpose vehicles or entities resident in jurisdictions considered to be tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Related party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

*See sections: B.2.2 and B.2.3*

Complies

53. The Board of Directors should seek to present the financial statements to the General Meeting without reservations or qualifications for any matters in the auditors' report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to the shareholders of the related matters and scope limitations.

*See section: B.1.38*

Complies

54. The majority of Appointments Committee members - or Appointments and Remuneration Committee members as the case may be - should be independent Board Members.

*See section: B.2.1*

Explain

In view of the death of the former Chairman of the Appointments and Remuneration Committee, Mr. José María Aguirre González, it was decided that the most suitable Board Member to replace him was Mr. Julio Sacristán Fidalgo, who is the proprietary Board Member, and the Chairman was the independent Board Member, Mr. José María Loizaga Viguri, whereby this Committee had a majority of proprietary Board Members, three out of a total of five.

55. The Appointments Committee should have the following functions in addition to those stated in earlier Recommendations:

a) Evaluate the skills, knowledge and experience required of the Board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.

b) Examine or organise as the Committee deems fit the succession of the Chairman and the chief executive and, if applicable, submit proposals to the Board in order to ensure a smooth and well-planned handover.

c) Report on the senior executive appointments and removals which the chief executive proposes to the Board.

d) Report to the Board on the gender diversity issues discussed in Recommendation 14 of this Code.

*See section: B.2.3*

Complies

56. The Appointments Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive Board Members.

Any Board member may suggest Board Membership candidates to the Appointments Committee for its consideration.

Complies

57. The Remuneration Committee should have the following functions in addition to those stated in earlier Recommendations:

- a) Make proposals to the Board of Directors regarding the following:
  - i) The remuneration policy for Board Members and senior executives;
  - ii) The individual remuneration and other contractual conditions of executive Board Members.
  - iii) The standard conditions for senior executive employment contracts.
- b) Oversee compliance with the remuneration policy set by the company.

*See sections: B.1.14 and B.2.3*

Complies

58. The Remuneration Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive Board Members and senior executives.

Complies

## **G - OTHER INFORMATION OF INTEREST**

If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this Report, indicate and explain below.

B.1.11 and B.1.12 - The obligations assumed in relation to pension plans are the same as the amounts contributed in this connection, since these obligations have been externalised and transferred to an insurance company. Accordingly, the Group has not assumed any outstanding obligation other than the contribution of the annual premium.

In addition to those mentioned in the above sections, the Board Members with executive functions and the Group's senior management has been granted share options. The cost recognised in relation to these share options granted to executive Board Members, based on the number of options granted in 2012, amounted to EUR 1,808 thousand.

This amount relates to the proportion of the value of the plan at the date on which it was granted.

The cost relating to options granted to senior executives in 2012 amounted to EUR 6,091 thousand. This amount relates to the proportion of the value of the plan at the date on which it was granted.

B.1.21 (2).- In accordance with the Board Regulations amended on 25 February 2010, an independent Board Member shall have this power, and for these purposes, Mr. Miguel Roca Junyent has been appointed.

B.1.30.- The percentage of absent votes in the Board are not calculated by the number of meetings at which all the Board Members were not present with respect to the total number held, but rather by the number of votes (fourteen) with respect to the total theoretical number (nine meetings by 19 Board Members).

C.2 and C.3- In relation to this section, list any relevant transactions entailing a transfer of funds or obligations between the company or group companies and companies related to the significant shareholders of the company: In relation to this section, the only transactions between executives and Board Members related to the remunerations already detailed in the various sections of the ACGR, and specifically sections B.1.11 and B.1.12:

Management or collaboration agreements:

Terratest Técnicas Especiales, S.A., amounting to EUR 3,221 thousand

Leases:

Fidalsar, S.L., amounting to EUR 182 thousand

Services received:

Fidalsar, S.L., amounting to EUR 66 thousand

Terratest Técnicas Especiales, S.A., amounting to EUR 1,092 thousand

Indra, amounting to EUR 2,756 thousand

Zardoya Otis, S.A., amounting to EUR 1,113 thousand

Other expenses:

March Unipsa, JLT, S.A., amounting to EUR 41,806 thousands

Services rendered:

Rosán Inversiones, S.L., amounting to EUR 276 thousand

Grupo Iberostar, amounting to EUR 538 thousand

Indra, amounting to EUR 2,130 thousand

Zardoya Otis, S.A., amounting to EUR 5 thousand

Financing agreements: loans and capital contributions

Banca March, amounting to EUR 52,120 thousand

Banco Sabadell, amounting to EUR 859,603 thousand

Guarantees given

Banca March, amounting to EUR 42,120 thousand

Dividends and other distributed profit:

Fidwei Inversiones, S.L., amounting to EUR 554 thousand

Lynx Capital, S.A., amounting to EUR 674 thousand

Fidalsar, S.L., amounting to EUR 1,059 thousand

Other transactions:

Banca March, amounting to EUR 30,645 thousand

Banca March is considered to be a significant shareholder given that it is a shareholder of Corporacion 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, reverse factoring and non-recourse factoring to several ACS Group companies.

The Iberostar Group is listed because it is a direct shareholder of ACS, Actividades de Construcción y Servicios, S.A. which has provided tourism and travel agency services to the ACS Group companies as part of its normal business operation. The ACS Group has mainly providing air-conditioning services in hotels owned by Iberostar.

Rosan Inversiones, S.L. is listed due to its relationship with the Chairman and CEO of the Company which holds a significant ownership interest through Inversiones Vesan, 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.

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 hold a senior management position. In this regard, the transactions with Fidalsar, S.L., Terratest Tecnicas Especiales, S.A., Fidwei Inversiones, S.L. and Lynx Capital, S.A. are listed due to the relationship of the Board Member, Pedro Lopez Jimenez, with these companies. Transactions with Indra are listed due to its relationship with the Board Member Javier Monzon. The transactions performed with the Zardoya Otis, S.A. are indicated due to its relationship with the Board Member José María Loizaga. The transactions with Banco Sabadell are listed due the bank's relationship with the Board Member Javier Echenique. The transactions with Unipa, JLT, S.A. are listed due to the company's relationship with Banca March, although in this case the figures listed are intermediate premiums paid by ACS Group companies, rather than considerations for insurance brokerage services.

Other transactions relate exclusively to Banca March. Banca March, as a financial institution, provides various financial services to ACS Group companies in the ordinary course of business amounting to a total EUR 30,645 thousand, which in this case relate in full to the reverse factoring lines of credit for suppliers.

In 2012 transactions of senior management with Group companies amounted to EUR 453 thousand for the purchase of assets.

All these commercial transactions were carried out on an arm's length basis in the ordinary course of business, and related to ordinary Group company transactions.

The transactions performed between ACS consolidated Group companies were eliminated in the consolidation process and form part of the normal business activities of the companies in terms of their company object and conditions. The transactions were carried out on an arm's length basis and they do not have to be disclosed to present fairly the equity, financial position and results of the operations of the Group.

#### F. - DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

With regard to Recommendation 42 of Section F, the following structure of ownership interest of the various categories of Board Members on the Board of Directors and Executive Committee is noteworthy:

Executive Board Members on the Board of Directors.....	23.53%
Executive Board Members on the Executive Committee .....	28.57%
Proprietary and External Board Members on the Board of Directors .....	47.05%
Proprietary and External Board Members on the Executive Committee.....	42.86%
External independent Board Members on the Board of Directors .....	23.53%
External independent Board Members on the Executive Committee .....	14.29%
Other external Board Members on the Board of Directors .....	5.88%
Other external Board Members on the Executive Committee .....	14.29%

This section can include any other information, clarification or qualification relating to the previous sections of the report, provided that it is material and not repetitive.

In particular, indicate whether the company is subject to any legislation other than the Spanish legislation on corporate governance and, if so, include the information that it is required to furnish, where such information differs from that required in this report.

Binding definition of independent Board Member:

Indicate whether any of the independent Board Members has, or has had, any relationship with the company, its significant shareholders or its executives that, had it been sufficiently significant or material, would have determined that the Board Member concerned could not be considered independent in conformity with the definition set forth in section 5 of the Unified Good Governance Code:

YES

**Name of Board Member**

MR. JOSÉ MARÍA LOIZAGA VIGURI

**Type of relationship**

Board Member of Zardoya Otis, S.A.

**Explanation**

Zardoya Otis, S.A. is a normal supplier to the construction companies of the ACS Group, without the volume of operations being significant.

**Name of Board Member**

MR. MIGUEL ROCA JUNYENT

**Type of relationship**

Lawyer

**Explanation**

Mr. Roca has served as a lawyer in relation to certain matters which are individually of significance, but not when taken into consideration as a whole.

Date and signature:

This Annual Corporate Governance Report was approved by the Company's Board of Directors at its meeting held on:

21/03/2013

Indicate whether any Board Members voted against or abstained in relation to the approval of this Report.

NO

**SUPPLEMENTARY REPORT TO THE 2012 ANNUAL CORPORATE GOVERNANCE REPORT ADMITTED BY THE BOARD OF DIRECTORS OF ACS, ACTIVIDADES DE CONSTRUCCION Y SERVICIOS, S.A. PURSUANT TO THE PROVISIONS OF ARTICLE 61 BIS 4, H OF THE SECURITIES MARKET LAW.**

***Securities that are not admitted to trading on a regulated market in a Member State, indicating the different classes of shares, if any, and the rights and obligations conferred for each class of shares.***

No securities have been issued by the Company which are traded on a market other than the EU market.

***Any restrictions on the transfer of securities and any restrictions on voting rights.***

In accordance with Article 8 of the Company's bylaws, shares are represented by means of book entries under the conditions and requirements established by law. There are no statutory restrictions on the transferability of shares representing the company's share capital.

As a listed company, the acquisition of a percentage of ownership of 30% or more of the Company's share capital or voting rights requires that a takeover bid be launched, in the terms provided for in Article 60 of Securities Market Law 24/1988 and Royal Decree 1066/2007, of 27 June.

There are no specific restrictions on voting rights, although, in relation to attendance rights, Article 23 of the bylaws provides that *"The General Meeting comprises all those that hold at least one-hundred shares, either present or represented. The owners or holders of less than one hundred shares may pool their shares in order to reach such number and may be represented either by one of them or by another shareholder who alone possesses the number of shares required to form part of the General Meeting"*.

***Rules for amending the Company's bylaws.***

The procedure for amending the bylaws is governed by Article 29 and generally, Articles 285 et seq. of the Consolidated Spanish Companies Law, approved by Legislative Royal Degree 1/2010, of 2 July, which require approval by the General Shareholders' Meeting, with the attendance quorums and, if applicable, majorities provided in Articles 194 and 201 of the aforementioned Law.

Such resolutions will be adopted by simple majority, except where under section 2 of the aforementioned Article 201 of the Consolidated Spanish Companies Law, such resolutions must be adopted by the vote in favour of two thirds of the share capital present or represented when the meeting is attended by shareholders representing less than fifty per cent of the subscribed share capital with voting rights. The simple majority required to adopt a resolution shall consist of the vote in favour of the shareholders owning one-half plus one of the shares with voting rights present or represented at the meeting.

***Significant agreements entered into by the Company that will come into force, be modified or terminate in the event of a change in control over the Company resulting from a takeover bid, and the effects thereof.***

There are no significant contracts giving rise to the aforementioned circumstance.

***Agreements between the Company and its directors, management personnel or employees which provide for termination benefits when the latter resign or are dismissed without justification or if the employment relationship ends as a result of a takeover bid.***

As indicated in sections B.1.13 of the 2012 Annual Corporate Governance Report, 6 senior executives of the various ACS Group companies, including executive directors, have contracts providing for cases such as those envisaged in this connection, with termination benefits of up to five years' annual salary.

***A description of the main characteristics of the internal control and risk management systems with regard to statutory financial reporting.***

## **1. COMPANY'S CONTROL ENVIRONMENT**

### **1.1. The bodies and/or functions responsible for: (i) the existence and maintenance of an adequate and effective ICFRS, (ii) its implementation, and (iii) its supervision.**

The Internal Control over Financial Reporting System (hereinafter, ICFRS) is part of the ACS Group's overall internal control system and is set up to provide reasonable assurance regarding the reliability of the financial information published. As stipulated in the Board Regulations of the ACS Group, the Board of Directors is responsible for this system and has delegated the supervisory function thereof to the Audit Committee in accordance with its regulations.

*In accordance with Article 4 of its Regulations, the Board of Directors has the power, among other functions, to approve, "the financial information to be periodically made public by the Company given that it is listed on the stock exchange". In accordance with this article, the functions of the Board that cannot be delegated include "preparing the individual and consolidated financial statements and directors' reports and submitting them for approval at the General Shareholders' Meeting" and approving "the risk management and control policy and the periodic monitoring of the internal reporting and control systems".*

General Corporate Management of the ACS Group is responsible for the Group's ICFRS. This entails defining, updating and monitoring the system to ensure that it operates correctly.

The head of each business area is responsible for designing, reviewing and updating the system in accordance with its own needs and characteristics. General Corporate Management validates

these designs and their operation to guarantee compliance with the objectives set to assure the reliability of the financial information reported.

In relation to the above, Article 23 of the Regulations of the Board of Directors establishes that the Audit Committee is responsible, inter alia, for the following functions:

- *“Monitor the effectiveness of the Company's internal control, internal audit, and if applicable, risk management systems, and discuss any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms”.*
- *“Oversee the preparation and presentation of the regulated financial information”.*

Accordingly, Hochtief, which has formed part of the ACS Group as an investee since June 2011, lists its shares on the German stock market and, in turn, has majority ownership interest in Leighton, which in turn lists its shares on the Australian stock market. Both companies have implemented their own risk management and internal control over financial reporting systems in accordance with applicable legislation. Additional information on these systems can be found in their 2012 annual reports and is available at [www.hochtief.com](http://www.hochtief.com) and [www.leighton.com.au](http://www.leighton.com.au).

**1.2. The existence or otherwise of the following components, especially in connection with the financial reporting process: departments and/or mechanisms in charge of (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) implementing procedures so this structure is communicated effectively throughout the company, with particular regard to the financial reporting process.**

In accordance with the Regulations of the Board of Directors, the Appointments and Remuneration Committee under this Board is responsible, inter alia, for nominating senior executives, in particular those who are to be a member of the Group's Management Committee, and proposing the basic conditions of their contract.

Corporate General Management, in the case of ACS, Actividades de Construcción y Servicios, S.A., and the CEO or Chairman, in the case of the various business areas, are responsible for determining the organisational structure.

In 2012 the organisational chart of the various business areas was updated and sent to the interested parties.

- **Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether specific reference is made to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.**

The ACS Group has a General Code of Conduct which was approved by the Board of Directors on 15 March 2007, which was last updated by agreement of the Executive Committee of the



Board of Directors on 30 August 2011. This Code has been disseminated and is accessible to all employees via the Group's web page.

In this regard, paragraph 4.2.5 of the General Code of Conduct emphasises the principle of transparency. The Code stipulates that "specifically, it will ensure the reliability and completeness of the financial information which, in accordance with applicable law, is publicly supplied to the market. In particular, the accounting policies, control systems and monitoring mechanisms defined by the ACS Group in order to identify relevant information shall be identified, prepared and communicated in due time and form".

"Additionally, the Board of Directors and other governing bodies shall periodically ensure the effectiveness of the internal control system over financial information reported to the markets".

To ensure compliance with the General Code of Conduct, resolve incidents or concerns about its interpretation and take the measures required to ensure the best compliance, the above Code provides for the creation of a General Code of Conduct Monitoring Committee to be composed of three members appointed by the Board of Directors of the ACS Group following their nomination by the Appointments and Remuneration Committee.

This Monitoring Committee has been assigned the following functions:

- Promote the dissemination, knowledge of and compliance with the Code in each and every one of the Group companies.
- Establish the appropriate communication channels so that each employee may obtain or provide information regarding compliance of this Code, guaranteeing the confidentiality of the complaints processed at all times.
- Interpret the regulations stemming from the Code and supervise their implementation.
- Ensure the truthfulness and impartiality of any proceedings initiated, as well as the rights of the persons allegedly involved in possible breaches.
- Define the cases in which the scope of application of the Code should be extended to third parties which are to have commercial or business relationships with the ACS Group.
- Prepare information including the level of compliance with the Code and disclose the specific related indicators.
- Prepare an annual report on its actions and make the recommendations it deems appropriate to the Board of Directors through the Audit Committee.

The Annual Report on Actions and Recommendations of the General Code of Conduct Monitoring Committee for 2012 will be submitted by the Audit Committee in March 2013.

- **Whistle-blowing channel, for reporting to the Audit and Control Committee any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organisation, stating whether reports made through this channel are confidential.**

In accordance with the foregoing, the General Code of Conduct has established an Ethics Channel allowing any person to report irregularities observed in any of the ACS Group companies, or behaviour that fails to comply with the rules provided in the General Code of Conduct.

For this purpose, there are two channels of communication:

- E-mail: [canaletico@grupoacs.com](mailto:canaletico@grupoacs.com)
  
- Postal address:                Ethics Channel  
   Grupo ACS  
   Avenida de Pío XII, nº 102  
   28036 Madrid, Spain

In any case, the General Code of Conduct ensures the confidentiality of all complaints received by the Monitoring Committee through these channels.

In 2012 ten files were processes as a result of complaints already closed during this year as well as one query which was answer during the year.

- **Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating the ICFRS, which address, at least, accounting rules, auditing, internal control and risk management.**

In regard to training and refresher courses, the ACS Group believes that continuous training for its employees and managers both at the corporate level and at the Group company level is important. Relevant and up-to-date training on regulations that affect financial reporting and internal control is considered to be necessary to ensure that the information reported to the markets is reliable and in accordance with the law in force.

Therefore within the Group's scope of consolidation, a group of approximately 900 employees working in the economic-financial area have received approximately 29,750 hours of training in finance, accounting, consolidation, auditing, internal control and risk management in 2012.

## **2. RISK ASSESSMENT IN FINANCIAL REPORTING**

**2.1. The main characteristics of the risk identification process, including risks of error or fraud, stating whether:**

- **The process exists and is documented.**
- **The process covers all financial reporting objectives, (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations), if it is updated and how often.**

- **A specific process is in place for identifying the scope of consolidation, taking into account the possible existence of complex corporate structures, special purpose vehicles, holding companies, etc.**
- **The process takes into account the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.) to the extent that they affect the financial statements.**
- **Which of the company's governing bodies monitors the process.**

The ACS Group has established a risk management system that supports a range of actions in order to comply with the objectives established by the Board of Directors. The Corporate Risk Map is updated annually and summarises the Group's situation in relation to its main risks, except for those with regard to Hochtief since it has its own risk control systems.

The Risk Map includes the identification, assessment, classification, valuation, management and monitoring of risks at both the Group level and that of the operating units. In light of the above, the risks identified are as follows:

- ✓ Corporate risks: which affect the Group as a whole and, in particular, the listed Company.
- ✓ Business risks: which specifically affect each of the business areas and change based on the unique characteristics of each business area.

These risks were basically measured qualitatively in order to establish both their importance and probability of occurrence, however an objective or quantitative risk indicator was established as much as possible.

Accordingly, the risks are classified as follows:

- Operational risks
- Non-operational risks

This system is explained in section D of the ACGR in the description of the general risk policy of the ACS Group.

In addition to financial risks (liquidity, exchange rate, interest rate, credit and equity), *non-operating risks* also includes those risks relating to the reliability of the financial information.

As part of ICFRS management, the ACS Group has a procedure that allows its scope to be identified and maintained by identifying all relevant subgroups and divisions, as well as the significant operating and support processes of each of the subgroups or divisions. This identification was carried out based on the materiality and risks factors that are inherent to each business.

The materiality criteria are established, on one hand, from the quantitative point of view in accordance with the most recent consolidated financial statements based on the various parameters, such as revenue, volume of assets or profit before tax and, on the other hand, from the qualitative point of view in accordance with various criteria, such as the complexity of the

information systems, the risk of fraud or accounting based on estimates or bases that may have a subjective component. In practice, this means being able to determine which of the accounting headings of the financial statements are material, as well as other relevant financial information. In addition, the processes or business cycles in which this information is generated are identified.

This assessment is performed on an annual basis and based on which companies are included in or excluded from the Group's scope of consolidation. This scope is reviewed quarterly.

Corporate General Management of the ACS Group is responsible for updating the scope of the Internal Control over Financial Reporting System, and informing the various business areas and the auditor.

For each process or business cycle included within the scope, the Group has identified the risks that can specifically affect financial reporting taking into account all of the financial reporting objectives (existence and occurrence; integrity; valuation; rights and obligations; and presentation and disclosure), and taking into account the different risk categories contained in section D of the ACGR to the extent that they affect financial reporting.

The Board of Directors has the power to approve the risk management and control policy and the periodic monitoring of the information and control systems, while the Audit Committee has the power to oversee the risk management systems.

### **3. CONTROL ACTIVITIES**

#### **3.1. Procedures for reviewing and authorising the financial information and description of the ICFRS to be disclosed to the markets, indicating who is responsible in each case; and documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgements, estimates, evaluations and projections.**

Prior to their approval by the Board of Directors and to their publication, General Corporate Management must submit both the annual and half-yearly condensed financial statements as well as any other periodic public information supplied to the markets to the Audit Committee, taking into consideration the most relevant effects and those matters whose contents or components are based more on accounting opinions or assumptions for the purpose of calculating estimates and provisions.

Prior to the publication of the financial statements, those responsible for each line of business are required to review the information reported for the purposes of consolidation in their respective areas of responsibility.

This report with the description of the ICFRS is prepared by Corporate General Management based on the information supplied by all affected departments and business areas, and is submitted for review and approval by the Audit Committee.

All business areas which are relevant for the purpose of financial reporting have different controls to ensure the reliability of the financial information. These controls are documented for the significant business cycles based on the internal procedures used, as well as the reporting systems which are used as the basis for preparing the financial information of each business area.

The Group documents in a systematic and homogeneous manner the significant processes, risks and control activities implemented in the business areas. This documentation is based on the following:

- Identification of the companies and processes or business cycles that may significantly affect the financial information. Each significant process has a flow chart and a narrative description of key activities.
- Identification of the risks and controls established to mitigate the financial reporting risks and those responsible for this control, under a common methodology.

The processes considered within the scope include the operating business cycles and the accounting close, reporting and consolidation. The possible risks of fraud and the specific review of relevant judgements, estimates, evaluations and projections are taken into account in each of the business cycles.

### **3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.**

Following a policy of decentralisation and independence of each of its lines of business, the ACS Group does centrally manage its information systems, but rather each of business areas manages these resources based on the particular features of each line of business. This is not an obstacle that prevents each of the business areas from defining their internal control policies, standards and procedures regarding information systems and security management. In this regard, the Information Systems Coordinator was created in 2012 to provide support to the ACS Group's General Corporate Management to implement the application of the information systems policies approved in each of the Group's divisions.

Access to the information systems is managed in accordance with tasks assigned to each job position, and each company defines its users' profiles for accessing, modifying, validating or consulting information following a criterion of segregation of duties. Management of access, changes in the applications and the flows of approval are defined in the procedures of each business area, as well as the responsibilities of those responsible for monitoring and control.

The control mechanisms for the recovery of information and information systems are defined in the corresponding continuity plans. Each of the business areas has storage and backup processes at different locations that provide for contingencies if necessary. Each Group company also establishes the required security measures against leakage or loss of physical and logical information depending on the level of confidentiality.

The main information systems have protection against viruses and trojans, and elements that are periodically updated to prevent intrusion in the information systems.

### **3.3. Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.**

The ACS Group does not usually subcontract work to third parties that could materially affect the financial statements.

In any case, when the ACS Group outsources work to third parties it ensures the technical training, independence and skills of the subcontractor. In the case independent experts are used, the person responsible for contracting these experts must validate the conclusions reached from their work.

In the specific case of valuations made by independent experts, the criteria and results thereof are revised by Group management or by management of the business areas that are affected, requesting comparison valuations when necessary.

## **4. INFORMATION AND COMMUNICATION**

### **4.1. A specific function in charge of defining and updating accounting policies (accounting policies area or department) and resolving any doubts or disputes that may arise over their interpretation, which is in regular communication with the team in charge of operations; and a manual of accounting policies regularly updated and communicated to all the company's operating units.**

Corporate General Management, through the Corporate Administration Department, is responsible for defining and updating the accounting policies and responding to queries and doubts arising from the implementation of the applicable accounting regulations. This can be done in writing and replies to queries are made as quickly as possible depending on their complexity.

The Group has an accounting policies manual that is in line with the International Financial Reporting Standards (IFRS) as adopted by the European Union. This manual is applicable to all companies included in the Group's scope of consolidation and to its joint ventures and associates.

In cases where the ACS Group does not have control but does have a significant influence, the required adjustments and reclassifications are made to the associate's financial statements in order to assure that the accounting criteria is uniform with that of the rest of the Group.

Group companies may have their own manual as long as it does not contradict that indicated in the Group's manual so as to be able to ensure the uniformity of the accounting policies of ACS.

**4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning the ICFRS.**

Reporting to Corporate General Management of the ACS Group is carried out in accordance with the following guidelines:

1) *Reporting frequency*

Once the meeting schedule of the Executive Committee and the Board of Directors is set, the reporting dates and type of information to be reported are sent to the various heads of the divisions or Group companies on an annual basis.

2) *Type of reporting*

The information to be reported varies and is detailed based on the reporting period (monthly / quarterly / half-yearly / annually).

3) *Format for reporting financial information*

The information to be sent to the Administration Department (Corporate General Management) by the various business areas is reported using the Cognos Consolidator consolidation program (mainly for the balance sheet and income statement), and various Excel templates parameterized and automated for the aggregation and elaboration of various information, usually of an off-balance sheet and management nature.

For the preparation of the consolidated financial statements, all business areas must report any changes in the scope of consolidation of their business area prior to the end of the month. As this information is sent from the 3rd to the 6th of each month, the reporting file includes the parameterisation of the consolidation system, which specifically includes the scope of consolidation affecting the entire ACS Group.

4) *Internal control reporting model*

The ACS Group has defined a reporting system for the most significant controls included within the framework of the Internal Control over Financial Reporting System, in which

each person responsible for its implementation and monitoring must send the Group's General Corporate Management a report detailing its operations during the period.

This reporting was carried out in 2012 and is expected to be implemented with the publication of the half-yearly financial statements of the ACS Group.

## **5. SUPERVISION OF THE OPERATION OF THE SYSTEM**

### **5.1. The ICFRS monitoring activities performed by the Audit Committee, including an indication of whether the entity has an internal audit function whose competencies include supporting the audit committee in its role of monitoring the internal control system, including the ICFRS during the period and the procedure by which the area responsible for performing the assessment reports its results, if the entity has an action plan detailing possible corrective measures and whether their impact on the financial statements has been taken into consideration.**

The ACS Group's Internal Audit Department is set up as an independent service, the function of which is to provide support to the Group's Board of Directors and senior management in the examination, evaluation and supervision of the internal control and risk management systems both of the Parent and the other companies forming part of the Group.

The ACS Group's Internal Audit Department carries out its functions through the Internal Corporate Audit department and the auditors of the Group's various business areas.

The Corporate Internal Audit Department is included in the organisational structure as a body hierarchically subordinated to the Corporate General Management and functionally subordinated to the Audit Committee of the Board of Directors. It has no hierarchal or functional link to the business areas. Therefore, the appointment/dismissal of the person responsible is at the suggestion of the Audit Committee.

In turn, the internal audit departments of the Parents of the Group's business areas hierarchically depend on the Chairman and/or CEO of these areas and functionally on the Corporate Internal Audit Department.

The functions assigned to the Internal Audit Department are as follows:

- Review the implementation of policies, procedures and standards established in the Group, as well as the operations and transactions performed.
- Identify faults or errors in the systems and procedures, indicating their causes, issuing suggestions for improvement in the internal controls established and monitoring recommendations adopted by the management of the various business areas.



- Review and assess the reliability of the internal control systems over economic and financial reporting.
- Report any anomalies or irregularities identified, recommending the best corrective actions and following up on the measures taken by the management of the different business areas.

The Corporate Internal Audit Department submits the Annual Audit Plan each year for approval by the Audit Committee. This Audit Plan is consolidated and prepared by the internal audit departments of the Group companies, except, as indicated in point 1.1, for Hochtief and Leighton, which have their own audit committees.

The Corporate Internal Audit Manager periodically submits to the Audit Committee a summary of the reports already drafted and the status of the internal audits of the various business areas in which they are acting.

The Corporate Internal Audit Department submitted the 2012 Activities Report and the 2013 Audit Plan to the Audit Committee in February 2013.

The audits carried out are as follows:

- Audits of specific projects
- Audits of branches or geographic areas within a company.
- Audits of processes or specific areas
- Audits of companies or groups of companies.

In 2012 the various internal audit departments of the business areas carried out the following work:

- 23 complete audits of Spanish and foreign subsidiaries, offices, unincorporated temporary joint ventures and contracts.
- 90 audit procedures on the various areas and processes
- Support in preparing internal procedures and documenting the internal control over financial reporting system in the Environment Area.

**5.2. A discussion procedure whereby the auditor (pursuant to TAS), the Internal Audit Department and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the company's senior management and its Audit Committee or Board of Directors. Also report any action plan in place to correct or mitigate weaknesses observed.**

In accordance with the Regulations of the Board of Directors, the Audit Committee has the following functions:

- *Monitor the effectiveness of the company's internal control, internal audit, and if applicable, risk management systems, and discuss any significant weaknesses in the*

*internal control system identified during the performance of the audit with the auditors or audit firms.*

- *Establish the appropriate relationships with auditors or audit firms for the purpose of receiving information on any matter which may compromise their independence and any other matter relating to the process of auditing the accounts, in addition to any other communication laid down in Spanish legislation regarding auditing accounts and technical auditing standards.*

As a result of this work, the internal audit departments of the Group companies issue a written report which summarises the work carried out, the situations identified, the action plan including, where applicable, the timetable and persons responsible for correcting the situations identified, and opportunities for improvement. These reports are sent to the head of the business area and to Corporate General Management.

As mentioned above, the Corporate Internal Audit Manager submits an Activities Report to the Audit Committee which contains a summary of the activities carried out and the reports drawn up during the year, as well as the main significant aspects and recommendations contained in the various reports.

The Audit Committee holds meetings with the external auditor on a regular basis and, in any case, whenever there is a review of the interim financial statements for the first and second half of the year prior to their approval, and prior to the meeting held by the Board of Directors to prepare the annual individual financial statements of the parent, and the consolidated statements of the ACS Group. Additionally, it holds formal meetings to plan the work of external auditors for the current year as well and to report the results that have been obtained in the preliminary review prior to the end of the financial year.

In 2012, the external auditor attended seven Audit Committee meetings.

**6. Whether the ICFRS information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be included. Otherwise, explain the reasons for the absence of this review.**

The information relating to the ICFRS issued to the markets for 2012 was reviewed by the external auditor. The review was carried out in accordance with the Action Guide Draft dated 28 October 2011 and its related auditors' report model that was published by the corporations representing the auditors.

## REPORT ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. FOR 2012

To the Shareholders of  
ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.:

As requested by the Board of Directors of ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. ("the Entity") and in accordance with our proposal-letter of 30 January 2013, we have applied certain procedures to the accompanying "Information relating to the ICFR" of ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. for 2012, which summarises the internal control procedures of the Entity in relation to its annual financial reporting.

The Board of Directors is responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the accompanying Information relating to the system of ICFR.

It should be noted in this regard, irrespective of the quality of the design and operational effectiveness of the internal control system adopted by the Entity in relation to its annual financial reporting, that the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

Securities Market Law 24/1988, of 28 July, as amended by Sustainable Economy Law 2/2011, of 4 March, stipulates that for the annual reporting periods beginning on or after 1 January 2011, the Annual Corporate Governance Report ("ACGR") must include a description of the main features of internal control and risk management systems with regard to the statutory financial reporting process. In this connection, on 26 October 2011 the Spanish National Securities Market Commission (CNMV) published a draft Circular, modifying the Annual Corporate Governance Report form to be published, which included the approach to be taken by entities with respect to the description of the main features of their system of ICFR. A CNMV letter dated 28 December 2011 contains a reminder of the legal amendments to be taken into consideration when preparing the "Information relating to ICFR" up until the final publication of the CNMV Circular defining a new ACGR model.

Pursuant to subparagraph no. 7 of the content of the system of ICFR contained in the annual corporate governance report form included in the draft CNMV Circular, whereby entities are required to indicate whether the description of the system of ICFR has been reviewed by an external auditor and, if so, to include the relevant report, the financial auditors' representative bodies published Draft Guidelines on 28 October 2011 and the corresponding illustrative auditors' report ("the Draft Guidelines"). In addition, on 25 January 2012, the Spanish Institute of Certified Public Accountants established certain additional considerations in this connection in its Circular E01/2012.

In the course of our audit work on the financial statements and pursuant to Technical Auditing Standards, the sole purpose of our assessment of the internal control of the Entity was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Entity's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we applied exclusively the specific procedures described below and indicated in the Draft Guidelines on the Auditors' Report on the Information relating to the System of Internal Control over Financial Reporting of Listed Companies, which establishes the work to be performed, the minimum scope thereof and the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Entity's annual financial reporting for 2012 described in the accompanying Information on the system of ICFR. Therefore, had we applied procedures additional to those established in the aforementioned Guidelines or performed an audit or a review of the internal control over the regulated annual financial reporting, other matters or aspects might have been disclosed which would have been reported to you.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the Consolidated Spanish Audit Law, approved by Legislative Royal Decree 1/2011, of 1 July, we do not express an audit opinion in the terms provided for in that Law.

The procedures applied were as follows:

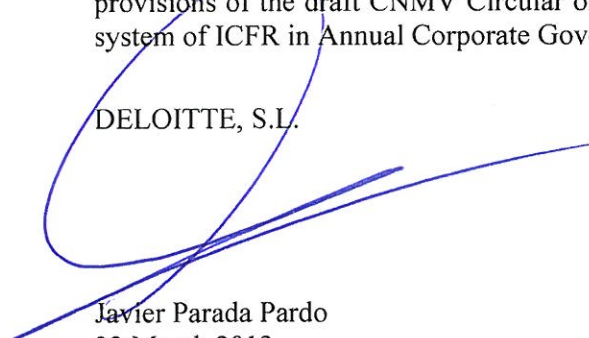
1. Perusal and understanding of the information prepared by the Entity in relation to the accompanying report on the information relating to the system of ICFR and assessment of whether this information addresses all the information required in accordance with the minimum content described in the annual corporate governance report form included in the draft CNMV Circular.
2. Questioning of personnel responsible for the drawing up of the information detailed in point 1 above: (i) to obtain an understanding of the process that goes into drawing up the information; (ii) to obtain information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) to obtain information on whether the control procedures described are in place and functioning at the Company.
3. Review of the explanatory documentation supporting the information detailed in point 1 above, including mainly the documentation furnished directly to the personnel in charge of preparing the information describing the system of ICFR. In this respect, the aforementioned documentation includes reports prepared by the Internal Audit Department, senior executives or other internal or external experts providing support functions to the Audit Committee.
4. Comparison of the information detailed in point 1 above with the knowledge on the Entity's ICFR obtained through the procedures applied during the financial statement audit work.

5. Perusal of minutes of meetings of the Board of Directors, the Audit Committee and of other committees of the Entity in order to assess the consistency between the ICFR issues addressed therein and the information detailed in point 1 above.
6. Obtainment of the representation letter concerning the work performed, duly signed by the personnel in charge of the preparation of the information detailed in point 1 above.

The procedures applied to the Information relating to the ICFR system did not disclose any inconsistencies or incidents that might affect the Information.

This report has been prepared exclusively in the framework of the requirements of Spanish Securities Market Law 24/1988, of 28 July, amended by Sustainable Economy Law 2/2011, of 4 March, and the provisions of the draft CNMV Circular of 26 October 2011 for the purposes of the description of the system of ICFR in Annual Corporate Governance Reports.

DELOITTE, S.L.



Javier Parada Pardo  
22 March 2013