

ACS Group reports net profit of 1,265 million euros for the first nine months of the year, up 108% year-on-year

Turnover in excess of 16 billion de euros, a 55% increase

Results of the ACS Group up to September			
In millions of euros			
	Jan-Sep 07	Jan-Sep 06	var.
Sales	16,012.	10,327.	+55.0%
EBITDA	2,607.4	892.3	+192.2%
EBIT	1,821.3	694.1	+162.4%
Attributable net profit	1,265.0	607.5	+108.2%
EPS	3.66	1.74	+110.5%
Cash flow	1,652.7	632.4	+161.3%
Net worth	10,329.	3,152.4	+227.7%

Consolidated Results

For the third quarter of 2007, the ACS Group reported net earnings of €1,265 million, representing a quarter-on-quarter increase of 108% and spurred on by the healthy progress of all business activities. Ordinary after-tax profit increased by 25% to bring them to the €737 million mark, whilst excess profits climbed to €528 million and include the capital gains arising from the sale of Grupo Continental Auto to National Express.

Turnover of the ACS Group over the third quarter of the year stood at 16,012 million euros, marking a year-on-year improvement of 55%. 65% of revenue flowed in from business activities other than Construction, whereas the international sales of the Group soared to 3,699 million euros, equivalent to 23.1% of total sales.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) leaped by 192% to reach €2,607 million, reflecting a margin against sales of 16.3%. Earnings before interest and taxes (EBIT) stood at €1,821 million, up 162% on last year's figures and reflecting a margin against sales of 11.4%.

Listed companies in which ACS holds an equity stake (Abertis, Iberdrola and the recently integrated Hochtief) contributed €56 million to the Group's net profits over the first nine months of the year, once financial costs had been deducted.

Results by Business Division

Construction

The Construction business boasted sales of €5,654 million, up 11.8% on figures for the third quarter of 2006. This significant growth can be put down to intense activity within the national market, particularly in terms of civil works and engineering. Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 12.5% to reach 422 million euros and net profit climbed 11.8% to hit the €241 million mark.

The construction work backlog has risen by 12% over the last twelve months and stood at €11,614 million at the close of September 2007, equivalent to 19 months of production. Of the many construction contracts awarded over the period in question, we would highlight the high-speed railway corridor in Durango (Biscay), the M7/M8 motorways in Ireland, the Central and Ionian motorways in Greece and the second bridge over the Bay of Cadiz.

Environment and Logistics

The Environment and Logistics Division reported sales of €2,122 million, representing year-on-year growth of 15.4%, whilst EBITDA made gains of 16.5% to reach €283 million. Net profit for the Division climbed 23.8% to settle at €102 million. The Environment and Logistics backlog grew by 10% to reach €12,731 million, equivalent to 56 months of production.

The most noteworthy contracts recently won by the Division include the construction and maintenance of Valladolid environmental park, the cleaning services for the Juan Carlos I Trade Fair grounds, the homecare service in León and the management of the Reina Sofía Alzheimer Care Centre in Madrid.

Industrial Services

El Industrial Services Division managed to increase sales by 17.4% to bring them to €4,103 million. The 10 basis-point increase in operating margins has allowed EBITDA to climb 18.1% to reach €352 million. Net profit came to rest at €195 million, 19.3% up on the same period of 2006.

At the close of September 2007, the Industrial Services backlog stood at €5,728 million, marking a year-on-year increase of 18% and equivalent to 13 months of production. Project highlights include construction of the MPF-1, the world's largest oil drilling ship, the Medusa-II project for Unión Fenosa, the extension of the Cartagena refinery, the Ma'aden Fertiliser Complex in Saudi Arabia and numerous wind farms en Guadalajara and Soria, as well as solar plants in Malaga, Cordoba and Granada, the latter of which was built for the Group itself.

Energy

The Energy Division, via Unión Fenosa, contributed sales of €4,348 million and EBITDA of €1,579 million. Its impact on net profit totalled €184 million.

Net Investments and Debt

Investments of the ACS Group up to the third quarter of 2007 amounted to €3,464 million. Highlights included the acquisition of 25.1% in Hochtief for the grand total of €1,264 million, or the infrastructure concession projects, into which €400 million were injected. There have also been major investments in renewable energy projects, such as the Granada solar thermal energy plant (€113 million) and numerous wind farms (€143 million).

In turn, Unión Fenosa has invested €877 million, aimed primarily at completing the Sagunto and Sabón combined cycle plants and developing gas infrastructures, as well as renewable energy projects. On the international stage, we would highlight the €118 million investment in the Kangra coal mine in South Africa.

Divestitures for the period amounted to €799 million. Worthy of particular note were the sale of Continental Auto and the Dundalk motorway (Ireland) and the A1 in the United Kingdom.

As a result, total net investments for the first nine months of 2007 totalled €2,665 million.

At the close of September 2007, Group net debt with recourse stood at €7,988 million, equalling 77% of net worth and 2.3 times the annualised EBITDA.

Madrid, on October 30, 2007