



The net ordinary profit of Grupo ACS rose by 16.1% in the first half of the year

Turnover exceeded 11.7 billion euros in the first six months of 2008, representing a 12.5% increase

Consolidated earnings

Grupo ACS in the first half of 2008 obtained a net ordinary profit of 560 million euros, 16.1% more than in the same period of 2007, supported by the positive development of all of the business activities, both in terms of turnover and profits.

Extraordinary earnings through June 2008 amounted to 333 million euros, incorporating sales of holdings in airports of Chile, Colombia, Jamaica and Mexico, plus a 49% stake in InvinSL, the holding company with shareholdings in the Chilean toll motorways Autopista Central (50%) and Rutas del Pacífico (48%). In the same period of 2007 extraordinary earnings totalled 528 million euros which included the capital gains from the sale of Continental Auto and Soluziona. As a result, total earnings in the first half of 2008 amounted to 893 million euros, 11.7% less than the year before.

However, on 30 June Grupo ACS signed an agreement for the sale of the remaining 51% of InvinSL, and the corresponding capital gains were not included in the earnings for the period because the transaction is waiting for the relevant administrative authorisations. Had it been included in the first half of the year, the net profit in comparable terms would have grown by 17.5% to 1.188 billion euros.

Grupo ACS' turnover amounted to 11.707 billion euros in the period, rising by 12.5%. International sales increased by 26% to 3.094 billion euros, representing 26.4% of total sales.

EBITDA grew by 11.7% to 1.909 billion euros, with a 16.3% margin over sales. Meanwhile, EBIT rose by 14.4% to 1.363 billion euros, with a margin of 11.6%.

Furthermore, Grupo ACS' total portfolio of works and projects yet to be executed at the end of the first half of 2008 amounted to 33.747 billion euros, a 12.4% increase over June 2007.

The contribution of the subsidiaries Abertis, Hochtief and Iberdrola to the Group earnings in the first half of 2008, before deducting financial charges and associated taxes, amounted to 149.8 billion euros, which made a net contribution of 19.5 million euros to earnings in the first half of the year.

Earnings by Business Areas

Construction

Construction activities recorded sales of 3.584 billion euros in the first six months of 2008, 0.5% more than in the same period of 2007. A slowdown in domestic output was offset by the strong rise in international activity, which now accounts for 10% of sales

after growing by 111% in the first six months of the year thanks to more contracts in United States and concessions in Greece and Ireland. EBITDA rose by 0.5% to 267 million euros and EBIT grew by 3.7%, totalling 155 million euros.

The works portfolio towards the end of June 2008 totalled 11.752 billion euros, the equivalent of 19 months of production. The most salient awards in the last quarter include the construction of the road between Palafolls and Tordera (Gerona), the motorway section between Martiño and Barrela (Lugo), the construction of line 1 of the Granada underground between the M. Núñez and Río Genil stations, the railway viaduct over the Ulla River (La Coruña), and the railway platform for the section between Monforte del Cid and Aspe (Alicante). On the international front the most relevant recent contracts are the construction of the terminal for the Airport in Gibraltar (UK). A road in Puerto Pirámides (Argentina), the pier for the Sea Terminal in San Vicente (Chile), and the construction of the Portuguesa dam in Puerto Rico (USA).

Environment and Logistics

The Environment and Logistics Area recorded sales of 1.567 billion euros in the first half of the year, representing a 12.2% increase, and EBITDA likewise grew by 12.2% to 209.3 million euros. EBIT for this area rose by 15% to 78 million euros. The portfolio in the Environment and Logistics Area grew by 22.1% to 15.745 billion euros, representing 62 months of production.

Recently awarded contracts include the construction and operation of the urban waste processing plants in Palencia, Romainville (Paris), and the island of Guadalupe in the French Antilles, as well as the gathering of urban waste from the Municipal Area of the Gadiana (Ciudad Real), street cleaning in Móstoles (Madrid), the southern part of Valencia, and several hospitals and schools.

Industrial Services

Sales in the Industrial Services Area increased by 19.8% to 3.29 billion euros, with 32% of invoicing going abroad. Once again the increase of operating margins in this area, by 8.9%, boosted EBITDA by 24.6% to 293 million euros. EBIT rose by 159 million euros, 23.6% more than in the same period of 2007.

The Industrial Services portfolio at the end of June 2008 was at 6.25 billion euros, representing 13 months of production. This includes projects such as the installation of the boilers for the combined cycle power plant in Lares (Portugal), the contract for engineering, supply and 'turnkey' assembly of mechanical equipment at the MDEPC plant (Egypt), contracts for engineering and 'turnkey' assembly of BOP equipment in the West Cairo power plant (Egypt), and the construction of the electrical and mechanical components of a combined cycle power plant in El Tebbin (Egypt). Other contracts include the construction of the Coker refinery in Cartagena (Murcia), the construction and maintenance of networks and service connections for the Gas Natural Group in Spain, and the beacon system for the Gerona Airport.

Energy

In the first half of 2008, Unión Fenosa contributed sales of 3.393 billion euros, representing a 19.2% increase over the same period of 2007. EBITDA amounted to 1.136 billion euros, growing by 9.1%, and the effect on EBIT totalled 153.2 million euros, an increase of 9.9%.

Net investments and borrowing

Grupo ACS' net investments amounted to 1.086 billion euros in the first half of 2008, including the acquisition of another 4.8% stake in Unión Fenosa at the beginning of January and the sale of a number of infrastructure concessions to Abertis.

As a result, the Group's net borrowing at the end of June totalled 18.442 billion euros, representing a debt-to-equity ratio of 185% and 4.8 times the estimated EBITDA for 2008. Of that figure, 8.53 billion euros correspond to net borrowing with recourse, equal to a leverage of 86% and 2.2 times the EBITDA, whereas the remaining 9.912 billion euros correspond to project finance without recourse.

Grupo ACS' net equity at the end of the first half of the year amounted to 9.949 billion euros.

Madrid, 30 July 2008