

# Annual Report of ACS Group 2009



[www.grupoacs.com](http://www.grupoacs.com)



Cover photo: Waterford N25 Bypass (Ireland).

# Activity Report of ACS Group 2009





# Main figures of the ACS Group

Financial and operating data	2004	2005	2006	2007 <sup>(1)</sup>	2008 <sup>(2)</sup>	2009
Millions of euros						
Turnover	10,817.9	12,113.9	14,067.2	15,344.9	15,275.6	15,605.9
Gross operating profit (EBITDA)	981.1	1,095.5	1,270.3	1,379.8	1,382.5	1,458.0
Net operating profit (EBIT)	723.9	817.4	971.6	1,056.7	1,042.7	1,079.9
Attributable net profit	452.5	608.7	1,250.1	1,551.1	1,805.0	1,951.5
Cash-flow <sup>(*)</sup>	709.7	886.8	1,548.8	1,874.1	2,144.8	2,329.6
Dividends paid	96.8	137.6	211.7	441.1	600.2	653.2
Net investments / (Divestments)	1,196.4	4,216.4	5,407.1	2,475.0	170.5	(1,307.4)
Total assets	12,399.6	17,712.5	25,182.7	49,593.4	51,398.4	31,754.2
Equity	2,019.2	2,635.5	3,256.4	10,441.0	9,913.0	4,591.5
Shareholders' equity	1,905.4	2,480.9	3,115.7	4,653.8	3,402.4	4,303.4
Total net debt	1,423.9	4,264.6	8,746.3	7,938.7	9,355.8	9,271.4
Net debt with recourse	961.6	1,909.4	1,753.4	1,871.4	2,933.7	302.1
Non recourse financing	462.3	2,355.2	6,992.9	6,067.3	6,422.1	8,969.3
Order book	23,928.4	26,868.1	29,918.3	32,322.8	27,679.0	29,507.0
Number of employees	107,748	113,273	123,652	132,048	138,117	142,176

(\*) Net profit + Depreciation + Change in provisions.

Data per share <sup>(3)</sup>	2004	2005	2006	2007 <sup>(1)</sup>	2008 <sup>(2)</sup>	2009
Euros						
Earnings	1.30	1.74	3.58	4.51	5.43	6.28
Gross dividend	0.39	0.60	1.25	1.75	2.05	2.05
Cash-flow	2.01	2.51	4.39	5.44	6.45	7.49
Shareholders' equity	5.40	7.03	8.83	13.52	10.23	13.84

Stock market data	2004	2005	2006	2007	2008	2009
Listed shares <sup>(3)(4)</sup>	352,873,134	352,873,134	352,873,134	352,873,134	335,390,427	314,664,594
Market capitalization (millions of euros)	5,928.3	9,601.7	15,071.2	14,344.3	10,950.5	10,953.3
Year-end closing price <sup>(3)</sup>	16.80 €	27.21 €	42.71 €	40.65 €	32.65 €	34.81 €
Annual revaluation	30.23%	61.96%	56.96%	-4.82%	-19.68%	6.62%

Key ratios	2004	2005	2006	2007 <sup>(1)</sup>	2008 <sup>(2)</sup>	2009
Operating margin	6.7%	6.7%	6.9%	6.9%	6.8%	6.9%
Net margin	4.2%	5.0%	8.9%	10.1%	11.8%	12.5%
ROE	23.6%	27.5%	45.5%	36.9%	41.2%	50.0%
Gearing <sup>(5)</sup>	70.5%	161.8%	268.6%	76.0%	94.4%	201.9%
Dividend yield	2.3%	2.2%	2.9%	4.3%	6.3%	5.9%

(1) 2007 data proforma, Unión Fenosa has been reclassified as "Assets held for sale", using the same criteria as in 2008.

(2) 2008 data proforma, SPL has been reclassified as "Assets held for sale", using the same criteria as in 2009.

(3) Adjusted by the 3x 1 Split of year 2004 (reduction of the nominal value of the shares from €1.50 to €0.50 with the consequent and simultaneous increase in the number of shares in proportion to the stock capital).

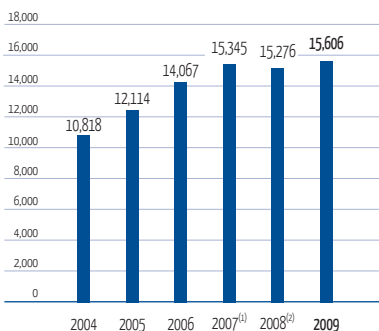
(4) On June 10th, 2004, there was a reduction in the share capital by a nominal amount of €1,353,679.5 through the redemption of 902,453 shares of treasury stock. On July 2008, there was a reduction in the share capital by a nominal amount of €8,741,385 through the redemption of 17,482,707 shares of treasury stock. Additionally, in January 2009, there was a reduction in the share capital by a nominal amount of €8,373,255, through the redemption of 16,746,453 shares of the treasury stock, according to the resolution that was approved in the Extraordinary General Shareholder's meeting, held in December 2008. On May 25<sup>th</sup>, 2009, there was a reduction in the stock capital by a nominal amount of €1,989,690 through the redemption of 3,979,380 shares of treasury stock.

(5) Gearing: Net Debt / (Shareholders' Equity + Minority interests).

# Main figures of the ACS Group

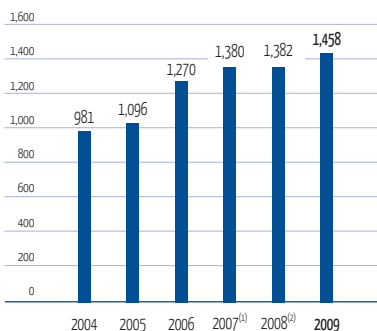
## Turnover

Millions of euros



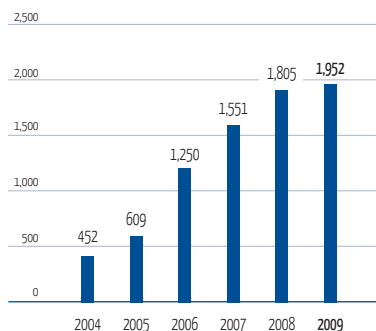
## Gross operating profit (EBITDA)

Millions of euros



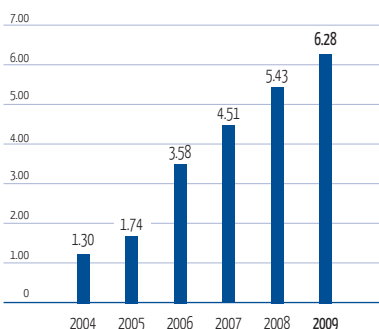
## Attributable net profit

Millions of euros



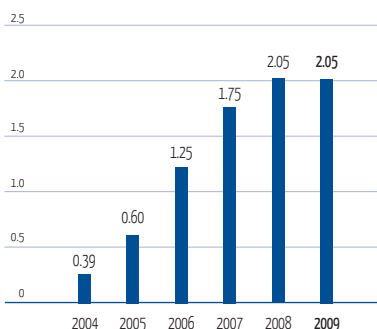
## Earnings per share

Euros



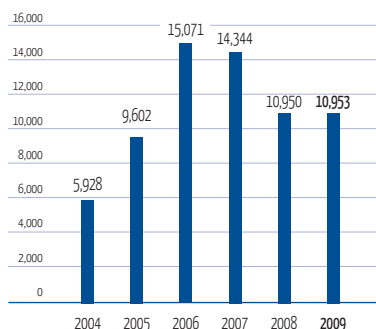
## Dividend per share

Euros



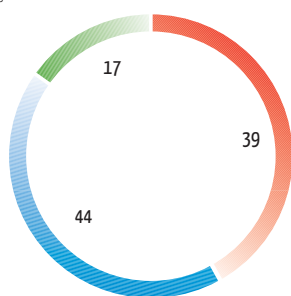
## Market capitalization

Millions of euros



## 2009 Turnover by business (3)

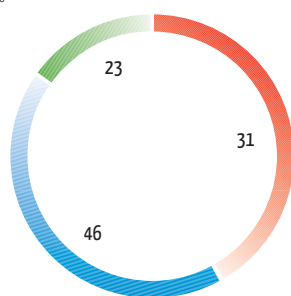
%



■ Construction  
■ Industrial Services and Energy  
■ Environment

## 2009 Gross operating profit (EBITDA) by business (3)

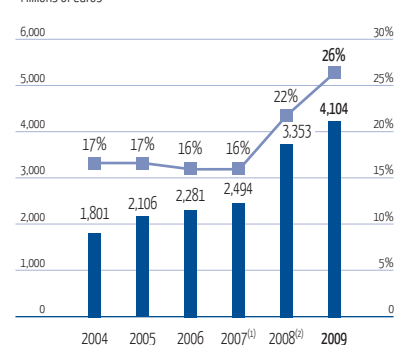
%



■ Construction  
■ Industrial Services and Energy  
■ Environment

## Internationalization

Millions of euros



■ International Turnover  
■ % International over Total

(1) 2007 data proforma, Union Fenosa has been reclassified as "Assets held for sale", using the same criteria that it has been used in 2008.

(2) 2008 data proforma, SPL has been reclassified as "Assets held for sale", using the same criteria that it has been used in 2009.

(3) Percentages are calculated considering the sum of the activities considered in the graph.

## Construction 2009

Millions of euros

Turnover	6,125
International	23.3%
Gross operating profit (EBITDA)	459
Margin	7.5%
Net profit	241
Margin	3.9%
Order book	11,431
Employees	20,014

## Industrial Services and Energy 2009

Millions of euros

Turnover	6,862
International	33.5%
Gross operating profit (EBITDA)	680
Margin	9.9%
Net profit	348
Margin	5.1%
Order book	6,619
Employees	38,468

## Environment 2009

Millions of euros

Turnover	2,639
International	13.9%
Gross operating profit (EBITDA)	341
Margin	12.9%
Net profit	146
Margin	5.5%
Order book	11,457
Employees	83,317

## International presence

Countries in which ACS Group is present

Andorra  
Angola  
Algeria  
Argentina  
Australia

Bolivia  
Brazil  
Cameroon  
Canada  
Chile

China  
Colombia  
Costa Rica  
Dominican Republic

Ecuador  
Egypt  
El Salvador  
France  
Greece

Guatemala  
Honduras  
India  
Ireland  
Italy

Jordan  
Lybia  
Morocco  
Mexico  
Nicaragua

Panama  
Peru  
Poland  
Portugal  
Saudi Arabia

South Africa  
Spain  
Uganda  
United Arab Emirates

United Kingdom  
United States  
Uzbekistan  
Venezuela



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*Leadership*

# Letter from the Chairman



## Dear shareholders

As we reach the end of the first decade of the 21st century, the ACS Group has consolidated itself as one of the world's most important infrastructure companies, with outstanding leadership in the sector due to its size and profitability and already with extensive and growing international presence on the five continents.

During the last ten years we have managed to grow the Group's volume of business at an average of 18% per year to reach a turnover of €15,606 million in 2009. This value represents growth of 2.2% in a year which presented significant challenges and great uncertainty as a result of the deep international economic crisis we are suffering.

The efforts made to increase our international exposure, both organically and through the acquisition of some civil engineering companies, have borne fruit. This strategy enabled sales outside of Spain to grow by over 22% in 2009 to represent 26% of consolidated sales. Our international order book also experienced a significant quantitative leap, increasing 30% in the last year to represent 35% of the total.

This expansion would not have been possible without the ACS Group's over 142,000 employees, in addition to the 35,000 people who work on subcontracts, who enable us to be one of Spain's leading generators of employment. Their talent, effort and dedication have brought us to this point and will continue to drive us onward to reach higher goals.

Profitability will always be among these objectives. Attributable net profit grew 8.1% in 2009 to reach €1,952 million, the best results in our history and accumulating an average annual growth rate of over 36% since 2000. Net recurring profit, which excludes the profit from discontinued operations and extraordinary revenue, increased 20.4% on reaching €842 million.

Operating activities generated cash flows of over €1,652 million in 2009, growing by 70%, supported by good operating income and efficient management of working capital. This solid capacity for generating operating funds and the materialisation of the sale of 35.4% of Unión Fenosa have enabled us to continue making planned investments and to reduce the balance of net debt, which is €9,271 million.

This level of indebtedness permits us to take on possible opportunities for investment to keep growing with guarantees, while maintaining the current financial solidity. In this regard, it is worthy of note that the debt directly linked to financing our affiliates totals €5,228 million, a much lower figure than the market value of these holdings at the end of 2009, which totalled €8,186 million. The remaining debt is practically linked to the financing of projects.

The capital markets, despite having recovered part of the deep falls suffered in 2008, continue to include significant discounts, both in the shares of companies in which we have holdings and in our own share price. In this context, ACS' shares behaved in a more moderate fashion than the main stock market indexes, showing an annual revaluation of 6.6%, the result of lower volatility and better performance than the market in 2008.

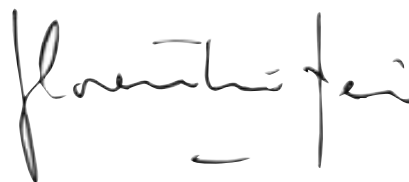
However, from a broader perspective, ACS has achieved average profitability of over 20% in this first decade of the 21st century. This figure, compared to the average profitability of the IBEX with dividends, which scarcely exceeded 3.5% in the same period, shows the ACS Group as the top Spanish company in the creation of value for its shareholders between 2000 and 2009, having generated €6,840 million.

At the ACS Group we continue to insist on a strategy of sustainability on its three axes: the economic axis, highly linked to profitability and investment; social, with special impact on our own employees; and environmental, a determining factor in all the activities we carry out.

As the most outstanding fact for 2009, I would like to point out the 14% increase in the number of disabled employees who work in the Group's companies and who number more than 2,300 as a consequence of an active work policy with a high level of social commitment.

Also in the area of corporate governance, significant improvements were made aimed at reinforcing the transparency and independence of our system of governance, introducing the necessary changes in the rules of the Board of Directors to adapt our procedures to practically all the recommendations in the Unified Code of Good Governance.

I sincerely believe that the consistency of our strategy and the continual recruiting of talent place us in a privileged position. But there is still far to go and the decade beginning presents us with the challenge of beating the one just finished. With this objective we are going to keep working with the same effort and enthusiasm to maintain our leadership and continue creating value in a sustainable manner for all our shareholders.



Florentino Pérez  
Chairman of the ACS Group

# Management Bodies

## Board of Directors

### Chairman and CEO

Mr. Florentino Pérez Rodríguez ■

Civil Engineer

Chairman and CEO of ACS Group since 1993

Member of the Board of Directors of ACS Group since 1989

Vice Chairman of Abertis Infraestructuras

Member of the Board of Directors of Sanef

### Member of the Board of Directors

Mr. José María Loizaga Viguri ■■

Economist

Member of the Board of Directors of ACS Group since 1989

Chairman of Cartera Industrial REA, S.A.

Chairman of Bodegas Lan

Vice Chairman of Zardoya Otis

Member of the Board of Directors of Mecalux

### Executive Vice Chairman

Mr. Antonio García Ferrer ■

Civil Engineer

Member of the Board of Directors of ACS Group since 2003

Member of the Board of Directors of Abertis Infraestructuras

Mr. José María Aguirre González ■

Doctorate in Civil Engineering

Member of the Board of Directors of ACS Group since 1995

Honorary Chairman of Banco Guipuzcoano

### Vice Chairman

Mr. Pablo Vallbona Vadell ■■

Naval Engineer and MBA from the IESE

Member of the Board of Directors of ACS Group since 1997

Chairman of Iberpistas

Executive Vice Chairman of Banca March

Vice Chairman of Corporación Financiera Alba

Vice Chairman of Abertis Infraestructuras

Mr. Álvaro Cuervo García ■

Doctorate in Economics

Professor of Business Economics-Universidad Complutense de Madrid

Chairman of CUNEF (Colegio Universitario de Estudios Financieros)

Member of the Board of Directors of ACS Group since 1997

Member of the Advisory Board of Privatisations

Member of the Board of Directors of SONAE SGPS, and SONAE INDUSTRIA

Member of the Board of Directors of BME

Mr. Manuel Delgado Solís ■

B.S. in Pharmacy. Lawyer

Member of the Board of Directors of ACS Group since 2003

■ Member of the Executive Committee

■ Member of the Audit Committee

■ Member of the Appointment and Remuneration Committee

☐ Secretary non-member

## Mr. Javier Echenique Landiribar

B.A. in Economics

Member of the Board of Directors of ACS Group since 2003

Chairman of Banco Guipuzcoano

Member of the Board of Directors of Telefónica Móviles Mexico

Member of the Board of Directors of Telefónica España

Member of the Board of Directors of ENCE

Member of the Board of Directors of Repsol YPF

Member of the Board of Directors of Abertis Infraestructuras

## Ms. Sabina Fluxá Thienemann

B.A. in Business Studies and MBA from the ESADE

Member of the Board of Directors of ACS Group since 2009

Vice Chairman of Grupo Iberostar

## Mr. Joan-David Grimà i Terré

Doctorate in Economics and Business Studies

Member of the Board of Directors of ACS Group since 2003

Member of the Board of Directors of TEKA

## Mr. Pedro López Jiménez

Civil Engineer

Member of the Board of Directors of ACS Group since 1989

Member of the Board of Directors of Keller Group Plc

Vice Chairman of Dragados

## Mr. Juan March de la Lastra

B.A. in Business Administration

Member of the Board of Directors of ACS Group since 2008

Member of the Board of Directors of Banca March

Member of the Board of Directors of Indra

## Mr. Santos Martínez-Conde Gutiérrez-Barquín

Civil Engineer

Member of the Board of Directors of ACS Group since 2001

CEO of Corporación Financiera Alba

Member of the Board of Directors of Acerinox

Member of the Board of Directors of Banca March

## Mr. Javier Monzón de Cáceres

B.A. in Economics

Member of the Board of Directors of ACS Group since 2003

Chairman of Indra

## Mr. Miquel Roca i Junyent

Lawyer

Member of the Board of Directors of ACS Group since 2003

Member of the Board of Directors of Endesa

Secretary of the Board of Directors of Abertis Infraestructuras

Secretary of the Board of Directors of Banco de Sabadell

## Mr. Julio Sacristán Fidalgo

B.S. in Chemistry

Member of the Board of Directors of ACS Group since 1998

## Mr. Francisco Servando Verdú Pons

B.A. in Economics and MBA from the Chicago University

Member of the Board of Directors of ACS Group in the period 2002-2003 and re-elected in 2006

CEO of Banca March

Member of the Board of Directors of Corporación Financiera Alba

## Member and Secretary of the Board of Directors

## Mr. José Luis del Valle Pérez

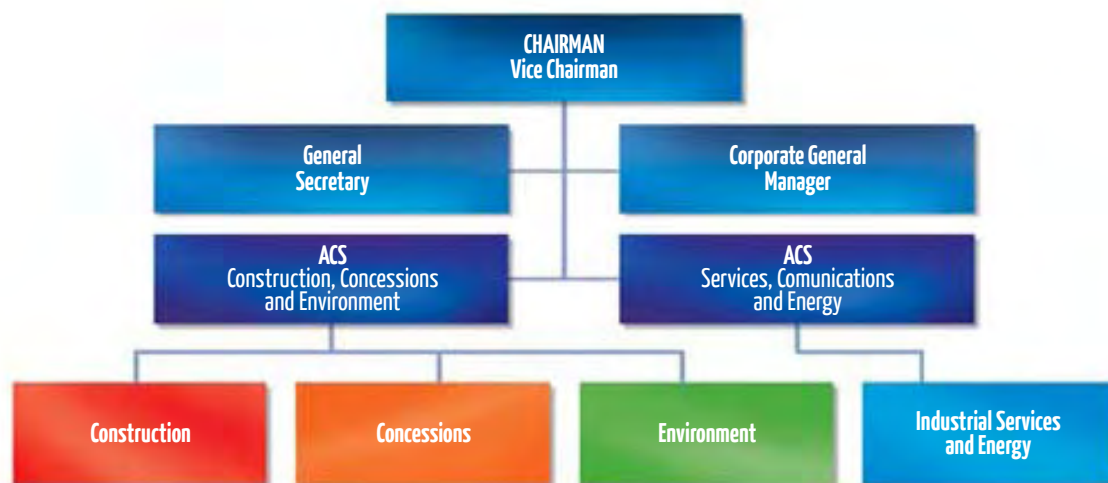
Lawyer and State Attorney

Member of the Board of Directors of ACS Group since 1989

# Management Bodies

## Management Committee





*From left to right (seated)*

### Mr. Florentino Pérez Rodríguez

*Chairman and CEO*

Born in 1947. Civil Engineer.

Although Mr. Pérez started his career in the private sector, he held different posts in the Public Administration between 1976 and 1982 when he was Delegate for Sanitation and Environment of the Madrid City Council, General Sub-Director of Promotion of the Centre for the Development of Industrial Technology in the Ministry of Industry and Energy, General Manager of Transport Infrastructures in the Ministry for Transport, as well as Chairman of IRYDA in the Ministry of Agriculture. In 1983, he returned to the private sector as top executive of Construcciones Padrós, S.A., of which he was one of the main shareholders. Since 1993, he has been the Chairman and CEO of the ACS Group, first as the chairman of OCP Construcciones S.A., and since 1997 as the chairman and CEO of the so-called ACS Group. He is also Vice Chairman of Abertis.

### Mr. Antonio García Ferrer

*Executive Vice Chairman*

Born in 1945. Civil Engineer.

Mr. García started his career in Dragados y Construcciones, S.A. in 1970. After assuming various positions of responsibility in the construction Company, in 1989 he was appointed Regional Manager for Madrid. Then, in 1998, he was placed at the head of the Building business and in 2001, he became General Manager of the Industrial and Services Divisions. In 2002 Mr. García was appointed as the Chairman of Grupo Dragados, S.A., and in December 2003 he became the Executive Vice Chairman of the ACS Group.

*From left to right (standing)*

### Mr. Marcelino Fernández Verdes

*Chairman and CEO of the Construction and Concessions and Environment Areas*

Born in 1955. Civil Engineer.

Mr. Fernández joined the Group in 1987 and was appointed General Manager in 1994. In 1998 he became the CEO of ACS Proyectos, Obras y Construcciones S.A., and in 2000 was appointed Chairman of the company. He is the Chairman and CEO of Dragados and ACS SyC, as were as responsible for the areas of Construction, Concessions and Environment.

### Mr. Ángel García Altozano

*Corporate General Manager*

Born in 1949. Civil Engineer and MBA.

Mr. García started his professional career in the construction sector. He was General Manager of the Instituto Nacional de Industria (INI) and President of Bankers Trust for Spain and Portugal. In 1997 he joined the ACS Group as Corporate General Manager with responsibility over the economic-financial areas, corporate development and affiliates.

### Mr. José Luis del Valle Pérez

*General Secretary*

Born in 1950. Lawyer and State Attorney.

From 1974 until 1983 Mr. del Valle held various positions in the Public Administration and was a member of the Parliament from 1979 to 1982 and Deputy Secretary of the Ministry of Territorial Administration. He has been a member of the Board of Directors of the ACS Group since 1989 and has been the Secretary General to the Board of Directors since 1997.

### Mr. Eugenio Llorente Gómez

*Chairman and CEO of the Industrial Services and Energy Area*

Born in 1947. Industrial Technical Engineer and MBA, Madrid Business School.

Mr. Llorente started his professional career in Cobra Instalaciones y Servicios, S.A. in 1973. After occupying different positions of responsibility, in 1989 was named director of Downtown, in 1998 he was promoted Corporate General Manager and in 2004 General Manager. Currently, he is General Manager of ACS Services, Communications and Energy and responsible for the Industrial Services and Energy Area of the Group.

# Management Bodies

## Management Team

### ACS, Actividades de Construcción y Servicios

Mr. Florentino Pérez Rodríguez  
*Chairman and CEO*

Mr. Antonio García Ferrer  
*Executive Vice Chairman*

Mr. Ángel García Altozano  
*Corporate General Manager*

Mr. José Luis del Valle Pérez  
*Secretary General*

### Construction, Environment and Concessions

Mr. Marcelino Fernández Verdes  
*Chairman and CEO*

Mr. Luis Nogueira Miguelsanz  
*Secretary General*

### Construction

#### Dragados

Mr. Marcelino Fernández Verdes  
*Chairman and CEO*

Mr. Ignacio Segura Surinach  
*General Manager*

Mr. Luis Nogueira Miguelsanz  
*Secretary General*

Mr. Ricardo Martín de Bustamante  
*Civil Works Manager*

Mr. Juan Luis García-Gelabert Pérez  
*Building Manager*

Mr. Eloy Domínguez Adame  
*International Manager*

Mr. Maximiliano Navascués Redondo  
*Contracting Manager*

Mr. Alfonso Costa Cuadrench  
*Technical Services Manager*

### Vías y Construcciones

Mr. Manuel Pérez Beato  
*Chairman*

Mr. Gonzalo Gómez Zamalloa  
*CEO*

Mr. Manuel Álvarez Muñoz  
*Civil Works Manager*

Mr. Ignacio Legorburu Escobar  
*Building Manager*

### Tecsa

Mr. José María Aguirre Fernández  
*General Manager*

### Seis

Mr. Alejandro Canga Botteghelz  
*CEO*

Mr. Pablo Quirós Gracián  
*General Manager*

### Drace Medio Ambiente

Mr. Fernando García Arribas  
*General Manager*

### FPS

Mr. Juan Mata Arbide  
*General Manager*

### Geocisa

Mr. Alejandro Canga Botteghelz  
*CEO*

### Cogesa

Mr. Enrique Pérez Rodríguez  
*CEO*

### Environment

#### Urbaser

Mr. Javier Polanco Gómez-Lavín  
*Chairman and CEO*

Mr. José María López Piñol  
*General Manager*





## ACS Services Communications and Energy

### Dragados SPL

Mr. Javier Polanco Gómez-Lavín  
*Chairman and CEO*

Mr. Agustín Batuecas Torrego  
*Vicepresident*

Mr. Víctor Alberola Ruipérez  
*General Manager*

### Clece

Mr. Cristóbal Valderas Alvarado  
*Chairman and CEO*

Mr. Diego Zumaquero García  
*General Manager*

### Concessions

#### Iridium

Mr. Manuel García Buey  
*Chairman and CEO*

Mr. Víctor Revuelta García  
*Exploitation General Manager*

Mr. Francisco Fernández Lafuente  
*Deputy General Manager*

Mr. Eugenio Llorente Gómez  
*Chairman and CEO*

Mr. José Alfonso Nebrera García  
*General Manager*

Mr. José Romero de Ávila González-Albo  
*Secretary General*

### Grupo Cobra

Mr. Eugenio Llorente Gómez  
*CEO of Cobra*

Mr. Daniel Vega Baladrón  
*CEO of SEMI and MAESSA*

Mr. José Antonio Fernández García  
*General Manager of Etra Group*

Mr. José María Castillo Lacabex  
*General Manager of IMESAPI*

Mr. José Reis Costa  
*Chairman of CME*

### Dragados Industrial

Mr. Vicente Prados Tejada  
*CEO of CYMI and Masa*

Mr. Pablo García Arenal  
*General Manager of Large Contract*

Mr. Raúl Llamazares de la Puente  
*CEO of Initec, Intecsa and Makiber*

Mr. Pedro Ascorbe Trián  
*General Manager of Dragados  
Offshore*

Mr. Juan Enrique Ruiz González  
*Chairman of Sice Technology and  
Systems*



# Corporate Strategy

## Vision

A **worldwide reference** in **construction, services and energy** activities. A group which participates in the **development** of sectors related to **infrastructures**, which are fundamental for the **economy**. A company committed to **economic and social progress** in the countries where it is present.



## Mission

### Pursuing global leadership

- Positioning itself as one of the main players in all those sectors in which it takes part as a means of boosting its competitiveness, maximising value creation in relation to its clients and continuing to attract talent to the organisation.
- Meeting the needs of our clients by offering a diversified portfolio of products, innovating daily and selectively investing to increase the range of services and activities offered.
- Continuously improving quality, safety and reliability standards in the services offered in order to foster stability and to guarantee recurring income.
- Expanding the Group's current client base through a permanent commercial effort in new markets.

### Optimising the profitability of the resources managed

- Increasing operating and financial efficiency and offering attractive profitability to our shareholders.
- Applying strict investment criteria in line with the company's strategy of expansion and growth.
- Maintaining a solid financial structure which facilitates the raising of resources and the maintenance of a low cost thereof.

### Promoting sustainable growth

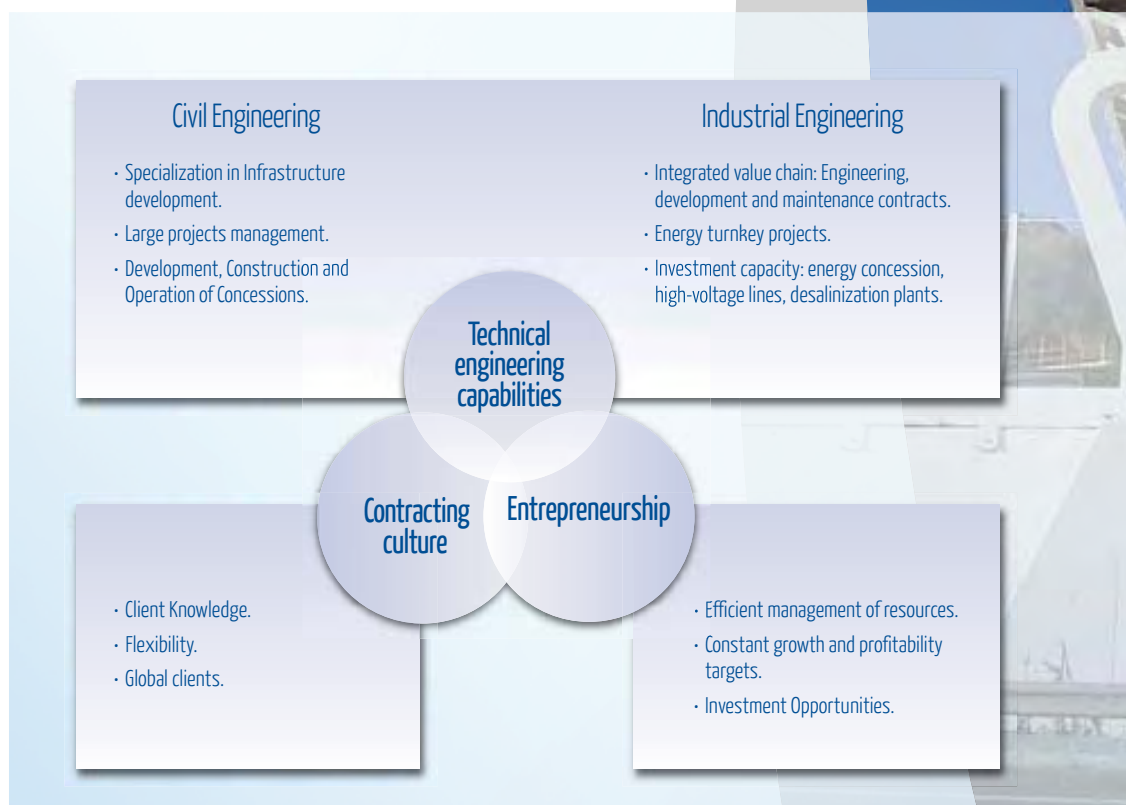
- Improving the society in which we live by helping to grow the economy, generating wealth through the ACS Group's own activities, thereby guaranteeing the well-being of citizens.
- Respecting the economic, social and environmental backdrop, innovating in the establishment of company procedures and respecting in each of the activities carried out by the Group, the recommendations of the main domestic and international institutions.
- Helping the economy to grow by creating stable, respectable and fairly-remunerated employment.

## Values

- **Experience** developing quality service which incorporates new technological breakthroughs for its clients.
- **Profitability** as a future guarantee, and as a tool to compensate shareholders for their trust and their investment.
- **Trust** from customers built on a long-term relationship and mutual familiarity.
- **Commitment** to sustainable development in order to serve society in an efficient and ethically responsible manner and to create value for its suppliers, clients, employees and shareholders.

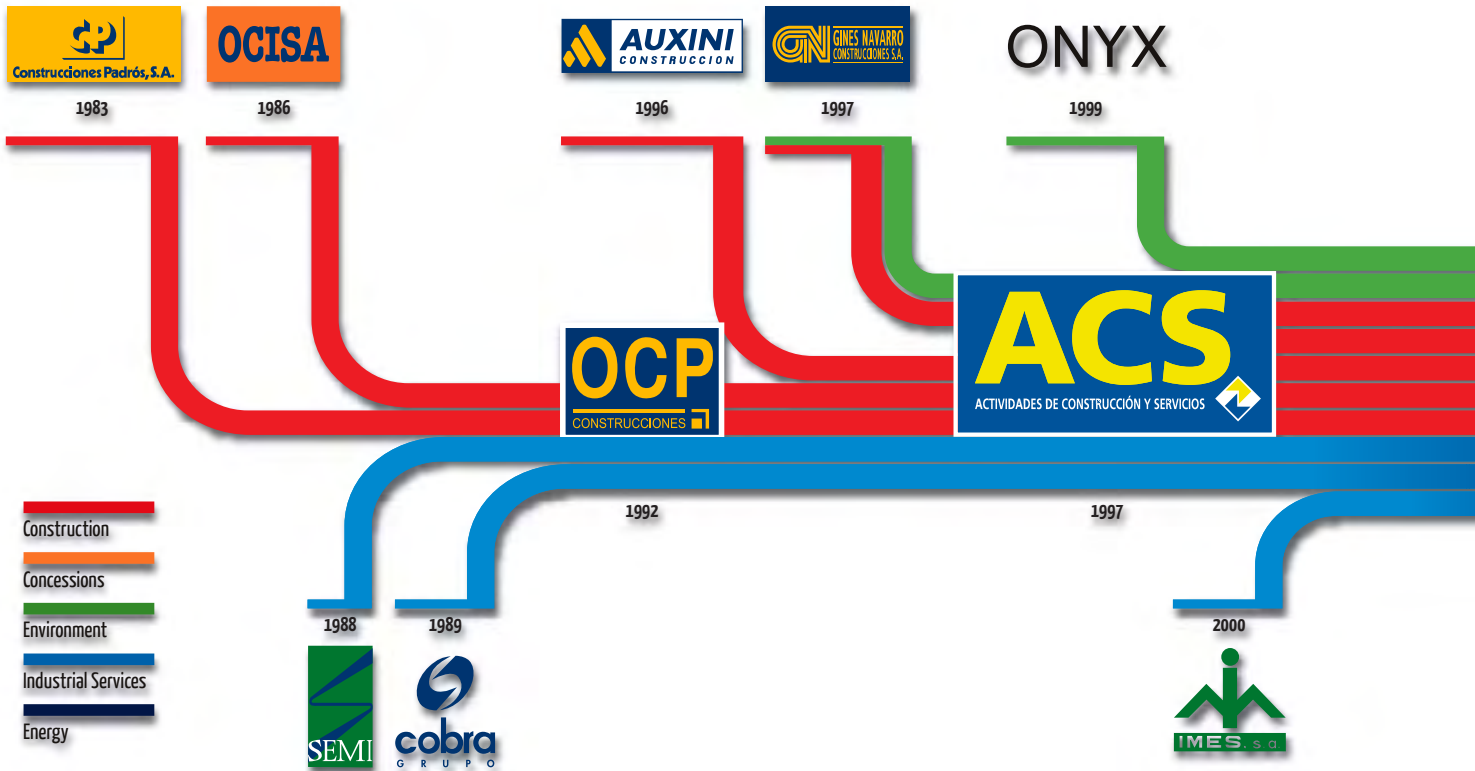
These values, which have formed part of the Group's culture since its foundation, have created the main competitive advantages which are the cornerstone of its past and future growth.

## Competitive advantages



# Corporate Strategy

## History



The ACS Group began operating in 1983 when a group of engineers acquired Construcciones Padrós, a mid-sized construction company with financial problems located in Badalona (Catalonia). After restructuring this company, the same strategy was employed with the acquisition of OCISA, a prestigious construction company which was larger and had already been in operation for over 40 years.

At the end of the eighties, a diversification process was initiated through the acquisition of SEMI, a company specialised in the maintenance and installation of electricity lines. This process was continued with the purchase of a majority shareholding in Cobra, one of the most renowned companies in the sector of support services to electricity and telecommunications companies, and a market leader with over 80 years' experience.

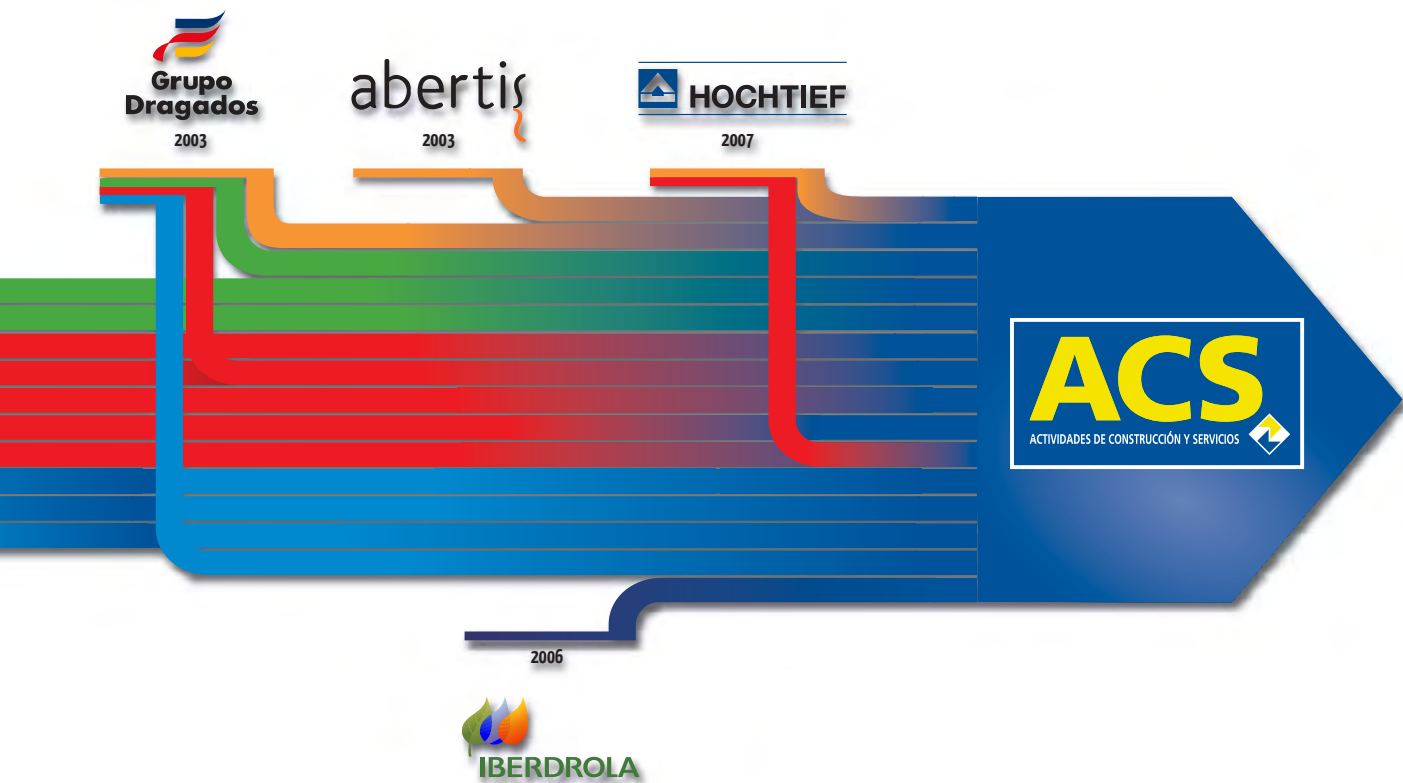
The first of the large company mergers took place in 1992 with the creation of OCP, which would be the seed for the Group structured as it is today. OCP became one of the leading construction company groups in Spain. A second large merger took place in 1997, with the creation of ACS as a result of OCP's merger with Auxini and Gines Navarro.

At the end of the nineties, the Group incorporated most of the companies forming its current services area; Onyx, a provider of environmental services; Imes, a company dedicated to public lighting services, integral maintenance and control services; and Vertresa, the largest waste treatment plant in Madrid.

The turn of the century started with the integration of the Dragados Group, which positioned the ACS Group as the indisputable leader in the Spanish market and as one of the most important companies in the industry on the European continent.

Parallel to this entire integration process, the ACS Group has established the basis for its future strategy, focusing its activity on relevant sectors of the Spanish and European economy. In 2003, Abertis, one of the top companies in infrastructure management, was created and the Group has progressively increased its stake in this company since then.

Later, in 2005, the Group established the base for its Energy area with its investment in Unión Fenosa and subsequently strengthened this area with the purchase of a holding in Iberdrola in the last quarter of 2006. These investments have enabled ACS to position itself as a benchmark industrial company with two of the main energy companies in the European market.



In 2007, the ACS Group acquired a share in Hochtief, a world leader in infrastructure development with a powerful presence in the USA, Central Europe, Australia and Southeast Asia. This operation is designed to provide a platform for the ACS Group to accelerate its international expansion.

In July 2008, the ACS Group sold its shareholding in Unión Fenosa with the objective of consolidating its position in the energy sector as the leading shareholder in Iberdrola, increasing its stake in the company to give it an outstanding role in the development of the premier Spanish electricity company.

In November 2008 ACS started to operate its first thermal solar plant with thermal storage devices in Spain, the plant Andasol I in Granada. In 2009 ACS has completed and started to operate two additional plants, achieving an installed capacity of 150 MW in operation. There are also 4 thermal solar plants under construction, which are expected to be completed in 2012 and 2013, which will mean a total installed capacity of 350 MW by 2013. This commitment to technology leads to the ACS Group to be a worldwide leader in the development of thermal solar plants with thermal storage devices.

Simultaneously, the ACS Group continues its international expansion in all its areas of activity, focussing on large-scale projects. In the Construction

area it has consolidated its position in the United States, with an order book of €2,500 million in 2009 and through the acquisition of two North American construction companies, Picone and Pulice, strengthening the position of the Group in North America. Furthermore, during 2009 it has been acquired the Polish construction company Pol-Aqua, specialized in civil works and with a large experience and presence in the Polish market that is characterized by its high growth, in addition to being the seventh country in the E.U. by investment in infrastructures.

In the Environment area, it has been completed the Marseille waste treatment plant, in addition to being achieved important contracts abroad that lead to an international order book of €3,400 millions at the end of 2009. The Industrial Services and Energy area, the most internationalized area of the Group, continues its expansion abroad, with its international order book growing by 25% in 2009.

The international expansion, which its medium-term target is to reach an international order book of 50% over the total, is one of the main pillars of the ACS's strategy. This strategy is mainly focused on guaranteeing the ACS Group's competitiveness, investment capacity, profitability and growth in the future.

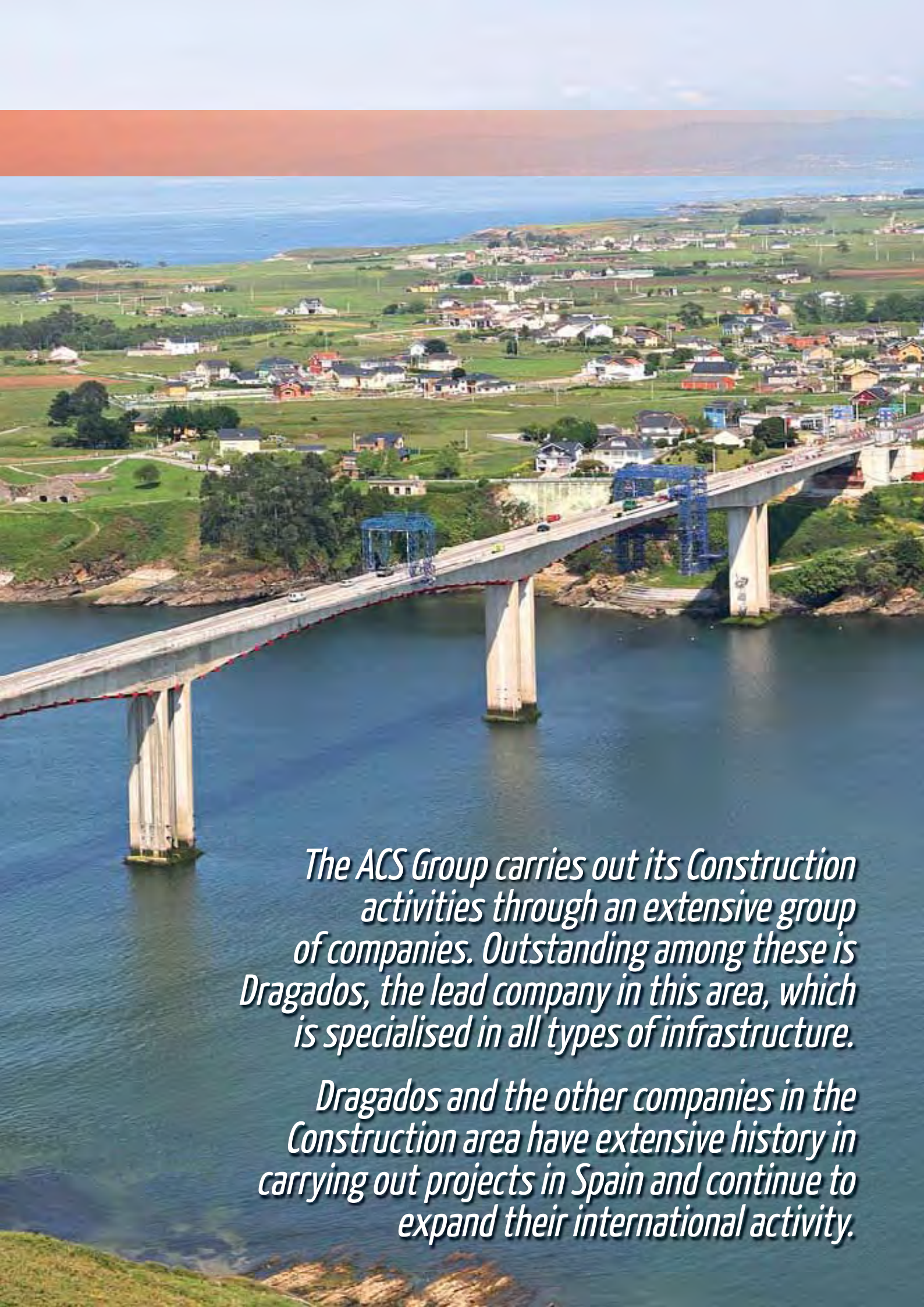
# Construction

- Sector environment 18
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*International activity in the  
Construction area grew by*

**74.9%**





*The ACS Group carries out its Construction activities through an extensive group of companies. Outstanding among these is Dragados, the lead company in this area, which is specialised in all types of infrastructure.*

*Dragados and the other companies in the Construction area have extensive history in carrying out projects in Spain and continue to expand their international activity.*

# Construction

## Sector environment

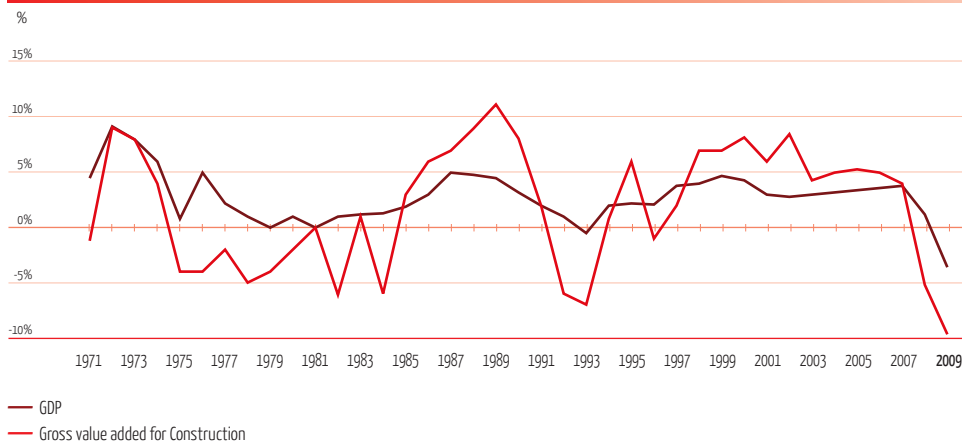
### Domestic market

The year 2009 was a readjustment period for the construction sector in Spain. According to Spain's National Statistics Institute (INE), total production in Construction in 2009, expressed as gross value added,<sup>1</sup> fell by 9.7% in comparison with the figure recorded in 2008. This fall exceeded those experienced in the first few years of the 80's and the two-year period 1993-94, the last two periods in which the sector went into recession.

From the point of view of total actual output<sup>2</sup>, according to data from Euroconstruct<sup>3</sup> the fall was significantly greater as it was down over 20% to €144,920 million.

This recession was produced by the reduction in building activity, particularly residential building which suffered a fall of over 42%, the second largest drop in Europe, surpassed only by Ireland.

Evolution of GDP and GVA for Construction in Spain.  
Rates of variation year-on-year



Source: INE and Seopan.

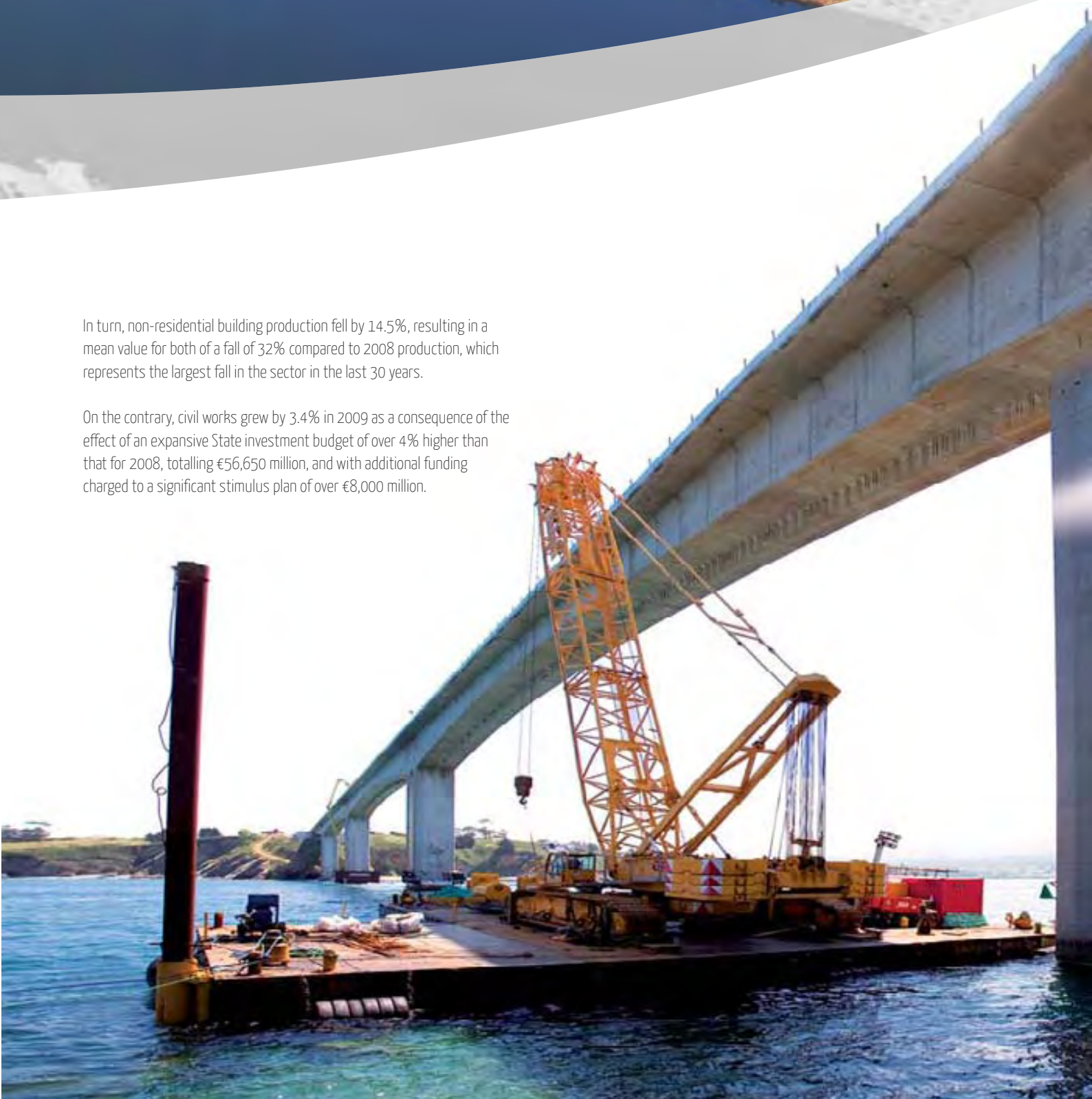
<sup>1</sup> Gross value added refers to the sector's total gross pay and salaries plus social contributions plus the gross operating surplus, including company profits before (direct) taxes, amortisations and non-salary income from work.  
<sup>2</sup> Actual output is defined as the gross value added plus taxes linked to production and products (licences, duties and insurance) plus the value of intermediate consumption (raw materials, part-finished products and services) included in the production process.  
<sup>3</sup> According to the document published by Euroconstruct in Zurich, November 2009.





In turn, non-residential building production fell by 14.5%, resulting in a mean value for both of a fall of 32% compared to 2008 production, which represents the largest fall in the sector in the last 30 years.

On the contrary, civil works grew by 3.4% in 2009 as a consequence of the effect of an expansive State investment budget of over 4% higher than that for 2008, totalling €56,650 million, and with additional funding charged to a significant stimulus plan of over €8,000 million.

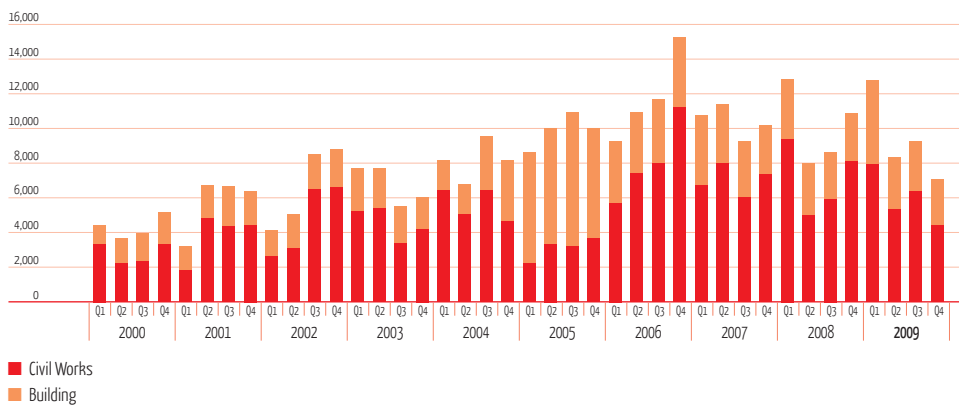


# Construction

Public tenders for civil works in 2009 fell 14% compared to those recorded in 2008, even after including the aforementioned stimulus plan which was put out to tender and executed during the first 9 months of the year.

## Public tender, Central Government. Quarterly data

Thousands millions of euros



Source: Seopan

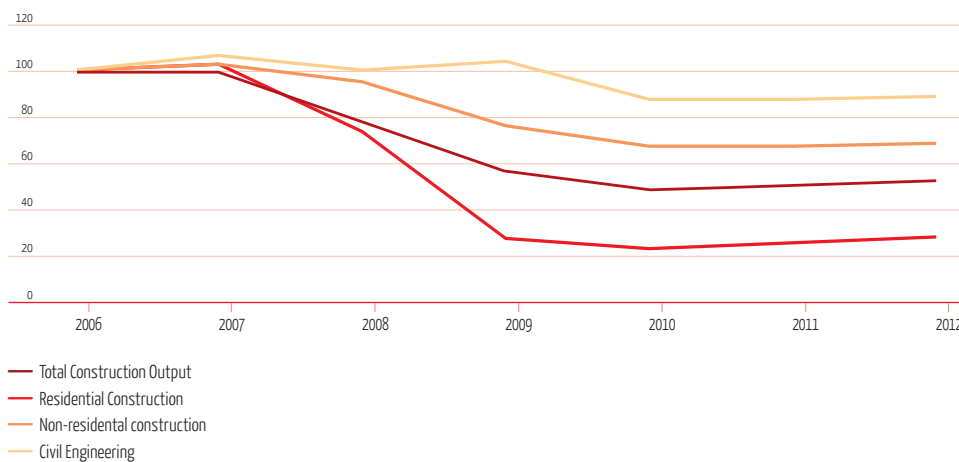
For 2010, a scenario of reduced activity in construction is forecast, but more moderate than that experienced in 2009. According to Euroconstruct, actual output in construction in Spain in 2010 will fall by 9.7%, half the fall of 2009, and based on the fulfilment of the macroeconomic scenario of a 1% reduction in GDP. With better GDP

performance than that considered in this scenario, the situation would improve significantly.

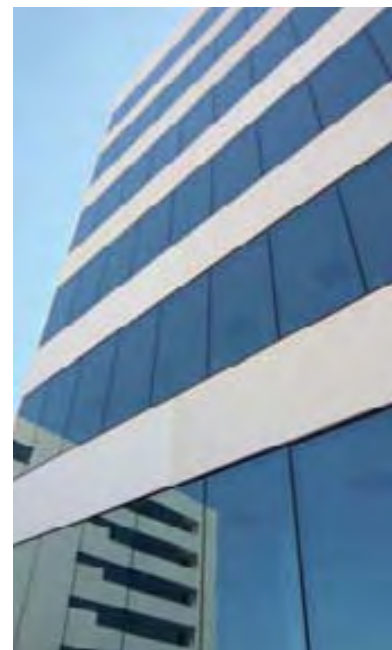
According to these forecasts, building activity will fall by 8.6% and civil works by 11.5% in 2010.

## Actual output projection for Construction by business segment in Spain

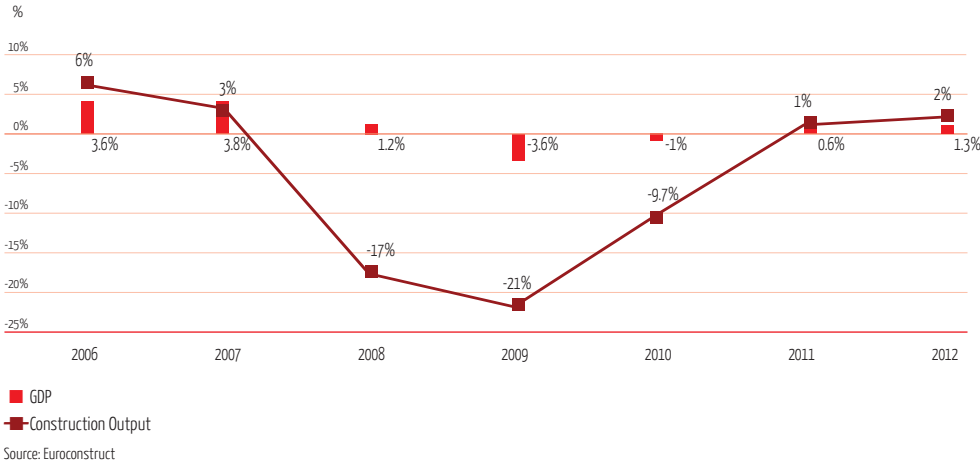
Base 100 in 2006



Source: Euroconstruct

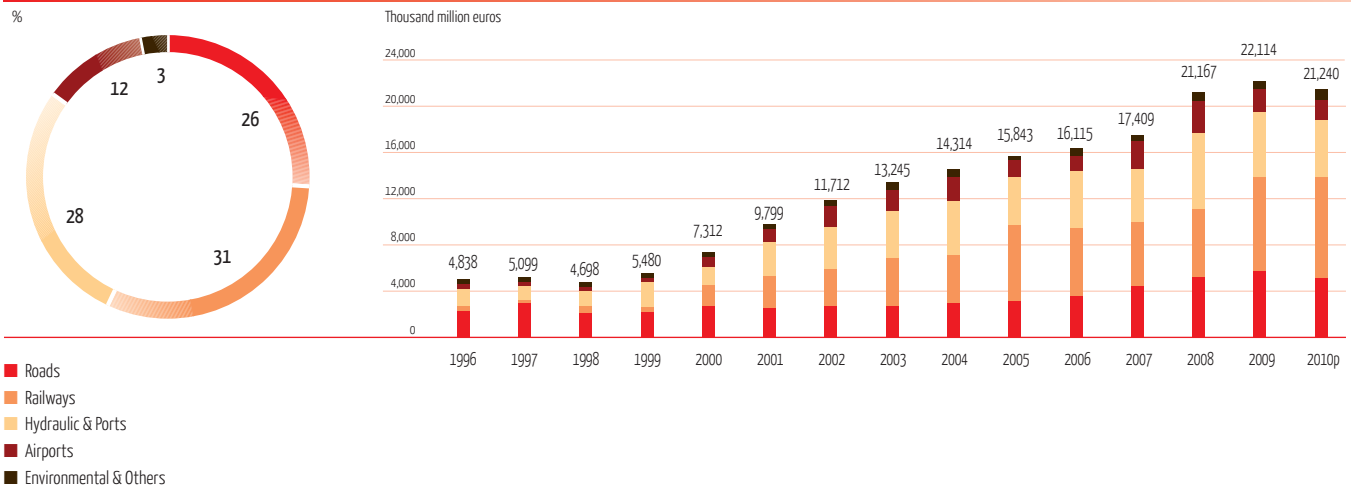


### Trend in GDP and actual output in Construction in Spain



Included in these forecasts is the Spanish Government's investment commitment, expressed through the General State Budgets for 2010, which includes investment in infrastructures of €21,240 million, 4% lower than the value budgeted for 2009.

### General State Budgets. Investment in infrastructures

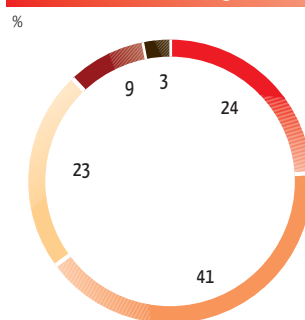


Investment will mainly be focused on railway development, an item which will receive over €8,800 million, with the objective of continuing to build the railway routes towards the east coast, the Cantabrian Coast and of continuing to improve the existing network.

# Construction

In addition, the Government plans to complement this investment commitment with a stimulus plan of over €5,000 million to be used in carrying out projects with public-private collaboration.

## Distribution of infrastructure investment in the General State Budgets for 2010



- Roads
- Railways
- Hydraulic & Ports
- Airports
- Environmental & Others

Source: Ministry of Economy and Finance, Spain

The Government's main objective is to continue to provide structure for the country in accordance with the Strategic Plan for Infrastructures, at the same time boosting employment and industrial activity. The main objective of the plan is to improve Spanish infrastructures during the period between 2005 and 2020 and this continues to be the reference framework for State investment. The total funds planned amount to €248,700 million, representing a commitment of nearly 1.5% of GDP over this term.

In this regard, the Spanish Government invested over €169,000 million during the period from 1996 to 2009 and over €92,600 million during the term of the plan, equivalent to 37% of total (4 percentage points above forecast).

## International Markets

The ACS Group carries out its Construction activities in various geographical markets, being the United States and Poland the countries where the ACS Group mainly reinforced its presence in 2009.

### The United States

According to a study by the University of Massachusetts-Amherst, over US \$290,000 million are invested each year in the maintenance and development of infrastructures. This high figure for investment, mainly in maintenance, comes from the enormous base of non-residential public infrastructures which now exists in the United States, the value of which is over US \$8,000,000 million, an extraordinary asset reserve which underpins the future growth of the world's leading economy.

Since 1980, investment in civil works in the United States has grown at a rate below that of the evolution of its GDP, meaning that systematic deterioration of its infrastructures has occurred, especially in hydraulic works and railways. The Obama administration has identified this deficit and, to boost investment, is developing an infrastructure programme which is forecast to generate 2,500,000 jobs in the first two years of his legislature.

It is estimated that the additional need for funds to bring American infrastructures up to date exceeds US \$100,000 million per year and that the execution of these projects would represent a significant contribution to growth in employment and to American GDP in the short term.

According to the American Recovery and Reinvest Act (ARRA), over US \$787,000 million will be invested in health and infrastructure improvements, tax reductions and economic stimulus. Up to August 2009, only 19% of this stimulus had been laid out.

An investment of US \$80,000 million is planned specifically in infrastructures. Outstanding among these are the development of high-speed railway lines, innovative solutions to improve urban public transport (such as those carried out by Dragados for the New York Subway) and an incomparable plan for hydraulic works against natural disasters in the south of the country. Furthermore, an increase in investment with public-private participation will take place through the development of transport concessions similar to those already carried out by states such as Florida, Texas or California.

Over the next few years, the United States will continue to be a reference and growth market for the ACS Group in the development of civil works infrastructure. This will be fundamental to maintaining an appropriate level of internationalisation and diversification to increase profitability and reduce risk in the Construction activity.

### Poland

The second market in which ACS is growing its presence at an international level is Poland. Investment in civil works in this country grew by 22% in 2009 and actual output was over €17,500 million. Euroconstruct estimates that the evolution of activity in Poland will continue to grow at the same rate in 2010 and that total investment in infrastructures will total €21,500 million (equivalent to 40% of the activity forecast from Spain in civil works).

There are three reasons supporting these forecasts for growth in activity. Firstly, the resistance of the Polish economy to the global crisis, with a GDP which grew by 1.1% in 2009 and forecast growth for 2010 of 1.8% according to the IMF.

Secondly, the existing deficit in infrastructures in comparison with neighbouring countries, especially in roads and highways, which has resulted in a powerful commitment from the Polish Government, as over 1,200 kilometres of roads have been developed in the country in the last 5 years.

And thirdly, a significant development and investment plan anticipating investment of over €82,000 million before 2013, with one short-term objective (the UEFA Euro 2012 football tournament) and one medium-term objective (the construction of a high-speed railway line).

Poland for ACS is a country in which to carry out projects under concessions and civil works projects to assist in the execution of its important infrastructure plan. The country's main objective at present is to achieve convergence with the European Union during this decade.



# Construction

## Business Strategy

The strategy for the Construction area follows the model defined by the ACS Group several years ago, which has enabled it to expand and reinforce its presence in various geographical markets and to maintain a solid position in spite of the market environment, and the objective of which is to continue growing efficiently during 2010 and the following years. This strategy is embodied in the following initiatives:

- Maintaining its **position as leader** in the domestic market, permitting sustainable development of the company's operating profitability.
- Developing a stable presence in its selected **international markets** by means of concession projects, tendering for one-off projects, based on a high level of specialisation, and through local companies and strategic partners.
- Increasing **operating efficiency** by carrying out large-scale works in the Civil Works area, which contribute greater profitability per project in line with their more complex technical requirements.

As a consequence of this clear commercial, corporate and operating strategy, the ACS Group maintains its lead in the sector in Spain, has a long track record in South America and is developing a strong presence in countries such as the United States and Poland. This strategy is based on the ACS Group's business values:

- A resolute contracting mentality acting as guide for a human team with excellent technical capabilities and a clear focus on clients.
- A highly decentralised organisation which converts each project into an independent, flexible, efficient and profitable unit.

These characteristics are complemented by competitive advantages acquired as the consequence of its structure, leadership and competitiveness over recent years:

- A prolonged and excellent relationship with its clients in Spain, especially public authorities which continue to demonstrate their commitment to infrastructures by increasing investment year on year.
- Construction is a mature and highly competitive business so it requires local client management. Over recent years, the ACS Group has demonstrated its capacity for planned and structured international expansion, limiting client risk and enabling it to apply the experience acquired where it is competing.
- Commercial strategy is focussed on large-scale, highly technical works which generate high added value through a strict policy of cost control, decentralised management and optimisation of working capital.

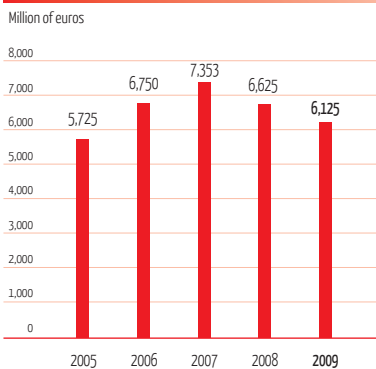


*As a consequence of this clear commercial, corporate and operating strategy, the ACS Group maintains its lead in the sector in Spain, is developing a strong presence in countries such as the United States and Poland and has a long track record in South America.*

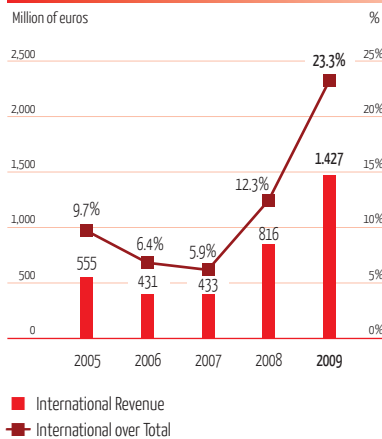
## Activity description

In the current context and thanks to the strategy laid out above, the Construction area closed 2009 with turnover in excess of €6,100 million, a level below that in the 2006 to 2008 period when Construction activity experienced a strong upturn, but above 2005 levels.

### Revenue evolution



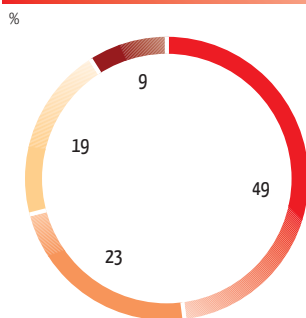
### International revenue evolution



International activity in the Construction area in 2009 totalled €1,427 million, representing growth of 75% with respect to 2008 and now corresponding to 23.3% of total turnover.

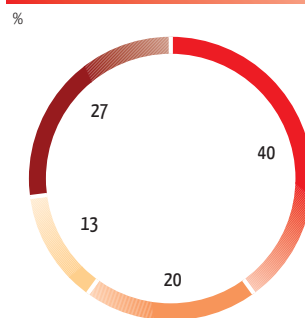
Domestic turnover, which totalled €4,698 million in 2009, was distributed by type of client between Public Authorities with 73%, with Spain's Central Administration being outstanding, and the remaining 27% with private clients, more specifically from large institutions and concession operating companies.

### Revenue breakdown by activity



- Domestic Civil Works
- International Civil Works
- Non-Residential Building
- Residential Building

### Domestic revenue breakdown by type of client



- Central Administration
- Autonomic Administration
- Local Administration
- Private Clients

# Construction

The ACS Group's focus on clients is a key factor in the Construction area. Public Authorities, mainly Spain's Central Administration and particularly the Ministry of Development and the Ministry of the Environment, as well as Autonomic and Local Administrations, are of great importance for the development of the activity. For this reason the Group has entered into a long-term commitment with them enabling it to identify their needs and to continuously and efficiently adjust the Group's supply accordingly.

By type and technical characteristics, ACS' Construction output is organised into **Civil Works**, covering all types of activities aimed at developing infrastructures such as motorways, railway, maritime, hydraulic and airport works, and **Building**.

## Civil Works

In **motorways and roads** the following projects carried out in 2009 are noteworthy:

- Construction of the N-332 road in the Sueca alternative stretch (Valencia, Spain).
- Construction works for the N-634 road connecting San Sebastián and Santiago de Compostela, in the stretch between the towns of Barres and Ribadeo (Asturias, Spain).
- Construction of the A-7 highway between l'Hospitalet de l'Infant and Montroig del Camp (Tarragona, Spain).
- Construction and equipping of the Tunnel Control Centre for the A-7 highway in the area between Nerja and Almuñecar (Malaga, Spain).

In **railways**, in which high-speed, interurban and metropolitan projects are encompassed, the following deserve special mention:

- Construction of urban tunnels and station in Gerona, within the project for the high-speed line between Madrid-Barcelona and the border with France (Gerona, Spain).
- Construction of the new railway complex for Atocha station (Madrid, Spain).
- Construction of the railway line on the Orense-Santiago route, in the stretch between Silleda and Boqueixón, on the high-speed line between Madrid and Galicia (Pontevedra, Spain).
- Construction of several stretches of high-speed line between Bobadilla and Granada in the provinces of Malaga and Granada (Spain).
- Construction of the stretch of high-speed line between Galdácano and Basauri (Bilbao, Spain).

- Works for the remodelling of Elche-Carrus station (Alicante, Spain).
- Work to eliminate the level crossings in the town of Valga (Pontevedra, Spain).

Among the works carried out in **hydraulic, coasts and port infrastructures**, the following deserve special mention:

- Expansion of the Ferrazo quay in the Port of Vilagarcía (Pontevedra, Spain).
- Construction of the Promenade at Playa de Poniente, Benidorm (Alicante, Spain).
- Construction of the dam at Villalba de los Barros (Badajoz, Spain).
- Execution of the works which make up the project for the Segarra-Garrigues canal over a 37 kilometre stretch in the Ponts municipal area (Lérida, Spain).
- Works for urban development, internal services and provisioning of the outer harbour of El Ferrol (La Coruña, Spain).
- Works for the Garrigues Sud irrigation project in the Juncosa, Bellaguarda and Els Torms municipal areas (Lérida, Spain).
- Works for repair and automation of the main Campo de Turia canal in the stretch between Benageber and Sifón de Loriguilla (Valencia, Spain).
- Construction of the Tous dam in Valencia (Spain).
- Construction of the Bens marine outfall (La Coruña, Spain).
- Expansion of the Port of Brens in Cee at La Coruña (Spain).
- Works for the construction of the Brandariz hydroelectric power plant (La Coruña, Spain).
- Works for the regeneration of the beaches at Rianxo (La Coruña, Spain).
- Construction of the coastal connection and the panoramic lift in the town of Ribadeo (Lugo, Spain).





## Building

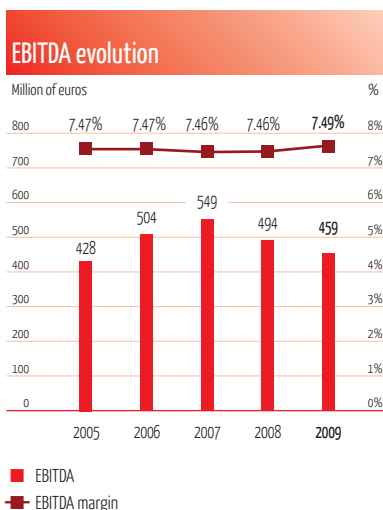
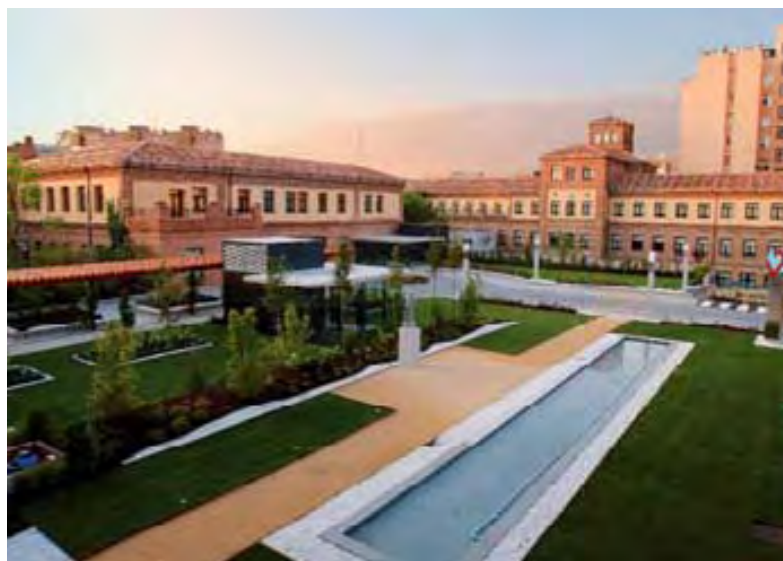
**Non-Residential Building** activity maintains its clear focus on Public-Private Partnership projects, without failing to serve demand for commercial buildings, as well as attending to institutional building needs for Public Authorities.

The ACS Group is involved in many public and private projects including:

- Works for the new La Fe Hospital (Valencia, Spain).
- Construction of Terminal 1 for Barcelona airport (Spain).
- Project for the “Las Arenas” leisure centre in Barcelona (Spain).
- Works for the remodelling of the Faculty of Medicine in Valencia (Spain).
- Construction works for the San Pau Hospital in Barcelona (Spain).
- Construction of the Mossos D'Esquadra Central Police Station in Sabadell (Spain).
- Extension and remodelling works for the Canaries' Maternal and Children's University Hospital (Spain).
- Construction of the new base for the Oviedo Provincial Historical Archive (Spain).

In terms of **Residential Building**, the activities the ACS Group carries out are mainly focussed on building of subsidised housing for Public Authorities or building of developments for third parties which require a high level of resources due to their complexity or size. The ACS Group does not carry out any property activities and does not own any land for development. In this activity, the ACS Group has developed and implemented rigorous risk controls in its dealings with suppliers, clients and subcontractors, which enable Dragados to carry out its activities with optimum profitability.

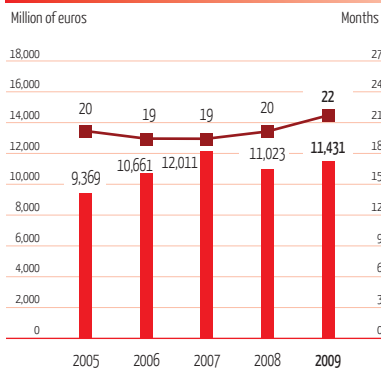
The Construction activity has **solid gross operating margins** as a consequence of the continual improvement in productivity achieved in recent years, the Group's growing internationalisation and an appropriate mix of businesses. This process has enabled ACS to become a more efficient and competitive company.



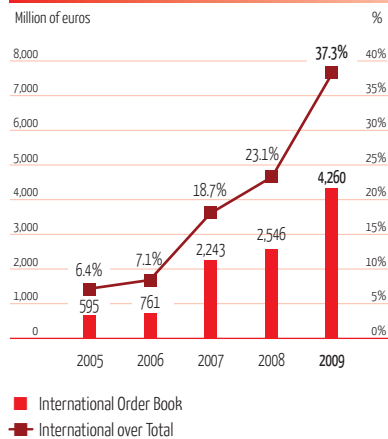
# Construction

At 31 December 2009 the Group's Construction order book totalled €11,431 million, a figure which guarantees 22 months of activity. Furthermore, it is important to highlight the significant increase in the international order book, which totalled €4,260 million at the end of 2009, representing 37.3% of the total order book.

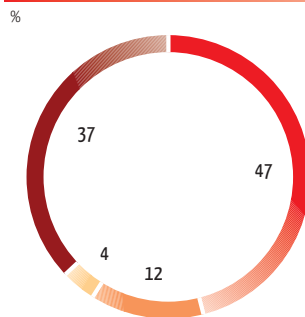
## Order book evolution



## International order book evolution

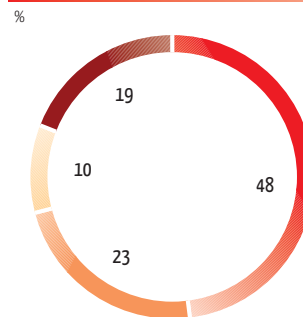


## Order book breakdown by type of project



- Domestic Civil Works
- International Civil Works
- Non-Residential Building
- Residential Building

## Domestic order book breakdown by type of client



- Central Administration
- Autonomic Administration
- Local Administration
- Private Clients

## Internationalisation

The Construction area's international exposure grew 75% in 2009 in comparison to 2008 to total €1,427 million and it now represents 23.3% of total turnover. On the other hand, the order book in the international area totals €4,260 million, representing 37.3% of the total. This growth is the result of an expansion strategy based on the development of concessions in new reference markets and the application of our local presence in tendering and construction of civil works projects with a high level of technical involvement.

The Construction area is carrying out projects in such diverse countries as Poland, Portugal, Greece and Ireland in Europe and is present in both hemispheres in America: in Chile and Argentina in the southern hemisphere and in Canada and the United States in the north.

Some important international projects in which the ACS Group is participating are: the execution of works such as the Central Greece Motorway and the Ionia Odos Motorway in Greece, the combined budget for which is €2,700 million; the expansion of the A-30 motorway in southern Montreal, Canada; the reconstruction of carriageway and restoration of the I-595 in Florida in the United States; and projects in the New York subway with a budget of over 1,800 million. In addition, ACS has been selected to take part in the construction of the first stretch of the high-speed line in Portugal (the stretch between Poceira and Caia) the budget for which is approximately €1,700 million.

### Countries where the ACS Group is developing Construction activity

2009 International Revenue

€1,427 mn  
23.3% of total

2009 International Order Book

€4,260 mn  
37.3% of total



# Construction

## North America

The contribution from activities in the United States and Canada stands out, as this area grew substantially in 2009 as a result of being awarded large civil works and concession projects. Over the next few years, the United States will continue to be a reference market and a clear future commitment.

The ACS Group, through its North American subsidiaries, has been competing in this market for many years, already has a significant presence in the area and is decisively driving expansion of this presence as shown by the recent purchase of companies such as Pulice Construction and John P. Picone in December 2009.

Pulice Construction Inc. carries out civil works projects, basically for roads and highways. The company has been the largest contractor to the ADOT (Arizona Department of Transportation) over the last five years. Its head office is in Phoenix (Arizona) and it is licensed to operate in the states of Arizona, Utah, Nevada and California. Its annual turnover in 2009 totalled €137 million, with an order book of €77 million.

On the other hand, John P. Picone Inc. has its head office in New York and also carries out civil works projects, mainly tunnels and infrastructures related with water. Its main clients are the New York Department of Environmental Protection and the New York Metropolitan Transportation Authority. The company's turnover in 2009 exceeded €175 million, whilst its order book was over €550 million in December 2009.

In short, ACS continues to consolidate its position in North America, with an order book of €2,820 million. It is currently developing concessions for infrastructures and Civil Works projects in Canada, New York, North Carolina, Florida and Texas. With the acquisition of Pulice and Picone, new opportunities arise in states such as Arizona, Utah, Nevada and California.

Some significant projects in the United States and Canada, which the ACS Group has been awarded in Construction through Dragados or jointly with Iridium Concesiones, are:

- The expansion of the New York subway, to enable the connection between Grand Central Station and the borough of Queens, with investment estimated

## ACS Group presence in North America



at over US \$1,200 million; the expansion of Grand Central Station in Manhattan; and another four expansion projects for the New York suburban network, on lines 2 and 7, the total budget for which is over US \$600 million.

- In Canada, the ACS Group is developing the Montreal bypass expressway, the A-30, a project for 42 kilometres and over 1,500 million dollars in total investment, with a duration of 35 years and an estimated execution timescale of four years.
- Remodelling of Miami airport's North Terminal for a total of US \$125 million.
- The improvement, construction and operation under a concession regime of the I-595 in Florida, over the 20 kilometres of its extension. Total investment exceeds US \$800 million and it has a concession term of 35 years.

Projects were procured in New York in 2009, such as the Newton Creek purification plant or the works for the construction and expansion of various subway tunnels, such as that for Northern Boulevard station.

## Poland

The second market in which ACS is increasing its presence is Poland, particularly after completing the acquisition of Pol-Aqua in October 2009. This is a Polish construction company specialised in civil works projects. It has annual turnover of €310 million and an order book of 18 months of activity.

With this acquisition, the ACS Group seeks to develop a local presence in a country with great opportunities for carrying out projects under a concession regime and civil works projects, given the significant infrastructure plan being executed and by reason of which total investment of over €21,500 million is forecast for 2010.

The ACS Group was awarded significant projects in this market in 2009, such as the construction of the A-1 highway between Piekary Slaskie and Maciejów, the works for the S-5 road between the towns of Gniezno and Czachurki and the project for the construction of the A-4 highway in the stretch between Wierchoislawice and Krzyz.

## ACS Group projects in Poland

**S-5 road between Gniezno and Czachurki**  
Length: 14.9 km. Investment: 107 mn.



**A-1 highway between Piekary Slaskie and Maciejów**  
Length: 20.1 km. Investment: 193 mn.



**A-4 road between Wierchoislawice and Krzyz**  
Length: 12.1 km. Investment: 105 mn.



# Construction

## Main contracts awarded

The following contracts awarded in 2009 are noteworthy

Main contracts awarded in 2009	Amount (million of euros)	Type of project
Project for the construction of the I-595 highway (Florida, U.S.A.)	845	Civil Works- Roads
Works for the Portuguese high-speed railway line construction between Poceirao and Caia (Portugal)	289	Civil Works - Railways
Project for the construction of the A-1 highway, between Slaskie and Maciejów (Poland)	193	Civil Works- Roads
Construction of A-21 highway stretch between Venta de Judas and Yesa (Navarra, Spain)	173	Civil Works- Roads
Works for the enlargement of the Atocha railway station (Madrid, Spain)	171	Non Residential Building
Construction of S-5 stretch between Gniezno and Czachur in Poland.	107	Civil Works- Roads
A-4 highway construction between Wierzchoslawice and Krzycz (Poland)	105	Civil Works- Roads
Construction of Newton Creek's purification plant in New York city (U.S.A.)	98	Civil Works - Hydraulic or Maritime
Contract for the construction of the tunnel of Northern Boulevard subway station (New York, USA)	90	Civil Works - Railways
Construction of the highway between Lavacolla y Arzúa in A Coruña (Spain)	88	Civil Works- Roads
Works for the improvement of Route 5, from Puerto Montt to the village of Pargua in the Lakes region (Chile)	85	Civil Works- Roads
Works for the construction of the intersection in Coria del Río-Almenseilla in the SE-40 highway (Seville, Spain)	82	Civil Works- Roads
Works for the construction of the Algarve Litoral highway in Portugal	65	Civil Works- Roads
Project for the construction of the University Hospital of Guadalajara (Spain)	62	Non Residential Building
High speed railway section building between Valladolid-Palencia, in the area of Venta de Baños (Palencia, Spain)	57	Civil Works - Railways
High speed railway section between Peña de los Enamorados y Archidona (Malaga, Spain)	55	Civil Works - Railways
Hydraulics works for MTA in New York (USA)	50	Civil Works - Hydraulic or Maritime
Project for the refurbishment of the Eivissa airport terminal (Eivissa, Spain)	48	Non Residential Building
Building of 215 apartments in Madrid (Spain)	20	Residential Building



# Organisational Structure

## Construction



## Concessions

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*Iridium experience  
as promoters includes  
over **100** concessions  
in **21** countries.*





A photograph of a modern, curved hallway. The ceiling is a grid of recessed lights, and the walls are a warm, orange-brown color. The floor is a light-colored, polished material. The hallway curves to the right, and the lighting creates a warm, ambient glow.

*Iridium is the ACS Group's lead company which, at a domestic and international level, manages concession and public-private collaboration projects for transport and public facilities.*

*In the course of its activity, Iridium carries out promotion, financing, investment, management, operation, administration, maintenance, conservation, refurbishment and conditioning of administrative infrastructure concessions.*



# Concessions

## Sector environment

The current economic situation, at a domestic and international level, is exemplified by the restriction and increased cost of bank financing, the general toughening of project conditions and reduced activity, as shown by the limited number of viable opportunities which can be tackled, as well as fewer competitors. Within this context, the various authorities need to continue their commitment to public-private collaboration formulas to carry out the development and maintenance projects for infrastructures, which continue to be main priorities to them all.



*International markets with great potential and extensive infrastructure programmes have been selected.*



## Business strategy

Iridium sees this environment as a challenge and an opportunity to be able to drive its development and internationalisation strategy. Iridium seeks its opportunities in those markets which provide legal and personal security, with a stable legal framework being necessary for contracts of this type, as well as capacity for financing in the local currency and the solvency of the financial system.

On fulfilling these requirements, international markets with great potential have been selected, until now, with extensive infrastructure programmes which are open to participation from large companies committed to society and which have great added value to offer.

As its vision and mission, in accordance with the ACS Group, Iridium's main objective lies in carrying out its activity to the client's satisfaction, maximising the profitability of the resources used and contributing to improving society through sustainable development. Iridium participates in the active management of operating concessions, optimising income, operating costs and the level of leverage. As such, Iridium identifies, evaluates and minimises each specific risk, assigning each of those accompanying construction and operation to the appropriate responsible person who can best manage it, by means of contractual structures appropriate for achieving effective management of these risks and their mitigation.





# Concessions

## Activity description

Wholly owned by ACS, Iridium is and has been, as a consolidated group over the last few years, the world's leading company in infrastructure promotion and development. It manages a diversified portfolio of more than 45 projects in the world's main markets. Its competitive position results from the advantages provided by optimising its resources, the extensive experience of its professionals, the development and application of cutting edge technology and the use of the most sophisticated financing structures.

In line with the strategy and guidelines laid down, development activity in the last financial year was focused on domestic and North American markets, followed by those of Portugal and Chile. In other markets such as Ireland, the United Kingdom and Greece activity was much lower and no business opportunities arose last year, while other specially selected countries continued to be under constant study and are being approached progressively until such a time as they are mature and for selection of projects in agreement with the security and stability criteria required within the ACS Group.

As regards the types of projects, all types of concession opportunities have been studied in Spain, both for transport infrastructures and those for public facilities subject to availability risk. At an international level, however, activity has continued to be focused basically on transport infrastructures which, due to their characteristics and the great know-how Iridium has developed over decades, enable better exploitation of the competitive advantages and return on the resources employed by the company.

The following table summarises the most relevant ACS' transport infrastructure and public facilities services concessions at 31 December 2009:

Concession-Description	Grupo ACS stake	Country	Activity	Phase	Unit	Expiry date	Total investment (million of euros)	ACS Investment (million of euros)*
A8 - Bidelan Guipuzkoako Autobideak	50.00%	Spain	Motorways	Operation	124	2013	62	3
La Mancha Highway	75.00%	Spain	Motorways	Operation	52	2033	128	21
Alicante ringroad	50.00%	Spain	Motorways	Operation	148	2040	438	76
Henarsa (R2 y M50)	35.00%	Spain	Motorways	Operation	87	2024	517	56
Accesos Madrid (R3/R5 y M50)	19.70%	Spain	Motorways	Operation	90	2049	1,073	84
Reus-Alcover	85.00%	Spain	Motorways	Operation	10	2038	68	14
Ruta de los Pantanos	33.30%	Spain	Motorways	Operation	22	2024	107	5
Santiago Brión	70.00%	Spain	Motorways	Operation	16	2035	111	15
Los Pinares Highway (Valladolid Cuellar)	53.30%	Spain	Motorways	Operation	44	2041	94	14
Medinaceli-Calatayud Highway (Aumecsa)	95.00%	Spain	Motorways	Construction	93	2026	122	13
Camp del Turia Highway (CV 50)	65.00%	Spain	Motorways	Construction	20	2042	121	10
A-21 Pirineo Highway	72.00%	Spain	Motorways	Construction	46	2039	241	26
EMESA (Madrid Calle 30)	50.00%	Spain	Motorways	Operation	33	2040	300	50
Eje Diagonal	100.00%	Spain	Motorways	Construction	67	2041	398	50
A-30 Nouvelle Autoroute 30	50.00%	Canada	Motorways	Construction	74	2042	1,208	75
Vespucio Norte Express	46.50%	Chile	Motorways	Operation	29	2032	626	98
San Cristobal tunnel	50.00%	Chile	Motorways	Operation	4	2035	83	19
Ruta 5. Tramo Puerto Montt - Pargua	100.00%	Chile	Motorways	Construction	55	2040	113	32
Jónica Highway (NEA ODOS)	33.30%	Greece	Motorways	Constr. / Oper.	380	2037	1,115	64
Central Greece	33.30%	Greece	Motorways	Construction	231	2037	1,623	52
CRG Waterford - Southlink	33.33%	Ireland	Motorways	Operation	24	2036	319	20
CRG Portlaoise - Midlink	33.33%	Ireland	Motorways	Construction	41	2038	367	26
Sper - Planestrada (Baixo Alentejo)	49.50%	Portugal	Motorways	Construction	347	2039	539	78
Rotas - Marestrada (Algarve Litoral)	45.00%	Portugal	Motorways	Construction	260	2039	271	48
A-13, Thames Gateway	25.00%	U.K.	Motorways	Operation	22	2030	276	10
Platinum (Bakwena) - PT Op.	25.00%	South Africa	Motorways	Operation	381	2031	231	0
I595 Express	100.00%	U.S.A.	Motorways	Construction	17	2044	1,172	145
<b>Total Motorways (km)</b>					<b>2,717</b>		<b>11,723</b>	<b>1,104</b>
Figueras Perpignan - TP Ferro	50.00%	Spain - France	Railways	Construction (1)	45	2054	1,085	51
Subway Barcelona's Line 9	50.00%	Spain	Railways	Constr. / Oper.	48	2040	592	31
Sevilla Subway	34.00%	Spain	Railways	Operation	19	2038	680	46
Arganda subway	8.10%	Spain	Railways	Operation	18	2029	133	3
Poceirao-Gaia Portuguese high-speed railway	15.20%	Portugal	Railways	Construction	167	2050	1,651	37
<b>Total Railway (km)</b>					<b>297</b>		<b>4,141</b>	<b>168</b>
Brians Prison	100.00%	Spain	Jail	Operation	95,182	2034	106	14
Central Police Station (Ribera Norte)	100.00%	Spain	Police Station	Operation	60,330	2024	66	12
Vallés Central Police Station (Terrasa)	100.00%	Spain	Police Station	Operation	8,937	2031	16	3
Vallés Central Police Station (Barberá)	100.00%	Spain	Police Station	Operation	9,269	2031	16	4
Green Canal Golf	100.00%	Spain	Sport premises	Operation	60,000	2012	1	2
<b>Public Facilities (m²)</b>					<b>233,718</b>		<b>204</b>	<b>35</b>
Majadahonda Hospital	55.00%	Spain	Hospital	Operation	749	2035	247	15
Son Dureta Hospital	49.50%	Spain	Hospital	Construction	987	2038	312	17
Can Misses Hospital (Ibiza)	40.00%	Spain	Hospital	Cosntrucción	258	2042	132	11
Mallorca Health Centers	49.50%	Spain	Health Center	Construction	-	2021	21	3
<b>Public Facilities (number of beds)</b>					<b>1,994</b>		<b>712</b>	<b>46</b>
Plaza de Castilla Transfer Station	50.00%	Spain	Transfer Station	Operation	59,650	2041	169	41
Príncipe Pio Tranfer Station	70.00%	Spain	Transfer Station	Operation	28,300	2040	64	11
Avda América Transfer Station	100.00%	Spain	Transfer Station	Operation	41,000	2026	23	5
<b>Total Transfer Stations (m²)</b>					<b>128,950</b>		<b>256</b>	<b>57</b>
Iridium Aparcamientos	100.00%	Spain	Parking	Constr. / Oper. (2)	5,389	2058	63	45
Serrano Park	50.00%	Spain	Parking	Construction	3,157	2048	120	10
<b>Total Parkings</b>					<b>8,546</b>		<b>183</b>	<b>55</b>
<b>Total Concessions</b>							<b>17,220</b>	<b>1,465</b>

\* ACS Group financial investment in the concession project.

(1) Construction completed in 2009, but partial exploitation does not begin until 2010.

(2) Covers all contracts managed by Iridium Aparcamientos.

# Concessions

## Relevant events

Within the scope of the portfolio of operating projects, as well as of Iridium's corporate activity, the following relevant events occurred in 2009:

- Iridium led the table of the world's main infrastructure concession groups again in 2009, according to the ranking published annually by the specialist journal "Public Works Financing" (PWF).
- The company was a winner of several awards, both in the financing of projects and in their promotion and management. Euromoney Project Finance magazine adjudged the financing for the I-595 expressway in Florida (USA) as winner of the "North America Transport Deal of the Year 2009" award, the Nouvelle Autoroute 30 expressway in Montreal (Canada) received the "Gold Award for Project Financing" conferred by Canadian Council for Public-Private Partnerships and the "North American PPP Deal of the year 2008", also from the publication Euromoney Project Finance. Furthermore, ARTBA (American Roads and Transportations Builders Association), an association of the main construction and engineering companies and departments of transport for the various US authorities awarded ACS Infrastructure Development, a North American subsidiary of Iridium, with Best Project 2009 for the I-595 interstate expressway in Florida and the French Chamber of Commerce and Industry in Barcelona, which gathers over 500 French and Spanish companies, presented TP Ferro Concesionaria S.A. with the "X Premio Pirineos".
- The works on the high-speed railway line between Figueras and Perpignan were completed in 2009, precisely fulfilling the contractual obligations. This is the subject of a concession held by the company TP Ferro Concesionaria S.A., which is 50% owned by companies belonging to the ACS Group.
- Full operation of the San Cristóbal Tunnel in Santiago de Chile, connecting the Avenida Américo Vespucio to the El Salto sector, began on 7 March 2009.
- On 22 November the whole of Seville's Metro Line 1 was opened. This is operated as a concession by the company Metro de Sevilla Sociedad Concesionaria de la Junta de Andalucía S.A., of which 34.01% is owned by companies belonging to the ACS Group. This line is the first to operate in the Andalusian capital and has a route 18 kilometres long with 22 stations. Passenger demand grew continuously as the process of opening the line progressed.
- The concession holder CRG Waterford started operation of the N25 Waterford Bypass in the Republic of Ireland on 19 October, 6 months

ahead of schedule with respect to the contract timescale. The main part of the works, executed by a consortium in which Dragados had a 50% stake, is the new cable-stayed bridge over the river Suir as it flows through the city of Waterford, its 465 m making it Ireland's longest bridge.

- The official opening took place on 30 October of the Central Complex at Mossos de Escuadra in Sabadell, Catalonia. This is a group of new buildings with a gross floor area of 66,000 m<sup>2</sup>.
- Five stations on Barcelona's Metro Line 9 were opened on 13 December. The concession consists of a total of 13 stations which are to go into service progressively between 2009 and 2013.

The company continued to show great efficiency and capacity for innovation in the management of project financing. In this regard, several financing operations were arranged over the course of 2009 without recourse to shareholders, in spite of the extremely difficult global economic and financial situation. Noteworthy among these are:

- Finalising of financial arrangements for the Bajo Alentejo motorway (Portugal) on 31 January 2009 for €382 million, of which €200 million was provided by the European Investment Bank.
- Financing arrangements were completed on 25 February for the San Cristóbal Tunnel in Santiago for UF1.9 million.
- On 5 March the financing arrangements were completed for the I-595 in Florida (United States), for US \$1,389 million in two tranches. The first is by means of a bank credit signed for US \$781 million with 13 institutions with a term of 10 years and the second by means of a Federal Government loan (TIFIA) for US \$678 million with a term of 33 years.
- On 6 April the European Investment Bank joined the financing consortium for the Hospital de Son Dureta (Spain) project with the sum of €70 million on top of the €271 million of financing granted to the project.
- Financing arrangements were completed on 20 April for the Algarve Litoral highway project in Portugal for €165 million, provided in full by commercial banking.
- Refinancing was completed on 11 June for the Platinum Corridor concession in South Africa.

## Internationalisation

At an international level, as we have already seen, Iridium has projects in different countries which meet its requirements for investment. The North American market is one set as a priority for the ACS Group, where Iridium is present with offices in 7 states in the United States and one delegation in Canada.

### USA

The US Department of Transportation will continue to provide financial support to infrastructure projects carried out by the private sector and there are initiatives in the stimulus package framework aimed at improving these instruments. The American market will need promoters with great financial and technical capabilities and the ACS Group is positioned as a leader in public-private partnership projects with new construction, hence it finds itself in a privileged position to selectively tackle new opportunities and consolidate current projects. Furthermore, it is participating proactively in the identification of infrastructure projects and in the promotion of appropriate legislation to permit the implementation of these contracts in those states where an adequate legal market still does not exist.

### Canada

With a level of infrastructure inferior to the country's economic level and with a great tradition for the promotion of concession projects, Canada presents itself as a country with great opportunities for these types of contracts for public-private initiatives. Opportunities are anticipated in the short and medium term for transport, hospital and public facilities infrastructures. The most active provinces are Ontario, British Columbia, Alberta, New Brunswick and Quebec, which have been outstanding both due to the volume and complexity of their projects and for their earnest nature and fulfilment in carrying out their tender plans.

*In 2009,*  
**Iridium leader**  
*is again the*  
*of the ranking of the world's main*  
*infrastructure concession groups.*

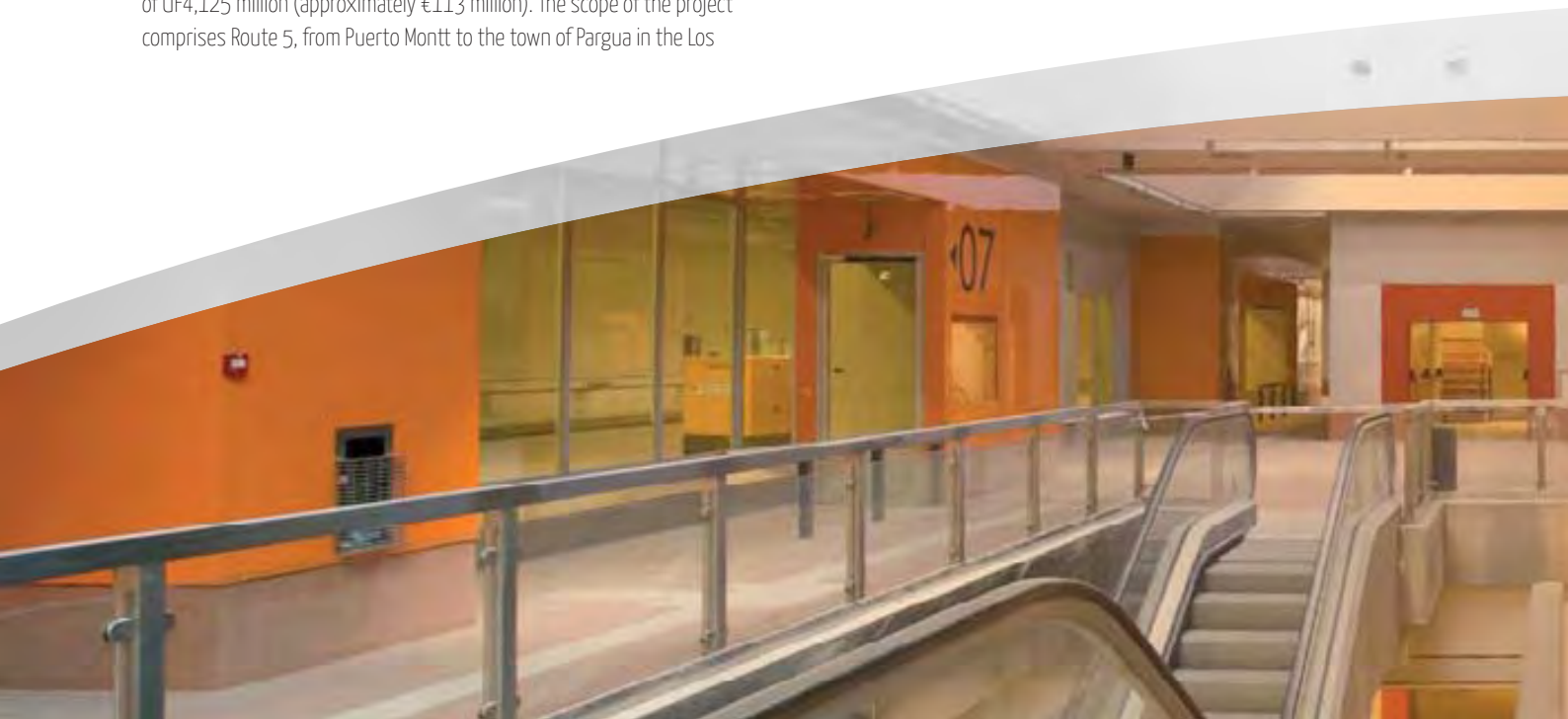


# Concessions

## Contracts awarded

In 2009 the ACS Group (or the consortia in which its companies participate) was awarded the following concession projects for transport and public facilities infrastructures:

- The concession for the design, construction, financing, operation and maintenance of the Diagonal Artery in Catalonia (Spain). The duration of the concession is 33 years, with a total investment of €398 million and a total length of 67 kilometres. Construction includes 35 kilometres of new road, of which 13 kilometres will be highway of two-lane dual carriageway and the other 22 kilometres will be single carriageway in each direction. The other 32 kilometres will involve conditioning and improving the existing roadway.
- The concession for the design, construction, financing, operation and maintenance of the Pyrenean Highway (Navarre, Spain). Total investment is €241 million and the concession term is 30 years. The total length of highway to be operated is 46 kilometres.
- The concession for the design, construction, financing, operation and maintenance of the Algarve Litoral highway subconcession in Portugal for an investment amount of €271 million. It is made up of several conventional roads, the main one being the EN125 national highway which runs along the whole south coast of Portugal between the towns of Sagres, near Cape San Vicente and Vila Real de Santo Antonio, near the border with Spain. Thirty-three kilometres of new roads will be built: 19 kilometres of motorway and 14 kilometres of single carriageway. Another 227 kilometres of road will be improved, of which 32 are motorways and 195 are single carriageway roads. The concession period is 30 years. The concession contract was signed on 20 April 2009.
- The concession for the construction, financing, operation and maintenance of Route 5 (Puerto Montt – Pargua stretch) in Chile, for an investment sum of UF4,125 million (approximately €113 million). The scope of the project comprises Route 5, from Puerto Montt to the town of Pargua in the Los Lagos region. The 55 kilometre long motorway lies 1,050 kilometres south of Santiago and connects Puerto Montt to the access to the island of Chiloe, a tourist destination.
- The concession for the design, construction, financing, operation and maintenance of Portugal's high-speed railway line in the Poceirao to Caia stretch (Madrid to Lisbon route), as well as the design, construction, financing and operation of a new station at Évora. The amount of investment is €1,651 million, covering a length of 167 kilometres and the concession term is 40 years. This is the first contract awarded for the development of Portugal's high-speed network (Madrid - Lisbon - Oporto - Vigo). The high-speed line will connect Lisbon and Madrid with journey times of 2 hours 45 minutes and Lisbon to Évora at 30 minutes.
- The concession for the operation of an underground car park, with a total of 897 spaces, for the Gregorio Marañón University General Hospital in Madrid, with a term of 5 years which can be extended year on year up to a maximum of 10 years.
- The concession for the construction and operation of the car park for the new La Fe Hospital in Valencia. A total of 1,716 spaces will be operated to provide a service to the hospital. The concession duration is 40 years.
- The concession for the design, construction and operation of a 318-space car park in the Avenida de las Comunidades de Mérida (Badajoz). The concession duration is 40 years.
- The concession for the construction and operation of the 300-space car park located in the Cambrils town council square, in Tarragona. The concession duration is 40 years.





Additionally, the following events, significant for the company's development, have occurred since the end of the 2009 financial year. In January 2010, the consortium headed by Iridium received the provisional award for the project for to execute the works for the new Can Misses Welfare Centre and two associated health centres (Ibiza), as well as their conservation and maintenance throughout the term of the concession. In February 2010 consortium in which Iridium participates received construction, conservation and operation of 10 new health centres and basic health units on the island of Mallorca.

At the end of 2009 Iridium also participated in several consortia previously selected or short-listed for the following projects, where continuity is anticipated for this financial year:

- In Canada, the consortium in which Iridium participates is short-listed for the South Fraser Perimeter Road project in Vancouver and the Windsor – Essex Parkway project in the province of Ontario.
  - The subject of the South Fraser contract is the design, construction, financing, operation and maintenance of a new route with four carriageways along the south bank of the Fraser River.
  - The Windsor – Essex Parkway project consists of the design, construction, financing, operation and maintenance, over 30 years, of a motorway 11 kilometres long with 6 carriageways to connect the 401 motorway in Ontario to the border with the State of Michigan (United States).



- In Ireland, the consortium in which Iridium participates has been selected for the BAFO phase for the Dublin Metro project.
- In Chile, Iridium is short-listed for several motorway projects and is taking part in the Ministry of Public Works' current concessions programme.
- In Portugal, Iridium continues to take part in the motorways programme. The launch of 6 new projects is expected, with estimated investment of over €1,800 million. It also continues to participate in the development of Portugal's high-speed railway. After the awarding of the contract for the first 167 km to link the Spanish border at Caia with Poçeira, the programme will continue with the development of four further stretches under a concession regime, completing the Lisbon to Valença (border with Galicia) route, with investment of over €8,000 million.
- In the United States, Iridium is carrying out the pre-development of the project for Mid Currituck in North Carolina and is participating in projects in the states of Florida, New York, Georgia, Texas and California, as well as in Puerto Rico.

*The company manages a diversified portfolio of projects located in the world's leading markets.*

# Environment

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# 11.9%

*average annual growth of Enviroment's activity during the last 5 years.*





*The ACS Group engages in its activities in the Environment area through three companies with extensive experience which are leaders in their respective sectors in Spain; Urbaser, Dragados SPL and Clece.*



# Environment

## Sector environment

The Environment area carries out its activities to attend to the needs of two types of client: public authorities –mainly local or regional– and private clients seeking to outsource services, mainly the maintenance of their non-productive assets, or which require port or logistic services.

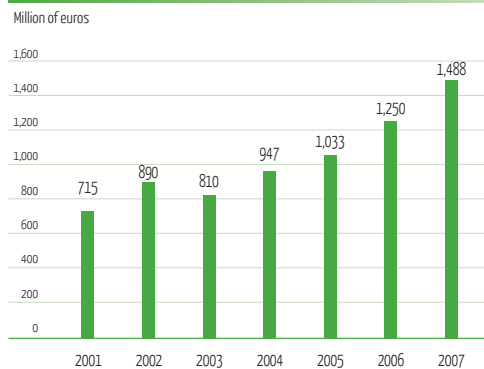
### Environmental Services

The Environmental Services sector maintains resistance to changes in the economic cycle due, on the one hand, to the importance of environmental policies in the current setting, resulting in the growth in the budgetary items dedicated to the area and, on the other hand, to the fact that these types of services are highly influenced by factors such as demographic growth or patterns of consumption.



As such, growing social awareness and the objective of reducing harmful gas emissions are reflected in all spheres of society, both in private companies and public authorities. In private companies located in Spain, investment in environmental protection (reduction of emissions, waste handling, water saving, etc) went from €715 million in 2001 to €1,488 million in 2007, according to the latest data published by Spain's National Statistics Institute (INE).

### Evolution of investment in environmental protection in Spain



Source: INE



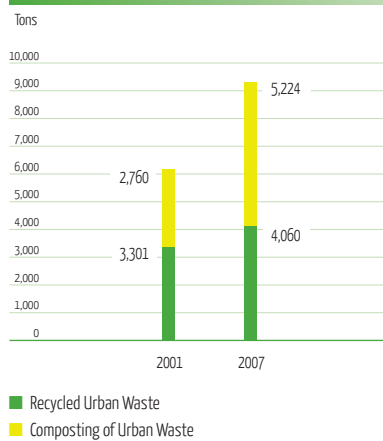
On the other hand, public authorities, city councils and local corporations, responding to citizens' demands and new European directives, are maintaining and in some cases increasing their environmental budgets and developing assets under concession for treating and recycling urban waste. The amount of urban waste recycled and allocated for composting grew by over 53% between 2001 and 2007, according to the latest data published by INE. In percentage terms, urban waste recycling increased from 23% of the total in 2001 to 33% of the total in 2007.

Another significant source of growth is the coming on stream of new installations, the result of tenders from previous years for meet the need to adapt waste treatment systems to the new regulations limiting the use of dumps. Over the last ten years, with the help of the European Union, a large number of waste treatment and sorting plants have been constructed in Spain (almost one per population centre of more than 100,000 inhabitants), most of which are equipped with composting and/or biomethanization processes, where the organic fraction of urban waste is treated.

In this situation it can also be seen that street cleaning and waste collection services have experienced a sustained increase, in spite of the fall in economic activity, as these are public services which are completely basic and necessary for public health. There is still potential for growth in this field deriving from smaller municipalities which tend to outsource these services to achieve greater efficiency and significant cost savings.

Outside of Spain, the trend is the same, especially in developed countries with legislation being ever more committed to sustainable development. One of the European Union's short-term objectives in the environmental area is to reduce greenhouse gas emissions by 8% in 2012 with respect to 1990 levels. In the longer term, up to 2020, it would be necessary to reduce these emissions by between 20 and 40%. To achieve this objective it is necessary to drive improvements in activities related to greenhouse gas emissions, such as those generated naturally in solid urban waste dumps (carbon dioxide and methane).

### Evolution of recycled urban waste in Spain



Source: INE

# Environment

Waste management is a fundamental subject within the European Union. The countries of the European Union generate over 1,300 million tons of waste per year.

In this respect, the European Union proposes reducing the final amount of waste generated by 50% by 2050. Among the measures adopted to achieve this are: improving the existing waste management systems, investment in quantitative and qualitative prevention and the preparation of a strategy for sustainable management of resources, by means of establishing priorities and reducing consumption.

It is not possible to reduce waste generation to zero and, conscious of this, the European Commission has defined methods to reduce its environmental impact, such as:

- The obligation of all Member States to prepare legislation which prohibits abandonment, dumping and uncontrolled disposal of waste.
- To promote the prevention, recycling and transformation of waste, to be able to reuse it.
- Cooperative measures between Member States with a view to establishing an integrated and appropriate network of facilities for disposal and treatment.

The waste treatment industry in Europe continues to grow, independently of the economic situation or the political persuasion of each country. This growth is endorsed by legislation, guaranteeing sustained future growth.

The potential for international growth continues to be very significant, by means of tenders for integral urban waste treatment plants in countries which adapt their facilities to new, more demanding regulations, such as the United States, England and France.

## Social Healthcare Services and Facility Management

In parallel with the market for environmental services, significant demand has developed in Spain for facility management services, as a consequence of the growing trend towards outsourcing which both large business groups and public authorities are experiencing.

Clece, the ACS Group's lead company in this business, has an outstanding presence in these markets, in several of which it is the outright leader. Its success is based on two competitive advantages:

- The capacity to respond with efficient, comprehensive and flexible solutions to the needs of clients to outsource services which do not form part of their core business or activity.
- The capacity to form teams capable of providing a personalized and committed service to each client (administrative section, office, airport, hospital or educational centre), which clearly distinguishes the company from its competitors.

*This area is characterised by the growing trends towards outsourcing which both large business groups and public authorities are experiencing.*



Clece's experience in managing significant numbers of people provided it the base to support the extension of its activities into the scope of social services, aimed at people who are dependent or at risk of exclusion.

The ACS Group's commitment to the Social Services sector means responding to the consequences of progressive ageing of the Spanish population, being in tune with the push the Administration has decided to provide by means of the Dependency Law to groups in vulnerable situations, all with a degree of efficiency which results in sustainable costs for the Administration.



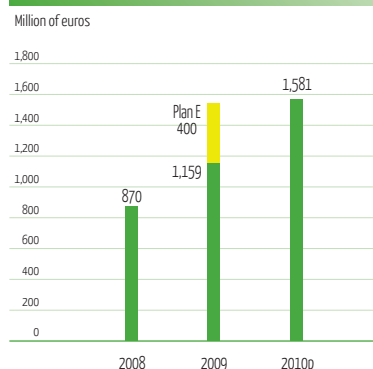
Period	Total Spanish Population	Population 65 years-old and over		Population 65 to 79 years-old		Population 80 years-old and over	
		Total	% over total	Total	% over total	Total	% over total
1900	18,618,086	967,754	5.2%	852,389	4.6%	115,365	0.6%
1910	19,995,686	1,105,569	5.5%	972,954	4.9%	132,615	0.7%
1920	21,398,842	1,216,693	5.7%	1,073,679	5.0%	143,014	0.7%
1930	23,677,794	1,440,739	6.1%	1,263,626	5.3%	177,113	0.7%
1940	26,015,907	1,699,860	6.5%	1,475,702	5.7%	224,158	0.9%
1950	27,976,755	2,022,523	7.2%	1,750,045	6.3%	272,478	1.0%
1960	30,528,539	2,505,165	8.2%	2,136,190	7.0%	368,975	1.2%
1970	34,040,878	329,800	1.0%	2,767,061	8.1%	523,739	1.5%
1981	37,693,363	4,236,724	11.2%	3,511,593	9.3%	725,131	1.9%
1991	38,872,268	5,370,252	13.8%	4,222,384	10.9%	1,147,868	3.0%
2001	41,116,842	7,037,553	17.1%	5,404,513	13.1%	1,633,040	4.0%
2005	44,108,530	7,332,267	16.6%	5,429,048	12.3%	1,903,219	4.3%
2010	46,017,560	7,742,903	16.8%	5,506,338	12.0%	2,236,565	4.9%
2020	47,037,942	9,062,634	19.3%	6,306,689	13.4%	2,755,945	5.9%
2030	47,559,208	11,192,700	23.5%	7,853,747	16.5%	3,338,953	7.0%
2040	47,932,948	13,766,839	28.7%	9,400,818	19.6%	4,366,021	9.1%
2049	47,966,653	15,325,273	31.9%	9,680,933	20.2%	5,644,340	11.8%

Source: INE

The Dependency Law is the reference framework for developing social services provided through public authorities by private operators such as Clece. Despite the current context of economic crisis, the General State Budgets for 2010 allocate €1,581 million to these headings, representing an increase over the 2009 figure.

There is strong growth potential in this field as, according to data from the State Association of Social Services Directors and Managers, there are around 250,000 people in Spain who are in a situation of acknowledged dependency, but who do not receive any attention, as well as approximately 120,000 applicants awaiting assessment.

### Evolution of Budgets for the Dependency Law



Source: General State Budgets.  
\* Spanish Plan to boost the Economy and Employment.

# Environment

Other areas of expansion which Clece is exploring are:

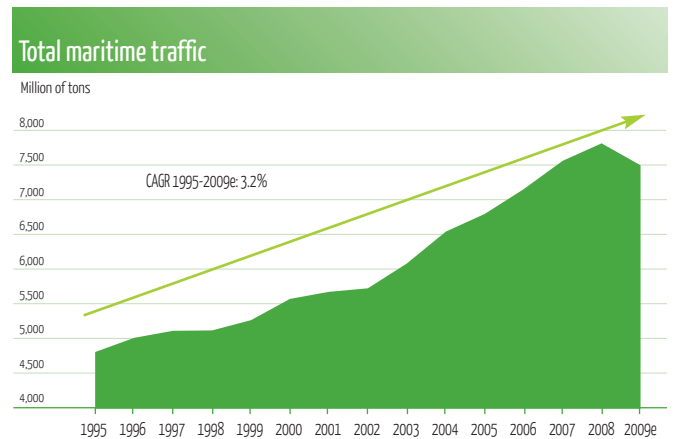
- Contracts and services related to the maintenance of buildings to improve energy efficiency. This is a sector on the rise, with strong growth potential derived from plans for savings promoted by governments.
- Airport services, aimed at aircraft, airports and the people who move through them (in particular those with reduced mobility).
- Special care for landscaped areas in administrative zones and business parks.
- Supply of catering services aimed at groups (students in schools and universities, patients in hospitals, employees in business centres, etc).

New opportunities arise not only in activities, but also for complete attention to new sectors and clients. In this regard it is worth mentioning the State Security Forces, one of the institutions with the greatest presence and highest number of material and human assets in the country, which is increasing its outsourcing of services.



## Port services

In relation to the last segment of activity in Environment, Port Services and Logistics, the global economic crisis had a significant effect on container traffic and maritime transport activities during 2009.



Source: Fearnleys

In 2009, the number of containers in transit (in Spain, measured in TEUs) fell by 11% to a figure slightly over 6.2 million TEUs as a consequence of a difficult situation in terms of global trade and the transport of merchandise, which has meant that the main players in the industry have needed to take measures against the forecast slowing in activity, affecting margins from it.

However, the port of Valencia, operated by SPL through Marvalsa, its main asset, has defensive characteristics due to its location, mix of traffic and efficiency which have enabled it to be an exception almost worldwide and to finish the 2009 financial year with growth of 15.6% in TEUs transferred.



Source: Spanish Port System



## Business strategy

The ACS Group's Environment area has maintained solid growth over recent years, which, combined with attractive profitability levels, has enabled it to position itself as one of the leaders in the sector in Spain. Furthermore, the Group's international presence is also being progressively increased, especially through Environment activities. For the future, the Group's strategy for this area is to seek to maintain this growth and development model, which is summed up in the following strategic principles:

- To grow internationally, especially in Environmental Services, to achieve a position of **leadership** in those activities in which the ACS Group specialises.
- To improve internal and the clients' **operating efficiency** by means of technological advances and improvements in the management of human resources and of capital.
- To continue with a coherent policy for **diversification of its activities**, applying its know-how and experience to new fields which show the capacity to generate added value.

This strategy is based on the ACS Group's values and culture, with which the Environment area is clearly aligned, since:

- Focus on the client is a central theme in its activity. It provides services to clients who demand significant benefits for society, continuous improvement in their efficiency, support for their outsourcing policies and rationalisation of tasks which are not a central part of their core business.
- The ACS Group's companies have a proven capacity for adapting to the changing characteristics of projects, enabling them to increase the efficiency of the services provided and, therefore, their profitability for clients and the ACS Group.

These characteristics are complemented by the following competitive advantages, which will enable the Environment area to maintain its prominent position in the sector in Spain:

- It is a step ahead of the competition technologically in waste treatment: street cleaning, recycling, composting and the generation of renewable energy from waste biomass (biomethanization and thermal treatments), enabling the ACS Group to compete in any country in the world with guarantees of success.
- Its solid financial position and appropriately balance structure enable it to tackle investments in concession-type and long-term projects which increase the viability and recurrence of income.
- The experience accumulated during over two decades in Facility Management services results in new opportunities arising in the multi-service field, aimed both at companies and authorities, such as: social services, airports, energy efficiency and industrial catering, among others.

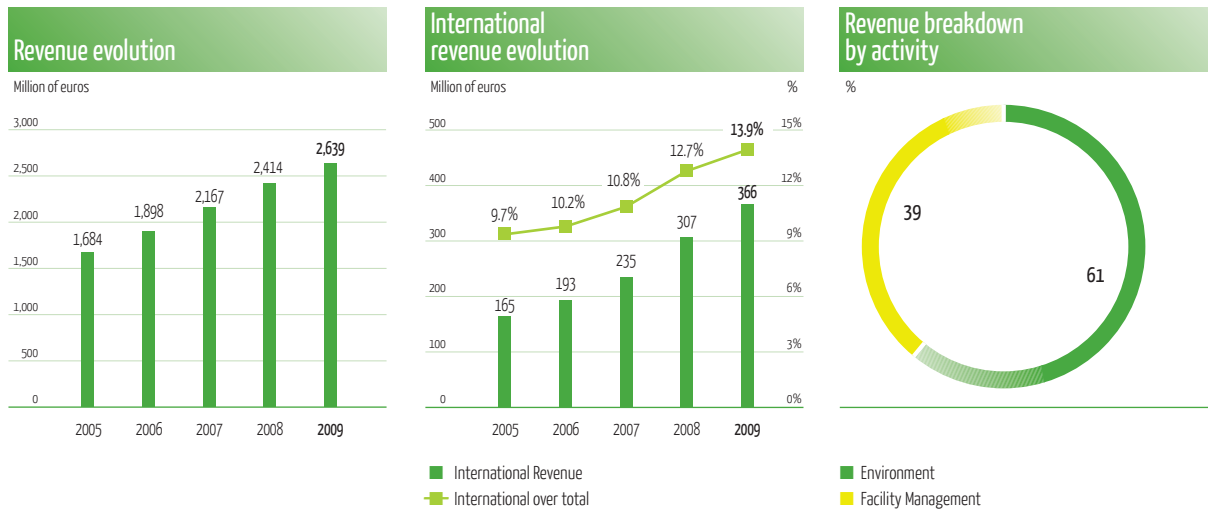


*The aim of these activities is to maintain a sustainable growth rate with attractive returns.*

# Environment

## Activity description

In 2009, the ACS Group achieved net sales of €2,639 million in the Environment area. This represents growth of 9.3% for the year<sup>1</sup> in comparable terms. The annual compound rate of growth over the last five years is 11.9%, reasserting ACS's leadership in Spain and consolidating the Group as a reference company in the European market.



Note: Port and Logistic Services have been excluded from these data for the 2005-2008 period in order to make the comparison with 2009 homogeneous.

Environment activity is grouped around three business lines: Environmental Services, Facility Management and Port and Logistic Services.

**Environmental Services** is the area specialising in waste management and treatment, engaging in street cleaning, waste collection and transport, treatment and recycling of urban waste, integrated management of the water cycle and urban gardening. The ACS Group, through its company Urbaser, is the leader in the management of solid urban waste treatment plants in Spain and has undertaken significant projects abroad.

During 2009, Urbaser managed the following facilities for the treatment and disposal of solid urban waste:

- 44 Plants for the pre-treatment of solid urban waste with an installed capacity of 7,026,436 tons/year.
- 8 Energy recovery plants with a treatment capacity of 2,076,000 tons/year and an installed electrical power of 205.09 MW.



<sup>1</sup> In all the data in this chapter, the Port and Logistic Services activity has been considered as an asset maintained for sale in order to make the historical data comparable with those for 2009.

- 19 Plants for the biomethanization of organic fractions with an installed capacity of 1,361,260 tons/year.
- 50 Composting installations with an installed capacity of 2,584,568 tons/year.
- 78 Transfer plant installations with an installed capacity of 7,004,008 tons/year.
- 48 Controlled waste dumps with an installed capacity of 9,179,439 tons/year.
- 14 Waste dump degasification installations which produce 421 Hm<sup>3</sup> per year of biogas.

During 2009, Urbaser completed the construction of a large integral solid urban waste plant in Marseilles (France), which will process 450,000 tons per year and which is now starting commercial operation.

Furthermore, the expansion of a waste incinerating plant in Mallorca with two new lines to treat 450,000 tons/year was also completed. Provisional acceptance will take place in the first months of 2010 and it will then start commercial operation.



Ecoparc 1 in Barcelona has been operating at rated capacity after the remodelling carried out in 2008.

Activities continued in street cleaning, treatment and purification of urban waste water, gardening in cities, collection and treatment of hospital waste and disposal of industrial waste and waste from demolition and building.

In addition, it treated and disposed of 3.2 million tons of inert waste and 112,567 tons of industrial waste; 109,477 tons for the regeneration of mineral oils and 167,000 tons of Marpol-type oils.



*International activity represents the 14% of the total turnover in this area.*



# Environment

Within the water cycle, the following facilities continued to be managed throughout 2009:

- 82 Industrial water purifying stations for 970,000 m<sup>3</sup> per day for the equivalent of 5,300,000 inhabitants.
- 17 Sewage operations for the equivalent of 985,000 inhabitants.
- 14 Water supply facilities for 229,000 m<sup>3</sup> per day for the equivalent of 910,000 inhabitants.
- 7 Drinking water treatment plants at 250,000 m<sup>3</sup> per day for the equivalent of 290,000 inhabitants.
- 7 Analysis and monitoring laboratories for the equivalent of 1,400,000 inhabitants.

Facility Management includes the services necessary for the optimum running of public or private use properties (facility management, cleaning or ancillary services), green-market related activities (gardening, reforestation and environmental recovery), care services for social collectives in situations of dependence, airport services and the management of advertising spaces in large installations and transport systems, without forgetting new activities with great potential for the future, such as industrial catering or energy efficiency.

The following contracts being executed during 2009 stand out within cleaning and maintenance services, as provided to both public authorities and large corporations:

- Cleaning services for the following hospitals and health centres: Juan Ramón Jiménez in Huelva (as well as energy management and facility management), Universitario Insular de Gran Canaria, Materno Infantil de Canarias, Vecindario Specialist Care Centre, Prudencio Guzmán Specialist Care Centre, Universitario de Gerona and Jerez de la Frontera Hospitals.
- Cleaning services for: the main warehouse at Arinaga, the offices and other departments for the Canal de Isabel II, the offices of the Community of Madrid's Judicial Bodies, the buildings on the Santiago de Compostela University campus and of the University of Cantabria.
- Contracts for facility management of: the Príncipe de Asturias Hospital in Alcalá de Henares (Madrid), the buildings and installations on Universidad Autónoma de Madrid campus, Endesa's buildings in Andalusia and Badajoz and the Santander Group's Financial City in

Madrid. Also integral management of the Teatros del Canal and the Auditorium of the Community of Madrid.

- Management of the warehouses on the CEPSA refinery in Huelva and of the Villa de Madrid warehouse for Madrid City Council.

In social healthcare services, the following contracts are of particular interest:

- Integral management of the San José de las Longueras care centre for the mentally handicapped in Telde, Grand Canary.
- Integral management of the elderly people's homes at Buñol and La Cañada in Paterna (both in Valencia), as well as the "Baños Salud" home in Venta de Baños (Palencia) and the "Parque Coimbra" home in Madrid.
- Home help service contracts for Barcelona, Jaen provincial council and Valladolid.

The following contracts can be highlighted in Catering Services:

- Pupil dining hall services for schools in Málaga, Córdoba and Sevilla.
- Kitchen, dining room and cafeteria service for the Universitario de Bellvitge and Viladecans Hospitals in Barcelona.
- Service for subsistence, lunches and/or dinners for accident and emergency, primary healthcare and health emergency staff for the Castilla León Regional Health Authority.

The following activities stand out in those related to the green market:

- Preventive forestry treatments against fire in the Sierra de las Estancias and Santa María Heritage Woodlands at Los Vélez (Almería).
- Urban gardening maintenance service in Lérida.

Clece also operates in the airport services market, where the following contracts can be highlighted:

- Aircraft cleaning service at Fuerteventura and Barcelona airports for the company Flightcare.



- Cleaning service in Barcelona airport for AENA.
- Sales point concession for operating a catering service (employee dining room) in Palma de Mallorca airport.
- Handling service for Malaga airport.

# Environment

Included in the area of **Port and Logistic Services** are port management and handling, maritime agency and transit activity, dry-dock management, intermodal transport and logistics.

In 2009, the ACS Group maintained its leadership as an operator of container terminals in Spain, handling nearly 5.0 million TEUs, continuing its outstanding presence in the ports of Valencia, Las Palmas - Grand Canary, Bilbao and Malaga.

Also noteworthy is the Group's leading role in other activities such as the handling of bulk materials (nearly 6 million tons), general cargo (over 4 million tons) and perishable goods (150,000 tons).

Ports-Description	% ACS stake	Consolidation Method	Country	Port	Type	Cargo	Phase
Marítima Valenciana	100.00%	Global	Spain	Valencia	Concession	Containers	Operation
Operaciones Portuarias Canarias (OPCSA)	45.00%	E.M.(1)	Spain	Las Palmas	Concession	Containers	Operation/Construction
Abra Terminales Marítimas (ATM)	77.74%	E.M.(1)	Spain	Bilbao	Concession	Containers	Operation
ITI - Iquique	40.00%	E.M.(1)	Chile	Iquique	Concession	Containers/General Cargo	Operation
Terminales Marítimas del Sudeste (Málaga)	89.00%	Global	Spain	Málaga	Concession	Containers	Operation/Construction
Terminal de Caucedo	15.00%	E.M. (1)	Dom. Rep.	Caucedo	Concession	Containers	Operation
Jing Tang	52.00%	Global	China	Jing Tang	Concession	Containers	Operation
Tecasa	77.78%	Global	Spain	Castellón	Stowage	Multi-use	Operation
TMS (Marmedsa)	81.00%	Global	Spain	Santander	Stowage	Dirty/clean bulk	Operation
Marítima Servicesa (Marmedsa)	51.25%	E.M. (1)	Spain	Valencia	Concession	Dirty bulk	Operation
Marítim. Valenc. Sagunto (Marvalsa)	100.00%	Global	Spain	Sagunto	Concession	Gen.Cargo. Fruit (refrig)	Operation
Graneles Sólidos Minerales (GSM)	81.00%	Global	Spain	Santander	Concession	Dirty bulk	Operation
Autoterminal	40.40%	E.M.(1)	Spain	Barcelona	Concession	Vehicles	Operation
FRICASA (Marmedsa)	75.00%	Global	Spain	Castellón	Concession	Fruit, perishables	Operation
Terminal Marítima de Cartagena, S.L.	50.01%	E.M.(1)	Spain	Cartagena	Stowage	Bulk/General Cargo	Operation
Terminales Marítimos de Galicia	19.98%	E.M.(1)	Spain	Coruña	Stowage	Bulk/General	Operation
WRC + TESC San Francisco do Sul	50.00%	Prop. (2)	Brazil	Santa Catarina	Concession	Containers	Operation/Construction
Indira Container Terminal	50.00%	Prop. (2)	India	Mumbai	Concession	Containers	Operation/Construction
Sadoport	50.00%	Prop. (2)	Portugal	Setubal	Concession	Containers	Operation
Agemasa	50.00%	Prop. (2)	Spain	Bilbao	Concession	Gen.Cargo. Fruit (refrig)	Operation

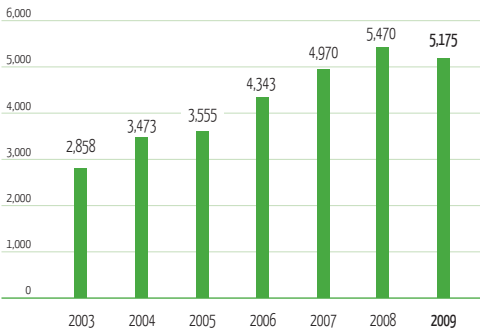
(1) Equity Method

(2) Proportional Integration



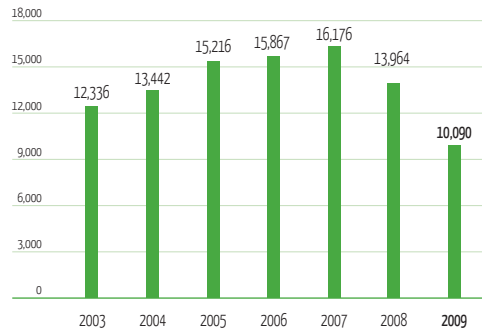
## TEUS

Thousand of TEUS



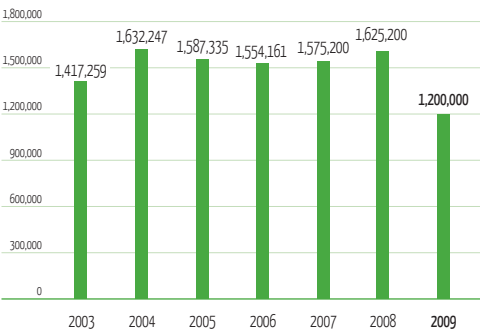
## Bulk and other cargo

Thousand of tons



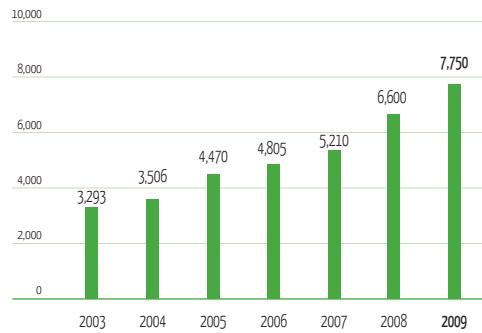
## Vehicles

Vehicles



## Agency Services

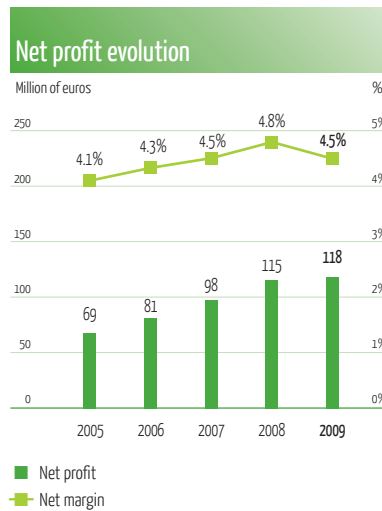
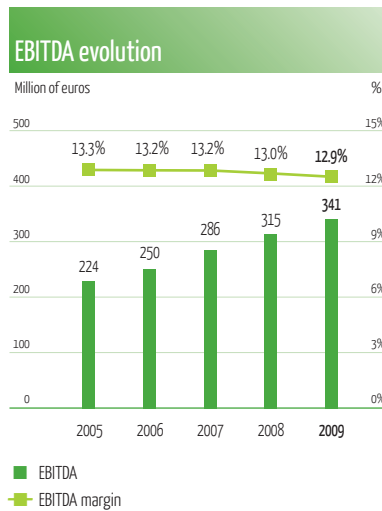
Port Calls



*Environment activities are based on medium and long-term recurrent contracts for both public and private clients.*

# Environment

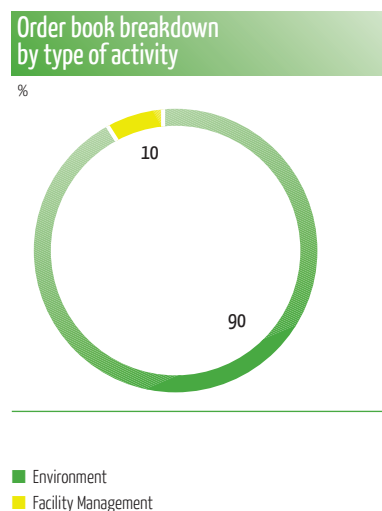
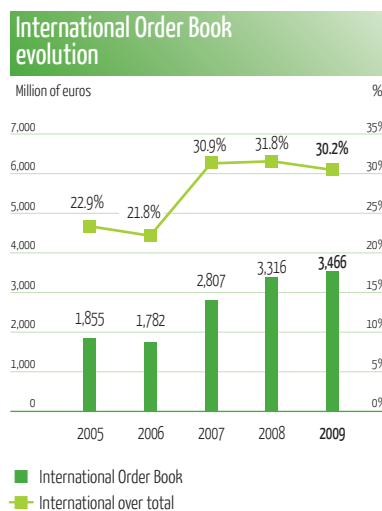
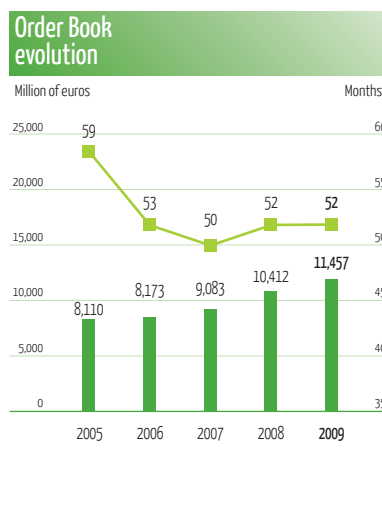
Environment activities are based on medium and long-term recurrent contracts for both public and private clients. Many of the activities are capital intensive and their concessional nature reduces risk and guarantees attractive profitability. This area provides the ACS Group with stability and geographic diversification in terms of revenues.



Note: Port and Logistic Services have been excluded from these data for the 2005-2008 period in order to make the comparison with 2009 homogeneous.



The ACS Group's Environment order book amounted to €11,457 million in 2009, up 10% on the previous year. This figure is equivalent to 52 months of activity.



Note: Port and Logistic Services have been excluded from these data for the 2005-2008 period in order to make the comparison with 2009 homogeneous.



# Internationalisation

International turnover in the Environment area grew by 19% in 2009 to total €366 million, 13.9% of total turnover. The order book in the international area in 2009 was €3,466 million, 4.5% higher than the year before and representing 30.2% of the total order book. Sales and order book at an international level have experienced strong growth, at a compound annual rate of 22% and 17% respectively over the last five years, as a consequence mainly of the promotion of waste treatment plants, which has enabled ACS to tender for significant projects in large cities outside Spain.

The Environment activity is the area with the greatest international presence. In the waste treatment area, where Urbaser has great experience due to the large number of treatment plants it has built and has in operation, in 2009 significant projects came to fruition in France (plants in Marseilles, Valence, Calais, Roanne and Paris) and Portugal (biomethanization at Mafra). Likewise, the urban solid waste treatment plants for Chateau D'Olonne and Chalosse in France have been

tendered for and contracted. Additionally, bids have been presented in Italy (Verona, Sardinia), the United Kingdom (Gloucestershire, Milton Keynes, Lincolnshire, Plymouth, Leeds), the United States (Los Angeles, Salinas Valley) and Canada (Toronto).

As regards the awarding of other projects for environmental management, in 2009 contracts awards were obtained for cleaning the historic zone of Paris and for waste collection in Joinville-le-Pont and Val de Garonne (France), Cali (Colombia) and Salé (Morocco). Urbaser's presence in Mexico has also expanded with the awarding in 2009 of the transfer plants in Hermosillo and the dumpsites at Cuyuaco and Obregón.

Furthermore, Urbaser has continued its activity derived from the contracts awarded in previous years in Morocco, Argentina, Colombia, Chile, the Dominican Republic, Venezuela, Panama, Mexico, Portugal, England, France, Dubai and Egypt.

## Countries where the ACS Group is developing Environment activity

2009 International Revenue

€366 mn  
13.9% of total

2009 International Order Book

€3,466mn  
30.2% of total



# Environment

## Main contracts awarded

The following contracts awarded in 2009 are noteworthy:

Main contracts awarded in 2009	Amount (million of euros)	Years	Awarded company
Project for the construction of an urban solid waste treatment plant in Barcelona (Spain)	642	21	Urbaser
Solid urban waste collection and street cleaning of the eastern area of the city of Barcelona (Spain)	381	8	Urbaser
Contract for the water supply facilities of the city of Totana (Valencia, Spain)	87	24	Urbaser
Concession for the dump exploitation of "Loma Los Colorados" (Chile)	65	16	Urbaser
Management of the at-home medical care service in two areas of the city of Barcelona (Spain)	54	3	Clece
Contract for the street cleaning and solid urban waste collection (Prat de Llobregat, Barcelona, Spain)	51	8	Urbaser
Contracts for toxic wastes management for a group of Spanish clients.	50	1	Urbaser
Water sewage systems management in the municipalities of Posadas and Garupá (Argentina)	35	0	Urbaser
Contract for the urban cleaning services in Aranda de Duero (Burgos, Spain)	26	10	Urbaser
Urban solid waste treatment plant construction in Chateau de D'Olonne (Vendée department, France)	21	3	Urbaser
Transport and collection of urban waste in Chiclaana (Cádiz, Spain)	20	4	Urbaser
Urban solid waste transfer plant in Hermosillo (Mexico)	20	17	Urbaser
At-home medical care services for the city of Malaga (Spain)	20	1	Clece
Concession for the dump exploitation of Obregon City (Mexico)	19	20	Urbaser
Dinning hall and cafeteria services for the Belvitge Hospital (Barcelona, Spain)	19	6	Clece



# Organisational Structure

## Environment

100%



Company specialising in waste management and treatment. Its activity encompasses street cleaning; the collection of solid urban waste and its subsequent treatment through the construction and operation of dumps and energy recovery plants; the management of renewable energies and cogeneration, the integrated management of special waste (industrial and hospital waste), integrated water cycle management and the management of urban gardening.

100%



Company specialised in the services necessary for the optimum running of public or private use properties (facility management, cleaning or ancillary services), green-market-related activities (gardening, reforestation and environmental recovery), care services for social collectives in situations of dependence, airport services, and the management of advertising spaces in large installations and transport systems

100%



Integrated operator of the logistics chain covering all its associated activities: port handling, including the management of container terminals (multiuse and specialised), maritime agency, transit, ancillary port services, dry-dock management, combined transport, auto logistics and railway transport. Leader in Spain in container handling.

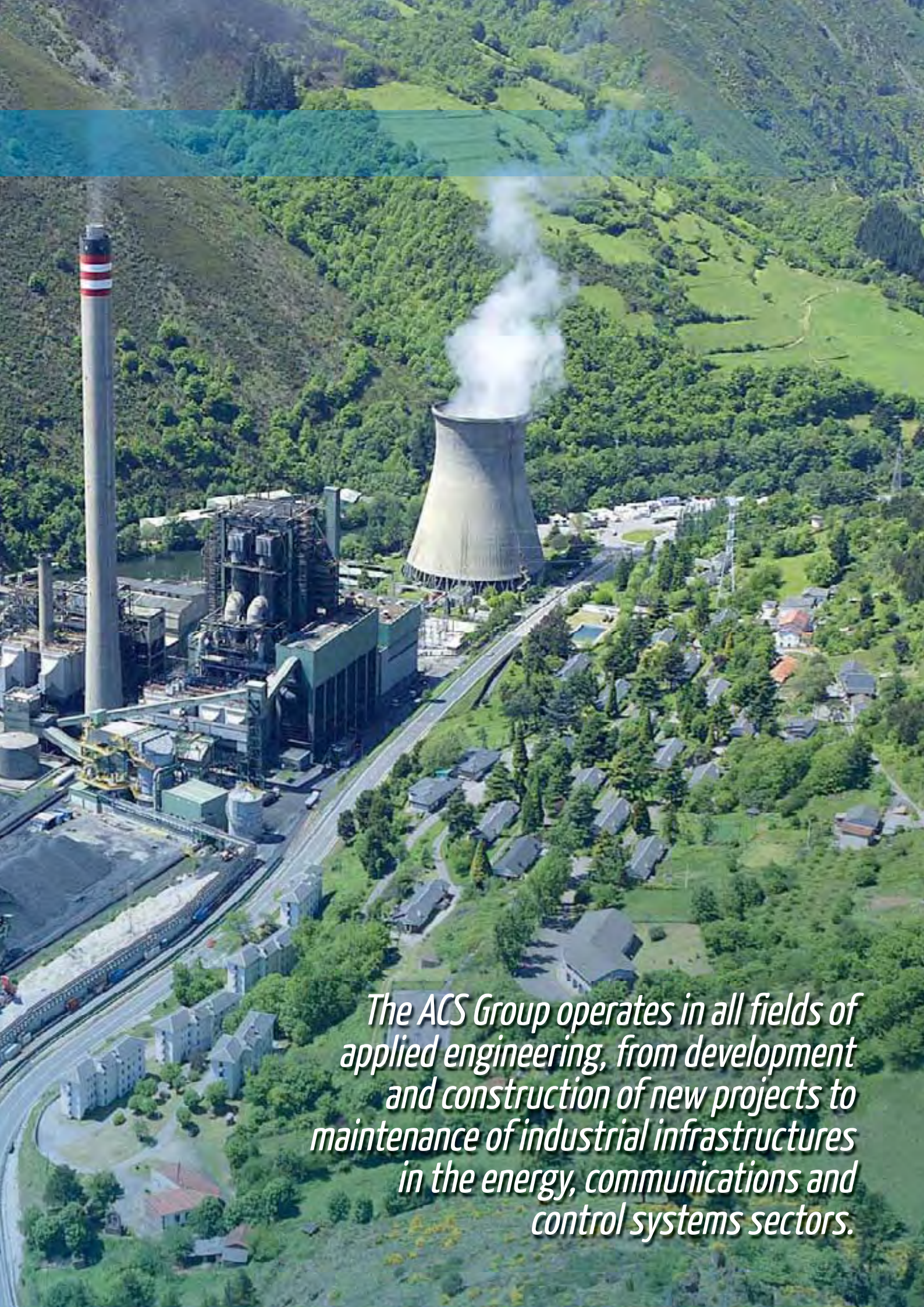
# Industrial Services and Energy

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# 39.3%

*of the total is represented by the international order book in the Industrial Services and Energy area.*





*The ACS Group operates in all fields of applied engineering, from development and construction of new projects to maintenance of industrial infrastructures in the energy, communications and control systems sectors.*

# Industrial Services and Energy

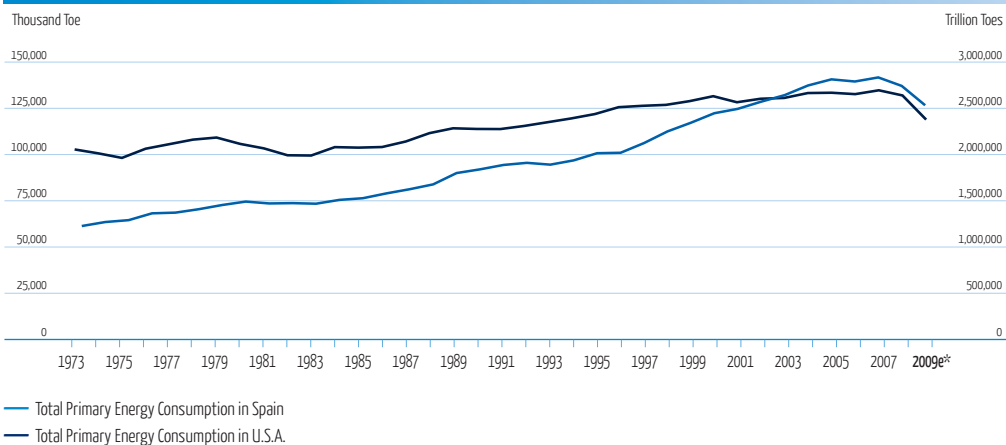


## Sector environment

The motor for growth for the Industrial Services and Energy area is essentially the energy industry in all points in its value chain, from the extraction and refining of oil and gas, to the generation of electricity, its use for transport, heating and air conditioning systems or support services for large consumer industries.

In 2009 the global economic and financial crisis led to a significant fall in worldwide energy consumption, calculated at 2% according to the WEO (World Energy Outlook ). This reduction is accompanied by two collateral effects, a drop of 3% in CO2 emissions and a noticeable reduction in investment in assets of all types, mainly in oil and gas, where investment budgets fell 19% in 2009 in comparison to 2008, an estimated reduction of \$90,000 million.

### Evolution of primary energy consumption in U.S.A and Spain



Source: Ministry of Industry, Tourism and Trade and EIA (Energy Information Administration).

\* 2009e: Spanish data was estimated based on Spanish Ministry of Industry information for June 2009, while U.S.A data was estimated based on the EIA data for September 2009.

<sup>1</sup> Report published annually (in November) by the International Energy Agency.



Even so, with the majority of OECD economies coming out of recession in 2010 and with the large emerging countries growing at rates of over 8%, the WEO maintains forecasts for growth in consumption, CO<sub>2</sub> emissions and investment up to 2030.

The energy industry and the various interest groups involved in it identify two key aspects which need to be confronted at a global level in the coming years:

- a) How to make the necessary investment to transform the energy generation system into a model with lower CO<sub>2</sub> emissions;
- b) How to ensure, at the same time, that this system guarantees that energy is supplied efficiently.



# Industrial Services and Energy



The response to these two questions requires that aspects such as the following are dealt with in the short and medium term:

- Investment in generating assets, both conventional and renewable.
- Which technology needs to be promoted to improve systems for transport and distribution of energy.
- How European countries will tackle their needs for storing fuels.
- And how to enable efficient and sustainable consumption of energy by the end user.

Therefore, the decisions taken with respect to this matrix made up of investment in assets and efficiency, sustainability and security of supply will greatly influence the future needs of the main clients of the ACS Group's Industrial Services and Energy area.

## Investment in generating assets

At a global level, the WEO estimates that investment over \$26,000,000 million will be necessary over the next 20 years to meet world needs for primary energy. (TAMBIÉN ES UN RESALTADO) Added to this objective is the need for these investments to be focused on the fight against climate change, which will mean an increase in investment of an additional \$10,500,000 million.

The suppositions which feed this paradigm are based on the replacement of part of the primary energy produced using technologies with high emission levels by renewable sources, nuclear generation and assets with carbon capture and storage (CCS) systems.

Investment commitment in developed countries like Spain will be focused on the creation of a low-emission, manageable energy generating system in which renewables will come to represent 20% of the total primary energy produced in 2020. Spain was halfway to its objective in the final quarter of 2009, as 10% of its primary energy came from renewable sources, especially as a consequence of hydroelectric and wind power generation and through climate control systems which use biomass.

*At a global level, the WEO estimates that investment over \$26,000,000 million will be necessary over the next 20 years to meet world needs for primary energy.*



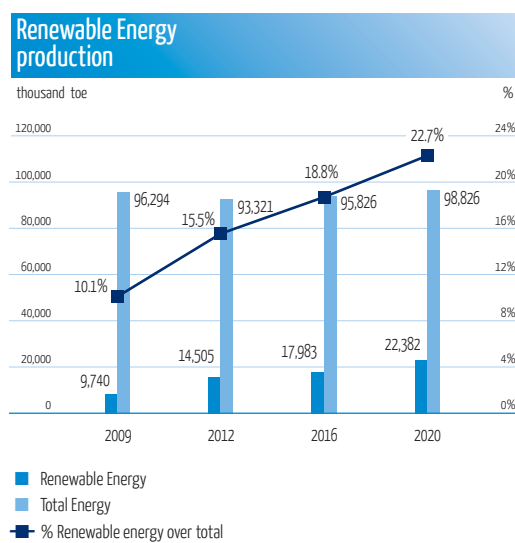


To meet the targets for 2020, renewable energy production needs to double in the next ten years, with the consequent investments this will entail.

IDAE estimates that if its macroeconomic projections are met, Spain will even have a surplus of 2.7 percentage points of production, which is expected to be exchanged with other European Union member states through the flexibility mechanisms included in the European Renewable Energy Directive.

Within primary energy sources, electricity generation is a determining factor. Its contribution to the total will multiply by 2.3 times between 2009 and 2020. In parallel, the adoption of renewable energies for transport will multiply by 7 times, but its importance in absolute terms will be lower. In the latter case, the adoption of the electric vehicle is defining.

According to the Secretary General for Energy of the Ministry of Industry, between 2009 and 2016, the installed renewable electrical power needs to go from the present 30,921 MW to 47,670 MW. This will mean a significant increase in investment, both in wind and solar power, responsible for over 70% of the total increase.

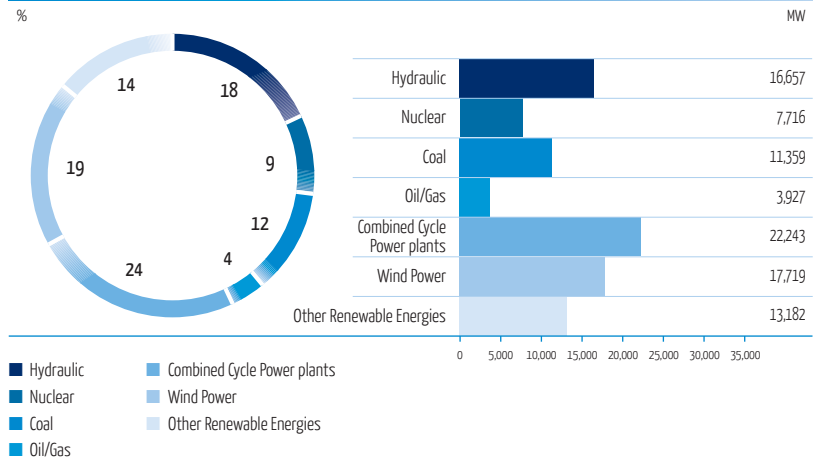


<sup>2</sup> Source: Spanish Institute for Energy Diversification and Saving (IDAE) newsletter on the evolution of consumption and energy intensity, November 2009.

# Industrial Services and Energy



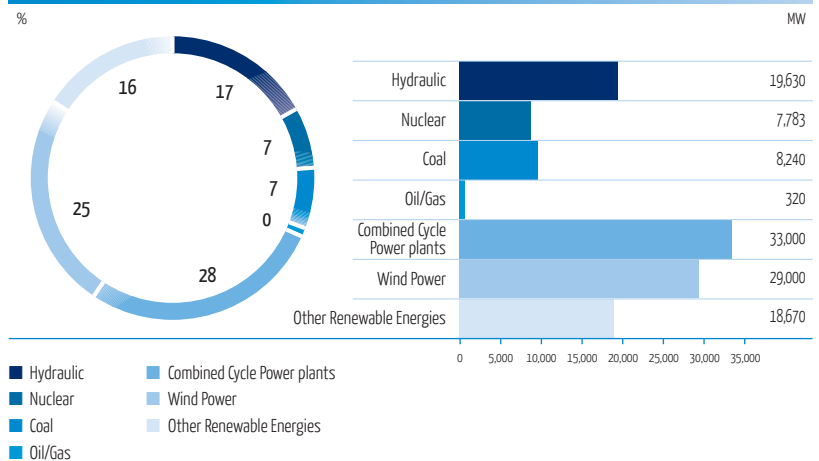
Structure of gross installed electrical power.  
Total November 2009: 92,803 MW



Source: REE, IDAE, Ministry of Industry, Tourism and Trade.

This investment in renewable energies needs to be complemented by a parallel increase in ordinary regime generation, especially from combined cycle plants. It has been estimated that to maximise efficiency at peak periods, an additional 10,000 MW in power from combined cycle plants will be needed by 2016 to replace obsolete power stations and complement the installed power from renewable sources which is not manageable.

Structure of gross installed electrical power.  
Forecast for 2016: 116,643 MW



Source: IDAE, Ministry of Industry, Tourism and Trade.

In turn, the relative weight of manageable renewable technologies needs to increase continually. Outstanding among these are the thermal solar plants with heat storage, such as Andasol I, Andasol II and Extresol I, which at 50 MW each are the world's most advanced thermal solar power plants. Manageable thermal solar energy, a technology in which ACS is a world leader, enables the needs of the electricity system to be met according to their characteristics, especially the electricity demand curve, generating capacity and how it responds to this demand and the generating mix that Spain plans to install.

These thermal solar plants enable the generation of energy during periods without sun thanks to storage using molten salts. Additionally, with heat storage systems, they permit over 20 hours daily of operation in summer periods, permitting output to be managed according to the needs of the system.

With over 1,900 MW to be developed in Spain in the next three years, thermal solar energy will be an undisputed driver of investment and of the ACS Group's activity, the latter developing 200 MW during this period with investment estimated at over €1,200 million.

In Europe, the need for manageable renewable energy is very important in facing up to compliance with the objectives laid down in the European Renewable Energy Directive. Furthermore, due to the inherent characteristics of the industry itself, which has focused on wind power generation and has few connections between European Union countries, these types of assets are positioned as a solid alternative for confronting the Union's ambitious targets.

Outside of Europe, it is worth highlighting the growth situation and the need for investment anticipated in Mexico, where an ambitious plan is being developed for reorganisation and investment in sources of primary energy generation.

In the case of electricity generation, investment is being made mainly in combined cycle plants, where 27,300 MW of capacity is to be developed in an investment plan covering up to 2024. Total estimated investment over this period exceeds \$86,600 million.

## Tender processes for electricity power plants between 2009 and 2013, Mexico



Source: Ministry of Energy, Mexico

# Industrial Services and Energy

In terms of oil and gas, the focus is on exploration and storage of gas deposits by means of contracts under concessions, for the exploration of large areas of ground, with investment over the next 14 years in excess of \$8,000 million. In the case of oil, the key is to increase and modernise refining capacity, avoiding dependence on petrol imports for an oil producing country like Mexico.

## Investment in transmission networks

In accordance with the European Union's needs, the combination of efficient generating assets with an advanced system of energy transmission networks would enable a continental European market for electricity to be created in the near future. This market would involve the coordinated use of energy resources and would increase competitiveness, investment and technological progress.

In addition, it would enable the electricity generating mix to be restructured to one that is more coherent with the needs of the European Union's member countries.

HVDC transmission lines are a key element for the future of the European electricity market. The needs for manageability of the power generating system must be satisfied not only through advanced generating plants, but rather the European system for connection needs to be developed to match up to the challenge.

With the development of the new HVDC lines it would be more feasible to create an energy transmission system that would enable the needs for consumption and generating capacity to be balanced at a European/Mediterranean level, to incorporate the energy generated by the new renewable energy generating plants being developed both in northern Europe (offshore wind farms) and in the Mediterranean basin (thermal solar).

It is expected that over €200,000 million will be invested in these infrastructures in the next 15 years, without taking research and development or their subsequent maintenance into account.

<sup>3</sup> High-voltage direct current: more efficient networks than conventional alternating current lines for transmission over long distances, with an average energy loss of 3% compared to the 7% for conventional lines.

## HVDC connections in Europe. 2009





This need for investment is not exclusive to the European Union. The ACS Group develops energy transmission networks in Brazil, where investment estimated for the next two years exceeds €1,000 million, and in India, where a large scale national grid is being developed as the seed for future modernisation and expansion of the power generating capacity of the world's second most populous country.

## Investment in storage assets

In parallel to these development commitments for transmission lines, the drive for other primary sources such as crude oil, gas or biofuels would move to investment in storage assets.

These would need to guarantee stability of supply at the same time as increasing the flexibility and adaptability of the system against possible sudden changes in demand or in supply at source. Outstanding in this regard are the Gaviota, Yela, Marismas, Serrablo, Poseidón and Castor projects, the latter led by the ACS Group.

These projects are in different phases of development and construction and may represent an investment of over €2,000 million in Spain in the next few years, which may exceed €10,000 million on including other assets to support these projects, as well as new, smaller storage facilities.

The objective of these projects is focussed on the creation of strategic deposits of gas and, in the future, crude oil. For natural gas, in the case of Gaviota and Castor, this is by means of old coastal oil wells, while in the case of the Yela, Serrablo, Marismas and Poseidón projects exhausted aquifers would be used. The key to this technology lies in the capacity for efficient storage for the needs of citizens and Spanish industry, independent from the geopolitical situation of producing countries or from price fluctuations.

It is estimated that the start up of these projects and their support infrastructures would mean an increase in capacity, with respect to the current level, of 238% in volume, 354% in capacity for injection into the system and 431% in extraction capacity.

## Underground gas storage facilities, maximum capacity



Source: Own preparation

# Industrial Services and Energy



## Investments in promoting efficient energy consumption

Finally, among the main initiatives for making efficient energy consumption more widespread, the efforts to develop and commercialise electric vehicles can be highlighted. This will involve significant investments both in electricity demand management and in the energy storage network.

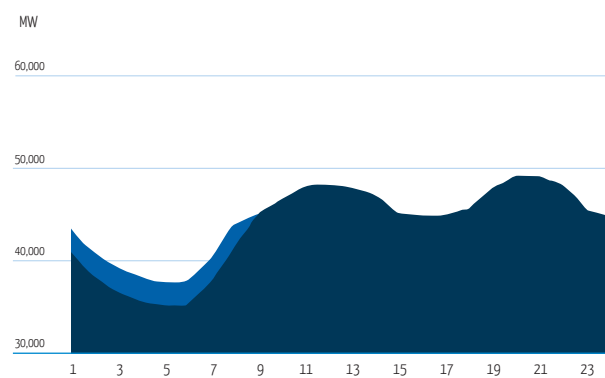
The implementation of the electric car seeks to achieve four basic objectives:

- 1) To adapt effective demand for electricity to the capacity installed in clean energies such as renewables, which would increase consumption in off-peak hours;
- 2) To reduce energy dependency on limiting consumption of fossil fuels;
- 3) To reduce polluting emissions, as the emissions from an electric vehicle are lower than the full cycle of the Spanish electrical mix, calculated at 390 g of CO<sub>2</sub>/kWh;
- 4) For economic efficiency, on rationalising needs for investment in the electricity sector.

It is estimated that the infrastructures to develop this technology and its mass use will involve over €6,000 million in investment over the next 7 years.

### Integration of electric vehicles into the 2014 electrical system

Demand profile for the market penetration of a million electrical vehicles in 2014, with an 8 hours battery recharge (winter day)



■ Base scenario of a working day energy demand in 2014  
■ Electrical vehicles energy demand

Source: Spanish Institute for Energy Diversification and Saving (IDAE), Ministry of Industry

## Business strategy

In this context, the ACS Group intends to maintain its commitment to all these initiatives through continued efforts in technological innovation, in management of its clients' needs and its own investment in new techniques and new assets which enable it to establish the basis for future growth for the Industrial Services and Energy area.

The strategy in Industrial Services and Energy, in line with the ACS Group's basic guidelines, seeks to maintain sustainable growth, requiring the selection of projects which can be carried out more efficiently and profitably, particularly in the international area. Specifically, the main strategic initiatives for 2010 will be:

- To maintain a **position of leadership** which enables the ACS Group to participate in a very competitive sector from a privileged position, attracting and retaining talent.
- Achieving a business balance which combines activities which provide **recurrence and visibility** of income and profit with specialised projects or "turnkey" solutions which contribute ever **higher levels of profitability**. All of this while maintaining a strict risk and cost control policy.
- Tackling **international markets** hand in hand with clients, meeting rigorous profitability and stability criteria.

The ACS Group, through its Industrial Services and Energy area, has long experience in development, construction, operation and maintenance of industrial and energy infrastructures. The companies and professionals in this area of activity share the ACS Group's values:

- A decentralised organisation focussed on the client, enabling it to adapt projects to their needs efficiently and profitably.
- Growth based on the technical excellence, enterprising mentality and contracting spirit of a team with experience and training.

This common corporate culture is complemented by the Industrial Services and Energy areas' competitive advantages:

- Leading company in the development, maintenance and operation of infrastructures related to electricity generation, both from renewable sources (wind, solar, hydroelectric, biomass) and fossil fuels (combined cycle, coal-fired and nuclear power plants).

- One of the leading multinational companies in the development of large-scale infrastructures for the oil and gas industries, such as the construction of platforms and modules, projects for exploration and construction of wells, treatment and storage of natural gas and liquid hydrocarbons, or "turnkey" projects for refineries and petrochemical plants.
- A leading provider of maintenance, development and operating services for existing industrial infrastructures such as treatment and distribution networks for water, gas and electricity, thermodynamic and mechanical installations, railway systems (both conventional and high-speed) and telecommunications.
- Likewise, the ACS Group is the leading domestic company in the development and maintenance of systems for public lighting, traffic management and industrial control.
- The ACS Group, through its Industrial Services and Energy area, is one of the leading investors in the development of wind and thermal solar renewable energies, in the development of high-voltage transmission lines under concessions in different countries and in the development of desalination and water treatment plants.

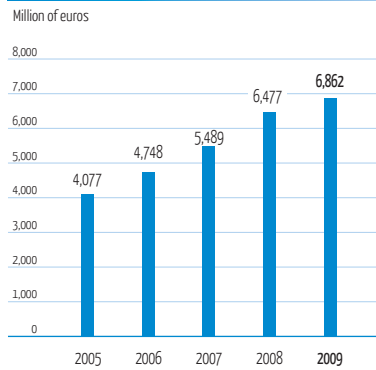


# Industrial Services and Energy

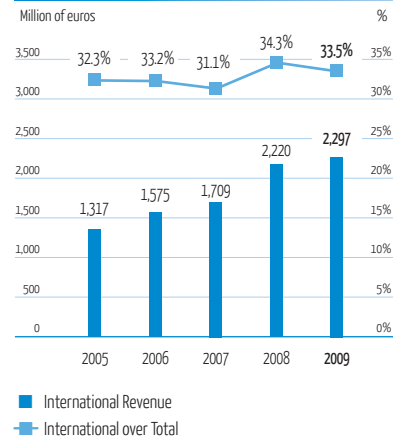
## Activity description

In 2009, the Industrial Services and Energy area achieved a turnover of €6,862 million, representing growth of 6% with respect to 2008. The strong growth in activity experienced by Industrial Services and Energy over the last few years is reflected in the annual compound rate of growth of 14% recorded over the period between 2005 and 2009. Once again, the ACS Group consolidated its position as the leading company in this sector in Spain and Latin America, and as one of the main competitors in Europe and the other markets in which it operates.

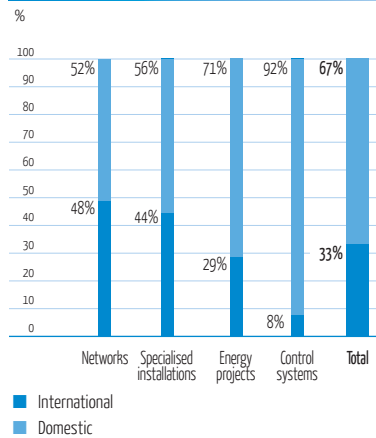
### Revenue evolution



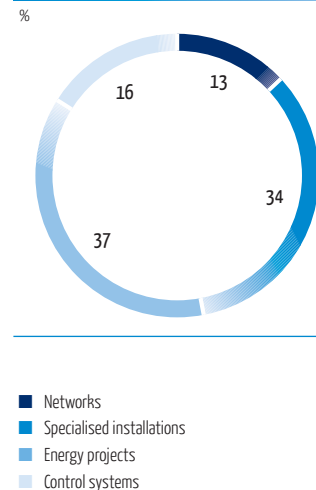
### International revenue evolution



### Revenue breakdown by market



### Revenue breakdown by activity





Its wide range of services, its position of leadership and its geographical spread offer great opportunities for development in markets with growing needs for these types of services. In 2009, sales abroad represented 33.5% of the total, being the networks activities the most international, with 48% of turnover from outside of Spain.

The ACS Group's Industrial Services and Energy are grouped into Support Services to Industry and Energy Projects.

**Support Services to Industry** engages in industrial maintenance and include three areas of activity:

- **Networks:** maintenance activity for electrical, gas and water distribution networks with over 80 years of experience.
- **Specialised Installations:** combines the activities of construction, installation and maintenance of high-voltage electrical networks, telecommunications systems, railway installations, electrical installations, mechanical assemblies and climate control systems.
- **Control Systems:** ACS has become the leading provider of engineering, installation and operation of control systems for industry and urban services, noteworthy among which are control systems for traffic and transport and systems for integral maintenance of public infrastructures.

The main projects carried out in 2009 in the area of Support Services to Industry were:

- Worthy of note among maintenance and construction of distribution Network installations are:
  - The construction of gas distribution networks for Natural Gas in Barcelona, Madrid, Castilla La Mancha, Levante, Andalucía, Cantabria and Castilla León.
  - Technical service, meter readings and management of installations for Unión Fenosa in La Coruña, Vigo, Madrid, Guadalajara and Cuenca.
  - Contract for a comprehensive commercial operations management service for the electricity company Edelnor in various areas in Peru.
  - Supply and electrical cable laying work for the company AES Onel in Cameroon.
  - Repowering work for Unión Fenosa, for high voltage lines in different municipalities in Galicia.

- Within Specialised Installations, the following projects are worthy of note:

- The construction of 908 kilometres of high-voltage lines and the corresponding substations in Brazil.
- The construction of over 250 kilometres of high-voltage electricity distribution lines in countries such as Bangladesh, Cambodia and Mexico.
- Construction and maintenance of overhead line installations and associated systems for the stretch between Torrejón de Velasco and Motilla del Palancar, as well as the construction and maintenance of the power systems, detection systems, technical buildings and auxiliary works for the stretches between Motilla del Palancar and Valencia and Murcia on the high-speed line connecting Madrid, Castilla La Mancha, the Community of Valencia and Murcia.
- Design, construction and maintenance of the installations for the overhead contact line and associated systems for the high-speed railway line between Cordoba and Malaga in the stretch between Almodóvar del Río - Bobadilla - Los Prados and Malaga Station.
- Mechanical assembly work on various units for the refinery expansion project for Repsol in Cartagena (Murcia).
- Installation of the auxiliary systems and security for the high-speed railway line between Madrid, Barcelona and the French border, in the tunnels between Roda de Vara and Barcelona.
- Integral management of protection installations in the Guadarrama and San Pedro tunnels on the high-speed line between Madrid and Valladolid.
- Assembly of two waste heat boilers in the Combined Cycle Power Plant at Pego (Portugal).
- Maintenance of the installations for the overhead contact line on the high-speed line connecting Madrid and Sevilla, and Cordoba-Malaga.
- Maintenance contract for the Wind hydroelectric power plant and the Daule Peripa dam in Guayas (Ecuador).
- Mechanical and electrical turbine assembly for gas and steam and associated elements in the combined cycle power plant at Blénod in France.

# Industrial Services and Energy



- In *Control Systems*, the following contracts stand out in 2009:
  - Automatic baggage handling system for terminal 1 of Barcelona airport.
  - Implementation of signalling, electrification and communications systems on the stretch of railway between Alameda and Concepción in Chile.
  - Supply and installation of LED optics for traffic management for various local councils in Spain.
  - Contracts for the conservation and maintenance of public lighting for various Spanish cities, such as Madrid, Pamplona and Valencia.
  - Supply and installation for BIT (intelligent transport ticketing) supply for Madrid's Municipal Transport Company.
  - Maintenance of the traffic management systems in Castellón.

In *Energy Projects*, the ACS Group engages in "turnkey" projects related to electricity, oil, gas and engineering applied to industry and to the development of renewable energies.

In *Energy Projects* related to renewable energies in 2009, the ACS Group took part in:

- Turnkey execution of construction, equipment supply, assembly and commissioning works for the Extresol I Thermal Solar Power Plant in Badajoz, with an installed power of 49.9 MW.
- Turnkey execution of construction, equipment supply, assembly and commissioning works for the Andasol II Thermal Solar Power Plant in Granada, with an installed power of 49.9 MW.
- Turnkey execution of construction, equipment supply, assembly and commissioning works for the wind farms at Tíjola in Almería, Los Isletes in Jérez de la Frontera (Cadiz) and Sargentos de Lora in Burgos, among other projects.
- Turnkey construction for the company Renovables Samca of the thermal electric solar power plants at La Florida and La Dehesa, both at Alvarado (Badajoz).

And in other *Energy Projects* (EPC<sup>4</sup>) related to oil and electricity and to engineering applied to industry, the most significant projects carried out in 2009 were:

- The Castor project: construction of an underground gas storage system on the coast at Castellón.
- Construction of a sulphur recovery plant for the oil company Pemex in the state of Coahuila (Mexico).
- Turnkey contract for the construction of the combined cycle plant at Lares, Figueira da Foz (Portugal).
- Construction for the Sagunto (Valencia) regasification plant of a liquefied natural gas tank and expansion of vaporisation for the plant.
- Contract for the conversion of a gas turbine plant into a combined cycle plant in Puebla (Mexico).
- Project, construction and operation of the installations for waste water purification in various municipalities in Bajo Aragon (Zaragoza).
- Desulphurisation plant for Group 3 of the Narcea thermal power station in Asturias.
- Fuel gas desulphurisation plant for the Los Barrios thermal power station (Cadiz).

<sup>4</sup> EPC: Engineering, Procurement and Construction.

In *Renewable Energies*, as well as constructing both wind and solar energy generating installations as summarised above, the ACS Group was participating in 43 operating wind farms with an installed power of 1,175 MW and an attributable power of 870 MW at 31 December 2009.

Furthermore, the Group is participating in 6 wind farms currently under construction, five in Spain and one in Mexico, with an installed power of 288 MW and an additional 19 wind farms in the financing or development phase with installed power of 1,452 MW.

In the area of thermal solar energy, the construction of the Andasol II (Granada) and Extresol I (Badajoz) plants was completed during 2009. With these installations and the Andasol I plant, completed in November 2008, the ACS Group had an installed power of 149.7 MW at 31 December 2009. The ACS Group's 49.9 MW thermal solar plants have an advanced heat storage system which enables management of energy production and increases the load factor, clearly surpassing other plants without this technology.

In addition, four thermal solar energy plants are under construction, the development of which started in 2009:

- Extresol II and Extresol III, two thermal solar energy plants of 49.9 MW each, located in Badajoz.
- Manchasol I and Manchasol II, two thermal solar energy plants of 49.9 MW each, located in Ciudad Real.

Seven projects are also in the financing or development phase within the area of solar energy: five projects in Spain and two projects for California Sun Power in the states of California and Nevada (USA), with a total installed power of 399.5 MW.

The total generated energy produced in 2009 by the ACS Group by means of renewable energies, both wind and thermal solar, amounted to 2,575 GWh, 61.2% higher than 2008 production.

Additionally in 2009, the ACS Group started activity in the area of energy generation from biomass, with its participation in three projects in Portugal which are in the financing or development phase, with a total installed power of 14 MW.

At 31 December 2009, the ACS Group had a stake in 26 concession projects for the management and maintenance of high-voltage lines in Brazil and Peru, with secured financing from the Banco Nacional de Desenvolvimento Economico e Social do Brasil (BNDES). These projects total 10,616 km and a managed investment of over €3,000 million.

The ACS Group has been developing equipment and technologies for water purification and desalination since 1983. The Group is now a world reference in this field, especially in the desalination of water by reverse osmosis, ranking 4th as a company in the world in the production of water desalinated using this method, thanks to its broad international experience in carrying out projects in countries such as Algeria, Australia, Mexico, etc. The "Beni Saf" desalination plant in Algeria stands out due to its size and importance.



# Industrial Services and Energy

Wind farms in Operation	Location	Power, MW
Santa Ana	Albacete	50.0
El Colmenar II	Almería	30.0
Serón I	Almería	50.0
Tinadas	Almería	10.0
Tíjola	Almería	36.8
La Noguera	Almería	30.0
El Perul	Burgos	49.6
La Lastra (enlargement of El Perul wind farm)	Burgos	11.7
Lodoso	Burgos	49.5
Marmellar	Burgos	49.5
Lora I	Burgos	49.6
Lora II	Burgos	49.6
Las Caldera	Burgos	22.5
Sargentas	Burgos	24.0
Las Vegas	Cádiz	23.0
Los Isletes	Cádiz	25.3
Chumillas*	Cuenca	50.0
Monte da Serra (Somozas)	La Coruña	16.1
Monte Marbán (Somozas)	La Coruña	11.4
Monte Villalbesa(Somozas)	La Coruña	22.2
Monte Redondo (Vimianzo)	La Coruña	49.5
Novo	La Coruña	18.8
Outes	La Coruña	35.1
Requeixo*	La Coruña	11.7
Monte da Barda	La Coruña	3.0
Monte O'Barrigoso	La Coruña	3.0
Touriñán IV	La Coruña	24.7
Monte das Augas	La Coruña	3.0
Raposeras*	Logroño	39.0
Los Llanos* (Sierra de Utrera)	Málaga	19.8
El Juncal* (Sierra de Utrera)	Málaga	13.6
Tesosanto	Salamanca	50.0
Trucafort (L'Enderrocada)	Tarragona	29.9
Ecovent II (Tortosa)	Tarragona	48.1
Alrota	Zamora	3.3
Alrota II	Zamora	1.7
Sierra Las Carbás	Zamora	40.0
Penamacor	Portugal	20.0
Penamacor II	Portugal	14.7
Penamacor III	Portugal	20.0
Penamacor IIIB	Portugal	25.2
Penamacor III Exp.	Portugal	14.7
Sabugal	Portugal	25.2
<b>Wind farms in Operation</b>		<b>1,174.6</b>

Note: The average stake is 74.44%. The average stake in those farms incorporated as fully consolidated is 79.81%, while for those incorporated using the equity method, the average stake is 32.79%.

\*Companies accounted for by the equity method.



Wind farms under Construction	Location	Power, MW
Arroyal	Burgos	46.5
Monte Gordo	Huelva	50.0
Santa Catalina	Valencia	25.5
El Viudo I	Valencia	40.0
El Viudo II	Valencia	26.0
Oaxaca 1	Oaxaca	100.0
<b>Wind farms under Construction</b>		<b>288.0</b>

Note: The average stake is 95.96%.

Wind farms in Promotion/ Financing	Location	Power, MW
Campete	Cáceres	28.0
Campillo	Cáceres	14.0
Argallén	Cáceres	6.0
Castilla la Mancha	Cuenca	85.0
Loma del Capón*	Granada	30.0
Valcaire	Granada	50.0
Baza Caravaca	Granada	100.0
Palancas*	Oviedo	18.0
Buseco	Oviedo	50.0
Las Tadeas	Palencia	36.8
Valdehierro	Palencia	14.4
Bandeleras	Salamanca	34.0
Rodera Alta	Salamanca	36.0
Donado	Soria	34.0
Almazán Meco I	Soria	300.0
Almazán Meco II	Soria	200.0
Cerronegro	Valencia	16.0
Red Top Wind Power	New Mexico (U.S.A.)	150.0
U.S.A.	Texas (U.S.A.)	250.0
<b>Wind farms in Promotion/ Financing</b>		<b>1,452.2</b>

Note: The average stake is 85.04%.

Thermal Solar Energy in Operation	Location	Power, MW
Extresol I	Badajoz	49.9
Andasol I	Granada	49.9
Andasol II	Granada	49.9
<b>Thermal Solar Energy in Operation</b>		<b>149.7</b>

Note: The average stake is 100%.

\* Companies accounted for by the equity method.

# Industrial Services and Energy

Thermal Solar Energy under Construction	Location	Power, MW
Extresol II	Badajoz	49.9
Extresol III	Badajoz	49.9
Manchasol I	Ciudad Real	49.9
Manchasol II	Ciudad Real	49.9
<b>Thermal Solar Energy under Construction</b>		<b>199.6</b>

Note: 100% stakes.

Thermal Solar Energy in Promotion	Location	Power, MW
Andasol III	Granada	49.9
Andasol IV	Granada	49.9
Andasol V	Granada	49.9
Andasol VI	Granada	49.9
Andasol VII	Granada	49.9
California Sun Power	Nevada (U.S.A.)	50.0
California Sun Power	California (U.S.A.)	100.0
<b>Thermal Solar Energy in Promotion</b>		<b>399.5</b>

Note: 100% stakes.

Biomass Energy in Promotion	Location	Power, MW
Viseu	Portugal	5.0
Santarém	Portugal	6.0
Beja - Faro	Portugal	3.0
<b>Biomass Energy in Promotion</b>		<b>14.0</b>

Note: The average stake is 75%.



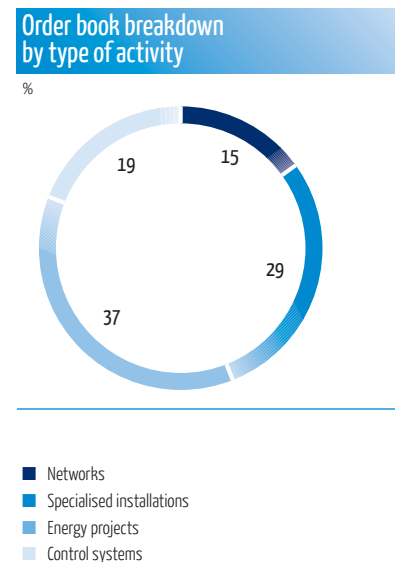
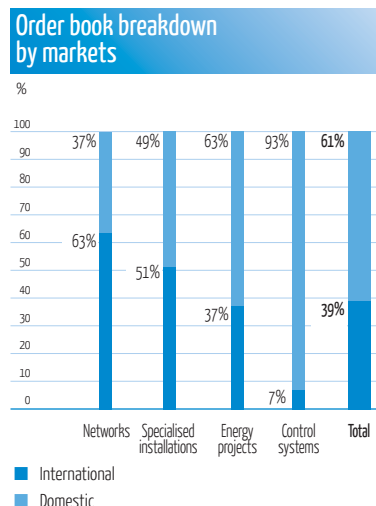
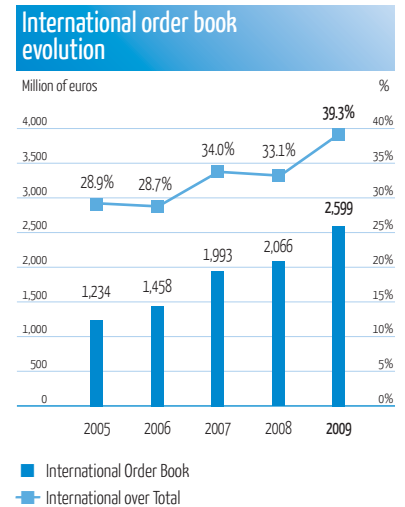
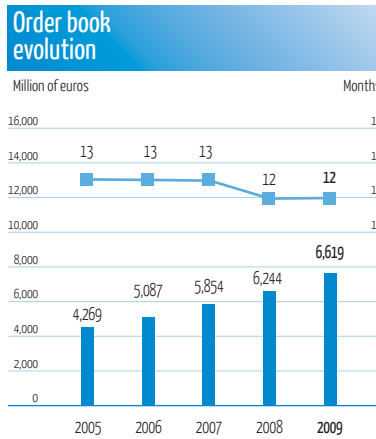
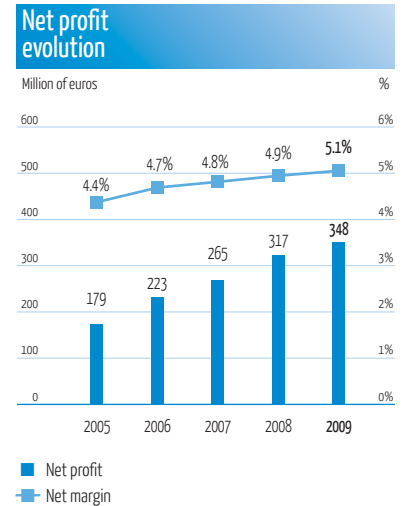
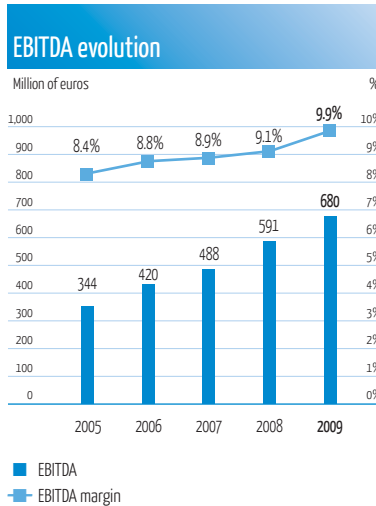
Transmission Line Concession Projects	Country	Km	Voltage (Kv)
UIRAPURU: Ivaipora - Londrina	Brazil	122	525
IEMG: Neves- Mesquita	Brazil	172	200
CPTe Cachoeira paulista	Brazil	181	500
ETIM Itumbiara Marimbondo	Brazil	212	500
SPTE Serra Paracatú Transmissora de Energia	Brazil	246	500
PCTE Poços de Caldas Transmissora de Energia	Brazil	308	500
VCTE: Tucuruí - Vila do Conde	Brazil	324	230
ARTEMIS: Concessionaria Paraná Lote B 03	Brazil	376	525
NTE: Xingó- Angelim- Campina Grande	Brazil	386	500/230
STE: Uruguaiana- Maçambara- Santo Angelo- Santa Rosa	Brazil	386	230
Iracema: Sao Joao de Piauí - Milagres	Brazil	400	500
RPTE: Riberao Preto Transmissora de Energia	Brazil	412	500
PPTE: Imbirissu - P. Primavera - Dourados	Brazil	490	230
ETEE Expansión	Brazil	581	500
SMTE Serra da mesa	Brazil	681	500/138
LTT Triângulo Transmissora de Energia	Brazil	708	500
IENNE: Colinas - Sao Joao de Piauí	Brazil	720	500
ITE: Cuiabá - Itumbiara	Brazil	808	500
JTE: Jaurú Transmissora de Energia	Brazil	949	230
Linhas de Transmissao do Itatim	Brazil	734	440/230/138
IESUL: Nova Santa Rita - Scharlau, Double Circuit and Scharlau electrical substation	Brazil	23	230
Catxerê: Cuiabá - Riberaozinho- Rio Verde Norte	Brazil	242	500
Araraquara: Araraquara 2- Araraquara Furnas, Araraquara 2- Araraquara CTE	Brazil	15	440/500
REDESUR	Peru	425	220
BTE: LT Chapadao-Imbirussu-Sidrolandia-Anastacio	Brazil	553	230/138
Lote B-Leilao 005/2009, Piraporá-Montes Claros 2 and Padre Fialho and Itabirito electrical substations	Brazil	162	500/345/138
<b>Total Kilometres</b>		<b>10,616</b>	



# Industrial Services and Energy

2009 EBITDA rose by 15.1% to €680 million. Net profit in 2009 was €348 million, 10% higher than the figure for 2008.

The characteristics of Industrial Services and Energy' offering mean that more than half the annual turnover is of a recurring nature, mainly relating to maintenance contracts with high visibility. The Industrial Services and Energy order book grew by over 6 % in 2009, guaranteeing activity over the coming years. The growth of 25.8% in the international order book is very significant, as this represents 39.3% of the total order book.





## Internationalisation

The ACS Group, through its Industrial Services and Energy area, has continued a process of international expansion during 2009, including projects on five continents. International turnover in the Industrial Services and Energy area grew by 3.5% in 2009 to €2,297 million, representing 33.5% of total turnover.

The international order book was €2,599 million, 25.8% higher than the year before and has now reached 39.3% of the total order book. Sales and order book at an international level have recorded a compound annual rate of growth of 15% and 21% respectively over the last five years.

The Industrial Services and Energy area is the ACS Group's most international activity. It is present in the main Western European

countries, such as France and the United Kingdom. It has a powerful presence in almost the whole of Latin America, with an order book of projects at the end of 2009 of over €1,400 million, with special emphasis on Brazil and Mexico, where the Group has carried out significant projects in recent years. It has also been growing its activity in recent years in all the countries in North Africa and in Angola and South Africa, maintains a constant presence in the Gulf States in the Middle East and has been working in India for over 10 years. Finally, the Group has started to carry out projects, mainly related to the field of renewable energies, in the United States and Canada.

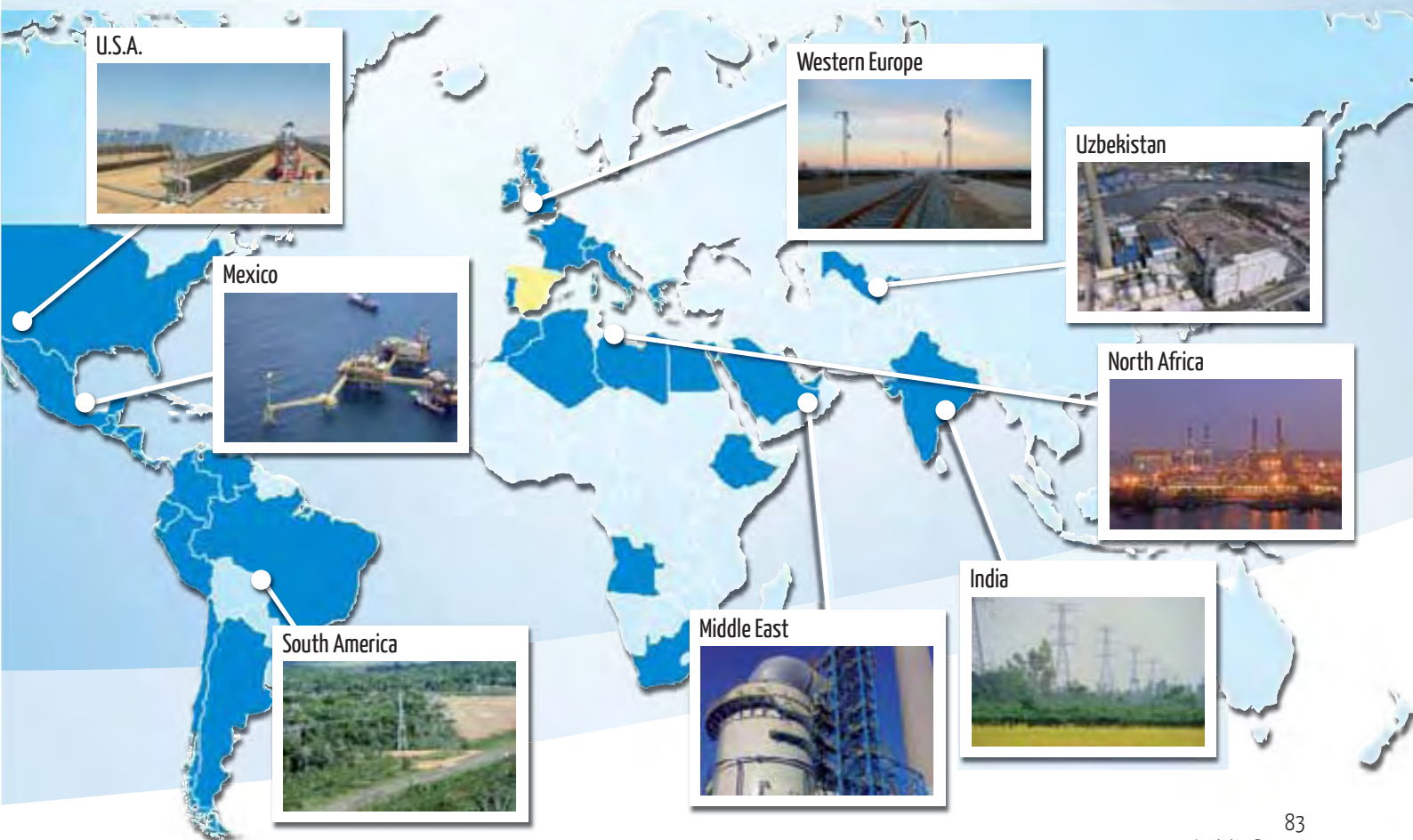
### Countries where the ACS Group is developing Industrial Services and Energy activity

2009 International Revenue

€2,297 mn  
33.5% of total

2009 International Order Book

€2,599mn  
39.3% of total



# Industrial Services and Energy

Among all those countries in which ACS operates, Brazil and Mexico are considered reference markets in the Industrial Services and Energy area, due to the number of projects carried out and their great potential for expansion.

In Brazil, the ACS Group currently has contracts for the installation, management and maintenance of over 10,200 kilometres of high-voltage lines. During 2009 the Group built over 900 kilometres of high-voltage line and the corresponding associated substations and was awarded the contract for the construction of over 1,000 kilometres of transmission lines and associated substations which it is executing in 2010.

In Mexico, ACS is the leader in the Industrial Services and Energy sector applied to oil, gas and electricity, as well as one of the main suppliers of services to Pemex and the Federal Electricity Commission. At 31 December 2009 the ACS Group had an order book of projects in this country totalling over €520 million.

Among the most important projects in which the Group is participating in Mexico are:

- Expansion of the country's refining capacity, with an investment programme worth over €5,000 million.
- The construction and maintenance of gas fields in the Nejo block located in the state of Tamaulipas, with a budget of €1,100 million.
- The construction of new oil platforms on the Gulf coast. Prospecting for gas in Mexico's northern states.
- The installation and maintenance of electricity generating plants and transmission networks throughout the country.
- The development of two wind farms in the state of Oaxaca, with a total power of 100 MW, which will be completed in the coming months.

## ACS Presence in Mexico



ACS participated in significant projects in other parts of the world in 2009, such as: the construction of 220 kilometres of high-voltage electricity distribution lines in Bangladesh and Cambodia; electrical cable laying works in Cameroon; the maintenance contract for the Wind hydroelectric power plant and the Daule Peripa dam in Ecuador, among other outstanding projects.

Those which stand out among the main new projects awarded during 2009 in the international area are the contract to carry out works for restoration of Line 1 of the Caracas (Venezuela) Metro, the construction of a 400 MW combined cycle power plant for Uzbekenergo (Uzbekistan), the construction of an electricity distribution network in the rural and urban zones of Nashik in India, the project for the Monte Lirio combined cycle power plant in Panama and the project for the construction of the high-voltage transmission line and electrification in Algeria.

The consolidation of the ACS Group's presence in these countries and its expansion into the United States, Canada and Oceania are the main objective for 2010. This strategy for expansion is based on the Group's capability to provide the technology, experience and capacity to resolve all those aspects of promotion, financing, construction, operation and maintenance of sophisticated infrastructures for a wide variety of technologies. ACS carries out works ranging from off-shore projects to traffic management, covering the whole value chain in sectors related to energy, such as electricity, gas and oil, and infrastructures of an environmental or urban nature, such as mass transport systems or water treatment or desalination plants.

The international expansion understood in this way will continue to provide the ACS Group, through its Industrial Services and Energy area, with a set of businesses with high recurrence and significant technical and financial requirements which will provide stability against fluctuations in the domestic market and critical mass which will enable it to invest in future development of greater experience and advanced technology.



# Industrial Services and Energy

## Main contracts awarded

Contracts awarded in 2009	Amount	Type of project
<i>Million of euros</i>		
Project for the Construction of the thermosolar plant Manchosal II with an installed capacity of 50 MW (Ciudad Real, Spain)	350.0	Energy Projects
Project for the enhancement of Caracas's subway line 1 (Venezuela)	222.9	Specialised Installations
Construction of a 400 MW Combined Cycle Power Plant for Uzbekenergo (Uzbekistan)	213.7	Energy Projects
Construction of a CCR plant for the Mexican oil company PEMEX (Mexico)	186.0	Energy Projects
Works for the construction of 1,041km of high tension transmission lines and 12 substations in Brazil	165.0	Specialised Installations
Project for the construction of a water treatment plant in Peru.	146.0	Energy Projects
Works for the construction and installation of an electric generation sea platform for the Mexican oil company PEMEX (Mexico)	141.4	Energy Projects
Construction of the high tension transmission line between Abu Quir and Badr (342km) in Egypt	124.0	Specialised Installations
Project for the construction of the transmission power grid in Nashik's area (India)	113.1	Networks
Project for the construction of a housing offshore platform for 201 people, the contract includes the engineering, construction, supplies, mooring, load and unload (Mexico)	102.7	Energy Projects
Design, construction, operation, maintenance and interconnection to the electricity grid of the Pando and Monte Lirio hydroelectric power plants (Panama)	90.1	Energy Projects
High tension line of 345 kv between Interlagos- Piratininga and four electrical substations (Brazil)	88.5	Specialised Installations
Systems for the railway line installation between Xingxiang and Rizhao (600 km) in China	75.0	Specialised Installations
Construction of Thénia/Tizi- Ouzou high tension transmission line, and Oued- Aissi electrical installations (Algeria)	70.0	Specialised Installations
Maintenance of traffic signaling systems, train protection systems, security and supervision systems, energy feeding systems, air conditioning and technical buildings in the high speed railway line between Madrid and Lérida	64.6	Control Systems
Construction of electrical substations for San Diegos de Cabruticas's electrical plant (Venezuela)	54.8	Energy Projects



# Organisational Structure



# Strategic Investments

Abertis 91  
Iberdrola 93  
Hochtief 94





**IBERDROLA**

*The ACS Group actively participates in key sectors of the economy such as infrastructures and energy through its affiliates, Abertis, Iberdrola and Hochtief.*

# Strategic Investments



The ACS Group actively participates in key sectors of the economy such as infrastructures and energy through its affiliates, Abertis, Iberdrola and Hochtief, which contributed €400 million to the Group gross profit (before deduction of financial costs and taxes), 11.3% more than in 2008.

Company	Sales*	EBITDA*	EBIT*	Profit Net	Consolidation Method	Capitalization 31/12/2009*	ACS's stake
Abertis	3,935	2,435	1,483	653	Equity Method	11,064	25.8%
Iberdrola	24,559	6,815	4,509	2,824	Non consolidated	35,033	12.0%
Hochtief	18,166	1,269	767	195	Equity Method	3,749	30.0%

\* Million of euros.







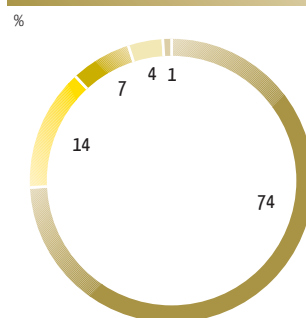
## Abertis

Abertis is the most important infrastructures company in Europe in terms of size and number of projects. It is a leading international group in the management of infrastructures for mobility and telecommunications through five business areas: toll roads, telecommunications, airports, car parks and logistics.

Abertis' revenue totalled €3,935 million in 2009, showing an increase of 6.9% with respect to 2008. This growth derives from the positive trend during the year in the different business sectors, outstanding among which is the telecommunications sector where activity increased by 25.5% with respect to 2008. Furthermore, tariff rises compensated for lower traffic volumes in the toll roads and airport sectors and there was a €159 million positive impact from changes in the consolidation scope derived from the investment effort made by the company in the last year. As such, the net profit attributable to the company at 31 December 2009 was €653 million, 5.6% higher than 2008. This represents a contribution to the ACS Group by the equity method of €139.6 million.

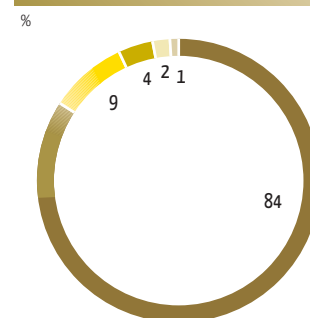
Its growth strategy, combining financial solvency and responsible application of resources, putting great emphasis on diversification, both at a business and a geographical level, has enabled a transformation in the company, achieving the figures of 48% of income from outside of Spain and 26% being generated from business not linked to the motorway sector.

Revenue



- Toll roads
- Telecommunications
- Airports
- Car parks
- Logistics

EBITDA



- Toll roads
- Telecommunications
- Airports
- Car parks
- Logistics

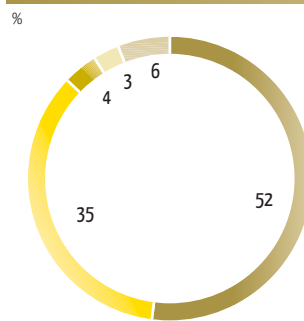
**3,935**  
million of euros,  
total revenue in 2009

**2,435**  
million of euros,  
total EBITDA in 2009

# Strategic Investments



## Internacional activity in 2009



- Spain
- France
- United Kingdom
- Chile
- Others

## Revenue

Million of euros

Spain	2,035
France	1,388
United Kingdom	166
Chile	120
Others	226
<b>Total</b>	<b>3,935</b>

A clear example of this strategy is the continued commitments made by Abertis through its investments, which totalled €1,394 million this year, of which the following are worthy of note:

- Completion of the operation to purchase assets of Itinere. With this operation, Abertis controls 100% of the Vasco to Aragonesa (Avasa) Motorway in Spain; 100% of Concesionaria del Elqui (Los Vilos to La Serena motorway) and 100% of Gestora de Autopistas, S.A. ("GESA") in Chile. In addition, also in Chile, it obtained a majority holding and control of Rutas del Pacífico, Rutas II and Operadora del Pacífico ("OPSA"), with a 78.9% holding.

As well as the expansion of its activity through investments made in:

- Motorways in France (Sanef) and Spain (more specifically the AP-7 and the C-32) for the expansion of carriageways and investment in new constructions.
- Hispasat and national roll out of DTT.
- Car parks in Italy, Spain and Chile.

The ACS Group's objective through its presence in Abertis, with 25.8% of its capital, is to participate in the whole value chain of the concessions business.



# Iberdrola

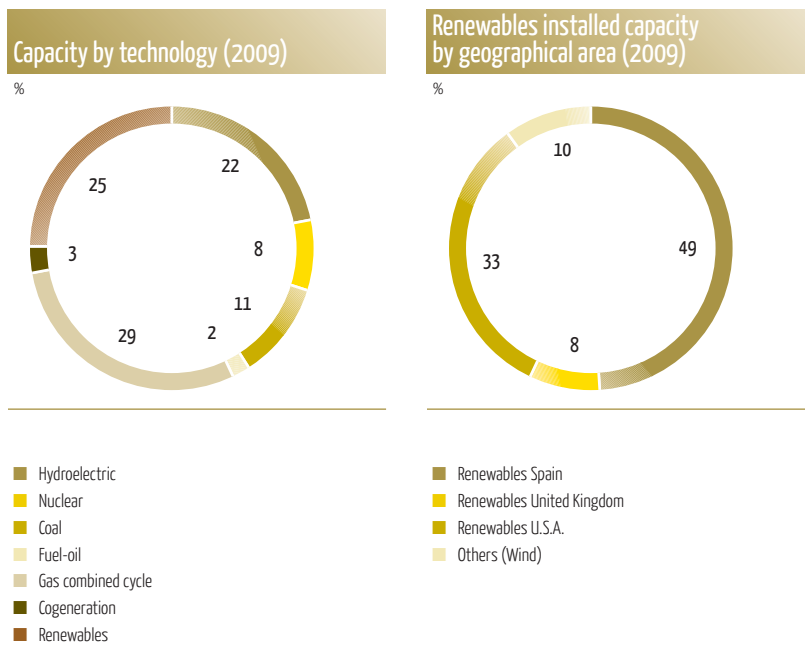
Iberdrola is Spain's leading energy group in terms of installed capacity, turnover and capitalization.

The company had an installed capacity of 43,667 MW in 2009, while production totalled 142,776 GWh, up 1.1% percent on the year before, driven by growth of 26.4% in production through renewable energies. In addition, in distribution and commercialisation, Iberdrola has over 24 million electricity customers, enabling it to distribute 204,826 GWh and around 3 million gas users, with distribution of 162,893 GWh and 2.2 billion m<sup>3</sup> of gas storage. Iberdrola has a diversified, efficient and balanced generating mix, characterised by its commitment to the environment and to technologies with low CO<sub>2</sub> emissions.

The company is a world leader in development and management of renewable energies through its subsidiary, Iberdrola Renovables. It generated 21,490 GWh in 2009, 26.4% up on the figure for 2008, with an installed capacity of 10,752 MW, of which 51% is in the international area. The company's strong international influence in the field of renewable energies can also be seen in its 58,416 MW portfolio of projects, since 43% of these correspond to projects in the United States, while 33% correspond to projects in other international areas.

Its high level of diversification, its leading position in the development and management of renewable energies, as well as good management of operating efficiency, enabled the company to achieve EBITDA of €6,815 million, 6.3% higher than the 2008 figure, and net profit of €2,824 million, in spite of the adverse sector environment in 2009.

The ACS Group is the company's main shareholder with a 12% stake. Iberdrola contributes to the Group's profit through its dividends, which are accounted as financial profit. Its contribution in 2009 amounted to €208 million.



# Strategic Investments

## Hochtief



The ACS Group has been the main shareholder in the German construction and concessions group since 2009 and it currently holds 29.98% of its share capital.

Hochtief is the fifth largest construction company in the world and the third largest in Europe in sales volume, according to ENR, at €18,166 million in 2009, with a net profit of €195 million. It is also a truly global company, with 86.5% of its sales outside of Germany, mainly in Central Europe, the United States, Asia-Pacific and the Middle East, being one of the main private developers of concessions for public infrastructures and buildings in the world.

Hochtief carries out its business through six large business areas:

- Hochtief Americas: Carries out its business in the USA through Turner and Flatiron. Turner is the US leader in general construction and in high growth segments such as commercial offices, healthcare and educational buildings and "green" building. Flatiron is one of the 10 most important builders of transport infrastructure in the country, with a growing presence in Canada. They carried out several projects jointly within the last year.
- Hochtief Asia Pacific: Leighton, of which Hochtief owns 55%, is a leader in the Australian market and one of the top companies in Southeast Asia and the Persian Gulf. Leighton engages in building, construction and development of infrastructures, mineral extraction and concessions and services.
- Hochtief Europe: Engages in construction in Europe, not only in Germany, but also in other countries such as the United Kingdom, Austria, Russia, Poland and the Czech Republic, as well as carrying out some projects in other countries such as Qatar and Chile. It undertakes building and civil works and engineering, with an increasing focus on segments such as healthcare buildings, hotels and commercial buildings.
- Hochtief Concessions: Includes both airport concessions and PPP (Public Private Partnership) concessions. Hochtief participates in the airports for Athens, Dusseldorf, Hamburg, Sydney, Budapest and Tirana, maintaining an active focus on the search for new investment opportunities. In PPP Solutions, the portfolio is mainly made up of concessions for motorways in Germany, Austria, Greece and Chile and social infrastructures in Germany, the United Kingdom and Ireland.
- Hochtief Real Estate: Develops, executes and sells real estate projects, as well as providing management and support services for the properties.
- Hochtief Services: Engages in integrated management of, mainly industrial, properties and installations and in energy management, carrying out projects for efficient and responsible use of energy.

*Hochtief is the fifth largest construction company in the world and the third largest in Europe in sales volume.*



Hochtief has an order book of €35,593 million, which represents 23.5 months of sales. Outstanding among the main contract awards in 2009 are:

Project	Country	Business area	Million of euros
Desalination plant in Melbourne	Australia	Asia Pacific	2,100
Barwa Commercial Avenue	Qatar	Europe	1,300
Operation of the Senakin and Satui mines in Kalimantan	Indonesia	Asia Pacific	1,180
Contracts for the refinery gas project in Barrow Island	Australia	Asia Pacific	989
7 school PPP project in Queensland	Australia	Asia Pacific	632
Telecommunication network expansion	New Zealand	Asia Pacific	461
Construction of the Port Mann Bridge in Vancouver	Canada	Americas	413
Expansion of the Terminal 2 of San Diego airport	USA	Americas	375
Hospital for the University Medical Center in Princeton	USA	Americas	340
Operation of the Duralie mine	Australia	Asia Pacific	251
RCD recycling plant in Abu Dhabi	United Arab Emirates	Asia Pacific	233
Railway construction in the Gobi desert	Mongolia	Asia Pacific	207
Operation of Orebody mine 23/25	Australia	Asia Pacific	201
Extension of the water supply network	Australia	Asia Pacific	189
Hong Kong sewage network	China	Asia Pacific	186
Operation of the Ukhaakhadug mine	Mongolia	Asia Pacific	181
Peak Down mine operation in Queensland	Australia	Asia Pacific	172
Infrastructure for the public transport in Brisbane	Australia	Asia Pacific	167
Technology Park building in Chennai for Tata Group	India	Asia Pacific	165
Project for the construction of Jacksonville Courts	USA	Americas	158
Extension and refurbishment of the Joondalup Health Campus in Perth	Australia	Asia Pacific	158
Infrastructure for the National Broadband	Australia	Asia Pacific	154
PPP Project for the Town Hall and Civic Center of Moers	Germany	Concessions	150



# Main Economic-Financial figures of the ACS Group

## Business performance of the ACS Group in 2009

Key operating and financial indicators	2008	2009	Var. 09/08
<i>Million of euros</i>			
<b>Turnover</b>	<b>15,275.6</b>	<b>15,605.9</b>	<b>+2.2%</b>
<i>International</i>	<i>21.9 %</i>	<i>26.3 %</i>	
<b>EBITDA</b>	<b>1,382.5</b>	<b>1,458.0</b>	<b>+5.5%</b>
<i>Margin</i>	<i>9.1 %</i>	<i>9.3 %</i>	
<b>EBIT</b>	<b>1,042.7</b>	<b>1,079.9</b>	<b>+3.6%</b>
<i>Margin</i>	<i>6.8%</i>	<i>6.9 %</i>	
<b>Net Profit from continuing operations*</b>	<b>699.6</b>	<b>842.2</b>	<b>+20.4%</b>
<b>Net profit attributable to the parent</b>	<b>1,805.0</b>	<b>1,951.5</b>	<b>+8.1%</b>
<b>EPS</b>	<b>5.43 €</b>	<b>6.28 €</b>	<b>+15.6%</b>
<b>Cash flow from operations</b>	<b>971.7</b>	<b>1,652.2</b>	<b>+70.0%</b>
<b>Net investments</b>	<b>63.6</b>	<b>(1,307.3)</b>	<b>n.a.</b>
Investments	2,813.1	4,597.9	+63.4%
Disposals	2,749.5	5,905.2	+114.8%
<b>Total net debt</b>	<b>9,355.8</b>	<b>9,271.3</b>	<b>-0.9%</b>
Net debt with recourse	2,933.7	302.1	-89.7%
Non recourse financing	6,422.1	8,969.2	+39.7%

\* Profit after taxes not including exceptional results nor profits from discontinued operations.

Note: The figures included in this report are presented in accordance with the Groups management criteria and may differ with respect to those presented in the financial statements due to certain reclassifications which have no effect on net profit.

The year 2009 was very positive for the ACS Group. The ACS Groups turnover amounted to €15,606 million, up 2.2% on 2008, backed by a substantial increase in international sales (+22.4%). Operating profit also showed signs of good performance. Accordingly, EBITDA rose by 5.5% and EBIT grew by 3.6%.

The net profit attributable to the Group increased by 8.1% to €1,952 million. The earnings per share adjusted by the average numbers of shares outstanding, stood at €6.28 per share, up by 15.6%. Net profit from continuing operations, excluding the profit from Unión Fenosa and SPL, rose by 20.4% to €842 million.

The cash flow generated by operations increased by 70% to €1,652 million as a result of the positive performance of operating profit and the efficient management of working capital. The sound cash flow generation capacity of operations as well as the completion of the sale of 35.3% of Unión Fenosa enabled the Group to make the foreseen investments, which in 2009 amounted to €4,598 million, and to maintain the same net debt level as 12 months ago.

Specifically, the ACS Groups total net debt at 31 December 2009 amounted to €9,271 million, i.e. 0.9% lower than in the previous year. Net recourse debt amounted to €302 million, while non-recourse debt stood at €8,969 million.

Also noteworthy are different financial transactions performed in 2009 to reinforce the financial soundness and international expansion of the Group:

- In February 2009, after receiving the appropriate administrative authorisations, the remaining 35.3% of Unión Fenosa still held by the ACS Group was sold for €5,824.8 million.
- The “equity swap” for 4.88% of the shares of Iberdrola, S.A. was novated, and accordingly, the exercise period was expanded and the ACS Group acquired all the voting and economic rights inherent to the underlying shares.
- On 30 July 2009, the ACS Group, through Dragados, the company heading the Construction area, launched a takeover bid in the Warsaw stock market on shares representing 65.53% of the share capital of the Polish construction company Przedsiębiorstwo Robót Inżynieryjnych “Pol-Aqua” Spółka Akcyjna (hereinafter Pol-Aqua), at a price of 27 zlotys

per share. On 21 October 2009 this transaction was completed, and Dragados acquired an ownership interest of 66% in the share capital of Pol-Aqua for 486.6 million zlotys (€117.7 million).

- Also on 30 July, ACS Actividades de Construcción y Servicios S.A. entered into a loan agreement with a syndicate of 37 financial institutions amounting to €1,500 million, and then increased to €1,594 million, which matured in 2012.

- In December 2009 Dragados Construction USA, Inc., closed the acquisition of two US construction companies, Pulice Construction Inc., whose headquarters are in Phoenix (Arizona), and John P. Picone Inc., whose headquarters are in New York, for a total US \$ 245 million.

## Consolidated income statement of the ACS Group

Consolidated Income Statement	2008	%	2009	%	Var. 09/08
Million of euros					
<b>Revenue</b>	<b>15,275.6</b>	<b>100.0%</b>	<b>15,605.9</b>	<b>100.0%</b>	<b>+2.2%</b>
Other revenues	523.8	3.4%	391.0	2.5%	-25.4%
<b>Total income</b>	<b>15,799.4</b>	<b>103.4%</b>	<b>15,996.9</b>	<b>102.5%</b>	<b>+1.3%</b>
Operating expenses	(10,644.0)	(69.7%)	(10,676.4)	(68.4%)	+0.3%
Staff costs	(3,772.9)	(24.7%)	(3,862.4)	(24.7%)	+2.4%
<b>Operating cash flow (EBITDA)</b>	<b>1,382.5</b>	<b>9.1%</b>	<b>1,458.0</b>	<b>9.3%</b>	<b>+5.5%</b>
Depreciation and amortisation expense	(299.4)	(2.0%)	(365.1)	(2.3%)	+22.0%
Operating allowances	(40.4)	(0.3%)	(13.0)	(0.1%)	-67.9%
<b>Ordinary Operating profit (EBIT)</b>	<b>1,042.7</b>	<b>6.8%</b>	<b>1,079.9</b>	<b>6.9%</b>	<b>+3.6%</b>
Impairment and gains on the disposal of financial instruments	0.3	0.0%	0.6	0.0%	n.a.
Other operating profit or loss	147.6	1.0%	(39.2)	(0.3%)	n.a.
<b>Operating profit</b>	<b>1,190.6</b>	<b>7.8%</b>	<b>1,041.4</b>	<b>6.7%</b>	<b>-12.5%</b>
Finance income	402.6	2.6%	395.5	2.5%	-1.8%
Finance costs	(770.8)	(5.0%)	(664.6)	(4.3%)	-13.8%
<b>Financial profit/Loss</b>	<b>(368.2)</b>	<b>(2.4%)</b>	<b>(269.1)</b>	<b>(1.7%)</b>	<b>-26.9%</b>
Exchange gains and losses	1.6	0.0%	(0.4)	(0.0%)	n.a.
Change in fair value of financial instruments	(650.8)	(4.3%)	(2.3)	(0.0%)	n.a.
Impairment and gains on the disposal of financial instruments	703.8	4.6%	22.8	0.1%	n.a.
<b>Net Financial Profit/Loss</b>	<b>(313.6)</b>	<b>(2.1%)</b>	<b>(249.0)</b>	<b>(1.6%)</b>	<b>-20.6%</b>
Companies accounted for by equity method	157.3	1.0%	195.6	1.3%	+24.3%
<b>Profit before tax from continuing operations</b>	<b>1,034.4</b>	<b>6.8%</b>	<b>988.0</b>	<b>6.3%</b>	<b>-4.5%</b>
Corporation tax	(27.6)	(0.2%)	(120.4)	(0.8%)	n.a.
<b>Profit after tax from continuing operations</b>	<b>1,006.8</b>	<b>6.6%</b>	<b>867.5</b>	<b>5.6%</b>	<b>-13.8%</b>
Profit after tax from discontinued operations	816.0	5.3%	1,113.0	7.1%	+36.4%
<b>Profit for the year</b>	<b>1,822.7</b>	<b>11.9%</b>	<b>1,980.5</b>	<b>12.7%</b>	<b>+8.7%</b>
Non-controlling interests	(17.7)	(0.1%)	(29.0)	(0.2%)	+63.7%
<b>Net Profit Attributable to the Parent</b>	<b>1,805.0</b>	<b>11.8%</b>	<b>1,951.5</b>	<b>12.5%</b>	<b>+8.1%</b>

# Main Economic-Financial figures of the ACS Group

## Consolidated Balance Sheet at 31 December

Consolidated Balance Sheet	2008	%	2009	%	Var. 09/08
<small>Million of euro</small>					
Intangible assets	1,466.9	2.9 %	1,575.2	5.0 %	+7.4%
Property, plant and equipment	1,718.5	3.3 %	1,483.9	4.7 %	-13.7%
Non-current assets in projects	3,587.1	7.0 %	4,492.6	14.1 %	+25.2%
Investment property	70.9	0.1 %	61.0	0.2 %	-13.9%
Investments accounted for using the equity method	3,892.8	7.6 %	4,174.2	13.1 %	+7.2%
Non-current financial assets	3,188.3	6.2 %	5,156.6	16.2 %	+61.7%
Financial instrument receivables	0.5	0.0 %	21.7	0.1 %	n.a.
Deferred tax assets	694.4	1.4 %	773.2	2.4 %	+11.3%
<b>Total non-current assets</b>	<b>14,619.4</b>	<b>28.4 %</b>	<b>17,738.4</b>	<b>55.9 %</b>	<b>+21.3%</b>
Non-current assets held for sales	24,350.6	47.4 %	1,178.7	3.7 %	-95.2%
Inventories	698.6	1.4 %	657.8	2.1 %	-5.8%
Trade and other accounts receivable	7,301.6	14.2 %	7,174.9	22.6 %	-1.7%
Current financial investments	2,185.1	4.3 %	2,711.1	8.5 %	+24.1%
Other current assets	62.0	0.1 %	86.3	0.3 %	+39.2%
Cash and cash equivalents	2,181.0	4.2 %	2,207.0	7.0 %	+1.2%
<b>Current assets</b>	<b>36,779.0</b>	<b>71.6 %</b>	<b>14,015.8</b>	<b>44.1 %</b>	<b>-61.9%</b>
<b>Total Assets</b>	<b>51,398.4</b>	<b>100.0 %</b>	<b>31,754.2</b>	<b>100.0 %</b>	<b>-38.2%</b>
Equity attributed to the parent	3,402.4	6.6 %	4,303.4	13.6 %	+26.5%
Non-controlling interests	6,510.6	12.7 %	288.1	0.9 %	-95.6%
<b>Equity</b>	<b>9,913.0</b>	<b>19.3 %</b>	<b>4,591.5</b>	<b>14.5 %</b>	<b>-53.7%</b>
Grants	65.4	0.1 %	90.5	0.3 %	+38.4%
Non-current financial liabilities	9,576.3	18.6 %	11,774.3	37.1 %	+23.0%
Deferred tax liabilities	230.8	0.4 %	374.0	1.2 %	+62.1%
Non-current provisions	158.6	0.3 %	378.8	1.2 %	+138.8%
Financial instrument payables	855.7	1.7 %	320.0	1.0 %	-62.6%
Other non-current liabilities	182.9	0.4 %	242.2	0.8 %	+32.4%
<b>Non-current Liabilities</b>	<b>11,069.7</b>	<b>21.5 %</b>	<b>13,179.8</b>	<b>41.5 %</b>	<b>+19.1%</b>
Liabilities relating to non-current assets held for sale	15,912.9	31.0 %	845.1	2.7 %	-94.7%
Current provisions	264.7	0.5 %	275.2	0.9 %	+3.9%
Current financial liabilities	4,145.7	8.1 %	2,415.2	7.6 %	-41.7%
Trade and other accounts payable	9,376.0	18.2 %	9,850.0	31.0 %	+5.1%
Other current liabilities	716.3	1.4 %	597.5	1.9 %	-16.6%
<b>Current Liabilities</b>	<b>30,415.7</b>	<b>59.2 %</b>	<b>13,982.9</b>	<b>44.0 %</b>	<b>-54.0%</b>
<b>Total Equity &amp; Liabilities</b>	<b>51,398.4</b>	<b>100.0 %</b>	<b>31,754.2</b>	<b>100.0 %</b>	<b>-38.2%</b>



Statement of Cash Flows	2008	2009	Var. 09/08
<i>Million of euro</i>			
<b>Net Profit</b>	<b>1,805.0</b>	<b>1,951.5</b>	<b>+8.1%</b>
Adjustments to profit not giving rise to cash flows	(628.1)	(794.2)	
Changes in working capita	(205.2)	494.9	
<b>Net cash flows from operating activities</b>	<b>971.7</b>	<b>1,652.2</b>	<b>+70.0%</b>
1. Investment payables	(2,813.1)	(4,597.8)	
2. Disinvestment receivables	2,468.5	5,905.1	
<b>Cash flows from investing activities</b>	<b>(344.6)</b>	<b>1,307.3</b>	<b>n.a.</b>
1. Purchase of treasury shares	(674.4)	(465.7)	
2. Dividends payable	(600.2)	(653.2)	
3. Other adjustments	(101.7)	(261.6)	
<b>Other cash flows</b>	<b>(1,376.3)</b>	<b>(1,380.5)</b>	<b>+0.3%</b>
<b>Total cash flow</b>	<b>(749.2)</b>	<b>1,579.0</b>	<b>n.a.</b>

## Significant events subsequent to year-end

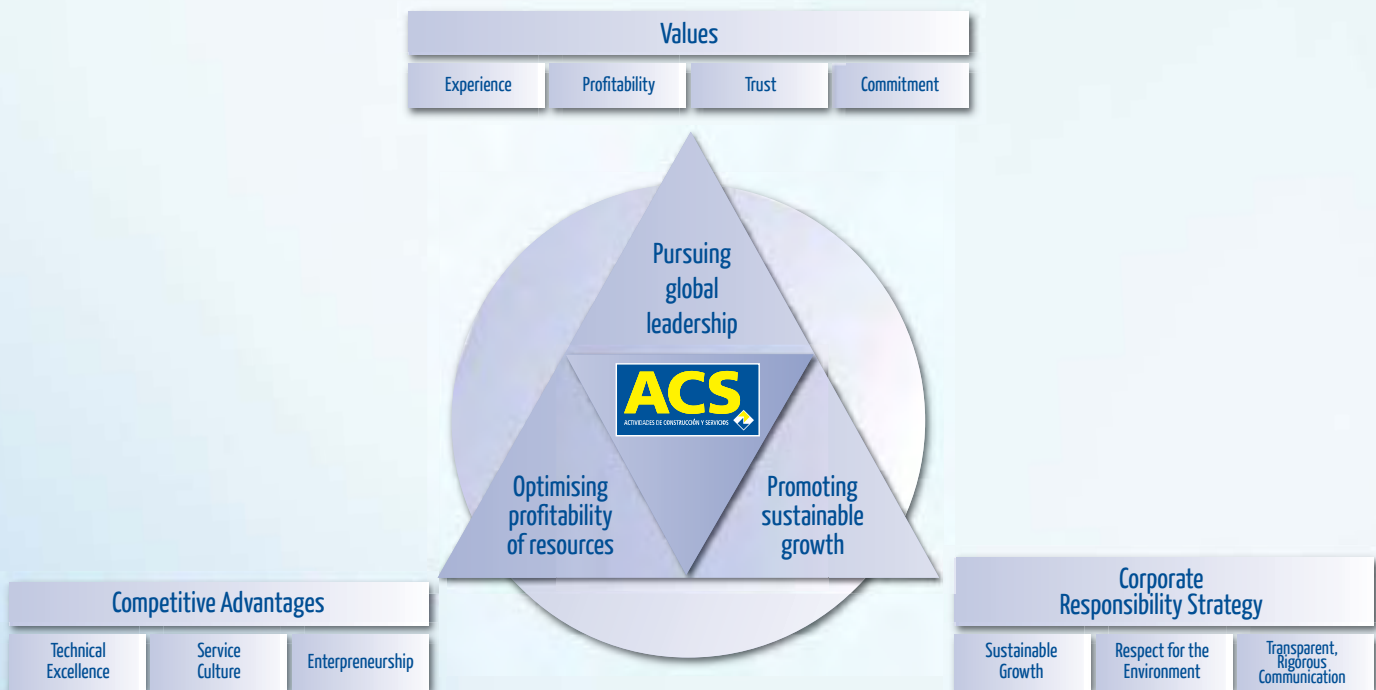
At the date of the preparation of these financial statements there were no events worthy of mention with an effect on the information contained in the financial statements.



# The ACS Group and Corporate Responsibility

Corporate responsibility is part of the ACS Group's vision and strategy; the sustained growth and responsible development of not only the Group but also the society of which it forms part is an intrinsic part of each of the activities it promotes and develops, those rests in three basic pillars: Corporate Responsibility Strategy, Values and Competitive Advantages.

*Since its foundation, the ACS Group and its companies have made a commitment to the various parties forming part of its operations and interacting with the Group or its employees. This commitment is based on the ethical principles guiding the ACS Group's operations and forming part of its corporate culture.*



With the objective of supporting this statement of principles, the ACS Group has worked over recent years on developing a culture based around sustainable development and corporate responsibility.

The corporate tools have been provided to enable the company to put this strategy into practice. This was firstly through the publication of the Commitment to Corporate Responsibility, then through the formalisation of the Code of Conduct, which was already in use but not regulated formally, and finally the declaration of commitment to combating Climate Change. These documents were approved by the ACS Group's Board of Directors and their supervision is one of the responsibilities of the Board's Audit and Control Committee.

*Combating Climate Change is an inherent part of the ACS Group operation, business and sustainability strategy.*

This link to corporate responsibility is part of the ACS Group's continual effort to work in accordance with the five commitments to sustainability it has assumed to define its relationship with the environment, society and the agents and stakeholders with which it relates. This is the ACS Group's response to the challenge of Corporate Responsibility.

**Commitment to the creation of value,** distributing the wealth created among its shareholders, clients, suppliers and among the society as a whole.

The ACS Group's Mission includes a concept which is part of our commitment to the creation of value: "The search for profitability while improving the society in which we live".

All of the ACS Group's activities decisively contribute economic and social benefits, in addition to forming part of the wealth of the societies they serve.

**Commitment to information transparency,** so that those who have a relationship with the Company have accurate, reliable and accessible information available to them and are able to form an exact opinion of ACS.

For further information, see the webpage [www.grupoacs.com](http://www.grupoacs.com)

**Commitment to research, development and innovation** with a view to the future, profitable growth and the quality of its products and services.

The ACS Group invested 40.0 million euros in R+D+i in 2009, representing 4.8% of ordinary net profit for continuing activities.



<p><b>87.4%</b></p> <p><i>of the production of the ACS Group took place under quality systems based on the ISO 9001 standard.</i></p>	<p><b>40.0</b></p> <p><i>million euros were invested in Research, Development and Innovation in 2009.</i></p>	<p><b>ACS</b></p> <p><i>is one of the companies which created most value for its shareholders in the first decade of the 21st century.</i></p>
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<p><a href="http://www.grupoacs.com">www.grupoacs.com</a></p> <p><i>ACS' website is visited by an average of 2,440 users daily, with 23,775 pages viewed.</i></p>	<p><b>ACS</b></p> <p><i>Worldwide leader in the promotion of transport infrastructure projects by number of concessions, according to a survey by the specialised US publication Public Works Financing.</i></p>	 <p><i>The ACS Group is a member of the Dow Jones Sustainability World Index.</i></p>
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<p><b>20.60</b></p> <p><i>million euros invested in R+D+i in the Construction area.</i></p>	<p><b>5.17</b></p> <p><i>million euros invested in R+D+i in the Environment area.</i></p>	<p><b>14.27</b></p> <p><i>million euros invested in R+D+i in the Industrial Services and Energy area.</i></p>
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# The ACS Group and Corporate Responsibility

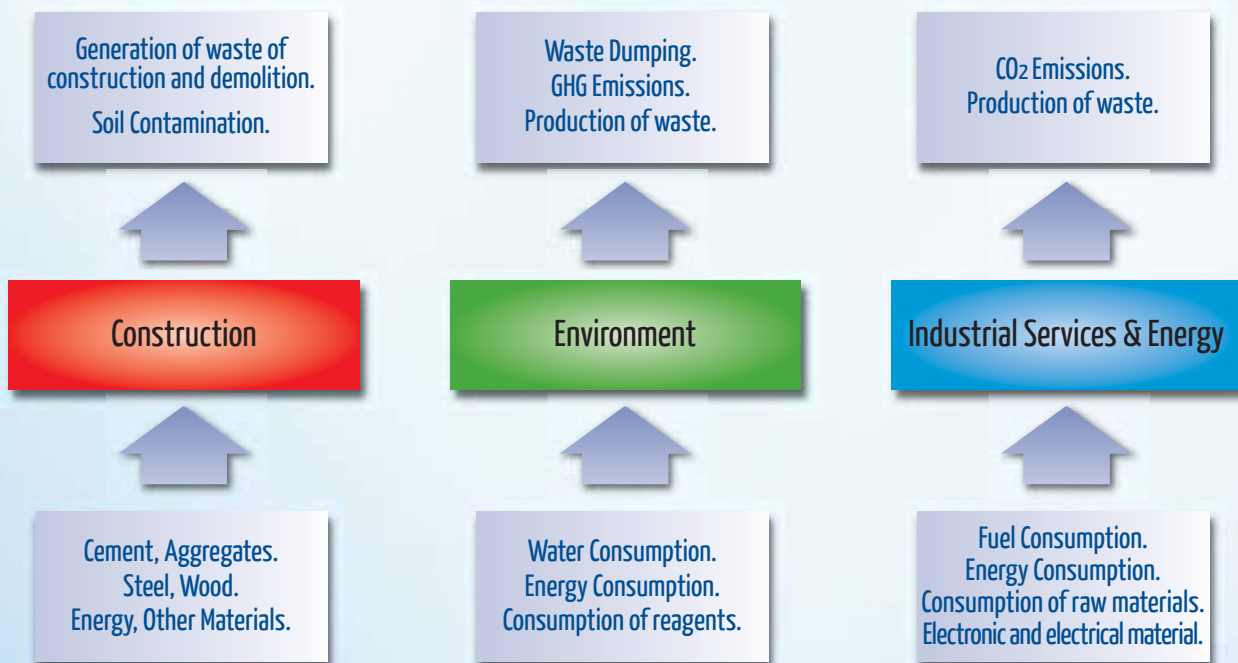
*Commitment to the natural environment,* implementing programs and procedures which contribute to minimising the impact of the ACS Group's activities.

Given the commitment of ACS to the natural environment, it undertakes specific measures in relation to each of the Group's activities in order to improve overall results, decrease risks and preserve, reuse and reduce the resources used.

<h2 style="font-size: 2em; margin: 0;">79%</h2> <p style="font-size: 0.8em; margin: 0;"><i>of the Group's production takes place in companies certified in accordance with ISO 14001.</i></p>	<h2 style="font-size: 2em; margin: 0;">58.5%</h2> <p style="font-size: 0.8em; margin: 0;"><i>recovery rate for Construction waste in 2009, 20.9 percentage points higher than in 2008.</i></p>	<h2 style="font-size: 2em; margin: 0;">150 MW</h2> <p style="font-size: 0.8em; margin: 0;"><i>of power installed in 2009. The ACS Group is pioneering the development of thermal solar plants.</i></p>
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*"Everyone has the right to enjoy an environment appropriate for the development of the person and the duty to preserve it".*

## Main impacts of ACS Group activities



***Commitment to individuals and the social environment***, through the creation of employment, wealth and the contribution to the well-being and prosperity of the societies in which it operates.

The ACS Group is made up of a total of 142,176 people, 0.8% more than last year. In 2009, the ACS Group created over 1,174 net jobs.

The ACS Group is one of the construction and services sector companies that have most stably over time adapted their labour relations to the life of the company. It works toward fostering social justice and internationally proclaimed human and labour rights, respecting and protecting the forming of labour unions and employees' rights to freedom of association and granting equal opportunities and treatment, without discriminating on the basis of sex, ideology, religion, etc or any other social or individual circumstance or condition. The ACS Group has a firm commitment to underprivileged groups and particularly the disabled.

The Annual Training Plan comprises over 1,317,780 hours of study in courses and seminars relating to all its activities, as the ACS Group's strategy involves an overall approach of ongoing training in the workplace, in classes or by distance learning. Furthermore in the ACS Group, the prevention of workplace hazards is the most important training subject and the one in which the greatest effort and investment is made.

**38%**

*proportion of women in the total workforce, 2 percentage points higher than in 2008, that means 54,055 women working in ACS.*

**82.9%**

*of clients were satisfied according to the surveys carried out in 2009.*

**3.7**

*million euros in investment in social action through the ACS Foundation during 2009.*

*The training and labour risk prevention campaign conducted by the ACS Group, as well as all safety initiatives and protocols implemented, contributed to reducing the accidents suffered by Group employees by over 5.5% in 2009.*



# The ACS Group and Corporate Responsibility

Evolution of Prevention Rates	ACS Group				
	2005	2006	2007	2008	2009
Frequency rate <sup>(1)</sup>	45	41	39	37	36
Severity rate <sup>(2)</sup>	0.96	0.94	0.85	0.78	0.87
Incidence rate <sup>(3)</sup>	74	73	70	71	64

The scope of this table is 82% of the ACS Group's workforce.

(1) Represents the number of accidents that occurred during the working day per million hours worked.

(2) Represents the number of working days lost due to accidents per 1,000 hours worked.

(3) Represents the number of accidents in relation to which sick leave was taken per 1,000 employees.

Each year the ACS Group dedicates notable effort to collaboration for the development of initiatives of community interest.

The ACS Group and Foundation monitor the philanthropic initiatives in which the group collaborates with third parties and the impact these might have on the reputation of the ACS Group.

In 2009 the Foundation diversified its activities relating to basic support programmes and expanded its relations with public and private institutions relating to these, investing 3.7 million of Euros in more than 98 projects and collaborations.



*In 2002, the ACS Group became one of the Spanish Companies adhering to the United Nations Global Compact. The Group's commitment is to include the principles of the Global Compact in its strategy and operations.*



## Main Milestones in 2009

Investment of over €988 million in renewable energy generation projects, to develop 74 MW of wind farms and 100 MW of thermal solar plants with heat storage.

Reduction of CO<sub>2</sub> emissions either directly or through the savings arising from the ACS Group's operating activity.

Inclusion of the ACS Group in the Dow Jones Sustainability World Index.

Investment of €40.0 million in research, development and innovation. This investment is equivalent to 4.8% of ordinary net profit (€842 million in 2009).

Recycling and reuse of 58.5% of construction and demolition waste.

Savings of 4,095,935 tons of CO<sub>2</sub> as a result of waste treatment activity.

The proportion of women in the ACS Group rose by two percentage points relative to 2008 figures, to 38% of the total staff.

A total of 2,165 satisfaction surveys were carried out in 2009, with 82.9% of replies being satisfactory or very satisfactory.

12% increase in the ACS Foundation's investment in social works.

Improvement in accident frequency and incident rate at a Group level, with a 5.5% reduction in accidents.

## Objectives and Challenges for 2010

Investment of over €700 million in renewable energy. International expansion.

In accordance with the objectives for 2008, the ACS Group continues to work to increase certified activity according to ISO standards in relation to quality and the environment.

To increase investment in R+D+i to 2008 levels (around €50 million).

To begin measurement of Scope 3 CO<sub>2</sub> emissions, mainly produced by travel, the supply chain and internal logistics.

Reductions in electricity, water and gas consumption and in waste generation.

Continued promotion of equal opportunity practices in all of the Group's activities.

Reinforcement of the ACS Group's labour risk prevention systems in all activity areas, in order to improve the work-related accident rate as compared to 2009.

An increase of over 10% in the budget of the Grupo ACS Foundation.

# The ACS Group and Corporate Responsibility

## Main figures of Corporate Responsibility

Area of Activity	Construction	Environment	Industrial Services & Energy	ACS Group
% of total sales 2009	25%	17%	42%	84%
<b>Main environment indicators</b>				
Materials used	Cement, steel, aggregates, bitumen, chemical products, wood	Solid urban waste, industrial waste, hospital waste, mineral oil, gas neutralization products, acids, water	Cables, concrete, iron, steel, gas, diesel, wood, lighting, paper, computer equipment, floated concrete, aluminum, reflective materials, copper, aggregates, electronic equipment, electrical and plastics	
<b>Consumption of energy broken down by primary source</b>				
Petrol + diesel consumption (million litres)	16.2	35.8	23.0	75.1
Natural gas consumption (m <sup>3</sup> )	213,620	5,111,096	38,870	5,363,585
Electricity consumption (GWh)	51	110	30	191
Other consumptions (toe)	369	1,621	0	1,991
<b>Total (toe)</b>	<b>21,754</b>	<b>53,303</b>	<b>26,496</b>	<b>101,553</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
<b>Water consumption</b>				
Obtained from the public mains (m <sup>3</sup> )	808,101	1,833,736	108,684	2,750,521
Obtenida de otras fuentes (m <sup>3</sup> )	632,391	420,588	3,951	1,056,930
<b>Total (m<sup>3</sup>)</b>	<b>1,440,492</b>	<b>2,254,324</b>	<b>112,636</b>	<b>3,807,451</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
<b>Waste water dumped<sup>(1)</sup></b>				
To the public network (m <sup>3</sup> )	Not available	1,039,150	93,622	1,132,772
Drainage to the sea or rivers/lakes (m <sup>3</sup> )	Not available	14,491	1,568	16,059
<b>Total (m<sup>3</sup>)</b>	<b>Not available</b>	<b>1,053,641</b>	<b>95,190</b>	<b>1,148,831</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>0%</i>	<i>12%</i>	<i>34%</i>	<i>46%</i>
<b>Greenhouse gas emissions</b>				
Total direct greenhouse gas emissions (t CO <sub>2</sub> )	37,000	8,002,123	31,137	8,070,259
Total indirect greenhouse gas emissions (t CO <sub>2</sub> )	15,008	32,707	8,996	56,712
<b>Total direct and indirect greenhouse gas emissions (t CO<sub>2</sub>)</b>	<b>52,008</b>	<b>8,034,830</b>	<b>40,133</b>	<b>8,126,971</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
<b>Other significant emissions to the air (already included in direct emissions)</b>				
NO <sub>x</sub> (t)	0.10	360.3	0.00	360.3
SO <sub>x</sub> (t)	0.20	0.6	0.00	0.8
Particles (t)	0.00	2.4	0.00	2.4
Other gases (t)	0.40	0.0	0.00	0.4
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>8%</i>	<i>28%</i>	<i>61%</i>
<b>Savings of greenhouse gas emissions (t)</b>				
	0	4,095,935	2,414,034	6,509,969
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
<b>Non-hazardous waste managed</b>				
	Surplus land excavation and CDR (rubble, wood, plastics, paper and cardboard and metals)	Waste from treatment of urban waste	Paper, cardboard, electronic waste, scrap, municipal waste	
<b>Total (t)</b>	<b>1,099,375</b>	<b>29,209</b>	<b>33,104</b>	<b>1,161,688</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
<b>Hazardous waste managed (t)</b>				
	2,251	8,501	7,436	18,188
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
<b>Percentage of projects which are rated non-financial, such as environmental (%)</b>				
	77%	0%	7%	27%
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>

(1) Not included treated water in the sewage treatment plants



Area of Activity	Construction	Environment	Industrial Services & Energy	ACS Group
<b>Quality and creation of value for clients</b>				
Investments dedicated to quality improvements (million of euros)	Not available	1.7	1.9	3.7
Percentage of the total production certified by the quality systems based on the ISO 9001 standard	100%	68%	88%	87%
Number of audits of quality carried out	198	44	287	525
Number of satisfaction surveys carried out	531	350	1,284	2,165
Percentage of the total answers of clients saying that they were "Satisfied" or "Very Satisfied"	87%	85%	80%	83%
Investments carried out in R+D+i (million of euros)	21	5	14	40
<b>Commitment to the Natural Environment</b>				
Percentage of the total production of the Group environmentally certified in accordance with the ISO 14001 standard	80%	70%	82%	79%
Number of environmental audits carried out	198	50	196	444
Number of significant environmental incidents registered	1,397	1	0	1,398
Number of environmental fines	26	1	1	28
<b>Employees</b>				
Total number of employees at 31th of December of 2009 <small>(377 employees in the corporation and other subsidiaries of the Group)</small>	20,014	83,317	38,468	142,176
Employees contracted directly and permanently	47%	3%	25%	15%
Employees contracted in relation to a specific project, work or temporary production joint venture.	53%	97%	75%	85%
<b>Training</b>				
Number of hours of study	181,072	765,681	371,027	1,317,780
Number of courses	892	3,131	2,721	6,744
Number of participants	11,524	32,143	12,544	56,211
Total investment (million of euros)	1.8	4.9	6.5	13.2
Courses by type of content: Production	524	772	1,509	2,805
Courses by type of content: Job Safety	288	2,280	1,045	3,613
Courses by type of content: Environment	80	79	167	326
<b>Labour risk prevention and job safety</b>				
Frequency rate <small>(Represents the number of accidents that occurred during the working day per million hours worked)</small>	26.7	42.8	25.9	36.1
Severity rate <small>(Represents the number of working days lost due to accidents per 1,000 hours worked)</small>	0.79	1.0	0.6	0.9
Incidence rate <small>(Represents the number of accidents in relation to which sick leave was taken per 1,000 employees)</small>	50.1	74.9	46.6	63.9

# Corporate Governance in the ACS Group

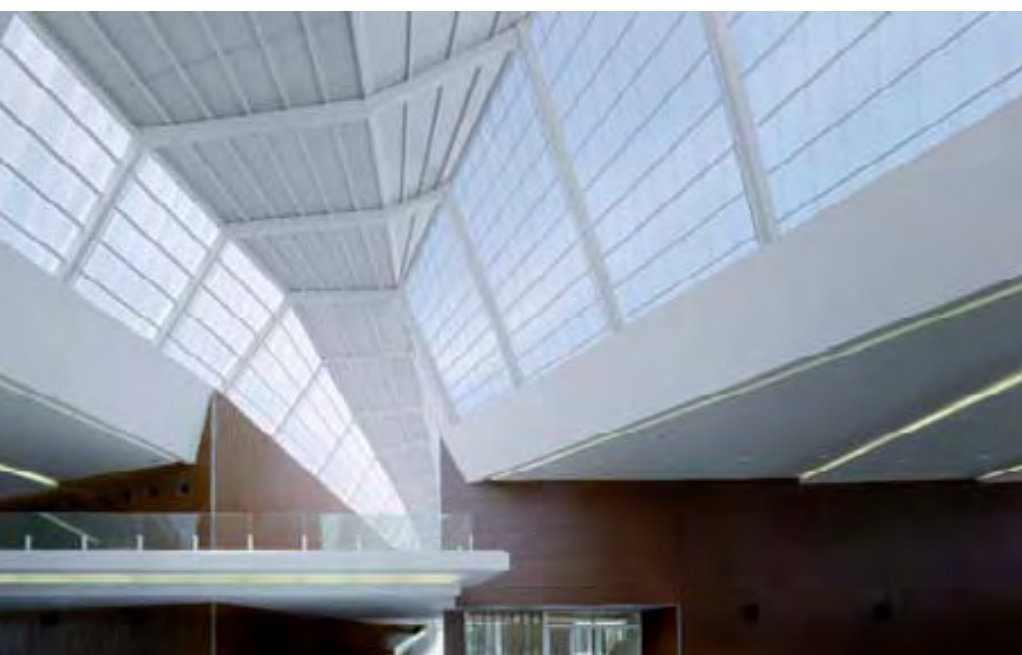
## Ownership structure

At December 31, 2009 the share capital of the ACS Group was 157,332,297 euros, represented by 335,390,427 fully subscribed and paid shares, all with the same voting and dividend rights.

In 2009 and as resolved by the General Shareholders Meeting held on May 25, 2009, share capital was reduced by means of the redemption of 3,979,380 treasury shares representing 1.249% of the Group's share capital.

The Group's main shareholders, i.e. those with an ownership interest of over 5% in the Group's total share capital, are as follows:

Name or corporate name of the shareholder	Number of shares	Percentage of total number of shares in December 2009
Corporación Financiera Alba, S.A.	73,887,279	23.481
Inversiones Vesán, S.A.	38,815,575	12.336
Mr. Alberto Alcocer Torra	21,799,070	6.928
Mr. Alberto Cortina Alcocer	21,799,071	6.928
Sayglo Holding, S.L.	17,741,012	5.638
Southeastern Asset Management, Inc.	17,166,306	5.455



## Company management

In the Bylaws and Rules of the Board of Directors, it is stipulated that the ACS Group shall be governed by a Board of Directors consisting of a minimum of eleven (11) and a maximum of twenty-one (21) members.

As the decision-making body of the ACS Group, the General Shareholders' Meeting, at the proposal of the Board, is responsible for setting, within the aforementioned limits, the exact number of members of the Board of Directors, and appointing the individuals to fill these positions.

The composition of the Board of Directors is based on a principle of proportionality, and accordingly, the interests of all the groups of shareholders composing the ACS Group should be represented. At December 31, 2009 the Board of Directors of the ACS Group was formed by 19 directors: 4 executive directors, 9 external proprietary directors, 5 independent directors and 1 director in the category of other external directors. The mission of these independent or external directors is to represent the interests of floating capital within the Board of Directors.

Additionally, the ACS Group's commitment to gender equality and the inclusion of women on management bodies was reflected in the election of Ms. Sabina Fluxá as a board member of ACS, Actividades de Construcción y Servicios S.A, she have formed part of the Board since May 2009.

As for the function of the Board of Directors, it acts jointly and is granted the broadest of powers to represent and govern the Company, and carries out the general function of supervising and controlling the Company's operations. However, it may directly assume the responsibilities and decision-making powers required to manage the Company's business.

More specifically, the Board of Directors in full shall approve the following policies and general strategies:

- The investment and financing policy.
- Definition of the structure of the corporate group.
- Corporate governance policy.
- Corporate social responsibility policy.
- The strategic or business plan, management targets and annual budgets.
- Senior executive management evaluation and remuneration policies.
- Risk control and management policy, and the periodic monitoring of internal information and control systems.

- Policy on dividends and on treasury shares, and the limits to be applied.
- Related party transactions, unless such transactions meet the conditions reflected in the Rules of Procedure of the Board of Directors.

In order to improve efficiency, a number of Committees has been created within the Board of Directors, whose tasks consist in controlling and monitoring the areas of greatest importance for the good governance of the company. There are three such committees: Executive Committee, Audit Committee and the Appointment and Remuneration Committee.

In view of the ACS Group's policy of transparency and disclosure, the remuneration received throughout the year by all members of the Board of Directors and by the Group's Senior Executives is included in the Corporate Governance Report.

Additionally, in 2009 significant improvements were made aimed at reinforcing the transparency and independence of our system of governance, introducing the necessary changes in the rules of the Board of Directors to adapt the procedures to practically all the recommendations in the Unified Code of Good Governance.



# Corporate Governance in the ACS Group

## Shareholders' Rights and the Annual General Meeting

The manner in which the General Shareholders meeting functions and the shareholders' rights are set forth in the Shareholders' General Meeting By-Laws of the ACS Group. According to Article 1 of these by-laws, the General Meeting is recognised as the absolute institution representing the Company and its decisions.

Accordingly, the shareholders present in a General Meeting decide on all matters within their competence, and the Shareholders' Meeting is made up of all shareholders holding a minimum of at least one hundred shares present or represented. The owners of less than one hundred shares may form a group to reach this number.

Additionally, these by-laws set forth the shareholders' attendance and voting rights, guaranteeing that all shareholders are treated equally. A number of measures are also provided to foster the participation of the shareholders at the General Meeting. In this regard, not only do

the by-laws detail the possibilities of appointing a representative and voting by proxy, but also, Article 26 of the Company By-laws expressly includes the possibility of shareholders casting their vote from outside the General Meeting. Since the Ordinary Shareholders' Meeting held on May 19, 2005, this method of voting and the necessary rules and procedures for the remote voting via internet or fax were disseminated. The measures adopted by the Group to foster attendance at the General Meeting are positively reflected in the number of members present or represented at these meetings, which was 78.535% at the Annual General Shareholders' meetings held on May 25, 2009.

The shareholders' right to information is detailed in several sections of the bylaws of the Shareholders' Meeting. Prior to the date of each meeting, all required information is made available to the shareholders and investors. Moreover, in addition to the standard information provided to the company in the form of annual, quarterly or bi-yearly reports, the Group maintains an ACS Group website with fundamental information relating thereto. Also, periodic meetings are held with analysts so that this information reaches all shareholders and the market in general in the most balanced, symmetric and efficient manner possible.

The ACS Group has not only established permanent communications channels with its shareholders and investors, but also assures that the information made available to them is true and correct. For this purpose, the Audit Committee reviews this information before it is made public, to verify that it has been drawn up in accordance with the same professional principles, criteria and practices as the financial statements.

Additionally, for several years the Board of Directors of the ACS Group has promoted various measures for the purpose of assuring the transparency of the Company's operations in the financial market and the exercise of any duties inherent in its status as a listed company. In this regard, the relevant facts reported to the Spanish Stock Market Commission (CNMV) are disclosed to the lowest number of people possible, who are duly identified, until they are made public.

In short, the ACS Group's commitment to transparency is in line with the guidelines set by the Special Commission for the Promotion of Transparency and Security on the Markets and in Listed Companies (Aldama Report), provided in Law 26/2003 of 17 July and the Ministerial Order 3722/2003 in which it is enacted.





# Directory head offices of the ACS Group's main companies

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

Avda. Pro XII, 102  
28036 Madrid, Spain  
Phone: +34 91 432 92 00, Fax: +34 91 343 94 56  
[www.grupoacs.com](http://www.grupoacs.com)

## DRAGADOS, S.A.

Avda. Camino de Santiago, 50  
28050 Madrid, Spain  
Phone: +34 91 343 93 00, Fax: +34 91 343 94 00  
[www.grupoacs.com](http://www.grupoacs.com)

## VÍAS Y CONSTRUCCIONES, S.A.

C/ Orense, 11 - 2º y 4º  
28020 Madrid, Spain  
Phone: +34 91 417 98 00  
Fax: +34 91 417 98 30  
[www.vias.es](http://www.vias.es)

## DRACE M. AMBIENTE

Avda. Camino de Santiago, 50  
28050 Madrid, Spain  
Phone: +34 91 703 56 00  
Fax: +34 91 703 56 40  
[www.dracemedioambiente.com](http://www.dracemedioambiente.com)

## FPS

Avda. Camino de Santiago, 50  
28050 Madrid, Spain  
Phone: +34 91 545 47 77  
[www.flotaps.com](http://www.flotaps.com)

## SEIS

Avda. Camino de Santiago, 50  
28050 Madrid, Spain  
Phone: +34 91 703 68 00  
[www.seis6.com](http://www.seis6.com)

## DRAVO, S.A.

Plaza de Castilla, 3  
28046 Madrid, Spain  
Phone: +34 91 323 02 07  
Fax: +34 91 323 06 87

## TECSA

Avda. Madariaga, 1 - 4ª planta  
48014 Bilbao, Spain  
Phone: +34 94 448 86 00  
Fax: +34 94 476 22 84  
[www.tecsa-constructora.com](http://www.tecsa-constructora.com)

## GEOCISA

Llanos de Jerez, 10 - 12  
Coslada, 28820 Madrid, Spain  
Phone: +34 91 660 30 00  
Fax: +34 91 671 64 60  
[www.geocisa.com](http://www.geocisa.com)

## COGESA

C/ Orense, 34 - 1º  
28020 Madrid, Spain  
Phone: +34 91 417 96 50  
Fax: +34 91 597 04 67

## DYCVENSA

Veracruz, Edificio Torreón 3º - Esq  
Urb. Las Mercedes, Caracas 1060 A  
La Guarita, Venezuela  
Phone: (58212) 992 31 11  
Fax: (58212) 992 77 24  
[www.dycvensa.com.ve](http://www.dycvensa.com.ve)

## DYCASA

Avda. Leandro N. Alem, 986, 4º  
1001 - Buenos Aires, Argentina  
Phone: (54114) 318 02 00  
Fax: (54114) 318 02 30  
[www.dycasa.com](http://www.dycasa.com)

## SCHIAVONE

150 Meadowlands Parkway  
New Jersey 07094-1589  
Secaucus, U.S.A.  
Phone: (001) 201 867 5070  
Fax: (001) 201 867 0911  
Email: [info@chiavone.net](mailto:info@chiavone.net)  
[www.schiavoneconstruction.com](http://www.schiavoneconstruction.com)

## JOHN PICONE

31 Garden Lane  
Lawrence, NY11559 (Nueva York)  
U.S.A.  
Phone: 516.239.1600 / 718.634.1900  
Fax: 516.239.1757  
Email: [info@johnpicone.com](mailto:info@johnpicone.com)  
<http://www.johnpicone.com/home.php>

## PULICE

2033 West Mountain View Road  
Phoenix, Arizona 85021  
U.S.A.  
Phone: (602) 944-2241  
Fax: (602) 906-3783  
Email: [puliceinfo@pulice.com](mailto:puliceinfo@pulice.com)  
[www.pulice.com/home/index.html](http://www.pulice.com/home/index.html)

## POL-AQUA

ul. Dworska 1, 05-500 Piaseczno k /  
Warszawy, Poland  
Phone: +48 (22) 20 17 300  
+48 (22) 20 17 310  
Email: [recepca@pol-aqua.com.pl](mailto:recepca@pol-aqua.com.pl)  
<http://polaqua.mobi/pl>

## ACS, Medio Ambiente

Avda. Camino de Santiago, 50  
28050 Madrid, Spain  
Phone: +34 91 703 60 00  
Fax: +34 91 703 60 13

## URBASER, S.A.

Avda. de Tenerife, 4 - 6  
San Sebastián de los Reyes,  
28703 Madrid, Spain  
Phone: +34 91 121 80 00  
Fax: +34 91 121 80 65  
[www.urbaser.com](http://www.urbaser.com)

## DRAGADOS SERVICIOS PORTUARIOS Y LOGISTICOS, S.L.

Avda. de Tenerife, 4 - 6  
San Sebastián de los Reyes,  
28703 Madrid, Spain  
Phone: +34 91 436 27 00  
Fax: +34 91 578 03 26  
[www.dragados-spl.com](http://www.dragados-spl.com)

## CLECE, S.A.

Avda. de Tenerife, 4 - 6  
San Sebastián de los Reyes,  
28703 Madrid, Spain  
Phone: +34 91 745 91 00  
Fax: +34 91 745 91 20  
[www.clece.es](http://www.clece.es)

## PUBLIMEDIA SISTEMAS PUBLICITARIOS, S.L.

Avda. de Manóteras, 46 bis; 2º  
28050 Madrid, Spain  
Phone: +34 91 484 22 90  
Fax: +34 91 512 04 73  
[www.publimedia-sp.com](http://www.publimedia-sp.com)

## Iridium Concesiones de Infraestructuras, S.A.

Avda. Camino de Santiago, 50  
28050 Madrid, Spain  
Phone: +34 91 343 93 00  
Fax: +34 91 703 87 26  
[www.iridiumconcesiones.com](http://www.iridiumconcesiones.com)

## ACS, Servicios, Comunicaciones y Energía, S.L.

C/ Cardenal Marcelo Spínola, 10  
28016 Madrid  
Tel: 91 456 95 00, Fax: 91 456 94 50

### **COBRA GESTIÓN DE INFRAESTRUCTURAS, S.A. (GRUPO COBRA)**

C/ Cardenal Marcelo Spínola, 10  
28016 Madrid  
Tel: 91 456 95 00  
Fax: 91 456 94 50  
[www.grupocobra.com](http://www.grupocobra.com)

### **ENERGÍAS Y RECURSOS AMBIENTALES, S.A. (EYRA)**

C/ Cardenal Marcelo Spínola, 10  
28016 Madrid  
Tel: 91 456 95 00  
Fax: 91 456 94 72

### **ELECTRONIC TRAFIC, S.A. (ETRA)**

C/ Tres Forques, 147  
Polígono Industrial Vara de Quart  
46014 Valencia  
Tel: 96 313 40 82  
Fax: 96 350 32 34  
[www.etra.es](http://www.etra.es)

### **SOCIEDAD ESPAÑOLA DE MONTAJES INDUSTRIALES, S.A. (SEMI)**

C/ Manzanares, 4  
28005 Madrid  
Tel: 91 308 93 35  
Fax: 91 576 75 66  
[www.semi.es](http://www.semi.es)

### **MANTENIMIENTOS AYUDA A LA EXPLOTACIÓN Y SERVICIOS, S.A. (MAESSA)**

C/ Manzanares, 4  
28005 Madrid  
Tel: 91 308 93 35  
Fax: 91 576 75 66  
[www.maessa.com](http://www.maessa.com)

### **IMESAPI, S.A.**

Avda. de Manóteras, 26  
Edificio ORION  
28050 Madrid  
Tel: 91 744 39 00  
Fax: 91 744 39 01  
[www.imesapi.es](http://www.imesapi.es)

### **CONTROL Y MONTAJES INDUSTRIALES, S.A. (CYMI)**

C/ Teide, 4- 2, Edificio F-7  
San Sebastián de los Reyes,  
28703 Madrid  
Tel: 91 659 33 60  
Fax: 91 659 33 80  
[www.cymi.es](http://www.cymi.es)

### **DRAGADOS OFFSHORE**

Bajo de la Cabezuela, s/n  
Puerto Real, 11510 Cádiz  
Tel: 956 47 07 00  
Fax: 956 47 07 29  
[www.dragadosoffshore.com](http://www.dragadosoffshore.com)

### **MANTENIMIENTO Y MONTAJES INDUSTRIALES S.A. (MASA)**

C/ Teide, 4 - 2  
Edificio F-7  
28703 Madrid  
Tel: 91 659 33 60  
Fax: 91 659 33 80  
[www.masagrupo.com](http://www.masagrupo.com)

### **MAKIBER, S.A.**

P. de la Castellana, 182  
28046 Madrid  
Tel: 91 484 30 00  
Fax: 91 484 30 94  
[www.makiber.es](http://www.makiber.es)

### **INTECSA INGENIERÍA INDUSTRIAL, S.A.**

C/ Vía de los Poblados, 11  
Edificio Trianon  
28033 Madrid  
Tel: 91 749 70 00  
Fax: 91 749 70 01  
[www.intecsaindustrial.com](http://www.intecsaindustrial.com)

### **INITEC ENERGÍA**

C/ Príncipe de Vergara, 120  
28006 Madrid  
Tel: 91 252 73 00  
Fax: 91 563 01 15  
[www.initec.es](http://www.initec.es)

### **SICE TECNOLOGIA Y SISTEMAS, S.A.**

Pol. Ind. Alcobendas  
C/ Sepúlveda, 6  
Alcobendas, 28108 Madrid  
Tel: 91 623 22 00  
Fax: 91 623 22 03  
[www.sice.com](http://www.sice.com)

[www.grupoacs.com](http://www.grupoacs.com)



Cover photo: Combined cycle power plant in Lares (Portugal).



# Economic and Financial Report of ACS Group 2009



# Economic and Financial Report of ACS Group

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*Profitability*

# Directors' Report on the Consolidated Group

## 1. Business performance of the ACS Group in 2009

### 1.01. Main events

Key operating and financial indicators	2008	2009	Var. 09/08
<i>Million of euros</i>			
<b>Turnover</b>	15,275.6	15,605.9	+2.2%
<i>International</i>	21.9 %	26.3 %	
<b>EBITDA</b>	1,382.5	1,458.0	+5.5%
<i>Margin</i>	9.1 %	9.3 %	
<b>EBIT</b>	1,042.7	1,079.9	+3.6%
<i>Margin</i>	6.8%	6.9 %	
<b>Net Profit of Continued Operations*</b>	699.6	842.2	+20.4%
<b>Attributable Net Profit</b>	1,805.0	1,951.5	+8.1%
<b>EPS</b>	5.43 €	6.28 €	+15.6%
<b>Cash flow from operations</b>	971.7	1,652.2	+70.0%
<b>Net Investments</b>	63.6	(1,307.3)	n.a.
Investments	2,813.1	4,597.9	+63.4%
Disposals	2,749.5	5,905.2	+114.8%
<b>Total Net Debt</b>	9,355.8	9,271.3	-0.9%
Net debt with recourse	2,933.7	302.1	-89.7%
Non recourse financing	6,422.1	8,969.2	+39.7%

\* Profit after taxes not including exceptional results nor profits from discontinued operations.

Note: The figures included in this report are presented in accordance with the Group's management criteria and may differ with respect to those presented in the financial statements due to certain reclassifications which have no effect on net profit.

The year 2009 was very positive for the ACS Group. The ACS Group's turnover amounted to EUR 15,606 million, up 2.2% on 2008, backed by a substantial increase in international sales (+22.4%). Operating profit also showed signs of good performance. Accordingly, EBITDA rose by 5.5% and EBIT grew by 3.6%.

The net profit attributable to the Group increased by 8.1% to EUR 1,952 million. The earnings per share adjusted by the average numbers of shares outstanding, stood at EUR 6.28 per share, up by 15.6%. Net profit from continuing operations, excluding the profit from Unión Fenosa and SPL, rose by 20.4% to EUR 842 million.

The cash flow generated by operations increased by 70% to EUR 1,652 million as a result of the positive performance of operating profit and the efficient management of working capital. The sound cash flow generation capacity of operations as well as the completion of the sale of 35.3% of Unión Fenosa enabled the Group to make the foreseen investments, which in 2009 amounted to EUR 4,598 million, and to maintain the same net debt level as 12 months ago.

Specifically, the ACS Group's total net debt at 31 December 2009 amounted to EUR 9,271 million, i.e. 0.9% lower than in the previous year. Net recourse debt amounted to EUR 302 million, while non-recourse debt stood at EUR 8,969 million.

Also noteworthy are different financial transactions performed in 2009 to reinforce the financial soundness and international expansion of the Group:

- In February 2009, after receiving the appropriate administrative authorisations, the remaining 35.3% of Unión Fenosa still held by the ACS Group was sold for EUR 5,824.8 million.
- The "equity swap" for 4.88% of the shares of Iberdrola, S.A. was novated, and accordingly, the exercise period was expanded and the ACS Group acquired all the voting and economic rights inherent to the underlying shares.
- On 30 July 2009, the ACS Group, through Dragados, the company heading the Construction area, launched a takeover bid in the Warsaw stock market on shares representing 65.53% of the share capital of the Polish construction company Przedsiębiorstwo Robót Inżynieryjnych "Pol-Aqua" Spółka Akcyjna (hereinafter Pol-Aqua), at a price of 27 zlotys per share. On 21 October 2009 this transaction was completed, and Dragados acquired an ownership interest of 66% in the share capital of Pol-Aqua for 486.6 million zlotys (€117.7 million).
- Also on 30 July, ACS Actividades de Construcción y Servicios S.A. entered into a loan agreement with a syndicate of 37 financial institutions amounting to EUR 1,500 million, and then increased to EUR 1,594 million, which matured in 2012.
- In December 2009 Dragados Construction USA, Inc., closed the acquisition of two US construction companies, Pulice Construction Inc., whose headquarters are in Phoenix (Arizona), and John P. Picone Inc., whose headquarters are in New York, for a total US \$ 245 million.

# Directors' Report on the Consolidated Group

## 1.02. Consolidated income statement of the ACS Group

Consolidated Income Statement	2008	%	2009	%	Var. 09/08
<small>Million of euros</small>					
<b>Revenue</b>	<b>15,275.6</b>	<b>100.0%</b>	<b>15,605.9</b>	<b>100.0%</b>	<b>+2.2%</b>
Other revenues	523.8	3.4%	391.0	2.5%	-25.4%
<b>Total Income</b>	<b>15,799.4</b>	<b>103.4%</b>	<b>15,996.9</b>	<b>102.5%</b>	<b>+1.3%</b>
Operating expenses	(10,644.0)	(69.7%)	(10,676.4)	(68.4%)	+0.3%
Staff costs	(3,772.9)	(24.7%)	(3,862.4)	(24.7%)	+2.4%
<b>Operating cash flow (EBITDA)</b>	<b>1,382.5</b>	<b>9.1%</b>	<b>1,458.0</b>	<b>9.3%</b>	<b>+5.5%</b>
Depreciation and amortisation expense	(299.4)	(2.0%)	(365.1)	(2.3%)	+22.0%
Operating allowances	(40.4)	(0.3%)	(13.0)	(0.1%)	-67.9%
<b>Ordinary Operating profit (EBIT)</b>	<b>1,042.7</b>	<b>6.8%</b>	<b>1,079.9</b>	<b>6.9%</b>	<b>+3.6%</b>
Impairment and gains on the disposal of financial instruments	0.3	0.0%	0.6	0.0%	n.a.
Other operating profit or loss	147.6	1.0%	(39.2)	(0.3%)	n.a.
<b>Operating profit</b>	<b>1,190.6</b>	<b>7.8%</b>	<b>1,041.4</b>	<b>6.7%</b>	<b>-12.5%</b>
Financial income	402.6	2.6%	395.5	2.5%	-1.8%
Finance costs	(770.8)	(5.0%)	(664.6)	(4.3%)	-13.8%
<b>Financial profit/Loss</b>	<b>(368.2)</b>	<b>(2.4%)</b>	<b>(269.1)</b>	<b>(1.7%)</b>	<b>-26.9%</b>
Exchange gains and losses	1.6	0.0%	(0.4)	(0.0%)	n.a.
Change in fair value of financial instruments	(650.8)	(4.3%)	(2.3)	(0.0%)	n.a.
Impairment and gains on the disposal of financial instruments	703.8	4.6%	22.8	0.1%	n.a.
<b>Net Financial Profit/Loss</b>	<b>(313.6)</b>	<b>(2.1%)</b>	<b>(249.0)</b>	<b>(1.6%)</b>	<b>-20.6%</b>
Companies accounted for by equity method	157.3	1.0%	195.6	1.3%	+24.3%
<b>Profit before tax from continuing operations</b>	<b>1,034.4</b>	<b>6.8%</b>	<b>988.0</b>	<b>6.3%</b>	<b>-4.5%</b>
Corporate income tax	(27.6)	(0.2%)	(120.4)	(0.8%)	n.a.
<b>Profit after tax from continuing operations</b>	<b>1,006.8</b>	<b>6.6%</b>	<b>867.5</b>	<b>5.6%</b>	<b>-13.8%</b>
Profit after tax from discontinued operations	816.0	5.3%	1,113.0	7.1%	+36.4%
<b>Profit for the year</b>	<b>1,822.7</b>	<b>11.9%</b>	<b>1,980.5</b>	<b>12.7%</b>	<b>+8.7%</b>
Non-controlling interests	(17.7)	(0.1%)	(29.0)	(0.2%)	+63.7%
<b>Net Profit Attributable to the Parent</b>	<b>1,805.0</b>	<b>11.8%</b>	<b>1,951.5</b>	<b>12.5%</b>	<b>+8.1%</b>

## 1.02.01. Revenue

Revenue amounted to EUR 15,606 million, up by 2.2% in 2008. This positive trend was a result of a 9.3% increase in Environment area activity, combined with a 6% increase in Industrial Services sales, which offset the 7.5% drop in Construction activity with respect to the previous year.

Revenue	2008	%	2009	%	Var. 09/08
<i>Million of euros</i>					
Construction	6,625.4	43%	6,125.3	39%	-7.5%
Concessions	66.1	0%	64.0	0%	n.a.
Environment	2,413.8	15%	2,638.5	17%	+9.3%
Industrial Services & Energy	6,476.7	42%	6,862.1	44%	+6.0%
Corporate Unit / Adjustments	(306.4)		(84.0)		
<b>Total</b>	<b>15,275.6</b>		<b>15,605.9</b>		<b>+2.2%</b>

The Group's total international sales rose by 22.4% to EUR 4,104 million, and accounted for 26.3% of total revenue. There was significant growth in all activity areas and especially in the Construction area, whose international sales rose by 74.9%.

Domestic Sales	2008	%	2009	%	Var. 09/08
<i>Million of euros</i>					
Construction	5,809.4	88%	4,698.4	77%	-19.1%
Concessions	56.7	100%	49.2	99%	-13.1%
Environment	2,106.3	87%	2,272.7	86%	+7.9%
Industrial Services & Energy	4,257.1	66%	4,565.4	67%	+7.2%
Corporate Unit / Adjustments	(306.5)	100%	(84.0)	100%	-72.6%
<b>Total</b>	<b>11,923.0</b>	<b>78%</b>	<b>11,501.7</b>	<b>74%</b>	<b>-3.5%</b>

International Sales	2008	%	2009	%	Var. 09/08
<i>Million of euros</i>					
Construction	816.0	12%	1,426.9	23%	+74.9%
Concessions	9.4	0%	14.7	1%	+55.9%
Environment	307.5	13%	365.9	14%	+19.0%
Industrial Services & Energy	2,219.6	34%	2,296.7	33%	+3.5%
<b>Total</b>	<b>3,352.5</b>	<b>22%</b>	<b>4,104.2</b>	<b>26%</b>	<b>+22.4%</b>

# Directors' Report on the Consolidated Group

## 1.02.02. Gross profit from operations

Gross profit from operations stood at EUR 1,458 million, 5.5% higher than in 2008. The gross profit margin stood at 9.3%, up 20 basis points on 2008.

EBITDA	2008	%	2009	%	Var. 09/08
<i>Million of euros</i>					
Construction	494.3	35%	458.9	31%	-7.2%
Concessions	23.2	2%	13.6	1%	n.a.
Environment	314.8	22%	341.3	23%	+8.4%
Industrial Services & Energy	591.2	41%	680.5	45%	+15.1%
Corporate Unit / Adjustments	(41.0)		(36.3)		
<b>Total</b>	<b>1,382.5</b>		<b>1,458.0</b>		<b>+5.5%</b>

## 1.02.03. Net profit from operations

Net profit from operations amounted to EUR 1,080 million, up by 3.6% on the previous year, placing the net profit margin at 6.9%, up 10 basis points on 2008.

EBIT	2008	%	2009	%	Var. 09/08
<i>Million of euros</i>					
Construction	410.9	38%	379.8	34%	-7.6%
Concessions	7.8	1%	(0.7)	(0%)	n.a.
Environment	195.3	18%	202.0	18%	+3.4%
Industrial Services & Energy	471.9	43%	537.3	48%	+13.9%
Corporate Unit / Adjustments	(43.2)		(38.5)		
<b>Total</b>	<b>1,042.7</b>		<b>1,079.9</b>		<b>+3.6%</b>

## 1.02.04. Net financial profit/loss

Net financial profit amounted to EUR 269 million, down by 26.9% on 2008 as a result of the decrease in the average debt balance and the change in interest rates as well as the increased dividends from Iberdrola.

The dividends from Iberdrola accrued up to the date of this report were included in this balance and amounted to EUR 208 million relating to its 12% ownership interest.

## 1.02.05. Profit before tax from continuing operations

Profit before tax from continuing operations amounted to EUR 988 million, down by 4.5% on 2008, in which this balance included the extraordinary gains on the sale of the concession assets (both the airports and 49% of the Chilean motorways in addition to the derivatives of Iberdrola). In 2009 the extraordinary gains from the sale of Unión Fenosa are included under profit from discontinued operations in the income statement.

The gains on companies accounted for using the equity method amounted to EUR 196 million. Abertis contributed EUR 139.6 million and Hochtief contributed € 52.4 million.



## 1.02.06. Net profit attributable to the Group

The net profit attributable to the Group rose to EUR 1,951.5 million, up 8.1% on 2008.

Net Profit	2008	%	2009	%	Var. 09/08
<i>Million of euros</i>					
Construction	275.0	15%	241.4	12%	-12.2%
Concessions	20.2	1%	(26.7)	(1%)	n.a.
Environment	144.6	8%	146.2	7%	+1.1%
Industrial Services & Energy	316.7	18%	348.3	18%	+10.0%
Listed Companies	17.4	1%	117.5	6%	n.a.
Corporate Unit / Adjustments	1,031.1	57%	1,124.8	58%	
<b>Total</b>	<b>1,805.0</b>		<b>1,951.5</b>		<b>+8.1%</b>

Net profit from continuing operations, excluding the profit from Unión Fenosa in the first two months of the year up to its sale date and the profit from SPL, whose sale was initiated in the second quarter of the year, amounted to EUR 842 million, showing year-on-year growth of 20.4%.

Ordinary Net Profit	2008	2009	Var. 09/08
<i>Million of euros</i>			
<b>Net Profit</b>	<b>1,805.0</b>	<b>1,951.5</b>	<b>+8.1%</b>
Capital gain from 35,3% UNF	(403.5)	(1,001.5)	
Ordinary Profit from UNF	(397.9)	(80.0)	
Ordinary Profit from SPL	(29.5)	(27.8)	
Capital gains from concessions disposals	(621.2)		
Other exceptionals	346.7		
<b>Ordinary Net Profit from Continuing Operations</b>	<b>699.6</b>	<b>842.2</b>	<b>+20.4%</b>

The income tax charged on continuing operations amounted to EUR 120.4 million. The effective tax rate, adjusted for the gains recognised net of taxes (companies accounted for using the equity method, the sale of assets and dividends relating to financial investments), stood at 21% as a result, inter alia, of the recognition of tax credits for reinvestment, which in 2009 did not exceed EUR 50 million.

The profit attributable to non-controlling interests amounting to EUR 29.0 million in which the Group has a controlling interest.

# Directors' Report on the Consolidated Group

## 1.03. Consolidated Balance Sheet at 31 December

Consolidated Balance Sheet	2008	%	2009	%	Var. 09/08
<i>Million of euros</i>					
Intangible assets	1,466.9	2.9 %	1,575.2	5.0 %	+7.4%
Property, plant and equipment	1,718.5	3.3 %	1,483.9	4.7 %	-13.7%
Non-current assets in projects	3,587.1	7.0 %	4,492.6	14.1 %	+25.2%
Investment property	70.9	0.1 %	61.0	0.2 %	-13.9%
Investments accounted for using the equity method	3,892.8	7.6 %	4,174.2	13.1 %	+7.2%
Non-current financial assets	3,188.3	6.2 %	5,156.6	16.2 %	+61.7%
Financial instrument receivables	0.5	0.0 %	21.7	0.1 %	n.a.
Deferred tax assets	694.4	1.4 %	773.2	2.4 %	+11.3%
<b>Total non-current assets</b>	<b>14,619.4</b>	<b>28.4 %</b>	<b>17,738.4</b>	<b>55.9 %</b>	<b>+21.3%</b>
Non-current assets held for sales	24,350.6	47.4 %	1,178.7	3.7 %	-95.2%
Inventories	698.6	1.4 %	657.8	2.1 %	-5.8%
Trade and other accounts receivable	7,301.6	14.2 %	7,174.9	22.6 %	-1.7%
Current financial investments	2,185.1	4.3 %	2,711.1	8.5 %	+24.1%
Other current assets	62.0	0.1 %	86.3	0.3 %	+39.2%
Cash and cash equivalents	2,181.0	4.2 %	2,207.0	7.0 %	+1.2%
<b>Current assets</b>	<b>36,779.0</b>	<b>71.6 %</b>	<b>14,015.8</b>	<b>44.1 %</b>	<b>-61.9%</b>
<b>Total Assets</b>	<b>51,398.4</b>	<b>100.0 %</b>	<b>31,754.2</b>	<b>100.0 %</b>	<b>-38.2%</b>
Equity attributed to the parent	3,402.4	6.6 %	4,303.4	13.6 %	+26.5%
Non-controlling interests	6,510.6	12.7 %	288.1	0.9 %	-95.6%
<b>Equity</b>	<b>9,913.0</b>	<b>19.3 %</b>	<b>4,591.5</b>	<b>14.5 %</b>	<b>-53.7%</b>
Grants	65.4	0.1 %	90.5	0.3 %	+38.4%
Non-current financial liabilities	9,576.3	18.6 %	11,774.3	37.1 %	+23.0%
Deferred tax liabilities	230.8	0.4 %	374.0	1.2 %	+62.1%
Non-current provisions	158.6	0.3 %	378.8	1.2 %	+138.8%
Financial instrument payables	855.7	1.7 %	320.0	1.0 %	-62.6%
Other non-current liabilities	182.9	0.4 %	242.2	0.8 %	+32.4%
<b>Non-current Liabilities</b>	<b>11,069.7</b>	<b>21.5 %</b>	<b>13,179.8</b>	<b>41.5 %</b>	<b>+19.1%</b>
Liabilities relating to non-current assets held for sale	15,912.9	31.0 %	845.1	2.7 %	-94.7%
Current provisions	264.7	0.5 %	275.2	0.9 %	+3.9%
Current financial liabilities	4,145.7	8.1 %	2,415.2	7.6 %	-41.7%
Trade and other accounts payable	9,376.0	18.2 %	9,850.0	31.0 %	+5.1%
Other current liabilities	716.3	1.4 %	597.5	1.9 %	-16.6%
<b>Current Liabilities</b>	<b>30,415.7</b>	<b>59.2 %</b>	<b>13,982.9</b>	<b>44.0 %</b>	<b>-54.0%</b>
<b>Total Equity &amp; Liabilities</b>	<b>51,398.4</b>	<b>100.0 %</b>	<b>31,754.2</b>	<b>100.0 %</b>	<b>-38.2%</b>

### 1.03.01. Non-current assets

Intangible assets amounted to EUR 1,575 million of which EUR 1,127 million relate to goodwill, and property, plant and equipment stood at EUR 1,484 million. Additionally, assets in concession projects amounted to EUR 4,493 million, relating mainly to renewable energy and transport concession projects.

Non-current financial assets, which include the 12.0% ownership interest in Iberdrola at market price, amounted to EUR 5,157 million. The balance of investments accounted for using the equity method, which mainly include the ownership interests in Abertis and Hochtief, amounted to EUR 4,174 million.

### 1.03.02. Working capital

Net working capital payable amounted to EUR 2,804 million. The increase in working capital payable amounting to EUR 509 million is basically a result of the good performance of Industrial Services. The other lines of business gave rise to a slight increase in working capital receivable mainly as a result in the drop in domestic construction sales.

### 1.03.03. Net borrowings

The Group's net borrowing at 31 December 2009 amounted to EUR 9,271 million, of which EUR 8,969 million relates to non-recourse financing, whereas the net debt from operating activities amounted to EUR 302 million.

The Corporate Unit's non-recourse debt amounted to EUR 5,227 million relating to financial vehicles used for the acquisition of shares of Iberdrola (EUR 4,470 million) and Hochtief (EUR 757 million). The remainder of the non-recourse debt, amounting to EUR 3,742 million, arose from the financing of concession projects, mainly in renewable energies.

The net debt relating to Port Services and Logistics, which amounted to EUR 518 million and EUR 485 million at 31 December 2008 and 2009 respectively, was reclassified under assets and liabilities held for sale in the ACS Group's consolidated balance sheet at 31 December.

Debt Position	2008	2009	Var. 09/08
<small>Million of euros</small>			
Net recourse debt	2,934.0	302.0	-89.7%
Non-recourse debt	6,422.0	8,969.3	+39.7%
Net borrowings	9,356.0	9,271.3	-0.9%

### 1.03.04. Equity

Equity amounted to EUR 4,592 million, of which EUR 4,303 million relate to equity attributable to the Parent, up 26.5% on 2008.

# Directors' Report on the Consolidated Group

## 1.04. Cash flows

In comparable terms the Group's cash flows are as follows:

Statement of Cash Flows	2008	2009	Var. 09/08
<i>Million of euros</i>			
<b>Net Profit</b>	<b>1,805.0</b>	<b>1,951.5</b>	<b>+8.1%</b>
Adjustments to profit not giving rise to cash flows	(628.1)	(794.2)	
Changes in working capita	(205.2)	494.9	
<b>Net cash flows from operating activities</b>	<b>971.7</b>	<b>1,652.2</b>	<b>+70.0%</b>
1. Investment payables	(2,813.1)	(4,597.8)	
2. Disinvestment receivables	2,468.5	5,905.1	
<b>Cash flows from investing activities</b>	<b>(344.6)</b>	<b>1,307.3</b>	<b>n.a.</b>
1. Purchase of treasury shares	(674.4)	(465.7)	
2. Dividends payable	(600.2)	(653.2)	
3. Other adjustments	(101.7)	(261.6)	
<b>Other cash flows</b>	<b>(1,376.3)</b>	<b>(1,380.5)</b>	<b>+0.3%</b>
<b>Total cash flow</b>	<b>(749.2)</b>	<b>1,579.0</b>	<b>n.a.</b>

### 1.04.01. Net cash flows from operating activities

The funds obtained from operations in all lines of business and the increase in working capital enabled net cash flows from operating activities amounting to EUR 1,652 million to be obtained, up by 70% on 2008 (EUR 680 million).

### 1.04.02. Consolidated net investments

The Group's investments and divestments in 2009 amounted to EUR 4,598 million and EUR 5,905 million, respectively, which relates mainly to the sale of Unión Fenosa. The detail thereof, by line of business, is as follows:

Net Investments	Gross Investments	Disposals	Net Investment
<i>Million of euros</i>			
Construction	408.1	(30.1)	378.1
Concessions	252.5		252.5
Environment & Logistics	280.3	(27.0)	253.2
Industrial Services	1,283.5	(23.3)	1,260.2
Corporate Unit	2,373.4	(5,824.7)	(3,451.3)
<b>Total</b>	<b>4,597.8</b>	<b>(5,905.1)</b>	<b>(1,307.3)</b>

The balance of Corporate Unit investments includes the novation of the equity swap over 4.88% of the shares of Iberdrola recognised under the Group's consolidated assets in view of their conditions.

In the Construction area, investments amounted to EUR 408 million and included the investment in Pol-Aqua, Pulice and Picone amounting to EUR 284 million.

EUR 253 million were invested in Concession projects, including inter alia, EUR 173 million in the I-595 expressway in Florida (USA) and EUR 30 million in the Transport Interchange of Plaza de Castilla.

EUR 280 million were allocated to the Environment area, of which EUR 233 million was earmarked for the replacement of machinery and projects in treatment plants. These balances do not include the investments made in the Port Services and Logistics area amounting to EUR 46 million.

EUR 1,283 million were invested in Industrial Services in 2009, mainly in renewable energy projects, including inter alia, investments in thermal solar plants (EUR 679 million), wind-powered facilities (EUR 309 million), transmission lines (EUR 179 million) and desalination plants (EUR 47 million).

### 1.04.03. Net cash flows from financing activities

The Group's financial debt decreased by EUR 1,579 million in 2009 and took into account the repayment of the non-recourse debt allocated to financial vehicles used for the acquisition of Unión Fenosa. At 31 December 2008, this debt amounted to EUR 2,260 million and was included under "Liabilities relating to Non-Current Assets Held for Sale" in the balance sheet.

In 2009 the Group paid its shareholders dividends amounting to EUR 653 million with a charge to profit for 2008, equivalent to EUR 2.05 per share.

The treasury share transactions carried out by the Group in 2009 involved a disbursement amounting to EUR 466 million. At the end of the reporting period, treasury shares accounted for 3.1% of the share capital.

# Directors' Report on the Consolidated Group

## 1.05. Profit/loss by business area

### 1.05.01. Construction

Main financial figures	2008	2009	Var. 09/08
<small>Million of euros</small>			
<b>Revenue</b>	6,625.4	6,125.3	-7.5%
<b>EBITDA</b>	494.3	458.9	-7.2%
Margin	7.5%	7.5%	
<b>EBIT</b>	410.9	379.8	-7.6%
Margin	6.2%	6.2%	
<b>Net Profit</b>	275.0	241.4	-12.2%
Margin	4.2%	3.9%	
<b>Backlog</b>	11,023.2	11,431.1	+3.7%
Months	20	22	

Sales in 2009 amounted to EUR 6,125.3 million, down 7.5% on the previous year.

Turnover breakdown by activity	2008	2009	Var. 09/08
<small>Million of euros</small>			
Civil Works	4,117.3	4,389.0	+6.6%
Non Residential Building	1,487.2	1,189.3	-20.0%
Residential Building	1,020.9	547.0	-46.4%
<b>Total</b>	6,625.4	6,125.3	-7.5%
<b>International</b>	816.0	1,426.9	+74.9%
% over total sales	12%	23%	

The decrease in domestic activity in 2009 was due to the drop in building in all of Spain and the significant decrease in civil works by government bodies, exacerbated in the last quarter of the year by public Budget contraction and bad weather.

International operations grew by 74.9% as a result of the increase in production and the backlog in the USA, Canada and Chile in America, and in Portugal, Poland and other European countries. These balances partially include the impact of the companies acquired in 2009. International operations accounted for 23% of total activities, which was eleven percentage points higher than in 2008 and related almost exclusively to civil engineering projects.

The operating margins in construction remained unchanged with respect to 2008 as a result of two factors: shifting of the different lines of business due to the ongoing increases in the weight of civil engineering works, which have a higher operating margin; and secondly, an increase in operating efficiency as a result of a permanent cost rationalisation and Project performance control policy. Both EBITDA and EBIT remained unchanged with respect to 2008 at 7.5% and 6.2%, respectively.

Net profit amounted to EUR 241.4 million, down 12.2% on 2008, and a sales margin of 3.9% was maintained.

Backlog breakdown by activity	2008	2009	Var. 09/08
<i>Million of euros</i>			
Civil Works	8,525.6	9,544.2	+11.9%
Non Residential Building	1,805.7	1,427.0	-21.0%
Residential Building	691.9	460.0	-33.5%
<b>Total</b>	<b>11,023.2</b>	<b>11,431.2</b>	<b>+3.7%</b>
<b>International</b>	<b>2,545.9</b>	<b>4,260.3</b>	<b>+67.3%</b>
% over total sales	23%	37%	

The construction backlog amounted to EUR 11,431 million, and was equivalent to 22 months of production, up by 3.7% on the previous year.

The civil works order book was down by 11.6% in relation to that registered in December 2008. However this drop was offset by a significant increase in the international order book, which showed growth of 67.3%. In total, the Civil Works order book showed growth of 11.9%.

The Building order book decreased as a result of the steep contraction of the real estate market in Spain. The residential building order book decreased by 33.5%.

Consequently, the weight of civil works in the Construction order book accounted for 83.5% of total works as compared to 67% two years ago or 77% in December 2008. This upward trend is partly due to the increase in projects outside of Spain, which account for 37% of total works.

## 1.05.02. Concessions

Main financial figures	2008	2009
<i>Million of euros</i>		
Turnover	66.1	64.0
EBITDA	23.2	13.6
EBIT	7.8	(0.7)
Equity method	(37.3)	(24.4)
Attributable Net Profit	20.2	(26.7)

Sales relate mainly to the revenue from concessions already in operation such as the la Mancha motorway, the Santiago – Brión motorway, the interchanges of Príncipe Pío and Avenida América in Madrid. The balance of net profit in 2008 included the sale of the motorway Scut da Beira in Portugal for EUR 56.8 million.

The drop in sales, EBITDA and EBIT arose as a result of the change in the scope of consolidation given the fact that the Hospital de Majadahonda is now accounted for using the equity method. If this effect had not been taken into account, EBITDA would have increased by EUR 11 million.

Construction activity was initiated in a large number of concessions, awarded in the second half of 2008, such as the I-595 in the USA, the Baixo Alentejo motorway in Portugal, the Eje Diagonal motorway and line 9 of the underground, the latter two in Barcelona.

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## 1.05.03. Environment

Main financial figures	2008	2009	Var. 09/08
<small>Million of euros</small>			
<b>Revenue</b>	2,413.8	2,638.5	+9.3%
<b>EBITDA</b>	314.8	341.3	+8.4%
Margin	13.0%	12.9%	
<b>EBIT</b>	195.3	202.0	+3.4%
Margin	8.1%	7.7%	
<b>Net Profit</b>	144.6	146.2	+1.1%
Margin	6.0%	5.5%	
<b>Backlog</b>	10,412.1	11,457.4	+10.0%
Months	52	52	

In 2009 there was a 9.3% increase in sales in the Environment area, resulting from the good performance of both the Environment and Integral Maintenance area, which showed growth of 10.0% and 8.2%, respectively. The Port Services and Logistics area was excluded from the revenues from the Environment area as a result of its sale, as discussed in section 1.3 of this report.

The domestic market showed year-on-year growth of 7.9% despite the recession, evidencing its stability. Additionally, international sales rose by 19.0% as a result of the heavy treatment plant activity in international markets in view of the contracts awarded and investments made in recent years.

EBITDA and EBIT rose by 8.4% and 3.4%, respectively. Sales margins stood at 12.9% and 7.7%. The EBIT margin dropped by 40 basis points for two reasons: an increase in the pressure on prices in relation to maintenance, cleaning and landscaping activities, in addition to the increase in amortisation in the Environment area as a result of the entrance into operation of several treatment plants outside of Spain.

Net profit was up by 1.1% with a margin of 5.5%. This balance includes the contribution to profit or loss by Port Services and Logistics as a discontinued operation.

If the contribution from Port Services and Logistics in 2008 and 2009 had not been included, the Environment area's net profit would have increased by 2.9%.

Backlog breakdown by activity	2008	2009	Var. 09/08
<small>Million of euros</small>			
Environmental Services	9,310.4	10,287.1	+10.5%
Facility Management	1,101.7	1,170.3	+6.2%
<b>Total</b>	10,412.1	11,457.4	+10.0%
<b>International</b>	3,315.6	3,465.5	+4.5%
% over total backlog	32%	30%	

The Environment backlog was EUR 11,457 million, equivalent to over four years of production, and up 10% on the previous year. The international backlog accounted for 30% of the total and a 4.5% increase at year-end.



## 1.05.04. Industrial Services

Main financial figures	2008	2009	Var. 09/08
<small>Million of euros</small>			
<b>Revenue</b>	6,476.7	6,862.1	+6.0%
<b>EBITDA</b>	591.2	680.5	+15.1%
Margin	9.1%	9.9%	
<b>EBIT</b>	471.9	537.3	+13.9%
Margin	7.3%	7.8%	
<b>Net Profit</b>	316.7	348.3	+10.0%
Margin	4.9%	5.1%	
<b>Backlog</b>	6,244.3	6,619.3	+6.0%
Months	12	12	

Industrial Services sales showed solid growth of 6% in 2009, driven by the performance of Energy Projects, including both EPC and renewable energy projects.

Turnover breakdown by activity	2008	2009	Var. 09/08
<small>Million of euros</small>			
<b>Support Services</b>	4,434.8	4,351.4	-1.9%
Networks	957.0	887.9	-7.2%
Specialized Products	2,368.4	2,362.7	-0.2%
Control Systems	1,109.4	1,100.7	-0.8%
<b>Energy Projects</b>	2,126.4	2,577.8	+21.2%
<i>Consolidation Adjustments</i>	-84.5	-67.1	<i>n.a.</i>
<b>Total</b>	6,476.7	6,862.1	+6.0%
<b>Total International</b>	2,219.6	2,296.7	+3.5%
% over total sales	34%	33%	

Industrial Facilities and Maintenance activities dropped by 1.9% mainly due to the decrease in industrial maintenance activity in Spain. However, this drop was offset by the growth in international activity, which in the case of Specialised Facilities was higher than 40% in 2009.

There was a sharp 21.2% increase in production in the Energy Projects area, with excellence performance in both activity segments. In this connection, EPC projects were up by 21.9%, rising sharply in the last quarter, and the generation and transmission of renewable energy sources showed growth of 12.8%.

In 2009 the thermal solar power plants Andasol II y Extresol I launched technical trial operations. These plants, together with Andasol I, which has been connected to the network in trial phase since November 2008 and was officially inaugurated in July 2009, have installed power of 150 MW.

EBITDA rose by 15.1% with a sales margin of 9.9%, 80 basis points higher than the margin recorded in the previous year as a result of the change in the mix and the higher proportion of Energy projects.

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EBIT also rose by 13.9%, with a margin of 7.8%, 50 basis points higher than in 2008. There was a significant increase in amortisations, as a result of the higher contribution of more capital intensive energy concessions.

Backlog breakdown by activity	2008	2009	Var. 09/08
<small>Million of euros</small>			
Support Services	4,027.6	4,156.1	+3.2%
Energy Projects	2,216.7	2,463.2	+11.1%
<b>Total</b>	<b>6,244.3</b>	<b>6,619.3</b>	<b>+6.0%</b>
<b>International</b>	<b>2,066.1</b>	<b>2,598.8</b>	<b>+25.8%</b>
% over total backlog	33%	39%	

The total backlog increased by 6.0% to EUR 6,619 million, equivalent to one year of production. There was an increase in the order book for all activities except Networks, which remained unchanged. There was a 10% increase in the order book for Energy Projects and Control Systems in 2009.

## 1.05.05. Listed associates

Main financial figures	2008	2009	Var. 09/08
<small>Million of euros</small>			
Abertis	130.4	139.6	+7.0%
Hochtief	44.2	52.4	+18.6%
Iberdrola	184.9	208.1	+12.5%
<b>Profit from associates</b>	<b>359.5</b>	<b>400.1</b>	<b>+11.3%</b>
Associated finance costs	(457.0)	(402.8)	-11.9%
Taxes	114.9	120.2	+4.7%
<b>Net profit</b>	<b>17.4</b>	<b>117.5</b>	<b>+576.0%</b>

The contribution of these listed companies to the Group's profit prior to deducting finance costs and associated taxes amounted to EUR 400.1 million, up 11.3% in relation to 2008. The contribution by all associates is as follows:

- The contribution of Abertis, which is accounted for by the equity method, amounted to EUR 139.6 million.
- The Group's holding in Hochtief contributed EUR 52.4 million as a result of its being accounted for by the equity method.
- Iberdrola contributed the dividends accrued, which amounted to EUR 208.1 million and were accounted for as finance income. In order to make the figures comparable, the dividends arising from the equity swap in 2008 which were recognised as a decrease in finance costs in the previous year were reclassified.

The finance costs associated with the Group's investments in these companies amounted to EUR 402.8 million, and included the costs arising from the equity swap over Iberdrola. The positive tax effect was EUR 120.2 million.

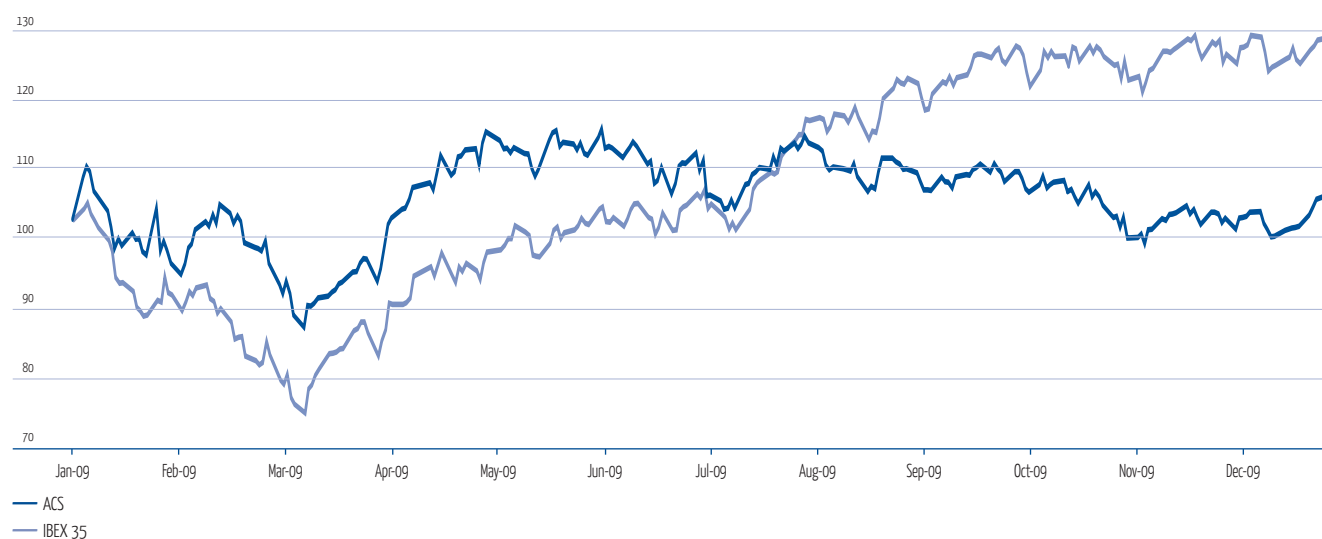
Accordingly, the net contribution of the listed companies to the Group's profit at 31 December 2009 was EUR 117.5 million.

## 2. Stock market performance

### 2.01. Stock market information for 2009

In terms of the stock market, 2009 was a very good year, especially after March when share prices were at their lowest. It is true that Stock Market was recovering from the worst year in its history, in which the stock market showed an extremely bearish trend. This trend reversed in mid-March and since then the international financial markets recovered a portion of their 2008 losses. The Dow Jones index rose by 41.6%, the EUROSTOXX 50 by 21.0%, and the NIKKEI index of the Tokyo Stock Exchange returned 19.0%.

Stock exchange information for 2009



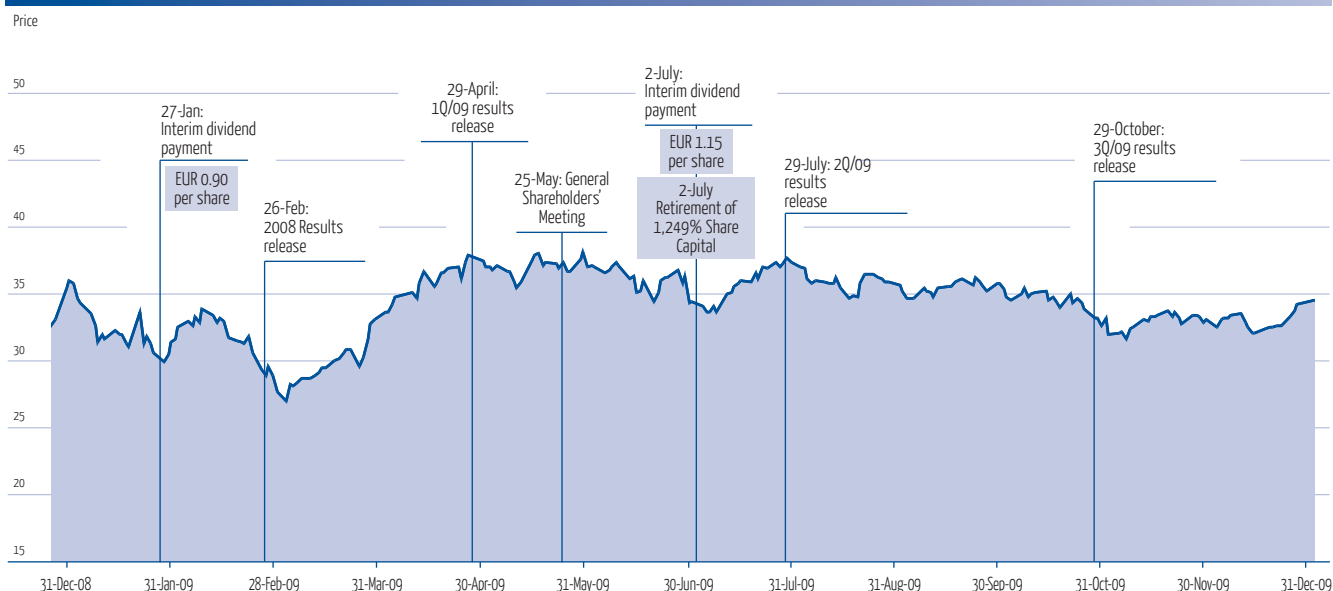
Similarly, the Spanish stock market IBEX35 index recovered 29.8% of its losses, and the Construction sector index showed an upward trend, increasing by 17.7%. The performance of the ACS Group was more moderate, with a 6.6% revaluation, as a result of the decreased volatility of the market and the fact that the Group's performance in 2008 was better than the performance of the market as well as its main competitors.

The detail of the ACS Group's main stock market data in 2008 and 2009 is as follows:

ACS Shares Data	2008	2009
Closing price	32.65 €	34.81 €
Revaluation in the period	-19.68%	6.62%
Period high	40.99 €	38.75 €
Date reached	02-Jan	30-Apr
Period low	24.03 €	27.67 €
Date reached	24-Oct	09-Mar
Average in the period	32.66 €	34.46 €
Total volume ('000)	382,506	196,116
Daily average volume ('000)	1,505.93	769.08
Total traded effective (€ mn)	12,492	6,759
Daily average effective (€ mn)	49.18	26.51
Number of shares (mn)	335.39	314.66
Market cap (€ mn)	10,950	10,953

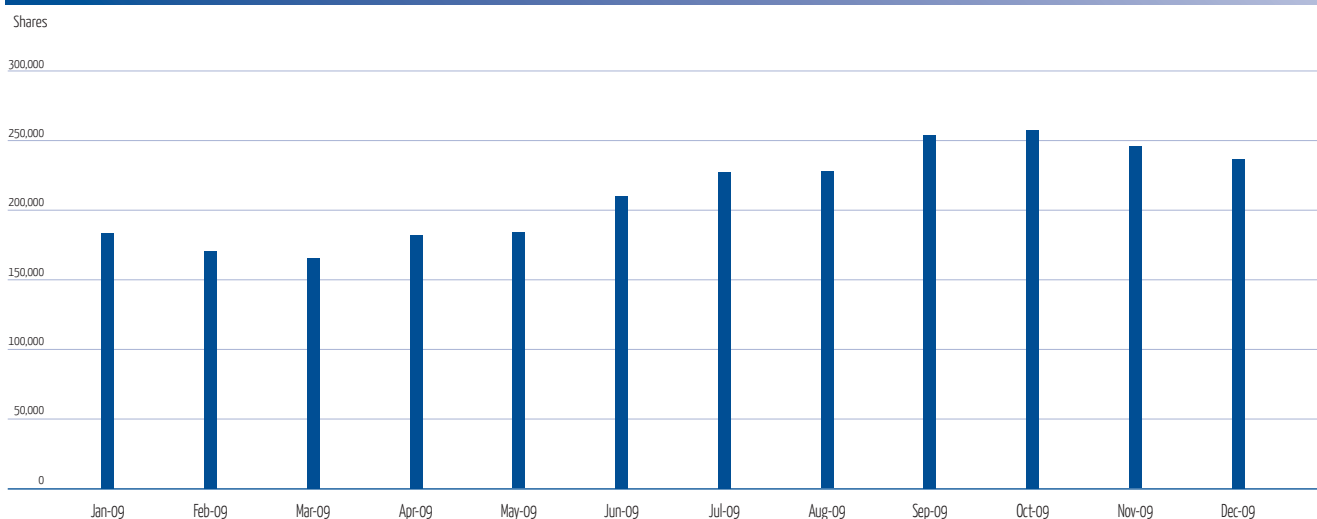
# Directors' Report on the Consolidated Group

## ACS's stock price evolution in 2009 and main events of the year



The trading volume reached a monthly average of a little over 16.3 million shares.

## Monthly Volume of Shares



In the event that the proposal to be made at the Ordinary General Shareholders' Meeting were accepted, direct shareholder return in the form of 2009 dividends would amount to EUR 2.05 per share, in two payments: an initial interim dividend of a gross EUR 0.90 per share, paid on 12 January 2010, and a complementary dividend of EUR 1.15 per share representing 33% of the earnings per share in 2009. The dividend yield for shareholders at the 2009 year-end closing price stood at 5.9%.

## 2.02. Treasury shares

At 31 December 2009, the ACS Group had 9,835,633 treasury shares on its balance sheet, representing 3.126% of its share capital. The detail of the transactions performed in the year is as follows:

Treasury Stock	Number of Shares
Balance, December 31st 2008	-
Purchases	15,473,056
Sales	-1,658,043
Redemption of shares	-3,979,380
<b>Balance, December 31st 2009</b>	<b>9,835,633</b>

In June 2009 and as resolved by the ACS Group's General Shareholders' Meeting held on 25 May 2009, 3,979,380 treasury shares (1.249% of share capital). Therefore, the share capital of ACS amounts to EUR 157,332,297 represented by 314,664,594 shares.

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

The ACS Group operates in sectors, countries and social, economic and legal environments which involve the assumption of different levels of risk caused by these determining factors.

The ACS Group monitors and controls the aforementioned risks in order to prevent an impairment of profitability for its shareholders, a danger to its employees or corporate reputation, a problem for its customers or a negative impact on the company as a whole. For this purpose, the ACS Group has instruments enabling it to identify such risks sufficiently in advance to manage them appropriately either by avoiding them or by minimising the risk thereof, prioritising their significance as necessary.

The ACS Group's 2009 Corporate Governance report details these risk control instruments, as well as the risks and uncertainties to which it was exposed over the year.

### 3.01. Gestión del riesgo financiero

The ACS Group is exposed to various financial risks, including the risks of changes in interest rates and exchange rates, as well as liquidity and credit risk.

Risks arising from changes in interest rates affecting cash flows are mitigated by hedging the rates through the use of financial instruments which cushion their fluctuation. In this connection, the Company uses interest rate swaps to reduce exposure to non-current loans.

The risk of changes in exchange rates is managed by borrowing in the same operating currency as that of the assets being financed by the Group abroad. In order to hedge net positions in currencies other than the Euro, the Group arranges different financial instruments to reduce the exposure to the risk of changes in exchange rates.

To manage the liquidity risk resulting from the temporary mismatches between funds required and funds generated, a balance is maintained between the term and the flexibility of the borrowings through the use of staggered financing matching the Group's fund requirements. In this connection, noteworthy is the renewal of the syndicated loan of ACS, Actividades de Construcción y Servicios, S.A. amounting to EUR 1,500 million on 30 July 2009, extending its maturity date to July 2012 and increasing the amount to EUR 1,594 million. Additionally, Urbaser, S.A. entered into a similar transaction by which its syndicated loan was increased from EUR 650 million to EUR 750 million and its maturity date was extended to May 2012.

# Directors' Report on the Consolidated Group

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 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 full detail of the mechanisms used to manage these financial risks and of the hedging instruments used to hedge these risks is included in the notes to both the Company's individual financial statements and the Group's consolidated financial statements for 2009.

## 4. Human Resources

At 31 December 2009, the ACS Group employed a total of 142,176 individuals, of which 32,201 worked abroad. In 2009, the ACS Group created over 4,059 net jobs.

The ACS Group's human resource policy consists mainly in maintaining and hiring committed teams of individuals, with a high level of knowledge and specialisation, capable of offering the best service to the customer and generating business opportunities with rigour and efficiency.

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

All details relating to the ACS Group's efforts in the area of Human Resources are included in the section on the Commitment to People and the Social Environment included in the Corporate Social Responsibility Report for 2009.

## 5. Technological Innovation and Environmental Protection

The ACS Group considers that sustainable growth, a vocation to care for and respect the environment, and meeting the expectations that society places on it must all have a decisive influence on its strategy and on each of its actions.

This commitment is identified in each of the activities in which the Group is present, in each of the investments that it promotes and in the decisions that it takes in order to satisfy its customers and shareholders, to boost profitable growth, quality and technological development, while also attending to growing demands for respect of the environment by implementing measures to prevent or minimise the environmental impact of the Group's infrastructure development and service activities.

### 5.01. Research and development activities

The ACS Group is committed to a policy of ongoing improvement of its processes and of applied technology in all activities. For this purpose, the ACS Group has its own research programme aimed at developing new technological know-how applicable to design of processes, systems, new materials, etc. in each activity.

To apply and foster this commitment, the Company has established a number of committees at the various Group companies, which handle numerous initiatives undertaken in 2009.

In the Construction area, effort is made mainly to increase quality, the safety of employees, and the improvement of processes and techniques whose final objective is to respect the environment.

The work performed in the Industrial Services and Energy area is relating to technological improvements in the energy area, including renewable energies, urban control systems and systems relating to high speed trains.

In the Environment area, efforts are concentrated on two main activities: the improvement of solid urban waste management and the reduction of CO2 emissions, as well as inter-modal logistics systems improving the efficiency of the transport of goods.

The details of all these activities as well as specific cases of technological innovation can be consulted in the ACS Group's 2009 Corporate Social Responsibility Report.

## 5.02. Environmental protection

The ACS Group's main activity, namely the development and maintenance of infrastructures, involves environmental impacts including the use of materials deriving from natural resources, the use of energy (both during construction and during the life of the various infrastructures), the generation of waste, as well as both visual effects and effects on the landscape.

In line with its vocation to protect the environment, which has prevailed since its creation, the ACS Group promotes two main action areas: an environmental policy with strict criteria and an Environmental Management System relating to the specific actions taken by each Group, both of which aim to minimise the environmental impact of its activity. The result of this effort is an increase in environmentally certified production and in the number of companies certified in accordance with the ISO 14.001 standard.

The detail of the activities carried on in 2009 and of the data on production and certifications can be consulted in the Group's 2009 Corporate Social Responsibility Report.

## 6. Significant events subsequent to year-end

At the date of the preparation of these financial statements there were no events worthy of mention with an effect on the information contained in the financial statements.

## 7. Outlook for 2010

Although certain events in the recently ended year 2009 cause the ACS Group to approach 2010 cautiously, there are indications enabling the Group to have a somewhat optimistic outlook. Although the economic backdrop in Spain is difficult, recent investments and internationalisation will enable the ACS Group to continue supplying sustainable growth and value to its shareholders.

The performance of Construction in 2010 will depend to a large extent on the performance of the domestic market and of the international markets in which the Group is present:

- On the one hand, construction in Spain continues to be affected by the real estate crisis and the reduction in public resources for new infrastructures. Specifically, the civil engineering works segment, where the Group's exposure is highest, will depend on the Government's continued commitment to developing infrastructures in Spain. In the State Budget EUR 21,000 million have been allocated for this purpose. However, the degree of completion will depend on the performance of public accounts as well as economic recovery.
- On the other hand, internationally the outlook for 2010 centres on capitalising on infrastructure investments in the USA and Poland, where the Group has invested heavily in previous years, in addition to markets in which the Group has traditionally been present such as Portugal and Chile, and where it competes in the development of concession and civil engineering projects. This increase in the internationalisation of construction activity will enable the projected drop in activity in the Spanish market to be offset.

The Group will continue to work towards maintaining its capacity to maintain high operating efficiency through cost containment and the management of working capital, variables which are crucial in a business which is competitive as construction.

# Directors' Report on the Consolidated Group

In line with the performance of large civil engineering works, the ACS Group has significant opportunities based on the large and mainly international projects awarded in recent years, which will require investments of more than EUR 3,000 million.

In 2010, the ACS Group is prequalified in several calls for tender for projects for which the related investment will amount to over EUR 1,000 million, and is ready to continue bidding on projects which are to be tendered by government bodies in Europe and the US in the near future.

In 2010 the ACS Group will maintain its strategy of rotating older concessions, selling those for which the development period has been completed to heighten the value of its initial investment. In this connection, ACS will continue to foster operating and strategic synergies shared with Abertis, which will enable the Group to uphold its position as worldwide leader in the development of concessions, as in the past 15 years.

In Environmental Services, the ACS Group has identified several lines of action which will enable it to maintain profitability in this area, characterised by its visibility and recurrent long-term income:

- Firstly, in the management of urban solid waste, where Urbaser is a reference, it will continue its international expansion into countries where it has already been successful in tender processes, and mainly waste treatment plants.
- In the Integral Maintenance area, Clece will continue offering services enabling its clients to face cost reductions efficiently by outsourcing their maintenance activities. This trend has peaked as a result of the current economic backdrop, particularly among large public and private clients.

Environmental Services will continue its tradition of offering public service utilities, depending on long-term concessions and projects for growth.

In the Industrial Services and Energy area, the ACS Group combines significant international growth with the stability of its maintenance contracts and the opportunities to invest in energy generation and concession project assets it has seized.

The growth in international activity stems mainly from the investment plans of its clients outside of Spain, and mainly in Latin America, where Brazil and Mexico continue to be the important markets of reference. The Asian markets, such as India and the Middle East also offer a number of opportunities relating to new energy infrastructures in relation to which the Group has extensive experience of executing contracts.

Lastly, the ACS Group will continue investing in its portfolio of renewable energy, both thermal solar power and wind power, with over 2,000 MW in different phases of construction and completion. This investment is a clear future commitment will lead to improved margins and the growth of the ACS Group's traditional activity in Industrial Services.

In view of the aforementioned scenario, the objective of the Group for 2010 includes maintaining sustained operating growth and improving the profitability of all its shareholders.

## 8. The Board of Directors' report for the 2009 financial year in accordance with the provisions of Article 116 bis of the Stock Exchange Law

Pursuant to Article 116 bis of the Spanish Securities Market Law 24/1998 of 25 July, introduced by Law 6/2007 of 12 April, the Board of Directors of ACS Actividades de Construcción y Servicios S.A. submits to its shareholders the following explanatory report with the disclosures, which in accordance with the aforementioned provision, have been included in the Directors' Reports accompanying the financial statements for 2009.

**a) Capital structure, including securities not traded on an EC regulated market, with indication of different classes of shares and, for each class, the rights and obligations they confer and the percentage of share capital they represent.**



As provided in Article 6 of its Company By-Laws, the Company's share capital amounts to EUR 157,332,297 represented by 314,664,594 fully subscribed and paid shares of EUR 0.50 each, all of the same class and series. All of the shares are fully paid. Pursuant to Article 23 of the Bylaws, in order to be able to attend the General Shareholders' Meeting, shareholders are required to hold at least one hundred shares.

**b) Any restriction on the transferability of securities.**

There are no statutory restrictions on the transferability of shares representing the company's share capital.

Since the company is listed, in order to acquire a percentage equal to or higher than 30% of its share capital or voting rights, a takeover bid is to be launched under the terms provided in Article 60 of the Stock Exchange Law 24/1988 and Royal Decree 1066/27 of June 2007.

**c) Significant direct or indirect holdings in the share capital.**

According to the data reported to the company by the corresponding shareholders, or otherwise, according to data included in the corresponding register of the Spanish Stock Market Commission:

Shareholders	31/12/2009
Corporación Financiera Alba, S.A.	23.481%
Corporación Financiera Alcor, S.A.	13.855%
Inversiones Vesán, S.A.	12.336%
Fluxá Rosselló, Miguel	5.638%
Southeastern Asset Management Inc	5.455%

**d) Any restriction on voting rights.**

There are no specific restrictions on this right under the Company By-laws. However, as previously indicated, pursuant to Article 23 of the Company By-Laws, in order to be able to attend the General Shareholders' Meeting (attendance right), shareholders are required to hold at least one hundred shares.

**e) Shareholders' agreements.**

No shareholders' agreements have been reported to the Company.

**f) Regulations applicable to appointments and substitution of members of governing bodies and the amendment of Company By-laws.**

**Appointment and substitution of members of the Board of Directors.**

This matter is regulated in Articles 13 and 14 of the Company By-laws and Articles 3, 11 and 24 of the Rules of the Board of Directors, which essentially provide the following:

The Company is governed by a Board of Directors consisting of a minimum of eleven (11) and a maximum of twenty-one (21) members. At the proposal of the Board of Directors, the General Shareholders' Meeting shall be responsible for setting, within the aforementioned limits, the exact number of members of the Board of Directors, and appointing the individuals to fill these positions; the Board's proposal is to be preceded by a proposal by the Appointment and Remuneration Committee. No age limit has been set to be appointed Board Member or for the exercise of this position.

# Directors' Report on the Consolidated Group

Board members shall hold their positions for the term provided in the Company By-laws (six years) and may be re-elected on one or several occasions for terms of the same length.

The board members shall cease to hold their position when removed by the General Shareholders' meeting, when they notify the Company of their resignation or when the term for which members were appointed has expired, in accordance with Article 145 of the Regulations of the Spanish Mercantile Registry. In the event of a vacancy for any reason, the Board of Directors may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive election shall take place.

## **Amendment of the Company By-laws**

The procedure for amending the Company By-laws is regulated by Article 29 and generally, Article 144 of the Corporations Law, which require approval by the General Shareholders' Meeting, with the attendance quorums and, if applicable, majorities provided in Article 103 of the aforementioned law. Resolutions shall be adopted by a simple majority, except where under section 2 of the aforementioned Article 103 of the Corporations' Law, such resolutions are required to be adopted by means of the vote in favour of two thirds of the share capital present or represented when the shareholders present or represented hold less than fifty percent of the subscribed share capital with a right to vote. The simple majority necessary to approve a resolution shall require the vote in favour of half plus one of the shares with voting rights present or represented at the meeting.

## **g) Powers of the members of the Board of Directors and, in particular, powers to issue and/or repurchase shares**

The Board of Directors acts jointly and is granted the broadest of powers to represent and govern the Company. The executive team is generally entrusted with the management of the Company's ordinary business by the Board, which carries out the general function of supervising and controlling the Company's operations. However, the Board of Directors may directly assume the responsibilities and decision-making powers deemed appropriate in relation to the management of the Company's business.

The Chairman of the Board of Directors is of an executive nature and is vested with all powers of the Board of Directors, except those which may not legally or statutorily be transferred. Additionally, the Executive Committee is vested with all powers of the Board of Directors which may be legally or statutorily transferred. The executive Vice Chairman and Board Member-Secretary also have broad notary powers registered in the Mercantile Register.

At the General Shareholders' Meeting held on 25 May 2009, the Board of Directors of the Company as well as those of subsidiary companies were authorised to acquire shares in the Company for valuable consideration, for the 18-month period following the date of the General Shareholders' Meeting, and pursuant to the terms and requirements set forth in section 75 and related provisions of the Spanish Corporations Law, the par value of which when added to the shares already held by the Company and its subsidiaries, does not exceed 5% of the issued share capital. The minimum and maximum price shall be, respectively, the par value of the shares and a price not exceeding the price at which they are traded at the stock market on the date of the purchase, or the price authorised by the competent body of the Stock Exchange or by the Spanish Stock Market Commission.

Likewise, in accordance with Article 153.1.b) and 2 of the Spanish Corporations Law, the General Shareholders' Meeting held on 25 May 2009 authorised the Company's Board of Directors to increase capital by up to half the Company's share capital at the date of this resolution on one or more occasions, and at the date, in the amount and under the conditions freely agreed in each case, within five years following 25 May 2009, and without having previously submitted a proposal to the General Shareholders' Meeting. Accordingly, the Board of Directors may set the terms and conditions under which capital is increased, as well as the features of the shares, investors and markets at which the increases are aimed and the issue procedure; freely offer the unsubscribed shares in the preferential subscription period; and in the event of incomplete subscription, cancel the capital increase or increase capital solely by the amount of the subscribed shares. The capital increase or increases may be carried out through the issue of new shares, either ordinary, without voting rights, preference or recoverable, and Article 6 of the Bylaws shall be amended accordingly. 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. In accordance with Article 159.2 of the Spanish Corporations Law, the Board of Directors is expressly empowered to exclude preferential subscription rights in full or in part in relation to all or some of the issues agreed under the scope of this authorisation, where it is in the interest of the company and as long as the par value of the shares to be issued plus any share premium agreed is equal to the fair value of the Company's shares based on a report to be drawn up at the Board's request, by an independent auditor other than the Company's auditor, which is appointed for this purpose by the Spanish Mercantile Register on any occasion in which the power to exclude preferential subscription rights granted in this paragraph 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. The Board of Directors is expressly authorised to delegate the powers contained in this resolution.

Additionally, at its meeting held on 25 May 2009 and in accordance with applicable legislation, the Board of Directors 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:

1. The securities the Board of Directors is empowered to issue may be debentures, bonds and other similar fixed income securities, whether simple or, in the case of debentures and bonds, exchangeable for shares of the Company or any of the Group companies and/or convertible into shares of the Company, and warrants on the Company's newly issued shares or shares in circulation.
2. Securities may be issued on one or more occasions, and at any date within the maximum five-year period following the date of the adoption of this resolution.
3. The total amount of the issue or issues of securities agreed under this delegation of authority, regardless of their nature, plus the total number of shares listed by the Company and outstanding at the issue date may not exceed a maximum limit of eighty five percent of the equity of ACS Actividades de Construcción y Servicios, S.A. according to the latest approved balance sheet.
4. In exercise of the powers granted herein, the Board of Directors shall have powers including, but not limited to determining the following: the amount, within the aforementioned overall maximum limit; the place, date and currency of the issue, and if applicable, its equivalence in Euros; the denomination, whether, bonds or debenture, subordinate or not, warrants or any other instrument permitted by law; the interest rate, payment dates and payment procedures; and in the case of warrants, the amount and means of calculating the premium or exercise price; whether they are instrumented in perpetuity or are repayable, and in the latter case, the repayment term and maturity dates; the type of reimbursement, premiums or batches, any guarantees; the form of representation, i.e. by means of certificates or book entries; preferential subscription rights, if any, and the subscription regime; applicable legislation; application, if applicable, for listing on official or unofficial secondary markets, whether organised or not, in Spain or abroad, of the securities issued; and appointment, if applicable, of a commissioner and approval of the rules that are to govern the legal relationships between the Company and the syndicate of holders of the securities issued.
5. In the case of the issue of convertible and/or exchangeable bonds or debentures, the following criteria has been established:
  - 5.1. The Board of Directors shall be authorised to determine whether the securities are convertible and/or exchangeable, and whether conversion and/or exchange shall be obligatory or voluntary, and in the latter case, if it is to be at the option of the holder or the issuer, with the periodicity and within the time limits laid down in the resolution on their issue, not exceeding ten years from the date of issue.
  - 5.2. The Board of Directors is also empowered to determine if the issuer reserves the right at any moment to opt between conversion into new shares or exchange for shares in circulation, specifying the nature of the shares to be delivered at the time of conversion or exchange. The issuer may also opt to deliver a combination of new and circulating shares.
  - 5.3. The ratio of conversion and/or exchange may be fixed, and for this purpose, the fixed income securities will be valued at their par value and shares at the fixed rate indicated in the resolution of the Board of Directors which made use of this delegated power, or at the rate of exchange defined on the date(s) indicated in the resolution of the Board of Directors, according to the Company's share price on the stock exchange on the date(s) or in the period(s) taken as reference in the resolution. However, the price of the shares, for the purpose of their conversion or exchange, may not be less than the greater of (i) the arithmetic mean of the closing prices of the Company's shares in the Spanish Continuous Market of stock exchanges over the period defined by the Board of Directors, which shall not be more than three months nor less than fifteen days prior to the date on which the Board passed the resolution to issue the fixed income securities, and the closing price of the shares on the same Continuous Market on the day prior to the passing of the resolution to issue the fixed income securities. Notwithstanding the above, the Board of Directors may issue the debentures or bonds with a variable rate of conversion and/or exchange. In this case, the price of the shares for the purposes and/or exchange shall be the arithmetic mean of the closing prices of the Company's shares on the Spanish Continuous market of stock exchanges over the period defined by the Board of Directors, which shall not be more than three months nor less than fifteen days prior to the date of conversion and/or exchange, with a premium, or if applicable, a discount on said price per share. The premium or discount may differ for each conversion and/or exchange date (or, if applicable, each tranche of the issue), although if a discount is set on the price per share, this may not be more than twenty percent.

# Directors' Report on the Consolidated Group

- 5.4. The fractions of a share which might be due to a bond or debenture holder shall be rounded down to the nearest whole number of shares and each holder shall be paid in cash any difference in value this rounding has given rise to.
  - 5.5. Pursuant to Article 292.3 of the Spanish Consolidated Corporations Law, debentures may not be converted into shares when the par value of the shares is less than that of the debentures. Likewise, the value of the share may not be less than its par value.
  - 5.6. Upon approving an issue of convertible and/or exchangeable bonds or debentures, the Board of Directors shall issue a Directors' report developing and specifying, based on the criteria described above, the basis for and forms of conversion specifically applicable to the indicated issue. This report shall be accompanied by the relevant report from the auditors referred to in Article 292 of the Spanish Corporations Law. Additionally, these reports will be made available to the shareholders, and if applicable, to the holders of convertible and/or exchangeable fixed income securities and/or warrants, and the shareholders will be informed at the first General Shareholders' Meeting held after adopting the resolution on the issue of the securities.
6. In the case of the issue of warrants, to which, by analogy, the provisions of the Spanish Corporations Law for issues of convertible debentures shall apply, the following criteria is set:
    - 6.1. The warrants issued may entitle their holders to subscribe new shares in the Company and/or acquire circulating shares in the Company, and the Board of Directors shall be authorised to determine whether or not they are entitled to do so.
    - 6.2. The deadline for the exercise of the securities issued shall be determined by the Board and may not exceed ten days following the date of their issue.
    - 6.3. The Board of Directors may also stipulate that the Company reserves the right to opt for holders of warrants to subscribe new shares or acquire shares in circulation at the time of exercising the warrant. It may also opt to deliver a combination of new and circulating shares. However, the issuer must respect the principle of equal treatment to all the holders of warrants that are exercised on the same date.
    - 6.4. The exercise price of the warrant shall be defined by the Board of Directors in the resolution on the issue of securities, or shall be defined on the date or dates indicated in the resolution adopted by the Board of Directors, depending on the market price of the Company's shares on the date(s) or during the period(s) taken as a reference in the resolution. The exercise price may be variable depending on the date on which the warrant is exercised. However, the share price to be considered, may not be less than the greater of (i) the arithmetic mean of the closing prices of the Company's shares in the Spanish Continuous Market of stock exchanges over the period defined by the Board of Directors, which shall not be more than three months nor less than fifteen days prior to the date on which the Board passed the resolution to issue the warrants, and (ii) the closing price of the shares on the same Continuous Market on the day prior to the passing of the resolution to issue the warrants. In no case may the sum of the premium(s) paid for each warrant and its exercise price be less than the market value of the company's shares as defined in the previous paragraph, or less than the par value of the Company's shares.
    - 6.5. Upon approving an issue of warrants, the Board of Directors shall issue a Directors' report developing and specifying, based on the criteria described above, the basis for and forms of conversion specifically applicable to the indicated issue. This report shall be accompanied by the relevant report from the auditors referred to in Article 292 of the Spanish Corporations Law. Additionally, these reports will be made available to the shareholders, and if applicable, to the holders of convertible and/or exchangeable fixed income securities and/or warrants, and the shareholders will be informed at the first General Shareholders' Meeting held after adopting the resolution on the issue of the securities.
  7. In all events, the authorisation of the Board of Directors to issue convertible and/or exchangeable debentures or bonds, and to issue warrants, shall include, but shall not be limited to the following powers:
    - 7.1. The authority to increase the share capital by the amount necessary to meet demand for the conversion of convertible securities or the exercise of warrants on newly issued shares. This power may only be exercised by the Board to the extent that the sum of the increase in capital necessary to meet the demand resulting from the issue of convertible debentures or bonds or the exercise of warrants on newly issued shares, added to all other capital increases that have been agreed under the scope of authorisations granted by the General Shareholders' Meeting, does not exceed the limit of one half of the share capital envisaged in Article 153.1 b) of the Spanish Consolidated Corporations Law. This authorisation to increase the share capital includes the power to issue and put into circulation, on one or more occasions, the shares that are necessary to carry out the conversion or exercise, and to amend the Article of the Bylaws

relating to the share capital figure, and if applicable, to cancel the part of the capital increase that was not necessary for the conversion of securities into shares or the exercise of the warrants.

- 7.2. The power to exclude, pursuant to Article 159.2 of the Spanish Consolidated Corporations law, the preferential subscription rights of shareholders or the holders of convertible and/or exchangeable bonds or debentures, or of warrants, when necessary to capture financial resources in the domestic and international markets, or it is otherwise in the Company's interest. In any event, if the Board decides to override preferential subscription rights in relation to a specific issue of convertible debentures or bonds or warrants on newly issued shares under the authorisation granted herein, at the date on which this resolution is passed, it shall issue a detailed report stating the specific reasons why it is in the Company's interest to take this measure. This report will be accompanied by a further report issued by an auditor, pursuant to Article 159.2 of the Spanish Consolidated Corporations Law. These reports will be made available to the shareholders and holders of convertible debentures or bonds, and the shareholders will be informed at the first General Shareholders' Meeting held after adopting the resolution on the issue of the securities.
- 7.3. The power to develop and specify in detail the basis for and modes of conversion or exchange and exercise of warrants bearing in mind the criteria defined above.
8. The Board of Directors, at the successive General Shareholders' Meetings held by the Company, shall inform shareholders of any use made of the delegation of power referred to in this resolution.
9. The Board of Directors is expressly authorised to guarantee, on the Company's behalf and for a maximum of five years following the adoption of this resolution, the obligations of all types which may arise for its subsidiaries as a result of the issues of fixed income securities (debentures, bonds, promissory notes, or any other) or of warrants, by the aforementioned subsidiaries.
10. Where appropriate, the Company shall apply for admission to trading on official or unofficial secondary stock markets, whether organised or otherwise, of the bonds, debentures and other securities issued by virtue of this authorisation, and the Board of Directors shall be empowered to undertake the formalities necessary or appropriate for these purposes. In accordance with Article 27 of the Spanish Stock Market Regulations, it is hereby expressly stated that in the case of the subsequent application for the exclusion from the stock exchange of the securities issued by virtue of this authorisation, this shall be adopted with the same formalities as stated in said Article and, in this event, the interests of shareholders or bondholders who oppose this move or vote against it shall be guaranteed in accordance with all applicable provisions of law.
- h) Significant resolutions that the Company may have adopted that once in force, were amended or concluded in the event of any change of control over the company following a public takeover bid, and the effects thereof, except when such disclosure may be seriously damaging to the Company. This exception shall not be applicable when the company is legally required to disclose this information**

There are no significant contracts giving rise to the aforementioned circumstance.

- i) Agreements between the Company and its directors, managers or employees establishing severance payments when they resign or are dismissed without due cause or if the employment contract expires due to a takeover bid**

Pursuant to sections B.1.13 and G of the 2009 Annual Corporate Governance Report, there are a total of 9 senior management members in the different ACS Group companies, including executive board members, whose contracts provide for the cases described under this heading with maximum severance payments of up to five years' salary.

## 9. Annual Corporate Governance Report

In accordance with Article 202.5 of the Corporations Law, following is the Annual Corporate Governance Report, which forms and integral part of the 2009 Directors' Report.

# Consolidated Financial Statements

## Consolidated statements of financial position at 31 december 2009 and 2008

Assets	Note	31/12/2009	31/12/2008
Thousands of euros			
<b>Non-current assets</b>		<b>17,738,415</b>	<b>14,619,413</b>
Intangible assets	4	1,575,238	1,466,906
Goodwill		1,127,018	1,132,563
Other intangible assets		448,220	334,343
Property, plant and equipment	5	1,483,866	1,718,506
Non-current assets in projects	6	4,492,643	3,587,050
Investment property	7	61,021	70,898
Investments in companies accounted for by the equity method	9	4,174,152	3,892,825
Non-current financial assets	10	5,156,589	3,188,286
Financial instrument receivables	22	21,737	546
Deferred tax assets	26.06	773,169	694,396
<b>Current assets</b>		<b>14,015,798</b>	<b>36,778,952</b>
Non-current assets held for sale and discontinued operations	03.09	1,178,749	24,350,617
Inventories	11	657,809	698,594
Trade and other receivables	12	7,174,863	7,301,556
Trade receivables for sales and services		6,166,801	6,101,610
Other receivables		885,410	1,097,564
Current tax assets	26	122,652	102,382
Other current financial assets	10	2,711,051	2,185,135
Other current assets	13	86,297	62,010
Cash and cash equivalents	14	2,207,029	2,181,040
<b>Total assets</b>		<b>31,754,213</b>	<b>51,398,365</b>

The accompanying notes 1 to 39 and Appendices I to IV are an integral part of the consolidated statement of financial position at 31 December 2009.

Equity and liabilities	Note	31/12/2009	31/12/2008
Thousands of euros			
<b>Equity</b>	15	4,591,503	9,913,040
Shareholders' equity		5,310,171	4,404,604
Share capital		157,332	159,322
Share premium		897,294	897,294
Reserves		2,937,959	1,829,732
(Treasury shares and equity interests)		(350,747)	-
Profit for the year of the parent		1,951,531	1,805,036
(Interim dividend)		(283,198)	(286,780)
Adjustments for changes in value		(1,006,761)	(1,002,182)
Available-for-sale financial assets		(734,568)	(539,434)
Hedging transactions		(280,342)	(236,405)
Exchange differences		8,149	(226,343)
Equity attributed to the parent		4,303,410	3,402,422
Non-controlling interests		288,093	6,510,618
<b>Non-current liabilities</b>		13,179,798	11,069,671
Grants related to assets	16	90,524	65,386
Non-current provisions	20	378,838	158,647
<b>Non-current financial liabilities</b>		11,774,258	9,576,277
Bank borrowings, debt instruments and other held-for-trading liabilities	17	3,033,655	3,288,055
Project finance with limited recourse	18	8,691,229	6,245,240
Project finance with limited recourse	19	49,374	42,982
Financial instrument payables	22	319,959	855,706
Deferred tax liabilities	26.06	374,048	230,805
Other non-current liabilities		242,171	182,850
<b>Current liabilities</b>		13,982,912	30,415,654
Liabilities relating to non-current assets held for sale and discontinued operations	03.09	845,058	15,912,940
Current provisions	20	275,155	264,713
<b>Current financial liabilities</b>		2,415,235	4,145,663
Bank borrowings, debt instruments and other held-for-trading liabilities	17	2,113,521	3,960,946
Financiación de proyectos y deuda con recurso limitado	18	278,049	176,840
Other financial liabilities	19	23,665	7,877
<b>Trade and other payables</b>	23	9,849,968	9,376,020
Suppliers		3,110,787	2,768,592
Other payables		6,515,739	6,540,430
Current tax liabilities	26	223,442	66,998
<b>Other current liabilities</b>	24	597,496	716,318
<b>Total equity and liabilities</b>		31,754,213	51,398,365

The accompanying notes 1 to 39 and Appendices I to IV are an integral part of the consolidated statement of financial position at 31 December 2009.

# Consolidated Financial Statements

## Consolidated income statements for the years ended 31 december 2009 and 2008

	Note	31/12/2009	31/12/2008
Thousands of euros			
<b>Revenue</b>	27	<b>15,605,930</b>	<b>15,275,568</b>
Changes in inventories of finished goods and work in progress		(9,095)	(4,263)
Capitalized expenses of in-house work on assets	27	141,849	278,456
Procurements	28.01	(9,061,725)	(9,042,749)
Other operating income		390,956	523,787
Staff costs	28.02	(3,862,444)	(3,772,906)
Other operating expenses		(1,763,669)	(1,918,330)
Depreciation and amortisation charge	4, 5, 6 y 7	(36,106)	(299,378)
Allocation of grants relating to non-financial assets and others	16	3,236	2,510
Impairment and gains on the disposal of non-current assets		634	283
Other profit or loss	28.05	(39,179)	147,628
<b>Operating income</b>		<b>1,041,387</b>	<b>1,190,606</b>
Finance income	28.07	395,485	402,612
Finance costs		(664,586)	(770,779)
Changes in the fair value of financial instruments	21 y 28.06	(2,325)	(650,767)
Exchange differences		(370)	1,580
Impairment and gains on the disposal of financial instruments	29	22,768	703,772
<b>Financial profit</b>		<b>(249,028)</b>	<b>(313,582)</b>
Results of companies accounted for using the equity method	9	195,615	157,342
<b>Profit before tax</b>		<b>987,974</b>	<b>1,034,366</b>
Income tax	26.04	(120,430)	(27,609)
<b>Profit for the year from continuing operations</b>		<b>867,544</b>	<b>1,006,757</b>
Profit after tax from discontinued operations ( *)		1,279,571	1,632,974
<b>Profit for the year</b>		<b>2,147,115</b>	<b>2,639,731</b>
Profit attributed to non-controlling interests	15.07	(28,973)	(17,700)
Profit from discontinued operations attributed to non-controlling interests	15.07	(166,611)	(816,995)
<b>Profit attributed to the parent</b>		<b>1,951,531</b>	<b>1,805,036</b>
( *) Profit after tax from discontinued operations attributed to non-controlling interests		1,112,960	815,979

Earnings per share	Note	31/12/2009	31/12/2008
Euros per share			
Basic earnings per share	31	6.28	5.43
Diluted earnings per share	31	6.28	5.43
Basic earnings per share from discontinued operations	31	3.58	2.45

The accompanying notes 1 to 39 and Appendices I to IV are an integral part of the consolidated income statement at 31 December 2009.



## Consolidated statements of comprehensive income for the years ended 31 december 2009 and 2008

	31/12/2009			31/12/2008		
	Of the Parent	Of Non-Controlling Interests	Total	Of Non-Controlling Interests	Of the Parent	Total
Thousands of euros						
<b>A) Total profit for the year</b>	<b>1,951,531</b>	<b>195,584</b>	<b>2,147,115</b>	<b>1,805,036</b>	<b>834,695</b>	<b>2,639,731</b>
Consolidated profit (loss) for the year	1,951,531	28,973	1,980,504	1,805,036	17,700	1,822,736
Profit from discontinued operations (non-controlling interests)	-	166,611	166,611	-	816,995	816,995
<b>B) Income and expenses recognised directly in equity</b>	<b>28,406</b>	<b>9,046</b>	<b>37,452</b>	<b>(1,686,793)</b>	<b>(60,061)</b>	<b>(1,746,854)</b>
Measurement of financial instruments	(108,249)	-	(108,249)	(1,548,950)	52,326	(1,496,624)
Cash flow hedges	(76,955)	(1,783)	(78,738)	(483,143)	(52,267)	(535,410)
Translation differences	161,139	10,294	171,433	(169,438)	(29,931)	(199,369)
Actuarial gains and losses	-	-	-	(13,862)	(27,115)	(40,977)
Tax effect	52,471	535	53,006	528,600	(3,074)	525,526
<b>C) Transfers to income</b>	<b>(32,985)</b>	<b>(113,965)</b>	<b>(146,950)</b>	<b>(1,678)</b>	<b>(55,970)</b>	<b>(57,648)</b>
Reversal of financial instruments	(205,711)	(376,951)	(582,662)	(42,327)	(77,560)	(119,887)
Cash flow hedges	58,072	29,955	88,027	-	-	-
Reversal of translation differences	79,457	145,600	225,057	32,946	-	32,946
Tax effect	35,197	87,431	122,628	7,703	21,590	29,293
<b>Total comprehensive income in the year</b>	<b>1,946,952</b>	<b>90,665</b>	<b>2,037,617</b>	<b>116,565</b>	<b>718,664</b>	<b>835,229</b>

The accompanying notes 1 to 39 and Appendices I to IV are an integral part of the consolidated statement of comprehensive income at 31 December 2009.

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## Statement of changes in equity for the years ended 31 december 2009 and 2008

	Share capital	Share premium	Retained earnings and other reserves	Treasury shares	Adjustments for Changes in Value	Profit Attributed to the Parent	Interim dividend	Non-Controlling Interests	Total
Thousands of euros									
<b>Balance at 1 January 2008</b>	176,437	897,294	2,133,169	(516,341)	676,738	1,551,115	(264,655)	5,787,278	10,441,035
Revenue (expenses) recognised in equity	-	-	(9,551)	-	(1,678,920)	1,805,036	-	718,664	835,229
Share Options	-	-	2,654	-	-	-	-	-	2,654
Distribution of profit from the prior year									
To reserves	-	-	951,070	-	-	(951,070)	-	-	-
To dividends	-	-	9,075	-	-	(600,045)	264,655	(379,694)	(706,009)
Treasury shares	(17,115)	-	(1,173,684)	516,341	-	-	-	-	(674,458)
Change in the scope of consolidation and other effects of a lesser amount	-	-	(83,001)	-	-	-	-	384,370	301,369
2008 interim dividend	-	-	-	-	-	-	(286,780)	-	(286,780)
<b>Balance at 31 December 2008</b>	159,322	897,294	1,829,732	-	(1,002,182)	1,805,036	(286,780)	6,510,618	9,913,040
Revenue (expenses) recognised in equity	-	-	-	-	(4,579)	1,951,531	-	90,665	2,037,617
Share Options	-	-	1,734	-	-	-	-	-	1,734
Distribution of profit from the prior year									
To reserves	-	-	1,151,816	-	-	(1,151,816)	-	-	-
To dividends	-	-	11,425	-	-	(653,220)	286,780	(13,315)	(368,330)
Treasury shares	(1,990)	-	(114,973)	(350,747)	-	-	-	-	(467,710)
Change in the scope of consolidation and other effects of a lesser amount	-	-	58,225	-	-	-	-	(6,299,875)	(6,241,650)
2009 interim dividend	-	-	-	-	-	-	(283,198)	-	(283,198)
<b>Balance at 31 December 2009</b>	157,332	897,294	2,937,959	(350,747)	(1,006,761)	1,951,531	(283,198)	288,093	4,591,503

The accompanying notes 1 to 39 and Appendices I to IV are an integral part of the consolidated statement of changes in equity at 31 December 2009.

## Consolidated statements of cash flows for the years ended 31 december 2009 and 2008

	31/12/2009	31/12/2008
Thousands of euros		
<b>A) Cash flows from operating activities</b>	<b>1,652,244</b>	<b>1,060,467</b>
1. Profit before tax	987,974	1,068,498
2. Adjustments to profit:	420,632	349,823
Depreciation and amortisation charge	365,106	340,247
Other adjustments to profit (net)	55,526	9,576
3. Changes in working capital	494,921	(185,829)
4. Other cash flows from operating activities:	(251,283)	(172,025)
Interest payable	(664,586)	(803,489)
Dividends receivable	354,253	451,984
Interest receivable	179,480	295,596
Income tax payable/receivable	(120,430)	(116,116)
<b>B) Cash flows from investing activities</b>	<b>1,307,296</b>	<b>(451,367)</b>
1. Investment payables:	(4,597,849)	(2,968,539)
Group companies, associates and business units	(294,525)	(1,150,563)
Property plant and equipment, intangible assets and property investments	(1,719,353)	(1,548,879)
Other financial assets	(2,523,299)	(258,108)
Other assets	(60,672)	(10,989)
2. Divestment receivables:	5,905,145	2,517,172
Group companies, associates and business units	5,824,811	2,416,708
Property, Plant and equipment, intangible assets and property investments	59,728	85,139
Other financial assets	20,474	12,141
Other assets	132	3,184
<b>C) Cash flows from financing activities</b>	<b>(2,933,551)</b>	<b>(963,862)</b>
1. Equity instrument receivables (and payables):	(465,722)	(674,418)
Amortisation and acquisition	(465,722)	(674,418)
2. Liability instrument receivables (and payables):	(1,513,627)	492,657
Issue	-	492,657
Refund and repayment	(1,513,627)	-
3. Dividends payable and remuneration relating to other equity instruments	(653,220)	(600,245)
4. Other cash flows from financing activities:	(300,982)	(181,856)
Other financing activity receivables and payables	(300,982)	(181,856)
<b>D) Net increase (decrease) in cash and cash equivalents</b>	<b>25,989</b>	<b>(354,762)</b>
<b>E) Cash and cash equivalents at beginning of the year</b>	<b>2,181,040</b>	<b>2,535,802</b>
<b>F) Cash and cash equivalents at end of year</b>	<b>2,207,029</b>	<b>2,181,040</b>
1. Cash flows from operating activities	36,965	305,008
2. Cash flows from investing activities	5,824,811	911,247
3. Cash flows from financing activities	(2,336,540)	(567,100)
<b>Net cash flows from discontinued operations</b>	<b>3,525,236</b>	<b>649,155</b>
<b>Cash and cash equivalents at end of year</b>		
Cash and banks	1,422,520	1,321,061
Other financial assets	784,509	859,979
<b>Total cash and cash equivalents at end of year</b>	<b>2,207,029</b>	<b>2,181,040</b>

The accompanying notes 1 to 39 and Appendices I to IV are an integral part of the consolidated statement of cash flows at 31 December 2009.

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## Notes to the consolidated financial statements for the year ended 31 December 2009

### 1. Group activity

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

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

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

1. The business of constructing all kinds of public and private works, as well as the provision of services, for the conservation, maintenance and operation of motorways, highways, roads and, in general any type of public or private ways and any other type of works. Any kind of industrial, commercial and financial actions and operations which bear a direct or indirect relationship thereto.
2. Promoting, constructing, restoring and selling housing developments and all kinds of buildings intended for industrial, commercial or residential purposes, either on its own or through third parties. Carrying out conservation and maintenance of works, facilities and services, whether urban or industrial.
3. The direction and execution of all manner of works, facilities, assemblies and maintenance related to production plants and lines, electric power transmission and distribution, substations, transformation, interconnection and switching centres, generation and conversion stations, electric, mechanical and track, installations for railways, metros and light trains, railway, light train 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 or 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, execution of any industrial, agricultural, naval, transport, communication and mining works, facilities and assemblies and others listed in the preceding paragraphs. Managing the business of production, sale and use of electric energy, as well as other energy sources, and carrying out studies related thereto, and managing the business of production, prospecting, sale and use of all kinds of primary solid, liquid or gaseous energy resources, specifically including hydrocarbons and gas, whether natural, liquid or in another state, in their different forms and classes. Energy planning and rationalisation of the use of energy and cogeneration of same. Research, development and operation of all aspects of communication and computing systems.
11. The manufacture, installation, assembly, erection, supply, maintenance and commercialisation of all kinds of products and elements pertaining to or derived from concrete, ceramics, resins, varnishes, paints, plastics or synthetic materials; as well as metal structures for industrial plants and buildings, bridges, towers and supports of metal or reinforced concrete or any synthetic material for all manner of communications and electric power transmission or distribution, or any other class of energy material or product related to all types of energy.
12. The manufacture, preparation, handling and finishing, diagnosis, treatment and impregnation for protection and preservation and sale of wood in general, and especially of posts used for electric, telephone and telegraph lines, impregnation or servicing for mine and gallery timbering, building supports, construction woodwork, crossties for railways and barricades, and the production and commercialisation of antiseptic productions 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-assimilable, industrial and sanitary wastes; 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. Cleaning services for buildings, constructions and works of any kind, of offices, commercial premises and public places. Clothes cleaning, washing, ironing, sorting and transportation.
17. Furniture assemblies and installations, including tables, shelves, office material, and similar or complementary objects.

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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. 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. . Development, promotion, exhibition, performance, acquisition, sale and provision of services in the field of art, culture and recreation, in their different activities, forms, expressions and styles.
21. Provision of emergency, prevention, information, telephone switchboard, kitchen and dining hall services. Opening, closing and custody of keys. Turning on and off, running, supervision, maintenance and repair of engines and heating and air conditioning, electricity and lift installations, water, gas and other supply pipes, and fire protection systems. The operation of rapid communication systems with public assistance services, such as police, firemen, hospitals and medical centres. Fire fighting and prevention services in general, in woodlands, forests, rural farms, and industrial and urban facilities.
22. Integral management or operation of public or private educational or teaching centres, as well as surveillance, service, education and control of student bodies or other educational collectives.
23. Reading of water, gas and electricity meters, maintenance, repair and replacement thereof, monitoring and transcription of readouts, meter inspection, data acquisition and updating, and instalment of alarms. Temperature and humidity measurements on roadways and, in general, all kinds of properties and real estate, and public and private facilities, providing all the controls required for proper upkeep and maintenance thereof, or of the goods deposited or guarded therein.
24. Handling, packing and distribution of food or consumer products; processing, flavouring and distribution of food for own consumption or supply to third parties; servicing, replacement and maintenance of equipment, machinery and dispensing machines of the mentioned products; and participation in operations with raw materials, manufactured goods and supplies.
25. Provision of ground services to passengers and aircraft. Integral logistic freight services, such as: loading, unloading, stowing and unstowing, transport, distribution, placement, sorting, warehouse control, inventory preparation, replacement, control of warehouse stocks and storage of all kinds of merchandise, excluding the activities subject to special legislation. Management and operation of places of distribution of merchandise and goods in general, and especially perishable products, such as fish exchanges and wholesale and retail markets. Reception, docking, mooring and service connections to boats.
26. Direct advertising services, postage and mailing of printed advertising and publicity material and, in general, all kinds of documents and packages, on behalf of the clients.
27. Management, operation, administration, maintenance, upkeep, refurbishment and fitting out of all kinds of concessions in the broadest sense of the word, including those that are part of the concessionary firm's shareholders and those that have any type of contractual relation to develop any of the above listed activities.

28. The acquisition, holding, use, administration and disposal of all manner of own-account securities, excluding activities that special legislation, and in particular the legislation on the stock market, exclusively ascribes to other entities.
29. Manage and administer representative securities of the shareholders' equity of non-resident entities in Spanish territory, through the appropriate organisation of personal and material means suited to this end.
30. Preparation of all manner of studies, reports and projects, and entering into contracts concerning the activities indicated in this article, as well as supervision, direction and consulting in the execution thereof.
31. Occupational training and recycling of people who provide the services described in the preceding points.

## 2. Basis of presentation of the consolidated financial statements and basis of consolidation

### 2.01. Basis of presentation

The consolidated financial statements for 2009 of the ACS Group were prepared:

- By the directors of the Parent, at the Board of Directors' Meeting held on 11 March 2010.
- 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 thereto. The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2009 are summarised in Notes 2 and 3.
- 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 3 (accounting policies).
- So that they present fairly the Group's consolidated equity and financial position at 31 December 2009, 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 2009 (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 2008 (IFRSs as adopted by the European Union) were approved by the shareholders at the Annual General Meeting of ACS, S.A. on 25 May 2009. The 2009 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.

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Reclassifications were made in the presentation of the financial statements for 2008 and the income statement was restated as a result of the consideration of port and logistics services as a discontinued operation. The effect of these reclassifications on the statement of cash flows is detailed in Note 3.09. However, in accordance with IFRS 5, in the statement of financial position, the assets and liabilities relating to this line of business were reclassified as "Non-Current Assets Held for Sale and Discontinued Operations" and as "Liabilities relating to Non-Current Assets Held for Sale" in the year-in-progress but not in the previous year. For this reason, the ACS Group did not present the statement of financial position for the beginning of the first comparative year (i.e. January 2008) since it is the same as the statement approved in the consolidated financial statements for 2007.

## Responsibility for the information and for the estimates made

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

The accompanying consolidated financial statements were prepared from the 2009 accounting records of ACS, Actividades de Construcción y Servicios, S.A. and of its subsidiaries whose respective individual financial statements were approved by the directors of each company and business segment, once they were adapted on consolidation in conformity with International Financial Reporting Standards, as adopted by the European Union.

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

- The useful life of the intangible assets and property, plant and equipment (Notes 3.02 and 3.03).
- The impairment losses on certain assets (Notes 3.01 and 3.06).
- The measurement of goodwill and the assignment of assets on acquisitions (Note 3.01).
- The amount of certain provisions (Note 3.13).
- The assumptions used in the calculation of liabilities and commitments to employees (Note 3.12).
- The market value of derivatives, and particularly, the equity swaps mentioned in Notes 9 and 10.

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

## Changes in accounting estimates and policies and correction of fundamental errors

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

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

There were no changes in accounting policies and no errors were corrected in the 2009 and 2008 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 3.21.



## 2.02. 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 in 2009 were eliminated.

However, balances and transactions relating to construction projects undertaken by the Construction division companies for infrastructure concession companies are not eliminated on consolidation since these transactions are considered to have been performed for third parties as the projects are being completed. This is the intention currently supported by the IFRIC (International Financial Reporting Interpretation Committee), the interpretative body of the IASB, in the interpretations on concession arrangements approved in November 2006 as IFRS 12, which have not yet been approved by the European Union (Note 3.24). This interpretation is based on the consideration that in this type of business, the group completes a construction project for the concession provider, and receives in exchange the right to operate the infrastructure in accordance with the terms of the contract. In these cases, the concession provider has control over the asset, and accordingly, it can be concluded that on a consolidated level, the project has been completed for a third party.

### 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 2009 and 2008 the reporting date of the financial statements of all the companies included in the scope of consolidation was the same or was temporarily standardised to that of the Parent.

### c) Subsidiaries

"Subsidiaries" are defined as companies over which the ACS Group has the capacity to exercise effective control; control is, 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 obtain benefits 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.

The companies more than 50% owned by the ACS Group, which are not fully consolidated include Dinsa Eléctricas y Gyms, S.A. de C.V., Escal UGS, S.L., TRESIMA Limpiezas Industriales, S.A., Hospital Majadahonda, S.A., Sociedad Hospital de Majadahonda Explotaciones, S.L. 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 by 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 minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the non-controlling interests in excess of the non-controlling interests are allocated to the Parent, unless they have the obligation to cover such a loss.

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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 Attributed to Non-Controlling Interests" and "Profit from Discontinued Operations Attributed 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 and disposals, as well as increases and decreases in ownership interest.

## d) Joint ventures

A joint venture is a contractual arrangement whereby two or more companies ("venturers") have interests in entities (jointly controlled entities) or undertake operations or hold assets so that strategic financial and operating decisions affecting the joint venture require the unanimous consent of the venturers.

Within the area of business in which the ACS Group operates, mention should be made of the Spanish UTEs (Unincorporated joint venture), which are unincorporated joint ventures with no separate legal personality, through which cooperation arrangements are entered into with other venturers in order to carry out a project or provide a service for a limited period of time. In these cases, as in the case of economic interest groupings and of companies so formed, it is understood that the venturers exercise joint control over the joint venture, and accordingly, UTEs are proportionally consolidated.

The assets and liabilities assigned to joint operations or operations which are jointly controlled are recognised in the consolidated statement of financial position classified according to their specific nature and the Group's percentage of ownership interest therein. Similarly, the Group's share of the income and expenses of joint ventures is recognised in the consolidated income statement on the basis of their nature.

Appendix II and Note 8 contain relevant information on these companies.

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

## e) Associates

Associates are companies over which the Group is in a position to exercise significant influence, but not control or joint control, usually because it holds –directly or indirectly– 20% or more of the voting rights 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 are in the process of being dissolved or are fully inoperative and are irrelevant for the Group as a whole. These companies are Grupo Comercializador del Sur, S.A. and Chipset Sistemas, S.L.

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

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

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 9 contain relevant information on these companies.

## f) Changes in the scope of consolidation

The most significant changes in the scope of consolidation in 2009 and 2008 were as follows:

In addition to the closing of the sale of Unión Fenosa initiated in 2008 which is explained in the section on the 2008 financial year, noteworthy are the following transactions:

On 30 July 2009, the ACS Group, through Dragados, S.A., the company heading the Construction area launched a takeover bid in the Varsovia stock market on shares representing 65.53% of the share capital of the Polish construction company Przedsiębiorstwo Robót Inżynieryjnych "Pol-Aqua" Spółka Akcyjna (hereinafter Pol-Aqua), at a price of 27 zlotys per share. On 21 October 2009 this transaction was completed, and the group acquired an ownership interest of 66% in the share capital of Pol-Aqua for 486.6 million zlotys (EUR 117,665 thousand). Commencing on this date, in accordance with IFRS 3, it became necessary to measure the assets and liabilities from Pol-Aqua at fair value ("purchase price allocation"). The detail of the allocation of the purchase price was as follows:

	Carrying Amount	Allocation of Assets	Fair Value of Assets
Thousands of euros			
Property, plant and equipment	65,043	-	65,043
Other intangible assets	28,168	10,539	38,707
Other non-current assets	6,735	-	6,735
Current assets	154,731	-	154,731
Non-current liabilities (deferred tax liabilities)	(23,783)	(3,163)	(26,946)
Current liabilities	(105,657)	-	(105,657)
<b>Total net assets</b>	<b>125,237</b>	<b>7,376</b>	<b>132,613</b>
Non-Controlling Interests	-	-	(52,995)
<b>Total fair value of the net assets acquired</b>	<b>-</b>	<b>-</b>	<b>79,618</b>
Purchase price	-	-	117,665
<b>Goodwill</b>	<b>-</b>	<b>-</b>	<b>38,047</b>

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The main assets to which a reasonable value was attributed are intangible assets relating to the Company's construction order book and client base. This company's sales for all of 2008 amounted to EUR 309,619 thousand and its net profit amounted to EUR 911 thousand (at the year-end exchange rate).

On 22 December 2009, Dragados Construction USA, Inc. closed the acquisition of the US construction company Pulice Construction, Inc., with headquarters in Phoenix, Arizona (USA). The transaction totalled USD 113.9 million (EUR 75,968 thousand). This company specialising in civil engineering operates in the states of Arizona, Utah, Nevada and California.

The detail of the allocation of the purchase price at the fair value of the assets and liabilities is as follows:

	Carrying Amount	Allocation of Assets	Fair Value of Assets
Thousands of euros			
Property, plant and equipment	11,840	-	11,840
Other intangible assets	-	52,231	52,231
Other non-current assets	-	-	-
Current assets	38,162	-	38,162
Non-current liabilities (deferred tax liabilities)	(17,649)	(15,711)	(33,360)
Current liabilities	(29,425)	-	(29,425)
<b>Total net assets</b>	<b>2,928</b>	<b>36,520</b>	<b>39,448</b>
<b>Total fair value of the net assets acquired</b>	<b>-</b>	<b>-</b>	<b>39,448</b>
Purchase price	-	-	75,968
<b>Goodwill</b>	<b>-</b>	<b>-</b>	<b>36,520</b>

The main assets to which a reasonable value was attributed are intangible assets relating to the Company's construction order book and client base. In 2009 annual sales amounted to EUR 137,135 thousand and its net profit amounted to EUR 12,055 thousand (at the year-end exchange rate).

On 30 December 2009 Dragados Construction, USA, Inc. acquired the US company John P. Picone, Inc. with headquarters in New York (USA). The transaction was structured in such a manner that on the aforementioned date, 80% of the company's share capital was obtained for US \$68.2 million. In one year an additional US \$38.1 million will be paid. The acquisition of the remaining 20% of the share capital is to be completed in four years for an agreed upon US \$25.4 million. This company specializes in civil engineering, and mainly tunnels and infrastructures relating to water. According to several different private rankings, it is one of the three main companies in New York engaging in this type of construction work, whose main customers are the "New York Department of Environmental Protection" and the "New York Metropolitan Transportation Authority".

The detail of the allocation of the purchase price at the fair value of the assets and liabilities is as follows:

	Carrying Amount	Allocation of Assets	Fair Value of Assets
Thousands of euros			
Property, plant and equipment	8,340	-	8,340
Other intangible assets	-	35,452	35,452
Other non-current assets	671	-	671
Current assets	157,905	-	157,905
Non-current liabilities (deferred tax liabilities)	(23,409)	(9,255)	(32,664)
Current liabilities	(105,953)	-	(105,953)
<b>Total net assets</b>	<b>37,554</b>	<b>26,197</b>	<b>63,751</b>
<b>Total fair value of the net assets acquired</b>	<b>-</b>	<b>-</b>	<b>63,751</b>
80% of purchase price	-	-	73,231
Commitment to pay 20% of purchase price	-	-	16,717
<b>Goodwill</b>	<b>-</b>	<b>-</b>	<b>26,197</b>

The main assets to which a reasonable value was attributed are intangible assets relating to the Company's construction order book and client base.

In 2009 annual sales amounted to EUR 176,071 thousand and its net profit amounted to EUR 16,689 thousand (at the year-end exchange rate).

All asset value allocations are to be considered provisional. In accordance with IFRS 3, the Group will assess the allocation and whether or not there are any contingent liabilities 12 months following the purchase date.

No significant business combinations have arisen subsequent to year-end and prior to the preparation of the current Consolidated Financial Statements.

In 2008 the following transactions were noteworthy:

On 8 January 2008, the ACS Group acquired 4.84% of the shares of Unión Fenosa for EUR 657 million, increasing its ownership interest to 45.3% of the share capital of the electricity utility. This acquisition gave rise to goodwill amounting to EUR 300.3 million.

On 30 July 2008 the ACS Group entered into an agreement with Gas Natural SDG, S.A. to sell the whole of its 45.3% ownership interest in the share capital of Unión Fenosa, S.A.

This transaction was performed in the following phases:

- On 1 August 9.9999% of the shares of Unión Fenosa were transferred at the price of EUR 18.33 per share, which amounted to EUR 1,675.4 million and gave rise to gains net of taxes amounting to EUR 403.5 million, recognised under "Profit after Tax from Discontinued Operations" (Note 3.09).
- The remaining 35.3061% was sold on 26 February 2009 (following approval of the merger of Gas Natural and Unión Fenosa by the competent authorities) for EUR 5,824.8 million (equivalent to EUR 18.05 per share, net of the dividend received from Unión Fenosa in January 2009), which gave rise to a net gain of EUR 1,005 million (Note 3.09).

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On 27 March 2008 the ACS Group purchased 1% of the shares of Abertis for a total EUR 134 million, increasing its ownership interest to 25.8% of the company's share capital. With respect to this acquisition, the fair value assigned to the assets was EUR 55,470 thousand, after having taken the corresponding deferred tax into consideration. This amount includes the underlying carrying amount of the investment totalling EUR 37,129 thousand. The goodwill arising on this purchase amounted to EUR 78,650 thousand, and as in the case of the previous acquisitions, is attributable to the Abertis Group's high profitability and to the strategic and complementary nature of the activities carried on by the ACS Group.

In 2008 the ACS Group sold its shares representing the whole of the share capital of Desarrollo de Concesiones Aeroportuarias, S.L. which includes the Group's investment in the airports of Chile, Colombia, Jamaica and Mexico, to Abertis Infraestructuras, S.A. This transaction, representing a company value of EUR 270.8 million, gave rise to consolidated gains before tax amounting to EUR 114.5 million, after having eliminated the percentage of ownership interest in Abertis Infraestructuras, S.A.

In 2008 the ACS Group sold the whole of its ownership interest in its subsidiary Inversora de Infraestructuras, S.L, which holds shares in the Chilean tollroads, Rutas del Pacífico, S.A. (48%) and Autopista Central (50%), to Abertis Infraestructuras, S.A. and to a Santander Group venture capital fund. This transaction gave rise to gains before tax amounting to EUR 530,136 thousand, after having eliminated the percentage of ownership interest in Abertis Infraestructuras, S.A.

In 2008 the ownership interest in Autopista Scutvias Autostrade da Beira Interior was sold for EUR 56.8 million.

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

## 3. 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:

### 3.01. Goodwill

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

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

- Those attributable to specific assets and liabilities of the companies acquired, by increasing the value of the assets (or reducing the value of the liabilities) whose market values were higher (lower) than the carrying amounts at which they had been recognised in their statements of financial position and whose accounting treatment was similar to that of the same assets (liabilities) of the Group: amortisation, accrual, etc. Those attributable to specific intangible assets, by recognising them explicitly in the consolidated statement of financial position provided that the fair value at the date of acquisition can be measured reliably.
- Goodwill is only recognised when it has been acquired for consideration and represents, therefore, a payment made by the acquirer in anticipation of future economic benefits from assets of the acquired company that are not capable of being individually identified and separately recognised.
- Goodwill acquired on or after 1 January 2004, is measured at acquisition cost and that acquired earlier is recognised at the carrying amount at 31 December 2003.

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

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

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

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

Any deficiency 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:

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

## 3.02. Other intangible assets

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

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

The ACS Group recognises any impairment loss on the carrying amount of these assets with a charge to "Impairment and Gains on the Disposal of Non-Current 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 3.06).

### 3.02.01. 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.

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## 3.02.02. Administrative Concessions

Concessions may only be recognised as assets when they have been acquired by the Group for 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.

## 3.02.03. Computer Software

The acquisition and development costs incurred in relation to the basic computer systems used in the Group's management are recognised 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.

## 3.03. 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.

Capitalised costs include borrowing costs relating to external financing incurred only during the period of construction of the assets, provided that it is probable that they will give rise to future economic benefits for the Group. The capitalised borrowing costs relate both to specific financing expressly for the acquisition of assets and to general financing in accordance with the criteria of IAS 23. Investment income earned on the temporary investment of specific borrowings pending their investment 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.

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 projected use.

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

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



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

	Years of Estimated Useful Life
Structures	33-50
Plant and machinery	3-20
Other fixtures, tools and furniture	3-14
Other items of property, plant and equipment	4-12

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

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

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

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

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

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

The carrying amounts of property, plant and equipment were considered to be the carrying amounts of the assets in the transition to IFRSs.

The future costs that the Group will have to incur in respect of decommissioning, 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.

### 3.04. Non-current assets in projects

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

These financing structures are applied to projects capable in their own right of providing sufficient guarantee 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's assets are financed, on the one hand, through a contribution of funds by the developers, which is limited to a determined amount, and on the other, generally of a larger amount, through borrowed funds in the form of long-term debt. The debt servicing of these credit facilities or loans is mainly supported by the cash flows generated by the project in the future.

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Non-current assets in projects are valued at the costs directly allocable to construction incurred through their entry into operation (studies and designs, expropriations, 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 in this cost are the borrowing costs incurred prior to the entry into operation of the assets arising from the external financing used to acquire such assets. The capitalised borrowing costs relate to specific financing expressly for the acquisition of assets.

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

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

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

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

The interpretation IFRIC12 relating to the accounting treatment of service concession arrangements was approved by the European Union in 2009 and its application is mandatory beginning in 2010. The ACS Group did not adopt this interpretation early at the end of 2009 and 2008, and an assessment of all impacts is currently pending. The most significant accounting policies applied by the ACS Group in relation to its concession projects are as follows:

- Capitalise borrowing costs accrued during the construction period and not capitalise borrowing costs subsequent to the date on which the assets come into operation.
- The ACS Group amortises assets relating to toll road concession arrangements using the increasing-charge method based on their consumption pattern, which is considered to relate to traffic estimates over the concession term.

## 3.05. 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.

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.

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

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

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

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 an impairment loss is recognised as income immediately.

### 3.07. 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.

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## 3.08. Non-current and other financial assets

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

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

### 3.08.01. Loans and receivables

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

The amortised cost is understood to be the initial cost of a financial asset or liability minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount. In the case of financial assets, amortised cost also includes any reduction for impairment.

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.

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.

### 3.08.02. Held-to-maturity investments

These include non-derivative financial assets with fixed or determinable payments and with a fixed maturity date 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.

### 3.08.03. 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.

### 3.08.04. Available-for-sale investments

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

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

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

### 3.08.05. Derecognition of financial assets

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

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

### 3.08.06. Fair value hierarchy

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

*Level 1:* Quoted prices (unadjusted) in active markets for identical assets or liabilities.

*Level 2:* Inputs other than quoted prices 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 assets or liabilities that are not based on observable market data.

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

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

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

They also include subsidiaries acquired solely with a view to resale.

The income, expenses, assets and liabilities of the discontinued operations and assets classified as held for sale are presented separately in the consolidated income statement and the consolidated statement of financial position, and continue to be measured at their carrying amounts adjusted for any possible impairment losses, except in the case of assets that had previously been classified as available-for-sale financial assets, which continue to be measured at fair value through equity.

In the second quarter of 2009 the ACS Group initiated a formal process for the sale of the port and logistics line of business. For this reason, the ACS Group reclassified the assets relating to this line of business as "Non-Current Assets Held for Sale and Discontinued Operations" at 31 December 2009. The profit for this line of business in 2009 is included under "Profit for the Year from Discontinued Operations Net of Taxes".

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In view of the decision to sell the whole of the ACS Group's ownership interest in Unión Fenosa, S.A. in July 2008, the energy line of business was considered to be a discontinued operation and was classified as such in the income statements and statements of cash flows for 2009 and 2008. In 2009 and 2008 the amount included under "Profit after Tax from Discontinued Operations" in the income statements relates to the profit contributed by Grupo Unión Fenosa, S.A. prior to the date on which the decision to sell the company was made, as well as the profit net of taxes corresponding to the sale of this line of business.

The breakdown of the profit from discontinued operations in 2009 and 2008 is as follows:

	31/12/2009			31/12/2008		
	Energy (*)	SPL	Total	Energy	SPL	Total
Thousands of euros						
Revenue	1,261,600	575,773	1,837,373	7,099,592	734,422	7,834,014
Operating expenses	(826,484)	(521,829)	(1,348,313)	(5,196,346)	(677,398)	(5,873,744)
Net operating income	435,116	53,944	489,060	1,903,246	57,024	1,960,270
<b>Profit before tax</b>	<b>334,244</b>	<b>35,195</b>	<b>369,439</b>	<b>1,608,089</b>	<b>34,132</b>	<b>1,642,221</b>
Corporate income tax	(86,053)	(7,332)	(93,385)	(410,690)	(2,052)	(412,742)
Profit after tax from discontinued operations	-	(1,630)	(1,630)	-	-	-
<b>Profit attributed to non-controlling interests</b>	<b>(168,143)</b>	<b>1,532</b>	<b>(166,611)</b>	<b>(814,377)</b>	<b>(2,618)</b>	<b>(816,995)</b>
Profit after tax and non-controlling interests	80,048	27,765	107,813	383,022	29,462	412,484
Net profit from the disposal of discontinued operations	1,005,147	-	1,005,147	403,495	-	403,495
<b>Profit after tax from discontinued operations</b>	<b>1,085,195</b>	<b>27,765</b>	<b>1,112,960</b>	<b>786,517</b>	<b>29,462</b>	<b>815,979</b>

(\*) Relating to ordinary operations up to February 2009.

The detail of the assets and liabilities relating to the discontinued operations is as follows:

	31/12/2009 SPL	31/12/2008 Energy
Thousands of euros		
Property, plant and equipment	553,237	15,122,839
Intangible assets	207,927	2,878,149
Financial assets	69,852	2,496,421
Deferred tax and other non-current assets	35,094	729,374
Current assets	311,054	3,122,249
<b>Non-current assets held for sale from discontinued operations</b>	<b>1,177,164</b>	<b>24,349,032</b>
Non-current liabilities	593,437	11,615,666
Current liabilities	251,618	4,297,259
<b>Liabilities relating to assets held for sale from discontinued operations (a)</b>	<b>845,055</b>	<b>15,912,925</b>
<b>Non-controlling interests from discontinued operations</b>	<b>55,522</b>	<b>6,292,012</b>

(a) At 31 December 2008 this balance includes debt amounting to EUR 2,260 million associated with the Energy line of business (Note 18)

Additionally, the statement of financial position includes Industrial area assets held for sale amounting to EUR 1,585 thousand.

In relation to the assets and liabilities associated with discontinued operations in 2009 and 2008, the Group has recognised as liabilities those directly related to this line of business which must be derecognised once disposed of, holding those that are associated with the financing of this line of business but are not required to be derecognised in the case of the sale of the operation.

Additionally, since the Group continued to have control over Unión Fenosa, S.A. at the end of 2008, it continued to recognise the "Non-Controlling Interests" relating to this holding until such control was lost or the whole of the ownership interest was sold, which was what occurred in February 2009.

The breakdown of the effect on the 2009 and 2008 statements of cash flows is as follows:

	31/12/2009			31/12/2008		
	Energy	SPL	Total	Energy	SPL	Total
Thousands of euros						
Cash flows from operating activities	-	36,965	36,965	214,483	90,525	305,008
Cash flows from investing activities	5,824,811	-	5,824,811	1,018,179	(106,932)	911,247
Cash flows from financing activities	(2,260,200)	(76,340)	(2,336,540)	(584,070)	16,970	(567,100)
<b>Net cash flows from discontinued operations</b>	<b>3,564,611</b>	<b>(39,375)</b>	<b>3,525,236</b>	<b>648,592</b>	<b>563</b>	<b>649,155</b>

### 3.10. Equity

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

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

#### 3.10.01. 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.

#### 3.10.02. Treasury shares

Note 15.4 summarises the transactions performed with treasury shares in 2009 and 2008. Such shares are recognised as a reduction of equity in the accompanying statement of financial position at 31 December 2009 and 2008.

If the Group were to acquire or sell treasury shares, the amount paid or received for the treasury shares would be 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.

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## 3.10.03. 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).

## 3.11. Government grants

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

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

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

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

## 3.12. Financial liabilities

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

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

Financial risk management is detailed in Note 21.

### 3.12.01. Bank borrowings, debt and other securities

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

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



### 3.12.02. 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.

### 3.12.03. 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.

### 3.12.04. 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 recognizing 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 (Note 21).

The defined benefit pension obligations arising from the companies incorporated as a result of the merger by absorption of Grupo Dragados in 2003, are funded by Group life insurance policies, in which investments have been assigned, and whose flows coincide in time and amount with the payment schedule of the insured benefits. Based on the valuation made, at 31 December 2009 the amounts required to cover the obligations to current and retired employees amounted to EUR 47,478 thousand (EUR 64,127 thousand in 2008) and EUR 194,676 thousand (EUR 187,147 thousand in 2008), respectively. The actuarial assumptions used in 2008 and 2009 are those indicated below:

Annual rate of increase of maximum social security pension benefit	2.00%
Annual wage increase	2.35%
Annual CPI (Consumer Price Index) growth rate	2.00%
Mortality table ( *)	PERM/F-2000 P

(\*) Guaranteed assumptions which will not vary

The applicable interest rates from the date of the externalisation of these pension obligations have ranged from a maximum of 5.93% to a minimum of 3.02%. In 2009 the interest rate applied was 3.27% and in 2008 the rate was 3.02%.

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The aforementioned pension obligations, which are recognised under "Staff Costs" in the income statement for 2009, amounted to EUR 289 thousand in 2009 since the increase in the social security contribution was higher than the average increase in salary for the collective in question, and to EUR 2,770 thousand in 2008.

Additionally, ACS, Actividades de Construcción y Servicios, S.A. and other ACS Group companies have alternative pension system obligations to certain members of the management team and the Board of Directors of the parent. These obligations have been formalised through several group savings insurance policies which provide benefits in the form of a lump sum. The contribution required in this connection amounted to EUR 4,330 thousand and was recognized under "Staff Costs" in the 2009 income statements. The obligation assumed in this respect in 2008 amounted to EUR 4,025 thousand. The portion relating to the Parent's directors who performed executive duties in 2009 amounted to EUR 2,025 thousand (EUR 2,204 thousand in 2008) (Note 34).

## 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.

### 3.12.05. Termination benefits

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

## 3.13. 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 2009 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, which, unless indicated below, are not representative on an 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 termination benefits to employees

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

## Provisions for completion of construction projects

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

## Dismantling of non-current assets and environmental restoration

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

## Other provisions

Other provisions include mainly provisions for warranty costs.

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

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

## 3.15. Derivative financial instruments

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

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

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## Fair value hedges

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

## Cash flow hedges

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

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

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

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

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

## 3.16. Revenue recognition

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

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

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

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

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

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

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

### 3.16.01. Construction business

In the construction business, the outcome of a construction contract is recognised by the percentage of completion method, by reference to the stage of completion of the contract work.

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

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

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 statement of financial position.

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

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

### 3.16.02. Industrial, environment and other service businesses

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

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

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

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## 3.17. 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.

## 3.18. Offsetting

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

## 3.19. Corporation tax

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

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

Deferred tax assets and liabilities include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. 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 nor taxable profit.

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

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

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

### 3.20. 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 (Note 31.01).

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

At 31 December 2009 and 2008, basic earnings per share were the same as diluted earnings per share since none of the aforementioned circumstances arose.

### 3.21. Foreign currency transactions

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

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

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

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

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

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

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

### 3.22. Entities and branches located in hyperinflationary economies

None of the functional currencies of the consolidated subsidiaries and associates located abroad relate to hyperinflationary economies as defined by IFRSs. Accordingly, at the 2009 and 2008 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.

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## 3.23. Consolidated statement of cash flows

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

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

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

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

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

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

## 3.24. Entrance into force of new accounting standards

In 2009 the following interpretations of standards came into force and, if applicable, were used by the Group in the preparation of the accompanying consolidated financial statements:

(1) "Standards" and "Interpretations" already adopted by the European Union whose application is mandatory in 2009:

Standards and Amended Standards:		Mandatory Application in the year commencing:
IFRS 8	Operating segments	1 January 2009
Revised IAS 23	Borrowing costs	1 January 2009
Amendment of IFRS 2	Share-based payment	1 January 2009
Revised IAS 1	Presentation of financial statements	1 January 2009
Amendment of IAS 32 and IAS 1	Puttable financial instruments and obligations arising on liquidation	1 January 2009
Amendment of IFRS 1 and IAS 27	Cost of an investment in a subsidiary, jointly controlled entity or associate	1 January 2009
Amendment of IFRS 7	Enhancing disclosures about fair value and liquidity risk	1 January 2009
Amendment of IAS 39 and IFRIC 9	Reassessment of embedded derivatives	1 January 2009

Interpretations:		Mandatory Application in the year commencing:
IFRIC 13	Customer loyalty programmes	1 January 2009
IFRIC 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction	1 January 2009



Following is a brief summary thereof:

### **IFRS 8 “Operating segments”**

This Standard replaces IAS 14 “Segment Reporting”. The basis used to identify segments and the segmented information reported are the same as those used internally by management to assess management and allocate resources.

### **Revised IAS 23 “Borrowing costs”**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets (assets that take more than one year to get ready for their intended use) shall be capitalised as part of the cost of those assets.

### **Revised IFRS 2 “Share-Based Payment”**

It defines the vesting conditions (service and performance conditions) of share-based payments and requires all cancellations, whether by the entity or by other parties, to receive the same accounting treatment.

### **Revised IAS 1 “Presentation of financial statements”**

It introduces changes in the terminology of the financial statements, and in their content and format.

### **Revised IAS 32 “Financial instruments: presentation”**

It enables instruments, subordinated to other classes of instruments that impose on the entity an obligation to deliver to the holder a pro rata share of the net assets of the entity only on liquidation to be classified as equity if certain criteria are met.

### **Revised IAS 27 “Consolidated and Separate Financial Statements”**

Reference to the cost method in the separate financial statements was deleted, and accordingly, there is no distinction between pre-acquisition and post-acquisition dividends. An entity shall recognise a dividend from a subsidiary, jointly controlled entity or associate in profit or loss when its right to receive the dividend is established, regardless of whether the profit was earned prior to the purchase date of the ownership interest.

### **Revised IFRS 7 “Financial instruments: Disclosure”**

Changes in disclosures were introduced in order to improve disclosures on the calculation of the fair value of financial instruments and on liquidity risk relating to financial liabilities.

### **Amendments to IAS 39 and IFRIC 9 - Embedded derivatives**

The treatment of embedded derivatives following the latest amendments relating to reclassifications made in IAS 39 is clarified.

La IFRIC 9 allows for the separation of embedded derivatives from hybrid financial instruments measured at fair value through profit or loss, when the latter are reclassified to other categories.

La IAS 39 prohibits the reclassification of a hybrid financial instrument measured at fair value through profit or loss, where such reclassification gives rise to the separation of the embedded derivative from its host contract, and it is impossible to appropriately calculate its fair value.

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## IFRIC 13 "Customer loyalty programmes"

Where customers purchase goods or services from companies implementing such programs, they are awarded with certain rights (points, air miles, etc.) redeemable for free or discounted goods or services.

This interpretation requires companies offering these types of awards to defer the revenue relating to the rights awarded until the awards have been supplied, rather than recognising such revenue at the initial sale date.

## IFRIC 14 "IAS 19 The Limit on a defined benefit asset, minimum funding requirements and their interaction"

This interpretation analyses the effect of the minimum financing requirements for defined benefit pension commitments existing in many countries on the measurement of the defined benefit asset or liability, in accordance with IAS 19. Specifically, it determines how such requirements might affect the availability of the net assets of the plan or reductions in future contributions and under what circumstances this might give rise to the recognition of a pension obligation.

Of these standards, only the amendments to IAS 1 and IFRIC 7 have had a significant impact on the Group, mainly in relation to financial statement presentation and disclosure requirements:

### IAS 1

Change in the name of the consolidated financial statements, which are now identified as "Consolidated Statement of Financial Position", "Consolidated Income Statement", "Consolidated Statement of Comprehensive Income", "Consolidated Statement of Changes in Equity", and "Consolidated Statement of Cash Flows".

### IFRS 7

Breakdown of the fair value hierarchy (Note 03.08.06)

(2) Standards and Interpretations which had not yet entered into force at the date of the preparation of the financial statements:

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

Standards and Amended Standards:		Mandatory Application in the year commencing:
<b>Approved by the E.U.:</b>		
Amendment of IAS 27	Consolidated and separate financial statements	15 June 2009
Revised IFRS 3	Business combinations	15 June 2009
Amendment of IAS 39	Eligible hedged items	1 July 2009
Amendment of IAS 32	Classification of rights over shares	1 February 2009
Amendment of IFRS 2	Share-based payments within the Group	1 January 2010
<b>Not yet adopted by the E.U.:</b>		
IFRS 9	Financial instruments Classification and measurement	1 January 2013
Improvements IFRS 2009	Improvement of the International Financial Reporting Standards	Mainly 1 January 2010
Revised IAS 24	Related party disclosures	1 January 2011

**Interpretations:****Mandatory Application  
in the year commencing:****Adopted by the E.U.:**

IFRIC 12	Service concession arrangements	29 March 2009
IFRIC 16	Hedges of a net investment in a foreign operation	1 July 2009
IFRIC 15	Agreements for the construction of real estate	1 January 2010
IFRIC 17	Distributions of non-cash assets to owners	1 November 2009
IFRIC 18	Transfer of assets from customers	1 November 2009
<b>Not yet adopted by the E.U.:</b>		
Amendment to IFRIC 14	Prepayments of minimum funding requirements	1 January 2011
Amendment to IFRIC 19	Extinguishing financial liabilities with equity	1 July 2010

IFRIC 12 – “Service Concession Arrangements” (initially effective for annual periods beginning on or after 1 January 2008). This interpretation was issued on 30 November 2006 and regulates the accounting treatments of public-private service concession agreements by the concession company. It provides different accounting methods (Intangible asset model, financial asset model and the mixed model, based on the agreements reached by the concession company and the concession provider.

In November 2008 (and after having commissioned a detailed study on the impacts of its application, given the opinions evidenced in connection thereto) the corresponding European Union Committee (ARC) ruled favourably with respect to the IFRIC 12.

This interpretation was finally adopted by the European Union on 26 March 2009, and its application is mandatory for annual periods commencing subsequent to 29 March 2009.

At the date of this report, the Group is in the process of carrying out a plan to adapt to the criteria provided in the IFRIC 12 and analysing the impact it will have on the consolidated financial statements.

- IAS 27 (revised in January 2008 and adopted on 12 June 2009) – “Consolidated and Separate Financial Statements” (mandatory application for annual periods subsequent to 1 June 2009). The revised standard requires the effects of all transactions with non-controlling interest to be recognised in equity as long as there are no changes in control, and consequently these transactions no longer have an effect on goodwill nor do they result in a gain or loss. The amendment also provides the accounting treatment to be applied when control is lost. The non-controlling interest which is retained should be measured at fair value, and the effect should be recognised in profit or loss.
- IFRS 3 (revised in January 2008 and adopted on 12 June 2009) – “Business Combinations” (mandatory application for annual periods subsequent to 1 July 2009). Acquisition methods are maintained for business combinations. However, significant amendments are included such as the following:
  - In the case of step acquisitions, on the date that control is obtained, the fair values of the acquired entity’s assets and liabilities are measured, including the portion already held. Any resulting differences to previously recognised assets and liabilities are recognised in profit or loss.
  - All acquisition costs are recognised at fair value at the acquisition date. Contingent considerations classified as liabilities are measured at fair value at the end of the reporting period, and any changes are recognised in profit or loss.
  - It introduces an accounting policy choice applicable to business combinations, consisting in measuring non-controlling interests either at fair value or at the non-controlling interest’s proportionate share of net assets of the acquiree.
  - Transaction costs are expensed (currently they can be capitalised to acquisition costs).

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- IFRIC 16 – “Hedges of a Net Investment in a Foreign Operation” (effective as of 1 October 2008, although it is finally applicable for annual periods subsequent to 1 July 2009). It clarifies the accounting treatment to be applied to hedges of a net investment. Its application is not expected to have an impact on the ACS Group's consolidated financial statements.

All mandatory accounting policies and measurement bases with a material effect on the consolidated financial statements were applied in the preparation thereof.

## 4. Intangible assets

### 4.01. Goodwill

The changes in this consolidated statement of financial position heading in 2009 and 2008 were as follows:

	2009	2008
Thousands of euros		
<b>Beginning balance</b>	<b>1,132,563</b>	<b>2,950,375</b>
Additions	113,613	340,032
Disposals and allocations	(19,830)	(39,015)
Impairment	(241)	(4,794)
Change in consolidation method	(98,512)	(2,116,059)
Exchange differences	(575)	2,024
<b>Ending Balance</b>	<b>1,127,018</b>	<b>1,132,563</b>

Additions in 2009 relate mainly to acquisitions made in the Construction area concerning Pol-Aqua, John P. Picone, Inc. and Pulice Construction, Inc (see Note 02.02 f). In 2008 they relate to Unión Fenosa, S.A.

The change in the scope of consolidation in 2009 and 2008 relates mainly to the consideration of the activities relating to port, logistics and energy services as discontinued operations.

The detail by line of business of the changes in goodwill in 2009 and 2008 is as follows:

Line of Business	Balance at 31/12/2008	Change in consolidation method	Additions	Disposals and allocations	Impairment	Exchange Differences	Balance at 31/12/2009
Thousands of euros							
Parent	780,939	-	-	-	-	-	780,939
Construction	55,129	-	100,764	(12,439)	-	(483)	142,971
Industrial Services	52,483	-	4,728	(86)	-	-	57,125
Environment	244,012	(98,512)	8,121	(7,305)	(241)	(92)	145,983
<b>Total</b>	<b>1,132,563</b>	<b>(98,512)</b>	<b>113,613</b>	<b>(19,830)</b>	<b>(241)</b>	<b>(575)</b>	<b>1,127,018</b>

Line of Business	Balance at 31/12/2007	Change in consolidation method	Additions	Disposals and allocations	Impairment	Exchange Differences	Balance at 31/12/2008
Thousands of euros							
Parent	780,939	-	-	-	-	-	780,939
Construction	50,837	-	4,900	-	(2,791)	2,183	55,129
Industrial Services	46,730	-	11,051	(4,895)	(403)	-	52,483
Environment	240,625	15,489	23,777	(34,120)	(1,600)	(159)	244,012
Energy	1,831,244	(2,131,548)	300,304	-	-	-	-
<b>Total</b>	<b>2,950,375</b>	<b>(2,116,059)</b>	<b>340,032</b>	<b>(39,015)</b>	<b>(4,794)</b>	<b>2,024</b>	<b>1,132,563</b>

In the case of goodwill, annually the ACS Group compares the carrying amount of the company or cash-generating unit to the value in use obtained by means of the cash flow discounting measurement method (Note 3.06).

The ACS Group assessed the recoverability of the most significant goodwill arising from the merger with Grupo Dragados, S.A. relating to the amount paid in excess of the value of the assets on the acquisition date, which amounted to EUR 780,939 in 2003, and was assigned mainly to the cash generating units of the construction and industrial area in 2008 and 2009. For the goodwill of these cash generating units, the cash flow projections of the aforementioned businesses were used in addition to the calculation of the residual value resulting from projecting the cash flow for the last year at a growth rate of 0.6%, a rate lower than the normal growth of business. The aforementioned cash flows were discounted at a discount rate of 8.8%, generally based on the weighted average cost of capital (WACC) for each line of business, after tax, for this type of assets. Additionally, companies with similar activities were analysed to check the rates used against those used by analysts for the purpose of estimating the differences which might be identified. Also, in order to obtain the cash flows to be discounted, the hypotheses relating to the degree of leveraging and interest rates of the equity and borrowed funds considered in the business plan of the cash generating unit served as a basis for calculating the discount rate.

In the Group's opinion, there are no reasonable changes in the main hypotheses which might give rise to the impairment of the goodwill of Grupo Dragados, S.A.

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 2009 and 2008. If the carrying amount will not be recovered, the related impairment loss has been recognised.

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## 4.02. Other intangible assets

The changes in this consolidated statement of financial position heading in 2009 and 2008 were as follows:

	Development Expenditure	Computer Software	Concessions	Other Intangible Assets	Total Other Intangible Assets	Accumulated Amortisation	Impairment Losses	Total Other Intangible Assets, Net
Thousands of euros								
<b>Balance at 1 January 2008</b>	<b>58,705</b>	<b>384,458</b>	<b>557,173</b>	<b>925,161</b>	<b>1,925,497</b>	<b>(482,275)</b>	<b>(610)</b>	<b>1,442,612</b>
Changes in the scope of consolidation	(52,109)	(338,402)	(349,781)	(758,799)	(1,499,091)	407,436	526	(1,091,129)
Additions or charges for the year	298	3,607	1,016	14,832	19,753	(12036)	14	7,731
Disposals or reductions	(924)	(1,669)	(12,794)	(3,806)	(19,193)	10,027	-	(9,166)
Exchange differences	6	(53)	(270)	(198)	(515)	180	-	(335)
Transfers from/to other assets	4,436	417	21,067	(41,384)	(15,464)	103	(9)	(15,370)
<b>Balance at 31 December 2008</b>	<b>10,412</b>	<b>48,358</b>	<b>216,411</b>	<b>135,806</b>	<b>410,987</b>	<b>(76,565)</b>	<b>(79)</b>	<b>334,343</b>
Changes in the scope of consolidation	-	(15,654)	(105,332)	114,171	(6,815)	7,355	-	540
Additions or charges for the year	2,073	4,595	32,396	90,964	130,028	(15,434)	16	114,610
Disposals or reductions	(187)	(2,368)	(6,258)	(112)	(8,925)	4,059	3	(4,863)
Exchange differences	225	117	6	(14)	334	(111)	-	223
Transfers from/to other assets	1,505	146	(1,578)	5,376	5,449	(2,092)	10	3,367
<b>Balance at 31 December 2009</b>	<b>14,028</b>	<b>35,194</b>	<b>135,645</b>	<b>346,191</b>	<b>531,058</b>	<b>(82,788)</b>	<b>(50)</b>	<b>448,220</b>

The changes in scope of consolidation in 2009 relate mainly to the consideration of port and logistics services as a discontinued operation and the allocation of intangible assets relating to the acquisition of the companies Pol-Aqua, Pulice Construction, Inc. and John P. Picone, Inc. which amounted to EUR 98,222 thousand, was included under the heading "Other Intangible Assets" (see Note 2.02.f).

The changes in the scope of consolidation in 2008 relate mainly to the consideration of Unión Fenosa as a discontinued operation.

In 2009 investments amounted to EUR 247,200 thousand, of which EUR 130,028 thousand relate to separate acquisitions and EUR 117,172 thousand to assets acquired through business combinations.

In 2008 investments amounted to EUR 25,995 thousand, of which EUR 19,753 thousand relate to separate acquisitions and EUR 6,242 thousand to assets acquired through business combinations.

Fully amortised intangible assets in use at 31 December 2009, amounted to EUR 35,779 thousand (EUR 39,007 thousand at 31 December 2008). There were no items temporarily taken out of use at 31 December 2009 or 31 December 2008.

No significant development expenditure was recognised as an expense in the accompanying 2009 and 2008 consolidated income statements.

There were no intangible assets whose title was restricted in 2009 and 2008.

At 31 December 2009 and 2008, there were no assets with an indefinite useful life other than those reported as goodwill.

## 5. Property, plant and equipment

The changes in this consolidated statement of financial position heading in 2009 and 2008 were as follows:

	Land and Buildings	Plant and machinery	Other items of property, plant and equipment	Advances and Property, Plant and Equipment in the Course of Construction	Total Property, Plant and Equipment	Accumulated Depreciation	Impairment Losses	Total Net Property, Plant and Equipment
<b>Balance at 1 January 2008</b>	<b>1,072,036</b>	<b>17,276,439</b>	<b>4,022,144</b>	<b>1,301,771</b>	<b>23,672,390</b>	<b>(9,069,164)</b>	<b>(76,900)</b>	<b>14,526,326</b>
Changes in the scope of consolidation	(522,685)	(15,966,644)	(3,320,356)	(996,650)	(20,806,335)	7,786,283	65,728	(12,954,324)
Additions or charges for the year	117,065	128,663	118,167	109,798	473,693	(229,454)	(2,262)	241,977
Disposals or reductions	(39,092)	(57,520)	(41,579)	(6,112)	(144,303)	78,112	1,438	(64,753)
Exchange differences	(3,445)	(3,638)	(7,167)	562	(13,688)	4,099	(7)	(9,596)
Transfers from/to other assets	15,331	45,046	17,706	(109,904)	(31,821)	4,269	6,428	(21,124)
<b>Balance at 31 December 2008</b>	<b>639,210</b>	<b>1,422,346</b>	<b>788,915</b>	<b>299,465</b>	<b>3,149,936</b>	<b>(1,425,855)</b>	<b>(5,575)</b>	<b>1,718,506</b>
Changes in the scope of consolidation	(181,029)	(169,690)	(83,453)	(36,725)	(470,897)	160,989	102	(309,806)
Additions or charges for the year	68,368	116,285	72,833	68,191	325,677	(215,478)	(12,915)	97,284
Disposals or reductions	(10,307)	(59,469)	(33,205)	(12,128)	(115,109)	92,990	85	(22,034)
Exchange differences	3,631	7,415	6,139	(418)	16,767	(8,589)	(103)	8,075
Transfers from/to other assets	80,245	78,156	11,554	(185,121)	(15,166)	7,007	-	(8,159)
<b>Balance at 31 December 2009</b>	<b>600,118</b>	<b>1,395,043</b>	<b>762,783</b>	<b>133,264</b>	<b>2,891,208</b>	<b>(1,388,936)</b>	<b>(18,406)</b>	<b>1,483,866</b>

Of which the following are leased assets:

	Land and Buildings	Plant and machinery	Other items of property, plant and equipment	Total Property, Plant and Equipment	Accumulated Depreciation	Total Net Property, Plant and Equipment
Thousands of euros						
<b>Balance at 31 December 2008</b>	<b>5,926</b>	<b>83,969</b>	<b>51,716</b>	<b>141,611</b>	<b>(49,813)</b>	<b>91,798</b>
<b>Balance at 31 December 2009</b>	<b>3,565</b>	<b>27,646</b>	<b>46,476</b>	<b>77,687</b>	<b>(24,642)</b>	<b>53,045</b>

The changes in the scope of consolidation in 2009 relate mainly to the consideration of port and logistics services as a discontinued operation, In 2008 these changes relate mainly to Unión Fenosa and its consideration as a discontinued operation.

The most significant additions under this heading in 2009 related to the Environment area and amounted to EUR 173,014 thousand (EUR 243,304 thousand in 2008), which were allocated to the start-up of new landfills, treatment plants and tools in the renewal and award of new agreements. Noteworthy are the investments in land and building for the machinery pool, solid urban waste treatment plants and landfills, amounting to EUR 47,926 thousand (EUR 35,635 thousand in 2008). Additionally, in this area investments in machinery and tools amounted to EUR 50,890 thousand in 2009 and relating to equipping the landfill Las Lomas El Colorado in Chile and urban services in Palencia, Vila-Seca, Prat de Llobregat, La Laguna and San Sebastián de los Reyes (EUR 82,175 thousand in 2008 basically related to equipping of the rubbish collection and street cleaning services of the main town halls such as Madrid, Elche, Barcelona and the new services in Morocco and Portugal). Under "Advances and Property, Plant and Equipment in the Course of Construction" noteworthy in 2009 are different oil treatment plants in Spain and an urban solid waste treatment plant in the UK amounting to EUR 44,685 thousand. Under this same heading, noteworthy in 2008 were the additions of the Zaragoza and Costa del Sol urban solid waste treatment plants, the Port of Algeciras marpole treatment plant and machinery and fixtures in the port terminals, which amounted to EUR 69,301 thousand.

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In the Construction area, additions amounted to EUR 89,698 thousand, and mainly consisted in the acquisition of new machinery and equipment for the development of new projects (EUR 100,502 thousand in 2008).

In the Industrial Services area, additions in 2009 amounted to EUR 48,285 thousand (EUR 125,261 thousand in 2008, of which EUR 24,750 thousand related mainly to the construction of a wharf by Dragados Offshore).

Operating costs relating directly to property, plant and equipment in the course of construction capitalised in 2009 amounted to EUR 3,058 thousand (EUR 1,128 thousand in 2008).

Fully depreciated property, plant and equipment in use amounted to EUR 558,459 thousand in 2009 and EUR 614,029 thousand in 2008.

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 losses covered by insurance policies recognised in profit or loss were not material in 2009 or 2008.

The Group has mortgaged land and buildings with a carrying amount of approximately EUR 14,619 thousand (EUR 10,827 thousand in 2008) to secure banking facilities granted to the Group.

At 31 December 2009, the Group had recognised a net EUR 495,915 thousand relating to property, plant and equipment owned by its foreign companies and branches (EUR 268,154 thousand in 2008).

At 31 December 2009 and 2008, the Group had not entered into any material contractual commitments for the future acquisition of property, plant and equipment.

The impairment losses recognised in profit or loss at 31 December 2009 amounted to EUR 285 thousand (EUR 135 thousand in 2008). The impairment losses reversed and recognised in profit or loss in 2009 total EUR 389 thousand (EUR 1,035 thousand in 2008).



## 6. Non-current assets in projects

The balance of "Non-Current Assets in Projects" in the consolidated statement of financial position at 31 December 2009, includes the costs incurred by the fully and proportionally consolidated companies in the construction of transport, service and power plant infrastructures whose operation constitutes the purpose of their respective concessions, the detail being as follows:

Type of Infrastructure	End Date of Operation	Investment	Accumulated Depreciation	Net Carrying Amount of Non-Current Assets in Projects
Thousands of euros				
Thermal solar power plant	2020 - 2028	1,383,625	(3,083)	1,380,542
Wind-powered facilities	2010 - 2037	1,558,285	(184,863)	1,373,422
Motorway / Highway	2033 - 2042	531,362	(58,028)	473,334
Waste treatment	2015 - 2038	521,418	(151,772)	369,646
Energy transport	2034 - 2035	314,487	(19,205)	295,282
Desalination plants	2024 - 2031	262,657	(4,280)	258,377
Police stations	2024 - 2032	95,803	(8,881)	86,922
Interchangers	2040 - 2050	88,350	(15,427)	72,923
Water management	2023 - 2037	57,285	(8,711)	48,574
Photovoltaic plants	2026	45,220	(314)	44,906
Other infrastructures	-	124,029	(35,314)	88,716
<b>Total</b>		<b>4,982,521</b>	<b>(489,878)</b>	<b>4,492,643</b>

The changes in this heading in 2009 and 2008 were as follows:

	2009			2008		
	Investment	Accumulated Depreciation	Net Carrying Amount	Investment	Accumulated Depreciation	Net Carrying Amount
Thousands of euros						
<b>Beginning balance</b>	<b>3,953,424</b>	<b>(366,374)</b>	<b>3,587,050</b>	<b>4,451,364</b>	<b>(502,938)</b>	<b>3,948,426</b>
Changes in the scope of consolidation	(216,722)	11,811	(204,911)	(1,449,566)	244,272	(1,205,294)
Additions or charges for the year	1,214,361	(131,072)	1,083,289	1,093,067	(97,806)	995,261
Exchange differences	46,884	(1,548)	45,336	(45,432)	4,425	(41,007)
Disposals or reductions	(33,840)	2,002	(31,838)	(109,357)	3,351	(106,006)
Transfers	18,414	(4,697)	13,717	13,348	(17,678)	(4,330)
<b>Ending Balance</b>	<b>4,982,521</b>	<b>(489,878)</b>	<b>4,492,643</b>	<b>3,953,424</b>	<b>(366,374)</b>	<b>3,587,050</b>

The most significant additions in 2009 relate to investments in thermal solar power plants and photovoltaic plants amounting to EUR 654,908 thousand (EUR 404,777 thousand in 2008), investments in wind-powered facilities amounting to EUR 270,762 thousand (EUR 406,855 thousand in 2008) and to the investment in the motorway I 595 Express, Llc in Florida (USA) amounting to EUR 153,832 thousand.

Additionally, the change in the scope of consolidation relates mainly to the consideration of port and logistics services and of Unión Fenosa, S.A. as discontinued operations in 2009 and 2008, respectively.

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The disposals in 2008 include, inter alia the recognition of the sale of the receivables associated with the construction contract and subsequent leasing of the prison Can Brians 2, S.A. to the regional government of Catalonia. At the prison start-up date, this transaction involved the record of a future right of collection from the City Council and a decrease in the balance of the concession asset, which was subsequently transferred without recourse to a financial institution.

Interest capitalised in 2009 amounted to EUR 24,012 thousand (EUR 13,469 thousand in 2008). This capitalisation was performed by applying an average capitalisation rate of 2.40 % in 2009 (4.67% in 2008).

No impairment losses were recognised in profit or loss in 2009 and 2008.

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

In relation to concession operators and in accordance with its contractual commitments under the related concession agreements, the Group has obligations relating to the acquisition of non-current assets or the completion of projects in the course of construction including inter alia, EUR 903,512 thousand at 31 December 2009 relating mainly to expressway I-595 in the USA. At 31 December 2008, the Group had entered into contractual commitments for the future acquisition of property, plant and equipment amounting to EUR 78,945 thousand.

The concession operator's obligations include, inter alia, the maintenance of restricted cash balances, known as reserve accounts and included under the heading "Other Current Financial Assets" (Note 10.04).

## 7. Investment property

The changes in this heading in 2009 and 2008 were as follows:

	2009	2008
Thousands of euros		
<b>Beginning balance</b>	<b>70,898</b>	<b>47,268</b>
Additions	-	244
Sales	(6,784)	(1,400)
Charges for the year	(3,122)	(952)
Transfers from/to other assets	29	25,738
<b>Ending Balance</b>	<b>61,021</b>	<b>70,898</b>

The Group's investment property relate mostly to subsidised housing in Madrid earmarked for lease by the lessee IVIMA (Madrid Housing Institute) and maturing from 2023 to 2024. The other investment property relates to housing, car Parks and commercial premises earmarked for lease.

The rental income earned from investment property amounted to EUR 9,078 thousand in 2009 (EUR 6,346 thousand in 2008).

The direct operating expenses arising from investment property included under "Other Operating Expenses" amounted to EUR 5,776 thousand (EUR 4,676 thousand in 2008).

Contractual commitments for the acquisition, construction or development of investment property, and for repairs, maintenance and improvements, were not material.

At the beginning of 2009, the gross carrying amount was EUR 74,727 thousand and accumulated depreciation (increased by accumulated impairment losses) amounted to EUR 3,829 thousand. At year-end, the gross carrying amount and accumulated depreciation were EUR 70,515 thousand and EUR 9,494 thousand, respectively. There were no material differences with respect to fair value in the accompanying consolidated financial statements.

## 8. Joint ventures

The main aggregates in the accompanying consolidated financial statements relating to joint ventures operated by means of Spanish UTEs (unincorporated joint ventures) and economic interest groupings, and the assets, liabilities, revenue and profit for 2009 and 2008 corresponding to the joint ventures, in proportion to the percentage of ownership interest in the share capital of each company and joint venture, are as follows:

	UTE's, AIE's		Companies	
	Balance at 31/12/2009	Balance at 31/12/2008	Balance at 31/12/2009	Balance at 31/12/2008
Thousands of euros				
Non-current assets	380,879	362,379	270,546	285,301
Current assets	3,649,746	3,342,998	180,981	226,367
Non-current liabilities	83,352	85,306	125,247	241,800
Current liabilities	3,640,227	3,349,355	230,690	1420,081
Revenue	3,969,656	4,128,534	248,423	219,288
Profit for the year	231,683	245,891	25,554	15,451

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

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## 9. Investments in companies accounted for by the equity method

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

	2009	2008
Thousands of euros		
<b>Beginning balance</b>	<b>3,892,825</b>	<b>4,231,428</b>
Additions	69,447	575,869
Disposals	(22,393)	(101,063)
Elimination of unrealised gains	-	(123,895)
Change in consolidation method	26,211	1,140
Profit for the year	195,615	163,673
Changes in the equity of associates		
Exchange differences/ Other	196,832	(133,749)
Cash flow hedges	(69,700)	(11,465)
Available-for-sale financial assets	92,095	(102,391)
Transfer to non-current assets held for sale	(60,984)	(473,216)
Distribution of dividends	(145,796)	(133,506)
<b>Ending Balance</b>	<b>4,174,152</b>	<b>3,892,825</b>

The eliminated unrealized gains relate to the portion relating to the ownership interest in Abertis Infraestructuras, S.A., in the sale of Invin, S.L. and Desarrollo de Concesiones Aeroportuarias, S.L. (Note 2.02.f).

The transfers to non-current assets relate mainly to the recognition of the ownership interest in Indra Sistemas, S.A. and Sociedad Galega de Medio Ambiente, S.A. as discontinued operations since they form part of the Unión Fenosa Group.

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

Company	2009					2008				
	% of Ownership	Share of Net Assets	Profit for the year	Goodwill	Total Carrying Amount	% of Ownership	Share of Net Assets	Profit for the year	Goodwill	Total Carrying Amount
Abertis Infraestructuras, S.A.	25.83%	1,328,557	139,550	564,638	2,032,745	25.83%	1,128,774	130,392	564,638	1,823,804
Hochtief Aktiengesellschaft	29.98%	741,993	52,452	765,229	1,559,674	29.98%	780,515	44,210	751,573	1,576,298
Itumbiara Transmissora de Energia, Ltda.	33.33%	47,750	5,370	-	53,120	33.33%	38,092	677	-	38,769
Metro de Sevilla Sociedad Concesionaria Junta de Andalucía Guadalmetro, S.A.	34.01%	39,078	(340)	483	39,221	31.13%	34,240	-	479	34,719
Serra da Mesa Transmissora de Energia Ltda	33.33%	36,215	1,254	-	37,469	33.33%	27,388	1,147	-	28,535
Nordeste Transmissora de Energía, Ltda.	49.99%	31,544	4,628	-	36,172	49.99%	21,604	5,378	-	26,982
Concesionaria LT Triángulo	33.33%	30,618	862	-	31,480	33.33%	22,058	-	-	22,058
Concesionaria Pocos de Caldas	33.33%	27,805	(404)	-	27,401	33.33%	9,937	-	-	9,937
Porto Primavera, Ltda.	33.33%	24,972	2,362	-	27,334	33.33%	19,556	420	-	19,976
Cleon, S.A.	25.00%	25,000	223	-	25,223	25.00%	25,204	(204)	-	25,000
Concesionaria Ribeirao Preto	33.33%	22,863	(98)	-	22,765	33.33%	13,349	-	-	13,349
Concesionaria Serra Paracatu	33.33%	22,035	118	-	22,153	33.33%	15,101	-	-	15,101
STE - Sul Transmissora de Energia, Ltda.	49.90%	19,819	2,180	-	21,999	49.90%	12,733	3,043	-	15,776
TP Ferro Concesionaria, S.A.	50.00%	21,034	-	-	21,034	50.00%	22,016	-	-	22,016
Other associates		223,943	(12,542)	4,961	216,362		220,898	(21,390)	20,997	220,505
<b>Total</b>		<b>2,643,226</b>	<b>195,615</b>	<b>1,335,311</b>	<b>4,174,152</b>		<b>2,391,465</b>	<b>163,673</b>	<b>1,337,687</b>	<b>3,892,825</b>

#### • Ownership interest in Abertis Infraestructuras, S.A.

In 2008 the ACS Group purchased 1% of the shares of Abertis for a total EUR 134 million, increasing its ownership interest to 25.83% of the company's share capital. With respect to this acquisition, the fair value assigned to the assets was EUR 55,470 thousand, after having taken the corresponding deferred tax into consideration. This amount includes the underlying carrying amount of the investment totalling EUR 37,129 thousand. The goodwill which arose amounted to EUR 78,650 thousand.

The goodwill is attributable to the Abertis Group's high profitability and to the strategic and complementary nature of the activities carried on by the ACS Group.

The depreciation and amortisation charge for the assigned assets amounted to EUR 28,100 thousand in 2009 (EUR 27,871 thousand in 2008), and was recorded as a reduction in "Profit of Associates" in the accompanying consolidated income statement.

In relation to the goodwill of Abertis Infraestructuras, S.A. amounting to EUR 564,638 thousand, the ACS Group performed the corresponding impairment test. In this connection, since the company is traded through the Spanish computerized trading system, the analysis was performed in comparison with the market price of the company at year-end, and the consolidated carrying cost was higher. Accordingly, no signs of impairment with an effect on the income statement were considered to exist.

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- Ownership interest in Hochtief, A.G.

After executing the option to settle in shares the equity swap the ACS Group had entered into for shares of Hochtief, A.G. representing 4.9% of its share capital, the Group has an ownership interest of 29.98% of the company's share capital, and the related cost increased by EUR 287,505 thousand. In relation to this acquisition, in 2008 the Group analysed the fair value of the assets and liabilities in order to allocate the gains on the equity paid, and the final allocation in 2009 gave rise to the recognition of additional goodwill amounting to EUR 13,656 thousand.

The depreciation and amortisation charge for the allocated assets amounted to EUR 4,317 thousand in 2009 (EUR 3,612 thousand in 2008), and was recorded as a reduction in "Profit of Associates" in the accompanying consolidated income statement.

In relation to the ownership interest in Hochtief, A.G., a company listed on the Frankfurt stock exchange, since the market price stood at EUR 54.31 in the last quarter and EUR 53.55 at the end of the reporting period, amounts which were lower than the acquisition cost, the ACS Group considered it to be possible for signs of impairment to exist and performed the corresponding test. For the purpose of performing this test, the company used public information from market analysts relating to the target price of the share of the Hochtief group. This calculation includes the valuation of the German groups different business segments, identified as concession, services and real estate, and construction Europe, America and Asia/Pacific. The value of the aforementioned business segments was calculated based on the related activity, using the cash flow discount associated with the business plans presented by the Group in the case of the construction and real estate segments and the expected cash flows to shareholders until the end of the concession period in the case of concession activity, as well as performance and market price in the case of subsidiaries listed on stock markets. This calculation evidenced that there was no need to record a provision for the impairment of the ownership interest in Hochtief, A.G., since its fair value was higher than the cost of the ownership interest. In the Group's opinion, there are no reasonable changes in the main hypotheses which might give rise to the impairment of the ownership interest in Hochtief, A.G.

The market values of the ACS Group's investments in associates listed on an organised secondary market, based on their year-end market prices, is as follows:

Thousands of euros	
Abertis Infraestructuras, S.A.	2,858,183
Hochtief, A.G.	1,123,693

In addition to the aforementioned impairment tests performed on Abertis Infraestructuras, S.A. and Hochtief, A.G., the Group performed the required impairment tests to verify the recoverability of the other assets. For the purpose of performing these impairment tests, the Group took into consideration the future cash flow projections, dividend discounts and external market valuations for each of the investments based on the available information, and, and particularly in relation to the underlying goodwill, no need to recognize a provision for impairment was evidenced at the end of 2009 and 2008.

## 10. Financial assets

The detail of the balance of this heading in the consolidated statements of financial position in 2009 and 2008 is as follows:

	Balance at 31/12/2009		Balance at 31/12/2008	
	Non-Current	Current	Non-Current	Current
Thousands of euros				
Equity Instruments	4,418,844	4,249	2,639,391	4,691
Loans to associates	171,438	179,891	117,766	27,401
Other loans	508,145	159,850	395,791	735,809
Debt securities	7,167	363,049	4,390	294,206
Other financial assets	50,995	2,004,012	30,948	1,123,028
<b>Total</b>	<b>5,156,589</b>	<b>2,711,051</b>	<b>3,188,286</b>	<b>2,185,135</b>

### 10.01. Equity Instruments

The detail, by company, of the balance of this heading at 31 December 2009 is as follows:

	Cost	Impairment	Fair Value
Thousands of euros			
Corporate Unit			
Iberdrola, S.A.	4,203,960	-	4,203,960
Xfera Móviles, S.A.	79,206	-	79,206
Construction			
Madrid Calle 30, S.A.	50,000	-	50,000
Concessions			
Accesos de Madrid Concesionaria Española, S.A.	45,669	(3,074)	42,595
Inversora de la Autovía de la Mancha, S.A.	28,348	-	28,348
Other investments	31,378	(16,643)	14,735
<b>Total</b>	<b>4,438,561</b>	<b>(19,717)</b>	<b>4,418,844</b>

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The detail, by company, of the balance of this heading at 31 December 2008 is as follows:

	Cost	Impairment	Fair Value
Thousands of euros			
<b>Corporate Unit</b>			
Iberdrola, S.A.	2,422,018	-	2,422,018
Xfera Móviles, S.A.	79,206	-	79,206
<b>Construction</b>			
Madrid Calle 30, S.A.	50,000	-	50,000
<b>Concessions</b>			
Accesos de Madrid Concesionaria Española, S.A.	45,669	(3,074)	42,595
Inversora de la Autovía de la Mancha, S.A.	27,726	-	27,726
Other investments	52,390	(34,544)	17,846
<b>Total</b>	<b>2,677,009</b>	<b>(37,618)</b>	<b>2,639,391</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.

At 31 December 2009 and 2008, the ACS Group had an ownership interest of 17% in the share capital of Xfera Móviles, S.A. through ACS Telefonía Móvil, S.L. following the sale of a portion of its ownership interest to the Telia Sonera Group in 2006. At 31 December 2009, this ownership interest was valued at EUR 188,346 thousand (EUR 165,396 thousand at 31 December 2008) following the contributions made, including the participating loans associated thereto, which amounted to EUR 109,140 thousand and were recognized under "Other Non-Current Loans". In any case, in accordance with this Company's business plans, the recoverable value of this investment would be higher than its carrying value.

## Iberdrola, S.A.

At 31 December 2009, the ACS Group held 630,278,959 shares representing 12.0% of the share capital of Iberdrola, S.A.

In accordance with IAS 39, this investment was adjusted to the market-price at year-end with an effect on equity of EUR 4,203,960 thousand (EUR 2,422,018 thousand in 2008), and the difference in value was included under "Adjustments for Changes in Value - Available-for-Sale Financial Assets" in the accompanying statement of financial position.

The most significant movement in 2009 in relation to this ownership interest arose because the ACS Group entered into a novation of the equity swap for 4.88% of the shares of Iberdrola, S.A. it held at 31 December 2008. This novation extends the period for the exercise of the equity swap (which is currently March 2011); the exercise of voting rights inherent to the underlying shares shall correspond to ACS, Actividades de Construcción y Servicios, S.A. and accordingly, the financial institution commits to being represented at all Shareholders' Meetings held by Iberdrola, S.A. by the representative appointed by ACS, who is entitled to vote freely. The equity swap may now only be settled by the physical handing over of shares, unless the market price of the share is less than EUR 4.00 in which case ACS, Actividades de Construcción y Servicios, S.A. may settle the swap by means of differences. Accordingly, the ACS Group now holds 12.0% of the voting rights in the electricity utility directly and indirectly. As a result of this novation, the Company recognised the investment through an equity swap at fair value on the asset side of the statement of financial position under "Non-Current Financial Assets". The financing relating to this asset was recognised under "Project Finance with Limited Recourse" in the accompanying statement of financial position at 31 December 2009. The decrease in the fair value of this derivative, amounting to EUR 648,185 thousand, which in 2008 did not meet the requirements to be carried as an asset, was included as a loss under "Changes in the Fair Value of Financial Instruments", with a related liability of EUR 533,552 thousand (Note 22).



The full transaction was financed, on the one hand, by means of a syndicated loan and a credit line with different banks, secured by the shares of Iberdrola, S.A. and with a subordinated loan of ACS, Actividades de Construcción y Servicios, S.A. (Note 18), and the other hand by an “equity swap”, which includes a coverage ratio over the market value of the underlying shares of Iberdrola, S.A., and if this ratio were not to be met, the agreement could be terminated. The Group contributed funds to meet this ratio at 31 December 2009 and 2008 (Note 10.04).

In 2009 and 2008 the ACS Group did not recognise adjustments for impairment in relation to the ownership interest in Iberdrola, since the company is traded through the Spanish computerized trading system. Since the market price stood at EUR 6.43 in the last quarter and EUR 6.67 at the end of the reporting period, amounts which were lower than the acquisition cost, the ACS Group considered it to be possible for signs of impairment to exist and performed the corresponding test.

For the purpose of performing this analysis the ACS Group used the dividend discount method on the basis of public analyst information for 2009 to 2013 which is less than 180 days old, relating to the net profit, “pay out”, growth and discount rate to be applied. The main variables used were as follows:

Iberdrola, S.A.	
Net profit	From EUR 2,758 mn (2009) to EUR 3,796 mn (2014)
Growth (*)	3%
Average pay out	58.04%
Discount rate	7%

(\*) Although historical growth stood at 22% and the growth foreseen by analysts for the next four years is 5%, in view of the economic environment, the Company chose to use a 3% residual value growth rate to calculate the impairment of the investment in Iberdrola, S.A.

In accordance with the above, the directors of the ACS Group do not consider factors to exist giving rise to impairment at the end of the reporting period, since its fair value was calculated to be above the cost of the ownership interest. The impairment test is highly sensitive to changes in the discount rate and the residual value growth rate, meaning that changes of certain significance might lead to the recognition of impairment.

## 10.02. Loans to associates

The detail of the balances of “Loans to Associates” and of the scheduled maturities at 31 December 2009, is as follows:

	Current		Non-Current			Total Non-Current
	2010	2011	2012	2013	2014 and subsequent years	
Thousands of euros						
Euro loans	178,701	1,051	-	-	122,887	123,938
Foreign currency loans	1,190	47,500	-	-	-	47,500
<b>Total</b>	<b>179,891</b>	<b>48,551</b>	<b>-</b>	<b>-</b>	<b>122,887</b>	<b>171,438</b>

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The detail of the balances of "Loans to Associates" and of the scheduled maturities at 31 December 2008, is as follows:

	Current	Non-Current				
	2009	2010	2011	2012	2013 and Subsequent Years	Total Non-Current
Thousands of euros						
Euro loans	26,473	3,018	-	-	79,900	82,918
Foreign currency loans	928	34,848	-	-	-	34,848
<b>Total</b>	<b>27,401</b>	<b>37,866</b>	<b>-</b>	<b>-</b>	<b>79,900</b>	<b>117,766</b>

At 31 December 2009, noteworthy is the loan in Euros granted by ACS, Servicios Comunicaciones y Energía, S.L. to Escal, UGS, S.L. which matured in 2010 and amounted to EUR 142,714 thousand.

In relation to the Euro loans, of significance are the EUR 32,197 thousand 2009 (EUR 30,697 thousand in 2008) loan granted to Circunvalación de Alicante, S.A. in 2008, the EUR 28,571 thousand (EUR 27,469 thousand in 2008) loan granted to TP Ferro Concesionaria, S.A. in 2009, as well as the EUR 27,399 thousand (2,250 thousand in 2008) loan granted to Intercambiador de Transportes de Plaza Castilla, S.A. maturing in 2034, 2035 and 2039, respectively.

In relation to foreign currency loans, noteworthy is the EUR 35,535 thousand loan in Chilean pesos granted to Concesionaria Vespucio Norte Express, S.A., which matures in 2011 (EUR 27,589 thousand in 2008 and maturing in 2010).

These loans bear market interest.

## 10.03. Other loans

The detail of the balances of "Other Loans" and of the scheduled maturities at 31 December 2009, is as follows:

	Current	Non-Current				
	2010	2011	2012	2013	2014 and subsequent years	Total Non-Current
Thousands of euros						
Euro loans	155,606	41,650	143,921	29,011	290,470	505,052
Foreign currency loans	4,244	2,341	752	-	-	3,093
<b>Total</b>	<b>159,850</b>	<b>43,991</b>	<b>144,673</b>	<b>29,011</b>	<b>290,470</b>	<b>508,145</b>

The detail of the balances of "Other Loans" and of the scheduled maturities at 31 December 2008 is as follows:

	Current	Non-Current				
	2009	2010	2011	2012	2013 and Subsequent Years	Total Non-Current
Thousands of euros						
Euro loans	733,441	52,332	34,951	29,888	278,620	395,791
Foreign currency loans	2,368	-	-	-	-	-
<b>Total</b>	<b>735,809</b>	<b>52,332</b>	<b>34,951</b>	<b>29,888</b>	<b>278,620</b>	<b>395,791</b>

At 31 December 2009, this heading included the portion of the contributions made by the ACS Group to meet the financing arrangement ratios associated with the acquisitions of 25.08% of Hochtief, A.G. and 6.87% of Iberdrola, S.A. which surpass the amounts of the credit lines forming part of this financing and that amount to EUR 108,441 thousand (688,739 thousand in 2008) (Note 18).

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

Non-current loans included refinanced loans to local government entities amounting to EUR 158,009 thousand at 31 December 2009 (EUR 141,556 thousand at 31 December 2008), as well as a participating loan to Xfera Móviles, S.A. amounting to EUR 109,140 thousand (EUR 86,190 thousand at 31 December 2008).

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

## 10.04. Other financial assets

This statement of financial position heading relates to short-term deposits amounting to EUR 1,891,484 thousand (EUR 938,588 thousand at 31 December 2008). Of this amount, noteworthy is the EUR 712,052 thousand (EUR 760,812 thousand at 31 December 2008) contributed by the ACS Group to meet the coverage ratio relating to the acquisition of Iberdrola, S.A., through the use of derivative financial instruments. These amounts are remunerated at market rates and their availability depends on the meeting of coverage ratios. This amount is recognized under the current financial liabilities incurred to meet these commitments.

The balance of this heading also includes the outstanding dividends accrued amounting to EUR 972 thousand (EUR 54,515 thousand at 31 December 2008), the current account with the asset securitisation funds (Note 12) and the balance of the reserve account relating to project activity.

## 11. Inventories

The detail of "Inventories" is as follows:

	Balance at 31/12/2009	Balance at 31/12/2008
Thousands of euros		
Trade receivables	220,548	228,354
Raw materials and other procurements	237,140	279,276
Work in progress	54,904	49,127
Finished goods	5,583	17,487
By-products, waste and recovered materials	209	165
Advances to suppliers and subcontractors	139,425	124,185
<b>Total</b>	<b>657,809</b>	<b>698,594</b>

In 2009 inventories with a carrying amount of EUR 12,050 thousand (EUR 4,699 thousand in 2007) were pledged and/or mortgaged as security for the repayment of debts.

The total impairment losses on inventories recognised and reversed in the consolidated income statement for 2009, relating to the various ACS Group companies, amounted to EUR 2,000 thousand and EUR 2,053 thousand, respectively (EUR 3,617 thousand and EUR 1,067 thousand in 2008).

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## 12. Trade and other receivables

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

	Balance at 31/12/2009	Balance at 31/12/2008
Thousands of euros		
Trade receivables for sales and services	6,025,576	5,946,228
Receivable from companies accounted for using the equity method	141,225	155,382
Other receivables	885,410	1,097,564
Current tax assets	122,652	102,382
<b>Total</b>	<b>7,174,863</b>	<b>7,301,556</b>

### Trade receivables for sales and services

The detail of this heading at 31 December 2009 and 2008 is as follows:

	Balance at 31/12/ 2009	Balance at 31/12/2008
Thousands of euros		
Trade receivables and notes receivable	4,871,905	5,003,487
Completed work pending certification	1,307,740	1,083,600
Allowances for doubtful debts	(154,069)	(140,859)
<b>Trade receivables for sales and services</b>	<b>6,025,576</b>	<b>5,946,228</b>
Advances received on orders (Note 23)	(2,491,451)	(2,398,787)
<b>Total net trade receivables balance</b>	<b>3,534,125</b>	<b>3,547,441</b>

The detail of the net trade receivables balance, by line of business, is as follows:

	Balance at 31/12/ 2009	Balance at 31/12/2008
Thousands of euros		
Construction	1,302,178	1,089,790
Industrial Services	1,206,033	1,368,248
Environment & Logistics	1,006,541	1,046,891
Concessions	13,383	37,045
Corporate Unit and other	5,990	5,467
<b>Total</b>	<b>3,534,125</b>	<b>3,547,441</b>

At 31 December 2009, retentions held by customers for contract work in progress amounted to EUR 126,467 thousand (EUR 155,894 thousand in 2008).

The Group companies assign trade receivables to financial entities, without the possibility of recourse against them in the event of non-payment. The balance of receivables was reduced by EUR 443,047 thousand in this connection at 31 December 2009 (EUR 448,837 thousand at 31 December 2008).

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

The balance of "Trade Receivables and Notes Receivable" was reduced by the amounts received from the CAP-TDA1 "Fondo de Titulización de Activos", a securitisation SPV which was set up on 25 June 2003.

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

The amount of the receivables sold to the securitisation SPV was EUR 302,358 thousand at 31 December 2009 (EUR 315,837 thousand at 31 December 2008), of which EUR 65,592 thousand (EUR 78,710 thousand at 31 December 2008) were recognised as a current account with the securitisation SPV included under "Other Current Financial Assets-Other Loans" (Note 10.04).

A concentration of credit risk is not considered to exist since the Group has a large number of customers engaging in various activities. The main clients of Construction and Environment are public authorities.

Group management considers that the carrying amount of trade receivables reflects their fair value.

## 13. Other current assets

This statement of financial position includes current 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 value of these assets reflect their fair value and there are no restrictions as to their use.

## 15. Equity

### 15.01. Share capital

In 2008 capital was reduced by means of the redemption of treasury shares on two occasions. In June 2008 and as resolved by the General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A., 17,482,707 treasury shares (4.954%) were redeemed for a par value of EUR 8,742 thousand, thereby reducing the share capital from 352,873,134 to 335,390,427 shares. In December 2008 and as resolved by the Extraordinary General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 3 December 2008, 16,746,453 treasury shares (4.993%) were redeemed for a par value of EUR 8,373 thousand, thereby reducing the number of shares representing the share capital from 335,390,427 to 318,643,974.

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The General Shareholders' Meeting held on 25 May 2009 resolved to redeem 3,979,380 treasury shares. This resolution was registered in the Spanish Mercantile Register on 1 July 2009, the resulting capital being EUR 157,332,297, represented by 314,664,594 fully subscribed and paid shares of EUR 0.5 par value each, all with the same voting and dividend rights.

In accordance with Article 153.1.b) and 2 of the Spanish Corporations Law, the General Shareholders' Meeting held on 25 May 2009 authorized the Company's Board of Directors to increase capital by up to half the Company's share capital at the date of this resolution on one or more occasions, and at the date, in the amount and under the conditions freely agreed in each case, within five years following 25 May 2009, and without having previously submitted a proposal to the General Shareholders' Meeting. Accordingly, the Board of Directors may set the terms and conditions under which capital is increased, as well as the features of the shares, investors and markets at which the increases are aimed and the issue procedure; freely offer the unsubscribed shares in the preferential subscription period; and in the event of incomplete subscription, cancel the capital increase or increase capital solely by the amount of the subscribed shares.

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

In accordance with Article 159.2 of the Spanish Corporations Law, the Board of Directors was expressly empowered to exclude preferential subscription rights in full or in part in relation to all or some of the issues agreed under the scope of this authorisation, where it is in the interest of the company and as long as the par value of the shares to be issued plus any share premium agreed is equal to the fair value of the Company's shares based on a report to be drawn up at the Board's request, by an independent auditor other than the Company's auditor, which is appointed for this purpose by the Spanish Mercantile Register on any occasion in which the power to exclude preferential subscription rights granted in this paragraph 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.

Also, in accordance with applicable legislation, the General Shareholders' Meeting held on 25 May 2009 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. 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 of the date may not exceed a maximum limit of eighty percent of the equity of ACS Actividades de Construcción y Servicios, SA. according to the latest approved statement of financial position.

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

Apart from the Parent, the companies included in the scope of consolidation whose shares are listed on securities markets are Abertis Infraestructuras, S.A. on the Spanish stock markets, Hochtief A.G on the German stock markets and Dragados y Construcciones Argentina, S.A.I.C.I. on the Buenos Aires Stock Exchange (Argentina).

At 31 December 2009, the shareholders with an ownership interest of over 10% in the share capital of the Parent were Corporación Financiera Alba, S.A. –with an ownership interest of 23.48%, Corporación Financiera Alcor, S.A. –with an ownership interest of 13.86% and Inversiones Vesán, S.A. –with an ownership interest of 12.34%.

## 15.02. Share premium

The share premium at 31 December 2009 and 2008 amounted to EUR 897,294 thousand. There have been no changes in the share premium account in the past two years.

The Consolidated 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 reserves

The detail of this heading at 31 December 2009 and 2008 is as follows:

	Balance at 31/12/ 2009	Balance at 31/12/2008
Thousands of euros		
Reserves of the Parent	1,222,931	1,251,750
Reserves at consolidated companies	1,715,028	577,982
<b>Total</b>	<b>2,937,959</b>	<b>1,829,732</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 2009 and 2008 is as follows:

	Balance at 31/12/ 2009	Balance at 31/12/2008
Thousands of euros		
Legal reserve	35,287	35,287
Voluntary reserves	845,152	501,584
Reserve for redenomination of share capital in euros	162	162
Other retained earnings	342,330	714,717
<b>Total</b>	<b>1,222,931</b>	<b>1,251,750</b>

### Legal reserve

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

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

The legal reserve recognised by the Group's Parent, which amounts to EUR 35,287 thousand, has reached the stipulated level at 31 December 2009 and 2008.

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## 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 Article 194 of the Consolidated Companies Law, until the start-up expenses and goodwill recorded in the individual financial statements in accordance with generally accepted accounting principles in Spain have not been fully amortised, any distribution of profit is prohibited, unless the unrestricted reserves recorded are at least equal to the amount of the unamortised balances. In this case the reserves allocated to meet this requirement are considered to be restricted reserves.

## 15.03.02. Reserves at consolidated companies

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

	Balance at 31/12/ 2009	Balance at 31/12/2008
Thousands of euros		
Construction	297,085	258,328
Industrial Services	491,271	304,174
Environment & Logistics	477,897	360,622
Concessions	(113,769)	(74,821)
Corporate Unit	562,544	(270,321)
<b>Total</b>	<b>1,715,028</b>	<b>577,982</b>

Certain Group companies have clauses in their financing agreements (this is standard practice in project financing) restricting the payment of dividends until certain ratios have been met.

## 15.04. Treasury shares

The changes in "Treasury Shares" in 2009 and 2008 were as follows:

	2009		2008	
	Number of shares	Thousands of euros	Number of shares	Thousands of euros
At beginning of year	-	-	11,941,061	516,341
Purchases	15,473,056	535,793	22,718,071	688,345
Sales	(1,658,043)	(53,857)	(429,972)	(13,553)
Redemption July 2009 / July 2008	(3,979,380)	(131,189)	(17,482,707)	(715,898)
Redemption December 2008	-	-	(16,746,453)	(475,235)
<b>At end of year</b>	<b>9,835,633</b>	<b>350,747</b>	<b>-</b>	<b>-</b>



At 31 December 2009, the Group held 9,835,633 shares of the Parent, of EUR 0.5 par value each, representing 3.13% of share capital, with a carrying value per consolidated books of EUR 350,747 thousand which is recorded under "Treasury Shares and Equity Interests" in the accompanying consolidated statement of financial position. At 31 December 2008, the Group did not hold shares of the Parent.

The average purchase price of the shares of ACS in 2009 was EUR 34.63 per share and the average selling price of the shares in 2009 was EUR 32.48 per share (EUR 30.30 and EUR 31.52 per share, respectively, in 2008).

In June 2009 and as resolved by the General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 25 May 2009, 3,979,380 treasury shares (1.249%) were redeemed for a par value of EUR 1,990 thousand, thereby reducing the share capital from 318,643,974 to 314,664,594 shares.

In 2008 capital was reduced by means of the redemption of treasury shares on two occasions. In June 2008 and as resolved by the General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A., 17,482,707 treasury shares (4.954%) were redeemed for a par value of EUR 8,742 thousand, thereby reducing the share capital from 352,873,134 to 335,390,427 shares. In December 2008 and as resolved by the Extraordinary General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 3 December 2008, 16,746,453 treasury shares (4.993%) were redeemed for a par value of EUR 8,373 thousand, thereby reducing the share capital from 335,390,427 to 318,643,974 shares.

## 15.05. Interim dividend

At the meeting on 17 December 2009, 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 12 January 2010. For this purpose, the Parent prepared the liquidity statement required under Article 216 of the Consolidated Companies Law in this connection. This interim dividend paid is recognised under "Interim Dividend" and is deducted from "Equity Attributable to the Parent" included at 31 December 2009 under the heading "Other Current Liabilities" in the accompanying consolidated statement of financial position.

At the meeting on 3 December 2008, the Parent's Board of Directors resolved to distribute an interim dividend of EUR 0.90 per share, totalling EUR 286,780 thousand, which was paid on 27 January 2009. For this purpose, the Parent prepared the liquidity statement required under Article 216 of the Consolidated Companies Law in this connection. This interim dividend paid is recognised under "Interim Dividend" and is deducted from "Equity Attributable to the Parent" included at 31 December 2008 under the heading "Other Current Liabilities" in the accompanying consolidated statement of financial position.

## 15.06. Adjustments for changes in value

The changes in the balance of this heading in 2009 and 2008 were as follows:

	2009	2008
Thousands of euros		
<b>Beginning balance</b>	<b>(1,002,182)</b>	<b>676,738</b>
Hedging instruments	(43,937)	(344,112)
Available-for-sale financial assets	(195,134)	(1,200,341)
Exchange differences	234,492	(134,467)
<b>Ending Balance</b>	<b>(1,006,761)</b>	<b>(1,002,182)</b>

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

Available-for-sale financial assets include the unrealised losses and gains arising from changes in fair value net of the related tax effect. The main changes arose from the ownership interest in Iberdrola, S.A., in relation to which a negative balance amounting to EUR 799,893 thousand was recognised at 31 December 2009 (EUR 659,618 thousand at 31 December 2008).

This heading also includes the indirect ownership interest held mainly by Abertis Infraestructuras, S.A. amounting to a negative EUR 57,753 thousand in 2009 and EUR 34,300 thousand in 2008 (mainly relating to its holding in Atlantia and in Brisa Auto-estradas de Portugal, S.A.).

The exchange 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 2009 relates exclusively to the difference arising from 2004 to 2009, net of the tax effect, between the closing and opening exchange rates; on non-cash items whose fair value is adjusted against equity and on the translation to Euros of the balances in the functional currencies of fully and proportionally consolidated companies, as well as companies accounted for using the equity method, whose functional currency is not the Euro.

Following are the main exchange differences by currency:

	Balance at 31/12/2009	Balance at 31/12/2008
Thousands of euros		
Brazilian real	66,146	(34,132)
Argentine peso	(17,359)	(13,181)
Mexican peso	(5,771)	(4,586)
Chilean peso	(5,079)	(19,127)
British pound	(3,313)	(3,739)
South African Rand	(3,161)	(3,164)
Algerian dinar	(3,217)	(1,267)
Other currencies	(1,351)	1,368
Exchange differences of companies accounted for using the equity method	(18,746)	(75,163)
Exchange differences arising from Unión Fenosa	-	(73,353)
<b>Total</b>	<b>8,149</b>	<b>(226,343)</b>

## 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 2009 and 2008 is as follows:

Line of Business	Balance at 31/12/2009			Balance at 31/12/2008		
	Non-controlling interests	Profit attributed to Non-controlling interests	Profit from Discontinued Operations	Non-controlling interests	Profit to Non-Controlling Interests	Profit from Discontinued Operations
Thousands of euros						
Construction	67,989	3,674	-	12,137	1,584	-
Industrial Services	93,882	17,387	-	79,367	10,152	-
Environment & Logistics	87,286	7,696	(1,532)	87,131	6,650	2,618
Concessions	11,495	216	-	19,653	(686)	-
Energy	(168,143)	-	168,143	5,477,635	-	814,377
<b>Total</b>	<b>92,509</b>	<b>28,973</b>	<b>166,611</b>	<b>5,675,923</b>	<b>17,700</b>	<b>816,995</b>

This heading in the accompanying consolidated statement of financial position reflects the proportional share of the equity of non-controlling interests in the Group companies. The changes in 2009, by item, were as follows:

	Thousands of euros
<b>Balance at 31 December 2008</b>	<b>6,510,618</b>
Profit for the year from continuing operations	28,973
Profit for the year from discontinued operations	166,611
Dividends received	(13,315)
Change in the scope of consolidation	(6,309,396)
Changes in share capital and other	9,521
Valuation adjustments	(104,919)
<b>Balance at 31 December 2009</b>	<b>288,093</b>

The changes in 2008, by item, were as follows:

	Thousands of euros
<b>Balance at 31 December 2007</b>	<b>5,787,278</b>
Profit for the year from continuing operations	17,700
Profit for the year from discontinued operations	816,995
Dividends received	(379,694)
Change in the scope of consolidation	363,159
Changes in share capital and other	21,211
Valuation adjustments	(116,031)
<b>Balance at 31 December 2008</b>	<b>6,510,618</b>

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The detail of this balance at 31 December 2009, by business segment, is as follows:

Line of Business	Share capital	Reserves	Profit for the Year	Profit from Discontinued Operations	Total
Thousands of euros					
Construction	8,905	59,084	3,674	-	71,663
Industrial Services	82,455	11,427	17,387	-	111,269
Environment & Logistics	49,795	37,491	7,696	(1,532)	93,450
Concessions	18,176	(6,681)	216	-	11,711
Energy	-	(168,143)	-	168,143	-
<b>Total</b>	<b>159,331</b>	<b>(66,822)</b>	<b>28,973</b>	<b>166,611</b>	<b>288,093</b>

The detail of this balance at 31 December 2008, by business segment, is as follows:

Line of Business	Share capital	Reserves	Profit for the Year	Profit from Discontinued Operations	Total
Thousands of euros					
Construction	4,814	7,323	1,584	-	13,721
Industrial Services	73,860	5,507	10,152	-	89,519
Environment & Logistics	45,207	41,924	6,650	2,618	96,399
Concessions	24,335	(4,682)	(686)	-	18,967
Energy	322,704	5,154,931	-	814,377	6,292,012
<b>Total</b>	<b>470,920</b>	<b>5,205,003</b>	<b>17,700</b>	<b>816,995</b>	<b>6,510,618</b>

At 31 December 2009, 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 Company	Percentage of Ownership	Shareholder
Thousands of euros		
<b>Construction</b>		
John P. Picone, Inc.	20.00%	John P. Picone (*)
Construrail S.A.	49.00%	Renfe Operadora
<b>Industrial Services</b>		
Artemis Transmissora de Energia, Ltda.	49.00%	Eletrosul Centrais Eléctricas, S.A. (44%)
Beni Saf Water Company Spa.	49.00%	Algerian Energy Company -SPA
Emurtel, S.A.	49.90%	Ginés Heredia (20%) José María Rodríguez (29.9%)
Energías Ambientales, S.A. (Easa)	33.33%	Enel Unión Fenosa Energías Renovables, S.A.
Procme, S.A.	25.00%	José Reis Costa
Serpista, S.A.	49.00%	Temg Mantenimiento, S.A. (10%) Iberia, S.A. (39%)
Sistemas Sec, S.A.	49.00%	Compañía Americana de Multiservicios Limitada
Uirapuru Transmissora de Energia, Ltda.	49.00%	Eletrosul Centrais Electricas, S.A.
<b>Environment &amp; Logistics</b>		
Centro de Transferencias, S.A.	30.00%	Emgrisa
Ecoparc de Barcelona, S.A.	33.60%	Comsa Medio Ambiente S.L. (28.30%)
Residuos Industriales de Zaragoza, S.A.	30.00%	Marcor Ebro, S.A.
Residuos Sólidos Urbanos de Jaén, S.A.	40.00%	Diputación Provincial de Jaen Cesa Stevedoring, S.A. (28.75%)
Tirmadrid, S.A.	33.64%	Enel Unión Fenosa Energías Renovables, S.A. (18.64%) Endesa Cogeneración y Renovables, S.A. (15%)
Urbana de Servicios Ambientales, S.L.	30.00%	Construcciones Sánchez Domínguez (20%) Unicaja (10%)
Vertederos de Residuos, S.A.	16.03%	Fomento de Construcciones y Contratas, S.A.
<b>Concessions</b>		
Autovía de La Mancha S.A. Conces. JCC Cast-La Mancha	25.00%	CYOP, S.A.
Concesionaria Santiago Brión, S.A.	30.00%	Francisco Gómez y CIA, S.L. (15%) Extraco Construcciones e Proyectos, S.A. (15%)
Intercambiador de Transportes de Príncipe Pío, S.A.	30.00%	Empresa de Blas y Compañía, S.L.

(\*) There is a purchase commitment of 20%.

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## 16. Grants

The changes in the balance of this heading in 2009 and 2008 were as follows:

	2009	2008
Thousands of euros		
<b>Beginning balance</b>	<b>65,386</b>	<b>810,599</b>
Changes in the scope of consolidation	18,733	(748,872)
Additions	11,772	6,935
Transfers	(2,131)	(742)
Recognition in income statement	(3,236)	(2,534)
<b>Ending Balance</b>	<b>90,524</b>	<b>65,386</b>

The grants related to assets taken to income in 2009 (recognised under "Allocation of Grants Relating to Non-Financial Assets and Others" in the statement of financial position) amounted to EUR 3,236 thousand (EUR 2,510 thousand in 2008). Following is a detail of the timing of recognition:

	2009			2008		
	< 1	2-5	> 5	<1	2-5	> 5
Thousands of euros						
Grants related to assets	9,159	19,366	61,999	7,516	15,110	42,760

## 17. Bank borrowings, debt instruments and other held-for-trading liabilities

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

At 31 December 2009 and 2008, the ACS Group did not have any current or non-current held-for-trading liabilities.

### 17.02. Bank loans

The detail of the bank borrowings at 31 December 2009 and the repayment schedules are as follows:

	Current		Non-Current			
	2010	2011	2012	2013	2014 and Subsequent Years	Total Non-Current
Thousands of euros						
Euro loans	1,975,831	274,671	2,491,757	26,753	108,905	2,902,086
Foreign currency loans	123,453	51,693	4,106	5,851	36,787	98,437
Finance lease obligations	14,237	11,428	6,885	4,426	10,393	33,132
<b>Total</b>	<b>2,113,521</b>	<b>337,792</b>	<b>2,502,748</b>	<b>37,030</b>	<b>156,085</b>	<b>3,033,655</b>

The detail of the bank borrowings at 31 December 2008 and the repayment schedules are as follows:

	Current		Non-Current			Total Non-Current
	2009	2010	2011	2012	2014 and Subsequent Years	
Thousands of euros						
Euro loans	3,843,801	2,610,767	400,462	35,973	159,006	3,206,208
Foreign currency loans	96,546	16,965	2,230	1,771	10,075	31,041
Finance lease obligations	20,599	14,143	11,849	9,652	15,162	50,806
<b>Total</b>	<b>3,960,946</b>	<b>2,641,875</b>	<b>414,541</b>	<b>47,396</b>	<b>184,243</b>	<b>3,288,055</b>

In 2009 and 2008 the ACS Group satisfactorily repaid all its financial liabilities at their maturity date. Also, up to the date of the preparation of these consolidated financial statements, the Group had not defaulted on any of its financial obligations.

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

In 2005, ACS, Actividades de Construcción y Servicios, S.A. arranged a syndicated loan amounting to EUR 1,500,000 thousand with 39 credit institutions, which matures on 22 July 2010, on which date a single repayment in full is required. This loan bears interest at a variable rate tied to Euribor plus a spread. Various interest rate swaps were arranged to hedge 100% of the loan granted, which mature in July 2010. This loan requires compliance with certain ratios that are being met by the Group. At 30 July 2009, in order to repay its existing syndicated loan at maturity, ACS, Actividades de Construcción y Servicios, S.A. entered into a syndicated loan agreement, in which the agent entity was Caja Madrid, amounting to EUR 1,594,450 thousand and maturing in July 2012. Therefore, this loan continued to be classified as non-current. This new loan also bears interest at a variable rate tied to Euribor plus a spread.

Additionally, the Parent arranged bilateral non-current loans with different credit institutions amounting to EUR 360,000 thousand, at an interest rate tied to Euribor plus a market spread.

Non-current financing includes EUR 650 million relating to a syndicated loan granted to Urbaser, S.A. on 26 May 2005, which fully matures in five years and requires compliance with certain ratios that are being met by the Urbaser Group. Various interest rate swaps were arranged to cover 60% of this loan, which mature in June 2010. Urbaser, S.A. entered into a similar transaction with a syndicate of Banks, by means of which its syndicated loan agreement was extended to EUR 750,000 thousand and the maturity date was extended to May 2012. Therefore, this loan continues to be classified as non-current. With this and the aforementioned transaction relating to the Parent, the ACS Group assured the liquidity of its business activity.

Additionally, the SPL Group was granted a syndicated loan amounting to EUR 280,000 thousand, which also requires compliance with certain ratios that are being met by the SPL Group. Various interest rate swaps were arranged to cover 64% of this loan, which mature in July 2011. As a result of its consideration as a discontinued operation, it was classified under "Liabilities relating to Non-Current Assets Held for Sale and Discontinued Operations".

The ACS Group's mortgage loans amount to EUR 15,203 thousand (EUR 8,537 thousand in 2008).

At 31 December 2009 the Group companies had credit facilities with limits totalling EUR 3,666,296 thousand (EUR 5,199,259 thousand in 2008), of which EUR 1,687,530 thousand were undrawn (EUR 2,187,463 thousand at 31 December 2008). These credit facilities sufficiently cover all the Group's needs in relation to its short-term commitments.

At 31 December 2009, current and non-current bank borrowings in foreign currencies amounted to EUR 221,890 thousand (EUR 127,587 thousand in 2008), of which EUR 104,493 thousand were denominated in US dollars (EUR 48,413 thousand in 2008), EUR 45,025 thousand were denominated in Chilean pesos (EUR 34,544 thousand in 2008), EUR 20,600 thousand were denominated in Moroccan dirham, EUR 14,653 thousand were denominated in Brazilian reals (EUR 5,746 thousand in 2008), EUR 12,111 thousand were denominated in Polish zloty and EUR 9,286 thousand in Colombian pesos (EUR 9,149 thousand in 2008).

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

In 2009 the Group's Euro loans and credits bore average annual interest of 3.35% (4.84% in 2008). Foreign currency loans and credits bore average annual interest of 4.33% (7.20% in 2008).

In accordance with its risk management policy, the ACS Group attempts to achieve a reasonable balance between non-current financing for the Group's strategic investments (above all, project financing and limited recourse financing of debt as described in Note 18) and current financing for the management of working capital. The effect on finance charges of the changes in interest rates is indicated in Note 21.

## 17.03. Finance lease obligations

The detail of the amounts payable under finance leases at 31 December 2009 and 2008 is as follows:

2009	Within one year	Between two and five years	Over five years	Balance at 31/12/2009
Thousands of euros				
Present value of minimum lease payments	14,237	22,739	10,393	47,369
Unaccrued finance charges	702	1,379	536	2,617
<b>Total amounts payable under finance leases</b>	<b>14,939</b>	<b>24,118</b>	<b>10,929</b>	<b>49,986</b>

2008	Within one year	Between two and five years	Over five years	Balance at 31/12/2008
Thousands of euros				
Present value of minimum lease payments	20,599	35,644	15,162	71,405
Unaccrued finance charges	1,643	2,670	1,179	5,492
<b>Total amounts payable under finance leases</b>	<b>22,242</b>	<b>38,314</b>	<b>16,341</b>	<b>76,897</b>

The decrease in finance lease obligations at 31 December 2009 with respect to the same date in 2008 is mainly due to the consideration of port and logistics services as a discontinued operation.

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. 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 2009 nor at 31 December 2008. All the lease obligations are denominated in Euros.

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



## 18. Limited recourse financing of projects and debts

"Limited Recourse Financing of Projects and Debts" on the liability side of the statement of financial position includes the financing for the acquisition of Iberdrola, S.A. and Hochtief, A.G., as well as the financing amount associated with projects. The detail of the balance of this heading, by type of asset financed, at 31 December 2009 is as follows:

	Current	Non-Current	Total
Thousands of euros			
Iberdrola, S.A.	46,342	4,424,047	4,470,389
Hochtief Aktiengesellschaft	16,431	740,731	757,162
<b>Project financing</b>			
Wind-powered facilities	57,134	1,181,279	1,238,413
Thermal solar power plant	28,667	1,128,370	1,157,037
Roads	2,462	533,251	535,713
Desalination plants	1,563	206,797	208,360
Waste treatment	19,207	160,961	180,168
Energy transport	87,785	81,819	169,604
Police stations	3,797	73,824	77,620
Transport interchange	1,460	54,593	56,053
Water management	4,032	33,582	37,615
Photovoltaic plants	1,499	28,041	29,540
Other infrastructures	7,670	43,934	51,604
	<b>278,049</b>	<b>8,691,229</b>	<b>8,969,278</b>

The detail of the balance of this heading, by type of asset financed, at 31 December 2008 is as follows:

	Current	Non-Current	Total
Thousands of euros			
Iberdrola, S.A.	53,481	2,472,244	2,525,725
Hochtief Aktiengesellschaft	13,592	627,023	640,615
<b>Project financing</b>			
Wind-powered facilities	55,909	1,123,923	1,179,832
Thermal solar power plant	2,417	612,181	614,598
Roads	1,002	385,021	386,023
Desalination plants	-	197,271	197,271
Port terminals	8,399	178,003	186,402
Waste treatment	16,264	102,868	119,132
Police stations	3,303	80,712	84,015
Energy transport	6,324	54,592	60,916
Transport interchange	1,340	56,083	57,423
Water management	-	22,550	22,550
Other infrastructures	14,809	332,769	347,578
	<b>176,840</b>	<b>6,245,240</b>	<b>6,422,080</b>

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At 31 December 2009 and 2008, the detail, by maturity, of non-current financing is as follows:

	Maturity in				Total
	2011	2012	2013	2014 and Subsequent Years	
Thousands of euros					
Balance at 31 December 2009	4,644,720	898,188	156,956	2,991,365	8,691,229

	Maturity in				Total
	2010	2011	2012	2014 and Subsequent Years	
Thousands of euros					
Balance at 31 December 2008	85,772	2,522,826	676,258	2,960,384	6,245,240

The most significant financing arrangements were as follows:

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

For the acquisition of 6.87% of Iberdrola, S.A., limited recourse financing was obtained through a syndicated loan of EUR 2,486,900 thousand arranged on 28 December 2006 (of which EUR 360,000 thousand was repaid in 2009), and a credit line from Banco Bilbao Vizcaya Argentaria, S.A. guaranteed by the participating banks, which amounted to EUR 331,600 thousand. Both loans mature on 28 December 2011, bear interest tied to Euribor plus a spread, and are secured by the shares acquired. The balance at 31 December 2009 amounted to a total of EUR 2,163,918 thousand (EUR 2,525,725 thousand at 31 December 2008). In relation to this financing, various interest rate swaps were entered into for 90% of the initial amount of this syndicated loan, which mature in July 2011.

The main characteristics of the financing arrangement include the maintenance of a coverage ratio over the market value of the shares of Iberdrola, S.A. If this ratio were not met, the pledge could be executed. If the aforementioned coverage ratio were not met and the ACS Group decided to maintain the financing, ACS, Actividades de Construcción y Servicios, S.A. would be required to provide funds up to a limit of EUR 331,600 thousand in the form of a subordinated loan. Both at 31 December 2009 and at the date of the preparation of these consolidated financial statements, this coverage ratio was being met (Note 10.04).

The rest of the investment was financed with a subordinated loan of the Parent.

In addition to the financing mentioned in the previous paragraph, and as a result of the novation of the equity swap for the shares of Iberdrola, S.A. held by the ACS Group (See Note 10.01), a liability was recognised for the related financing amounting to EUR 2,306,918 thousand at 31 December 2009 and maturing in March 2011, secured by shares representing 4.88% of the share capital in Iberdrola, S.A. It bears an interest rate tied to Euribor. As in the case of the aforementioned loan, the ACS Group must meet a coverage ratio over the market value of this ownership interest. Both at 31 December 2009 and at the date of the preparation of these consolidated financial statements, this coverage ratio was being met (Note 10.04).

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

For the acquisition of 25.08% of Hochtief, A.G., in 2007, financing by BBVA was arranged amounting to EUR 948,000 thousand, divided into two tranches, tranche A consisting in a loan of EUR 632,000 thousand (EUR 71,000 of which was repaid early in 2009) and Tranche B consisting of a current account credit line amounting to EUR 316,000 thousand. Both tranches are secured by the shares acquired and have a finance cost tied to Euribor, and the sole and final maturity date for this financing is 24 July 2012.

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 met, the pledge could be executed. If the aforementioned coverage ratio were not maintained and the ACS Group decided to maintain the financing, ACS, Actividades de Construcción y Servicios, S.A. would be required to provide funds up to a limit of EUR 316,000 thousand in the form of a subordinated loan. Both at 31 December 2008 and at the date of the preparation of these consolidated financial statements, this coverage ratio was being met.

The remainder of the investment was made through a participating loan from ACS, Actividades de Construcción y Servicios, S.A. amounting to EUR 326,000 thousand, the sole and final maturity date of which is 31 October 2012. This loan bears interest at both a fixed and variable rate, on the basis of the company's net profit.

To cover the ratios required to be met for the financing of Hochtief A.G. and Iberdrola, S.A., the Group contributed funds amounting to EUR 413,416 thousand at 31 December 2009 (EUR 1,238,407 thousand at 31 December 2008). These funds reduced the limited recourse financing and the portion exceeding the credit line amount was recognised on the asset side of the statement of financial position under "Other Current Financial Assets" (Note 10.04).

## Project financing

Project financing included, inter alia, the following:

- Wind-powered Facilities These are financed through non-current non-recourse loan agreements granted to shareholders, which are tied to Euribor plus a floating spread based on certain ratios and mature between 2012 and 2028.
- Thermal solar plants such as Andasol 1 and 2, Extresol 1, 2 and 3 and Manchasol 1 and 2, are financed through syndicated loans tied to Euribor plus a market spread, maturing in 2029.
- Motorways relate mainly to the following:
  - On 3 March the financing of I-595 in Florida (USA) was closed for US \$ 1,389 million in two tranches. The first tranche was financed during construction by means of a bank loan entered into with 13 entities amounting to US \$ 781 million maturing in 10 years. 6.5775% has been fully hedged for Tranche A (US \$ 525 million) and 7.1375% for Tranche B (US \$ 256 million). The second was financed by means of a Federal Government loan (TIFIA) amounting to US \$ 608 million maturing in 33 years and bearing a fixed interest rate of 3.64%.
  - Autovía de La Mancha: The full debt of the concession company Autovía de la Mancha was refinanced in April 2008. On 17 April 2008 a long-term loan agreement amounting to EUR 110,000 thousand was arranged with Dexia Sabadell S.A. The new loan obtained an A1 rating from Moodys and an A- rating from S&P, the second motorway worldwide to obtain this rating. The loan matures in full in October 2031. EUR 93,500 thousand have been hedged at a fixed interest rate.
  - Inversora de la Autovía de la Mancha, S.A. entered into a loan agreement with Dexia Sabadell S.A. amounting to EUR 53,600 thousand. EUR 45,560 thousand have been hedged at a fixed interest rate and the loan matures in full in 2032.
  - Santiago Brión: On 19 December 2005, the company arranged a commercial loan with Société Générale, S.A. and Dexia Sabadell Banco Local, S.A. amounting to EUR 35,000 thousand. Additionally, it entered into a loan agreement amounting to EUR 54,000 thousand with the BEI. They are to be repaid in 46 bi-yearly instalments. Both loans mature on 15 December 2032. The loan arranged with Société bears interest tied to three-month Euribor plus a spread. In the case of the BEI loan, the interest rate is at BEI rate plus a spread.
- Desalination plants: It relates to the financing of Beni Saf Water Company, Spa by means of a syndicated loan at a fixed interest rate of 3.75% which matures in 2024 and the financing of Hydromanagement, S.L. by means of a syndicated loan tied to Euribor plus a spread, which matures in 2031.

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- Waste treatment: Of significance is the plant Ecoparc de Barcelona, S.A. On 30 July 2009 a loan was arranged amounting to EUR 53,000 bearing interest at a variable rate tied to Euribor plus a market spread and maturing on 30 July 2024. Its purpose was to refinance the construction project, management and operation of the Complejo Metropolitano de Tratamiento Integral de Residuos Municipales (Metropolitan Complex of Municipal Waste Treatment) located in Zona Franca in Barcelona.
- Energy transport: It relates mainly to the financing of the electricity transmission line in Brazil which matures between 2018 and 2037, which was arranged with Banco Nacional de Desarrollo de Brasil and Banco Regional de Desarrollo del Estado de Santa Catarina at a fixed interest rate with a variable spread on the basis of certain ratios and a basket of currencies.

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

The average annual interest rate for this type of financing amounted to 4.54% in 2009 and to 5.18% in 2008.

The debts relating to this type of financing are secured by project assets and include clauses requiring that certain ratios be complied with by the project and which were being met at 31 December 2009.

## 19. Other financial liabilities

The breakdown of the balances of this heading in the consolidated statements of financial position is as follows:

	Balance at 31/12/2009		Balance at 31/12/2008	
	Non-Current	Current	Non-Current	Current
Non-bank borrowings at a reduced interest rate	38,622	5,988	38,463	6,059
Payable to associates	-	63	2,648	5
Other	10,752	17,614	1,871	1,813
<b>Total</b>	<b>49,374</b>	<b>23,665</b>	<b>42,982</b>	<b>7,877</b>

"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 2009 were as follows:

Non-Current	Provision for Pensions and Similar Obligations	Provision for taxes	Provision for third-party liability	Total
Thousands of euros				
<b>Balance at 31 December 2008</b>	976	18,216	139,455	158,647
Additions or charges for the year	47	40,371	235,566	275,984
Amounts used	34	(3,259)	(25,516)	(28,741)
Reversals	-	(215)	(18,863)	(19,078)
Increases due to the passing of time and the effect of exchange rates on discount rates	(8)	-	73	65
Exchange differences	4	323	893	1,220
Changes in the scope of consolidation	(773)	(2,903)	(5,583)	(9,259)
<b>Balance at 31 December 2009</b>	<b>280</b>	<b>52,533</b>	<b>326,025</b>	<b>378,838</b>

Non-current provisions include provisions for third-party liabilities whose purpose is to cover different Group liabilities including, inter alia, provisions for litigation, arbitration and claims in which the various Group companies act as the defendant due to the liabilities inherent to the activities carried on by them, provisions for restructuring costs and provisions for the closing and post-closing of landfills (basically in the services area).

The detail of the provision for third-party liabilities, by line of business, is as follows:

Line of Business	Thousands of euros
Construction	62,824
Industrial Services	78,234
Environment	116,696
Concessions	22,677
Corporate Unit	45,564
<b>Total</b>	<b>326,025</b>

Additionally, and in accordance with the opinion of the external lawyers responsible for the legal aspects of this matter, the Group considers that there is no economic risk relating to the lawsuit filed by Boliden-Apirsa in 2004. In relation to this matter, the Madrid Court of First Instance and the Madrid Provincial Appeal Court dismissed the lawsuit filed by Boliden-Apirsa. An appeal against this judgement has been filed before the Supreme Court.

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The changes in current provisions in 2009 were as follows:

Current	Provision for Termination Benefits	Provision for Contract Work Completion	Operating Allowance	Total
Thousands of euros				
Balance at 31 December 2008	13,276	132,707	118,730	264,713
Additions or charges for the year	7,065	22,585	54,060	83,710
Amounts used	(3,466)	(39,914)	(22,938)	(66,318)
Reversals	(307)	(877)	(3,579)	(4,763)
Exchange differences	(167)	(103)	(138)	(408)
Changes in the scope of consolidation	(640)	-	(1,139)	(1,779)
Balance at 31 December 2009	15,761	114,398	144,996	275,155

## 21. Financial risk and capital management

In view of its activities, the ACS Group is exposed to different financial risks, mainly arising from the ordinary course of its operations, the borrowings to finance its operating activities, and its investments in companies with functional currencies other than the Euro. The financial risks to which the operating units are subject include interest rate, foreign currency, liquidity and credit risks.

### Interest rate risk on cash flows

This risk arises from changes in future cash flows from borrowings bearing interest at floating rates (or with current maturity and likely renewal) as a result of fluctuations in market interest rates.

The objective of the management of this risk is to mitigate the impact on the cost of the debt arising from fluctuations in interest rates. For this purpose financial derivatives which guarantee fixed interest rates or rates with a narrow range of fluctuation are arranged for a substantial portion of the borrowings that may be affected by this risk (Note 22).

Taking into consideration the existing hedging instruments, as well as financing at a fixed interest rate, the sensitivity of the ACS Group's profit or loss to changes in interest rates is as follows:

	Increase/Decrease in the Interest Rate (basic points)	Effect on Profit or Loss (prior to tax)	Effect on Equity (after tax)
Million of euros			
	+ 50	(13.1)	74.3
2009	- 50	13.1	(74.3)
	+ 50	(12.8)	104.8
2008	- 50	12.8	(104.8)

## Foreign currency risk

The foreign currency risk arises mainly from the foreign operations of the ACS Group which makes investments and carries out business transactions in functional currencies other than the Euro, and from loans granted to Group companies in currencies other than those of the countries in which they are located.

To reduce the risk inherent to structural investments in foreign operations with a functional currency other than the Euro, the Group attempts to arrange debt in the same functional currency as the 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 different financial instruments for the purpose of mitigating exposure to foreign currency risk (Note 22).

In this regard, the main currency operated with against the Euro in 2009 and 2008 are the Brazilian Real and the US dollar and the sensitivity is as follows:

		2009		2008	
		5%	-5%	5%	-5%
Million of euros					
Brazilian real	Effect on profit or loss before tax	1.6	-1.6	5.2	-5.2
	Effect on equity before tax	26.1	-26.1	26.5	-26.5
US Dollar	Effect on profit or loss before tax	0.7	-0.7	4.2	-4.2
	Effect on equity before tax	23.7	-23.7	5.9	-5.9

Following is the ACS Groups exposure to the main currencies:

At 31 December 2009	US Dollar (USD)	Brazilian Real (BRL)	Moroccan Dirham (MAD)	Chilean Peso (CLP)	Mexican Peso (MXP)	Australian Dollar (AUD)	Argentine Peso (ARS)	Other currencies	Balance at 31/12/2009
Thousands of euros									
Marketable securities (portfolio of short and long-term investments)	-	-	29	818	-	7,440	-	1,220	9,507
Loans to associates	-	17,582	0	47,871	-	-	-	-	65,453
Other loans	80,438	5,909	1,811	1,986	31,888	3	7,749	19,886	149,670
Bank borrowings (non-current)	29,156	61,436	-	12,058	88	-	1,088	11,063	114,889
Bank borrowings (current)	166,539	47,100	33,337	(14,592)	4,970	-	8,791	15,380	261,525

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At 31 December 2008	US Dollar (USD)	Brazilian Real (BRL)	Moroccan Dirham (MAD)	Chilean Peso (CLP)	Mexican Peso (MXP)	Australian Dollar (AUD)	Argentine Peso (ARS)	Other currencies	Balance at 31/12/2008
Thousands of euros									
Marketable securities (portfolio of short and long-term investments)	1	2,234	-	1,193	3,073	10,105	126	1,076	17,808
Loans to associates	-	-	3,967	35,148	174	-	372	-	39,661
Other loans	30,883	66,326	54	2,056	889	8	2,379	185	102,780
Bank borrowings (non-current)	1,030	-	-	13,944	139,121	-	7,054	108,959	270,108
Bank borrowings (current)	5,180	5,746	25,484	(7,488)	39,863	-	2,653	10,246	81,684

## Liquidity risk

This risk results from the timing gaps between fund requirements for business investment commitments, debt maturities, working capital requirements, etc. and the funds arising from cash generated in the course of the Group's ordinary operations, different forms of bank financing, capital market operations and divestments.

The 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 the limited recourse financing of projects and debts, as described in Note 18, and current financing for working capital requirements.

Additionally, on 30 July 2009, in order to repay its existing amounting to EUR 1,500,000 thousand and maturing in 2010, ACS, Actividades de Construcción y Servicios, S.A. entered into a syndicated loan agreement, in which the agent entity was Caja Madrid, amounting to EUR 1,594,450 thousand and maturing in July 2012. Therefore, this loan continued to be classified as non-current. Urbaser, S.A. entered into a similar transaction with a syndicate of banks, by means of which its syndicated loan agreement was extended from EUR 650,000 thousand to EUR 750,000 thousand and the maturity date was extended to May 2012. In this context, the financing relating to the equity swap of Iberdrola, S.A. was expanded to March 2011. With these transactions, the ACS Group assures the liquidity of its business activity.

## 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 to the income statement for the year.

## Capital management

The ACS Group's objectives in relation to capital management are to maintain an optimal financial-equity structure in order to reduce the cost of capital, while safeguarding the company's ability to continue operating with an adequately stable debt-to-equity ratio.



The capital structure is mainly controlled through the debt-to-equity ratio, which is calculated by dividing net financial debt by net equity. Net financial debt is understood to comprise the following:

- + Net recourse debt:
  - + Non-current bank borrowings
  - + Current bank borrowings
  - + Issue of bonds and debentures
  - Cash and other current financial assets
- + Project financing debt.

The Group's directors consider the leverage to be appropriate at 31 December 2009 and 2008. Following is the detail thereof:

	2009	2008
Thousands of euros		
<b>Net recourse debt</b>	<b>302,135</b>	<b>2,933,685</b>
Non-current bank borrowings	3,033,655	3,288,055
Current bank borrowings	2,113,521	3,960,946
Other financial liabilities	73,039	50,859
Other current financial assets and cash	(4,918,080)	(4,366,175)
<b>Project financing</b>	<b>8,969,278</b>	<b>6,422,080</b>
Equity	4,591,503	9,913,040
Leverage	202%	94%
<b>Leverage to net recourse debt</b>	<b>7%</b>	<b>30%</b>

## Estimation of fair value

The breakdown at 31 December of the ACS Group's assets and liabilities measured at fair value according to the hierarchy levels mentioned in Note 08.06 is as follows:

	Value at 31/12/2009	Level 1	Level 2	Level 3
Thousands of euros				
<b>Financial assets measured at fair value</b>	<b>4,225,687</b>	<b>4,203,960</b>	<b>21,727</b>	-
Equity Instruments (Iberdrola)	4,203,960	4,203,960	-	-
Financial instrument receivables	21,727	-	21,727	-
<b>Financial liabilities measured at fair value</b>	<b>319,959</b>	-	<b>319,959</b>	-
Financial instrument payables	319,959	-	319,959	-

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	Value at 31/12/2008	Level 1	Level 2	Level 3
Thousands of euros				
<b>Financial assets measured at fair value</b>	<b>2,422,564</b>	<b>2,422,018</b>	<b>546</b>	<b>-</b>
Equity Instruments (Iberdrola)	2,422,018	2,422,018	-	-
Financial instrument receivables	546	-	546	-
<b>Financial liabilities measured at fair value</b>	<b>855,706</b>	<b>-</b>	<b>855,706</b>	<b>-</b>
Financial instrument payables	855,706	-	855,706	-

## 22. Derivative financial instruments

The ACS Group's different lines of business expose it to financial 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 (Note 21), the ACS Group entered into various financial derivative contracts, most of which have non-current maturities.

The detail, by maturity, of the notional amounts of the aforementioned hedging instruments in 2009 and 2008, on the basis of the nature of the contracts, is as follows:

	Notional Value	2010	2011	2012	2013	2014	Subsequent Years	Net Fair Value
Thousands of euros								
Interest rate	6,656,646	1,921,199	2,268,696	644,092	117,508	46,733	1,658,418	(305,620)
Exchange Rate	547,120	416,065	131,055	-	-	-	-	4,349
Price	21,907	-	21,907	-	-	-	-	3,662
Non-qualified hedges	167,349	-	167,349	-	-	-	-	(613)
<b>Total</b>	<b>7,393,022</b>	<b>2,337,264</b>	<b>2,589,007</b>	<b>644,092</b>	<b>117,508</b>	<b>46,733</b>	<b>1,658,418</b>	<b>(298,222)</b>

	Notional Value	2009	2010	2011	2012	2013	Subsequent Years	Net Fair Value
Thousands of euros								
Interest rate	9,065,758	253,333	4,186,283	2,274,277	750,678	83,504	1,517,683	(297,389)
Exchange Rate	657,029	113,979	411,995	131,055	-	-	-	(19,582)
Price	21,907	-	-	21,907	-	-	-	(1,037)
Non-qualified hedges	2,603,492	2,349,428	86,715	167,349	-	-	-	(537,152)
<b>Total</b>	<b>12,348,186</b>	<b>2,716,740</b>	<b>4,684,993</b>	<b>2,594,588</b>	<b>750,678</b>	<b>83,504</b>	<b>1,517,683</b>	<b>(855,160)</b>

The following table shows the fair value of the hedging instruments based on the nature of the contract, at 31 December 2009 and 2008:

	2009		2008	
	Assets	Liabilities	Assets	Liabilities
Million of euros				
<b>Interest rate</b>				
Cash flows	13,726	319,346	546	297,935
Non-efficient	-	-	-	-
Exchange Rate	4,349	-	-	19,582
Price	3,662	-	-	1,037
Non-qualified hedges	-	613	-	537,152
<b>Total</b>	<b>21,737</b>	<b>319,959</b>	<b>546</b>	<b>855,706</b>

The Group has no hedges for investments in foreign operations, since the foreign currency risk is covered with transactions carried out in local currencies. Additionally, the most significant foreign investments were made with non-current financing, in which the interest rates on project financing debt were hedged.

### Cash flow hedges (interest rate)

The objective of using these derivatives was to limit changes in interest rates on its project borrowings and to guarantee fixed interest rates, mainly by entering into interest rate swaps as the borrowings are arranged and used.

Most of the hedges are interest rate swaps which mature on the same date as or slightly earlier than the underlying amounts hedged.

Hedges of this type are mainly related to the various syndicated loans within the Group as well as project financing and other non-current financing, both at 31 December 2009 and 31 December 2008 (Notes 17 and 18).

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

- Loan of EUR 1,500 million. Various interest rate swaps were arranged to hedge 100% of this loan, which mature in July 2010.
- The syndicated financing of the Urbaser Group is hedged by interest rate swaps amounting to EUR 390,000 thousand, which mature in June 2010.

Noteworthy are the following hedges in relation to limited recourse financing of projects and debts:

- Interest rate hedge to cover the syndicated loan financing the purchase of 6.87% de Iberdrola, S.A. and maturing in July 2011.
- Interest rate swap to hedge the loan relating to the purchase of 25.08% of Hochtief, A.G. for EUR 632,000 thousand, which matures in 2012.
- Interest rate swap to hedge 75% to 100% of the financing of thermal solar plants maturing between 2019 and 2022.
- Hedging of the project financing of wind-powered facilities. These relate mostly to interest rate swaps maturing between 2011 and 2024.

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- The concession I-595 entered into two interest rate swaps through tranches A and B of the senior debt amounting to US \$ 780,587 thousand and maturing in full in 2018 and 2031, respectively.
- Autovía de La Mancha and Inversora de la Mancha have hedges amounting to EUR 139,060 thousand instrumented in an interest rate swap maturing in full in 2032.
- La Concesionaria Santiago Brión, S.A. entered into two interest rate swaps amounting to EUR 27,000 thousand and maturing in full in 2032.

## Cash flow hedges (exchange rate)

The foreign currency risk relates mainly to contract work in which payables and/or receivables are in a currency other than the functional currency.

The most significant derivatives contracted to hedge these risks relate to foreign currency hedges for industrial projects abroad amounting to EUR 547,120 thousand in 2009 and maturing between 2009 and 2011 (EUR 657,029 thousand in 2008 and maturing between 2009 and 2011).

## Derivative Instruments not qualified as hedges

Of the non-hedging derivative instruments, noteworthy at 31 December 2008 was the derivatives agreements, and specifically, the equity swap entered into by the Parent on shares of Iberdrola, S.A. affecting 259,939,800 shares, which represented 4.88% of its share capital and which may be settled in cash or shares at the option of ACS Actividades de Construcción y Servicios, S.A. In the first quarter of 2009, the Parent novated the contracts affecting 256,371,800 shares. In this novation the exercise period was extended (Note 10.01) and the contracts were no longer recognised as derivative instruments not qualified as hedges but rather as assets in the consolidated statement of financial position under "Non-Current Financial Assets" in accordance with IAS 39, and are measured at fair value. The changes in this fair value are recognised directly in equity. The related Financing is recognised on the liability side of the consolidated statement of financial position (Note 18).

The changes in the fair value of these instruments were charged to the income statement in 2008 with a net loss of EUR 648,185 thousand recognised under the heading "Changes in the Fair Value of Financial Instruments" (Note 28.06).

Additionally, non-hedging derivative instruments worthy of mention include those relating to share option plans. As discussed in Note 28.03, the Group has granted share option plans to certain managers and directors carrying out executive functions.

The obligations arising from these plans have been externalised and transferred to a financial institution. In relation to these obligations, the financial institution has a put option hedging the risk that the value of the share option will be less than the exercise price. Since this derivative is a fair value hedge, the hedged item is measured in the same manner as the hedging instrument and the effect is recognised in profit or loss. The changes in the fair value of these derivatives recorded with a charge to the income statement gave rise to a loss of EUR 2,325 thousand at 31 December 2009 (EUR 2,582 thousand at 31 December 2008).

## 23. Trade and other payables

"Trade and Other Payables" includes mainly the amounts outstanding for trade purchases and related costs.

Customer advances for contract work amounted to EUR 2,491,451 thousand in 2009 (EUR 2,398,787 thousand in 2008) (Note 12).

## 24. Other current liabilities

The detail of this heading at 31 December 2009 and 2008 is as follows:

	Balance at 31/12/2009	Balance at 31/12/2008
Thousands of euros		
Advance payments received	32,248	40,694
Payable to non-current asset suppliers	40,022	21,625
Interim dividend payable (Note 15.05)	283,198	286,780
Deposits and guarantees received	7,005	2,471
Other	235,023	364,748
<b>Total</b>	<b>597,496</b>	<b>716,318</b>

## 25. Segments

### 25.01. Basis of segmentation

In accordance with the ACS Group's internal organisational structure, and consequently, its internal reporting structure, the Group carries on its business activities through lines of business, which are the reporting segments.

#### 25.01.01. Business segments

The business segments used to manage the ACS Group are as follows:

- **Construction.** Engaging in the construction of civil works, and residential and non-residential building construction.
- **Industrial Services.** This segment is engaged in the development of applied engineering services, installations and the maintenance of industrial infrastructures in the energy, communications and control systems sectors.
- **Environment.** This segment groups together environmental services and the outsourcing of integral building maintenance.
- **Concessions.** This segment mainly engages in transport infrastructure concessions.
- **Corporation.** This segment groups together strategic investments in energy (Iberdrola, S.A.), construction and concessions (Hochtief, A.G.), telecommunications (Xfera Móviles, S.A.) and concessions (Abertis Infraestructuras, S.A.) activities.

#### 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.

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## 25.02. Basis and methodology for business segment reporting

The reporting structure is designed in accordance with the effective management of the different segments comprising the ACS Group. Each segment has its own resources based on the entities engaging in the related business, and accordingly, has the assets required to operate the business.

Each of the business segments relates mainly to a legal structure, in which the companies report to a holding company representing each activity for business purposes. Accordingly, each legal entity has the assets and resources required to perform its business activities in an autonomous manner.

Segment reporting for these businesses is presented below.

### 25.02.01. Income statement by business segment: 2009

	Construction	Concessions	Environment	Industrial Services	Corporate and Adjustments	Group Total
Thousands of euros						
<b>Revenue</b>	<b>6,125,317</b>	<b>63,964</b>	<b>2,638,549</b>	<b>6,862,099</b>	<b>(83,999)</b>	<b>15,605,930</b>
Changes in inventories of finished goods and work in progress	(13,554)	-	3,554	892	13	(9,095)
Capitalized expenses of in-house work on assets	12,768	10,210	112,854	4,079	1,938	141,849
Procurements	(4,281,513)	(5,358)	(667,438)	(4,209,952)	102,536	(9,061,725)
Other operating income	275,333	4,787	75,438	60,881	(25,483)	390,956
Staff Costs	(932,275)	(19,327)	(1,537,453)	(1,349,417)	(23,972)	(3,862,444)
Other operating expenses	(719,702)	(40,885)	(296,193)	(698,494)	(8,395)	(1,763,669)
Depreciation and amortisation charge	(86,596)	(14,248)	(129,829)	(133,279)	(1,154)	(365,106)
Allocation of grants relating to non-financial assets and others	-	168	2,543	525	-	3,236
Impairment and gains on the disposal of non-current assets	1,653	(1)	(507)	(512)	1	634
Other profit or loss	(23,030)	46	7,104	(18,122)	(5,177)	(39,179)
<b>Operating income</b>	<b>358,401</b>	<b>(644)</b>	<b>208,622</b>	<b>518,700</b>	<b>(43,692)</b>	<b>1,041,387</b>
Finance income	62,607	24,538	34,069	66,337	207,934	395,485
Finance costs	(71,146)	(38,273)	(71,981)	(146,726)	(336,460)	(664,586)
Changes in the fair value of financial instruments	-	(197)	(238)	(277)	(1,613)	(2,325)
Exchange differences	3,511	(949)	(1,831)	(1,087)	(14)	(370)
Impairment and gains on the disposal of financial instruments	(1,534)	(288)	692	20,475	3,423	22,768
<b>Financial profit</b>	<b>(6,562)</b>	<b>(15,169)</b>	<b>(39,289)</b>	<b>(61,278)</b>	<b>(126,730)</b>	<b>(249,028)</b>
Results of companies accounted for using the equity method	(1,711)	(24,388)	(258)	29,969	192,003	195,615
<b>Profit before tax</b>	<b>350,128</b>	<b>(40,201)</b>	<b>169,075</b>	<b>487,391</b>	<b>21,581</b>	<b>987,974</b>
Corporate income tax	(105,040)	13,706	(42,928)	(121,706)	135,538	(120,430)
<b>Profit for the year from continuing operations</b>	<b>245,088</b>	<b>(26,495)</b>	<b>126,147</b>	<b>365,685</b>	<b>157,119</b>	<b>867,544</b>
Profit after tax from discontinued operations	-	-	26,233	-	1,253,338	1,279,571
<b>Profit for the year</b>	<b>245,088</b>	<b>(26,495)</b>	<b>152,380</b>	<b>365,685</b>	<b>1,410,457</b>	<b>2,147,115</b>
Profit attributed to non-controlling interests	(3,675)	(216)	(7,696)	(17,386)	-	(28,973)
Profit from discontinued operations attributed to non-controlling interests	-	-	1,532	-	(168,143)	(166,611)
<b>Profit attributed to the parent</b>	<b>241,413</b>	<b>(26,711)</b>	<b>146,216</b>	<b>348,299</b>	<b>1,242,314</b>	<b>1,951,531</b>

## 25.02.02. Income statement by business segment: 2008

	Construction	Concessions	Environment	Industrial Services	Corporate and Adjustments	Group Total
Thousands of euros						
<b>Revenue</b>	<b>6,625,401</b>	<b>66,126</b>	<b>2,413,815</b>	<b>6,476,696</b>	<b>(306,470)</b>	<b>15,275,568</b>
Changes in inventories of finished goods and work in progress	(3,535)	-	(33)	(508)	(187)	(4,263)
Capitalized expenses of in-house work on assets	34,629	49,890	162,155	34,302	(2,520)	278,456
Procurements	(4,691,513)	(44,201)	(623,003)	(3,868,391)	184,359	(9,042,749)
Other operating income	320,011	5,243	74,876	24,074	99,583	523,787
Staff Costs	(965,432)	(14,368)	(1,417,103)	(1,350,913)	(25,090)	(3,772,906)
Other operating expenses	(843,726)	(37,426)	(308,054)	(737,287)	8,163	(1,918,330)
Depreciation and amortisation charge	(64,890)	(17,494)	(108,532)	(107,442)	(1,020)	(299,378)
Allocation of grants relating to non-financial assets and others	-	-	1,173	1,337	-	2,510
Impairment and gains on the disposal of non-current assets	1,755	(35)	(722)	(715)	-	283
Other profit or loss	(49,901)	(1)	12,627	(8,320)	193,223	147,628
<b>Operating income</b>	<b>362,799</b>	<b>7,734</b>	<b>207,199</b>	<b>462,833</b>	<b>150,041</b>	<b>1,190,606</b>
Finance income	130,811	28,607	48,888	157,934	36,372	402,612
Finance costs	(89,571)	(54,740)	(80,164)	(204,905)	(341,399)	(770,779)
Changes in the fair value of financial instruments	-	-	-	-	(650,767)	(650,767)
Exchange differences	(3,603)	6,773	(2,612)	960	62	1,580
Impairment and gains on the disposal of financial instruments	3,064	705,064	(3,467)	(1,174)	285	703,772
<b>Financial profit</b>	<b>40,701</b>	<b>685,704</b>	<b>(37,355)</b>	<b>(47,185)</b>	<b>(955,447)</b>	<b>(313,582)</b>
Results of companies accounted for using the equity method	(3,005)	(37,310)	(140)	23,196	174,601	157,342
<b>Profit before tax</b>	<b>400,495</b>	<b>656,128</b>	<b>169,704</b>	<b>438,844</b>	<b>(630,805)</b>	<b>1,034,366</b>
Corporate income tax	(123,896)	(15,405)	(47,894)	(112,016)	271,602	(27,609)
<b>Profit for the year from continuing operations</b>	<b>276,599</b>	<b>640,723</b>	<b>121,810</b>	<b>326,828</b>	<b>(359,203)</b>	<b>1,006,757</b>
Profit after tax from discontinued operations	-	-	32,080	-	1,600,894	1,632,974
<b>Profit for the year</b>	<b>276,599</b>	<b>640,723</b>	<b>153,890</b>	<b>326,828</b>	<b>1,241,691</b>	<b>2,639,731</b>
Profit attributed to non-controlling interests	(1,584)	686	(6,651)	(10,151)	-	(17,700)
Profit from discontinued operations attributed to non-controlling interests	-	-	(2,618)	-	(814,377)	(816,995)
<b>Profit attributed to the parent</b>	<b>275,015</b>	<b>641,409</b>	<b>144,621</b>	<b>316,677</b>	<b>427,314</b>	<b>1,805,036</b>

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## 25.02.03. Statement of financial position by business segment: 2009

Assets	Construction	Concessions	Environment	Industrial Services	Corporate and Adjustments	Group Total
Thousands of euros						
<b>Non-current assets</b>	<b>1,899,311</b>	<b>1,029,184</b>	<b>1,919,981</b>	<b>4,515,000</b>	<b>8,374,939</b>	<b>17,738,415</b>
Intangible assets	830,018	5,587	268,709	195,807	275,117	1,575,238
Goodwill	648,791	-	145,987	57,126	275,114	1,127,018
Other intangible assets	181,227	5,587	122,722	138,681	3	448,220
Property, plant and equipment / investment property	568,417	13,612	752,442	206,662	3,754	1,544,887
Non-current assets in projects	106,955	556,707	382,854	3,447,486	(1,359)	4,492,643
Non-current financial assets	207,219	405,568	495,158	570,280	7,652,516	9,330,741
Other non-current assets	186,702	47,710	20,818	94,765	444,911	794,906
<b>Current assets</b>	<b>5,658,477</b>	<b>276,637</b>	<b>2,773,765</b>	<b>4,771,724</b>	<b>535,195</b>	<b>14,015,798</b>
Non-current assets held for sale	-	-	1,177,164	1,585	-	1,178,749
Inventories	453,775	66	40,988	165,812	(2,832)	657,809
Trade and other receivables	2,815,623	32,404	1,227,822	3,117,280	(18,266)	7,174,863
Other current financial assets	1,121,199	187,191	187,199	662,691	552,771	2,711,051
Other current assets	59,355	1,127	10,458	14,356	1,001	86,297
Cash and cash equivalents	1,208,525	55,849	130,134	810,000	2,521	2,207,029
<b>Total assets</b>	<b>7,557,788</b>	<b>1,305,821</b>	<b>4,693,746</b>	<b>9,286,724</b>	<b>8,910,134</b>	<b>31,754,213</b>
Equity and Liabilities	Construction	Concessions	Environment	Industrial Services	Corporate and Adjustments	Group Total
Thousands of euros						
<b>Equity</b>	<b>821,699</b>	<b>261,772</b>	<b>1,127,228</b>	<b>882,917</b>	<b>1,497,887</b>	<b>4,591,503</b>
Equity attributed to the Parent	750,036	249,900	1,033,778	771,648	1,498,048	4,303,410
Non-controlling interests	71,663	11,872	93,450	111,269	(161)	288,093
<b>Non-current liabilities</b>	<b>665,273</b>	<b>671,627</b>	<b>1,167,868</b>	<b>3,321,790</b>	<b>7,353,240</b>	<b>13,179,798</b>
Grants	-	5,486	69,426	15,612	-	90,524
Non-current financial liabilities	437,095	496,108	913,596	2,925,849	7,001,610	11,774,258
Bank borrowings, debt instruments and other held-for-trading liabilities	270,675	9,726	739,462	176,961	1,836,831	3,033,655
Project finance with limited recourse	140,424	486,382	174,134	2,725,510	5,164,779	8,691,229
Other financial liabilities	25,996	-	-	23,378	-	49,374
Financial instrument payables	8,301	31,288	8,867	109,601	161,902	319,959
Other non-current liabilities	219,877	138,745	175,979	270,728	189,728	995,057
<b>Current liabilities</b>	<b>6,070,816</b>	<b>372,422</b>	<b>2,398,650</b>	<b>5,082,017</b>	<b>59,007</b>	<b>13,982,912</b>
Liabilities relating to non-current assets held for sale	-	3	845,055	-	-	845,058
Current financial liabilities	947,783	292,209	595,469	582,915	(3,141)	2,415,235
Bank borrowings, debt instruments and other held-for-trading liabilities	782,204	288,259	575,760	376,753	90,545	2,113,521
Project finance with limited recourse	3,797	3,922	19,297	188,259	62,774	278,049
Other financial liabilities	161,782	28	412	17,903	(156,460)	23,665
Trade and other payables	4,828,362	65,462	836,022	4,139,001	(18,879)	9,849,968
Other current liabilities	294,671	14,748	122,104	360,101	81,027	872,651
<b>Total equity and liabilities</b>	<b>7,557,788</b>	<b>1,305,821</b>	<b>4,693,746</b>	<b>9,286,724</b>	<b>8,910,134</b>	<b>31,754,213</b>



## 25.02.04. Statement of financial position by business segment: 2008

Assets	Construction	Concessions	Environment	Industrial Services	Corporate and Adjustments	Group Total
Thousands of euros						
<b>Non-current assets</b>	<b>1,541,004</b>	<b>984,100</b>	<b>2,570,832</b>	<b>3,180,353</b>	<b>6,343,124</b>	<b>14,619,413</b>
Intangible assets	585,979	12	456,921	148,877	275,117	1,466,906
Goodwill	560,950	-	244,015	52,484	275,114	1,132,563
Other intangible assets	25,029	12	212,906	96,393	3	334,343
Property, plant and equipment / investment property	477,736	3,964	1,101,466	207,148	(910)	1,789,404
Non-current assets in projects	138,527	634,055	429,029	2,386,854	(1,415)	3,587,050
Non-current financial assets	187,236	327,938	535,198	394,385	5,636,354	7,081,111
Other non-current assets	151,526	18,131	48,218	43,089	433,978	694,942
<b>Current assets</b>	<b>6,110,146</b>	<b>435,441</b>	<b>1,921,042</b>	<b>4,323,059</b>	<b>23,989,264</b>	<b>36,778,952</b>
Non-current assets held for sale	-	-	-	1,585	24,349,032	24,350,617
Inventories	494,872	62	42,057	162,039	(436)	698,594
Trade and other receivables	3,068,693	76,462	1,268,464	3,060,311	(172,374)	7,301,556
Other current financial assets	1,266,822	293,107	374,955	440,941	(190,690)	2,185,135
Other current assets	36,671	1,294	6,995	16,124	926	62,010
Cash and cash equivalents	1,243,088	64,516	228,571	642,059	2,806	2,181,040
<b>Total assets</b>	<b>7,651,150</b>	<b>1,419,541</b>	<b>4,491,874</b>	<b>7,503,412</b>	<b>30,332,388</b>	<b>51,398,365</b>

Equity and Liabilities	Construction	Concessions	Environment	Industrial Services	Corporate and Adjustments	Group Total
Thousands of euros						
<b>Equity</b>	<b>742,932</b>	<b>297,970</b>	<b>1,156,470</b>	<b>721,368</b>	<b>6,994,300</b>	<b>9,913,040</b>
Equity attributed to the Parent	729,211	278,803	1,060,072	631,847	702,489	3,402,422
Non-controlling interests	13,721	19,167	96,398	89,521	6,291,811	6,510,618
<b>Non-current liabilities</b>	<b>471,709</b>	<b>710,106</b>	<b>1,680,271</b>	<b>2,533,155</b>	<b>5,674,430</b>	<b>11,069,671</b>
Grants	-	-	53,877	11,509	-	65,386
Non-current financial liabilities	350,436	573,555	1,407,785	2,281,913	4,962,588	9,576,277
Bank borrowings, debt instruments and other held-for-trading liabilities	135,266	11,859	1,108,478	144,292	1,888,160	3,288,055
Project finance with limited recourse	170,480	553,846	295,501	2,126,145	3,099,268	6,245,240
Other financial liabilities	44,690	7,850	3,806	11,476	(24,840)	42,982
Financial instrument payables	17,633	30,535	23,486	96,395	687,657	855,706
Other non-current liabilities	103,640	106,016	195,123	143,338	24,185	572,302
<b>Current liabilities</b>	<b>6,436,509</b>	<b>411,465</b>	<b>1,655,133</b>	<b>4,248,889</b>	<b>17,663,658</b>	<b>30,415,654</b>
Liabilities relating to non-current assets held for sale	-	-	-	15	15,912,925	15,912,940
Current financial liabilities	781,180	327,023	523,409	433,575	2,080,476	4,145,663
Bank borrowings, debt instruments and other held-for-trading liabilities	570,306	298,733	491,322	359,061	2,241,524	3,960,946
Project finance with limited recourse	6,346	7,008	24,664	71,750	67,072	176,840
Other financial liabilities	204,528	21,282	7,423	2,764	(228,120)	7,877
Trade and other payables	5,169,555	70,495	834,972	3,509,395	(208,397)	9,376,020
Other current liabilities	485,774	13,947	296,752	305,904	(121,346)	981,031
<b>Total equity and liabilities</b>	<b>7,651,150</b>	<b>1,419,541</b>	<b>4,491,874</b>	<b>7,503,412</b>	<b>30,332,388</b>	<b>51,398,365</b>

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The detail of revenue from Construction is as follows:

	2009	2008
Thousands of euros		
Spain	4,698,427	5,809,391
Civil Engineering Work	2,962,140	3,301,270
Building Construction	1,736,287	2,508,121
International	1,426,890	816,010
<b>Total</b>	<b>6,125,317</b>	<b>6,625,401</b>

The detail of revenue from Industrial Services is as follows:

	2009	2008
Thousands of euros		
Networks	887,910	957,045
Specialized Facilities	2,362,745	2,365,044
Integrated Projects	2,577,823	2,126,354
Control Systems	1,100,734	1,109,430
Eliminations	(67,113)	(81,177)
<b>Total</b>	<b>6,862,099</b>	<b>6,476,696</b>

Of the total revenue from Industrial Services, EUR 2,296,734 thousand related to international operations in 2009 (EUR 2,219,612 thousand in 2008), representing 33.5% and 34.3% respectively.

The detail of revenue from Environment activity is as follows:

	2009	2008
Thousands of euros		
Environment	1,620,918	1,473,087
Integral Maintenance	1,017,631	940,727
<b>Total</b>	<b>2,638,549</b>	<b>2,413,814</b>

Of the total revenue from Environment activity, EUR 365,893 thousand related to international operations in 2009 (EUR 307,508 thousand in 2008), representing 13.9% and 12.7%, respectively.

Inter-segment sales are made at prevailing market prices.

The breakdown of certain of the Group's consolidated balances based on the geographical location of the companies that gave rise to them is as follows:

	Spain		Rest of the World	
	2009	2008	2009	2008
Thousands of euros				
Revenue	11,501,689	11,922,996	4,104,241	3,352,572
Segment assets	25,704,227	43,558,943	6,049,986	7,839,422
Total net investments	(2,142,808)	599,596	835,512	(429,221)

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

	2009	2008
Thousands of euros		
Construction	120,160	144,412
Concessions	184,581	76,658
Environment & Logistics	242,868	324,519
Industrial Services	1,119,535	1,039,667
Corporate Unit	2,922	1,274
<b>Total</b>	<b>1,670,066</b>	<b>1,586,530</b>

## 26. Tax matters

### 26.01. Consolidated Tax Group

Pursuant to current legislation, the consolidated tax Group 30/99 includes ACS, Actividades de Construcción y Servicios, S.A., as the Parent, and the Spanish subsidiaries in which the Parent has, directly or indirectly, an ownership interest of at least 75% and that meet the other requirements provided for in Spanish legislation regulating the tax consolidation regime.

The Group's other subsidiaries file individual tax returns in accordance with the tax legislation in force in each country.

### 26.02. Tax audit

In 2009 an inspection was commenced by the Spanish tax authorities on the consolidated tax group 30/99 in relation to corporation tax for the years 2003 to 2005 and on the tax group 24/97, whose parent was Grupo Dragados, S.A., for 2003. As part of this tax audit, the review of other taxes was also commenced for certain companies. In this connection, no conclusion has yet to be documented.

Additionally, in relation to the appeals filed against tax assessments issued in previous years with respect to tax credits relating to export activities, a ruling has yet to be handed down in the case of the tax assessment issued against tax group 24/97 for the years 2000 to 2002. However, the hypothetical affect on the Group's financial statements would be covered by the provisions for contingencies and expenses.

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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 2009.

## 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:

	2009	2008
Thousands of euros		
Consolidated profit before tax	987,974	1,034,366
Net profit from equity accounted investments	(195,615)	(157,342)
Permanent differences	(44,016)	(702,233)
Taxable profit	748,343	174,791
Tax at 30 %	224,503	52,437
Tax credits and tax relief	(112,797)	(51,610)
Effect of different standard tax rate in other countries	16,650	19,442
Current income tax expense	128,356	20,269
Effective rate, excluding equity method	16.20%	2.31%

The tax credits in 2009 relate mainly to the credit for the double taxation of dividends of Iberdrola, S.A. amounting to EUR 60,527 thousand, and tax relief relating to investment incentives. The permanent differences arising in 2008 are mainly a result of the tax exemption applicable to the gains obtained on the sale of assets abroad.

## 26.04. Detail of income tax expense

The detail of the corporation tax expense is as follows:

	2009	2008
Thousands of euros		
Current income tax expense (table 26.03)	128,356	20,269
Expense / (Income) arising from deferred tax assets not generated or applied in the year	-	(491)
Expense / (Income) relating to adjustments to current tax	5,149	15,895
Expense / (Income) relating to adjustments to prior years' tax	(7,879)	(6,237)
Expense / (Income) relating to the effect of legislative changes on deferred taxes	(822)	(733)
(Income) arising from the application of prior years' deferred tax assets	(4,627)	(6,784)
Expense arising from deferred tax assets generated in the year	253	5,690
Ending corporation tax expense balance	120,430	27,609

## 26.05. Tax recognised in equity

In addition to the Corporation tax recognised in the consolidated income statement, in 2009 and 2008, the Group recognised EUR 175,634 thousand in equity in 2009 (EUR 554,819 thousand in 2008). These amounts relate mainly to the tax effect of available-for-sale assets amounting to EUR 226,439 thousand in 2009 (EUR 382,162 thousand in 2008), and cash flow derivatives amounting to EUR (33,508) thousand in 2009 (EUR 154,711 thousand in 2008).

## 26.06. Deferred taxes

The detail of the main deferred tax assets and liabilities recognised by the Group and of the changes therein in 2009 and 2008 is as follows:

	Charge/Credit to Equity						Business combinations		Balance at 31 December 2009
	Balance at 31 December 2008	Charge/ Credit to Income Statement	Foreign Currency Balance Translation Differences	Cash Flow Hedges	Available-for-sale financial assets	Reclassifications and Other	Period Additions	Period Disposals	
Thousands of euros									
<b>Assets</b>									
Temporary differences	629,792	(1,947)	394	15,227	10,183	7,321	-	(24,475)	636,495
Tax losses	17,755	5,424	(1)	1,060	-	-	-	(6,736)	17,502
Tax credits	46,849	71,788	-	-	-	-	1,524	(989)	119,172
<b>Liabilities</b>									
Temporary differences	230,805	159,913	(2)	15,555	(49,920)	2,217	55,330	(39,850)	374,048

	Charge/Credit to Equity						Business combinations		Balance at 31 December 2008
	Balance at 31 December 2007	Charge/ Credit to Income Statement	Foreign Currency Balance Translation Differences	Cash Flow Hedges	Available-for-sale financial assets	Reclassifications and Other	Period Additions	Period Disposals	
Thousands of euros									
<b>Assets</b>									
Temporary differences	878,671	12,897	41	95,027	281,667	15,208	(266)	(653,453)	629,792
Tax losses	44,230	6,929	-	-	-	641	383	(34,428)	17,755
Tax credits	134,252	39,255	-	107	-	(15,070)	-	(111,695)	46,849
<b>Liabilities</b>									
Temporary differences	1,945,668	25,086	(8)	(18,957)	(81,558)	6,976	13,907	(1,660,309)	230,805

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Deferred tax assets and liabilities have not been offset.

In 2009 and 2008, the movements in deferred taxes for temporary differences arose as a result of the following:

	2009	2008
Thousands of euros		
<b>Deferred Tax Assets:</b>		
Asset valuation adjustments and impairment losses	341,971	385,891
Other provisions	101,039	47,574
Pension costs	28,795	35,226
Income with different timing of recognition for tax and accounting purposes	109,854	115,464
Other	54,836	45,637
<b>Total</b>	<b>636,495</b>	<b>629,792</b>
<b>Deferred Tax Liabilities:</b>		
Assets recognised at an amount higher than their tax base	300,235	158,621
Income with different timing of recognition for tax and accounting purposes	41,336	33,706
Other	32,477	38,478
<b>Total</b>	<b>374,048</b>	<b>230,805</b>

The increase in deferred tax assets in 2009 relates mainly to the application of the unrestricted amortisation tax regime.

In addition to the amounts recognised on the asset side of the statement of financial position, as detailed in the table 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 not possible to predict the future flows of economic benefits, the amount of which are immaterial.

The temporary differences arising in connection with investments in associates and interests in joint ventures are not material.

## 27. Revenue

The distribution of revenue relating to the Group's ordinary operations is as follows:

	2009	2008
Thousands of euros		
Construction	6,125,317	6,625,401
Industrial Services	6,862,099	6,476,696
Environment	2,638,549	2,413,814
Concessions	63,964	66,126
Corporate Unit and other	(83,999)	(306,469)
<b>Total</b>	<b>15,605,930</b>	<b>15,275,568</b>

In 2009 foreign currency transactions relating to sales and services amounted to EUR 3,161,483 thousand (EUR 2,237,737 thousand in 2008) and those relating to purchases and services received amounted to EUR 2,132,525 thousand (1,553,401 thousand in 2008).

Single clients accounting for over 10% of total sales included the Spanish government, with sales amounting to 43.6% (42.8% in 2008).

The backlog by line of business as of 31 December 2009 and 2008 was as follows:

	2009	2008
Thousands of euros		
Construction	11,431,110	11,023,180
Industrial Services	6,619,331	6,244,272
Environment	11,457,444	10,412,098
<b>Total</b>	<b>29,507,885</b>	<b>27,679,550</b>

EUR 141,849 thousand (EUR 278,456 thousand in 2008) relating to in-house work on property, plant and equipment and intangible assets in projects were recognised under "Capitalised Expenses of In-House Work on Assets" in the income statement in 2009.

"Other Revenue" related mainly to services provided to third parties in relation to joint ventures in the Construction area in 2008.

As a result of the consideration of the port and logistics services as a discontinued operation (Note 3.09) the 2008 revenue figures were restated in accordance with IFRS 5 in 2008.

## 28. Expenses

### 28.01. Procurements

The detail of this heading is as follows:

	2009	2008
Thousands of euros		
Cost of merchandise sold	1,600,906	1,603,024
Cost of raw materials and other consumables used	1,629,299	1,916,361
Contract work carried out by other companies	5,831,436	5,520,827
Impairment of merchandise, raw material and other procurements	84	2,537
<b>Total</b>	<b>9,061,725</b>	<b>9,042,749</b>

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## 28.02. Staff Costs

The detail of "Staff Costs" is as follows:

	2009	2008
Thousands of euros		
Wages and salaries	2,986,024	2,898,811
Social security costs	818,750	818,055
Other staff costs	45,178	50,932
Provisions	12,492	5,108
<b>Total</b>	<b>3,862,444</b>	<b>3,772,906</b>

Staff costs amounting to EUR 1,734 thousand in 2009 and EUR 3,791 thousand in 2008 relating to the share option plans were charged to the income statement and are recognised under "Wages and Salaries".

The average number of employees at Group companies in 2009 was 142,085 (136,100 in 2008).

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

Category	Average Number of Employees at 31/12/2009			Average Number of Employees at 31/12/2008		
	Men	Women	Total	Men	Women	Total
University graduates	4,508	1,528	6,036	3,891	1,381	5,272
Junior college graduates	4,424	1,934	6,358	4,078	1,328	5,406
Non-graduate line personnel	9,177	2,923	12,100	6,516	2,389	8,905
Clerical personnel	2,073	3,199	5,272	1,909	2,788	4,697
Other staff	68,718	43,601	112,319	70,919	40,901	111,820
<b>Total</b>	<b>88,900</b>	<b>53,185</b>	<b>142,085</b>	<b>87,313</b>	<b>48,787</b>	<b>136,100</b>

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

	2009	2008
Thousands of euros		
Construction	18,328	19,310
Industrial Services	41,176	39,886
Environment	82,253	76,645
Concessions	271	202
Corporate Unit and other	57	57
<b>Total</b>	<b>142,085</b>	<b>136,100</b>



## 28.03. Share-based payments

In 2009 and 2008 there were two share option plans, the salient features of which are as follows:

### 2004 Plan

On 1 July 2004, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., in keeping with the resolutions adopted by the shareholders at the Annual General Meeting on 20 May 2004, set up a Share Option Plan with the following features:

- Number of shares covered under the Plan: 7,038,000 shares.
- Beneficiaries: 33 managers: 1 manager with 1,710,000 shares; 6 managers with between 900,000 and 300,000 shares; 16 managers with 108,000 shares, 10 managers with between 75,000 and 45,000 shares.
- Acquisition price: EUR 13.91 per share.

The options are exercisable in three equal parts and may be accumulated at the beneficiary's option in the fourth, fifth and sixth year after 1 May 2004, inclusively. However, in the case of the termination of an employee for causes other than just cause or the beneficiary's own will, the options will be exercisable six months following the event in question, in the cases of death, retirement, early retirement or permanent disability, and following 30 days in all other cases. Tax withholdings and taxes will be borne by the beneficiaries.

At 31 December 2009, 4,318,000 of the 2004 plan options had been exercised ( 2,421,500 at 31 December 2008).

### 2005 Plan

At the Annual General Meeting held on 19 May 2005, the shareholders of ACS, Actividades de Construcción y Servicios, S.A. resolved to authorise the Board of Directors to modify the previous Share Option Plan by increasing the number of share options of the Parent and maintaining the conditions of the previous Plan. Accordingly, the features of this plan subsequent to this increase are as follows:

- Number of shares covered under the Plan: 7,076,925 shares.
- Beneficiaries: 39 managers – 1 manager with 1,400,000 shares, 6 managers with between 950,000 and 350,000 shares, 7 managers with between 178,000 and 100,000 shares and 25 managers with between 83,769 and 19,825 shares.
- Acquisition price: EUR 24.10 per share.

The options will be exercisable in three equal parts and may be accumulated at the beneficiary's option in the fourth, fifth and sixth year after 1 May 2005. The rest of the conditions are the same as for the 2004 Plan.

At 31 December 2009, 2,362,768 of the 2005 plan options had been exercised ( 1,783,770 at 31 December 2008).

The share options are always to be exercised by means of equity instruments and never in cash. However, as indicated in Note 22, since the Group has hedged the commitments arising from these plans with a financial institution, in no case shall the exercise thereof involve the issue of equity instruments additional to those outstanding at 31 December 2009 and 31 December 2008. In this respect and in accordance with IFRS 2, "Share-Based Payments" EUR 1,734 thousand (EUR 3,791 thousand in 2008) were to be charged to income for these plans, with a credit to equity. Additionally, these costs do not imply the recognition of income by the managers for tax purposes until the options are exercised, as provided in the various option plans and the legislation in force. The Parent has externalised these commitments and transferred them to a financial institution (Note 22).

The stock market price of ACS shares at 31 December 2008 and 2006 was EUR 34.81 and EUR 32.65 euros per share, respectively.

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## 28.04. Operating leases

The most significant information relating to the operating leases held by the Group as lessee is as follows:

	2009	2008
Thousands of euros		
Lease payments under operating leases recognised in profit for the year	497,900	661,235

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:

	2009	2008
Thousands of euros		
Within one year	61,947	31,531
Between two and five years	106,234	73,295
Over five years	50,893	41,462

The Group has no material operating leases as lessor.

## 28.05. Other profit or loss

The balance under this heading in the accompanying consolidated income statement in 2008 relates to the reversal of provisions for contingencies and expenses amounting to EUR 151 million.

## 28.06. Changes in the fair value of financial instruments

This heading includes the effect on the income statement of derivative instruments which do not meet the efficiency criteria provided in IAS 39, or which are not hedging instruments. The most significant effect in 2008 is from derivatives relating to the investment in Iberdrola, S.A. (Note 21).

## 28.07. Finance income

In 2009, most noteworthy under this heading was EUR 206,102 thousand relating to the dividend payable on the 12% ownership interest in Iberdrola, S.A. (EUR 109,215 thousand in 2008).

## 29. Impairment and gains on the disposal of financial instruments

In 2009 there were no material transactions. However, noteworthy in 2008 were the following transactions:

The ACS Group sold its ownership interest in Desarrollo de Concesiones Aeroportuarias, S.L., which included its investment in the airports of Chile, Columbia, Jamaica and Mexico. This transaction gave rise to consolidated profit before tax amounting to EUR 114.5 million.

The ACS Group sold the whole of its ownership interest in its subsidiary Inversora de Infraestructuras, S.L, which holds shares in the Chilean tollroads, Rutas del Pacífico, S.A. (48%) and Autopista Central (50%), to Abertis Infraestructuras, S.A. and to a Santander Group venture capital fund. The gain from this sale before tax amounted to EUR 530,136 thousand.

Lastly, the ACS Group sold 20% of its ownership interest in Scutvias Autostradas da Beira Interior, S.A. giving rise to a gain before tax amounting to EUR 48,349 thousand.

## 30. Distribution of profit

The distribution of the Parent's net profit for 2009 that the Board of Directors will propose for approval by shareholders at the Annual General Meeting is as follows:

Thousands of euros	
To goodwill reserve	41,208
To voluntary reserve	151,114
Dividends	645,062
<b>Total</b>	<b>837,384</b>

The proposed final dividend is subject to approval by the General Shareholders' Meeting and has not been included as a liability in these financial statements.

Of the dividend out of 2009 profit, an interim dividend of EUR 0.90 per share was already approved in 2009 for a total of EUR 283,198 thousand, which was recognised as a reduction in the ACS Group's equity at 31 December 2009. The Board of Directors has presented the liquidity statement required under Article 216 of the revised Companies Law in the individual financial statements of the Parent.

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## 31. Earnings per share

### 31.01. Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributed to the Group by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares held in the year.

Accordingly:

	31/12/2009	31/12/2008	Change ( % )
Net profit for the year (thousands of euros)	1,951,531	1,805,036	8.12
Weighted average number of shares outstanding	310,976,087	332,585,104	(6.50)
<b>Basic earnings per share (euros)</b>	<b>6.28</b>	<b>5.43</b>	<b>15.65</b>
Profit after tax and non-controlling interests of discontinued operations	1,112,960	815,979	36.40
<b>Basic earnings per share from discontinued operations (euros)</b>	<b>3.58</b>	<b>2.45</b>	<b>46.12</b>

### 31.02. Diluted earnings per share

The diluted earnings per share were the same as basic earnings per share. At 31 December 2009 and 2008, 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

At the date of the preparation of these financial statements there were no other events worthy of mention with an effect on the information contained in the financial statements.

## 33. Balances and transactions with related parties

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 Group companies carry out all transactions with related parties at market prices. Additionally, the transfer prices are appropriately supported and the Parent's directors do not consider there to be any significant risks in this connection which could lead to material liabilities in the future.

### 33.01. Transactions with associates

The Group companies performed the following transactions with related parties that do not form part of the Group:

	Sales of Goods and Services		Purchases of Goods and Services		Accounts Receivable		Accounts Payable	
	2009	2008	2009	2008	2009	2008	2009	2008
Thousands of euros								
Associates	233,430	241,171	5,011	2,206	626,009	321,403	22,767	21,214
Joint ventures	12,971	7,976	8,613	3,063	55,572	22,942	6,279	2,687

Transactions between Group companies are carried out on an arms-length basis.

### 33.02. Balances and transactions with other related parties

Information relating to the transactions with related parties carried out in 2009 is disclosed in accordance with the Order EHA/3050/2004, of 15 September of the Ministry of Economy and Finance and its application by means of the CNMV Circular 1/2005, of 1 April.

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## Transactions between individuals, companies or Group entities related to Group shareholders or Board members

The transactions performed in 2009 were as follows:

Expenses and Revenue	31/12/2009				Total
	Significant Shareholders	Directors and Managers	Individuals, Companies or Group Entities	Other Related Parties	
Thousands of euros					
<b>Expenses:</b>					
Finance costs	-	-	-	-	-
Management or cooperation agreements	-	-	-	3,417	3,417
R&D transfers and license agreements	-	-	-	-	-
Leases	-	-	-	615	615
Reception of services	1	-	-	19,377	19,378
Purchase of goods (unfinished or finished)	-	-	-	13	13
Value adjustments for uncollectible or doubtfully collectible	-	-	-	-	-
Losses arising from the retirement or disposal of assets	-	-	-	-	-
Other expenses	-	-	-	71,448	71,448
	<b>1</b>	<b>-</b>	<b>-</b>	<b>94,870</b>	<b>94,871</b>
<b>Revenue:</b>					
Finance income	-	-	-	-	-
Management or cooperation agreements	-	-	-	-	-
R&D transfers and license agreements	-	-	-	-	-
Dividends received	-	-	-	-	-
Leases	-	-	-	-	-
Provision of services	2,519	-	-	1,846	4,365
Sale of goods (unfinished or finished)	-	-	-	1,906	1,906
Gains arising from the retirement or disposal of assets	-	-	-	-	-
Other revenue	-	-	-	-	-
	<b>2,519</b>	<b>-</b>	<b>-</b>	<b>3,752</b>	<b>6,271</b>

Other Transactions	31/12/2009				Total
	Significant Shareholders	Directors and Managers	Individuals, Companies or Group Entities	Other Related Parties	
Thousands of euros					
Purchase of property, plant or equipment, intangible assets or other assets	-	-	-	-	-
Financing agreements: Loans and capital contributions (lender)	54,170	-	-	99,222	153,392
Finance lease agreements (lessor)	-	-	-	-	-
Repayment or write-off of loans and lease agreements (lessor)	-	-	-	-	-
Sale of property, plant or equipment, intangible assets or other assets	-	-	-	-	-
Financing agreements: Loans and capital contributions (borrower)	-	-	-	-	-
Finance lease agreements (lessee)	-	-	-	-	-
Repayment or write-off of loans and lease agreements (lessee)	-	-	-	-	-
Guarantees given	67,200	-	-	80,186	147,386
Guarantees received	-	-	-	-	-
Commitments acquired	-	-	-	-	-
Cancelled commitments/guarantees	-	-	-	-	-
Dividends and other distributed profit	-	-	-	4,449	4,449
Other transactions	98,054	-	-	-	98,054

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The transactions performed in 2008 were as follows:

Expenses and Revenue	31/12/2008				Total
	Significant Shareholders	Directors and Managers	Individuals, Companies or Group Entities	Other Related Parties	
Thousands of euros					
<b>Expenses:</b>					
Finance costs	-	-	-	-	-
Management or cooperation agreements	-	-	-	305	305
R&D transfers and license agreements	-	-	-	-	-
Leases	-	-	-	605	605
Reception of services	-	-	-	100,422	100,422
Purchase of goods (unfinished or finished)	-	-	-	84	84
Value adjustments for uncollectible or doubtfully collectible	-	-	-	-	-
Losses arising from the retirement or disposal of assets	-	-	-	-	-
Other expenses	-	-	-	54,772	54,772
	-	-	-	156,188	156,188
<b>Revenue:</b>					
Finance income	-	-	-	-	-
Management or cooperation agreements	-	-	-	-	-
R&D transfers and license agreements	-	-	-	-	-
Dividends received	-	-	-	-	-
Leases	-	-	-	1,484	1,484
Provision of services	21,191	-	-	22,581	43,772
Sale of goods (unfinished or finished)	-	-	-	2,183	2,183
Gains arising from the retirement or disposal of assets	-	-	-	-	-
Other revenue	-	-	-	-	-
	21,191	-	-	26,248	47,439



Other Transactions	31/12/2008				
	Significant Shareholders	Directors and Managers	Individuals, Companies or Group Entities	Other Related Parties	Total
Thousands of euros					
Purchase of property, plant or equipment, intangible assets or other assets	-	-	-	-	-
Financing agreements: Loans and capital contributions (lender)	25,446	-	-	2,214,073	2,239,519
Finance lease agreements (lessor)	-	-	-	2,712	2,712
Repayment or write-off of loans and lease agreements (lessor)	-	-	-	-	-
Sale of property, plant or equipment, intangible assets or other assets	-	-	-	-	-
Financing agreements: Loans and capital contributions (borrower)	-	-	-	-	-
Finance lease agreements (lessee)	-	-	-	-	-
Repayment or write-off of loans and lease agreements (lessee)	-	-	-	-	-
Guarantees given	71,642	-	-	1,830,663	1,902,305
Guarantees received	-	-	-	-	-
Commitments acquired	-	-	-	-	-
Cancelled commitments/guarantees	-	-	-	-	-
Dividends and other distributed profit	-	-	-	4,284	4,284
Other transactions	172,323	-	-	788,131	960,454

The transactions with other related parties include those performed with Grupo Terratest, Fidewi Inversiones, S.L., Lynx Capital, S.A., Indra Sistemas, S.A., Banco Guipuzcoano, S.A., Fidalsar, S.L., Geblasa and Zardoya Otis, S.A. due to their relationship with positions of responsibility in these companies held by directors of ACS, Actividades de Construcción y Servicios, S.A. In 2008 noteworthy are the transactions carried out with Banco Santander due to the relationship of a certain Board Member to this Bank in the year, a circumstance which did not arise in 2009.

Also included were the "intermediate premiums" paid to Unipsa (a company related to Banca March), amounting to EUR 71,448 thousand and EUR 54,772 thousand in 2009 and 2008, respectively, although these amounts were not consideration for insurance Brokerage services.

All these commercial transactions were carried out on an arm's length basis in the ordinary course of business and relate to the normal operations of the Group companies.

The transactions performed between ACS consolidated group companies were eliminated in the consolidation process and form part of the normal business of the companies in terms of their company object and conditions. The transactions are performed on an arm's length basis and the related information is not necessary to fairly present the equity, financial position and results of the Group's operations.

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## 34. Board of Directors and senior executives

In 2009 and 2008 the members of the Board of Directors de ACS, Actividades de Construcción y Servicios, S.A. received the following remuneration for membership of the Board of Directors of the Parent or of those of Group companies or for being senior executives of the Group companies.

	2009	2008
Thousands of euros		
Fixed remuneration	3,535	3,395
Variable remuneration	3,596	3,483
Bylaw-stipulated directors' emoluments	5,897	4,657
Other	158	60
<b>Total</b>	<b>13,186</b>	<b>11,595</b>

EUR 1,924 thousand and EUR 12,100 thousand were charged to income in relation to share options granted to members of the Board of Directors with executive duties in 2009 and 2008, respectively. These amounts relate to share options, which do not imply the recognition of income by the beneficiaries until the date on which the options are exercised, as provided for under current legislation.

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

Other Benefits	2009	2008
Thousands of euros		
Pension funds and plans: contributions	2,025	2,204
Pension funds and plans: obligations assumed	2,025	2,204
Life insurance premiums	16	12

The amount recognised under "Pension Funds and Plans: Contributions" relates to disbursements by the Company during the year. The amount recognised under "Pension Funds and Plans: Obligations Assumed" relates, in addition to the foregoing, to obligations charged to income in the year in this connection, even if they had been disbursed prior to the related year. The obligations assumed in relation to pension plans are the same as the amounts recognised under the related heading, 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:

	2009	2008
Thousands of euros		
Executive directors	8,844	9,284
Non-executive nominee directors	1,721	1,639
Non-executive independent directors	705	716
Other non-executive independent directors	2,503	1,239
<b>Total</b>	<b>13,773</b>	<b>12,878</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 relatedness with the ACS Group are indicated in Note 33.02 on transactions with related parties.

## 34.02. Remuneration of senior executives

The remuneration of the Group's senior executives in 2009 and 2008, excluding those who are simultaneously executive directors, was as follows:

	2009	2008
Thousands of euros		
Salaries (fixed and variable)	25,059	24,294
Pension Plans	2,138	2,270
Life insurance	52	428

EUR 1,147 thousand and EUR 2,507 thousand were charged to income in relation to share options granted to the Group's senior executives in 2009 and 2008, respectively.

There were no other ACS Group transactions with senior executives other than those previously mentioned on remuneration.

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## 35. Other disclosures concerning the Board of Directors

Pursuant to Article 127 ter.4 of the Spanish Companies Law, introduced by Law 26/2003, of 17 July, which amends Securities Market Law 24/1988 of 28 July, and the Consolidated Spanish Companies Law, in order to reinforce the transparency of listed corporations, 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 own equity interests, of the positions or functions, if any, that they discharge thereat:

Owner	Investee	Activity	Ownership Interest	Functions
Pablo Vallbona Vadell	Abertis Infraestructuras, S.A.	Concessions	0.001%	Vice Chairman
Antonio García Ferrer	Abertis Infraestructuras, S.A.	Concessions	0.000%	Board member
Javier Echenique Landiribar	Abertis Infraestructuras, S.A.	Concessions	0.002%	Board member
Pedro López Jiménez	Terratest Técnicas Especiales, S.A.	Special Foundations	45%	Chairman (through Fapindus, S.L.)
Santos Martínez-Conde Gutiérrez-Barquín	Fomento de Construcciones y Contratas, S.A.	Construction and Services	0.004%	None
	Técnicas Reunidas, S.A.	Construction of Industrial Facilities	0.002%	None
	Repsol YPF, S.A.	Energy	0.001%	None
	Indra Sistemas, S.A.	Information technologies and defence systems	0.001%	None
	Endesa, S.A.	Energy	0.000%	None
	Grupo Ferrovial, S.A.	Construction and Services	0.001%	None
	Telefónica, S.A.	Telephony	0.001%	None
	Abertis Infraestructuras, S.A.	Concessions	0.001%	None
	Iberdrola Renovables, S.A.	Energy	0.000%	None
	Gas Natural SDG, S.A.	Energy	0.001%	None
	Enagas, S.A.	Energy	0.002%	None
	Iberdrola, S.A.	Energy	0.001%	None
Javier Monzón de Cáceres	Indra Sistemas, S.A.	Information technologies and defence systems	0.094%	Chairman
	Banco Inversis Net, S.A.	Finance	0.000%	Individual representing the Board Member Indra Sistemas, S.A.
	YPF, S.A.	Energy	0.000%	Board member
	Lagardere SCA	Communication	0.0001%	Board member
José Luis del Valle Pérez	Inmobiliaria Paredes, S.A.	Real Estate	13.57%	Sole Director
	Del Valle Inversiones, S.A.	Real Estate	33.33%	Director acting severally
	Inversiones Montecarmelo, S.A.	Real Estate	23.49%	None
	Sagital, S.A.	Private security and integral building maintenance	5.10%	None
Florentino Pérez Rodríguez	Abertis Infraestructuras, S.A.	Concessions	0%	Vice Chairman

Also pursuant to the aforementioned law, following is a detail of the activities performed by the directors, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the corporate purpose of ACS, Actividades de Construcción y Servicios, S.A.:

Name	Activity Performed	Type of Arrangement	Company through which the Activity is Performed	Position or Function at the Company Concerned
Pablo Valbona Vadell	Concessions	Employee	Abertis Infraestructuras, S.A.	Vice Chairman
	Holding	Employee	Corporación Financiera Alba, S.A.	Vice Chairman
Antonio García Ferrer	Construction	Employee	Dragados, S.A.	Board member
	Industrial Services	Employee	ACS, Servicios, Comunicaciones y Energía, S.L.	Board member
	Urban services and concessions	Employee	ACS, Servicios y Concesiones, S.L.	Board member
	Concessions	Employee	Abertis Infraestructuras, S.A.	Board member
José María Aguirre González	Engineering and Assembly Work	Employee	Cobra Gestión de Infraestructuras, S.L.	Chairman
	Industrial Services	Employee	ACS, Servicios, Comunicaciones y Energía, S.L.	Vice Chairman
Manuel Delgado Solís	Construction	Employee	Dragados, S.A.	Board member
Javier Echenique Landiribar	Industrial Services	Employee	ACS, Servicios, Comunicaciones y Energía, S.L.	Board member
	Finance	Employee	Banco Guipuzcoano	Chairman of the Board of Directors
	Energy	Employee	Repsol YPF, S.A.	Board member
	Paper	Employee	Ence, S.A.	Board member
	Concessions	Employee	Abertis Infraestructuras, S.A.	Board member
	Holding	Employee	Corporación Financiera Alba, S.A.	Board member
Juan March de la Lastra	Information Technologies	Employee	Indra Sistemas, S.A.	Board member
	Lifts	Employee	Zardoya Otis, S.A.	Vice Chairman
José María Loizaga Viguri	Venture Capital	Independent Professional	Cartera Industrial REA, S.A.	Chairman
	Storage Systems	Employee	Mecalux	Board member
	Port and logistics services	Employee	Dragados Servicios Portuarios y Logísticos, S.L.	Vice Chairman
Agustín Batuecas Torrego	Rail transport of goods	Employee	Continental Rail, S.A.	Individual representing Continental Auto, S.L. Chairman and CEO
	Transport interchange	Employee	Intercambiador de Transportes Príncipe Pío S.A.	Individual representing Iridium Concesiones de Infraestructuras, S.A. Chairman and CEO
	Transport interchange	Employee	Intercambiador de Transportes Plaza de Castilla, S.A.	Individual representing Iridium Concesiones de Infraestructuras, S.A. Chairman and CEO
	Rail transport of goods	Employee	Construirail, S.A.	Board member
	Construction	Employee	Dragados, S.A.	Vice Chairman
Pedro José López Jiménez	Urban services and concessions	Employee	ACS, Servicios y Concesiones, S.L.	Board member

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Name	Activity Performed	Type of Arrangement	Company through which the Activity is Performed	Position or Function at the Company Concerned
Pedro José López Jiménez	Special Foundations	Employee	Grupo Terratest	Chairman (through Fapindus, S.L.)
Santos Martínez-Conde Gutiérrez-Barquín	Finance	Employee	Banca March, S.A.	Board member
	Steel	Employee	Acerinox, S.A.	Board member
	Holding	Employee	Corporación Financiera Alba, S.A.	CEO
Javier Monzón de Cáceres	Urban services and concessions	Employee	ACS, Servicios y Concesiones, S.L.	Board member
	Information Technologies	Employee	Indra Sistemas, S.A.	Chairman
	Finance	Employee	Banco Inversis Net, S.A.	Individual representing the Board Member Indra Sistemas, S.A.
	Energy	Employee	YPF, S.A.	Board member
	Communication	Employee	Lagardere, SCA	Board member
Julio Sacristán Fidalgo	Tollroad Concessions	Employee	Autopistas Aumar, S.A.C.E.	Board member
	Concessions	Employee	Abertis Infraestructuras, S.A.	Board member
Miquel Roca i Junyent	Infrastructure Concessions	Employee	Abertis Infraestructuras, S.A.	Non-Director secretary
	Finance	Employee	Banco Sabadell, S.A.	Non-Director secretary
	Energy	Employee	Endesa	Independent non-executive board member
Álvaro Cuervo García	Stock Exchange	Employee	BME-Bolsas y Mercados Españoles, S.A.	Board member
José Luis del Valle Pérez	Urban services and concessions	Employee	ACS, Servicios y Concesiones, S.L.	Director-Secretary
	Industrial Services	Employee	ACS, Servicios, Comunicaciones y Energía, S.L.	Director-Secretary
	Construction	Employee	Dragados, S.A.	Director-Secretary
	Engineering and Assembly Work	Employee	Cobra Gestión de Infraestructuras, S.L.	Director-Secretary
	Engineering and Assembly Work	Employee	Sociedad Española de Montajes Industriales, S.A.	Director-Secretary
	Port and logistics	Employee	Dragados Servicios Portuarios y Logísticos, S.L.	Board member
	Infrastructure Concessions	Employee	Iridium Concesiones de Infraestructuras, S.A.	Board member
	Integral Maintenance	Employee	Clece, S.A.	Board member
	Concessions	Employee	Saba Aparcamientos, S.A.	Board member
	Urban Services	Employee	Urbaser, S.A.	Board member
	Investments	Employee	Del Valle Inversiones, S.A.	Director acting severally
	Motorway Concessions	Employee	Iberpistas, S.A.C.E.	Director-Secretary
	Real Estate	Employee	Inmobiliaria Paredes, S.A.	Sole Director
Francisco Verdú Pons	Holding	Employee	Corporación Financiera Alba, S.A.	Board member
	Finance	Employee	Banca March, S.A.	CEO
Florentino Pérez Rodríguez	Concessions	Employee	Abertis Infraestructuras, S.A.	Vice Chairman
Sabina Fluxá Thienemann	Tourism	Employee	Iberostar Hoteles y Apartamentos, S.L.	Director

In 2009 the Company performed commercial transactions with companies in which certain of its Board Members perform management functions. All these commercial transactions were carried out on an arm's-length basis in the ordinary course of business, and related to ordinary Company transactions.

## 36. Guarantee commitments to third parties and other contingent liabilities

At 31 December 2008 the ACS Group had provided guarantees to third parties in connection with its business activities totalling EUR 9,509,682 thousand (EUR 7,575,246 thousand in 2008).

The ACS Group's directors consider that no material liabilities additional to those recognised in the accompanying consolidated statement of financial position will arise as a result of the transactions described in this Note.

The contingent liabilities include that relating to the normal liability of the companies with which the Group carries on its business activities. Normal liability is that related to compliance with the contractual obligations assumed in the course of the provision of construction, industrial services or urban services by the companies or the joint ventures of which they are venturers.

This coverage is achieved by means of the corresponding guarantees provided to secure the performance of the contracts, compliance with the obligations assumed in the concession contracts, etc.

Lastly, the various Group companies are exposed to the risk of having court and out-of-courts claims filed against them. In these cases, the directors of the Group companies consider that the possible effect on the financial statements would not be material.

## 37. Information on the environment

In its business strategy, the ACS Group declares a firm commitment to sustainability, which includes, inter alia, a commitment to the natural environment, whose aim is to prevent, reduce, or repair the damage caused to the environment. This is channelled through the implementation of programs and procedures contributing to minimizing the negative impact of the different business activities carried on by the Group.

Among the latter is an Environment area consisting of street cleaning, the collection of urban solid waste, the operation of landfills and waste treatment plants, etc. Additionally, an environmental impact study is performed for most construction and engineering contracts. However, the Group considers the assets and expenses relating to these activities to be of an operating nature although they have an effect on the natural environment inherent to their features.

The development of infrastructures leads to changes in the environment resulting from the use of materials, of energy (both at the time of construction and over the life of the different infrastructures) or from the generation of waste. It may also give rise to visual effects and effects on the landscape, and all of these effects may be either positive or negative.

Therefore, given the commitment of ACS to the natural environment, it undertakes specific measures in relation to each of the Group's activities in order to improve overall results, decrease risks and preserve, reuse and reduce the resources used.

Currently, 79% of the Group's production takes place in companies that are environmentally certified in accordance with ISO 14001 standards.

In 2009 the ACS Group performed 444 environmental audits complementary to its ongoing certification and control process. This year there were 1,398 environmental incidents of differing impacts, but only 28 led to the filing of administrative proceedings resulting in a minor administrative fine, Total fines amounted EUR 107 thousand.

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The main environmental measures taken by the ACS Group in 2009 included most notably the following:

## Construction

The ACS Group actively complies with all environmental protection obligations arising from its construction projects. Accordingly, it considers preserving natural resources and acting responsibly towards the environment to be an integral part of its business activity.

The ACS Group is aware of the effect of construction activity on the natural environment. Although this effect is temporary, it may affect different elements of the environment: such as water, the atmosphere, soil, the natural environment, biodiversity, etc.

For Dragados, the company leading the ACS Group's construction area, the main aim is to identify the environmental impact of its projects and activities in an early phase and to eliminate or minimize these effects. Consequently, its companies have environmental management systems integrated into the general management system. Consequently, a number of preventive measures or good practices aimed at the sustainability of the environment and the fulfilment of legal requirements are implemented.

The main effects of the industry include, inter alia, the following:

- Use of natural resources
- Emissions into the atmosphere
- Generation of waste
- Biodiversity
- Environmental performance

By applying the policies and measures included in the annual environmental plan, the following objectives have been achieved:

- The ratio or relative consumption of water continues to be maintained within the range of 450 to 550 m<sup>3</sup>/million of euros in recent years and shows a downward trend.
- The total consumption of energy dropped to 5.4 tep/million Euros, as a result of the decrease in construction activity in the building area, leading civil engineering work to have a greater specific weight, since the highest amount of energy is consumed in this type of work.
- The upturn in the management of construction and demolition waste generated has been maintained since a valuation rate of over 58% was reached in 2009 as compared to 37% in the previous year.
- Total CO<sub>2</sub> emissions dropped from over 75,000 tons in 2008 to under 55,000 tons.

At 31 December 2009 and 2008, there were no environmental assets and no material expenses were incurred.

## Environment

The main impacts of this activity are related to the emission of greenhouse effect gases produced by the fleet of vehicles used for different services, as well as their fuel consumption, to the emission of methane from dumps and to waste generation.

The Environment area is working hard to reduce the fuel consumed by the various fleets of vehicles managed, an objective that was achieved in 2009, with a reduction from 96.6 million litres in 2007 to 35.8 million litres in 2009.

The ACS Group, through its company Urbaser, S.A., is the leader in the management of solid urban waste treatment plants in Spain, and has undertaken significant actions abroad. It currently manages the following:

- 44 urban solid waste pre-treatment plants with an installed capacity of 7,026,436 tons a year.
- 8 Energy recovery plants with a treatment capacity of 2,076,000 tons/year.
- 19 Biomethanization of the organic fraction plants with an installed capacity of 1,361,260 tons a year.
- 50 composting plants with an installed capacity of 2,584,568 tons a year.
- 78 transfer plants with an installed capacity of 7,004,008 tons a year.
- 48 controlled landfills with an installed capacity of 9,179,439 tons a year.
- 14 landfill regasification plants producing 421 Hm<sup>3</sup> of Biogas a year.



The whole of the treatments in plants where materials are recovered and electricity is generated, in addition to the degasification of landfills, gave rise to CO<sub>2</sub> savings equivalent to approximately 4,095,935 million tons in 2009.

The different processes generating energy from urban waste had a total installed power of 205 MW.

One of the ACS Group's environmental activities is the treatment and integral management of water as a scarce resource. The ACS Group is responsible for the supply of drinking water to several million people in Spain, Latin America and Morocco and its treatment, and focuses on maximum efficiency and savings in the use of this extremely valuable resource.

It purifies over 354 million of m<sup>3</sup> of water, supplying over 835 million of m<sup>3</sup> and makes over 90 million of m<sup>3</sup> drinkable for over 8.8 million equivalent inhabitants. For the ACS Group, the sustainable management of water is a key resource in its commitment to the environment and to sustainability.

The main environmental assets are the purifying facilities, biofuel, incineration and lixivate systems and investments in an automated bulk terminal to prevent and reduce environmental pollution and minimise the damage to the environment. At 31 December 2009, the value of these assets, net of depreciation, was EUR 22,359 thousand (EUR 68,770 thousand in 2008). The drop is a result of the consideration of the port and logistics line of business as a discontinued operation.

The environmental expenses incurred in 2009 and 2008 were not material.

## Industrial Services

The two main areas with an impact on the environment resulting from Industrial Services activity relate to CO<sub>2</sub> emissions and waste production. To minimize these impacts it dedicates a large amount of effort to environmental management year after year. In this respect, managers are not only concerned with the reduction of waste, but also the appropriate treatment and recycling of the waste inevitably produced by the environmental management departments of each of the Group companies.

At all its operating centres and branches measures have been taken to reduce the most significant environmental effects in this area (CO<sub>2</sub> emissions, consumption of raw materials, waste generation/valuation and recycling of waste). The main measurements taken in 2009 were as follows:

- Directly reduce CO<sub>2</sub> emissions through the replacement of fleet vehicles with others which are less pollutant.
- Investment in renewable energy assets including wind powered facilities and thermal solar power plants which currently have installed power of 1.175 MW. If this electricity had been produced by a coal boiler (e.g. lignite), 2,414,063 tons of CO<sub>2</sub> would have been emitted as a result of the combustion of this mineral.
- An environmental incident identification and safety system was implemented at work sites enabling the analysis and planning of improvement actions in future projects.
- Environment plan for the projects "Puente Bahía de Cádiz" and "Castor".
- Drop in electricity consumption in the development of various Group company projects.

At 31 December 2009 and 2008, there were no environmental assets and no material expenses were incurred.

## 38. Auditors' fees

The fees for financial audit services provided to the various companies composing the Consolidated Group in 2009 amounted to EUR 4,429 thousand (EUR 4,709 thousand in 2008). Of this amount, EUR 3,306 thousand (EUR 3,450 thousand in 2008) corresponded to the principal auditor, Deloitte, S.L.

The Group paid EUR 1,141 thousand (EUR 1,162 thousand in 2008) to audit firms for other services, mainly accounting services. Of this amount, EUR 862 thousand (EUR 736 thousand in 2008) corresponded to the principal auditor, Deloitte, S.L.

## 39. Explanation added for translation to English

These consolidated financial statements are presented on the basis of IFRSs as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

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## Appendix I. Subsidiaries

Company	Registered Office	Activity	Auditor	% Effective Ownership
<b>PARENTS</b>				
ACS, Actividades de Construcción y Servicios, S.A.	Avda. de Pio XII, 102. 28036 Madrid. Spain	Parent	Deloitte	-
ACS Colombia, S.A.	Santa Fè de Bogotá. Colombia	Construction	Elquin Infante Lomba	100.00%
ACS Telefonía Móvil, S.L.	Avda. de Pio XII, 102. 28036 Madrid. Spain	Holding Company	-	100.00%
Admirabilia, S.L.	Avda. de Pio XII, 102. 28036 Madrid. Spain	Holding Company	-	100.00%
Aurea Fontana, S.L.	Avda. de Pio XII, 102. 28036 Madrid. Spain	Holding Company	-	100.00%
Cariátide, S.A.	Avda. de Pio XII, 102. 28036 Madrid. Spain	Holding Company	Deloitte	100.00%
Novovilla, S.L.	Avda. de Pio XII, 102. 28036 Madrid. Spain	Holding Company	-	100.00%
PR Pisa, S.A.	Avda. de Pio XII, 102. 28036 Madrid. Spain	Holding Company	Deloitte	100.00%
Residencial Monte Carmelo, S.A.	Avda. de Pio XII, 102. 28036 Madrid. Spain	Holding Company	Deloitte	100.00%
Roperfeli, S.L.	Avda. de Pio XII, 102. 28036 Madrid. Spain	Holding Company	Deloitte	100.00%
Villa Aurea, S.L.	Avda. de Pio XII, 102. 28036 Madrid. Spain	Holding Company	-	100.00%
Villanova, S.A.	Avda. de Pio XII, 102. 28036 Madrid. Spain	Holding Company	-	100.00%
<b>CONSTRUCTION</b>				
Dragados, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	Construction	Deloitte	100.00%
Acainsa, S.A.	C/ Orense, 34-1º 28020 Madrid. Spain	Real Estate Development	-	100.00%
Aparcamiento Tramo C. Rambla-Coslada, S.L.	C/ Orense, 34-1º 28020 Madrid. Spain	Operation of carparks	-	100.00%
Besalco Dragados, S.A.	Avda. Tajamar nº 183 piso 1. Las Condes. Santiago de Chile. Chile	Construction	KPMG	50.00%
Castellano Leonesa de Minas, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	Minig- Inactive	-	100.00%
Cesionario Vallés Occidental, S.A.	Avda. Josep Tarradellas, nº 34-36. 08029 Barcelona. Spain	Concession	Deloitte	100.00%
Colonial Leasing Corporation	150 Meadowlands Parkway Seacaucus. New Jersey 07068. USA.	Vehicle Rental	-	100.00%
Comunidades Gestionadas, S.A. (COGESA)	C/ Orense, 34-1º 28020 Madrid. Spain	Real Estate Development	Deloitte	100.00%
Concesionaria San Rafael, S.A.	C/ Diputado José Rivas, s/n. 07816 Sant Antonio de Port. Ibiza. Spain	Concession	Deloitte	100.00%
Consorcio Dragados Compax, S.A.	Avda. Vitacura, 2939 ofic. 2201. Las Condes. Santiago de Chile. Chile.	Construction	-	60.00%
Consorcio Tecdra, S.A.	Avda. Vitacura, 2939 ofic. 2201. Las Condes. Santiago de Chile. Chile.	Construction	Quezada & Díaz	100.00%
Construcciones y Servicios del Egeo, S.A.	Alamanas, 1ª 151 25 Maroussi. Athens. Greece	Construction	-	100.00%
Constructora Dycven, S.A.	Veracruz Edif. Torreón, 3º, Urbaniz. Las Mercedes. Caracas. Venezuela	Construction	Deloitte	100.00%
Constructora Vespucio Norte, S.A.	Avda. Vitacura, 2939 ofic. 2201 Las Condes. Santiago de Chile. Chile.	Construction	Ernst & Young	54.00%
Construrail, S.A.	C/ Orense, 11. 28020 Madrid. Spain	Logistics service	PricewaterhouseCoopers	51.00%
Continental Rail, S.A.	Avda. de América nº 2, piso 17 B. 28002 Madrid. Spain	Rail Transport	PricewaterhouseCoopers	100.00%
Drace Medio Ambiente, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain.	Environment	Deloitte	100.00%
Dragados Canadá Inc.	Suite 1400 40 Elgin Street. Ottawa. Ontario. Canada	Construction	BDO	100.00%
Dragados Construction USA, Inc.	500 Fifth Avenue, 38 th. Floor. New York, NY 10110. USA.	Holding company	-	100.00%
Dragados Inversiones USA, S.L.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain.	Holding of securities	-	100.00%
Dragados Obra Civil y Edificac México S.A de C.V.	C/ Hamburgo, 172, piso 1. Juárez Distrito Federal 06000. Mexico	Construction	-	100.00%
Dragados Roads Ltd.	Hill House 1 Little New Street. London EC4A3TR. United Kingdom	Construction	Deloitte	100.00%
Dragados USA, Inc.	500 Fifth Avenue, 38 th. Floor. New York, NY 10110. USA.	Construction	BDO Seid Man	100.00%
Drasel, SARL	Route de Versonnex, 5, Cessy. France	Construction	-	60.00%
Dycasa S.A.	Avda. Leandro N. Alem, 986. Buenos Aires. Argentina	Construction	Estudio Torrent Auditores	66.10%
Eix Diagonal Construccions, S.L.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain.	Construction	-	100.00%
Flota Proyectos Singulares, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain.	Construction	Deloitte	100.00%
Gasoductos y Redes Gisca, S.A.	C/ Orense, 11. 28020 Madrid. Spain	Petroleum and water pipelines	PricewaterhouseCoopers	52.50%
Geocisa USA Inc.	2711 Centerville Road, Suite 400, Wilmington, New Castle - Delaware. USA.	Construction	-	100.00%
Geotecnia y Cimientos, S.A.	C/ Los Llanos de Jerez, 10-12. 28823 Coslada. Madrid. Spain	Construction	Deloitte	100.00%
Gestifisa, S.A.	C/ Orense, 34 1º. 28020 Madrid. Spain	Real Estate Development	-	100.00%
Hullera Oeste de Sabero, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	Minig- Inactive	-	100.00%
Inmobiliaria Alabega, S.A.	C/ Orense, 34-1º. 28020 Madrid. Spain	Real Estate Development	-	100.00%
John P. Picone Inc.	31 Garden Lane. Lawrence. NY 11559. USA.	Construction	J.H. COHN	80.00%
Logística y Transportes Ferroviarios, S.A.	Edificio Autoterminal. Muelle Dársena Sur- Puerto. 08039 Barcelona. Spain	Logistics and transport	PricewaterhouseCoopers	64.01%
Lucampa, S.A.	C/ Orense, 34-1º. 28020 Madrid. Spain	Real Estate Development	-	100.00%
Manteniment i Conservació del Vallés, S.A.	Avda. Josep Tarradellas, 34-36. 08209 Barcelona. Spain	Concession	Deloitte	100.00%
Newark Real Estate Holdings, Inc.	500 Fifth Avenue, 38 th. Floor. New York, NY 10110. USA.	Real Estate Development	-	100.00%
Pol-Aqua, S.A.	Dworska 1. 05-500 Piaseczno k/ Varsowia. Poland	Construction	Korycka, Budziak & Audytorzy Sp z.o.o.	66.00%
Protide, S.A.	C/ Ramiro Valbuena, 12. 24002 León. Spain	Real Estate Development	-	100.00%
Pulice Construction Inc.	2033 W Mountain View Rd. Phoenix. AZ 85021. Phoenix. USA.	Construction	Mayer Joffman McCann p.c.	100.00%
Remodelación Ribera Norte, S.A.	Avda. Josep Tarradellas, nº 34-36. 08029 Barcelona. Spain	Concession	Deloitte	100.00%
Residencial Leonesa, S.A.	C/ Orense, 34-1º. 28020 Madrid. Spain	Real Estate Development	-	100.00%
Schiavone Construction Company	150 Meadowlands Parkway Seacaucus. New Jersey 07068. USA.	Construction	J.H. COHN	100.00%
Servia Conservación y Mantenimiento, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	Construction	-	51.00%

Company	Registered Office	Activity	Auditor	% Effective Ownership
Sicsa Rail Transport, S.A.	Avda. del Puerto, 189, 5. 46022 Valencia. Spain	Combined transport	Deloitte	76.00%
Soluc Edific Integrales y Sostenibles, S.A. (SEIS)	Avda. Camino de Santiago, 5. 28050 Madrid. Spain	Construction	Deloitte	100.00%
Sussex Realty, Llc.	31 Garden Lane Lawrence, NY 11559. USA.	Construction	-	90.00%
Técnicas e Imagen Corporativa, S.L.	Avda. de París, 1. 19200. Azuqueca de Henares. Guadalajara. Spain	Design of signs and corporate image	Deloitte	100.00%
Tecsa Empresa Constructora, S.A.	Avda. Madariaga, 1, 4. 48014 Bilbao. Spain	Construction	Deloitte	100.00%
Tedra Australia Pty. L.T.D.	Level 5, Mayne Building 390 ST Kilda Road. Melbourne 3004. Australia	Construction	-	100.00%
Vías y Construcciones, S.A.	C/ Orense, 11. 28020 Madrid. Spain	Construction	PricewaterhouseCoopers	100.00%

### INDUSTRIAL SERVICES

ACS Servicios Comunicaciones y Energía, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Industrial Services	Deloitte	100.00%
ACS industrial Services, LLC.	3511 Silverside road suite 105. Wilmington Delaware 19810. County of New Castle	Energy Production	-	100.00%
ACS Perú	Avenida Víctor Andrés Belaúnde 887 Distrito. Carmen de Le Legua. Reinoso	Auxiliary services	-	100.00%
ACS Servicios Comunicac y Energía de México SA CV	C/ Juan Racine, 112 piso 8. 11510. Mexico DF	Construction	-	100.00%
Actividades de Instalaciones y Servicios, Cobra, S.A.	Calle 21, nº 7070. Parque Empresarial Montevideo. Bogotá. Colombia	Auxiliary electricity, gas and communication distribution services	-	100.00%
Actividades de Montajes y Servicios, S.A.	Polígono Pocomaco, parcela G-2, Nave 3. 15190 Mesoiro. La Coruña. Spain	Industrial installation and assembly	-	100.00%
Actividades de Montajes y Servicios, S.A. de CV.	C/ Melchor Ocampo, 193 Torre C, Piso 14, Letra D. Colonia Verónica Anzures. Mexico	Auxiliary electricity, gas and communication distribution services	BDO	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	Auxiliary electricity, gas and communication distribution services	-	100.00%
Agadirver	Rua Rui Teles Palhinha, 4. Leirão. 2740-278. Porto Salvo. Portugal	Asset-holding company	-	74.54%
Agrupación Offshore 60, S.A. de CV.	Juan Racine nº 112, piso 8, Col. Los Morales. 11510. Mexico D.F.	Manufacturing of metallic structures	KMPG Cardenas Dosal, S.C.	100.00%
Al-Andalus Wind Power, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Energy Production	Deloitte	100.00%
Albares Renovables, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Promotion, management and distribution of energy	-	60.00%
Albatros Logistic, S.A.	C/ Franklin Naves, 24-29. 28906 Getafe. Madrid. Spain	Distribution Logistics	Deloitte	100.00%
Albufera Projetos e Serviços, Ltda.	Avda. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil	Electrical installations	-	50.00%
Aldebarán S.M.E., S.A.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Generation of electricity	Deloitte	100.00%
Aldeire Solar, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Aldeire Solar-2, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Alfrani, S.L.	C/ Baron Del Solar, 18. 30520 Jumilla. Murcia. Spain	Electric assemblies	-	100.00%
Altomira Eólica, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Andasol 1, S.A.	Plaza Rodrigo s/n. 18514 Aldeire. Granada. Spain	Energy Production	Deloitte	100.00%
Andasol 2, S.A.	Plaza Rodrigo s/n. 18514 Aldeire. Granada. Spain	Energy Production	Deloitte	100.00%
Andasol 3 Central Termosolar Tres, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Andasol 4 Central Termosolar Cuatro, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Andasol 5 Central Termosolar Cinco, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Andasol 6 Central Termosolar Seis, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Andasol 7 Central Termosolar Siete, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Antennea Technologies, S.L.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain	Telecommunications	-	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	Design, manufacture and installation of corporate image	PricewaterhouseCoopers	100.00%
API Fabricación, S.A.	Raso de la Estrella, s/n. 28300 Aranjuez. Spain	Manufacturing	Deloitte	100.00%
API Movilidad, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain	Road maintenance	Deloitte	100.00%
Applied Control Technology, LLC.	5005 N. Stateline Av. Texarcana Texas TX 75503. USA	Electrical installations	-	55.00%
Araraquara Transmissora de Energia, S.A.	Avda. Marechal Camara, 160 Sala 1036 (parte). Rio de Janeiro. Brazil	Electrical installations	-	100.00%
Araucária Projetos e Serviços de Construção, Ltda.	Avda. Presidente Wilson 231, Sala 1701 (parte). Rio de Janeiro. Brazil	Electrical installations	-	50.00%
Argencobra, S.A.	Nicaragua 5935 2º Piso. CP C1414BWK. Buenos Aires. Argentina	Auxiliary electricity, gas and communication distribution services	Oswaldo Jorge Paulino / Alejandra Tempestini	100.00%
Artemis Transmissora de Energia, Ltda.	Rua Deputado Antonio Edu Vieira 999 Florianopolis. Estado Santa Catarina. Brazil	Electrical concession	Assurance Auditores e Consultores	51.00%
Asistencia Offshore, S.A.	Bajo de la Cabezueta, s/n. 11510 Puerto Real. Cadiz. Spain.	Engineering services	-	100.00%
Atil-Cobra, S.A.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Sale and assembly of industrial and air-conditioning installations	Deloitte	100.00%
B.I. Josebeso, S.A.	Pza. Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela	Industrial cleaning	-	82.80%

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Company	Registered Office	Activity	Auditor	% Effective Ownership
Benisaf Water Company, Spa	29 Bis Rue Abou Nouas. Hydra. Alger	Concession	-	51.00%
Benq	Rua Rui Teles Palhinha 4 - 3. Leião 2740-278. Porto Salvo. Portugal	Inactive	Oliveira, Reis & Associados, Sroc, Ltda	74.54%
Berea Eólica, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Energy Production	-	70.00%
Biobeiraner, Lda.	Tagus Sapce. Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal	Generation of electricity	-	21.75%
Biodemira, Lda.	Tagus Sapce. Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal	Generation of electricity	-	30.00%
Bioparque Mira, Lda.	Tagus Sapce. Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal	Biomass	-	30.00%
Biorio, Lda.	Tagus Sapce. Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal	Generation of electricity	-	45.00%
Bioteceira SGPS, S.A.	Rua Mario dionisio, nº 2. Linda-a-Velha. Oeiras. Portugal	Asset-holding company	Oliveira, Reis & Associados, Sroc, Ltda	74.54%
Bonal Serveis Elèctrics i Electrònics, S.A.	Pl. Girona. Avda. Mas de Vila 39-41. 17457 Riudellots de la Selva. Girona. Spain	Regulation of traffic and lighting systems	Deloitte	100.00%
BT0B Construcción Ventures, S.L.	C/ Teide, 4-1 plta. 28709 San Sebastián de los Reyes. Madrid. Spain	Administrative management services	-	100.00%
C. A. Weinfel de Suministro de Personal	Pza. Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela	Industrial cleaning	-	82.80%
Cabeço das Pedras	Rua Rui Teles Palhinha 6 - 3. Leião 2740-278. Porto Salvo. Portugal	Energy production	Oliveira, Reis & Associados, Sroc, Ltda	74.54%
Cachoeira Montages e Serviços, Ltda.	Marechal Camera, 160. Rio de Janeiro. Brazil 20020	Electrical assembly and service	-	100.00%
California Sun Power, LLC.	818 West Seventh Street. Los Angeles California 90017. USA.	Energy production	-	100.00%
Calvache Eólica, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Energy Production	-	70.00%
Carta Valley Wind Power, LLC.	2711 Centerville Road Suite 400 Wilmington county of New Castle delaware 19808	Energy Production	-	100.00%
Catalana de Treballs Públics, S.A.	Gran Capitán, 4. 08034 Barcelona. Spain	Auxiliary electricity and communication distribution services	Deloitte	100.00%
Cataventos Acarau, Ltda.	Fortaleza. Brazil	Generation of electricity	-	75.00%
Cataventos de Paracuru, Ltda.	Fortaleza. Brazil	Generation of electricity	-	60.00%
Cataventos Embuaca, Ltda.	Fortaleza. Brazil	Generation of electricity	-	75.00%
Catxeré Transmissora de Energia, S.A.	Avda. Marechal Camara, 160 Sala 1036 (parte). Rio de Janeiro. Brazil	Electrical installations	-	100.00%
CCR Platforming Cangrejera S.A. de C.V.	C/ Juan Racine, 112, piso 8. 11510	Construction	-	68.00%
Central Térmica de Mejillones, S.A	Avda. José Pedro Alessandri, 2323 Macul. Santiago Chile	Engineering, supply and construction of Central Térmica de Mejillones	BDO	100.00%
Centro de Control Villadiego, S.L.	José Luis Bugallal Marchesi, 20. 15008 La Coruña. Spain	Generation of electricity	-	100.00%
Chaparral Wind Power, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Generation of renewable energy	-	100.00%
CIL	Avda. Marechal Camera 160. Rio de Janeiro. Brazil	Distribution of electricity	-	100.00%
CM- Construções, Ltda.	Rua, XV de Novembro 200, 14. Andar San Paulo. Brazil CPE 01013-000	Energy production	-	74.54%
Cme Aguas, S.A.	Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo. Portugal	Operation of a landfill	Oliveira, Reis & Associados, Sroc, Ltda	74.54%
CME Al Arabia, Lda.	Riade Arabia Saudita	-	-	37.50%
Cme Angola, S.A.	Angola	Asset-holding company (inactive)	-	74.54%
Cme Business	Brazil	Asset-holding company (inactive)	-	74.54%
CME Cabo Verde, S.A.	Cabo Verde	-	-	75.00%
CME Chile, SPA.	Chile	-	-	75.00%
Cme Madeira, S.A.	Rua Alegria Nº 31-3. Madeira. Portugal	Industrial services	Oliveira, Reis & Associados, Sroc, Ltda	38.02%
CME- Participações SGPS, S.A.	Tagus Sapce - Rua Rui Teles Palhinha, nº 4 2740-278. Porto Salvo. Portugal	Holding company	-	75.00%
CME Roménia	Rumania	Different installations	-	74.54%
Cme, S.A.	Rua Rui Teles Palhinha 4. Leião 2740-278. Porto Salvo. Portugal	Industrial services	Oliveira, Reis & Associados, Sroc, Ltda	74.54%
Cobra Bahia Instalações e Serviços	Cuadra 4, 10. Estrada do Coco. Bahia Brazil 47680	Electrical assemblies and installations	-	100.00%
Cobra Bolivia, S.A.	Rosendo Gutierrez, 686. Sopocachi. Bolivia	Development of electronic systems	-	100.00%
Cobra Chile, S.A.	José Pedro Alexandri, 2323. Macul. Santiago de Chile. Chile	Electrical assemblies and installations	BDO	100.00%
Cobra Concesiones Brasil, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Infrastructures operation	-	100.00%
Cobra Concesiones, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Services	-	100.00%
Cobra Energy, Ltd	60 Solonos street. Athens. Greece	Electricity, water treatment, management of renewable natural resources, various public sector and private sector works	-	100.00%
Cobra Gestión de Infraestructuras, S.L.U	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Industrial services	Deloitte	100.00%
Cobra Industrial Services, Inc.	3511 Silverside road suite 105 Wilmington Delaware 19810. County of New Castle	Energy Production	-	100.00%
Cobra Infraestructuras Hidráulicas, S.A.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Development of projects and performance of all types of construction	Deloitte	100.00%
Cobra Ingeniería de Montajes, S.A.	C/ Fernando Villalón, 3. 41004 Sevilla. Spain.	Installation and assemblies	-	100.00%

Company	Registered Office	Activity	Auditor	% Effective Ownership
Cobra Instalaciones México, S.A. de C.V.	C/ Melchor Ocampo, 193. Colonia Verónica Anzures. Mexico	Auxiliary electricity, gas and communication distribution services	BDO	100.00%
Cobra Instalaciones y Serv. India PVT	B-324. New Friends Colony New Delhi-110 025. India	Catenary		100.00%
Cobra Instalaciones y Servicios Internacional, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Holding company	Deloitte	100.00%
Cobra Instalaciones y Servicios República Dominicana	Avda. Anacanoa. Hotel Dominican Fiesta Santo Domingo, DN	Auxiliary electricity, gas and communication distribution services	-	100.00%
Cobra Instalaciones y Servicios, S.A.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Industrial services	Deloitte	100.00%
Cobra Instalações y Servicios, Ltda.				100.00%
Cobra Inversiones y Gestión, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Holding company	-	100.00%
Cobra La Rioja Sur	Concepción Arenal 2630 CP 1426. Capital Federal Buenos Aires. Argentina	Electricity, water treatment, management of renewable natural resources, various public sector and private sector works	-	100.00%
Cobra Perú II, S.A.	Avda. Víctor Andrés Belaúnde 887. Distrito: Carmen de Le Legua Reinoso	Electrical installations	-	100.00%
Cobra Perú, S.A.	Avda. Víctor Andrés Belaúnde 887. Distrito: Carmen de Le Legua Reinoso	Auxiliary electricity and communication distribution services	Deloitte	100.00%
Cobra Servicios Auxiliares, S.A.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Reading of electricity meters and other services	Deloitte	100.00%
Cobra Sistemas de Seguridad, S.A.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Sale and installation of security systems	-	100.00%
Cobra Sistemas y Redes, S.A.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Installation of communication and control services	-	100.00%
Cobra Solar del Sur, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Development, construction, operation and management of solar plants.	-	100.00%
Cobra Sun Power USA, Inc.	2711 Centerville Road Suite 400 Wilmington Country of New Castle Delaware 19808	Energy Production	-	100.00%
Cobra Telecomunicaciones Chile	José Pedro Alexandri, 2323. Macul. Santiago de Chile. Chile	Electrical assemblies and installations	-	100.00%
Cobra Termosolar USA, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Cobra-Udisport Conde de Guadalhorce, S.L.	Paseo Cerrado de Calderón, 18. Edif. Mercurio 1ª plta. 29018 Málaga. Spain	Operation, maintenance and provision of public service at Centro Deportivo Guadalhorce	-	51.00%
Codeven. Venezuela	Av. San Fco C/ Sta. Margarita Colinas California, Ed.Torre. California 1070. Caracas. Venezuela	Construction and Engineering		100.00%
Coinal Instalaciones y Servicios, S.A. de C.V.	Residencial Palermo, Pasaje 3. Polígono G Casa #4. San Salvador. El Salvador	Installations and assembly	-	100.00%
Coinsmar Instalaciones y Servicios, SARLAU	210 Boulevard Serketouni Angle Boulevard Roudani n° 13, Maarif 2100. Casablanca. Morocco	Electricity and public works	-	100.00%
Consortio Especializado Medio Ambiente, S.A.de CV	Melchor Ocampo, 193 piso 14. Mexico D.F Mexico.	Integrated services	-	60.00%
Construcciones Dorsa, S.A.	C/ Cristóbal Bordinú, 35-5, oficina 515-517. Madrid. Spain	Construction	-	99.73%
Control y Montajes Industriales CYMI, S.A.	C/ Teide 4, 2ª planta. 28709 San Sebastián de los Reyes. Madrid. Spain	Electrical installations	Deloitte	100.00%
Control y Montajes Industriales de Méjico, S.A. de C.V.	C/ Juan Racine, 116- 6. 11510 Mexico. D.F	Electrical installations	Deloitte	100.00%
Cosersa, S.A.	Avda. de Manóteras, 26. 28050 Madrid. Spain	Industrial cleaning	Deloitte	100.00%
Cymi do Brasil, Ltda.	Avda. Presidente Wilson 231, sala 1701 20030-020. Rio de Janeiro. Brazil	Electrical installations	-	100.00%
Cymi Holding, S.A.	Avda. Presid Wilson 231 Sala 1701 Parte Centro. Rio de Janeiro. Brazil	Holding company	Assurance Auditores e Consultores	100.00%
Cymi Investment USA, S.L.	C/ Teide, 4-2ª plta. 28709 San Sebastián de los Reyes. Madrid. Spain	Holding company	-	100.00%
Cymi Seguridad, S.A.	C/ Teide, 4-2ª plta. 28709 San Sebastián de los Reyes. Madrid. Spain	Security systems installation	-	100.00%
Delta P I, LLC.	400-A Georgia Av. Deer Park Texas 77536. USA	Electrical installations	-	55.00%
Depuradoras del Bajo Aragón S.A.	Paraíso 3- 50410 Cuarte de Huerva. Zaragoza. Spain	Water treatment	Deloitte	55.00%
Desarrollo Informático, S.A.	Avda. de Santa Eugenia, 6. 28031 Madrid. Spain	Computer maintenance	Deloitte	100.00%
Desarrollos Energéticos Riojanos, S.L.	Pol. Industrial Las Merindades, calle B s/n. Villarcayo. 09550 Burgos. Spain	Generation of electricity	-	80.00%
Dimática, S.A.	C/ Saturnino Calleja, 20. 28002 Madrid. Spain	Sale of computer equipment	-	100.00%
Dragados Construc. Netherlands, S.A.	Amsteldijk 166-6 1079LH. Amsterdam. Netherlands	Electrical installations	-	100.00%
Dragados Gulf Construction, Ltda.	P. O Box 3140 Al Khobar 31952. Kingdom of Saudi Arabia	Construction	Deloitte	100.00%
Dragados Industrial, S.A.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Construction	Deloitte	100.00%
Dragados Industrial Algeria S.P.A.	Lot nº 7. Ville Coopérative El Fetej - El Bihar. Alger. Algérie	Industrial maintenance and assemblies	Menguellatti Encha Allah	100.00%
Dragados Industrial Canada, Inc.	620 Rene Levesque West Suite 1000 H3B 1 N7 Montreal. Quebec. Canada	Electrical installations	-	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.	Manufacturing of metallic structures	KMPG Cardenas Dosal, S.C.	100.00%
Dragados Offshore de Méjico, S.A. de C.V.	Juan Racine n 112, piso 8, Col. Los Morales 11510. Mexico D.F.	Manufacturing of metallic structures	KMPG Cardenas Dosal, S.C.	100.00%
Dragados Offshore USA, Inc.	10333 Richmond Avenue, suite 720 77042 Texas. Houston. USA.	Market research and capturing of markets	-	100.00%
Dragados Offshore, S.A.	Bajo de la Cabezueta, s/n. 11510 Puerto Real. Cádiz. Spain	Manufacturing of metallic structures	Deloitte	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	Engineering and construction	Deloitte	100.00%

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Company	Registered Office	Activity	Auditor	% Effective Ownership
Dyctel infraestrutura de Telecomunicações, Ltda.	C/ Rua Riachuelo, 268. 90010 Porto Alegre. Brazil	Telecommunications	-	100.00%
Dyctel Infraestructuras de Telecomunicaciones, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	Telecommunications	-	100.00%
Ecocivil Electromur G.E., S.L.	C/ Paraguay, Parcela 13/3. 30169 San Ginés. Murcia. Spain	Civil works	Deloitte	94.50%
Ecovent Parc Eólic, S.A.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	Generation of electricity	Deloitte	100.00%
El Otero Wind Power, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Renewable energy generation	-	100.00%
El Recuento Eólica, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Renewable energy generation	-	100.00%
Elétrén, S.A.	Avda. del Brasil, 6. 28020 Madrid. Spain	Specialized construction	PricewaterhouseCoopers	100.00%
Electromur, S.A.	C/ Cuatro Vientos, 1. San Ginés. Murcia. Spain	Electrical installations	Deloitte	100.00%
Electronic Traffic, S.A.	C/ Tres Forques, 147. 46014 Valencia. Spain	Electrical installations	Deloitte	100.00%
Emplogest, S.A.	Rua Alfredo Trínidade, 4 Lisboa. 01649 Portugal	Holding company	-	98.21%
Emurtel, S.A.	C/ Carlos Egea, parc. 13-18. Pl. Oeste. Alcantarilla. Murcia. Spain	Telecommunications	Deloitte	50.10%
Enclavamientos y Señalización Ferroviaria, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	Construction	Deloitte	100.00%
Enelec, S.A.	Avda. Marechal Gomes da Costa 27. 1800-255 Lisboa. Portugal	Electrical installations	L. Graça, R. Carvalho & M. Borges, SROC, LDA	100.00%
Energía Sierrezuela, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Renewable energy generation	-	100.00%
Energía y Recursos Ambientales Internacional, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Renewable energy generation	-	100.00%
Energías Ambientales de Guadalajara, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Energías Ambientales de Novo, S.A.	José Luis Bugallal Marchesi M-10. 15008 La Coruña. Spain	Generation of electricity	Deloitte	66.67%
Energías Ambientales de Oaxaca, S.A. de C.V.	Juan Racine, 112 piso 6 Mexico D.F.	Generation and transmission of electricity	-	100.00%
Energías Ambientales de Outes, S.A.	José Luis Bugallal Marchesi, 20. 15008 La Coruña. Spain	Generation of electricity	Deloitte	100.00%
Energías Ambientales de Somozas, S.A.	José Luis Bugallal Marchesi M -10. 15008 La Coruña. Spain	Generation of electricity	Deloitte	51.70%
Energías Ambientales de Soria, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Energías Ambientales de Vimianzo, S.A.	José Luis Bugallal Marchesi M -10. 15008 La Coruña. Spain	Generation of electricity	Deloitte	66.67%
Energías Ambientales, S.A.	José Luis Bugallal Marchesi M -10. 15008 La Coruña. Spain	Generation of electricity	Deloitte	66.67%
Energías y Recursos Ambientales, S.A.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Generation of electricity	Deloitte	100.00%
Enipro, S.A.	Rua Rui Teles Palhinha, 4. Leião. 2740-278 Porto Salvo. Portugal	Holding company	Oliveira, Reis & Associados, Sroc, Ltda	74.54%
Enq, S.L.	C/ F, nº 13. Pl. Mutiva Baja. Navarra. Spain	Electrical installations	-	100.00%
Eólica del Guadiana, S.L.	C/ Manuel Siurot, 27. 21004 - Huelva	Energy Production	-	90.00%
Eólica Majadillas, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Renewable energy generation	-	100.00%
Eólica Torrellana, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Renewable energy generation	-	00.00%
EPC Ciclo Combinado Norte, S.A. de C.V.	Melchor Ocampo, 193. Torre C piso 14 D. 11300 Méjico D.F. Mexico	Industrial plants	BDO	100.00%
Equipos de Señalización y Control, S.A.	C/ Severino Covas, 100. Vigo. Pontevedra. Spain	Electrical installations	Deloitte	100.00%
Etra Cataluña, S.A.	C/ Mercuri, 10-12. Cornellá de Llobregat. Barcelona. Spain	Electrical installations	Deloitte	100.00%
Etra Interandina, S.A.	C/ 100, n. 8A-51, Of. 610 Torre B. Santafe de Bogota. Colombia	Electrical installations	Elquin Infante	100.00%
Etra Investigación y Desarrollo, S.A.	C/ Tres Forques, 147. 46014 Valencia. Spain	Research and development	Deloitte	100.00%
Etralux, S.A.	C/ Tres Forques, 147. 46014 Valencia. Spain	Electrical installations	Deloitte	100.00%
Etranorte, S.A.	C/ Errerruena, pab. G. Pl. Zabalondo. Munguia. Vizcaya. Spain	Electrical installations	Deloitte	100.00%
Extresol 2, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Energy Production	Deloitte	100.00%
Extresol 3, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Extresol-1, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Energy Production	Deloitte	100.00%
Eyra Energías y Recursos Ambientais, Lda.	Avda Sidonio Pais, 28. Lisboa. Portugal	Generation of electricity	-	98.00%
Eyra Wind Power USA Inc	2711 Centerville Road Suite 400 Wilmington county of New Castle delaware 19808	Energy Production	-	100.00%
France Semi, S.A.	20/22 Rue Louis Armand rdc. 75015 Paris. France	Assemblies	-	99.73%
Garby Aprovechamientos Energéticos, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Geida Beni Saf, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Madrid	Desalination plant	-	100.00%
Gerovitae La Guancha, S.A.	Ctra. del Rosario Km 5,2. La Laguna. 38108 Santa Cruz Tenerife. Islas Canarias. Spain	Manangement and operation of social-health centre	-	100.00%
Global Spa, S.L.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	Climate control systems	-	100.00%
Golden State Environmental Tedagua Corporation S.A.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Electronic systems development	-	100.00%
Gpme, S.A.	Rua Rui Teles Palhinha 4 Leião 2740-278 Porto Salvo. Portugal	Holding company	Oliveira, Reis & Associados, Sroc, Ltda	74.54%
Guatemala de Tráfico y Sistemas, S.A.	C/ Edificio Murano Center, 14. Oficina 803 3-51. Zona 10. Guatemala	Construction	-	100.00%
H.E.A Instalações Ltda.	Rua das Patativas, 61 Salvador de Bahia. Brazil	Air-conditioning, electricity network installation and maintenance	-	55.00%
Hidra de Telecomunicaciones y Multimedia, S.A.	C/ Severo Ochoa, 10. 29590 Campanillas. Málaga. Spain	Telecommunications	-	100.00%
Hidráulica de Mendre Dos, S.A.	Urbanización Doleguita Calle D Norte, Edificio Plaza Real, Apto/Local 1.Chiriqui. Panama	Assembly and maintenance of hydraulics works	-	75.00%

Company	Registered Office	Activity	Auditor	% Effective Ownership
Hidráulica de Mendre, S.A.	Dr. Ernesto Pérez Balladares. Provincia de Chiriqui. Panama	Hydroelectric plant	-	100.00%
Hidráulica del Chiriqui, S.A.	Dr. Ernesto Pérez Balladares. Provincia de Chiriqui. Panama	Hydroelectric plant	-	100.00%
Hidrogestión, S.A.	Avda. Manóteras, 28. Madrid. Spain	Distribution of water	Deloitte	100.00%
Hidrolanzán, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Hydroelectric plant	-	100.00%
Humiclíma Caribe Cpor A.Higüey	Ctra. Cruce De Friusa, s/n. Higüey. Altgracia. República Dominicana	Climate control systems	BDO	100.00%
Humiclíma Centro, S.A.	C/ Orense, 4 1ª planta. 28020 Madrid. Spain	Climate control systems	-	100.00%
Humiclíma Est Catalunya, S.L.	C/ San Quinti, 47. 08041 Barcelona. Spain	Climate control systems	Deloitte	100.00%
Humiclíma Est, S.A.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	Climate control systems	Deloitte	100.00%
Humiclíma Jamaica Limited	Corner Lane 6 Montego Bay. St James. Jamaica	Climate control systems	KPMG	100.00%
Humiclíma Magestic Grupo, S.L.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	Climate control systems	-	100.00%
Humiclíma Mexico, S.A. de C.V.	Cancun (Quintana De Roo). Mexico	Climate control systems	BDO	100.00%
Humiclíma Panamá, S.A.	Calle 12, Corregimiento de Río Abajo. Panama	Works, projects and research services	-	100.00%
Humiclíma Sac, S.A.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	Climate control systems	Deloitte	100.00%
Humiclíma Sur, S.L.	C/ Marruecos, 12. Jérez de La Frontera. Cádiz. Spain	Climate control systems	-	100.00%
Humiclíma Valladolid, S.L.	C/ Puente Colgante, 46. Valladolid. Spain	Climate control systems	-	100.00%
Hydro Management, S.L.	Avda.Tenerife General Gutiérrez, 9. 30008 Murcia. Spain	Services	Deloitte	75.00%
Iberoamericana de Hidrocarburos, S.A. de C.V.	C/ Melchor Ocampo 193. Colonia Verónica Anzures. Mexico	Industrial plant construction	-	59.50%
ImesAPI, S.A.	Avda. de Manóteras, 26. 28050 Madrid. Spain	Electrical installations	Deloitte	100.00%
Imocme, S.A.	Rua Rui Teles Palhinha, 4. Leião. 2740-278 Porto Salvo. Portugal	Asset holding company	Oliveira, Reis & Associados, Sroc, Ltda	74.54%
Infraest. Energéticas Medioambi. Extremeñas, S.L.	Polígono Industrial Las Capellanías. Parcela 238B. Cáceres. Spain	Services	-	100.00%
Infraestructuras Energéticas Aragonesas, S.L.	C/ Paraíso, 3. 50410 Cuarte de Huerva. Zaragoza. Spain	Assembly and maintenance	-	100.00%
Infraestructuras Energéticas Castellanas, S.L.	Aluminio, 17. 47012 Valladolid. Spain	Generation of electricity	-	51.00%
Initec Energía, S.A.	C/ Príncipe de Vergara, 120 planta. 28002 Madrid. Spain	Technical engineering services	C.T.A. Auditores	100.00%
Injar, S.A.	C/ Catamarca Esq. C/ Mendoza. PG El Sebadal. 35008 Las Palmas. Islas Canarias. Spain	Sale and assembly of industrial and air-conditioning installations	Deloitte	100.00%
Inotec	Angola	Energy production	-	37.27%
Instalaciones y Montajes de Aire Climatizado, S.L.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	Climate control systems	-	100.00%
Instalaciones y Servicios Codení, S.A.	De la Casa del Obrero 1º C Bajo, 2º C Sur, 75 Varas abajo, Casa #1324. Bolonia Managua. Nicaragua	Electrical assemblies and installations	-	100.00%
Instalaciones y Servicios Codepa, S.A.	Calle 12. Río Abajo Ciudad de Panamá. Panamá	Electrical assemblies and installations	-	100.00%
Instalaciones y Servicios Codeven, C.A.	Avda. S. Fco Miranda. Torre Parque Cristal. Torre Este, planta 8. Oficina 8-10. Chacao. Caracas. Venezuela	Engineering and construction	-	100.00%
Instcobra. Ecuador	Avda. Amazonas 3459-159 e Iñaquito Edificio Torre Marfil. Oficina 101. Ecuador	Electricity services (transport)	-	100.00%
Intebe, S.A.	C/ Doctor Alexandre Frias nº 3, 3º C. Cambriels. Tarragona. Spain	Maintenance	-	99.40%
Intecsa Ingeniería Industrial, S.A.	Vía de los Poblados, 11. 28033 Madrid. Spain	Engineering	Deloitte	100.00%
Integrated Technical Producs, LLC.	1117 Joseph Street Shreveport Louisiana LA 71107. USA	Electrical installations	-	55.00%
Invexta Recursos, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Research, exploration and operation of all types of deposits and storage of hydrocarbons	-	100.00%
Iracema Transmissora de Energia, S.A.	Avda. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil	Electrical concession	Assurance Auditores e Consultores	100.00%
Iscobra Instalacoes e Servicos, Ltda.	General Bruce, 810. Rio de Janeiro. Brazil 20921	Electrical assemblies and installations	-	100.00%
Itumbiara Marimbondo, Ltda.	Marechal Camera, 160. Rio de Janeiro. Brazil 20020	Electrical assembly and services	-	100.00%
La Caldera Energía Burgos, S.L.	Almirante Bonifaz, 3. 09003 Burgos. Spain	Generation of electricity	Deloitte	61.79%
Lestenergia	Calçada Da Rabaça, nº 11. Penamacor. Portugal	Energy production	Oliveira, Reis & Associados, Sroc, Ltda	74.54%
Litran do Brasil Partipações S.A.	Avda. Marechal Camera 160, sala 1808. Rio de Janeiro. Brazil	Energy transport	-	75.00%
Lumicán, S.A.	C/ Arco, nº 40. Las Palmas de Gran Canaria. Islas Canarias. Spain	Electrical installations	Deloitte	100.00%
Lusobrisa	Rua Rui Teles Palhinha, 4-3. Leião 2740-278. Porto Salvo. Portugal	Energy production	-	74.54%
Luziana Montagens e Servicos, Ltda.	Avda. Marechal Camara, 160. Rio de Janeiro. Brazil	Holding company	-	100.00%
Maessa Telecomunicaciones, S.A. (MAETEL)	C/ Bari, 33. Edificio 3. 50197 Zaragoza. Spain	Maintenance and assembly	Deloitte	99.40%
Makiber, S.A.	Paseo de la Castellana, 182-2. 28046 Madrid. Spain	Merchandise export	Deloitte	100.00%
Manchasol 1 Central Termosolar Uno, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Energy Production	Deloitte	100.00%
Manchasol 2 Central Termosolar Dos, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Energy Production	Deloitte	100.00%
Mant. Ayuda a la Explot. y Servicios, S.A. (MAESSA)	C/ Manzanares, 4. 28005 Madrid. Spain	Industrial maintenance	Deloitte	100.00%
Mantenimiento y Montajes Industriales, S.A.	Edif. Milenium, C/ Teide 5-1. 28709 San Sebastián de los Reyes. Madrid. Spain	Industrial maintenance and assemblies	Deloitte	100.00%
Mantenimientos Integrales Senax, S.A.	C/ Tarragones, 12. L'Hospitalet de L'Infant. Tarragona. Spain	Assemblies	-	100.00%
Mas Vell Sun Energy, S.L.	C/ Prósper de Bofarull, 5. Reus (Tarragona). Spain	Concession of Energy solar generation	-	100.00%
Masa Algeciras, S.A.	Avda. Blas Infante, Edificio Centro Blas Infante, local 8. 11201 Algeciras. Cádiz. Spain	Industrial maintenance and assemblies	Deloitte	100.00%

# Consolidated Financial Statements

Company	Registered Office	Activity	Auditor	% Effective Ownership
Masa Brasil, S.L.	Av. São Gabriel, 149, sala 207. Itaim Bibi. São Paulo CEP. 01435-001. Brazil	Preparation of studies, projects, industrial assembly and maintenance	-	100.00%
Masa Galicia, S.A.	Políg. Ind. De la Grela - C/ Guttember, 27, 1º Izqd. 15008 La Coruña. Spain	Industrial maintenance and assemblies	Deloitte	100.00%
Masa Huelva, S.A.	C/ Alonso Ojeda, 1. 21002 Huelva. Spain	Industrial maintenance and assemblies	Deloitte	100.00%
Masa Méjico, S.A. de C.V.	C/ Juan Racine, 112, 8º - Colonia Los Morales, Del. Miguel Hidalgo - 11510 Mexico D.F.	Industrial maintenance and assemblies	Ruiz, Luna y Cia	100.00%
Masa Norte, S.A.	C/ Ribera de Axpe, 50-3º. 48950 Erandio Las Arenas. Vizcaya. Spain	Industrial maintenance and assemblies	Deloitte	100.00%
Masa Puertollano, S.A.	Crta. Calzada de Calatrava, km. 3,4. 13500 Puertollano. Ciudad Real. Spain	Industrial maintenance and assemblies	Deloitte	100.00%
Masa Servicios, S.A.	Políg. Ind. Zona Franca, Sector B, Calle B. 08040 Barcelona. Spain	Industrial maintenance and assemblies	Deloitte	100.00%
Masa Tenerife, S.A.	Pº Milicias de Garachico, 1, 4º, Ofic. 51 - Edif. Hamilton. 38002 Sta. Cruz de Tenerife. Islas Canarias. Spain	Industrial maintenance and assemblies	-	100.00%
Menci, S.L.	C/ Binea Roca, s/n, Local 16. 07710 Sant Lluís. Menorca. Islas Baleares. Spain	Climate control systems	-	100.00%
Mexicana de Servicios Auxiliares, S.A. de C.V.	Avda. Paseo de la Reforma, 404. Piso 15.1502. Colonia Juárez. Delegación Cuauhtemoc. 06600 Mexico D.F. Mexico.	Administrative management services	-	100.00%
Mexicobra, S.A.	Colonia Polanco C/ Alejandro Dumas, 160. Mexico D.F. 11500	Auxiliary electricity, gas and communication distribution services	-	100.00%
Mexsemi, S.A. de C.V.	Avda. Dolores Hidalgo 817 CD Industrial Irapuato Gto. 36541. Mexico	Assemblies	RMS Bogarin, Erhard, Padilla, Alvarez & Martinez	99.73%
Mimeca, C.A.	Pz. Venezuela, Torre Phelps, s/n. 1050 Caracas. Venezuela	Industrial cleaning	-	82.80%
Moeë	Rua Rui Teles Palhinha, 4-3º. Leião 2740-278 Porto Salvo. Portugal	Energy production	Oliveira, Reis & Associados, Sroc, Ltda	74.54%
Moncobra Canarias Instalaciones, S.A.	León y Castillo, 238. 35005 Las Palmas de Gran Canaria. Islas Canarias. Spain	Industrial maintenance and assemblies	-	100.00%
Moncobra Perú	Avda. Víctor Andrés Belaúnde 887 Distrito: Carmen de la Legua Reinoso	Auxiliary services	-	100.00%
Moncobra, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Industrial maintenance and assemblies	Deloitte	100.00%
Monelec, S.L.	C/ Ceramistas, 14. Málaga. Spain	Electrical installations	Deloitte	100.00%
Murciana de Tráfico, S.A.	Carril Molino Nerva, s/n. Murcia. Spain	Electrical installations	Deloitte	100.00%
NGS, Ltda.	Brazil	-	-	75.00%
OCP Perú	Avda. Víctor Andrés Belaúnde 887 Distrito: Carmen de la Legua Reinoso	Auxiliary services	-	100.00%
Oficina Técnica de Estudios y Control de Obras, S.A	C/ Guzmán el Bueno, 133-1º. Edificio Britania. 28003 Madrid. Spain	Consultancy services	Deloitte	100.00%
Opade Organizac. y Promoc de Actividades Deportivas, S.A.	Avda. de América, 10. Madrid. Spain	Organization and promotion of athletic activities	Deloitte	100.00%
PE. Sierra de las Carbas, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Generation of electricity	Deloitte	61.79%
PE. Monte das Aguas, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Generation of electricity	Deloitte	60.00%
PE. Monte dos Nenos, S.L.	La Paz, 23-2ºB. Valencia. Spain	Energy Production	-	100.00%
PE. Donado, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Energy Production	-	100.00%
PE. Tesosanto, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Generation of electricity	-	61.79%
Parque Eólico Bandelera, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Energy Production	-	70.10%
Parque Eólico Buseco, S.L.	Comandante Caballero, 8. 33005 Oviedo. Asturias. Spain	Energy Production	-	80.00%
Parque Eólico de Valdecarro, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Generation of electricity	-	100.00%
Parque Eólico La Boga, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Generation of electricity	Deloitte	75.00%
Parque Eólico Marmellar, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Generation of electricity	Deloitte	70.00%
Parque Eólico Roderia Alta, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Energy Production	-	70.10%
Parque Eólico Santa Catalina, S.L.	La Paz, 23-2ºB. Valencia. Spain	Energy Production	Deloitte	100.00%
Parque Eólico Tadeas, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Generation of electricity	-	51.48%
Parque Eólico Valcaire, S.L.	Ayuntamiento, 7 Padul. 18640 Granada. Spain	Generation of electricity	-	55.00%
Parque Eólico Valdehierro, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Generation of electricity	-	51.48%
Percomex, S.A.	Melchor Ocampo, 193 Torre C-Colonia Verónica Anzures. Mexico	Auxiliary electricity, gas and communication distribution services	BDO	100.00%
Planta de Tratamiento de Aguas Residuales, S.A.	Avda. Argentina, 2415 Lima (Perú)	Water treatment plant	-	100.00%
Portumasa, S.A.	Avda. Merechal Gomes Da Costa, 27, RC Esquerdo 1800-255 Lisboa. Portugal	Study and performance of projects, assemblies, manufacture and sale of electrical and electronic equipment	-	100.00%
Procme, S.A.	Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo. Portugal	Holding company	Deloitte	74.54%
Promservi, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain	Real estate development	-	100.00%
Recursos Ambientales de Guadalajara, S.L.	Cardenal Marcelo Spínola, 10. Madrid 28016. Spain.	Renewable energy generation	-	100.00%
Recursos Eólicos de Mexico, S.A. de C.V.	Juan Racine, 112 piso 6. Mexico D.F. Mexico.	Renewable energy generation	-	100.00%
Red Top Wind power, LLC.	2711 Centerville Road Suite 400 Wilmington county of New Castle delaware 19808	Energy Production	-	100.00%
Riansares Eólica, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Energy Production	-	70.00%



Company	Registered Office	Activity	Auditor	% Effective Ownership
Ribagrande Energía, S.L.	Cardenal Marcelo Spínola, 10. Madrid 28016. Spain.	Renewable energy generation	-	100.00%
Rioparque, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal.	Biomass	-	30.00%
Robledo Eólica, S.L.	Cardenal Marcelo Spínola, 10. Madrid 28016. Spain.	Renewable energy generation	-	100.00%
Rodonya Solar 1, S.L.	C/ Teide, 4. San Sebastián de los Reyes. Madrid. Spain	Operation of photovoltaic installations	-	100.00%
Roura Cevasa, S.A.	Caracas, 5. Barcelona. Spain	Corporate image	PricewaterhouseCoopers	100.00%
Salmantina de Seguridad Vial, S.A.	Cascalajes, 65-69. 37184 Villares de la Reina. Salamanca. Spain	Painting and signposting	Deloitte	100.00%
Sao Simao Montagens e Servicos de Electricidade, Ltda.	Rua Marechal Camara, 160. Rio de Janeiro. Brazil	Civil works	-	100.00%
Sedmive, C.A. (Soc. Españ. Montajes Indus. Venezuela)	Av. Fco Miranda Edif. Parq Cristal Tor Este, p8, of 8-8. Palos Grandes 1070 Caracas. Venezuela	Electrical assemblies	Deloitte	100.00%
Seguridad Integral Metropolitana, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	Security systems maintenance	Deloitte	90.00%
Semi Maroc, S.A.	5, Rue Fakir Mohamed. Casablanca Sidi Belyout Maroc	Electrical assemblies	Lhoussaisve El Hanaoui	99.73%
Sermacon Joel, C.A.	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela	Industrial cleaning	-	82.80%
Sermicro, S.A.	C/ Pradillo, 48-50. 28002 Madrid. Spain	Computer maintenance	Deloitte	100.00%
Serpimex, S.A. de CV.	Juan Racine 112 8 Colonia Los Morales Polanco Delegación Miguel Hidalgo. Mex DF 11510	Provision of personal services	Deloitte	100.00%
Serpista, S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Services	Deloitte	51.00%
Serra do Mónico Cambas, S.L.	Rua da Constitución, 30. Culleredo. 15189 La Coruña. Spain	Electricity generation	-	51.00%
Serveis Catalans, Serveica, S.A.	Avda. de Manóteras, 26. 28050 Madrid. Spain	Electrical installations	-	100.00%
Servicios Administrativos Offshore, S.A. de C.V.	Juan Racine, 112 Piso 8 Col. Los Morales C.P. 11510 Mexico D.F.	Provision of personal services	Deloitte	100.00%
Servicios Gymimex, S.A. de CV.	Juan Racine 112 6º piso Colonia Los Morales 11510. Mexico D.F. Mexico	Electrical installations	Deloitte	100.00%
Servicios Dinsa, S.A. de CV.	Juan Racine 112 3º piso Colonia Los Morales Mexico (DF) Delegación Miguel Hidalgo 11510	Provision of personal services	Deloitte	100.00%
Servicios Logísticos y Auxiliares de Occidente, SA	Avda. Ofibodegas Los Almendros, 3 13-35 Guatemala	Auxiliary services	-	100.00%
Servicios Operativos Offshore, S.A. de C.V.	Juan Racine, 112 Piso 8 Col. Los Morales C.P. 11510 Mexico D.F.	Provision of personal services	Deloitte	100.00%
Servicios Proyectos Industriales de Méjico, S.A. de CV.	Juan Racine, 112 8º piso Colonia Los Morales Mexico (DF) Delegación Miguel Hidalgo 11510	Provision of personal services	Deloitte	100.00%
Setec Soluções Energeticas de Transmissao e Controle, Ltda.	Av. Presidente Wilson 231, sala 1701 20030-020 Rio de Janeiro. Brazil	Electrical installations	-	100.00%
Sice do Brasil, S.A.	C/ Joaquim Eugenio de Lima, 680. Sao Paulo. Brazil	Construction of all types of works	-	100.00%
Sice Energía, S.L.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain	Photovoltaic plants construction	-	100.00%
Sice Hellas Sistemas Tecnológicos Sociedad Unipersonal de Responsabilidad Limitada	C/ Omirou. 14562 Kifissia. Greece	Construction of all types of works	-	100.00%
SICE PTY, Ltd.	Level 5, Mayne Building. 390 St. Kilda Road Melbourne, Vicotira 3004. Australia	Construction of all types of works	Deloitte	100.00%
Sice Puerto Rico, Inc.	C/ Fordham 275 San Juan PR 00927. University Gardens. Puerto Rico	Construction and all business permitted under law	-	100.00%
Sice South Africa Pty, Ltd.	C/ PO Box 179. 009 Pretoria, South Africa	Construction of all types of works	PKF Pretoria Incorporated	100.00%
Sice Tecnología y Sistemas, S.A.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain	Acquisition and sale of all types of movable assets and securities	Deloitte	100.00%
SICE, Inc.	9442 Capital of Texas Hwy North. Arboretum Plaza One Suite 500 Austin TEXAS 78759. USA	Development of intelligent toll systems	-	100.00%
SICE, LLC.	Rublevskoye Shosse 83/1 121467 Moscu. Russia	Design, construction, installation and maintenance off traffic and trade	-	100.00%
Sidotel, S.A.	Avda. Manóteras, 28. Madrid. Spain	Electrical installations	-	100.00%
Sistemas Integrales de Mantenimiento, S.A.	C/ Teide, 5-1º. 28709 San Sebastián de los Reyes. Madrid. Spain	Industrial maintenance and assemblies	-	100.00%
Sistemas Radiantes F. Moyano, S.A.	C/ La Granja, 72. 28108 Alcobendas. Madrid. Spain	Telecommunications	Deloitte	100.00%
Sistemas Sec. S.A.	C/ Miraflores 383. Santiago de Chile. Chile	Telecommunications	Deloitte	51.00%
Soc Ibérica de Construcciones Eléctricas de Seguridad, S.L.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	Security system and fire prevention device installation and maintenance	-	100.00%
Soc. Española de Montajes Industriales, S.A. (SEMI)	C/ Manzanares, 4. 28005 Madrid. Spain	Electric assemblies	Deloitte	99.73%
Sociedad de Generación Eólica Manchega, S.L.	Cardenal Marcelo Spínola, 10. Madrid 28016. Spain	Renewable energy generation	-	100.00%
Sociedad Ibérica de Construcciones Eléctricas, S.A.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain	Construction of all types of works	Deloitte	100.00%
Sociedad Industrial de Construcciones Eléctricas, S.A.	C/ Aquilino de la Guardia. Edificio IGRA Local 2. Urbanización Bella Vista Panama	Construction of all types of works	Interamericana	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	Trade, industry and tourism in general	Interamericana	100.00%
Sociedad Industrial de Construcciones Eléctricas Siceandina, S.A.	C/ Chinchinal, 350. Barrio El Inca. Pichincha - Quito (Ecuador)	Construction of all types of works	-	100.00%

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Company	Registered Office	Activity	Auditor	% Effective Ownership
Sociedad Industrial de Construcciones Eléctricas, S.A. de C.V.	Paseo de la Reforma, 404. Despacho 1502, Piso 15 Col. Juárez 06600 Delegación Cuauhtemoc Mexico D.F.	Construction of all types of works	BDO	100.00%
Sociedad Industrial de Construcciones Eléctricas, S.L., Ltda.	CL 94 NO. 15 32 P 8. Bogotá D.C. Colombia	Construction of all types of works	-	100.00%
Societat Eòlica de l' Enderrocada, S.A.	Amistat, 23. 08005 Barcelona. Spain	Generation of electricity	Deloitte	53.30%
Société Industrielle de Construction Electrique, S.A.R.L.	Espace Porte D Anfa 3 Rue Bab Mansour Imm C 20000 Casa Blanca. Morocco	Services for public authorities	-	100.00%
Soluc Eléctricas Integr de Guatemala, S.A.	Avda. Ofibodegas Los Almendros, 3 13-35 Guatemala	Auxiliary services	-	100.00%
Soluciones Auxiliares de Guatemala, S.A.	Avda. Ofibodegas Los Almendros, 3 13-35 Guatemala	Auxiliary services	-	100.00%
Spobra Instalações e Serviços, Ltda.	Joao Ventura Batista, 986 Sao Paulo. Brazil 02054	Electrical assemblies and installations	-	56.00%
Sumipar, S.A.	C/ B Sector B Zona Franca 4. 08040 Barcelona. Spain	Construction of all types of works	-	100.00%
Tecn. de Sist. Electrónicos, S.A. (Eyssa-Tesis)	Rua General Pimenta do Castro 11-1. Lisboa. Portugal	Electrical installations	Deloitte	100.00%
Tecneira do Paracuru, Ltda.	Fortaleza. Brazil	Generation of electricity	-	60.00%
Tecneira Moçambique SA-Tecnologias Energéticas, S.A.	Avda 25 Setembro 1020 1º Andar. Maputo. Moçambique	Energy Production	Deloitte	74.54%
Tecneira Novas Enérias SGPS, S.A.	Rua Rui Teles Palhinha, 4. Leiaõ 2740 Oeiras. Portugal	Energy Production	Oliveira, Reis & Associados, Sroc, Ltda	74.54%
Tecneira Participações SGPS	Tagus Space - Rua Rui Teles Palhinha N42740-278 Porto Salvo	Holding company	-	74.54%
Tecneira, S.A.	Rua Rui Teles Palhinha, 4. Leiaõ 2740-278 Porto Salvo. Portugal	Energy Production	Oliveira, Reis & Associados, Sroc, Ltda	74.54%
Técnicas de Desalinización de Aguas, S.A.	Procesador, 19. Telde 35200 Las Palmas. Islas Canarias. Spain	Desalination plant	Deloitte	100.00%
Tecnotel Clima, S.L.	Pg. Ind. Valle Guimar Manz, 6. Arafo. Santa Cruz de Tenerife. Islas Canarias. Spain	Climate control systems	-	100.00%
Tecnotel de Canarias, S.A.	Misiones, 13. Las Palmas de Gran Canaria. Spain	Climate control systems	Deloitte	100.00%
Tedagua Renovables, S.L.	Procesador, 19. Telde 35200 Las Palmas. Islas Canarias. Spain	Services	-	100.00%
Telcarrier, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	Telecommunications	-	100.00%
Telsa Instalaciones de Telecomunicaciones y Electricidad, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	Telecommunications	Deloitte	100.00%
Tesca Ingeniería del Ecuador, S.A.	Avda. 6 de diciembre N37-153 Quito. Ecuador	Assemblies	Deloitte	100.00%
TNG Brasil, Ltda.	Fortaleza. Brazil	Projects development	-	75.00%
Torre de Miguel Solar, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Energy Production	-	100.00%
Trafirbe, S.A.	Estrada Oct vio Pato C Empresar-Sao Domingo de Rana. Portugal	Painting and signposting	-	76.20%
Triana do Brasil Projetos e Serviços, Ltda.	Avda. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil	Electrical installations	-	50.00%
Uirapuru Transmissora de Energia, Ltda.	Rua Deputado Antonio Edu Vieira 999 Florianopolis Estado Santa Catarina. Brazil	Electrical concession	Assurance Auditores e Consultores	51.00%
Urbaenergia, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Generation of electricity	Deloitte	100.00%
Valdelagua Wind Power, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Renewable energy generation	-	100.00%
Venezolana de Limpiezas Industriales, C.A. (VENELIN)	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela	Industrial cleaning	Carolina Pueyo	82.80%
Ventos da Serra Produção de Energia, Ltda.	Rua Rui Teles Palhinha, 4. Leiaõ 2740 Oeiras. Portugal	Energy Production	-	74.54%
Viabal Manteniment i Conservacio, S.A.	Roders, 12. 07141 Marratxi. Islas Baleares. Spain	Painting and signposting	-	100.00%
Vieyra Energía Galega, S.A.	José Luis de Bugallal Marchesi, 20-1 izq. 15008 La Coruña. Spain	Energy Production	-	50.00%
Villanueva Cosolar, S.L.	Guadalajara, 14. 19193 Guadalajara. Spain	Energy Production	-	74.54%
Wayserv SGPS, S.A.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal.	Holding company	-	75.00%
<b>ENVIRONMENT</b>				
ACS Servicios y Concesiones, S.L.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain.	Environment	Deloitte	100.00%
Actividades de Mantenimiento de Jardines 21, S.L	Calle Fray Junipero Serra, 65, 3. 08030 Barcelona. Spain	Garden maintenance	-	100.00%
Aureca Aceites Usad y Recuper Energét de Madrid, S.L.	Avda. Logroño km 9.800. 28042 Madrid. Spain	Treatment of oils and marpoles	-	100.00%
Bias Moreno, S.L.	Avda. Diagonal, 611, 2. Barcelona. Spain	Collection of urban solid waste, street cleaning and selective collection	-	60.00%
Centro de Transferencias, S.A.	Polígono Los Barriales, s/n. Valladolid. Spain	Physical and chemical treatment and storage of industrial waste in a safe deposit	Deloitte	70.00%
Claerh, S.A.	Avda. del Descubrimiento. Alcantarilla. Murcia. Spain	Collection and treatment of sanitary waste	-	51.00%
Clece FS, S.A.	Avenida de Manoteras, 46 28050 - Madrid. Spain	Interior cleaning	Deloitte	100.00%
Clece, Inc.	1111 Brickell Avenue 11Th Floor. Florida 33131. Miami. USA.	Cleaning and maintenance services for buildings	-	100.00%
Clece, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Interior cleaning	Deloitte	100.00%
Consensur, S.A.	Polígono Industrial Finanzauto. C/ Ebro, Arganda del Rey. Madrid. Spain	Management and treatment of hospital waste	Deloitte	100.00%
Cytrar, S.A. de C.V.	Calle Lázaro Cardenas, Km 6 en Hermosillo. Sonora. Mexico	Management and treatment of hospital waste	Mancera, SC. Ernst & Young	100.00%
Dramar Andalucía Tratamiento de Marpoles, S.L.	Muelle Isla Verde, s/n. 11207 Algeciras. Cádiz. Spain	Treatment of oils and marpoles	-	100.00%

Company	Registered Office	Activity	Auditor	% Effective Ownership
Ecoentorno Ambiente, S.A.	Camino de la Muñosa, s/n. Ctra. Madrid-Barcelona, km. 15,200. 28042 Madrid	Waste treatment	-	51.00%
Ecología y Técnicas Sanitarias, S.L.	C/ Josefa Mayor, 9. Nave 3. Urb. Industrial El Goro. Telde. Gran Canaria. Islas Canarias. Spain	Collection, transportation, storage and re-delivery of sanitary services	-	100.00%
Ecoparc de Barcelona S.A.	C/ A. Políg. Industrial Zona Franca. Barcelona. Spain	Waste treatment	Deloitte	66.40%
Ecosenda Gestión Ambiental, S.L.	Pol. Ind. Montguit-1 C-17 km 24. Barcelona. Spain	Urban services and waste treatment	Deloitte	100.00%
Edafología y Restauración del Entorno Gallego, S.L.	C/ Copérnico, s/n 1, 1º dcha. Pol. Ind. A Grenla. Coruña. Spain	Waste treatment	-	100.00%
Empordanesa de Neteja, S.A.	Avda. Diagonal, 611 , 2. Barcelona. Spain	Urban waste collection and street cleaning	-	60.00%
Evar, S.A.S.	1140, Avenue Albert Einstein. 34000 Montpellier Cedex 09. France	Waste treatment	Deloitte	96.75%
Evere, S.A.S.	Avda. Albert Einstein. 34000 Montpellier. France	Waste treatment	Deloitte	99.35%
Gestión Ambiental Canaria, S.L.	Alejandro del Castillo, s/n. San Bartolomé de Tirajana. Las Palmas Gran Canaria. Spain	Treatment of oils and marpoles	-	50.00%
Gestión Medioambiental de Torrelavega, S.A.	Boulevard Demetrio Herrero, 6. 39300 Torrelavega. Santander. Spain	Operation of urban solid waste dump	-	60.00%
Gestión y Protección Ambiental, S.L.	C/ Condado de Treviño, 19. Burgos. Spain	Collection of used oils	-	70.00%
GPL Limpiezas, S.L.	C/ Diputación, 180, 1ª planta. 08011 Barcelona. Spain	Interior cleaning	-	100.00%
Integra Man Gestí y Serveis Integ CEE Catalunya, S.L.	C/ Selva de Mar, 140. 08020 Barcelona. Spain	Interior cleaning	-	100.00%
Integra Man Gestí y Servic Integ CEE Galicia, S.L.	Avda. Hispanidad, 75. 36203 Vigo. Pontevedra. Spain	Interior cleaning	-	100.00%
Integra Mant Gestí y Servic Integ Cent Esp Empleo, S.L.	C/ Alfonso Gómez, 42 - Nave 1.2.1. 28037 Madrid. Spain	Interior cleaning	-	100.00%
Integra Mant Gestí y Servic Integ CEE Andalucía, S.L.	C/ Industria Edif Metrópoli, 1 Esc 4. PI MD P20. 41927 Mairena de Aljarafe. Sevilla. Spain	Interior cleaning	-	100.00%
Integra Mant Gestí y Servic Integ CEE Murcia, S.L.	C/ Velázquez, 3 Bajo. Alguazas 30560 Murcia. Spain	Interior cleaning	-	100.00%
Integra Mant Gestí y Servic Integ CEE Valencia, S.L.	Avda. Ingeniero Joaquin Benlloch, 65 Bajo. 46026 Valencia. Spain	Interior cleaning	-	100.00%
Interenvases, S.A.	Vial Secundario, s/n. Polígono Industrial de Araia. Bilbao. Spain	Recovery, collection, transport and storage of containers and packages	-	100.00%
Laboratorio de Gestión Ambiental, S.L.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Hazardous toxic waste	-	92.50%
Limpezas Guia, Ltd.	Edifício Luso Galaico -Lugar Das Antas- Fração AE. Apartado 62 4930-601 Valença. Portugal	Cleaning	-	100.00%
Limpieza Municipales, S.A.	Crta. de Málaga, 96 Alhaurín El Grande. Málaga. Spain	Urban services and waste treatment	Eduardo Márquez García	100.00%
Limpiezas Deysé, S.L.	C/ Lérida, 1. Manresa. Barcelona. Spain	Interior cleaning	-	100.00%
Limpiezas Lafuente, S.L.	C/ Ingeniero Joaquin Benlloch, 65 Bajo. 46026 Valencia. Spain	Cleaning	Andreu Romero y Asociados	100.00%
Lireba Serveis Integrats, S.L.	Carlos I, 10 - local 2. 07012 Palma de Mallorca. Islas Baleares. Spain	Interior cleaning	Deloitte	51.00%
Mapide, S.A.	C/ Santa Juliana, 16. 28039 Madrid. Spain	Interior cleaning	-	100.00%
Max-Lim, S.L.	C/ Melchor de Palau, 9. 08028 Barcelona. Spain	Interior cleaning	-	100.00%
Monegros Depura, S.A.	Pza. Antonio Beltrán Martínez, 1. Edificio Trovador, oficina 6 C. 50002 Zaragoza. Spain	Water	Deloitte	55.00%
Mora la Nova Energia, S.L.	C/ Lincoln, 11. 08006 Barcelona. Spain	Waste treatment	GMP Auditores	71.00%
Net Brill, S.L.	Camino Les Vinyes, 15. Mataró. 08302 Barcelona. Spain	Interior cleaning	-	100.00%
Octeva, S.A.S.	ZA Marcel Doret rue Jacques Monod. 62100 Calais. France	Waste treatment	Deloitte	68.69%
Olimpia, S.A. de CV.	C/ 6 Oriente. Colonia Francisco Sarabia. Tehuacan. Puebla. Mexico	Urban solid waste collection	Mancera, S.C. Ernst & Young	100.00%
Orto Parques y Jardines, S.L.	Luçar Dócean s/n. Parroquia de Orto. A Coruña. Spain	Collection of urban solid waste, street cleaning, selective collection and dump management	Deloitte	100.00%
Pisman Serveis, S.L.	C/ Miramargés, 7 VIC. 08500 Barcelona. Spain	Interior cleaning	-	100.00%
Pruvalsa, S.A.	Calle Independencia, Sector centro, Edificio Ariza, piso 2, ofic. 2-2. Valencia, Edo. Carabobo. Venezuela	Waste treatment	Ernst & Young	82.00%
Publimedia Sistemas Publicitarios, S.L.	Avda. de Manoteras, 46 Bis, 2ª planta 28050 Madrid. Spain	Advertising services	Deloitte	100.00%
Reciclados Integrales Argame, S.L.	Pol. Ind. Argame Parcela 27-28. 33163 Morcin. Asturias. Spain	Industrial wastes	-	100.00%
Recogida de Aceites Usados, S.A.	Pol. Ind. Torrelaragoiti, s/n. 48170 Zamudio. Vizcaya. Spain	Collection of used oils	-	100.00%
Recuperación Crom Industrial, S.A. (RECRISA)	Passeig Verdaguer 118. Igualada. Barcelona. Spain	Recovery	-	75.00%
Recuperación de Rodas e Madeira, S.L.	Camiño das Plantas, s/n. 36313 Xestoso. Bembibre. León. Spain	Treatment of oils and marpoles	-	100.00%
Recuperación Int. Residuos de Castilla y León, S.A.	Polígono Industrial Ntra. Sra. de Los Angeles. Parcela 10, nave 8 y 9. Palencia. Spain	Industrial waste management	-	100.00%
Recurba Medio Ambiente, S.A.	Avda. de Tenerife 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Galvanic waste treatment	-	100.00%
Residuos de la Janda, S.A.	C/ La Barca de Vejer s/n. Vejer de La Frontera. Cádiz. Spain	Collection of urban solid waste, street cleaning, selective collection and dump management	-	60.00%
Residuos Industriales de Teruel, S.A.	Ctra. de Madrid, km. 315,800 Edif. Expo Zaragoza, 3 Ofic. 14. 50012 Zaragoza. Spain	Construction and operation of a landfill	-	51.00%
Residuos Industriales de Zaragoza, S.A.	Crta. de Madrid Edif. Expozaragoza Km. 315.8 3 of 14. 50012 Zaragoza. Spain	Urban services	-	70.00%
Residuos Sólidos Urbanos de Jaén, S.A.	Palacio de la Excm. Diputación de Jaén. Jaén. Spain	Provision of USW collection, elimination and incineration services	PricewaterhouseCoopers	60.00%
RetraOil, S.L.	Pol. Ind. Tambarria, parcela 20. 26540 Alfaro. La Rioja. Spain	Treatment of oils and marpoles	Deloitte	100.00%
Salins Residuos Automoción, S.L.	Calle 31 c/v calle 27. Nave 715-701. Pl. Catarroja. Valencia. Spain	Treatment of oils and marpoles	-	80.00%

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Company	Registered Office	Activity	Auditor	% Effective Ownership
Sanypick Plastic, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Manufacturing and management of hospital waste containers	Deloitte	51.00%
Senda Ambiental, S.A.	Pol. Ind. Montguit-1 C-17 km 24. Barcelona. Spain	Urban services and waste treatment	Deloitte	100.00%
Sermed, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain	Sterilization and clinical material	-	100.00%
Servicios de Aguas de Misiones, S.A.	Avda. López y Planes, 2577. Misiones. Argentina	Water treatment	Deloitte	90.00%
Servicios Generales de Jaén, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Water	-	75.00%
Servicios Selun, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Transport and works in landfill	-	100.00%
Servicios Corporativos TWC, S.A. de CV.	Calle Lázaro Cardenas, Km 6 en Hermosillo. Sonora. Mexico	Corporate services for Mexican subsidiaries	Mancera, SC. Ernst & Young	100.00%
Sistemas de Incineración y Depuración, S.L. (SINDE)	Ctra. San Vicente-Agost Km. 10.2. Alicante. Spain	Sanitary waste treatment	-	100.00%
Socamex, S.A.	C/ Cobalto, s/n Par. 213. Pol. San Cristóbal. Valladolid. Spain	Construction and operation of waste water treatment plants	Deloitte	100.00%
Sociedad Peninsular de Limpiezas Mecanizadas, Lda.	C/ Estrada de Chelas, 192 B do Beato Lisboa. Portugal.	Interior cleaning	-	100.00%
Soluciones para el medioambiente, S.L.	C/ Formentera, 1. Edif. ECU II, oficina Bajo B. Las Rozas. Madrid. Spain	Environmental education, museography and management of fauna	Deloitte	94.00%
Somasur, S.A.	20, Rue Meliana Hai Ennahada. Rabat. Morocco	Intermediary company in Morocco	-	100.00%
Talher, S.A.	Avda. de Manteras, 46 Bis, 2ª planta 28050 Madrid. Spain	Gardening	Deloitte	100.00%
Tecmed Environment, S.A.S.	21 Rue Jules Guesde. 69230 Saint Genis Laval. Lyon. France	Hospital waste	René Grisson / Deloitte	96.75%
Tecmed Maroc, S.A.R.L. Associe Inique	Av. capitaine Sidi Omar Elaissoui cite OLM-Suisi II. Rabat. Morocco	Urban solid waste	Deloitte	100.00%
Tecmed Servicios de Recolección, S.A. de CV.	C/ Homero, 109 Dp 604. Colonia Chapultepec, Morales del Miguel Hidalgo. Mexico DF	U.S.W. collection and treatment	Mancera, SC. Ernst & Young	100.00%
Tecmed Técnicas Mediamb. de México, S.A. de CV.	Melchor Ocampo, 193 Torre C, piso 14D. Mexico	USW, environmental construction, hospital waste, industrial waste and water treatment	Mancera, SC. Ernst & Young	100.00%
Técnicas Aplicadas de Recuperaciones Industriales, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Waste treatment	-	95.00%
Técnicas de Recuperación e Inertización, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Industrial waste management	-	100.00%
Tirnadrid, S.A.	C/ Cañada Real de las Merinas, s/n. Madrid. Spain	Integral treatment of solid waste	Deloitte	66.36%
Tracemar, S.L.	Avda de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain	Treatment of oils and marpoles	Deloitte	100.00%
Transportes Residuos Industriales y Peligrosos, S.L.	C/ Copérnico, 1 1º dcha., P.I. La Grenla. A Coruña. Spain	Industrial waste transport	Deloitte	75.00%
Tratamiento de Residuos Sólidos Urbanos, S.A. de CV.	Calle Lázaro Cardenas, Km 6, en Hermosillo, Sonora. Mexico	Environmental services	Mancera, SC. Ernst & Young	100.00%
Tratamiento Integral de Residuos de Cantabria S.L.U.	Avda de Tenerife, 4-6. 28703 San Sebastián de los Reyes Madrid. Spain	Waste treatment	-	100.00%
Trenmedia, S.A.	C/ Fernando Rey, 3 (Ciudad de la Imagen). 28023 Pozuelo de Alarcón. Madrid. Spain	Advertising	KPMG	51.00%
TV Transit, S.A.	Avda. de Manteras, 46 bis 2ª planta. 28050 Madrid. Spain	Advertising	KPMG	100.00%
Urbalia Panama, S.A.	Betania Urbanización Los Angeles, Calle 63 A, Edificio Plotosa, 12. Rep. Panama	Waste treatment	-	70.00%
Urbamar Levante Residuos Industriales, S.L.	C/ 31 c/v calle 27. Nave 715-701. P.I. Catarroja. Valencia. Spain	Treatment of oils and marpoles	-	80.00%
Urbana de Servicios Ambientales, S.L.	Avda. José Ortega y Gasset, 194-196. Madrid. Spain	Street cleaning and urban solid waste collection	-	70.00%
Urbaoil, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Treatment of oils and marpoles	-	100.00%
Urbaser Argentina, S.A.	L.N. Alem 986, Piso 3. Capital Federal. Buenos Aires. Argentina	Holding company	Razzeto - López Rodríguez	100.00%
Urbaser Barquisimeto, C.A.	Carrera, 4 Zona Ind Barquisimeto. Lara. Venezuela	Street cleaning and urban solid waste collection	Ernst & Young	100.00%
Urbaser Bolívar, C.A.	Via Puente Angostura (frente Sector Agua Salada). Ciudad Bolívar. Venezuela	Street cleaning and urban solid waste collection	Ernst & Young	100.00%
Urbaser de Méjico, S.A. de CV.	C/ Juan Racine 112-8, Col. Los Morales. 11510 Mexico DF	Street cleaning, urban solid waste collection and dump management	Mancera, SC. Ernst & Young	100.00%
Urbaser Environnement, S.A.S.	1140 Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France	Waste treatment	Deloitte	96.75%
Urbaser INC.	Hunton & William LLP, 1111 Brickell Av. Suite 2500 Miami, Florida 33131. USA.	Environmental services	-	100.00%
Urbaser Libertador, C.A.	Av. Paseo Cabriales, Sector Kerdell, Torre Movilnet, piso 11, ofic. 4. Valencia. Estado de Carabobo. Venezuela	Street cleaning and urban solid waste collection	Ernst & Young	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	Street cleaning and urban solid waste collection	Ernst & Young	100.00%
Urbaser San Diego, C.A.	Cent Com Fin de Siglo, pta baja, Av. D. Julio Centeno, Sector La Esmeralda, Local 11. Venezuela	Urban solid waste collection	Ernst & Young	65.00%
Urbaser Santo Domingo, S.A.	C/ Virgilio Díaz Ordóñez, 54, Sector Julieta Morales. Santo Domingo	Street cleaning and urban solid waste collection	V.R. Marte Asociados	100.00%
Urbaser Transportes, S.L.	Avda. Diagonal, 611 - 2. Barcelona. Spain	Public/private transport, sale of spare parts for all type of vehicles and the repair of vehicles. Environmental audit.	-	100.00%
Urbaser United Kingdom, Ltd.	Pillar House, 113-115 Bath Road, Cheltenham. Gloucestershire GL53 7LS, England	Holding	Davie Mayers Barnett	100.00%
Urbaser Valencia, C.A.	C/ 123, s/n, cruce con avenida 94, avda. Izandro Alvarado. Zona industrial la Guacamaya, Galpon, Urbaser, Valencia Estado Carabobo. Venezuela	Street cleaning and urban solid waste collection	Ernst & Young	100.00%
Urbaser Venezuela, C.A.	Centro Comercial Punta de Sol, planta alta, local 1, Avenida Manaure, Municipio Mirahda, ciudad de Coro. Estado de Falcon. Venezuela	Street cleaning and urban solid waste collection	Ernst & Young	100.00%

Company	Registered Office	Activity	Auditor	% Effective Ownership
Urbaser, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Environment	Deloitte	100.00%
Urbaser, S.A. E.S.P.	Mamonal Km 2A nº 56 581. Cartagena de Indias. Colombia	Street cleaning and urban solid waste collection	Wilma Cervantes Aparicio (Revisor Fiscal)	100.00%
Urbasys, S.A.S.	Route de Tremblay, F-91480 Varennes-Jarcy. France	Waste treatment	Deloitte	99.35%
Valenciana de Eliminación de Residuos, S.L.	Paraje "El Cabezo del Pino". Real de Monroi. Valencia. Spain	Storage of industrial waste in a safe deposit	-	85.00%
Valenciana de Protección Ambiental, S.A.	L'Alcudia de Crepins. Polig. El Caneri, parcela 6. Valencia. Spain	Management and treatment of hospital and industrial waste	-	99.55%
Valorga International, S.A.S.	1140 Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France	Tecnological consulting	Deloitte	96.75%
Valorgabar, S.A.S.	1140 Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France	Waste treatment	Deloitte	99.35%
Vertederos de Residuos, S.A. (VERTRESA)	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Street cleaning, urban solid waste collection and dump management	Deloitte	83.97%
Verterra Galicia, S.L.	C/ Copérnico, 1 1 dcha. P. I. La Grenla. A Coruña. Spain	Collection and treatment of waste	-	75.00%
Verterra, S.L.	C/ Copérnico, 1 1 dcha. P. I. La Grenla. A Coruña. Spain	Collection and treatment of waste	-	75.00%
Vicente Fresno Aceite, S.L.	Barrio de San Martín, 141. 48170 Zamudio. Vizcaya. Spain	Treatment of oils and marpoles	-	100.00%
Zenit Servicios Integrales, S.A.	C/ Cardenal Marcelo Spínola, 42-8º dcha. Madrid. Spain	Integral services at airports	-	100.00%

## CONCESSIONS

ACS Infrastructure Canada, Inc.	1 First Canadian Place, 100 King Street West, Suite 1600. Toronto (M5X 1G5). Canada.	Holding	-	100.00%
ACS Infrastructure Development, Inc.	2711 Centerville Road Suite 400 Wilmington County of New Castle- Delaware. USA	Infrastructures	BDO	100.00%
Autovía de La Mancha, S.A. Conces. JCC Cast-La Mancha	21.500 de la CM-42 en el 54430 de Mascaraque. Toledo. Spain	Roads	Deloitte	75.00%
Autovia del Camp del Turia, S.A.	C/ Álvaro de Bazán, nº 10 Entlo. 46010 Valencia. Spain	Roads	-	65.00%
Autovía del Pirineo, S.A.	C/ Emilio Arrieta 8 - 6. 31002 Pamplona. Navarra. Spain	Roads	Deloitte	72.00%
Autovía Medinaceli-Galatayud Soc.Conces.Estado, S.A.	Avda. Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Concession	-	95.00%
Can Brians 2, S.A.	Avinguda Josep Tarradellas, 34-36, 9. 08029 Barcelona. Spain	Jail	Deloitte	99.58%
CAT Desenvolupament de Concessions Catalanes, S.L.	Avinguda Josep Tarradellas, 34-36, 9. 08029 Barcelona. Spain	Infrastructures	Deloitte	100.00%
Concesionaria Santiago Brión, S.A.	Centro de Control AG-56. Enlace de Pardiñas - Costola. 15895 Ames. A Coruña. Spain	Roads	Ernst & Young	70.00%
Concesiones Viarias Chile Tres, S.A.	Alfredo Barros Errazuriz 1953, Oficina 1003. Comuna de Providencia. Santiago de Chile. Chile.	Roads	-	100.00%
Concesiones Viarias Chile, S.A.	Alfredo Barros Errazuriz N 1953 oficina 1003. Comuna de Providencia. Santiago de Chile	Holding	Ernst & Young	100.00%
Desarrollo de Concesionarias Viarias Dos, S.L.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	Infrastructures	-	100.00%
Desarrollo de Concesionarias Viarias Uno, S.L.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	Infrastructures	-	100.00%
Desarrollo de Concesiones Ferroviarias, S.L.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	Railroad	-	100.00%
Dragados Concessions, Ltd.	Hill House, 1 - Little New Street. London EC4A 3TR. England	Holding	Deloitte	100.00%
Dragados Waterford Ireland, Ltd.	Fitzwilliam Business Centre, 77. Sir John Rogerson's Quay, Dublin 2 Ireland	Holding Roads	Deloitte	100.00%
Eix Diagonal Concesionària de la Generalitat de Catalunya, S.A.	Avda. Josep Tarradellas, 34-36, 9º dcha. 08029 Barcelona. Spain	Roads	-	100.00%
Estacionament Centre Direccional, S.A.	Puerto Tarrac, Moll de Llevant. Edificio B5, 1ª planta. 43004 Tarragona. Spain.	Parkings	-	100.00%
Explotación Comercial de Intercambiadores, S.A.	Avda. de America, 9A (Intercambiador de Tptes) Madrid. Spain	Commercial Operation	-	100.00%
Green Canal Golf, S.A.	Avenida Filipinas, s/n esquina Avenida Pablo Iglesias s/n. 28003 Madrid Spain	Management of sport facilities	Deloitte	100.00%
I 595 Express, LLC	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington New Castle, Delaware 19801	Roads	-	100.00%
I 595 ITS Solutions, LLC.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington New Castle, Delaware 19801	Toll road facilities	-	100.00%
Intercambiador de Transportes de Avda. de América, S.A.	Avda. América, 2-17-B. 28002 Madrid. Spain	Transport interchange	Deloitte	100.00%
Intercambiador de Transportes de Príncipe Pío, S.A.	Avda. América, 2-17-B. 28002 Madrid. Spain	Transport interchange	Deloitte	70.00%
Inversora de la Autovía de la Mancha S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Roads	Deloitte	75.00%
Iridium Aparcamientos, S.L.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Parkings	-	100.00%
Iridium Concesiones de Infraestructuras, S.A.	Avenida del Camino de Santiago, 50. 28050 Madrid. Spain.	Concession	Deloitte	100.00%
Iridium Nouvelle Autoroute 30, Inc.	1, Place Ville-Marie 37e étage Montreal. Quebec H3B 3P4. Canada	Holding	Deloitte	100.00%
Iridium Portlaoise Ireland Limited	Fitzwilliam Business Centre, 77 Sir John Rogerson's Quay, Dublin 2 Ireland	Holding	Deloitte	100.00%
Marestrada-Operações e Manutenção Rodoviária, S.A.	Av. Visconde Valmor, 66 4. 1050-242 Lisboa. Lisboa. Portugal	Road operator	Mazars	70.00%
Parking Mérida III, S.A.	Avenida Lusitania, 15 1, puerta 7. Mérida. Badajoz. Spain.	Parkings	-	60.00%
PLANESTRADA - Operação e Manutenção Rodoviária, S.A.	Av. Visconde Valmor, 66 4 . 1050-242 Lisboa. Lisboa. Portugal	Road operator	Mazars	70.00%
Reus-Alcover Conc de la Generalitat de Catalunya, S.A.	Avinguda Josep Tarradellas, 34-36, 9. 08029 Barcelona. Spain	Roads	Deloitte	85.00%
Soc.Inversora de Infraestructuras de la Mancha, S.L.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Holding	-	66.67%
Taurus Holdings Chile, S.A.	Alfredo Barros Errazuriz 1953 oficina 1003. Providencia. Santiago de Chile	Holding	Ernst & Young	100.00%
The Currituck Development Group, LLC.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington New Castle, Delaware 19801	Roads	-	100.00%

# Consolidated Financial Statements

## Appendix II. Joint ventures (Not UTES or EIGs)

Company	Address	Activity	Auditor	% Effective Ownership	Consolidation method	Revenue (100%) (Thousand of euros)
<b>CONSTRUCTION</b>						
ACS Sacyr Chile, S.A.	Avda. Andrés Bello, 2711, ofic. 1003. Las Condes. Santiago. Chile	Construction	Ernst & Young	50.00%	Proportional	-
Blue Clean Water, LLC.	150 Meadowlans PKWY, Secaucus. New Jersey 07094. USA.	Construction	-	41.00%	Proportional	-
Constructora Comsa Dragados, S.A.	Avda. Vitacura, 2939, ofic. 2201. Las Condes. Santiago. Chile	Construction	Servicios Empresariales Novarum Ltda.	50.00%	Proportional	15,631
Constructora Norte Sur, S.A.	Avda. Apoquindo 4001 ofic. 604. Las Condes. Santiago. Chile	Construction	Ernst & Young	48.00%	Proportional	-
Corfica 1, S.L.	C/ Los Vergos, 26-5 . 08017 Barcelona. Spain	Construction	-	50.00%	Proportional	-
Draga, S.A.	Crta.de la Comella, 11, Edif. Cierco AD500. Andorra	Construction	Deloitte	50.00%	Proportional	6,897
Dragados Besalco, S.A.	Avda. Vitacura, 2939, ofic. 2201. Las Condes. Santiago. Chile	Construction	KPMG	50.00%	Proportional	6,868
Dragados Fomento Canadá, S.A.L.	Queen Street, 570 Fredericton NB. Canada	Construction	-	50.00%	Proportional	6,821
Dragasa Pirinca, S.L.	Vía Laietana, 33. 5 08003 Barcelona. Spain	Construction	-	50.00%	Proportional	-
Dravo, S.A.	Plaza de Castilla, 3 Piso 21-A. 28046 Madrid. Spain	Construction	Ernst & Young	50.00%	Proportional	42,389
Elaboración de Cajones Pretensados, S.L.	Avda. general Perón, 36. 28020 Madrid. Spain	Construction	-	50.00%	Proportional	-
Empresa Mantenimiento y Explotación M-30, S.A.	C/ Méndez Álvaro, 95. 28053 Madrid. Spain	Concession for the operation and maintenance of the M-30	Deloitte	50.00%	Proportional	26,857
Gaviel, S.A.	Paseo de Gracia, 29. 08007 Barcelona. Spain	Real Estate development	-	50.00%	Proportional	-
SDD Shanganagh (Water Treatment) Limited	Wilton Works, Naas Road, Clondalkin. Dublin 22. Ireland	Construction and environment	-	50.00%	Proportional	-
<b>INDUSTRIAL SERVICES</b>						
Dinsa Eléctricas y Gimi, S.A. de CV	C/ Juan Racine, 116-6. 11510 Mexico D.F	Electrical installation	Deloitte	60.00%	Proportional	-
Hospec, S.A.	Tamer Bldg., Sin El Deirut. Lebanon	Import/Export	-	50.00%	Proportional	-
Incro, S.A.	Serrano, 27. 28016 Madrid. Spain	Engineering	-	50.00%	Proportional	10,964
JC Deaux Cevasa	Avda. de Aragón 328 28022 Madrid	-	-	50.00%	Proportional	190
Montrasa Maessa Asturias, S.L.	C/ Cámara, 54-1º dcha. 33402 Avilés. Asturias. Spain	Maintenance	Alvarez Artime y CIA.	50.00%	Proportional	21,390
Visadrag Gas, Ltda.	Av. Gago Coutinho, 147. 1700-029. Lisboa. Portugal	Sales promotion, construction and maintenance of gas pipelines, marketing of gas industry equipment	-	50.00%	Proportional	-
<b>ENVIRONMENT</b>						
Aseo Urbano, S.A. E.S.P.	Avda. Canal Bogotá, 7N-114 Zona Industrial. Departamento Norte de Santander. Cúcuta. Colombia	Street cleaning	Jaime Remírez Téllez	50.00%	Proportional	37,515
Demarco, S.A.	Alcalde Guzmán, 18. Quilicura. Chile	Urban solid waste collection and street cleaning	Gran Thornton	50.00%	Proportional	15,921
Desarrollo y Gestión De Residuos, S.A. (Degersa)	Avda. Barón de Carcer, 37. Valencia. Spain	Company formed to privatize Girsra	-	40.00%	Proportional	-
Desorción Térmica, S.A.	C/ Velázquez, 105-5 Plta. 28006 Madrid. Spain	Industrial waste	-	45.00%	Proportional	1,914
Eco Actrins, S.L.U.	C/ Alcalde Luis Pascual, 17 Bajo Caudete. Albacete. Spain	Collection and treatment of waste	PriceWaterhouse Coopers	50.00%	Proportional	3,347
Electrorecycling, S.A.	Crta. BV 1224, Km. 6,750. El Pont de Vilomara i Rocafort. Barcelona. Spain	Collection, transport and treatment of waste	KPMG	33,33%	Proportional	6,834
Empresa Mixta de Limpieza, S.A.	Avda. Logroño II, 10. 24001 León. Spain	Interior cleaning	Deloitte	49.00%	Proportional	5,694
Empresa Municipal de Aguas del Ferrol, S.A.	C/ Praza da Ilustración, 5-6 Baixo. Ferrol. La Coruña. Spain	Integral water management	Audigal S.L.	49.00%	Proportional	5,344
Esteritex, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Hospital waste treatment	-	50.00%	Proportional	1,436
Gestión Medioambiental de L'Anoia, S.L.	C/ Viriato, 47. 08000 Barcelona. Spain	Inactive	-	50.00%	Proportional	-
KDM, S.A.	Alcalde Guzmán, 18. Quilicura. Chile	Dump transfer and management plant	Gran Thornton	50.00%	Proportional	35,271
Multiservicios Aeroportuarios, S.A.	Avda. Manoteras, 46. 28050 Madrid. Spain	Integral services at airports	Deloitte	51.00%	Proportional	67,414
Pilagest, S.L.	Crta. BV 1224, Km. 6,750. El Pont de Vilomara i Rocafort. Barcelona. Spain	Batteries management	-	50.00%	Proportional	3,016
Reciclados del Mediterraneo, S.L.	Paraje de los cabecicos, s/n. 03400 Villena. Alicante. Spain	Collection and treatment of waste	-	50.00%	Proportional	6,980
Salmedina Tratamiento de Residuos Inertes, S.L.	Cañada Real de las Merinas, s/n. Cno. de los Aceiteros, 101. Madrid-Spain	Treatment of inert waste	BDO	41,98%	Proportional	8,914
Senderol, S.A.	Paraje de los cabecicos, s/n - 03400 Villena. Alicante. Spain	Holding company	-	50.00%	Proportional	-
Servicios Urbanos e Medio Ambiente, S.A.	Avda. Julio Dinis, 2. Lisboa. Portugal	Collection of urban solid waste, street cleaning, selective collection and dump management	Deloitte	38.50%	Proportional	87,991

Company	Address	Activity	Auditor	% Effective Ownership	Consolidation method	Revenue (100%) (Thousand of euros)
Starco, S.A.	Alcalde Guzmán, 18. Quilicura. Chile	Collection of urban solid waste, street cleaning and dump management	Gran Thornton	50.00%	Proportional	12,505
Técnicas Medioambientales del Golfo, S.A de C.V.	Mier y Teran No. 260 4to piso en Cd Victoria Tamaulipas. Mexico	USW, environmental construction, hospital waste, industrial waste and water treatment	Mancera, SC. Ernst & Young	50.00%	Proportional	2,829
Tractaments Ecologics, S.A.	Pl. La Vallan C/ Serra Farríols, 137 Berga. Barcelona - Spain	Waste treatment	Equipond Auditores, S.L.	50.00%	Proportional	2,431
Tresima Limpiezas Industriales, S.A. (TRELIMS)	C/ Copérnico, 1 1º dcha., Pl. La Gresla (A Coruña) Spain	Industrial cleaning	Deloitte	60.00%	Proportional	1,193
Valdemingomez 2000, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Veldemingómez degasification	Deloitte	33.59%	Proportional	6,054
Vertedero Las Mulas, S.L.	Camino de Las Mulas, s/n. 28945 Fuenlabrada. Madrid. Spain	Waste treatment	-	50.00%	Proportional	4,125
Zoreda Internacional, S.A.	C/ Rodríguez San Pedro, 5. Gijón. Asturias. Spain	Search for environmental business in Central and South America	-	40.00%	Proportional	-

#### CONCESSIONS

Infraestructure Concessions South Africa (Pty), Ltda.	24 Sunninghill Office Park, Peltier Road. Sunninghill-2157. South Africa	Holding	Deloitte	50.00%	Proportional	-
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UTE/EIG	Address	Activity	Auditor	% Effective Ownership	Consolidation method	Revenue (100%) (Thousand of euros)
<b>CONSTRUCTION</b>						
Ave Lalín	Avda. Finisterre, 25. A Coruña	Construction	-	100.00%	Proportional	14,500
Ave Ulla	Avda. Finisterre, 25. A Coruña	Construction	-	100.00%	Proportional	53,392
384 Viviendas F. General Univ. Complu	Avda. Camino de Santiago, 50. Madrid	Construction	-	50.00%	Proportional	20,067
Guadarrama IV	Tr. del Fielato, 2. Segovia	Construction	-	33.33%	Proportional	77,175
Guadarrama III	Tr. del Fielato, 2. Segovia	Construction	-	33.33%	Proportional	56,399
Gorg Línea 9	C/ Via Laietana, 33. Barcelona	Construction	-	43.50%	Proportional	196,024
Novo Hospital Xeral de Lugo	C/ Salvador Moreno, 44. Pontevedra	Construction	-	50.00%	Proportional	24,029
Túneles de Pajares 2	Avda. Tenerife 4 y 6. San Sebastián de los Reyes	Construction	-	84.00%	Proportional	67,911
L-9 Estaciones	C/ Arago, 390. Barcelona	Construction	-	66.00%	Proportional	30,298
Nuevo Hospital La Fe	C/ Álvaro de Bazán, 10. Valencia	Construction	-	70.00%	Proportional	70,601
Terminal Aeropuerto	C/ Arago, 390. Barcelona	Construction	-	70.00%	Proportional	18,442
Metro de Sevilla	Avda. San Francisco Javier, 15. Sevilla	Construction	-	42.04%	Proportional	79,565
L-9 Llobregat Fira	Avda. Diagonal, 427. Barcelona	Construction	-	28.70%	Proportional	41,929
L-9 Viaducte Zona Franca	C/ Arago, 390. Barcelona	Construction	-	27.00%	Proportional	32,379
Túnel Guadarrama Sur	Avda. Europa, 18. Alcobendas. Madrid	Construction	-	34.46%	Proportional	22,326
M-30 Túnel Sur	Avda. Tenerife 4 y 6. San Sebastián de los Reyes. Madrid	Construction	-	50.00%	Proportional	17,285
Centro Acuático	Avda. Camino de Santiago, 50. Madrid	Construction	-	80.00%	Proportional	18,149
Terminal Aeropuerto La Palma	C/ Puerta Canseco, 49. Santa Cruz de Tenerife	Construction	-	70.00%	Proportional	10,588
Langosteira	Avda. Finisterre, 25. A Coruña	Construction	-	55.00%	Proportional	121,977
Dique Torres	C/ Santa Susana, 27. Oviedo	Construction	-	38.00%	Proportional	140,548
Remodelación Facultad de Medicina	C/ Alvaro de Bazán, 10. Valencia	Construction	-	75.00%	Proportional	14,688
Plaza Castilla	C/ Estébanez Calderón, 3. Madrid	Construction	-	75.00%	Proportional	20,012
Estanque de Tormentas Arroyofresno	Avda. Tenerife 4 y 6. San Sebastián de los Reyes. Madrid	Construction	-	100.00%	Proportional	13,580
Soterram. Basurto	Pza. Sagrado Corazón, 2. Bilbao	Construction	-	50.00%	Proportional	21,265
Dique de Abrigo	Avda. Tenerife 4 y 6. San Sebastián de los Reyes. Madrid	Construction	-	50.00%	Proportional	17,139
Variante de la Carretera G-131	Ps. de Errotaburu 3, 1. Donostia. San Sebastián	Construction	-	50.00%	Proportional	11,138

# Consolidated Financial Statements

UTE/EIG	Address	Activity	Auditor	% Effective Ownership	Consolidation method	Revenue (100%) (Thousand of euros)
Laurena	Ps. de Errotaburu 3, 1. Donostia. San Sebastián	Construction	-	40.00%	Proportional	35,390
Santa Caterina	C/ Arago, 390. Barcelona	Construction	-	80.00%	Proportional	10,957
Ave Luko	C/ Padre Damián, 41. Madrid	Construction	-	50.00%	Proportional	18,048
Regadiós Jucar	C/ Álvaro de Bazán, 10. Valencia	Construction	-	65.00%	Proportional	11,319
Valladolid-Cuellar	Pza. Juan de Austria, 2. Valladolid	Construction	-	66.66%	Proportional	11,723
Etar Da Guia, A.C.A.	Avda. Rua Rui Teles Palhinha, 4. Lisboa	Construction	-	34.00%	Proportional	22,364
Hospital de Sant Pau	C/ Gran Via de Las Cortes Catalanes, 670. Barcelona	Construction	-	75.00%	Proportional	28,413
Ave Ulxes-Pocomaco	C/ Wenceslao Fernández Flórez, 1. A Coruña	Construction	-	100.00%	Proportional	30,366
Isla Verde	Avda. Tenerife 4 y 6. San Sebastián de los Reyes. Madrid	Construction	-	35.00%	Proportional	18,478
Etap Almoquera Algodor	C/ 52. Madrid	Construction	-	100.00%	Proportional	19,134
Desaladora Barcelona	Avda. Diagonal, 211. Barcelona	Construction	-	28.20%	Proportional	87,204
Cibeles	C/ Agustin de Foxa, 29. Madrid	Construction	-	50.00%	Proportional	17,814
Lav Ultera Las Cabezas	Avda. Tenerife 4 y 6. San Sebastián de los Reyes. Madrid	Construction	-	100.00%	Proportional	31,587
Jucar-Vinalopo Tramo A	C/ Álvaro de Bazán, 10. Valencia	Construction	-	65.00%	Proportional	20,405
Ripoll-Puigcerda	C/ Via Laietana, 33. Barcelona	Construction	-	100.00%	Proportional	14,849
Llotja	C/ Arago, 390. Barcelona	Construction	-	65.00%	Proportional	23,933
Hospital Son Dureta	Pza. Es Forti, 4. Palma de Mallorca	Construction	-	49.50%	Proportional	101,437
Hospital de Reus	C/ Via Laietana, 33. Barcelona	Construction	-	75.00%	Proportional	40,877
Puente de Cádiz	Avda. Tenerife 4 y 6. San Sebastián de los Reyes. Madrid	Construction	-	100.00%	Proportional	68,269
Etap Sant Joan Despi	C/ Ribera del Loira, 42. Madrid	Construction	-	50.00%	Proportional	19,198
Gorostiza	C/ Barrio Bañales S/N. Ortuella	Construction	-	30.00%	Proportional	44,423
2 Fase Dique De La Esfinge	Avda. Juan XXIII. Entrepanta A y B, 9. Las Palmas de Gran Canaria	Construction	-	35.00%	Proportional	12,462
Construction Alhondiga	Avda. Sabino Arana, 20. Bilbao	Construction	-	50.00%	Proportional	13,905
Canal De Terreu	C/ Capitán Portolés, 1-3-5, 4. Zaragoza	Construction	-	62.50%	Proportional	14,507
Estación de Albacete	Avda. Camino de Santiago, 50. Madrid	Construction	-	100.00%	Proportional	41,988
Urbanización Villalonquejar	Pza. Juan de Austria, 2. Valladolid	Construction	-	60.00%	Proportional	21,615
Estacion Mercado Central	C/ Álvaro de Bazán, 10. Valencia	Construction	-	65.00%	Proportional	12,829
Aeropuerto Ibiza	Pza. Es Forti, 4. Palma de Mallorca	Construction	-	70.00%	Proportional	12,749
Estación Mercado	C/ Porto Pi, 8. Palma de Mallorca	Construction	-	50.00%	Proportional	12,796
Ave Girona	C/ Acanto, 22, 5ª planta. Madrid	Construction	-	40.00%	Proportional	61,960
Muelle Polivalente	Avda. Fuente de La Mora, 2. Madrid	Construction	-	50.00%	Proportional	15,632
Parking Aena Bcn	C/ Arago, 390. Barcelona	Construction	-	87.00%	Proportional	11,118
Complejo Administrativo 9 De Octubre	Pza. Legión Española, 12. Valencia	Construction	-	54.00%	Proportional	18,715
Edar Alto Orbigo	Avda. Fuente de La Mora, 2. Madrid	Construction	-	100.00%	Proportional	18,479
Ciudad de La Justicia de Elche	Pza. Legión Española, 12. Valencia	Construction	-	65.00%	Proportional	13,750
Boca Dest	Ctra. de La Comella, 11. Andorra La Vella	Construction	-	66.00%	Proportional	14,034
Central Greece Motorway E-65	Avda. Messogeon Avenue 85 115 26. Athens	Construction	-	33.33%	Proportional	48,235
Kinopraxia Euro Ionia	Avda. Messogeon Avenue 85 115 26. Athens	Construction	-	33.33%	Proportional	110,350
Ascon and Dragados Portlaoise Joint Vent	C/ Kill, Kildare Ireland	Construction	-	50.00%	Proportional	110,871
Ascon-Dragados Waterford Joint Venture	C/ M1 Southern Link Interbridge	Construction	-	50.00%	Proportional	53,043
Hospital de Bellvitge	C/ Via Laietana, 33. Barcelona	Construction	-	55.00%	Proportional	15,929
Reheta	Barrio Bañales, s/n. Ortuella	Construction	-	50.00%	Proportional	13,722
Quejigares	Carretera Villanueva De Tapia, 2. Archidona Málaga	Construction	-	100.00%	Proportional	26,589
Obras Abrigo Puerto Valencia	C/ Álvaro de Bazán, 10. Valencia	Construction	-	29.00%	Proportional	80,963
Torroella	C/ Arago, 390. Barcelona	Construction	-	75.00%	Proportional	35,986
Portusan	C/ Avda. Madariaga, 1 - 4. Bilbao	Construction	-	33.34%	Proportional	19,089
Arquitectura Gorg	C/ Via Laietana, 33. Barcelona	Construction	-	35.00%	Proportional	41,709
Variante Oeste Arrasate	Pza. de Los Amezqueta, 10 Bajo. Donostia-San Sebastián	Construction	-	33.34%	Proportional	14,582
Muelle Sur Barcelona	C/ Via Laietana, 33. Barcelona	Construction	-	100.00%	Proportional	18,165
Serrano	C/ Cardenal Marcelo Spinola, 52. Madrid	Construction	-	50.00%	Proportional	29,377
Const.Muelle Az-2 Ados.Dique Zierben	C/ Calero. Zierbena. Vizcaya	Construction	-	95.00%	Proportional	16,042
Tarraco	C/ Arago, 390. Barcelona	Construction	-	60.00%	Proportional	19,649
Acabados Alhóndiga	Pza. Arrikibar. Bilbao	Construction	-	50.00%	Proportional	11,247
Centro Penitenciario Canarias II	C/ Padre Anchieta, 6. Las Palmas de Gran Canaria	Construction	-	90.00%	Proportional	31,629
Ave Túnel de Serrano	C/ Cardenal Marcelo Spinola, 52. Madrid	Construction	-	42.00%	Proportional	19,058
Estaciones L9-Besos	C/ Via Laietana, 33. Barcelona	Construction	-	50.00%	Proportional	10,638
Valencia V	Camino De Las Viñas, s/n. Luceni. Zaragoza	Construction	-	50.00%	Proportional	11,029
Ampliacion Complejo Atocha Fase I	Avda. Camino de Santiago, 50. Madrid	Construction	-	100.00%	Proportional	25,017
Shanganagh Joint Venture	Wilton Works, Naas Road, Clondalkin, Dublin 22. Ireland	Construction	-	50.00%	Proportional	17,423
Dragado Gijón	Pza. de Castilla 3, 7ªA. Madrid	Construction	-	60.00%	Proportional	16,772
Linea T2 Nazaret Metro de Valencia	Avda. Campanar, 22. Valencia	Construction	-	50.00%	Proportional	14,792
Autovia Cocentaina	C/ Caballero Andante, 8. Madrid	Construction	-	50.00%	Proportional	43,798
Maceiras Redondela	C/ Caballero Andante, 42. Madrid	Construction	-	50.00%	Proportional	11,193
Ave Trinidad-Tramo Moncada	C/ Caballero Andante, 8. Madrid	Construction	-	33.33%	Proportional	50,104



UTE/EIG	Address	Activity	Auditor	% Effective Ownership	Consolidation method	Revenue (100%) (Thousand of euros)
Ramal Castellbisbal-Mollet	C/ Orense, 11. Madrid	Construction	-	50.00%	Proportional	40,234
A-32- Ibrós-Ubeda	C/ Orense, 11. Madrid	Construction	-	65.00%	Proportional	13,475
Dragados / Judlau A Jv (009)	26-15 Ulmer Street - College Point. NY 11354	Construction	-	70.00%	Proportional	48,070
Dragados / Judlau A Jv (019)	26-15 Ulmer Street, College Point. NY 11354	Construction	-	55.00%	Proportional	48,482
MCM / Dragados a JV	6201 Sw 70 Street, 2Nd Floor. Miami, FL 33143	Construction	-	50.00%	Proportional	22,106
Yonkers Contracting / Dragados a JV (I-287)	969 Midland Avenue - Yonkers. NY 10704	Construction	-	50.00%	Proportional	16,403
Schiavone/Shea/Frontier Kemper (509)	605 West 30Th Street. NY	Construction	-	50.00%	Proportional	23,470
Schiavone/Picone (511)	3701 Jerome Ave - Bronx. NY	Construction	-	80.00%	Proportional	37,170
Schiavone/Picone (512)	29 W. 30Th St. NY	Construction	-	55.00%	Proportional	15,121
Schiavone/Citnalta (513)	81 Willoughby St. Brooklyn. NY	Construction	-	60.00%	Proportional	31,925
S3 Tunnel Constructors (514)	207 East 94Th St. NY	Construction	-	37.50%	Proportional	63,165
Rondout Constructors (515)	203 River Road North. Wappinger Falls. NY	Construction	-	41.10%	Proportional	36,289
S3 II Tunnel Constructors (516)	360 West 31St. NY	Construction	-	30.00%	Proportional	263,641
Consorcio Dycvensa Vinccler	Avda. 20 Prolongación Carrera 21 Avda. Moran, 6. Venezuela	Construction	-	70.00%	Proportional	34,120

### INDUSTRIAL SERVICES

Ute ACS-Cobra Castor	C/ Cardenal Marcelo Spinola 10. Madrid 28016	Infrastructure for gas extraction	-	10.00%	Proportional	230,712
Ute Consortium Balfour-Cobra	Avenida de la Vega, 15. Alcobendas. Madrid 28018	Electrical systems for railway	-	50.00%	Proportional	55,589
UTE C.T. Extresol 2	C/ Cardenal Marcelo Spinola, 10. Madrid 28016	Thermosolar plant	-	80.00%	Proportional	37,203
UTE C.T. Andasol 2	C/ Cardenal Marcelo Spinola, 10. Madrid 28016	Thermosolar plant	-	80.00%	Proportional	25,866
Ute Cosebal	C/ Barquillo 19. Madrid 28004	Railroad network	-	85.00%	Proportional	41,935
Ute Ampliación Regasagunto	C/ Cardenal Marcelo Spinola, 10. Madrid 28016	Turnkey project	-	80.00%	Proportional	29,307
Ute Manchasol 1	C/ Cardenal Marcelo Spinola, 10. Madrid 28016	Thermosolar plant	-	100.00%	Proportional	91,195
Ute Extresol 2	C/ Cardenal Marcelo Spinola, 10. Madrid 28016	Thermosolar plant	-	80.00%	Proportional	127,548
UTE Desaladora Beni Saf const.	C/ Cardenal Marcelo Spinola, 10. Madrid 28016	Construction of desalination plant	-	100.00%	Proportional	12,552
UTE C.T. Solar 3	C/ Biología, 12. Torneo Parque Empresarial Sevilla 41015	Thermosolar plant	-	50.00%	Proportional	74,770
Ute Extresol 1	C/ Cardenal Marcelo Spinola, 10. Madrid 28016	Thermosolar plant	-	80.00%	Proportional	105,135
Ute Climatización Son Dureta	C/ Orense, 4 Madrid 28020	Climate control systems	-	58.00%	Proportional	12,123
UTE Libia-lineas	C/ Cardenal Marcelo Spinola, 10. Madrid 28016	High-voltage power line and installation of fibre optics	-	50.00%	Proportional	15,697
UTE AVELE	C/ Caballero Andante, 8. 28021. Madrid	Electrical substations	-	22.00%	Proportional	36,425
UTE AVELE 2	C/ Caballero Andante, 8. 28021. Madrid	Electrical substations	-	22.00%	Proportional	31,289
UTE CATENARIA L/6	Avda del Brasil, 6. 28020. Madrid	Catenary	-	25.00%	Proportional	16,422
AIE EDAR Cádiz - San Fernando	Crta. N-IV, km. 683. 11100 San Fernando. Cadiz	Water treatment	Deloitte	43.90%	Proportional	4,512
Ute Vinci-Etralux (Ute VEA)	C/ Orense, 68, 2ª planta. Madrid	Parking meters	-	20.00%	Proportional	11,845
Ute Imes-Alea, Coruña	Avda. Manteras, 26. 28050 Madrid	Construction of desalination plant	-	50.00%	Proportional	16,853
UTE SAMCASOL I	Paseo de la Castellana, 149, 1ª planta. Madrid	Assemblies	-	40.00%	Proportional	62,787
UTE SAMCASOL II	Paseo de la Castellana, 149, 1ª planta. Madrid	Assemblies	-	40.00%	Proportional	29,208
UTE SEMLA	C/ Afueras, s/n C.N. Ascó. Tarragona	Maintenance	Attest	50.00%	Proportional	19,395
UTE ENWESA-MAESSA	Hospitalet del Infant	Maintenance	PwC	50.00%	Proportional	12,301
Ute Manchasol 2	C/ Cardenal Marcelo Spinola, 10	Renewable energy	-	100.00%	Proportional	37,203
U.T.E. MAADEN	C/ Via de los Poblados, 9-11	Engineering and provision	-	20.00%	Proportional	16,527
Ute Servicios Coker C-10	Cartagena. Murcia	Engineering, sales and construction supervision	-	50.00%	Proportional	48,387
Ute Makiber-Dinsa Angola	Paseo de la Castellana, 182. 28046 Madrid	Construction	-	100.00%	Proportional	12,031
Ute Energía Angola	Paseo de la Castellana, 182. 28046 Madrid	Construction	-	100.00%	Proportional	10,552

### ENVIRONMENT

UTE Clecet	C/ Orense, 6 1. 28020 Madrid	Interior cleaning	-	100.00%	Proportional	45,237
UTE Legio	C/ Valle de Portugal, s/n. San Román de la Vega. León	USW treatment	-	50.00%	Proportional	14,288
UTE Urbapi	C/ Castrobarro, 10. Madrid	Urban services (gardening)	-	85.00%	Proportional	13,331
UTE Eoparc V	Crta. Terrasa - Manresa C - 58. Barcelona	USW treatment	-	20.00%	Proportional	19,672
UTE Vertresa - FCC (Tenerife)	Pol. Ind. San Isidro. El Rosario. Tenerife	USW treatment	-	90.00%	Proportional	15,733
UTE Vertresa - Senda (Las Dehesas)	Crta. Valencia, km 14. Complejo Valdemingómez. Madrid	USW treatment	Deloitte	100.00%	Proportional	24,442
UTE Ebro	Parque Tecnológico de Reciclados. Parc. C1-18. Crta. La cartuja a Torrecilla de Valmadrid. Km. 1,195. 50720 Zaragoza	USW treatment	-	100.00%	Proportional	10,324

# Consolidated Financial Statements

## Appendix III. Associates

Company	Address	Activity	Auditor	% Effective Ownership	Data on the investee (100%)					
					Assets	Liabilities	Equity (*)	Revenue	Profit for the year	
<b>PARENTS</b>										
Abertis Infraestructuras, S.A.	Avinguda del Parc Logistic, 12-20. 08040 Barcelona. Spain	Concessions	PricewaterhouseCoopers	25,83%	24,637,348	20,345,368	4,291,980	3,836,695	653,064	
Hochtief Aktiengesellschaft (**)	Essen. Germany	Construction and concessions	Deloitte	29,98%	12,099,000	9,238,000	2,861,000	19,103,000	175,000	
<b>CONSTRUCTION</b>										
Central Greece Motorway Concession, S.A.	Municipality of Athens, 87 Themistokleous, 10683 Athens. Greece	Concessions	PricewaterhouseCoopers	33,33%	361,233	400,494	(39,261)	-	-	
Cleon, S.A.	Avda. General Perón, 36 1 -28020 Madrid. Spain	Real Estate Development	KPMG	25,00%	130,982	30,089	100,893	-	(6)	
Juluna, S.A.	C/ Sorni, 3 bajo. 46004 Valencia. Spain	Real Estate Development	-	24,45%	897	1	896	-	(19)	
Logitren Ferroviaria, S.A.	Avda. Blasco Ibáñez, 18 - 46010 Valencia. Spain	Railroad transport	-	33,33%	351	76	275	-	(20)	
Supercor Orense, S.A.	C/ Benito Blanco Rajoy, 9. 15006 La Coruña. Spain	Real Estate Development	-	35,00%	4	-	4	-	-	
<b>INDUSTRIAL SERVICES</b>										
Afta, S. A.	Rua A Gazeta de Oeiras, N 2- 4 A. Oeiras. Portugal	Purchase/sale of assets	Revisor Oficial de Contas (Julio Alves, Mário Baptista e Associados)	24,84%	-	-	-	-	-	
Brilhante Transmissora de Energias, S.A.	Avda. Marechal Camara, 160 sala 1621. Rio de Janeiro. Brazil.	Energy transport	-	50,00%	22,654	22,613	41	-	(8)	
C.I.E.R. S.L.	Pol. Ind. Las Merindades Calle B s/n. 09550 Villarcayo. Burgos. Spain.	Electricity production	-	50,00%	11	3	8	-	-	
Cachoeira Paulista Transmissora de Energia, S.A.	Rua Marechal Camara, 160. Rio de Janeiro. Brazil 20020	Electrical services and assemblies	Deloitte	33,00%	77,629	43,407	34,222	18,128	10,095	
Cme Marrocos	332 Bd. Brahim Roudani 12 Ma rif. Casablanca 01. Morocco	Performance, maintenance and operation of various works	Deloitte	74,54%	-	-	-	-	-	
Concessionaria Jauru Transmissora de Energia	Rua Marechal Camara, 160. Sala 1534. Rio de Janeiro. Brazil	Concessions	Deloitte	33,00%	115,491	104,931	10,560	1,526	(1,373)	
Concessionaria LT Triângulo, S.A.	Rua Marechal Camara, 160. Sala 1534. Rio de Janeiro. Brazil	Energy transport	Deloitte	33,33%	245,490	159,334	86,156	25,271	2,807	
Concessionaria Pocos de Caldas	Rua Marechal Camara, 160. Sala 1534. Rio de Janeiro. Brazil	Concessions	Deloitte	33,00%	158,148	75,947	82,201	4,414	(1,152)	
Concessionaria Ribeirao Preto	Rua Marechal Camara, 160. Sala 1534. Rio de Janeiro. Brazil	Concessions	Deloitte	33,00%	127,863	59,519	68,344	6,104	(10)	
Concessionaria Serra Paracatu	Rua Marechal Camara, 160. Sala 1534. Rio de Janeiro. Brazil	Concessions	Deloitte	33,00%	115,321	48,827	66,494	6,803	445	
Consorcio de Telecomunicaciones Avanzadas, S.A.	Av Juan Carlos I, 59-6. Espinardo. Murcia. Spain	Telecommunications	-	10,52%	2,295	96	2,199	321	225	
Corporación Ygnus Air, S.A.	Rua Mario Dionisio, nº 2. Linda-a-Velha. Oeiras. Portugal	Air transport	Deloitte	40,00%	43,263	32,559	10,704	37,589	(2,401)	
Desarrollos Energéticos Asturianos, S.L.	Pol. Industrial Las Merindades calle B, s/n. 09550 Villarcayo. Burgos. Spain	Electricity generation	-	50,00%	527	52	475	-	(6)	
Dora 2002, S.A.	C/ Monte Esquinza, 34. 28010 Madrid. Spain	Holding company	-	45,39%	46	-	46	-	-	
Eledcey de Castilla La Mancha, S.A.	Villalar, 1 1 dcha. 28010 Madrid	Electricity generation	-	42,00%	49,650	44,625	5,025	9,164	1,651	
Electra de Montanchez, S.A.	Periodista Sánchez Asensio, 1. Cáceres. Spain	Production and sale of electricity	-	40,00%	330	11	319	-	(62)	
Energía de la Loma S.A.	C/ Las Fuentecillas, s/n. Villanueva del Arzobispo. 23330 Jaén. Spain.	Electricity generation	-	20,00%	13,012	6,877	6,135	9,268	812	
Energias Alternativas Eólicas, S.L.	Gran Via Juan Carlos I, 9. 26002 Logroño. Spain	Electricity generation	-	37,50%	29,732	22,439	7,293	7,209	1,787	
Energias Renovables de Ricobayo, S.A.	Romero Girón, 4. 28036 Madrid. Spain	Electricity generation	-	50,00%	871	511	360	-	(29)	
Eolicaman, S.A.	Plaza Altozano, 2 2 B. 02001 Albacete	Electricity generation	-	40,00%	4,202	28	4,174	-	(57)	
Escal UG&S, S.L.	C/ San Francisco de Sales, nº 38, 1ª plta. Madrid. Spain	Storage of natural gas and other gaseous hydrocarbons	Deloitte	66,67%	28,775	23,558	5,217	-	(32)	
Expansion Transmissao de Energia Eléctrica, S.A.	Rua Marechal Camara, 160. Sala 1534. Rio de Janeiro. Brazil	Electrical assembly and services	Deloitte	25,00%	145,708	99,330	46,378	43,080	20,181	
Explotaciones Eólicas Sierra de Utrera, S.L.	Príncipe de Vergara. 28006 Madrid. Spain	Electricity generation	-	25,00%	18,835	10,397	8,438	7,098	4,183	
Interligação Eléctrica de Minas Gerais, S.A.	Rua Bela Cintra 847-3 andar. Sao Paulo. Brazil	Electrical concession	Assurance Auditores e Consultores	40,00%	62,128	30,692	31,436	-	(158)	
Interligação Eléctrica Norte e Nordeste, S.A.	Av. Marechal Camara 160 sala 1833 y 1834. 20030-020. Rio de Janeiro. Brazil	Electrical facilities	Assurance Auditores e Consultores	25,00%	151,086	75,881	75,205	-	-	
Itumbiara Transmissora de Energia, Ltda.	Rua Marechal Camara, 160. Rio de Janeiro. Brazil	Energy transport	Deloitte	33,33%	328,765	177,892	150,873	45,000	16,086	
Loma del Capón, S.L.	Loja 8. Albolote. 18220 Granada. Madrid. Spain	Electricity generation	-	50,00%	1,068	947	121	-	-	
Nordeste Transmissora de Energia, Ltda.	Av. Marechal Camara 160 sala 1833 y 1834. 20030-020 Rio de Janeiro. Brazil	Electrical concession	Assurance Auditores e Consultores	49,99%	156,940	84,581	72,359	33,830	9,258	
Parqa, S. A.	Rua Dr. António Loureiro Borges 9. Portugal	Construction and operation of car parks	Ernst & Young	37,27%	-	-	-	-	-	
Parque Eólico Región de Murcia, S.A.	Central, 12. 30007 Murcia. Spain	Electricity generation	-	20,00%	-	-	-	-	-	
Porto Primavera, Ltda.	Rua Marechal Camara, 160. Rio de Janeiro. Brazil	Energy transport	Deloitte	33,33%	148,220	70,079	78,141	20,289	7,056	
Red Eléctrica del Sur, S.A.	Juan de la Fuente, 453 Miraflores. Lima. Perú	Energy transport	PricewaterhouseCoopers	23,75%	42,379	27,575	14,804	9,637	2,400	
Serra da Mesa Transmissora de Energia, Ltda.	Rua Marechal Camara, 160. Sala 331. Rio de Janeiro. Brazil	Energy transport	Deloitte	33,33%	286,984	175,681	111,303	31,026	3,615	
Sistema Eléctrico de Conexión Hueneja, S.L.	C/ Loja nº 8, Local 26. Albolote. Granada. Spain	Construction and operation of network interconnection installations	-	24,35%	32,316	32,164	152	-	(70)	
Sistema Eléctrico de Conexión Valcaire, S.L.	C/ Loja nº 8, Local 26. Albolote. Granada. Spain	Construction and operation of network interconnection installations	-	29,79%	286	175	111	-	(34)	
Sociedad Aragonesa de Estaciones Depuradoras, S.A.	Dr. Aznar Molina, 15-17. 50002 Zaragoza. Spain	Concessions- Actions in Area 07-A of special plan for purification of the Instituto Aragonés de Aguas	-	40,00%	25,629	19,998	5,631	195	(20)	

(\*) Minority interests not included.

(\*\*) Data December, 31 2008 as Hochtief Aktiengesellschaft dint release its December 31, 2009 financial statement at the moment of the elaboration of ACS Group's Annual Accounts.

Company	Address	Activity	Auditor	% Effective Ownership	Data on the investee (100%)					
					Assets	Liabilities	Equity (*)	Revenue	Profit for the year	
Sociedad de Aguas Residuales Pirineos, S.A.	Doctor Aznar Molina, 15-17. 50002 Zaragoza. Spain	Infrastructures for the purification of water in the Pirineo	-	37.50%	1,859	8	1,851	-	(2)	
Somozas Energías Renovables, S.A.	Lg Iglesia, 1. 15565 La Coruña. Spain	Generation of electricity	Deloitte	25.00%	10,383	10,058	325	2,352	164	
STE - Sul Transmissora de Energia, Ltda.	Av. Marechal Camara 160 sala 1833 y 1834. 20030-020 Rio de Janeiro. Brazil	Electrical concession	Assurance Auditores e Consultores	49.90%	91,114	47,029	44,085	17,449	4,369	
Transmissão Itumbiara Marimondo, S.A.	Marechal Camera,160. Rio de Janeiro. Brazil 20020	Electrical services and assemblies	Deloitte	25.00%	71,143	39,491	31,652	17,099	10,022	
Vila do Conde, Ltda.	Rua Marechal Camara, 160. Rio de Janeiro. Brazil	Energy transport	Deloitte	33.33%	106,093	64,845	41,248	15,690	5,552	
<b>ENVIRONMENT</b>										
Aguas del Gran Buenos Aires, S.A.	C/ 48 N 877, piso 4 oficina 408. La Plata Provincia de Buenos Aires. Argentina	Integral water management	Dr. Santos Óscar Sarnaril (contador público)	26.34%	2,734	3,226	(492)	-	(51)	
Betearte, S.A.	Colón de Larreategui, 26. Bilbao. Spain	Industrial waste	-	33.33%	14,348	13,056	1,292	10	477	
Ecoparc del Mediterrani, S.A.	Avda. Eduard Maristany, s/n. 08930 Sant Adria de Besós. Barcelona. Spain	Urban solid waste treatment	Deloitte	32.00%	18,009	17,531	478	7,072	-	
Energías y Tierras Fértiles, S.A.	C/ Pascual y Genís, 19. 46002 Valencia. Spain	Waste treatment	-	33.36%	63	-	63	-	-	
Entaban Biocombustibles del Pirineo, S.A.	Paseo Independencia, 28. Zaragoza. Spain	Biodiesel	Deloitte	37.50%	13,358	15,942	(3,544)	666	(4,858)	
Huesca Oriental Depura, S.A.	Ctra. de Madrid, km. 315,800. Edif. Expo Zaragoza, 3 Ofic. 14. 50012 Zaragoza-Spain	Construction and operation of EDAR	-	60.00%	1,139	59	1,081	-	-	
International City Cleaning Company	Bordi Masser Lel-Sjaha, Maydan. Al-Abbasia Aawan. Egipto	Urban solid waste	Osama Ahmed Zaki	30.00%	3,266	2,241	1,025	-	28	
Mac Insular, S.L.	C/ Julián Álvarez, nº 12-A-1. Palma de Mallorca. Spain	Waste treatment	Deloitte	8.00%	68,640	54,428	14,213	25,519	(144)	
Tirme, S.A.	Ctra. de Soller, Km 8,2. 07120 Son Reus. Palma de Mallorca. Spain	Urban solid waste treatment	Deloitte	20.00%	488,951	434,236	38,509	79,400	7,333	
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91. 08008 Barcelona. Spain	Collection and treatment of waste	Castellá Auditors Consultors, S.L.	33.33%	8,567	3,517	5,050	15,684	34	
<b>CONCESSIONS</b>										
Autovia de los Pinares, S.A.	Km 20.200 A-601. 47160 Portillo. Valladolid. Spain	Roads	Deloitte	53.33%	98,062	90,075	7,987	4,357	(2,929)	
Bahwena Platinum Corridor Concessionaire (Pty), Ltd.	24 Sunninghill Office Park Peltier Road Sunninghill - 2157. Sudáfrica	Roads	Deloitte	25.00%	279,254	370,226	(90,972)	-	-	
Bidelan Guipuzkoako Autobideak, S.A.	Asti Auzoa, 631 B. 20800 Zarauz. San Sebastián. Spain	Roads	BSK Bask Consulting	50.00%	36,258	29,539	6,719	36,427	1,309	
Celtic Roads Group (Port/Laoise) Limited	Toll Plaza, Balgeen Co. Meath Ireland	Roads	KPMG	33.33%	226,946	256,893	(29,947)	-	-	
Celtic Roads Group (Waterford), Ltd.	Toll Plaza, Balgeen Co. Meath Ireland	Roads	KPMG	33.33%	216,552	230,759	(14,207)	593	(1,780)	
Circunvalación Alicante, S.A.C.E.	Autopista AP 7, pk 703. Area Monforte del Cid. 03670 Monforte del Cid. Alicante. Spain	Roads	Deloitte	50.00%	440,315	424,295	16,020	7,155	(15,860)	
Concesionaria Aparcamiento La Fe, S.A.	Tres Forques, 149 Accesorio. 46014 Valencia. Spain.	Parkings	-	50.00%	242	-	242	-	(8)	
Concesionaria Hospital Son Dureta S.A.	Pz. Es Forti 4-1 A Palma de Mallorca. Islas Baleares	Hospital Concession	Deloitte	49.50%	204,530	185,851	18,679	-	-	
Estacionamientos El Pilar S.A.	Avda de Tenerife 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain	Parking operation	Deloitte	50.00%	7,995	1,690	6,305	3,294	1,312	
Hospital de Majadahonda, S.A.	Paseo de la Castellana, 95. Madrid. Spain	Concession	Deloitte	55.00%	249,166	237,520	11,646	43,766	(3,028)	
Infraestructuras y Radiales, S.A.	Ctra.M-100 Alcalá de Henares a Daganzo Km 6.300. 28806 Alcalá de Henares. Madrid. Spain	Roads	KPMG	35.00%	576,402	633,257	(56,854)	23,905	(19,896)	
Intercambiador de transportes Plaza de Castilla, S.A.	Avda. de América 2-17 B. Madrid. Spain	Transport interchange	Deloitte	50.00%	180,298	165,468	14,830	10,411	(4,030)	
Línea Nueva Tramo Cuatro, S.A.	Avinguda Josep Tarradellas, 34-36, 9. 08029. Barcelona. Spain	Underground	Deloitte	49.38%	435,908	430,896	5,012	18,131	(737)	
Metro de Sevilla Sdad Conce Junta Andalucía, S.A.	C/ Carmen Vendrell, s/n (Prolongación de Avda. de Hytasa) 41006 Sevilla. Spain	Railroad	KPMG	34.01%	697,262	583,360	113,903	30,846	(998)	
Nea Odos Concession Societe Anonyme	Municipality of Athens 87 Themistokleous 10683 Athens. Greece	Roads	PricewaterhouseCoopers	33.33%	276,928	221,622	55,307	66,606	-	
Nouvelle Autoroute 30, S.E.N.C.	1 Place Ville-Marie 37e étage. Montreal. Quebec) H3B 3P. Canada	Roads	Deloitte	50.00%	305,463	406,321	(100,858)	1,811	0	
PT Operational Services Pty, Ltd.	1 Lavender Road Bon Accord 009. Sudáfrica	Parking	KPMG	33.40%	2,605	840	1,765	8,886	1,801	
Road Management (A13), Plc.	Sandway House, Littlelades Lane Hartford, Northwich Cheshire CW8 2YA. Inglaterra	Roads	Ernst & Young	25.00%	242,133	281,325	(39,192)	23,671	(5,344)	
Rotas Do Algarve Litoral, S.A.	Av. Visconde Valmor, 66 4. 1050-242 Lisboa Lisboa. Portugal	Roads	Mazars	45.00%	43,688	48,505	(4,817)	-	-	
Ruta de los Pantanos, S.A.	Avenida de Europa, 18. 28100 Alcobendas. Madrid. Spain	Roads	Deloitte	33.33%	85,663	83,826	1,837	11,695	1,262	
Serranopark, S.A.	Pza. Manuel Gómez Moreno, 2. 28020 Madrid. Spain	Parking	-	50.00%	77,012	58,952	18,060	-	0	
Sociedad Concesionaria Túnel San Cristóbal, S.A.	Avenida del Valle 945 oficina 3604. Ciudad Empresarial Huechuraba. Santiago de Chile.	Roads	Deloitte	50.00%	92,561	90,470	2,091	3,761	(2,371)	
Sociedad Concesionaria Vespucio Norte Express, S.A.	Avda. Américo Vespucio Oriente 1305, Parque Enea, Pudahuel. Santiago de Chile.	Roads	Deloitte	46.48%	515,924	570,169	(54,244)	44,136	(7,821)	
Sociedad Hospital de Majadahonda Explotaciones, S.L.	C/ Joaquín Rodrigo, 2. 28220 Majadahonda. Madrid. Spain	Hospital operator	-	55.00%	19,478	17,986	1,491	24,481	646	
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A.	Av. Visconde Valmor, 66 4. 1050-242 Lisboa Lisboa. Portugal	Roads	Mazars	49.50%	56,275	61,233	(4,958)	-	-	
Tag Red, S.A.	Avda. Vitacura n 2939 piso 8. Las Condes. Santiago de Chile.	Roads	-	25.00%	5	2,076	(2,071)	-	-	
TP Ferro Concesionaria, S.A.	Ctra. de Llers a Hostalets GIP-5107 p.k. 1, s/n. 17730 Llers. Girona. Spain	Railroad	KPMG	50.00%	1,179,676	1,137,606	42,070	-	-	
Zachry American/ACS 69 Partners, Llc.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington New Castle, Delaware 19801	Roads	-	50.00%	-	-	-	-	-	

(\*) Minority interests not included.

(\*\*) Data December, 31 2008 as Hochtief Aktiengesellschaft dint release its December 31, 2009 financial statement at the moment of the elaboration of ACS Group's Annual Accounts.

# Consolidated Financial Statements

## Appendix IV. Changes in the scope of consolidation

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

SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A.	Tedra Australia Pty. L.T.D.
Planestrada-Operação e Manutenção Rodoviária, S.A.	Pol-Aqua, S.A.
I 595 Express, Ll.	Sice Energía, S.L.
Eix Diagonal Concessionària de la Generalitat de Catalunya, S.A.	Clece, Inc.
The Currituck Development Group, Ll.	CME- Participações SGPS, S.A.
Zachry American/ACS 69 Partners, Ll.	CME Al Arabia, Lda.
I 595 ITS Solutions, Ll.	CME Cabo Verde, S.A.
Geocisa USA, Inc.	CME Chile, SPA.
Mas Vell Sun Energy, S.L.	Cataventos de Paracuru, Ltda.
Rotas Do Algarve Litoral, S.A.	Tecneira do Paracuru, Ltda.
Marestrada-Operações e Manutenção Rodoviária, S.A.	TNG Brasil, Ltda.
Integra Mantenimiento Gestión y Servicios Integrales CEE Murcia, S.L.	Cataventos Acarau, Ltda.
Actividades de Mantenimiento de jardines 21, S.L.	Cataventos Embuaca, Ltda.
Sice Hellas Sistemas Tecnológicos Sociedad Unipersonal de Responsabilidad Limitada	NGS, Ltda.
Sociedad Peninsular de Limpiezas Mecanizadas, Lda.	Biorio, Lda.
Terminal Docks, S.L.	Biodemira, Lda.
Eólica del Guadiana, S.L.	Biobeiraner, Lda.
Servicios Logísticos y Auxiliares de Occidente, S.A.	Bioparque Mira, Lda.
Soluciones Auxiliares de Guatemala, S.A.	Rioparque, Lda.
Soluciones Eléctricas Integrales de Guatemala, S.A.	Wayserv SGPS, S.A.
Cobra Solar del Sur, S.L.	Parking Mérida III, S.A.
Técnicas Aplicadas de Recuperaciones Industriales, S.A.	Estacionament Centre Direccional, S.A.
Planta de Tratamiento de Aguas Residuales, S.A.	Concesionaria Aparcamiento La Fe, S.A.
Humiclíma Panamá, S.A.	Consortio Dragados Compax, S.A.
Autovia del Pirineo, S.A.	Mexicana de Servicios Auxiliares, S.A. de CV.
Sociedad Industrial de Construcciones Eléctricas Siceandina, S.A.	Asistencia Offshore, S.A.
ACS Servicios Comunicaciones y Energía de México, S.A. de CV.	Sociedad de Aguas Residuales Pirineos, S.A.
CCR Platforming Cangrejera, S.A. de CV.	Hidráulica de Mendre Dos, S.A.
H.E.A Instalações, Ltda.	Concesiones Vías Chile Tres, S.A.
Energías Ambientales de Oaxaca, S.A. de CV.	Construcciones y Servicios del Egeo, S.A.
Sociedad de Generación Eólica Manchega, S.L.	Eix Diagonal Construccions, S.L.
El Recuenco Eólica, S.L.	Dragados Construction USA, Inc.
Ribagrande Energía, S.L.	Pulice Construction, Inc.
Eólica Majadillas, S.L.	John P. Picone, Inc.
Robledo Eólica, S.L.	ACS Infrastructure Canada, Inc.
Recursos Ambientales de Guadalajara, S.L.	Tratamiento Integral de Residuos de Cantabria, SLU
El Otero Wind Power, S.L.	Sussex Realty, Ll.
Energía Sierrezuela, S.L.	Consortio Especializado Medio Ambiente, S.A. de CV.
Valdelagua Wind Power, S.L.	Recursos Eólicos de Mexico, S.A. de CV.
Eólica Torrellana, S.L.	Energía y Recursos Ambientales Internacional, S.L.
Chaparral Wind Power, S.L.	Brihante Transmissora de Energias, S.A.

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

Unión Fenosa, S. A.	Dragados Offshore SLP, S.A. de CV
Integral Port Services, S.L.	IPS Serveis Portuaris ETT, S.L.
Igest Mensajería, S.L.	Masa Argentina, S.A.
Terminal de Graneles de Castellón, S.A.	Gestión Marina Deportiva, S.A.
ACT Financing, LLC	Dragados Maroc, S.A.
New ad Publicity, S.A.	Asisteve, S.A.
Gestión y Valorización del Mediterraneo, S.L.	Canal Ecociudad, S.L.
Clickair, S.A.	

## Held for sale (SPL):

A.T.M. Cartera, S.L.	Progeco Bilbao, S.A.
Abra Terminales Marítimas, S.A.	Progeco España, S.A.
Agencia Marítima de Consignaciones, S.A.	Progeco Valencia, S.L.U.
Atlas Forwarding, S.L.	Progeco Vigo, S.A.
Autoterminal, S.A.	Puerto Seco Santander-Ebro, S.A.
Bilbao Atlantic Fruit Terminal, AIE.	Reconorsa Bilbao, S.L.
C. Steinweg Ibérica, S.L.	Remolcadores de Barcelona, S.A.
Castellón Terminal Portuaria, S.A.	Reparaciones e Instalaciones Marítimas, S.L.
CLB Universal Marítima, S.L.	S.A.R.L. Universal Marítima
CLS Beverage Bonded Warehouse, S.L.	Sadoport-Terminal Marítimo do Sado, S.A.
Combalia Agencia Marítima, S.A.	SCI Sintax
Combalia Logistic Services S.A.	Servicio Puerto Rada y Antipolución, S.A.
Comp.Sudamericana de Vapores Agencia Marítima, S.L.	Sintax Est EUURL
Conterail, S.A.	Sintax Ile de Francia EUURL
Cotransa, S.A.	Sintax Logística Transportes, S.A.
Desarrollo de Espacios Portuarios, S.A.	Sintax Logística, S.A.
DPI Terminals Dominicana, Ltda.	Sintax Logistique Francia, SAS.
Dragados Servicios Portuarios y Logísticos, S.L.	Sintax Logistique Maroc, S.A.R.L.
Dragados SPL del Caribe, S.A. de C.V.	Sintax Logistique Valenciennes, S.A.R.L.
Elite Spain Logistics, S.L.	Sintax Navigomes, Ltda.
Erhardt Mediterráneo, S.L.	Sintlogistica, Ltda.
Euroshipping Europe, B.V.	SLPP-Serviços Logísticos de Portos Portugueses, S.A
Frigoríficos de Castellón, S.A	SM Gestinver, S.A.
Graneles Sólidos Minerales, S.A.	Tandem Global Logistics (HK), Ltd.
Hércules International Towage Services, S.A.	Tandem Global Logistics (SH), Ltd.
Igest, S.A.	Tandem Holding (HK), Ltd.
Indira Container Terminal Private Limited	Terminal de Castellón, S.A.
Iquique Terminal Internacional, S.A.	Terminal Docks, S.L.
Jingtang International Container Terminal Co, Ltda.	Terminal Marítima de Cartagena, S.L.
Lager Logistics, S.L.	Terminales Marítimas Servicesa, S.A.
Lematrans Castellón, S.A.	Terminales del Sudeste, S.A.
Lev Aragonesa de Tránsitos, S.A.	Terminales Marítimas de Santander, S.L.
Marítima Consiflet, S.A.	Terminales Marítimas de Galicia, S.L.
Marítima de Galicia, S.L.	TESC - Terminal Santa Catarina, S.A.
Marítima del Mediterráneo, S.A.	Trafimar, S.A.R.L
Marítima Eurogulf, S.L.	Trans Inter Europe, SAS.
Marítima Valenciana, S.A.	Transportes Portuarios Gallegos, S.L.
Marmedsa Agência Marítima (Portugal), Ltda.	Transportes Rontegui, S.L.
Marmedsa Canarias, S.L.	Universal Forwarding Kec, Ltda.
Marmedsa Group Portugal, S.A.	Universal Global Logistics, S.A.
Marmedsa, S.A.R.L.	Universal Marítima Portugal Unipessoal Ltda.
Mepsa Servicios y Operaciones, S.A.	Universal Marítima, S.L.
Montañesa de Consignaciones, S.L.	Viajes Cosmos, S.L.
Operaciones Portuarias Canarias, S.A.	WRC Operadores Portuarios, S.A.

# Auditors' Report on Consolidated Financial Statements

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

Consolidated Financial Statements for the year ended 31 December 2009  
and Directors' Report, together with Independent Auditors' Report.

*Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 3 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 comprising the consolidated statement of financial position at 31 December 2009 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. The preparation of these consolidated financial statements is the responsibility of the Parent's directors. 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 generally accepted auditing standards in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made. Our work did not include an examination of the financial statements for 2009 of certain subsidiaries and associates whose assets, revenue and net results, in absolute terms, represent 15%, 21% and 16%, respectively, of the corresponding consolidated totals. The financial statements of these companies were audited by other auditors and, accordingly, our opinion as expressed in this report on the consolidated financial statements of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries is based, with respect to the ownership interests in these companies, solely on the reports of the other auditors. These companies and their respective auditors are listed in Appendices I, II and III to the accompanying notes to the consolidated financial statements.
2. As required by Spanish corporate and commercial law, for comparison purposes the Parent's directors present, in addition to the consolidated figures for 2009 for each item in the consolidated statement of financial position, 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, the figures for 2008. The presentation of the information for 2008 differs from that contained in the approved consolidated financial statements for that year as a result of the consideration, for comparison purposes, of the port and logistics business segment as a discontinued operation (see Note 3.09 to the accompanying consolidated financial statements). Our opinion refers only to the consolidated financial statements for 2009. On 1 April 2009, we issued our auditors' report on the 2008 consolidated financial statements, in which we expressed an unqualified opinion.
3. In our opinion, based on our audit and on the reports of the other auditors mentioned in paragraph 1 above, the accompanying consolidated financial statements for 2009 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 2009 and the consolidated results of their operations, the changes in the consolidated statement of comprehensive income, the changes in consolidated equity and their consolidated cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with International Financial Reporting Standards as adopted by the European Union applied on a basis consistent with that used in the preparation of the consolidated financial statements for the preceding year, which were included in the consolidated financial statements for 2009 for comparison purposes.
4. The accompanying consolidated directors' report for 2009 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 2009. 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  
11 March 2010

Deloitte S.L. inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: 8-79104469.  
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Member of Deloitte Touche Tohmatsu

# Historical Performance

Consolidated income statement evolution	2004	2005	2006	2007	2008 <sup>(1)</sup>	2009	CAGR <sup>(3)</sup> 09/04
Million of euros							
<b>Revenues</b>	<b>10,817.9</b>	<b>12,113.9</b>	<b>13,868.7</b>	<b>15,344.9</b>	<b>15,275.6</b>	<b>15,605.9</b>	<b>7.6%</b>
Construction	5,230.3	5,724.8	6,750.3	7,352.9	6,625.4	6,125.3	3.2%
Concessions	15.3	13.8	26.1	35.8	66.1	64.0	33.1%
Environment	2,186.6	2,406.5	2,458.6	2,834.9	2,413.8	2,638.5	3.8%
Industrial Services and Energy	3,490.5	4,077.4	4,747.7	5,488.7	6,476.7	6,862.1	14.5%
Holding / Adjustments	(104.8)	(108.6)	(114.0)	(368.4)	(306.4)	(84.0)	-4.3%
<b>EBITDA</b>	<b>981.1</b>	<b>1,095.5</b>	<b>1,218.9</b>	<b>1,379.8</b>	<b>1,382.5</b>	<b>1,458.0</b>	<b>8.2%</b>
Construction	398.1	427.6	504.0	548.9	494.3	458.9	2.9%
Concessions	(0.9)	7.5	6.9	1.5	23.2	13.6	-
Environment	314.6	346.2	324.7	381.5	314.8	341.3	1.6%
Industrial Services and Energy	291.8	344.4	419.6	488.4	591.2	680.5	18.5%
Holding / Adjustments	(22.5)	(30.2)	(36.3)	(39.4)	(41.0)	(36.3)	11.4%
<b>EBIT</b>	<b>723.9</b>	<b>817.4</b>	<b>942.5</b>	<b>1,056.7</b>	<b>1,042.7</b>	<b>1,079.9</b>	<b>8.3%</b>
Construction	327.7	358.6	422.7	460.3	410.9	379.8	3.0%
Concessions	(1.0)	2.0	(2.7)	(5.2)	7.8	(0.7)	-7.2%
Environment	177.8	203.7	195.5	232.8	195.3	202.0	2.6%
Industrial Services and Energy	244.9	285.9	364.7	412.5	471.9	537.3	17.0%
Holding / Adjustments	(25.5)	(32.8)	(37.7)	(43.7)	(43.2)	(38.5)	8.6%
<b>Net Profit</b>	<b>452.5</b>	<b>608.7</b>	<b>1,250.1</b>	<b>1,551.1</b>	<b>1,805.0</b>	<b>1,951.5</b>	<b>34.0%</b>
Construction	221.4	239.1	282.1	310.3	275.0	241.4	1.7%
Concessions <sup>(2)</sup>	(14.5)	6.5	(17.3)	3.7	20.2	(26.7)	13.0%
Environment	98.9	112.7	109.1	131.7	144.6	146.2	8.1%
Industrial Services and Energy	150.1	179.2	222.6	264.9	316.7	348.3	18.3%
Listed Associates	-	-	81.1	57.7	17.4	117.5	-
Holding / Adjustments	(3.4)	71.2	402.4	782.4	1,031.1	1,124.8	-

(1) 2008 data proforma, SPL has been reclassified as "Assets held for sale", using the same criteria that it has been used in 2009

(2) Concessions division includes the extraordinary results derived from the sale of DCA and InvinSL in 2008.

(3) CAGR: Compound Annual Growth Rate



Consolidated balance sheet as of December, 31	2004	2005	2006	2007	2008	2009
Million of euros						
<b>Fixed and other non-current assets</b>	<b>4,397.5</b>	<b>8,488.2</b>	<b>14,018.1</b>	<b>32,265.7</b>	<b>37,837.5</b>	<b>17,790.1</b>
Property, plant and equipment	1,981.0	2,356.0	2,917.2	18,294.2	5,207.6	5,998.3
Intangible assets	305.7	451.9	397.6	1,670.4	503.2	487.4
Non-current financial assets	1,833.2	5,317.9	10,227.5	10,299.7	7,081.7	9,352.5
Other non-current assets <sup>(1)</sup>	277.6	362.3	475.8	2,001.4	25,045.0	1,951.9
<b>Goodwill</b>	<b>1,010.8</b>	<b>1,047.6</b>	<b>1,086.6</b>	<b>2,950.4</b>	<b>1,132.6</b>	<b>1,127.0</b>
<b>Working capital</b>	<b>(1,304.8)</b>	<b>(1,872.1)</b>	<b>(2,496.7)</b>	<b>(3,441.0)</b>	<b>(2,294.9)</b>	<b>(2,803.7)</b>
<b>Total Assets</b>	<b>4,103.5</b>	<b>7,663.6</b>	<b>12,608.0</b>	<b>31,775.0</b>	<b>36,675.1</b>	<b>16,113.5</b>
<b>Equity</b>	<b>2,019.2</b>	<b>2,635.5</b>	<b>3,256.4</b>	<b>10,441.0</b>	<b>9,913.0</b>	<b>4,591.5</b>
Attributable equity to Parent Company	1,905.4	2,480.9	3,115.7	4,653.8	3,402.4	4,303.4
Minority interests	113.8	154.6	140.7	5,787.3	6,510.6	288.1
<b>Other non-current liabilities <sup>(2)</sup></b>	<b>660.4</b>	<b>763.5</b>	<b>605.3</b>	<b>4,759.5</b>	<b>17,406.3</b>	<b>2,250.6</b>
<b>Non-current liabilities</b>	<b>1,907.5</b>	<b>5,017.4</b>	<b>10,120.9</b>	<b>16,804.5</b>	<b>9,576.3</b>	<b>11,774.3</b>
Non-recourse project financing	425.3	2,304.8	6,797.6	9,278.3	6,245.2	8,691.2
Non-current bank borrowings	1,482.2	2,712.6	3,323.3	7,526.2	3,331.0	3,083.0
<b>Current payables/ Current liabilities</b>	<b>(483.5)</b>	<b>(752.8)</b>	<b>(1,374.6)</b>	<b>(230.0)</b>	<b>(220.5)</b>	<b>(2,502.8)</b>
Non-recourse project financing	37.0	50.4	195.4	363.2	176.8	278.0
Current bank borrowings	1,075.7	1,242.1	1,237.7	3,479.3	3,968.8	2,137.2
Other current financial assets	(1,018.1)	(1,277.4)	(1,880.9)	(1,420.9)	(2,185.1)	(2,711.1)
Cash and cash equivalents	(578.1)	(767.8)	(926.6)	(2,651.6)	(2,181.0)	(2,207.0)
<b>Total Equity and Liabilities</b>	<b>4,103.5</b>	<b>7,663.6</b>	<b>12,608.0</b>	<b>31,775.0</b>	<b>36,675.1</b>	<b>16,113.5</b>

(1) In 2008, there is included "Non-current assets held for sale" accounted for 24,351 million of euros derived from the sale of Union's Fenosa stake. In 2009 there is included 1,177 million of euros related to SPL.

(2) In 2008, there is included "Non-current liabilities held for sale" accounted for 15,931 million of euros derived from the sale of Union's Fenosa stake. In 2009 there is included 845 million of euros related to SPL.







[www.grupoacs.com](http://www.grupoacs.com)

Cover photo: Works for an oil storage facility (Bahamas).

# Corporate Responsibility Report of ACS Group 2009

# Main figures of ACS Group

Area of Activity	Construction	Environment	Industrial Services & Energy	ACS Group
% of total sales 2009	25%	17%	42%	84%
<b>Main environment indicators</b>				
Materials used	Cement, steel, aggregates, bitumen, chemical products, wood	Solid urban waste, industrial waste, hospital waste, mineral oil, gas neutralization products, acids, water	Cables, concrete, iron, steel, gas, diesel, wood, lighting, paper, computer equipment, floated concrete, aluminum, reflective materials, copper, aggregates, electronic equipment, electrical and plastics	
<b>Consumption of energy broken down by primary source</b>				
Petrol + diesel consumption (million litres)	16.2	35.8	23.0	75.1
Natural gas consumption (m <sup>3</sup> )	213,620	5,111,096	38,870	5,363,585
Electricity consumption (GWh)	51	110	30	191
Other consumptions (toe)	369	1,621	0	1,991
<b>Total (toe)</b>	<b>21,754</b>	<b>53,303</b>	<b>26,496</b>	<b>101,553</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
<b>Water consumption</b>				
Obtained from the public mains (m <sup>3</sup> )	808,101	1,833,736	108,684	2,750,521
Obtenida de otras fuentes (m <sup>3</sup> )	632,391	420,588	3,951	1,056,930
<b>Total (m<sup>3</sup>)</b>	<b>1,440,492</b>	<b>2,254,324</b>	<b>112,636</b>	<b>3,807,451</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
<b>Waste water dumped <sup>(1)</sup></b>				
To the public network (m <sup>3</sup> )	Not available	1,039,150	93,622	1,132,772
Drainage to the sea or rivers/lakes (m <sup>3</sup> )	Not available	14,491	1,568	16,059
<b>Total (m<sup>3</sup>)</b>	<b>Not available</b>	<b>1,053,641</b>	<b>95,190</b>	<b>1,148,831</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>0%</i>	<i>12%</i>	<i>34%</i>	<i>46%</i>
<b>Greenhouse gas emissions</b>				
Total direct greenhouse gas emissions (t CO <sub>2</sub> )	37,000	8,002,123	31,137	8,070,259
Total indirect greenhouse gas emissions (t CO <sub>2</sub> )	15,008	32,707	8,996	56,712
<b>Total direct and indirect greenhouse gas emissions (t CO<sub>2</sub>)</b>	<b>52,008</b>	<b>8,034,830</b>	<b>40,133</b>	<b>8,126,971</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
<b>Other significant emissions to the air (already included in direct emissions)</b>				
NO <sub>x</sub> (t)	0.10	360.3	0.00	360.3
SO <sub>x</sub> (t)	0.20	0.6	0.00	0.8
Particles (t)	0.00	2.4	0.00	2.4
Other gases (t)	0.40	0.0	0.00	0.4
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>8%</i>	<i>28%</i>	<i>61%</i>
<b>Savings of greenhouse gas emissions (t)</b>				
	0	4,095,935	2,414,034	6,509,969
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
<b>Non-hazardous waste managed</b>				
	Surplus land excavation and CDR (rubble, wood, plastics, paper and cardboard and metals)	Waste from treatment of urban waste	Paper, cardboard, electronic waste, scrap, municipal waste	
<b>Total (t)</b>	<b>1,099,375</b>	<b>29,209</b>	<b>33,104</b>	<b>1,161,688</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
<b>Hazardous waste managed (t)</b>				
	2,251	8,501	7,436	18,188
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
<b>Percentage of projects which are rated non-financial, such as environmental (%)</b>				
	77%	0%	7%	27%
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>

(1) Not included treated water in the sewage treatment plants

Area of Activity	Construction	Environment	Industrial Services & Energy	ACS Group
<b>Quality and creation of value for clients</b>				
Investments dedicated to quality improvements (million of euros)	Not available	1.7	1.9	3.7
Percentage of the total production certified by the quality systems based on the ISO 9001 standard	100%	68%	88%	87%
Number of audits of quality carried out	198	44	287	525
Number of satisfaction surveys carried out	531	350	1,284	2,165
Percentage of the total answers of clients saying that they were "Satisfied" or "Very Satisfied"	87%	85%	80%	83%
Investments carried out in R+D+i (million of euros)	21	5	14	40
<b>Commitment to the Natural Environment</b>				
Percentage of the total production of the Group environmentally certified in accordance with the ISO 14001 standard	80%	70%	82%	79%
Number of environmental audits carried out	198	50	196	444
Number of significant environmental incidents registered	1,397	1	0	1,398
Number of environmental fines	26	1	1	28
<b>Employees</b>				
Total number of employees at 31th of December of 2009 (377 employees in the corporation and other subsidiaries of the Group)	20,014	83,317	38,468	142,176
Employees contracted directly and permanently	47%	3%	25%	15%
Employees contracted in relation to a specific project, work or temporary production joint venture.	53%	97%	75%	85%
<b>Training</b>				
Number of hours of study	181,072	765,681	371,027	1,317,780
Number of courses	892	3,131	2,721	6,744
Number of participants	11,524	32,143	12,544	56,211
Total investment (million of euros)	1.8	4.9	6.5	13.2
Courses by type of content: Production	524	772	1,509	2,805
Courses by type of content: Job Safety	288	2,280	1,045	3,613
Courses by type of content: Environment	80	79	167	326
<b>Labour risk prevention and job safety</b>				
Frequency rate (Represents the number of accidents that occurred during the working day per million hours worked)	26.7	42.8	25.9	36.1
Severity rate (Represents the number of working days lost due to accidents per 1,000 hours worked)	0.79	1.0	0.6	0.9
Incidence rate (Represents the number of accidents in relation to which sick leave was taken per 1,000 employees)	50.1	74.9	46.6	63.9

# Corporate Responsibility Report 2009

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*Commitment*



# 1. The ACS Group and Corporate Responsibility

*The ACS Group is a worldwide reference in construction, services and energy activities. It is a group which participates in the development of sectors related to infrastructures, which are fundamental for the economy. A company committed to economic and social progress in the countries where it is present.*

*ACS' success rests on three basic pillars:*

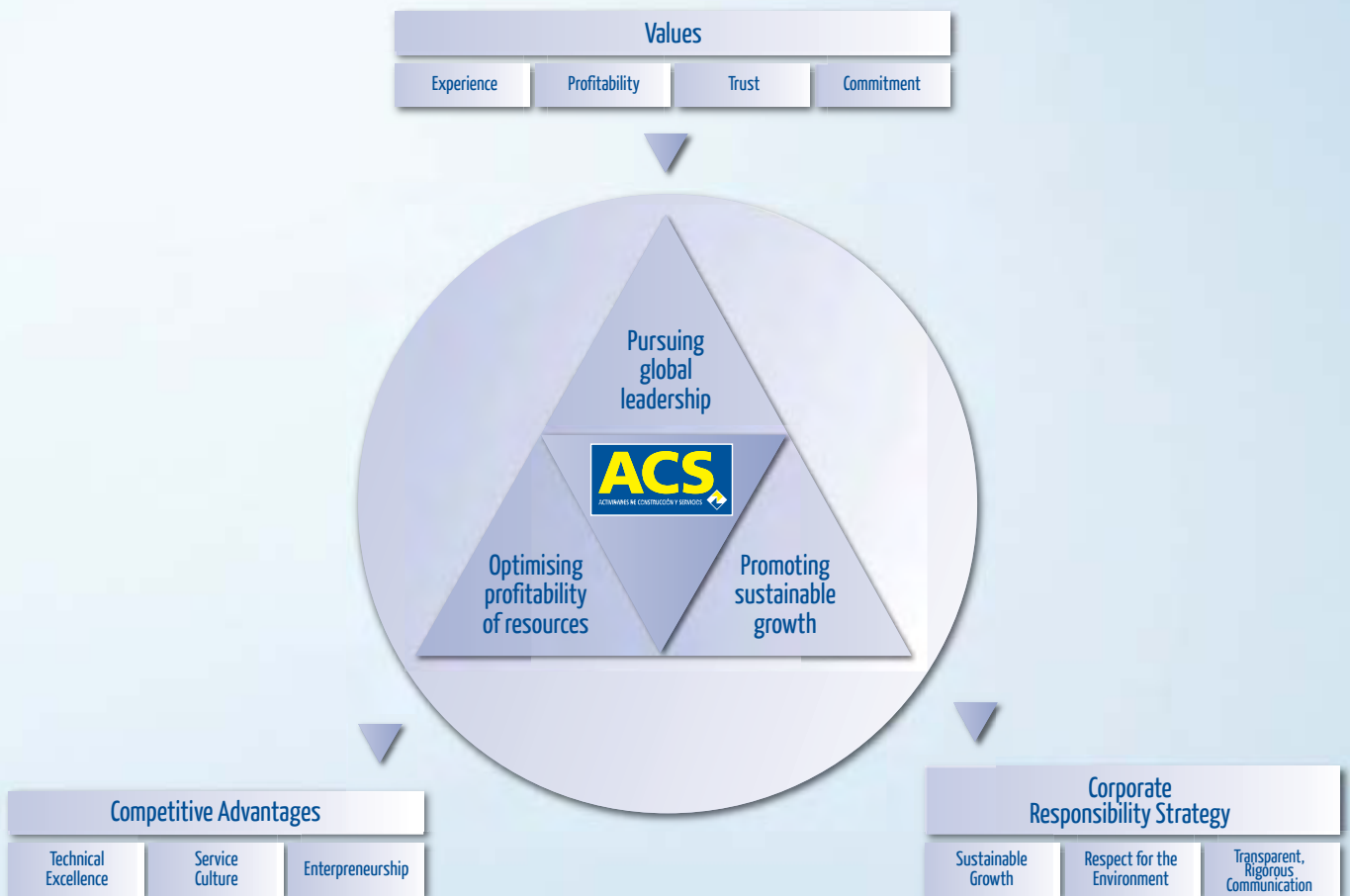
**Values** which form part of the organisation, experience, the quest for profitability, its clients' trust and the ability to make a commitment.

A **Strategy for Sustainable Development**, which improves social well-being, respects the environment and is based on a policy of transparency.

**Competitive Advantages** acquired through experience in the execution of a countless number of projects: technical excellence, a culture of service and an enterprising character.

These factors are key to the achievement of the ACS Group's mission, which is to pursue global *leadership*, *optimising the profitability of the resources managed for this purpose, while improving the society in which we live.*

*The ACS Group is a worldwide reference in construction, services and energy activities.*



# 1. The ACS Group and Corporate Responsibility

Therefore, the ACS Group provides its services and engages in its activities by means of the following:

- The development of infrastructures, civil engineering works, industrial facilities, energy plants, telecommunications systems and waste treatment and purification plants.
- The provision of services in the fields of integral management of urban, logistic and industrial infrastructures.
- Active participation in sectors essential to the economic and social development of any developed country such as infrastructures and energy.

*Corporate responsibility is part of the ACS Group's vision and strategy; the sustained growth and responsible development of not only the Group but also the society of which it forms part is an intrinsic element of each of the activities it promotes and carries out.*

With the objective of supporting this statement of principles, the ACS Group has worked over recent years on developing a culture based around sustainable development and corporate responsibility.

Over the last few years, the ACS Group has equipped itself with the corporate tools to enable it to put this strategy into practice in the company. This was firstly through the publication of the Commitment to Corporate Responsibility, then through the formalisation of the Code of Conduct, which was already in use but not regulated formally, and finally the declaration of commitment to combating Climate Change. These documents were approved by the ACS Group's Board of Directors and their regular supervision is one of the responsibilities of the Board's Audit and Control Committee.

These initiatives seek to standardise the ACS Group's procedures and to provide a whole series of uses and customs which had no formal institutional support until recent years with the status of rules.

The application of these initiatives, which are now fully in force, is monitored by the Secretary of the Board of Directors. There were no reports of significant incidents in 2009 deriving from the monitoring of the procedures brought together in the ACS Group's Code of Conduct.

*Since its foundation, the ACS Group and its companies have made a commitment to the various parties forming part of its operations and interacting with the Group or its employees. This commitment is based on the ethical principles guiding the ACS Group's operations, which form part of its corporate culture.*



The following outstanding initiatives were carried out during 2009 as a consequence of the ACS Group's Commitment to combating Climate Change:

- The ACS Group allocated a high level of resources to the development of Research, Development and Innovation initiatives and dedicated over €988 million to projects which reduce emissions of greenhouse gases in its operations.
  - Wind farms with a total installed power of 74 MW were developed in Spain in 2009.
  - Two thermal solar power plants for electricity generation with heat storage devices were developed and put into service, representing a total installed power of 150 MW at the end of 2009. These plants include very advanced technology and are a leap forward in the development of manageable thermal solar technology.
- Initiatives were undertaken in the ACS Group's Environment area to reduce emissions of greenhouse gases, which resulted in an 18.8% reduction of these emissions.

This link to corporate responsibility is part of the ACS Group's continual effort to work in accordance with the five commitments to sustainability it has assumed to define its relationship with the environment, society and the agents and stakeholders with which it relates. This is the ACS Group's response to the challenge of Corporate Responsibility.

*Commitment to Sustainability is an inherent part of the ACS Group's corporate and business strategy.*



# 1. The ACS Group and Corporate Responsibility

## Five commitments of the Group ACS



*Commitment to the creation of value*, distributing the wealth created among its shareholders, clients, employees, suppliers and throughout the society as a whole.

*Commitment to information transparency*, so that those who have a relationship with the Company have accurate, reliable and accessible information available to them and are able to form an exact opinion of ACS.

*Commitment to research, development and innovation* with a view to the future, profitable growth and the quality of its products and services.

*Commitment to the natural environment*, implementing programmes and procedures which contribute to minimising the impact of the ACS Group's activities.

*Commitment to individuals and the social environment* through the creation of employment, wealth and the contribution to the wellbeing and prosperity of the societies in which it operates.

## ACS and its Stakeholders

Stakeholders are defined as groups with the capacity to have an influence on the achievement of the organisation's objectives.



## 2. Milestones from 2009 and Challenges for 2010



*“(...) the decade beginning presents us with the challenge of beating the one just finished. With this objective we are going to keep working with the same effort and enthusiasm to maintain our leadership and continue creating value in a sustainable manner.”*

Florentino Pérez Rodríguez  
Chairman of the ACS Group



## Main Milestones in 2009

Investment of over €988 million in renewable energy generation projects, to develop 74 MW of wind farms and 100 MW of thermal solar plants with heat storage.

Reduction of CO<sub>2</sub> emissions either directly or through the savings arising from the ACS Group's operating activity.

Inclusion of the ACS Group in the Dow Jones Sustainability World Index.

Investment of €40.0 million in research, development and innovation. This investment is equivalent to 4.8% of ordinary net profit (€842 million in 2009).

Recycling and reuse of 58.5% of construction and demolition waste.

Savings of 4,095,935 tons of CO<sub>2</sub> as a result of waste treatment activity.

The proportion of women in the ACS Group rose by two percentage points relative to 2008 figures, to 38% of the total staff.

A total of 2,165 satisfaction surveys were carried out in 2009, with 82.9% of replies being satisfactory or very satisfactory.

12% increase in the ACS Foundation's investment in social works.

Improvement in accident frequency and incident rate at a Group level, with a 5.5% reduction in accidents.

## Objectives and Challenges for 2010

Investment of over €700 million in renewable energy. International expansion.

In accordance with the objectives for 2008, the ACS Group continues to work to increase certified activity according to ISO standards in relation to quality and the environment.

To increase investment in R+D+i to 2008 levels (around €50 million).

To begin measurement of Scope 3 CO<sub>2</sub> emissions, mainly produced by travel, the supply chain and internal logistics.

Reductions in electricity, water and gas consumption and in waste generation.

Continued promotion of equal opportunity practices in all of the Group's activities.

Reinforcement of the ACS Group's labour risk prevention systems in all activity areas, in order to improve the work-related accident rate as compared to 2009.

An increase of over 10% in the budget of the Grupo ACS Foundation.

### 3. Commitment to the Creation of Value

87.4%

*of the production of the ACS Group took place under quality systems based on the ISO 9001 standard.*

40.0

*million euros were invested in Research, Development and Innovation in 2009.*

ACS

*is one of the companies which created most value for its shareholders in the first decade of the 21st century.*



As part of its commitment to sustainable growth, the ACS Group aims to ensure that its investments are profitable while guaranteeing high quality operations and financial soundness and efficiency. This simultaneously generates value for three large groups of agents directly or indirectly related to ACS:

- Value is generated for clients to which projects and services related to infrastructures and energy are provided;
- Value is generated for shareholders through the financial profitability of the investments made; and
- Value is generated for the whole of society by fostering sustainable economic growth in the countries in which the Group operates.

*The ACS Group's activity, which is committed to sustainable growth, directly or indirectly generates value not only for its clients and shareholders, but also for the whole of society.*

## Creation of value for clients of the ACS Group



*In view of the nature of its clients, the ACS Group must constantly strive for excellence in order to guarantee their satisfaction. This objective is achieved through quality and a clear service vocation.*

# 3. Commitment to the Creation of Value

*Each year the ACS Group dedicates significant resources and effort to hiring and retaining the talent of its human capital, as well as to investments in research, development and technological innovation, in order to guarantee excellence in the provision of services to its clients.*

The ACS Group defines Service Vocation as the appropriate management of its relationship with clients: providing solutions to their problems with a high degree of quality, excellence and flexibility, responding to incidents quickly and efficiently and guaranteeing a long lasting and profitable relationship.

One of the main characteristics of the ACS Group is its high level of decentralisation, which is evidenced in all the activity areas in which it competes. This structure allows for a lower level of control and degree of supervision, only affecting decisions which are truly of significance. The objective is to immediately ascertain the client's opinion and perception of the work performed, detect problems and share possible improvements.

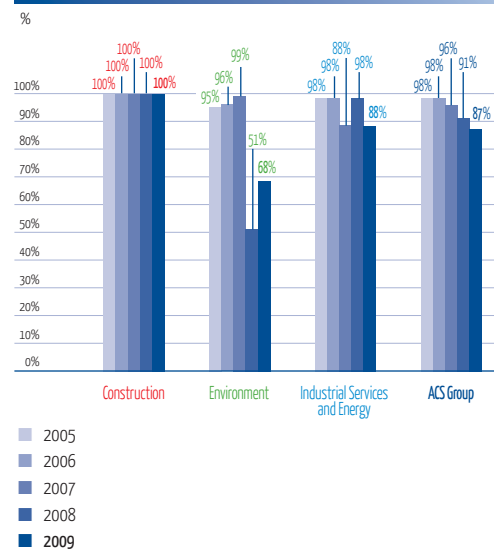
Special emphasis is placed on quality and resources are dedicated to the undertaking of activities which allow for the application of the most appropriate and advanced techniques in all areas. Investing in innovation, efficiency and the improvement of work systems and prioritising the adaptation of the entire organisation to clients is the path which has always been followed by the ACS Group since its creation.

In 2009, 87.4% of the production of the ACS Group took place under quality systems based on the ISO 9001 standard and certified by acknowledged external organisations.

*The main goal of the search for quality undertaken by the ACS Group has always been to be the leading company in the sectors in which it operates.*



**Production certified according to the ISO 9001 standard**



This chart includes the information on quality with reference to 87% of the ACS Group's turnover.

## Professional Team: hiring and retaining of talent

To foster this Service and Quality Vocation, the ACS Group relies on the best of professional teams, as well as on technical expertise.

*Each and every one of the Group's 142,176 employees contributes their experience and dedication to improving the quality of the services provided to clients. Given the Group's commitment to excellence, employees assume this responsibility which is part of ACS' idiosyncrasy.*



Its employees are a genuine asset for the company and, accordingly, it is necessary to continuously and efficiently invest in training, professional development support and, mainly, occupational risk prevention policies. Considered within the numerous training initiatives are 1,317,780 hours of study in courses and studies relating to all its activities.

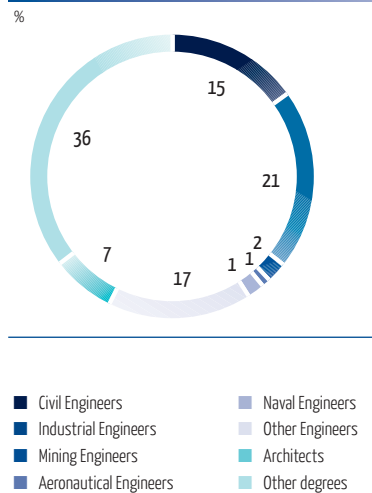
Of all the ACS Group's employees, 12,475 were directors or professionals with university and advanced degrees, 16,841 were technical and clerical staff and the remaining 112,860 were specialists and operatives.

This policy, in addition to motivation initiatives relating to hiring, remuneration and development, encourages the loyalty of professionals with talent.

The ACS Group and the companies it comprises have implemented measures aimed at retaining and motivating their employees, especially those displaying high potential.

*Of the professionals with degrees, at the end of 2009 the ACS Group employed 6,610 engineers with more than 7 different specialities.*

### University graduates by type of training



One of the most significant employee motivation and satisfaction initiatives is the possibility of promotion. The turnover of the ACS Group and the continuous development of the company generate a significant number of annual promotions among the employees who, due to their efforts and efficiency, are nominated for positions of greater responsibility.

### 3. Commitment to the Creation of Value

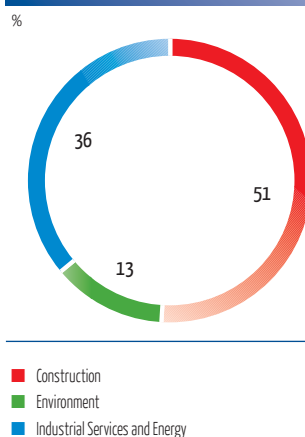
#### Technical Resources: Investment and fostering of R+D+i

The activities of the ACS Group are highly technical and require all the operating areas to develop projects and programmes enabling the most modern techniques to be employed in relation to the products and services offered to clients.



In this regard, the ACS Group continually invests in Research, Development and Innovation. Specifically, in 2009, such investments amounted to €40.0 million, 4.8% of the Group's ordinary net profit for continuing activities. These investments are dedicated to the carrying out of projects leading to tangible improvements in productivity, quality, client satisfaction, work safety, the obtaining of new and better materials and products and the design of more efficient production processes and systems.

Investment in R+D+i by area of activity



This activity is executed through projects performed in collaboration with universities and public and private research bodies, as well as members of consortiums of companies.

Without doubt, this is one of the facets which show that the ACS Group is among the top companies in R+D+i investment through its companies heading each activity area. Through numerous Construction projects, their leadership in various environmental research areas and the Group's presence at dozens of universities and in leading projects in Industrial Services are proof of this.

## Creation of value for shareholders

At 31 December 2009, the share capital of the ACS Group amounted to €157,332,297, made up of 314,664,594 ordinary shares with a face value of €0.50 each, all of the same class and series. ACS' shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges.



The ACS stock	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Closing price</b>	<b>8.37 €</b>	<b>9.13 €</b>	<b>10.22 €</b>	<b>12.90 €</b>	<b>16.80 €</b>	<b>27.21 €</b>	<b>42.71 €</b>	<b>40.65 €</b>	<b>32.65 €</b>	<b>34.81 €</b>
Revaluation of ACS shares	6.58%	9.16%	11.86%	26.26%	30.23%	61.96%	56.96%	-4.82%	-19.68%	6.62%
Revaluation of the IBEX 35	-21.75%	-7.82%	-28.11%	28.27%	17.37%	18.20%	31.79%	7.32%	-39.43%	29.84%
<b>Maximum closing price</b>	<b>10.73 €</b>	<b>11.15 €</b>	<b>12.33 €</b>	<b>13.13 €</b>	<b>17.03 €</b>	<b>27.23 €</b>	<b>43.62 €</b>	<b>50.95 €</b>	<b>40.99 €</b>	<b>38.75 €</b>
<b>Minimum closing price</b>	<b>5.70 €</b>	<b>7.08 €</b>	<b>8.86 €</b>	<b>9.88 €</b>	<b>12.68 €</b>	<b>16.98 €</b>	<b>26.96 €</b>	<b>32.10 €</b>	<b>24.03 €</b>	<b>27.67 €</b>
<b>Average in the period</b>	<b>8.88 €</b>	<b>9.64 €</b>	<b>10.20 €</b>	<b>11.80 €</b>	<b>14.16 €</b>	<b>22.22 €</b>	<b>34.21 €</b>	<b>43.08 €</b>	<b>32.66 €</b>	<b>34.61 €</b>
<b>Total volume of shares (thousands)</b>	<b>187,860</b>	<b>155,171</b>	<b>190,174</b>	<b>238,933</b>	<b>312,483</b>	<b>401,440</b>	<b>279,966</b>	<b>417,896</b>	<b>382,506</b>	<b>196,115</b>
Average daily volume of shares (thousands)	751	621	761	956	1,245	1,568	1,098	1,652	1,506	769
<b>Total effective traded (€ million)</b>	<b>2,661</b>	<b>1,496</b>	<b>1,949</b>	<b>2,847</b>	<b>4,563</b>	<b>8,989</b>	<b>9,386</b>	<b>18,003</b>	<b>12,492</b>	<b>6,759</b>
Daily average effective (€ million)	10.64	5.99	7.80	11.39	18.18	35.11	36.81	71.16	49.18	26.50
Daily average effective (€ million)	192.18	192.18	192.18	355.58	352.87	352.87	352.87	352.87	335.39	314.66
<b>Number of shares (millions)</b>	<b>1,608</b>	<b>1,755</b>	<b>1,963</b>	<b>4,587</b>	<b>5,928</b>	<b>9,602</b>	<b>15,071</b>	<b>14,344</b>	<b>10,950</b>	<b>10,953</b>

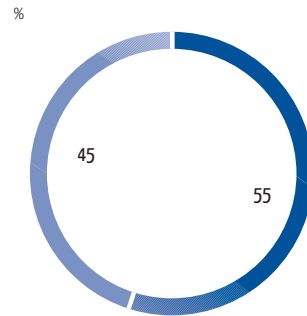


# 3. Commitment to the Creation of Value

The value of ACS Group shares rose 6.62% in 2009 to €34.81 per share.

Since the ACS Group's stock is in the form of bearer shares, there is no register of company shareholders. According to the most recent data available, there were 53,980 ACS shareholders at the time of the General Shareholders' Meeting held in May 2009. There were 48,874 resident minority shareholders who held 59.36 million shares between them. There were 5,106 non-resident shareholders and domestic institutional shareholders with a stake of 259.8 million shares.

Breakdown of holders of capital by type of investor



■ Reference shareholders\*  
■ Free Float

\* Shareholding of over 5% and representation on the board

*If an ACS shareholder had invested €100 on 31 December 1999, he or she would have had €619.17 at the end of 2009, meaning the investment had risen 6.19 times, including the re-rating of the share during this period and the dividends paid by the ACS Group.*

The capitalisation of ACS has risen at a rate of 23.8% annually since 1999 and has given a shareholder total rate of return of 20%. Over the same period, the IBEX35 went from 11,641 points to 11,940, the value at which it closed on 31 December 2009, an annual rate of increase of 0.3%.

In the first decade of the 21st century, the current net value at present prices for all the flows for ACS Group shareholders, that is dividends, capital increases and decreases and appreciation in value, totals €6,841 million, which places the ACS Group among the Spanish companies which have created most value for their shareholders over the last decade (according to the report published in January 2010 by Professor López Lubián of the Instituto de Empresa).



Stock exchange evolution





# ACS: leading value creation between 2000 and 2009

## Creation of value for the shareholder of ACS

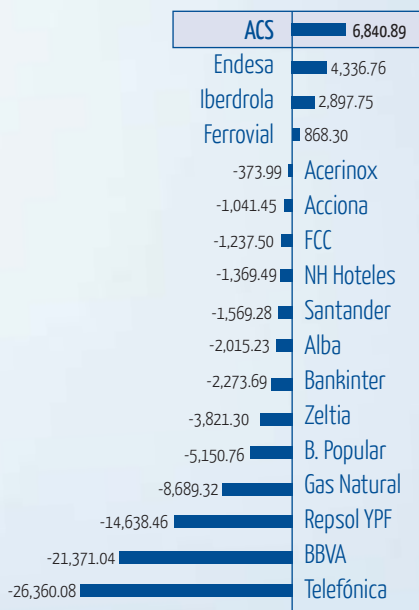
IBEX with Dividends  
Millions of euros

Capitalization and ACS's dividends  
Thousands of millions of euros



## Value creation between 2000 and 2009 according to the Instituto de Empresa Business School (IE)

Thousands of millions of euros



Average annual ACS profitability = 20%

The net present value of all ACS shareholder's flows between 2000 and 2009 accounts for € 6,841 million euros.



### 3. Commitment to the Creation of Value

During 2009 the ACS Group cancelled 20,725,833 shares, close to 6% of the capital, which means the total number of shares was reduced to 314.66 million. The objective of these measures is to increase profitability for all the ACS Group's shareholders.

ACS' inclusion in the Dow Jones Sustainability Index represents an acknowledgement of the Group's effort in recent years in relation to sustainable development and its significance in the company's business strategy.

The Dow Jones Sustainability World Index (DJSI World) includes the 300 leading companies in terms of corporate sustainability from twenty leading countries worldwide and accounts for 10% of the 2,500 largest companies listed on the Dow Jones World Index. Membership in this index is taken into account by the asset managers of 15 countries and has an influence on decisions taken in regard to investments, since the DJSI indices are used as a reference for the composition of portfolios focused on sustainability.

*In 2009 the ACS Group was again selected as a member of the Dow Jones Sustainability Index, the most prestigious and important selective stock exchange index, assessing the effort made with respect to sustainability policies, as well as the commitment made to the general public and to the environment. The ACS Group was admitted to the world category (DJSI World).*



## Creation of Value for the societies in which the ACS Group operates

The ACS Group carries out projects for the construction, improvement, maintenance and operation of civil, industrial, environmental and energy infrastructures, including as an investor, employing its own resources in financing these assets for public use. It cannot be doubted that the use and enjoyment of these infrastructures unequivocally benefits the state of well-being of the societies where they are executed. Hundreds of kilometres of roads and railways were built in Spain, Greece, Ireland and the United States in 2009. Waste treatment plants were put into operation at several locations within the Iberian Peninsula, Morocco, France and Latin America and industrial and energy installations are maintained and developed in over 20 countries.

The ACS Group is one of the main direct and indirect employment generating companies. The Group's workforce grew by 0.8% during 2009, reaffirming ACS as an important driver in the generation of wealth for society, its employees, subcontractors and raw material and support services suppliers.

Several of its operating activities also lead to improvements in the environment, contributing a significant benefit to the society receiving these services. ACS treats over 11.5 million tons of rubbish generated by millions of inhabitants; provides water treatment services to over 8.5 million people; and generates sufficient clean electricity through the use of renewable energy sources to save over 2.4 million tons of CO<sub>2</sub> per year.



*The ACS Group's mission includes a concept which is part of our commitment to the creation of value: "The search for profitability while improving the society in which we live".*

*All of the ACS Group's activities decisively contribute with economic and social benefits, in addition to forming part of the wealth of the societies they serve.*

## 4. Commitment to Information Transparency

[www.  
grupoacs.com](http://www.grupoacs.com)

ACS



*ACS' website is visited by an average of 2,440 users daily, with 23,775 pages viewed.*

*Worldwide leader in the promotion of transport infrastructure projects by number of concessions, according to a survey by the specialised US publication Public Works Financing.*

*The ACS Group is a member of the Dow Jones Sustainability World Index.*



One of the key elements of the ACS Group's strategy to fulfil its mission to satisfy its clients and to generate profitability for its shareholders and the society in which it operates is information transparency. The objective of this strategy is to ensure that its activity is as open as possible and that the interests of its clients and other stakeholders are respected. The ACS Group is committed to total rigour in the information transmitted, especially with respect to the media.

*The transparency and rigour in the information transmitted, are the pillars of the ACS Group's communication strategy.*

## The value of information transparency

This general objective of transparency is achieved by following these guidelines:

- Transmitting the Company's overall corporate strategies, as well as those specific to each of the Company's business areas, to the outside world.
- Projecting the Group's business reality and ensuring that the Group is recognised as being sound and well-managed inside and outside of Spain.
- Contributing to the makeup of a positive umbrella corporate image which aids in the achievement of business objectives and commercial activity.
- Maintaining a fluent relationship with external agents, particularly with representatives of the media.

All of the above contributes to an increase in the value of the ACS brand and of its different companies and businesses.

The ACS Group's relationship with all forms of media is fluently and transparently framed thanks to the relations set up through the Communications Department, the various media windows established for interviews, press releases and contacts on the corporate website, as well as via the Chairman and General Manager's meetings with journalists.



# 4. Commitment to Information Transparency

## The definitive information tool: the ACS Website

The [www.grupoacs.com](http://www.grupoacs.com) website is a Group commitment to communication and transparency. It represents a pledge to clarity, accessibility and information.

The Group's website fulfils a series of objectives:

- Opening a "window" to society through which the company may be analysed with greater transparency and ease.
- Maintaining a permanent channel of communication with the Group's priority collectives and with any individual or company seeking any type of information on the Group.
- Openly offering all economic and financial information on the Group, its systems of governance and management and the activities it undertakes.

- Allowing the search for historical information on the Group for more thorough analysis of trends and performance.

- Maintaining up-to-date information on the performance of the Group and the criteria behind its management.

ACS' website is visited by an average of 2,440 users daily, with 23,775 pages viewed.

Similarly, to aid in their commercial and informational activity, the heads and subsidiaries of the ACS Group own and promote a large number of complementary web pages and information portals, intranets, online tools and remote reporting and training systems.

	Total 2005	Total 2006	Total 2007	Total 2008	Total 2009	Daily average 2009
Visits to the <a href="http://www.grupoacs.com">www.grupoacs.com</a> portal	262,699	355,543	767,039	901,375	890,441	2,440
Pages viewed	5,396,472	5,569,879	4,772,895	9,694,451	8,677,863	23,775



## Information transparency, the pillar of the ACS Group's excellent reputation

The measures aimed at promoting information transparency affect the Company's reputation, the extension of its corporate values and technical capacities and the broadcasting of its business success. In 2009, this was reflected in the numerous mentions and acknowledgements of the ACS Group in different forms of domestic and international media, of which most noteworthy were the following:

- Forbes magazine ranked ACS as the 182nd largest company in the world in its annual analysis listing the top 2,000 companies. ACS is the second largest company in the construction industry worldwide in this ranking.
- One of the largest contractors worldwide and one of the twenty most internationalised companies in the industry, according to the Top Global Contractors 2009 ranking published by the prestigious US engineering and construction magazine Engineering News Record (ENR).
- World leader in the development of infrastructure concessions according to Public Works Financing magazine.
- Member of the Dow Jones Sustainability World Index, placing the ACS Group among the worldwide leaders in sustainable development.
- Florentino Pérez, ACS Group Chairman, was selected among the 50 best chief executive officers in the world by Harvard Business Review magazine, in its September 2009 edition. Included in this ranking are the heads of the companies which have created most value for their shareholders worldwide.
- ACS Infrastructure Development was presented with the Developer of the Year prize in the United States in 2009 by Project Finance Magazine. It was also awarded Best Project of 2009 by ARTBA (American Roads and Transportations Builders Association) for the I-595 interstate expressway in Florida. Furthermore, Euromoney Project Finance magazine adjudged the expressway's financing as the winner of the "North America Transport Deal of the Year 2009".

## Communication and transparency of information reported to markets

The shareholders' right to information is detailed in several parts of the Shareholders' General Meeting By-laws. Hence, in order for the Shareholders' Meeting to properly serve the function for which it was designed, the Board of Directors of the Group makes available to all shareholders, prior to each Shareholders' Meeting, all the information which is legally required to be provided to them, in addition to information that is not legally required to be provided, but that should reasonably be made available, given the interests of the company and of the shareholders for them to form their opinion. In this regard, the Group makes every effort to respond duly to requests formulated by shareholders for the purpose of the General Shareholders' Meeting, regardless of whether these requests are formulated before or after Shareholders' Meetings, provided that the Company's interests are not jeopardised.

The ACS Group uses different channels to meet its commitments on communication and transparency in order to foster flexibility, fairness, immediacy and increased scope in the information published.

### Information reported to the market

The ACS Group uses the Spanish Stock Market Commission as the main channel by which to communicate and announce its performance and principal undertakings.

Nineteen "Relevant Facts" were communicated through the Commission during 2009. Additionally, in 2009, the Group made 11 corporate presentations at specialised events held in Europe and the USA, and held 180 meetings with institutional investors.

### Financial information

The ACS Group makes annual and quarterly standardised financial reports and reports on the Group's performance available and also responds to requests for information by holding meetings with other market agents. These meetings are meant to complement the Group's reporting efforts and the objective thereof is to clarify information already published in accordance with investors' and shareholders' needs.

 For further information, see the web page [www.grupoacs.com](http://www.grupoacs.com) or contact [info@grupoacs.com](mailto:info@grupoacs.com)

## 5. Commitment to Research, Development and Innovation

20.60

*million euros  
invested in R+D+i in  
the Construction area*

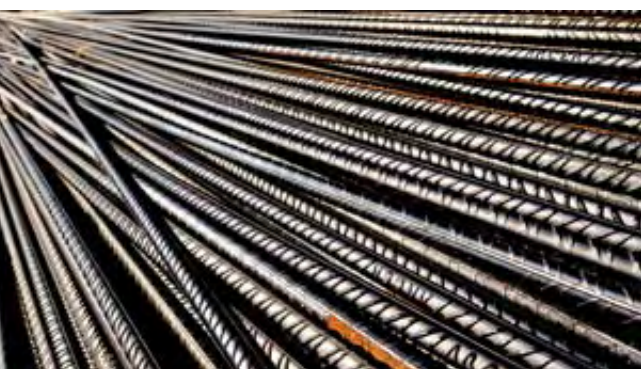
5.17

*million euros invested  
in R+D+i in the  
Environment area*

14.27

*million euros invested in  
R+D+i in the Industrial  
Services and Energy area*

*The ACS Group invested 40.0 million euros in R+D+i in 2009,  
representing 4.8% of ordinary net profit for continuing activities.*



The ACS Group is a company which evolves each year and adapts to the needs of its clients. The diversification process undergone by the ACS Group over the years has led it to undertake a wide range of activities, each of which has its own features and approaches innovation and development in a different but decided manner. This commitment to innovation is the ACS Group's response to the growing demand for process improvements, technological advances and service quality by clients and the society which the Group serves.



*Each year, the investment and effort made in research, development and innovation is increased, resulting in tangible improvements in productivity, quality, client satisfaction, workplace safety, the obtaining of new and better materials and products and the design of more efficient production processes and systems.*



*The ACS Group leads its sector in terms of R+D+i efforts.*

## 5. Commitment to Research, Development and Innovation

Main areas of investment in R+D+i by the ACS Group

### Construction

New construction processes and improvement of facilities.

Occupational Safety and Prevention.

Railway infrastructure, high speed and track mounting.

Monitoring and control of civil works using lasers.

Environmental restoration systems.

Decontamination of soil and underground water.

### Environment

Technological Observatory for Solid Urban Waste Treatment for maximum exploitation and minimum dumping. OTERSU+-Project.

Waste treatment.

Water treatment.

Innovations in rubbish collection vehicles and systems.

Optimisation of sludge treatment in waste water purification plants.

### Industrial Services and Energy

Industrial services and energy.

Thermal solar energy with heat storage and manageability.

Road safety.

Off-shore wind power.

Advanced systems for mobility management and winter road administration.

Techniques for carrying out highly complex industrial assembly operations.

*The ACS Group is among the leaders in its sector in terms of R+D+i efforts. For each area of activity, the Group has assigned a Technological Development Committee, whose function is to promote and analyse the Group's technological development and innovation initiatives in the field of technology, machinery and equipment, and in the improvement of procedures within the company's different activities.*

*In 2009 the ACS Group invested €40 million in projects relating to research, development and innovation.*

# Construction

R+D+i activity continued in 2009 in the Construction companies, with improvement being made to the management systems for R+D+i certified by the Spanish Standardisation and Certification Association (AENOR). Work was carried out in 2009 with the objective of:

- Promoting interaction between R+D projects and the companies' production and with their clients.
- To drive the coordinated strategy of the ACS Group's construction companies through the Committee for the coordination of R+D+i, promoting:
  1. The visibility of the companies' R+D+i.
  2. The pooling of information on R+D+i.
  3. Coordinated work on R+D projects.

*Investments in R+D+i in the construction area exceeded €20.6 million in 2009.*

In the ACS Group's Construction area, work is being carried out on a large number of R+D projects, many of them with partial public financing. Collaborative work was carried out with clients such as the Administrator of Railway Infrastructures (ADIF), the Spanish Port System, port authorities, the Municipal Housing and Land Enterprise of Madrid (EMVS), etc and with research organisations, outstanding among which were:

- Research centres (CEDEX, IETcc, Jaume Almera, Ciemat).
- Universities (Politécnica de Madrid, Politécnica de Cataluña, Cantabria, Valencia, Carlos III de Madrid, Granada).
- Technology centres (Cartif, Aitemín, Aidico, Labein).

The company continued with its participation in research forums, among which are:

- Construction Technology Platforms (European and Spanish), leading the Spanish Platform.
- ENCORD European Group.
- Advisory Council to the European Commission's Seventh Framework Programme (NMP area).
- Spain's CEOE employers' association Technological Innovation Commission, the SEOPAN export group R+D+I Commission and the Roadway Engineers' Association R+D+I Commission.

The main European and domestic R+D projects in which the company took part during 2009 were:



## Underground construction

- Tunconstruct: tunnel planning, construction and maintenance.
- Multidimensional City.
- Explotun: recognition and reinforcement of terrain in front of the tunnel borer.

## Hydraulic works

- ALIVESCA: Spillways without side walls in roll compacted concrete dams.

## Infrastructures for surface transport

- OASIS: Optimisation of motorway use.
- CLEAM: Sustainability in transport infrastructures.
- SKIDSAFE: Enhanced Driver Safety due to improved Skid Resistance.
- VIADENTEL: Modelling and monitoring of railway structures.
- Elimination of expansion joints in old bridges.
- Device and method for direct rail unloading on bearing plates in parallel lines.
- New composite materials for state-of-the-art railway lines.
- Conservation of infrastructures based on computational intelligence.
- Photogrammetric system for follow-up on linear works.

<sup>1</sup> Data referring to all the construction area companies except for Dravosa and Cogesa.

# 5. Commitment to Research, Development and Innovation

## Marine works

- SAYOM: Prediction of swell and interaction with marine works.
- CLIOMAR: Effect of climate on port works.
- DYNAPORT: Durability of port works.
- DILAPE: Vertical breakwaters with pendulum plates to deaden the incident swell and extract energy.

## Building

- ManuBuild: Open building industrialisation.
- I3CON: Industrialised, intelligent and integrated construction of buildings.
- INVISO: Industrialisation and sustainability of buildings.
- ARFRISOL: Bioclimatic architecture.

## ICTs

- ALOE: Laser monitoring of roads and buildings.
- SICURA: Augmented reality applied to the maintenance of tunnel borers and to construction in building works.
- SAMCI: Advanced sensors and continuous monitoring of structures.
- MAPLA: Platform for preventive maintenance of machinery.

## Environment

- Elimination of boron by natural filtration in sea water desalination plants.
- System for the detection of contaminating volatile compounds for waste water purification plants.
- CICLOPE: Environmental impact of buildings throughout their life cycle - energy consumption and associated greenhouse gas emissions.
- PROMARES: Environmental protection of the coast and marine habitat.
- UPSOIL: Sustainable Soil Upgrading by developing Cost Effective Biochemical Remediation Approaches.
- Environmental restoration of coastal zones by means of dredging characterisation and assessment of muds and sediments with organic and inorganic contaminants.
- Diffusion of pollutants in urban waste dump barriers and their trends over time.

## Others

- TailorCrete: Elements in concrete with complex shapes.
- Robot@CWE: Robot/human interaction.
- PATRAC: Accessible cultural heritage. A no-barriers culture.
- New materials and their behaviour in GRC.



Outstanding among these activities are the underground construction projects, with two large projects completed in 2009:

The **Multidimensional City** project financed by the Ministries of Education and Science and Science and Innovation. This four-year project was led by Dragados and 22 organisations took part, both companies (FPS and Geocisa, among others) as well as research institutions. The objectives of the project were:

- Innovation in ground treatment techniques and construction techniques.
- Development of new materials and structural elements for tunnels.
- Communications systems which reduce the necessary distributed antenna infrastructure for wireless communication.
- Improved fire safety in tunnels through understanding of the behaviour of fires inside a tunnel.
- The development of an integral management system for all the information generated by the works for an overview of the construction process.
- Improved training of personnel involved in guiding tunnel borers and jumbo drills by means of new immersive entertainment simulators.
- Modelling by means of numerical methods of physical phenomena which take place in underground works, based on the combination of finite element and particle techniques, as well as discrete element methods.

The **Tunconstruct** project within the European Union's 6th Framework Programme, with the participation of 41 partners from 11 European countries, with major involvement from Spanish organisations (Dragados and Geocisa, among others). Dragados led one of the four subprojects which made up the project, the objectives of which were:

- Planning: economic and safe design of underground works by means of virtual simulation of its construction.
- Construction: developments in the field of the machinery (tunnel borers, shearers, etc) and the materials (vault linings, shotcrete, etc) which enable productivity and safety to be improved and environmental impacts to be reduced.
- Processes: ground exploration methods and tools for continuous monitoring of the ground during excavation, as well as machine automation.
- Maintenance and repair: monitoring and inspection techniques which enable the characterisation of the structural condition of underground works. Models for the prediction of the service life of structures to optimise repairs. New repair materials and automation of the application process.



# 5. Commitment to Research, Development and Innovation

Among the developments made in these two projects, it is worth mentioning the following with the involvement of ACS companies:

## Geophysical probes for ground exploration

Insufficient knowledge of the ground through which a tunnel is to be made, such as crossing formations which were not considered or failure to exactly locate faults and contacts between formations, generates lost time, economical loss and safety hazards during construction.

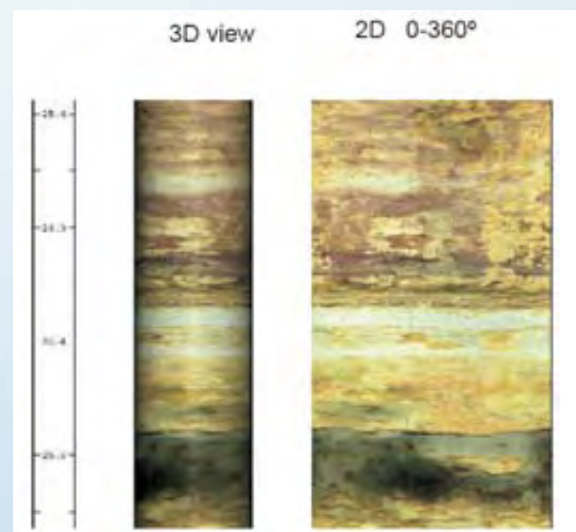
To understand the ground, detect heterogeneities, discontinuities, the presence of water, etc, a new method was developed for geotechnical characterisation which is also valid at great depths, based on

technologies in existence in the oil drilling industry. The new methodology is capable of providing direct and continuous in-situ measurements, necessary for characterising the structural, compositional and geomechanical properties of the ground at depths of up to several thousand metres by means of boreholes.

This methodology uses a modular probe which in turn combines different probes to enable complete tests to be carried out in a single operation, as it is capable of making an in-situ and continuous record of oriented images and petrophysical and geomechanical properties. Depending on the type of borehole from which data is to be taken, with or without casing, whether it has water or not, different combinations of geophysical probes are used (optical or acoustic televiewer, gamma rays, radar, etc).



Assembled probes and the connection system.



An example of the result obtained on passing the optical probe through a sedimentary rock with alternating layers with different properties.

#### 4D visual

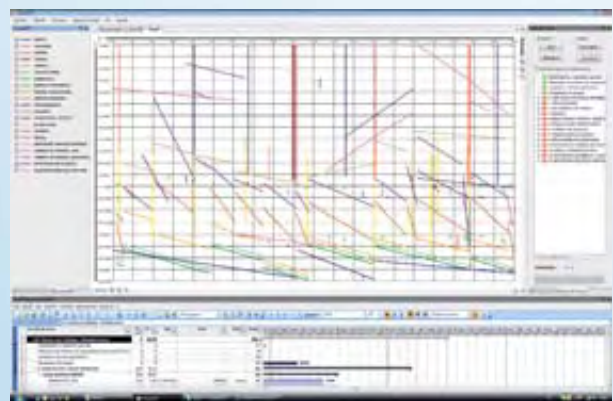
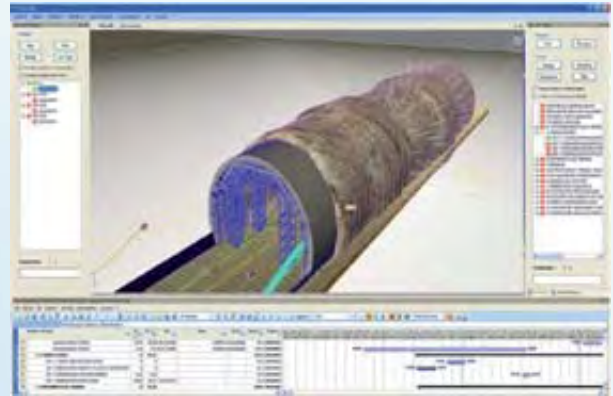
For planning of linear works by means of the use of space-time diagrams, a program has been developed which feeds bar charts created from MS Project and enables simulations of work to be made in 4D, i.e. 3D displays for different work scenarios and their variation over time. The production of the space-time diagrams from the bar charts takes place instantly and automatically, greatly reducing the time needed to prepare them.

This system offers the advantage of being able to plan directly on the space-time diagram, seeing in real time how the modification of one of the planned activities affects the whole work. This allows the redesign of the activities in real time and organisation of the resources to enable the optimisation of the execution period of the work, with the consequent economic savings this can represent.

#### Fire resistant dual layer voussoir

The construction of tunnels with tunnelling machines is associated with the use of prefabricated concrete segments as structural support for the tunnel, and new requirements relating to the behaviour of these segments arise every day. Among these requirements is resistance to fire. Current solutions to resist the action of fire consist of the manufacture of a single layer segment resistant to fire or the in-situ application of a protective layer on a conventional segment.

As an alternative solution, a segment has been developed which is made up of two layers - a thick first structural layer to meet the requirements for resistance to the loads and for durability and a thin second finishing layer to complement its behaviour against fire. The manufacture of the two layers takes place in the factory, with the introduction of some modifications to the production process with respect to that used for the conventional segment.

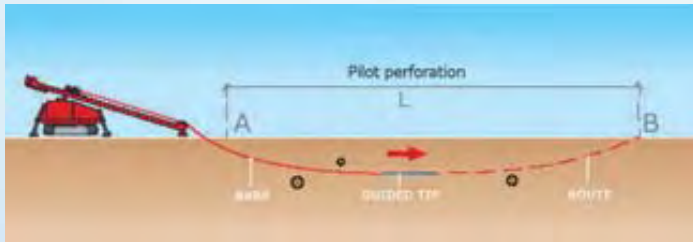


4D planning system.



Dual layer segment during one of the project tests.

# 5. Commitment to Research, Development and Innovation

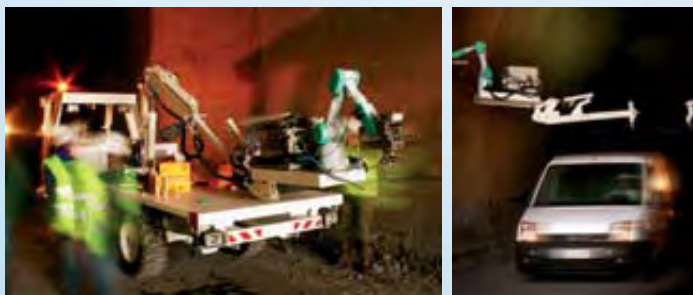


## Injection in tunnels with installed sleeve tubes with directional drilling

The construction of underground works generates vertical movements of the ground at the surface which can affect subsequent construction. One of the techniques employed to minimise this effect is to inject the ground from vertical shafts in a controlled manner with a material in a fluid form, usually cement slurry, so improving the mechanical properties of the ground and correcting settling. However, there are problems in the application of this method when the work is carried out in urban areas, hence horizontal directional drilling has been developed along with injection of the ground with sleeve tubes so that it is not necessary to excavate shafts.



Robot inspecting the lining segments of a tunnel and examples of the images recorded by the cameras.



Preparation of the robot inside the tunnel and operating with traffic.

## Introduction of robots for tunnel inspection and maintenance

Tunnels are planned and built with service lives which sometimes reach 100 years. However, their life cycle can be reduced for various reasons. Inspection and maintenance operations in tunnels need to be carried out in short periods of time (during the night), in limited spaces and under difficult working conditions for the workers who perform them. To facilitate the carrying out of inspections, a robot guided by remote control was developed to perform rapid inspections in real time of surface defects in the structure in areas where access is difficult. The robot is capable of being moved in any direction, included on inverted surfaces, and thanks to the system of lights and cameras with which it is equipped, it can carry out visual inspection of the tunnel surface.

Once damage has been detected, it needs to be repaired. For this purpose, a robot has been developed, mounted on a small flat bed lorry in order to optimise some repair operations within the tunnel while minimising disturbance to traffic. The system of cameras with which it is equipped send images in real time to the control post, from where the operator controls all the necessary operations. The system is equipped with control software to enable the operator to mark the repair zone such that the robot automatically follows the path indicated.



## Environment

Within the Environment area, R+D+i investment for the year was focused on improving techniques for treating waste and water, promoting the technology observatory for Urban Solid Waste with maximum exploitation and minimum dumping (OTERSU +- Project) and developing innovations in rubbish collection vehicles and systems, as well as projects on the optimisation of sludge treatment in waste water treatment stations.

In the field of Industrial Research and Technology Development, numerous projects are being carried out, among which the Technology Observatory for Urban Solid Waste with maximum exploitation and minimum dumping (OTERSU+- Project).

From 2006 to 2009, the objective of this €20 million project backed by the Spanish Centre for the Development of Industrial Technology (CDTI) is to increase the amount of recoverable by-products arising from the waste delivered to the treatment centre. For this purpose, processes which will include all possible treatment alternatives are subject to research.

This is a project for which a consortium of 9 organisations was formed. The consortium is led by Urbaser, the head of the ACS Group's Environment area, and each of the organisations has entered into a cooperation agreement with Public Research Bodies for a term of four years in relation to the following lines of research: pre-treatment, biomethanization, recovery, composting, control system, environmental control and diffusion.

*A total of €5.17 million were invested in R+D+i projects in the Environment area in 2009.*



## 5. Commitment to Research, Development and Innovation

### Industrial Services and Energy

Within the Industrial Services and Energy area, R+D+i investment focuses on the development of thermal solar energy with heat storage and manageability, on creating solutions for improving road safety, on developing off-shore wind power, on research in the area of advanced systems for mobility management and winter road administration and finally on improving current techniques for carrying out highly complex industrial assembly operations.

The most noteworthy projects in 2009 were the following:

*The total investment in R+D+i in Industrial Services and Energy amounted to €14.27 million in 2009.*



## Thermal Solar Energy

This is centred on the development of two projects for the capture, transformation, testing and monitoring of thermal solar energy and on the development of new technological solutions for thermal solar power plants.

In both cases the final objective of the project is to develop the technical and operational capability of the ACS Group's thermal solar power plants, where the Group is currently a world leader in technology development, with total investment of over €1,400 million.

In the case of the project to develop new technological solutions for thermal solar power plants, the main objective is to equip a thermal solar plant, with an additional thermal storage system, with the advanced technology to make its electricity generation more efficient. This innovation is also an ecological and sustainable alternative aimed at offering resources for electricity production on a large scale from solar energy, without depending on other non-renewable sources such as natural gas or other types of fossil fuels, so contributing to reducing CO<sub>2</sub> emissions.

The intention in this project is to design and develop a new molten salt tank system, which is completely new, combining in a single tank the two housings for the molten salts for thermal energy storage – hot and cold – enabling the period for energy production from thermal solar plants to be extended. On the other hand, the aim is to analyse the performance of a 50 MW parabolic trough collector (PTC) solar plant by means of a complex study replacing, in one case, the boiler with a gas turbine and, in another, implementing a biomass boiler as thermal support taking into account various possible configurations for this with its respective uses and functional objectives. In parallel is the assessment of the basic configuration and functional evaluation of the installation of a biomass boiler within a thermal solar plant, creating a hybrid solar-biomass plant, unique in the renewable energies sector, which fits within the limits laid down in Spanish Royal Decree 661/2007 of 25 May which regulates electricity production activities under the special regime.

In the case of the project for development of the technical and operational capacity of the thermal solar power plants, its main objective is the technological development of a new system for capture, transformation, testing and monitoring of thermal solar energy. On one hand, a new parabolic trough collector, the Senertrough, has been designed, developed and tested. This provides substantial structural

and performance improvements to the solar field. On the other hand, a mobile unit has been developed, not available on the market, to permit monitoring and testing of any loop made up of parabolic trough collectors in a position to be operated.

Parabolic trough collector technology basically consists of a field made up of solar collectors which focus the solar radiation received onto an absorber tube located at the focal point of the parabola. A heat transfer fluid is made to pass through this tube, where it is heated until it reaches the operating temperature. The heat collected in this fluid can be used for various purposes: to generate steam for a conventional Rankine cycle and so produce electricity, for direct generation of steam to support industrial processes, to supply sanitary hot water, etc.

It is worth pointing out that the solar field (made up of the parabolic trough collectors) for a 50 MW plant represent approximately 60% of the total cost of the power plant and can have 510,120 m<sup>2</sup> of mirrors, 92,000 m of absorber tubes and 20,000 tons of steel. This is the case for the Andasol 1 plant which has been operating in Granada since 2008.

So, the design and development of a new parabolic trough collector system through the application of the scientific and technical knowledge acquired from Andasol I will enable the economic impact of the solar field on the project to be reduced thanks, mainly, to a substantial increase in solar field performance. This fact shows the commitment of Cobra and the ACS Group to sustainable development, contributing to this with strategic policies such as those initiated with Andasol, helping, by means of research in this area of renewable energies, to reduce CO<sub>2</sub> emissions to the atmosphere by millions of tons. It needs to be borne in mind that a single 50 MW plant will prevent the emission of tens of thousands of tons of carbon dioxide per year, supplying the grid with electricity without fluctuations or interruptions.

From the technical point of view, the main objective of this project is to validate the design of the Senertrough parabolic trough collector by means of the development, in collaboration with Sener, of a first, non-commercial prototype, the main aim of which will be to confirm and improve these new technologies for installation in future commercial plants to produce electricity from solar energy.

## 5. Commitment to Research, Development and Innovation

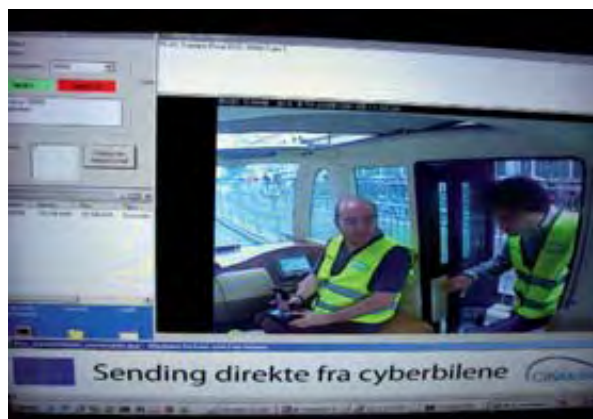


Also related with renewable energies, Dragados Offshore has carried out a project to study the viability of designing, building and installing wind farms off-shore, with the main objective of defining a new line of business considering the production of future wind farms in the sea, bearing in mind the technical, environmental, financial and operational characteristics from design to commissioning.

In the area of urban mobility, covered by the Etra Group, the project for management of advanced mobility systems stands out. This is a new system which integrates and improves the means of capturing data on road network status, as well as those which permit interaction between the vehicles and the infrastructure, which have led to the transcending of old ideas of mere traffic or transport control, replacing them with integral management of mobility, in which the key lies not so much in achieving rapid movement of vehicles as in obtaining safe movement of people which is sustainable from the environmental viewpoint.

The Etra Group carries out projects in the field of self-guided vehicles –with driver support systems which can even replace the driver if necessary– cooperative sensors which, for example, interact with each other intelligently to assess the traffic situation more precisely, or integral systems for mobility management, in which the interaction between the vehicles and the intelligent infrastructure is used to manage the flow of vehicles and travellers over the road network in a more efficient manner.

In turn, SICE carries out projects combining information technology with road safety, such as with the Guide Project for example –automatic guiding of public transport vehicles by means of multimodal perception to improve efficiency– the purpose of which is to construct a system for positioning and automated driving of public



transport vehicles. This is based on multimodal perception of the environment, covering both information provided by the infrastructure and the data collected by the vehicles themselves. The final objective is to optimise their efficiency, with this being understood to mean its various facets of energy consumption, environmental impact, safety and quality of service of public transport.





## 6. Commitment to the Natural Environment

79%

*of the Group's production takes place in companies certified in accordance with ISO 14001*

58.5%

*recovery rate for Construction waste in 2009, 20.9 percentage points higher than in 2008*

150 MW

*of power installed in 2009. The ACS Group is pioneering the development of thermal solar plants.*



The ACS Group has an impact on the environment which is inherent in the characteristics of its activity. The development of infrastructures leads to changes resulting from the use of materials, fuels and energy (both at the time of construction and over the life of the various infrastructures) or from the generation of waste. It may also give rise to visual effects and effects on the landscape and all of these impacts may be either positive or negative.



*Given the commitment of ACS to the natural environment, it undertakes specific measures in relation to each of the Group's activities in order to improve overall results, decrease risks and preserve, reuse and reduce the resources employed.*

*"Everyone has the right to enjoy an environment appropriate for the development of the person, and the duty to preserve it".*

The axiom above is the point of departure for ACS Group activities. To monitor these activities, an environmental policy has been established, the criteria for which are understood, shared and put into practice by all the Group companies.

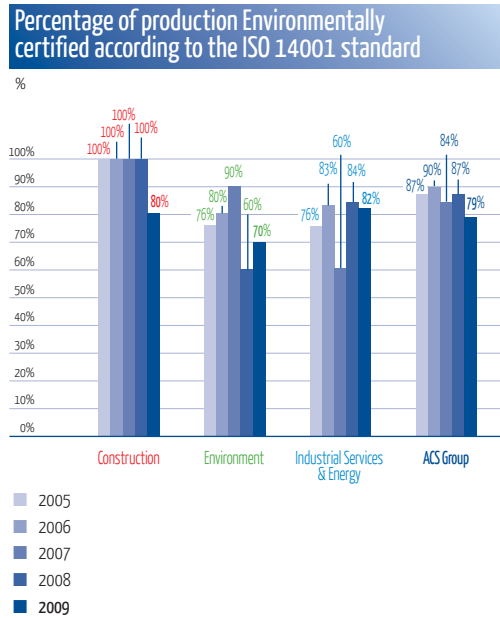
At the different work centres, the ACS Group's objectives are laid down in the Environmental Management Programme, which includes the goals to be met, the measures required, the resources necessary, the responsible parties and the deadlines.

The ACS Group carried out 444 environmental audits during 2009, complementing its continuous process for certification and control. During the year 1,398 environmental incidents occurred with different impact levels, but only 28 of these involved the origination of minor sanctioning administrative proceedings, resulting in a total value of sanctions of €106,931.

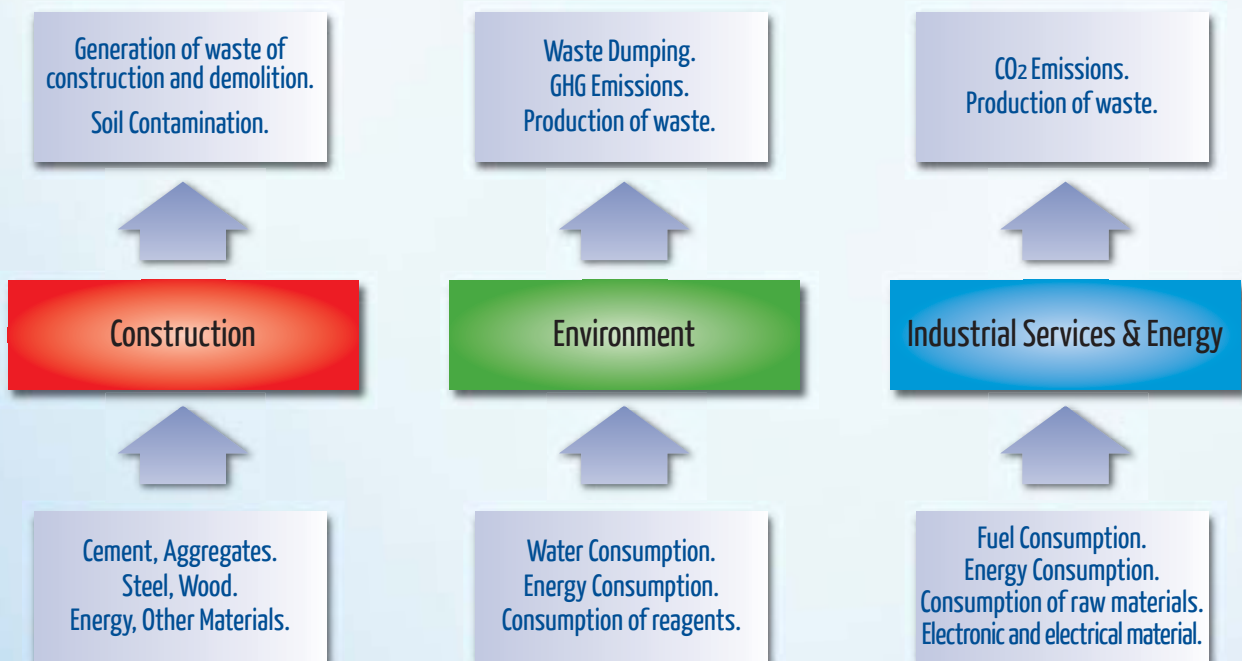


*Currently, 79% of the Group's production takes place in companies that are environmentally certified in accordance with the ISO 14001 standard.*

# 6. Commitment to the Natural Environment



## Main impacts of ACS Group activities





The results of the combined analysis of the different activities and an aggregated summary of the environmental indicators corresponding to 2009 are as follows:

Area of Activity	Construction	Environment	Industrial Services & Energy	ACS Group
% of total sales 2009	25%	17%	42%	84%
Materials used	Cement, steel, aggregates, bitumen, chemical products, wood	Solid urban waste, industrial waste, hospital waste, mineral oil, gas neutralization products, acids, water	Cables, concrete, iron, steel, gas, diesel, wood, lighting, paper, computer equipment, floated concrete, aluminum, reflective materials, copper, aggregates, electronic equipment, electrical and plastics	
Consumption of energy broken down by primary source				
Petrol + diesel consumption (million litres)	16.2	35.8	23.0	75.1
Natural gas consumption (m <sup>3</sup> )	213,620	5,111,096	38,870	5,363,585
Electricity consumption (GWh)	51	110	30	191
Other consumptions (toe)	369	1,621	0	1,991
<b>Total (toe)</b>	<b>21,754</b>	<b>53,303</b>	<b>26,496</b>	<b>101,553</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
Water consumption				
Obtained from the public mains (m <sup>3</sup> )	808,101	1,833,736	108,684	2,750,521
Obtenida de otras fuentes (m <sup>3</sup> )	632,391	420,588	3,951	1,056,930
<b>Total (m<sup>3</sup>)</b>	<b>1,440,492</b>	<b>2,254,324</b>	<b>112,636</b>	<b>3,807,451</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
Waste water dumped <sup>(1)</sup>				
To the public network (m <sup>3</sup> )	Not available	1,039,150	93,622	1,132,772
Drainage to the sea or rivers/lakes (m <sup>3</sup> )	Not available	14,491	1,568	16,059
<b>Total (m<sup>3</sup>)</b>	<b>Not available</b>	<b>1,053,641</b>	<b>95,190</b>	<b>1,148,831</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>0%</i>	<i>12%</i>	<i>34%</i>	<i>46%</i>
Total direct greenhouse gas emissions (t CO <sub>2</sub> )	37,000	8,002,123	31,137	8,070,259
Total indirect greenhouse gas emissions (t CO <sub>2</sub> )	15,008	32,707	8,996	56,712
<b>Total direct and indirect greenhouse gas emissions (t CO<sub>2</sub>)</b>	<b>52,008</b>	<b>8,034,830</b>	<b>40,133</b>	<b>8,126,971</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
Other significant emissions to the air (already included in direct emissions)				
NO <sub>x</sub> (t)	0.10	360.3	0.00	360.3
SO <sub>x</sub> (t)	0.20	0.6	0.00	0.8
Particles (t)	0.00	2.4	0.00	2.4
Other gases (t)	0.40	0.0	0.00	0.4
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>8%</i>	<i>28%</i>	<i>61%</i>
Savings of greenhouse gas emissions (t)	0	4,095,935	2,414,034	6,509,969
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
Non-hazardous waste managed	Surplus land excavation and CDR (rubble, wood, plastics, paper and cardboard and metals)	Waste from treatment of urban waste	Paper, cardboard, electronic waste, scrap, municipal waste	
<b>Total (t)</b>	<b>1,099,375</b>	<b>29,209</b>	<b>33,104</b>	<b>1,161,688</b>
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
Hazardous waste managed (t)	2,251	8,501	7,436	18,188
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>
Percentage of projects which are rated non-financial, such as environmental (%)	77%	0%	7%	27%
<i>% of total ACS Group sales represented by the data obtained</i>	<i>25%</i>	<i>17%</i>	<i>42%</i>	<i>84%</i>

(1) Not included treated water in the sewage treatment plants

# 6. Commitment to the Natural Environment

## Construction

The ACS Group actively complies with its environmental protection obligations in all its construction activity projects. For this reason, the conservation of natural resources and proceeding in an environmentally responsible manner are considered to be an integral part of its activity.

It is aware of the effect construction activity has on the natural environment. Although this effect is temporary in nature, it can affect its different elements: water, atmosphere, soil, natural setting, biodiversity, etc.

For Dragados, ACS' lead company in the construction area and the subject of this report, the main objective is to identify the environmental impacts of its projects and activities at an early stage and to eliminate or minimise their effects. To do this, its companies have environmental management systems built into their general management systems. Consequently, a set of preventive measures or Good Practices are implemented, aimed at the sustainability of the environment and compliance with legal requirements.

Among the main effects from the sector, it is worth highlighting the following:

### Use of natural resources

Construction activity faces the challenge of optimising consumption of resources, avoiding inefficiency. In addition, through appropriate recovery of the waste generated in the work, the contribution of new resources can be reduced.

### Atmospheric emissions

In addition to emissions of dust and particles originating in the works as a consequence of a series of activities, amongst which the use of machinery and demolition stand out, there are the greenhouse gas emissions resulting from the combustion of energy resources, so closely linked to climate change. In this regard, a series of actions are being taken to measure and control both direct and indirect emissions in the interests of setting measures for their reduction.

### Generation of waste

The ACS Group's companies have been effectively developing policies aimed at reducing and correctly managing waste originating in the work.

### Biodiversity

Construction activity also has an impact on biotic factors such as the flora or fauna present in the setting of the work. For this reason, the conservation of the flora and fauna is another of the environmental principles in the planning and preventive measures adopted in the work. These measures are based on physical protection, transplanting or transfer, as well as considering life cycles in activity planning.



## Environmental performance Main environmental indicators<sup>2</sup>

Environmental indicators provide information which enables quantitative assessment of the main parameters which reflect the effects of construction activity, showing the repercussions of the measures implemented, as well as their evolution over time.

The main environmental indicators are: Consumption of natural resources (water and energy according to its different sources: electricity, fossil fuels, LPG, natural gas, etc), as well as associated greenhouse gas emissions and waste management.

<sup>2</sup> The data referred to in this section correspond to Dragados S.A. The data for Construction in the aggregate table of environmental indicators, which heads ACS's Commitment to the Natural Environment, include figures from Dragados, Geocisa and Vías y Construcciones S.A.



# 6. Commitment to the Natural Environment

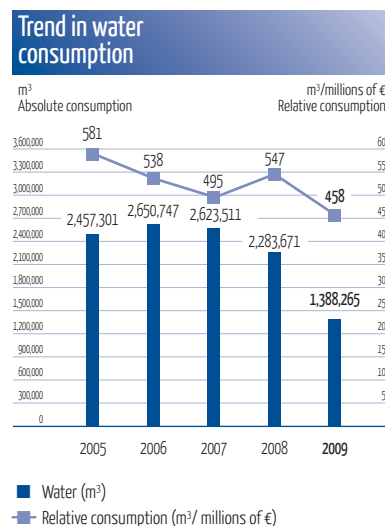
## Consumption indicators

### Water consumption

In the case of water, and to analyse the trends, relative consumption was obtained based on total annual production.

Trend in water consumption	2005	2006	2007	2008	2009
Water (m <sup>3</sup> )	2,457,301	2,650,747	2,623,511	2,283,671	1,388,265
Relative consumption (m <sup>3</sup> / millions of €)	581	538	495	547	458

As can be seen, the ratio or relative consumption continues on a downward trend.

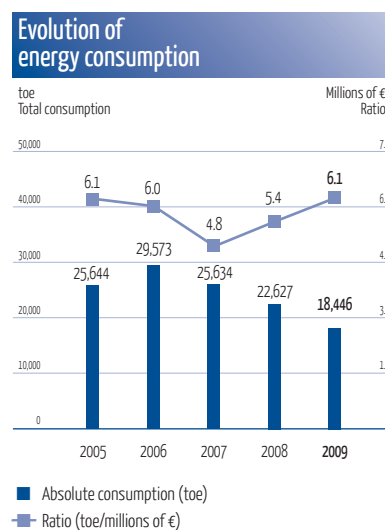


### Energy consumption

To analyse energy consumption, the amounts consumed from different energy sources have been converted into a common unit so that it is possible to compare the trends based on total annual production. The conversion factors employed are those normally used by both national and regional public authorities in energy plans.

Trend in energy consumption	2005	2006	2007	2008	2009
Totals (toe)	25,644	29,573	25,634	22,627	18,446
Ratio (toe/ millions of €)	6.1	6.0	4.8	5.4	6.1

As can be seen, total consumption fell, as a consequence of the reduction in construction activity.



## Waste indicators

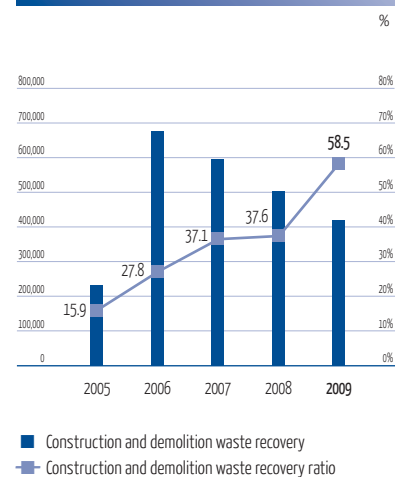
Below is a table of the indicators corresponding to the types of waste which are most common in construction (construction and demolition waste, surplus soils from excavation) in which the results of the measures taken can be appreciated, as can the trends over time.

*The favourable trend in the management of construction and demolition waste has continued, reaching a recovery rate of over 58%.*

Construction and demolition waste	2005	2006	2007	2008	2009
<b>Recovery (Reuse + Recycled)</b>	<b>15.9%</b>	<b>27.8%</b>	<b>37.1%</b>	<b>37.6%</b>	<b>58.5%</b>
Reuse relative to total produced	7.8%	17.2%	20.6%	14.1%	20.2%
Recycling relative to total produced	8.2%	10.6%	16.6%	23.5%	38.3%
<b>Deposited at dump sites</b>	<b>84.1%</b>	<b>72.2%</b>	<b>62.9%</b>	<b>62.4%</b>	<b>41.5%</b>

Excavated soil	2005	2006	2007	2008	2009
<b>Reuse relative to total produced</b>	<b>72.0%</b>	<b>68.6%</b>	<b>79.6%</b>	<b>69.2%</b>	<b>70.5%</b>
At own site	86.3%	63.8%	54.3%	64.9%	64.8%
At other sites	7.8%	12.3%	19.5%	10.3%	5.6%
Restoration of degraded areas	5.9%	23.9%	26.2%	24.9%	29.6%
<b>Deposited at dump sites</b>	<b>28.4%</b>	<b>31.4%</b>	<b>20.4%</b>	<b>30.8%</b>	<b>29.5%</b>
Reduction relative to projected amounts	5.8%	3.6%	2.3%	4.5%	0.3%

Trend in construction and demolition waste recovery



As can be seen, the favourable trend in optimising the management of construction and demolition waste has been maintained, with a continuing increase year on year in the recovery rate.

In accordance with applicable environmental law, the management of waste is completed with the separation, storage and treatment by an authorised manager or Integrated Waste Management System of the remaining hazardous or specifically regulated waste produced at the various work centres.

In 2009 the amount of hazardous waste managed amounted to 1,889.24 tons.



# 6. Commitment to the Natural Environment

## Emissions indicators

### CO<sub>2</sub> emissions

The calculation of equivalent CO<sub>2</sub> emissions was carried out by following the criteria laid down by WRI/WBSCD, by means of the GHG Protocol: "Indirect CO<sub>2</sub> Emissions from the Consumption of Purchased Electricity, Heat, and/or Steam". Calculation worksheets (January 2007) v 1.2.

As a consequence they have been divided into:

#### Scope 1: Direct GHG emissions

Direct emissions are associated with sources belonging to or controlled by the company. For example, emissions from combustion in machinery, vehicles, boilers, etc belonging to or controlled by the company.

Direct GHG Emissions (Scope 1)	2005	2006	2007	2008	2009
Total (t CO <sub>2</sub> )	56,469	73,880	59,097	50,844	36,999
Ratio (t CO <sub>2</sub> /millions of €)	13.3	15.0	11.2	12.2	12.2

#### Scope 2: Indirect GHG emissions associated with electricity

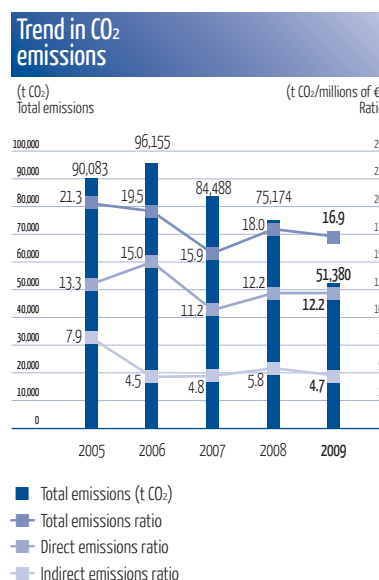
Included in indirect emissions are those corresponding to the generation of electricity purchased and consumed by the company.

Purchased electricity is defined as electricity bought or brought into the organisational limits of the company. Scope 2 emissions take place physically in the plant where the electricity is generated.

Indirect GHG emissions (Scope 2)	2005	2006	2007	2008	2009
Total (t CO <sub>2</sub> )	33,614	22,274	25,392	24,329	14,380
Ratio (t CO <sub>2</sub> /millions of €)	7.9	4.5	4.8	5.8	4.7

Total GHG Emissions (Scope 1+ Scope 2)	2005	2006	2007	2008	2009
Total (t CO <sub>2</sub> )	90,083	96,155	84,488	75,174	51,380
Ratio (t CO <sub>2</sub> /millions of €)	21.3	19.5	15.9	18.0	16.9

It can be seen that total emissions fell. This was as a consequence of decreased construction activity. However, the ratio of emissions continues the downward trend.



**Scope 3: Other indirect emissions**

Scope 3 emissions are the consequence of the company's activities, but they occur in sources which neither belong to the company nor are controlled by it.

Work started in 2009 to establish a methodology for data collection to calculate Scope 3 emissions in the future.

**Noteworthy initiatives in 2009**

- Actions aimed at recycling construction and demolition wastes resulted in a level of 58.56 % being achieved.
- The adoption of preventive actions in works to reduce the impacts in the urban environment.
- Environmental training, as regards construction and demolition waste, for middle managers (Heads and Supervisors).

The following awards and acknowledgements were also received in the environmental field in 2009:

Finalist in the "Best company environmental performance 2009" contest, organised by AENA in Madrid-Barajas airport.



Monitoring of the achievement of 2008 Objectives in 2009	2008 data	2009 data	Outcome
To increase recovery of construction and demolition waste to above 45% of the total	37.6%	58.5%	Achieved
Campaign to minimise or prevent effects on the urban environment	A variety of initiatives are being implemented, such as the establishment of alternative routes when pavements or roads are occupied, protection and signing of occupied zones and preventing dirt on roads and pavements.		Achieved

Note: It has been noted that 1,718,810 tons of non-hazardous waste were produced in 2008 and this figure corrects the 43,479 tons reported.

**Objectives for 2010**

- Recovery of construction and demolition waste over 60 %.
- Begin calculation of Scope 3 GHG emissions. First phase: Emissions from travel for work and entry to the work site.

## Case Study, Construction: La Breña II Dam



The La Breña II reservoir, with storage capacity of 823 hm<sup>3</sup>, was created to meet a key need in the development of the Guadalquivir river basin: security of water supply.

The objective of the hydraulic complex for the new La Breña dam, known as La Breña II, is to complete the regulation of the river Guadiato and to increase that of the middle to lower stretch of the river Guadalquivir by means of the diversion of its waters and pumping of these to the new dam using a future pumping station.

This approach is due to the impossibility of building new large dams in the Guadalquivir itself due to the enormous effects which would be caused. On the other hand, the regulating effect of small dams is not close to being sufficient to adequately regulate the aforementioned stretch of river. The sole remaining alternative was the possibility of using its tributaries and creating dams close to the confluence to which to pump the Guadalquivir's surplus winter water for release during periods of drought, when the greatest demands for supply and irrigation occur in the lower basin.

Hence, the La Breña II dam has the clear objective of providing a guarantee of flow, which cannot be subject to the ups and downs in the climate.

As such, the works were carried out near Almodóvar del Río in the province of Cordova to create the La Breña II reservoir which, with somewhat more than 1,400,000 m<sup>3</sup> of compacted concrete and at 119 m high, is the dam with the greatest volume and height of its type to date in Europe.

**The action** not only considered the construction of a very important hydraulic structure for storage and regulation, but also **included an extremely full set of compensatory and corrective measures with the objective of strengthening the natural system for it to absorb the impacts from the construction of the dam.**

The construction of the La Breña II dam represented a challenge to man's ability to surpass himself, in that 70 years after the first La Breña dam was built, the height has been doubled and storage capacity multiplied by 8, **incorporating the environmental aspects which are of absolute value in the 21<sup>st</sup> century with the compensatory measures.**

Considered by the specialised press as **one of the most important works in the last quarter century**, the La Breña II dam will guarantee the water needed in Andalusia, so that its fertile fields bear fruit and its towns are supplied, permitting sustainable development and a heritage of progress.



## Description of the project

Exploitation of the reservoir required the following actions:

**Dam:** of roll compacted concrete (RCC). With its 119 m in height and volume of  $1.4 \times 10^6$  m<sup>3</sup>, it is the largest RCC dam in Europe.

**Reservoir:** with a capacity of 823 hm<sup>3</sup> and an occupied surface area of 2,020 hectares. The current reservoir occupies a surface area of 600 hectares and has a volume of stored water of 103 hm<sup>3</sup>.

**Weir in the Guadalquivir and pumping station** required for filling the new dam: this weir will have its sill at a height of 71 metres.

The pumping station will be located at the confluence of the two rivers and will lift a flow rate of 50 m<sup>3</sup>/s through pressure pipe line.

**New roads and subsidiary works:** The access road to the new dam is based on the existing road. It starts from the current crossing with the C-431 and runs along the left bank until it reaches the new crest elevation. Other replaced roads were:

- The road around the reservoir, which needed a new bridge over the river Cabrilla. The extension of this road also required a new bridge over the river Guadiato.
- Road for access to the weir on the Guadalquivir, which runs along the left bank, taking advantage of the existing road network.

## Summary of the environmental impact study

The reservoir is located on lands catalogued as the **Sierra de Hornachuelos Natural Park**. The status of these valleys as a Natural Park imposes some limitations on the uses to be made of these zones. Several habitats and species covered by European Directive 92/43/EEC, of 21 May 1992, concerning the conservation of natural habitats and of wild fauna and flora, are located in the area.



Author: Ex-Situ Iberian Lynx Conservation Programme.

The vegetation is made up of evergreen formations, dominated by wild **olive trees, with kermes oaks and holm oaks**. In the zones with a high thermicity index, formations of **mastics** are found, whilst on the slopes of the reservoir with better water balance the presence of **gall-oaks and hackberries** is seen. The upper slopes of the future tail, in the valley of the river Guadiato, have stands of **stone pine and chestnut**. As scrubland vegetation there are **rock roses** (white-leaved and gum rock roses) and **viburnum and strawberry tree scrub**.

Outstanding as regards the fauna are the **Iberian lynx, wild cat, ichneumon, otter, Bonelli's eagle, loach and linnet**. There is high hunting interest in the area.



*It is included a set of compensatory and corrective measures in order to strengthen the natural system.*

# Case Study, Construction: La Breña II Dam

## Description of environmental actions

Great efforts were made related to environmental actions in the execution of the La Breña II Dam. These were focused on **three different aspects**:

- Firstly, to limit the environmental impact of the works **during the construction** of the La Breña II Dam, **a wide range of corrective and preventive measures** were taken, under strict control and vigilance of the environmental determining factors indicated in the Environmental Impact Statement. As such, aspects related with the following were covered:

Protection of natural values



Air quality



Water quality



Soil protection



Waste management



Protection of vegetation



Protection of fauna



Historic/cultural heritage



- On the other hand, following the specifications in the Environmental Impact Statement, a **Land Compensation and Corrective Measure Project** was carried out. This covered over 2,000 hectares, with actions related to the fauna, the flora and the infrastructures, **including a thorough scientific follow up with 17 studies** to ensure rigour in the measures implemented. These will continue for a period of 20 years to guarantee the success of the actions.
- Finally, actions of **a more general scope** were undertaken, some of these related to the specifications imposed by the European Union, which checks their fulfilment periodically through a Technical Monitoring Group. These cover aspects of management for the whole river basin, such as water saving and modernisation of irrigation.

Also noteworthy within these environmental actions are the efforts undertaken in **environmental and social dissemination actions**, both at the time and permanent, in the form of content within the scope of the work involving education, an aspect which increases the effectiveness of the measures carried out and gives them greater meaning.

## Compensatory measures for La Breña II

The project for compensation for land affected and corrective measures for La Breña II was prepared to fulfil the requirements imposed in the Environmental Impact Statement and so comply with the EU Directives 79/409 (HABITATS) and 92/43 (Special Protection Zones for Birds).

For land compensation a Compensatory Measures project was drawn up, endorsed by scientific teams, in which a broad range of measures were laid out, aimed at the undertaking of environmental studies and actions in the setting of the new reservoir. The **Strategy for the Conservation of the Iberian Lynx** was particularly taken into account in the preparation of the project.

To ensure the technical rigour and the effectiveness of the actions taken in the framework of the compensatory measures, scientific groups were involved, such as those from the universities of Cordova, Seville, Pablo Olavide and the Institute of Marine Sciences. On the other hand, the Doñana Biological Station and the Spanish Research Council (CSIC) coordinated and carried out studies related to mammals, amphibians and birds.

The decision was taken to design the compensatory measures in independent portions in the La Breña II project, instead of choosing a single plot of a larger size. This enables a wider diversity of habitats to be covered as well as obtaining an indirect positive effect on the neighbouring zones. The final result is a set of islands which will act as an ecological corridor for many species and cover a total area of 2,134 hectares, much more than the 625 hectares of the Natural Park which may come to be covered by the waters at the maximum levels of the reservoir.

The objectives of the actions have focused on the fauna identified as highest priority, as well as improvement of the environment and of the cover of vegetation in the selected plots. This priority was defined according to the intrinsic ecological value of these species, as well as due to their value as “umbrella species”, the latter being understood as those whose preservation promotes the conservation of the remaining species in the ecosystem. In addition to these actions, other types of specific works were undertaken, such as research projects, the creation of a botanical garden and an interpretation centre, the restoration of a 14th century flour mill and the adaption of an abandoned stretch of road as part of the Soriana Royal drovers’ road.



### Actions with the vegetation

The plant communities present in a habitat are directly related with the fauna in it, as they serve as a refuge and for sustenance, for this reason the work with the vegetation is fundamental to work on the other elements of the environment which depend on it.

In this regard, the main objective was to increase the plant diversity of the plots, not only by increasing the number of species and their distribution, but also by means of improving the structural diversity of the plant formations.

As such over 300,000 plants were planted and protected with stakes and with 68,000 m of fences to preserve them from pressure from cattle and game animals, so setting up a system of wooded islands, fenced along the roads and with groves along the banks of the streams and water courses. As a complement, the existing covering of vegetation was improved by means of forestry works and the creation of fire break areas to prevent the spread of fire should this break out.



# Case Study, Construction: La Breña II Dam

## Actions with the fauna

### Wild rabbit

The wild rabbit can be considered to be the central species in the compensatory measures project for the La Breña II dam due to its role as the base of the food chain for large predators such as the birds of prey and the Iberian lynx. The actions on the rabbits are such that, when the number of lynx reared in captivity rises, they can have an appropriate environment available for possible reintroduction.

For this reason, the final objective of this action was to boost the population of the wild rabbit subspecies called *cuniculus algirus*, native to this zone, so reproductive groups were established in the compensation plots.

### Amphibians

On the other hand, actions were taken to improve the habitat for amphibians, based on the creation of new systems of ponds and the adaptation of the existing ones. Since the fencing off of the ponds for protection prevents access to the water by other animals, drinking troughs have been made for these and the cattle present on the farms.



### Other species

Actions have also been carried out aimed at otters, birds and bats. The work for otters, which are considered an excellent bio-indicator for the health of river ecosystems, were focused on the construction of zones of refuge and the restoration of the banks of the rivers Guadiatillo and Cabrillas. Over 8,000 nesting boxes for insectivorous birds and nests for birds of prey have been installed, together with signing of wire fences to prevent collisions. For the bats, which play a fundamental role in the control of pests in the cases of insectivorous bats and in the dispersion of seeds in the case of fruit-eating bats- the actions undertaken involved the placement of nest boxes and the making of an artificial tunnel close to the new dam.

## Actions to improve infrastructures and management elements

It was essential to intervene and improve the management works, for which auxiliary infrastructures are required, among which are: the installation of drinking troughs and feeding troughs for vertebrates, the placement of headlight reflectors to prevent wild animals being run over, the adaption of passages for amphibians on the roads, the installation of lookout stations for taking censuses of the fauna and for control, dovecots and the construction of cattle grids to prevent livestock from entering the most reserved areas.



### Actions in the river Guadiato

In the search for an overall improvement in the environment, cleaning of waste was also carried out in the river course and the banks of the river Guadiato, removing over 20,000 kg of rubbish. Furthermore the banks of the rivers Cabrillas and Guadiatillo, both tributaries of the river Guadiato, were restored, repopulating the most deteriorated stretches with trees and bushes, forming irregular copses and so naturalising their banks.



### Laguna de Medina

As a demonstration that the rivers are delimited by basins, but nature is not, environmental restoration was carried out on the banks of the lake known as the Laguna de Medina, consisting of the planting of indigenous species.



### Botanical Garden and Interpretation Centre

As a complement to the work carried out in the Sierra de Hornachuelos, a magnificent and welcoming Botanical Garden of almost three hectares has been created on the banks of the river Guadiato, downstream of the new dam. In exploiting the potential of the Botanical Garden, the pre-existing plant formations were reinforced by planting new plants and treating the vegetation in order to create a mosaic divided into themed zones, making it possible to see and appreciate each of the typical plant formation of the Sierra Morena Mediterranean region. But in this space the concept of a traditional botanical garden has been expanded, creating an interpretation centre for the compensatory measures implemented which, due to their location, sensitivity and access, cannot easily be visited by the general public.

As such, a whole infrastructure and contents have been developed to present, approach and lead to the understanding of the various works carried out and the wonderful environmental richness of the region.

Furthermore, a space has been installed for welcoming and informing the public, which functions as an exhibition zone and an outdoor classroom for environmental education.



### Flour mill

Within the converted space of the Botanical Garden, completely surrounded by the vegetation, is a wonderful flour mill dating back to the 14th century. It has been fully restored based on a thorough historical and archaeological study. This restoration has even enabled it to be operated as it would have been originally, allowing the visitor to appreciate the historical, archaeological, anthropological and hydraulic values of the whole.

### Soriana Royal drovers' road.

Finally, the stretch Soriana Royal drovers' road has been restored. This is one of the Iberian Peninsula's main seasonal migration routes and this stretch connects the La Breña Botanical Garden to the Royal Drovers' Road Park in Almodóvar del Río, bringing the population closer to the new hydraulic and environmental infrastructures so that better knowledge can lead to greater understanding of the efforts required to provide everyone with a standard of living which does not compromise the environment.



# 6. Commitment to the Natural Environment

## Environment

### Main environmental performance indicators

The main impacts of this activity are related to the emission of greenhouse gases produced by the fleet of vehicles used for different services, as well as their fuel consumption, to the emission of CO<sub>2</sub> from dumps and to waste generation.

The Environment area is working hard to reduce the consumption of fuel by company or subcontracted fleets of vehicles in the collection of urban solid waste, street cleaning, the transport of passengers and integral maintenance services.

	2005	2006	2007	2008	2009
Number of vehicles	6,066	6,509	5,635	5,481	5,455
Consumption of fuel (millions of litres)	91.1	96.5	96.6	51.8	35.8
CO <sub>2</sub> Emissions (t)	250,222	264,920	265,147	142,348	98,381

In order to reduce these impacts, policies have been implemented in all areas, from the reduction of fuel consumption and the use of biodiesel fuel in transport, to the reduction of emissions by treating urban solid waste instead of dumping it. On the other hand, it aims to treat the waste generated safely, both for the environment and for individuals.

The ACS Group, through its company Urbaser S.A., is the leader in the management of urban solid waste treatment plants in Spain and has undertaken significant actions abroad. It currently manages the following:

- 44 Urban Solid Waste Pre-Treatment Plants with an installed capacity of 7,026,436 tons/year.
- 8 Energy Recovery Plants with a treatment capacity of 2,076,000 tons/year.
- 19 Plants for the Biomethanization of organic fractions with an installed capacity of 1,361,260 tons/year.
- 50 Composting Plants with an installed capacity of 2,584,568 tons/year.
- 78 Transfer Plants with an installed capacity of 7,004,008 tons/year.
- 48 Controlled Landfills with an installed capacity of 9,179,439 tons/year.
- 14 Waste Dump Degasification Installations which produce 421 Hm<sup>3</sup> per year of biogas.

*The electrical power installed in the various processes which generate energy from Urban Waste is 205 MW.*

The electrical power installed in the various processes which generate energy from Urban Waste is 205 MW.

One of the ACS Group's environmental activities is the treatment and integral management of water as a scarce resource. The ACS Group is responsible for the supply of drinking water to several million people in Spain, Latin America and Morocco and its treatment, and focuses on maximum efficiency and savings in the use of this extremely valuable resource.

It treats over 354 million m<sup>3</sup> of water, supplies over 835 million m<sup>3</sup> and purifies over 90 million m<sup>3</sup> for the equivalent of over 8.8 million inhabitants. For the ACS Group, the sustainable management of water is a key resource in its commitment to the environment and to sustainability.

In total, the Water Section managed:

- 82 Waste Water Purification Plants for 970,000 m<sup>3</sup> per day for the equivalent of 5,300,000 inhabitants.
- 17 Sewage operations for the equivalent of 985,000 inhabitants.
- 14 Water Supply facilities for 2,290,000 m<sup>3</sup> per day for the equivalent of 910,000 inhabitants.
- 7 Drinking Water Treatment Plants at 250,000 m<sup>3</sup> per day for the equivalent of 290,000 inhabitants.
- 7 Analysis and Monitoring Laboratories for the equivalent of 1,400,000 inhabitants.


Monitoring of the achievement of 2008 Objectives in 2009

Objective set in the 2008 report	2008 data	2009 data	Outcome
Increase in savings of equivalent CO <sub>2</sub> emissions with respect to the baseline solution of dumping	4,090,000 tons.	4,095,935 tons.	Achieved
To reduce electricity consumption by 10%	129 GWh	110.3 GWh	Achieved
Reduction of 5% in non-hazardous waste generated	30,401 tons.	29,209 tons.	Not Achieved (3.9% reduction)

Note: For the preparation of this 2009 Report, the procedures have been revised for the consideration of the scope of the data for waste management attributable to the company. Consequently, and to facilitate the traceability of the data over time, the data provided in the 2008 Report on waste generation and emissions of greenhouse gases generated and prevented as a consequence of waste management activities have been recalculated. The 2008 data, using the new procedure, are: 9.72 million tons of CO<sub>2</sub> emitted; 4.09 million tons of CO<sub>2</sub> saved; 30,401 tons of waste generated by the Environment Area.

### Objectives for 2010

- To increase savings of equivalent CO<sub>2</sub> emissions with respect to the baseline solution of dumping.
- To reduce fuel consumption.
- Reduction of 5% in non-hazardous waste generated.



*The combination of materials recovery and electricity generation in treatment plants, plus the landfill de-gasification, gave rise to CO<sub>2</sub> savings equivalent to approximately 4,095,935 million tons in 2009.*

# 6. Commitment to the Natural Environment

## Industrial Services and Energy

### Main environmental performance indicators

The Industrial Services and Energy area has two main areas of impact on the environment: CO<sub>2</sub> emissions and the production of waste. To minimise these impacts, a great deal of effort is dedicated to environmental management year after year. In this respect, managers are not only concerned with the reduction of waste, but also the appropriate treatment and recycling of the waste inevitably produced by the environmental management departments of each of the Group companies.

Industrial Services and Energy continues to make significant efforts to maintain or obtain ISO 14001:2004 environmental certifications in all its companies and carried out 196 environmental audits in 2009.

Among the companies forming part of the Industrial Services and Energy area, the effort made by Dragados Offshore and INITEC in EPC, turnkey and maintenance projects is noteworthy, as is that of the ETRA Group in the area of Control Systems and Semi-Maessa in Specialised Installations and industrial maintenance.

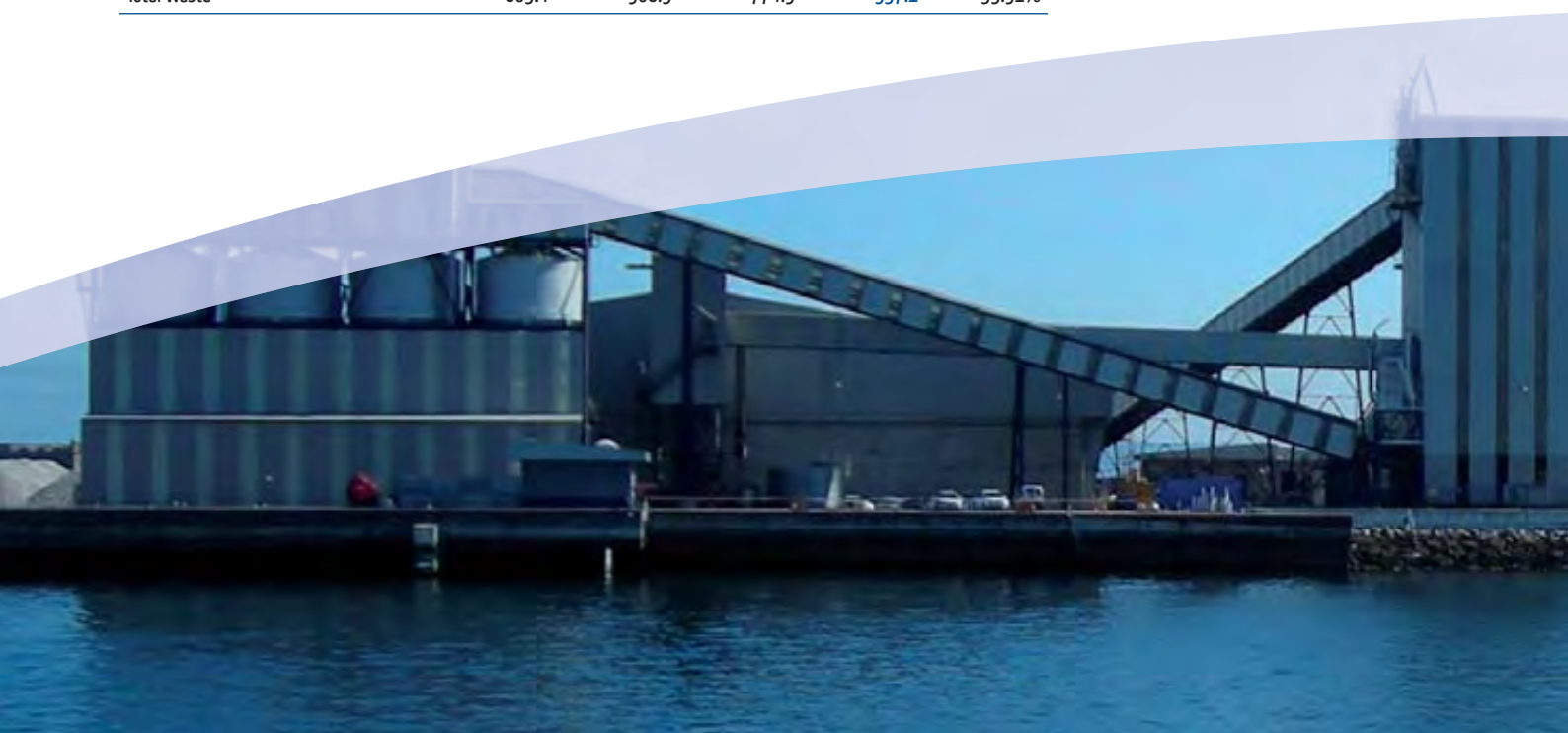
Dragados Offshore has an Integrated Quality, Safety and Environmental Management System, the latter following the ISO 14001 standard, all certified by the external organisation Lloyd's Register QA. This system is also implemented in the Tampico (Mexico) plant, being integrated into the Puerto Real plant system.

The current plans as regards the environment during 2009 are:

- Contingency plan for accidental marine contamination, setting out guidelines to be followed in the case of the dumping of hydrocarbons into the sea, as well as the necessary technical and human resources.
- Environment Plan for the "Bay of Cadiz Bridge" Project and the "Castor" Project.
- Emergency plan, identifying possible environmental emergencies within Dragados Offshore S.A.'s facilities.
- Port Installation Protection Plan, approved by the Port Authority.

Below are details of the hazardous and non-hazardous waste managed in 2009 in comparison to previous years.

Dragados Offshore	2006	2007	2008	2009	Trend
mt					
Hazardous Waste	43.6	12.8	37.0	1.1	-97.03%
Non-Hazardous Waste	761.9	895.6	737.9	356.0	-51.75%
<b>Total Waste</b>	<b>805.4</b>	<b>908.3</b>	<b>774.9</b>	<b>357.1</b>	<b>-53.91%</b>





INITEC Energia establishes an Environmental and Health and Safety Policy shared with its Client and Partners for each turnkey project in progress, with the idea of protecting and spreading concern for conservation of the environment.

The Health and Safety Plans and the Environmental Management Plans are defined, when applicable, in accordance with the regulations, fulfilling the requirements laid down in the Project's Environmental Impact Statement and develop the Environmental Vigilance Programmes for the Project's construction phase, the phase in which INITEC Energia participates.

These Plans comprise the definition and description of the applicable requirements as regards safety and environmental protection, both for INITEC Energia itself and for all the subcontractors, during the carrying out of the activities and provision of the services necessary for the execution of the construction and assembly project.

The Health and Safety Plan and the Environmental Management Plan for each project in progress in 2009 were approved by the Client and were drawn up to their full scope:

- Environmental management plan and health and safety plan for works for desulphurisation for the Los Barrios Thermal Power Station (Cadiz).
- Environmental management plan and health and safety plan for works for desulphurisation for the Litoral Thermal Power Station (Almería).
- Environmental management and health and safety plans for various works for thermal power stations in Egypt; El Tebbin, Nubaria III, Kureimat III and Cairo West 6 and 7.

Requirements have been defined for subcontractors, from the bid phase, enabling raising of awareness, involvement, management and the delimiting of responsibilities as regards safety and environmental aspects relating to the construction phase of the works.

Awareness raising actions were carried out aimed at the aspects related to rational consumption of resources and the need to establish criteria for environmental sustainability. Likewise, measures have been adopted to improve the environmental aspects identified in the head office, involving:

- Improvements related to lighting, electricity consumption and acoustic impact, improvement of environmental conditions in the head office.
- The definition of a model which has enabled quantification of environmental aspects and impacts to be avoided in each of the works being carried out.

Ninety-five percent of INITEC's production is certified according to the ISO 14001 standard and no non-conformities were identified during the audits of environmental management carried out by AENOR in 2009.

In the case of Semi-Maessa, the efforts made to account for Scope 3 CO<sub>2</sub> emissions are noteworthy, as the inferred emissions for business trips are published in its sustainability report. This is an initiative which is being taken up in various ACS Group companies.

Similarly, the ETRA Group has defined a Management System which enables it to ensure that its policy and commitment to the Natural Environment is a reference in the provision of services.



## 6. Commitment to the Natural Environment

The Environmental Management System established defines the organisational structure, planning of activities, responsibilities, practices, procedures, processes and resources required to do the following:

- Evaluate the impacts of its activity on the environment and minimise them.
- Research, develop and offer its clients innovations which improve environmental conditions.
- Heighten the awareness of its own staff and of those working on its behalf.
- Manage waste correctly and foster the reuse and recycling thereof.

Also, it aims for people and organizations unrelated to the company to have knowledge of its structure, operation and action guidelines based on the criteria and procedures required to guarantee the fulfilment of environmental principles.

The main actions carried out by the ETRA Group in 2009 were aimed at achieving reductions of the company's impact on the environment and increasing staff awareness.

- Actions to reinforce the measures for reducing fuel consumption. Taking into account the problems with fuels and the necessity for their use, an

ambitious objective is to reduce their consumption through more efficient use of vehicles. Already framed within this objective in 2008 and continued in 2009 at other work centres, so exploiting corporate synergies, is the "Efficient Driving" course, carried out in collaboration with AVEN. Work has now been carried out on computer tools to permit monitoring of the results and provide reliable information on consumption independent of the volume of work carried out.

- Reduced consumption of resources (water, electricity): repairs and adaptations have been carried out to the installations in the work centres with the aim of saving energy and eliminating leaks. In the specific case of Electronic Trafic, S.A., water consumption was reduced by 92.17% with the replacement of the air conditioning system installed in the building and a 0.96% reduction in electricity consumption was also achieved.
- Reduced paper consumption: purchase of printers to encourage the production of double-sided documents, reuse of office paper, setting of targets for each work post, staff awareness raising.
- Writing of Manuals of "Good practices for the environment" and their distribution to all personnel. A brief description of each of the environmental aspects is given in this manual, along with how they affect the environment, with data and percentages to raise awareness, and the procedures for correct handling and separation of waste.



*ACS takes part in the development of renewable energy. In Spain is the pioneer in the development of thermal solar electricity plants with heat storage decives.*

## Renewable energy, main figures

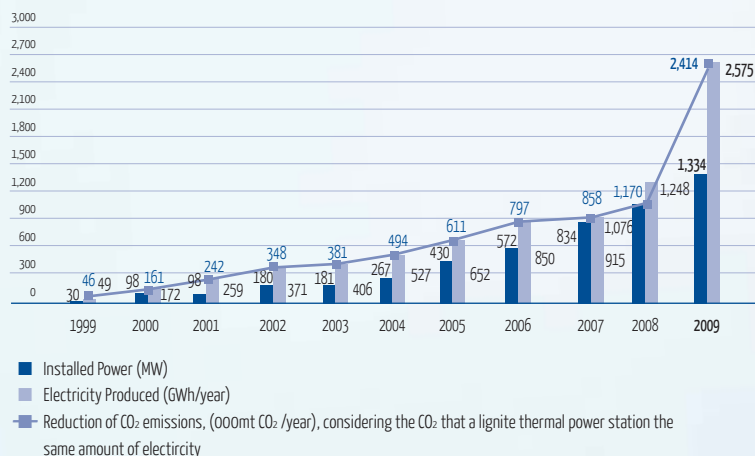
The ACS Group takes part in the operation of 35 wind farms with total installed power of 1,175 MW that generated over 2,465 GWh in 2009 from this renewable energy source.

In addition, the ACS Group is a pioneer in the development of thermal solar electricity generating plants, as it has 150 MW in operation, which generated 110 GWh in 2009.

If this electricity had been produced by a coal-fired power station (e.g. lignite), 2,414,063 tons of CO<sub>2</sub> would have been emitted as a result of the combustion of this mineral.

Four projects are also in the financing or development phase within the area of solar energy: Extresol II and III and Manchasol I and II, with a total installed power of 200 MW.

### Renewable energy, main figures



Monitoring of the achievement of 2008 Objectives in 2009:

Objective set in the 2008 report	2008 data	2009 data	Outcome
To reduce consumption of electricity, water and fuels by 3%	46 GWh 145,401 m <sup>3</sup> 21.1 million litres	30.3 GWh 112,636 m <sup>3</sup> 23.0 million litres	Partially Achieved
To make progress in the accounting and control of greenhouse gases	Companies such as SEMI-MAESSA are already accounting for Scope 3 emissions		Achieved
To increase savings in CO <sub>2</sub> emissions through the development of renewable energies	1,170,000 tons of CO <sub>2</sub> saved	2,414,034 tons of CO <sub>2</sub> saved	Achieved

### Objectives for 2010

- To reduce consumption of electricity, water and fuels by 3%.
- To make progress in the accounting and control of greenhouse gases.
- To increase savings in CO<sub>2</sub> emissions through the development of renewable energies.

## 7. Commitment to the Social Environment

38%

*proportion of women in the total workforce, 2 percentage points higher than in 2008, that means 54,055 women working in ACS.*

82.9%


*of clients were satisfied according to the surveys carried out in 2009.*

3.7

*million euros in investment in social action through the ACS Foundation during 2009.*



*The ACS Group understands that the respect for the employees is one of the values that excellent companies promote.*



*The quality and skills of the professional team of the ACS Group is one of its main competitive advantages.*

## Commitment to ACS Group employees

### Principles of ACS' relationship with its employees

Part of the ACS Group's success is based on the skills and quality of its professional team and this is one of its main competitive advantages. Accordingly, the ACS Group maintains its commitment to continually improving their skills, capacities, commitment and motivation, always with the highest attention to work and safety conditions.

For this purpose, the most modern and efficient human resource management techniques are applied in order to retain the best professionals and to foster work safety, in accordance with the following principles:

1. Attracting, retaining and motivating talented individuals.
2. Promoting teamwork and quality control as tools to reinforce the concept of excellence through work well done.
3. Acting quickly, promoting the assumption of responsibilities and minimising bureaucracy.
4. Supporting and increasing training and learning.
5. Innovating with ideas that enable improvement of processes, products and services.

The ACS Group works toward fostering social justice and internationally proclaimed human and labour rights, respecting and protecting the forming of

*The ACS Group has a firm commitment to underprivileged groups and particularly the disabled.*

labour unions and employees' rights to freedom of association and granting equal opportunities and treatment, without discriminating on the basis of sex, ideology, religion, etc or any other social or individual circumstance or condition.

Additionally, it provides assistance in the training and retraining of employees. It has an employment policy which generates wealth in the areas where it is established and produces links giving rise to positive synergies for the environment. Furthermore, it shows special interest in assuring decent working conditions, promoting health and safety at work.

The ACS group employees 12,010 people who are not Spanish in Spain and carries out its activities in more than 40 countries, in which it promotes the economic and social development of its employees.

Each year the ACS Group's Foundation introduces initiatives, courses and activities in support of reducing architectural barriers and of integrating people with disabilities.

*Currently, 2,318 people with disabilities work in ACS. This is an increase of 14.3% compared to the year before and represents over 1.6% of the company's total workforce.*

## 7. Commitment to the Social Environment

### Clece's social responsibility activity: towards effective equality

In the framework of the ACS Groups commitment to equality of opportunities and treatment for all, Clece is an excellent example of what it means to put these principles into practice.

In 2009, a particularly difficult year for employment in Spain, Clece increased its workforce by 9.33% to 48,945 employees, as a reflection of the positive trends in its activities. As in previous years, when tackling this growth it gave precedence to those groups in greatest need of assistance in order to make access to the labour market possible: women, people with disabilities and people at risk of social exclusion.

Specifically, the number of people with disabilities who work in the organisation rose to 1,364, as against 1,142 in 2008. The increase was, then, 19.44%, a percentage which is exactly double that for the total workforce.

As regards the number of women employed by the company, this reached 40,686, representing 83% of the total workforce.

As for people at risk of social exclusion, agreements and understandings with public and private bodies throughout the country proliferated in the last year with the aim of channelling their entry to the labour market. One example is the agreement signed with the León provincial council, by means of which unemployed people who take a course as a home help assistant will be able to accompany Clece's social services personnel throughout their day and so acquire the work experience necessary in a sector with such potential for the future.

There are other particular examples of Clece's open attitude to Spain's current sociological reality. For example, there are the 93 countries – apart from Spain – from the five continents from which its workers originate. Or the fact that among those with university degrees, women make up the majority: 51% of the total. This phenomenon is even clearer if we look at diploma holders, a segment in which women hold a percentage of 69%.

Behind these figures there is a firm and wholehearted commitment which, always in harmony with the ACS Groups Corporate Responsibility policies, means a more ambitious response than that derived from mere compliance with legal obligations (Equality Act, collective agreements, etc), as it implies providing a specific solution to problems and circumstances which only real life is capable of producing. We have many practical examples of this as regards reconciliation of family and professional life. As such, the cleaning service contract for Avilés (Asturias) is worthy of mention, where Clece has included measures such as the extension of maternity and paternity leave by one week in relation to that laid down in the Collective Agreement, the provision of a crèche for children under 6 years of age and flexible working hours.

Another interesting example comes from the field of education. The Early Childhood Education Agreement does not make it mandatory for the private companies who manage these centres to finance the places occupied by their workers' children. Clece, on the other hand, has taken a lead and has already covered the cost of 9 pupils in Castile and León, 2 in La Rioja and 1 in Galicia.

A special issue is that of women who are victims of gender-based violence. Clece acts in two broad senses in this area. Firstly, it favours the hiring of women who suffer from this type of situation. One example is the various cases within the team which provides social services for San Sebastián City Council. Another is the agreement signed for the same service with the Castile and León Regional Government. Secondly, Clece offers all the personalised alternatives possible to those employees who need to distance themselves from situations of mistreatment: flexible hours, geographical mobility, etc.

Other circumstances which lead to the adaptation of working conditions for women are divorces or the need to take care of relatives due to accidents, illness or dependency.

As regards people with disabilities, Clece provides not only experience as a company which is very active in hiring for its own organisation, it also acts as a facilitator for entering the labour market in other companies. This latter task is channelled through its special employment centre, Integra, which had a workforce of 259 in 2009 after recruiting 117 new members during the year. This represented growth of 59%, a really striking number in a year in which levels of hiring for these types of workers fell by 15% in Spain, meaning that their unemployment rate is four times the average in the labour market.

With this policy of care, respect and egalitarian treatment of people who, whatever their personal circumstances, wish to develop a professional career, Clece shows that its true speciality is understanding people and managing their expectations and needs. Not by accident has one of its great transformations over recent years been its entry into the social services field, in which the ability of its professionals to relate to the people attended (old people, children or people with disabilities) is critical.

It is an effort which, in addition, has merited numerous acknowledgements from public and private bodies. One of these was its winning in June 2009 of one of the most prestigious awards in this field: the Incorpora award from the "La Caixa" Foundation, granted to Clece in the Great Company category for "its special sensitivity in the introduction to the labour market of groups of people at risk of exclusion".

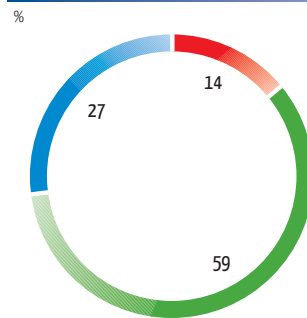


## Hiring and Retaining policies

The ACS Group is made up of a total of 142,176 people, 0.8% more than last year. In 2009, the ACS Group created 1,174 net jobs.

Of the employees, 15% were contracted directly and permanently and 85% were contracted in relation to a specific project, work or temporary production joint venture.

### Distribution of employees by area of activity



- Construction
- Environment
- Industrial Services and Energy

Furthermore, 32,201 people work outside of Spain. Of these, 25% work in the Construction area, 43% in Environment, 31% in Industrial Services and Energy and 1% in Concessions.

*At the end of 2009, there were 54,055 women employees in the ACS Group, accounting for a total 38% of its staff. This percentage increased by 5.8% with respect to the figure for 2008. The proportion of women was two percentage points higher than in 2008.*

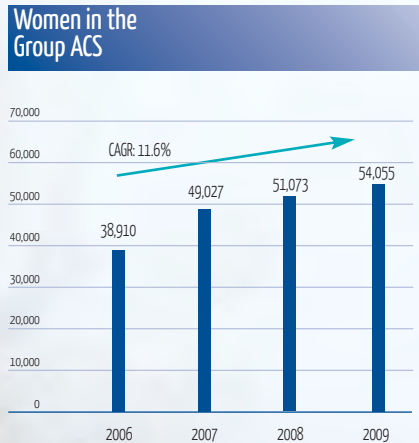
# 7. Commitment to the Social Environment



## Women in the ACS Group

ACS' commitment to incorporating more women into the job market in the infrastructures sector manifested itself in the last year in a substantial increase in the female workforce in our Group. Specifically, there were 54,055 members of female personnel in 2009, up 5.8% with respect to 2008, women being the base of the company's growth in personnel. Hence women now account for 38% of the Group's total workforce and 29% of management and professionals with university degrees, a total of 3,652 women. Indeed, 6 out of every 10 net people joining in this category are women. Furthermore, during 2009, Mrs. Sabina Fluxá Thienemann joined the Company's Board of Directors, becoming the first woman Board Member in the Group's history.

A significant increase in female personnel has taken place over the last few years, with an annual rate of growth of over 11.6%.







In short, the ACS Group always tries to recruit and retain the best professionals in the market and so the growing recruitment of women in our company, in parallel with the incorporation of women in the job market, is a reality which fits our objective of excellence.

Equality of opportunities and non-discrimination, which are basic ACS principles written into the company's Code of Conduct, are determining factors when promoting professional and personal development for all ACS' employees and equality of opportunity is ensured through policies for action. The effectiveness of this equality policy is guaranteed as it is accompanied by objectives tending to eliminate entry barriers in sectors historically considered to be masculine and measures for reconciling professional and personal life, which have enabled the number of women with executive responsibility in the Group to increase.

Women in the ACS Group have evermore significant weight, both in terms of numbers and in the posts they occupy. Likewise, they are present, with an increasing trend, on the boards of directors of our main divisions, on the boards of directors of the companies in which ACS has a holding, in the Group's senior management and in innumerable technical, financial, human resources and legal advice offices, among others.

An illustrative example of these practices can be found in the Environment area, which has the greatest female representation in the Group at over 44,000 employees and which is one of the companies with the highest proportion of feminine employment in Spain. In carrying out daily activity, working time needs are analysed individually to be able to organise working days which enable work and personal life to be reconciled. In addition, the company offers workers who suffer mistreatment the possibility of transferring to another city where they maintain an equal or similar post to that in the original city.



## 7. Commitment to the Social Environment



The ACS Group follows an equal-opportunities policy that prohibits all types of discrimination against individuals in hiring or assuming positions. This policy is defined by basic principles which can be summarised under the following headings:

- A commitment to providing staff with a context and prospects in which professionals can deploy their talent and perceive their professional development as something valuable and desirable.
- A rigorous hiring process that enables the Group to rely on the best professionals in each sector.
- Promotion of gender diversity and equal opportunities.

*The ACS Group's strategy involves an approach of ongoing training in the workplace, in classes or by distance learning. In terms of training in 2009, 1,317,780 hours of study were given in courses and studies relating to all its activities.*

### Training and career development policies

The technical excellence of the ACS Group, one of its competitive advantages, is not only based on the skills of the employees hired by the Group in view of their experience and background. Subsequent training and development are also of importance, not only in line with the Group's culture, but also the project needs that ACS' professionals confront in their professional career.

The objective is to make full use of and integrate the personal and professional diversity of its work groups in order to improve its capacity to respond to the growing needs of its clients. The Group seeks to continuously involve its entire staff in corporate objectives and philosophy, allowing employees to simultaneously develop their professional potential and skills.

Specifically, courses are given in areas related to:

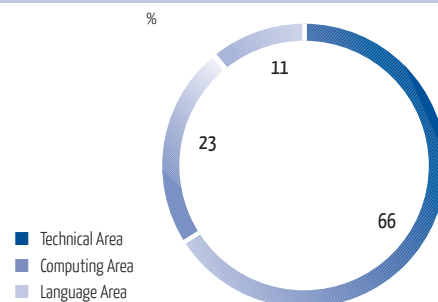
- Training of management.
- Technological specialisation in management and production systems.
- Knowledge of products and services developed.
- Policies on quality and the environment.
- Job safety.

In detail, the number of new training actions given by means of e-learning increased significantly in Dragados in 2009. The agreements reached with the School of Roadways, Canals and Ports at Santander continue to be extended for courses on Formwork and Waterproofing, the plan being to expand them to new training actions.



## Distribution of hours of e-learning by areas

	Hours
Technical Area	20,980
Computing Area	7,340
Language Area	3,672
<b>Total Hours</b>	<b>31,992</b>



## Telematic training projects

Technical Area	Group	Participants	Study Hours	Total
Código Técnico de la Edificación (Building Regulation)	1	54	30	1,620
Formwork	3	191	40	7,640
Nueva Ehe-08 (Regulation)	7	293	40	11,720
<b>Total</b>	<b>11</b>	<b>538</b>		<b>20,980</b>

Computing Area	Group	Participants	Study Hours	Total
Autocad 2009	1	25	10	250
Excel 2007 Basic	2	27	20	540
Excel 2007 Advanced	2	99	30	2,970
Power Point	2	49	20	980
Presto	2	56	40	2,240
Word 2007	2	18	20	360
<b>Total</b>	<b>11</b>	<b>274</b>		<b>7,340</b>

Languages Area	Group	Participants	Study Hours	Total
English	5	53	40	2,120
Spanish	3	99	80	1,552
<b>Total</b>	<b>8</b>	<b>152</b>		<b>3,672</b>



# 7. Commitment to the Social Environment



Furthermore, given the company's growing internationalisation, language courses have increased both for personnel in Spain and for local personnel in the reference countries (Ireland, Greece and Poland).

*In the ACS Group, the prevention of workplace hazards is the most important training subject and the one in which the greatest effort and investment is made.*

Training initiatives in 2009	Study Hours	Number of courses	Participants	Investment (million of euros)
Construction	181,072	892	11,524	1.8
Environment	765,681	3,131	32,143	4.9
Industrial Services and Energy	371,027	2,721	12,544	6.5
<b>Total</b>	<b>1,317,780</b>	<b>6,744</b>	<b>56,211</b>	<b>13.2</b>

Training initiatives by type of content in 2009	Production	Safety	Environment
Construction	524	288	80
Environment	772	2,280	79
Industrial Services and Energy	1,509	1,045	167
<b>Total</b>	<b>2,805</b>	<b>3,613</b>	<b>326</b>

The scope of this table is 84% of the ACS Group's workforce.

Training in safety in the ACS Group has always played an important role and numerous courses have been held over the years in order to train personnel both in general concepts and in sector-specific risks.

A total of 3,613 courses on safety and workplace hazard prevention were given in the ACS Group in 2009, 53.6% of the total courses.





# 7. Commitment to the Social Environment

## Map of competences

In Dragados, as the lead company in the ACS Group's Construction area, a series of basic and fundamental competences which take in the company's philosophy and culture and other types of specific competences by work post, essential for effectively carrying out the work, were defined in 2009.

The advantages of aligning this business strategy with the implementation of a Map of Competences are many and varied. This practice permits the development of a group culture; facilitates the achievement of results, in the regard that the characteristics which contribute to achieving them can be identified; drives change management, as changes can be promoted and disseminated through it; facilitates the identification of professionals with potential and, finally; gives a clear, objective and complete view of the functional requirements of a work post to select the person who best fits these characteristics.

Dragados has classified all the companies work posts and divided them into three categories: Works, Machinery Fleet and Zone/Local Office. This classification is due to the particularity of each of these areas which impact directly on the performance of the work post catalogued in each of them. Each work post has an explanatory sheet containing the following data:

- Area and Address of the work post.
- Position within the functional organisation diagram.
- Objective: Description of the main mission of the work post as regards its carrying out.

- Functions: Description of each of the work post's specific activities and tasks.
- Degree of Autonomy: The main interest groups are laid down, i.e. to whom does it provide and from whom does it receive information mainly.
- Knowledge/Qualifications: Differentiates between the regulated academic knowledge demanded for the post (engineering degrees, undergraduate degrees, diplomas, etc), other sector-specific knowledge and knowledge of the company's internal programmes.
- Minimum experience required.
- Auxiliary knowledge: Other types of knowledge which facilitate, improve and assist suitability for the post.
- Salary range.
- Main risks associated with the post: Together with Prevention Management, a catalogue of specific risks for each work post has been established, where the main risks to which a worker is subject are shown depending on the tasks he or she carries out. These risks have been identified and assessed according to exposure to risk (medium, high and low). We have worked especially on this section because we understand that prevention in Dragados is not for statistics, but rather for workers, attempting to pass on the idea of the relevance and importance with which we tackle prevention in Dragados.
- Finally, and as a fundamental factor, the competence profile desirable for filling the post.

The competence profile of Dragados' employees is made up of nine basic and specific competences included in all work posts: communication, initiative, adaptability and flexibility to change, teamwork, planning and organisation, business orientation, interpersonal relationships, decision-making and discipline.

The differentiation of each work post is established by the range of levels of development and demand for each competence. Each competence has been divided in turn into 10 levels of development, which set the optimum range required for each competence for effective accomplishment in the work post.

The ideal situation is that the worker who takes up a work post is within the levels established beforehand as important to ensure appropriate skills. That is, that he or she has the required competence level to ensure good performance in the work post.



However, Dragados, with its philosophy, recognises that people are its most important “asset” and has special sensitivity for recruiting, identification of potential and professional development. Hence, all the means possible are made available to be able to rectify any deficiency as regards knowledge or personal skills through training to achieve ideal performance in the work post.

This project was internally audited in January and October of 2009 in order to check that the description of the posts fits the new economic situation and the social and professional changes and to ensure that they are up to date and effective, being understood as a dynamic project clearly evolving and adapting.

## Safety and risk prevention policies

The prevention of labour risks is one of the areas of greatest importance to the ACS Group and its efforts have led to satisfactory results according to the data on accidents that occurred during the year. They represent one more step in the ongoing interest to continue being one of the companies in the sector which pays the greatest attention to safety.

The ACS Group is guided by its prevention policy, which is based on the following principles:

- *Compliance* with current legislation on labour risk prevention and other requirements voluntarily observed.
- *Integration* of labour risk prevention in all initiatives at all *hierarchical levels*, implemented through correct planning and practices.
- Adoption of any measures necessary to *ensure* the protection and well-being of staff.
- Development of human potential through appropriate *training and information* regarding labour risk prevention, fostering initiative and participation in order to achieve continuous improvement of the system.
- Ensuring the correct *control* and quality of *monitoring* of staff health.
- Qualification of staff and application of technological *innovations*.



## 7. Commitment to the Social Environment

As a complement to the labour risk prevention management systems in each activity area in 2009, numerous labour risk prevention campaigns were conducted, the purpose of which is to make the employees aware of these risks, reduce accidents and improve working conditions.

In 2009, heads of health and safety were added to the organisation in the different countries in which the company was set up and expanding its activity. Health and Safety Policy outside of Spain is based on the global understanding of safety adapted to the legal requirements of each country and in harmony with the respect for the differences which can become established as a function of different identities and realities.

Furthermore, this policy involves its collaborators in achieving a healthy working environment by sharing with them the values which govern the organisation. The necessary principles for collaboration and coordination are agreed with the local subcontractors, along with the health and safety standards applicable in the work centre.

*The training and labour risk prevention campaign conducted by the ACS Group, as well as all the safety initiatives and protocols implemented, contributed to reducing the accidents suffered by Group employees by over 5.5% in 2009.*

The ACS Group actively participates in the most important conferences, symposiums and organised events in general on labour risk prevention taking place in Spain and abroad, contributing its experience in this area.

Evolution of Prevention Rates	Frequency rate <sup>(1)</sup>					Severity rate <sup>(2)</sup>					Incidence rate <sup>(3)</sup>				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
Construction	36	36	35	30	27	0.95	0.97	1.03	0.84	0.79	66	69	61	52	50
Environment	50	51	48	42	43	0.94	1.17	1.01	1.03	1.01	76	91	86	159	75
Industrial Services and Energy	41	26	34	32	26	1.00	0.49	0.63	0.56	0.63	74	47	61	46	47
ACS Group	45	41	39	37	36	0.96	0.94	0.85	0.78	0.87	74	73	70	71	64

The scope of this table is 82% of the ACS Groups workforce.

(1) Represents the number of accidents that occurred during the working day per million hours worked.

(2) Represents the number of working days lost due to accidents per 1,000 hours worked.

(3) Represents the number of accidents in relation to which sick leave was taken per 1,000 employees.





## Initiatives for the reconciliation of family life and employment

Although contracts are awarded throughout Spain and the rest of the world, and consequently, transfers and travel of staff are inevitable, the Group makes every effort to form work teams for jobs and projects with employees that live relatively nearby, in order to avoid the displacement of families.

Among the main initiatives which have been implemented generally in numerous ACS Group companies for adaptation of working conditions in order to assist the consolidation of working and family life, the following are outstanding:

- Flexible hours. In ACS 7.9% of the workforce can take up the offer of flexible working time schemes, with a margin of one hour to change their periods for entering or leaving work.
- Reduction of the working day. There are 43,441 people in ACS who have a continuous working day or a reduced day.
- Accumulation of breast-feeding periods.
- Time off or part-time working for fathers and mothers after childbirth, which 3,096 took up in 2009.
- Change of work centre due to change of residence.
- Management of shift changes between workers in services.

*One of the ACS Group's firmest commitments in the Human Resources area is to adopt effective policies for the reconciliation of family life and employment.*

## Trade Union representation

All employees who work in Spain, as well as expatriated Spanish ACS Group employees, are protected under collective labour agreements applicable in the sectors in which they perform their work and, in any case, by the Spanish General Workers' Statute, in addition to the labour regulations commonly applicable in all countries in which they carry out their work.

The ACS Group considers social dialogue to be very important and holds periodic meetings with the trade union representatives of each of its companies. Of ACS Group employees, 40.1% are members of or are represented by trade unions.



## 7. Commitment to the Social Environment



### Commitment to ACS Group clients

Given the specific nature of ACS' business and the small number of clients to which it provides services, client satisfaction is measured on the basis of an organisational management model in which a very close relationship with the client prevails. Continuous contact is maintained with clients and feedback is obtained regarding their opinion of the quality of the work carried out and possible areas for improvement.

All the Group's companies and areas of activity carry out periodic client satisfaction consultations or mediations.

As a general rule, the procedures adopted by the ACS Group for the integration of client feedback are based on closeness and continual management of relations. In view of the characteristics of the clients and of the businesses in which ACS operates, technological solutions such as databases are not the best system for managing relations with clients. Finally, it is important to state that all regulations are respected to guarantee client confidentiality in all those actions where it is necessary.

*A total of 2,165 satisfaction surveys were carried out in 2009, with 82.9% of replies being satisfactory or very satisfactory.*

Finally, it is important to state that all regulations are respected to guarantee client confidentiality in all those actions where it is necessary..

 *Additionally, ACS Group clients can send any complaints to [info@grupoacs.com](mailto:info@grupoacs.com)*

# Commitment to ACS Group suppliers and contractors

## Management of Suppliers

The ACS Group relies on the systems implemented to appropriately manage its relationship with suppliers. It has centralised purchasing management systems developed for all areas, as well as various procedures which are followed by each of the Group companies and included in their quality management systems.

For example, suppliers are required to meet a series of requirements relating to health and safety. The system implemented makes it possible for the documentation sent by the supplier to be audited. With respect to contractors, compliance with requirements is audited.

Certificates and approvals are demanded and visits and audits are carried out in order to evaluate supplier quality in relation to different criteria. These criteria are established independently by each of the ACS Group's companies.

Likewise, supplier practices are monitored in accordance with the procedures implemented. In the case that non-compliance by a supplier is detected, the purchasing department is informed so that the measures deemed appropriate can be taken. If possible, it is pursued by the manager or agent him- or herself who is charged with taking the appropriate measures.

A significant number of the contracts signed by the ACS Group with suppliers have a fixed section including general specifications and a variable section detailing the requirements demanded of the suppliers. For example, in accordance with Dragados' purchasing rules, the supervisor is responsible for evaluating each contract, taking into account both environmental and prevention criteria.

The conditions stipulated for projects and agreements entered into in Spain and abroad are adapted to the laws in force in terms of collective bargaining agreements or legal regulations in relation to employees. The employment of children and the exploitation both of employees directly hired by the Group and employees of suppliers and subcontractors within the scope of the control of the work being carried out are specifically avoided. In this regard, in the event that activities outside of or contrary to law are detected, there are clauses stipulating the termination of the agreement.



# 7. Commitment to the Social Environment

## Commitment to Society



*In 2002, the ACS Group became one of the Spanish Companies adhering to the United Nations Global Compact. The Group's commitment is to include the principles of the Global Compact in its strategy and operations.*

Each year the ACS Group devotes notable effort to collaboration for the development of initiatives of community interest. These are focused on undertaking measures to improve integration, cultural promotion and the generation of knowledge. The ACS Group considers that these activities serve to demonstrate the social commitment of one of the most important companies worldwide to society.

Additionally, ACS Group operations are based on the provisions contained in the OECD Guidelines for Multinational Enterprises. The ACS Group has committed to implementing measures aimed at integrating these principles of conduct into the whole of its operations.

### Social Initiatives

The ACS Group and Foundation monitor the philanthropic initiatives in which the group collaborates with third parties and the impact these might have on the reputation of the ACS Group.

The ACS Group is extremely diverse and extensive and due to its very nature spontaneous philanthropic initiatives are carried out with the support of groups of people who help society in an unselfish manner, without this help necessarily being carried out as a corporate action. Philanthropic activities are carried out in ACS which, over and above corporate responsibility, represent a true commitment to individual social responsibility. Among the most significant examples in 2009 are the collaborations with NGOs such as Madre Coraje, the increase in some companies in the amounts dedicated to aid to collective agreements for workers with family members with physical or mental disabilities in their care and the collaboration with the Manuel Broseta Foundation, with the objective of promoting basic values for living together.



# Philanthropy in Dragados

In Dragados we are convinced that we can enhance the competitive context and bring social and economic objectives together through philanthropy. We believe that in this way it is also possible to improve the long-term prospects for the business.

Concerning ourselves about society requires not simply the donation of money, but rather leveraging Dragados' capabilities and relationships in support of beneficial causes.

We believe that this produces social benefits. We consider that philanthropic investments can improve education and quality of life in the society.

## 2009 Initiatives:

1) Dragados carried out two works in the La Mina area of Sant Adrià del Besós in Barcelona, specifically the construction of 61 housing units and a car park. La Mina is one of Barcelona's most run-down and troubled areas. In carrying out this work, 5 people at risk of social exclusion were hired, either directly or via subcontractors, as social and occupational integration. The project was coordinated and supervised by an assistant from the La Mina area Consortium who carried out the follow ups and met with our Head of Works to comment on these workers' progress.

2) The ACS Group, through Dragados, Clece and other large companies, participates in the Integra Foundation. This is a non-profit organisation which works for the reintroduction to work of socially excluded groups, acting as an intermediary between NGOs and companies.

Victims of mistreatment, the homeless, immigrants, people recently released from jail, victims of drugs and prostitution, people with family difficulties, the long-term unemployed, etc are the socially excluded groups with which the Foundation works, people with family and personal difficulties from which they can begin to recover thanks to this organisation bridging the gap between NGOs and companies.

The Foundation deals on the one hand with obtaining the collaboration of companies ready to provide a second chance to people with difficult pasts and, on the other hand, with contacting collaborating NGOs for the latter to send candidates selected not only based on their technical profile, but also on their psychological and motivational profile.

Once in the company, confidentiality is ensured in the selection process which takes place like in any other hiring. Only the person responsible for selection is aware of their link to the Foundation, enabling the selected candidate to start from zero and recover their dignity.

Dragados interviewed 12 people from this Foundation in 2009 and at 31 December 2009, 6 people selected through Integra were still with the company. A follow-up is carried out with the people hired, basically during the 6 to 12 months after hiring, to monitor their process of adaptation and either correct attitudes causing negative assessment of their work or congratulate them if everything is going well to encourage their efforts.

The year 2009 was very important for us as the Integra Foundation awarded ACS a special mention for having exceeded 150 recruitments. Clece's Human Resources Director, Purificación González, received the prize.

## 3) Collaboration with the School of Roadways, Canals and Ports at Santander

As in previous years, Dragados collaborated in the organisation of the trip for final year students of the University of Santander's School of Roadways, Canals and Ports.

This year the trip was to a hydraulic works site the company is carrying out in Navarre, the heightening of the Yesa dam. The trip took place in April 2009 and 21 students from the ICyP and 17 from the School of Civil Works Technical Engineers took part.

In the words of the students themselves:

*Several weeks after the visit we still remember it with special fondness: the type of work is without a doubt very attractive and the project for heightening the dam is undoubtedly interesting, without ignoring the controversy and great disputes. But there is something else; the enormous interest shown by all the people who received us during the visit, who responded attentively to all the inquiries posed by the students and who explained the work from the in-depth knowledge they have of it. For all these reasons, we wish to offer our most sincere thanks to everyone.*



## 7. Commitment to the Social Environment

To maximise the effectiveness of its philanthropic and corporate citizenship initiatives, the ACS Group attempts to transfer its technical knowledge to the area of philanthropic actions. So the Board of the ACS Foundation replicates the ACS Group Board of Directors. For example, the General Secretary and Board Member of the ACS Group is also the Secretary of the ACS Foundation.

The Foundation's aims include, inter alia, transferring the ACS Group's technical knowledge in areas such as the following to maximise the impact of the resources allocated:

- I. Accessibility.
- II. Environment .
- III. Cultural and educational promotion.
- IV. The spreading and renovating of Spain's historical heritage.
- V. Sponsorship of foundations and institutions.

In 2009 the Foundation diversified its activities relating to basic support programmes and expanded its relations with public and private institutions relating to these.

In this regard, the public-private strategic alliance entered into by the ACS Foundation and the Secretary of State for International Cooperation is noteworthy, as under this the ACS Foundation, backed by the Founder, will carry out activities for technical assistance and training relating to safety, occupational health and the environment. In this same framework, the first prize for Architectural and Urban Accessibility was put into effect for Latin American Local Councils, which went to two town councils in Ecuador and Colombia.

The programmes directly executed by the ACS Foundation were consolidated: elimination of physical and architectural barriers to physically handicapped

*The objective of the ACS Foundation is to integrate, coordinate and manage all the ACS Group's efforts relating to patronage of the arts and cultural, institutional, sporting or environmental sponsorship as well as the granting of awards and scholarships, promotion of training and research, charity and all similar activities at a domestic and international level.*



people; promotion, upkeep and spreading of Spain's historical heritage assets; environmental defence; cooperation for development; sponsorship of research activities and sponsorship of artistic and cultural activities. Additionally, the Foundation has continued its policy of backing universities and other foundations and institutions so they are able to fulfil their own aims on the basis of their relationship with the aims of the ACS Foundation.

	Number of projects	Number of beneficiaries/participants	Investment (thousand of euros)
Accessability	35	> 1,000,000 (*)	780
Environment	9	> 40,000	210
Cultural and Educational Promotion	40	> 850,000	800
Spreading and Renovating of Spain's Historical Heritage	5	> 175,000	200
Scientific and Technical Investigation	9	n.a.	400
Sponsorship of Foundations and Institutions	n.a.	75 institutions and/or foundations	1,355
<b>Total</b>	<b>98</b>	<b>&gt; 2,000,000</b>	<b>3,745</b>

(\*) The number of impacts cannot be quantified, but during the whole of 2009 (and up to 2012) ACS sponsored the Paralympic Sport Support plan for the Vancouver and London games (Spanish Paralympic Committee) which has been continually covered on the television, in the significant press (Marca, As, La Vanguardia, El País, La Razón. etc), digital newspapers, specialised magazines, etc.

Noteworthy in 2009 were activities which took place related to cooperation for carrying out and sponsoring research. The main activities in cooperation were the sponsorship of the Seminar on Health and Safety Conditions in Building Works, held in Montevideo (Uruguay) from 24 to 28 August 2009, in cooperation with the Spanish Agency for International Cooperation for Development (AECID). The seminar was mainly given by experts in Labour Risk Prevention belonging to Dragados, the ACS Group's main construction company. Students from the Mercosur countries attended. The Spanish Agency for International Cooperation for Development congratulated the ACS Foundation for the quality of the technical support provided by Dragados and the extremely high assessment level received by the company's instructors from the students.

Likewise, an assessment was made of the accessibility of the project carried out by the Spanish Agency for International Cooperation (AECI) for the new Spanish cultural centre to be built in Bogotá. The ACS Foundation made an assessment in this regard and reformulated the original project to make the Cultural Centre fully accessible, also taking into account that this project from Spain in Colombia needs to be exemplary as regards accessibility.

Finally, the sponsorship of the Carolina Foundation Scholarship Programme for the 2009/10 course, for high level studies in Spain for people from Latin America, was boosted. The ACS Foundation's contribution was applied by the Carolina Foundation to scholarships for master's programmes at important Spanish universities.

Noteworthy as regards the sponsorship of research are the activities of the Pasqual Maragall Private Foundation for research into Alzheimer's and related Neurodegenerative Diseases, sponsorship of the African Medical and Research Foundation (AMREF) Flying Doctors, for the carrying out of activities and projects aimed at cooperation in development on the African continent, particularly the promotion of sustainability by means of the creation of infrastructures for drinking water supply and drainage respectful of the environment and promotion of health through education on the subject at various schools in Uganda.

Furthermore, a collaboration agreement was fostered between Briviesca Town Council, the Aspanias Foundation and the ACS Foundation to carry out a research project to identify inhabitants with disabilities in the La Bureba administrative division and to analyse their situation and needs. Among the objectives of the project are the carrying out of a quantitative and qualitative analysis of the population with disabilities who live in or come from the La Bureba administrative area, to identify and analyse the needs of the population and their coverage by the services set up in the area and progress, as conclusions, to a proposal for future lines of intervention which will need to be taken on to cover the population's as yet unfulfilled needs.

Finally the collaboration with the Spanish Amyotrophic Lateral Sclerosis Association (ADELA) is worthy of note. The objective of this association is to fight in all its aspects against amyotrophic lateral sclerosis and other motor neurone diseases by carrying out research and providing support for all the problems derived from this disease and its consequences.

Furthermore, sponsorship agreements have been entered into for the fulfilment of the foundation's own purposes with the following Foundations and Institutions:

Spanish Association of Foundations  
Museo Nacional Centro de Arte Reina Sofía  
Amigos del Museo del Prado Foundation  
Casa Asia  
COTEC Foundation  
Príncipe de Asturias Foundation  
Príncipe de Girona Foundation  
Victims of Terrorism Foundation  
Hispania Nostra  
Foundation for Analysis and Social Studies  
Ideas for Progress Foundation  
Spanish Anti-Cancer Association  
Amigos en Marcha Foundation  
Association of Neurofibromatosis Sufferers  
Adapta2 Foundation  
Afim Foundation  
Betesda Foundation  
Charitable Construction Foundation  
Dales la Palabra Foundation  
Emalaikat Foundation  
Hospitalitat Mare de Deu de Lourdes Foundation  
G3 Private Foundation  
Spanish Red Cross


# 7. Commitment to the Social Environment

## Principles governing this report

For the ACS Group, the preparation of this Corporate Responsibility Report implies the formalisation of a policy focused on understanding the main dilemmas and challenges faced by the infrastructure development and energy sector and society as a whole.

This report was prepared following the G3 guidelines from the Global Reporting Initiative (GRI). In this manner, all issues of relevance to the Company's stakeholders were taken into account. The data and headings explained in this report apply to the Group's companies in accordance with that reported in terms of percentage of total sales. In those cases where the scope is other than 100%, this is clearly specified in the text and tables.

With respect to the levels of application defined by the GRI, the ACS Group has given this report an A+ rating. Accordingly, the principles and guidelines of the G3 Guide were applied and each chapter details both the organisation's profile and its management approach. Additionally, all performance indicators considered to be of principal importance are contained in this report.

		2002 In Accordance	C	C+	B	B+	A	A+
Mandatory	Selfdeclared							✓
Optional	Checked by third party							✓
Optional	Checked by GRI							

The ACS Group has applied the following GRI G3 principles for defining the contents and guaranteeing the quality of the information included in this report:





## Principle of materiality

The ACS Group carried out a materiality study based on the AA1000 Standard of Accountability, the purpose of which was to identify the items of most relevance to the stakeholders and the company itself. The following aspects were studied:

The maturity of issues, determined by the attention paid to them by the companies in the industry in which ACS operates.

The attention paid to the different aspects of corporate responsibility by industry associations considered to be of significance.

The relevance of corporate responsibility issues based on the attention paid to them by the media and social organisations.

## Context of sustainability

The objective of this report is to express the performance of the ACS Group in each of the three sustainability areas: economic, social and environmental. Throughout this report, information is supplied in relation to the context of each of these.

## Exhaustiveness

In the preparation process, the coverage and scope of this report was clearly defined, giving priority to information considered to be material and including all significant events that took place in 2009, without omitting information of relevance to the Group's stakeholders.

The coverage of the report was determined in parallel with its content. In the case that there were no changes in the chapters with respect to coverage, these have been indicated.

Additionally, the relevant issues, the indicators included herein and the matters covered by the 2009 Corporate Responsibility Report offer an overview of the significant impacts in the economic, social and environmental fields.

## Comparability

As far as possible, the information included in this report was organised in such a manner that the stakeholder may interpret the changes undergone by the ACS Group with respect to previous years.

## Balance

This report includes both positive and negative aspects, in order to present an unbiased image and to enable stakeholders to reasonably assess the Company's performance.

## Accuracy and clarity

This report contains numerous tables, graphs and diagrams, the purpose of which is to make the report easier to understand. The information included in the report is meant to be clear and accurate in order to be able to assess the performance of the ACS Group. Additionally, as far as possible, the use of technical terms whose meaning may be unknown to stakeholders has been avoided.

## Reporting frequency

The ACS Group has the commitment to report its corporate responsibility actions annually. This report relates to the Group's performance in 2009 in the economic, social and environmental fields.

## Reliability

The reliability of the information included in this 2009 Corporate Responsibility report was checked by KPMG, the firm responsible for its verification.

 *Further information on Accountability at*  
<http://www.accountability21.net/>

# 7. Commitment to the Social Environment

## Associations to which the ACS Group belongs

The ACS Group, through the employers' organizations to which it belongs, participates, supports and collaborates with the competent regulatory bodies in the definition and implementation of the most appropriate public policies related to infrastructure development and energy in the markets in which it operates.

### ACS Group

CEOE-CEIM

Circle of Entrepreneurs

Internal Auditors' Institute

COTEC Foundation for Technological Innovation

Association for the Progress of Management

### Construction

SEOPAN

National Construction Federation (CNC)

Association of Spanish Road, Tunnel, Bridge and Toll Road Concession Companies (ASETA)

Association of Infrastructure Maintenance and Operation Companies (ACEX)

Technical Association of Ports and Coasts (ATPYC)

Spanish Association of Workplace Prevention Services (AESPLA)

Madrid Foundation of Excellence

Spanish Standardisation and Certification Association (AENOR)

Spanish Tunnel and Underground Work Association (AETOS)

### Environment

Association of Public Cleaning Companies (ASELIP)

Association of Landscape and Environment Restorers (ASERPYMA)

Spanish Association of Gardening Companies (ASEJA)

Madrid Logistics Platform

USW Energy Recovery Business Association (AEVERSU)

Spanish Facility Management Association (SEFM)

### Industrial Services and Energy

Confemetal

Conseil International des Grands Réseaux Électriques (CIGRE)

Spanish Association of Assembly and Industrial Maintenance Companies (ADEMI)

Spanish Association for the Promotion of the Thermal Solar Energy Industry (PROTERMOSOLAR)

Solar Thermal Electricity Association (ESTELA)

Spanish Energy Club

Association of Metal Companies of Madrid (AECIM)

Association of Renewable Energy Promoters (APA)

Association of Wind Farm Developers and Producers (APPREAM)

Spanish Association of Desalination and Reuse (AEDYR)

A tall, modern building with a glass facade and a stone-clad side. The ACS logo is visible at the top. The building is partially obscured by a large, curved, light blue graphic element on the left side of the page.

ACS  
GRUPO ACS

## We would like to know your opinion

As you have been able to read from the previous pages of this report, at the ACS Group we understand corporate responsibility as a commitment which determines the Company's relationship with the environment and with each of its stakeholders. This Corporate Responsibility Report aims to include the main milestones and programmes carried out by the ACS Group aimed at improving relationships with its different stakeholders.

The ACS Group considers the assumption of corporate responsibility principles to be a continual improvement process, in which it is crucial to rely on the opinion of the different stakeholders. Hence, we would be grateful to receive any opinion you may have on this report at:

### ACS Group

Avda. Pío XII, 102

Madrid 28036

Phone: +34 91 343 92 00

Fax: +34 91 343 94 56

E-mail: [rsc@grupoacs.com](mailto:rsc@grupoacs.com)

 *For further information, see the webpage*  
[www.grupoacs.com](http://www.grupoacs.com)



**KPMG Asesores S.L.**  
Edificio Torre Europa  
Paseo de la Castellana, 95  
28046 Madrid

## **Independent Assurance Report to the Management of Actividades de Construcción y Servicios, S.A.**

(Free translation from the original in Spanish.)

In case of discrepancy, the Spanish language version prevails.)

We performed a limited assurance review on the non-financial information contained in Actividades de Construcción y Servicios, S.A., (hereinafter ACS) Corporate Responsibility Report for the year ended 31 December 2009 (hereinafter “the Report”). The information reviewed corresponds to the economic, environmental and social indicators referred to in the chapter entitled “Main performance indicators”.

ACS management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 3.0 (G3) of the Global Reporting Initiative as described in the section entitled “Principles governing this report”. The self-declared application level, which has been confirmed by Global Reporting Initiative, is detailed in the above-mentioned section. ACS management is also responsible for determining its objectives in respect of the selection and presentation of sustainable development performance; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and to issue an independent report based on the work performed, which refers exclusively to the information corresponding to the year 2009. Data corresponding to previous years have not been the object of review. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement and that we comply with the independence requirements included in the International Federation of Accountants Code of Ethics which outlines detailed requirements regarding integrity, objectivity, confidentiality and professional qualifications and conduct.

A limited assurance engagement on a sustainability report consists of making inquiries to Management, primarily to the persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate through the following procedures:

- Interviews with relevant ACS staff concerning the application of sustainability strategy and policies.
- Interviews with relevant ACS staff responsible for providing the information contained in the Report.
- Analysing the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of ACS.
- Verifying that the financial information reflected in the Report was taken from the annual accounts of ACS, which were audited by independent third parties.

KPMG Asesores, S.L., a limited liability Spanish company, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

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The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided. Also, this report should not be considered an audit report.

Our multidisciplinary team included specialists in social, environmental and economic business performance.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the data included in the Corporate Responsibility Report of Actividades de Construcción y Servicios, S.A. for the year ended 31 December 2009 have not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist, nor that the Report is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3) of the Global Reporting Initiative as described in the "Principles governing this report" section of the Report.

Under separate cover, we will provide ACS management with an internal report outlining our complete findings and areas for improvement.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez  
Partner

26 March 2010

# Main Performance Indicators

## Profile Disclosure

### Strategy and Analysis

### Cross-Reference

1.1	Statement from the most senior decision-maker of the organization.	AR. 4,5
1.2	Description of key impacts, risks, and opportunities.	CSRR. 6,7, 11

### Organizational Profile

### Cross-Reference

2.1	Name of the organization.	CSRR. Cover
2.2	Primary brands, products, and/or services.	AR. 33, 61 y 87
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	AR. 33, 61 y 87
2.4	Location of organization's headquarters.	CSRR. 85
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	AR. Jacket, 29, 59, 83
2.6	Nature of ownership and legal form.	IGC. Cover
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	AR. Jacket, 29, 59, 83
2.8	Scale of the reporting organization.	CSRR. 17
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	FER. 5
2.10	Awards received in the reporting period.	CSRR. 49

### Report Parameters

### Cross-Reference

3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	CSRR. Cover, 83
3.2	Date of most recent previous report (if any).	2008
3.3	Reporting cycle (annual, biennial, etc.)	CSRR. 83
3.4	Contact point for questions regarding the report or its contents.	CSRR. 85
3.5	Process for defining report content.	CSRR. 83
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	CSRR. 83
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	CSRR. 83

AR: Activity Report of ACS Group 2009.

FER: Financial and Economical Report of ACS Group 2009.

CSRR: Corporate Social Responsibility Report of ACS Group 2009.

CGR: Corporate Governance Report of ACS Group 2009.

## Cross-Reference

3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	For the data collection, the company has followed a financial control criteria, informing on the data relative to those companies financially controlled, accounting data by 100%.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	CSRR. 83
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	CSRR. 49, 57. Improvements in the accounting systems have been adopted, regarding the range of the data in the report. The company has used this new calculation base to express 2008 data. The changes adopted are included in the appropriate pages of the report.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	CSRR. 49, 57. Improvements in the accounting systems have been adopted, regarding the range of the data in the report. The company has used this new calculation base to express 2008 data. The changes adopted are included in the appropriate pages of the report.
3.12	Table identifying the location of the Standard Disclosures in the report.	CSRR. 88
3.13	Policy and current practice with regard to seeking external assurance for the report.	CSRR. 83, 86

## Governance, Commitments, and Engagement

## Cross-Reference

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	CGR. 10, 31
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	CGR. 10, 13, 22
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	IGC. 11, 12
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	IGC. 47
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	IGC. 17
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	IGC. 29
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	IGC. 31
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	CSRR. 4-8
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	CGR. 38-40, 43, 60

AR: Activity Report of ACS Group 2009.

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CSRR: Corporate Social Responsibility Report of ACS Group 2009.

CGR: Corporate Governance Report of ACS Group 2009.

# Main Performance Indicators

		Cross-Reference
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	CGR. 64
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	CGR. 42, 43
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	CSRR. 78
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	CSRR. 84
4.14	List of stakeholder groups engaged by the organization.	CSRR. 9
4.15	Basis for identification and selection of stakeholders with whom to engage.	CSRR. 9, 83
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	CSRR. 9
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	CSRR. 83, 8, 9

## Economic

		Cross-Reference
	Disclosure on Management Approach EC.	CSRR. 13, 25
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	FER. 6
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	CSRR. 7
EC3	Coverage of the organization's defined benefit plan obligations.	CSRR. 75
EC4	Significant financial assistance received from government.	FER. 10
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	The company has not developed specific tools to promote engagement with local providers. The company's approach to this policies will be defined in the long term.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	The company has not developed specific tools to promote local management hiring. The company's approach to this policies will be defined in the long term.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	CSRR. 80

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## Environmental

	Cross-Reference
Disclosure on Management Approach EN.	CSRR. 42, 44, 56, 58
EN1 Materials used by weight or volume.	CSRR. 43
EN2 Percentage of materials used that are recycled input materials.	CSRR. 47. Partial data is provided for Construction area. The decentralization of the activities and IT systems make difficult the data gathering relative to all the company. The company will develop, in the long term, IT systems prepared to obtain this information.
EN3 Direct energy consumption by primary energy source.	CSRR. 43, 46
EN4 Indirect energy consumption by primary source.	CSRR. 43
EN8 Total water withdrawal by source.	CSRR. 43
EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Current IT systems make difficult the data gathering relative to all the company. The company will develop, in the long term, IT systems prepared to obtain this information.
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	CSRR. 50
EN16 Total direct and indirect greenhouse gas emissions by weight.	CSRR. 43, 48, 56
EN17 Other relevant indirect greenhouse gas emissions by weight.	Current IT systems make difficult the data gathering relative to all the company. The company will develop, in the long term, IT systems prepared to obtain this information.
EN19 Emissions of ozone-depleting substances by weight.	Current IT systems make difficult the data gathering relative to all the company. The company will develop, in the long term, IT systems prepared to obtain this information.
EN20 NOx, SOx, and other significant air emissions by type and weight.	CSRR. 43
EN21 Total water discharge by quality and destination.	CSRR. 43
EN22 Total weight of waste by type and disposal method.	CSRR. 43, 58
EN23 Total number and volume of significant spills.	Data available for Construction and Environmental Services Activities. The data collecting systems have registered 1,398 non significant incidents and non conformities.
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	CSRR. 49, 57, 61. Example in CSRR. 50
EN27 Percentage of products sold and their packaging materials that are reclaimed by category.	No activity of the company markets any product nor packaging capable of being reclaimed.
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	28 sanctions totalling fines for 106,931 euros.

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# Main Performance Indicators

## Social

Labor Practices and Decent Work		Cross-Reference
	Disclosure on Management Approach LA.	CSRR. 63, 64, 68, 73
LA1	Total workforce by employment type, employment contract, and region.	CSRR. 65
LA2	Total number and rate of employee turnover by age group, gender, and region.	Current IT systems make difficult the data gathering relative to all the company. The company will develop, in the long term, IT systems prepared to obtain this information.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	CSRR. 75
LA4	Percentage of employees covered by collective bargaining agreements.	CSRR. 75
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	CSRR. 57
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	CSRR. 74
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	CSRR. 68
LA10	Average hours of training per year per employee by employee category.	CSRR. 68
LA12	Percentage of employees receiving regular performance and career development reviews.	CSRR. 71
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	CSRR. 65, 66
LA14	Ratio of basic salary of men to women by employee category.	Current IT systems make difficult the data gathering relative to all the company. The company will develop, in the long term, IT systems prepared to obtain this information.

Human Rights		Cross-Reference
	Disclosure on Management Approach HR.	CSRR. 4-6, 77, 78
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	CSRR. 78
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	CSRR. 78
HR4	Total number of incidents of discrimination and actions taken.	CSRR. 6
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	CSRR. 75
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	CSRR. 6
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	CSRR. 6

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Society		Cross-Reference
	Disclosure on Management Approach SO.	CSRR. 4-6, 61, 78, 80
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	CSRR. 78, 80
SO2	Percentage and total number of business units analyzed for risks related to corruption.	No activity-specific analysis on corruption has been performed by the company. This analysis is scheduled to be performed in the long term.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Current IT systems make difficult the data gathering relative to all the company. The company will develop, in the long term, IT systems prepared to obtain this information.
SO4	Actions taken in response to incidents of corruption.	CSRR. 6
SO5	Public policy positions and participation in public policy development and lobbying.	CSRR. 6
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Legal departments in the company have not registered any significative sanction derived from any law default, apart from those expressed in indicators PR) and EN28.

Product Responsibility		Cross-Reference
	Disclosure on Management Approach PR.	CSRR. 13, 14
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	CSRR. 31
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	CSRR. 14, 15
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	This indicator is not applicable to the company as ACS does not perform any marketing, promotion or sponsorship communication.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	The legal departments of the company have not registered any significative sanction related to the provision or usage of their products and services.

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Cover photo: La Breña II dam in Almódovar del Río (Córdoba, Spain).



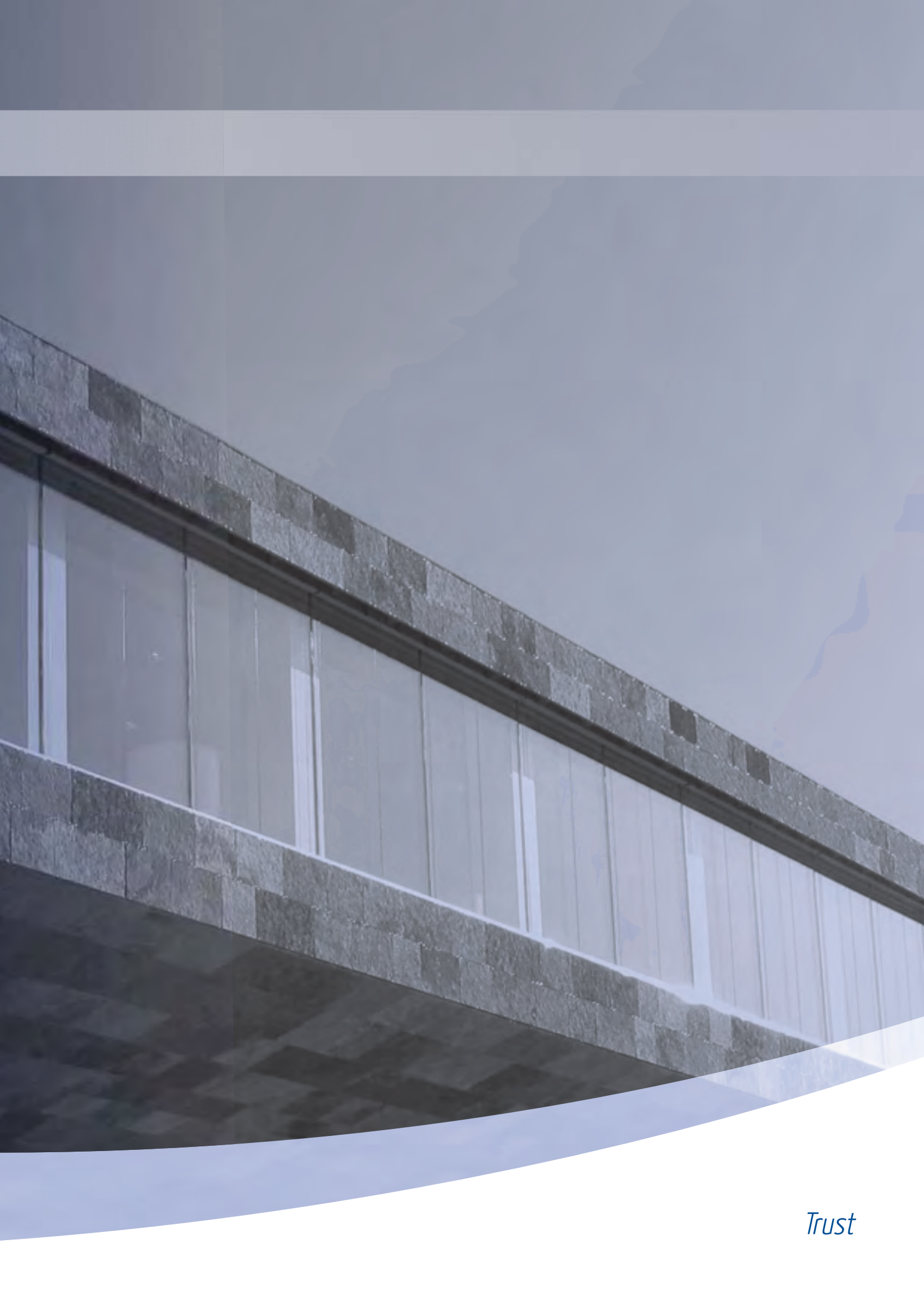
# Corporate Governance Report of ACS Group 2009



# Corporate Governance Report of ACS Group

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The Annual Corporate Governance Report, forms part of the Consolidated Directors' Report, in accordance with Article 202.5 of the Spanish Corporations Law. The aforementioned Directors' Report is included in the ACS Group's Economic and Financial Report for 2009.



*Trust*

# A. Ownership Structure

A.1 Complete the following table on the company's share capital:

Date of last amendment	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 with different rights associated thereto:

Yes	No
	X

Class	Number of shares	Par value	Unitary number of voting rights	Different rights
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A.2 Detail the direct or indirect holders of significant shareholdings of the company at the close of the financial year, excluding the Board Members:

Name or corporate name of the shareholder	Number of voting rights	Number of indirect voting rights (*)	% of total voting rights
Corporación Financiera Alba, S.A.	2,096,304	71,790,975	23.481
Inversiones Vesán, S.A.	38,815,575	0	12.336
Mr. Alberto Alcocer Torra	0	21,799,070	6.928
Mr. Alberto Cortina Alcocer	0	21,799,071	6.928
Sayglo Holding, S.L.	0	17,741,012	5.638
Southeastern Asset Management, Inc	0	17,166,306	5.455

Name or corporate name of the indirect shareholder	Held through: Name or corporate name of the direct shareholder	Number of voting rights	% of total voting rights
Corporación Financiera Alba, S.A.	Alba Participaciones, S.A.	71,790,975	22.815
Corporación Financiera Alba, S.A.	Corporación Financiera Alba, S.A.	2,096,304	0.666
Mr. Alberto Alcocer Torra	Catser, S.L.	506,500	0.161
Mr. Alberto Alcocer Torra	Comercio y Finanzas, S.A.	515,907	0.164
Mr. Alberto Alcocer Torra	Corporación Financiera Alcor, S.A.	466,440	0.148
Mr. Alberto Alcocer Torra	Imvernelin Patrimonio, S.L.	19,794,316	6.291
Mr. Alberto Alcocer Torra	Percacer, S.A.	515,907	0.164
Mr. Alberto Cortina Alcocer	Catser, S.L.	506,500	0.161
Mr. Alberto Cortina Alcocer	Comercio y Finanzas, S.A.	515,907	0.164
Mr. Alberto Cortina Alcocer	Corporación Financiera Alcor, S.A.	466,440	0.148
Mr. Alberto Cortina Alcocer	Imvernelin Patrimonio, S.L.	19,794,317	6.291
Mr. Alberto Cortina Alcocer	Percacer, S.A.	515,907	0.164
Sayglo Holding, S.L.	Gloya Trust, B.V.	97,355	0.031
Sayglo Holding, S.L.	Iberostar Hoteles y Apartamentos, S.L.	17,643,657	5.607

Indicate the most significant changes in the shareholding structure occurring during the financial year:

Name or corporate name of the shareholder	Transaction date	Description of the transaction
---	------------------	--------------------------------

A.3. Complete the following table on the members of the Board of Directors of the Company that hold rights over shares in the company:

Name or corporate name of the Board Member	Number of option rights held directly	Number of option rights held indirectly (*)	% of total voting rights
Mr. Florentino Pérez Rodríguez	0	38,815,575	12.336
Mr. Antonio García Ferrer	100,000	0	0.032
Mr. Pablo Vallbona Vadell	56,560	0	0.018
Mr. Agustín Batuecas Torrego	941,088	1,482,853	0.770
Mr. Francisco Servando Verdú Pons	1,000	0	0.000
Mr. Javier Echenique Landiribar	24,432	0	0.008
Mr. Javier Monzón de Cáceres	4,200	0	0.001
Mr. Joan David Grimà Terré	0	0	0.000
Mr. José Álvaro Cuervo García	0	42,000	0.013
Mr. José María Aguirre González	421,500	0	0.134
Mr. José María Loizaga Viguri	128,313	100,000	0.073
Mr. Juan March de la Lastra	37,750	0	0.012
Mr. Julio Sacristán Fidalgo	1,356	0	0.000
Mr. Manuel Delgado Solís	0	0	0.000
Mr. Miquel Roca i Junyent	12	0	0.000
Mr. Pedro José López Jiménez	0	1,500,000	0.477
Ms. Sabina Fluxá Thienemann	0	17,741,012	5.638
Mr. Santos Martínez-Conde Gutiérrez- Barquín	8,208	0	0.003
Mr. José Luis del Valle Pérez	121,000	0	0.038

Name or corporate name of the indirect shareholder	Held through: Name or corporate name of the direct shareholder	Number of voting rights held directly	% of total voting rights
Mr. Florentino Pérez Rodríguez	Inversiones Vesan, S.A.	38,815,575	12.336
Ms. Sabina Fluxá Thienemann	Iberostar Hoteles y Apartamentos, S.L.	17,643,657	5.607
Mr. Agustín Batuecas Torrego	Inversiones Batuecas Torrego S.L.	1,382,853	0.439
Mr. Pedro José López Jiménez	Fidwei Inversiones, S.L.	920,000	0.292
Mr. Pedro José López Jiménez	Lynx Capital, S.A.	580,000	0.184
Mr. Agustín Batuecas Torrego	Inversiones Ceda SL	100,000	0.032
Mr. José María Loizaga Viguri	Inversiones Europeas, S.L.	100,000	0.032
Ms. Sabina Fluxá Thienemann	Gloysa Trust, B.V.	97,355	0.031
Mr. José Álvaro Cuervo García	Sociedad de Estudios y Estrategia Empresarial, S.A.	42,000	0.013

<b>Total % of voting rights in power of the Board of Directors</b>	<b>19.553</b>
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## A. Ownership Structure

Complete the following table on the members of the Board of Directors of the company that hold rights over shares in the Company:

Name or corporate name of the Board Member	Number of option rights held directly	Number of option rights held indirectly	Equivalent number of shares	% of total voting rights
Mr. Florentino Pérez Rodríguez	3,110,000	1	3,110,000	0.988
Mr. Antonio García Ferrer	150,000	1	150,000	0.048
Mr. Agustín Batuecas Torrego	70,000	1	70,000	0.022
Mr. José Luis del Valle Pérez	650,000	1	650,000	0.207

A.4 Indicate, if applicable, any relationships of a family, commercial, contractual or corporate nature existing between holders of significant shareholdings, to the extent that they are known by the company, excluding those of little significance or deriving from the ordinary course of business or trade:

Name or corporate name related	Type of relationship	Brief description
--------------------------------	----------------------	-------------------

A.5 Indicate the relationships of a commercial, contractual or corporate nature existing between holders of significant shareholdings and the Company, unless they are of little significance or derive from the ordinary course of business or trade:

Name or corporate name related	Type of relationship	Brief description
Inversiones Vesán, S.A.	Contractual	Rosan Inversiones, S.L., with tax identification code (spanish C.I.F.) B-78962099, company wholly owned by Mr. Florentino Pérez Rodríguez, formalised agreement for execution of works with the company Dragados, S.A. on 27-04-05, for the construction of a building in Madrid in 2009 amounted to 1,764,717.61

A.6 Indicate whether any shareholders' agreements affecting the company have been executed between shareholders pursuant to Article 112 of the Stock Exchange Law. If so, briefly describe the agreements and list the shareholders who entered into the agreement:

	Yes	No
		X

Indicate whether the company is aware of any concerted actions between its shareholders. If so, briefly describe them:

Yes	No
	X

If there has been any modification or termination of said pacts or agreements or concerted actions during the financial year, indicate them expressly.

A.7 Indicate if there is any individual or legal entity that exercises or could exercise control over the company under the terms of Article 4 of the Stock Exchange Law. If so, identify them:

Yes	No
	X

A.8 Complete the following tables on the company's treasury shares:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
0	9,835,633	3.126

(\*) Held through

Name or corporate name of the direct shareholder	Number of direct shares
PR PISA, S.A.U.	9,835,633
<b>Total</b>	<b>9,835,633</b>

## A. Ownership Structure

In accordance with the provisions set forth in Royal Decree 1362/2007, detail any significant changes during the financial year:

Notification Date	Total number of direct shares acquired	Total number of indirect shares acquired	Total % of share capital
04/03/2009	3,870,672	0	1.230
12/05/2009	3,525,069	418,663	1.253
27/05/2009	792,942	3,499,039	1.364
13/10/2009	0	3,237,699	1.029
30/12/2009	0	3,239,693	1.030
<b>Gain / (Loss) on treasury shares disposed of in the year (in thousands of euros)</b>			<b>14,241</b>

A.9 Detail the conditions and term of mandate of the General Shareholders' Meeting to the Board of Directors for engaging in acquisitions or transfers of treasury shares.

The following resolution was adopted at the Ordinary General Shareholders' Meeting held on 25 May 2009:

Render the previous authorisation granted by means of a resolution adopted by the General Shareholders' Meeting held on May 26, 2008 null and void, and under the conditions and requirements set forth in Article 75 of the Spanish Corporations Law, authorise both the Company's Board of Directors as well as those of subsidiary companies to acquire shares in the Company for valuable consideration, the par value of which does not exceed 5% of the issued share capital. Such authorisation shall be granted for a period of 18 months from the date of the aforementioned meeting. The minimum and maximum price shall be, respectively, the par value of the shares and a price not exceeding the price at which they are traded at the stock market on the date of the purchase, or the price authorised by the competent body of the Stock Exchange or by the Spanish Stock Market Commission.

A.10 Indicate the legal and statutory restrictions on the exercise of voting rights, as well as the statutory restrictions on the acquisition or sale of holdings in the share capital. Indicate whether there are legal restrictions on the exercise of voting rights:

	Yes	No
		X
<b>Maximum percentage of voting rights that may be exercised by a shareholder under this legal restriction</b>		<b>0</b>



Indicate whether there are statutory restrictions on the exercise of voting rights:

	Yes	No
		X
Maximum percentage of voting rights that may be exercised by a shareholder under this statutory restriction		0

Indicate whether there are any legal restrictions on the acquisition or sale of holdings in the share capital:

	Yes	No
		X

A.11 Indicate whether or not the General Shareholders' Meeting has resolved to adopt anti-takeover measures in accordance with the provisions of Law 6/2007.

	Yes	No
		X

If so, explain the measures adopted and the terms in which the restrictions will be deemed to be inefficient:

# B. Structure of the Company Administration

## B.1 Board of Directors

B.1.1 Outline the maximum and minimum number of Board Members provided for in the Company By-laws:

Maximum number of Board Members	21
Minimum number of Board Members	11

B.1.2 Complete the following table with the Board Members:

Name or corporate name of the Board Member	Representative	Position	Date first appointment	Date last appointment	Election Procedure
Mr. Florentino Pérez Rodríguez	-	Chairman and CEO	28/06/1989	03/12/2008	General Meeting
Mr. Antonio García Ferrer	-	Executive Vice Chairman	14/10/2003	03/12/2008	General Meeting
Mr. Pablo Vallbona Vadell	-	Vice Chairman	05/09/1997	03/12/2008	General Meeting
Mr. Agustín Batuecas Torrego	-	Board Member	29/06/1999	03/12/2008	General Meeting
Mr. Francisco Servando Verdú Pons	-	Board Member	19/05/2006	19/05/2006	General Meeting
Mr. Javier Echenique Landiribar	-	Board Member	20/05/2004	25/05/2009	General Meeting
Mr. Javier Monzón De Cáceres	-	Board Member	20/05/2004	25/05/2009	General Meeting
Mr. José Álvaro Cuervo García	-	Board Member	05/09/1997	03/12/2008	General Meeting
Mr. José María Aguirre González	-	Board Member	29/06/1995	19/05/2006	General Meeting
Mr. José María Loizaga Viguri	-	Board Member	28/06/1989	03/12/2008	General Meeting
Mr. Juan David Grimà Terré	-	Board Member	14/10/2003	03/12/2008	General Meeting
Mr. Juan March de la Lastra	-	Board Member	30/07/2008	03/12/2008	General Meeting
Mr. Julio Sacristán Fidalgo	-	Board Member	24/06/1998	03/12/2008	General Meeting
Mr. Manuel Delgado Solís	-	Board Member	20/05/2004	25/05/2009	General Meeting
Mr. Miquel Roca i Junyent	-	Board Member	14/10/2003	03/12/2008	General Meeting
Mr. Pedro José López Jiménez	-	Board Member	28/06/1989	03/12/2008	General Meeting
Ms. Sabina Fluxá Thienemann	-	Board Member	25/05/2009	25/05/2009	General Meeting
Mr. Santos Martínez-Conde Gutiérrez-Barquín	-	Board Member	19/06/2002	03/12/2008	General Meeting
Mr. José Luis del Valle Pérez	-	Secretary General Board Member	28/06/1989	03/12/2008	General Meeting
<b>Total number of Board Members</b>					<b>19</b>

Indicate the resignations from the Board of Directors that occurred during the period:

Name or corporate name of the Board Member	Position	Date of resignation
Mr. Miguel Fluxá Roselló	Proprietary	25/05/2009

B.1.3 Complete the following tables on the Board Members and their positions:

### Executive Board Members

Name or corporate name of the Board member	Committee which proposed the appointment	Position in the Company's organisational chart
Mr. Florentino Pérez Rodríguez	Appointment and Remuneration Committee	Chairman and Ceo
Mr. Antonio García Ferrer	Appointment and Remuneration Committee	Executive Vice Chairman
Mr. Agustín Batuecas Torrego	Appointment and Remuneration Committee	Board Member
Mr. José Luis del Valle Pérez	Appointment and Remuneration Committee	Board Member Secretary
<b>Total number of Executive Board Members</b>		<b>4</b>
<b>Total % of the Board</b>		<b>21.053</b>

### Proprietary & External Board Members

Name or corporate name of the Board Member	Committee which proposed the appointment	Name or corporate name of significant shareholder represented or that proposed his appointment
Mr. Pablo Vallbona Vadell	Appointment and Remuneration Committee	Corporación Financiera Alba, S.A.
Mr. Francisco Servando Verdú Pons	Appointment and Remuneration Committee	Corporación Financiera Alba, S.A.
Mr. Javier Echenique Landiribar	Appointment and Remuneration Committee	Corporación Financiera Alcor, S.A.
Mr. Javier Monzón de Cáceres	Appointment and Remuneration Committee	Corporación Financiera Alcor, S.A.
Mr. Juan March de la Lastra	Appointment and Remuneration Committee	Corporación Financiera Alba, S.A.
Mr. Julio Sacristán Fidalgo	Appointment and Remuneration Committee	Inversiones Vesán, S.A.
Mr. Manuel Delgado Solís	Appointment and Remuneration Committee	Corporación Financiera Alcor, S.A.
Ms. Sabina Fluxá Thienemann	Appointment and Remuneration Committee	Sayglo Holding S.L.
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Appointment and Remuneration Committee	Corporación Financiera Alba, S.A.
<b>Total number of proprietary Board Members</b>		<b>9</b>
<b>Total % of Board</b>		<b>47.368</b>

### Independent External Board Members

Name or corporate name of the Board Member	Profile	
Mr. José Álvaro Cuervo García	Born in 1942 in Carreño (Asturias). Professor of Economy at the Universidad Complutense de Madrid. Director of the Centro Universitario de Estudios Financieros (CUNEF - University Centre of Financial Studies). Rey Jaime 1 Economy Award (1992), Economy Award of Castilla León "Infanta Cristina" (1999) and Doctor Honoris Causa by the Universities of Oviedo, León, Castilla La Mancha, Las Palmas de Gran Canaria and Salamanca. He has worked as a professor at the Universities of Valladolid, Oviedo and CIDE (México), and was a visiting professor at Salomon Centre (Stern School of Business) in the University of New York and at the Institute of Management, Innovation and Organisation of the University of California, Berkeley. Vice-Dean of the Schools of Economic and Business Sciences of the Universities Complutense de Madrid and Oviedo 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 Firms. He is currently a member of the Board of Directors of Bolsas y Mercados Españoles (BME - Spanish Stock Exchanges and Markets), SONAE Industria and SONAE SGPS, S.A. (Portugal) and a member of the Advisory Council of Privatisation of the Spanish Government.	
Mr. José María Aguirre González	Born in 1934 in Madrid. PhD in Civil Engineering. From 1958 to 1988 executive at Agromán Empresa Constructora where he was Chairman and General Manager. From 1988 to 2009 he was the Chairman of Banco Guipuzcoano, where he is now an honorary Chairman. He is currently the Vice-Chairman of CEOE, the Chairman of APD, Asociación para el Progreso de la Dirección (Association for the Progress of Management) and CEIT de Investigaciones Técnicas. Chairman of Praga de Hipotecas y Créditos, of Cobra and of Calvo y Munar. He was the Chairman of Siemens in Spain and of Acerinox.	
Mr. José María Loizaga Viguri	Born in Bilbao (1936). He initiated 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 (BHA Group) and in 1982 he was appointed Vice-Chairman and CEO of Banco Unión which merged with Banco Urquijo where he held a position until 1985. On the latter date, he founded Mercapital, S.A. and was Chairman of this Group until 2008. He has held positions including, inter alia, Chairman of Bodegas Barón de Ley, Board Member of Banque Privée Edmond de Rothschild, Suez International, Otis International, Amorim Investment, Lácteas G Baquero, and Unión Fenosa, etc. He is currently Chairman of Cartera Industrial Rea, Bodegas Lan and Vice-Chairman of Zardoya Otis, as well as a Board Member of Otis Elevadores Portugal, Mecalux, etc. He is Commandeur de l'Ordre de Léopold II.	
Mr. Juan David Grimà Terré	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 Vice-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.	
Mr. Miquel Roca i Junyent	Born in 1940 en 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. Chairman of Fundación Abertis. Partner-Chairman of Despacho Roca Junyent.	
<b>Total number of independent Board Members</b>		<b>5</b>
<b>Total % of the Board</b>		<b>26.316</b>

## B. Structure of the Company Administration

### Other External Board Members

Name or corporate name of the Board Member	Committee which proposed the appointment
Mr. Pedro José López Jiménez	Appointment and Remuneration Committee
<b>Total number of other external Board Members</b>	
	<b>1</b>
<b>Total % of the Board</b>	
	<b>5.263</b>

Indicate the reasons why they cannot be considered proprietary or independent and their relations, either to the Company, its management or its shareholders.

Name or corporate name of the Board Member	Company, executive or shareholder with whom there is a relation	Reasons
Mr. Pedro José López Jiménez		Mr. Pedro López Jiménez currently has an indirect ownership in the Company of 0.477%. 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 an external Board Member by the Extraordinary General Shareholders' Meeting held on 3 December 2008.

Indicate any changes in the type of each Board Member during the period:

B.1.4 If applicable, explain the reasons for appointing a proprietary director at the request of shareholders who have a holding of less than 5% of the share capital.

Name or corporate name of the shareholder	Grounds

Indicate whether any formal requests by a shareholder to have a Board Member appointed were denied although the shareholder holds the same or a higher number of shares than another shareholder at whose request proprietary Board Members were appointed. In this case, explain the grounds for denying this request.

	Yes	No
		X

B.1.5 Indicate whether any Board Member resigned from office before the end of his term, whether he gave reasons to the Board for doing so, and by what means, and in the case that these reasons were not given to the whole of the Board in writing, provide an explanation of at least the reasons he gave for resigning:

	Yes	No
	X	

Name	Reason for resigning
Mr. Miguel Fluxá Roselló	He resigned in writing for professional reasons at the General Shareholders' Meeting held on 26 May 2009

B.1.6 If applicable, indicate any powers delegated to the Board Members or Chief Executive Officers:

Name or corporate name of the Board Member	Brief description
Mr. Florentino Pérez Rodríguez	All powers corresponding to the board except those that cannot be transferred.

B.1.7 If applicable, identify the members of the Board that hold the positions of director or other executive positions at companies in the same Group as the listed Company:

Name or corporate name of the Board Member	Corporate name of the Group Entity	Position
Mr. Antonio García Ferrer	ACS Servicios y Concesiones, S.L.	Board Member
	ACS Servicios. Comunicaciones y Energía, S.L.	Board Member
	Dragados, S.A.	Board Member
Mr. Agustín Batuecas Torrego	Construirail, S.A.	Board Member
	Continental Rail, S.A.	Individual Representative
	Dragados Servicios Portuarios y Logísticos, S.L.	Vice Chairman
	Intercambiador De Transportes Plaza de Castilla, S.A.	Individual Representative
Mr. Javier Echenique Landiribar	Intercambiador de Transportes Príncipe Pío, S.A.	Individual Representative
	ACS Servicios. Comunicaciones y Energía, S.L.	Board Member
Mr. Javier Monzón de Cáceres	ACS Servicios y Concesiones, S.L.	Board Member
Mr. José María Aguirre González	ACS Servicios. Comunicaciones y Energía, S.L.	Vice Chairman
	Cobra Gestión de Infraestructuras, S.L.	Chairman
Mr. Manuel Delgado Solís	Dragados, S.A.	Board Member
Mr. Pedro José López Jiménez	ACS Servicios y Concesiones, S.L.	Board Member
	Dragados, S.A.	Vice Chairman
Mr. José Luis del Vall e Pérez	ACS Servicios y Concesiones, S.L.	Board Member - Secretary
	ACS Servicios. Comunicaciones y Energía, S.L.	Board Member - Secretary
	Clece, S.A.	Board Member
	Cobra Gestión de Infraestructuras, S.L.	Board Member - Secretary
	Dragados Servicios Portuarios y Logísticos, S.L.	Board Member
	Dragados, S.A.	Board Member - Secretary
	Iberpistas, S.A.C.E.	Board Member - Secretary
	Iridium Concesiones de Infraestructuras, S.A.	Board Member
	Saba Aparcamientos, S.A.	Board Member
	Sociedad Española de Montajes Industriales, S.A.	Board Member - Secretary
Urbaser, S.A.	Board Member	

## B. Structure of the Company Administration

B.1.8 List, if applicable, the Board Members of the Company who are members of the Board of Directors of other companies that are listed on official stock exchanges in Spain and which do not form part of the Company's Group and of which the Company is aware:

Name or corporate name of the Board Member	Listed Company	Position
Mr. Florentino Pérez Rodríguez	Abertis Infraestructuras, S.A.	Vice Chairman
Mr. Antonio García Ferrer	Abertis Infraestructuras, S.A.	Board Member
Mr. Pablo Vallbona Vadell	Abertis Infraestructuras, S.A. Corporación Financiera Alba, S.A.	Vice Chairman Vice Chairman
Mr. Francisco Servando Verdú Pons	Corporación Financiera Alba, S.A.	Board Member
Mr. Javier Echenique Landiribar	Abertis Infraestructuras, S.A. Grupo Empresarial Ence, S.A. Repsol YPF, S.A. Banco Guipuzcoano, S.A.	Board Member Board Member Board Member 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	Mecalux, S.A. Cartera Industrial Rea, S.A. Zardoya Otis, S.A.	Board Member Presidente Vice Chairman
Mr. Juan March de la Lastra	Indra Sistemas, S.A. Corporación Financiera Alba, S.A.	Board Member Board Member
Mr. Miquel Roca i Junyent	Endesa, S.A.	Board Member
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Acerinox, S.A. Corporación Financiera Alba, S.A.	Board Member CEO

B.1.9 Indicate, and if applicable, explain whether the Company has set rules regarding the number of Boards on which its Board Members may also be a member:

	Yes	No
	X	

### Explanation of the rules

Article 14 of the Rules of the Board of Directors provides that Board Members cannot, 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 behalf of same. Additionally as currently worded, it 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 number 8 of the Unified Code, mark the Company's general policies and strategies which shall be approved by the Board in full:

	Yes	No
Investment and financing policy	X	
Definition of the structure of the corporate Group	X	
Corporate governance policy	X	
Corporate social responsibility policy	X	
Strategic or business plan, as well as the annual management and budget objectives	X	
Senior executive management evaluation and remuneration policies	X	
Risk control and management policy, and the periodic monitoring of internal information and control systems	X	
Policy on dividends and on treasury shares, and the limits to be applied	X	

B.1.11 Complete the following tables showing the total remuneration of the Board Members accrued during the financial year:

a) In the Company covered under the present report:

Nature of remuneration	Figures in thousand euros
Fixed remuneration	3,090
Variable remuneration	3,596
Expenses	0
Attendance Fees	2,410
Stock options and/or other financial instruments	587
Other	98
<b>Total</b>	<b>9,781</b>

Other benefits	Figures in thousand euros
Advances	0
Loans	0
Pension funds and plans: contributions	2,025
Pension funds and plans: obligations assumed	2,025
Life insurance premiums	16
Guarantees arranged by the Company in favour of Board Members	0

b) Received by Board Members of the Company for belonging to other Boards of Directors and/or senior management of companies of the Group:

Nature of remuneration	Figures in thousand euros
Fixed remuneration	445
Variable remuneration	0
Expenses	0
Attendance Fees	3,487
Stock options and/or other financial instruments	0
Other	60
<b>Total</b>	<b>3,992</b>

Other benefits	Figures in thousand euros
Advances	0
Loans	0
Pension funds and plans: contributions	0
Pension funds and plans: obligations assumed	0
Life insurance premiums	0
Guarantees arranged by the Company in favour of Board Members	0

c) Total compensation per type of Board Members:

Classes of Board Members	By company	By group
Executive Board Members	7,976	868
Proprietary & External Board Members	1,048	673
Independent External Board Members	632	73
Other External Board Members	125	2,378
<b>Total</b>	<b>9,781</b>	<b>3,992</b>

d) In relation to profit attributed to the parent

<b>Total Board Members remuneration (thousands of euros)</b>	<b>13,773</b>
<b>Total Board Members remuneration/profit due to parent Company (as %)</b>	<b>0.7</b>

## B. Structure of the Company Administration

B.1.12 Identify the members of senior management that are not, in turn, Executive Board Members, and indicate the total remuneration accrued in their favour during the financial year:

Name or corporate name	Position
Mr. Juan Luis García-Gelabert Pérez	Director of Building of Dragados, S.A.
Mr. Octavio Del Real Sánchez	Assistant General Manager of Dragados, S.A.
Mr. José Zornoza Soto	Finance Manager of ACS Actividades de Construcción y Servicios, S.A.
Mr. Fernando García Arribas	General Manager of Drace Medioambiente, S.A.
Mr. Gonzalo Gómez-Zamalloa Baraibar	CEO of Vías y Construcciones, S.A.
Mr. Antonio Alfonso Sánchez	Assistant to the Chairman of ACS Servicios y Concesiones, S.L.
Mr. Víctor Revuelta García	General Manager of Iridium, Concesiones de Infraestructuras, S.A.
Mr. Manuel Pérez Beato	Chairman of Vías y Construcciones, S.A.
Mr. José Javier Román Hernando	General Manager of Clece, S.A.
Mr. José Luis López Molinillo	General Manager of ACS Actividades de Construcción y Servicios, S.A.
Mr. Eugenio Llorente Gómez	Chairman and CEO of ACS Servicios Comunicaciones y Energía, S.L.
Mr. Pablo García Arenal	General Plant Manager of Cobra Instalaciones y Servicios, S.A.
Mr. José Ignacio Legorburo Escobar	Director of Building of Vías y Construcciones, S.A.
Mr. José María Aguirre Fernández	Manager of Tecsa, Empresa Constructora, S.A.
Mr. Ricardo Martín De Bustamante Vega	Director of Civil Works of Dragados, S.A.
Mr. Maximiliano Navascués Redondo	Director of Contracts of Dragados, S.A.
Mr. Manuel Álvarez Muñoz	Director of Production of Vías y Construcciones, S.A.
Mr. Marcelino Fernández Verdes	Chairman and CEO of Dragados, S.A. and CEO of Const., Medioamb. y Conc.
Mr. Manuel García Buey	Chairman and CEO of Iridium, Concesiones de Infraestructuras, S.A.
Mr. José Ontañón Carrera	General Manager of Waste Treatment of Urbaser, S.A.
Mr. Javier Polanco Gómez-Lavín	Chairman and CEO of Urbaser, S.A. and Chairman of Dragados SPL, S.L.
Mr. José Reis Costa	Chairman of CME
Mr. Ángel Manuel García Altozano	Corporate General Manager of ACS Actividades de Construcción y Servicios, S.A.
Mr. José Romero De Ávila González-Albo	Secretary General of ACS Servicios Comunicaciones y Energía, S. L.
Mr. Daniel Vega Baladrón	CEO of Sociedad Española de Montajes Industriales, S.A. (SEMI)
Mr. Vicente Prados Tejada	General Manager of Control y Montajes Industriales, S.A.
Mr. Manuel Andrés Martínez	General Manager of Urban Waste of Urbaser, S.A.
Mr. Javier San Millán Pérezzagua	General Manager of Clece, S.A.
Mr. José Alfonso Nebrera García	General Manager of ACS Servicios Comunicaciones y Energía, S. L.
Mr. Cristóbal Valderas Alvarado	Chairman and CEO of Clece, S.A.
Mr. Juan Enrique Ruiz González	CEO of Sice Tecnologías y Sistemas
Ms. Cristina Aldamiz-Echevarría González de Durana	Director of Investments and Management Control of ACS Actividades de Construcción y Servicios, S.A.
Mr. Alfonso Costa Cuadrench	Director of Technical Services of Dragados, S.A.
Mr. José María López Piñol	General Manager of Urbaser, S.A.
Mr. Pedro Ascorbe Trian	General Manager of Dragados Offshore, S.A.
Mr. Alejandro Canga Bottegheiz	CEO of Geocisa y Soluciones de Edificación Integrales y Sostenibles, S.A.
Mr. Carlos Gerez Pascual	Director of Machinery of Dragados, S.A.
Mr. Luis Nogueira Miguelsanz	Secretary General of Dragados, S.A.
Mr. Francisco Fernández Lafuente	General Manager of Iridium, Concesiones de Infraestructuras, S.A.
Mr. Juan Mata Arbide	General manager of Flota Proyectos Singulares, S.A.
Mr. Epifanio Lozano Pueyo	Administration Manager of ACS Servicios Comunicaciones y Energía, S. L.
Mr. Víctor Luis Alberola Ruiperez	CEO of Dragados Servicios Portuarios y Logísticos, S.L.
Mr. Eloy Domínguez-Adame Bozzano	International Director of Dragados, S.A.
Mr. Andrés Sanz Carro	Secretary General of Sociedad Española de Montajes Industriales, S.A. (SEMI)
Mr. Ignacio Segura Suriñach	General Manager of Dragados, S.A.
Mr. Enrique Pérez Rodríguez	General Manager of the Real Estate area
Mr. Pablo Quirós Gracian	General Manager of Soluciones de Edificación Integrales y Sostenibles, S.A.
Mr. José María Castillo Lacabex	CEO of Imesapi, S.A.
Mr. Raúl Llamazares de la Puerta	CEO of Initec, Intecsa and Makiber
Mr. José Antonio Fernández García	General Manager of Electronic Traffic, S.A.

Total Management body remuneration (thousand euros)

26,206



B.1.13 Indicate on an aggregate basis if there are guarantee or protection clauses, in the case of dismissal or changes of control in favour of members of senior management, including the Executive Board Members, of the Company or its Group. Indicate if these contracts have to be notified and/or approved by the bodies of the Company or its Group:

Number of beneficiaries		
		9
	Board of Directors	General Meeting
Body authorising the clauses	X	
	Yes	No
Is the General Meeting informed about the clauses?		X

B.1.14 Indicate the process for establishing the remuneration of the members of the Board of Directors and the statutory clauses relevant in this respect.

Process for establishing the remuneration of the members of the Board of Directors and statutory clauses relevant in this respect	
<p>The remuneration of the different Board Members for statutory dues was proposed by the Board at the proposal of the Remuneration Committee. Every year, the global amount is submitted for approval by the Company's General Shareholders' Meeting within the agreement regarding the allocation of profits.</p> <ul style="list-style-type: none"> <li>This matter is ruled in the last three paragraphs of Article 34 of the Company By-laws which establish the following: in addition to the allowances and expenses agreed by the General Meeting, for statutory participation, the Board of Directors shall also be entitled to remuneration that does not exceed ten percent of the distributable net profit. This can only be allocated once the legal reserves and, if applicable, the statutory reserves have been made and the shareholders have been paid a dividend of at least four percent of the paid-up capital for each share.</li> <li>Express authorisation is hereby given to allow remuneration to all or any of the members of the Board of Directors, as well as executive staff of the Company and the companies that belong to the same Group, which consists in the surrender of Company shares or of stock option rights or through a reference to the value of said shares, in the manner, terms and conditions set by the General Shareholders' Meeting through the opportune agreement with the legally established requirements.</li> <li>The Board of Directors shall decide on the manner of distributing the remuneration due through the application of this Article, including the different amounts.</li> <li>In accordance with the provisions of Article 16 of the Rules of the Board of Directors, it shall be the Board that, after a report from the Appointment and Remuneration Committee, shall determine the distribution of the total corresponding amount, as well as the frequency, in accordance with legislation and By-laws in force. Furthermore in keeping with Article 24 of the Rules, the Appointment and Remuneration Committee has the duty to inform the Board of the following:               <ol style="list-style-type: none"> <li>The remuneration system of the Chairman of the Board of Directors and other senior executives of the Company.</li> <li>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 supplementary payments corresponding to Executive Board Members in relation to their functions.</li> <li>Remuneration of Board Members.</li> <li>Long-term plans that may be established in accordance with the value of the share, such as stock option plans.</li> </ol> </li> </ul>	

Mark whether the Board in full shall take these decisions.

	Yes	No
At the request of the Vice-Chairman, the appointment and eventual stepping down of senior executives and related compensation clauses.	X	
The remuneration of the Board Members, and if applicable, extra remuneration for executive and other functions that the contracts should respect.	X	

## B. Structure of the Company Administration

B.1.15 Indicate whether the Board of Directors approves a detailed remuneration policy and specify the issues it deals with:

	Yes	No
The amount of the fixed components, itemised where necessary, of Board and Board Committee attendance fees, with an estimate of the fixed annual payment they give rise to.	X	
Variable pay items.	X	
Main characteristics of provision systems, and estimate of its equivalent annual cost.	X	
The conditions to be respected in the contracts of Executive Board Members exercising senior management functions.	X	

B.1.16 Indicate whether the Board submits a consultative report on the Board Members' remuneration policy to the vote of the General Shareholders' Meeting, as a separate point on the Agenda. If appropriate, explain the parts of the report relating to the remuneration policy approved by the Board for future years, the most significant changes in remuneration policy with respect to the previous year and an overall summary of how the remuneration policy was applied in the year. Detail the role of the Remuneration Committee and the identity of any external advisors retained:

	Yes	No
		X

B.1.17 Indicate the identity of any Board Members that are, at the same time, Board Members or executives at companies who hold significant shareholdings in the listed Company and/or entities in the Group:

Name or corporate name of the Board Member	Corporate name of the significant shareholder	Position
Mr. Florentino Pérez Rodríguez	Inversiones Vesán, S.A.	Director
Mr. Pablo Vallbona Vadell	Corporación Financiera Alba, S.A.	Vice chairman
Mr. Francisco Servando Verdú Pons	Corporación Financiera Alba, S.A.	Board member
Mr. Juan March de la Lastra	Corporación Financiera Alba, S.A.	Vice chairman
Ms. Sabina Fluxá Thienemann	Iberostar Hoteles y Apartamentos, S.L.	Board member
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Corporación Financiera Alba, S.A.	Ceo

Detail of any relevant relationships, other than those contemplated in the chart above, which could bind any Board Members with significant shareholders and/or their Group companies:

Name or corporate name of the related Board Member	Name or corporate name of the related significant shareholder	Description of Relationship
Mr. Pablo Vallbona Vadell	Corporación Financiera Alba, S.A.	Executive Vice Chairman of Banca March S.A., Main Shareholder of Corporación Financiera Alba
Mr. Francisco Servando Verdú Pons	Corporación Financiera Alba, S.A.	CEO of Banca March S.A., Main Shareholder of Corporación Financiera Alba, S.A.
Mr. Juan March de la Lastra	Corporación Financiera Alba, S.A.	Vice-Chairman of Banca March S.A., Main Shareholder of Corporación Financiera Alba S.A.
Mr. Julio Sacristán Fidalgo	Inversiones Vesán, S.A.	Brother in Law of Mr. Florentino Pérez, Administrator of Inversiones Vesan, S.A.
Mr. Manuel Delgado Solís	Percacer, S.A. Imvernelin Patrimonio, S.L.	Lawyer Lawyer
Ms. Sabina Fluxá Thienemann	Balear Inversiones Financieras, S.L.	Board Member of Iberostar Hoteles y Apartamentos, S.L. Subsidiary of Gloysa Holding, S.L.
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Corporación Financiera Alba, S.A.	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 Rules of the Board of Directors during the financial year:

Yes	No
	X

B.1.19 Indicate the procedures for appointment, re-election, evaluation and removal of Board Members. Detail the competent bodies, the steps to follow and the criteria to use in each of the procedures.

### Appointment of Board Members

The issue is regulated in the Rules of the Board of Directors, in the following Articles, the literal content of which is the following:

#### Article 3.- Composition and appointments

Within the limits laid down by Article 13 of the Company By-laws in effect 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 both the number of Board Members and the persons, natural or legal, to be appointed. The appointment proposal must specify the proposed Members' condition of executive, representing substantial shareholders, independent or external.

Furthermore, in the event that vacancies were to arise, the Board of Directors may provisionally fill them from among the shareholders until the next General Shareholders' Meeting where the definitive choice would be made.

#### Article 4.- Duties (...) In particular, the Board of Directors shall be responsible for:

- Accepting the resignation of Board Members.
- Appointing, revoking and accepting the resignation of the Chairman, Vice Chairman and Secretary of the Board.
- Appointing, revoking and accepting the resignation of the Board Members that are to form part of the Committees and Commissions set forth in these Rules.

#### Article 11.- Period of appointment of the Board Members

The Board Members shall perform their functions during the term for which they were appointed, that is, six years. They may be re-elected one or more times for terms of equal or less time.

In the event of a vacancy for any reason, the Board of Directors may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive election shall take place.

## B. Structure of the Company Administration

The appointment of Board Members shall expire when, once the corresponding period has elapsed, the next General Shareholders' Meeting is held or the term legally established for the General Meeting to take place elapses, in which case a resolution must be approved regarding the approval of the financial statements for the preceding year.

### Article 17.- The Chairman

The Board shall elect a Chairman from among its members. The Chairman, in addition to the duties that correspond to him by virtue of current legislation, the Company By-laws and these Rules, shall undertake duties that befit the status of the top executive post of the Company, within the guidelines laid down by the General Shareholders' Meeting, the Board of Directors and the Executive Committee.

The Chairman shall have the widest possible powers for the purpose of carrying out his duties and, unless lawfully prohibited, may totally or partially replace same in favour of other members of the Board and executive personnel of the Company and, in general, to whomever he deems fit and proper.

### Article 18.- The Vice Chairmen

The Board may likewise elect one or two Vice Chairmen from among its Board Members: The Vice Chairmen shall deputise for the Chairman in those instances of delegation, absence or illness and, in general, shall exercise all those duties that fall to the Chairman, the Executive Committee and the Board of Directors.

The replacement of the Chairman by the Vice Chairmen shall be carried out in accordance with the order of their appointment or, in the absence of this, through the order of their seniority and, finally, in order of age from eldest to youngest.

### Article 19.- The Chief Executive Officer

The Board may appoint a Chief Executive Officer (CEO) and award him the powers required unless these are prohibited from being delegated through the Law or through the Company By-laws.

### Article 20.- The Secretary

Following the issuance of a report by the Appointment and Remuneration Committee, the Board of Directors shall appoint a Secretary, who may be a non-member, and who must be a practising lawyer. Apart from the functions laid down by the legislation in force, the Company By-laws and these Rules, the Secretary to the Board of Directors is responsible for: ensuring that actions arising from the Company bodies it forms part of comply with the requirements of law, issuing warnings in this respect and registering them in the Minutes.

### Article 24. The Appointment and Remuneration Committee

Likewise, the Board of Directors shall set up an Appointment 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 during the term of four years for which they were elected. The Secretary to the Board of Directors shall attend the Committee's meetings, 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.

It shall only be deemed to be validly constituted when the majority of its members are present and it shall adopt its resolutions through a majority of those attending. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year.

The Appointment and Remuneration Committee is responsible for reporting to the Board of Directors on:

1. The remuneration system of the Chairman of the Board of Directors and other senior executives of the Company.
2. 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 supplementary payments corresponding to Executive Board Members in relation to their functions.
3. Remuneration of the Board Members.
4. Long-term plans that may be established in accordance with the value of the share, such as stock option plans.
5. Propose Board Member and Secretary to the Board of Director appointments.
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.

The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.

## Re-Election of Board Members

The re-election of Board Members is regulated in Article 11 of the Rules of the Board of Directors, the literal content of which is the following:

Board Members shall hold their position during the six-year term for which they were elected. They may be re-elected once or more times for terms of the same maximum duration.

In the event of a vacancy for any reason, the Board of Directors may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive election shall take place.

The appointment of the Board Members shall expire when the term has ended and the subsequent General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether to approve the financial statements for the previous year.

## Movement of Board Members

The issue is regulated in the Rules of the Board of Directors, in the following Articles, the literal content of which is the following:

### Article 3.- Composition and appointments

Within the limits laid down by Article 13 of the Company By-laws in effect and notwithstanding the powers of proposal which, under the legislation in force, may correspond to the shareholders, it shall fall to the Board of Directors, which shall be responsible for proposing to the General Shareholders' Meeting both the number of Board Members and the persons, natural or legal, to be appointed. The appointment proposal must specify the proposed Members' condition of executive, representing substantial shareholders, independent or external.

Furthermore, in the event of vacancies arising, the Board of Directors may provisionally fill them from among the shareholders until the next General Shareholders' Meeting where the definitive choice would be made.

### Article 4.- Duties (...) In particular, the Board of Directors shall be responsible for:

Accepting the resignation of Board Members.

Appointing, revoking and accepting the resignation of the Chairman, Vice Chairman and Secretary of the Board.

Appointing, discharging and accepting the resignation of Board Members who must form part of the Committees described herein.

### Article 11.- Period of appointment of the Board Members

Board Members shall hold their position during the six-year term for which they were elected. They may be re-elected once or more times for terms of the same maximum duration.

In the event of a vacancy for any reason, the Board of Directors may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive election shall take place.

The appointment of the Board Members shall expire when the term has ended and the subsequent General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether to approve the financial statements for the previous year.

## B. Structure of the Company Administration

B.1.20 Indicate in which events Board Members are obliged to resign.

This is not expressly considered

B.1.21 State whether the function of the Chief Executive Officer of the Company rests with the Chairman of the Board. If this is the case, indicate the measures that have been taken to limit the risks of accumulation of powers in a single person:

	Yes	No
	X	

### Measures to limit risks

The Chairman of the Board, Mr. Florentino Pérez Rodríguez, is also CEO, and has delegated all the powers of the Board, except those that cannot be transferred. Therefore, in accordance with the Rules of the Board of Directors, the Chairman shall undertake the duties that befit the status of the top executive post of the Company, within the guidelines laid down by the General Shareholders' Meeting, the Board of Directors and the Executive Committee. His duty is not only delimited by this scope of powers that cannot be transferred, but also by the duties that he carries out as 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 corresponding Committee shall have a casting vote.

Indicate if any rules have been stipulated empowering any of the independent Board Members to request the calling of Board meetings or the inclusion of new items on the Agenda, to coordinate and voice the concern of external Board Members and to direct an evaluation by the Board of Directors.

	Yes	No
	X	

### Explanation of the rules

In accordance with the Rules of the Board amended on 25 February 20120, an independent Board Member shall have this power, and for these purposes, Mr. José María Aguirre González has been appointed.

B.1.22 Are higher majorities required, different from the legal majority, in any type of decision?:

	Yes	No
		X

Indicate how resolutions are adopted by the Board of Directors, identifying at least the minimum quorum of attendance and the type of majority to adopt resolutions:

### Adoption of resolutions

Description of resolutions	Quorum	Type of Majority

B.1.23 State whether there are specific requisites, different from those related to Board Members, to be nominated Chairman.

Yes	No
	X

B.1.24 Indicate if the Chairman has a casting vote:

Yes	No
	X

B.1.25 Indicate if the Company By-laws or the Rules of the Board of Directors establish any limit on the age of Board Members:

Yes	No
	X

Age limit of Chairman	Age limit of Chief Executive Officer	Age limit of Board Member
0	0	0

B.1.26 Indicate if the Company By-laws or the Rules of the Board of Directors establish a limited mandate for independent Board Members:

Yes	No
	X

Maximum number of mandate years
---------------------------------

B.1.27 In the event that there are few or no women Board Members, explain the reasons and initiatives adopted to correct this situation.

**Explanation of reasons and initiatives**

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. In this connection, in 2009 Ms. Sabina Fluxá Thienemann was appointed as a Board Member, and is the first woman in the history of the Group to be appointed to this position. The number of women in management and professionals with higher degrees has increased significantly, i.e. by 18.3% with respect to the previous year, and there are now 3,652 women accounting for 29% of the total number of employees in this category. In fact, 6 of every 10 new net hires in this category are women. This increase has also been reflected in the total number of women employees, which at the end of 2009 had increased by 5.8% to over 54,000 women accounting for 38% of the Group's total staff.

## B. Structure of the Company Administration

Specifically, indicate whether the Appointment and Remuneration Committee has established procedures to assure that recruitment processes are not implicitly biased in a manner which hinders the selection of women Board Members, and that candidates filling the required profile are deliberately sought:

	Yes	No
		X

B.1.28 Indicate if there are formal processes for the delegation of votes in the Board of Directors. If so, explain them briefly.

Without prejudice to the obligation to attend, the Board Members that cannot attend a meeting in person may be represented and cast a vote through another Board Member. This delegation must be made in writing to the Chairman and must be in the form of a letter, telegram, telex or fax or any other written means that acknowledges receipt by the addressee.

B.1.29 Indicate the number of meetings that the Board of Directors has held during the year. In addition, indicate the number of times the Board has met without the presence of the Chairman, if applicable:

Number of Board meetings	6
Number of Board meetings without the presence of the Chairman	0

Indicate the number of meetings held during the year by the different Board Committees:

Number of meetings of the Executive or Representative Committee	10
Number of meetings of the Audit Committee	5
Number of meetings of the Appointment and Remuneration Committee	1
Number of meetings of the Appointment Committee	0
Number of meetings of the Remuneration Committee	0

B.1.30 Indicate the number of meetings that the Board of Directors has held during the year without all Members present. In this calculation, Board Members who have granted proxies without specific instructions shall be considered to be absent:

Number of Board Member absences in the year	5
% of absences in comparison to the total number of votes in the year	4.385

B.1.31 Indicate whether the individual and consolidated financial statements submitted to the Board of Directors for their approval are previously certified:

	Yes	No
	X	



Identify, if applicable, the person/people that has/have certified the Company's individual and consolidated financial statements, for their preparation by the board:

Name	Position
Mr. Ángel Manuel García Altozano	Corporate General Manager

B.1.32 Explain the mechanisms established by the Board of Directors, if any, to prevent the individual and consolidated financial statements which it prepares from being presented at the General Shareholders' Meeting with a qualified auditor's report.

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 auditor's interpretation of the accounts. The foregoing is in accordance with Article 20 bis of the Company By-laws. It is considered that the 2009 auditors' reports on ACS Actividades de Construcción y Servicios, S.A. and the ACS Group will be favourable, as they were in 2007 and 2008.

B.1.33 Is the Secretary of the Board of Directors a Board Member?

	Yes	No
	X	

B.1.34 Explain the procedures relating to the appointment and stepping down of the Board Secretary, indicating whether the Secretary's appointment and dismissal were reported by the Appointment Committee and approved by the Board in full.

#### Procedure for appointment and dismissal

Following the issuance of a report by the Appointment and Remuneration Committee, the Board of Directors shall appoint a Secretary, who may be a non-member, and who must be a practising lawyer. Apart from the functions laid down by the legislation in force, the Company By-laws and these Rules, the Secretary to the Board of Directors is responsible for ensuring that actions arising from the Company bodies it forms part of comply with the requirements of the law, issuing warnings in this respect and registering them in the Minutes. The appointment of the Secretary was not reported to the Appointment and Remuneration Committee since he was appointed years prior to the formation of this Committee.

Does the Appointment Committee report the appointment?	Yes
Does the Appointment Committee report the dismissal?	Yes
Does the Board in full approve the appointment?	Yes
Does the Board in full approve the dismissal?	Yes

Is the Secretary of the Board specifically responsible for ensuring that good governance recommendations are complied with?

	Yes	No
		X

## B. Structure of the Company Administration

B.1.35 Indicate the mechanisms established by the Company, if any, to preserve the independence of the auditor, of the financial analysts, of the investment banks and the rating agencies.

With regard to the auditor, Article 23 of the Rules of the Board of Directors expressly sets forth that in addition to the appointment proposal, the Audit Committee shall be responsible for dealing with the external auditors in order to receive information on those matters that could jeopardise their independence and any others related to the process of implementation of the accounts auditing as well as those other communications provided for in accounts auditing legislation and technical standards of auditing. Elsewhere, both Article 20 bis of the Company By-laws as well as Article 23 of the Rules of the Board of Directors set forth that the appointment of the members of the Audit Committee cannot fall to anybody that is currently performing this task or who had carried out tasks of an executive or work nature in the Company during the three immediately preceding years. Moreover, the appointment of the Chairman must fall to a non-executive Board Members of the Company who cannot remain in this post for a period greater than four years. He can, however, be re-elected once a period of one year has elapsed from his stepping down.

Among the mechanisms employed to preserve the independence of the financial analysts and investment banks, the principles of maximum transparency and non-discrimination are noteworthy, where the Company bases its relationship with these entities on such principles. The Corporate General Management coordinates the relationship with said entities, establishing communication channels with both institutional investors and with individuals in order to guarantee fair and objective treatment. In addition and in relation to this matter, for the purposes of the General Shareholders' Meeting, a special service for shareholders has been started, especially directed at minority shareholders. The Corporate General Management also handles the mandates of the investment banks. The principles of transparency and non-discrimination are shown in a personalised fashion, and always in accordance with the Spanish Stock Market Commission (CNMV) regulations, through the communication of information relative to quarterly and other specific information (as a rule, no relevant information is published in the 15 days prior to the publication of the results), by email, on the web page ([info@grupoacs.com](mailto:info@grupoacs.com)), presented in person or transmitted through mobile phone and internet. All information for analysts, investors and individuals is included on the corporate website ([www.grupoacs.com](http://www.grupoacs.com)). There are no rating agencies for the Company.

B.1.36 Indicate whether the Company changed its external auditor in the year. If so, identify the incoming and outgoing auditor:

	Yes	No
		X

Outgoing Auditor	Incoming Auditor

In the event of there being disagreements with the outgoing auditor, explain the contents thereof:

	Yes	No
		X

B.1.37 Indicate if the auditing firm undertook other works for the Company and/or its Group other than the audit and in this case indicate the amount paid in fees for said works and the percentage that it represents of the total fees invoiced to the Company and/or Group:

	Yes	No
	X	

	Company	Group	Total
Amount for works other than the audit (thousand euros)	0	862	862
Amount for works other than audit / Total amount invoiced by the auditing firm (in %)	0.000	21.500	20.680

B.1.38 Indicate whether the Auditors' report on the financial statements for the previous year had any reservations or qualifications. If so, indicate the reasons given by the Chairman of the Audit Committee to explain the contents and scope of these reservations or qualifications.

	Yes	No
		X

B.1.39 Indicate the number of uninterrupted years that the current auditing firm has carried out the audit of the financial statements of the Company and/or its Group. Also indicate the percentage that the number of years audited by the current auditing firm represents of the total number of years which the financial statements have been audited:

	Company	Group
Number of uninterrupted years	20	20

	Company	Group
Number of years audited by the current auditing firm / number of years that the Company has been audited (in %)	100.0	100.0

## B. Structure of the Company Administration

B.1.40 Indicate the shareholdings of members of the Company's Board of Directors in entities that have the same, analogous or complementary kinds of activities to the business purpose of both the Company and its Group, which have been notified to the Company. Also indicate the positions or duties that they perform in these companies:

Name or corporate name of the Board Member	Name of the object Company	% of ownership	Position or function
Mr. Florentino Pérez Rodríguez	Abertis Infraestructuras, S.A.	0.000	Vice Chairman
Mr. Antonio García Ferrer	Abertis Infraestructuras, S.A.	0.000	Board Member
Mr. Pablo Vallbona Vadell	Abertis Infraestructuras, S.A.	0.001	Vice Chairman
Mr. Javier Echenique Landiribar	Abertis Infraestructuras, S.A.	0.002	Board Member
Mr. Javier Monzón de Cáceres	Banco Inversis Net, S.A.	0.000	Individual Representing Board Member Indra Sistemas S.A.
	YPF S.A.	0.000	Board Member
	Lagardere SCA	0.000	Member of the Supervision Board
	Indra Sistemas, S.A.	0.094	Chairman
Mr. Julio Sacristán Fidalgo	Autopistas Aumar S.A.C.E	0.000	Board Member
Mr. Pedro José López Jiménez	Grupo Terratest	45.000	Chairman (through Fapindus, S.L.)
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Grupo Ferrovial, S.A.	0.001	-
	Iberdrola, S.A.	0.001	-
	Gas Natural SDG, S.A.	0.001	-
	Abertis Infraestructuras, S.A.	0.001	-
	Telefónica, S.A.	0.001	-
	Endesa, S.A.	0.000	-
	Repsol YPF, S.A.	0.001	-
	Fomento De Construcciones Y Contratas, S.A.	0.004	-
	Iberdrola Renovables, S.A.	0.000	-
	Técnicas Reunidas, S.A.	0.002	-
	Enagas, S.A.	0.002	-
Indra Sistemas, S.A.	0.001	-	
Mr. José Luis del Valle Pérez	Sagital, S.A.	5.100	-
	Del Valle Inversiones, S.A.	33.330	Joint And Several Administrator
	Inversiones Montecarmelo, S.A.	23.490	-

B.1.41 Indicate and detail, if applicable, if there is any procedure for the Board Members to obtain external advice:

	Yes	No
		X

B.1.42 Indicate and if applicable provide details of any procedure for Board Members to obtain the information required to prepare for the meetings of the management bodies with sufficient time:

	Yes	No
	X	

#### Detail of procedure

Article 15 of the Rules expressly considers the right of the Board Members to request and obtain the information and advice required to carry out their functions. The information that they consider necessary is to be requested through the Chairman or the Secretary of the Board.

B.1.43 Indicate and if applicable detail whether the Company has set rules requiring Board Members to report, and if necessary, resign in cases where they may harm the Company's credit and reputation:

Yes	No
X	

#### 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, this must be notified to the Board of Directors and recorded in the Minutes of the first Board meeting that takes place. Shares, stock or derivative options that refer to the value of the interest of which they are holders, either directly or indirectly, must also be notified to the Company as soon as possible, and under all circumstances within the five days that follow. This applies both to the Board Members as well as their most immediate relatives. The Board Members must also notify the Company of any significant changes in their professional capacity and, specifically, those changes that affect their designation as a Board Member. They shall likewise inform the Company of any legal or administrative procedure that could have a negative effect on the reputation of the Company. The Board Members shall abstain from intervening in the deliberations and from taking part in the voting on those matters in which they have a particular interest. This shall also be expressly recorded in the Minutes.

B.1.44 Indicate whether any member of the Board of Directors has informed the Company that legal action has been taken or that a lawsuit has been filed against him for any of the crimes set forth in Article 124 of the Spanish Corporations' Law:

Yes	No
	X

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 should continue to hold office.

Yes	No
	X

## B. Structure of the Company Administration

### B.2 Committees of the Board of Directors

B.2.1 Detail of all the Committees of the Board of Directors and its members:

#### Executive Committee

Name	Position	Type
Mr. Florentino Pérez Rodríguez	Chairman	Executive
Mr. José María Loizaga Viguri	Vice Chairman	Independent
Mr. Antonio García Ferrer	Member	Executive
Mr. Javier Echenique Landiribar	Member	Proprietary
Mr. Pablo Vallbona Vadell	Member	Proprietary
Mr. Pedro José López Jiménez	Member	Other External
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Member	Proprietary

#### Audit Committee

Name	Position	Type
Mr. José Álvaro Cuervo García	Chairman	Independent
Mr. Julio Sacristán Fidalgo	Member	Proprietary
Mr. Manuel Delgado Solís	Member	Proprietary
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Member	Proprietary

#### Appointment and Remuneration Committee

Name	Position	Type
Mr. Pablo Vallbona Vadell	Chairman	Proprietary
Mr. Javier Echenique Landiribar	Member	Proprietary
Mr. José María Aguirre González	Member	Independent
Mr. José María Loizaga Viguri	Member	Independent

B.2.2 Mark whether the Audit Committee has the following duties:

	Yes	No
Monitor the preparation and the integrity of the financial information prepared on the Company and, where appropriate, the Group, checking for compliance with legal provisions and the correct application of accounting principles	X	
Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed	X	
Oversee the independence and effectiveness of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the resources to be assigned to the internal audit function; receive regular reports back on its activities; and verify that senior management is acting on the conclusions and recommendations of its reports	X	
Establish and supervise a mechanism whereby staff can report any irregularities, and particularly financial and accounting irregularities they detect in the course of their work anonymously or confidentially	X	
Elevar al Consejo las propuestas de selección, nombramiento, reelección y sustitución del auditor externo, así como las condiciones de su contratación	X	
Receive regular information from the external auditor on the progress and findings of the audit plan, and check that senior management are acting on its recommendation	X	
Oversee the independence of the external auditor	X	
In the case of groups, the group auditor shall be encouraged to assume responsibility for the audits of all the group companies	X	

B.2.3 Provide a description of the organisation and operating rules, as well as the responsibilities attributed to each of the Board Committees.

Committee Name	Brief description
Executive or Representative Committee	<p>The Executive Committee shall be comprised of the Chairman of the Board, who shall be its Chairman; of one or two Vice Chairmen, if these positions have been designated; of the Board Members designated by the Board of Directors; and of the Secretary of the Board, with voice but without vote, who shall act as Secretary.</p> <p>The Executive Committee shall meet as often as it is convened by the Chairman, either of his own initiative or when at least two members so request. The Committee is understood to be validly constituted when the majority of its elements are either present or represented and, save any other provision set forth in current legislation, in the Company By-laws or in these Rules, shall adopt its resolutions through a majority of attendees, either present or represented.</p> <p>Through delegation of the Board of Directors, the Executive Committee shall hold all the powers that correspond to this body, except those that cannot be transferred by law or through a provision in the Company By-laws. That notwithstanding, the Board of Directors may discuss the knowledge and decision of any issue that falls under its terms of reference, and the Executive Committee may submit any matter to the decision of the Board of Directors when, although the matter could be dealt with by the Committee, this body believes it is necessary for the Board to take the appropriate decision.</p> <p>The provisions set forth in the By-laws or the Rules of the Board of Directors regarding the operation of the Board of Directors shall be applied as necessary and with the natural adaptations.</p>
Audit Committee	<p>In accordance with the provisions set forth in Article 20 bis of the Company By-laws, there shall exist an Audit Committee to be 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. This appointment cannot fall to anyone who currently occupied this post or who has carried out tasks of an executive or work nature during the three immediately preceding years. The appointment of the Chairman, also to be made by the Board of Directors, must fall on one of the non-executive Board Members of the Company. Nevertheless, he may be re-elected after one year has elapsed since the end of his or her term of office. The Secretary to the Board of Directors shall attend the Committee's meetings, 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.</p> <p>It shall only be deemed to be constituted when the majority of its members are present and it shall adopt its agreements by majority vote of those attending. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year, coinciding with the initial and final stages of the auditing of the Company's financial statements and the consolidated financial statements of the Group of Companies and always prior to the issue of the audit reports. The Company's Auditor may attend these meetings, whenever especially convened, for the purpose of explaining the most significant aspects of the audit performed.</p> <p>The provisions set forth in the By-laws or the Rules of the Board of Directors regarding the operation of the Audit Committee shall be applied as necessary and with the natural adaptations.</p>
Appointment and Remuneration Committee	<p>Likewise, the Board of Directors shall set up an Appointment 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 during the term for which they were elected. The Secretary to the Board of Directors shall attend the Committee's meetings, 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.</p> <p>It shall only be deemed to be validly constituted when the majority of its members are present and it shall adopt its resolutions through a majority of those attending. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year.</p> <p>The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.</p>

## B. Structure of the Company Administration

B.2.4 Indicate the powers of advice, consultation and, if applicable, delegations held by each of the Committees.

Committee Name	Brief description
Executive or Representative Committee	Through delegation of the Board of Directors, the Executive Committee shall hold all the powers that correspond to this body, except those that cannot be transferred by law or through a provision in the Company By-laws. That notwithstanding, the Board of Directors may discuss the knowledge and decision of any issue that falls under its terms of reference, and the Executive Committee may submit any matter to the decision of the Board of Directors when, although the matter could be dealt with by the Committee, this body believes it is necessary for the Board to take the appropriate decision.
Audit Committee	<p>The Audit Committee shall be responsible for the following functions:</p> <ol style="list-style-type: none"> <li>a) Inform the General Shareholders' Meeting on issues of its competence raised by shareholders.</li> <li>b) Propose the appointment of the external auditors referred to in Section 204 of the Revised Text of the Corporations Law to the Board of Directors of the Company for submittal to the General Shareholders' Meeting.</li> <li>c) Revise and approve any significant changes to accounting policies of the Company and the subsidiaries in the Corporate Group, as well as the Corporate Group itself. Likewise, in general, all dealings with the external auditors to receive information on those issues that could jeopardise their independence as well as any others relating to the process of implementation of accounts auditing and any other communications set forth in legislation governing accounts auditing and the technical rules of accounting.</li> <li>d) Receive periodic reports from the internal auditing services and supervise its operation; propose the appointment, re-election and termination of its head; assure its independence and efficiency; propose a budget for this service; and verify that senior management takes into account its conclusions and recommendations.</li> <li>e) Supervise compliance with internal conduct codes and corporate governance rules.</li> <li>f) Be aware of the financial information process and the Company's internal control systems.</li> <li>g) Periodically review the risk control and management systems, assuring that they appropriately define the different types of risks (operating, technological and financial, including contingent, legal, and image liabilities, etc.) faced by the Company; define the acceptable risk level and establish the appropriate measures for mitigating the risks identified in the event that such risks were to arise.</li> <li>h) Review and provide information on the estimates made by the Company management and those forming part of its Group of Companies on possible tax and legal contingencies of a significant nature.</li> <li>i) Be aware of the results of inspections carried out by official authorities.</li> <li>j) Be aware of the information periodically provided to the Stock Market on the Company's accounts.</li> <li>k) Previously inform the Board of Directors of any related party transactions to be submitted for its approval.</li> <li>l) Any other matters which may be especially entrusted to it by the Board of Directors.</li> </ol>
Appointment and Remuneration Committee	<p>The Appointment and Remuneration Committee is responsible for reporting to the Board of Directors on:</p> <ol style="list-style-type: none"> <li>1. The remuneration system of the Chairman of the Board of Directors and other senior executives of the Company.</li> <li>2. 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 supplementary payments corresponding to Executive Board Members in relation to their functions.</li> <li>3. Remuneration of the Board Members.</li> <li>4. Long-term plans that may be established in accordance with the value of the share, such as stock option plans.</li> <li>5. Proposed appointments of the Board Members and Secretary to the Board of Directors.</li> <li>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.</li> <li>7. Issues relating to gender diversity on the Board of Directors.</li> </ol> <p>The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.</p>



B.2.5 Indicate, if applicable, if there are Rules of the Board Committees, where they can be consulted, and amendments made during the year. In addition, indicate on a voluntary basis if any annual report has been prepared on the activities of each Committee.

Committee Name	Brief description
Executive or Representative Committee	The Board Committees are regulated in Articles 19, 20 and 20 bis of the By-laws and Article 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website <a href="http://www.grupoacs.com">www.grupoacs.com</a> . The specific rules relating to the Executive Committee are set forth in Article 22 of the Rules of the Board of Directors.
Audit Committee	The Board Committees are regulated in Articles 19, 20 and 20 bis of the By-laws and Article 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website <a href="http://www.grupoacs.com">www.grupoacs.com</a> . The Audit Committee is regulated in accordance with Article 23 of the Rules of the Board of Directors.
Appointment and Remuneration Committee	The Board Committees are regulated in Articles 19, 20 and 20 bis of the By-laws and Article 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website, <a href="http://www.grupoacs.com">www.grupoacs.com</a> . The Audit Committee is regulated in accordance with Article 24 of the Rules of the Board of Directors.

B.2.6 Indicate if the members of the Executive Committee reflect the shareholding in the Board of the different Board Members based on their status:

	Yes	No
	X	

## C. Related-Party Transactions

C.1 Mark whether, following a favourable report from the Audit Committee or any other Committee assigned this task, the Board in full is responsible for approving the Company's transactions with Board Members, significant shareholders or shareholders represented on the Board, or individuals related thereto:

	Yes	No
	X	

C.2 Detail the relevant operations that involve a transfer of resources or obligations between the Company or entities of the Group and significant shareholders of the Company:

C.3 Detail the relevant operations that involve a transfer of resources or obligations between the Company and entities of its Group and the Board Members or executives of the Company:

C.4 Detail the relevant operations made by the Company with other companies belonging to the same Group, provided that they are not eliminated in the process of preparing the consolidated financial statements and do not form part of the normal business of the Company in terms of its business purpose and conditions:

C.5 Indicate whether the members of the Board of Directors have had any conflicts of interest in the year, pursuant to the provision of Spanish Corporations Law 127 ter.

	Yes	No
		X

C.6 Mechanisms established to detect and regulate possible conflicts of interest between the Company and/or the Group, and its Board Members, Executives or significant shareholders.

1. There are several standards included in the Rules of the Board of Directors. Article 13 specifically regulates conflicts of interest. With regard to the duty of loyalty, this Article stipulates that the Board Members shall avoid conflicts of interest between themselves, or their most immediate relatives and the Company. Should any conflict of interest exist and be unavoidable, this must be notified to the Board of Directors and recorded in the Minutes of the first Board meeting that takes place. Shares, stock or derivative options that refer to the value of the share of which they are holders, either directly or indirectly, must also be notified to the Company as soon as possible, and under all circumstances within the five days that follow. This applies both to the Board Members as well as their most immediate relatives.

The Board Members must also notify the Company of any significant changes in their professional capacity and, specifically, those changes that affect their designation as a Board Member. They shall likewise inform the Company of any legal or administrative procedure that could have a negative effect on the reputation of the Company.

The Board Members shall abstain from intervening in the deliberations and from taking part in the voting on those matters in which they have a particular interest. This shall also be expressly recorded in the Minutes.

Likewise, on regulating the non-competition and the use of information, Article 14 sets forth that the Board Members cannot, 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 behalf of same. The Board Members cannot use restricted information that they have come to hold through the exercise of their position as a Board Member for any private purpose. More specifically, unless expressly authorised by the Board of Directors, the Board Members cannot benefit from commercial transactions that they have become aware of in their capacity as a Board Member.

Unless it is a duly authorised payment in kind, Board Members cannot make use of Company assets or use these assets to obtain a patrimonial advantage without paying the adequate consideration.

2. Likewise, there are Rules of Conduct in the Stock Markets that include a set of rules designed to detect and regulate any possible conflicts of interest between the Company and/or its Group, its Board Members, Directors or significant shareholders.

At its meeting of July 17, 2003, the Executive Committee of ACS, Actividades de Construcción y Servicios, S.A., by virtue of the powers vested in it by the Board of Directors, approved the Rules of Conduct in the Stock Markets, informing the Spanish Stock Market Commission (CNMV) of this on July 31, 2003. At its meeting on July 1, 2004, the Board of Directors unanimously resolved to approve a number of amendments to the Rules of Conduct in the Stock Exchange which were notified to the CNMV on July 2, 2004.

In general, the Rules apply to the Members of the Board of Directors, members of the Group Management Committee as well as, in general, those representatives and personnel of the Company that carry out activities that could fundamentally influence the Company's share listing. It also applies to Company representatives, personnel and external consultants who, for specific purposes, have privileged or reserved information regarding Company stock.

The Monitoring Unit provided for in the Rules shall have an updated list of the Board Members, representatives and personnel of the Company as well as external consultants bound by the same regulations. This list shall be made available to all supervising authorities of the stock markets. Both the inclusion on this list as well as exclusion from same shall be communicated in writing by the Chairman of the Monitoring Unit to all those affected.

The Rules are applied with regard to shares, stock options and similar contracts that grant the right to subscribe to or acquire Company shares, convertible or non-convertible securities, bonds, promissory notes, junior debt and, in general, any kind of financial instrument issued by the Company or, if applicable, by Group entities. The Rules shall also apply to cases of conflicts of interest pursuant to Article 7 of same.

All persons to whom the Rules apply must abstain from carrying out, or preparing to carry out, any kind of acts that falsify the free formation of prices on the stock market. Moreover, they must abstain from using all manner of privileged information, whether for personal gain or on behalf of third parties, which they have gained through the exercise of their functions at the Company or on behalf of the Company.

All members of the Board of Directors, representatives and personnel of the Company that possess privileged information regarding the negotiable securities and financial instruments issued by the Company or Group entities, are bound to safeguard same. This is without prejudice to their duty to communicate this information and to collaborate with the legal and administrative authorities in the terms legally set forth.

## C. Related-Party Transactions

During the study or negotiation stages of any kind of legal or financial operation that could have an appreciable influence on the listing of the securities to which the Rules refer, the Company personnel that are in charge of these operations shall be obliged to:

- a) Inform only those people about the transaction, whether inside or outside the organisation, whose involvement is indispensable.
- b) Maintain, for each transaction, a register of the names of the people referred to in paragraph a), stating the date on which each had access to the information.
- c) Clearly inform the persons listed on the register of the nature of the information, their duty to keep it confidential and the prohibition from using it.
- d) Establish security measures for maintaining, filing, accessing, copying and distributing the information.
- e) Monitor the performance of the negotiable securities or financial instruments related to the transaction in process as well as the information made public in any specialised and ordinary media that could affect the process.
- f) In the event of unusual corporate 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 Secretary of the Board of Directors, who shall then report a relevant occurrence, providing clear and precise information on the status of the transaction underway or containing advanced notice of the information to be made public.

Persons subject to the Rules who carry out any kind of operation on negotiable securities or financial instruments issued by the Company must observe the following duties:

- a) Provide the Company, via the Chairman of the Monitoring Unit, with written information on any kind of purchase or sale or acquisition of option rights operation, carried out on their own behalf and which is related to the securities that constitute the target scope of these Rules. Also considered on the same level as operations carried out on their own behalf are those carried out by the spouse, unless this only affects their private or exclusive wealth in accordance with the financial marriage rules, by children under legal age or disabled under paternal powers of the obligee or by companies that are directly or indirectly controlled, or by intervening persons. Those operations that have not involved intervention by the person that is subject to these Rules because they were ordered by the entities that the affected person has entrusted their securities portfolio management to on a stable basis are excluded from this information obligation. In this case it shall be sufficient to inform the Chairman of the Monitoring Unit of the existence of the portfolio management contract and the name of the managing agent.
- b) At the request of the Chairman of the Monitoring Unit, to provide full details of the operations carried out on their own behalf that are related to the securities that constitute the objective sphere of application of these Rules.
- c) Communicate in writing to the Chairman of the Monitoring Unit, at the time of acquiring the status of Board Member, representative or staff member of the Company that is subject to these Rules, the list of the securities of the Company or the Group entities of which they are the holder, directly or indirectly via controlled companies or through intervening persons or entities or persons and entities that act jointly, as well as those that are owned by their children under the legal age or disabled under paternal powers of the obligee or those carried out by the spouse, unless this only affects their private or exclusive wealth in accordance with the financial marriage rules. In addition, written notification of the existence of the portfolio management contract and the name of the managing agent must be given.
- d) Submit to the Monitoring Unit, via its Chairman, any doubts regarding the application of these Rules, abstaining from any action until a response to the query has been received.

Without prejudice to the foregoing, when the operations on securities or financial instruments issued by the Company are carried out by Board Members, these must also be notified to the Stock Exchanges where the shares are listed and the Stock Market Committee, in the legally determined manner.

The Secretary of the Monitoring Unit shall maintain the communications, notifications and anything else related to the Rules duly filed and organised. Moreover, the Secretary shall maintain said file confidential and may, at any time, request confirmation from persons that are bound by the Rules of balances of securities and financial instruments that derive from the file.

The Monitoring Unit, through its Chairman, is responsible for formulating and maintaining an updated list of all persons subject to these Rules. The Monitoring Unit shall comprise the Secretary of the Board of Directors, who shall chair, the Corporate Director General and the Director of Administration, who shall act as Secretary.

Breach of the rules of conduct contained herein with regard to the provisions set forth in the Stock Market regulations may give rise to the corresponding administrative sanctions and other consequences that derive from applicable legislation. This shall be considered to be a work misdemeanour insofar as it affects Company staff.

### C.7 Is more than one Group company listed in Spain?

	Yes	No
		X

Identify the subsidiaries listed in Spain:

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## D. Risk Control Systems

### D.1 General description of the risk policies of the Company and/or its Group, detailing and evaluating the risks covered by the system, along with the justification of the appropriateness of these systems 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.

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 ongoing 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:

- a) 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.
- b) Development of specific actions for activities that so require, depending on the effect of the impact.
- c) 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 a labour risk prevention policy that fully complies with current legislation. The policy is based on specific management systems for each business area. 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 optimal financial-equity structure in order to reduce the cost of capital, while safeguarding the Company's ability to continue operating with an adequately stable debt-to-equity ratio.
- 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.

## D. Risk Control Systems

- In relation to the risk arising from changes in interest rates, 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 for the work 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 does 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 IRPF 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. 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. These policies are reviewed periodically to adapt them to the current and specific status of the risk covered.



D.2 Indicate if any of the different types of risk (operating, technological, financial, legal, reputational, tax-related, etc.) affecting the Company and or Group, arose during the year.

	Yes	No
	X	

If so, indicate the circumstances leading to the risk and whether the control systems established operated correctly.

**Risk arising in the year:** Those intrinsic to the Group companies' activities.

**Related circumstances:** Those arising from normal operations.

**Operation of the control systems:** As in previous years, the ACS Group carries out a number of transactions in different business activity sectors and in different countries. In view of their natures, business activity always gives rise to a number of both operating and non-operating risks. Their valuation and the indicators used to measure these risks are included in the risk map. In 2009, no risks arose in general lines which differed greatly from those already existing in previous years. Therefore, considering the risks which might be significant for the market, shareholders and investors, the different risks arising in the year and the manner in which the related expense and control systems have been used, are detailed.

1. The risk arising in the year in relation to the continual decline in the construction market in Spain as a result of the lack of liquidity and the decrease in contracting activity by the different Government bodies, has been reduced to a great extent as result of the use of the control systems established in the Group. By means of the analysis and monitoring of the order book, the Group's Executive Committee detected this decline in the Spanish market sufficiently in advance and took the initiative to expand in foreign markets. This expansion was evidenced as early as 2007 and in the following years, in view of the decision to invest in the US market, as in the case of the purchase of Schiavone, and later in 2009 in the case of the acquisitions of Pulice Construction Inc. and John P. Picone Inc, as well as the tender processes and later award of the contracts for different civil engineering works in the United States as well as other markets such as the Polish (with the purchase of 66% of Pol-Aqua), Portuguese, and Greek markets, etc. These investments reduced, although they did not fully compensate for the decline in the domestic market.
2. In the Spanish market, it is obvious that there has been a sharp drop in the real estate sector. In this case, the exposure of the ACS Group to risk was relatively small considering the size of the Group. Specifically, the activity of the ACS Group of relevance in this sector relates to residential building, which accounts for only 8.9% of its construction activity, a much lower percent than in the previous year (15.4%), and whose weight in the ACS Group accounts for 3.5% of its total consolidated sales. Within this line of business, credit risk is the most closely monitored risk. The monitoring of accounts receivable is a risk classified as high within the Group's risk map.

In all lines of business in which the ACS Group operates in both the public and private sector, credit risk is classified as high. From the date on which work or a project is contracted, the Contracting and Risk Committee assesses the solvency and volume of activity with a certain client on a weekly basis, prioritising above all assurance of the collection of receivables by means of an extensive analysis of the client, diversification of the customer portfolio so as to prevent risk concentration and an evaluation of the need for additional guarantees. Analytical accounts contained in the computer systems of each of the various Group companies collect comprehensive information from the beginning and throughout the execution process until final completion of each work or project, ranging from the level of project manager to different levels of responsibility subsequently added (Office, Area or Headquarters) on the collection status of each client (age, current phase, etc.).

Specifically, in relation to the real estate sector since 2007 risk began to be minimised giving rise at 31 December 2009 to the decreased exposure of accounts receivable from the real estate sector. The control of working capital based on its analysis as well as analysis of completed work pending certification, is one of the parameters used by the ACS Group to measure the meeting of targets and ratios.

3. The lack of liquidity of the financial sector has also had an influence on the ACS Group. In this connection, in addition to the effect on customer defaults monitored as indicated in the above paragraph, an increased difficulty in obtaining financing and/or a higher cost relating to carrying on the Group's activities and expanding into new projects, has been evidenced.

## D. Risk Control Systems

In this regard, control mechanisms by means of debt indicators in relation to different aspects and the monitoring of covenant compliance clauses entered into by the Group years ago, have evidenced their operation, in this regard, the policies implemented on the balance between current and non-current financing involved the arrangement of five-year syndicated loans both by the parent of the Group (ACS, Actividades de Construcción y Servicios, S.A.) and its most capital intensive activities, such as Urbaser and SPL. Also, within non-current financing, Project finance became increasingly relevant as a mechanism for financing strategic activities relating to the Group's growth, especially in relation to long-term and capital intensive projects such as concession as well as energy-related projects. Specifically, in an effort to anticipate possible problems relating to the syndicated loans, agreements were entered into, which not only extended the maturity date of these loans to 2012 but also increased the amount financed to EUR 94 million for ACS Actividades de Construcción y Servicios, S.A. and EUR 100 million for Urbaser, S.A.

The policy of diversifying bank risk among a large number of national and foreign banks, decisions relating to efficient hedging by means of financial derivatives providing stability to finance costs by means of the monitoring of changes in interest rates, and capital management through the monitoring of compliance with ratios, have all led the ACS Group to lower its liquidity risk, which enabled it to arrange and have credit lines available earlier and to optimise the cash positions within the Group's different lines of business. Given these measures the Group has excess liquidity capacity allowing it to maintain a high enough solvency margin in relation to its investments in strategic assets.

This position was complemented by greater selectivity in the investment decisions within the Group based on increased profitability demands for each project to be undertaken. Lastly, the reorganisation of the future growth strategy of the ACS Group, giving rise to the completion of the sale of Unión Fenosa, S.A. in February 2009, has led the Group to have extraordinary liquidity and solvency in 2009 enabling the Group to grow from a position of financial strength.

D.3 Indicate whether there is a Committee or other government body responsible for setting up and supervising these control mechanisms.

	Yes	No
	X	

If so, describe their duties.

Name of Committee or Body	Description of duties
Audit Committee	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.
Management Committee	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 of compliance with the different Rules that affect the Company and/or its Group.

Throughout this report, direct or indirect reference has been made to the processes for complying with the various Rules 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 different activity areas as well as the Internal Audit Services.

The internal Audit Committee contributes to the management of the risks faced by the Group in relation to the fulfilment of its aims and to the prevention and control of fraud, by means of the ongoing 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 the Group management and to the heads of the companies assessed. Subsequently, the implementation of the actions contained in the aforementioned recommendations is strictly monitored.

Lastly, and in accordance with the Company By-laws and Rules of the Board of Directors, the Audit Committee receives periodic information from the internal audit services and assures compliance with the internal conduct code and rules of corporate governance.

## E. General Shareholders' Meeting

E.1 Indicate, and if applicable describe the differences between the minimum required under the Spanish Corporations Law and the quorum required for holding the General Shareholders' Meeting.

	Yes	No
		X

	% quorum differing from the quorum required under the CL 102 for general cases	% quorum differing from the quorum required under CL 103 for special cases of Art. 103
Quorum required on the first call	0	0
Quorum required on the second call	0	0

E.2 Indicate whether there are differences between the Board's system for adapting resolutions and the system provided under Spanish Corporations Law, and if so, explain these differences.

	Yes	No
		X

Describe how it differs from the system envisaged in the Corporations Law.

	Reinforced majority other than that provided by Art. 103.2 of the CA for cases of 103.1	Other cases of reinforced majority
% required by the entity for the adoption of resolutions		

Describe differences

E.3 Detail the rights of shareholders with respect to Shareholders' Meetings that are different from those established in the Corporations Law.

There are no rights different from those provided by the Corporations Law, except that in order to be able to attend the General Shareholders' Meetings, it is necessary to hold 100 shares either alone, or together with other shareholders.

E.4 Indicate, if applicable, the measures adopted to encourage the participation of shareholders in the 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 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 By-laws expressly includes the possibility of shareholders casting their vote from outside the General Meeting. Since the Ordinary 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 at the corporate website of the Company.

E.5 Indicate if the position of Chairman of the Shareholders' Meeting coincides with that of the Chairman of the Board of Directors. Detail, in this event, the measures adopted to guarantee the independence of the Shareholders' Meeting and that it functions correctly:

	Yes	No
	X	

#### Detail of measures

E.6 Indicate, if applicable, the amendments made to the Rules of the Shareholders' Meeting during the year.

E.7 Indicate attendance figures for the Shareholders' Meetings held in the year that the present annual report refers to:

#### Attendance information

Date of the General Meeting	% attending in person	% by proxy	% remote voting		Total
			Electronic	Other	
25/05/2009	7.658	70.877	0.000	0.000	78.535

E.8 Indicate briefly the resolutions adopted in the Shareholders' Meetings held during the year that the present annual report refers to and voting percentage by which each resolution was adopted.

#### Ordinary General Meeting Held On 25 May 2009

The proposals of the Board regarding item 1 on the Agenda, read by the Secretary under letters a) and b) (approval of the individual and consolidated financial statements, approval of the proposal for the distribution of profits), were approved by a majority: the proposal read under letter a) with 249,992,229 votes in favour (representing 99.8633 % of the shares present or represented), 236,571 abstentions (representing 0.0945 % of the shares present or represented) and 105,520 against (representing 0.0422 % of the shares present or represented); the proposal read under letter b) with 249,992,229 votes in favour (representing 99.8633 % of the shares present or represented), 236,571 abstentions (representing 0.0945 % of the shares present or represented) and 105,520 votes against (representing 0.0422 % of the shares present or represented).

Item 2 on the Agenda, read by the Secretary under letters c) and d) (acknowledgement of the Annual Corporate Governance Report, the Corporate Responsibility Report, and the Special Report on Article 116 bis of the Spanish Securities Market Law, all for 2007) (the simple acknowledgement was not taken to a vote).

The proposal of the Board regarding point 3 of the Agenda, read by the Secretary under letter e) (approval of the management of the Board of Directors), was then taken to a vote and was approved by a majority with 250,124,411 votes in favour (representing 99.9161 % of the shares present or represented), 168,231 abstentions (representing 0.0672 % of the shares present or represented) and 41,678 votes against (representing 0.0166 % of the shares present or represented).

The proposal of the Board regarding item 4 on the Agenda, read by the Secretary under letter f) (re-appointment of the following proprietary Board Members of Corporación Financiera Alcor S.A. for the six-year provided in the By-laws):

- Mr. Manuel Delgado Solís, a Spanish citizen, of legal age, married, lawyer, with address for professional purposes at Plaza de Salesas 3, in Madrid, and holder of Spanish ID No. (D.N.I.) 50270209-Y. This proposal was approved by majority with 238,469,898 votes in favour (representing 95.2606 % of the shares present or represented), 171,522 abstentions (representing 0.0685 % of the shares present or represented) and 11,692,900 against (representing 4.6709 % of the shares present or represented).

## E. General Shareholders' Meeting

- Mr. Javier Echenique Landiribar, a Spanish citizen, of legal age, married, an economist, with address for professional purposes at calle Goya 24 in Madrid, and holder of Spanish ID No. (D.N.I.) 15768843-C. This proposal was approved by majority with 238,469,898 votes in favour (representing 95.2606 % of the shares present or represented), 171,522 abstentions (representing 0.0685 % of the shares present or represented) and 11,692,900 against (representing 4.6709 % of the shares present or represented).
- Mr. Javier Monzón de Cáceres, a Spanish citizen, of legal age, married, an economist, with address for professional purposes at Avenida de Bruselas 35 in Alcobendas (Madrid) and holder of Spanish ID No. (D.N.I.) 277225-Y. This proposal was approved by majority with 238,480,298 votes in favour (representing 95.2647 % of the shares present or represented), 171,522 abstentions (representing 0.0685 % of the shares present or represented) and 11,682,500 against (representing 4.6668 % of the shares present or represented).

The proposal of the Board regarding item 4 on the Agenda, read by the Secretary under letter g) removal, at his own request and with gratitude for his services of the Board Member Mr. Miguel Fluxá Rosselló and appointment as proprietary Board Member of Grupo Iberostar for the six-year term provided in the By-laws of Ms. Sabina Fluxá Thienemann, a Spanish citizen, of legal age, single, Vice-President of the Iberostar Group, with address for these purposes at calle Menorca no 10, 07011 Palma de Mallorca (Balearic Islands) and holder of Spanish ID No. (D.N.I.) 43,120,530-S. This proposal was approved by majority with 243,122,792 votes in favour (representing 97.1192 % of the shares present and represented), 458 abstentions (representing 0.0002% of the shares present or represented) and 7,211,070 votes against (representing 2.8806 % of the shares present or represented).

The proposal of the Board regarding item 5 on the Agenda, read by the Secretary under letter h) (appointment of auditors of both the Company and the Group), was then taken to a vote and was approved by a majority with 249,706,439 votes in favour (representing 99.7492 % of the shares present or represented), 229,556 abstentions (representing 0.0917 % of the shares present or represented) and 398,325 votes against (representing 0.1591 % of the shares present or represented).

The proposal of the Board regarding item 6 on the Agenda, read by the Secretary under letter i) (authorisation to acquire shares in the Company for consideration), was then taken to a vote and was approved by a majority with 250,250,372 votes in favour (representing 99.9665 % of the shares present or represented), 458 abstentions (representing 0.0002 % of the shares present or represented) and 83,490 votes against (representing 0.0334 % of the shares present or represented).

The proposal of the Board regarding item 7 on the Agenda, read by the Secretary under letter j) (in accordance with Article 153.1.b) and 2 of the Spanish Consolidated Companies Law, authorise the Board of Directors to increase capital by up to half the Company's share capital on one or more occasions, and at the date and in the amount deemed to be appropriate within a maximum term of five years, and empower the Board to exclude preferential subscription rights and to amend Article 6 of the By-laws) was taken to a vote and was approved by majority with 247,669,865 votes in favour (representing 98.9356 % of the shares present or represented), 32,767 abstentions (representing 0.0131 % of the shares present or represented) and 2,631,688 votes against (representing 1.0513 % of the shares present or represented).

The proposal of the Board regarding item 8 on the Agenda, read by the Secretary under letter k) (delegate to the Board of Directors the power to issue debentures, bonds, promissory notes and other fixed income securities, whether simple, exchangeable or convertible, and warrants on the Company's newly issued shares or shares in circulation. Set the criteria for the determination of the basis for and forms of conversion, exchange and exercise of securities so that the Board of Directors may make use of the delegated power to increase capital by the necessary amount and to exclude preferential subscription rights of the shareholders and holders of convertible securities and warrants. Authorise the Board of Directors to guarantee, on the Company's behalf, the obligations of all types which may arise for its subsidiaries as a result of the issues of fixed income securities and warrants by them) was then taken to a vote and was approved by majority with 249,196,151 votes in favour (representing 99.5453 % of the shares present and represented), 11,467 abstentions (representing 0.0046 % of the shares present or represented) and 1,126,702 votes against (representing 0.4501 % of the shares present or represented).

The proposal of the Board regarding item 9 on the Agenda, read by the Secretary under letter l) (redemption of the Company's treasury shares and the subsequent reduction in share capital and amendment of Article 6 of the Company By-laws), was then taken to a vote and was approved by a majority with 250,242,981 votes in favour (representing 99.9635 % of the shares present or represented), 16,366 abstentions (representing 0.0065 % of the shares present or represented) and 74,973 votes against (representing 0.0299 % of the shares present or represented).

The proposal of the Board regarding point 10 of the Agenda, read by the Secretary under letter ll) (authorisation to the Board of Directors for the establishment of a Share Option Plan), was approved by a majority with 249,891,129 votes in favour (representing 99.2805 % of the shares present or represented), 1,272,037 abstentions (representing 0.5081 % of the shares present or represented) and 529,221 votes against (representing 0.2114% of the shares present or represented).

(In relation to this item, it was recorded in the Minutes that the Executive Board Members who received discretionary voting delegations abstained from voting on these items on behalf of the delegated votes).

The proposal of the Board regarding point 11 of the Agenda, read by the Secretary under letter m) (empowerment to formalise and execute the resolutions adopted at the meeting), was then taken to a vote and was approved by a majority with 249,159,171 votes in favour (representing 99.8230 % of the shares present or represented), 2,543 abstentions (representing 0.0010 % of the shares present or represented) and 440,648 votes against (representing 0.1760 % of the shares present or represented).

It was recorded in the Minutes that Ms. Sabina Fluxá Thienemann, who had just been appointed as a Board Member by the General Shareholders' Meeting and was present at the meeting, accepted his appointment, and declared that she was not subject to any legal incompatibilities, and particularly those referred to in Law 512006, of April 10, and in the Autonomous Community of Madrid, Law 1411995, of April 21.

The Secretary then read an extract of the Minutes, which he had prepared as the Meeting took place, and the proposal of the Board for the approval of said Minutes. This proposal was approved by a majority vote with 249,890,583 votes in favour (representing 99.8227 % of the shares present or represented), 3,089 abstentions (representing 0.0012 % of the shares present or represented) and 440,648 votes against (representing 0.1760% of the shares present or represented).

#### E.9 Indicate whether there is a statutory restriction requiring that a minimum number of shares be held to be able to attend the General Shareholders' Meeting.

	Yes	No
	X	
Number of shares required to attend the General Shareholders' Meeting		100

#### E.10 Outline and justify the policies followed by the Company regarding voting by proxy in the General Meeting.

The Company does not pursue any policy with regard to the vote delegation at the General Meeting.

#### E.11 Indicate if the Company is aware of the policy of institutional investors regarding whether they participate or not in Company decisions:

	Yes	No
		X

#### E.12 Indicate the Internet address and procedure to access the information on corporate governance at the Company's website.

The address is <http://www.grupoacs.com/index.php/es/c/gobiernocorporativo>

Access is very simple: 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 By-laws", "General Shareholders' Meeting By-laws", "Annual Corporate Governance Report", "Board of Directors", "Shareholders' Agreements" and "Rules of Conduct of the Securities Market"; Each sub-section contains pertinent information. If you click on "Annual Corporate Governance Report" and following a brief introduction, there is a specific instruction to click on it and download the annual reports for 2008-2007 as PDFs.

## F. Degree of Compliance with the Corporate Governance Recommendations

Indicate the Company's degree of compliance with the recommendations of the Unified Code of good governance. In the event that any recommendations are not complied with, explain the recommendations, rules, practices or criteria that the Company follows.

1. The By-laws of listed companies may not limit the number of votes held by a single shareholder, or impose other restrictions on the Company's takeover via the market acquisition of its shares.

See sections: A.9, B.1.22, B.1.23 and E.1, E.2

Complies	Partially complies	Explain	Not applicable
X			

2. In the event that a parent and subsidiary company are separately listed, they must publish an exact definition of:

- The respective activity areas and any business dealings between them, as well as the listed subsidiary's dealings with the other Group companies;
- The mechanisms in place to resolve possible conflicts of interest.

See sections: C.4 and C.7

Complies	Partially complies	Explain	Not applicable
			X

3. Even if not expressly required under company law, transactions involving a structural change in the Company, and particularly the following, are subject to the approval of the General Shareholders' Meeting:

- The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating to subsidiaries core activities that were previously carried out by the originating firm, even though the latter retains full control of the former;
- The acquisition or disposal of key operating assets that would effectively alter the Company's corporate purpose;
- Operations that effectively add up to the Company's liquidation.

Complies	Partially complies	Explain	Not applicable
X			

4. That the proposed resolutions to be adopted at the General Shareholders' Meeting including the information referred to in recommendation 28, be made public on the date on which the call of the meeting is published.

Complies	Partially complies	Explain	Not applicable
X			

5. Separate votes are to 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:

- Appointment or ratification of Board Members, with separate voting on each candidate;
- Changes to the By-laws, with votes taken on all Articles or groups of Articles that are materially different.

See section: E.8.

Complies	Partially complies	Explain	Not applicable
X			



6. Companies shall allow split votes, so that financial intermediaries who are shareholders on record but acting on behalf of different clients can issue their votes according to instructions.

See section: E.4

	Complies	Explain
	X	

7. The Board of Directors shall perform its duties with unity of purpose and independence, according all shareholders the same treatment. It shall be guided at all times by the Company's best interest, to be understood as maximising the Company's value over time.

It shall ensure that the Company abides by the laws and regulations in its relations with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

	Complies	Partially complies	Explain
	X		

8. The core components of the Board's mission shall be to approve the Company's strategy, authorise the organisational resources to carry it forward, and ensure that management meets the objectives set while pursuing the Company's interests and corporate purpose. As such, the Board in full shall approve:

a) The Company's general policies and strategies, and specifically:

- i) The strategic or business plan, management targets and annual budgets;
- ii) Investment and financing policy;
- iii) Definition of the structure of the corporate group;
- iv) Corporate governance policy;
- v) Corporate social responsibility policy;
- vi) Senior management remuneration and performance evaluation policy;
- vii) Risk control and management policy, and the periodic monitoring of internal information and control systems;
- viii) Policy on dividends and on treasury shares, and the limits to apply.

See sections: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

- i) On the proposal of the Company's Chief Executive, the appointment and removal of senior executives and their termination clauses.

See section B1.1.14

- ii) The remuneration of the Board Members and in the case of Executive Board Members, additional consideration for their management duties and other conditions that should be respected under their contracts.

See section: B.1.14

- iii) The financial information to be periodically disclosed by the Company given that it is listed on the stock exchange.

- iv) Investments or transactions of all kinds which, because of the elevated amounts involved or their special characteristics, are of a strategic nature, unless their approval corresponds to the General Shareholders' Meeting;

- v) The incorporation or acquisition of special purpose vehicles or entities resident in countries or territories defined as tax havens, as well as any analogous transactions or operations whose complexity may impair the Group's transparency.

## F. Degree of Compliance with the Corporate Governance Recommendations

c) Transactions conducted by the Company with Board Members, significant shareholders, shareholders with Board representation or other persons related thereto (“related-party transactions”).

It is understood, however, that said authorisation from the Board shall not be necessary in those related-party transactions in which the following three conditions are simultaneously fulfilled:

- 1<sup>a</sup>. They are governed by standard contracts applied on an across-the-board basis to a large number of clients;
- 2<sup>a</sup>. They are performed at the general prices or rates set by the supplier of the good or service at issue;
- 3<sup>a</sup>. The transaction amount does not exceed 1% of the Company's annual revenues.

It is recommended that related-party transactions only be approved by the Board on the basis of a favourable report from the Audit Committee, or other Committee to which this task was assigned. Board Members related to the transaction may neither exercise nor delegate their votes, and shall be absent from the meeting room while the Board deliberates and votes.

It is recommended that the powers attributed to the Board not be allowed to be delegated, with the exception of those mentioned in b) and c), which can be delegated to the Executive Committee in urgent cases, subject to subsequent ratification by the full Board.

See sections: C.1 and C.6

	Complies	Partially complies	Explain
	X		

9. In the interests of the effectiveness and participatory nature of its functioning, the Board of Directors should comprise between five and fifteen members.

See sections: B.1.1

	Complies	Explain
		X

There are currently 19 Board Members, which is a number comprised within the 11 to 21 member limit provided in Article 13 of the By-laws, and is in accordance with the Spanish Corporations Law. To date, this was considered to be most appropriate number in consideration of the needs and characteristics of the Company with respect to capital structure, capitalisation and management structure.

10. A broad majority of the Board shall be external proprietary and independent Board Members and the number of Executive Board Members should be the minimum necessary, taking into account the complexity of the group of companies as well as each Executive Board Members holding in the share capital of the Company.

See sections: A.2, A.3, B.1.3 and B.1.14

	Complies	Partially complies	Explain
	X		

11. Where an external Board Member cannot be considered either proprietary or independent, the Company shall explain this circumstance and disclose his ties to the Company, management or shareholders.

See section: B.1.3

	Complies	Explain	Not applicable
	X		

12. Among external Board Members, the relation between proprietary Board Members and independent Board Members should reflect the proportion between the capital represented on the Board and the remainder of the Company's capital.

This criterion of strict proportionality may be relaxed, so the weight of proprietary Board Members is greater than would strictly correspond to the total percentage of capital they represent, in the following cases:

- 1º. In large cap companies where few or no equity stakes attain the legal threshold or significant shareholdings, despite the considerable sums actually invested.  
2º. In companies with a plurality of shareholders represented on the Board but not otherwise related.

See section: B.1.3, A.2 and A.3

Complies	Explain
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X

13. The number of independent Board Members shall represent at least a third of all Board Members.

See section: B.1.3

Complies	Explain
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X

It is to our understanding that the distribution of the different types of Board Members (executive, proprietary and independent) is appropriate based on the characteristics of the Company, i.e. a large cap company with four significant shareholders holding different ownership percentages ranging from 5% to 23%.

14. The nature of each Board Member must be explained to the General Shareholders' Meeting, which shall make or ratify his or her appointment. Such determination shall subsequently be reviewed in each year's Annual Corporate Governance Report following verification by the Appointment Committee. This report shall also explain the reasons for having appointed proprietary Board Members at the proposal of shareholders holding less than 5% of the share capital, as well as the reasons for any rejection of a formal request for a Board place from shareholders whose ownership interest is equal to or greater than that of others at whose request proprietary Board Members were appointed.

See sections: B.1.3 and B.14

Complies	Partially complies	Explain
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X

15. When women Board Members are few or nonexistent, the Board should state the reasons for this situation and the initiatives taken to correct it. In particular, in the event of new vacancies, the Appointment Committee should take steps to ensure that:

a) Recruitment processes are not implicitly biased in a manner which hinders the selection of women Board Members;

b) The Company makes a conscious effort to include women with the target profile among potential candidates.

See sections: B.1.2, B.1.27 and B.2.3

Complies	Partially complies	Explain	Not applicable
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X

## F. Degree of Compliance with the Corporate Governance Recommendations

16. The Chairman shall be responsible for the proper operation of the Board of Directors. He or she will ensure that Board Members are supplied with sufficient information in advance of Board meetings, and will work to ensure a good level of debate. He or she will organise and coordinate regular evaluations of the Board and, when different from the Chairman of the Board, the Company's chief or top executive.

See section: B.1.42

	Complies	Partially complies	Explain
	X		

17. When the Chairman is also the Chief Executive of the Company, one of the Company's independent Board Members shall be empowered to request the calling of Board meetings or the inclusion of new business on the Agenda, in order to coordinate and voice the concerns of external Board Members and will take charge of the Chairman's evaluation.

See section: B.1.21

	Complies	Partially complies	Explain	Not applicable
	X			

18. The Secretary of the Board of Directors shall take steps to assure that the Board's actions:

- Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
- Comply with the Company By-laws, General Shareholders' Meeting By-laws, Rules of the Board of Directors and any other related rules;
- Take into account the good governance recommendations of this Unified Code accepted by the Company.

To safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal must be proposed by the Appointment Committee and approved by a full Board meeting. This appointment and removal procedure must be detailed in the Rules of the Board of Directors.

See section: B.1.34

	Cumple	Partially complies	Explain
	X		

19. The Board of Directors shall meet as often as required to properly carry out its duties, following the timetable of dates and issues agreed at the beginning of the year, Board Members may propose that business not initially foreseen be included on the Agenda of these meetings.

See section: B.1.29

	Complies	Partially complies	Explain
	X		

20. Board Member absences will be kept to the bare minimum and quantified in the Annual Corporate Governance Report. In the event that Board Members' votes must be delegated, proxies shall be provided with proper instructions.

See sections: B.1.28 and B.1.30

	Complies	Partially complies	Explain
	X		

21. When Board Members or the Secretary express concerns about some proposal or, in the case of Board Members, about the Company's performance, and such concerns are not resolved at the meeting, the member expressing them will request that they be recorded in the Minute book.

	Complies	Partially complies	Explain	Not applicable
	X			

22. The full Board shall evaluate the following points on a yearly basis:

- a) The quality and efficiency of the Board's stewardship;
- b) Based on the report issued by the Appointment Committee, how well the Chairman and Chief Executive Officer have carried out their duties;
- c) The performance of the Board Committee, on the basis of the reports furnished thereby.

See section: B.1.1.19

	Complies	Explain
		X

The content of this recommendation was included in the Rules of the Board of Directors following their amendment on 25/02/10.

23. All Board Members shall be entitled to receive any additional information they require on matters within the Board's competence. Unless the By-laws or Rules of the Board of Directors indicate otherwise, such requests should be addressed to the Chairman or Secretary.

See section: B.1.4.2

	Complies	Explain
	X	

24. All Board Members shall be entitled to call on the Company for the advice they need to carry out their duties. The Company shall establish suitable channels for the exercise of this right, extending in special circumstances to external assistance at the Company's expense.

See section: B.1.4.1

	Complies	Explain
		X

All Board Members have the right to seek the assistance required. However, up to the amendment of the Rules of the Board of Directors on 25/02/10, the possibility of seeking external assistance was not expressly included.

25. Companies shall organise induction courses for new Board Members to supply them rapidly with the information they need on the Company and its corporate governance rules. Board Members shall also be offered refresher courses when circumstances so advise.

	Complies	Partially complies	Explain
		X	

It is to our understanding that the information made available to the Board Members is appropriate in terms of quality and quantity for the correct exercise of their duties. Additionally, the Board Members have access to the rules regarding the Company's corporate operations at all times, since they are furnished to them on each occasion required and they may consult them at any time on the Company's website.

## F. Degree of Compliance with the Corporate Governance Recommendations

26. The companies shall require their Board Members to devote sufficient time and effort to performing their duties effectively. As such:

- a) Board Members shall apprise the Appointment Committee of their other professional obligations which might detract from the necessary dedication;
- b) The companies shall set rules regarding the number of Board positions their Board Members may hold.

See sections: B.1.8, B.1.9 and B.1.17.

	Complies	Partially complies	Explain
		X	

For these purposes, Articles 13 and 14 of the Rules of the Board of Directors stipulate that the Board Members must also notify the Company of any significant changes in their professional capacity and, specifically, those changes that affect their designation as a Board Member. Board Members cannot, 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 behalf of same.

Additionally, the Rules of the Board of Directors, in their current version (modified on 25 February 2010), limit 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.

27. The proposal for the appointment or renewal of Board Members which the Board submits to the General Shareholder's Meeting, as well as provisional appointments through cooptation, shall be approved by the Board:

- a) At the proposal of the Appointment Committee, in the case of independent Board Members.
- b) Subject to a report from the Appointment Committee in the case of all other Board Members.

See section: B.1.2

	Complies	Partially complies	Explain
	X		

28. Companies shall post the following information regarding the Board Members on their websites, and keep them permanently updated:

- a) Professional experience and background;
- b) Other Boards of Directors of which they are a member, regardless of whether or not the related companies are listed on the stock exchange;
- c) Indication of the Board Member's classification as executive, proprietary or independent, as the case may be. In the case of proprietary Board Members, the shareholder they represent or to whom they are affiliated shall be stated;
- d) The date of their first and subsequent appointments as a Company Board Member; and;
- e) Shares held in the Company and any options on the same.

	Complies	Partially complies	Explain
	X		

29. Independent Board Members may not hold this office for over an uninterrupted period of 12 years.

See section: B.1.2

	Complies	Partially complies	Explain
			X

It is to our understanding that holding office for over a period of 12 years does not compromise 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 shall resign when the shareholders they represent dispose of the shares owned in their entirety. The corresponding number of proprietary Board Members shall also resign, when the shareholders they represent reduce their ownership interest to a level requiring a reduction in the number of proprietary Board Members.

See sections: A.2, A.3 and B.1.2

	Complies	Partially complies	Explain
	X		

31. The Board of Directors may not propose the removal of independent Board Members before the expiry of the statutory term for which they were appointed, as mandated by the By-laws, except where just cause is found by the Board based on a report of the Appointment Committee. In particular, just cause will be presumed when a Board Member is in breach of the duties inherent to his position or comes under one of the disqualifying grounds enumerated in section 5 of chapter III on the definitions of this Code.

The removal of independent Board Members may also be proposed when a takeover bid, merger or similar corporate operation causes changes in the capital structure of the Company, 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	Explain
		X

It is to our understanding that the fact that the Board may not propose the removal of an independent Board Member to the General Shareholders' Meeting except in the aforementioned case of just cause might be in conflict with the General Shareholders' Meeting power to revoke Board Members ad nutum (without cause).

32. The companies shall lay down rules requiring Board Members to inform the Board, and if necessary, resign, in cases where the Company's name and reputation is harmed. In particular, Board Members shall be required to inform the Board immediately of any criminal charges brought against them and the progress of any subsequent trial.

If a Board Member is indicted or brought to trial for any of the crimes stated in Article 124 of the Spanish Corporations law, the Board will examine and, in view of the particular circumstances, determine whether or not the Board Member shall continue in his position. The Board shall provide a reasonable explanation of all determinations made in the Annual Corporate Governance Report.

See sections: B.1.43 and B.1.44

	Complies	Partially complies	Explain
	X		

33. All Board Members should express clear opposition when they feel a proposal submitted for the Board's approval might harm the corporate interest. In particular, independent Board Members, and other Board Members not subject to a potential conflict of interest should strenuously challenge any decision that might unjustifiably harm 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.

## F. Degree of Compliance with the Corporate Governance Recommendations

The term of this Recommendation will also apply to the Board Secretary in the discharge of his or her duties.

	Complies	Partially complies	Explain	Not applicable
	X			

34. Board Members who resign or otherwise step down before their term expires, shall explain their reasons for doing so in a letter sent to all the Board Members. Notwithstanding whether it is reported as a relevant fact, the removal of any Board Member and the motives for the same must be explained in the Annual Corporate Governance Report.

See section: B.1.5

	Complies	Partially complies	Explain	Not applicable
		X		

Mr. Miguel Fluxá Roselló orally requested that his resignation from the Board of Directors for professional reasons be accepted at the General Shareholders' Meeting held on 26 May 2009. Given that he was a proprietary Board Member representing the company Balear Inversiones Financieras, S.L., he also requested that his daughter Ms. Sabina Fluxá Thieneman be appointed as a proprietary Board Member representing the same company. Both proposals were approved by majority with 97.12% of the shares present or represented in favour.

35. The Company's remuneration policy, as approved by its Board of Directors, will specify at least the following points:

- a) The amount of the fixed components, itemised where necessary, of Board and Board Committees attendance fees, with an estimate of the fixed annual payment they give rise to;
- b) Variable remuneration items, including specifically:
  - 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 stock options or any variable remuneration;
  - iii) The main parameters and justification for any system of annual bonuses or other, non cash benefits; and
  - iv) an estimate of the total variable pay resulting from the proposed remuneration plan based on the extent to which the applicable benchmarks are complied with.
- c) Main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), and an estimate of the equivalent amount or cost.
- d) The conditions to apply to the contracts of Executive Board Members exercising senior management functions, including:
  - i) Term;
  - ii) Notice periods; and
  - iii) Any other clauses covering hiring bonuses, as well as indemnities or 'golden parachutes' in the event of early termination of the contractual relation between the Company and Executive Board Members.

See section: B.1.15

	Complies	Partially complies	Explain
	X		

36. Remuneration comprising the delivery of shares in the Company or other companies in the Group, stock options or other share-based incentives, or incentive payments linked to the Company's performance or membership of pension schemes shall be confined to Executive Board Members.

The delivery of shares is excluded from this limitation, when such delivery is contingent on Board Members retaining the shares till the end of their term.

See sections: A.3 and B.1.3

	Complies	Explain
	X	



37. Board Member remuneration shall sufficiently compensate them for the commitment, qualifications and responsibility that the position entails, but should not be so high as to jeopardise their independence.

Complies	Explain
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X

38. In the case of remuneration linked to Company earnings, deductions should be computed for any qualifications stated in the independent auditor's report.

Complies	Explain	Not applicable
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X

39. In the case of variable pay, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the Company's sector, atypical or exceptional transactions or circumstances of this kind.

Complies	Explain	Not applicable
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X

40. The Board shall submit a consultative report on the Board Members' remuneration policy to the vote of the General Shareholders' Meeting, as a separate item on the Agenda. The said report shall be provided to shareholders separately or in any form deemed appropriate by the Company.

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 questions referred to in Recommendation 35, except points potentially involving 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 Board should also report on the role of the Remuneration Committee in designing the policy and, if external advisors have been retained, their identity shall also be reported.

See section: B.1.16

Complies	Explain	Not applicable
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X

As previously stated (B.1.14) the Board submits the attendance fees payable to the Board Members to the approval of the Shareholders' Meeting, at the time the distribution of profits is proposed. Additionally in the Annual Corporate Governance report (B.1.12) detailed information is included on the different type of payments received by the Board Members each year. A detail of the options granted to each Executive Board Member and to the Group's other senior managers is also made available to the general public by means of the corresponding relevant fact. Therefore it is considered unnecessary to draft a specific report on the remuneration policy or of the Appointment and Remuneration's role in its design.

41. This report shall include a detail of the payments made in the period to individual Board Members, including:
- a) A breakdown of the remuneration obtained by each Company Board Member, to include where appropriate:
    - i) Participation and attendance fees and other fixed Board Member payments;
    - ii) Additional compensation 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;

## F. Degree of Compliance with the Corporate Governance Recommendations

- 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 indemnities agreed or paid on the termination of their functions;
- vi) Any compensation they receive as Board Members of other companies in the Group;
- vii) The remuneration Executive Board Members receive in respect of their senior management positions;
- viii) Any kind of compensation other than those listed above, of whatever nature and provenance within the Group, especially when it may be considered a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the Board Member.

b) An individual breakdown of deliveries to Board Members of shares, stock options or other share-based incentives, itemised by:

- i) Number of shares or options awarded in the year, and the terms set for their execution;
- ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
- iii) Number of 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 awarded 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 enterprise results.

	Complies	Partially complies	Explain
			X

As indicated in our response to the previous recommendation, it is to our understanding that the information furnished by the Company, particularly in the Annual Corporate Governance reports and relevant facts in relation to stock options, contained sufficient individualised or collective information, as the case may be in this connection in accordance with the law in force.

42. When the Company has a Delegate or Executive Committee (hereafter "Executive Committee"), the breakdown of its Board Members by category should roughly mirror that of the Board itself.

See sections: B.2.1 and B.2.6

	Complies	Partially complies	Explain	Not applicable
	X			

43. The Board shall be kept fully informed of the business transacted and decisions made by the Executive Committee. All Board Members will receive a copy of the Committee's Minutes.

	Complies	Partially complies	Explain
	X		

44. In addition to the Audit Committee, which is mandatory under the Securities Market Law, the Board of Directors shall form a Committee, or two separate Committees, of Appointment and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the Committee or Committees of Appointment and Remuneration will be set forth in the Rules of the Board of Directors, and shall include at least the following:

- a) The Board of Directors shall appoint the members of these Committees with regard to the knowledge, skills and experience of its Board Members and the duties of each Committee; shall discuss their proposals and reports; and at the first meeting of the Board following their meetings, the Committee members shall report on and take responsibility for the work performed;
- b) These Committees shall be composed exclusively of external Board Members and shall have a minimum of three members. This is without prejudice to Executive Board Members or senior managers attending meetings, for informational purposes, at the Committees' invitation.

- c) Their Chairmen shall be independent Board Members.
- d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meeting proceedings shall be recorded in the Minutes, a copy of which is to be sent to all Board Members.

See sections: B.2.1 and B.2.3

	Complies	Partially complies	Explain
	X		

45. The task of supervising compliance with internal codes of conduct and corporate governance rules will be assigned to the Audit Committee, the Appointment Committee or, as the case may be, separate Compliance or Corporate Governance Committees.

	Complies	Explain
	X	

46. All members of the Audit Committee, particularly its Chairman, will be appointed with regard to their knowledge and experience in accounting, auditing or risk management matters.

	Complies	Explain
	X	

47. Listed companies will have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal information and control systems.

	Complies	Explain
	X	

48. The head of internal audit shall 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	Partially complies	Explain
	X		

49. The control and risk management policy shall specify at least:
- a) The different types of risks (operational, technological, financial, legal, reputational...) 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) The measures provided to mitigate the impact of the risks identified, in the event that they were to materialise;
  - 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	Partially complies	Explain
	X		

## F. Degree of Compliance with the Corporate Governance Recommendations

50. The Audit Committee's role will be as follows:

1. In relation to internal control and reporting systems:

- a) Monitor the preparation and the integrity of the financial information prepared on the Company and, where appropriate, the Group, checking for compliance with legal provisions and the correct application of accounting principles.
- b) Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.
- c) Oversee the independence and effectiveness of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the resources to be assigned to the internal audit function; receive regular reports back on its activities; and verify that senior management are acting on the conclusions and recommendations of its reports.
- d) Establish and supervise a mechanism whereby staff can report any irregularities, and particularly financial and accounting irregularities they detect in the course of their work anonymously or confidentially.

2. In relation to the external auditor:

- a) Make recommendations to the Board for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of his engagement.
- b) Receive regular information from the external auditor on the progress and findings of the audit plan, and check that senior management is acting on its recommendations.
- c) Oversee the independence of the external auditor, to which end:
  - i) The Company will notify any change of auditor to the Spanish Stock Market Commission in the form of a relevant fact, stating the reasons for its decision.
  - ii) The Committee will ensure that the Company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;
  - iii) The Committee will investigate the issues giving rise to the resignation of any external auditor.
- d) In the case of groups, the group auditor shall be encouraged to assume responsibility for the audits of all the group companies.

See sections: B.1.35, B.2.2, B.2.3 and D.3

	Complies	Partially complies	Explain
	X		

51. The Audit Committee may meet with any Company employee or manager, even ordering their appearance without the presence of any senior manager.

	Complies	Explain
	X	

52. The Audit Committee will report on the following points from Recommendation 8 before any decisions are taken by the Board:

- a) The financial information to be periodically disclosed by the Company given that it is listed on the stock exchange. The Committee shall ensure that intermediate statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.
- b) The incorporation or acquisition of special purpose vehicles or entities resident in countries or territories defined as tax havens, as well as any analogous transactions or operations whose complexity may impair the Group's transparency.
- c) Related-party transactions, unless this responsibility has been attributed to another supervision and control Committee.

See sections: B.2.2 and B.2.3

	Cumple	Partially complies	Explain
	X		

53. The Board of Directors shall present the financial statements to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Audit Committee Chairman and the auditors will give a clear account to shareholders of their scope and content.

See section: B.1.38

	Complies	Partially complies	Explain
	X		

54. The majority of the members of the Appointment Committee or of the Appointment and Remuneration Committee, in the case that there is only one, are independent Board Members.

See section: B.2.1

	Complies	Partially complies	Explain
	X		

55. The Appointment Committee shall have the following functions in addition to those stated in earlier Recommendations:

- a) Evaluate the skills, knowledge and experience of the Board, define the roles and abilities 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, in appropriate form, the succession of the Chairman and Chief Executive Officer, making the pertinent recommendations to the Board so the handover proceeds in a planned and orderly manner.
- c) Report on the senior management appointments and removals which the Chief Executive Officer 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	Partially complies	Explain	Not applicable
	X			

56. The Remuneration Committee will consult with the Chairman or Chief Executive Officer, especially on issues involving Executive Board Members and senior executives. Any Board Member may request that the Appointment Committee take into consideration potential candidates considered to be appropriate to fill Board Member vacancies.

	Complies	Partially complies	Explain
	X		

57. The Remuneration Committee shall have the following functions in addition to those stated in earlier Recommendations:

- a) Make proposals to the Board of Directors regarding:
  - i) The remuneration policy for Board Members and senior executives;
  - ii) The individual remuneration of Board Members and other contract conditions;
  - iii) The basic conditions of the contracts of senior executives.
- b) Oversee compliance with the remuneration policy set by the Company.

See sections: B.1.14 and B.2.3

	Complies	Partially complies	Explain	Not applicable
	X			

58. The Remuneration Committee will consult with the Chairman or Chief Executive Officer, especially on issues involving Executive Board Members and senior executives.

	Complies	Explain	Not applicable
	X		

## G. Other Information of Interest

If it is considered that there is some principle or matter that is relevant with respect to the practices of corporate governance applied by the Company that has not been covered by the present report, include it below and explain its content.

**B.1.7.** Iberpistas S.A.C.E and SABA Aparcamientos, S.A., Abertis subsidiaries, are not part of the ACS Group.

**B.1.11.** 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.

**B.1.21 (2).** In accordance with the Rules of the Board amended on 25 February 2010, an independent Board Member shall have this power, and for these purposes, Mr. José María Aguirre González 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 (five) with respect to the total theoretical number (six meetings by 19 Board Members).

**C.2.yC.3.** In relation to this section, the relevant operations that involved a transfer of resources or obligations between the Company or entities of the Group and significant shareholders of the Company are detailed: In relation to this section, the only transactions between management and Board Members related to the remunerations already detailed in the different sections of the Corporate Governance Report, and specifically sections B.1.11 and B.1.12.:

Management or cooperation agreements:	Terratest Técnicas Especiales, S.A. amounting to EUR 3,417 thousand
Leases:	Fidalsar, S.L. amounting to EUR 615 thousand
Reception of services:	Grupo Iberoestar amounting to EUR 1,000 Fidalsar, S.L. amounting to EUR 43 thousand Terratest Técnicas Especiales, S.A. amounting to EUR 14,896 thousand Indra amounting to EUR 2,268 thousand Zardoya Otis, S.A. amounting to EUR 2,170 thousand
Purchase of goods (unfinished or finished):	Gebblasa amounting to EUR 13 thousand
Other expenses:	Unipsa, Correduría de Seguros, S.A. amounting to EUR 71,448 thousand
Provision of services:	Rosán Inversiones, S.L. amounting to EUR 1,968 thousand Grupo Iberoestar amounting to EUR 551 thousand Indra amounting to EUR 1,567 thousand Zardoya Otis, S.A. amounting to EUR 279 thousand
Sale of goods (unfinished or finished):	Indra amounting to EUR 1,906 thousand
Financing agreements: Loans and capital contributions (lender):	Banca March amounting to EUR 54,170 thousand Banco Guipuzcoano amounting to EUR 99,222 thousand
Guarantees given:	Banca March amounting to EUR 67,200 thousand Banco Guipuzcoano amounting to EUR 80,186 thousand
Dividends and other distributed profit:	Fidwei Inversiones, S.L. amounting to EUR 2,911 thousand Lynx Capital, S.A. amounting to EUR 1,538 thousand
Other transactions:	Banca March amounting to EUR 98,054 thousand

The transactions with other related parties include those performed with Grupo Terratest, Fidwei Inversiones, S.L., Lynx Capital, S.A., Indra Sistemas, S.A., Banco Guipuzcoano, S.A., Fidalsar, S.L., Gebblasa and Zardoya Otis, S.A. due to their relationship with positions of responsibility in these companies held by Board Members of ACS, Actividades de Construcción y Servicios, S.A.

Also included were the “intermediate premiums” paid to Unipsa (a company related to Banca March), amounting to EUR 71,448 thousand and EUR 54,772 thousand in 2009 and 2008, respectively, although these amounts were not consideration for insurance brokerage services.

All these commercial transactions were carried out on an arm’s length basis in the ordinary course of business and relate to the normal operations of the Group companies.

The transactions performed between ACS consolidated group companies were eliminated in the consolidation process and form part of the normal business of the companies in terms of their company object and conditions. The transactions are performed on an arm’s length basis and the related information is not necessary to fairly present the equity, financial position and results of the Group’s operations.

## F. Degree of Compliance with the Corporate Governance Recommendations

On 25 February 2010, two weeks prior to the date of approval of the current Corporate Governance report by the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., the Company notified the Spanish Exchange Commission (CNMV) a Relevant Fact in which it reported the amendments that the Board of Directors had made in Articles 3, 4, 8, 11, 14, 15, 20, 23 and 24 of the Rules of the Board of Directors, in order to expressly include certain recommendations of the Unified Code of Recommendations for the Good Governance of Listed Companies.

Since these amendments to the Rules of the Board of Directors were approved within 2010, they were unable to be reflected in 2009 Corporate Governance Report. These amendments are literally worded as follows:

### Article 3.- Composition and appointments

Within the limits laid down by Article 13 of the Company By-laws in effect 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 both the number of Board Members and the persons, natural or legal, to be appointed. The appointment proposal must specify the proposed Board Members’ condition of executive, proprietary, independent or external.

Furthermore, in the event that vacancies were to arise, the Board of Directors may provisionally fill them from among the shareholders until the next General Shareholders’ Meeting where the definitive choice would be made.

### Article 4.- Functions

In accordance with the terms of Article 18 of the Company By-laws in effect, the Board of Directors is responsible for representing the Company and administering its business and for carrying out whatever operations may be involved in its purpose or may be related to it.

In carrying out its functions, the Board of Directors shall act in accordance with company interests and safeguarding the interests of the shareholders.

Particularly, the Board of Directors shall have the following responsibilities, which cannot be delegated:

- Accepting the resignation of Board Members.
- Appointing, discharging and accepting the resignation of the positions of Chairman, Vice-Chairman and Secretary to the Board.
- Appointing, discharging and accepting the resignation of Board Members who must form part of the Committees described herein.
- Delegating to any of their members, wholly or partly, the powers corresponding to the Board, except those which cannot be delegated.
- Preparing the individual and consolidated financial statements and Board Members’ reports and submitting them for approval by the General Shareholders’ Meeting. Also, drawing up an annual consultative report on the Board Member’s remuneration policy, which shall be submitted to the Company’s General Shareholders’ Meeting as a separate item on the Agenda.
- Drawing up the reports, including the Annual Corporate Governance Report, and the proposals which, in accordance with the legislation in force and the Company By-laws, the Board of Directors is responsible for adopting.

## G. Other Information of Interest

- Approving the yearly budget.
- Approving the merger, acquisition, division or concentration operations in which the main subsidiary companies of the Group where the Company is parent are interested.
- Approving the block issue of debentures, notes, bonds or similar security by the main companies of the Group where the Company is parent.
- Approving the assignation of rights over the trademark, brands and other intellectual and industrial property rights that belong to the Company or the companies of its Group, whenever they are of financial relevance.
- Annually assessing: the quality and efficiency of its operation; the Chairman and, if appropriate, CEO's performance of their functions, following the issuance of a report by the Appointment and Remuneration Committee; and the operation of the Board of Director's Committees, following the issuance of a report by these Committees.
- Amending these Rules.
- In general, carrying out all the functions which by law, by regulation or in accordance with these Rules, it is responsible for, and to carry out other functions which have been delegated to it by the General Shareholders' Meeting, and empowered, in turn, to delegate only those which have been expressly permitted in the delegation agreement with the General Shareholders' Meeting.

Additionally, the Board of Directors shall be responsible for and may not delegate the responsibility of defining the Company's strategy and the exact organisation required for its performance, as well as the supervision and control of Management in order to assure the fulfilment of the approved objectives. For this purpose, the Board of Directors shall be responsible for approving the following:

### 1. The Company's general policies and strategies, and specifically:

- The strategic or business plan, as well as the annual management objectives.
- The investment and financing policy.
- The structure of the group of companies.
- Corporate governance and social responsibility policies.
- Senior executive management evaluation and remuneration policies.
- The risk control and management policy and the periodic monitoring of internal information and control systems.
- The policy on dividends and on treasury shares and their limits.
- Related party transactions, following a report prepared by the Audit Committee, unless such transactions meet the following three conditions:
  - a) They are performed in accordance with standard contract conditions;
  - b) They are performed at the general prices or rates set by the supplier of the good or service at issue; and
  - c) The transaction amount does not exceed 1% of the Company's annual revenues.

### 2. The following decisions:

- The appointment, at the proposal of the Chairman, of senior executives, as well as their compensation clauses.
- The distribution among the Board Members, of the overall remuneration agreed by the General Shareholders' Meeting, and if appropriate, the establishment of supplementary remuneration and other supplementary pay corresponding to Executive Board Members in relation to their functions.



- The financial information to be periodically made public by the Company given that it is listed on the stock exchange.
- Investments or transactions of a strategic nature or of relative importance, except where these are to be approved by the General Shareholders' Meeting.
- The creation or acquisition of special purpose entities or entities residing in territories considered to be tax havens, as well as any other operation or transaction which might diminish the transparency of the Company or Group.
- The establishment and supervision of a mechanism enabling employees to confidentially report any irregularities they know of, and particularly financial and accounting irregularities of special significance, to the Audit Committee, through its Secretary.

#### Article 8.- Sessions and notice

The Board shall meet whenever it is so required by the Company's interests, prior notice from the Chairman or, in his or her absence, by a Vice-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.

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 different Board Members, including the Agenda.

Except in cases of emergency, to be freely judged 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 in the Company offices or in any other place the Chairman may decide and specify in the notice of meeting.

The Board of Directors shall empower one of the independent Board Members to do the following:

1. Request the calling of meetings 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.

#### Article 11.- Term of Appointment for Board Members

Board Members shall hold their position 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 subsequent General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether to approve the financial statements for the previous year.

Notwithstanding the above, proprietary Board Members shall resign when the shareholder they represent fully disposes of his shares by any title.

#### Article 14.- Dedication, non-competition and use of information

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 authorisation from the Board provided on a reasonable basis. For these purposes, companies in the same group shall be considered as a single Company.

## G. Other Information of Interest

Board Members cannot, 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 behalf of same.

Board Members may not make any use for private purposes of the non-public information of which they have become aware in carrying out their functions as Board Member. Especially, the Board Members, unless expressly authorised by the Board of Directors, may not take advantage, in their own benefit, of the commercial transactions of which they have become aware in carrying out the said functions.

Except in cases of duly authorised allowance in kind, Board Members may not make use of the Company's assets nor take advantage of their position to obtain an advantage regarding assets without satisfying adequate consideration.

### Article 15.- Information to Board Members

So as to better perform their tasks, Board Members may request, through the Chairman or through the Secretary to the Board of Directors, the information that he or she may deem necessary, which under special circumstances, may consist in external assistance at the Company's expense.

### Article 20.- The Secretary

Following the issuance of a report by the Appointment and Remuneration Committee, the Board of Directors shall appoint a Secretary, who may be a non-member, and who must be a practising lawyer. Apart from the functions laid down by the legislation in force, the Company By-laws and these Rules, the Secretary to the Board of Directors is responsible for ensuring that actions arising from the Company bodies it 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 on good corporate governance of the unified Code in force.

### Article 23 -The Audit Committee

In accordance with the provisions set forth in Article 20 bis of the Company By-laws, there shall exist an Audit Committee to be 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 correspond to whoever is currently performing, or has performed in the three immediately previous years, functions of an executive or industrial nature in the Company. The appointment of the Chairman, also to be made by the Board of Directors, must necessarily correspond to one of the Company's non-executive Board Members and he or she may not remain in the position for a term in excess of four years. They may, nevertheless, be eligible for re-election after one year has elapsed since the end of his or her term of office. He/she shall attend the Committee's meetings, acting 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.

It shall only be deemed to be set up 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 an equal number of votes. It shall meet, following prior notice from its Chairman, at least twice a year, coinciding with the initial and final stages of the period when the financial statements of the Company and the consolidated accounts of the Business Group are audited, and always prior to the issue of the corresponding audit reports. Its meetings may be attended, when specially convened, by the Company Auditor, for the purposes of explaining the most significant aspects of the audits conducted.

The Audit Committee shall have the following functions:

- a) Report to the General Shareholders' Meeting on the questions that shareholders may raise there on matters of its competence.
- b) Propose to the Company's Board of Directors, for submission to the General Shareholders' Meeting the appointment of the external auditors referred to under Section 204 of the revised text of the Spanish Corporations Law.
- c) Review and approve significant changes in the accounting policies of the Company and of the subsidiaries comprised within its Business Group and of the Group itself. In addition, in general, liaise with the external auditors to receive information on those issues that could jeopardise their independence and any other matter relating to the proceedings of accounts audit, in addition to any other communications stipulated in the legislation on accounts auditing and on technical auditing standards.
- d) Receive periodic reports from the internal auditing services and supervise its operation; propose the appointment, re-election and termination of its head; assure its independence and efficiency; propose a budget for this service; and verify that senior management takes into account its conclusions and recommendations.
- e) Supervise compliance with internal conduct codes and corporate governance rules.
- f) Be aware of the financial information process and the Company's internal control systems.
- g) Periodically review the risk control and management systems, assuring that they appropriately define the different types of risks (operating, technological, financial, including contingent, legal, and image liabilities, etc.) faced by the Company; define the acceptable risk level and establish the appropriate measures for mitigating the risks identified in the event that such risks were to arise.

- h) Review and report on the estimates made by the Company management and those forming part of its Group of Companies on possible tax and legal contingencies of a significant nature.
- i) Be aware of the results of inspections carried out by official authorities.
- j) Be aware of the information periodically provided to the Stock Market on the Company's accounts.
- k) Previously inform the Board of Directors of any related party transactions to be submitted for its approval.
- l) Any other matters under its competence pursuant to these Rules, which may be especially entrusted to it by the Board of Directors.

Insofar as it be deemed necessary, and with the natural adaptations, the operation of the Audit Committee shall be governed by the provisions of these rules regarding the operation of the Board of Directors.

#### Article 24.- The Appointment and Remuneration Committee

Likewise, the Board of Directors shall set up an Appointment 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, 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.

It shall only be deemed to be validly constituted when the majority of its members are present and it shall adopt its resolutions through a majority of those attending. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year.

The Appointment and Remuneration Committee has the following tasks:

1. Report on the remuneration system for the Chairman of the Board of Directors and other top 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. It will also 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 supplementary 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 stock value such as stock option plans.
5. Proposed appointment or re-appointment of independent Board Members and report on the proposed appointment of other Board Members and of 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. It 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 Rules, which may be especially entrusted to it by the Board of Directors.

The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.

The new rules governing these matters included within the Company's internal rules involve compliance with certain recommendations of the Unified Code of Recommendations for the Good Governance of Listed Companies, and particularly paragraphs 17, 18, 26, 30, 31, 42, 44, 50, 51, 52, 54, 55 and 56 of section F of the Company's Corporate Governance Report.

## G. Other Information of Interest

With respect to Recommendation 42 of Section F, the following structure of participation of the different categories of Board Members on the Board of Directors and Executive Committee is noteworthy:

Executive Board Members on the Board of Directors:	21.05%
Executive Board Members on the Executive Committee:	28.6%
External proprietary Board Members on the Board of Directors:	47.368%
External proprietary Board Members on the Executive Committee:	42.857%
External independent Board Members on the Board of Directors:	26.3%
External independent Board Members on the Executive Committee:	14.3%
Other external Board Members on the Board of Directors:	5.263%
Other external Board Members on the Executive Committee:	14.3%

This section may include any information, clarification or detail related to the above sections of the report, so far as it is relevant and not repetitive.

Specifically, indicate whether the Company is subject to legislation other than Spanish legislation in matters of corporate governance and, if applicable, include information that the Company is required to supply and which is different to that required in this report.

### Binding definition of independent Board Member:

Indicate whether any of the independent Board Members has or has had any relation to the Company, its significant shareholders or managers, which having been sufficiently significant or important, would have caused this Board Member to lose his consideration as an independent in accordance with the definition set forth in section 5 of the Unified Code of Good Governance:

	Yes	No
	X	

Name of the Board Member	Type of relationship	Explanation
Mr. José María Loizaga Viguri	Member of the Board of Directors of Zardoya Otis, S.A.	Zardoya Otis, S.A. is a normal supplier to the construction companies of the ACS Group, without the volume of operations being significant.
Mr. José María Aguirre González	Chairman of Banco Guipuzcoano, S.A.	Banco Santander S.A. is a normal financial service provider for the Group and several of its companies. The business volume is fairly irrelevant.
Mr. Miquel Roca i Junyent	Lawyer	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 Board of Directors of the Company at its session held on

11/03/2010

Indicate if any Board Members voted against or abstained with regard to the approval of this Report.

	Yes	No
		X







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Project Director and Editor  
ACS Group

Creation and Design  
IMAGIA officina

Photos  
ACS Group Archives