

# ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



## Results 3Q06 January - September

*November 8<sup>th</sup>, 2006*

## Executive Summary

Income Statement

Results by Business Areas

Balance Sheet

Cash Flow Statement

Conclusions

# Executive Summary

## Maintaining the growth with high profitability

Solid turnover growth

Good operating performance

Outstanding results

Maintaining the commercial activity

Investing for the future

Turnover

€ 10.476 mn +17,8 %

EBIT

€ 711 mn +19,1 %

Net Profit

€ 607 mn +38,0 %

Total Backlog

€ 27.987 mn +9,5 %

Total Investment

€ 5.324 mn +52,9 %

Grupo ACS has acquired a 10% of Iberdrola for a total amount of € 3,322.2 million, equivalent to 36,8€ per share.

- ❑ This investment reinforces the Group's commitment within the utility sector.
- ❑ It continues the Group's strategy that started with the acquisition of a stake of Unión Fenosa. Grupo ACS is now the main industrial shareholder of both companies.
- ❑ The financing scheme utilized for these acquisitions guarantees the investment capacity of the Group for the future.
- ❑ From a financial perspective the operation is neutral in terms of EPS and cash generation as the dividends from Iberdrola will be accounted as a financial income.

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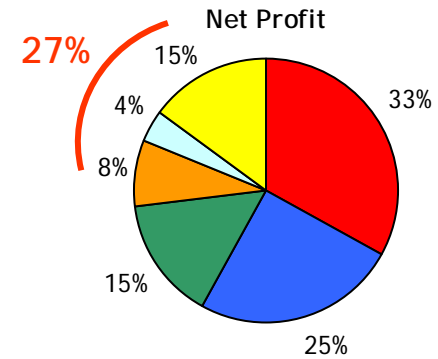
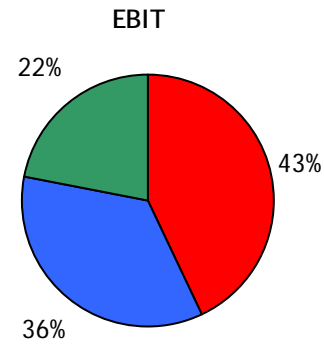
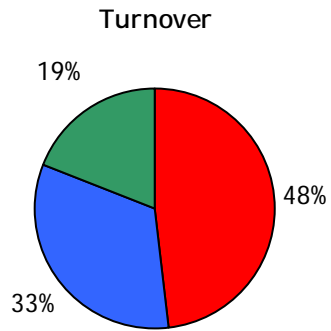
Conclusions

## Income Statement Key Figures

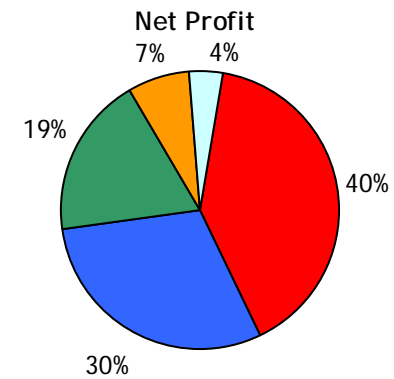
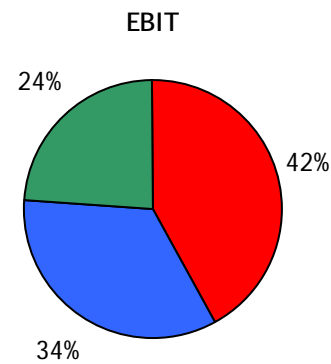
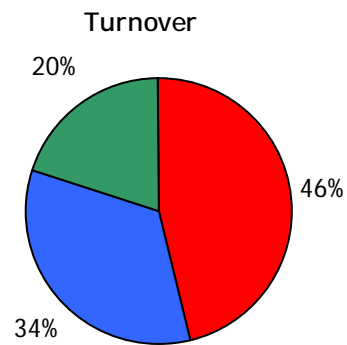
<i>Euro Millions</i>	3Q05	3Q06	Var
Turnover	8.891,3	10.476,2	+17,8 %
EBITDA	785,7	925,2	+17,8 %
EBIT	596,4	710,6	+19,1 %
Net Profit from Listed Affiliates	64,2	173,8	n.a.
Net Profit	440,3	607,5	+38,0 %
<i>EPS</i>	1,26 €	1,74 €	+37,7 %

# Income Statement Breakdown by Activities

3Q06



3Q05



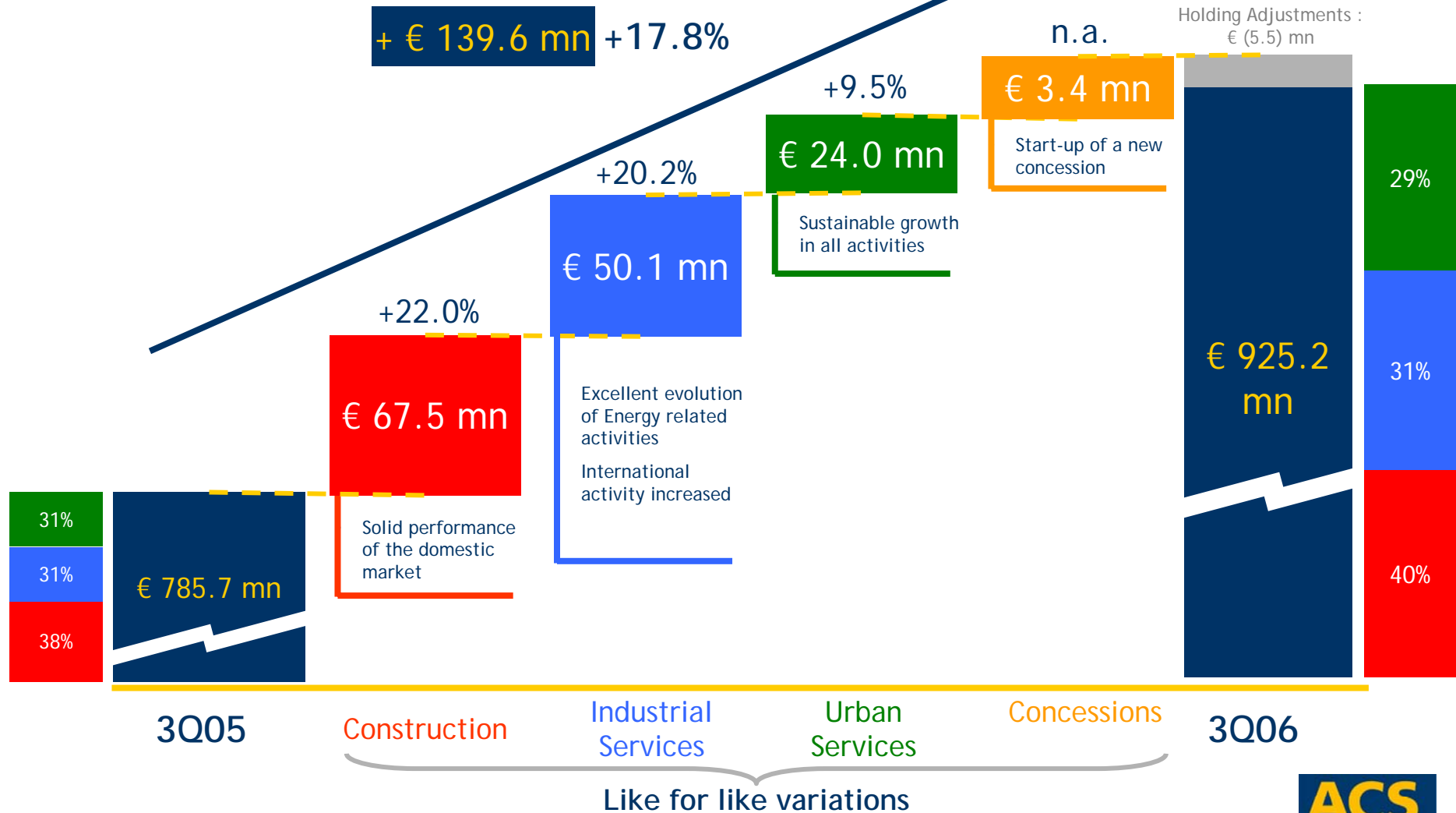
■ Construction ■ Industrial Services ■ Services ■ Concessions ■ Urbis ■ Unión Fenosa

NOTE: The percentages have been calculated as the sum of the activities considered in each graph



# Income Statement Analysis of the Evolution of the EBITDA

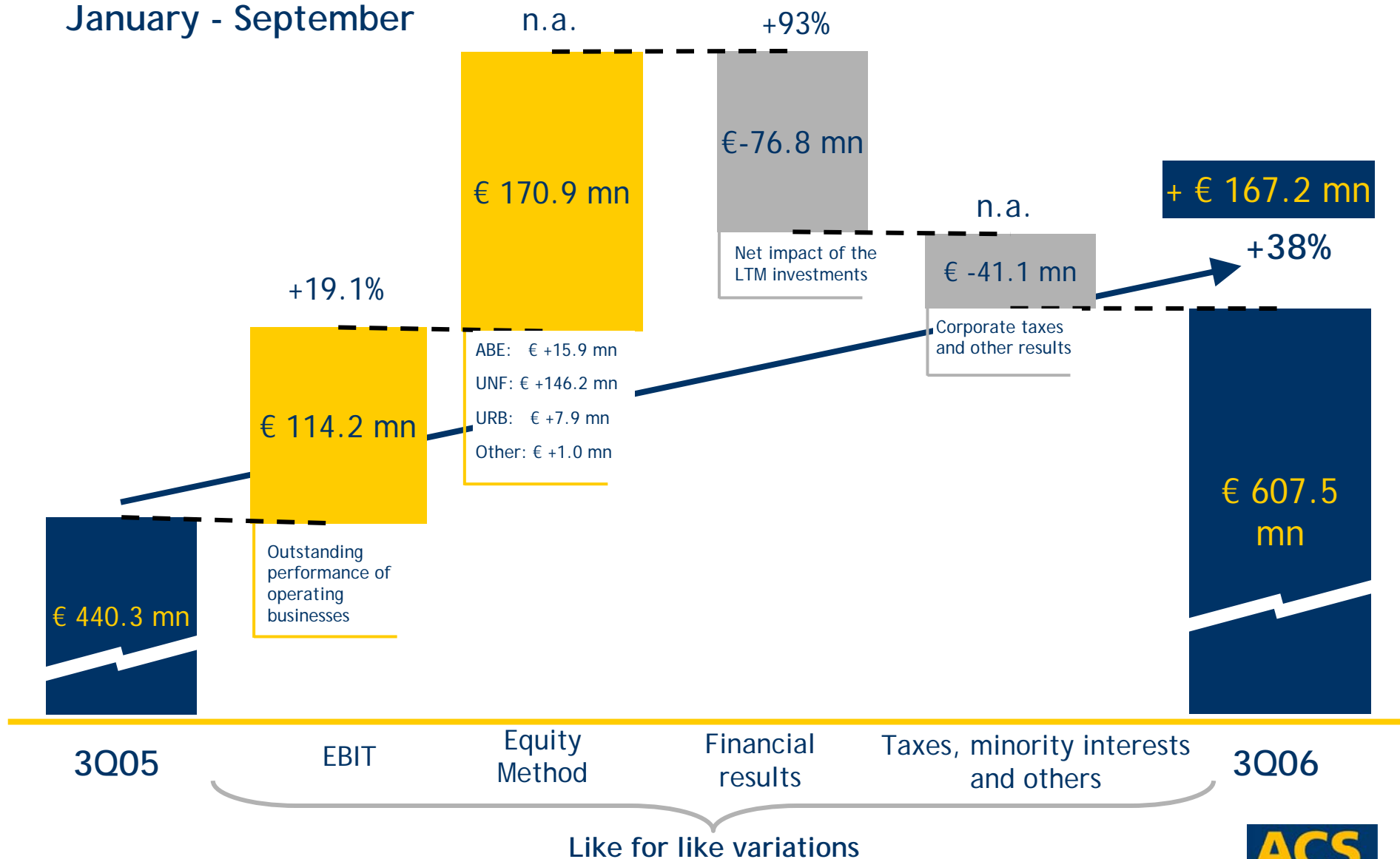
January - September





# Income Statement Analysis of the Evolution of the Net Profit

January - September



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

Conclusions

## Results by Business Areas Construction: Income Statement

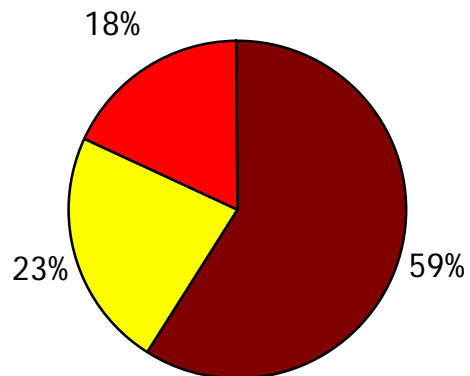
Million Euro	3Q05	3Q06	Var. 06/05
Turnover	4.174,7	5.054,7	+21,1 %
EBITDA	307,3	374,8	+22,0 %
EBIT	261,7	316,4	+20,9 %
Cont. Operations PBT	276,0	335,1	+21,4 %
Net Profit	177,8	215,3	+21,1 %
<i>EBITDA margin</i>	7,4%	7,4%	
<i>EBIT Margin</i>	6,3%	6,3%	
<i>Net Profit Margin</i>	4,3%	4,3%	
<i>Effective Tax Rate</i>	32,0%	35,0%	

# Results by Business Areas

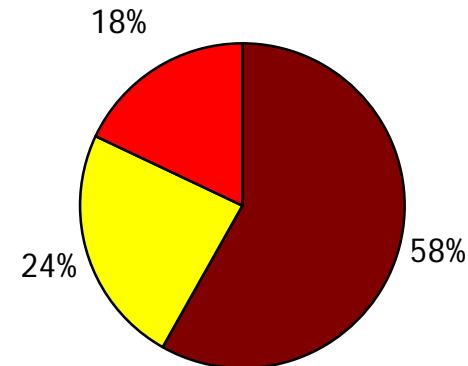
## Construction: Activity Breakdown

Million Euro	3Q05	3Q06	Var. 06/05
 Civil Works	2.460,5	2.922,1	+18,8 %
 Non residential Building	970,1	1.282,2	+32,2 %
 Residential Building	744,1	850,4	+14,3 %
<b>TOTAL</b>	<b>4.174,7</b>	<b>5.054,7</b>	<b>+21,1 %</b>
<i>International</i>	<i>415,5</i>	<i>310,1</i>	<i>-25,4 %</i>
<i>%</i>	<i>10%</i>	<i>6%</i>	

Sales 3Q05



Sales 3Q06



# Results by Business Areas

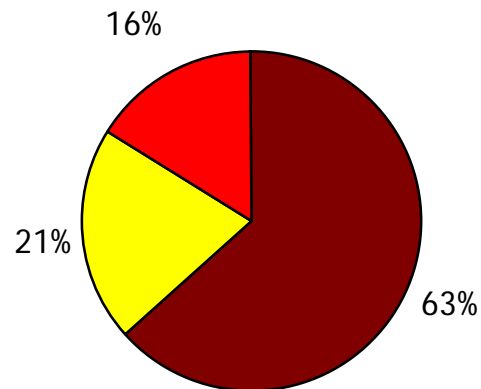
## Construction: Backlog Breakdown

Million Euro

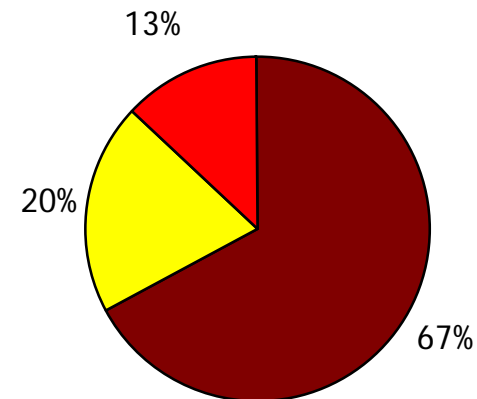
- Civil Works
- Non residential Building
- Residential Building

	3Q05	3Q06	Var. 06/05
Civil Works	6.022,9	6.587,6	+9,4 %
Non residential Building	1.783,9	2.157,2	+20,9 %
Residential Building	1.221,2	1.643,7	+34,6 %
<b>TOTAL</b>	<b>9.028,0</b>	<b>10.388,5</b>	<b>+15,1 %</b>
<i>International</i>	<i>658,1</i>	<i>482,3</i>	<i>-26,7 %</i>
<i>%</i>	<i>7%</i>	<i>5%</i>	

Backlog 3Q05



Backlog 3Q06



## Results by Business Areas





### Industrial Services: Income Statement

Million Euro	3Q05	3Q06	Var. 06/05
Turnover	3.010,5	3.493,8	+16,1 %
EBITDA	247,8	297,9	+20,2 %
EBIT	209,4	257,0	+22,8 %
Cont. Operations PBT	194,6	239,0	+22,9 %
Net Profit	132,3	163,4	+23,5 %
<i>EBITDA margin</i>	8,2%	8,5%	
<i>EBIT Margin</i>	7,0%	7,4%	
<i>Net Profit Margin</i>	4,4%	4,7%	
<i>Effective Tax Rate</i>	31,8%	31,3%	

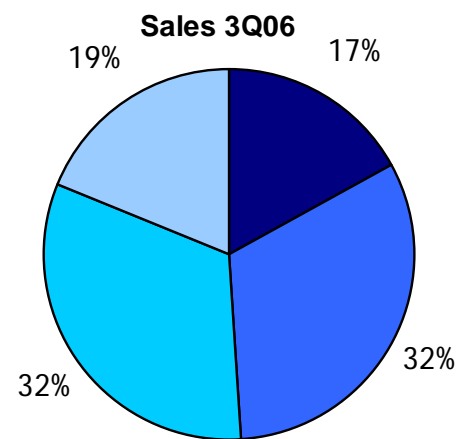
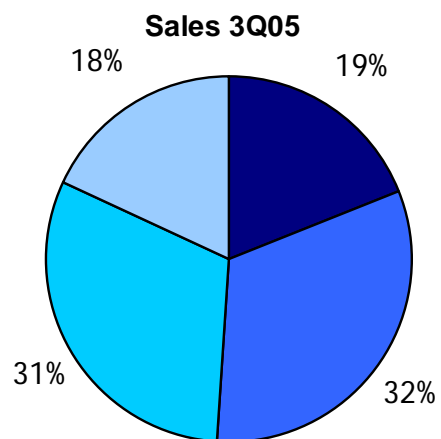
# Results by Business Areas

## Industrial Services: Sales by Activity

Million Euro

-  Networks
-  Specialized Products
-  Energy Projects
-  Control Systems

	3Q05	3Q06	Var. 06/05
Networks	577,4	575,6	-0,3 %
Specialized Products	963,5	1.130,7	+17,3 %
Energy Projects	932,9	1.120,5	+20,1 %
Control Systems	536,7	667,0	+24,3 %
<b>TOTAL</b>	<b>3.010,5</b>	<b>3.493,8</b>	<b>+16,1 %</b>
<i>International</i>	<i>961,7</i>	<i>1.179,8</i>	<i>+22,7 %</i>
%	32%	34%	

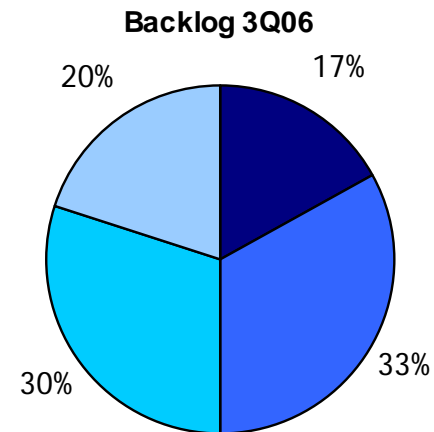
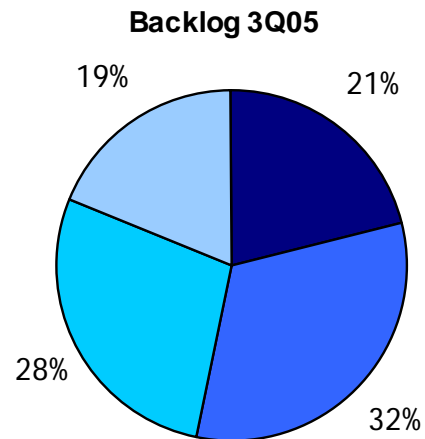


# Results by Business Areas

## Industrial Services: Backlog Breakdown

Million Euro

	3Q05	3Q06	Var. 06/05
Networks	848,0	800,0	-5,7 %
Specialized Products	1.279,3	1.622,5	+26,8 %
Energy Projects	1.157,2	1.477,1	+27,6 %
Control Systems	780,1	960,3	+23,1 %
<b>TOTAL</b>	<b>4.064,6</b>	<b>4.859,9</b>	<b>+19,6 %</b>
<i>International</i>	<i>1.222,6</i>	<i>1.207,8</i>	<i>-1,2 %</i>
%	30%	25%	





## Results by Business Areas Services: Income Statement

Million Euro	3Q05	3Q06	Var. 06/05
Turnover	1.777,7	1.987,4	+11,8 %
EBITDA	252,1	276,2	+9,5 %
EBIT	148,3	166,3	+12,2 %
Cont. Operations PBT	121,9	134,9	+10,7 %
Net Profit	82,6	94,8	+14,8 %
<i>EBITDA margin</i>	<i>14,2%</i>	<i>13,9%</i>	
<i>EBIT Margin</i>	<i>8,3%</i>	<i>8,4%</i>	
<i>Net Profit Margin</i>	<i>4,6%</i>	<i>4,8%</i>	
<i>Effective Tax Rate</i>	<i>29,4%</i>	<i>27,3%</i>	

# Results by Business Areas

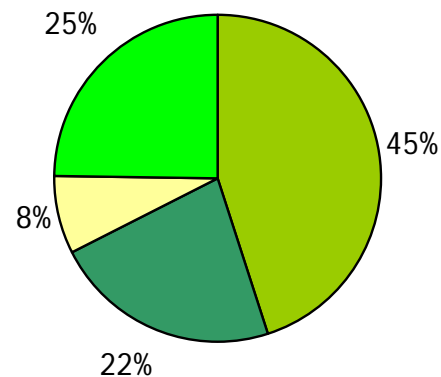
## Services: Sales by Activity

Million Euro

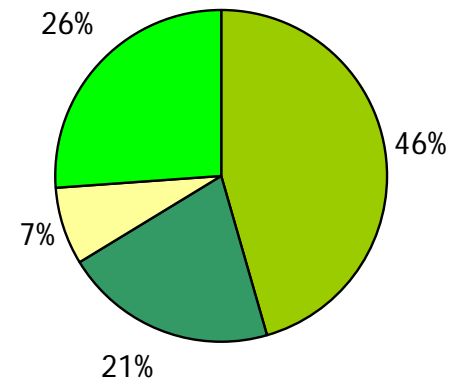
-  Environmental
-  Ports & Logistics Services
-  Transportation Services
-  Facility Management

	3Q05	3Q06	Var. 06/05
Environmental	801,1	904,8	+12,9 %
Ports & Logistics Services	398,4	414,3	+4,0 %
Transportation Services	137,3	149,0	+8,5 %
Facility Management	440,9	519,4	+17,8 %
<b>TOTAL</b>	<b>1.777,7</b>	<b>1.987,4</b>	<b>+11,8 %</b>
<i>International</i>	<i>163,7</i>	<i>196,7</i>	<i>+20,1 %</i>
%	9%	10%	

Sales 3Q05







Sales 3Q06



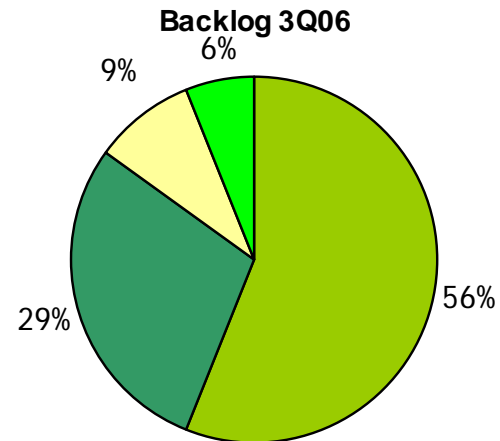
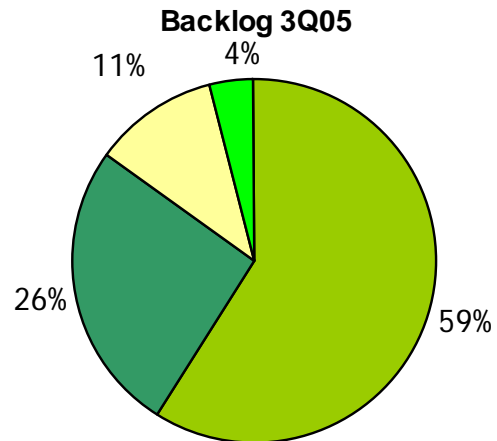
# Results by Business Areas

## Services: Backlog Breakdown

Million Euro




-  Environmental
-  Ports & Logistics Services
-  Transportation Services
-  Facility Management

	3Q05	3Q06	Var. 06/05
Environmental	7.399,6	7.090,7	-4,2 %
Ports & Logistics Services	3.216,5	3.674,7	+14,2 %
Transportation Services	1.337,8	1.161,6	-13,2 %
Facility Management	502,8	811,7	+61,4 %
<b>TOTAL</b>	<b>12.456,7</b>	<b>12.738,7</b>	<b>+2,3 %</b>
<i>International</i>	<i>1.979,0</i>	<i>1.850,0</i>	<i>-6,5 %</i>
%	16%	15%	



## Results by Business Areas

### Net Impact of Listed Affiliates

<i>Euro Millions</i>	3Q05	3Q06	Stake
	68,6	84,4	24,8%
	23,4	31,4	24,8%
		146,2	35,7%
<b>Total Equity Method</b>	<b>92,0</b>	<b>262,0</b>	
<i>Financial Expenses</i>	(42,8)	(135,7)	
<i>Corporate taxes</i>	15,0	47,5	
<b>Net Profit</b>	<b>64,2</b>	<b>173,8</b>	

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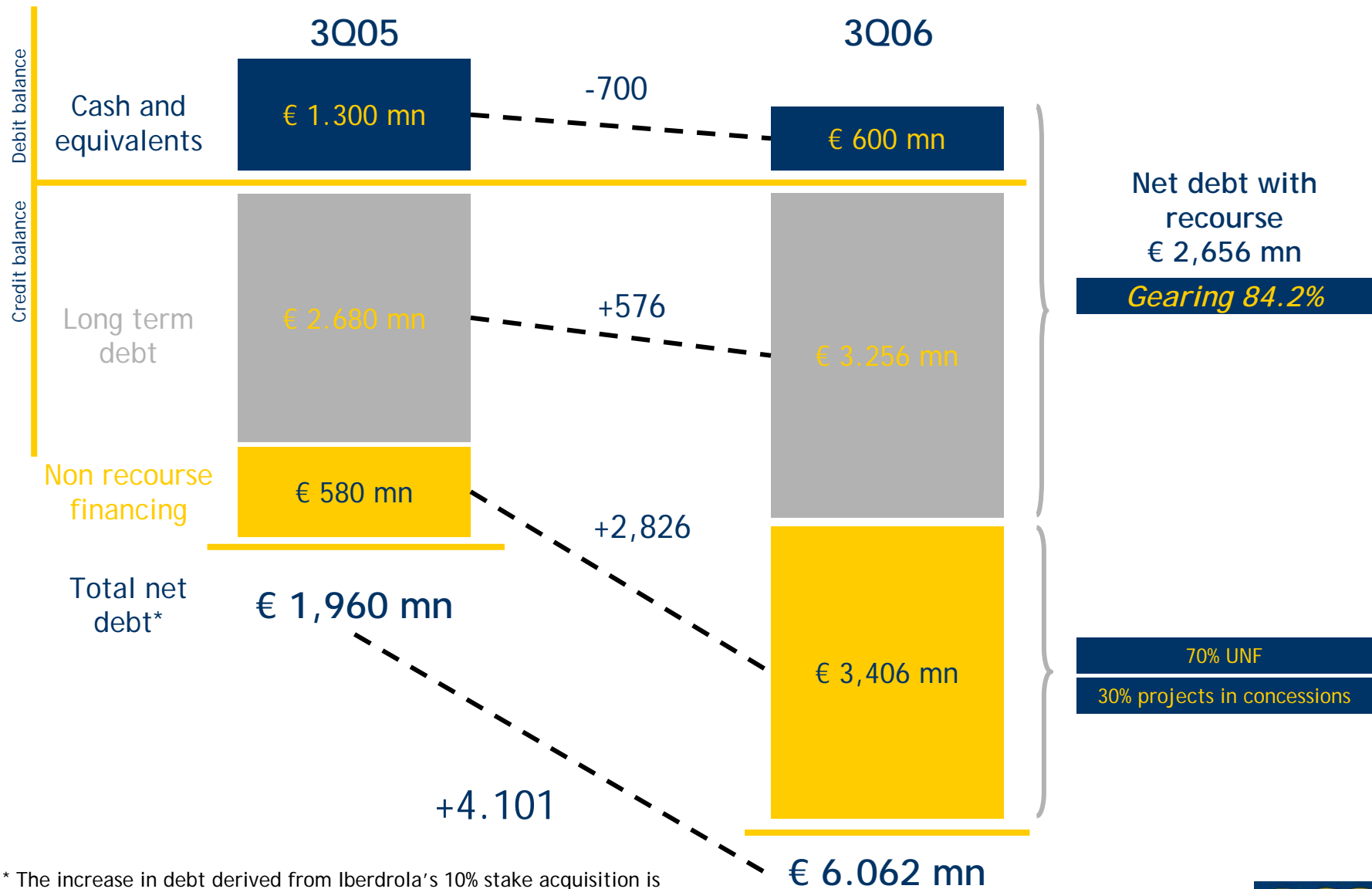
Conclusions

## Balance Sheet Key Figures

Million Euro	sep-05		sep-06		Var. 06/05
<b>Fixed Assets</b>	<b>8.882</b>	<b>100%</b>	<b>14.829</b>	<b>100%</b>	<b>+67 %</b>
<b>Working Capital</b>	<b>(1.468)</b>	<b>17%</b>	<b>(1.690)</b>	<b>11%</b>	<b>+36 %</b>
<b>Total Equity</b>	<b>2.521</b>	<b>28%</b>	<b>3.152</b>	<b>21%</b>	<b>+25 %</b>
<b>Net Debt</b>	<b>1.960</b>	<b>22%</b>	<b>6.062</b>	<b>41%</b>	<b>+209 %</b>
Non Recourse Financing	580		3.406		+488 %
Net Debt With Recourse	1.380		2.656		+92 %
<b>Other liabilities</b>	<b>2.932</b>	<b>33%</b>	<b>3.925</b>	<b>26%</b>	<b>-15 %</b>
Payables due to UNF/IBE*	2.219		3.322		
Other	713		603		

\* The increase in debt derived from Iberdrola's 10% stake acquisition is not included as this investment has been paid on October 2nd, 2006

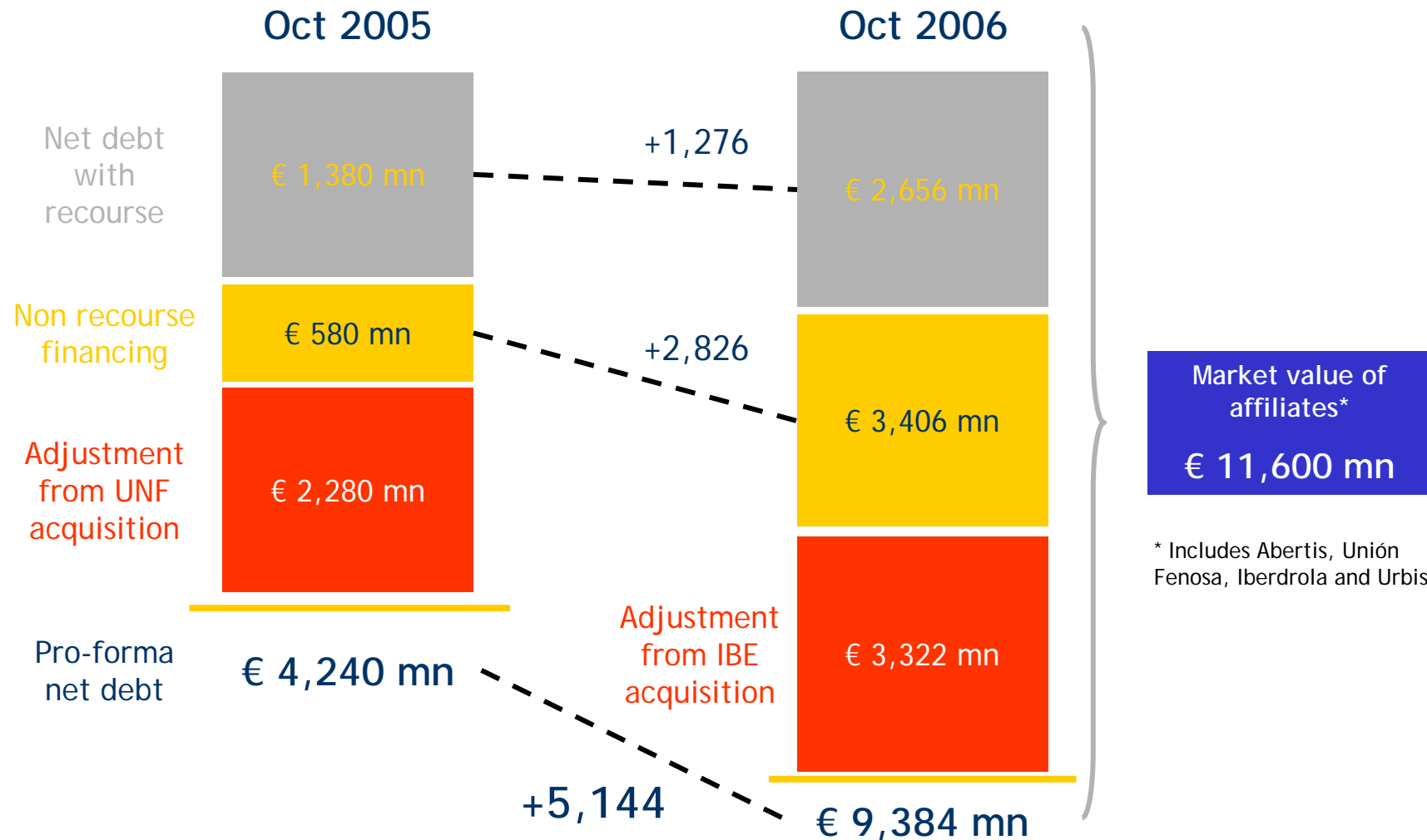
# Balance Sheet Net Debt Breakdown



\* The increase in debt derived from Iberdrola's 10% stake acquisition is not included as this investment has been paid on October 2nd, 2006

# Consolidated Balance Sheet

## Pro-forma Net Debt





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# Cash Flow Statement

## Key Figures

Million Euro	3Q05	3Q06	Var. 06/05
EBITDA	786	925	+17,8 %
Cash Flow from Operations	561	632	+12,7 %
Working Capital (Requirements) / Excess	163	(182)	n.a.
<b>Cash Flow from Operating Activities</b>	<b>725</b>	<b>450</b>	<b>-37,9 %</b>
Capital Expenditure	(3.483)	(5.324)	+52,9 %
Dividends paid	(138)	(212)	+53,9 %
Others*	2.360	3.288	+40,8 %
<b>Net Financing Variation</b>	<b>536</b>	<b>1.797</b>	<b>n.a.</b>

\* Includes the short term liabilities generated by the acquisition of Iberdrola (2006) and Union Fenosa (2005)

## Cash Flow Statement Breakdown of Capital Expenditure

<i>Euro Million</i>	Gross Investment	Divestments	Net Investment
Construction	307,1	33,4	273,7
Industrial Services	349,4	56,5	292,9
Services	245,5	24,5	221,0
Concessions	67,6	65,7	1,9
<b>Subtotal</b>	<b>969,6</b>	<b>180,2</b>	<b>789,5</b>
Iberdrola	3.322,2		3.322,2
Unión Fenosa	1.144,0		1.144,0
Others	90,5	22,2	68,3
<b>TOTAL</b>	<b>5.526,4</b>	<b>202,3</b>	<b>5.324,0</b>

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**Conclusions**  
**Sustained Value Creation**

