

# 06.

Annual Report  
ACS Group



# Corporate Strategy

## Vision

A **worldwide reference** in the **construction and services** activities. A group taking part in the **development** of key sectors for the economy such as **infrastructures** and **energy**. A company committed to the **social and economic progress** of the countries in which it is present.

## Mission

### Focusing on clients: meeting their needs

- Innovating from day to day and increasing the offer of products and services which enable the Group to diversify its portfolio of activities while reducing its exposure to economic cycles.
- Ongoing improvement of quality, safety and reliability standards in relation to the numerous 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.

### Optimizing 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.
- Offering an attractive dividend policy which is sustainable in the long-term.

### Improving the society in which we live: sustainable growth

- Acting as an economic driver of the creation of stable, decent and fairly remunerated employment.
- 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 wealth through ACS Group's own activities or through the infrastructures it builds, which guarantee the society's development and the well-being of its citizens.



## Values

**Experience** developing quality service which incorporates new technological breakthroughs for clients.

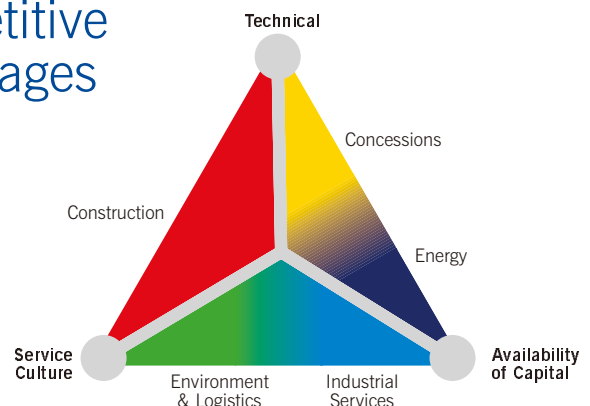
**Profitability** as a future guarantee, and as a tool to compensate shareholders for their trust and their investment.

**Trust** from clients 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 clients, suppliers, 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



### Technical knowledge

The ACS Group, which has over 80 years of experience and a total 5,500 engineers and university graduates, is one of the top companies worldwide in infrastructure development. The Group's ability to innovate and the high number of activities it undertakes enable it to take on any project relating to infrastructures with guaranteed success.

### Service Culture

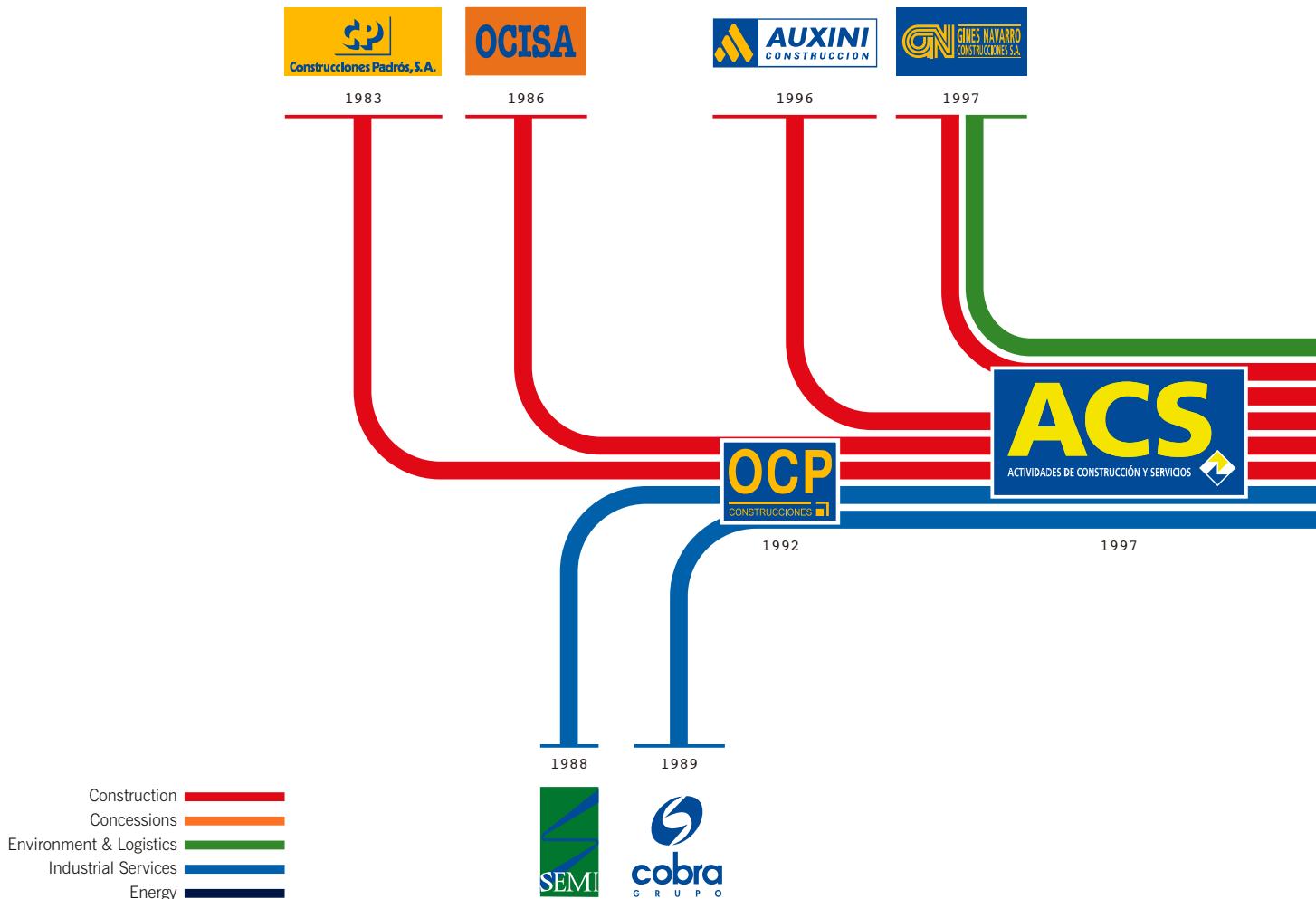
Adopted by each of the organisation members, it enables the Group to maintain a close relationship with its clients so as to offer them products and services adapting to their needs.

### Availability of Capital

Given the ACS Group's track record, reputation, past profitability as well as its proven ability to reinvest gains over the years, financial institutions are readily willing to make the resources required for continued growth available to the Group.

# Corporate Strategy

## History

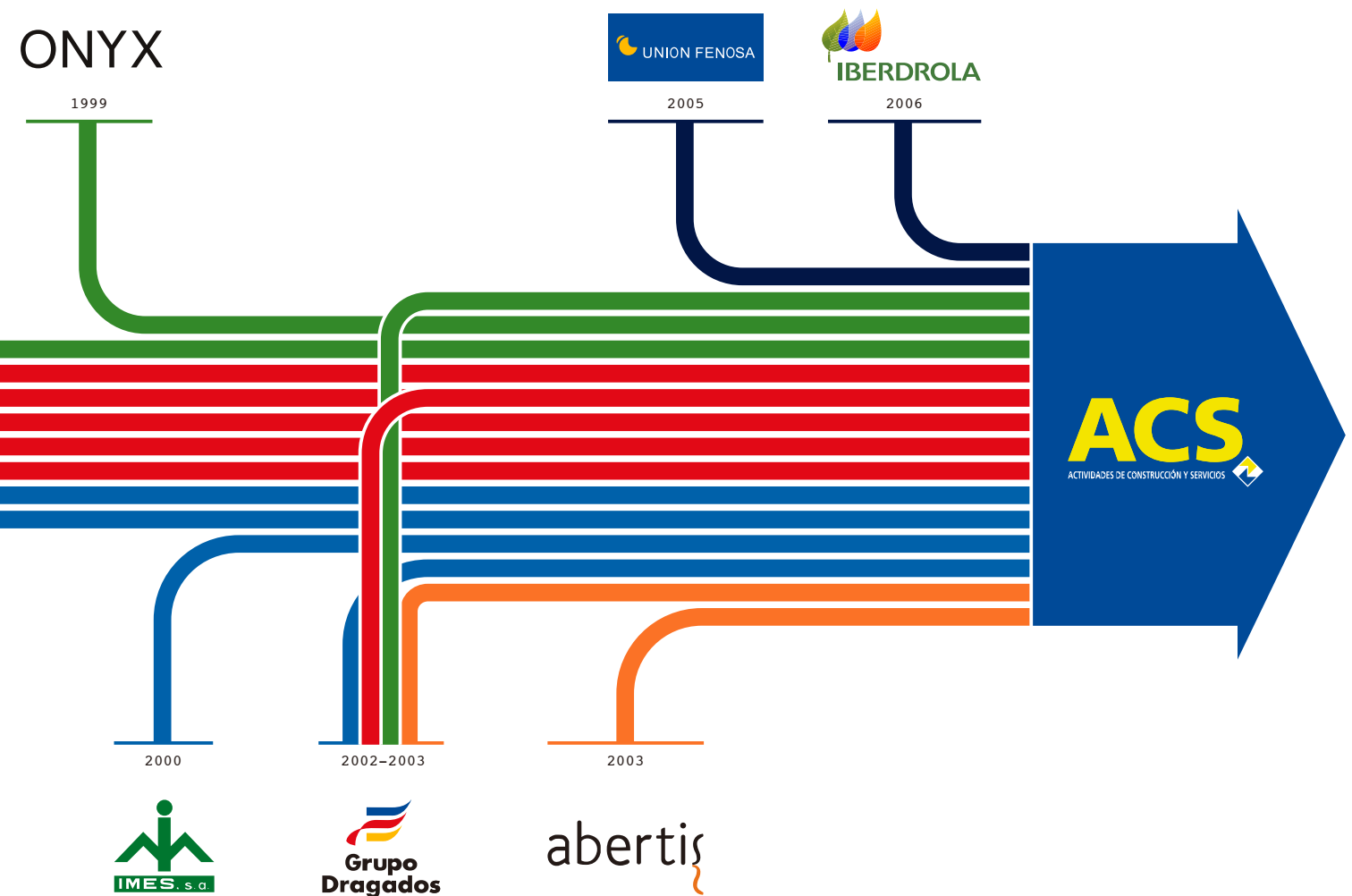


The ACS Group began operating in 1983 when a group of engineers acquired Construcciones Padrós, a mid-sized construction company with financial problems located in Badalona (Cataluña). After restructuring this company, the same strategy was repeated with the acquisition of OCISA, a prestigious construction company which was larger and already 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 electric 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 electric and telecommunications companies, and a market leader with over 80 years of experience.

The first of the large company mergers took place in 1992 with the creation of OCP, which would be the seed of the Group structured as it is today. OCP became one of the leading groups of the construction companies in Spain. The second large merger took place in 1997, with the creation of ACS as a result of OCP's merger with Auxini and Ginés 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 one of the most important companies in its industry of the European continent.

Parallel to this entire integration process, the ACS Group has established the basis of its future strategy, by 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 since then the Group has progressively increased its stake in this company.

Later, in 2005, with its investment in Unión Fenosa, the Group established the base of its Energy area, 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 of two of the main energy companies in the European market.