

# ANNUAL REPORT OF ACS GROUP 2013





# ACTIVITY REPORT OF ACS GROUP 2013







# MAIN FIGURES OF THE ACS GROUP

## FINANCIAL AND OPERATING DATA

MILLION EUROS	2008 <sup>(1)</sup>	2009 <sup>(2)</sup>	2010 <sup>(3)</sup>	2011	2012 <sup>(4)</sup>	2013
Turnover	15,275.6	15,387.4	14,328.5	28,471.9	38,396.2	38,372.5
Gross operating profit (EBITDA)	1,382.5	1,429.3	1,431.7	2,317.7	3,088.4	3,001.9
Net operating profit (EBIT)	1,042.7	1,073.9	1,039.2	1,333.3	1,579.4	1,745.8
Attributable net result	1,805.0	1,946.2	1,312.6	961.9	-1,927.9	701.5
Cash-flow (*)	2,144.8	2,301.5	1,705.1	1,946.4	-418.8	1,957.7
Dividends paid	600.2	653.2	618.2	613.9	639.2	398.0
Net investments/(Divestments)	170.5	(1,327.2)	2,317.2	2,901.9	(2,285.2)	476.4
Total assets	51,398.4	31,361.2	34,184.5	47,987.6	41,563.4	39,771.2
Equity	9,913.0	4,507.9	4,442.4	6,191.3	5,711.5	5,488.9
Shareholders' equity	3,402.4	4,219.6	4,178.5	3,319.1	2,656.5	3,267.9
Non- controlling interests	6,510.6	288.3	263.8	2,872.2	3,055.0	2,221.0
Total net debt	9,355.8	9,089.3	8,003.1	9,334.2	4,952.0	4,234.7
Net debt with recourse	2,933.7	219.4	956.6	3,368.7	3,569.5	2,977.5
Non recourse financing	6,422.1	8,870.0	7,046.5	5,965.5	1,382.4	1,257.1
Order book <sup>(5)</sup>	27,679.0	28,581.0	27,602.0	74,333.4	74,587.9	63,419.1
Number of employees	138,117	137,015	89,039	162,262	162,471	157,689

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

## DATA PER SHARE

EUROS	2008 <sup>(1)</sup>	2009 <sup>(2)</sup>	2010 <sup>(3)</sup>	2011	2012 <sup>(4)</sup>	2013
Earnings	5.43	6.26	4.38	3.24	-6.62	2.26
Gross dividend (**)	2,050	2,050	2,050	1,968	1,112	1,150
Cash-flow	6.45	7.40	5.70	6.56	-1.44	6.31
Shareholders' equity	10.23	13.57	13.96	11.19	9.12	10.53

(\*\*) The final amount of the gross dividend of 2013 will be determined according to the scrip dividend result.

## STOCK MARKET DATA

	2008	2009	2010	2011	2012	2013
Listed shares <sup>(6)</sup>	335,390,427	314,664,594	314,664,594	314,664,594	314,664,594	314,664,594
Market capitalization (million euros)	10,950.5	10,953.3	11,036.7	7,205.7	5,991.1	7,872.8
Year-end closing price	32.65 €	34.81 €	35.08 €	22.90 €	19.04 €	25.02 €
Annual revaluation	-19.68%	6.62%	0.76%	-34.71%	-16.86%	31.41%

## KEY RATIOS

	2008 <sup>(1)</sup>	2009 <sup>(2)</sup>	2010 <sup>(3)</sup>	2011	2012 <sup>(4)</sup>	2013
Operating margin	6.8%	7.0%	7.3%	4.7%	4.1%	4.5%
Net margin	11.8%	12.6%	9.2%	3.4%	-5.0%	1.8%
ROE	41.2%	50.0%	32.5%	23.3%	n.a.	22.7%
Gearing <sup>(7)</sup>	94.4%	201.6%	180.2%	150.8%	86.7%	77.1%
Dividend yield	6.3%	5.9%	5.8%	8.6%	5.8%	4.6%

(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) 2009 are presented applying IAS 31 and IFRIC 12 in comparable terms using the same criteria that it has been used in 2010.

(3) 2010 data proforma, Clece has been reclassified as "Discontinued Operation", using the same criteria that it has been used in 2011.

(4) 2012 data have been restated as a result of the entry into force of the revised IAS 19, which applies retroactively.

(5) Includes the order book proportional to the stake in joint ventures that the Group does not fully consolidate.

(6) 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, on 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 25th, 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.

(7) Gearing: Net Debt / (Shareholders' Equity+Non-controlling interests).

# MAIN FIGURES OF THE ACS GROUP



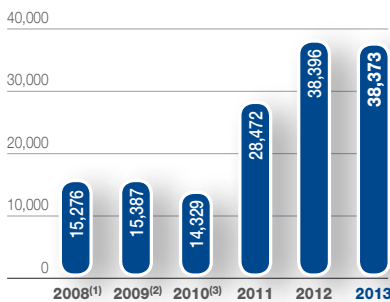
## INTERNATIONAL PRESENCE

### MAIN COUNTRIES IN WHICH ACS GROUP IS PRESENT

ALGERIA	GEORGIA	PORTUGAL
ANGOLA	GERMANY	PUERTO RICO
ARGENTINA	GREECE	QATAR
AUSTRALIA	GUATEMALA	ROMANIA
AUSTRIA	HONDURAS	RUSSIA
BAHREIN	HUNGARY	SAUDI ARABIAN
BELGIUM	INDIA	SOUTH AFRICA
BOLIVIA	INDONESIA	SOUTH KOREA
BRAZIL	IRELAND	SPAIN
CANADA	ITALY	SWEDEN
CHILE	LUXEMBOURG	SWITZERLAND
CHINA	MALAYSIA	THE NETHERLANDS
COLOMBIA	MEXICO	TURKEY
CZECH REPUBLIC	MONGOLIA	UNITED ARAB EMIRATES
DENMARK	MOROCCO	UNITED KINGDOM
DOMINICAN REPUBLIC	NEW ZEALAND	UNITED STATES
ECUADOR	NICARAGUA	UZBEKISTAN
EGYPT	NORWAY	VENEZUELA
EL SALVADOR	PANAMA	VIETNAM
ETHIOPIA	PERU	
FRANCE	POLAND	

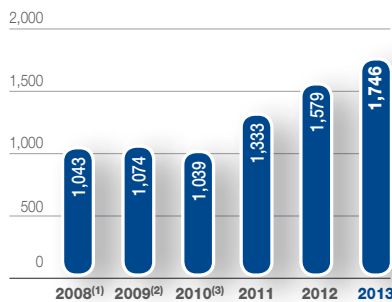
### TURNOVER

MILLION EUROS



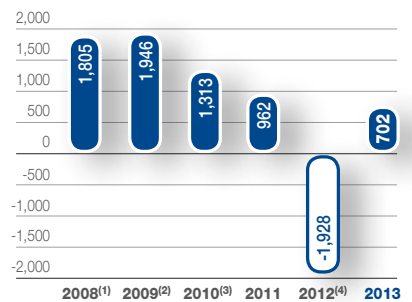
### NET OPERATING PROFIT (EBIT)

MILLION EUROS

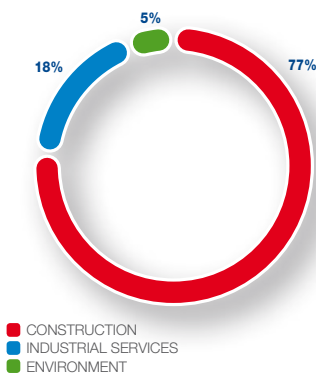


### ATTRIBUTABLE NET PROFIT

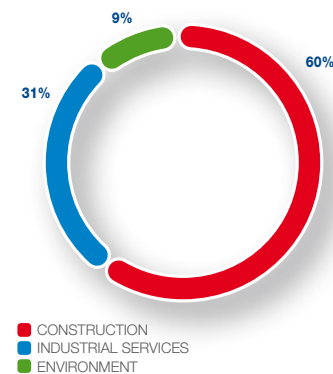
MILLION EUROS



### 2013 TURNOVER BY BUSINESS <sup>(5)</sup>

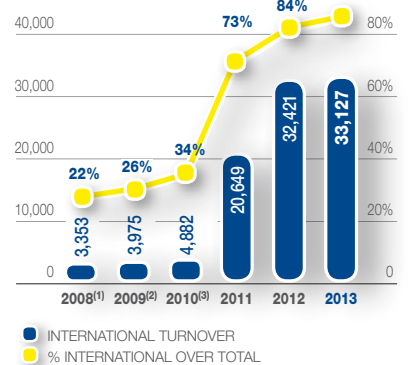


### 2013 GROSS OPERATING PROFIT (EBITDA) BY BUSINESS <sup>(5)</sup>



### INTERNATIONALIZATION

MILLION EUROS

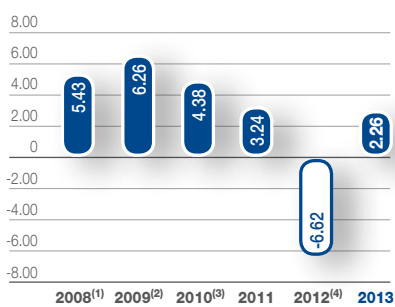


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 (3) 2010 data proforma, Clece has been reclassified as "Discontinued Operation", using the same criteria that it has been used in 2011.  
 (4) 2012 data have been restated as a result of the entry into force of the revised IAS 19, which applies retroactively.  
 (5) Percentages are calculated considering the sum of activities included in the graph. Construction includes Dragados, HOCHTIEF and Iridium.



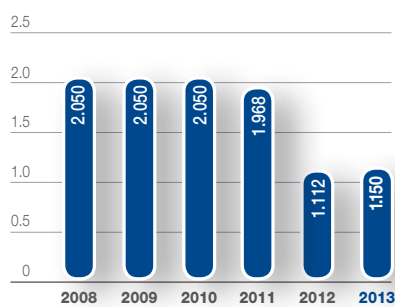
### EARNING PER SHARE

EUROS



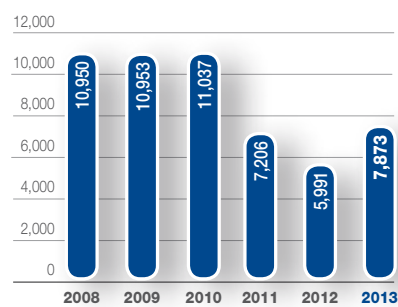
### DIVIDEND PER SHARE

EUROS



### MARKET CAPITALIZATION

MILLION EUROS



### CONSTRUCTION 2013 <sup>(1)</sup>

MILLION EUROS

Turnover	29,559
International	95.3%
Gross operating profit (EBITDA)	1,826
Margin	6.2%
Net profit	189
Margin	0.6%
Order book <sup>(2)</sup>	47,563
Employees	87,457

### INDUSTRIAL SERVICES 2013

MILLION EUROS

Turnover	7,067
International	61.2%
Gross operating profit (EBITDA)	937
Margin	13.3%
Net profit	418
Margin	5.9%
Order book	7,413
Employees	41,635

### ENVIRONMENT 2013

MILLION EUROS

Turnover	1,781
International	35.5%
Gross operating profit (EBITDA)	275
Margin	15.4%
Net profit	58
Margin	3.2%
Order book	8,443
Employees	28,545

(1) Construction includes the activity of Dragados, HOCHTIEF and Iridium.

(2) Construction order book includes the order book proportional to the stake in joint ventures that the Group does not fully consolidate.



# ACTIVITY REPORT OF ACS GROUP

- 04 LETTER FROM THE CHAIRMAN
- 06 MANAGEMENT BODIES
- 12 THE ACS GROUP IN 2013
- 14 CORPORATE STRATEGY
- 20 THE INFRASTRUCTURES SECTOR:  
CHALLENGES AND OPPORTUNITIES
  
- 44 CONSTRUCTION
- 84 INDUSTRIAL SERVICES
- 110 ENVIRONMENT
  
- 130 MAIN ECONOMIC-FINANCIAL FIGURES OF ACS GROUP
- 138 THE ACS GROUP AND THE CORPORATE SOCIAL  
RESPONSIBILITY
- 174 ACS GROUP GOVERNANCE





# LETTER FROM THE CHAIRMAN

## DEAR SHAREHOLDER

Once again this year I am writing to thank you for the support and confidence you have shown in our company. These have been difficult times, but the ACS Group has shown its strength in a hugely competitive environment.

With sales reaching 38,373 million euros in 2013, our Group has positioned itself as one of the largest infrastructure development companies in the world, with a strong presence in the economically developed countries. ACS is today the largest construction company in the United States and Australia, the second largest in Latin America and one of the five largest in Europe, which provides us with an unrivalled competitive advantage that allows us to keep growing in an increasingly global market.

By region, Europe accounts for 26% of total turnover, North America for 29%, South America for 5%, Australia for 31%, Asia for 8% and Africa for 1%. In short, more than 86% of the ACS Group's total sales are generated outside Spain, which shows the international nature of the Group.

The order book for works stood at 63,419 million euros at the close of 2013, almost the same figure as in 2012 in comparable terms, supported by the experience, technical capacity and commercial skills of our highly qualified professionals who make the difference in the complex projects we manage.

The work carried out in 2013 has translated into good results for the ACS Group, which earned a gross operating profit of 3,002 million euros and a net profit of 702 million euros. These solid results are the consequence of our operational profitability and industrial management.

I would also like to mention the significant effort made by the Group to continue reducing its financing debt, which has fallen by 14.5% over the last twelve months and by 55% since December 2011. To achieve this we have carried out a significant divestment of non-strategic assets and have promoted the generation of operating cash flow, in addition to strengthening the financial structure by successfully going to the bond markets. The ACS Group's net debt currently stands at 4,235 million euros, equivalent to 1.4 times the gross operating profit earned in 2013.

These operating and financial results have had a positive impact on the ACS share price, which closed the year at 25.02 euros per share, representing an annual gain of 31.4%. This upward trend has been maintained during the first quarter of 2014 and I am confident that it will continue over the next few months, basing this opinion on the good economic, operational and financial outlook for the Group.

I would also like to mention the changes made during 2013 by HOCHTIEF, which had started a restructuring process at the end of 2012. This process has allowed it to meet its strategic objectives. The company has significantly improved its results, which rose to 208 million euros in terms of recurring net profit, a figure more than twice that obtained in 2012. This good result has undoubtedly been achieved thanks to the organisational simplification carried out, which includes a reduction in overheads and a standardisation of the risk control system. The company has also focussed its activity on construction, divesting itself of non-strategic assets such as airports, services, telecommunications and property activity.



In 2013 we also increased our holding in our listed subsidiary Leighton Holdings. This has risen to 58% and is expected to increase further to a maximum of 75% once the proportional takeover bid made at the start of 2014 is completed. This investment, which could be worth around 800 million euros, confirms the Group's clear commitment to the Australian market in general, and to Leighton in particular, where our greater influence and management capacity will allow us to improve its operating efficiency.

We are going to continue developing our corporate strategy over the next few years, basing this on a clear commitment to customer service, a strong focus on profits and a strict control of risks. These values, which have formed part of the Group's culture since its foundation and which have led to our main competitive advantages, will allow us to retain our leadership of the sector. This is why it is essential to continue to have an efficient, agile and decentralised organisation, one which promotes operational excellence. In this way we can offer the best products and services to our customers in a form which is sustainable.

Our commitment to sustainability is inescapable and continues to result in significant progress being made each year. The main milestones achieved in 2013 relate to the generalisation of our code of conduct, already implemented in all of the Group's companies, and to occupational health and safety, where the Group has invested more than 168 million euros in strengthening the measures in place to prevent accidents and reduce risks.

Today we have the ability to compete effectively in the most advanced markets and are in the enviable position of having more than 157,000 employees spread across 65 countries, who keep working so that the ACS Group can continue to be a leading company in the international infrastructure sector, without ever forgetting that our mission is, and always has been, to create value for you, our shareholder.

A handwritten signature in black ink, which reads "Florentino Pérez". The signature is written in a cursive, flowing style.

**Florentino Pérez**  
Chairman of the ACS Group

# MANAGEMENT BODIES

## BOARD OF DIRECTORS

### CHAIRMAN AND CEO

**Mr. Florentino Pérez Rodríguez** ●  
**Civil Engineer**  
Civil Engineer  
Chairman and CEO of ACS Group since 1993  
Member of the Board of Directors of ACS since 1989

### EXECUTIVE VICE CHAIRMAN

**Mr. Antonio García Ferrer** ●  
**Civil Engineer**  
Member of the Board of Directors of ACS since 2003

### VICE CHAIRMAN

**Mr. Pablo Vallbona Vadell** ●●  
**Naval Engineer and MBA from the IESE**  
Member of the Board of Directors of ACS since 1997  
First Vice Chairman of Banca March  
Vice Chairman of Consulnor

### MEMBER OF THE BOARD OF DIRECTORS

**Mr. José María Loizaga Viguri** ●●●  
**Economist**  
Member of the Board of Directors of ACS since 1989  
Chairman of Cartera Industrial REA  
Vice Chairman of Zardoya Otis

**Mr. Agustín Batuecas Torrego**  
**Civil Engineer**  
Member of Board of Directors of ACS since 1999

**Mr. Álvaro Cuervo García** ●  
**Doctorate in Economics**  
Professor of Business Economics -  
Universidad Complutense de Madrid  
Chairman of Colegio Universitario de  
Estudios Financieros (CUNEF)  
Member of the Board of Directors of ACS since 1997  
Member of the Advisory Board of Privatisations  
Member of the Board of Directors of SONAE SGPS  
Member of the Board of Directors of  
Bolsas y Mercados Españoles (BME)

**Mr. Manuel Delgado Solís** ●  
**B.S. in Pharmacy and Lawyer**  
Member of the Board of Directors of ACS since 2003

**Mr. Javier Echenique Landiribar** ●●  
**B.A. in Economics**  
Member of the Board of Directors of ACS since 2003  
Vice Chairman of Banco Sabadell  
Member of the Board of Directors of Telefónica Móviles México  
Member of the Board of Directors-Advisor of Telefónica Europa  
Member of the Board of Directors of ENCE  
Member of the Board of Directors of Repsol YPF  
Member of the Board of Directors of Celistics L.L.C.  
Vice Chairman of Calcinor, S.L.

### Iberostar Hoteles y Apartamentos, S.L.

Represented by:

**Ms. Sabina Fluxà Thienemann**  
**B.A. in Business Administration  
and MBA from ESADE**  
Member of the Board of Directors of ACS since 2009  
Executive Vice Chairwoman and Chief Executive Officer  
of Grupo Iberostar

**Mr. Joan-David Grimà i Terré****Doctorate in Economics and Business Studies**

Member of the Board of Directors of ACS since 2003  
 Member of the Board of Directors of Cory  
 Environmental Holdings Limited (UK)  
 Member of the Board of Directors of INVIN

**Mr. Pedro López Jiménez** ●**Civil Engineer**

Member of the Board of Directors of ACS since 1989  
 Member of the Supervisory Board of Hochtief  
 and member of its Executive Committee  
 Member of the Board of Directors of Leighton  
 Member of the Board of Directors of GHESA

**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 Corporación  
 Financiera Alba  
 Member of the Board of Directors of Indra Sistemas  
 Vice Chairman of Banca March

**Mr. Santos Martínez-Conde Gutiérrez-Barquín** ●**Civil Engineer**

Member of the Board of Directors of ACS since 2001  
 Chief Executive Officer (CEO) of  
 Corporación Financiera Alba  
 Member of the Board of Directors of Acerinox  
 Member of the Board of Directors of Banca March  
 Member of the Board of Directors of Indra  
 Member of the Board of Directors of Inversis

**Mr. Javier Monzón de Cáceres****B.A. in Economics**

Member of the Board of Directors of ACS since 2003  
 Chairman of Indra

**Mr. Miquel Roca i Junyent** ●**Lawyer**

Member of the Board of Directors of ACS since 2003  
 Secretary of the Board of Directors of Abertis Infraestructuras  
 Secretary of the Board of Directors of Banco de Sabadell  
 Member of the Board of Directors de Endesa

**Mr. Julio Sacristán Fidalgo** ●●**B.S. in Chemistry**

Member of the Board of Directors of ACS since 1998

**MEMBER OF THE BOARD OF DIRECTORS-  
SECRETARY GENERAL****Mr. José Luis del Valle Pérez** ●●●**Lawyer and State Attorney**

Member of the Board of Directors of ACS since 1989  
 Member of the Supervisory Board of HOCHTIEF  
 Member of the Board of Directors of Leighton

- Member of the Executive Committee
- Member of the Audit Committee
- Member of the Appointment and Remuneration Committee
- ✍ Secretary non-member

# MANAGEMENT BODIES

## MANAGEMENT COMMITTEE

### **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.

### **MR. JOSÉ LUIS DEL VALLE PÉREZ**

**General Secretary**

**Born in 1950.**  
**Lawyer and State Attorney.**

From 1975 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 since 1989 and has been the Secretary General to the Board of Directors since 1997.

### **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. since 1984, 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., as result of the merger of Construcciones Padrós with OCISA, and since 1997 as the chairman and CEO of the so-called ACS Group, as result of the merger of OCP Construcciones S.A. with Ginés Navarro, S.A.

### **MR. ÁNGEL GARCÍA ALTOZANO**

**Corporate General Manager**

**Born in 1949.**  
**Civil Engineer and MBA.**

Mr. García Altozano 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. EUGENIO LLORENTE GÓMEZ**

**Chairman and CEO of the Industrial Services and 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 Area of the Group.



MR. ANTONIO GARCÍA FERRER



MR. JOSÉ LUIS DEL VALLE PÉREZ



MR. FLORENTINO PÉREZ RODRÍGUEZ



MR. ÁNGEL GARCÍA ALTOZANO



MR. EUGENIO LLORENTE GÓMEZ



# MANAGEMENT BODIES

## MANAGEMENT TEAM

### ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

**Mr. Florentino Pérez Rodríguez**  
Chairman and  
Chief Executive Officer (CEO)

**Mr. Antonio García Ferrer**  
Executive Vice Chairman

**Mr. Ángel García Altozano**  
Corporate General Manager

**Mr. José Luis del Valle Pérez**  
Secretary General

### CONSTRUCTION

#### HOCHTIEF

**Mr. Marcelino Fernández Verdes**  
Chairman of the Vorstand\* of HOCHTIEF AG.  
Chief Executive Officer (CEO)  
Chief Executive Officer (CEO) of Leighton Holdings  
since March 2014

**Mr. Peter Sassenfeld**  
Member of the Vorstand\* of HOCHTIEF AG.  
Chief Financial Officer (CFO)

**Mr. José Ignacio Legorburo Escobar**  
Member of the Vorstand\* of HOCHTIEF AG.  
Chief Operating Officer (COO)

**Mr. Nikolaus Graf von Matuschka**  
Member of the Vorstand\* of HOCHTIEF AG.  
Chief Executive Officer (CEO) of HOCHTIEF Solutions.

**Mr. Hamish Tyrwhitt** (until March 2014)  
Chief Executive Officer (CEO) of Leighton Holdings

**Mr. Peter Gregg** (until March 2014)  
Deputy Chief Executive Officer and Chief Financial  
Officer (CFO) of Leighton Holdings.

**Mr. Adolfo Valderas**  
Chief Operating Officer (COO) of Leighton  
Holdings

**Mr. Javier Loizaga Jiménez** (since March 2014)  
Chief Financial Officer (CFO) of Leighton Holdings

**Mr. Malcolm Ashcroft**  
Deputy Chief Financial Officer (Deputy CFO)  
of Leighton Holdings

**Mr. Peter Davoren**  
Chairman and Chief Executive Officer (CEO)  
of Turner Construction

**Mr. John DiCiurcio**  
Chairman and Chief Executive Officer (CEO)  
of Flatiron

#### DRAGADOS

**Mr. Ignacio Segura Suriñach**  
Chief Executive Officer (CEO)

**Mr. Luis Nogueira Miguelsanz**  
Secretary General

**Mr. Diego Zumaquero García**  
Exploitation Manager of Spain

**Mr. Ricardo Martín de Bustamante**  
Manager of North America

**Mr. Román Garrido Sánchez**  
Manager of Australia

**Mr. Fernando Bolinaga Hernández**  
Manager of South America

#### IRIDIUM

**Mr. Juan Santamaría Cases**  
Chief Executive Officer (CEO)

### INDUSTRIAL SERVICES

**Mr. Eugenio Llorente Gómez**  
Chairman and Chief Executive Officer (CEO)

**Mr. José Alfonso Nebrera García**  
General Manager

**Mr. Epifanio Lozano Pueyo**  
Corporate General Manager

**Mr. Ramón Jiménez Serrano**  
Cobra General Manager

**Mr. Cristóbal González Wiedmaier**  
Finance Manager

### ENVIRONMENT

**Mr. José M.ª López Piñol**  
Chief Executive Officer (CEO)

\* Executive Board.



# THE ACS GROUP IN 2013

## A WORLDWIDE LEADER IN THE INFRASTRUCTURE DEVELOPMENT SECTOR

### SPAIN



### REST OF EUROPE



### AMERICA



### ASIA-PACIFIC



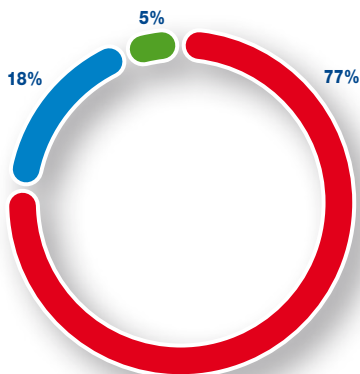
### AFRICA



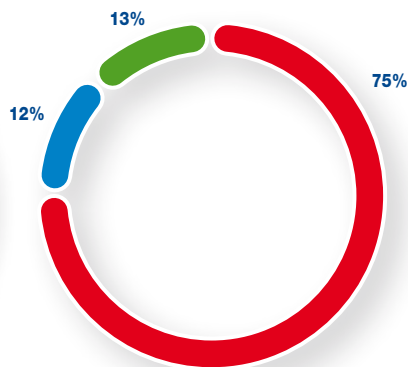
MILLION EUROS



REVENUE  
**38,373**  
MILLION EUROS



ORDER BOOK\*  
**63,419**  
MILLION EUROS



- CONSTRUCTION
- INDUSTRIAL SERVICES
- ENVIRONMENT

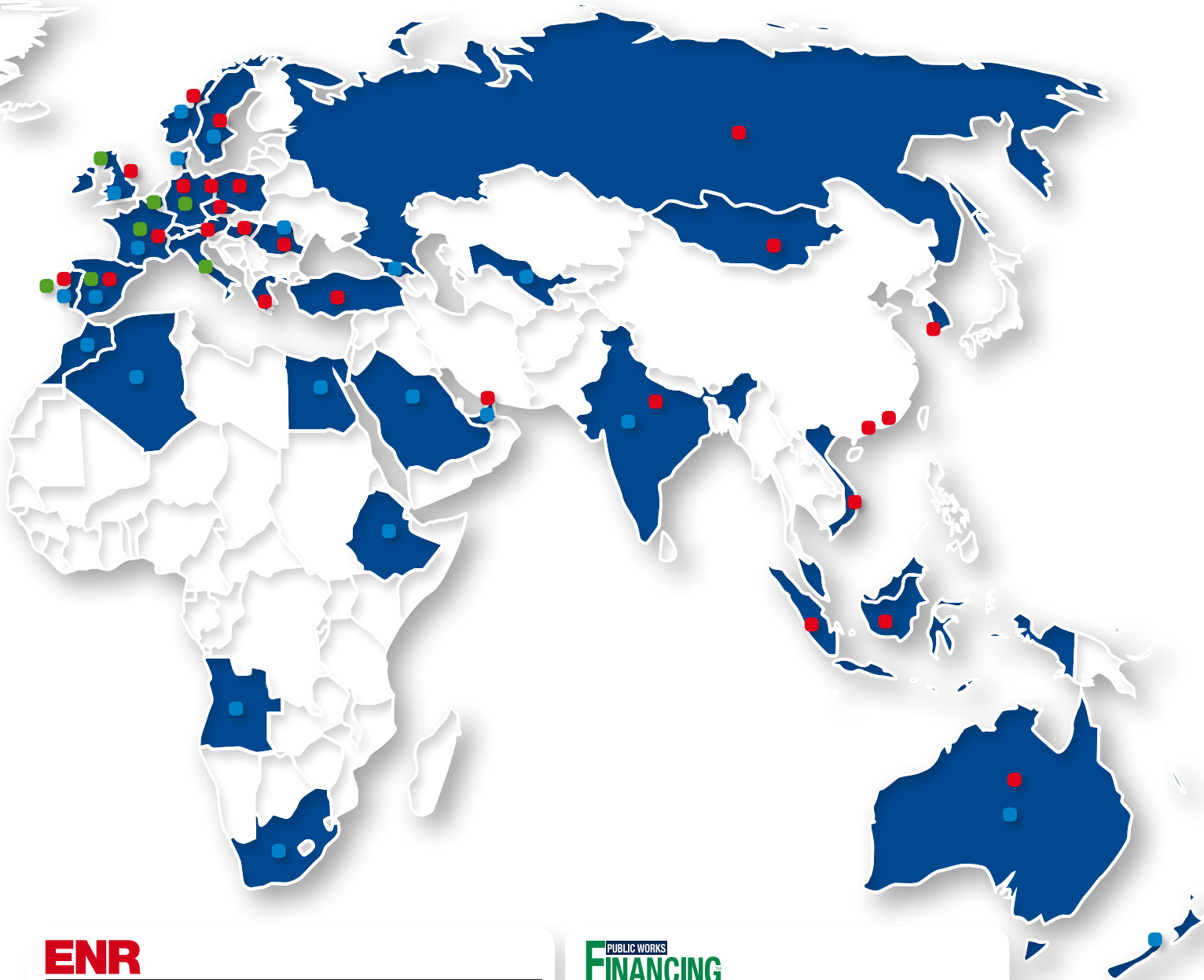
\* Includes the order book proportional to the stake in joint ventures that the Group does not fully consolidate.

EBITDA  
**3,002**  
MILLION EUROS

NET PROFIT  
**702**  
MILLION EUROS

GROSS INVESTMENTS  
**2,484**  
MILLION EUROS

EMPLOYEES  
**157,689**



**ENR**

THE TOP 250 GLOBAL CONTRACTORS

RANK		FIRM	2012 REVENUE \$ MIL.	
2013	2012		TOTAL	INT'L
1	2	CHINA RAILWAY CONSTRUCTION CORP. LTD., Beijing, China	84,642.0	2,147.0
2	1	CHINA RAILWAY GROUP LTD., Beijing, China	81,805.7	3,799.6
3	3	CHINA STATE CONSTRUCTION ENG'G CORP., Beijing, China	81,366.8	4,987.8
4	6	GRUPO ACS, Madrid, Spain	50,654.6	42,772.0
5	4	VINCI, Rueil-Malmaison, France	50,338.7	18,419.5
6	5	CHINA COMMUNICATIONS CONSTRUCTION GROUP LTD., Beijing, China	47,327.3	11,187.2
7	7	HOCHTIEF AG, Essen, Germany	36,452.7	34,563.3
8	8	BOUYGUES, Paris, France	33,885.0	14,196.0
9	9	CHINA METALLURGICAL GROUP CORP., Beijing, China	31,522.6	2,295.7
10	10	BECHTEL, San Francisco, Calif., U.S.A.	29,436.0	23,255.0

Source: ENR The top 250 global contractors.

**PUBLIC WORKS FINANCING**

World's Largest Transportation Developers

2013 SURVEY OF PUBLIC-PRIVATE PARTNERSHIPS WORLDWIDE  
Ranked by Number of Concessions Developed Alone Or In JV Since 1985

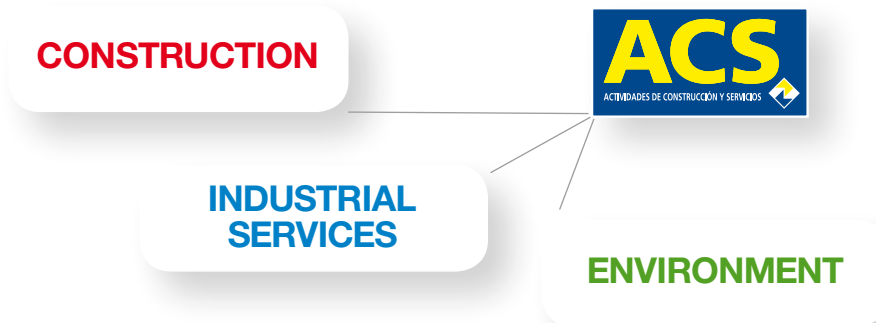
Company	Operating		# sold or	No. operating or under construction in:			
	or under const.	expired		Bid Targets	U.S.	Canada	Home country
ACS Group/Hochtief (Spain)	56	44	55	2	6	19	29
Global Via-FCC-Bankia (Spain)	45	1	3	1	1	30	13
Macquarie Group (Australia)	44	13	16	4	1	1	38
Abertis (Spain)	41	14	0	0	0	12	29
Vinci (Spain)	38	3	17	1	2	11	24
Hutchison Whampoa (China)	34	5	0	0	0	9	25
Ferrovial/Cintra (Spain)	32	23	30	6	2	9	15
NWS Holdings (China)	27	0	1	0	0	27	0
EGIS Projects (France)	25	1	14	0	1	5	19
Bouygues (France)	24	3	13	1	1	9	13

Source: Public Works Financing.

# CORPORATE STRATEGY

## VISION

A **worldwide reference** in the **industry of infrastructure development**, both civil and industrial engineering projects. A Group which participates in the **development** of sectors 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

All ACS Group activities show a determined customer orientation, with a contracting culture and as a guarantee for future, building solid long-term relationships based on **trust** and mutual knowledge.

The flexible and decentralized Group structure promotes the responsibility and entrepreneurship of the employees, being a basic tool for maximising **profitability** and encouraging the **excellence** necessary to offer the best services and products to the customers.

The ACS Group maintains an unavoidable **commitment** to sustainable development, in order to serve society in an efficient and ethically responsible manner through its capacity to create value for shareholders and all stakeholders, demanding the maximum **integrity** standards from its employees and collaborators.



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.

# CORPORATE STRATEGY

## COMPETITIVE ADVANTAGES

### CIVIL ENGINEERING

- Specialization in Infrastructure development.
- Large projects management.
- Development, Construction and Operation of Concessions.

### INDUSTRIAL ENGINEERING

- Integrated value chain: Engineering, development and maintenance contracts.
- Energy turnkey projects.
- Investment capacity: energy concessional assets, high-voltage lines, desalination plants.

### CONTRACTING CULTURE

- Client Knowledge.
- Flexibility.
- Global clients.

### TECHNICAL ENGINEERING CAPABILITIES

- Efficient management of resources.

### ENTREPRENEURSHIP

- Constant growth and profitability targets.
- Investment Opportunities.



## STRATEGY OF CORPORATE SOCIAL RESPONSIBILITY IN THE ACS GROUP

Improving society, generating wealth to guarantee the well-being of the citizens it serves, in the final analysis, is a primordial part of the ACS Group's mission.

The ACS Group's commitment to society is summarised in four fields of action:

- Respect for ethics, integrity and professionalism in the Group's relationship with its Stakeholders.
- Respect for the social, economic and environmental setting.
- Promotion of innovation and research in its application to infrastructure development.
- Creation of employment and well-being, as an economic motor for society.



To face up to the challenge of coordinating the **ACS Group's Corporate Responsibility** policy, given its characteristics of operational decentralisation and geographical scope, a project related to the ACS Group's Corporate Responsibility over the coming years, known as **Project one**.

Project one seeks to promote good management practices and is framed in the Group's general strategy, focused on reinforcing ACS's world leadership.

The promotion of good management practices focuses on the following major areas:



THE GROUP'S POSITION IN TERMS OF ETHICS.



IN TERMS OF EFFICIENCY, INVOLVING CLIENT, QUALITY, SUPPLIER, ENVIRONMENTAL AND R&D+I POLICIES.



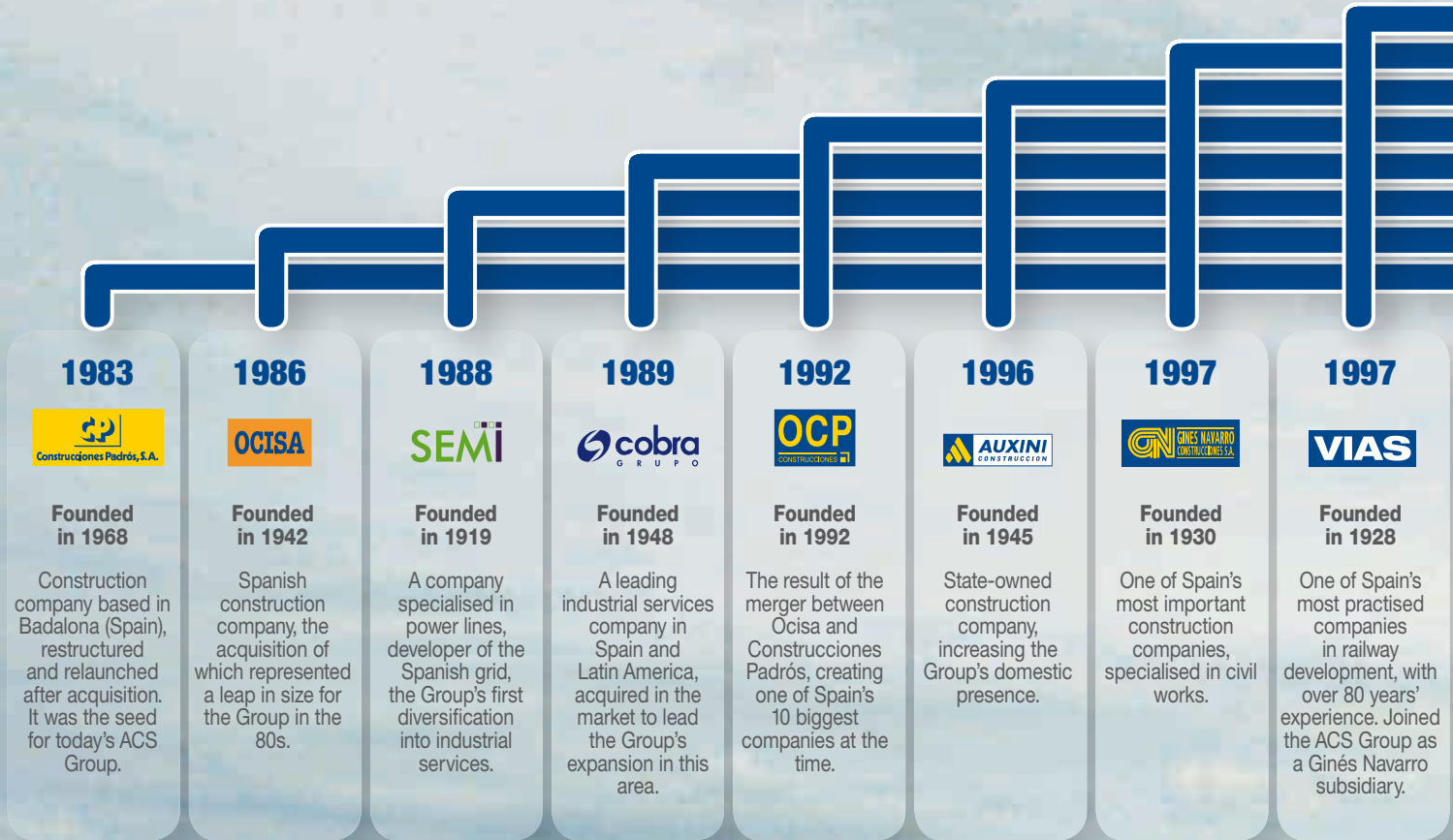
IN TERMS OF EMPLOYEES, PERSONNEL, HEALTH AND SAFETY AND SOCIAL ACTION POLICIES OF THE ACS GROUP.

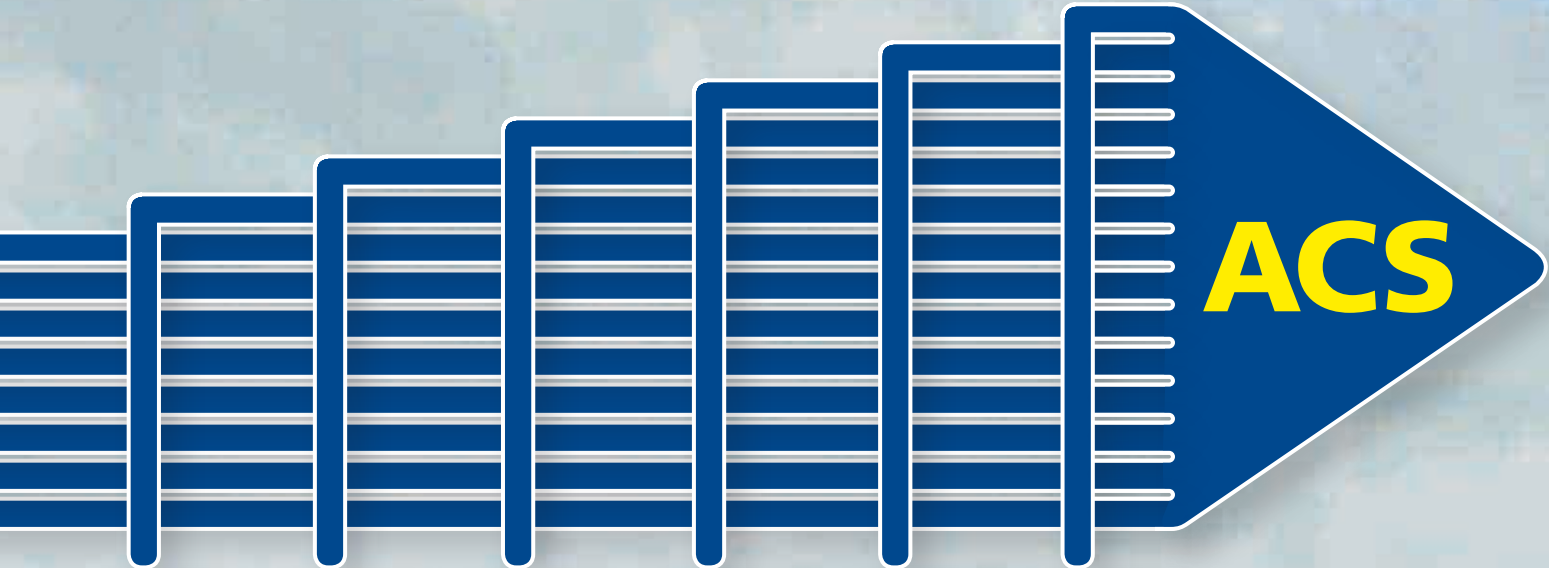


In practice, Project one analyses and evaluates the performance of the Group and its companies in relation to a scorecard of control indicators, aligned with Dow Jones Sustainability Index requirements, which is supervised by independent external consultants and inspectors who qualify the inclusion of improvements periodically, both at the functional and procedural levels.



# HISTORY





**1997**



**Founded in 1997**

A world leader in infrastructure development. Created from the merger between OCP and Ginés Navarro in 1997.

**2003**



**Founded in 1941**

A leader in Spain and a highly diversified company. Its merger with ACS created one of the world's five biggest companies and laid the foundations for the Group's future growth.

**2003**



**Founded in 1983**

Created to provide value-added services to local councils and corporations, it is now a world leader in performing environmental activities.

**2011**



**Founded in 1873**

A leading company in Germany and involved in over 50 countries, it is the ACS Group's platform for international growth.

**2011**



**Founded in 1902**

A HOCHTIEF subsidiary since 1999, it is a leading "General Contractor" in the United States and is involved in executing large non-residential building projects across almost the whole country.

**2011**



**Founded in 1949**

A subsidiary of HOCHTIEF, which holds a 58% of the company's shares at December 31, 2013, acquired in 1983. It is Australia's leading construction company and a world leader in mining concessions.



# RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

THE ACS GROUP IS A GLOBAL REFERENCE IN THE INFRASTRUCTURE SECTOR , BOTH IN CIVIL AND INDUSTRIAL SEGMENTS, AND CARRIES OUT ITS BUSINESS IN MORE THAN 65 COUNTRIES.





# RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

The growth of the infrastructure sector is influenced by the evolution of the macroeconomic environment, principally by structural, demographic, geographic, political and social development factors.

All these factors are specific to each of the different geographical areas, thus making it necessary to perform an analysis of these peculiarities, in each of the different countries, to identify risks and opportunities for investment in infrastructures.

## MACROECONOMIC ENVIRONMENT

According to estimates by the International Monetary Fund<sup>1</sup>, in 2013 the world's gross domestic product grew by 3%, representing a decrease of 20 basis points compared to 2012. This diminished growth is due to the fiscal consolidation measures implemented in advanced economies and slower growth in emerging countries owing to a decline in domestic demand and reduced availability of funds in foreign markets.

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<sup>1</sup> "World Economic Outlook", International Monetary Fund, January 2014.



**ACCORDING TO THE IMF, IN 2014  
THE GROSS DOMESTIC PRODUCT  
WORLDWIDE WILL GROW BY 3.7%,  
UP BY 70 BASIS POINT ON 2013.**

However, in the second half of 2013 advanced economies showed stronger recovery, especially the United States and the European Union, improving the growth prospects for both regions in 2014. The International Monetary Fund also predicts an improvement in the GDP growth rates in emerging countries, although these recovery forecasts are more modest than those observed in advanced countries, mainly due to more moderate commodities prices, lower growth margins in private consumption and decreased growth China that will

affect the global exports of these countries. Thus, by 2014 the gross domestic product worldwide will grow by 3.7%, up by 70 basis points on 2013.

%	% GDP CHANGE					% INVESTMENT OVER GDP				
	2011	2012	2013E	2014E	2015E	2011	2012	2013E	2014E	2015E
<b>WORLDWIDE</b>	<b>3.9%</b>	<b>3.2%</b>	<b>3.0%</b>	<b>3.7%</b>	<b>3.9%</b>	<b>24.1%</b>	<b>24.5%</b>	<b>24.7%</b>	<b>25.1%</b>	<b>25.4%</b>
EUROPEAN UNION	1.7%	-0.3%	0.0%	1.3%	1.6%	19.1%	18.1%	17.7%	17.9%	18.1%
UNITED STATES	1.8%	2.8%	1.9%	2.8%	3.0%	18.4%	19.0%	19.4%	20.2%	20.9%
CANADA	2.5%	1.7%	1.7%	2.2%	2.4%	23.8%	24.7%	24.3%	24.3%	24.4%
LATIN AMERICA	4.6%	2.9%	2.6%	3.0%	3.3%	22.2%	21.6%	22.1%	22.2%	22.2%
AUSTRALIA	2.4%	3.7%	2.5%	2.8%	3.0%	27.4%	28.9%	28.5%	28.4%	27.9%
ASEAN-5*	4.5%	6.2%	5.0%	5.1%	5.6%	28.5%	30.0%	29.5%	29.1%	29.5%
CHINA	9.3%	7.7%	7.7%	7.5%	7.3%	48.3%	48.9%	48.9%	48.7%	48.4%
INDIA	6.3%	3.2%	4.4%	5.4%	6.4%	35.0%	35.6%	35.0%	35.1%	35.2%
UNITED ARAB EMIRATES	3.9%	4.4%	4.0%	3.9%	3.8%	23.0%	22.7%	24.9%	25.0%	25.2%

%	% FISCAL (DEFICIT)/SURPLUS					% PUBLIC EXPENDITURE OVER GDP				
	2011	2012	2013E	2014E	2015E	2011	2012	2013E	2014E	2015E
<b>WORLDWIDE</b>										
EUROPEAN UNION	-4.4%	-4.2%	-3.4%	-2.9%	-2.5%	48.5%	48.8%	48.6%	47.9%	47.4%
UNITED STATES	-9.7%	-8.3%	-5.8%	-4.7%	-3.9%	40.2%	38.8%	38.3%	37.7%	37.7%
CANADA	-3.7%	-3.4%	-3.4%	-2.9%	-2.3%	41.8%	41.1%	41.0%	40.6%	40.4%
LATIN AMERICA	-2.9%	-3.5%	-3.6%	-3.6%	-3.0%	33.7%	34.5%	33.8%	33.8%	33.0%
AUSTRALIA	-4.5%	-3.7%	-3.1%	-2.3%	0.8%	36.8%	37.1%	37.0%	36.7%	35.7%
ASEAN-5*	-1.3%	-2.3%	-2.6%	-2.8%	-2.7%	21.6%	22.7%	22.8%	23.0%	22.8%
CHINA	-1.3%	-2.2%	-2.5%	-2.1%	-1.5%	23.9%	24.9%	24.6%	24.5%	24.3%
INDIA	-8.5%	-8.0%	-8.5%	-8.5%	-8.3%	27.3%	27.3%	28.0%	28.2%	28.0%
UNITED ARAB EMIRATES	11.0%	13.3%	11.1%	10.8%	9.7%	23.3%	21.8%	23.3%	22.7%	22.8%

\* Indonesia, Malaysia, Singapore, Philippines and Thailand.  
Source: "World Economic Outlook", International Monetary Fund, October 2013 and January 2014.

# RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

Among the components of gross domestic product, according to the IMF, the percentage allocated to investment in gross fixed capital formation continued to grow in 2013 reaching 25.7% of total GDP and in 2014 it will stand at 25.1% of total GDP, implying a rise in investments of 5.1%. Emerging countries will continue to show the highest ratios of investment linked to increased growth in activity, leading to significant growth opportunities, although slightly lower than in previous periods.

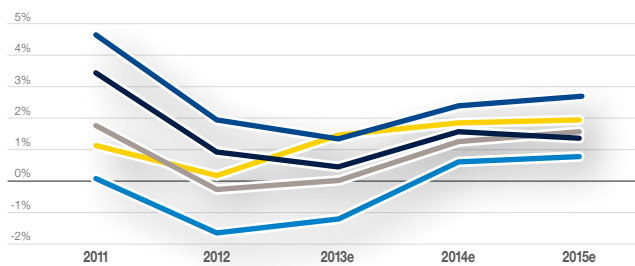
Moreover, the deficit reduction targets, particularly in advanced countries, result in a reduction in public spending that, to a lesser extent, is also observed in emerging countries. Therefore, there will be a general tendency where gross fixed capital formation will be more significant in private sector investment or through public-private partnership models.

By region, one of the major drivers of global growth in 2014 will be the **European Union**, where the outlook is positive following the

## EVOLUTION OF THE MAIN MACROECONOMIC INDICATORS IN EUROPE

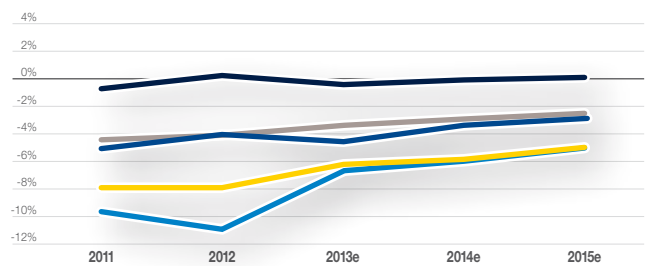
### GDP EVOLUTION

% GDP ANNUAL CHANGE



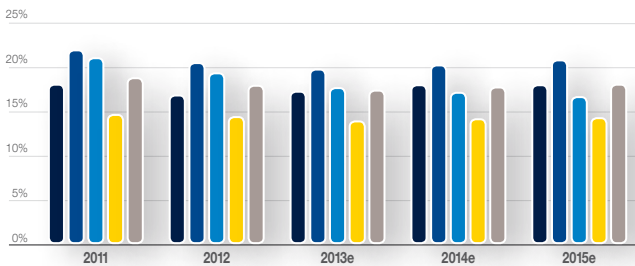
### FISCAL (DEFICIT)/SURPLUS EVOLUTION

% FISCAL (DEFICIT)/SURPLUS



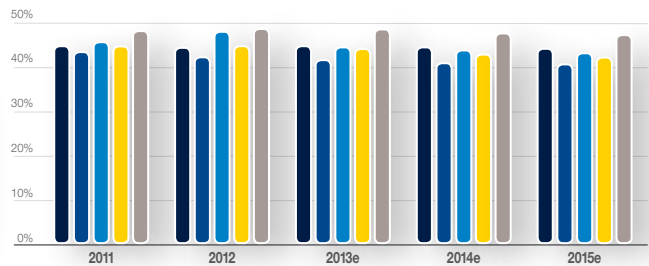
### INVESTMENT EVOLUTION

% INVESTMENT OVER GDP



### PUBLIC EXPENDITURE EVOLUTION

% PUBLIC EXPENDITURE OVER GDP



- GERMANY
- POLAND
- SPAIN
- UNITED KINGDOM
- EUROPEAN UNION

Source: "World Economic Outlook", International Monetary Fund, October 2013 and January 2014.

stabilisation of the financial market and the strengthening of banking systems. In the second half of 2013, according to data from “World Economic Outlook”, a positive growth trend has returned after six semesters of recession, with expected growth of 1.3% in 2014 supported by an increase in external demand and greater financial market availability. Nevertheless growth will continue to be moderated by high unemployment rates in certain member states, decreased public spending to control financial deficit and the lower growth rate of Eastern European countries. As to investment rates in the European Union, the outlook improves in 2014 to 17.9%, but without reaching pre-crisis levels.

According to this report, in **America** the United States will be the main driver of global growth with an expected increase in activity in 2014 of 2.8% compared to 1.9% in 2013. This increase will come from higher growth in private consumption, recovery in the real estate market and improved banking conditions which will favour increased financing. Also of particular relevance, is the expected increase in investment in the United States, where lower investment rates than those in other advanced countries have traditionally been observed. Thus in 2014 an investment rate of 20.2% of GDP is estimated, up 5.8% on the 2013 investment figure.

In Canada, growth and investment prospects remain sound, although more moderate than in the United States.

Moreover, the IMF’s outlook for Latin America forecasts a growth in GDP of 3.0% compared to 2.6% in 2013, due to an improvement in external demand and a stabilisation of financial markets and capital flows in these countries.

In the **Asia Pacific** region, despite Australia registering higher growth than other advanced countries, its economy during 2013 was affected by lower domestic demand as well as the decrease in commodities prices derived from lower growth in emerging economies, especially China, which represents 25% of Australia’s total exports. For 2014, the IMF predicts an increase in Australia’s gross domestic product of 2.8%. This growth will be upheld by an increase in private consumption, prospects of stability in the price of mining products, improved competitiveness and increased exports along with increased investment in infrastructures and public spending stemming from infrastructure investment programs announced by Australia’s new government. Notwithstanding this, the growth rates of the activity experienced in previous years are not expected to be achieved.

In China, according to the IMF, GDP growth of 7.5% is expected in 2014, and although this rate is still very high, it is 20 basis points lower than in 2013. India and Southeast Asian countries will continue to show strong growth in 2014, while in the oil exporting countries of the Middle East region, including the United Arab Emirates, growth will slow down because the increase in external demand is likely to be offset by more moderate prices for oil products, as well as an increase in production and exports from countries outside the OECD.

As for the rate of investment in this area, the general lack of infrastructure means that the investment ratios forecast by the IMF remain very high, although growth will be more moderate. In China the high investment ratio (above 48% of total GDP) has led to rapid growth in the offer of infrastructure projects and a decrease in their profitability, resulting in a stabilisation of growth.



# RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

## INFRASTRUCTURE NEEDS AND DEMAND

### CIVIL INFRASTRUCTURES AND BUILDING

Civil and building infrastructures are composed mainly of transport and logistics infrastructures, as well as those related to housing and public services (hospitals, schools, water and waste management, etc.).

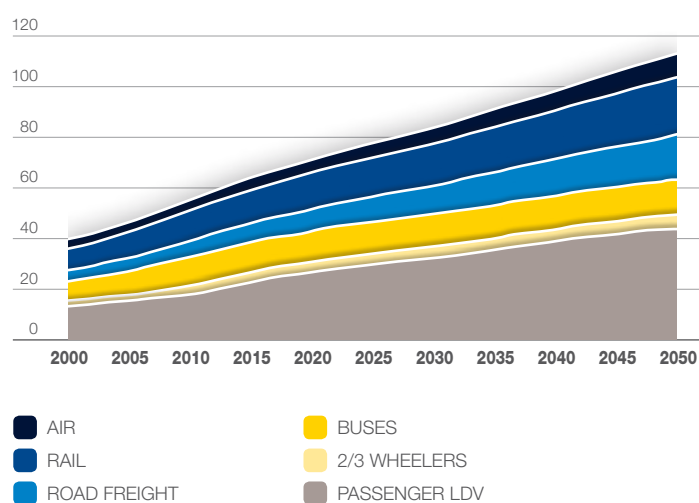
Regarding the need for investment in transport infrastructure and logistics, according to the report of the International Energy Agency<sup>2</sup>, transport of passengers and goods is expected to double compared with 2010 to reach 115 trillion passengers (measured in person-kilometres) and freight (measured in tonne-kilometres) per year by 2050. Seventy percent of this increase corresponds to the mobility of people while, by region, 90% of this growth is expected to come from non-OECD countries.

For road transport this report estimates that to accommodate the growth in demand the construction of an additional 25 million kilometres will be required by 2050, representing an increase of 60% on infrastructure in 2010.

In the case of rail transport, according to the International Energy Agency, demand could double by 2050 compared to 2010, requiring investment for building 334,000 kilometres of additional tracks by 2050 (a 30% increase over the current rail network).

### GLOBAL EVOLUTION OF TRANSPORT IN THE PERIOD 2000-2050

GLOBAL TRAVEL GROWTH (TRILLION PASSANGER-AND TONNE-KM)



Source: "Global Land Transport Infrastructure Requirements", International Energy Agency, 2013.

### NEW TRANSPORT INFRASTRUCTURE NEEDS UNTIL THE YEAR 2050 WORLDWIDE

	INFRASTRUCTURE REQUIREMENTS	INVESTMENT (BILLION US DOLLARS)
<b>OECD COUNTRIES</b>		
Road (thousand of paved lane-km)	3,300	29,600
Rail (thousand of track-km)	136	4,100
High speed railway (thousand of track-km)	11	580
Parking (thousand of km <sup>2</sup> )	4,700	18,900
<b>TOTAL</b>	-	<b>53,200</b>
<b>NON- OECD COUNTRIES</b>		
Road (thousand of paved lane-km)	22,000	45,800
Rail (thousand of track-km)	198	3,700
High speed railway (thousand of track-km)	18	820
Parking (thousand of km <sup>2</sup> )	39,700	14,700
<b>TOTAL</b>		<b>65,000</b>
<b>WORLD</b>		
Road (thousand of paved lane-km)	25,300	75,400
Rail (thousand of track-km)	334	7,800
High speed railway (thousand of track-km)	29	1,400
Parking (thousand of km <sup>2</sup> )	44,400	33,600
<b>TOTAL</b>		<b>118,200</b>

Source: "Global Land Transport Infrastructure Requirements", International Energy Agency, 2013.

<sup>2</sup> "Global Land Transport Infrastructure Requirements", International Energy Agency, 2013.

With regard to rail networks it is worth noting the evolution of high-speed lines, since in accordance with this report they are expected to go from 16,000 kilometres of HSR lines in 2010 to 44,000 km in 2030; an increase of 28,000 kilometres of new construction, of which over 60% will be in China and the rest mostly in Europe. These estimates, given their uncertainty, do not include new projects in countries like the United States, Latin America and Russia. In 2050 with these estimates only 3% of the total number of railway passengers/freight would travel via high-speed lines, meaning that there is significant scope for improvement in this type of transport.

Overall, according to the International Energy Agency, for the implementation of these land transport infrastructures (roads and railways), investments for a value of 45 trillion dollars would be needed in the period from 2010 to 2050, that combined with the investments for operation, maintenance, conservation and transmission of assets required by the networks could total 120 trillion dollars in the period. This is around 3 trillion dollars per year and represents 2% of estimated GDP for 2050.



# RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR



**Investments in civil infrastructure and construction** are strongly influenced by factors of population growth and density, as well as regulatory and policy changes, meaning that investment estimates are variable, although for the year 2030 according to PWC<sup>3</sup>, the world's population will have increased by 1.4 billion people and more than 60% of the inhabitants are expected to live in urban areas, which will require considerable investment to meet the housing and social services needs of the population in these nuclei.

Both for transport and infrastructure investments, either for civil works or for buildings, one of the main challenges that arises is the need for the mobilisation of funding. Historically, these investments were made mainly with public funds, but in a context of restrained public expenditure, it is necessary to search for new financing schemes. This is why investment funds specialising in infrastructure, as well as so-called public-private partnership (PPP) financing agreements, are playing a greater role in the financing of infrastructure projects.

<sup>3</sup> "Transport and Logistics 2030", PWC, 2011.

## PUBLIC-PRIVATE PARTNERSHIP PROJECTS IN THE WORLD BY TYPE OF PROJECT

MILLION US DOLLARS	ROADS		RAILWAY		WATER		BUILDING		TOTAL	
	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment
<b>WORLDWIDE</b>										
ANNOUNCED PROJECTS SINCE 1985 TO OCTOBER 2013	1,159	767,455	355	468,315	944	177,512	777	180,598	<b>3,232</b>	<b>1,593,880</b>
FUNDED PROJECTS UP TO OCTOBER 2013	737	424,799	181	192,086	662	125,050	579	134,475	<b>2,159</b>	<b>876,410</b>

Source: Public Works Financing, October 2013.

## PUBLIC-PRIVATE PARTNERSHIP PROJECTS IN THE WORLD BY GEOGRAPHIC AREA

MILLION US DOLLARS	EUROPE		UNITED STATES		CANADA		LATIN AMERICA		AUSTRALIA AND ASIA		AFRICA AND MIDDLE EAST		TOTAL	
	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment
<b>MUNDO</b>														
ANNOUNCED PROJECTS SINCE 1985 TO OCTOBER 2013	1,092	707,685	552	175,304	206	76,737	548	246,566	686	314,815	150	72,773	<b>3,232</b>	<b>1,593,880</b>
FUNDED PROJECTS UP TO OCTOBER 2013	756	398,422	413	76,014	145	56,343	326	108,483	445	205,014	74	32,134	<b>2,159</b>	<b>876,410</b>

Source: Public Works Financing, October 2013.

## ENERGY AND NATURAL RESOURCES RELATED INFRASTRUCTURES

According to the World Energy Outlook report<sup>4</sup>, in 2035 the demand for primary energy will increase by 33% from 2011, with more than 90% of this increase coming from emerging countries, especially China, India, Southeast Asia and the Middle East.

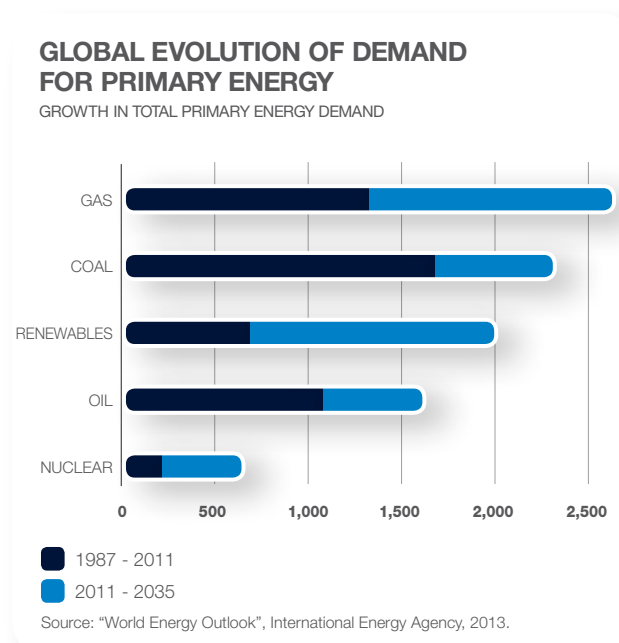
With regard to primary energy sources, demand is expected to increase for all types of energy sources, although a drop is expected in the weight of fossil fuels (oil, natural gas and coal), representing 75% of the total energy mix in 2035 against 82% today, while low-carbon energy sources (nuclear power and renewable sources) will meet 40% of the rise in demand.

Coal, which is currently the main source of primary energy is expected to grow by 17% until 2035, according to the WEO. This growth is lower than in previous decades, because of various plans to promote energy efficiency and reduce environmental pollution implemented by various governments, especially in emerging countries. Despite this, 90% of the increase in coal consumption will come from India (which according to these estimates will become the largest importer of coal in 2035), China and Southeast Asia, while in OECD countries coal consumption will decrease by 25%. Because of its proximity to areas of demand, the report predicts that Australia is the only country in the OECD that will increase its production.

Demand for natural gas will double by 2035 according to this report, becoming the first primary energy source, while oil production will increase from 89 million barrels/day in 2012 to 101 million barrels/day in 2035.

In the petrochemicals sector it is worth highlighting the increase in production from unconventional sources, such as light oil from tight formations or ultra-deepwater deposits, where a strong investment effort will be made to compensate for the fall in production from conventional sources. Thus, according to the IEA report, investments in upstream oil and gas projects amounted to 700,000 million annually in 2013 and investment is expected to remain at these levels over the next decade.

By region, the IEA highlights a change in trade flows between the different regions. Thus, the United States is expected to achieve self-sufficiency with its own energy resources by 2035, while China will be the largest importer of oil. Oil consumption in the Middle East will be higher than in Europe, and it will become the second largest consumer of natural gas in 2020, redefining its role as an exporter within the energy sector.



<sup>4</sup> "World Energy Outlook", International Energy Agency, 2013.

## RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

As for electricity, according to the report, demand will increase more than 75% in 2035 compared to 2011, mainly in emerging countries.

According to “World Energy Outlook”, fossil fuels will remain the main source of power generation, but the overall weight of such fuels will drop from 68% in 2011 to 57% in 2035.

Meanwhile, by 2035 generation from renewable sources is expected to represent 31% of the total compared to 20% today, and it will become the second largest source of electricity generation. As far as types of renewable energy are concerned, water and wind will remain the main sources of energy but the greatest increase will be in solar and bioenergy sources.

By region, 34% of energy generation will come from renewable sources with an increase in production from 2,365 TWh in 2011 to 4,434 in 2035. While in emerging countries electricity production from renewable sources in 2035 will stand at 7,718 TWh (compared to 2,365 TWh in 2011), implying 30% of the total production.

The estimated investment required to meet the growing demand for electricity in the period will be 17 trillion dollars, according to the IEA, of which 40% will be allocated to transmission and distribution assets, while the investment necessary in generation assets will exceed 10 trillion dollars for the construction of more than 5,000 GW of installed capacity.



Around 40% of the new installed capacity will come from China and India, while in OECD countries 60% of the new capacity will be used to replace obsolete facilities.

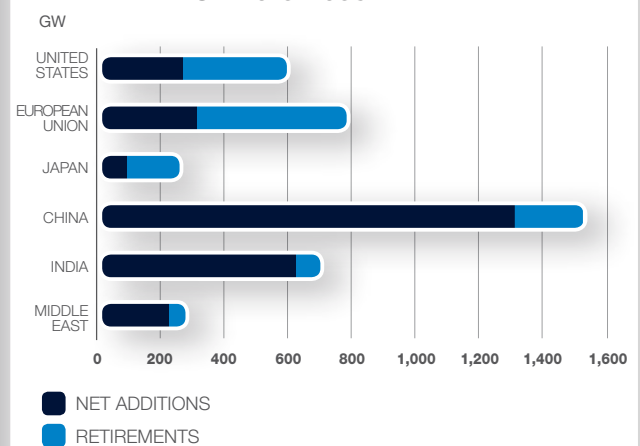
Of these investments, 62% of generation assets will be for renewable energy plants, which together with investment in the associated transmission and distribution related assets, will imply more than 6 trillion dollars in the period 2011-2035.

### GLOBAL ELECTRICITY GENERATION FROM RENEWABLE SOURCES BY TYPE

	2010	2020	2035
<b>PRIMARY ENERGY DEMAND (MTOE)</b>	<b>1,727</b>	<b>2,193</b>	<b>3,059</b>
UNITED STATES	140	196	331
EUROPE	183	259	362
CHINA	298	392	509
BRAZIL	116	148	207
<b>ELECTRICITY GENERATION (TWh)</b>	<b>4,482</b>	<b>7,196</b>	<b>11,612</b>
BIOENERGY	424	762	1,477
HYDRO	3,490	4,555	5,827
WIND	434	1,326	2,774
GEOTHERMAL	69	128	299
PHOTOVOLTAIC SOLAR	61	379	951
THERMOSOLAR	2	43	245
MARINE	1	3	39

Source: "World Energy Outlook", International Energy Agency, 2013.

### EXPECTED INCREASE IN ELECTRICITY GENERATION CAPACITY IN THE PERIOD 2013-2035



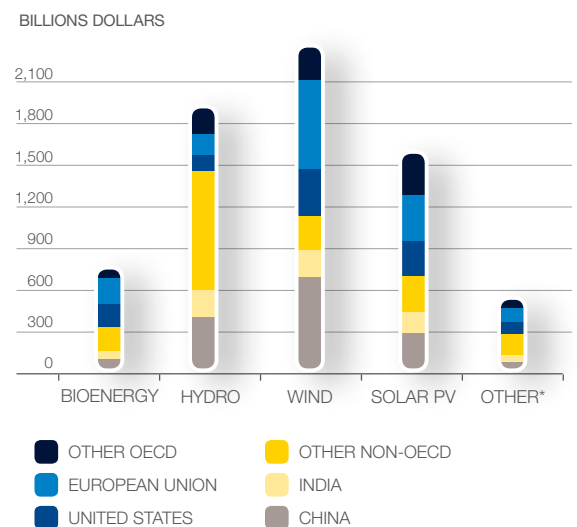
Source: "World Energy Outlook", International Energy Agency, 2013.

### EVOLUTION OF ELECTRICITY GENERATION FROM RENEWABLE ENERGY SOURCES

RENEWABLE GENERATION (TWh)	2011	2020	2030	2035
<b>OECD COUNTRIES</b>	<b>2,116</b>	<b>2,994</b>	<b>3,943</b>	<b>4,434</b>
<b>AMERICA</b>	<b>1,041</b>	<b>1,313</b>	<b>1,733</b>	<b>1,965</b>
UNITED STATES	544	740	1,039	1,211
<b>EUROPE</b>	<b>900</b>	<b>1,353</b>	<b>1,710</b>	<b>1,889</b>
<b>ASIA PACIFIC</b>	<b>203</b>	<b>329</b>	<b>500</b>	<b>581</b>
JAPAN	133	213	304	343
<b>NON-OECD COUNTRIES</b>	<b>2,365</b>	<b>4,202</b>	<b>6,099</b>	<b>7,178</b>
<b>EASTERN EUROPE/EURASIA</b>	<b>290</b>	<b>357</b>	<b>457</b>	<b>528</b>
RUSSIA	169	200	265	312
<b>ASIA PACIFIC</b>	<b>1,173</b>	<b>2,569</b>	<b>3,787</b>	<b>4,423</b>
CHINA	814	1,888	2,515	2,804
INDIA	183	350	666	850
<b>MIDDLE EAST</b>	<b>21</b>	<b>48</b>	<b>141</b>	<b>226</b>
<b>AFRICA</b>	<b>116</b>	<b>205</b>	<b>403</b>	<b>550</b>
<b>LATIN AMERICA</b>	<b>765</b>	<b>1,023</b>	<b>1,312</b>	<b>1,451</b>
BRAZIL	463	614	782	862
<b>WORLD</b>	<b>4,482</b>	<b>7,196</b>	<b>10,042</b>	<b>11,612</b>

Source: "World Energy Outlook", International Energy Agency, 2013.

### OVERALL INVESTMENT FORECAST FOR ENERGY GENERATION FROM RENEWABLE SOURCES IN THE PERIOD 2013-2035



\* Other includes geothermal, marine and solar CSP.

# RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

## CHALLENGES AND OPPORTUNITIES IN THE INFRASTRUCTURE SECTOR

### GROWTH PROSPECTS AND INVESTMENT OPPORTUNITIES IN AUSTRALIA

On 7 September 2013 parliamentary elections were held in Australia, which were won by the coalition between the National Party and the Liberal Party and resulted in the election of the conservative Tony Abbot as Australian Prime Minister.

During his election campaign, a key area was the infrastructures sector and the need to solve Australia's problems of lack of infrastructure by addressing the following points included in the coalition's plan<sup>5</sup>:

- **Establishing a national 15-year infrastructure plan** working in collaboration with the Infrastructure Australia agency to establish priorities and deadlines. This plan will be reviewed every 3 years and investments will be made at state level together with Commonwealth projects.

- **Strengthening the role of the Infrastructure Australia** agency and enhance its performance. Publish justifications for all projects, choosing those with the best cost/benefit ratio.
- Require **cost-effectiveness analyses** for all co-financed projects exceeding 100 million Australian dollars.
- Within **12 months of the election the government has promised to announce a new priority plan for infrastructure and construction**. Within this plan, emphasis has been placed on the commitment to invest in roads and highways to cut congestion and increase safety with firm investments of around 20,000 million Australian dollars in various projects to improve and build new infrastructure. Furthermore, work will continue to develop the new national broadband network, for which a review of the existing plan has already announced with an investment of 41,000 million dollars by 2020.
- **Encouraging private investment** through new forms of funding, for example, the creation of a system of bonds for infrastructure is being contemplated.

**A KEY AREA FOR THE NEW GOVERNMENT IS TO SOLVE AUSTRALIAN PROBLEMS OF LACK OF INFRASTRUCTURE.**

These electoral promises will materialise in specific projects during 2014. Australia is a country with great opportunities for investment in infrastructures. According to the latest "Infrastructure Priority List" of December 2013, the investment needed just for the projects considered as priorities amounts to between 82,000 and 91,200 million Australian dollars.

<sup>5</sup> [www.liberalparty.org.au](http://www.liberalparty.org.au).

## NEED TO INCREASE INFRASTRUCTURE INVESTMENTS IN GERMANY

On 22 September 2013 the German federal elections were held in which the Christian Democratic Union party won most of the seats, resulting in the re-election of Chancellor Angela Merkel.

The infrastructure sector was one of the topics discussed by all the parties during the election campaign, since experts note that in recent years there has been a shortfall in infrastructure investment in Germany, leading to a progressive deterioration in the conditions of existing infrastructures. In 2012 the German government announced a revision to its 2011-2015 transport infrastructure investment plan, bringing

it to 41,500 million euros and representing an investment of just over 10,000 million euros a year. According to the 2012 report by the Daehere Commission, an additional 7.200 million per year would be needed to meet the current investment needs of the infrastructure system.

Since the elections, specific infrastructure programs have not yet been defined, but the improved economic environment coupled with these electoral pledges means that in 2014 the civil engineering sector in Germany is expected to increase by 3.6% compared to 0.8% in 2012 according to IHS Global Insight<sup>6</sup>.

<sup>6</sup> "Global Construction Outlook, Q4 2013", IHS Global Insight.





# RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

## UNITED KINGDOM NATIONAL INFRASTRUCTURE PLAN 2013

In December 2013, the UK government published the “National Infrastructure Plan 2013”, identifying 646 infrastructure projects and programs related to transport, communications, energy, waste and water. The deadline for implementation of these projects goes beyond 2020. Within this plan more than 45% of the projects are already under construction or were included in an active investment program in 2013.

Planned investment in these projects exceeds 375,000 million pounds, compared to 309,000 million pounds under the 2012 plan. According to the types of infrastructure, 340,000 million pounds will go towards covering the combined investment in 498 active transport and energy projects and programs.

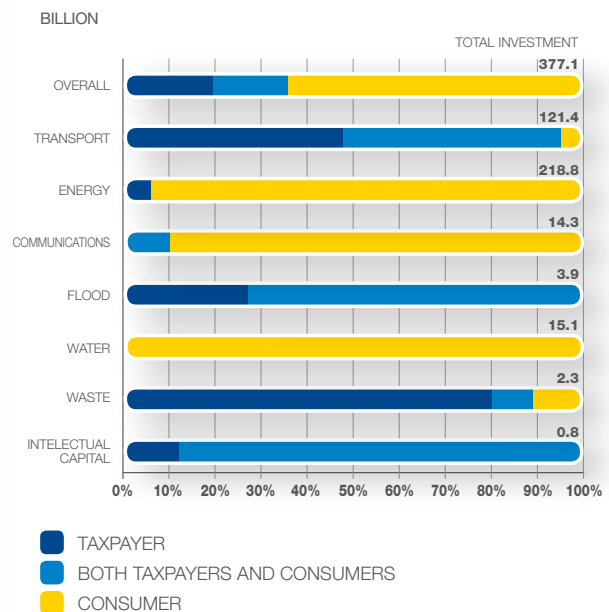
To finance these projects, the plan calls for a mixed funding through public funds, co-financing and payments by end-users. The level of funding raised through each of these methods will vary considerably, depending on the characteristics and type of infrastructure the funds will go to.

Following the publication of the first plan in 2010, the average annual investment in infrastructure<sup>7</sup> in the United Kingdom has increased from 41,000 million pounds in 2005/2010 to 45,000 million pounds in 2011/2013. This new national infrastructure plan reinforces the positive growth prospects for this sector and according to IHS<sup>8</sup> report, in 2014 civil engineering will increase by 6.6% in the UK compared to 2013.

<sup>7</sup> “National Infrastructure Plan 2013”, HM Treasury.  
<sup>8</sup> IHS Global Insight: Global Construction Outlook, Q4 2013.



### FUNDING OF PROJECTS UNDER THE INFRASTRUCTURE PLAN 2013



Source: “National Infrastructure Plan 2013”, HM Treasury.

## THE CONSTRUCTION SECTOR IN SPAIN

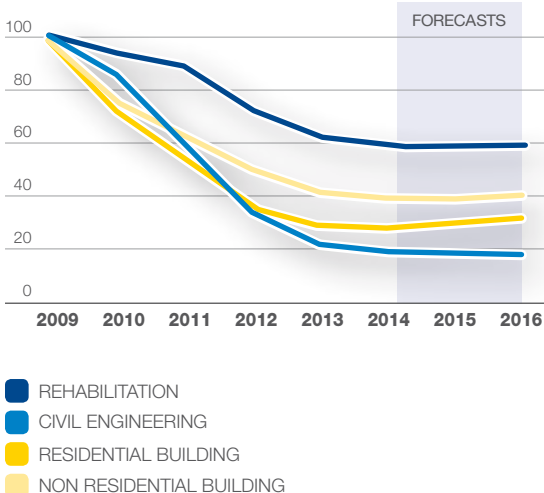
Despite the expected improvement in the macroeconomic environment, the outlook in the construction segment in Spain continues to be negative with a decrease in the sector of -6.7% in 2014 according to Euroconstruct, although this decrease will be more moderate than the drop observed in 2013.

However, this report forecasts stabilisation in the sector by 2015 with a production variation of -0.5% stemming from better performance in the building segment and for 2016 it predicts an increase in production of 2.9% with the recovery of civil works projects.

Despite this situation in the short term, within the Transport and Housing Infrastructure Plan (PITVI) for 2012-2024 published by the Ministry of Development, 136,627 million euros are earmarked for transport infrastructure related investment. Also in Spain, in other segments such as the water management system, the Ministry of Development has recently announced investments of 1,100 million euros and 400 hydraulic works related to water purification in the next 5 years to meet the objectives of the European directive on wastewater.

### EVOLUTION OF THE DIFFERENT SUB-SECTORS IN THE EUROPEAN MARKET

PRODUCTION INDICES AT CONSTANT PRICES, BASE: 2009=100



Source: ITec-Euroconstruct, december 2013.



# RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

## INFRASTRUCTURE DEFICIT IN THE UNITED STATES

Historically, levels of investment in gross fixed capital formation in the United States have been lower than those of other developed countries. This has led to a progressive deterioration of the existing infrastructure networks.

According to the ASCE<sup>9</sup>, 2020 the infrastructure investments required for the maintenance, expansion and

improvement of transport, water, waste management and power transmission systems will reach 3.6 trillion dollars, representing an annual investment exceeding 450,000 million dollars in the period 2012-2020. According to this agency, if the investment in infrastructures is not increased to these levels, the costs related to problems and inefficiencies in the systems will result in an increase in costs of 1.2 trillion dollars for companies and 611,000 million for households.

9 "2013 Report Card for America's Infrastructure", American Society of Civil Engineers, 2013.



As in other countries, the main problem faced to meet this investment is the need to raise funding, since, according to this report, the deficit for financing the projects required by 2020 is 1.6 trillion dollars.

Thus, in the United States funding through public-private partnership projects is more widespread, although this formula is not as popular as in other countries, meaning that the government is trying to promote these

type of contracts through the TIFIA program (“Transportation Infrastructure Finance and Innovation Act”), granting loans with better terms for funding this type of project.

### OVERALL INVESTMENT NEEDED IN INFRASTRUCTURE UP TO 2020

BILLIONS OF DOLLARS			
	TOTAL NEEDS	ESTIMATED FUNDING	FUNDING GAP
LAND TRANSPORT	1,723	877	846
WATER/WASTERWATER INFRASTRUCTURE	126	42	84
ELECTRICITY	736	629	107
AIPORTS	134	95	39
INLAND WATERWAYS AND MARINE PORTS	30	14	16
DAMS	21	6	15
WASTE TREATMENT	56	10	46
LEVEES	80	8	72
GREEN AREAS	238	134	104
RAIL	100	89	11
SCHOOLS	391	120	271
<b>TOTALS</b>	<b>3,635</b>	<b>2,024</b>	<b>1,611</b>
YEARLY INVESTMENT NEEDED	454	253	201

Source: “2013 Report Card for America’s Infrastructure”, American Society of Civil Engineers, 2013.

### PUBLIC-PRIVATE PARTNERSHIP PROJECTS IN THE UNITED STATES

MILLION US DOLLARS	ROADS		RAILWAY		WATER		BUILDING		TOTAL	
	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment
ANNOUNCED PROJECTS SINCE 1985 TO OCTOBER 2013	117	97,447	42	44,449	219	19,353	174	14,055	<b>552</b>	<b>175,304</b>
FUNDED PROJECTS UP TO OCTOBER 2013	61	34,640	25	16,789	164	15,324	163	9,261	<b>413</b>	<b>76,014</b>

Source: Public Works Financing, October 2013.

# RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

## ENERGY REFORM IN MEXICO

On 18 December 2013 the Constitutional Reform on Energy was approved by the Mexican Congress.

This reform aims to introduce structural changes in the hydrocarbon and electricity sectors as well as their institutional design, to ensure the security of supply, competitiveness, sustainability and financial viability of these sectors in Mexico's current economic and energy context.

One of the main points of the reform is that Pemex and Comisión Federal de Electricidad (CFE), which were the only companies with the authority to operate and manage the oil and electricity resources in Mexico, will continue to have public participation but will no longer be part of the Mexican administration.

The reform also proposes to facilitate the entry of other companies in the oil and electricity sectors. Thus, the government may grant production sharing contracts to Pemex and private companies to extract oil and gas, in addition to granting permits to Pemex and private companies for the refining, petrochemical processing, transportation and storage of oil, gas and petroleum products. While in the field of electricity, the reform proposes the participation of private sector companies, in partnership with CFE in the generation of electricity. Although the State will maintain exclusive control of the national grid, private-sector contracts will be authorised for the financing, maintenance, management, operation and expansion of power transmission and distribution systems.

The Mexican government's main objectives with the energy system reform are as follows:

### In the hydrocarbons sector:

- **Increasing oil output** from the current figure of 2.5 million barrels/day to 3 million barrels in 2018 and 3.5 million by 2025 and to **increase natural gas production** from today's output of 5,700 million cubic feet per day to 8,000 million in 2018 and 10,400 million in 2025. According to the Mexican government, over 50% of the country's prospective resources are located in unexploited ultra-deep water deposits located in the Gulf of Mexico basin, with a potential for recovering 29,500 barrels of oil equivalent. Furthermore, Mexico imports 30% of the natural gas consumed in the country. However, the Government estimates that it has large reserves of associated petroleum gas and the world's third largest reserves of shale gas, that have not been exploited due to lack of resources. Therefore, this reform intends to bring about a transfer of technology and capital through the entry of private companies, thus allowing higher output and a more competitive to be obtained. According to this report, to obtain optimal performance, the exploration and extraction industry requires 60,000 million dollars a year while only the annual budget of Pemex amounts to just 20,000 million dollars.
- **Cheaper natural gas and petroleum products, as well as reduced dependence on imports.**
- **Achieving rates of return on proved reserves of oil and gas exceeding 100%.**
- Generating about one percentage point more than **economic growth** by 2018 and around 2 percentage points by 2025, thus increasing the budgets derived from oil revenues.
- **Creating 2.5 million jobs in 2025.**



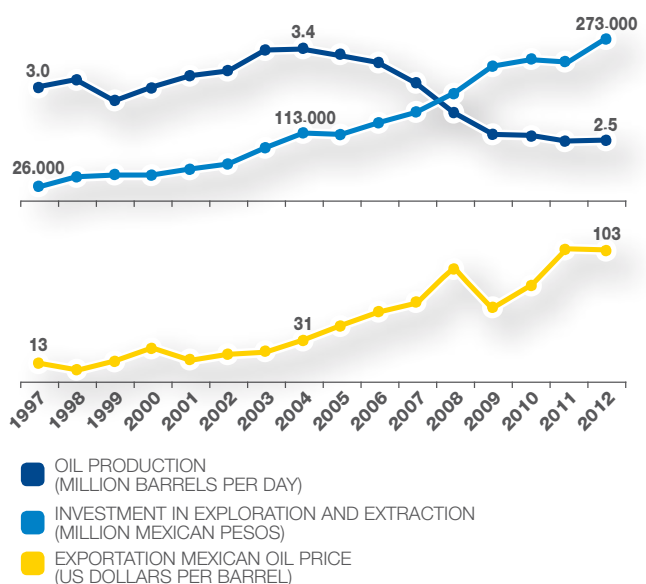
### In the electricity sector:

- **Reducing the cost of electricity** through greater diversity of generating sources, including cheaper gas and renewable energy and other generation sources that are not being developed due to lack of resources or budget constraints.
- **Improving the transmission and distribution networks** whose lack of investment means lower industry growth and increased operational inefficiencies.
- Designation of an **independent authority** to ensure a more competitive price.

According to the Mexican Regulatory Commission, the first phase of the energy reform is expected to attract an investment of 10,000 million dollars, representing 50% of the foreign capital input in one year, and that by 2018 these measures would contribute to infrastructure investments of 30,000 million dollars<sup>10</sup>.

<sup>10</sup> El Economista, January 28, 2014.

**INVESTMENT IN OIL EXPLORATION AND EXTRACTION, OIL PRODUCTION AND EXPORTATION MEXICAN OIL PRICE (1997-2012)**



# RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

## RENEWABLE ENERGY PROGRAM IN SOUTH AFRICA

In 2010, the South African government presented its national energy plan, the "Integrated Resource Plan (IRP)", which contemplates an increase in the installed generation capacity of up to 89,500 MW in 2030 (compared to 33,000 MW installed in 2010). In addition, the progressive introduction of renewable energies aims to achieve 30% of total power generated in South Africa in 2030.

The success of South Africa's Renewable Energy Program is a major boost to the promotion of renewable energies worldwide since the system combines a number of concepts and attractive features:

- Ambitious medium-term targets for renewables, based on strong growth in demand and an obvious difficulty to address it using domestic coal, owing to the combination of rising coal costs, environmental costs and the geographical concentration of deposits.
- Development through successive tenders, with variable power demands in each call for bids depending on the evolution of technologies and generation costs, but always maintaining minimum power quotas for the most promising bids based on the country's natural resources: wind and solar (both photovoltaic and thermosolar).
- Guaranteed energy buyback schemes with sufficient incentives to create Project Finance conditions and attract local and foreign capital.

## RENEWABLE ENERGY PROGRAM IN SOUTH AFRICA

	TOTAL CAPACITY (2010)		CAPACITY INCREASE (2010-2030)	TOTAL CAPACITY (2030)	
	MW	% OVER TOTAL	MW	MW	% OVER TOTAL
COAL	24,668 MW	74.8%	16,386 MW	41,071 MW	46%
NATURAL GAS	2,400 MW	7.2%	4,930 MW	7,330 MW	8.2%
NUCLEAR	1,800 MW	5.4%	9,600 MW	11,400 MW	12.7%
HYDRO	2,100 MW	6.3%	3,339 MW	4,759 MW	5.3%
WIND	0 MW	0%	9,200 MW	9,200 MW	10.3%
PHOTOVOLTAIC SOLAR	0 MW	0%	8,400 MW	8,400 MW	9.4%
THERMOSOLAR	0 MW	0%	1,200 MW	1,200 MW	1.3%
<b>TOTAL</b>	<b>32,993 MW</b>		<b>56,539 MW</b>	<b>89,532 MW</b>	

Source: ICEX, 2013.

**RENEWABLE ENERGIES AIMS TO ACHIEVE A 30% OF TOTAL POWER GENERATED IN SOUTH AFRICA IN 2030.**

The system continues to be refined through successive stages, and is achieving unprecedented success in its objectives:

- Regarding the **offered capacity**, in the first two bidding rounds (November 2012 and May 2013) a total of 2,470.42 MW have been awarded in 47 projects, and in November 2013 the “preferred bidders” in the third round of bidding were announced for an additional 1,450 MW in 17 new projects.
- In terms of **reducing the costs of the energy** acquired.
- In terms of the **territorial distribution of power allocated**.
- In terms of the local content of the projects and compliance with the requirements of the “**Black Empowerment**” regulations.

The success of the program in South Africa is expected to serve as a stimulus to other countries with large renewable potential and similar programs, some of which are quite ambitious, as is the case in Morocco, India, China, Germany, Great Britain and Saudi Arabia, among many others.





# RELEVANT FACTORS IN THE CURRENT ENVIRONMENT OF THE INFRASTRUCTURES SECTOR

## WASTE MANAGEMENT IN THE CONTEXT OF EUROPE 2020

Within the policy strategy of the European Union for 2020, in the field of the energy and climate change policies, three fundamental targets were established:

- A 20% reduction in emissions of greenhouse gases compared to 1990.
- Increasing consumption of energy generated from renewable sources to 20% of total consumption in the European Union.
- Improving energy efficiency in the European Union by 20%.

Among the directives issued for compliance with these goals in the field of waste management, the European Union issued a directive which set targets in all Member States for 2020 so that the amount of domestic and commercial waste destined for reuse and recycling for fractions of paper, metals, glass, plastic, bio-waste and other recyclable fractions, must reach altogether at least 50% by weight. For this purpose the European Union aims to encourage the use of the resources contained in waste always within the established hierarchy of actions, as it gives priority to prevention, reuse, recycling, material recovery and energy recovery on the discharge or deposit in landfill.



With regard to the achievement of these targets, according to Eurostat, there is wide diversity among the different member countries. Thus, while some countries such as Germany or the Netherlands are very close to achieving the objectives, other countries in Eastern Europe or Spain and the United Kingdom in Western Europe, are still far from complying with this directive.

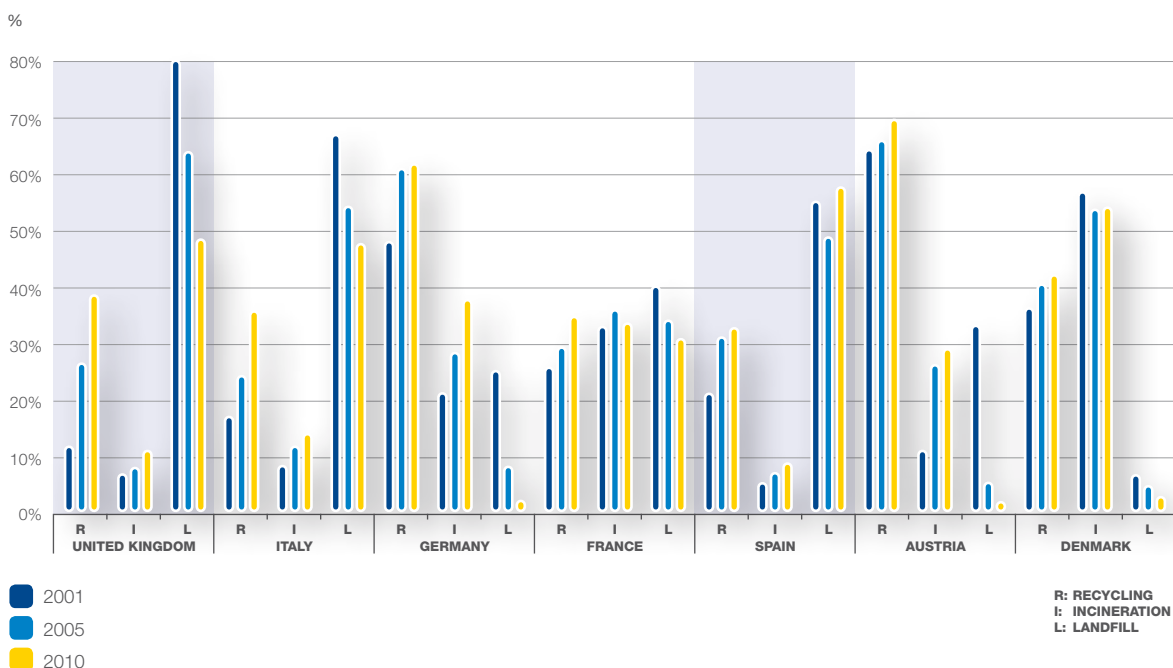
However, according to a sectorial association new waste management models are starting to be implemented, showing positive trends towards the fulfilment of these targets.

According to the European Commission, compliance with these waste management targets would create 400,000 new jobs in the sector and increased industry profits of 42,000 million euros.

Similarly, the reduction of greenhouse gases resulting from improved waste management, would represent 30% of the total reduction target established under the Europe 2020 strategy.

In January 2014 the European Commission proposed a new package of measures related to energy and climate change for 2030. Among the targets established is a 40% reduction in emissions compared to 1990 levels, a 27% commitment for energy consumption from renewable sources (without targets per state) while maintaining the commitment to energy efficiency, thus reaffirming the European Union's pledge to climate change and resource efficiency, which in the field of waste management implies the need for continuous improvement in the efficiency of processing systems, as well as greater control and assistance towards reducing greenhouse gas emissions.

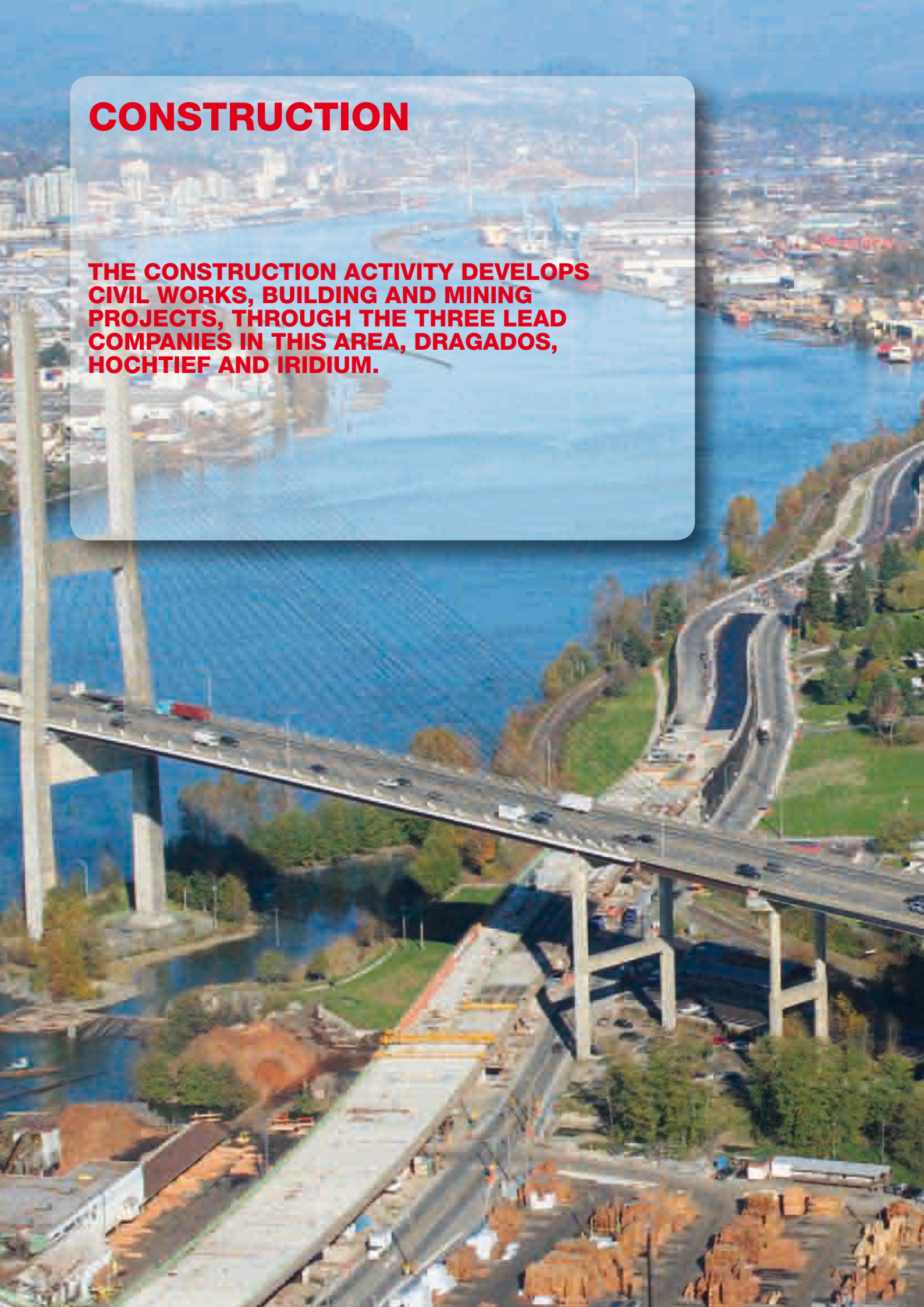
### EVOLUTION OF WASTE TREATMENT IN SEVERAL COUNTRIES OF THE EUROPEAN UNION



Source: Eurostat, Aseip.

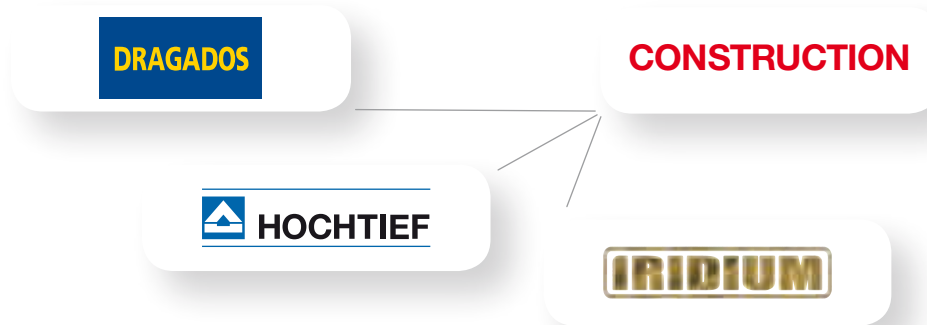
# CONSTRUCTION

**THE CONSTRUCTION ACTIVITY DEVELOPS CIVIL WORKS, BUILDING AND MINING PROJECTS, THROUGH THE THREE LEAD COMPANIES IN THIS AREA, DRAGADOS, HOCHTIEF AND IRIDIUM.**





# CONSTRUCTION



The ACS Group's **Construction activity** is aimed at executing of all kinds of **Civil Works projects** (infrastructure-related developments such as highways, railways, maritime and airport works), **Building** (residential, social infrastructure and facilities) and projects related to the **Mining** (contracts for the provision of

mining services and execution of works and infrastructure required for mining activities).

The ACS Group carries out its Construction activity through the three lead companies in this area, **Dragados**, **HOCHTIEF** and **Iridium**, which in turn encompass an extensive group of companies.

**THE ACS GROUP  
IS ONE OF  
THE LEADING  
CONSTRUCTION  
COMPANIES  
WORLDWIDE.**



The construction companies of the ACS Group execute their projects through different contractual models, whether by direct construction for clients, both public and private, or under concession arrangements through various public-private partnership contract models, covering the whole concession business value chain, from project design to financing, construction, commissioning and operation.

During 2013, the Construction area has continued its strategy of maximising operational efficiency, optimising its financial strength and improving risk monitoring and control. By taking advantage of the complementary nature and experience of

**THE ACS GROUP DEVELOPS  
LARGE AND TECNICALLY COMPLEX  
PROJECTS , WITH A STRONG  
GEOGRAPHICALLY DIVERSIFICATION  
ALL OVER THE WORLD.**

the Group's companies in different geographic areas and techniques, the Group has been able to tackle larger and more technically complex projects in more than 40 countries worldwide.

The ACS Group's Construction activity has a highly decentralised structure with strong geographic and sectorial diversification, positioning the group as one of the leading construction companies worldwide.



# CONSTRUCTION

## MAIN FIGURES

In 2013, the **revenue** for the ACS Group's Construction area totalled 29,559 million euros, 0.4% down on the 2012 figure. This decrease in sales is mainly due to the decline in activity in Spain and the evolution of exchange rates, particularly the Australian dollar and US dollar. Excluding the effect of exchange rates, the growth in sales compared to 2012 would have been 6.7%.

By market, in 2013 sales in Spain fell by 23.1% compared to 2012 and now account for only 5% of the amount of total activity. Meanwhile, revenue in the international area grew by 1.1% compared to 2012, due to a 6.7% activity increase in the Americas and a 5.7% growth in sales other European countries. Sales in Asia Pacific fell by 3.3% compared to 2012 due to the depreciation of the Australian dollar. Notwithstanding this, Construction sales came mainly from Asia Pacific area, representing 50% of the total activity, followed by the Americas, mainly North America, with 33% of total sales.

In 2013, the **gross operating profit** of the Construction activity reached 1,826 million euros, while the margin on sales was 6.2%. The **recurrent net profit** was 261 million euros, representing an increase of 4.9% over the previous year.

**CONSTRUCTION SALES CAME MAINLY FROM ASIA PACIFIC AREA, REPRESENTING 50% OF THE TOTAL ACTIVITY.**

## CONSTRUCTION

MILLIONS EUROS	2012*	2013	% Var.
<b>REVENUE</b>	<b>29,683</b>	<b>29,559</b>	-0.4%
<b>EBITDA</b>	<b>1,995</b>	<b>1,826</b>	-8.5%
MARGIN	6.7%	<b>6.2%</b>	
<b>EBIT</b>	<b>685</b>	<b>780</b>	+14.0%
MARGIN	2.3%	<b>2.6%</b>	
<b>RECURRENT NET PROFIT</b>	<b>249</b>	<b>261</b>	+4.9%
MARGIN	0.8%	<b>0.9%</b>	
<b>ORDER BOOK**</b>	<b>58,227</b>	<b>47,563</b>	-18.3%
MONTHS	21	<b>17</b>	
<b>EMPLOYEES</b>	<b>94,392</b>	<b>87,457</b>	

\* 2012 data presented according to the revised IAS 19, which applies retroactively.

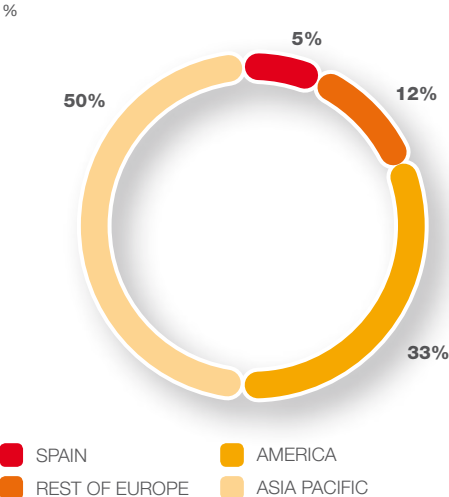
\*\* Includes the order book proportional to the stake in joint ventures that the Group does not fully consolidate.



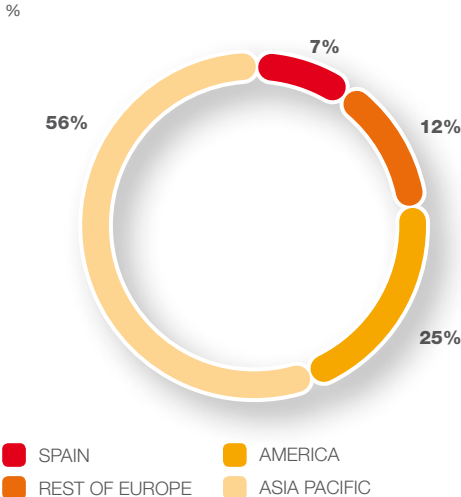
The **order book** of the Construction activity stood at 47,563 million euros at 31 December 2013, implying a coverage ratio of 17 months of activity. The order book value decreased by 18.3% compared to 2012, primarily due to the depreciation of the Australian dollar and the sale of assets

during 2013. Excluding these effects, the order book would have been down 2.7% on the previous year, owing to the decrease in bid offers in Spain and fewer mining sector contracts.

**REVENUE BREAKDOWN BY GEOGRAPHICAL AREAS**



**ORDER BOOK BREAKDOWN BY GEOGRAPHICAL AREA**





# CONSTRUCTION

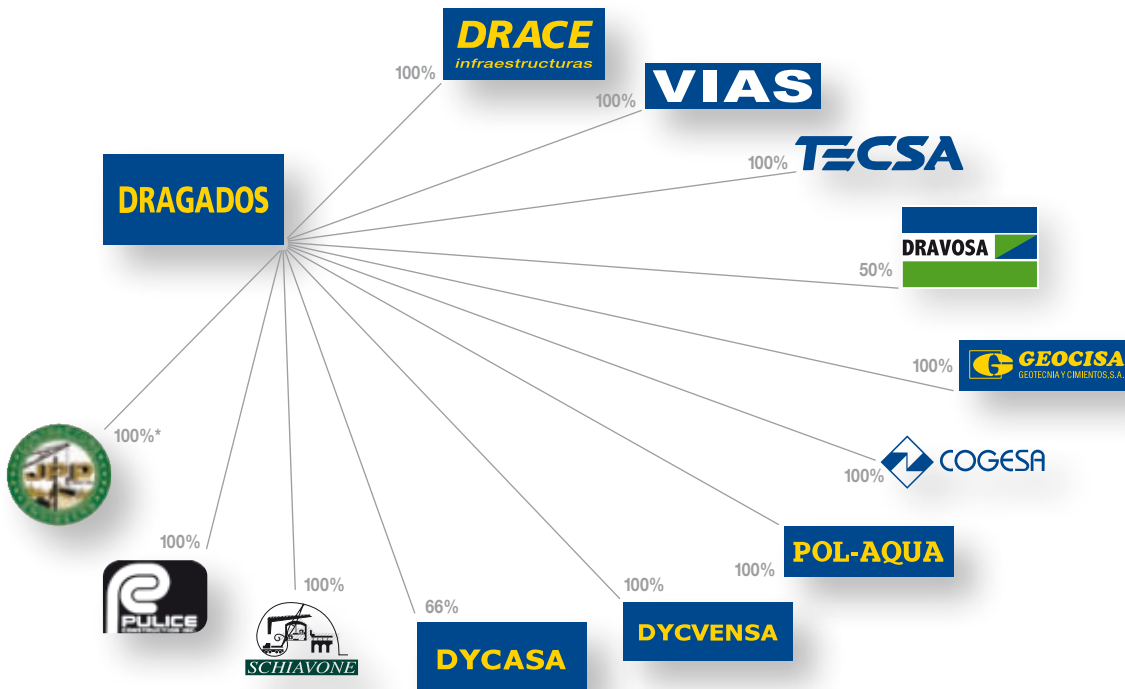
## DRAGADOS

Dragados is the leading company in Spain's Construction sector, oriented towards developing Civil Works infrastructures (highways, railways, maritime, water and airport works) and Building projects (residential and non-residential).

In addition to its leadership position in Spain, Dragados carries out infrastructure projects in other European countries, with noteworthy activities in Poland, Portugal, the United Kingdom and Ireland. Furthermore, the activity expansion in the United States and Canada is particularly significant, where the company has consolidated its position thanks to its activity and with its North American subsidiaries

(Schiavone, Pulice and John P. Picone) activity and through synergies in the concession business with Iridium. Dragados is also has extensive experience in project execution in Latin America, especially in Colombia, Chile, Argentina and Venezuela, where it has its own subsidiaries (Dycasa and Dycvensa).

For the next few years, Dragados' strategy will focus on maintaining its leadership position in the Spanish construction sector and to continue consolidating its activity in international markets, although always with a rigorous risk and cost control policy, allowing it to maximise operational efficiency and ensuring the profitability of projects.



\* 100% stake since January 2014. At 31 December 2013, the stake was 80%.

Dragados' revenue for 2013 totalled 3,760 million euros, representing a reduction of 6.9% compared to 2012, resulting from the contraction of public investment in Spain and the decline in building activity. However, the Dragados' activity in foreign markets grew by 5.5% over the previous year, with the increased activity being particularly significant in countries like the United Kingdom, Canada or

Colombia. Thus, activity outside Spain already represents 65% of the total activity, strengthening the prospects for growth in this sector.

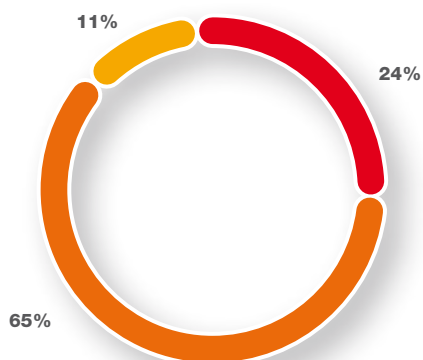
Its **order book** totalled 7,622 million euros, representing coverage of 24 months of activity. 56% of Dragados' order book comes from Civil Works projects awarded abroad.

## DRAGADOS

MILLIONS EUROS	2012	2013	% Var.
<b>REVENUE</b>	<b>4,039</b>	<b>3,760</b>	<b>-6.9%</b>
SPAIN	1,721	1,314	-23.6%
INTERNATIONAL	2,318	2,446	+5.5%
<b>EBITDA</b>	<b>305</b>	<b>319</b>	<b>+4.6%</b>
MARGIN	7.6%	8.5%	
<b>EBIT</b>	<b>258</b>	<b>234</b>	<b>-9.0%</b>
MARGIN	6.4%	6.2%	
<b>NET PROFIT</b>	<b>110</b>	<b>101</b>	<b>-8.1%</b>
MARGIN	2.7%	2.7%	
<b>ORDER BOOK</b>	<b>8,433</b>	<b>7,622</b>	<b>-9.6%</b>
MONTHS	25	24	
SPAIN	3,598	3,354	-6.8%
INTERNATIONAL	4,835	4,268	-11.7%
<b>EMPLOYEES</b>	<b>13,474</b>	<b>11,746</b>	

### DRAGADOS REVENUE BREAKDOWN BY TYPE OF ACTIVITY

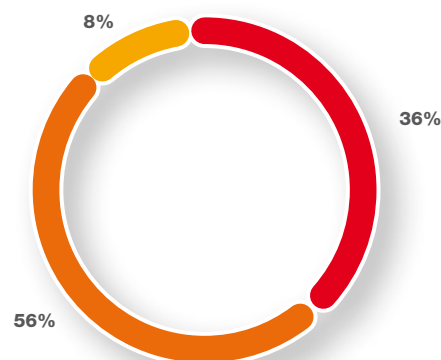
%



- DOMESTIC CIVIL WORKS
- INTERNATIONAL CIVIL WORKS
- BUILDING

### DRAGADOS ORDER BOOK BREAKDOWN BY TYPE OF ACTIVITY

%



- DOMESTIC CIVIL WORKS
- INTERNATIONAL CIVIL WORKS
- BUILDING

# CONSTRUCTION

## HOCHTIEF

HOCHTIEF is one of the world's leading construction groups, with more than 140 years' experience in the sector and a consolidated presence in the Asia-Pacific, Middle East, United States and Canadian markets, as well as in Central Europe.

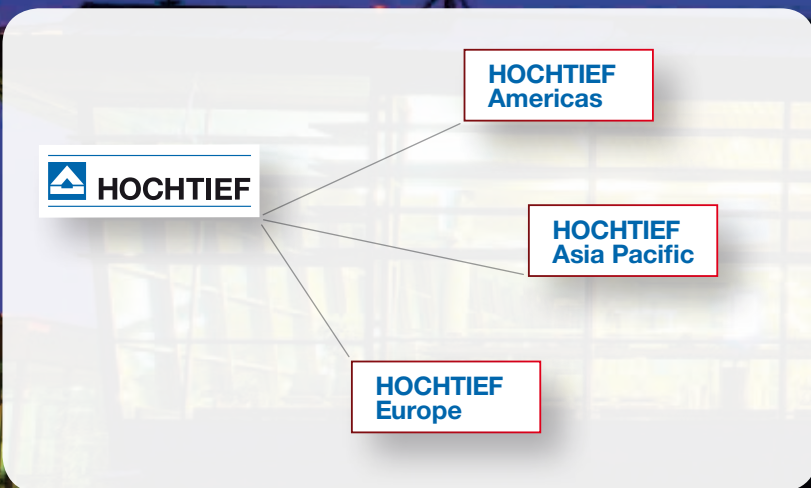
According to the magazine ENR, HOCHTIEF is the seventh largest company in the world in the sector and one of the largest as regards its level of globalisation, with almost 93% of its sales from outside its own market, Germany, where it is also a benchmark in the sector.

HOCHTIEF's business focuses on development, construction and operation of complex infrastructure projects, many of which are carried out under a concession system, in the transport, energy and mining spheres. The company also carries out residential building, social facilities and urban installations projects.

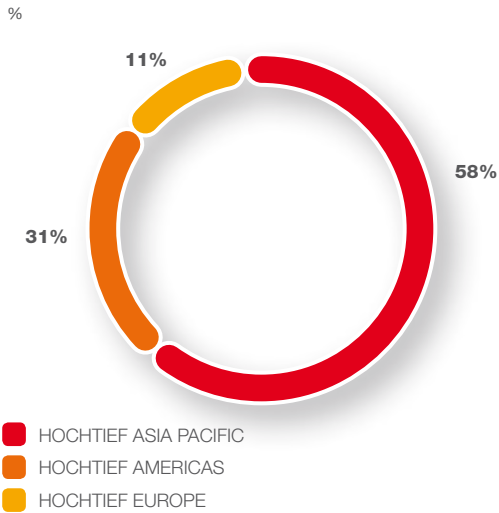
HOCHTIEF's strategic focus is based on its orientation towards the infrastructure sector by means of unique solutions, continual improvement of risk management and with the support of an excellent team; objectives which are in line with the ACS Group's strategy.

During 2013, HOCHTIEF has continued the restructuring of its divisions, as well as the divestment of non-strategic businesses, which has resulted in the sale of the airports business, the telecommunications business in Australia, the maintenance services business and Aurelis, in order to focus on its core activities.

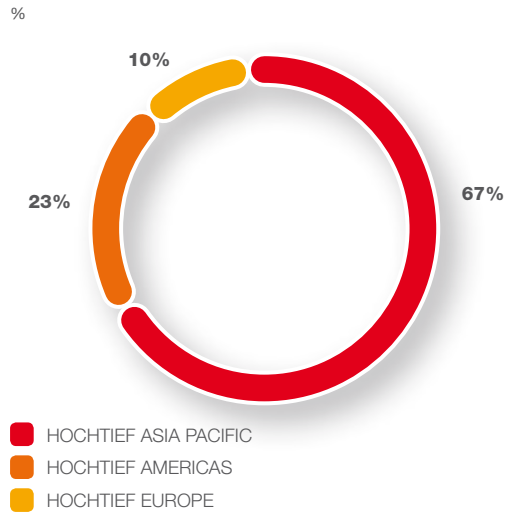
HOCHTIEF's businesses are divided into the three large geographical areas in which the company operates: HOCHTIEF Americas, HOCHTIEF Asia Pacific and HOCHTIEF Europe.



### HOCHTIEF REVENUE BREAKDOWN BY DIVISION



### HOCHTIEF ORDER BOOK BREAKDOWN BY DIVISION



During 2013, HOCHTIEF's **revenue** was 25,693 million euros, equivalent to 0.6% up on 2012. By division, the sales of HOCHTIEF Americas and HOCHTIEF Europe were up 7.7% and 0.5% respectively, while in the HOCHTIEF Asia Pacific division turnover was 2.7% lower than in 2012 due to the depreciation of the Australian dollar.

HOCHTIEF's **order book** stood at 39,940 million in 2013, equivalent to 16 months of activity, highlighting the strong presence of the Group in the Asia Pacific region, especially in Australia, where around 67% of the projects in the order book originated.



©Vladislavs Punculs/Riga

# CONSTRUCTION

## HOCHTIEF

MILLIONS EUROS	HOCHTIEF*			CONSOLIDATION ADJUSTMENTS	
	2012*	2013	% Var.	2012*	2013
<b>REVENUE</b>	25,528	25,693	+0.6%	0	0
<b>EBITDA</b>	1,303	1,256	-3.7%	342	201
MARGIN	5.1%	4.9%		n.a.	n.a.
<b>EBIT</b>	349	496	+42.0%	59	28
MARGIN	1.4%	1.9%		n.a.	n.a.
<b>NET PROFIT (HOCHTIEF A.G.)</b>	155	171	+10.3%		
MARGIN	0.6%	0.7%			
<b>NET PROFIT (CONTRIBUTION TO ACS)**</b>	81	91	+11.7%	77	6
<b>CORDER BOOK***</b>	49,794	39,940	-19.8%		
MONTHS	20	16			
<b>EMPLOYEES</b>	80,593	75,433			

\* Data presented according to ACS management criteria. 2012 data presented according to the revised IAS 19, which applies retroactively.

\*\* HOCHTIEF contribution to ACS Group during 2012 and 2013 fully integrated consolidation. Neither in 2012 nor in 2013, financial expenses related to Hochtief's acquisition were included.

\*\*\* Includes the order book proportional to the stake in joint ventures that the Group does not fully consolidate.

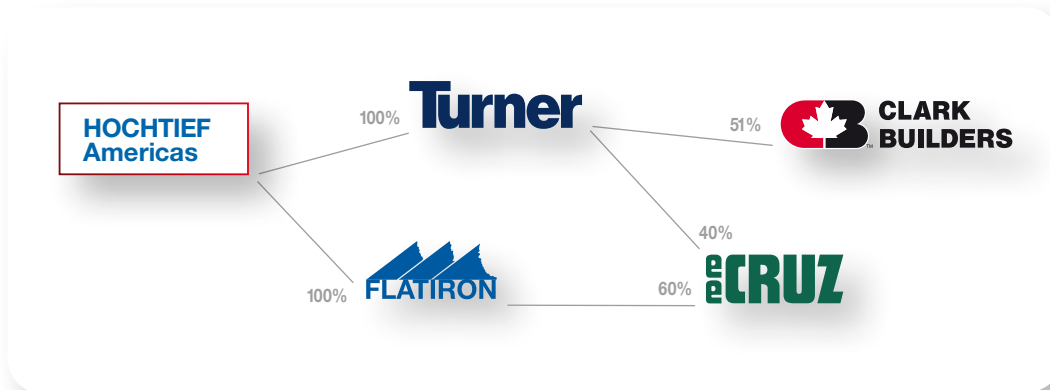
## HOCHTIEF EARNINGS BY BUSINESS AREA IN 2013\*

MILLIONS EUROS	HOCHTIEF Americas			HOCHTIEF Asia Pacific			HOCHTIEF Europe			Headquarter/ Adjustments*		TOTAL		
	2012	2013	% Var.	2012	2013	% Var.	2012	2013	% Var.	2012	2013	2012	2013	% Var.
<b>REVENUE</b>	7,375	7,944	+7.7%	15,180	14,767	-2.7%	2,856	2,870	+0.5%	117	112	25,528	25,693	+0.6%
<b>EBITDA</b>	67	83	+23.8%	1,376	1,241	-9.8%	(59)	(11)	+80.6%	(81)	(57)	1,303	1,256	-3.7%
MARGIN	0.9%	1.0%		9.1%	8.4%		-2.1%	-0.4%				5.1%	4.9%	
<b>EBIT</b>	38	55	+43.3%	528	574	+8.9%	(117)	(73)	+37.6%	(99)	(60)	349	496	+42.0%
MARGIN	0.5%	0.7%		3.5%	3.9%		-4.1%	-2.6%				1.4%	1.9%	
<b>NET PROFIT</b>	43	59	+39.8%	153	184	+20.4%	(54)	32	n.a.	14	(104)	155	171	+10.3%
MARGIN	0.6%	0.7%		1.0%	1.2%		-1.9%	1.1%				0.6%	0.7%	
<b>ORDER BOOK**</b>	10,900	9,279	-14.9%	32,486	26,525	-18.4%	6,420	4,138	-35.5%	(13)	(1)	49,794	39,940	-19.8%

\* Data presented according to ACS management criteria. 2012 data presented according to the revised IAS 19, which applies retroactively. The results from the Airports activity, sold during 3Q13, have been included in the Holding accounts.

\*\* Includes the order book proportional to the stake in joint ventures that the Group does not fully consolidate.





## HOCHTIEF AMERICAS

The HOCHTIEF Americas division unites and coordinates HOCHTIEF's activities in the North American market through its four companies (Turner, Flatiron, E.E. Cruz, and Clark Builders) whose serve in the United States and Canada. With their respective focal areas, these four companies cover the building construction, civil engineering, and infrastructure construction segments in the world's largest construction market.

The US subsidiaries of HOCHTIEF have shown improved operating results during 2013. Thanks to their position and recognised experience in the market, they obtained important new contracts.

Turner continued to hold its own as number one U.S. general builder, as reflected in the latest ranking from Engineering News-Record (ENR). The company is also ranked first in the healthcare, education, offices, industrial, cultural facilities, sports facilities, and hotels categories.

Turner is also market leader in green building and was recognized as such for the sixth time running by the Building Design and Construction magazine. The HOCHTIEF subsidiary has the largest LEED<sup>11</sup> -accredited staff in the industry.

Furthermore, Turner is one of the leading companies in the application and development of virtual construction. Building Information Modelling (BIM) allows risks to be identified and controlled at an early stage and workflows to be organized more efficiently, this benefits both the company and its clients.

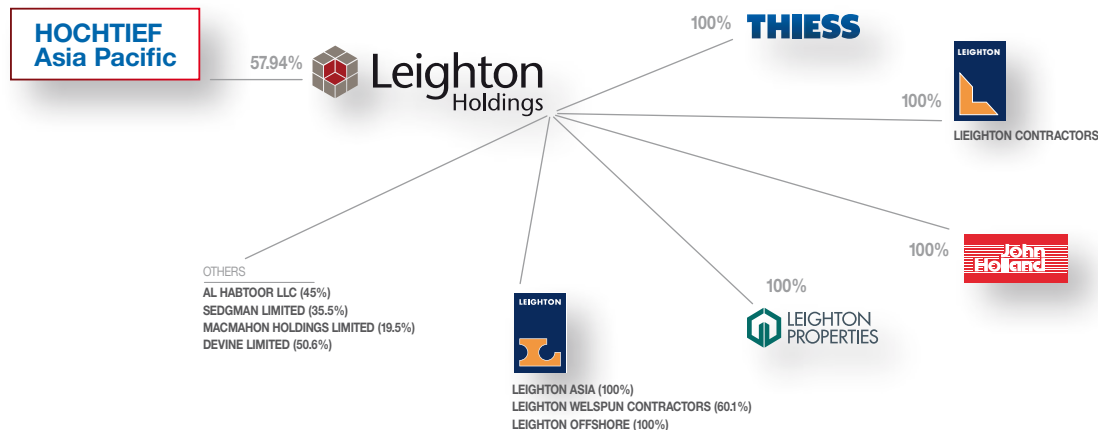
Meanwhile, Flatiron, specialising in civil engineering, has also been recognised in the ENR rankings with seventh place in highway construction and sixth place in bridge construction.

In recent years, the civil engineering market in the United States has faced increased competition, which has led to growing pressure on Flatiron's bidding margins. Therefore, work has continued on its program to improve risk management and measures to maximise efficiency, which is performing well. Flatiron's focus on risk management includes selection criteria regarding the risk of the projects, as well as an efficient management of the contracts.

HOCHTIEF aims to further enhance synergies in the US market through cooperation among the Group companies and the exchange of technical expertise.

<sup>11</sup> LEED (Leadership in Energy and Environmental Design) is the rating system of the US Green Building Council and defines the specific standards to be met in the construction of "green" buildings.

# CONSTRUCTION



## HOCHTIEF ASIA PACIFIC

The Australian Leighton Group together with its subsidiaries holds a leading position in the Australian, Asian, and Middle East construction markets and has operations in more than 20 countries. Leighton’s operating units include Leighton Contractors, Thies, John Holland, and Leighton Properties, the Leighton Asia, India and Offshore Group, and the Habtoor Leighton Group. Through these companies, the Leighton Group boasts a broad portfolio of capabilities for the infrastructure, resources, and real estate market and is also the world’s largest contract miner.

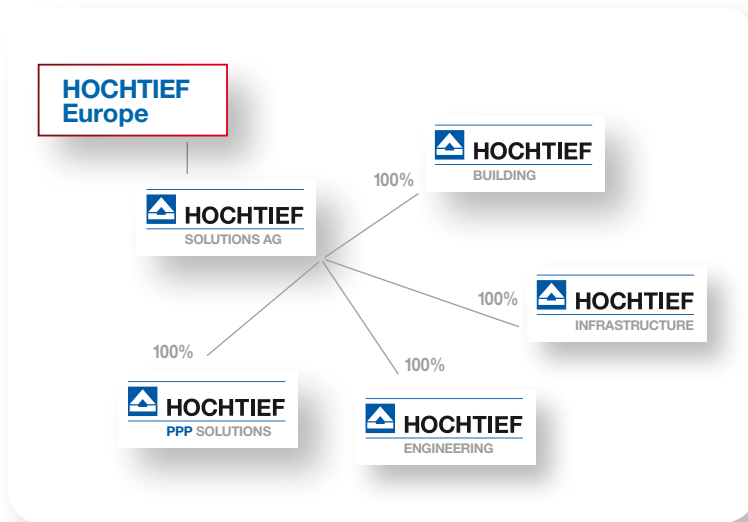
During 2013, Leighton has continued the transformation process initiated in 2012 to implement the group’s strategic reorientation project. The results are already visible in 2013, registering a substantial improvement in activity, especially in the core of its business operations with the financial results heading back to their usual strong levels. The main objective of this plan is to orient the business towards achieving better operating margins and improving return on capital.

A key aspect of the strategic reorientation is the disposal of non-core activities from the Leighton portfolio. During the reporting period,

Leighton sold approximately 70% of its telecommunications assets, including the subsidiaries Nextgen Networks, Metronode, and Infoplex. The 475 million euros (620 million Australian dollars) transaction was closed in June 2013. Leighton will continue providing services in the network expansion and maintenance segments with its remaining subsidiaries in the sector, Visionstream and Silcar.

In the past two years, the Leighton Group has made strong efforts to redirect its strategy, with significant commercial and business transformations, aimed to “Stabilise, Rebase and Grow” the business.

In the 2013 financial year, the Leighton Group continued to win major contracts in the segments of energy, transport and social and urban infrastructure. Furthermore, despite the decline in the prospects in the mining and natural resources sectors, Leighton has obtained a high volume of new long-term contracts in this sector, that offer increased visibility and stability of results.



## HOCHTIEF EUROPE

The HOCHTIEF Europe division combines the core business in Europe and selected high-growth regions around the world. The division's main company is HOCHTIEF Solutions AG, which offers customers a full range of construction and construction-related services for infrastructure projects, real estate, and facilities.

Due to the volatility of HOCHTIEF Europe's revenue in recent years, a restructuring of HOCHTIEF Solutions AG was undertaken in 2013 in order to help maximise its profitability and the visibility of its results. To do this, HOCHTIEF Europe will seek to focus on its core business, creating tighter structures and grouping the different technical specialisations in the same unit. In this context, in 2013 the services business HOCHTIEF Solutions was sold.

Starting January 2014, operating activities are conducted by four subsidiaries under the single roof of HOCHTIEF Solutions: HOCHTIEF Building, HOCHTIEF Infrastructure, HOCHTIEF Engineering, and HOCHTIEF PPP Solutions.





# CONSTRUCTION

## IRIDIUM

Iridium manages national and international public-private partnership projects for transport infrastructures and public facilities.

Iridium, together with the rest of the ACS Group, is a worldwide reference in infrastructure development, as shown by its current portfolio of over 90 managed companies. Furthermore, in 2013 ACS once again headed the ranking of the world's main concession-holders, according to the report published by the specialist journal Public Works Financing.

With an accumulated experience of over 45 years, Iridium operates by implementing a strict risk control policy. In this way, Iridium identifies, assesses and minimises each specific risk of the different projects.

In 2013, the Spanish market has continued to be marked by an unfavourable economic situation, characterised by generalised contraction of credit, the difficult financial situation of many administrations and the maturity of a market with few infrastructure improvement needs. However, while the restructuring and refinancing of the sector has continued throughout 2013, the risk perceived by investors, particularly if we focus on the Spanish market, has decreased considerably. In that sense, the expectations of interest in the market towards mature operations projects are good for some investors, given the greater confidence in markets in general, low interest rates and the high level of liquidity worldwide.



### World's Largest Transportation Developers

2013 SURVEY OF PUBLIC-PRIVATE PARTNERSHIPS WORLDWIDE  
Ranked by Number of Concessions Developed Alone Or In JV Since 1985

Company	Operating or under const.	# sold or expired	Bid Targets	No. operating or under construction in:			
				U.S.	Canada	Home country	All other
ACS Group/Hochtief (Spain)	56	44	55	2	6	19	29
Global Via-FCC-Bankia (Spain)	45	1	3	1	1	30	13
Macquarie Group (Australia)	44	13	16	4	1	1	38
Abertis (Spain)	41	14	0	0	0	12	29
Vinci (Spain)	38	3	17	1	2	11	24
Hutchison Whampoa (China)	34	5	0	0	0	9	25
Ferrovial/Cintra (Spain)	32	23	30	6	2	9	15
NWS Holdings (China)	27	0	1	0	0	27	0
EGIS Projects (France)	25	1	14	0	1	5	19
Bouygues (France)	24	3	13	1	1	9	13

## IRIDIUM

MILLIONS EUROS	2012	2013	% Var.
REVENUE	116	106	-8.9%
EBITDA	45	50	11.5%
EBIT	19	22	15.8%
NET PROFIT	(21)	(9)	n.a.
EMPLOYEES	325	278	



In this context, besides the development of the activity in its priority markets of United States and Canada, Iridium has continued the development of its strategy of expansion and internationalisation, through the search for opportunities in those markets with legal and personal security, with stable legal frameworks that allow the development of contracts of this nature and with developed financial systems that are solvent and capable of financing in local currency, especially the markets of Australia, Latin America, United Kingdom and Ireland.

Australia is without doubt one of the most attractive markets for Iridium, since it is ideal for the development of public-private partnership projects owing to the volumes of investment required and the great potential for public tenders in the short and medium term.

The Latin America region represents a growth opportunity for Iridium with Colombia in particular that offers significant investment possibilities with its recent legislation on private-public partnership agreements and the Government's commitment to infrastructure investments over the next decade of more than 70,000 million euros.

However, the key markets remain the United States and Canada, where Iridium continues to have a significant presence in the market of infrastructure concessions in North America with 7 projects awarded, 3 projects in operation and 4 under construction.

For 2013, Iridium has continued bidding in tenders for projects in different markets. Thus, in the United States, Iridium has prequalified to bid on six projects worth 7,000 million US dollars. Also in September 2013, the Linking Melbourne Authority in Australia pre-qualified the consortium formed by Iridium and Leighton Contractors in the bidding process for the project East West Link, also featuring participation from ACS Group companies John Holland and Dragados. In Europe, Iridium is prequalified for two projects in Ireland and has reached the offer stage for a road project in Scotland. In Colombia it has prequalified for a project to recover navigability in the Magdalena River and eight road projects, the latter with representing an overall investment of more than 5,000 million euros.

# CONSTRUCTION

Shown below is a detail of the projects making up the Iridium's current portfolio at 31 December 2013:

Concession-Description	ACS Group stake	Country	Activity	Phase	Units	Expiry date	Total investment (millions euros)	ACS Group investment (millions euros)
A8/AP1 - Bidelan	50.0%	Spain	Highways	Operation	124	2018	57	3
Autovía de La Mancha	75.0%	Spain	Highways	Operation	52	2033	128	21
Circunvalación de Alicante	50.0%	Spain	Highways	Operation	148	2040 <sup>(1)</sup>	464	79
Autopista del Henares (R2 y M50)	35.0%	Spain	Highways	Operation	87	2039	898	81
Accesos Madrid (R3/R5 y M50)	19.7%	Spain	Highways	Operation	90	2049	1,665	54
Reus-Alcover	100.0%	Spain	Highways	Operation	10	2038	72	16
Santiago Brión	70.0%	Spain	Highways	Operation	16	2035	118	15
Autovía de los Pinares	53.3%	Spain	Highways	Operation	44	2041	96	14
Autovía Medinaceli-Catalayud	95.0%	Spain	Highways	Operation	93	2026	183	23
Autovía del Camp del Turia (CV 50)	65.0%	Spain	Highways	Construction	20	2043	110	10
Autovía del Pirineo (AP21)	72.0%	Spain	Highways	Operation	45	2039	226	58
Autovía de la Sierra de Arana	40.0%	Spain	Highways	Construction	39	2041	200	8
EMESA (Madrid Calle 30)	50.0%	Spain	Highways	Operation	33	2040	221	48
Eje Diagonal	100.0%	Spain	Highways	Operation	67	2042	406	154
A-30 Nouvelle Autoroute 30	50.0%	Canada	Highways	Operation	74	2043	1,279	77
Capital City Link (NEAH)	25.0%	Canada	Highways	Construction	27	2046	1,023	12
FTG Transportation Group	50.0%	Canada	Highways	Operation	45	2034	506	11
Windsor Essex	33.3%	Canada	Highways	Construction	11	2044	890	7
Ruta del Canal	51.0%	Chile	Highways	Construction	55	2050	169	21
Autopista Jónica (NEA ODOS)	33.3%	Greece	Highways	Constr./Operation	380	2037	1,391	41
Central Greece	33.3%	Greece	Highways	Constr./Operation	231	2038	1,146	22
CRG Waterford - Southlink	33.3%	Ireland	Highways	Operation	23	2036	321	22
CRG Portlaoise - Midlink	33.3%	Ireland	Highways	Operation	41	2037	328	23
Sper - Planestrada (Baixo Alentejo)	49.5%	Portugal	Highways	Construction	347	2038	539	79
Rotas do Algarve - Marestrada	45.0%	Portugal	Highways	Construction	260	2039	271	50
A-13, Puerta del Támesis	25.0%	U.K.	Highways	Operation	22	2030	288	7
I595 Express	50.0%	U.S.A.	Highways	Construction	17	2044	1,190	76
<b>Total Highways (km)</b>					<b>2,401</b>		<b>14,188</b>	<b>1,032</b>
Figueras Perpignan - TP Ferro	50.0%	Spain-France	Railways	Operation	45	2057	1,206	51
Línea 9 Tramo II	50.0%	Spain	Railways	Constr./Operation	11	2042	728	41
Línea 9 Tramo IV	50.0%	Spain	Railways	Operation	11	2040	615	30
Metro de Sevilla	34.0%	Spain	Railways	Operation	18	2040	683	45
Metro de Arganda	8.1%	Spain	Railways	Operation	18	2029	149	3
ELOS - Ligações de Alta Velocidade	15.2%	Portugal	Railways	Construction	167	2050	1,649	19
Rideau Transit Group (Ligth RT Ottawa)	40.0%	Canada	Railways	Construction	13	2048	1,656	21
<b>Total Railways (km)</b>					<b>282</b>		<b>6,686</b>	<b>210</b>
Cárcel de Brians	100.0%	Spain	Jail	Operation	95,182	2034	106	14
Comisaría Central (Ribera norte)	100.0%	Spain	Police Station	Operation	60,330	2024	70	12
Comisaría del Vallés (Terrasa)	100.0%	Spain	Police Station	Operation	8,937	2032	17	3
Comisaría del Vallés (Barberá)	100.0%	Spain	Police Station	Operation	9,269	2032	16	4
<b>Public Facilities (m<sup>2</sup>)</b>					<b>173,718</b>		<b>209</b>	<b>33</b>
Hospital Majadahonda	55.0%	Spain	Hospitals	Operation	749	2035	257	19
Hospital Son Dureta	49.5%	Spain	Hospitals	Operation	987	2039	306	17
Hospital de Can Misses (Ibiza)	40.0%	Spain	Hospitals	Construction	297	2042	130	12
Centros de Salud de Mallorca	49.5%	Spain	Health Centre	Operation	n.a.	2021	19	3
<b>Public Facilities (number of beds)</b>					<b>2,033</b>		<b>711</b>	<b>51</b>
Intercambiador Plaza de Castilla	22.2%	Spain	Transfer stations	Operation	59,650	2041	167	14
Intercambiador Príncipe Pío	42.0%	Spain	Transfer stations	Operation	28,300	2040	66	6
Intercambiador Avda América	60.0%	Spain	Transfer stations	Operation	41,000	2038	75	30
<b>Transfer stations (m<sup>2</sup>)</b>					<b>128,950</b>		<b>308</b>	<b>50</b>
Iridium Aparcamientos	100.0%	Spain	Parkings	Constr./Operation <sup>(2)</sup>	17,994	2058	58	58
Serrano Park	50.0%	Spain	Parkings	Operation	3,297	2048	130	20
<b>Total Parkings (number of places)</b>					<b>21,291</b>		<b>188</b>	<b>78</b>
<b>TOTAL CONCESSIONS</b>							<b>22,289</b>	<b>1,454</b>

\*The investment paid already by ACS up to December 2013 accounted for 1,241 million euros, while 2013 million euros were pending.

(1) Extendable by 2044.

(2) Cover main contracts managed by Iridium Aparcamientos.



# CONSTRUCTION

## THE ACS GROUP'S CONSTRUCTION ACTIVITY IN 2013\*

MILLIONS EUROS

### REVENUE

#### SPAIN

2012 1,810

2013 1,393

#### REST OF EUROPE

2012 3,370

2013 3,560

#### AMERICA

2012 9,146

2013 9,754

#### ASIA PACIFIC

2012 15,355

2013 14,851

### ORDER BOOK

#### SPAIN

2012 3,598

2013 3,354

#### REST OF EUROPE

2012 8,527

2013 5,569

#### AMERICA

2012 13,615

2013 11,973

#### ASIA PACIFIC

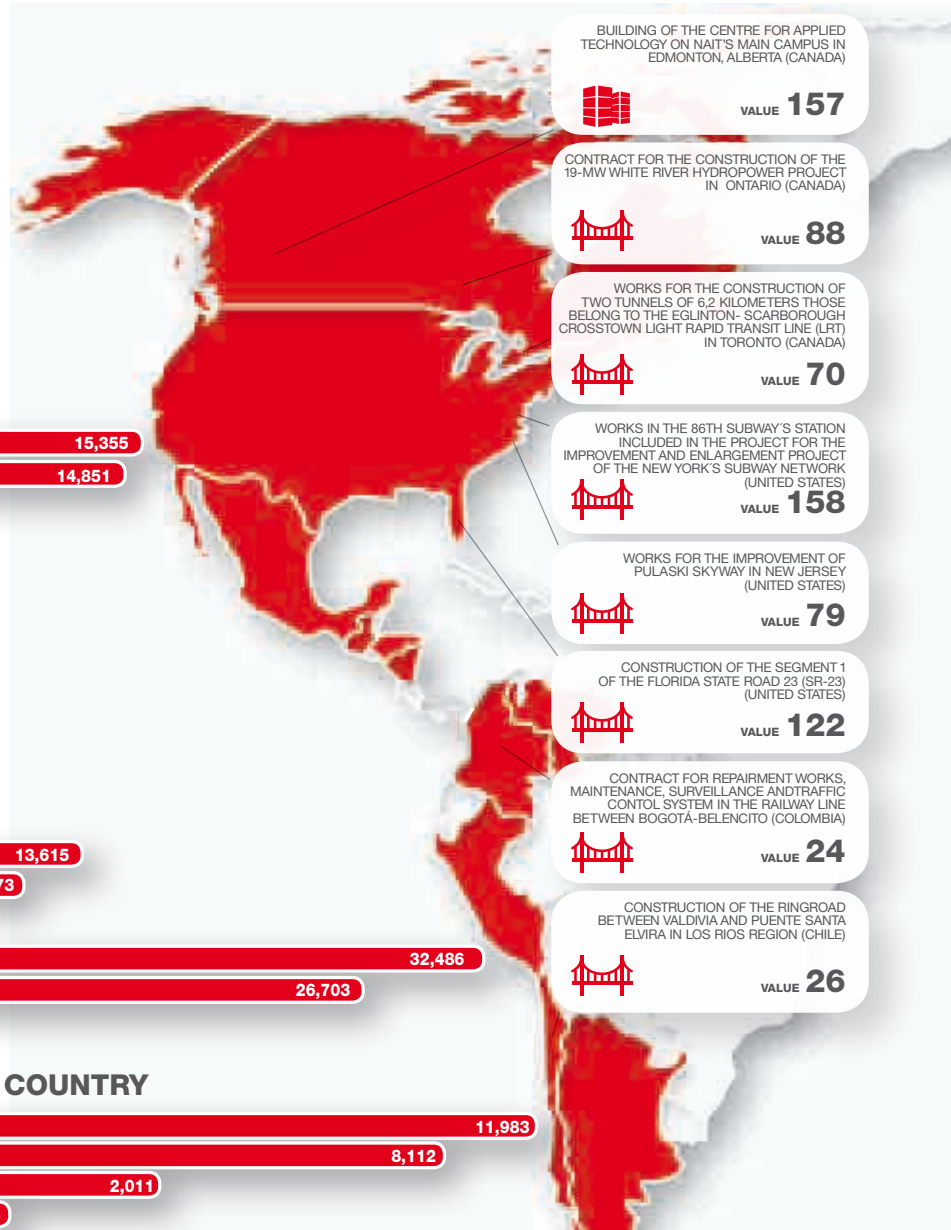
2012 32,486

2013 26,703

### 2013 REVENUE BREAKDOWN BY COUNTRY

AUSTRALIA	11,983
UNITED STATES	8,112
GERMANY	2,011
SPAIN	1,393
CANADA	1,250
INDONESIA	901
CHINA	876
UNITED ARAB EMIRATES	770
POLAND	695
UNITED KINGDOM	376
INDIA	167
CZECH REPUBLIC	165
ARGENTINA	134
CHILE	119
MONGOLIA	95
OTHERS	513

\* Main countries where the Construction Area reported ongoing projects or new awarded projects.



CIVIL WORKS

BUILDING

MINING



CONTRACT FOR THE ROAD INFRASTRUCTURE MANAGEMENT IN THE NORTH AND SOUTH AREA OF THE CITY OF MADRID (SPAIN)



VALUE **167**

PROJECT TO EXPAND THE CAPACITY OF THE LONDON UNDERGROUND BANK STATION



VALUE **340**

CONSTRUCTION OF THE MERCARDEN SHOPPING CENTER IN BOBLINGEN (GERMANY)



VALUE **49**

WORKS FOR THE INSTALLATION OF FLOOD PROTECTION SYSTEMS IN RACIBORZ (POLAND)



VALUE **222**

CONSTRUCTION OF A WASTE WATER TREATMENT PLANT IN PRAGUE (CZECH REPUBLIC)



VALUE **58**

PROJECT FOR THE SHATIN TO CENTRAL LINK RAILWAY DEVELOPMENT IN HONG KONG THAT WILL CONNECT SEVERAL EXISTING RAILWAY LINES TO FORM TWO STRATEGIC RAILWAY CORRIDORS.



VALUE **501**

CONTRACT TO DESIGN AND BUILD THE WYNN COTAI RESORT AN INTEGRATED HOTEL RESORT IN MACAU (CHINA)



VALUE **2,144**

CONSTRUCTION OF A RAILWAY STATION AND 2 KILOMETERS OF TWINBORED TUNNEL FOR THOMSON LINE IN SINGAPORE



VALUE **240**

OPERATING AND MAINTAINING CONTRACT FOR THE KINGS MINING DEPOSIT AT THE SOLOMON HUB FOR FORTESCUE METALS GROUP (FMG). THE CONTRACT ALSO INCLUDES ORE QUALITY CONTROL, ORE PROCESSING FACILITIES AND ASSOCIATED INFRASTRUCTURE, SUCH AS THE AIRPORT AND VILLAGE



VALUE **1,011**

CONTRACT BY COAL GAS SEAM PRODUCER QGC FOR CONSTRUCTION OF GAS COMPRESSION FACILITIES AND ASSOCIATED WORKS FOR THE QCLNG PROJECT IN THE SURAT BASIN (AUSTRALIA)



VALUE **1,323**

CONTRACT EXTENSION FOR FOUR YEARS AT THE CURRAGH NORTH COAL MINE IN CENTRAL QUEENSLAND'S BOWEN BASIN (AUSTRALIA)



VALUE **409**

PROJECT FOR THE DEVELOPMENT OF MORETON BAY LINK. THE ALMOST 13 KILOMETERS LONG RAIL LINK WILL CONNECT BRISBANE RAIL NETWORK TO MORETON BAY REGION (AUSTRALIA)



VALUE **481**

WORKS FOR THE BUILDING OF PELL'S TOWER IN SEVILLE (SPAIN)



VALUE **76**

CONTRACT FOR THE DESIGN AND CONSTRUCTION OF AN ACCOMMODATION CAMP AND ASSOCIATED UTILITIES ON TWO ARTIFICIAL ISLANDS IN ABU DHABI



VALUE **52**

CONTRACT TO BUILD A LUXURY RESIDENTIAL DEVELOPMENT "THE CAMELIAS" IN GURGAON, INDIA



VALUE **182**

*Bertha*  
58.99 Tunnel Project  
117.45 EARTH PRESSURE BALANCE MACHINE



# CONSTRUCTION

## EUROPE

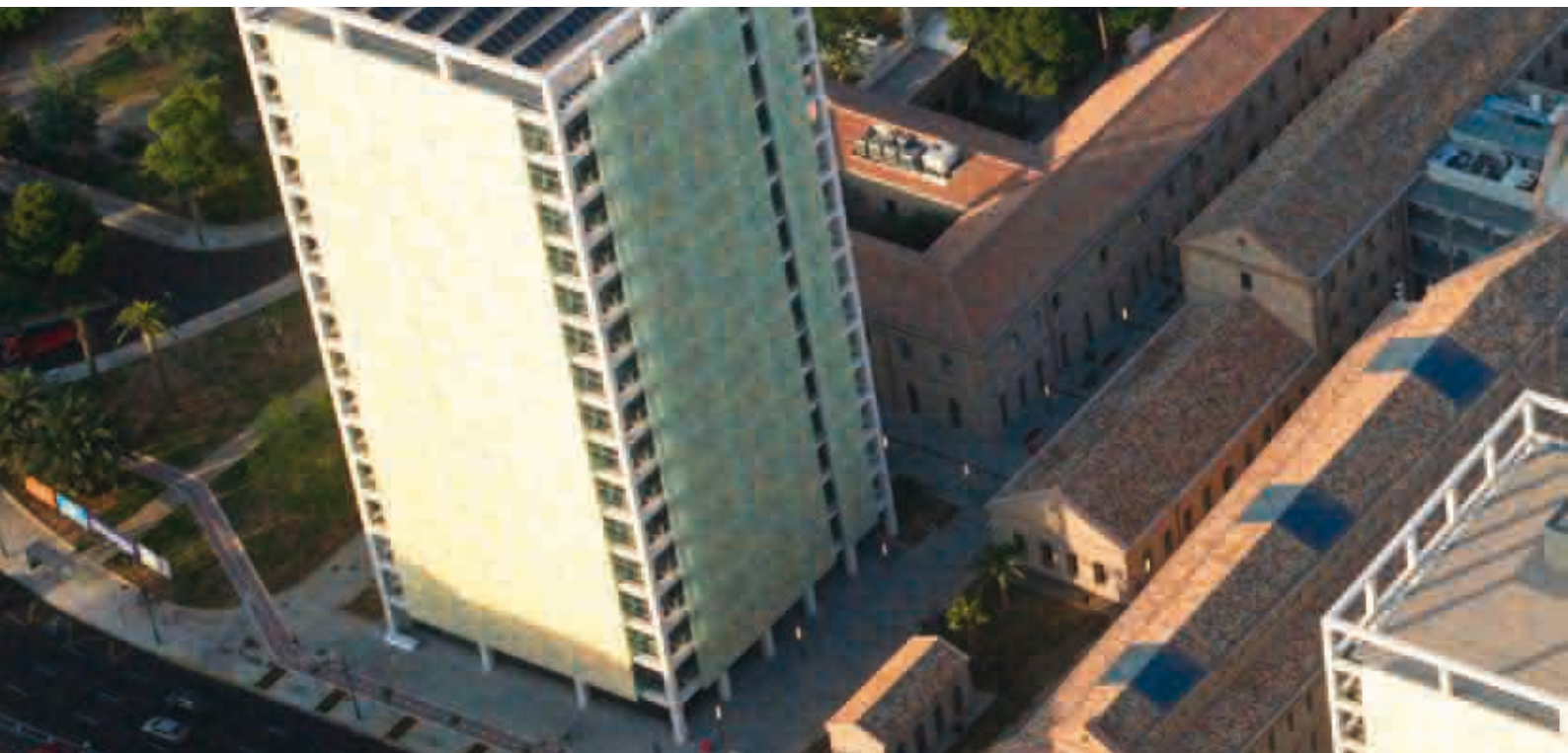
In 2013, Construction revenue in Europe totalled 4,953 million euros, representing 16.8% of the total for the area.

In Europe, Dragados and Iridium occupy a leading position in the sectors of construction and concessions in Spain, and HOCHTIEF is one of the main companies in the German construction sector. Furthermore, the companies belonging to the ACS Group's Construction area have a strong presence and proven track record in implementing projects in countries such as United Kingdom, Ireland, Poland and in Central European, such as Austria or the Czech Republic.

Sales in Spain for 2013 stood at 1,393 million euros. The fall experienced in this market caused by public investment cutbacks, means that in 2013 Spain represented only 5% of the Construction activity.

In 2013, the most significant projects executed by Dragados in the fields of Civil Works and Building include:

- Project for the adaptation and renovation of the A-2 highway along the stretch between Calatayud and Medinaceli in the provinces of Soria and Zaragoza.
- Construction of underground stations Sagrera Meridiana-Honduras and Sagrera A.V. on line 9 of the Barcelona metro as well as the architecture and facilities design of the Onze de Setembre and Santa Rosa stations.
- Refurbishment of the old model prison in Valencia for the construction of the new Ciudad Administrativa 9 de Octubre complex that will house several departments of the Generalitat Valenciana with facilities for 4,000 workers.



- Project for the development of a social housing estate in Arroyo del Fresno (Madrid) with an area of 708,658 square metres.
- Expansion of the Bellvitge hospital in Hospitalet de Llobregat, Barcelona, through the execution of a new technical block, comprising intensive care, surgical services, emergency, consultations and outpatients departments.
- Construction of the platform of the Basauri-Galdakao stretch of the high-speed line between Vitoria-Bilbao-San Sebastian.
- Demineralized water plant and piping for CEPSA facilities in Santa Cruz de Tenerife.

**DRAGADOS AND IRIDIUM OCCUPY A LEADING POSITION IN THE SECTORS OF CONSTRUCTION AND CONCESSIONS IN SPAIN, AND HOCHTIEF IS ONE OF THE MAIN COMPANIES IN THE GERMAN CONSTRUCTION SECTOR.**

In addition, Iridium manages 14 motorways, 5 railway works and 14 public and social facilities in Spain.





# CONSTRUCTION

In other European countries, sales have experienced a growth of 5.7%, reaching 3,560 million euros in 2013. This growth is the result both of the expanding business of Dragados' subsidiaries in Poland the United Kingdom or Ireland where in recent years it has been awarded significant projects related to transport infrastructures, in addition to the evolution of HOCHTIEF's activities in Europe that focus on executing building and civil engineering works in countries such as Germany, Austria, the Czech Republic, the United Kingdom, Netherlands or Poland.

In 2013 the activity in the rest of European countries represented 12% of total sales, and the most significant projects being carried out in this area include:

- Execution of two vocational training centres, a skills centre for creative businesses and a public car park for the city of Dortmund (Germany).
- Construction of the Saale-Elster viaduct near Halle, forming part of the express train link between Nuremberg and Berlin, comprising the longest bridge structure in Germany with a length of 8.6 km (Germany).
- Modernisation of the E-20 railway line between Lukow and Siedice (Poland).
- Design and construction of a new cable-stayed bridge over the Firth of Forth (Scotland).
- Project for the construction of the S-17 highway section between Lubartow and Witosa (Poland).
- Project for the construction of section 5 of the S8 highway in the stretch between Sieradz Poludnie and Lask (Poland).



- Construction of the DreiEins office and commercial building in Düsseldorf (Germany).
- Design and construction of the Supersam shopping centre in Katowice (Poland).
- Construction of the LUX residential complex in Berlin (Germany).
- Refitting and improvement works at Riga International airport (Czech Republic).

Iridium in 2013 has continued with the management of five highways in Europe, namely in Ireland, United Kingdom and Portugal. Furthermore it also prequalified this year for the N25 highway and M11 highway from Gorey to Enniscorthy in Ireland, in addition to entering the offer stage for the Aberdeen Western Peripheral Route project in Scotland. Also noteworthy are the agreements signed in Greece for restructuring the Nea Odos and Central Greece

**IN THE RESTO OF EUROPE, SALES HAVE EXPERIENCED A GROWTH OF 5.7% AND REPRESENTED 12% OF TOTAL SALES.**

highways concession contracts, through which the ACS Group significantly reduces its exposure in both projects and maintains the original profitability expectations for the capital invested in the concession holders.

The order book in Europe, including Spain along with the rest of European countries, amounted to 8,923 million euros, representing 19% of the total Construction orders for 2013. The area that has experienced the greatest growth in 2013 is the United Kingdom, where the order book has increased by 38.3%, thanks to major awards for the execution of transport infrastructure projects, such as expanding the capacity of Bank station in London, at the intersection of three of the most important underground lines in the City of London (Central Line, Northern Line and DLR), for 340 million euros.



# CONSTRUCTION

## CONCESSION CONTRACT FOR THE CONSTRUCTION, PRESERVATION, EXPLOITATION AND MAINTENANCE OF SECTION 4 OF BARCELONA METRO LINE 9

### CLIENT

Infraestructuras Ferroviarias de Cataluña

### TYPE OF WORKS

Civil Works (Railway)

### PROJECT EXECUTION DATES

2008-2039

### VALUE

615 millions of euros

### LOCATION

Barcelona

### COMPANIES INVOLVED IN THE PROJECT

Iridium

### FULL PROJECT DESCRIPTION

When it is finished, Line 9 of the Barcelona Metro will be the longest underground line in Europe with a length of 47.8 km.

It will connect 5 municipalities of the Metropolitan Area of Barcelona: Santa Coloma de Gramenet, Badalona, Barcelona, L'Hospitalet de Llobregat and el Prat de Llobregat, from which it will connect with the Airport of el Prat.

It will consist of 52 stations, 20 of which will be interchanges, significantly improving public transportation in the Metropolitan Area of Barcelona.

From the point of view of financing, the Generalitat de Catalunya has divided the project into two parts: the tunnel, which is financed under budget and the stations included in a concession model that involves the construction, conservation and maintenance of the stations for thirty years.

Iridium is taking part in the station concessions on two stretches Barcelona Metro Line 9: Section 2 with a length of 10.8 km and 15 stations and Section 4 with a length of 10.8 km and 13 stations.

The Section 4 concession of the Barcelona metro is the only one with fully completed works (November 2013). It has been at operation and maintenance stage since December 2009 because the different stations have been placed into service progressively after their completion.

The Concession Agreement was signed with IFERCAT (Infraestructuras Ferroviarias de Catalunya) on December 19, 2008 and has an expected duration of 31 years and 9 months.

Section 4 of Barcelona Metro Line 9 connects the municipalities of Santa Coloma de Gramenet and Badalona with the San Andreu neighbourhood in Barcelona. Eleven of its 13 stations are in operation: Can Zam, Singuerlin, Esglesia, Fondo, Santa Rosa, Can Peixauet, Gorg, La Salut, LLeñia, Bon Pastor and Onze de Setembre, a two completed stations (Sagrera Honduras and Sagrera TAV) awaiting the completion of Sagrera AVE station and the commissioning of the section 1 tunnel by the Generalitat.

The construction of the stations includes the civil works, architecture and facilities of each station, with the exception of the transversal services (lifts, escalators, ticket systems, communications, remote control, video surveillance, etc.). Furthermore, the urban facilities affected by these stations are also executed.



# CONSTRUCTION

## PROJECT FOR THE CONSTRUCTION OF AN UNDERGROUND RAILWAY TUNNEL FOR THE CROSSRAIL LINE IN LONDON

**CLIENT**

Crossrail Ltd

**TYPE OF WORKS**

Civil Works (Railway)

**PROJECT EXECUTION DATES**

2011-2016

**VALUE**

570 millions of euros

**LOCATION**

London (United Kingdom)

**COMPANIES INVOLVED IN THE PROJECT**

Dragados SA and Sisk Ltd

**FULL PROJECT DESCRIPTION**

Crossrail is a subsidiary company of “Transport for London”, created for the construction of a new railway line, which will travel through the city of London from East to West, featuring 118 km of lines of which 21 km are in underground tunnels. The contract executed by Dragados is C-305 which includes excavation with 4 tunnel drives (client-owned) and excavation of part of the larger diameter caverns built with SCL (sprayed concrete lining).

The length of the tunnels is 11.8 kilometres, divided into 3 sections: Drive Y: two parallel tunnels of 8.2 km between Limmo Peninsula and Farringdon Station. Drive Z: two parallel tunnels of 2.7 km between Stepney Green and Pudding Mill Lane. Drive G: two parallel tunnels of 0.9 kilometres between Limmo Peninsula and Victoria Dock.

Drives and Y&G start from the launch shaft at Limmo Peninsula, while Drive Z will start from the Pudding Mill Lane shaft and will be dismantled at the Stepney Green shaft. This project has several important factors to consider: The aim of minimising settlement, noise, and alterations to the city. The use of the River Thames for transporting supplies and clearing the rubble to the point of storage.

The execution of the tunnels has currently exceeded 50%, with the completion of various launch shafts as well as the tunnel bypass caverns excavated using conventional methods and with digging work commenced on the connecting safety galleries between tunnels.



## A1/A6 HIGHWAY

### CLIENT

Ministry of Infrastructure and the Environment of the Kingdom of the Netherlands, Rijkswaterstaat

### PROJECT EXECUTION DATES

Construction 2014 to 2017, subsequent operation for 25 years

### LOCATION

Between Amsterdam and Almere (Netherlands)

### TYPE OF WORKS

Civil Works (Roads)

### VALUE

> 1,000 million euros (HOCHTIEF Solutions share 20%)

### COMPANIES INVOLVED IN THE PROJECT

HOCHTIEF Solutions (20%), VolkerWessels (20%), Boskalis (17%), Dutch Infrastructure Fund (43%)

### FULL PROJECT DESCRIPTION

The Dutch government has awarded a contract to the SAAone consortium to build, upgrade and later operate an important section of the highway between Amsterdam and Almere.

The consortium in which HOCHTIEF Solutions has a 20 percent share will plan, finance and build a section of the A1 and a section of the connecting A6 on the basis of a public-private partnership (PPP) and will subsequently operate these sections for 25 years.

The project has a total volume of more than 1 billion euros. HOCHTIEF's partners in the project are the Dutch construction companies Boskalis and VolkerWessels, and the institutional investor Dutch Infrastructure Fund.

The 20-kilometer stretch of road is part of one of the most important highway spur routes to the Dutch capital Amsterdam and one out of a total of four PPP projects which are planned to improve transportation capacities between Amsterdam, Schiphol Airport and the city of Almere.



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# CONSTRUCTION

## AMERICA

In America, the ACS Group through its various subsidiaries carries out the activities of civil engineering, infrastructure development and building in the United States and Canada, where it continues to lead the infrastructure concessions market. Similarly, it has sound solid experience in executing projects in Latin American countries like Argentina, Chile, Peru and Venezuela.

America became the second largest market for the Construction activity in 2013, with a weight of 33% of total sales. The marketing effort performed by all the Construction subsidiaries of ACS Group in 2013 had an impact on the growth of revenue of 6.7% in America which stood at 9,754 million euros.

In the United States and Canada, sales exceed 9,300 million euros in 2013, 5.3% above the turnover of the previous year. This data confirms the growing consolidation of the Group in the civil engineering and building market in these countries, thanks to the efforts of all the Group's subsidiaries operating in this sector: Pulice, Picone, Flatiron, Turner, E.E. Cruz and Clarks Builder.

**IN THE UNITED STATES AND CANADA, THE ACS GROUP CONTINUES TO LEAD THE INFRASTRUCTURE CONCESSIONS MARKET.**

The most noteworthy major projects in the United States and Canada during 2013 included the following:

- Construction of light rail line in the city of Ottawa, Canada, with a length of over 12.5 km and 13 stations, 3 of which are underground.
- Works for the construction of the Northeast Anthony Henday Drive highway in Edmonton, Alberta (Canada).
- Construction of the Presa del Portugués dam in Puerto Rico.
- Execution of the Calaveras Dam consisting building a dam downstream from an existing one in Freemont, California.
- Execution of SR 303L construction project on the stretch between Glendale Avenue and Peoria Avenue (Arizona, USA).
- Execution of improvement works on I-25 in Colorado.
- Construction of the bridge between San Francisco and Oakland Bay.
- Execution of several sections to improve the subway in New York, including the refurbishment of 96th Street station on the Second Avenue subway line in Manhattan.
- Building works at the Wilshire Grand Center complex in Los Angeles in compliance with "green" building criteria.
- Refurbishment and improvement of Terminal 4 of the Los Angeles International Airport.
- Construction of the Concord Carlisle High School in Massachusetts.
- Execution of the Medicine Learning Center for the University of Georgia.

In the concession sector, Iridium has continued to consolidate its position in the North American market with the entry into service of the South Fraser Perimeter Road freeway, in addition to prequalifying for five projects in the United States and one in Canada which are; the I-77 HOT Lanes (North Carolina), the Portsmouth Bypass (Ohio), SH 288 Toll Lanes Project in Harris County (Texas), Neon Project (Nevada), Illiana Expressway (Illinois) and the Eglinton Crosstown LRT (Ontario).

In addition to these projects, in 2013 ACS Group companies were awarded major projects in the United States and Canada the such as the construction of Section 1 and Section 2 of Florida State Road 23, the Pulaski Skyway Bridge refurbishment in New Jersey or the building of the Center for Applied Technology at the Northern Alberta Institute of Technology in Edmonton. As such, contracting in these two countries exceeded 11,500 million euros during 2013 and its current order book level represents 24% of the Construction total.

**IN LATIN AMERICA, THE CONSTRUCTION ACTIVITY CARRIES OUT MAINLY CIVIL ENGINEERING PROJECTS IN ARGENTINA, CHILE, COLOMBIA OR PERU.**

In Latin America, the Construction activity carries out mainly civil engineering projects such as roads, railway or water and has a strong presence in Argentina and Chile, where Dragados has its own subsidiaries in addition to executing projects in developing countries with high growth potential such as Colombia or Peru. In addition, HOCHTIEF is entering this sector with the development of complex projects as demonstrated by the award of the project for the Alto Maipo hydropower plant in Chile.

In the concessions area, the ACS Group, through Iridium and HOCHTIEF, has experience in managing assets in various Latin American countries and keeps a close eye on all opportunities.





# CONSTRUCTION

During 2013 Iridium has prequalified for a project to recover navigability in the Magdalena river and a total of eight road projects, representing an overall investment of more than 5,000 million euros.

Among the project ACS Group companies carried out during 2012 in Latin America, the following can be highlighted:

- Construction of several sections of the new road between Bogotá and Villavicencio in Colombia.
- Repair of docks and different structures of the Talcahuano Naval Base in Chile.
- Project for the renovation and improvement of different road sections of the Q-90 highway in Chile.
- Construction and maintenance of highways on Route 40 in the province of Chubut (Argentina).



## SOUTH FRASER PERIMETER ROAD

### CLIENT

Province of British Columbia

### PROJECT EXECUTION DATES

2010-2034

### LOCATION

Vancouver (Canada)

### TYPE OF WORKS

Civil Works (Roads)

### VALUE

765 million Canadian dollars

### COMPANIES INVOLVED IN THE PROJECT

ACS Infrastructure Canada Inc. 50%

Ledcor Inc. 25%

Star America Infrastructure Fund 25%

The construction of the Project has been outsourced to the Joint Venture led by Dragados Canada (41.8%) and local contractors Ledcor (25%), Bel Pacific (16.6%) and Vancouver Pile Driving (16%)

### PROJECT DESCRIPTION

In July 2010, the consortium led by ACS Infrastructure Canada achieved financial closure for the completion of the South Fraser Perimeter Road project. The contract includes the construction, financing, operation, maintenance and renovation of the South Fraser Perimeter Road over a period of 24 years. The aim is to build a 4-lane road highway, 40 km long from the port of Delta to Fraser Heights in Surrey, with connections to highways 1, 15, 91, 99, and 17. In December 2012 Substantial Completion was obtained for the Eastern Segment and put into operation and in December 2013 the Western Segment received Substantial Completion thus completing the construction works and opening the highway for operation. Both the Eastern and Western Segments were completed before the contractual deadline; in the latter case, six months before the scheduled date. Since the day after its commissioning the SFPR has been the preferred route for drivers in the area and has experienced a large influx of traffic.

The completion of the project has meant a considerable improvement in Vancouver's metropolitan traffic network and a significant increase in the quality of life for drivers in the area.

The trucking and tourism industries have also benefited from this project, improving their access to the American border, the Tsawwassen Ferry Terminal and the interior of British Columbia. The South Fraser Perimeter Road offers businesses an outstanding freight corridor while reducing truck traffic in the adjacent municipalities of Delta and Surrey. During the 24-year concession period, the concessionaire will take care of routine maintenance, winter maintenance and renovation of this new route, and will receive income from the Province of British Columbia in the form of availability payments.



# CONSTRUCTION

## SR 99 SEATTLE BORED TUNNEL

### CLIENT

Washington Department of Transportation (WSDOT)

### TYPE OF WORKS

Civil Works (Roads)

### PROJECT EXECUTION DATES

2011-2015

### VALUE

1,005 millions of euros

### LOCATION

Seattle, Washington (USA)

### COMPANIES INVOLVED IN THE PROJECT

Joint Venture: DRAGADOS Usa (55%) - Tutor Perini Corporation (45%)

### PROJECT DESCRIPTION

The S99 Bored Tunnel project is located in Seattle, United States. With a budget of 1,362 million euros the aim of the works is to replace part of the SR99 highway the stretch of the Alaskan Way Viaduct damaged in the Nisqually earthquake in 2001, via a 2.8 km tunnel below the city's financial centre.

The tunnel consists of two overlapping roadways with two lanes in each direction, plus ventilation shafts and escape and maintenance corridors. All this is possible thanks to "Bertha", the largest tunnel boring machine ever built, with a diameter of 17.5 metres, weighing 7,000 tons and with a length of 120 metres. Furthermore, "Bertha" incorporates significant technical innovations, such as the system to change cutters from inside the machine in atmospheric conditions.

Another particular feature of the project is that, due to the tight contract period, the inner structure formed by the double cast walls and slabs must be fitted in parallel with the excavation of the tunnel, which involves uniquely challenging organisation and logistics tasks.

In addition to digging the tunnel, the works consist of the access portals, two control and maintenance buildings, settlement monitoring points along the path of the tunnel, the diversion of all affected services and the installation of all mechanical and electrical equipment.

The project is at the design and construction stage and the tunnel is scheduled to enter service in early 2016.



## PORT MANN BRIDGE IN VANCOUVER

### CLIENT

Province of British Columbia

### VALUE

1,930 million US dollars

### PROJECT EXECUTION DATES

2009 - 2013

### COMPANIES INVOLVED IN THE PROJECT

Kiewit/Flatiron General Partnership (joint venture between Peter Kiewit Sons Co. and Flatiron Constructors Canada Limited)

### LOCATION

Vancouver (British Columbia), Canada

### TYPE OF WORKS

Civil Works (Roads)

### PROJECT DESCRIPTION

Flatiron was part of the joint venture team designing and building the new Port Mann Bridge over the Fraser River in Vancouver, British Columbia. The new cable-stayed bridge increases the crossing's capacity from five to ten lanes.

Work also included upgrading a total of 37 kilometers of Highway 1 on each side of the Fraser River. The new bridge alleviates the nearly 14 hours of traffic congestion on the existing bridge and reduces travel times by up to 30 percent. The project was completed for completion in 2013.

Tolls collected at the new bridge will finance the project, which will create an estimated 8,000 construction jobs in the area.

The Port Mann/Highway 1 project is part of the Province's larger Gateway Program established by the Province of British Columbia to address the region's growing congestion and to improve mobility throughout Metro Vancouver.



© Flatiron/Roger Marble Photography

# CONSTRUCTION

## ASIA PACIFIC

With total revenue of 14,851 million euros in 2013 and a project order book of 26,703 million euros. The Asia Pacific region remains the main area for Construction activities, and represents 50% of the total sales and 56% of the total Construction order book. The significant investment opportunities in this area will make it the Group's main growth area for the Construction activity in the coming years.

The business is carried out mainly by Leighton and its subsidiaries -Leighton Contractors, Thiess, John Holland and the Habtoor Leighton Group. Leighton is the world's biggest mining operation company, as well as carrying out activities in building, infrastructure construction and development, concessions and services. In the sphere of infrastructures, activity is focused on

developing installations for mine operation, transport infrastructures, and oil and gas project infrastructures. Furthermore, in recent years Dragados has won bids on the Australian market, either as the sole contractor -Werribee purifying plant- or in partnership with other Leighton companies such as the North West Rail Link project in New South Wales awarded in 2013 to the joint venture between Thiess, John Holland and Dragados Australia.

In the concession sector, Iridium is also exploring new opportunities in Australia and for example, the consortium between Iridium and Leighton Contractors in the concession role, and John Holland and Dragados for the construction work, has been prequalified for the construction of the East West Link project.



During 2013, sales for the Construction business in Australia stood at 11,983 million euros and among the projects undertaken this year, the following can be highlighted:

- Execution of various contracts related to natural gas liquefaction and regasification plants worth more than 1,600 million, among which is the Development of the natural gas liquefaction and regasification plant included in the Gorgon project where Leighton is working on building the port facilities at the plant and other associated infrastructure.
- Various contracts for design and construction of the transmission network and telecommunications infrastructures for Visionstream in Australia and New Zealand.
- Execution of various contract assets for the rail network project in Queensland.
- Contract for the improvement and maintenance of the power grid belonging to Western Power in the Perth metropolitan area and various regions of Western Australia.
- Project to improve the access road network to Perth airport and surrounding areas.
- Five-year contract for the operation and maintenance of Sydney's water management and treatment systems.
- Construction of three commercial buildings in the Kings Square complex in Perth.
- Renovation and improvement works at Royal Hobart Hospital in Tasmania.
- Construction of new facilities for the School of Business at the University of Sydney.
- Construction of the WRAP tower with 294 apartments located at 133-139 City Road in Southbank, Melbourne.
- Contract for the provision of mining services at the Lake Vermont coal mine in Queensland.
- Mining services at the Isaac Plains coal mine in the Queensland mining basin.
- Construction of coal processing and preparation plant at the Boggabri coal mine in New South Wales.
- Construction of internal rail transport facilities at the Roy Hill iron ore mine project.
- Expansion project of Dock B at Cape Lambert as part of the Rio Tinto iron mine expansion project.

**THE ASIA PACIFIC REGION  
REMAINS THE MAIN AREA FOR  
CONSTRUCTION ACTIVITIES,  
AND REPRESENTS 50% OF THE  
TOTAL SALES.**

# CONSTRUCTION

Leighton also carries out its activities in Southeast Asian countries as well as the two major powers in Asia; China and India, where in 2013 it was awarded contracts for the construction of a railway project in Hong Kong and for a hotel resort for Wynn Resorts in Macau as well as the construction of the

luxury residential area of Gurgaon (India). Similarly, the Group executes major projects in the Middle East through its subsidiary Habtoor Leighton Group, with a presence in Qatar and the United Arab Emirates.



## MINE PROMINENT HILL

### CLIENT

Oz Minerals

### VALUE

1,100 million AUD (30 June 2013)

### PROJECT EXECUTION DATES

2006 - 2018

### COMPANIES INVOLVED IN THE PROJECT

Thiess

### LOCATION

South Australia

### TYPE OF WORKS

Mining

### PROJECT DESCRIPTION

Thiess, a subsidiary of Leighton, extracts copper and gold from an opencast mine at the Prominent Hill mine in South Australia. In 2006 it first received the award of a contract to establish mining infrastructures, which included the construction of workshops, offices and fuel facilities. In January 2012, Thiess was awarded a contract extension of six years, with a cumulative expected value of 1,000 million dollars.

The initial contract was signed for the construction of mining infrastructures, which included the construction of workshops, offices and fuel facilities along with mining activities for six years. Following the extension of the contract awarded in January 2012, Thiess increased its mining and training capacity to manage a fleet of five excavators and increased its trucks from 20 in 2006 to 49 in 2012. To achieve this a fundamental change was introduced in staff shifts, going from fourteen days active and seven days of rest to seven days active and eight days of rest, providing a balance between work and personal life, while creating new job opportunities at the mine.

After initial preparations, Thiess currently exploits 2.5 million cubic metres of rock (CMR) per month. Throughout the life of the mine approximately 267 million CMR are expected to be exploited.

As part of the company's commitment to staff training and development, Thiess is using a truck and excavator simulator to develop the skills of the mine's operators. Thiess continues to place special emphasis on hiring local workers and currently employs 650 people at the site.





# CONSTRUCTION

## NORTH WEST RAIL LINK

### CLIENT

Transport for New South Wales

### PROJECT EXECUTION DATES

2013-2016 (for tunnels and stations)

### LOCATION

Sydney Region, New South Wales, Australia

### TYPE OF WORKS

Civil Works (Railway)

### VALUE

743.6 millions of euros (exchange rate of 1.54212 A\$/euros)

### COMPANIES INVOLVED IN THE PROJECT

Thiess (50%) & John Holland (25%) & Dragados Australia (25%)

### FULL PROJECT DESCRIPTION

The 8.3 billion US dollars North West Rail Link is Australia's largest public transport infrastructure project currently under construction and a priority rail project for the NSW Government.

It will be the first fully-automated rapid transit rail system in Australia and is expected to open to customers by the end of 2019.

The North West Rail Link Project (NWRL) is being delivered in major contracts. The NWRL Tunnel and Stations Civil [TSC] Works is being delivered by ACS/Dragados and includes construction of twin 15km tunnels from Bella Vista to Epping. Four TBM machines will be used to construct the tunnels. Two will launch from Bella Vista and tunnel 9km to Cherrybrook with the remaining two launching at Cherrybrook and tunnelling 6km to Epping.

The tunnels are lined with around 100,000 concrete segments which will be manufactured onsite at Bella Vista in the Precast Facility. The project also includes the excavation and civil works for five new stations at Cherrybrook, Castle Hill, Showground, Norwest and Bella Vista and two service facilities at Epping and Cheltenham.

The existing Epping station will be connected to the new rail line by 300 meter tunnels constructed using roadheader. The project also includes construction of a train crossover cavern to the east of Castle Hill Station.

Conventional excavation methods will be used to construct the stations and 58 cross passages between the twin tunnels.



Image courtesy of Transport for New South Wales.

## WYNN PALACE

### CLIENT

Wynn Resorts (Macao) S.A. and Palo Real Estate Development Company S.A.

### PROJECT EXECUTION DATES

Start of works in 2013

### LOCATION

Macau (China)

### PROJECT DESCRIPTION

Leighton has been chosen as the contractor to design and build a resort with a luxury hotel casino -the Wynn Palace- for Wynn Resorts, one of the largest gambling establishment operators worldwide. Described by the company as its “single most important project”, the Wynn Palace covers an area of 21 hectares on land reclaimed from the sea between the islands of Taipa and Coloane.

The highest levels of craftsmanship, quality and workmanship are required for the exceptional design and world-class facilities of the Wynn Palace, which aims to set new standards of excellence and elegance. The project involves painstaking attention to detail and the highest standards of construction throughout the scope of the works, including excavations and the main foundation works, along with the construction of a luxury hotel and a base platform for mixed use that will consist of gaming, catering, shopping and conference establishments and facilities with numerous special attractions, including a lake scenario of 30,000 square metres to be used for a spectacular light show.

The resort compound covers a constructed area of more than 450,000 square metres.

### TYPE OF WORKS

Building

### VALUE

Approx. 20,000 million HKD

### COMPANIES INVOLVED IN THE PROJECT

Leighton Asia



# INDUSTRIAL SERVICES

**THE ACS GROUP'S INDUSTRIAL SERVICES AREA IS ONE OF THE WORLD'S LEADING COMPETITORS IN THE FIELD OF APPLIED INDUSTRIAL ENGINEERING, WITH PROJECTS IN OVER 55 COUNTRIES.**





# INDUSTRIAL SERVICES

The activity of ACS Group **Industrial Services area** is focused on the development, construction, maintenance and operation of energy, industrial and mobility infrastructures through a large group of companies.

The Industrial Services area holds a leading position in the Spanish market, as well as having extensive experience and steady involvement in executing projects and providing services in Latin America where it occupies a leading position in several of the most significant countries such as Mexico and Peru. Similarly, in Europe it is consolidating its position in the performance of projects and services in countries like Germany, Portugal, Italy, Romania and

Ireland. It is also increasingly involved in the remaining geographic areas, such as North America, Africa, the Middle East and Asia Pacific countries, where the Group has been awarded significant industrial engineering projects in recent years, reaffirming its positioning as a global benchmark in this sector.

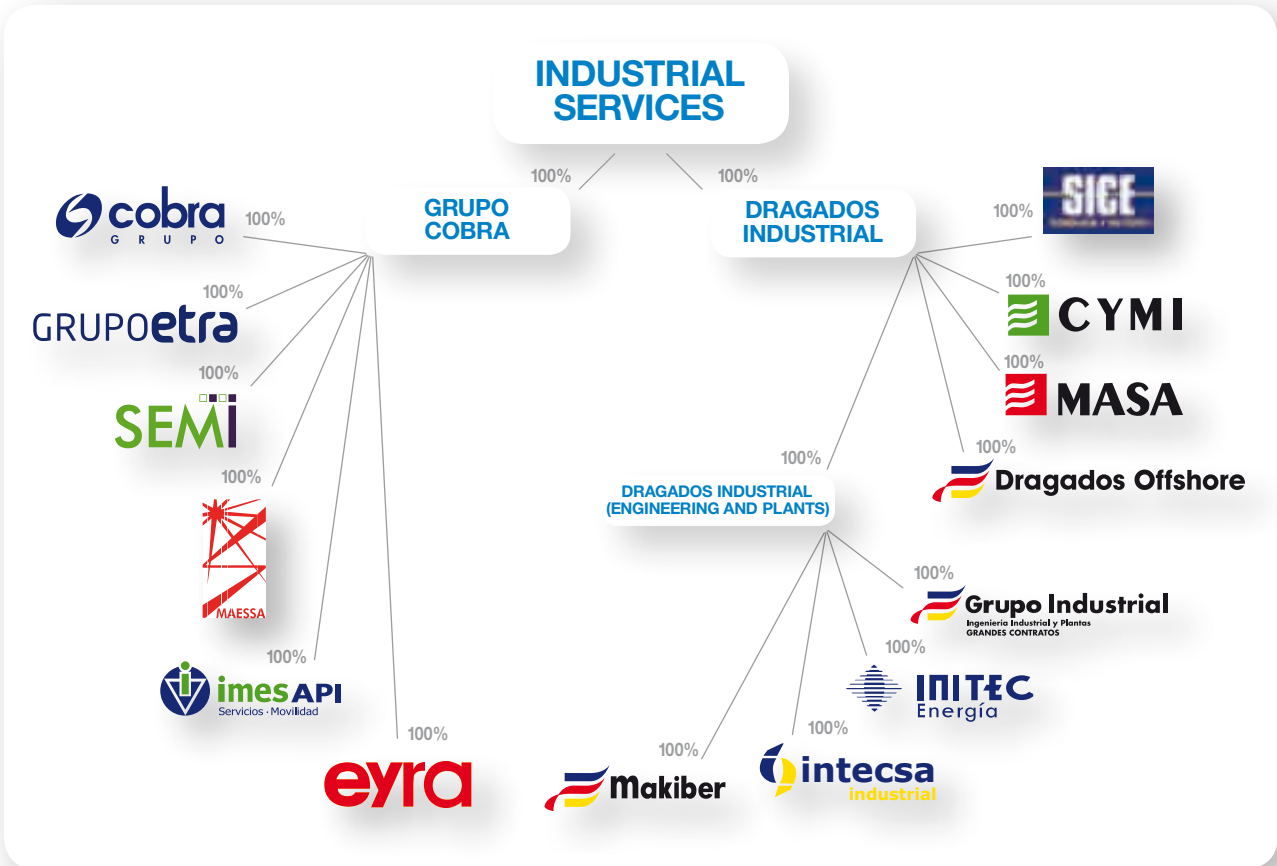
The Industrial Services area's strategy focuses on consolidating its position as a global benchmark in the sector, thanks to its continuing technological innovation and technical excellence, efficiently and profitably combining Industrial Support activities which provide greater recurrence and stability with integrated projects specifically designed to adapt to clients' needs.



**THE INDUSTRIAL SERVICES AREA HOLDS A LEADING POSITION IN THE SPANISH MARKET AND IT IS FOCUSED ON CONSOLIDATING ITS POSITION AS A GLOBAL BENCHMARK IN THE SECTOR.**

The Industrial Services area seeks sustainable growth in its activities, driven by expansion of the global market in renewable power generation (especially solar and wind power), environmental projects, sustainable mobility, power transmission projects and those related to hydrocarbon development and use. These are fields in which the ACS Group's Industrial Services area has extensive experience and in which it has recognition from the sector. Furthermore, it seeks to expand or consolidate activities in new fields with good growth prospects, such as off shore wind power generation, HVDC power transmission technology, electric vehicle charging infrastructure and underground hydrocarbon storage.

Another of the Industrial Services area's strategic goals is to continue consolidating its position in the countries where it already has a strong presence, combined with sustainable expansion into new geographic markets, exploiting synergies through joint action with other subsidiaries of the ACS Group, including companies like Dragados, HOCHTIEF and Leighton, possessing knowledge and an established presence in these new markets.



# INDUSTRIAL SERVICES

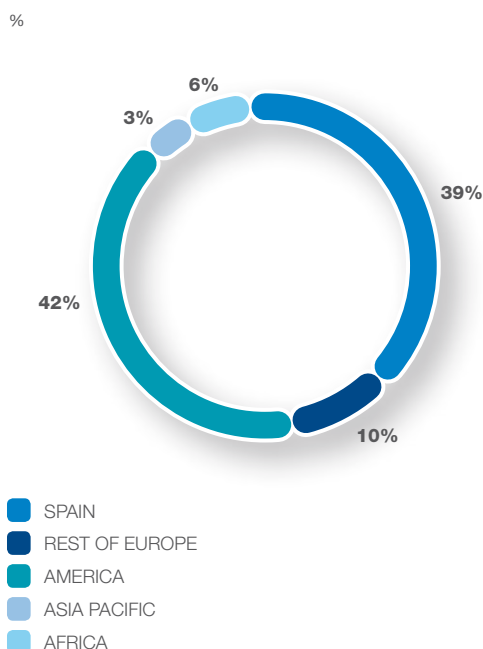
## MAIN FIGURES

In 2013 **revenue** of ACS Group's Industrial Services area was 7,067 million euros, up 0.2% over the previous year.

Revenues from international markets grew by 5.2% to 4,328 million euros, mainly due to the significant increase in activity in the Asia-Pacific and African regions. Thus, the turnover in international markets already represents 61.2% of the area's total sales, with America, primarily Latin America, representing the main area of activity for Industrial Services, accounting for 42% of sales in 2013 from projects in this region.

Furthermore, activities in Spain fell by 6.8% due to the adverse macroeconomic conditions and the resulting decline in public and private sector investment.

### REVENUE BREAKDOWN BY GEOGRAPHICAL AREA



## INDUSTRIAL SERVICES

MILLIONS EUROS	2012	2013	% Var.
<b>REVENUE</b>	7,050	7,067	+0.2%
<b>EBITDA</b>	904	937	+3.7%
MARGIN	12.8%	13.3%	
<b>EBIT</b>	849	881	+3.7%
MARGIN	12.0%	12.5%	
<b>RECURRENT NET PROFIT</b>	416	418	+0.5%
MARGIN	5.9%	5.9%	
<b>ORDER BOOK</b>	7,161	7,413	+3.5%
MONTHS	12	13	
<b>EMPLOYEES</b>	39,140	41,635	

Within the ACS Group's Industrial Services area, two fundamental lines of business can be distinguished: Support Services to Industry and Integrated Projects.

**Support Services to Industry** are aimed at industrial maintenance contracts and services, as well as support services to the clients' operational activities, and in turn cover three areas of activity:

- **Networks:** electricity, gas and water network maintenance services and activities, in which the ACS Group has over 80 years' experience.
- **Specialised Products:** covering construction, installation and maintenance activities for high-voltage electricity lines, telecommunications systems, railway installations, electricity facilities, mechanical assemblies and heating and cooling systems.
- **Control Systems:** activities for installing and operating control systems for industrial and municipal services, noteworthy among which are traffic and transport control systems and systems for comprehensive management of public infrastructures, segments in which ACS has become the leading engineering supplier.





# INDUSTRIAL SERVICES

The ACS Group's activity in **Integrated Projects** is aimed at the execution of "turnkey" or EPC<sup>12</sup> projects relating to the design, construction and commissioning of projects connected to the energy sector (electricity generation, also being noteworthy for the execution of projects related to renewable energies, assets related to the oil and gas sector, among others) and engineering applied to industry.

The ACS Group also has outstanding experience in developing and taking a stake in concession assets, basically related to energy, such as wind farms, solar thermal plants (either with central tower or with parabolic trough concentrators and storage based on molten salt technology), transmission lines, purifying plants and desalinating plants.

<sup>12</sup> EPC stands for Engineering, Procurement and Construction.

<sup>13</sup> This figure is composed of electricity production which obtained the guarantee of renewable origin from the Spanish National Energy Commission (CNE).

At 31 December 2013, the ACS Group held stakes in 18 wind farms in Spain, with a gross installed capacity of 547.7 MW and net capacity of 490.8 MW and 9 wind farms abroad, 8 in Portugal and one in Mexico, with gross installed capacity of 230.8 MW and net capacity of 198 MW, in addition to another plant under construction of 33 MW in Peru. In thermal solar energy, the ACS Group had 5 plants in operation at 31 December 2013, each with 49.9 MW of installed power, representing an installed power of 249.6 MW, as well as a 10% stake in two other plants, also of 49.9 MW, in addition to another plant under construction of 49.9 MW.

Total energy production generated from renewables during 2013 from plants operated by the ACS Group in Spain, was 1,166.5 GWh<sup>13</sup> in wind farms and 939.9 GWh from solar thermal, giving total production of 2,106.4 GWh in 2013. In Portugal the energy produced by wind farms was 305.8 GWh during 2013, while in Mexico the production was 269.3 GWh.



The ACS Group also has a stake in several concession projects for the management and maintenance of high-voltage lines in Brazil, with secured financing from the Banco Nacional de Desenvolvimento Economico e Social do Brasil (BNDES). At 31 December 2013, after sale of transmission lines in the previous year, the ACS Group held stakes in 6 transmission lines, with a total length of 2,376 kilometres, and the Sete Lagoas electricity substation.

On the other hand, the ACS Group has been developing equipment and technologies for water purification and desalination since 1983.

The ACS Group is a global leader in this field, especially in water desalination by reverse osmosis, thanks to its extensive experience in carrying out projects in countries such as Algeria, Australia, Mexico, Qatar, etc. Furthermore, the ACS Group had stakes in two desalination plants at 31 December 2012 –one in Spain and one in Algeria– with a capacity of 272,000 m<sup>3</sup>/day of water production for human consumption.

## ENERGY CONCESSIONAL ASSETS IN SPAIN

WIND FARMS	Number of wind farms	Installed capacity (MW)
WIND FARMS IN OPERATION <sup>(1)</sup>	18	547.7
WIND FARMS UNDER CONSTRUCTION	-	
SOLAR THERMAL PLANTS	Number of plants	Installed capacity (MW)
SOLAR THERMAL PLANTS IN OPERATION <sup>(2)</sup>	5	249.6
STAKE IN SOLAR THERMAL PLANTS IN OPERATION <sup>(3)</sup>	2	99.8
SOLAR THERMAL UNDER CONSTRUCTION	1	49.9
PHOTOVOLTAIC PLANTS	Number of plants	Installed capacity (MW)
PHOTOVOLTAIC PLANTS	1	3.5
OTHER CONCESSIONAL ASSETS	Number	Capacity
DESALINATION PLANTS	1	72,000 m <sup>3</sup> /day
WATER TREATMENT PLANTS	30	20,715 m <sup>3</sup> /day
GAS STORAGE ASSETS	1	1.6 trillion m <sup>3</sup> of storage capacity

## INTERNATIONAL ENERGY CONCESSIONAL ASSETS

WIND FARMS	Number of wind farms	Installed capacity (MW)
WIND FARMS IN OPERATION <sup>(4)</sup>	9	230.8
WIND FARMS IN OPERATION IN MEXICO	1	102.0
WIND FARMS IN OPERATION IN PORTUGAL	8	128.8
WIND FARMS UNDER CONSTRUCTION	1	33.0
SOLAR THERMAL PLANTS	Number of plants	Installed capacity (MW)
SOLAR THERMAL PLANTS UNDER CONSTRUCTION	1	110.0
PHOTOVOLTAIC PLANTS	Number of plants	Installed capacity (MW)
PHOTOVOLTAIC PLANTS UNDER CONSTRUCTION	1	10.0
ELECTRICITY TRANSMISSION ASSETS	Number	Kilometres
TRANSMISSION LINES	6	2,376 kilometres
ELECTRICAL SUBSTATION	1	
OTHER CONCESSIONAL ASSETS	Number	Capacity
COMBUSTION CYCLE	1	223 MW
WATER TREATMENT PLANTS	1	1,754,000 m <sup>3</sup> /day
DESALINATION PLANTS	1	200,000 m <sup>3</sup> /day

(1) The average stake is 89,6%.

(2) The average stake is 100%.

(3) The average stake is 10%.

(4) The average stake is 85,9%.

# INDUSTRIAL SERVICES

**THE DIVERSIFICATION OF THE BUSINESSES OPERATING IN THE INDUSTRIAL SERVICES AREA ENABLES IT TO ACHIEVE A BALANCED BUSINESS MIX WHICH IS CAPABLE OF FACING CHANGES IN SITUATION AND RETAINING ITS PROFITABILITY.**

By activities, sales in the area of Integrated Projects were up 6.2% on 2012, mainly due to major contracts awarded in the international market. Meanwhile in the activity of Support Services to Industry, turnover decreased by 3.1% due to the contraction of the Spanish market, and sales of Renewable Energy Generation fell 8.4% over the previous year owing to divestments of assets in 2012.

## REVENUE BREAKDOWN BY ACTIVITY

MILLIONS EUROS	2012*	2013	% Var.
<b>SUPPORT SERVICES</b>	<b>4,031</b>	<b>3,904</b>	<b>-3.1%</b>
NETWORKS	577	647	+12.0%
SPECIALIZED PRODUCTS	2,598	2,396	-7.8%
CONTROL SYSTEMS	856	862	+0.7%
<b>EPC PROJECTS</b>	<b>2,704</b>	<b>2,872</b>	<b>+6.2%</b>
<b>RENEWABLE ENERGY: GENERATION</b>	<b>374</b>	<b>343</b>	<b>-8.4%</b>
CONSOLIDATION ADJUSTMENTS	(59)	(53)	-11.3%
<b>TOTAL</b>	<b>7,050</b>	<b>7,067</b>	<b>+0.2%</b>

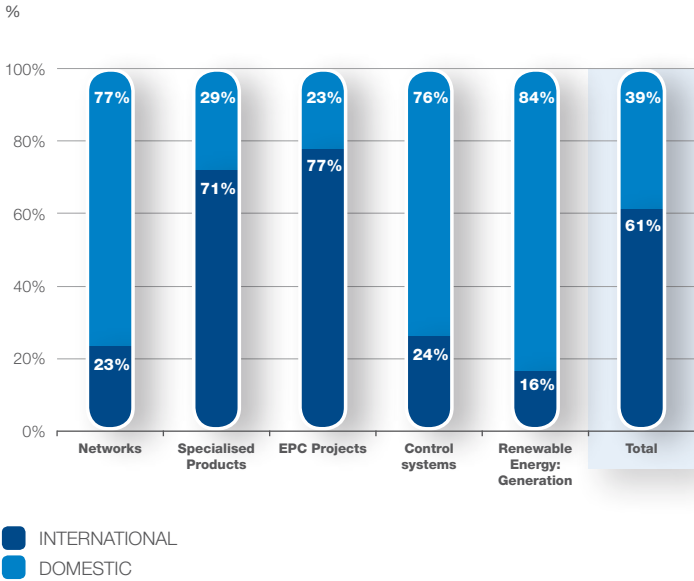
\* 2012 ProCME activity has been reclassified between the different activity areas.



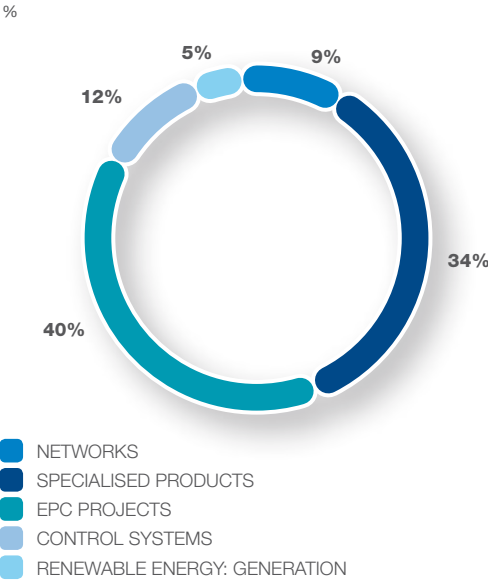
The diversification of the businesses operating in the Industrial Services area enables it to achieve a balanced business mix which is capable of facing changes in situation and retaining its profitability. In this way the Integrated Projects activity (representing 40% of the total) combines with the

Specialised Products activity, (33.7% of the total) which features technologically complex businesses with higher margins such as Networks, Control Systems and Energy Generation that contribute greater stability and visibility to the Industrial Services area with their recurrence.

**REVENUE BREAKDOWN BY MARKET**



**REVENUE BREAKDOWN BY ACTIVITY**



# INDUSTRIAL SERVICES

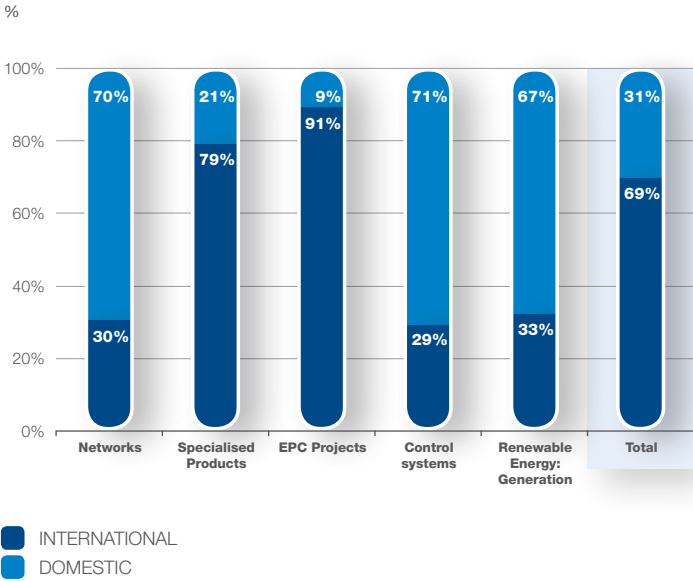
The ACS Group continues its intense expansion process supported by its acknowledged technological capability and experience in this area, enabling it to cover all the infrastructure development, financing, construction, operation and maintenance aspects with substantial technical requirements in different areas. The geographic diversification of these activities, especially in Integrated Projects and Specialised Installations, with turnover outside Spain of over 70%, contributes greater stability in the case of fluctuations in the domestic market.

The Industrial Services area recorded an **EBITDA** of 937 million euros in 2013, representing growth of 3.7% compared to 2012. Meanwhile **recurrent net profit** during 2013 increased by 0.5% compared to 2012, standing at 418 million euros.

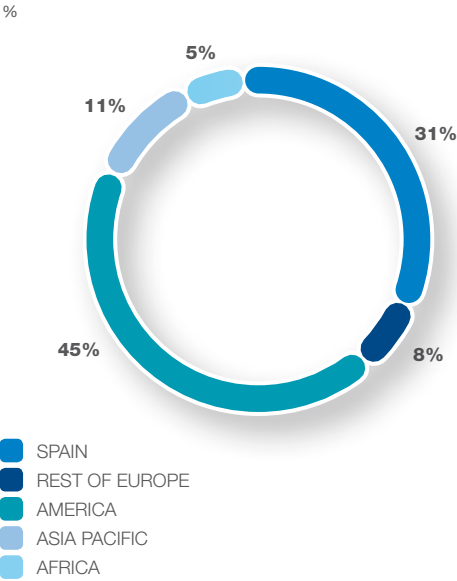
In 2013, Industrial Services' **order book** grew by 3.5% to 7,413 million euros, driven by projects awarded in the international sphere, especially those related to the field of energy and the development of turnkey industrial plants in Latin America and countries like Saudi Arabia and South Africa. So, in 2013, Integrated Project's and Specialised Installations' activity represented 70 % of the total order book, with 91% and 71% respectively of their order book projects located abroad.



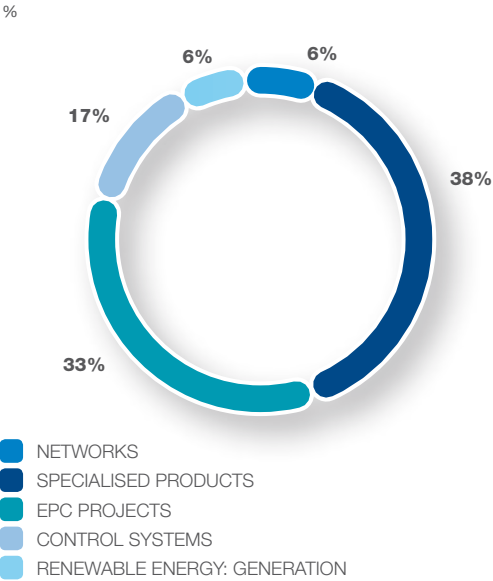
**ORDER BOOK BREAKDOWN BY TYPE OF ACTIVITY**



**ORDER BOOK BREAKDOWN BY GEOGRAPHICAL AREA**



**ORDER BOOK BREAKDOWN BY TYPE OF ACTIVITY**



# INDUSTRIAL SERVICES

## INDUSTRIAL SERVICES' ACTIVITY 2013\*

MILLIONS EUROS

### REVENUE

#### SPAIN



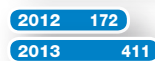
#### REST OF EUROPE



#### AMERICA



#### AFRICA



#### ASIA PACIFIC



### ORDER BOOK

#### SPAIN



#### REST OF EUROPE



#### AMERICA



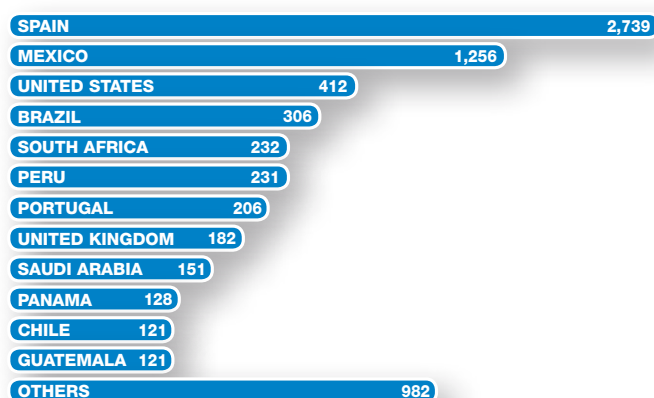
#### AFRICA



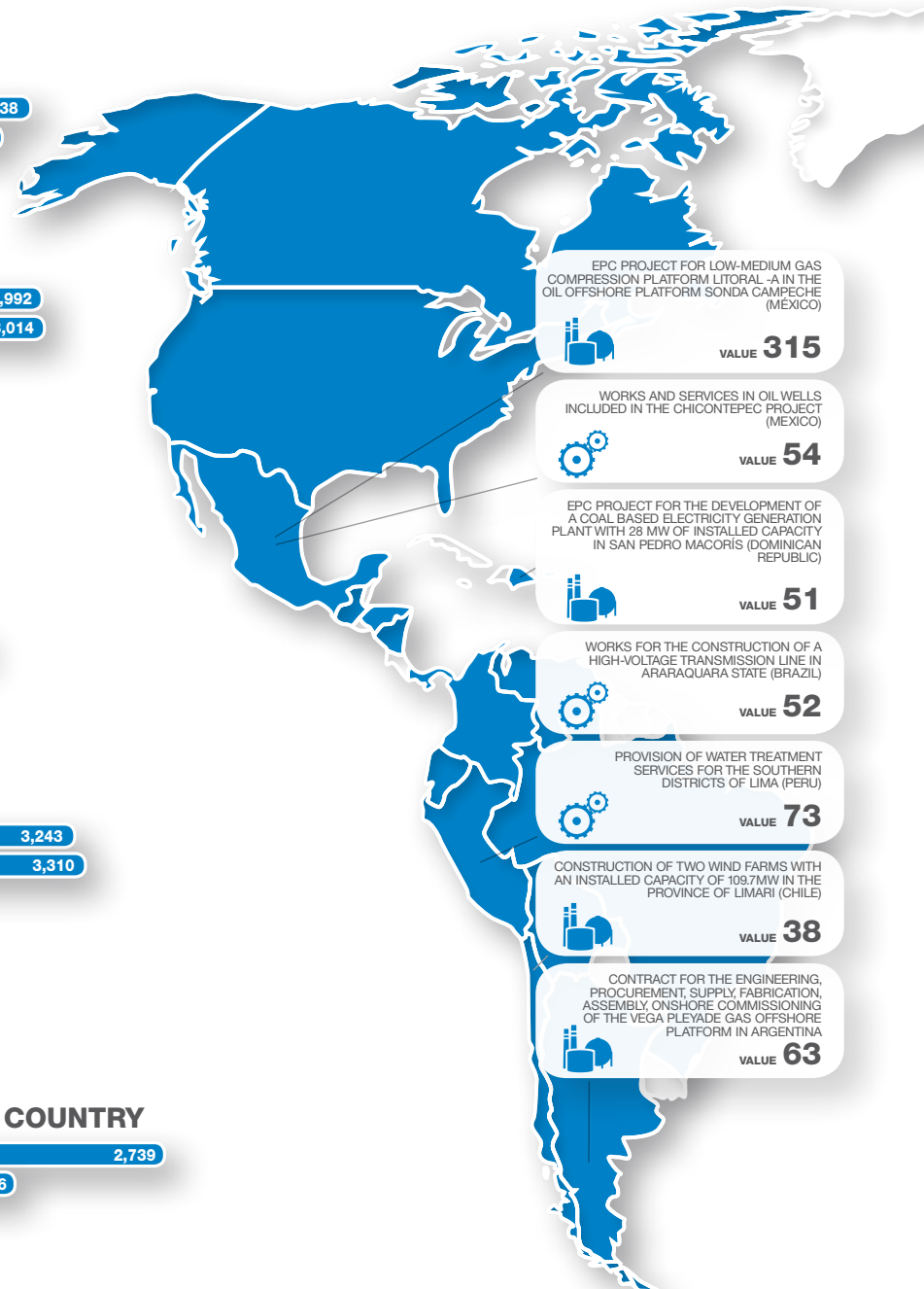
#### ASIA PACIFIC



### 2013 REVENUE BREAKDOWN BY COUNTRY



\* Main countries where Industrial Services area reported ongoing projects or new awards.



- EPC PROJECTS
- SPECIALISED PRODUCTS
- CONTROL SYSTEMS
- NETWORKS



CONTRACT FOR THE GAS AND ELECTRICITY COUNTER READINGS FOR ENDESA ( SPAIN)



VALUE **47**

MANAGEMENT CONTRACT FOR VEHICLES MOBILITY IN SEVERAL AREAS OF MADRID (SPAIN)



VALUE **101**

PROJECT FOR THE RENOVATION OF THE DATA CENTER FACILITIES N°1 FOR THE BBVA IN MADRID (SPAIN)



VALUE **33**

INSTALLATION AND MAINTANCE OF REGULATED PARKING CONTROL SYSTEMS IN PALMA DE MALLORCA (SPAIN)



VALUE **25**

WORKS FOR THE IMPROVEMENT OF WATER SUPPLY INFRASTRUCTURE IN ANAKLIA, KUTAISI AND POTI (GEORGIA)



VALUE **28**

INSTALLATION OF TOLL ROAD SYSTEMS AND INTELLIGENT TRANSPORT SYSTEMS IN THE EAST-WEST HIGHWAY IN ARGELIA



VALUE **37**

TURNKEY CONTRACT FOR THE INSTALLATION OF THE SYSTEM OF MANAGEMENT, TREATMENT AND STORAGE OF NORM PRODUCTS (RADIOACTIVE WASTE GENERATED NATURALLY) DURING DRILLING OPERATIONS IN THE EXPLORATION FOR OIL AND GAS BY ABU DHABI NATIONAL OIL COMPANY AFFILIATES IN THE UNITED ARAB EMIRATES.



VALUE **83**

PROYECTO LLAVE EN MANO PARA LA CONTRUCCION Y RENOVACION DE SISTEMAS DE ALMACENAMIENTO E INSTALACIONES ASOCIADOS EN UNA PLANTA DE MA'ADEN SAUDI ARABIAN MINING (ARABIA SAUDI)



VALUE **52**

PROJECT FOR THE UPGRADE OF THE WASTE WATER TREATMENT SYSTEM FOR THE SAUDI KAYAN PETROCHEMICAL COMPLEX (SAUDI ARABIA)



VALUE **27**

CONTRACT FOR THE ENGINEERING, PROCUREMENT AND CONSTRUCTION OF A FERTILIZER PLANT, NAMELY OF DIAMMONIUM PHOSPHATE (DAP), WITH A PRODUCTION CAPACITY OF 1.5 MILLION TONS PER YEAR IN THE INDUSTRIAL CITY OF RAS AL KHAIR (SAUDI ARABIA)



VALUE **455**

PROJECT FOR THE ENGINEERING, PROCUREMENT, AND INSTALLATION OF 10 ETHYLENE OXIDE REACTORS IN DIFFERENT SABIC AFFILIATED COMPANIES IN SAUDI ARABIA.



VALUE **199**

EPC CONTRACT FOR THE DEVELOPMENT OF THE ILANGA PARABOLIC SOLAR THERMAL PLANT WITH AN INSTALLED CAPACITY OF 100 MW IN SOUTH AFRICA



VALUE **491**

EPC CONTRACT FOR THE ENLARGEMENT OF LOADING RACK FACILITIES AND OTHER FACILITIES REQUIRED FOR INTERCONNECTION WITH THE EXISTING UNITS AT THE REFINERY IN RAS TANURA OF SAUDI ARAMCO (SAUDI ARABIA)



VALUE **31**

EPC CONTRACT FOR THE DEVELOPMENT OF A POLYOXYMETHYLENE PLANT IN SAUDI ARABIA WITH A PRODUCTION CAPACITY OF 50,000 TONNES.



VALUE **298**





# INDUSTRIAL SERVICES

## EUROPE

In Europe, the turnover of the Industrial Services area stood at 3,432 million euros in 2013, representing 49% of total sales in the area, while the order book totalled 2,924 million euros.

In Spain, the Industrial Services area's leading position in the field of applied engineering along with strong business diversification, managed to partially offset the cuts in investment, both public and private, and the effects of regulatory changes in the field of energy. Accordingly, turnover in the domestic market stood at 2,739 million euros, 6.8% below the previous year, while contracting during the year exceeded 2,520 million euros and the Group continued to execute significant projects, such as:

- Contract for installation and maintenance of telephone, broadband services, voice and television networks for Movistar in various Spanish provinces. In addition to engineering, installation and maintenance services for more than 12,000 kilometres of fibre optic networks for ONO deployed in central Spain.
- Contract for the execution of electrical, mechanical and electromechanical facilities at the bodywork assembly hall of the Ford factory in Almussafes (Valencia).
- Operation and maintenance services for the waste treatment networks and complementary facilities of different areas of the sewer system of the city of Madrid and Rivas Vaciamadrid.
- Various contracts for the implementation and maintenance of HSR systems, including the contract for the construction of the catenary on the HSR line between Madrid and Albacete; maintenance of the high-speed overhead contact lines on parts of the Madrid-Seville, Toledo-La Sagra and Córdoba-Málaga routes; or the supply and installation of falling object detectors on different sections of the HSR network in Spain.

- Electromechanical and electrical installations and control systems in the high-voltage interconnection tunnel (HVDC) between Spain and France.

In the rest of Europe, ACS Group's Industrial Services area is present in major European countries such as Germany, Italy, Ireland, the United Kingdom or Romania, developing power generation projects and infrastructures related to oil and gas production. Sales in this area reached 693 million in 2013, representing 10% of the total turnover of the area, while the order book for the rest of Europe stood at 597 million euros, accounting for 8% of the total order book.

Among the projects carried out by the Industrial Services area in the rest of Europe during 2013, the following are worthy of note:

- Construction and commissioning of the Great Island combined cycle plant in Ireland, with an installed capacity of 450 MW.
- Turnkey supply and construction of a combined cycle thermal power generation plant in Mittelsbüren (Bremen, Germany).
- A project for the replacement and modernisation of the Humber Bridge toll system in Hull (England).
- Supply of 512 traffic regulators and supply of the ADIMOT centralised traffic control software in Moscow (Russia).
- Expansion and renovation of the drinking water treatment plant in Urziceni (Romania).

## GREAT ISLAND COMBINED CYCLE POWER PLANT

### CLIENT

SSE Generation Ireland

### CONTRACT TYPE

EPC Projects

### PROJECT EXECUTION DATES

2011 - 2014

### AMOUNT

130 million euros

### LOCATION

Ireland

### COMPANIES INVOLVED IN THE PROJECT

Dragados, Cobra, Initec (Joint Venture)

### FULL PROJECT DESCRIPTION

The Great Island Combined Cycle Power Plant features a “single shaft” configuration (a gas turbine, a boiler to generate steam through heat recovery, a steam turbine and an electric generator, coupled to a common turbine shaft) yielding a total of 450 MW of electric power. It is a turnkey EPC project executed as a Brownfield development at the Great Island site in Campile, County Wexford in Ireland.

The main equipment of the plant’s Power Island (gas turbine and auxiliary equipment, steam turbine, recovery boiler, condenser and generator) as well as the main transformer are the scope of the customer (SSE Generation Ireland, formerly ENDESA IRELAND).

The power island consists of the following main equipment:

1. The M701 (F4) gas turbine, manufactured by Mitsubishi, is the essential part of the air-gas power generation cycle at the combined cycle plant. The main fuel is natural gas and with distillate oil as auxiliary fuel.
2. The TC2F-40.5 multi-pressure steam turbine, also manufactured by Mitsubishi, is composed of a body comprising high and medium pressure turbines and another low pressure chamber with output to the condenser.
3. The multi-pressure heat recovery steam generator, manufactured by the company Nooter Eriksen, is designed to optimally take advantage of the remnant heat from the gas turbine exhaust. The 60 metre tall chimney is supplied by Steelcon.
5. The condenser, supplied by Mitsubishi, installed below the steam turbine, is a dual-pass model cooled with water from the Barrow River Estuary pumped from the circulation pump house.



# INDUSTRIAL SERVICES

## AMERICA

In 2013, America remained the main area of activity for Industrial Services, with a revenue of 3,014 million euros, representing 42% of this division's total sales. Important projects were awarded in 2013 in the development of energy infrastructure assets and those related to mobility, as endorsed by a 2.1% growth in the order book compared to 2012 and now accounting for about 45% of the total sales figure for Industrial Services.

In Latin America, the ACS group is a forerunner in the applied engineering sector, as well as occupying a leading position in several of the most significant countries, such as Mexico and Peru. Thus, in 2013, sales in this area exceeded 2,592 million euros.

The order book stood at 3,100 million, implying a growth of 13.1% on 2012, primarily due to the awarding of major contracts in Mexico and Peru.

The order book in Mexico increased by more than 33% in 2013 compared to the previous year, reaffirming the group's strong presence in Mexico where it is a leader in the development of engineering projects applied to the oil, gas and electricity sectors. It is one of the Federal Electricity Commission's top suppliers and can also point to its participation in oil projects such as the construction of the gas compression platform at the Campeche Sound oil complex or participation in oil wells within the Chicontepec project. Prospects for growth in this area are favourable following the passing of new legislation on hydrocarbons and electricity which will accelerate medium-term investments in the sector. Similarly, there are possibilities for growth in the segment of mobility infrastructures, as evidenced by the award in 2013 of the contract for the installation of control and communication systems in Mexico City's metro network.

In the remaining Latin American countries, the Group has a sound presence in countries such as Brazil, Peru, Chile, Argentina, Colombia, Ecuador or Panama, where it is developing projects for electricity generation, hydroelectricity and other renewable energies along with electricity transmission projects, and projects related to oil products, mobility systems and water treatment.

As such, the group was carrying out the following projects among others, in Latin America in 2013:

- Project for retrofitting the Manzanillo I electric power plant (Mexico).
- Execution of detailed engineering, construction and commissioning of the CCR Platforming process unit, auxiliary services and integration into the PEMEX Cangrejera petrochemical complex in Veracruz (Mexico).
- Contract for the engineering, procurement, construction and commissioning of various units, including the middle distillates hydrotreatment plant, sulphur recovery plant or 35 MW gas turbine generator at the "Ingeniero Héctor R. Lara Sosa" refinery in Cadereyta Jiménez (Nuevo León, Mexico).
- Various construction contracts for the installation of transmission lines and substations for the Federal Electricity Commission including 4 transmission lines in the states of Jalisco and Nayarit; 6 transmission lines and 7 substations in the State of Tabasco or 7 transmission lines and 10 substations in the Federal District and the State of Mexico.
- Construction of transmission substations associated with the 300 MW power plant in San Diego de Cabrutica, Anzuategui State (Venezuela).

- Engineering, supply and implementation of civil and electromechanical works of the Suyamarca supplementary transmission system in Peru.
- EPC for the construction of 16.8 kilometres of high-voltage line from the Paso de Patria electrical substation to the Corrientes substation in Argentina.
- Supply and construction of civil, electromechanical and automation works for the LPG marine terminal and storage facility project in Monteverde (Ecuador).
- Project for the construction of civil works at El Coco wind farm Panama or the construction of Los Cururos wind farm in Chile.
- Turnkey water treatment plant project in Campos Rubiales (Colombia).
- Several contracts for installing and maintaining telephone networks, as well as broadband services, voice and television over copper and fibre optic cables in Argentina, Chile, Colombia and Peru.
- Contract for execution of the catenary and electrical substation installations of Metro Line 2, and refurbishment of substations and catenary of Metro Line 1 in Valencia (Venezuela).



## INDUSTRIAL SERVICES

In the United States, thanks to the marketing efforts of the Industrial Services area in previous years, there has been a growth in turnover of 17.9% over the previous year with turnover reaching 412 million in this area thanks to the projects being carried such as the Tonopah solar thermal plant or the management of the SR-99 tunnel control systems in Seattle. Despite this strong growth in sales and a consolidated order book, the presence of the Industrial Services area is still developing in this market, thus offering great growth prospects. Therefore, the goal is to consolidate the group's position in

one of world's major infrastructure markets, particularly in relation to mobility and renewable energy infrastructures. The United States Federal Government's renewable energy policies, particularly solar power, will strongly determine the Group's rate of development in this market.

There are also growth opportunities in Canada, where there is strong demand for infrastructure, especially in activities related to mining, renewable energy and transport. Thus, in 2013 the ACS Group was awarded a contract for lighting and safety systems on the Windsor Essex highway.



## RETROFIT OF THE MANZANILLO COMBINED CYCLE PLANT (CFE) EN MEXICO

### CLIENT

CFE

### PROJECT TYPE

EPC projects

### PROJECT EXECUTION DATES

2010-2013

### AMOUNT

981 million US dollars

### LOCATION

Manzanillo, Colima, Mexico

### COMPANIES INVOLVED IN THE PROJECT

Cobra Gestión de Infraestructuras

### FULL PROJECT DESCRIPTION

The ACS Group has developed the project for Mexico's Federal Electricity Commission for repowering the Manzanillo combined cycle plant, by reusing two steam turbines that operated with fuel oil, removing the existing boilers and adding six gas turbines and their recovery boilers, involving a significant technical challenge for the team.

In its final configuration, the Manzanillo Combined Cycle Power Plant is a double combined cycle design, with two modules comprising 3 gas turbines, three boilers and two steam turbines each.

The total net production of the two modules is 1,413.4 MW in the combined cycle, which will be enhanced by approximately 13.7 MW per turbine - an additional 160 MW for all the turbines- with the entry into operation of the synergy between the thermoelectric plant and the Liquefied Natural Gas Terminal (LNGT) through temperature exchanges that will improve the efficiency of the gas turbines. The performance of the LNGT's gas vaporizers will be improved through the use of higher temperature water from the gas turbines. This system means that the temperature of the air entering the gas turbine is lower than the ambient temperature, compacting its volume and allowing the equipment to operate more efficiently, in accordance with the design created in conjunction with General Electric (GE). While the ambient temperature is 32-36°C, thanks to this system the temperature of the air reaching the turbines is 10°C lower. The synergy system improves three conditions of the turbines to achieve greater efficiency: pressure, temperature and flow rate.



# INDUSTRIAL SERVICES

## SAN PEDRO BIOMASS PLANT

**CLIENT**

San Pedro Bio-Energy S.R.L.

**AMOUNT**

67 million dollars

**PROJECT EXECUTION DATES**

2013-2015

**COMPANIES INVOLVED IN THE PROJECT**

Energía y Recursos Ambientales Internacional, S.L. Dominican Branch,

**LOCATION**

San Pedro de Macoris - Dominican Republic

Energía y Recursos Ambientales Internacional, S.L.

**PROJECT TYPE**

EPC projects

Cobra Energía

**FULL PROJECT DESCRIPTION**

Development of engineering, procurement, construction (EPC) and commissioning of a biomass cogeneration plant for the company San Pedro Bio-Energy S.R.L.

The biomass cogeneration plant will be interconnected with the Cristóbal Colón sugar mill where bagasse is obtained (fibrous matter from the sugar production process) for use as fuel in the cogeneration plant and to which electricity will be provided for the operation of the facilities and steam for use as thermal energy in the sugar production process.

The cogeneration plant will consume bagasse produced by the sugar mill in a boiler with a capacity of 140 TPH (tonnes of steam per hour), providing steam that will be used in a 30MW turbine to generate electricity or diverted to the sugar mill in order to supply both electricity and heat to the sugar mill during the harvesting campaign (when the cane is cut and the juice is extracted to obtain sugar). The excess electrical energy obtained in the turbine will be transferred to the national grid.

The cogeneration plant will be capable of using alternative fuels or mixtures of different fuels to optimize its use both during the sugarcane harvest and in periods when no thermal energy is required at the mill, by adapting the turbine cycle in the most efficient way to work with each configuration.

It will be the first time Cobra Energy implements a project of this nature and thus consolidates its leading position by covering the entire spectrum of market demand for renewable energy technologies, namely; wind (onshore and offshore), solar thermal, photovoltaic, biomass and geothermal.



## ASIA PACIFIC AND AFRICA

In 2013 the Asia Pacific, Middle East and Africa region has experienced the largest growth in the Industrial Services area. Sales totalled 621 million euros, almost double the production of 2012, mainly due to the strong increase in activity in South Africa, specially due to the development of renewable energy assets in the United Arab Emirates and in Saudi Arabia. Sales in this region now account for 9% of the total activity of the Industrial Services area.

The ACS Group carried out the following projects, among others, during 2013:

- Turnkey contract for the construction of the ore handling units and mine-related infrastructure at the Ma'aden Bauxite and Alumina Company mining facilities in Saudi Arabia.
- Implementation of two photovoltaic plants with a capacity of 75 MW each in South Africa.
- Supply and construction of electrical distribution networks and substations in Nashik District (Maharashtra) in India.
- Turnkey projects for the development of ammonia storage facilities and steam production unit at the Jorf Lasfar OCP plant in Morocco.
- Engineering, procurement, construction and installation of the modernisation and improvement project of the Saudi Kayan wastewater treatment plant at the Jubail industrial complex in Saudi Arabia.
- Installation of the entire flare gas recovery and compression system at the Ruwais Refineries in Abu Dhabi, located in the Emirate of Abu Dhabi in the United Arab Emirates.

**IN 2013 THE ASIA PACIFIC, MIDDLE EAST AND AFRICA REGION HAS EXPERIENCED THE LARGEST GROWTH IN THE INDUSTRIAL SERVICES AREA.**

- Project for a HSR line between the cities of Mecca and Medina in Saudi Arabia.
- Project for the design, construction, operation and maintenance of a wastewater treatment plant in Werribee, Australia.

The order book in this geographic area has grown by 58.8% in 2013 and stands at 1,178 million euros, as a result of major projects awarded during the year such as the contract for the development of the Ilanga solar thermal plant in South Africa, a sector where the successful renewables program offers significant growth opportunities. Activity in Saudi Arabia also showed very significant growth in 2013, with the award of major contracts such as a fertiliser plant project for 455 million euros, the construction of a plastics plant for more than 298 million euros or the installation of 10 reactors in power generation plants.

In short, Africa, Asia-Pacific and the Middle East represent significant expansion opportunities for the Industrial Services area, where the ACS Group is developing projects in countries with strong growth prospects and investment needs in energy and mobility infrastructures such as India, South Africa, Australia, United Arab Emirates and Saudi Arabia, in addition to possible alliances between the various units of the ACS Group that allow an increased level of activity.



# INDUSTRIAL SERVICES

## LESEDI AND LETSATSİ PHOTOVOLTAIC PLANTS

### CLIENT

Lesedi Power Company (Pty) Ltd  
Letsatsi Power Company (Pty) Ltd

### AMOUNT

Approximately 196 million dollars for each project, totalling 392 million dollars

### PROJECT EXECUTION DATES

2012 – 2014

### COMPANIES INVOLVED IN THE PROJECT

Cobra Instalaciones y Servicios Internacional, S.L.

### LOCATION

South Africa

Conycento (Pty) Ltd – Lesedi

Firefly Investments 261 (Pty) Ltd – Letsatsi

### CONTRACT TYPE

EPC projects

### FULL PROJECT DESCRIPTION

Engineering, Procurement, Construction (EPC) and Commissioning of two photovoltaic solar plants each with a capacity of 75MWdc. The projects are located in the provinces of Free State (Letsatsi) and Northern Territory (Lesedi) in South Africa and are being built in the framework of the first bidding window of the energy program of 3 August 2010 (REIPPP - Renewable Energy Independent Power Producer Programme).

Each solar photovoltaic site includes the installation of a total of 277,000 polycrystalline solar panels (295Wp) mounted on a fixed steel structure and covering an area of approximately 150Ha. Additionally, 64 inverter units of 1MWac capacity each will be installed (located inside prefabricated concrete cabins together with other auxiliary electromechanical equipment) to produce a total of 64MWac electricity for feeding to the transmission and distribution grid belonging to the state company Eskom. The expected production of the plant is 160GWh/year.

The implementation of the project (except for the supply of solar panels from China and inverters from Germany) will be entirely executed in South Africa. Both projects are subject to the economic development obligations for the socio-economic benefit of the country which are very strict, both with respect to the preparation and consideration of the bidding processes and in the actual execution of work (job creation, meaningful presence of locally made components, development of rural communities, knowledge transfer, education, business development and participation of historically marginalised groups). Cobra Energy's commitment in all these areas has been highly valued by the authorities and institutions in both provinces where these PV plants are located.

This is the first time that Cobra Energy and the Cobra Group in general has worked in South Africa, which will allow it to consolidate a foothold leading to the development of future renewable energy generation, mainly photovoltaic and solar thermal. In 2013, Cobra Energy was awarded a parabolic-cylinder concentrating solar power plant project with a capacity of 100MW in the Northern Territory province where it is bidding for a second CSP plant using the same technology.



# INDUSTRIAL SERVICES

## ENGINEERING, PROCUREMENT AND CONSTRUCTION OF DIAMMONIUM PHOSPHATE PLANT (DAP)

### CLIENT

MA'ADEN. Saudi Arabian Mining Co.

### CONTRACT TYPE

EPC projects

### PROJECT EXECUTION DATES

2013 - 2016

### AMOUNT

600 million dollars

### LOCATION

Saudi Arabia

### COMPANIES INVOLVED IN THE PROJECT

Intecs Industrial

### FULL PROJECT DESCRIPTION

Saudi Arabian Mining Company (Ma'aden) has awarded to Intecs Industrial a contract for the engineering, procurement and construction of a diammonium phosphate (DAP) fertiliser plant with a capacity of 1.5 million tonnes a year. The DAP, with a specific particle size and composition, is the final product in the fertilizer production chain and is used directly in the fields. The plant will be starting production at the end of 2016 and will be located in the industrial city of Ras al-Khair, in the Gulf area.

Precisely for this same customer, Intecs Industrial successfully launched a fertilizer plant of the same capacity at the end of 2011. At that time this plant became the largest DAP (diammonium phosphate) plant in the world. With the new project, Ma'aden will double its production capacity.

This new project will have greater scope than the previous one, because in addition to the processing plants, it includes storage and ship loading facilities in the port area close to the industrial plant.

This investment is part of the so-called Umm Wual Project, through which Ma'aden along with its partners, SABIC and Mosaic, are developing a new industrial city in the North of the country, an area rich in phosphate rock.

Including this one, Intecs Industrial now has eleven contracts in the Middle East, establishing itself as one of the most important engineering firms in the area. It has a portfolio of major clients including Saudi Aramco, SABIC, Takreer, KOC and Ma'aden among others, and is present in a variety of important sectors such as fertilizers, refining, petrochemical, chemical, mining and environment.



## TURNKEY CONTRACT FOR THE CONSTRUCTION OF A POLYOXYMETHYLENE (POM) PLANT

### CLIENT

Ibn Sina (National Methanol Company: JV SABIC - CELANESE Corp.)

### CONTRACT TYPE

EPC projects

### PROJECT EXECUTION DATES

2013 – 2016

### AMOUNT

385 million dollars

### LOCATION

Saudi Arabia

### COMPANIES INVOLVED IN THE PROJECT

Intecsa Industrial

### FULL PROJECT DESCRIPTION

Turnkey contract for the project “Ibn Sina POM (Polyoxymethylene)”. The scope of work includes the detailed engineering, procurement and construction of a polyoxymethylene (POM) plant as well as auxiliary and offsite services. The project will be conducted at the company’s existing facilities in Jubail Industrial City, Saudi Arabia.

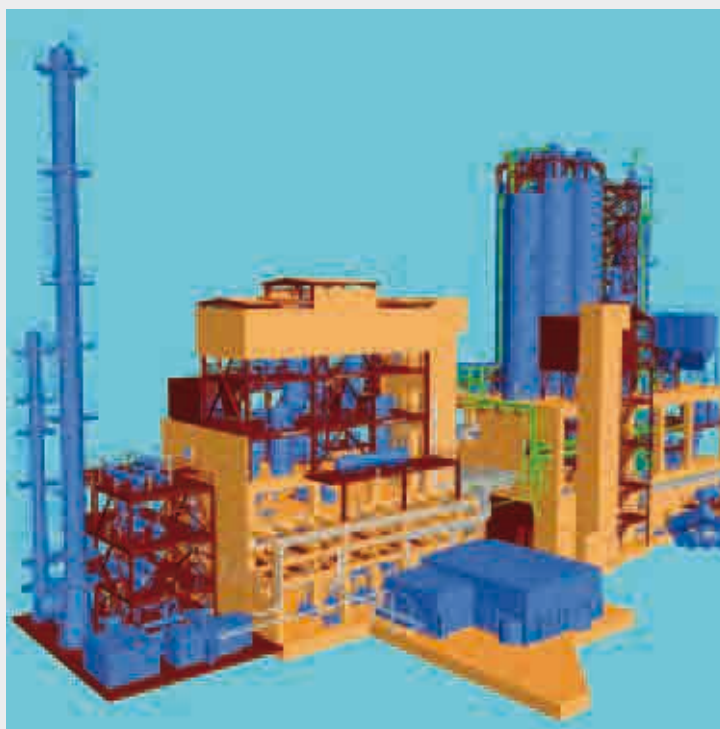
The plant will consist of: formaldehyde unit, monomer unit, tanks for storing of raw materials and intermediate products, four-stage polymerization of unit.

Both the monomer and polymerization unit use technology from the company Celanese.

The plant’s production capacity will be 50,000 tpa of POM.

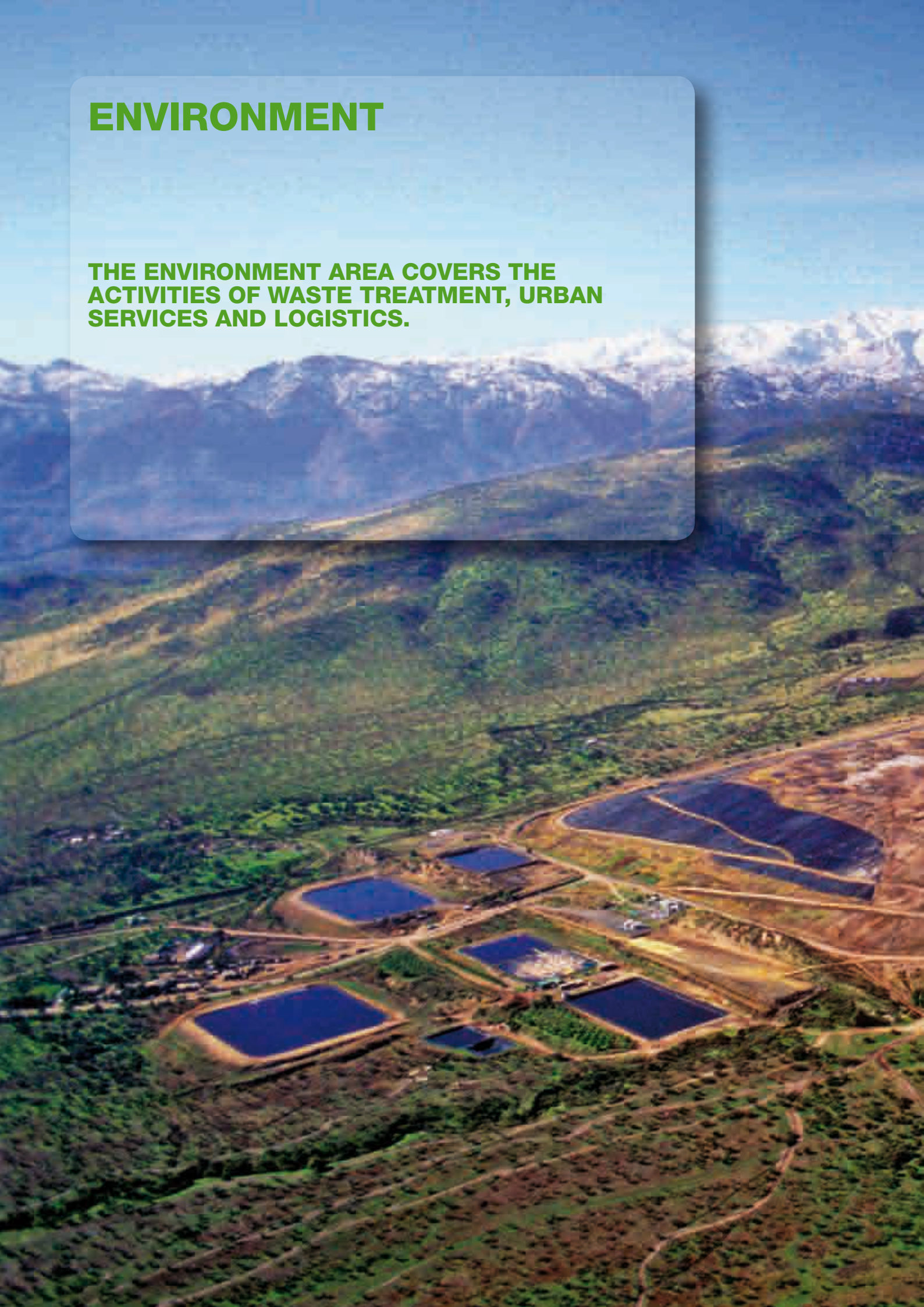
Conventional applications for POM are found in the sectors of general mechanics, automotive industry, household appliances and sanitary equipment, sprockets and other transmission parts, fuel gauges and carburettor components, pump components in contact with hot water or fuel, mixer taps, shower heads, valves and other assorted accessories. Other applications include hooks, screws, lock parts, containers for aerosols, fruit machine mechanisms and sports and office equipment.

The contract came into force in July 2013 and the completion deadline for the project is 30 months for delivery and final acceptance of the plant.



# ENVIRONMENT

**THE ENVIRONMENT AREA COVERS THE ACTIVITIES OF WASTE TREATMENT, URBAN SERVICES AND LOGISTICS.**





# ENVIRONMENT

In the **Environment area**, the ACS Group carries out its Environmental Services mainly through Urbaser while through Sintax it also performs the activities of multimodal and vehicle transport.

Urbaser's activity is divided into two main areas, Urban Services and Waste Treatment. The Urban Services area focuses on urban solid waste collection and cleaning services (including selective collection programs, beach cleaning and office cleaning), landscaping, integral water cycle management, through its affiliate Socamex, as well as collecting and processing construction and demolition waste.

The Waste Treatment area includes the processing of urban solid waste, where Urbaser is a world leader with numerous facilities in different countries, and the treatment of industrial, hazardous and household waste, through its affiliate Sertego.

Urbaser's extended experience in the Spanish market, both in waste treatment and urban services, together with its commitment to technological innovation, have led it to reinforce its position in the European market in recent years, especially in France and the United Kingdom, as well as to continue its activities in Latin America and North Africa, while marking as a primary objective for the coming years its development in North America: United States and Canada.

Furthermore, Urbaser stands out for its in-depth understanding of the different processes applicable for the correct management of waste, applying in each case the best available technology, with industrially proven processes designed to recover waste optimally, always within an environmentally sustainable framework. Sensitive to emissions of greenhouse gases (GHGs), Urbaser has developed and implemented a tool for calculating its carbon footprint which has allowed it to evaluate GHG emissions between 2012 and 2013.



## MAIN FIGURES IN 2013

In 2013, **revenue** in the Environment area grew by 5.3% compared to 2012, standing at 1,781 million euros. In this respect, it needs to be borne in mind that all the 2013 operating figures have been affected by the full consolidation of the business in Chile and the sale of Tangshan port in China in 2013.

By region, Spain remains the main market in the Environment area, representing 64% of total sales in 2013. However, the strengthening of the Environment activity in international markets should also be remarked, registering a growth of 45% over 2012. This increase comes mainly from greater activity in the United Kingdom and France, following successful bidding processes and major contracts awarded in previous years, together with the integration of the business in Chile, bringing international sales to 36% of the Environment area's total revenue in 2013.

**SPAIN REMAINS THE MAIN MARKET IN THE ENVIRONMENT AREA, ALTHOUGH THE STRENGTHENING OF THE ENVIRONMENT ACTIVITY IN INTERNATIONAL MARKETS SHOULD ALSO BE REMARKED.**

The Environment area groups its activities into Waste Treatment, Urban Services and Logistics.

### ENVIRONMENT

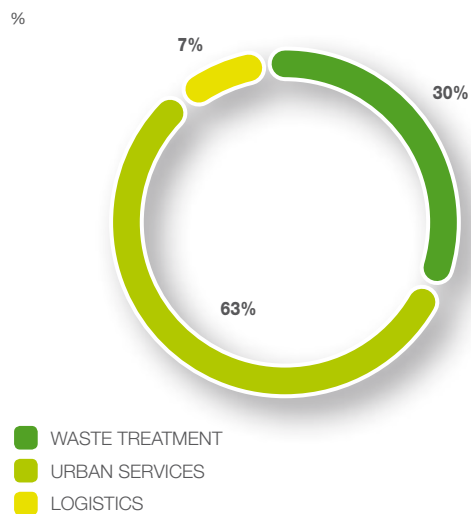
MILLIONS EUROS	2012	2013	% Var.
<b>REVENUE</b>	<b>1,691</b>	<b>1,781</b>	<b>+5.3%</b>
SPAIN	1,254	1,148	-8.5%
INTERNATIONAL	437	633	+45.0%
<b>EBITDA</b>	<b>241</b>	<b>275</b>	<b>+14.0%</b>
MARGIN	14.3%	15.4%	
<b>EBIT</b>	<b>106</b>	<b>123</b>	<b>+16.1%</b>
MARGIN	6.3%	6.9%	
<b>RECURRENT NET PROFIT</b>	<b>72</b>	<b>79</b>	<b>+8.9%</b>
MARGIN	4.3%	4.4%	
<b>ORDER BOOK</b>	<b>9,201</b>	<b>8,443</b>	<b>-8.2%</b>
MONTHS	65	57	
SPAIN	5,304	4,496	-15.2%
INTERNATIONAL	3,897	3,947	+1.3%
<b>EMPLOYEES</b>	<b>28,886</b>	<b>28,545</b>	



# ENVIRONMENT

Urbaser covers the entire value chain in the provision of **Waste Treatment** services, from the design, development and implementation of the project to the construction, financing and operation of plants for sorting, processing and recycling waste, biomethanization, energy recovery, landfills and landfill degasification, in addition to generating power from materially unrecoverable waste. Waste treatment represents 30% of the Environment area's activities in 2013 and there has been a significant increase in sales, up by 42.9% compared to 2012, owing to the incorporation of Chile and the commissioning of plants outside Spain. The revenue of the waste treatment activity in 2013 stood at 533 million euros.

## REVENUE BREAKDOWN BY TYPE OF ACTIVITY



## ENVIRONMENT

MILLIONS EUROS	2012	2013	% Var.
<b>REVENUE</b>	<b>1,691</b>	<b>1,781</b>	<b>+5.3%</b>
WASTE TREATMENT	373	<b>533</b>	+42.9%
URBAN SERVICES	1,151	<b>1,118</b>	-2.9%
LOGISTICS	167	<b>130</b>	-21.9%



Urban Services revenue reached 1,118 million euros, implying a decrease of 2.9% compared to 2012, and accounting for 63% of total sales in the area in 2013.

The Logistics area covers the remaining multimodal transport assets. This activity had a turnover of 130 million euros, following the sale of the Port of Tangshan in 2013.

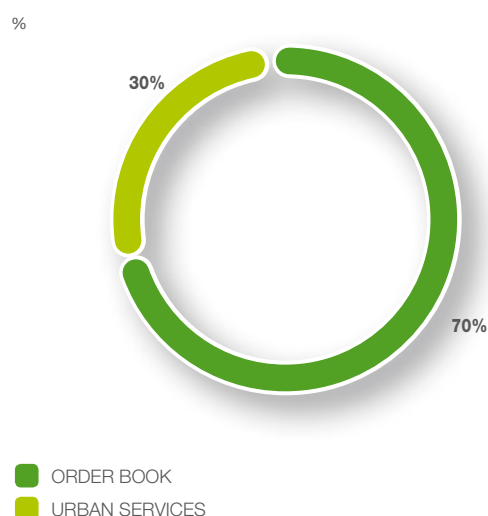
**EBITDA** of the Environment area stood at 275 million euros in 2013, 14.0% higher than last year and with a margin over sales of 15.4%. This improvement in profitability is due to the greater weight, in the mix of businesses, of Waste Treatment activities with higher returns that are mainly capital-intensive and of the concession-type. Meanwhile, the Urban Services business is based on recurring contracts in the medium and long term that provide visibility in revenue generation and sustained performance.

The **recurrent net profit** registered in the Environment area in 2013 was 79 million euros, 8.9% higher than 2012.

The ACS Group Environment area's **order book** stood at 8,443 million euros in 2013, implying 57 months of activity. The order book is down 8.2% compared to 2012, primarily due to a 15.2% decrease in orders in Spain and the impact of exchange rates and changes in the scope of consolidation. In comparable terms, excluding these effects, the order book would have decreased 3.3%.

In international markets the order book stands at 3,947 million euros, representing 75 months of activity and an increase of 1.3% over 2012. In comparable terms, the international order book would have increased by 12.8% compared to 2012, resulting from obtaining major contracts in international markets, mainly in the United Kingdom, Mexico and Argentina. As such, the international order book represents 47% of the Environment area's total order book.

### ORDER BOOK BREAKDOWN BY TYPE OF ACTIVITY



### ENVIRONMENT

MILLIONS EUROS	2012	2013	% Var.
<b>ORDER BOOK</b>	<b>9,201</b>	<b>8,443</b>	<b>-8.2%</b>
WASTE TREATMENT	6,045	<b>5,868</b>	-2.9%
URBAN SERVICES	2,707	<b>2,575</b>	-4.9%
LOGISTICS	449	<b>0</b>	N/A

By type of activity, the Waste Treatment area represents 70% of the total backlog, while Urban Services represents 30%.

# ENVIRONMENT

## 2013 ENVIRONMENT ACTIVITY\*

MILLIONS EUROS

### REVENUE

#### SPAIN



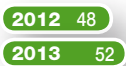
#### REST OF EUROPE



#### AMERICA



#### AFRICA



### ORDER BOOK

#### SPAIN



#### REST OF EUROPE



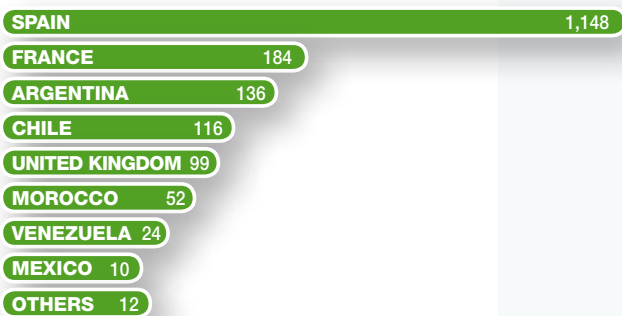
#### AMERICA



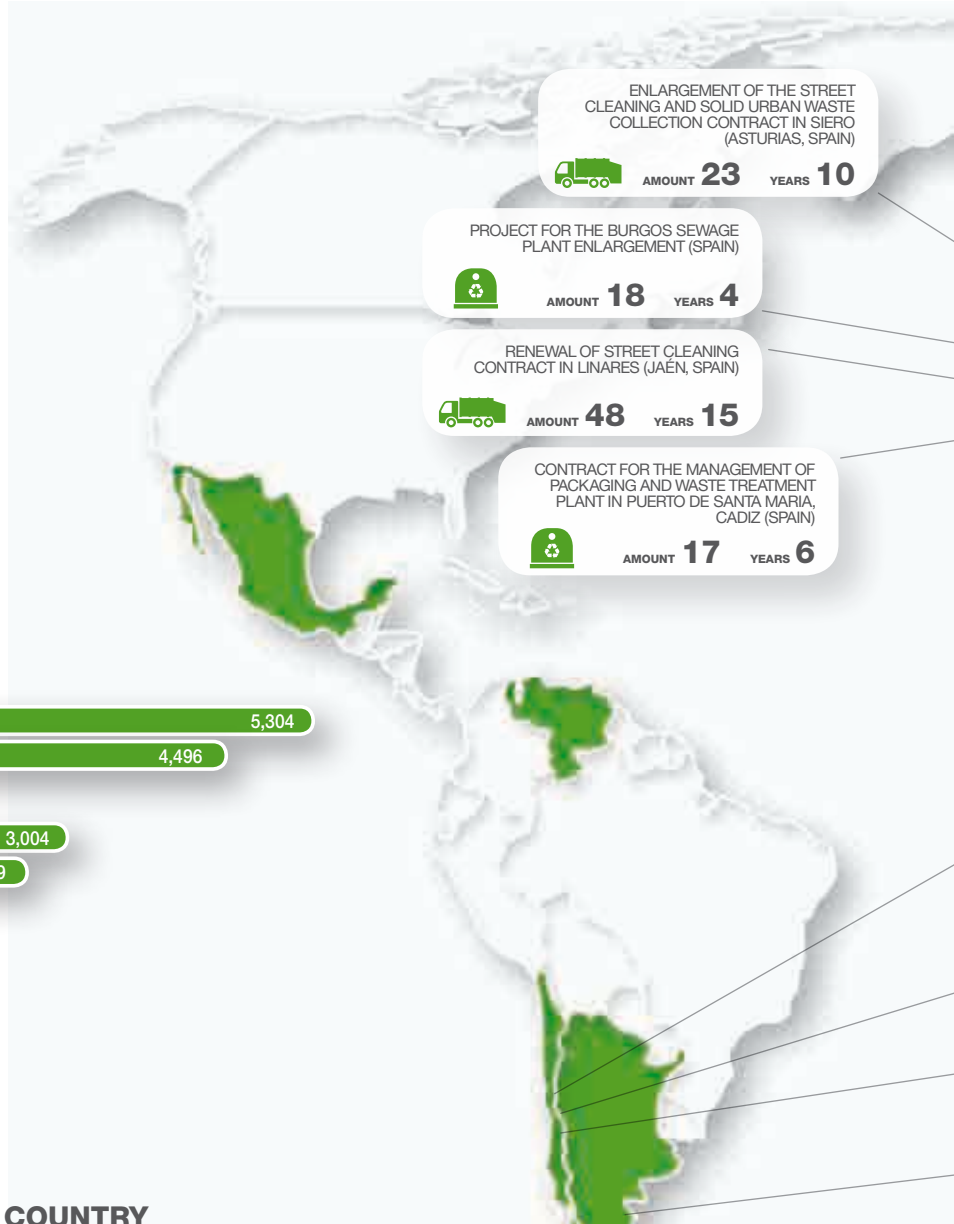
#### AFRICA



### 2013 REVENUE BREAKDOWN BY COUNTRY



\*Main countries where the Environment Area has reported ongoing projects or new awards.



ENLARGEMENT OF THE STREET CLEANING AND SOLID URBAN WASTE COLLECTION CONTRACT IN SIERO (ASTURIAS, SPAIN)

AMOUNT **23** YEARS **10**

PROJECT FOR THE BURGOS SEWAGE PLANT ENLARGEMENT (SPAIN)

AMOUNT **18** YEARS **4**

RENEWAL OF STREET CLEANING CONTRACT IN LINARES (JAÉN, SPAIN)

AMOUNT **48** YEARS **15**

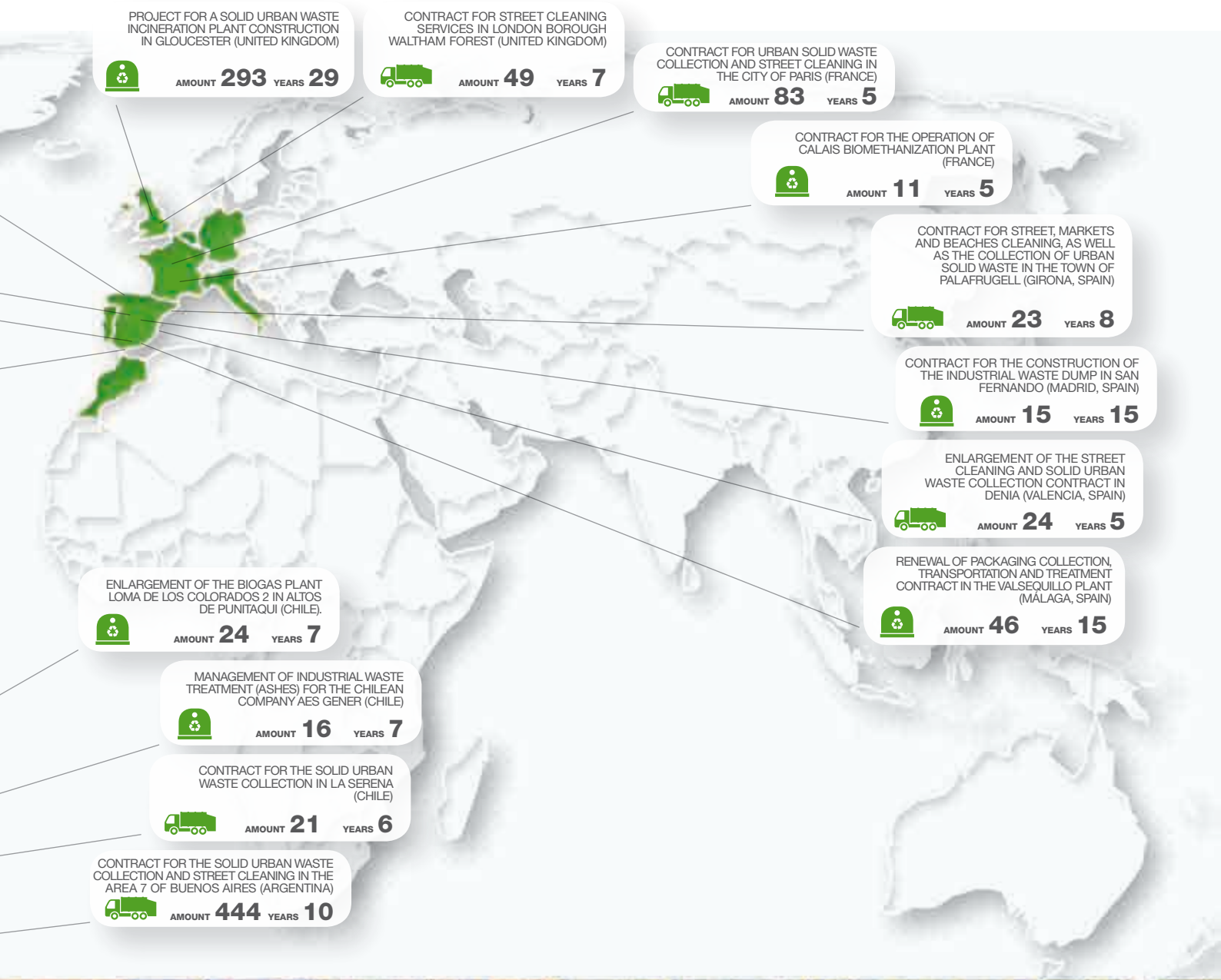
CONTRACT FOR THE MANAGEMENT OF PACKAGING AND WASTE TREATMENT PLANT IN PUERTO DE SANTA MARIA, CADIZ (SPAIN)

AMOUNT **17** YEARS **6**



URBAN SERVICES

WASTE TREATMENT



# ENVIRONMENT

## ACTIVITIES IN 2013

### SPAIN

In Spain, Urbaser has developed and manages the following **facilities for the treatment, recovery and disposal of urban solid waste**:

- 35 Plants for the pre-treatment of urban solid waste, managing 5,648,417 tonnes.
- 4 Energy recovery plants, where 1,163,000 tonnes were treated, with an installed electrical power of 101.35 MW.
- 13 plants for biomethanization of organic fractions, with a total of 864,193 tonnes handled, an installed capacity of 40.29 MW and an average annual production of 94.08 Hm<sup>3</sup> biogas.
- 39 Composting plants, managing 2,349,400 tonnes.
- 74 Transfer plant installations in which 3,304,406 tonnes were managed.
- 32 Packaging treatment facilities, where 354,450 tonnes were treated.
- 35 Controlled landfills, with an annual theoretical dumping capacity of 5,246,378 tonnes.
- 9 landfill degasification installations with an average annual production of 136.65 Hm<sup>3</sup> of biogas, and an installed capacity of 38.75 MW.

Urbaser consolidated itself in the waste treatment sector, increasing the quantity of recyclable products recovered in the plants, as well as achieving better yield in biogas production from anaerobic digestion of organic fractions from urban solid waste, an activity in

which Urbaser is a world leader. During 2013 Urbaser built and commissioned the first and only plant in Spain for injecting biogas into the natural gas network, located at the facilities of the Valdemingómez Technology Park, belonging to the City of Madrid.

Another highlight this year was the award for 15 years of the service for collecting and processing light packaging, including the modification and automation of the Valsequillo plant in Malaga, implying a turnover for Urbaser of 46 million euros during the contract period. Also noteworthy is the award of the management contract for the municipal packaging classification and packaging waste plant in Puerto de Santa Maria, in Cadiz for 6 years, representing a total turnover of more than 17 million euros; and the award of a contract for the operation of the packaging classification plant at Colmenar Viejo, Madrid for a period of two years and a turnover of more than 3 million euros.

Furthermore in 2013 the Caudete composting plant opened, representing a key facility in the Community of Valencia's zoning plan, designed to process 40,000 tons of solid waste per year and with a landfill for rejected waste from Liria and Caudete.

Several management activities were performed, such as the implementation of new landfill cells, including the non-hazardous waste cells of the Tenerife environmental complex or the rejected waste landfill at the Elche treatment plant. Projects have also been undertaken for sealing exhausted cells, for example; at the municipal solid waste treatment centre in Las Dehesas, Madrid, at the Tenerife environmental complex or the rejected waste cells of the Zaragoza municipal waste treatment complex.

Urbaser places great emphasis on its R&D+i policy with the objective of distinguishing itself through the technological level of its solutions, as well as supporting our client's urban sustainability. In this sense, Urbaser has invested heavily in the creation of the ground-breaking "Alfonso Maíllo" Technological Innovation Centre for waste treatment in Spain that was certified by AENOR in 2013 under standard UNE 166.002 for R&D+i Management, where the group has its laboratory to study the implementation of the latest technologies.

Marked contraction was observed in the **construction and demolition waste sector** due to the influence of the current economic environment in the construction sector, which has been felt in the five facilities Urbaser manages in Spain.



# ENVIRONMENT

The **integral management of industrial wastes** area, through the company Sertego, has an operational and logistics network consisting of 12 laboratories, 37 transfer centres and 20 treatment facilities, a dedicated fleet of 268 vehicles and 320 collaborating agents, enabling it to handle around 711,000 tonnes of waste per year. Its main features include four plants for regenerating waste oils to obtain base oil from which to manufacture new lubricating oils, fuel production from Marpol residue from ships and the recovery and treatment of packaging and other industrial waste, allowing around 110,000 tonnes of managed waste to be recovered. Furthermore, for waste that cannot be recovered, Sertego has six landfills for hazardous and non-hazardous industrial waste.

This area included the construction this year of the secure industrial waste deposit in the municipality of San Fernando de Henares, Madrid.

In the **urban solid waste collection activity** in 2013, over 5,000,000 tonnes of waste were collected in cities such as Barcelona, Buenos Aires, Paris and Santiago de Chile, among others.

The **street cleaning** activity has developed in Madrid and other cities with new waste collection and street cleaning contracts throughout Spain, including Linares, Denia, and Siero.

In **management of green spaces**, covering both landscaping and the maintenance of these areas, Urbaser provided services for over 50,000,000 square metres. In this area, it is worth noting the award of the service contract for the comprehensive maintenance of the gardens, parks and green zones of Móstoles and San Sebastián de los Reyes in Madrid.

Socamex, the company that oversees the **integral water cycle**, manages the following facilities:

- 206 Industrial water purifying stations for 1,337,369 cubic metres per day for the equivalent of 5,922,619 inhabitants.
- 19 Sewage operations for the equivalent of 1,385,000 inhabitants.
- 15 Water supply facilities for 312,834 cubic metres per day for the equivalent of 505,319 inhabitants.
- 9 Drinking water treatment plants at 286,194 cubic metres per day for the equivalent of 415,819 inhabitants.
- 7 analysis and control laboratories for the equivalent of 1,423,000 inhabitants and certified under UNE EN ISO 9001.
- A central laboratory certified under UNE EN ISO 9001 and 14001 and accredited by UNE EN ISO 17025 for potable water, waste water and sludge. This laboratory is accredited as a Collaborating Body for the Water Authority.
- 3,455 kilometres of sewer systems managed under the various contracts.
- 23 self-filling cistern trucks for industrial cleaning, cleaning of drainage, and transportation of hazardous waste to third parties.

Starting in 2014, the activity related to the integral water cycle at European level faces the challenge of making the services more sustainable, primarily by optimizing the management and energy efficiency of each of the processes.



On the legislative front, the need is maturing to increase the quality requirements for the use of sewage sludge in agriculture, in order to guarantee proper sanitation prior to application. Urbaser has in-house technology and patents in the field of energy use and the treatment of sludge that have kept up with the evolution of the market.

Nationally, the lack of European funds contrasts with need for implementing and upgrading the water infrastructure, and therefore the sector is progressing towards the creation of a sustainable technical-economic model, bringing together public and private participation.

Urbaser continues the diversification of its activities into the ESCOs sector (energy service companies) in order to offer councils a **comprehensive and efficient energy management** system, thus completing the range of services offered to local authorities.



# ENVIRONMENT

## THE REST OF EUROPE, AMERICA AND NORTH AFRICA

In the international field, Urbaser focused its efforts in 2013 on tendering for contracts in the United Kingdom, France, Latin America, the United States and Canada.

Urbaser has developed and manages the following **facilities for the treatment, recovery and disposal of urban solid waste:**

- 8 Plants for the pre-treatment of urban solid waste, managing 1,676,760 tonnes.
- 4 Energy recovery plants, where 935,000 tonnes were treated, with an installed electrical power of 90.90 MW.
- 6 plants for biomethanization of organic fractions, with a total of 511,973 tonnes handled, an installed capacity of 17.73 MW and an average annual production of 52,33 Hm<sup>3</sup> biogas.
- 9 Composting plants, managing 780,661 tonnes.
- 11 Transfer plant installations in which 2,540,400 tonnes were managed.
- 3 Packaging treatment facilities, where 150,000 tonnes were treated.
- 25 Controlled landfills, with an annual theoretical dumping capacity of 4,834,802 tonnes.
- 3 landfill degasification installations with an average annual production of 110.07 Hm<sup>3</sup> of biogas, and an installed capacity of 28.37 MW.

In recent years, Urbaser has managed to position itself as one of the leading operators in France, standing out for its high technological added value. During 2013 Urbaser was awarded the contract for the operation of the biogas plant in Calais for a period of 5 years, overseeing the anaerobic digestion of 25,000 tons of solid waste per year. Urbaser continues managing the integrated municipal solid waste plant in Marseille which began commercial operation in 2010. Additionally, construction work was completed of the integrated biogas plant in Bayonne that incorporates pre-treatment, biogas production and composting processes for 85,000 tonnes per year of urban solid waste, 20,000 tons per year of bulk waste, 6,500 tons per year of green waste and classification of 15,000 tons of packaging per year. This contract includes the operation of the facility for a period of 6 years and its overall turnover amounts to 98 million euros.

With respect to collection services, Urbaser has been awarded a contract in Paris to provide collection and street cleaning services amounting to a total of 83 million euros. Furthermore, services awarded in previous years continue to be provided, including the collection service in Olonnes, cleaning in La Rochelle (Charente-Maritime), Charleville-Mezieres and Givet, and waste collection in Boucle de Seine and in the towns of Ceyrense and Carnoux-en-Provence.

Most noteworthy is the consolidation of environmental services in the United Kingdom. Urbaser has begun construction of the facilities corresponding to the 967 million euro contract awarded in early 2012 for the mechanical biological treatment plant (MBT) for urban solid waste in Essex, with a capacity of 400,000 tonnes per year. Environmental permits have been applied for under the contract for the plant for energy recovery from urban solid wastes with capacity for 185,000 tonnes per year in Gloucestershire.

With respect to Urban Services, the award of the street cleaning contract in the London Borough of Waltham Forest, amounting to more than 49 million euros, is noteworthy.

In Chile the expansion works have concluded of the degasification facility to use biogas for electricity generation at Colorados dump, which currently has an installed capacity of 20.37 MW.

Noteworthy in the activity of urban waste collection is the award of the tender for collection and cleaning in Zone 7 of Buenos Aires for a period of 10 years, for a total amount of 444 million euros. The company continues with its contracts in cities like Casablanca and Santiago among others, and during 2013 it obtained new contracts in Chile, Morocco and Argentina.

**URBASER HAS MANAGED TO POSITION ITSELF AS ONE OF THE LEADING OPERATORS IN FRANCE, IN ADDITION TO CONSOLIDATING ITS POSITION IN THE UNITED KINGDOM.**

Urbaser is driving the development of the North America market, in particular in Canada, where it is bidding on several contracts for energy recovery and anaerobic digestion plants.



# ENVIRONMENT

## BAYONNE RECYCLING CENTRE

### CLIENT

Syndicat Mixte Bil Ta Garbi

### EXECUTION DATA

Construction: 2012-2013  
Operation 2014-2020

### AMOUNT

98 million euros

### LOCATION

Bayonne (France)

### PARTICIPATING COMPANIES

Urbaser

### PROJECT TYPE

Waste Treatment

### PROJECT DESCRIPTION

The waste recycling centre in Bayonne is one of the most remarkable examples of landscape integration and environmental commitment in the field of Solid Urban Waste treatment. It serves 266,000 inhabitants in 13 community groups. The centre's facilities, especially closed and sealed to prevent odours and noise, are formed by three modules where pre-treatment, biogas production and composting processes are performed, with a treatment capacity of 85,000 tonnes per year. At the pre-treatment stage the waste received is sorted and the recoverable fraction is separated from the organic fraction destined for the biomethanization process. To this end, two pre-treatment lines have been installed. Recoverable waste is separated into paper/cardboard, clear PET, dark PET, HDPE, bricks, ferrous metals and aluminium.

The biomethanization process uses anaerobic digestion for energy recovery from the organic fraction of waste. Biomethanization is a biological process in which the organic fraction of urban solid waste is subjected to chemical decomposition in the absence of oxygen, producing a combustible biogas (methane) that powers internal combustion engines connected to CHP generators. Both electricity and heat are produced. The residue left over from the process (digested matter) passes to the composting phase. In the drying/composting stage, high quality compost is obtained from the biomethane solids. The compost is refined so that the final product has a uniform particle size that meets the rigorous French regulations on fertilisers (NFU 44051).

Concern about the scarcity of energy resources and environmental protection has played an important role in the design of this plant. Therefore the processes performed at the Bayonne plant are specially designed and optimised to ensure the maximum use of waste energy and a minimal impact on the environment.

The waste treatment plant in Bayonne will also have a visitors' centre with guided tours, where visitors can see the different stages of waste treatment. This information centre is designed to raise public awareness and promote sustainable development, in order to inform the public on the responsible generation and management of waste, and the need to maintain economic growth without compromising future generations.



# ENVIRONMENT

## URBAN WASTE COLLECTION, STREET CLEANING AND MECHANISED BIN COLLECTION IN PARIS (FRANCE)

### CLIENT

Ville de Paris

### PROJECT TYPE

Urban Services

### EXECUTION DATA

2013-2018

### AMOUNT

83 million euros

### LOCATION

Paris (France)

### PARTICIPATING COMPANIES

Urbaser (80%)

Urbaser Environnement (20%)

### PROJECT DESCRIPTION

The project consists of three separate services: collection of municipal solid waste in the thirteenth arrondissement, mechanised cleaning in 16 arrondissements and the collection of all the litter bins in the City of Paris.

The population served directly is 1,511,000 inhabitants, and to provide these services 41 state-of-the-art rear-loading collection vehicles are deployed, with noise suppression systems and eco-efficient engines to reduce the environmental impact of collection operations in the city, 19 mechanical sweepers adapted to the specific characteristics of the city, highly manoeuvrable and with low noise emissions, as well as 14 high-pressure cistern trucks for mechanical street rinsing operations. This fleet is completed by two vehicles equipped with mobile workshops to immediately address any issues that arise during operations. These services are performed by a staff of 215 workers. Achieving these services reinforces the presence of Urbaser in the City of Paris, by incorporating urban waste collection to the range of services provided in the French capital.



## STREET CLEANING, GARDENING AND OTHER SERVICES IN WALTHAM FOREST, LONDON (UNITED KINGDOM)

### CLIENT

London Borough of Waltham Forest

### PROJECT TYPE

Urban Services

### EXECUTION DATA

2013-2019

### AMOUNT

49 million euros

### LOCATION

Borough of Waltham Forest, London

### PARTICIPATING COMPANIES

Urbaser, Ltd.

### PROJECT DESCRIPTION

The London Borough of Waltham Forest is a neighbourhood outside London with an area of approximately 39 square kilometres and located in the northeast of the city. Currently the population of Waltham Forest district is about 258,000 inhabitants, making this district one of the most populated in London. The project includes the provision of manual and mechanised road cleaning and the maintenance of green spaces. The street cleaning service involves the manual and mechanised sweeping of approximately 414 kilometres of public roadways. The service also includes emptying bins and cleaning and the mechanical washing down of strategic locations in the borough. The landscape maintenance service involves looking after 85 public parks and open spaces, 4 leisure centres, 7 schools and 14 community centre, representing an area of approximately 1,800,000.00 square metres. The service has 207 employees and a total of 50 vehicles and mechanised units. Winning the bid has confirmed the presence of Urbaser in the waste collection and street cleaning market in the United Kingdom after the experiences of previous years in Gosport and the Isle of Wright.





# **MAIN ECONOMIC-FINANCIAL FIGURES OF ACS GROUP**

## **THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY**

## **ACS GROUP GOVERNANCE**





# MAIN ECONOMIC-FINANCIAL FIGURES OF ACS GROUP

## PERFORMANCE OF THE ACS GROUP IN 2013

### HIGHLIGHTS

#### KEY OPERATING & FINANCIAL AGGREGATES

Million euros	2012	2013	Change
Sales	38,396	38,373	(0.1)%
Backlog <sup>(1)</sup>	74,588	63,419	(15.0)%
Months	21	18	
EBITDA	3,088	3,002	(2.8)%
Margin	8.0%	7.8%	
EBIT	1,579	1,746	10.5%
Margin	4.1%	4.5%	
Recurring net profit <sup>(2)</sup>	582	580	(0.3)%
Attributable Net Profit <sup>(3)</sup>	(1,928)	702	n.a.
EPS	€(6.62)	€2.26	n.a.
Cash Flow from Activities	1,506	1,959	30.1%
Net Investments	(2,285)	476	n.a.
Investments	2,496	2,484	(0.5)%
Divestments	4,781	2,008	(58.0)%
Net debt	4,952	4,235	(14.5)%
Net Business Debt	4,171	3,550	(14.9)%
Project Financing	781	685	(12.3)%

NOTE: Data presented in accordance with ACS Group management criterion.

(1) Includes backlog proportional to the participation in the joint ventures which the Group has not fully consolidated. The comparable change is (2.0)%, or 1,482 million euros.

(2) Net profit excluding extraordinary results and the net contribution of the investees, Abertis and Iberdrola.

(3) The balance sheet, the income statement and the statement of cash flows have been restated as a result of the entry into force of revised IAS 19 which is applied retroactively. This standard affects the recognition and measurement of the defined contribution pension plans and only has a significant impact on the performance of assets related to the plans which are recognised in the income statement which, as a result of the change, are determined based on the interest rate used to discount the defined benefit liability, instead of the market expectations. The effect on the ACS Group is a loss of 1.5 million euros in 2012, also included under equity.

Sales for the year amounted to 38,373 million euros, 0.1% less than in 2012 as a result of the change in the exchange rates, particularly the depreciation of the Australian dollar. Without this impact, sales would have grown by 6.1%. The activity outside of Spain represents 86.3% of sales with growth of 2.2%.

In backlog amounts to 63,419 million euros, down 15.0% in the last twelve months. Of the total reduction of 11,169 million euros, 6,877 million euros are due mainly to the depreciation of the AUD/EUR (-17.7%) and USD/EUR (-4.0%) exchange rates. Additionally, the variations due to changes in the scope

of consolidation amount to 2,811 million euros and relate basically to the sale of the Services businesses of Hochtief Europa and the Telecommunications business of Leighton and the fact that Dragados no longer includes the concessions in Greece within its scope of consolidation. By way of comparison, the 2.0% decrease, equal to 1,482 million euros, mainly in Spain, is due the reduction in public spending and in Australia to the hiring slowdown in the mining sector.

## PERFORMANCE OF THE BACKLOG AND PRODUCTION

Million euros	2012	2013	Change	Comp. Change*
<b>Backlog</b>	<b>74,588</b>	<b>63,419</b>	<b>(15.0)%</b>	<b>(2.0)%</b>
Direct	65,626	54,007	(17.7)%	(3.7)%
Proportional**	8,962	9,412	5.0%	10.8%
<b>Production</b>	<b>42,563</b>	<b>41,729</b>	<b>(2.0)%</b>	<b>4.1%</b>
Direct	38,396	38,373	(0.1)%	6.1%
Proportional**	4,167	3,356	(19.5)%	(16.3)%

\* Comparable change not including the effects of exchange rate and/or changes in the scope of consolidation.

\*\* Backlog and production equal to the proportional participation in the joint ventures which the Group has not fully consolidated.

EBITDA for the Group amounts to 3,002 million euros, representing a decrease of 2.8% compared to the same period for 2012. This decrease arises from the Construction activity which reduced its operating margin due to the depreciation of the Australian dollar, the sale of Leighton's telecommunications business, the gross margin of which is larger than average and the drop in activity in Spain. Without the impact of the change in exchange rates, EBITDA would have grown by 3.1%.

In turn, EBIT grew 10.5%, thanks to a smaller depreciation and amortisation charge in Hochtief, mainly to a decrease in the amortisations of the PPA and the aforementioned sale of the telecommunications activity. Without the effect of the changes in the euro exchange rates, EBIT would have grown 16.9%.

The net profit attributable to the Group amounted to 702 million euros, while the 2012 figure was significantly affected by the restructuring ACS carried out related to its investment in Iberdrola.

## RECONCILIATION OF NET RECURRING PROFIT

Million euros	2012	2013	Change
Recurring Net Profit Construction	249	261	4.9%
Recurring Net Profit Industrial Services	416	418	0.5%
Recurring Net Profit Environment	72	79	8.9%
Recurring Net Profit Corporation	(154)	(177)	14.3%
Net structural costs	(39)	(33)	(14.5)%
Net financial result	(136)	(141)	4.0%
Other	21	(2)	n.s.
<b>Recurring Net Profit</b>	<b>582</b>	<b>580</b>	<b>(0.3)%</b>
Net ordinary contribution ABE	44	0	
Net ordinary contribution IBE	31	25	
Gains and other extraordinary profit	(2,585)	96	
<b>Attributable Net Profit</b>	<b>(1,928)</b>	<b>702</b>	<b>n.a.</b>

Eliminating the contributions of Abertis and Iberdrola, and all of the extraordinary results in both periods, which in 2013 included mainly the positive performance of the fair value of the derivatives and the provisions for risks, the recurring profit of the ACS Group in 2013 amounted to 580 million

euros, 0.3% down on 2012 as a result of the increased equivalent tax rate.

The net debt for the ACS Group dropped by 14.5% in the last twelve months to 4,235 million euros, as a result of the divestments carried out in the period.

# MAIN ECONOMIC-FINANCIAL FIGURES OF ACS GROUP

## THE FOLLOWING SIGNIFICANT EVENTS OCCURRED DURING 2013

- On 23 January 2013, the ACS Group sold 20.2 million treasury shares to three financial institutions amounting to 360 million euros, equal to euros 17.83 per share. In addition, the Group entered into a derivative contract for the same number of ACS shares, payable only in cash and within a period of two years that may be extended for a further year.
- On 14 March, Hochtief, A.G. issued a corporate bond amounting to 750 million euros maturing in seven years and an annual coupon of 3.875%.
- On 21 March, ACS formally executed a Euro Commercial Paper (ECP) programme for a maximum amount of 500 million euros, which was registered in the Irish Stock Exchange. Banco Santander is the programme implementation coordinator (arranger), the entity who also acts as designated intermediary (dealer). By means of this programme, ACS regularly issues promissory notes maturing between 1 and 364 days, thereby enabling it to diversify its means of obtaining financing on capital markets. The outstanding balance at 31 December 2013 was 310 million euros.
- On 10 May 2013, the ACS Group held the Annual General Meeting in which the shareholders approved the distribution of a dividend of 1.15 euros per share. It was distributed in July 2013 using a flexible dividend system through which 55.07% of ACS shareholders chose to sell their rights to ACS through the Purchase Commitment, entailing the acquisition by ACS of 173,299,108 rights for a gross amount of 192.7 million euros. The remaining shareholders chose the share option, as a result of which 7,853,637 shares of ACS were issued which were admitted to listing on 26 July 2013. Subsequently, on 29 August 2013, the retirement of the same number of ACS treasury shares was approved, which was carried out in September 2013. Consequently, the ACS shares admitted to listing from 23 September 2013 are the same as those which at the beginning of the year amounted to 314,664,594.
- On 13 June 2013, Hochtief announced a plan to acquire treasury shares equal to approximately 5.6% of its share capital. The aforementioned plan was completed in December 2013 and, thus at 2013 year end the company held 10% of its treasury shares.
- On 21 June 2013, Leighton launched a debt issue with a bank syndicate for 1,000 million Australian dollars in order to finance the Company's working and general capital needs, whereby it refinanced an instrument similar to the one which matured in December 2013 and which consisted of 600 million Australian dollars in capital.
- On 28 June 2013, Leighton Holding completed the sale to Ontario Teachers' Pension Plan of approximately 70% of its telecommunication assets which included the companies Nextgen Networks, Metronode and Infoplex. The sale price of 771 million Australian dollars represented 100% of the aforementioned assets.
- At 23 July 2013, Dragados launched a delisting takeover bid for its Polish investee POL-AQUA. On 19 September the takeover bid was completed in which 8.3 million shares, representing 30.18% of the share capital were acquired for 6.9 million euros. Subsequently, a compulsory purchase process was carried out on the remaining 3.82% of the share capital to reach 100% of the share capital of POL-AQUA.

- On 25 July 2013, the Cobra Group successfully placed the “Project Bond” for the Castor Project, the first with these characteristics issued with the European Investment Bank’s Project Bond Credit Enhancement (PBCE) guarantee programme. The issue amount was 1,400 million euros, for a 21.5 year period and a final rate of 5.756% (BBB+ Fitch rating and BBB S&P rating). Furthermore, during the final months of 2013, certain events occurred which lead the plant’s activity to be suspended by the Ministry of Industry, Energy and Tourism, thereby preventing the plant’s entry into service. The ACS Group expects that, after the appropriate technical studies and the corresponding technical and accounting audit which have been carried out, the aforementioned problems will be resolved satisfactorily. In any case, the ACS Group understands that Escal UGS (owner of the Castor project) has the right to return the concession at any time, whereby it has the right to collect the total net carrying amount thereof and, consequently, the investment is fully recoverable.
- On 30 September, Hochtief, A.G. completed the sale of its airport assets to a subsidiary of the Canadian pension fund, Public Sector Pension Investment Board, for 1,083 million euros.
- In September 2013 Hochtief also announced the final closing of the sale of its services line of business to Servicios a Spie, S.A., for 236 million euros.
- On 4 October 2013, ACS, Actividades Finance, B.V. (a Dutch subsidiary wholly owned by ACS, Actividades de Construcción y Servicios, S.A.) issued bonds that are exchangeable for Iberdrola shares for 721.1 million euros, with the following characteristics: a term of five years maturing on 22 October 2018, unless they are exchanged or redeemed early. The price for redeeming the bonds on maturity will be 100% of the nominal value, unless they are exchanged; annual nominal fixed interest of 2.625%, payable quarterly in arrears; the exchange price is 5.7688 euros per each Iberdrola share, which represents a premium of 35% on the reference quoted price of the session in which the issue was launched, as of 12 November 2016, ACS will have the option of redeeming the bonds early if the value of the Iberdrola shares exceeds 130% of the exchange price applicable during at least 20 trading days in any period of 30 consecutive trading days; the bond holders will have the option of redeeming the bonds in the third year or if there is any change of control of ACS; the bonds are listed in the open market (Freiverkehr) on the Frankfurt Stock Exchange.
- Since mid-2012, the ACS Group has had several financial derivative contracts with various financial institutions over Iberdrola (call spreads), which offered an increased exposure from 3.26 euros to 4.73 euros per share for a notional amount of 597.3 million underlying shares. As a result of the increase in the quoted price of the aforementioned underlying asset, on 20 December the parties agreed to replace the previous structure with a new one (put spread), which has the same exposure profile and maturity periods, however the strike price and the number of underlying shares were slightly adjusted as a result of the changes in Iberdrola’s dividend policy. This change enabled the ACS Group to monetise the value of these derivatives for a total of 856 million euros included in the balance sheet at 2013 year end.

# MAIN ECONOMIC-FINANCIAL FIGURES OF ACS GROUP

- On 12 December 2013, the Board of Directors of ACS approved the distribution of the interim dividend of 0.446 euros per share. It was distributed in February 2014 using a flexible dividend system through which 49.5% of ACS shareholders chose to sell their rights to ACS through the Purchase Commitment, entailing the acquisition by ACS of 155,768,093 rights for a gross amount of 69.5 million euros. The remaining shareholders chose the share option, as a result of which 2,562,846 shares of ACS were issued which were admitted to listing on 26 February 2014.
- As a result of the publication of this proposed ministerial order, for the approval of the remuneration parameters of the standard facilities applicable to certain electrical power production from renewable energy sources, cogeneration and waste, on 3 February 2014, subject to a consultation period, the ACS Group made a preliminary estimate of the impact that such a regulation would have on the Group's wind farms and solar thermal plants and recognised a provision of 199 million euros at 31 December 2013, in addition to the provision of 300 million euros recognised in 2012 in relation to these assets.
- On 31 January 2014, Hochtief sold 50% of its ownership interest in aurelis Real Estate at a price close to its carrying amount within its strategy of divesting non-strategic assets.
- The proposed ministerial order for the approval of the remuneration parameters of renewable energy facilities was published in February 2014 served to evaluate the impact of the aforementioned regulation on the ACS Group.
- In March 2014, Hochtief, A.G., launched a proportional take over bid over the Australian company Leighton Holdings Ltd in order to increase its current ownership interest from 58.77% to a maximum of 73.82%, at an ex-dividend price per share of AUD 22.50, payable in cash, which will entail a maximum investment of AUD 1,155 million (approximately, 787 million euros) which will be financed by Hochtief, A.G. with its own available cash and credits. The takeover bid is subject to the relevant authorisation and other usual conditions.
- On 13 March 2014, ACS, Actividades Finance 2, B.V. (a Dutch wholly-owned subsidiary of ACS, Actividades de Construcción y Servicios, S.A.) announced that upon completion of the accelerated bookbuild, the amount, the interest rate and the conversion price as well as the definitive conditions of the exchangeable bond issue over Iberdrola shares have been set, as follows: the final amount of the issue totalled 405.6 million euros; the bonds which were issued at par will mature on 27 March 2019, unless they are exchanged or redeemed early, the price for redeeming the bonds on maturity will be 100% of the nominal value, unless they are exchanged; the bonds accrue annual nominal fixed interest of 1.625%, payable quarterly in arrears, the bonds will be exchangeable, at the choice of the bondholders, for 63,187,412 ordinary shares of Iberdrola, representing

## SIGNIFICANT EVENTS SUBSEQUENT TO YEAR-END

- On 12 December 2013, the Board of Directors of ACS approved the distribution of the interim dividend. It was distributed in February 2014 using a flexible dividend system through which 49.5% of ACS shareholders chose to sell their rights to ACS through the Purchase Commitment, entailing the acquisition by ACS of 155,768,093 rights for a gross amount of 69.5 million euros, or 0.446 euros per share. The remaining shareholders chose the share option, as a result of which 2,562,846 shares of ACS were issued which were admitted to listing on 26 February 2014.

approximately 0.9914% of its share capital, however, in accordance with the terms and conditions of the bonds, the Issuer may opt, when the bondholders exercise their exchange right, to deliver the corresponding number of Iberdrola shares, cash or a combination thereof; the conversion price of the bonds is 6.419 euros per each Iberdrola share, representing a premium of 32.5% over the weighted average quoted price of these shares since the announcement of the issue until the time it was set, as of 17 April 2017 (3 years and 21 days from the closing date), the Company will have the option of redeeming the bonds early at par if the value of the Iberdrola shares exceeds 130% of the conversion price applicable during at least 20 trading days in any period of 30 consecutive trading days; the bondholders will have the right to redeem their bonds early from the Issuer for an amount equal to the sum of the nominal amount and the interest accrued: on 27 March 2017 (3 years from the closing date) and in the event that there is any change of control of ACS (as this concept is defined under the terms and conditions of the bonds); the subscription and payment of the bonds will take place at the closing date, initially set for 27 March 2014 provided that the conditions envisaged in the subscription agreement that the Company, Issuer and the Underwriter signed on 13 March 2014 with the Lead Managers; as part of the subscription agreement, the Issuer, the Company and the Underwriter have formalised a lock-up agreement, from the signature date for a period of 90 days from the subscription and payment of the bonds, pursuant to which they undertake not to perform any issues, offers or sales of the shares offered in exchange or in similar transactions in relation to the Iberdrola shares and/or any convertible or exchangeable security for Iberdrola shares, subject to certain exceptions; on 17 March 2014, a request was made to list the bonds on the open market (Freiverkehr) (a multilateral trading facility) on the Frankfurt Stock Exchange.

- On 18 March 2014, ACS, Actividades de Construcción y Servicios, S.A. reduced its share capital by 1,281,423 euros relating to 2,562,846 ordinary shares of 0.5 euros par value each through the retirement of the Parent's treasury shares.
- In using the authorisation granted by the shareholders at the Annual General Meeting held on 25 May 2009 and in executing the resolution of the Board of Directors of 27 February 2014, ACS, Actividades de Construcción y Servicios, S.A., on 20 March 2014 has formally executed a Euro Commercial Paper (ECP) programme for a maximum amount of 750 million euros, which has been subscribed by the Irish Stock Exchange. Santander Global Banking & Markets is the programme implementation coordinator (arranger), the entity who also acts as designated intermediary (dealer). By means of this programme, ACS will be able to issue promissory notes maturing between 1 and 364 days, thereby enabling it to diversify its means of obtaining financing in the capital markets.

# MAIN ECONOMIC-FINANCIAL FIGURES OF ACS GROUP

## CONSOLIDATED FINANCIAL STATEMENTS OF THE ACS GROUP

### CONSOLIDATED INCOME STATEMENT

Million euros	2012	%	2013	%	Change
<b>Net Sales</b>	<b>38,396</b>	<b>100.0%</b>	<b>38,373</b>	<b>100.0%</b>	<b>(0.1)%</b>
Other income	404	1.1%	571	1.5%	41.4%
<b>Total Income</b>	<b>38,800</b>	<b>101.1%</b>	<b>38,943</b>	<b>101.5%</b>	<b>0.4%</b>
Operating expenses	(27,031)	(70.4)%	(27,602)	(71.9)%	2.1%
Staff costs	(8,681)	(22.6)%	(8,340)	(21.7)%	(3.9)%
<b>Operating Cash Flow (EBITDA)</b>	<b>3,088</b>	<b>8.0%</b>	<b>3,002</b>	<b>7.8%</b>	<b>(2.8)%</b>
Depreciation and amortisation charge	(1,469)	(3.8)%	(1,208)	(3.1)%	(17.8)%
Current assets provisions	(40)	(0.1)%	(48)	(0.1)%	19.9%
<b>Ordinary Operating Profit (EBIT)</b>	<b>1,579</b>	<b>4.1%</b>	<b>1,746</b>	<b>4.5%</b>	<b>10.5%</b>
Impairment losses and gains and losses on disposal of non-current assets	37	0.1%	(200)	(0.5)%	n.a.
Other gains or losses	(25)	(0.1)%	98	0.3%	n.a.
<b>Operating Profit</b>	<b>1,591</b>	<b>4.1%</b>	<b>1,645</b>	<b>4.3%</b>	<b>3.3%</b>
Financial Income	508	1.3%	361	0.9%	(29.0)%
Financial expenses	(1,295)	(3.4)%	(1,124)	(2.9)%	(13.2)%
<b>Ordinary Financial Result</b>	<b>(787)</b>	<b>(2.0)%</b>	<b>(763)</b>	<b>(2.0)%</b>	<b>(3.0)%</b>
Exchange Differences	-	0.0%	(25)	(0.1)%	n.a.
Change in fair value of financial instruments	105	0.3%	555	1.4%	n.a.
Impairment and gains or losses on disposal of financial instruments	(3,770)	(9.8)%	256	0.7%	n.a.
<b>Net Financial Result</b>	<b>(4,451)</b>	<b>(11.6)%</b>	<b>23</b>	<b>0.1%</b>	<b>n.a.</b>
Results on equity method	339	0.9%	96	0.3%	(71.7)%
<b>PBT of continued operations</b>	<b>(2,520)</b>	<b>(6.6)%</b>	<b>1,764</b>	<b>4.6%</b>	<b>n.a.</b>
Income tax	1,005	2.6%	(517)	(1.3)%	n.a.
<b>Net profit of continued operations</b>	<b>(1,515)</b>	<b>(3.9)%</b>	<b>1,247</b>	<b>3.2%</b>	<b>n.a.</b>
Profit after taxes of the discontinued operations	107	0.3%	-	-	n.a.
<b>Consolidated Result</b>	<b>(1,408)</b>	<b>(3.7)%</b>	<b>1,247</b>	<b>3.2%</b>	<b>n.a.</b>
Non-controlling Interests	(520)	(1.4)%	(545)	(1.4)%	4.8%
<b>Profit Attributable to the Parent Company</b>	<b>(1,928)</b>	<b>(5.0)%</b>	<b>702</b>	<b>1.8%</b>	<b>n.a.</b>

### NET CASH FLOWS

Million euros	2012			2013			Change	
	TOTAL	HOT	ACS exHOT	TOTAL	HOT	ACS exHOT	TOTAL	ACS exHOT
<b>Cash Flows from Operating Activities before working capital:</b>	<b>1,506</b>	<b>1,347</b>	<b>159</b>	<b>1,959</b>	<b>1,076</b>	<b>884</b>	<b>30.1%</b>	<b>454.3%</b>
Changes in working capital	(207)	(424)	217	(948)	(658)	(290)		
<b>Net Cash Flows from Operating Activities</b>	<b>1,299</b>	<b>923</b>	<b>377</b>	<b>1,012</b>	<b>418</b>	<b>594</b>	<b>(22.1)%</b>	<b>57.7%</b>
1. Payments due to investment	(2,496)	(1,724)	(772)	(2,484)	(1,650)	(834)		
2. Collections from disposals	4,781	588	4,194	2,008	1,912	96		
<b>Net Cash Flows from Investing Activities</b>	<b>2,285</b>	<b>(1,136)</b>	<b>3,422</b>	<b>(476)</b>	<b>262</b>	<b>(738)</b>	<b>n.a.</b>	<b>n.a.</b>
1. Treasury stock acquisition	(84)	1	(85)	157	-	157		
2. Dividends paid	(639)	(151)	(488)	(398)	(180)	(218)		
3. Other adjustments	(124)	(12)	(112)	379	(128)	508		
<b>Other Net Cash Flows</b>	<b>(847)</b>	<b>(162)</b>	<b>(685)</b>	<b>139</b>	<b>(308)</b>	<b>447</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Cash Flow Generated/(Used)</b>	<b>2,737</b>	<b>(376)</b>	<b>3,113</b>	<b>674</b>	<b>372</b>	<b>302</b>	<b>(75.4)%</b>	<b>(90.3)%</b>

**CONSOLIDATED BALANCE SHEET**

Million euros	Dec-12	%	Dec-13	%	Change
Intangible Assets	5,049	12.1%	4,949	12.4%	(2.0)%
Property, Plant and Equipment	3,131	7.5%	2,587	6.5%	(17.4)%
Investments accounted for using the equity method	1,732	4.2%	1,366	3.4%	(21.1)%
Non-current Financial Assets	1,961	4.7%	2,508	6.3%	27.9%
Long Term Deposits	363	0.9%	559	1.4%	54.2%
Financial Instruments Receivables	471	1.1%	41	0.1%	(91.4)%
Deferred Taxes Assets	2,467	5.9%	2,380	6.0%	(3.5)%
<b>Fixed and Non-current Assets</b>	<b>15,173</b>	<b>36.5%</b>	<b>14,391</b>	<b>36.2%</b>	<b>(5.2)%</b>
Non-Current Assets Held for Sale	6,601	15.9%	5,310	13.4%	(19.6)%
Inventories	1,920	4.6%	1,817	4.6%	(5.4)%
Trade and Other Receivables	11,414	27.5%	11,316	28.5%	(0.9)%
Other Current Financial Assets	1,705	4.1%	2,980	7.5%	74.7%
Financial Instruments Debtors	9	0.0%	12	0.0%	32.9%
Other Current Assets	212	0.5%	177	0.4%	(16.8)%
Cash and Cash Equivalents	4,528	10.9%	3,769	9.5%	(16.8)%
<b>Current Assets</b>	<b>26,391</b>	<b>63.5%</b>	<b>25,381</b>	<b>63.8%</b>	<b>(3.8)%</b>
<b>ASSETS</b>	<b>41,563</b>	<b>100%</b>	<b>39,771</b>	<b>100%</b>	<b>(4.3)%</b>
Shareholders' Equity	3,382	8.1%	3,803	9.6%	12.4%
Valuation Adjustments	(726)	(1.7)%	(535)	(1.3)%	(26.3)%
Non-controlling Interests	3,055	7.4%	2,221	5.6%	(27.3)%
<b>Equity</b>	<b>5,712</b>	<b>13.7%</b>	<b>5,489</b>	<b>13.8%</b>	<b>(3.9)%</b>
Grants	54	0.1%	50	0.1%	(8.2)%
Non-current Financial Liabilities	6,957	16.7%	7,411	18.6%	6.5%
Deferred Tax Liabilities	1,232	3.0%	1,381	3.5%	12.1%
Non-current Provisions	1,892	4.6%	1,795	4.5%	(5.1)%
Financial Instruments Creditors	594	1.4%	498	1.3%	(16.2)%
Other Long Term Accrued Liabilities	187	0.5%	188	0.5%	0.6%
<b>Non-current Liabilities</b>	<b>10,917</b>	<b>26.3%</b>	<b>11,323</b>	<b>28.5%</b>	<b>3.7%</b>
Liabilities relating to assets held for sale	4,089	9.8%	3,878	9.8%	(5.2)%
Current provisions	1,214	2.9%	1,102	2.8%	(9.2)%
Current financial liabilities	4,591	11.0%	4,132	10.4%	(10.0)%
Financial Instruments Payables	24	0.1%	71	0.2%	195.6%
Trade and Other Payables	14,742	35.5%	13,220	33.2%	(10.3)%
Other Current Liabilities	275	0.7%	556	1.4%	102.0%
<b>Current Liabilities</b>	<b>24,935</b>	<b>60.0%</b>	<b>22,959</b>	<b>57.7%</b>	<b>(7.9)%</b>
<b>EQUITY AND LIABILITIES</b>	<b>41,563</b>	<b>100%</b>	<b>39,771</b>	<b>100%</b>	<b>(4.3)%</b>



# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

## SUSTAINABILITY IN THE ACS GROUP

The ACS Group is a worldwide reference in the infrastructure development industry, participating in sectors which are fundamental to the economy. It defines itself as a company committed to economic and social progress in the countries where it is present.

ACS is positioned as a world leader in the infrastructure development industry, with a clear and defined mission:

***TO PURSUE GLOBAL LEADERSHIP,  
OPTIMISING THE PROFITABILITY OF THE  
RESOURCES EMPLOYED AND PROMOTING  
SUSTAINABLE DEVELOPMENT.***

Improving society, generating wealth to guarantee the well-being of the citizens it serves, in the final analysis, is a primordial part of the ACS Group's mission.

The ACS Group's commitment to society is summarised in four fields of action:

- 1. RESPECT FOR ETHICS, INTEGRITY AND PROFESSIONALISM IN THE GROUP'S RELATIONSHIP WITH ITS STAKEHOLDERS.***
- 2. RESPECT FOR THE SOCIAL, ECONOMIC AND ENVIRONMENTAL SETTING.***
- 3. PROMOTION OF INNOVATION AND RESEARCH IN ITS APPLICATION TO INFRASTRUCTURE DEVELOPMENT.***
- 4. CREATION OF EMPLOYMENT AND WELL-BEING, AS AN ECONOMIC MOTOR FOR SOCIETY.***



This performance and all the Group's activities are impregnated with the corporate values ACS has developed over its nearly 30 years of history and form the basis of the actions of all the Group's employees:



Profitability and integrity, together with commitment to stakeholders, especially commitment to clients, and operational excellence, are the ACS Group's identifying features.

The ACS has a decentralised structure based around its three areas of:

**Construction,**  
**Industrial Services** and  
**Environment,**

and it carries out its activities through dozens of different companies. This complex but highly efficient organisation encourages the Group's companies to compete and carry out their work independently, at the same time sharing common guidelines which add value for their clients.



# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

Each of the ACS Group's companies is managed autonomously, with independent functional managements and flexible and sovereign executive bodies. The aim of this type of organisation is to promote:



The objective is for all the ACS Group's companies to share the Group's values and culture, at the same time as each operates in a standalone manner, individually contributing numerous valid and profitable management formulas, thanks to the multiple factors involved in their decision making and generating know-how and good practices which are also independent.

Therefore, contributions from a multitude of companies come together in the ACS Group's Sustainability effort, defining its policies for action autonomously and managing their resources in the most efficient manner possible, always covered by a common objective.



## PROJECT ONE

To face up to the challenge of coordinating the **ACS Group's Corporate Responsibility** policy, given its characteristics of operational decentralisation and geographical scope, what is to become the functional, strategic and operational paradigm related to the ACS Group's Corporate Responsibility over the coming years, known as **Project one**, was developed in 2013.



*PROJECT ONE SEEKS TO PROMOTE GOOD MANAGEMENT PRACTICES AND IS FRAMED IN THE GROUP'S GENERAL STRATEGY, FOCUSED ON REINFORCING ACS'S WORLD LEADERSHIP. THE OBJECTIVE OF PROJECT ONE IS TO PROMOTE THE EMINENTLY INDUSTRIAL NATURE OF ACS'S ACTIVITIES BY SPREADING ITS CORPORATE CULTURE.*

The promotion of good management practices focuses on the following major areas:

THE GROUP'S POSITION IN TERMS OF ETHICS.



IN TERMS OF EFFICIENCY, INVOLVING CLIENT, QUALITY, SUPPLIER, ENVIRONMENTAL AND R&D+I POLICIES.



AND IN TERMS OF EMPLOYEES, PERSONNEL, HEALTH AND SAFETY AND SOCIAL ACTION POLICIES OF THE ACS GROUP.



In practice, Project one analyses and evaluates the performance of the Group and its companies in relation to a scorecard of control indicators, aligned with Dow Jones Sustainability Index requirements, which is supervised by independent external consultants and inspectors who qualify the inclusion of improvements periodically, both at the functional and procedural levels. The results expected from Project one can be summarised as:

- Continuing redefinition of a repository of non-financial, best governance, environmental and social best practices.
- Regular assurance of their implementation in the various Group companies and of the monitoring of their management indicators.
- Aligning the ACS Group with the Dow Jones Sustainability Index, in which the Group appears currently in its European scope.
- The creation of the Corporate Responsibility.

# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

## ETHICS

### ETHICS AND INTEGRITY: SUMMARY, OBJECTIVES AND GENERAL PRINCIPLES

*THE ACS GROUP AND THE COMPANIES WHICH MAKE IT UP ARE FULLY COMMITTED TO PROMOTION, REINFORCEMENT AND CONTROL IN MATTERS RELATED TO ETHICS AND INTEGRITY, THROUGH MEASURES WHICH ENABLE THEM TO PREVENT, DETECT AND ERADICATE BAD PRACTICES.*

The ACS Group promotes knowledge of the general principles of conduct, ethics and integrity by all employees, clients, suppliers and contractors.

Integrity is a very important aspect in the ACS Group. In 2011, important measures were promoted from the Board of Directors' Executive Committee to advance these

values included in the ACS Group's Code of Conduct. Currently, the ACS Group has equipped itself with two corporate tools: the Code of Conduct and the Ethical Channel, which are widely adopted in the various business areas, and a control system reporting to the Board of Directors, called the Code of Conduct Monitoring Committee.



## ETHICS AND INTEGRITY: 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 company or its employees. This commitment is based on the ethical principles governing the ACS Group's operations, which shape its corporate culture.

ACS's General Code of Conduct<sup>14</sup> constitutes a guide for the professional performance of all the Group's employees and managers in relation to their daily work, the resources used and the business environment, as well as for all the investee companies in which the ACS Group has control of management.

The basic principles for action in the General Code of Conduct are as follows:

### ● **Integrity:**

the ACS Group promotes recognition of behaviour in accordance with loyalty and good faith, and against corruption and bribery, among its employees.

### ● **Professionalism:**

the ACS Group's employees and management should be recognised for their high professionalism based on proactive and efficient performance focused on excellence, quality and willingness to provide service.

### ● **Respect for Others and the Environment:**

ACS undertakes the commitment to act at all times in accordance with the United Nations Global Compact, to which it has been a signatory since its foundation, the objective of which is the adoption of universal principles in the areas of human and labour rights and the protection of the environment.

All actions taken by the ACS Group and its employees shall maintain scrupulous respect for the Human Rights and Civil Liberties included in the Universal Declaration of Human Rights. The relationship of the Group with its employees, as well as the relationship among employees, therefore, shall be based on the following commitments:

- Prevention of corruption and bribery.
- Equal opportunities.
- Non-discrimination.
- Confidentiality in information management, when applicable.
- Avoidance of anti-competitive practices.
- Promotion of training and professional and personal development.
- Occupational health and safety.
- Eradication of child labour.
- Reduction of negative impacts on local and indigenous communities.
- Channels for appropriate reporting of those inappropriate practices identified (Ethical Channel).

The General Code of Conduct was approved by the ACS Group's Board of Directors in its meeting of 15 March 2007 and modified by agreement of the Board of Directors' Executive Committee of 30 August 2011.

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<sup>14</sup> The ACS Group's Code of Conduct can be seen at [http://www.grupoacs.com/index.php/es/c/responsabilidadcorporativ\\_eticayprofesionalidad](http://www.grupoacs.com/index.php/es/c/responsabilidadcorporativ_eticayprofesionalidad).

# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

## MANAGEMENT PRINCIPLES

The ACS Group understands due diligence as the set of activities carried out and aimed at minimising the possibility of bad practices arising in the Group as regards ethics and integrity. The ACS Group understands that the following are necessary for this:

- Allocation of responsibilities as regards supervision of the company's performance in this field. This responsibility falls to the Code of Conduct Monitoring Committee, reporting to the Board of Directors.
- Establishing procedures which enable the prevention, detection, notification and eradication of bad practices in this field. In this regard, specific initiatives are defined in Group companies where additional risks (operational, geographical or mixed) are detected, to expand on the Code of Conduct at the same time as promoting training in fields related to Ethics and encouraging use of the Ethical Channel.
- The knowledge and understanding by the company's people of what is expected of them in relation to ethics and integrity. Companies representing 82.8% of Group employees report the existence of a specific training plan in matters of Human Rights, Ethics and Integrity and Conduct. A total of 629 training courses, attended by 77,350 employees, were given in this field in ACS in 2013. Indeed, the level of penetration of training in terms of Human Rights, Ethics and Integrity and Conduct has already reached 51.7% of the Group's total number of employees.
- The adoption of good practices has begun to be promoted relating to performance assessment in terms of Ethics and variable remuneration according to parameters related to the control of Ethical risks. As such, formal, documented commitments to the Universal Declaration of Human Rights are included in companies representing 49.3% of ACS employees. Additionally, compliance with the precepts of the Code of Conduct is confirmed in 63.0% of employee performance assessments.
- Establishing commitments which make clear the behaviour expected of the people who make up the company. An outstanding cultural characteristic in compliance terms in the ACS Group is the adoption of "Zero Tolerance" policies to breaches in this field. Companies representing 98.6% of Group employees report the existence of such a policy.
- Supervision and monitoring of the whole process by means of audits or inspections by independent companies. Companies representing 6.7% of Group employees perform periodic (annual or at least biennial) independent external audits.
- Promotion and monitoring of ethical standards in suppliers and subcontractors. ACS Group companies representing 92% of sales explicitly include compliance with the ACS Code of Conduct in the contracts they sign with Suppliers and Subcontractors. Furthermore, 37% internally or externally verify such compliance. Companies representing 80% of ACS's sales promote and positively assess their suppliers' adherence to international standards such as the Global Compact, UN and ILO conventions, etc.
- In terms of avoiding monopoly practices, the ACS Group sets itself against such practices, through its Code of Conduct, and assesses annually the level of risk this aspect represents. In 2013, the Group's Contract managers reported that only in companies representing 0.7% of total turnover were situations faced in which they needed to act against monopoly practices. Leighton, in turn, published a detailed antitrust policy, affecting 38% of ACS Group sales. This policy can be found on its website.

The main tool available to the Monitoring Committee is the Ethical Channel, created in September 2011, enabling anyone to notify of irregular conduct in any of the companies making up the ACS Group or any non-compliance with the standards included in the General Code of Code of Conduct, through:

- the e-mail address:  
canaletico@grupoacs.com
- or the postal address:  
Canal Ético, Grupo ACS,  
Av. Pío XII 102,  
28036 Madrid, Spain.

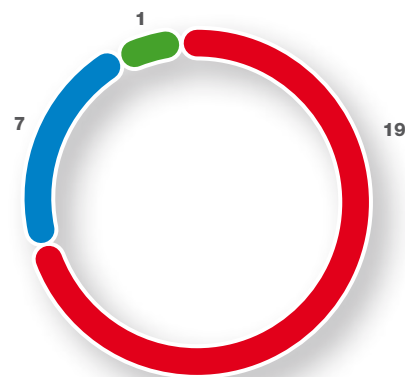
The Ethical Channel is both a route for denouncing breaches of the rules in the ACS Group's General Code of Conduct and a means for resolving doubts which may be raised on applying the General Code of Conduct.

A total of 27 communications were received in 2013, which due to defects in form, the Code of Conduct Monitoring Committee not being the competent body or other reasons for inadmissibility did not lead to the opening of any cases. In all cases the means used was the digital channel.

**THE FINAL AIM OF ACS'S ACTIONS WITH REGARDS TO ETHICS AND INTEGRITY IS THE ESTABLISHMENT OF A FRAMEWORK FOR ACTION WHICH STIMULATES EVERYONE TO EXECUTE THEIR RESPONSIBILITIES IN AN UPRIGHT, RESPONSIBLE AND TRANSPARENT MANNER.**

The details of the communications received are as follows:

#### COMMUNICATIONS BY ACTIVITY



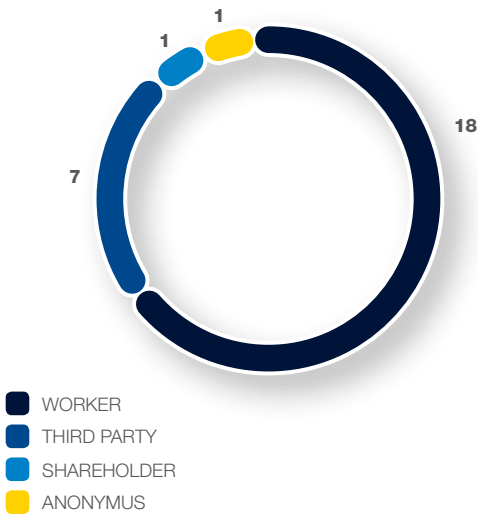
- CONSTRUCTION
- INDUSTRIAL SERVICES
- ENVIRONMENT



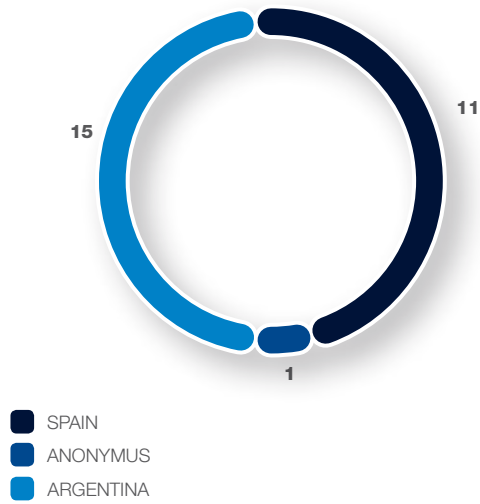


# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

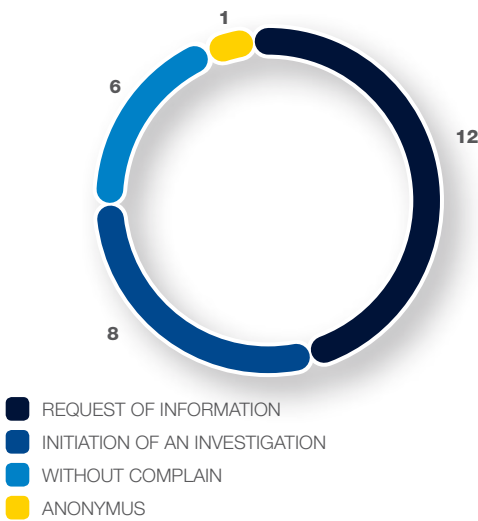
## SOURCE OF COMMUNICATIONS



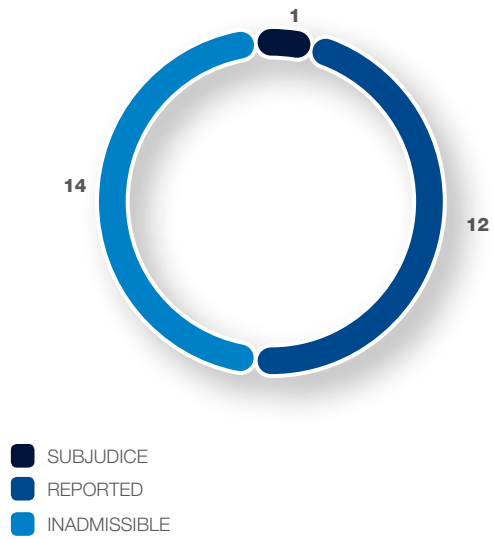
## COUNTRY OF ORIGIN



## REASON FOR COMMUNICATION



## METHOD OF RESOLUTION



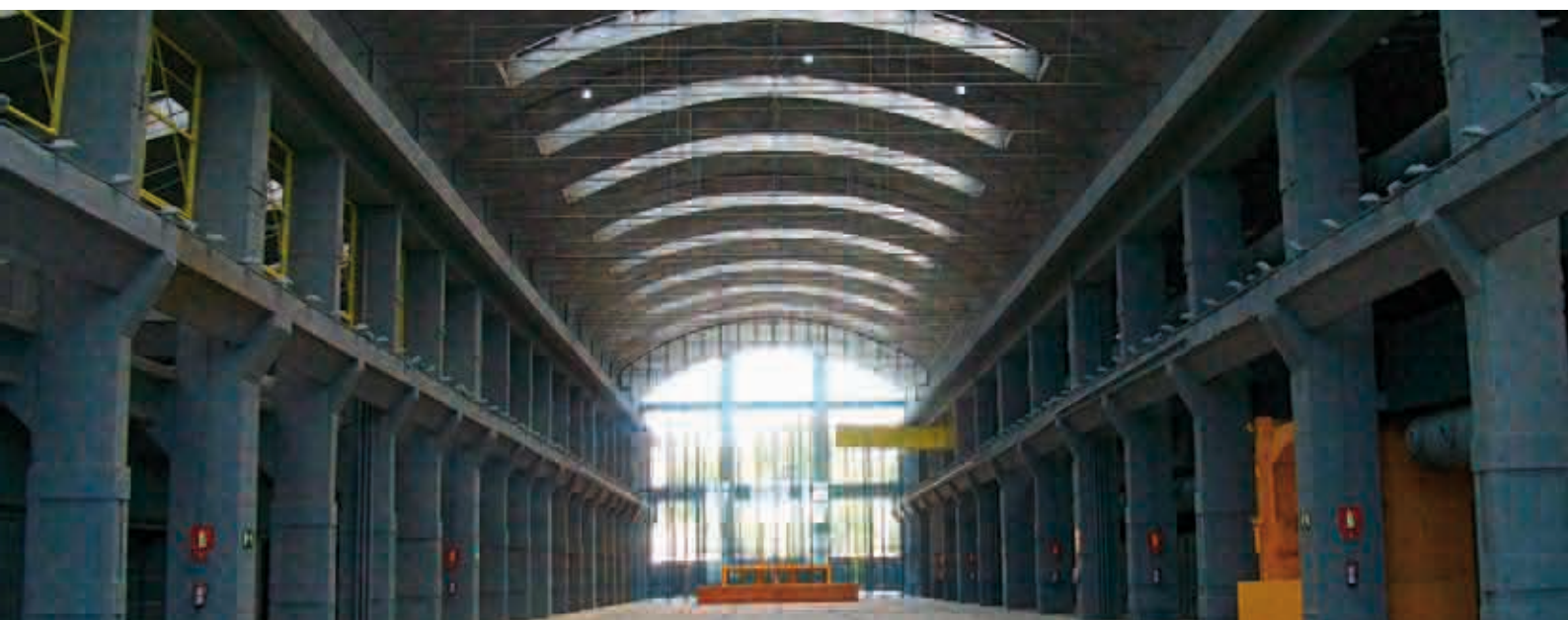
## MANAGEMENT INDICATORS

In terms of Ethics, the ACS Group has established that the following management indicators are material, measurable, relevant and representative of the function analysed and form a part of the process for disseminating the good practices developed by Project one.

### MAIN MANAGEMENT INDICATORS - ETHICS

	2012	2013	Objective for 2015
Percentage of total ACS Group employees who have received at least one course in Human Rights, Ethics, Integrity or Conduct during their career with the company	n.a.	52%	> 2013
Level of implementation in the ACS Group of regular external audits to confirm the degree of compliance with the Code of Conduct (% of total ACS employees)	n.a.	7%	n.a.
Level of implementation in the ACS Group of contractual clauses on the compliance with the Code of Conduct in contracting with suppliers and subcontractors (% of sales)	83%	92%	> 2013
Level of implementation in the ACS Group of regular external audits to confirm the degree of compliance with the Code of Conduct by suppliers or contractors through clauses related to the Code of Conduct (% of sales)	35%	37%	n.a.
Communications received by the Ethical Channel	11	27	n.a.

The increase in the percentage of employees who have received Ethics courses during their career is due in large part to the increase in the scope of the data, which went from 29% of employees in 2012 to 98% in 2013.



# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

## EFFICIENCY

The ACS Group has identified a series of non-financial functional areas which are key to carrying out its business, forming part of the production process and with which it generates a significant part of its profitability and productivity in its operating companies. These are the areas of Clients and Contracting, Quality, the Environment, Suppliers and R&D+i.

These functional areas exist in all the Group companies and they have heads who are responsible for collaborating in preparing this report annually. These are the people responsible for defining the main policies for controlling and reducing costs and promoting and achieving Group revenue.



## CLIENTS AND CONTRACTING

The commitment to clients is one of the ACS Group's most important corporate values. Not for nothing is there a high level of trust between the client and the Group, thanks to the high added value services the company offers throughout time, promoting this close relationship.

This commitment to its clients is tackled from a clear strategy based around the following points:

- Problem-solving orientation.
- Client relationship feedback.
- Information on the ACS Group's capabilities.
- Identification of future needs and opportunities for collaboration.

In addition, the ACS Group seeks appropriate solutions to improve its approach to the client, particularly in technological matters of importance. This leads to the search for collaboration with detail engineering companies, specialised in the specific field required for each project. The most suitable alliances are created for each case in this way and, as such, the final client can be offered the best technical and economic solution.

Another important value for the Group's businesses is confidentiality. ACS Group companies' contracting and client relationship departments carry out periodic initiatives to promote responsible use of information, so guaranteeing client confidentiality.

## MANAGEMENT PRINCIPLES

Given the characteristics of ACS's business, where large infrastructure projects are carried out or general agreements are entered into for the provision of services (such as the cleaning of a city or maintenance of an electricity grid), the number of clients with whom ACS deals is very limited or they are large corporations or public institutions from around the world.

In 2013, companies representing 73.2% of ACS Group<sup>15</sup> sales reported the existence of a client management system, managed by each company's contracting department. The management aspects common to the whole ACS Group are as follows:

- Monitoring of client needs.
- Periodic measurement of client satisfaction.
- Promotion of commercial activity.



ACS's second key client relationship management policy is the measurement of their satisfaction. Companies representing 57.0% of ACS Group sales carry out this type of process, either in a standalone form or within the framework of quality management systems. Furthermore, Group companies representing 55.5% of sales implement measures and plans to improve client satisfaction.

### MAIN MANAGEMENT INDICATORS - CLIENTS

	2012	2013	Objective for 2015
Number of client satisfaction surveys carried out	1,290	2,363	> 2013
Number of client satisfaction surveys received	860	1,214	> 2013
Percentage of client responses of "satisfied" or "very satisfied" over the total number of surveys RECEIVED (%)	86.2%	87.6%	> 2013
Number of complaints received from clients	2,839	26,459	< 2013
Number of complaints dealt with	98.8%	100.0%	= 2013
Number of complaints satisfactorily resolved (proportion of those received)	85%	97%	= 2013

In the client satisfaction survey indicators, the scope of the data increased from 37% in 2012 to 75.7% in 2013.

An increase in the scope of the report occurred in the Complaints indicator, as ACS's activities in Argentina are included, which were not reported in 2012. ACS mainly carries out street collection and cleaning activities in Argentina, which is an activity that brings it very close to consumers and where a large number of complaints are processed.

<sup>15</sup> The data referring to the ACS Group included in this section were calculated by analysing the information supplied by the Group's different companies, weighted by level of turnover. The data are expressed in terms of percentage of total Group sales in 2013.

# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

## QUALITY

Quality is a determining factor for the ACS Group, as it represents the factor distinguishing it from the competition in the infrastructure and services industry, with high technical sophistication.

The Quality Department in the Group's different companies is the entity responsible for implementing their own Quality Management Systems. Companies representing 74.8% of ACS Group sales<sup>16</sup> presented some form of quality management system in 2013. In this period and as a consequence of these systems, the ACS Group invested a total of €4.45 million in promoting quality<sup>17</sup>.

These quality systems are audited regularly in order to certify Group activities, mainly according to the ISO 9001 standard, held by companies representing 72.7% of the Group's sales.

### PRODUCTION CERTIFIED UNDER ISO 9001

	2011	2012	2013
Construction	71.4%	67.1%	67.6%
Industrial Services	94.7%	92.0%	93.5%
Environment	75.1%	89.2%	82.1%
<b>ACS Group</b>	<b>77.1%</b>	<b>72.5%</b>	<b>72.7%</b>

<sup>16</sup> The data referring to the ACS Group included in this section were calculated by analysing the information supplied by the Group's different companies, weighted by level of turnover. The data are expressed in terms of percentage of total Group sales in 2013.

<sup>17</sup> A 58% decrease has occurred in investment in ACS Group company Quality Departments.

## MANAGEMENT PRINCIPLES

Each company in the group adapts its needs to the specific characteristics of its type of production, but a series of common lines of action have been identified within their Quality Management Systems:

- Objectives are set periodically as regards quality and their fulfilment is assessed.
- Initiatives and actions are carried out aimed at improving the quality of the services provided.
- Specific actions are carried out in collaboration with suppliers and subcontractors to improve quality.

The quality management for the ACS Group's various companies sets general quality objectives for the following financial year. In 2013, companies representing 96.3% of ACS Group sales defined formal objectives in this respect.

According to its characteristics, each project or work adopts the general objectives applicable to it, which generally focus on obtaining, renewing or expanding quality certifications, especially when a Group company develops a new technique or expands its activity into a new geographical area.

At the same time, another common aspiration is to minimise incidents through quantifiable improvement activities, as well as to obtain information relating to clients.

The most important objectives reported by the ACS Group's companies can be summarised in the following overall framework:

- Obtaining and expanding the scope of certifications.
- Implementing tools to improve quality.
- Improving specific performance indicators.

- Improving the training of supervisors, operators and works managers.
- Increasing client satisfaction indices, reducing complaints due to problems in execution.
- Meeting delivery schedules globally and with maximum quality.
- Increasing the number and capacity of internal quality auditors.

The concern with quality in all the group's companies reflects not only the effort to achieve the objectives set, but also the specific actions by the companies. A significant percentage of the Group's companies carry out quality improvement actions. According to the reported data, companies representing 83.1% of ACS Group sales carried out at least one initiative of this type in 2013.

#### MAIN MANAGEMENT INDICATORS - QUALITY

	2012	2013	Objective for 2015
Percentage of sales from activities certified under the ISO 9001 standard (%)	72.5%	72.7%	> 2013
Number of Quality audits per million euros of turnover	0.041	0.029	> 2013
Intensity of investment in measures to promote and improve Quality (€ investment per €million of turnover)	348	116	> 2013



# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

## SUPPLIERS

In Group companies, the purchasing department manages the relationship with suppliers<sup>18</sup> and contractors by means of specific systems for managing, classifying and approving them and controlling risks.

As a characteristic differentiating the Group from its competitors, it is important to highlight the distinct decentralisation of purchasing and supplier management departments in this area. There are a variety of systems in ACS in this aspect, which vary according to operating company needs. From a central, reference, corporate department, which defines policies and prices, to the most complete decentralisation where the works managers themselves define their needs and meet them using a common, widespread policy.

Furthermore, Group companies face three different types of suppliers or subcontractors:

- Suppliers of materials and/or services defined by the client.
- Suppliers of services or subcontractors contracted by the ACS Group.
- Materials suppliers contracted by the ACS Group.

In the first case, in which an ACS Group company carries out a project in which the client defines the type of suppliers contractually, as well as the quantity and characteristics of the materials to be used, the Group companies, in general, obey these requirements. Even so, the ACS Group's purchasing and suppliers departments have a control procedure established to verify the efficiency of the supplier designated by the client.

This contracting format, in which ACS has very little capability for managing the suppliers, is not watertight as, as mentioned in the section on clients in this report, the Company carries out feedback actions with the client. This means that, in cases in which the suppliers defined by the client have given problems or presented areas for improvement, the client will be notified of these and corrective measures will be promoted.

It is worth highlighting that, once the special features of the different markets in which the ACS Group is present have been considered, specific purchasing procedures are developed when necessary to increase competitiveness.

For suppliers of services and materials contracted by the ACS Group, whether through a central purchasing department or in a decentralised manner by works managers, detailed management and control processes are defined, which share the following points in common in all Group companies:

- There are specific standards and a system for management, classification and approval of suppliers and subcontractors and risk control.
- The level of compliance with these systems is assessed.
- Collaboration with suppliers and transparency in contractual relationships are promoted.

<sup>18</sup> The data referring to the ACS Group included in this section were calculated by analysing the information supplied by the Group's different companies, weighted by level of turnover. The data are expressed in terms of percentage of total Group sales in 2013.



- The purchasing system supports suppliers in driving a broad policy in its comparison which promotes the participation of various suppliers in selection processes. Given that the works managers tend to use the same suppliers, a study of common suppliers has been started to put decisions into objective terms and give access to new suppliers in different parts of the world.
- Visible purchasing portals for all services are being developed, offering a wide range of products from different suppliers. This is a real aid to cost saving (because the most competitive prices are identified) and to controlling material consumption by employees or works managers. In Spain this portal helps local suppliers to sell their products domestically, promoting their development and growth.

## MANAGEMENT PRINCIPLES

Companies representing 57.0% of ACS Group have a formal system for approving suppliers and subcontractors, in line with a series of clearly established criteria, which is subsequently used by the project works managers and provides them with information on the suitability or otherwise of a supplier to fulfil the anticipated task. The main concepts used for approving suppliers, both in the formal systems and informally are:

- Cost, payment and collection term, experience, professional prestige and technical capability.
- History of fulfilment of contractual clauses in their prior relationship with ACS.
- Additional non-financial criteria (see table attached).

### LEVEL OF IMPLEMENTATION OF NON-FINANCIAL IN SUPPLIER APPROVAL (% OF ACS GROUP SALES)

	2012	2013
Adherence to the ACS Group Code of Conduct	82.7%	92.0%
Adherence to international standards as regards human rights and labour rights	54.7%	79.7%
Adherence to standards for fulfilment of commitments in ethical, social and environmental matters	44.4%	79.7%
Certification in quality aspects (ISO9001)	67.1%	66.4%
Certification in environmental aspects (ISO14001, EMAS or similar)	64.6%	74.2%
Analysis of labour standards and practices of suppliers and subcontractors	66.7%	79.1%



# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

Additionally, companies representing 13.6% of ACS sales specifically promote the use of recycled and/or certified construction materials in the supplier approval process, offering the client this type of option when the type of procurement is decided.

Within the approval system, an after the fact analysis is carried out on suppliers. This process feeds back into the approval system. This system, which seeks to guarantee compliance with contractual clauses and agreements, is based fundamentally on detection and on corrective measures or management of non-compliance.

In the case of the initiatives for detection and control, the policy is based on regular audits, both internal and independent. In this case, companies representing 7.3% of ACS Group sales report carrying out internal audits of suppliers (affecting an average of 35.2% of suppliers) and 54.8% report that they carry out independent audits (affecting an average of 19.0% of suppliers).

Specifically, compliance with the ACS Group Code of Conduct by suppliers is verified internally or externally in companies representing 37.3% of Group sales.

The corrective measures taken in cases of poor performance are adapted taking the following circumstances into account:

- If it is a critical supplier for the company, the reasons for the negative assessment are analysed and initiatives proposed to strengthen the identified areas for improvement including, among others, training and collaboration activities.
- If the company is not critical for the company, it is classified as not approved in the database.
- Companies representing 94.9% of ACS Group sales immediately cancel contracts or relationship agreements with suppliers if breaches occur in clauses related to performance.

## MAIN MANAGEMENT INDICATORS - SUPPLIERS

	2012	2013	Objective for 2015
Analysis of supplier and subcontractor criticality	49.6%	77.6%	> 2013
Inclusion of compliance with the Code of Conduct in supplier and subcontractor contract clauses	82.7%	92.0%	> 2013
Existence of formal systems for supplier and subcontractor approval	47.3%	57.0%	> 2013
Carrying out of internal audits on suppliers and subcontractors	18.8%	7.3%	> 2013
Development of corrective plans for suppliers and subcontractors to improve their performance in economic, social or environmental matters	15.9%	53.7%	> 2013

An increase in the scope of the Supplier data occurred on including data from 2013 from a larger number of companies in the reporting process. The scope for critical suppliers went from 68% of sales to over 95%.

Companies representing 77.6% of ACS Group sales have carried out an analysis to identify whether they have critical suppliers. Specifically, a supplier is defined as critical when it concentrates a significantly higher percentage of procurement or subcontracting costs than the average for the rest of the company's suppliers.

As a result of this analysis, and due to the characteristics of its business, it has been found that in several of the ACS Group's main companies (representing 23.5% of ACS Group sales), the suppliers are highly atomised, geographically dispersed and do not reach the critical mass to be determined as critical. On the contrary, in companies representing 76.5% of Group sales, such critical suppliers have been detected.

In these companies, the main data from the analysis of critical suppliers are as follows:

- 54.5% of the suppliers to these companies are covered by this analysis.
- Of these, 22.3% are considered critical suppliers.
- These suppliers represent 32.4% of the total costs for Group companies with critical suppliers.
- Almost all these suppliers consider ACS to be a key client to their business.



# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

## TECHNOLOGICAL DEVELOPMENT. R&D+I IN THE ACS GROUP

The ACS Group is an organisation which is continually evolving, adapting to the needs of its clients and demands from society. The diversification process through which the ACS Group is passing during these years has led it to undertake a wide range of activities which approach innovation and development differently, but resolutely. Through this commitment to technological development, the ACS Group responds to the growing demand for improvements in processes, technological progress and quality of service from its clients and from society.

Its involvement in research, development and innovation are clear in its increased investment and the R&D+i<sup>19</sup> efforts the ACS Group makes year after year.

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<sup>19</sup> The data referring to the ACS Group included in this section were calculated by analysing the information supplied by the Group's different companies, weighted by level of turnover. The data are expressed in terms of percentage of total Group sales in 2013.

This effort leads to tangible improvements in productivity, quality, client satisfaction, occupational safety, the obtaining of new and better materials and products and the design of more efficient production processes and systems, among others.

The ACS Group's largest companies have governing bodies for technology, which are usually the Technological Development Committee, which leads the development of research activities in each company. The existence of this governing body or committee was reported by companies representing 52.0% of ACS Group sales in 2013.

R&D management takes place through a system which, in the largest companies and in general, follows the guidelines in the UNE 166002:2006 standard and is audited by independent specialists. There is a formal management system in companies representing 25.3% of Group sales. Furthermore, independent audits are carried out in companies representing 21.1% of sales.



This management system serves the general research strategy of each of the companies which, whatever their specific features, share the following lines of action:

- Development of strategic lines of research individualised by company.
- Strategic collaboration with external organisations.
- Growing and responsible investment in order to promote research and generate patents and operational techniques constantly and efficiently.

Each Group company's strategic decisions on the execution of R&D projects seek to maximise the positive impact of ACS's technical and technological progress. The companies have analysis and discrimination procedures to decide which projects to undertake.

At 31 December 2013, the ACS Group had 247 projects in progress and had registered 7 patents during the year.

Furthermore, collaboration with external organisations is crucial for the success of the projects tackled. Hence ACS Group companies collaborate with research and technological centres and with universities, as well as will other diverse centres, institutes or institutions related to R&D+i. These prestigious international research institutions complement the ACS Group's own research capabilities.

The ACS Group invested a total of €44.5 million in research, development and innovation in 2013, which represents a decrease of around 9.3% compared to 2012.

#### MAIN MANAGEMENT INDICATORS - R&D+i

	2012	2013	Objective for 2015
Investment in R&D+i (€ million)	49.0	44.5	> 2013
Level of implementation of a specific R&D+i department	87.0%	90.5%	> 2013
Level of implementation of a formal system for R&D+i management	60.4%	84.5%	> 2013



# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY



## ENVIRONMENT

The ACS Group<sup>20</sup> combines its business aims with the objective of protecting the environment and appropriately managing the expectations of its stakeholders in this area. ACS's environmental policy is intended to be a framework in which, on the one hand, the general lines to be followed (principles) are defined and, on the other hand, the particular features of each business line and each project are collected (articulation).

The principles are the ACS Group's general environmental commitments. These are sufficiently flexible as to accommodate the elements of policy and planning developed by the companies in the different business areas. In addition, these commitments need to keep within the requirements of the ISO 14001 Standard:

- Commitment to complying with the legislation.
- Commitment to preventing pollution.
- Commitment to continuous improvement.
- Commitment to transparency, communication and the training of Group employees, suppliers, clients and other stakeholders.

In order to be able articulate and deploy a policy on these environmental commitments, the most significant are identified at corporate level and are compared with each company's management system and the environmental priorities for each business. These common priorities, which then become common to the majority of the ACS Group members, establish objectives and programs to individually improve each company.

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<sup>20</sup> The data referring to the ACS Group included in this section were calculated by analysing the information supplied by the Group's different companies, weighted by level of turnover. The data are expressed in terms of percentage of total Group sales in 2013.

## MANAGEMENT PRINCIPLES

The following is a map outlining the main common features of ACS Group company management models and summarising their initiatives and degree of implementation:

### LEVEL OF IMPLEMENTATION OF GOOD ENVIRONMENTAL MANAGEMENT PRACTICES IN THE ACS GROUP

EXPRESSED AS % OF SALES	2012	2013
Implementation of an environmental management system	55.8%	98.9%
Implementation of ISO 14001 certification	68.0%	65.5%
Implementation of certifications other than ISO 14001	10.6%	11.2%
Existence of specific targets for reducing CO <sub>2</sub> emissions	71.3%	74.5%
Execution of projects to reduce waste generation	73.2%	95.4%
Existence of plans to reduce water consumption	15.1%	53.0%
Setting of objectives to minimise the impact of the company's activities on biodiversity	32.8%	55.8%
The remuneration of workers, middle management and/or executives is linked to the achievement of formal environmental objectives	25.0%	10.3%
There is some kind of non-economic incentive/recognition for the achievement of formal environmental objectives	0.1%	43.1%
The environmental management system has been audited by an external independent third party	55.8%	77.8%
Number of environmental audits carried out in your company	724	1,811
Number of environmental incidents which occurred	967	719
Existence of a system for collecting data on environmental near misses	33.0%	16.9%
Existence of a centralised database to collect data on environmental matters	71.6%	60.3%

An increase in the scope of a large part of the Environment data occurred, mainly due to the inclusion of information from HOCHTIEF and Leighton, meaning that the scope went from 55% of sales to over 98%.



# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

The significant level of implementation of an environmental management system, present in companies representing 98.87% of Group sales, is based on the objective of seeking adoption of the ISO 14001 standard in the majority of the Group's activities, which is already implemented in 65.52% of ACS Group sales<sup>21</sup>.

The responsibility of overseeing the ACS Group's environmental performance falls to the Environmental Department in each company. In general, and as summarised in the Management Principles table, the following common, general and most significant characteristics were found in ACS Group companies' management of environmental impacts:

- They themselves, in a decentralised and autonomous manner, develop their own policies and action plans.
- They implement projects for certification and/or independent external auditing.
- They carry out environmental audits.
- They have some kind of centralised database for collecting environmental data.
- They have a system for collecting incidents, non-conformities or near misses related to the environment.

Specifically and operationally, the main environmental measures revolve around four key risks, on which the ACS Group's companies position themselves explicitly: **the fight against climate change, promotion of eco-efficiency, water saving and respect for biodiversity.**

<sup>21</sup> Other certifications cover 11.23% of Group sales and companies representing 5.75% of ACS's sales have analysed the possibility of implementing SA8000 certification.



**MAIN MANAGEMENT INDICATORS - ENVIRONMENT<sup>22</sup>**

	2011	2012	2013	Objective for 2015
Percentage of sales covered by ISO14001 Certification	72.6%	68.0%	65.5%	> 2013
Total Water consumption (m <sup>3</sup> )	5,577,931	10,067,651	30,389,759	n.a.
Ratio: m <sup>3</sup> of Water / Sales (€ million)	151.3	262.2	792.0	< 2013
Direct emissions (Scope 1) (tCO <sub>2</sub> equiv.)	1,742,344	322,758	351,021	n.a.
Scope 1 Carbon Intensity Ratio: Emissions / Sales (€ million)	47.3	8.4	9.1	< 2013
Indirect emissions (Scope 2) (tCO <sub>2</sub> equiv.)	151,738	392,331	346,861	n.a.
Scope 2 Carbon Intensity Ratio: Emissions / Sales (€ million)	4.1	10.2	9.0	< 2013
Indirect emissions (Scope 3) (tCO <sub>2</sub> equiv.)	13,620	1,451,662	5,147,151	n.a.
Scope 3 Carbon Intensity Ratio: Emissions / Sales (€ million)	0.4	37.8	134.1	< 2013
<b>Total Emissions (tCO<sub>2</sub> equiv.)</b>	<b>1,907,702</b>	<b>2,166,750</b>	<b>5,845,034</b>	<b>n.a.</b>
<b>Total Carbon Intensity Ratio: Total Emissions / Sales (€ million)</b>	<b>51.7</b>	<b>56.4</b>	<b>152.3</b>	<b>&lt; 2013</b>
Non-hazardous waste sent for management (t)	1,168,706	1,274,102	3,115,697	n.a.
Ratio: Tonnes of non-hazardous waste / Sales (€ million)	31.7	33.2	81.2	< 2013
Hazardous waste sent for management (t)	186,989	88,182	268,135	n.a.
Ratio: Tonnes of hazardous waste / Sales (€ million)	5.1	2.3	7.0	< 2013

\* Due to employee travel and to the supply chain.

<sup>22</sup> A methodology has been adopted in this report to account for CO<sub>2</sub> emissions in both 2012 and 2013 under which Urbaser classifies the emissions from water and waste treatment centres as indirect under Scope 3, as it does not own or have operational control over these facilities, as included in the international GHG Protocol (Appendix F) and EPE Protocol (waste sector methodology) standards Urbaser has invoked to calculate its Carbon Footprint. The Public Authorities, as the owners of the facilities, impose the operating requirements, with the management companies limiting themselves to operating them temporarily.

The Scope 1 emissions do not include data from Leighton as the company's systems do not allow emissions for the report's year of reference before it ends.

Included under Scope 3 emissions in 2013 is Leighton's information that was not included in 2012. This contributes 1.4 million tonnes of CO<sub>2</sub> as a consequence of the carbon footprint of its suppliers in its mining activity. Furthermore, Urbaser has developed an emissions measurement system which has enabled it to increase the scope of its Scope 3 emissions measurement. This represents an increase compared to 2012 emissions of nearly 2 million tonnes of CO<sub>2</sub>.

Water consumption in 2013 was affected by the inclusion of data from Leighton, adding 8.8 million m<sup>3</sup> of water, and the inclusion of Tedagua in Cobra, also in 2013, contributing 10 million m<sup>3</sup>.





# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

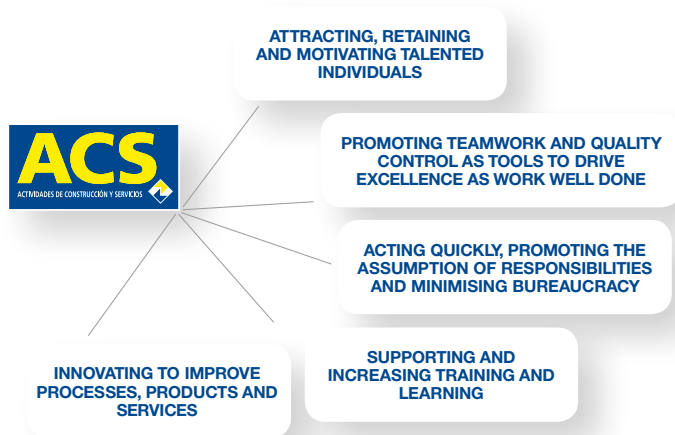
## EMPLOYEES

### THE ACS GROUP'S PEOPLE

The ACS Group's<sup>23</sup> business success comes from its team. Hence the company maintains its commitment to continuously improving their skills, capabilities and level of responsibility and motivation, at the same time as it attends to working and safety conditions with the greatest dedication.

The ACS Group applies modern and efficient human resource management tools with the objective of retaining the best professionals.

Some of the fundamental principles governing the Group companies' corporate human resources policies are based on the following common actions:



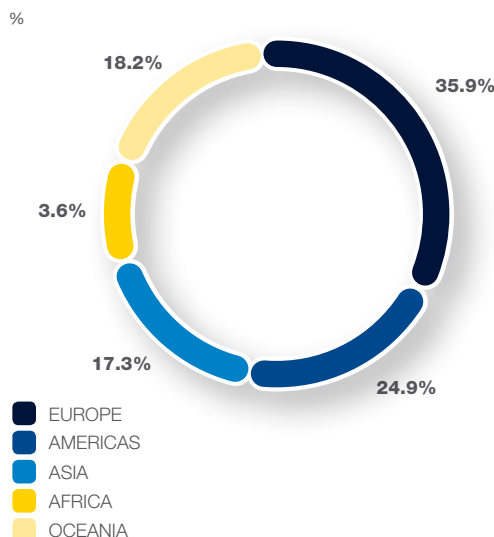
The ACS Group is an active defender of the human and labour rights recognised by various international organisations. The company promotes, respects and protects the forming of labour unions and employees' rights to freedom of association and guarantees equal opportunities and treatment, without discriminating on the basis of sex, ideology, religion or any other social or individual circumstance or condition.

Likewise, the Group promotes the professional development of its workers. With this aim, it has an employment policy which generates wealth in the zones where it operates and produces links which create positive synergies for the environment. Furthermore, it shows special interest in ensuring dignified working conditions, subject to the most advanced measures for health and safety at work. It promotes management by competences, performance assessment and management of the professional careers of its workers.

<sup>23</sup> The data referring to the ACS Group included in this section were calculated by analysing the information supplied by the Group's different companies, weighted by number of employees. The data is expressed in terms of percentage of total Group employees at 31 December 2013.

The ACS Group employs a total of 157,689 people, of whom 43,853 work in Spain and 113,836 abroad. Of all the employees, 41,255 people are of a different nationality to that of their company's head office. The ACS Group has employees in more than 65 countries, in which it promotes its workers' economic and social development.

### PERSONNEL BY GEOGRAPHIC AREA



### NUMBER OF EMPLOYEES BY AREA OF ACTIVITY

	2012	2013	Var.
Construction	94,392	87,457	-7.3%
Industrial Services	39,140	41,635	6.4%
Environment	28,886	28,545	-1.2%
Corporate Unit	53	52	-1.9%

### PERSONNEL BY PROFESSIONAL CATEGORY AND AREA OF ACTIVITY

	Construction	Industrial Services	Environment	Corporate Unit	Total
University graduates	25,666	3,551	704	32	29,953
Junior college graduates	4,005	3,112	486	4	7,607
Non-graduate line personnel	7,759	5,797	479	0	14,035
Administrative staff	5,191	2,589	595	12	8,387
Other staff	44,836	26,586	26,281	4	97,707

### TYPES OF CONTRACT

	2011	2012	2013
Permanent Contracts	95,325	100,132	94,057
Temporary Contracts	66,937	62,339	63,632

### PERSONNEL BY PROFESSIONAL CATEGORY AND GENDER

	Women	Men
University graduates	6,294	23,659
Junior college graduates	1,608	5,999
Non-graduate line personnel	1,736	12,299
Administrative staff	5,502	2,885
Other staff	8,246	89,460
<b>Total</b>	<b>23,387</b>	<b>134,302</b>
Proportion of ACS Group total	14.8%	85.2%

# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

## MANAGEMENT PRINCIPLES

Equality of opportunity, lack of discrimination and respect for human rights, which are basic principles included in the Group's Code of Conduct, are also determining factors when advancing the professional and personal development of all the ACS Group's employees. Companies representing 49.30% of Group employees express their formal, documented commitment to the Universal Declaration of Human Rights in the development of their Human Rights policy.

The ACS Group rejects any type of discrimination, in particular that due to age, sex, religion, race, sexual orientation, nationality or disability. This commitment extends to selection and promotion processes, which are based on assessment of the person's capabilities, on the analysis of the requirements of the job post and on individual performance.

Currently, companies representing 81.03% of ACS Group employees have formal programmes to ensure equality of opportunities. These Equality Plans include specific actions as regards selection and hiring of personnel, salary, training, working days, professional promotion, assistance, bonuses and social, health and occupational risk prevention policies, as well as in matters of gender violence. A result of these programmes is that no incidents occurred due to discrimination. A total of 1,033 women were reported in management posts in the company in 2013.

The ACS Group also promotes the hiring of people with disabilities and offers them a working environment which enables them to develop under conditions of equality. In this regard, 1,190 disabled people were working in the ACS Group at 31 December 2013.

The ACS Group also understands the relevance that having local roots and being sensitive to each place's particular nature has in the company's success. For that reason, it promotes direct hiring of local employees and managers. The number of executives from the local community totalled 808 in 2013.

All the ACS Group's employees, including expatriate Spanish workers, are subject to the collective agreements in force applicable to the sector in which they work, as well as the regulations relating to management personnel and, in all cases, the labour legislation in the countries where they work. For example, collective agreements on matters of notice period(s) regarding organisational changes are rigorously respected.

In the field of labour relations, the ACS Group considers dialogue to be an essential element. For this reason, it holds regular meetings with union representatives for all its companies. Of Group employees, 24.4% are members of trade unions or union organisations.

Furthermore, only in companies representing 11.47% of ACS Group employees were activities detected in countries where rights of association and union representation are threatened, it being ACS Group policy to promote good labour practices and respect for the legislation in force.

Companies representing 90.3% of ACS Group employees offer their employees social benefits of a variety of natures. Companies representing 94.05% of Group employees have programmes promoting balance between family life and work available to them.

The following are noteworthy among the different initiatives applied by ACS Group companies to promote balance between family life and work:

- The workforce can take up the offer of flexible working time schemes, with a margin of one hour, to accommodate their periods for entering or leaving work to their personal needs.
- Reduced working day: there are people in ACS who have a working day without a break or who have a reduced day.
- Accumulation of breast-feeding periods.
- Time off or part-time working for fathers and mothers after childbirth.
- Change of work centre due to change of residence.
- Management of shift changes between workers in services.

## DEVELOPMENT OF HUMAN RESOURCES

% OF TOTAL EMPLOYEES	2012	2013
Employees covered by a formal professional development system	84.7%	85.5%
Employees in posts defined according to a formal competency map	14.5%	36.9%
Employees subject to performance assessment processes	36.3%	51.6%
Employees covered by variable remuneration systems	90.4%	94.0%
Of these, the percentage of variable remuneration systems that include aspects related to Corporate Responsibility	47.4%	64.9%
Level of coverage of working environment surveys (% of total employees)	50.5%	54.2%
Employees satisfied or very satisfied	78.8%	82.7%



# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

The performance assessment models in ACS companies are based on the competences and parameters for each work post, as described in the management systems.

Each ACS Group company manages its professionals' development independently, adapting this to its needs and the specific nature of its activities. A significant majority of ACS Group companies adopt competence management models to improve personal knowledge and skills and use training as a tool to achieve ideal performance of the work.

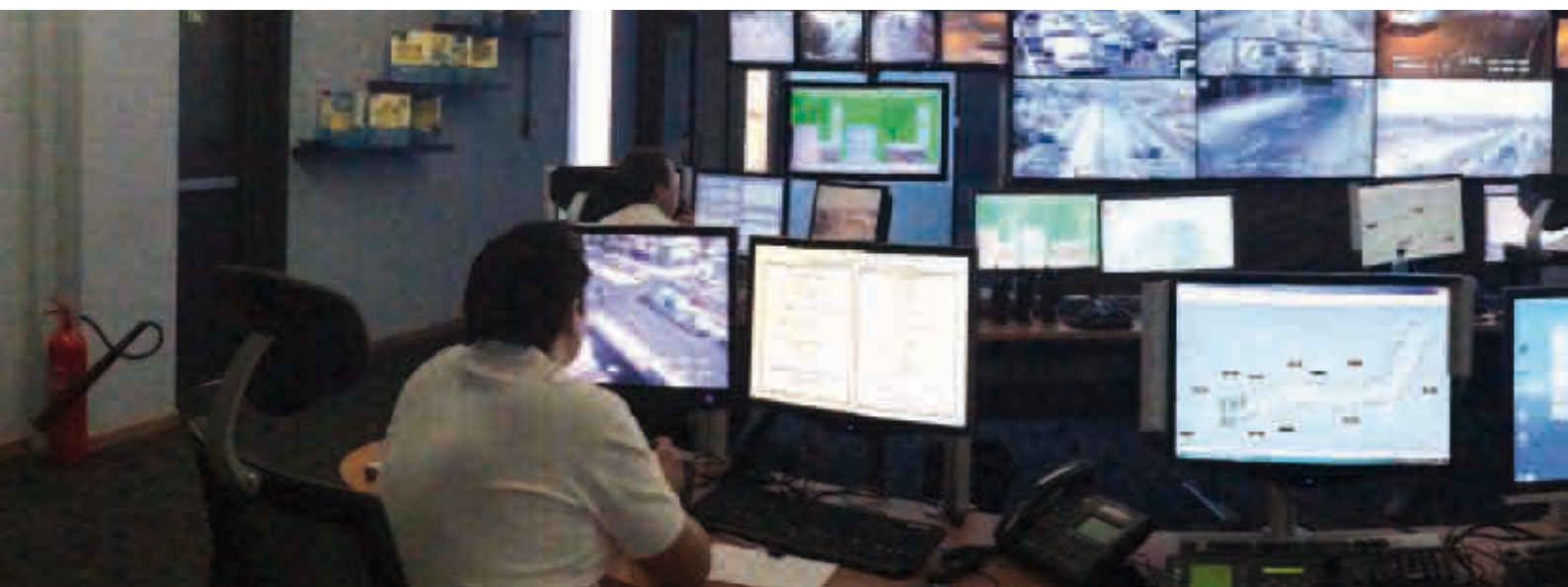
Competence maps, prepared in ACS Group companies, are aligned with the strategy and particular features of each one. These maps, which are reviewed regularly, define the basic and specific competences of each work post which are essential for its effective performance.

Companies representing 54% of Group workers stated that they have formal processes for measuring employee satisfaction. Of these, those which had carried out satisfaction surveys in 2013 reported that, on average, 82.67% of employees responded that they were "satisfied" or "very satisfied".

## TRAINING<sup>24</sup>

	2011	2012	2013
Total teaching hours given	943,890	2,273,361	2,389,976
Teaching hours per employee (over total employees)	5.8	14.0	15.2
Employees participating in training activities	55,613	114,822	110,102
Teaching hours per employee (over employees trained during the year)	17.0	19.8	21.7
Investment in training (€ million)	18.6	87.2	85.7
Investment in training per employee (over total employees) (€)	114.7	536.6	543.4
Investment in training per employee (over employees trained during the year) (€)	334.7	759	778

<sup>24</sup> The contribution from Leighton is included in the information for 2012 and 2013. This was not included in the 2012 report.



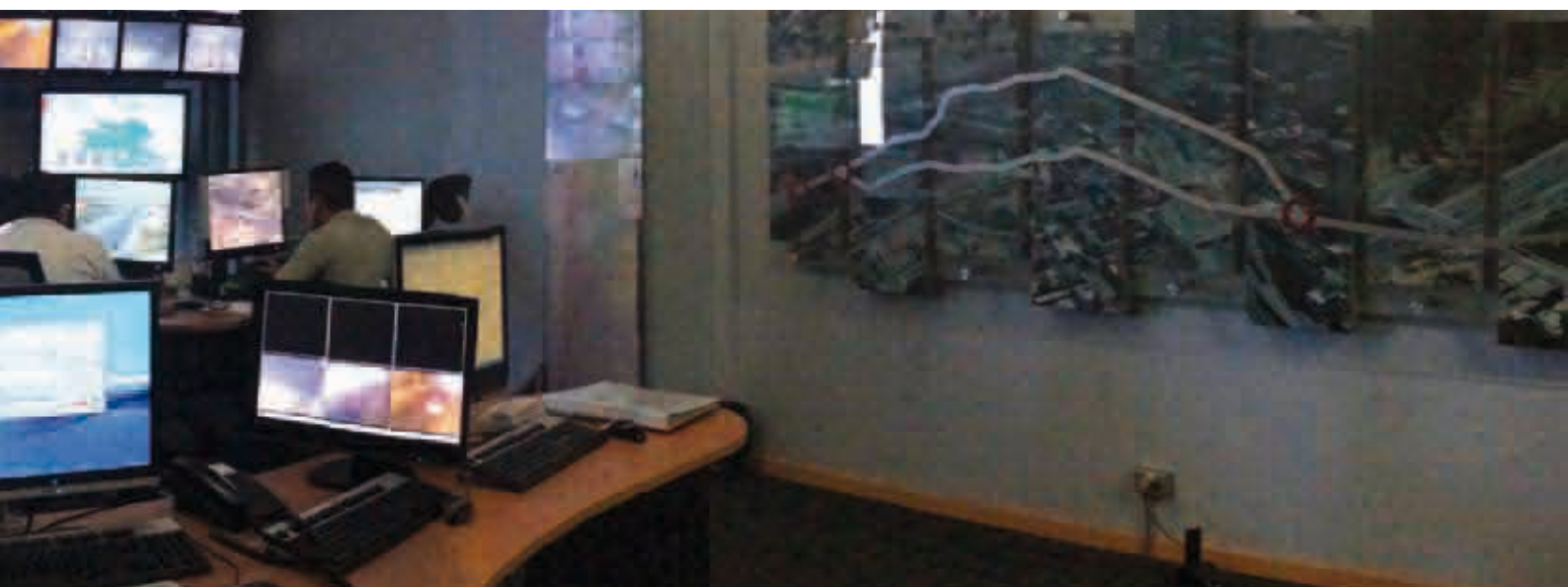
The ACS Group has programmes for continuous training and skills development, aimed at covering the employees' training wants and needs, as identified during the year and in line with the competences established in the management models. The aim of the training plans is to meet the employees' training needs for correct execution of their work and for their personal and professional development.

The training plans for the different companies are updated regularly to adapt them to the needs of each business and, in the end, of each person. Companies representing 93.66% of Group employees report the existence of tools for managing development of human resources such as training platforms, on-line training or even agreements with training centres.

#### MAIN MANAGEMENT INDICATORS - PEOPLE

	2012	2013	Objective for 2015
Percentage days lost through absenteeism	4.1%	2.1%	< 2013
Employees covered by a formal professional development system	84.7%	85.5%	> 2013
Employees in posts defined according to a formal competency map	14.5%	36.9%	> 2013
Employees subject to performance assessment processes	36.3%	51.6%	> 2013
Employees covered by variable remuneration systems	90.4%	94.0%	> 2013
Investment in training per employee (over total employees) (€)	536.6	543.4	> 2013
Percentage of total current Group employees who have received at least one course in Human Rights, Ethics, Integrity or Conduct during their career	8.7%	51.7%	> 2013

The increase in the percentage of employees who have received Ethics courses during their career is due in large part to the increase in the scope of the data, which went from 29% of employees in 2012 to 98% in 2013.



# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

## **SAFETY IN THE WORKPLACE IN THE ACS GROUP**

The prevention of occupational risks is one of the strategic pillars of all ACS Group companies. Each of these companies and the Group in general maintain the commitment to reach the most demanding standards in this area and so become a reference in health and safety protection, not only for its own employees, but also for its suppliers, contractors and collaborating companies.

The main challenge lies in designing and implementing, in all its operating fields, a risk prevention service which meets expectations. Furthermore, the company considers it fundamental to reinforce its commitment to a risk prevention culture and to optimising resources.

Thanks to the individual commitment of all its employees and the involvement of suppliers, contractors and collaborating companies, the ACS Group continues to advance in building the desired risk prevention culture, approaching its ultimate objective of achieving an accident rate of zero.



## MANAGEMENT MODEL

The ACS Group's risk prevention policy complies with the various Occupational Health and Safety regulations which govern the area in the countries where it is operated, at the same time as promoting integration of occupational risks into the company strategy by means of advanced practices, training and information.

Despite the fact that they operate independently, the great majority of the Group's companies share common principles in the management of their employees' health and safety. These principles are the following:

- Compliance with current legislation on occupational risk prevention and other requirements voluntarily observed.
- Integration of occupational risk prevention into the set of initiatives and at all levels, implemented through correct planning and its putting into practice.
- Adoption of all those measures necessary to ensure employees' protection and well-being.
- Achieving continuous improvement of the system by means of appropriate training and information as regards risk prevention.
- Qualification of staff and application of technological innovations.
- Definition and spreading worldwide of shared, homogeneous standards which enable assessment of Group companies in Safety terms.
- Variable remuneration depending on the success of the risk prevention and safety policy.



The great majority of Group companies report the existence of a health and safety management function and system which deals with the implementation of the policy and of the action plans developed in accordance with the priorities identified. In general, these ACS Group companies share a series of characteristics in risk prevention management:

- Implementation of systems for management of health and safety risk prevention, developed according to the OHSAS 18001 reference standard. This policy was reported by companies representing 70.75% of Group employees.
- The existence of systems audited internally and/or externally, in addition to the audits regulated by law (90.67% of Group employees).
- Definition of objectives and planning of preventive actions in the framework of the policy and particular nature of each company, an aspect which affects 97.63% of the Group's employees.
- A worldwide system affecting 70.25% of ACS's people.



# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

In line with the risk prevention policy, and within these Group companies' management systems, these are the main common characteristics:

- There are systems for regular assessment of the risks to which workers are exposed in companies representing 70.75% of ACS Group employees.
- Risk prevention plans are defined which take in the improvements detected in these assessment procedures (97.63% of Group employees).
- Systems which could have resulted in an incident are identified and recorded (analysis of near misses) in companies representing 97.56% of ACS's employees.
- Workers' and managers' remuneration are referenced to fulfilment of formal targets as regards health and safety in 89.68% of the ACS Group.
- There are integrated computerised systems in the great majority of Group companies, which are used to monitor data related to employee and subcontractor health and safety.

The supervision and optimisation of these systems involves setting and monitoring objectives, which are generally annual, approved by senior management and transferred to the company's various levels to be fulfilled.

The Risk Prevention Plans prepared in the Group companies include the conclusions from the regular risk assessments and guidelines for action are laid down for achieving the objectives set. Likewise, in many of the Group's companies, specific assessments are carried out for activities and centres, leading to Specific Risk Prevention Plans.

Along these lines, certain groups of workers who, due to their occupation, are at high risk of contracting specific diseases, are given special consideration. In 2013, there 2,378 people were identified in this category.

## SPENDING ON HEALTH AND SAFETY<sup>25</sup>

	2011	2012	2013
Spending (€ million)	26.6	220.1	168.1
Spending per employee (€)	163.7	1,354.8	1,066.1

<sup>25</sup> Information for Leighton is included for 2012 and 2013, which was not available in the 2012 report.

La formación e información son fundamentales para el desarrollo de la política preventiva del Grupo ACS y son el medio más eficaz para sensibilizar a las personas de la compañía hacia la seguridad y la salud.

### TRAINING IN HEALTH AND SAFETY

	2012	2013
Employees who have received training in Health and Safety matters during the year (%)	58.9%	76.4%
Employees who have received training on Health and Safety matters during their career with the company (%)	71.2%	89.5%

### ACCIDENT RATE INDICES EMPLOYEES<sup>26</sup>

	2011	2012	2013
<b>Frequency</b>	<b>24.43</b>	<b>27.84</b>	<b>15.14</b>
Construction	10.09	10.70	3.67
Industrial Services	21.27	16.83	12.25
Environment	67.93	64.89	56.79
<b>Severity</b>	<b>0.75</b>	<b>0.73</b>	<b>0.44</b>
Construction	0.33	0.27	0.12
Industrial Services	0.51	0.54	1.70
Environment	2.30	1.63	0.31
<b>Incident rate</b>	<b>22.63</b>	<b>30.20</b>	<b>28.11</b>
Construction	9.31	8.47	6.89
Industrial Services	25.32	22.39	100.26
Environment	87.37	109.29	22.89

In the Frequency Rate, the scope of the employees covered for 2012 is 52% and for 2013 is 99%. This is due to Leighton not reporting its information for 2012, but doing so for 2013.

### MAIN MANAGEMENT INDICATORS - HEALTH AND SAFETY

	2012	2013	Objective for 2015
Percentage of total employees covered by OSHAS18001 certification	88.9%	70.8%	> 2013
Frequency Rate	27.84	15.14	< 2013
Total number of Accidents with employee time off	4,723	4,326	< 2013
Spending per employee on Safety (€)	1,354.82	1,066.11	> 2013
Employees who have received training on Health and Safety matters during their career with the company (%)	71.2%	89.5%	> 2013

In the Frequency Rate, the scope of the employees covered for 2012 is 52% and for 2013 is 99%. This is due to Leighton not reporting its information for 2012, but doing so for 2013.

<sup>26</sup> Frequency Rate: Number of accidents that have occurred during the working day per million hours worked.

Severity Rate: Number of working days missed due to accidents per 1,000 hours worked.

Incident Rate: Number of accidents with time off per thousand workers.

Professional disease rate: Total number of cases of occupational diseases over the total number of hours worked, times 200,000.

# THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

## SOCIAL ACTION IN THE ACS GROUP

The ACS Group channels its social action through the ACS Foundation, the formal social action policy of which is stated in its foundation charters and which is guided by several principles for action:

- Philanthropic action by means of donations and contributions to specialised institutions.
- Actions in various fields of work: accessibility, assistance to development, environment, cultural and educational promotion, dissemination and restoration of Spanish national heritage, collaboration with scientific institutions and sponsorship and patronage of philanthropic institutions, universities, technical schools and other learning centres.
- Selection of projects which provide the greatest social benefit –carried out with prestigious bodies, leaders in their field– and of great general interest.
- Setting up of mixed monitoring committees, between donor and beneficiary, to monitor the execution of significant projects.



The ACS Foundation was created to return part of the profits generated by our business to society to improve the quality of life of its citizens in any physical, human, training, cultural or environmental aspect and in support of human rights and the achievement of millennium goals.

To carry out this Social Action, the ACS Group's Board approves a budget annually to make it possible to implement projects framed in the Foundation's ideology and charter, which are executed by the institutions that receive them. An agreement is drawn up with each of them to define each party's obligations, so guaranteeing complete transparency in the management of the Foundation.

In 2013, the ACS Foundation spent €3.985 million, equivalent to 94.9% of its budget. A budget of €4.244 million has been approved for 2014.

Category	Amount allocated
MILLION EUROS	
Elimination of barriers (disability)	0.793
Environment	0.105
Research	0.502
Promotion of cultural activities	0.923
Aid to other foundations and institutions	1.257
Others <sup>32</sup>	0.405
<b>TOTAL</b>	<b>3.985</b>

<sup>27</sup> Personnel and other costs for actions, such as training, payment of teachers, publishing of materials, etc.

## INFORME GLOBAL REPORTING INITIATIVE (GRI)



### Statement GRI Application Level Check

GRI hereby states that **Grupo ACS** has presented its report "Corporate Social Responsibility Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 19 March 2014

A handwritten signature in dark ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir  
Director Services  
Global Reporting Initiative



The "+" has been added to this Application Level because Grupo ACS has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on <<date>>. GRI explicitly excludes the statement being applied to any later changes to such material.

# ACS GROUP GOVERNANCE

## ACS GROUP SHAREHOLDERS

ACS, Actividades de Construcción y Servicios, S.A., (ACS), the ACS Group's parent company, is a Spanish quoted limited company, the share capital of which totalled €57,332,297 at 31 December 2013, represented by 314,664,594 shares, with a face value of €0.50 per share, fully subscribed and paid up, all of a single class and with the same rights.

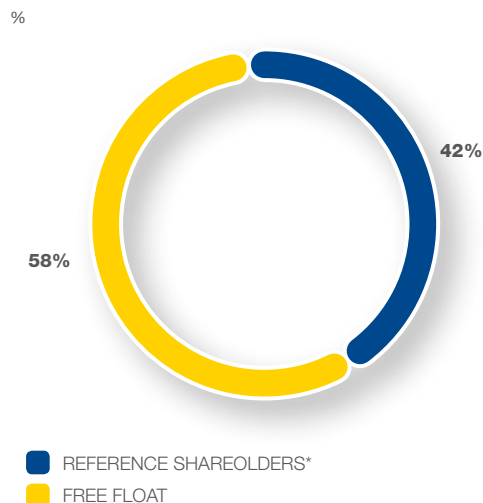
ACS's shares are represented by means of book entries and admitted to trading in all Spain's Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia). You can access the main data relating to the company's ownership structure in real time through the company's corporate website, [www.grupoacs.com](http://www.grupoacs.com), and that of the Spanish Stock Market Commission (C.N.M.V.), [www.cnmv.es](http://www.cnmv.es), as reflected in the following table as at 31 December 2013:

Shareholder's name or corporate name	Number of shares	Percentage of the total number of shares
Corporación Financiera Alba, S.A.	51,305,942	16.30%
Inversiones Vesán, S.A.	39,397,625	12.52%
Sayglo Holding, S.L.	17,741,012	5.64%
Mr. Alberto Cortina Alcocer	12,277,713	3.90%
Mr. Alberto Alcocer Torra	11,502,616	3.66%

The information obtained from IBERCLEAR, the Spanish Central Securities Depository, for the call to the company's most recent General Shareholders' Meeting, held on 10 May 2013, showed a total of 47,237 shareholders. There were 42,857 resident minority shareholders, who held 15.2% of the share capital. There were 4,380 non-resident shareholders and domestic institutional shareholders with a remaining stake of 84.8%.

According to the stated data and bearing in mind those shareholders who, with a share of over 4% of the capital, also have representation on the board of directors, the distribution of capital ownership is as follows:

### CAPITAL OWNERSHIP DISTRIBUTION



\*Representation on the Board.

ACS is a company committed to generating value for its shareholders, both from the point of view of dividend distribution and share price appreciation. In terms of total shareholder return, an investor who bought one share in ACS on 31 December 1996, just before the creation of ACS in its current form, would have obtained, at the end of 2013, annual

profitability of 25.28%. If he or she had invested €100 on that day, at the end of 2013 he or she would have had €4,613, meaning that the investment would have multiplied by 46.13. Total shareholder return includes stock market appreciation and the dividends paid by the ACS Group.

## ACS STOCK

	2011	2012	2013
<b>Closing Price</b>	<b>€22.90</b>	<b>€19.04</b>	<b>€25.02</b>
Appreciation of ACS shares	-34.71%	-16.86%	31.41%
Appreciation of the IBEX35	-13.11%	-4.66%	21.42%
<b>Maximum closing price</b>	<b>€37.94</b>	<b>€25.10</b>	<b>€25.02</b>
<b>Minimum closing price</b>	<b>€21.75</b>	<b>€10.38</b>	<b>€16.76</b>
<b>Average price over the period</b>	<b>€29.67</b>	<b>€16.77</b>	<b>€21.11</b>
<b>Total volume (thousands)</b>	<b>220,147</b>	<b>227,383</b>	<b>201,945</b>
Average daily volume of shares (thousands)	857	888	792
<b>Turnover (€ million)</b>	<b>6,531</b>	<b>3,812</b>	<b>4,248</b>
Average daily turnover (€ million)	25.41	14.89	16.66
Number of shares (millions)	314.66	314.66	314.66
<b>Capitalisation at the end of the period (million)</b>	<b>7,206</b>	<b>5,991</b>	<b>7,873</b>

## ACS GOVERNANCE STRUCTURE

It is laid down in the Company's Articles of Association and the Rules of the Board of Directors that ACS will be governed by a Board of Directors made up of a minimum of eleven (11) and a maximum of twenty-one (21) members. ACS's Board Members are named according to a procedure to assess their competences, knowledge, experience and dedication to proper fulfilment of their task, carried out by the Board of Directors' Appointments and Remuneration Committee.

As ACS's decision-making body, it falls to the Shareholders' Meeting, at the proposal of the Board of Directors, both to set the exact number of members of the Board, within these limits, and to name the people to occupy these posts.

# ACS GROUP GOVERNANCE

The composition of the Board of Directors is based on a proportional principle, by means of which the interests of all ACS's groups of shareholders are represented on the Board. In this way, at 31 December 2013, ACS's Board of Directors was made up of 17 Board Members: 4 executive members, 8 members representing major shareholders, 4 independent members and 1 external member. There is one woman board member representing major shareholders, Sabina Fluxá Thienemann<sup>28</sup>. The ACS Group promotes all the policies necessary to ensure equality of opportunities and to avoid implicit bias and any discrimination in selection processes not just for members of the Board of Directors, but also for any work position and to guarantee that the applicants meet the competence, knowledge and experience requirements to carry out their work, as stated in point 1.3.1 of the ACS Code of Conduct. The number of women Board Members represents 5.88% of the total number of members of the Board of Directors. Although this is less than half, it must be borne in mind that all the vacancies occurring on the Board in recent years have been closed or filled by a woman.

The mission of these independent and external board members is to represent the interests of the free-float capital on the Board of Directors. The Chairman of the Board of Directors, Florentino Pérez, is also the CEO of ACS.

Board Member	Year of birth
Florentino Pérez Rodríguez	1947
Antonio Garcia Ferrer	1945
Pablo Vallbona Vadell	1942
Agustín Batuecas Torrego	1949
José Álvaro Cuervo García	1942
Manuel Delgado Solís	1948
Javier Echenique Landiribar	1951
Sabina Fluxá Thienemann	1980
Joan-David Grimà i Terré	1953
José María Loizaga Víguri	1936
Pedro López Jiménez	1942
Juan March de la Lastra	1973
Santos Martínez-Conde Gutiérrez-Barquín	1955
Javier Monzón de Cáceres	1956
Miquel Roca i Junyent	1940
Julio Sacristán Fidalgo	1940
José Luis del Valle Pérez	1950

<sup>28</sup> Personal information on ACS's board members can be found on the ACS Group's website: [http://www.grupoacs.com/index.php/es/c/gobiernocorporativo\\_consejodeadministracion](http://www.grupoacs.com/index.php/es/c/gobiernocorporativo_consejodeadministracion)



## GOVERNANCE PROCEDURES IN ACS

As regards the function of the Board of Directors, this acts jointly and is granted the broadest of powers to represent and govern the company as the body supervising and controlling its activity, but also with the capacity to assume the responsibilities and decision-making powers directly on the management of the businesses.

In particular, the Board of Directors fully reserves the authority to approve the following general policies and strategies:

- Investment and financing policy.
- Definition of the corporate group structure.
- Corporate governance policy.
- Policy for Corporate Responsibility.
- The Strategic or Business Plan, as well as management targets and annual budgets.
- Senior executive management assessment and remuneration policies.
- The risk control and management policy, in addition to the periodic monitoring of internal information and control systems.
- The policy on dividends, as well as on treasury stock and its limits.
- Related-party transactions, except in those cases anticipated by the Regulations.

For greater efficiency in its functions, a series of Commissions are constituted within the Board of Directors, the task of which consists of controlling and monitoring those areas of greatest importance for good governance of the company. The Board of Directors is currently made up of three commissions: the Executive Commission, the Audit Committee and the Appointments and Remuneration Committee.

The Executive Committee is a delegated committee which can exercise all the Board of Directors' powers except those which cannot be delegated or which the Board reserves as its competence.

The Audit Committee has the main functions detailed in the ACS Group's Corporate Governance Report (Section C.2.3), outstanding among which are the accounting control functions, supervision of compliance with the ACS Group Code of Conduct and risk management, among others.

Finally, the Appointments and Remuneration Committee has the main functions detailed in the ACS Group's Corporate Governance Report (Section C.2.4), outstanding among which are control of board member and senior management remuneration and performance, proposals for their appointments and matters relating to gender diversity on the Board of Directors, among others.



# ACS GROUP GOVERNANCE

The Board Members' remuneration is defined by a general policy approved by the full Board, heeding the recommendations of the Appointments and Remuneration Committee. The total remuneration of the ACS Group's Board Members in 2013 was €2.86 million, 1.8% of the company's net profit. Within the ACS Group's transparency and information policy, the remuneration received by both the members of the Board of Directors and the Senior Executives during the financial year, both of which are summarised here, is shown in the Annual Corporate Governance Report.

The detail of individualised remunerations to the Board of Directors is delivered to the General Shareholders' Meeting in the Annual Remuneration Report, which is also available via the CNMV.

Assessment of the Board of Directors quality and efficiency of performance is a task which falls to the Board itself and cannot be delegated. It is carried out after receiving a report from the Appointments and Remuneration Committee. Furthermore, the General Shareholders' Meeting submits approval of the Board of Directors' management to a vote every year.

## Remuneration to the Board of Directors

Thousands euros

Remuneration to the Board of Directors	10,793
Value of the overall remuneration corresponding to rights accumulated by the Board Members as regards pensions	2,070
<b>Overall remuneration to the Board of Directors</b>	<b>12,863</b>
<b>Total remuneration of Senior Executives (52 Executives)</b>	<b>24,638</b>

Finally, the ACS Group, through the Rules of the ACS Board of Directors, has detailed rules on the mechanisms laid down for detecting, determining and resolving possible conflicts of interest between the company and/or its group and its board members, managers or significant shareholders, as detailed in point D.6 of the ACS Group's Corporate Governance Report.



## SHAREHOLDERS RIGHTS AND THE GENERAL SHAREHOLDERS' MEETING

The operation of the Shareholders' Meeting and the rights of the shareholders are regulated in ACS's Company Articles of Association and in the Rules of the Shareholders' Meeting. According to Article 1 of the latter, the Shareholders' Meeting is the supreme body for the expression of the will of the company and its decision making.

As such, according to these Rules, the Group's shareholders represented in the General Shareholders' Meeting will decide all matters within the Meeting's powers by majority. This meeting will be made up of those holders of at least one hundred shares present or represented, such that holders of less than one hundred shares can group together to reach this number.

In addition, shareholders' attendance and voting rights are laid down in these Rules, by means of which egalitarian treatment is guaranteed for all and a series of measures aimed at encouraging shareholders' participation in the General Meeting are included. As such, not only is delegation or representation of votes permitted during the Meeting, but the possibility of shareholders casting their vote remotely is also expressly established. Furthermore, since the Ordinary General Shareholders' Meeting of 19 May 2005, the necessary procedures have been articulated for exercising the right to vote in advance remotely. The measures adopted by the Group to encourage attendance of the Meeting are positively reflected in their attendance percentages.

Likewise, the shareholders' and investors' rights to information are detailed in several parts of the Rules of the Shareholders' Meeting. Indeed, all the necessary information is made available to the shareholders prior to holding each Meeting, in that, in addition to the standard information provided by the company in the annual, half-yearly or quarterly reports, the Group maintains a website with all the fundamental data on it. Periodic meetings are also held with analysts for this information to reach both shareholders and the general market in the fairest, most symmetrical and efficient way possible.

The ACS Group not only sets up permanent communications channels with its shareholders and investors, but also ensures that all the information made available to them is truthful and rigorous. The Audit Commission reviews this information before it is transmitted to confirm that it is prepared in accordance with the professional principles, criteria and practices with which the accounts are prepared.

ACS's Board of Directors has, over a number of years, also been promoting measures to guarantee the transparency of the company's action in the financial markets and to exercise as many functions as result from its position as a listed company on the stock exchanges. To this effect, we try to ensure that knowledge of significant events is restricted, until made public, to the minimum number of identified people.

<b>Attendance at Shareholders' Meetings</b>	<b>2009 Ordinary</b>	<b>2010 Ordinary</b>	<b>2010 Extraordinary</b>	<b>2011 Ordinary</b>	<b>2012 Ordinary</b>	<b>2013 Ordinary</b>
Shareholders Present	208	213	115	179	216	226
Quorum Shareholders Present	7.66%	19.44%	19.93%	20.55%	20.05%	20.19%
Shareholders Represented	2,763	2,776	2,183	2,792	2,368	2,214
Quorum Shareholders Represented	70.88%	58.22%	57.11%	54.41%	51.40%	55.06%
<b>Quorum Total</b>	<b>78.54%</b>	<b>77.66%</b>	<b>77.04%</b>	<b>74.96%</b>	<b>71.45%</b>	<b>75.25%</b>

# DIRECTORY

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