Ordinary General Shareholders' Meeting

29 May 2014

Chairman's speech

Florentino Pérez

Introduction

Good morning everyone.

It gives me great pleasure to be here with you all again at this ACS Group Ordinary General Shareholders' Meeting. I want to thank you for coming and thank all the shareholders that have chosen to vote by proxy or have opted to exercise their right to vote electronically in the past few days. I would also like to thank the ACS Group Board Members and the members of the Steering Committee present.

My speech today will summarise the top milestones in 2013, performance during the initial months of 2014 and the Group's outlook.

Executive Summary

Let me start by saying that with annual sales of over EUR 38,000 million, the ACS Group has consolidated its position as the biggest construction and infrastructure firm in the world, behind only the three top Chinese firms which operate almost exclusively in their own market and have a scant international presence.

The ACS Group operates in more than 65 countries, through leading companies in civil engineering and industry. It has 160,000 direct employees and more than 13,000 engineers on its workforce. Its sales are distributed in proportion to the three main economic areas around the world:

- 39% in Asia-Pacific, mainly in Australia where the Group is the top construction firm in the country

- 29% in the US, where it is the biggest construction firm of the world's top economy, and

- 26% in Europe, where it is the top company in its sector in Spain and Germany.

Although South America accounts for just 5% of the Group's sales, it is extremely important because ACS is the second biggest company in Latin America in terms of invoicing.

The rest of the Group's sales, a total of 1%, come from Africa where we are experiencing significant growth in countries like South Africa.

The ACS Group is the product of three decades of work on an integration and diversification project that has made us one of the biggest Spanish multinationals, with an excellent outlook in terms of operations, industry and growth. I must also tell you that we are still just as excited as we were at the beginning to carry on with this project - the number one infrastructure developer in the world.

Internationalization at the Group now represents 86% of sales, having grown substantially since 1997, when the ACS Group was created by consolidating various companies. During the 16 years since then, total sales have grown an average of 20% a year and production outside of Spain has gone from 14% of the total to the 86% I just mentioned. Ten years ago, we ranked 98 in the international business activity in the industry. Today the Group is number one.

ACS is the biggest construction firm in Spain, the US, Germany and Australia, and it has a significant presence in countries such as Mexico, Canada, Brazil, Poland, Portugal and on various markets in South East Asia and the Middle East. The Group is also ranked in the world ranking as the number one concession company in terms of projects completed and backlog.

The Group's position gives it an unrivalled competitive edge, since its leadership promotes commercial partnership and coordination among all the Group companies when expanding the Group's activities around the world. The Group's points of reference, Dragados, Cobra, HOCHTIEF, Turner, Leighton, Urbaser and a few others, have an autonomous operating structure that allows them to be competitive and flexible on the markets where it has a presence, while strictly observing the Group's strategic guidelines, which creates a shared culture based on four fundamental values:

- operational "decentralization" which lets the entrepreneurial ability of the Group's people shine while conserving the flexibility needed in such a competitive industry at local level;

- a deep-rooted concept of customer service, which will promote excellence and increase the willingness to adapt;

- a clear profit orientated focus, to guarantee the sustainability of the Group's project and its responsibility to its shareholders and the company in general; and

- an effective risk control system similar across the globe, that lets the Group identify and assess on a systematic basis the evolution and risk of its projects. The risk management system is exhaustive and applies to all of the Group companies. It is based on four fundamental parameters: country risk, project-size risk, collection risk, and performance-related risk.

In short, the ACS Group is a global group with local companies that lead the way in their respective business segments and markets. They operate independently under the same corporate umbrella, identifying with the same and coordinated under a single strategy.

The ACS Group is one of the top Spanish companies in the world, competing internationally as the best in the development of infrastructure, which is critical to the economic and social development of any country.

I also want to draw your attention to the good results in 2013, which were due largely to the fact that the Group's operations continue to grow and be profitable:

- The ACS Group's sales totalled EUR 38,373 million. It is important to point out that the currencies in the main countries where we operate depreciated considerably against the euro, particularly the Australian dollar (17.7%) and the US dollar (4%). If this effect is excluded from the sales figure, sales would have been up 6.1% in comparative terms.

- In addition to currency depreciation, the backlog has been affected by the sale of the Services business in Germany, the telecommunications business in Australia and the Dragados construction business in Greece. The backlog totals EUR 63,419 million, down 2% in comparative terms.

- The Group's operations have performed well. Gross operating profit was EUR 3,002 million, up 3.1% on 2012 in comparable terms, and net operating profit was up 16.9%, reaching EUR 1,746 million after the sale of certain assets and the reduced amortisation and depreciation.

- In operational terms, it is also important to point out the Group companies' ability to generate cash. In 2013, they earned cash of EUR 1,959 million, up 30.1% on 2012.

- Net profit for the year was EUR 702 million, a result of the sound results across all lines of business, the gains earned from disposals of certain non-strategic assets and the contribution from financial derivatives tied to the Group's investment in Iberdrola.

One of the Group's top priorities is to make its companies profitable on a recurring basis across all the markets in which it competes. The Group's profit margins and ability to generate cash must reflect its number one position in terms of backlog and invoicing. I would at this point like to make reference to HOCHTIEF's growth since the end of 2012. During that time Marcelino Fernández Verdes was appointed CEO and started a restructuring process, which has enabled the company to meet its strategic objectives in 2013.

HOCHTIEF has increased its revenues, earning a net profit of EUR 171 million, up 10.3% on 2012, and a recurring net profit of EUR 208 million, more than double the prior year.

The restructuring process has simplified the organisational structure in Europe, reducing structural costs in Germany and standardising the risk management systems.

At the same time, its business activities have started to focus on construction, disposing of any non-strategic assets, as is the case of the telecommunications business in Australia, the services business in Germany, the airports and the recent sale of Aurelis, which has been the first step in selling its entire real estate operation.

HOCHTIEF has also been increasing its interest in Leighton, culminating in the recent initial public offering that brought the current percentage of ownership up to 69.6%. This investment of around EUR 574 million, consolidates the Group's clear commitment to Leighton, where the Group's risk management systems will be implemented more quickly thanks to the appointment of a new management team headed by Marcelino Fernández Verdes, improving operating efficiency at the company.

In 2013 HOCHTIEF acquired up to 10% of treasury shares. These shares were recently redeemed, increasing the Group's stake which now holds around 60%.

The Group's financial structure has been boosted by a significant reduction in its financial gearing ratio and more diversified sources of financing, increasing its presence on the fixed-income markets and reducing bank borrowings. Net debt at the end of 2013 stood at EUR 4,235 million, which means that in the last two years the Group has reduced it by EUR 5,099 million, i.e. 55% since the end of 2011, 47% in 2012 and 14.5% in 2013. The Group achieved this target by continuing to generate cash flows from operations and selling the above non-strategic businesses.

The Group's business debt was the main debt reduced. It currently stands at EUR 3,550 million, i.e. 1.4 times EBITDA. In short, a moderate ratio that I believe fits the Group's financial requirements.

The robust operating and financial results have had a positive impact on the market price of the Group's shares, which ended the year at EUR 25.02 per share, representing annual growth of 31.4% compared to 21.4% for the IBEX35 in the same period.

This bullish trend has been sustained during the initial months of 2014 and the price per Group share is now EUR 32, which represents growth of 27.9% in the year to date, based on a good economic, operating and financial outlook for the Group, which I trust will continue in the coming months.

Economic Environment

In global macroeconomic terms, the Group is in a current period of international growth. However, not every company is recovering from the global crisis at the same rate. Growth of the Asian economies, with China at the helm, the clear recovery of the US economy and the rise of emerging economies, particularly Latin America and some countries in Africa, have offset stagnation in Europe, especially the recession in countries from the Mediterranean Arc.

The International Monetary Fund stated that world GDP was up 3% in 2013, a similar figure to the one recorded in 2012, due to public spending cuts in Europe, moderate growth in the US and the disparate performance of the emerging economies.

I sincerely believe that we are now at a turning point. The outlook for 2014 is one of increased growth both worldwide, estimated at 3.7%, and in countries in which the Group operates; compared to the poor outlook that we faced only 12 months ago.

With respect to the gross composition of fixed income, including the investment in infrastructure development, the IMF expects substantial growth of more than 5.1% in 2014, indicating the inflow of private flows which will offset governments' public spending curbs in developed economies.

Let me tell you give you some detail of the macroeconomic scenario of the main regions where the Group operates.

The outlook in Australia for 2014 is one of increased GDP (2.8%). The recently elected government have also made a concerted commitment to infrastructure investment, based on the promises it made during the election campaign. It plans to invest more than 90,000 million Australian dollars in projects considered a priority during its term.

GDP in the US will exceed 2.8% in 2014 based on an increase in private consumption, the real estate sector recovery and the improvement to the banking system, all of which will help to boost financing. Traditionally, not as many investments have been made compared to other advanced countries. Investment is expected to grow 5.8%, putting it at 20.2% of GDP. The US has a considerable deficit in infrastructure and the Group's position as the number one infrastructure firm gives it an opportunity to benefit from this increase in investment.

I also want to stress the positive outlook in North America, namely Mexico, which is the benchmark market in industrial services. Significant growth is expected in the number of energy projects over the next few years, as a result of the energy reform. Annual investments in the oil and gas industry are expected to triple, reaching USD 60,000 million. Foreign capital is expected to be the main reason behind the increase in annual investment in the electricity grid by USD 10,000 million.

A change for the better in Europe will be one of the main drivers behind worldwide growth in 2014. The outlook for the European Union is positive now that the financial market has stabilised and the banking systems are stronger. GDP is expected to grow 1.3% in 2014, supported by an increase in outside demand and more available credit on the market. Nevertheless growth will continue to be moderated by high unemployment rates in certain member states, including Spain, less public spending to stem the fiscal deficit and a slower rate of growth in Eastern European countries. Investment rates in the European Union may rise to 17.9% of GDP in 2014 but they will not reach pre-crisis levels.

As I mentioned before, Spain accounts for just 14% of the ACS Group's sales. However, the Group remains the number one construction, services and infrastructure firm in Spain and the Group is proving optimistic in light of the emerging recovery. Despite the upward trend for growth which varies from one week to another, estimated growth in Spain for 2014 is around 1.5% of GDP. If a similar estimate is made for 2015, an change in tendency is expected and a return to sustained growth for the Spanish economy. This growth will come from exports, renewed borrowing which will stimulate investment, employment and consumption, and expected moderation of tax rates as a result of the tax reform announced by the government.

International agencies and financial markets all agree that the government reforms in recent years, focused mainly on reducing the fiscal deficit, restructuring the banking system and making the Spanish job market more flexible, were fundamental because they helped to create a more positive and competitive environment for the Spanish economy, promoting Spain's dynamism and ability to adapt.

This dynamism, which increased the rate of growth, should actually up investment in infrastructure in Spain. The situation has been like this for many years now and we believe it will be a good opportunity to consolidate this improvement more quickly and effectively. For each euro invested in civil engineering infrastructure in Spain, the State can recover up to more than 60 euro cents in tax from its investment, as well as from an increase in exports, private consumption and the intrinsic return of each infrastructure completed. Indirect and direct employment would also be created as a result.

However, the Government's General Budget for 2014 only included EUR 8,700 million for infrastructure investment, a drop of 3.1% on 2013 and 59% less than in 2010 when it was more than EUR 21,100 million. This drop of more than EUR 12,400 million is equivalent to more than one third of the total reduction in the public deficit by the public authorities in recent years, which accounted for around EUR 30,000 million.

Following a decade of growth, which has seen the completion of important projects that have made Spain one of the most advanced countries in terms of infrastructure, the Spanish public authorities plan to invest the equivalent of 1.4% of GDP this year compared to an average of 2.1% across the Eurozone. This gap is not likely to abate until the public deficit reaches the level required by the European Union.

Obviously Spain does not need the heavy investments in infrastructure seen in the previous decade. However, it is important to get back to a level that will let us finish what was started, maintain the excellent network of motorways, railways and airports built and continue to develop new infrastructure insofar as Spain's economic possibilities will allow it.

I believe that 2014-2015 is a period full of opportunities for growth in the main countries where we operate, and that the marked improvement in Spain's economy should mean that the level of investment in infrastructure needed to stimulate growth will recover. In the information that we have given you, the Activity Report includes an extensive detailed analysis of the outlooks for each industry.

SUMMARY OF 2013

Consolidated income statement

I will now go on to summarising the Group's operations in 2013, its financial position and how the various areas of business performed during 2013.

In 2013 sales totalled EUR 38,373 million, down 0.1% on 2012. However, if we exclude the effect of the exchange rates, sales were up 6.1% in comparative terms.

Construction accounted for 77% of the Group's sales, totalling EUR 29,559 million. Operations rose 6.7% in comparable terms.

Industrial Services recorded sales of EUR 7,067 million, 18% of the Group's sales. Growth in comparative terms stood at 2.9%.

Lastly, the Environmental business reported sales of EUR 1,781 million, 5% of the Group's sales (growth of 5.3%).

The backlog amounted to EUR 63,419 million, down 15% in nominal terms mainly due to three reasons:

- Firstly, changes in the scope of consolidation, due to the sales of assets like the Services line of business in Germany, the Telecommunications company in

Australia and Dragados' business in Greece, have led to a decrease of EUR 2,810 million;

- Secondly, the effect of the exchange rate, which resulted in a decrease of EUR 6,877 million; and
- Lastly, reduced activity in Spain explains, to a great extent, the fall in comparative terms.

If we exclude the effect of the exchange rate and the changes in the perimeter of the backlog, equal to 18 months production, the Group remains practically the same, down just 2%.

By area of activity:

- the Construction backlog is EUR 47,563 million, accounting for 75% of the total and 2.7% lower than in 2012 in comparative terms;
- Industrial Services ended the year with EUR 7,413 million, 12% of the total backlog and 5.6% more than in 2012 in comparative terms; and
- the Environment business posted EUR 8,443 million, down 3.3% on 2012 in comparative terms. It accounts for 13% of the total backlog.

EBITDA was EUR 3,002 million, down 2.8% on 2012 as a result of the fluctuating exchange rates. In comparative terms it is up 3.1%. The margin stood at 7.8%.

The already mentioned impact of the significant fall in interest rates and the reduced construction in Spain especially stood out in the year. However, international growth in the integrated project business of Industrial Services and the increase in the margins from maintenance contribute an extra EUR 33 million to consolidated EBITDA. The Environmental business was up 14% and added a further EUR 34 million to the total.

The ACS Group's net profit was EUR 702 million in 2013, underpinned by the good performance of the Group's businesses:

- The Construction business earned EUR 261 million, which is more than the amount recorded last year thanks to the increased profit of HOCHTIEF following the restructuring process. The profit offset the decline in business in Spain.

- Industrial Services, which rose to EUR 418 million, were up slightly as a result of the considerable international expansion that offset the decline in business in Spain.

- The net profit from the Environment business stood at EUR 79 million, up on 2012 as a result of lower structural costs and reduced finance costs.

These results once again demonstrate the robustness of the Group's operations, its flexibility in its ability to adapt and its recurring profitability, which the Group believes will increase in the next few years.

In 2013 the Group generated EUR 122 million, mainly due to the contribution from Iberdrola in the form of dividends and net gains on derivatives, partially offsetting finance and structural costs.

Based on these results and the Group's positive financial and operating position, the Board of Directors of the company resolved to submit for your consideration at this General Meeting, an interim dividend of 0.71 euro cents/share through a flexible remuneration mechanism where shareholders are able to choose to receive a scrip or cash dividend in July.

If this proposal is approved, a total dividend of EUR 1.16/share will be paid out of profit for 2013, having paid out an interim dividend of 45 euro cents per share last February.

Activity Report

I will now give you some details on business performance in 2013.

Construction

Sales in the Construction business in 2013 were EUR 29,559 million, up 6.7% on 2012 in comparative terms. The impact of the exchange rates was considerable. As I mentioned earlier, the Australian dollar was down 17.7% and the US dollar down 4%. The sale of the telecommunications business in Australia and the services business in Germany also had an impact, which also contributed to the reduced revenue. Lastly, it is worth mentioning the decline in activity in Spain. In 2013 sales in Spain amounted to EUR 1,393 million, down 23.1%.

Half of the sales from the Construction business come from Asia-Pacific and 33% from America, mainly North America.

Europe, basically Germany, the UK and Poland represent 12% of sales and Spain accounts for just 5% of total business.

The construction backlog from the Construction business amounts to EUR 47,563 million, equivalent to 17 months of production. As I said before, the reduction in the year is due to changes in the scope of consolidation and the considerable impact of the fluctuating exchange rates, which reported sharper depreciation at the end of the year in average terms.

The backlog in Spain fell by 6.8% (EUR 3,354 million), which accounts for 7% of the total and is showing signs of stabilising.

Asia-Pacific, by geographic location, generates 56% of the backlog, America 25% and Europe 12% of the total.

I want to mention some of the most important projects from 2013:

- Firstly, the huge tourist complex of more than 450,000 m^2 in Macao, with a budget of EUR 2,144 million.

- Leighton is also winning important contracts in Hong Kong, mainly rail projects. In 2013 it was awarded the connection between Shatin and the central station in Hong Kong for EUR 500 million and the Group recently announced that it would be constructing the tunnel between the central station and Wanchai for 453 million Australian dollars.

- I would also like to stress that the partnership between Leighton and Dragados to build the north east section of the Sydney underground, a project to construct 15 kilometres of twin-bore motorway tunnels, five underground train stations and various ancillary facilities with a budget of EUR 671 million.

- I also want to mention projects including the construction of the Ottawa underground, construction of the Erlington railway tunnel in Toronto, both in Canada, the extension of the New York subway in New York, US and the reconstruction of Bank tube station in London, UK, where we have won a number of large contracts to build railway tunnels.

- And, of course, let's not forget to mention the recent contract awarded to a consortium led by Iridium and Dragados to construct and operate Line 2 of the Lima underground in Peru. The total budget for this project is EUR 3,900 million.

Total EBITDA from the Construction business stands at EUR 1,826 million which, when adjusted for the change in exchange rates, represents a decline of 0.5%. The margin stood at 6.2%.

EBIT amounted to EUR 780 million, up 14% on 2012 thanks to the reduction in the amortisation and depreciation at Leighton, as a result of the sale of the telecommunications businesses and the assets assigned to the acquisition of HOCHTIEF.

Lastly, recurring net profit for the Construction business reached EUR 261 million, up 4.9% on 2012.

Industrial services

The Industrial Services division posted virtually the same sales figures as 12 months ago, that is EUR 7,067 million, as a result of the impact of the exchange rates. Had it not been for the impact of the exchange rates, sales would have risen 2.9%.

The Industrial Services business recorded sales of EUR 4,328 million, up 5.2%. The business now accounts for more than 61% of total sales.

Both North and South America make up 42% of sales and they will undoubtedly be the biggest areas of growth in the coming years.

The backlog for Industrial Services has risen to EUR 7,413 million, which is equivalent to 13 months of production and up 5.6% on 2012 in comparative terms. This growth is mainly a result of large integrated projects in Saudi Arabia and South America, offsetting the fall in the backlog in Spain which now represents just 31% of the total. The most outstanding top contract awarded in the period are:

- The contract for construction of the Illanga 100 MW solar thermal plant in South Africa, for EUR 491 million.

- The contract for construction of the offshore platform in the Gulf of Mexico. Dragados Offshore is completing the project from its shipyard in Tampico. The contract is worth more than EUR 315 million.

- We have won major contracts in South America, including most notably construction of Lima's sanitation system in Peru and two wind farms in Chile.

- The Group's operations in Saudi Arabia are experiencing somewhat considerable growth. In 2012 the bid submitted by the Group as part of a consortium won the tender for the major Medina-Mecca high-speed rail Spanish project. In 2013 the Group won important contracts, including a project for a fertiliser plant worth EUR 455 million, the construction of a plastics production plant, worth more than EUR 298 million and the installation of 10 reactors at power production plants, worth more than EUR 199 million.

- In Spain the Group won contracts to build and maintain control systems for the city of Madrid and the national contract for support services provided to Endesa's business network, among others.

Industrial Services posted EBITDA totalling EUR 937 million, which is up 5.3% on 2012 in comparative terms. The margin reached 13.3% as a result of the increasing weight of the operations of integrated projects, which have a high added value.

However, in 2013 the contribution of renewable energy assets to the EBITDA from Industrial Services was down 8.6%, that is EUR 230 million. This drop is due mainly to the regulatory changes introduced in Spain over the last two years, which have required us to record in the financial statements for 2012 a provision of EUR 300 million for the value of these assets.

The Group has also made a preliminary estimate of the impact of the new proposed rates, recognising another provision of EUR 200 million in the financial statements for 2013. In 2012 and 2013 the Group recognised an impairment loss of EUR 500 million on its renewable assets in Spain due to the regulatory changes introduced.

EBIT totalled EUR 881 million, up 3.7% on 2012 while recurring net profit was EUR 418 million, up 0.5% on last year.

Environment

Staying with operations, revenue from the Environment division amounted to EUR 1,781 million, up 8.7% in comparative terms thanks to the international expansion of Urbaser primarily in the UK, France and Chile.

The Environment business has, by country and geographic location, a very significant presence in Spain but it also has a presence in developed countries, mainly in waste treatment plants. Operations in the UK, France and the rest of Europe increased by more than 50% in 2013. However, operations in Spain were down 8.5% due to the restructuring of some contracts.

The backlog of the Environment division was EUR 8,443 million at the end of 2013, down 3.3% on 2012 in comparative terms. This fall is a result of reduced operations in Spain, where the backlog was down 15.2%.

Spain, by geographical location, comprises 53% of the backlog while Europe accounts for 34%, America 12% and Africa 1%.

In 2013 the division secured the following main contracts:

- The incinerator plant in Gloucester, UK, worth almost EUR 300 million.
- Two significant street cleaning contracts in London and Paris, worth around EUR 110 million.
- Various street cleaning contracts in Spain worth more than EUR 100 million.
- And the waste treatment plant in Malaga worth EUR 46 million.

EBITDA for the Environment division was up 17.5% in comparative terms thanks to the increase in the weight of waste treatment plants. This figure was higher than EBITDA for urban services. The margin is 15.4%.

EBIT for the Environment business was up 16.1%, that is EUR 123 million, and recurring net profit reached EUR 79 million, an improvement of 8.9%.

Investments

In terms of investments, I want to point out that in 2013, at the height of its debt reduction campaign and its plan for disposal of non-strategic assets, the ACS Group once again invested heavily in concession projects. Total investments came to EUR 2,484 million while disposals of EUR 2,008 million were recognised.

Therefore, net investments reached EUR 476 million.

I would like to make a distinction between the investments in operating areas, which reached EUR 1,089 million, and disposals of machinery and equipment totalling EUR 148 million, leaving a net amount of EUR 941 million for investment.

Financial investments in projects in the period amounted to EUR 1,395 million and disposals totalled EUR 1,860 million.

EUR 851 million of the net operating investments of EUR 941 million correspond to the Construction division. EUR 761 million of this amount was spent on the machinery and equipment needed by Leighton in Australia to carry on its mining operations.

The other companies in the Construction business spent smaller amounts on specialised machinery and equipment maintenance.

Industrial Services invested EUR 22 million (net) in operations while Environment invested EUR 68 million.

I want to draw your attention to the following financial and project-related investments:

- Construction. Iridium invested EUR 124 million in building various motorways. In particular EUR 74 million were invested in construction of the last section of the I-595 in Florida.

  The construction companies in the US invested EUR 48 million in joint ventures. The rest of the amount comes from Leighton's projects in Australia, India and Hong Kong.

- Industrial Services. Around EUR 100 million has been invested in completing the renewable energy plants in Spain and Peru.

  Other energy-related assets such as the recent acquisition of a shareholder package in the energy management firm in Mexico or in energy concessions, required an investment of over EUR 220 million.

- Environment. The Group invested EUR 121 million in waste treatment plants, mainly in Essex in the UK.

- Financial investments include most notably HOCHTIEF's acquisition of a 6% stake in Leighton, costing EUR 198 million, and approximately EUR 20 million invested by ACS to increase its stake in HOCHTIEF.

In 2013 the main disposals came from HOCHTIEF and Leighton. HOCHTIEF sold the airports for EUR 1,083 million. The transaction was completed efficiently because the asset was disposed of in full without the need to divide up the various holdings.

In 2013 HOCHTIEF also sold its Services company in Germany, for EUR 236 million. In Australia, at the beginning of the year Leighton sold the majority of its stake in Nextgen and other telecommunication assets for EUR 451 million.

Financial structure

I would like to again point out the work performed in 2013 to consolidate the Group's financial structure, which is continuing to reduce its debt and, therefore, improve the Group's gearing ratios.

As I already mentioned, at the end of 2013 ACS' net debt was EUR 4,235 million, a reduction of 55% in two years: 47% in 2012 and 14.5% in 2013. The Group's current ratio of total net debt to EBITDA is x1.6.

Company debt stood at EUR 3,550 million, of which infrastructure and concession project financing composes EUR 685 million.

In 2013 the Group reduced its debt by EUR 717 million, which was mainly a result of the revenue obtained for the sale of assets and from operations.

In 2013 the ACS' lines of business generated a profit of EUR 1,959 million, up 30.1% on 2012:

- Gross operating profit (EBITDA) was over EUR 3,000 million;

- Less net finance costs of just over EUR 500 million on borrowings, the dividends received from Iberdrola (around EUR 100 million) and the amount eliminated upon consolidation of companies accounted for using the equity method (around EUR 275 million).

- Tax paid and other adjustments reduced cash flow by EUR 539 million.

- Recurring unrestricted cash flow, less net operating investments, stood at EUR 1,018 million.

In 2013 a series of extraordinary events took place which affected unrestricted cash flow:

- Firstly, there was an outflow of cash as a result of the working capital deficiency, especially at Leighton. The deficiency is due to the considerable increase in construction pending certification on some projects for energy and gas companies in Australia. The Group expects to recoup this outflow over the coming quarters. Due to the reduced activity in Spain, particularly in Construction, and the decrease in the advances and short-term provisions in Industrial Services. Both of these impacts are recent and are in contrast to the increase in working capital in 2012.

- However, we received EUR 1,860 million for the financial disposals mentioned.

The Group earmarked the appropriated balance to the already mentioned investments intended for growth, dividends for the Group's shareholders and the reduction of the Group's financial gearing ratio, putting net debt at EUR 4,235 million at the end of the year.

Since 2011 the Group has tripled the weight of bond-based financing as a percentage of the total financial structure. It intends to carry on this tendency by using the fixed income markets more often. The Group has the intention of obtaining a mid-term rating that allows it to replace the lion's share of its bank borrowings for corporate bonds at competitive prices.

Stock markets

In 2013 and, in particular, 2014 to date, the efforts made by the equity markets have paid off in the last few months in operating, financial and strategic terms. At the end of 2013 the ACS share price was EUR 25.02, an increase of 31.4% in the year compared to 21.4% across the IBEX35 in the same period.

During the initial months of 2014, share prices have continued to rise and the Group's price per share closed at EUR 32 yesterday. Since the start of the year, the share price has increased 27.9%. The entry of foreign investors as Group shareholders, whose investments already account for around one third of the shareholding structure having already doubled their presence in the last two years, may possibly go some way to explaining this upward trend.

The Group's dedication to generating value for its shareholders is key to attracting investors, as reflected by its past experience. For example, investors that may have acquired shares when ACS was formed in 1997 have seen an eight-fold return on their investment, which represents an average annual return of 13.9% including the dividends received in the period.

Corporate Social Responsibility

The ability to add value is part of the Group's corporate values, based on sustainable development and improving our society.

In 2013 the Group made considerable progress in its Corporate Social Responsibility strategy, which seeks to consolidate the Group as a worldwide leader in sustainability too. In response to this challenge, last year the Group launched the "One" project; an initiative intended to promote best practices across ACS' operations, making the Group's corporate culture widespread and broadening it. The "One" project is the backbone of the Group's sustainability strategy in terms of ethics, efficient management and the development of its employees.

The Group consider "One" to be the most appropriate tool for tackling Corporate Responsibility in a decentralised Group, in which its companies autonomously apply economic, social and environmental initiatives according to their markets and target stakeholders, but with the obligation to share best practices in management and ACS’s culture. In practice this process enables the Group to incorporate improvements periodically, at both a functional and procedural level, in the various Group companies.

The main Corporate Social Responsibility related achievements in 2013 are as follows:

- Further implementation and adoption of the Code of Conduct across all the companies in the ACS Group worldwide;
- Improvements to supplier authorisation, as a result of modernising purchase management systems adapted to the global nature of the company;
- Safety improvements for another year running. EUR 168.1 million, that is 5.6% of gross operating profit (EBITDA) were invested in safety, training and improving processes. Consequently, every single one of the Group's accident rates is down on 2012.

Vice chairman Antonio García Ferrer will provide you with more details in his speech. He is sure to agree with me that adopting measures that will make us leaders in Corporate Responsibility will also create added value for you the shareholders, and for employees, clients and all the Group's stakeholders.

Outlook and conclusion

I would like to end my speech by summarising the Group's outlook, strategy and its expected approach in the years ahead.

Twelve months ago the Group presented you strategic objectives for 2013-2015. So far the Group has fulfilled the relevant objectives and it will continue to work on the rest.

The Group intended to consolidate its lead in developed markets. To date it is the biggest construction group in the US and Asia Pacific and the second biggest in Latin America.

HOCHTIEF has undergone significant restructuring to increase the Group's profitability. The Group expects it to start producing results from 2014 onwards. The Group will also continue to merge its risk control systems at worldwide level. Implementation has almost finished in Germany while work is underway in the US and Australia. The Group also continues to reduce structural costs across all of its areas.

As I told you before, the Group has reduced its financial gearing ratio as a result of the disposals in the period and the cash generated by its activities, all the while sustaining priority investments.

These objectives reflect the Group, which believes that they will enable it to grow profitably.

During the next few years, the Group intends to keep growing in the key developed markets where it operates (both North America and Asia-Pacific); making the most of any opportunities offered to it as a result of its privileged position in Latin America; and keeping its power in Europe in the countries where it is a leader. It will continue to invest in infrastructure development projects, rotating its backlog of mature projects to create new ones.

Group companies' profitability will be increased, standardising the risk control systems and promoting growth across its high added value activities in new markets, e.g. Industrial Services in North America and Asia-Pacific, Mining in South America and the waste treatment plants in the US and Canada.

The Group will continue to improve its financial efficiency, not just by optimising working capital. For example, by increasing ACS' access to equity markets, replacing bank borrowings with bonds and other debt instruments that will allow it to lower the Group's finance costs.

The Group is sure of its potential for profitable growth. It works towards achieving an increase in net profit of at least 10%.

The Group has a moderate gearing ratio and, accordingly, the net debt of its companies is less than the current 1.4x EBITDA ratio.

Based on profitable growth and a moderate gearing ratio, the Group will maintain a stable dividend policy in accordance with its performance and the benefits to its shareholders.

By pursuing these objectives in a focused and decisive manner, estimated net profit for 2016 is around EUR 1,000 million. It is a difficult task but it is one that the Group will invest all of its energy and talent in to achieve it.

This is the Group's way out of the crisis. It offers the chance to take part in a future project that is exciting, attractive and ambitious. A project that aims to combine global industry leadership with profitability, and that requires excellence and commitment to its people. A project that will make the ACS Group one of the main economic players not just in Spain but in the leading world economies, and that intends to continue to be a benchmark for job creation and profits.

The Group's missions is and has always been to promote the creation of sustainable value. It intends to keep on improving its position as a global, competitive, efficient and profitable firm that has diversified its products, markets and companies. Although the Group knows it won't be easy, it believes that it has the resources, vision and opportunity to meet that expectations that you have of us.

I trust that when I see you all next year, I will be able to confirm these forecasts and continue to share with you the progress to date with respect to the Group's project to become the world's leading developer of infrastructure.

Thank you very much for your attention.