ORDINARY GENERAL SHAREHOLDERS' MEETING

28 April 2015

Chairman's speech

Florentino Pérez

Introduction

I want to begin my intervention today by reviewing our recent development since 2012 and showing how we have transformed the ACS Group given the complicated economic situation experienced by Spain in the context of the global crisis.

In the last three years we have accelerated our internationalisation strategy, which has led us to achieving sector leadership in the world's most developed markets. Our positioning allows us to compete in an efficient and profitable manner in an increasingly globalised industry.

Over these years we have made an enormous business reorganisation effort, simplifying our business structure and increasing its cash generation capacity. We have also improved the healthiness of our balance sheet with a number of disinvestments. Since the start of 2012 we have undertaken disinvestments to the value of approximately EUR 11 billion, which has enabled us to reduce our debt, standing at EUR 3.7 billion at the 2014 year-end, by 60%.

During this period we have disinvested in many non-strategic assets. These disinvestments notably include the sales:

- of practically all the shares we held in Iberdrola,
- of our stake in Abertis,
- of our energy-related assets in renewables and transmission lines,
- of the airport business of HOCHTIEF,
- of the telecommunications business in Australia,
- of the services businesses in Germany and Australia,
- of a significant portion of the property assets of HOCHTIEF; and finally,
- of the construction company John Holland in Australia.

Additionally, we have continued to rotate our infrastructure concessions portfolio, as an important part of our construction activity.

Over the course of these years, and thanks in part to the funds obtained by said disinvestments, we have significantly increased our shareholding in HOCHTIEF and Leighton, which now stands at 61.4% in the German company and almost 70% in Leighton. Recently, as part of the sales and transformation process, Leighton changed its name to CIMIC, the acronym for *Construcción, Infraestructuras, Minería y Concesiones* –Construction, Infrastructure, Mining and Concessions, in English.

To reach our current situation we have made a series of very significant changes. I want to remind you that at the end of 2011, the ACS Group's influence in HOCHTIEF was confined to the Supervisory Board of the company through the four directors who represented our interests, and we were not at the forefront of its management, much less in the case of its Australian subsidiary Leighton.

Exactly three years ago, in April 2012, when HOCHTIEF appointed Marcelino Fernández as General Manager of Operations, we began a transformation process through greater involvement in and control over these companies. In November 2012, Marcelino Fernández was appointed CEO of HOCHTIEF, and he implemented a strategy to reorganise the German company. A year and a half later, Marcelino Fernández also directly took the reins at Leighton when he was appointed Chairman and CEO of the Australian group.

Furthermore, our board member Pedro López Jiménez was elected Chairman of the HOCHTIEF Supervisory Board in the meeting held on 1 October 2014.

With the appointment of several agents in key posts, both in Germany and Australia, we have been promoting a series of organisational, operational and risk-control improvements that have entailed a significant change in both companies. Our actions have basically been focused on the establishing of our corporate culture, which has yielded such good results in the three decades we have been in existence, and on introducing our risk-management and work-execution systems, which are determining in our activity and which seek to boost profitability, reduce operational risks and guarantee an excellent service to our clients.

HOCHTIEF and Leighton were companies with costly and complex operational structures, organisations in which we have introduced significant changes, reducing bureaucracy, encouraging decentralisation where necessary, and eliminating functions and overlapping in tasks in order to reduce costs.

Thus, both companies have simplified their structure in order to focus on the area of our construction activity, creating business units related to civil engineering works, building, engineering, infrastructure concessions and, in the case of Australia, also mining.

This change of culture is at a relatively advanced stage. We think that it may be completed by the start of 2016, and it will result in an increase in profitability. We are convinced of the future of both companies, which will form an important part of the ACS Group in the coming years.

I want to remind you that 8 years ago, at the end of 2006, at the peak of construction in Spain, ACS was the main construction company in our country, with a total turnover of EUR 14 billion, of which more than 12 billion, that is to say 86%, was generated in Spain. Our earnings before interest, taxes, depreciation and amortisation (EBITDA) reached EUR 1.27 billion and we employed more than 123,000 people. The Group's internationalisation, still emerging, situated us in 17th place at global level, thanks to our presence in Latin America and the recent acquisition of several companies in the United States of America, which complemented the activity of Dragados.

In 2006, we had invested in companies in the electricity industry and we maintained a significant position in companies related to our activity. To fund these investments we have reached a level of net debt of EUR 8.746 billion, as reflected on our balance sheet at the 2006 year-end.

I believe that our Group has reorientated itself effectively. Today, the ACS Group is a leading infrastructure company at global level, with sales of EUR 35 billion, of which only 16% comes from Spain. Our EBITDA is close to EUR 2.5 billion, double the figure in 2006, and we have more than 210,000 employees across the more than 60 countries in which we operate.

Now ACS is a business group working in the main developed economies, and one of the global leaders in the activities of construction, concessions, mining services, engineering and industrial services, key to our future development. During these years we have disinvested in most non-core business areas to reduce the leverage of the Group, which is currently at a reasonable level, equivalent to 1.5 times the gross operating profit.

ACS is today a strong, profitable and global company. A company looking into the coming years from a strong competitive position and with good prospects for the future.

Allow me to now summarise the results obtained in the year 2014.

Consolidated Results

First, I would like to highlight that, for the fourth consecutive year, the ACS Group maintains a position of global leadership in the development of infrastructure, especially in developed markets such as North America, Australia and Europe. This strong international establishment allows us to compete in the main infrastructure investment processes at global level.

Second, and also very important for us, we have obtained results that meet our objectives in a very complicated global macro-economic environment.

Third, I want to reiterate our strong cash generation capacity, thanks to the development of our operating activities and our resolute policy of disinvestment in non-core assets. This fund generation has enabled us, once again this year, to significantly reduce our net debt.

Once the adjustments are made for the disinvestments carried out in John Holland and the services area of Leighton, the ACS Group's sales in 2014 reached EUR 34.881 billion, 0.8% less than in 2013. Our activity comes first and foremost from the Asia Pacific region, where we recorded 34% of our sales, followed closely by North America, which also accounts for 34% of the total, while Europe weighed in with 26% of the turnover. South and Central America contributed 5% of the total and Africa accounts for the remaining 1%, essentially in South Africa.

By countries, the most important in terms of turnover are the United States, Australia, Spain – representing 16% of total sales – Mexico, Germany, Canada and the United Kingdom.

Our portfolio has grown 6.7% to reach EUR 63.32 billion. By geographic areas, Asia Pacific, with more than EUR 21.7 billion accounts for 34% of the total portfolio, and includes both the contribution of mining projects, capital intensive and long-term, and infrastructure and development projects in Australia, Hong Kong, Macao and the Middle East.

In second place is Europe, with EUR 19.5 billion and 31% of the portfolio, particularly in Spain, Germany and the United Kingdom.

Third is North America, which contributed EUR 16.6 billion, 27% of the total, with particular establishment in the United States.

In fourth position is South and Central America, which weighed in with 7%, or EUR 4.6 billion, after the attainment of several large contracts in Peru, Colombia, Panama and Brazil. Africa contributed 1% of the total, essentially corresponding to South Africa.

Continuing with the operating results, the gross operating profit or EBITDA was EUR 2.466 billion, 12.9% less than in 2013. This fall is due to the variations in exchange rates and the scope of consolidation, and particularly, to the creation of the company that brings together the mining machinery in Australia and on which financial leasing has been replaced with an operational lease mechanism.

Without these impacts, and in comparable terms, the EBITDA would have decreased by 3.9%, as a consequence of the fall in the mining activity in Australia, as well as the reduction in the industrial services activity, due to the delay to the start of some projects.

Net operating profit or EBIT fell by 2.6% to EUR 1.598 billion. That being said, it was also affected by the aforementioned factors, and so, when adjusted, the growth would be 3.1% in comparable terms.

The Group's allocated net profit in 2014 rose to EUR 717 million, 2.2% higher than in 2013 and, adjusted according to the impact of the variations in exchange rates, this profit would increase by 4.3%.

The net profit of all of the areas of activity grew in 2014. Specifically:

- Construction income amounted to EUR 223 million, 18.1% more than last year;
- Industrial services grew 0.5% to reach EUR 420 million;
- Environment obtained a net profit of EUR 72 million, representing growth of 24.4%; and finally,
- The net corporation profit fell because it includes the negative impact of the tax changes regarding the tax shield after the tax rate was reduced from 30% to 25%.

Ultimately, I think that all the business areas have performed well and that we are in an excellent position to continue achieving growth in these results in the coming years.

Allow me to detail the results obtained by each area of business.

Construction

Sales in the Construction business in 2014 were EUR 25.82 billion, 74% of the total and 2.1% less than in 2013. The reduction of the mining activity and the reorganisation of the portfolio in Germany have contributed to this decline. The activity in Spain has stabilised.

By geographical areas, sales from the Construction business come mainly from Asia-Pacific, representing 45%, and North America, accounting for 39% of the total.

Europe, mainly Germany, the UK and Poland represent 10% of sales and Spain now accounts for just 5% of total construction activity. The remaining 1% comes from the activity in South America.

By business segment, civil engineering works represent 54% of the total, while building, mainly our company Turner in the United States, provides 35% of the total. The mining business in Leighton accounts for 10% of construction sales.

For its part, Iridium, although it does not directly contribute to the sales of the activity, is the main player in the search for and development of large contracts under concessions or with public-private partnership mechanisms, generating great opportunities for the rest of the construction business.

The construction backlog from the Construction business amounts to EUR 45.135 billion, equivalent to 19 months of production. This figure accounts for 71% and represents growth of 3.7%, thanks to the important activity in America.

Among the top contracts awarded in 2014, I would like to highlight:

- The North West Rail Link project in Sydney, worth over EUR 1.85 billion, to build 36 kilometres of local railways and manage their operation for 15 years.
- A part of the concession of line 2 of the Lima metro in Peru, worth EUR 900 million.
- The construction of the New Orbital motorway in Doha (Qatar), with a budget of EUR 684 million.
- Buildings in the new terminal of Hong Kong international airport, worth EUR 607 million.
- The construction of the Transmission Gully motorway in New Zealand, and the management of its operation for 25 years, worth EUR 560 million.
- The construction and subsequent operation for 39 years of the motorway ring road from Portsmouth to Ohio, worth EUR 475 million.
- The construction of the Conexión Pacífico 1 motorway in Colombia, worth EUR 453 million.
- The construction of the "Jewel of the Creek" building and infrastructure complex in Dubai, for a total amount of EUR 420 million.
- And the construction of the first 100-kilometre high-speed train stretch in California, with a budget of EUR 357 million.

Industrial services

Industrial services sales rose to EUR 6.75 billion, equivalent to 19% of the total sales and 4.5% less than in 2013, mainly due to the exchange rate variations.

Our country is the main market for this business, accounting for 36% of the total, mainly in maintenance contracts. The activity in North America, particularly Mexico, represents 28% of the total after growing 10.9%. South America, mainly Peru, Chile, Brazil and Colombia, weighs in with 19% of the total.

By activities, integrated projects grew 1.8% thanks to the business in Mexico and the Middle East, and accounts for 43% of the total sales. Specialist Facilities, which contributed 29% of the total, fell 18% as a consequence of the end of several projects.

The renewables activity grew 18.5% during the year due to the commissioning of a new thermo-solar plant and several wind farms.

The backlog in industrial services reached EUR 8.022 billion, equivalent to 13% of the total of the Group's portfolio, growing 8.2%.

Mexico represents 24% of the total, while South America accounts for 21%. The Asia portfolio has grown 48% and now represents 16% of the total.

Together, the international portfolio grew 19.6% and represents 76% of the total, while the portfolio in Spain reached EUR 1.937 billion, 24% of the total portfolio.

Among the most important projects from 2014 I would like to highlight:

- The extension, refurbishment and improvement of the Miguel Hidalgo refinery in Tula, Mexico, worth EUR 284 million.
- The construction of two solar farms in Brazil, worth EUR 385 million.
- The redesigning of a combined-cycle power plant in Mexico, worth EUR 266 million.
- The refurbishment of several industrial plants for Pro-Agroindustria in Mexico, worth EUR 173 million.
- The comprehensive management contract for the urban control systems of Madrid, worth EUR 171 million.
- The construction of new infrastructure for the fertiliser complex in Ras Al-Khair in Saudi Arabia, worth EUR 162 million.
- The construction of an offshore platform in The Gulf of Mexico, worth EUR 104 million.

Environment

Environment sales in 2014 rose to EUR 2.338 billion, 7% of the total and 31.3% more than in 2013, thanks to the full incorporation of Clece from 1 July 2014.

Spain accounts for 74% of the total, while the business in France and the United Kingdom contributed 13%, and South America, mainly Chile, weighed in with 12%.

By activity, Urban Services provided 44% of the sales, while the 6-month contribution of all of Clece accounted for 28% of the total. Waste treatment contributed 22% and logistics 6%.

In portfolio terms, at 31 December the portfolio had risen to EUR 10.164 billion, equivalent to 16% of the total. The 20.4% increase with respect to the previous year is a consequence of the incorporation of the Clece portfolio as of July 2014.

The main projects awarded in this area during 2014 were cleaning and waste-collection contracts in Spain, and several contracts of various types, mainly assistance, in Clece.

Cash Flows from Operations

As already stated, in 2014 we recorded strong cash generation, due to the funds generated by our operating activities and the disinvestments carried out. Thus, our activities generated operational funds of EUR 824 million and the net disinvestments implemented reached a total of EUR 313 million.

The sum of both items, operating cash and net disinvestments, represents a total generation of EUR 1.137 billion in funds in 2014, practically double the figure recorded in 2013.

Investments and Disinvestments

Allow me to explain in detail the investment effort that we have undertaken, of which I would like to highlight the most important items:

- In operating activities, the investment of approximately EUR 400 million made by CIMIC in mining machinery and equipment. The Group's other operating companies have invested EUR 280 million in equipment for the maintenance and development of their business, bringing the total of operating investments to EUR 777 million.

- We have invested EUR 512 million in concession assets, broken down in EUR 222 million for infrastructure projects, EUR 183 million in renewables assets and other energy concessions, and EUR 107 million in urban waste treatment plants, mainly in the United Kingdom.

- Finally, the Group has dedicated EUR 1.02 billion to financial investments, mainly to increasing the shareholding in CIMIC by 16% with an investment of EUR 617 million.

- Additionally, we have acquired shares in HOCHTIEF for an amount of EUR 212 million. We have also purchased 25% of Clece for EUR 121 million and Dragados has acquired two companies in the United States to increase its presence in the areas of Massachusetts and Florida, for EUR 62 million.

With regard to disinvestments, I would like the emphasise that the operating activities have sold machinery and equipment to the value of EUR 167 million, mainly in construction and specifically in CIMIC, a company with a high degree of rotation in its mining equipment.

As for sales of concession assets, they have generated EUR 453 million, notably including the disinvestments of motorways and other infrastructure concessions in Spain by Iridium, which obtained EUR 213 million.

With respect to financial disinvestments, several non-strategic assets have been sold for a total amount of EUR 2.003 billion, notably including:

- the sale of shares in Iberdrola for a value of EUR 594 million, through the partial cancellation of exchangeable notes.
- the sale of the services company of Leighton and John Holland last December, through which a total amount close to EUR 1.1 billion has been obtained; and
- the sales of various property assets in Europe by HOCHTIEF, generating funds greater than EUR 300 million.

I would like to make special comment on the recent renewable energy assets sales transaction, completed in February. As you are aware, the ACS Group has sold 75.4% of the company Saeta Yield through a public share offer on the Madrid Stock Exchange, where we placed 51% among qualified institutional investors and 24.4% went to the investment fund specialising in infrastructure, GIP. This transaction has allowed us to deposit EUR 361 million, and we remain a core industrial partner, which makes us the natural ally of Saeta Yield to promote its profitable growth.

Simultaneously, we have reached an agreement with GIP to create a new company, in which we have incorporated the development assets on which Saeta Yield has a right of first offer, with the objective of investing in future energy projects. This operation entails an inflow of funds of approximately EUR 140 million and, therefore, the joint amount of both transactions will represent revenue close to EUR 500 million.

Saeta Yield and the development company strengthen our rotation strategy for mature assets developed by the Group, while at the same time we continue to reduce our net debt.

Net Borrowings

Focusing on our debt level, the net debt of the Group at the 2014 year-end was EUR 3.722 billion, 2.3% less than in the previous year.

I want to highlight that, in the last three years, we have made the greatest debt-reduction effort, which has seen it fall by more than EUR 5.6 billion in that period, equivalent to 60%, thanks to the contribution of our operating activities and the disinvestment of our non-basic assets.

This level of debt gives us an EBITDA ratio of 1.5, which fulfils our objective and which we deem adequate for the Group's funds-generation capacity.

Stock markets

In 2014 and, in particular, 2015 to date, the changes we have made in operating, financial and strategic terms have been positively accepted by the equity markets. At the end of 2014 the ACS share price was EUR 28.97, an increase of 15.8% in the year compared to 3.66% across the IBEX35 in the same period.

The efforts we are making to reduce our debt, simplify our organisational structure, reorganise HOCHTIEF and increase our cash-generation capacity have undoubtedly contributed to this positive development.

It is also true that our shareholder value creation vocation is one of the factors that explain our trajectory in the equity markets. By way of example, an investor who had acquired ACS shares in January 1997, the year our Group was created, would have multiplied their investment by 16 and obtained an average annual profitability of 25.2%, including the dividends received over the period.

By the same token, if we undertake a more exhaustive analysis considering the last ten years, from 31 December 2004, when the share price closed at EUR 16.80, to today when it is close to EUR 32, the average annual profitability for the shareholder is 13%, including the payment of dividends, whereas the increase of the main indicator of the Spanish stock exchange, the IBEX35, does not exceed 2.5% per year.

This difference is undoubtedly due to the positive development of our results. Over these same ten years, the Group has generated EUR 8.928 billion in accumulated net profit, divided in EUR 6.57 billion in accumulated net profit since 2005 from operating activities and EUR 2.358 billion from non-core earnings and holdings.

Given the context of the global crisis, the generation of resources over these ten years has been noteworthy, and we believe in continuing along the same path in the future.

Macroeconomic Environment

The positive evolution of the equity markets that we are seeing in Europe, and particularly in Spain, is due to a change of tendency in the economic expectations of our environment. Where yesterday we saw risks, today we see opportunities.

Specifically, in Spain the change of viewpoint in the last twelve months has been spectacular. With revised expectations for 2015 of a GDP increase of around 2.5%, our country is one of the drivers of growth in the European Union. The reforms carried out within our economy, together with the considerable effort made by our countrymen, and the monetary expansion measures adopted by the European Central Bank, are promoting a level of confidence and growth that allows us to be more optimistic than twelve months ago.

In this economic situation, the reduction of the government deficit in 2014, to 5.8% of GDP, is good news that confirms the results of a rigorous fiscal and budgetary policy. We must continue to persevere with the reduction of non-productive expenditure, which allows us to fulfil the commitments undertaken with the European group to which we belong.

Also, the increase of competitiveness is currently a fundamental element for promoting employment, with the possibility of ending 2015 with a net generation of over half a million jobs. The current increase in internal demand as well as our capacity to export goods and services will contribute to this evolution. Specifically, in 2014, the goods and services current account balance recorded a surplus for the third consecutive year. With a net inflow of funds of more than EUR 27.2 billion, equivalent to 2.6% of GDP, the Spanish economy has managed to change the deficit in our external commercial sector since our entry to the euro. In the last three years this accumulated surplus has reached over EUR 79 billion, a trend maintained in the opening months of 2015, which is highly significant positive news.

In this more favourable economic environment, in the current context of low interest rates, availability of financial resources and growing demand, Spain must take advantage of the situation to develop the most socially and economically profitable infrastructure projects which contribute to guaranteeing medium- and long-term growth, generating an important snowball effect that promotes competitiveness, growth and employment.

In global terms, the macroeconomic outlook is also positive. The IMF predicts that 2015 GDP will grow 3.5% at global level, 20 basis points above 2014.

The performance of the countries in which we are present is going to be very positive:

Australia could grow up to 2.9%, the United States by 2.6% and the European Union as a whole by 1.8%. For its part, Mexico will grow 3.5% above the Latin American average.

This strong outlook makes us very optimistic regarding the growth that we will see in the coming months in terms of infrastructure investment, especially in the United States, where growth of investment in gross fixed capital formation of greater than 5% is expected. This would see it reach 20.5% of the country's GDP.

I want to point out that, according to the International Monetary Fund, each percentage point of GDP allocated to investment in advanced countries makes GDP grow by forty basis points in the first year, and 1.5 percentage points four years after making the investment. In terms of debt ratios, if the investment is made efficiently, the effect derived from the increase in GDP can compensate for the increase in debt. This economic impact is added to the social, demographic and cultural factors derived from an efficient infrastructure endowment.

Currently, the investment deficit in advanced countries, particularly in terms of maintenance, entails a deterioration in the quality of the infrastructure systems, which has a direct impact on the competitiveness of their economies. Furthermore, in emerging countries, the lack of infrastructure gives rise to bottlenecks that slow medium- and long-term growth. Some international institutions indicate that for 2025 an annual investment of USD 9 quintillion, compared with the annual USD 4 quintillion of 2012, will be needed in infrastructure projects related to natural resources, energy generation, industry, transport and social matters. This is an enormous opportunity for our company, which competes globally in all these investment activities.

Future Prospects

I would not want to end my intervention without giving a brief update on our corporate strategy and summarising the upcoming objectives towards which we hope to progress:

- First, to complete the operational transformation of HOCHTIEF with the application of measures directed at increasing the profitability of all the divisions.
- Second, to continue to improve the health of our balance sheet, in line with what we have been doing in recent months through streamlining

and refinancing measures, which will allow us to obtain a reduction of financial costs and to advance in the financial deleveraging process.

- Third, to take advantage of the growth opportunities offered to us by developed countries, particularly in markets in which we have a strong presence, such as the United States, Canada, Australia, Mexico and the European Union.
- And, finally, to maximise our free cash flow generation and strengthen our efficient capital-allocation measures, maintaining our high levels in terms of shareholder remuneration

In HOCHTIEF and CIMIC, as I stated before, we have developed a series of changes that involve clear operational and profitability improvements.

The structural streamlining tasks are still in process, particularly those of CIMIC, the old Leighton, as well as the process of the sale of some assets, among them the property companies in Germany and Australia.

Lastly, we continue with our effort to improve our risk-management systems to promote additional improvements in terms of profitability.

Our debt-reduction effort, as well as the various refinancing processes closed in different areas and businesses, will result in a significant reduction of financial costs, and will help to achieve the Group's net profit objectives.

In the coming years, we embark upon important business opportunities in what we consider to be the reference markets. In fact, more than 85% of our sales come from EU or OECD countries.

I sincerely believe that we are in an excellent position to take advantage of these business opportunities, and that, leaning on them, we can grow strongly over the coming years.

Conclusion

In 2015 we hope to continue disinvesting in non-strategic assets, which, together with our cash-generation capacity, will help us to continue reducing our net debt.

We are going to continue investing in our businesses to promote the growth of our activities, and to enable us to take advantage of the opportunities we have as a global leader in infrastructure development.

Our capacity for integration and collaboration with all the companies in the Group, making the most of the size of our global Group and the local leadership of our companies in the main global markets, will be the basis of our future growth.

Ultimately, our main objective remains increasing the profitability for our shareholders, be it with an attractive dividends policy or through the increase of the base value of our share.

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.