



# Results Presentation 2013

*28<sup>th</sup> of February, 2014*

# *Executive Summary*

**Consolidation of Global Leadership**

**Good Operating Results**

**Net Profit > € 700 mn**

**Financial structure reinforced**

**HOCHTIEF Restructuring**

# ACS's Consolidation of Global Leadership

Var. 13/12

Comparable Var.\*

Sales

€ 38,373 mn

-0.1%

+6.1%

Backlog

€ 63,419 mn

-15.0%

-2.0%

World leader in Construction

World leader in Concessions

**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	<b>GRUPO ACS, Madrid, Spain</b>	<b>50,654.6</b>	<b>42,772.0</b>
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
11	11	LEIGHTON HOLDINGS LTD., St. Leonards, New South Wales, Australia	23,483.0	4,172.0

**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 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 Whamoa (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
Sacyr (Spain)	23	18				15	
IL&FS (India)		0					

\* Excluding forex impact and perimeter changes

# Good Results 2013

			Var. 13/12	Comparable Var.*
<b>EBITDA</b>	Margin 7.8%	<b>€ 3,002 mn</b>	<b>-2.8%</b>	<b>+3.1%</b>
<b>EBIT</b>	Margin 4.5%	<b>€ 1,746 mn</b>	<b>+10.5%</b>	<b>+16.9%</b>
<b>Recurrent Net Profit</b>		<b>€ 580 mn</b>	<b>-0.3%</b>	<b>+7.0%</b>
<b>Operating Cash Flow</b>		<b>€ 1,959 mn</b>	<b>+30.1%</b>	<b>n.a.</b>

\* Excluding forex impact

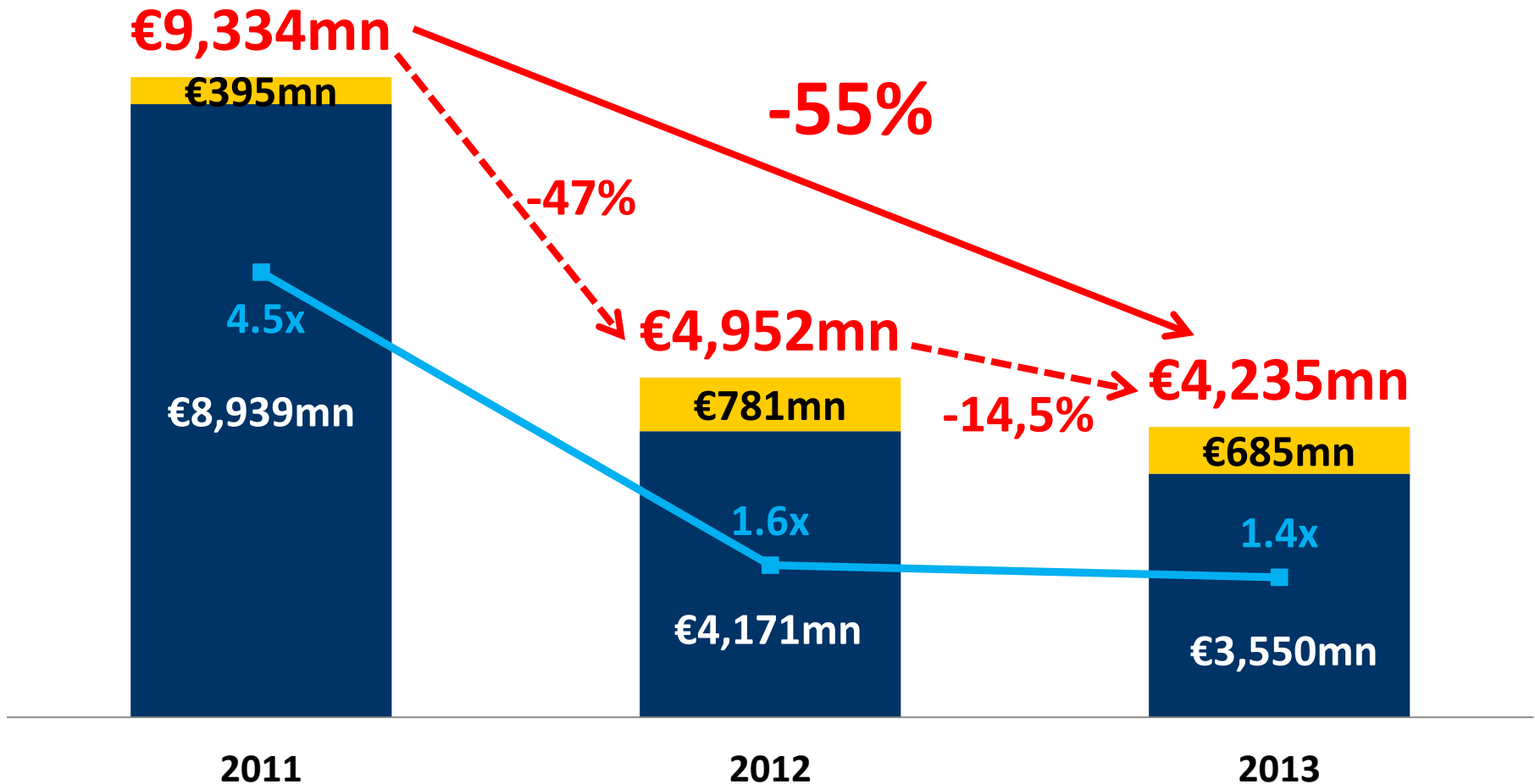
# Net Profit > € 700 mn

€ million

	2012	2013
<b>Recurrent Net Profit Construction</b>	<b>249</b>	<b>261</b>
<b>Recurrent Net Profit Industrial Services</b>	<b>416</b>	<b>418</b>
<b>Recurrent Net Profit Environment</b>	<b>72</b>	<b>79</b>
<b>Operating Recurrent Net Profit</b>	<b>737</b>	<b>758</b>
<b>Overheads, financial results and taxes</b>	<b>(155)</b>	<b>(176)</b>
<b>Recurrent Net Profit</b>	<b>582</b>	<b>580</b>
<b>Extraordinaries and Iberdrola contribution</b>	<b>(2,510)</b>	<b>122</b>
<b>Net Profit</b>	<b>(1,928)</b>	<b>702</b>

# Financial structure reinforced

■ Business Net Debt    
 ■ Project Finance    
 Total Net Debt    
 —■— Business Net Debt / EBITDA\*



\* Not including projects EBITDA (Concessions, Renewables, etc.)

# HOCHTIEF: Achieving objectives in 2013

## Solid results

Reported net profit €171mn +10.3%

Recurrent Net Profit €208mn +123%

## Restructuring process

Simplification of the organization in Europe

Overheads reduction

Risk systems homogenization

## Strategic refocus

Assets disposal €1,770mn

Leighton stake increased

Higher operating integration

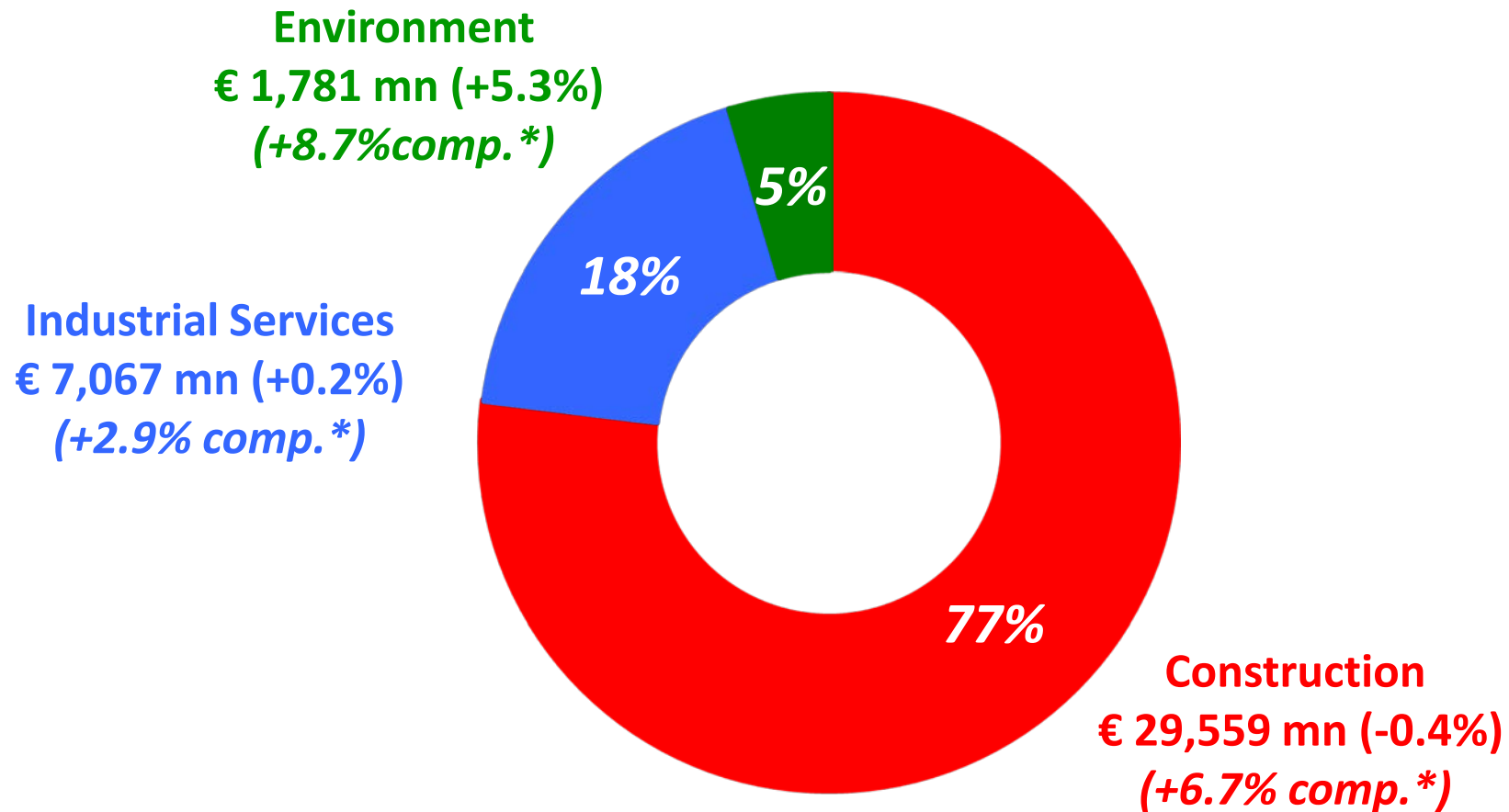
Telco  
Services  
Airports  
Aurelis (2014)

## Net debt reduction

Net Debt €401mn -66%

# Sales

**Sales 2013**    **€ 38,373 mn**    **-0.1% (+6.1% comp.\*)**



\* Excluding forex impact



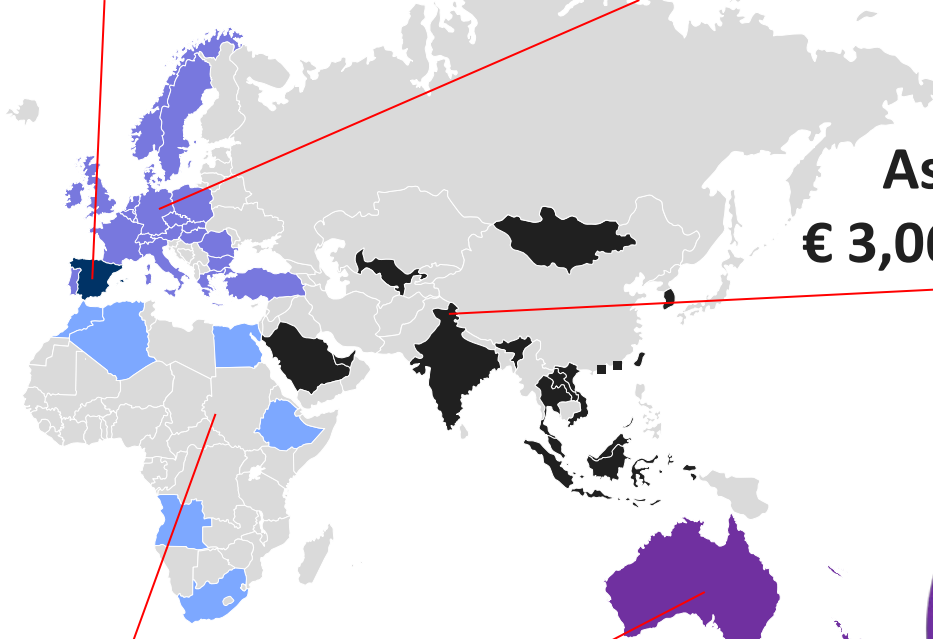
# Sales by geographical areas

**North America**  
€ 11,061 mn

**Spain**  
€ 5,245 mn

**Rest of Europe**  
€ 4,549 mn

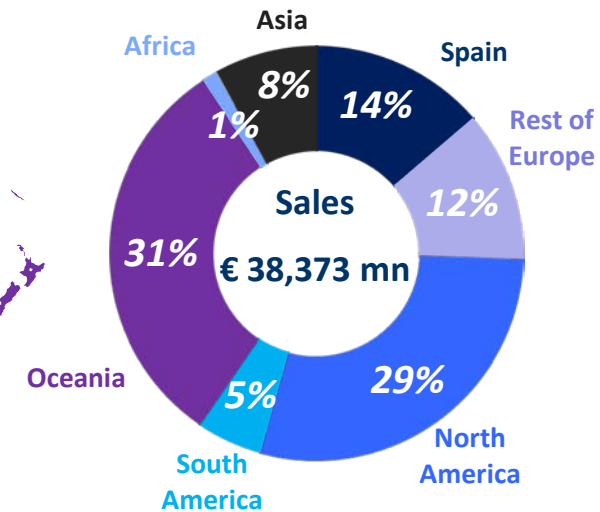
**Asia**  
€ 3,063 mn



**South America**  
€ 1,993 mn

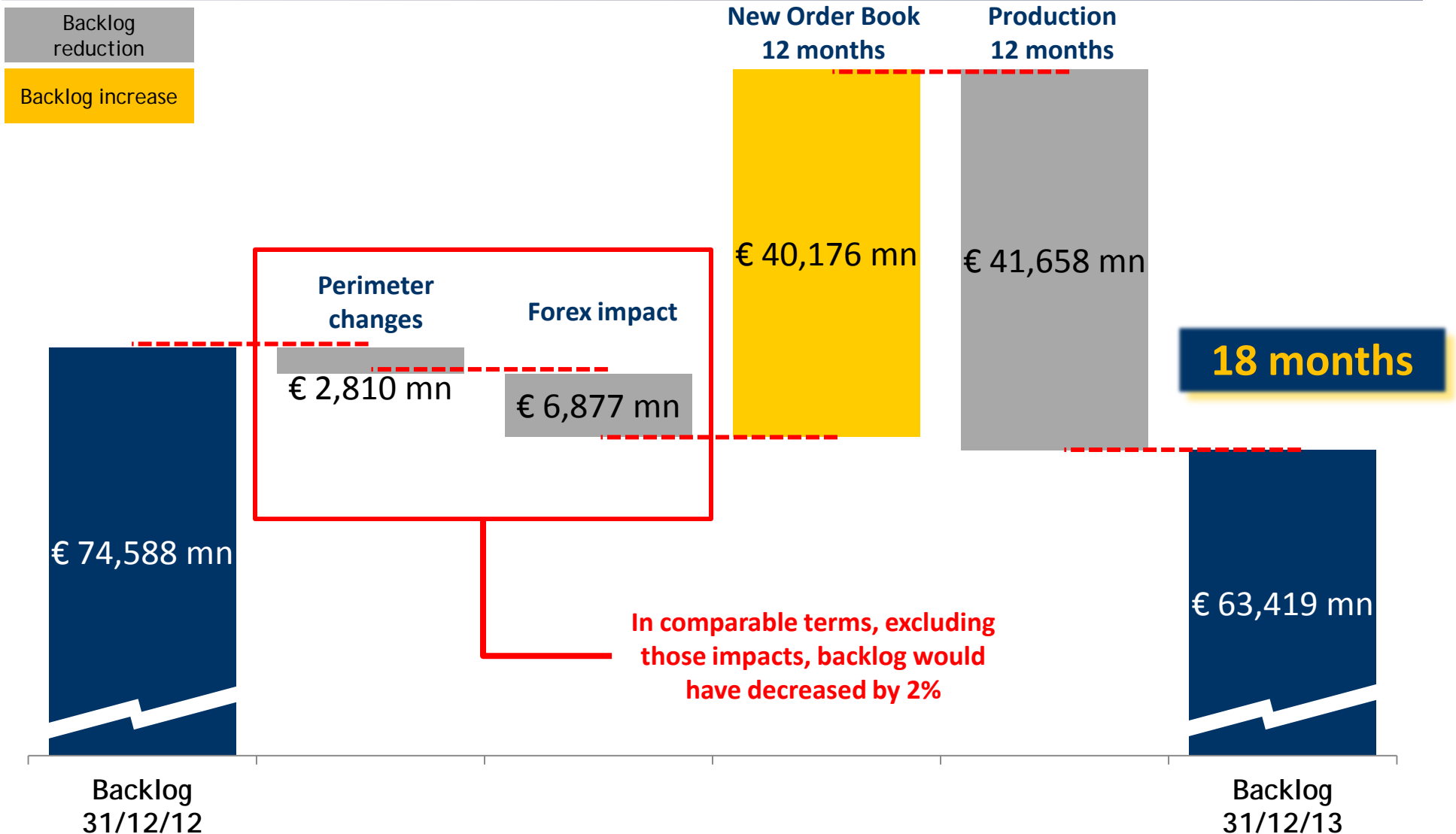
**Africa**  
€ 464 mn

**Oceania**  
€ 11,998 mn



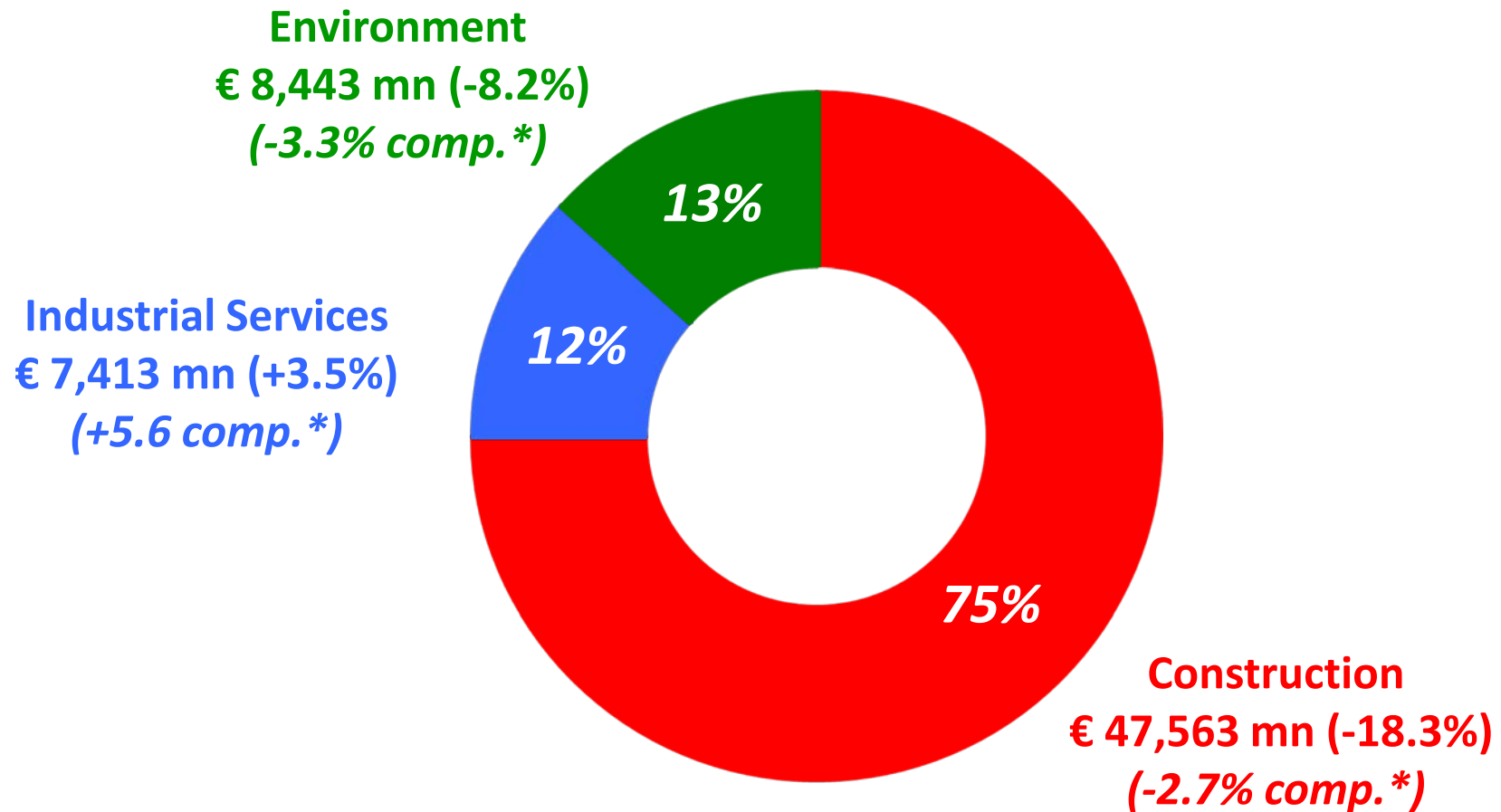
The map includes countries with more than € 1 mn sales  
In China ACS develops its activity in Hong Kong and Macau

# Backlog evolution 2013



# Backlog by areas of activity

**Backlog 31/12/13**      **€ 63,419 mn**      **-15% (-2% comp.\*)**



\* Excluding forex impact and perimeter changes

# Geographical diversification - Backlog

North America  
€ 13,547 mn

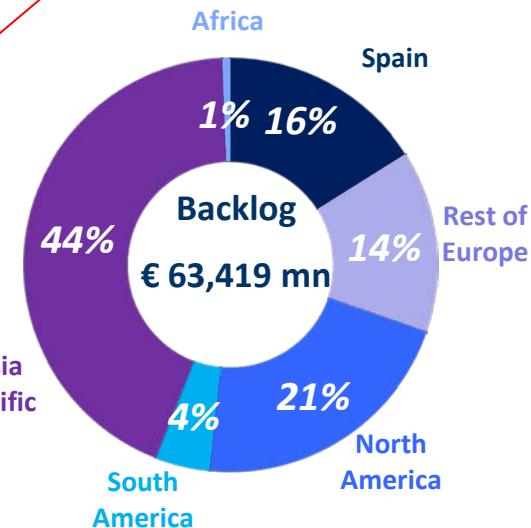
Spain  
€ 10,177 mn

Rest of Europe  
€ 9,044 mn

Asia Pacific  
€ 27,544 mn

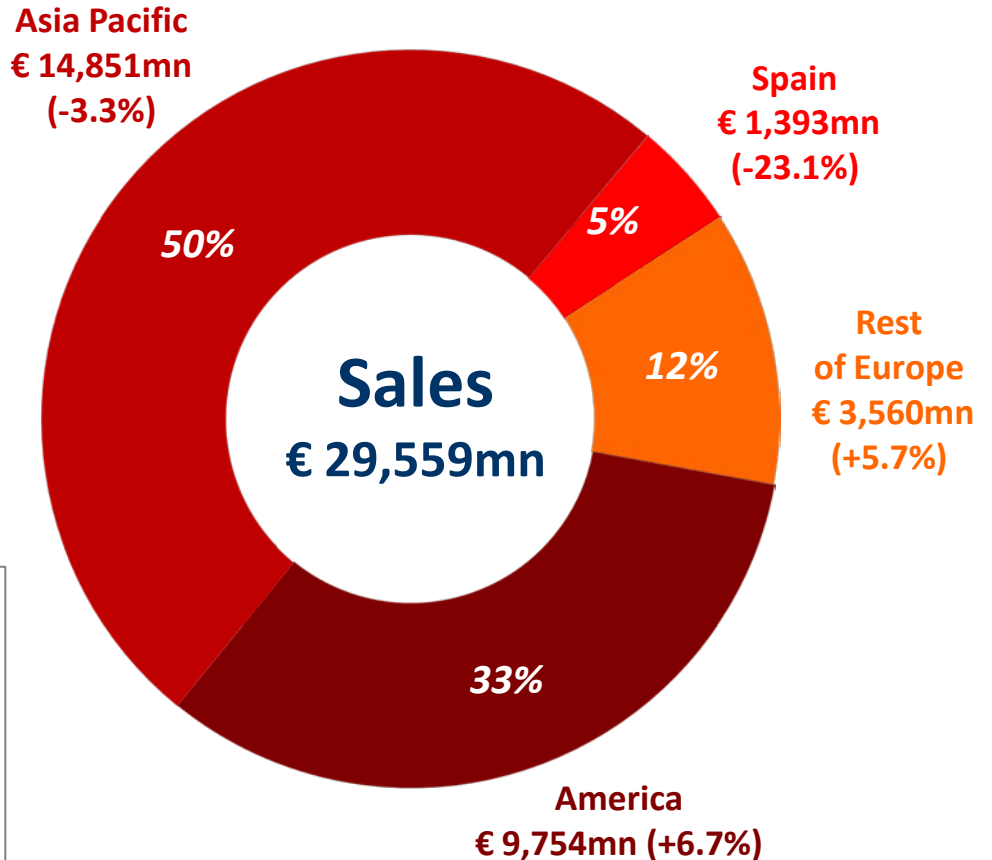
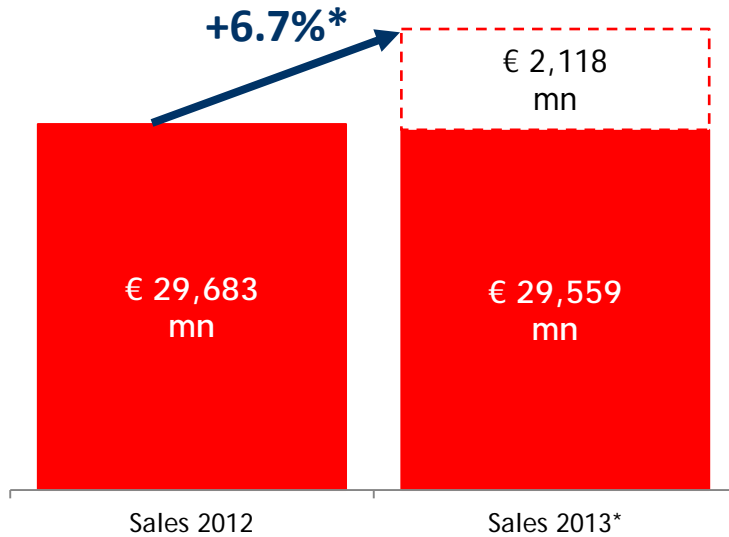
South America  
€ 2,708 mn

Africa  
€ 398 mn



The map includes countries with more than € 1 mn of backlog  
In China ACS develops its activity in Hong Kong and Macau

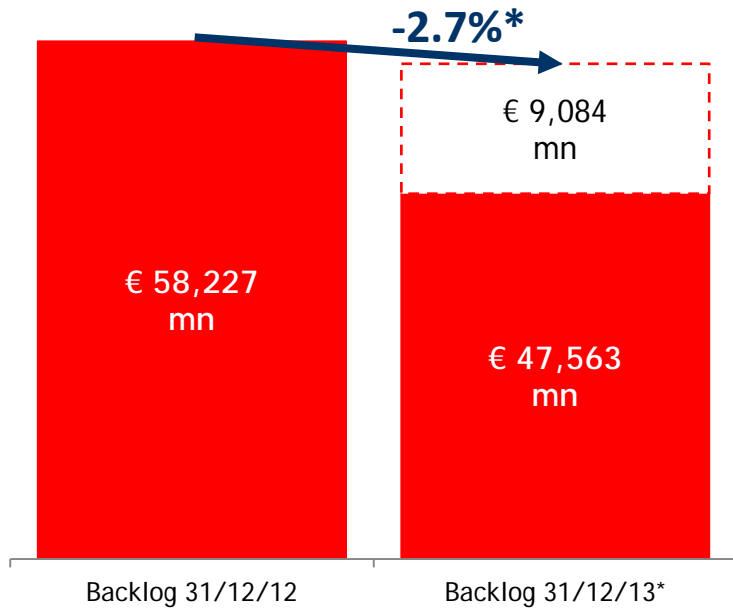
# Construction - Sales



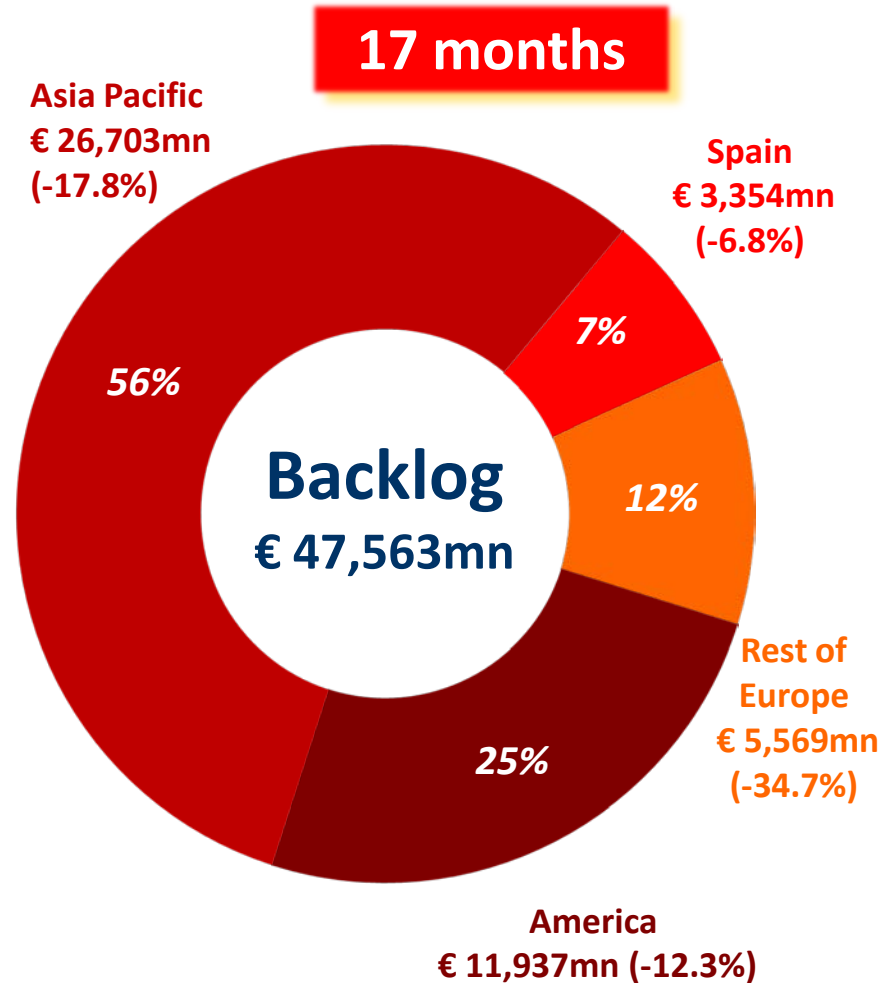
- Average exchange rate impact: AUD (-9.1%), US\$ (-3%)
- Sale of Nextel in Australia and Services in Europe
- Construction in Spain (-23.1%)

\* Includes forex effect

# Construction - Backlog



- Closing exchange rate impact: AUD (-17.7%), US\$ (-4%)
- Sale of Nextel in Australia, Services in Germany and Dragados Greece
- Construction in Spain (-6.8%)



\* Includes forex effect and perimeter variations

# Main Awards in Construction

€ 157 mn

Alberta's Institute of Technology

€ 341 mn

Bank subway station enlargement, London

€ 217 mn

Anti flooding protection in Raciborz (Poland)

€ 2,144 mn

Resort in Macau

€ 501 mn

Railway link between Shatin and Central Hong Kong

€ 610 mn

Ottawa light train

€ 182 mn

Residential complex in Gurgaon, India

€ 70 mn

Railway Tunnel in Eglinton, Toronto

€ 167 mn

Integral highway maintenance in Madrid

€ 79 mn

Pulaski Skyway Bridge in New Jersey

€ 77 mn

Pelli Tower, Seville

€ 1,323 mn

QCG gas project civil works

€ 122 mn

State Road 23 in Florida

€ 218 mn

Schipol - Amsterdam highway

€ 1,011 mn

Kings mining deposit maintenance and operation (Australia)

€ 163 mn

86 Street subway station, New York

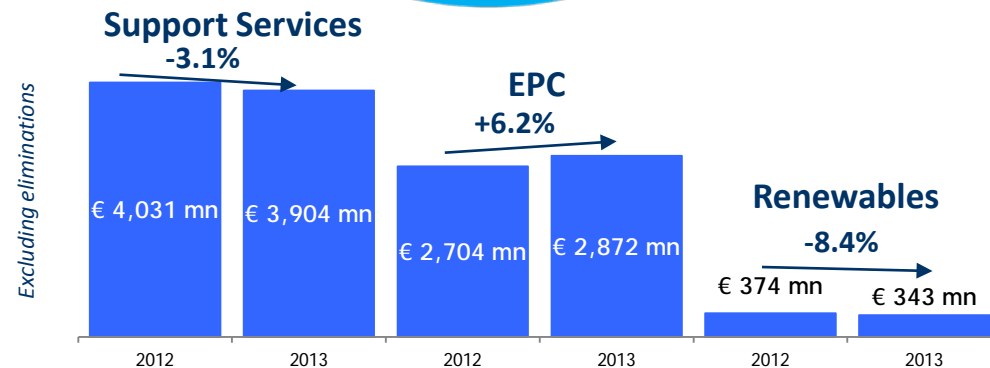
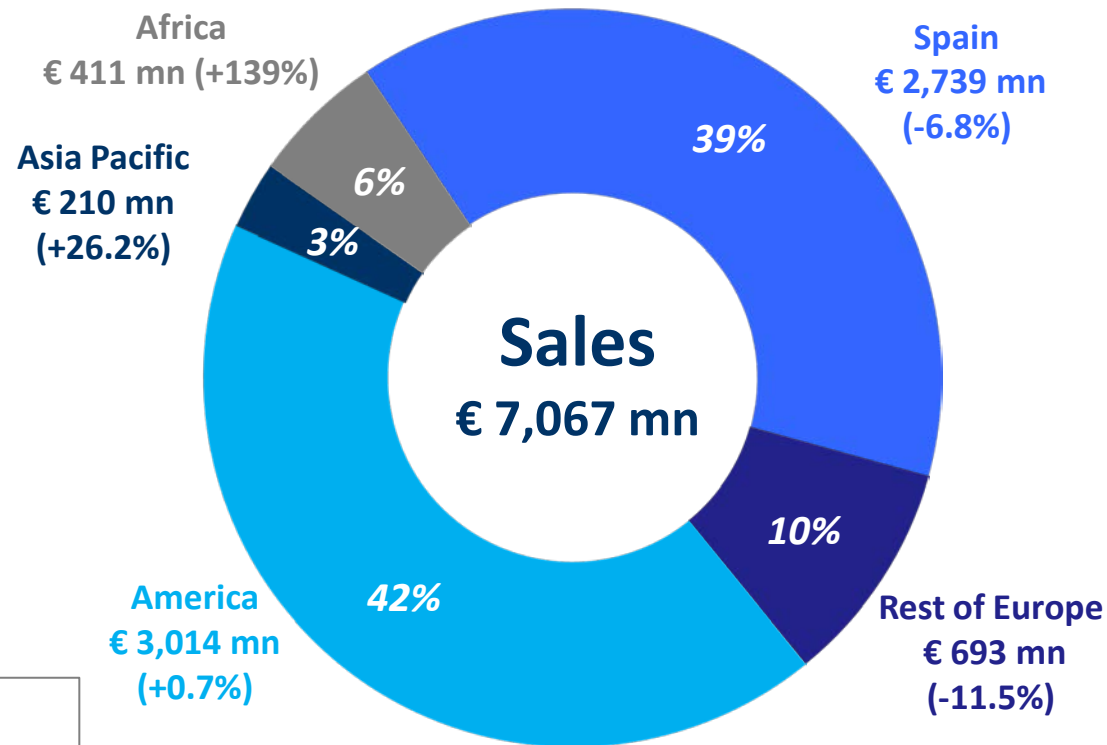
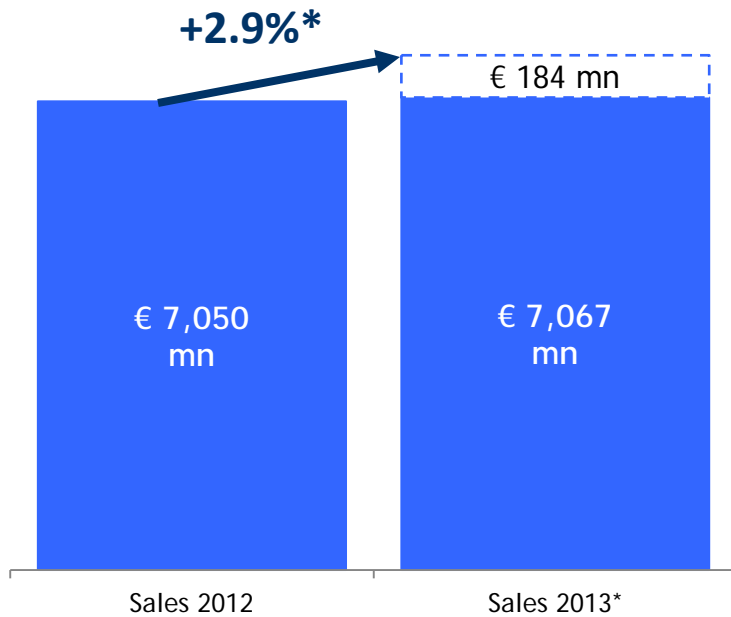
€ 481 mn

Moreton Bay Railway project in Brisbane

€ 671 mn

Sydney's North West Rail Link

# Industrial Services - Sales

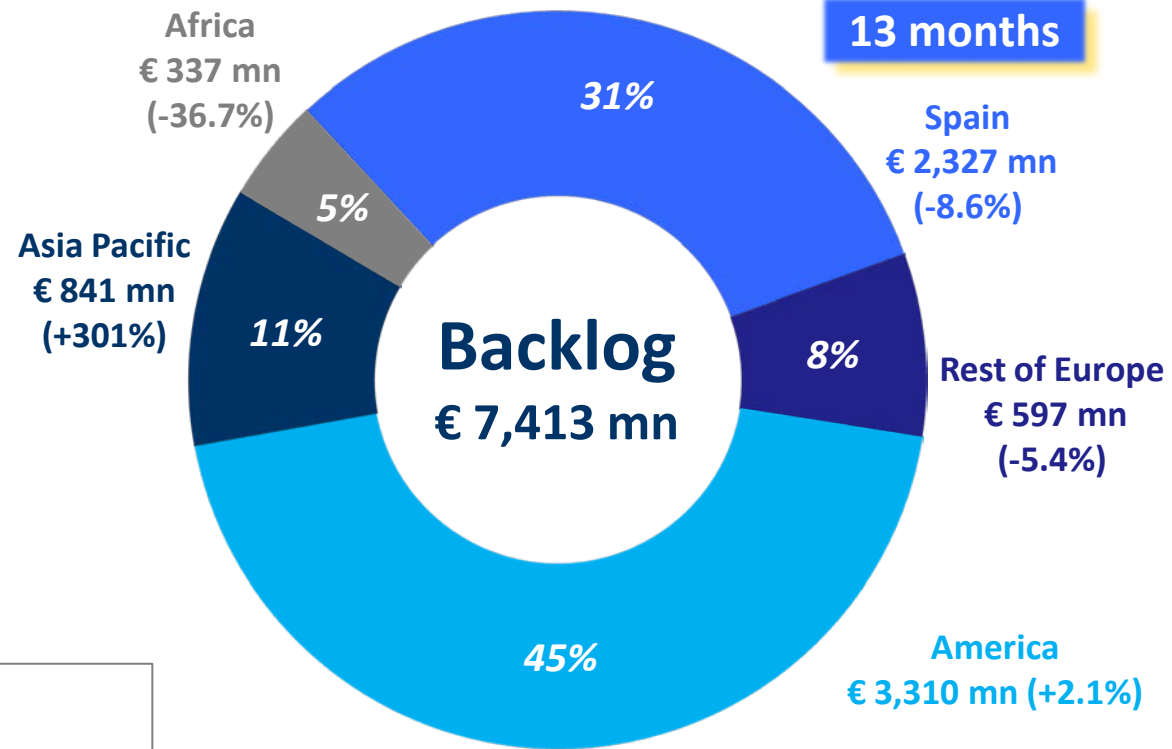
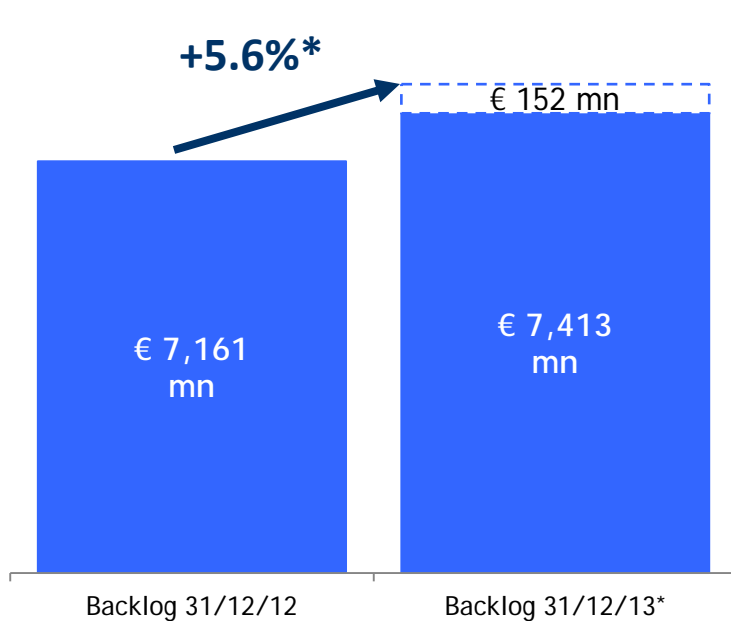


- Average exchange rate impact : MXN (-0.7%), BRL (-12.8%)
- Growth in Latam, Saudi Arabia and Southafrica
- 61% of sales abroad

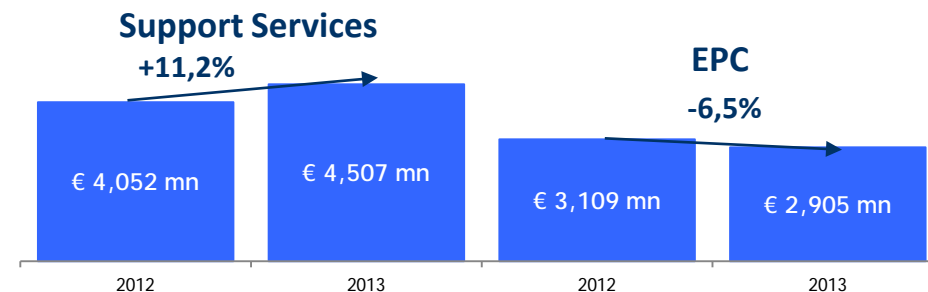
\* Includes forex effect



# Industrial Services - Backlog

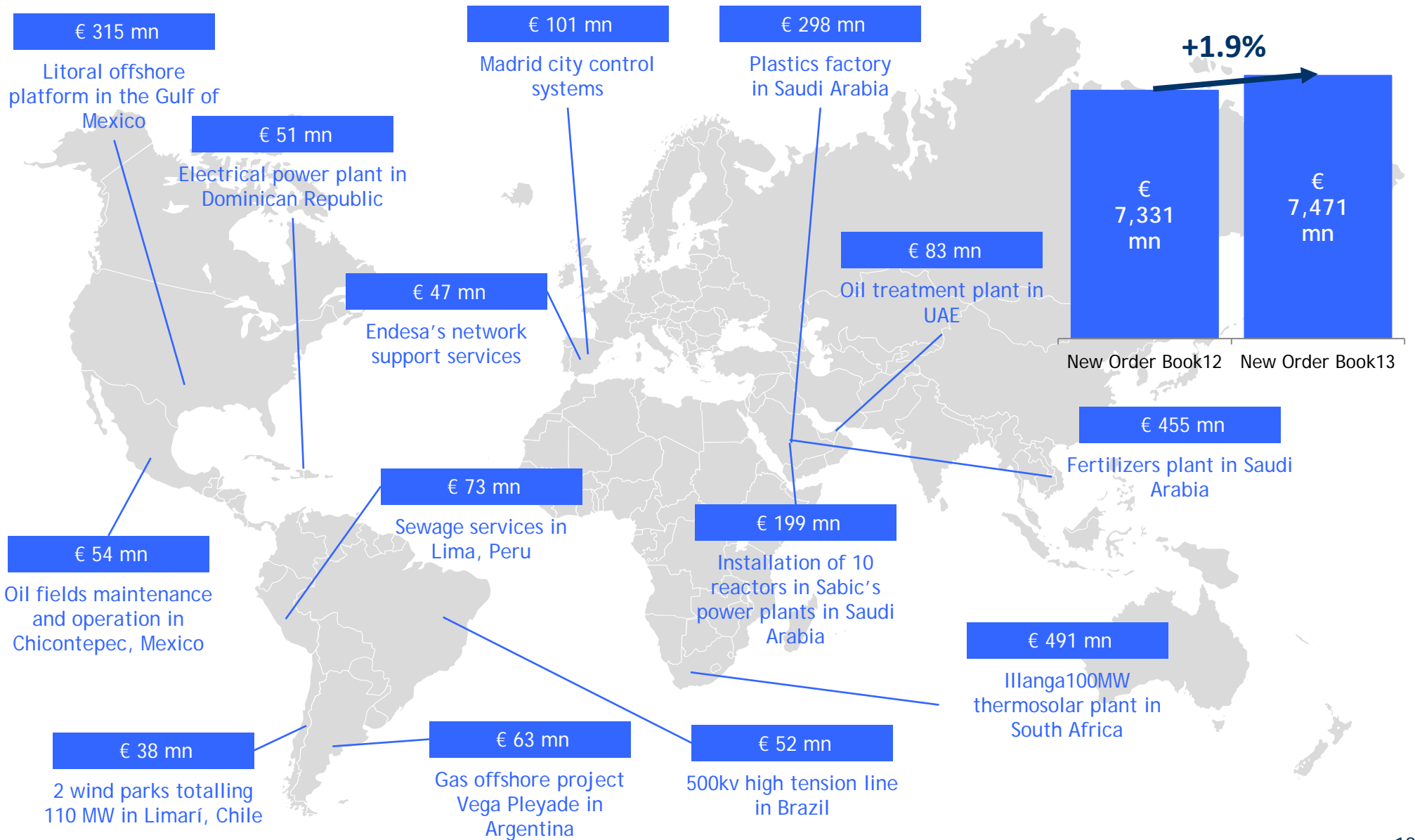


- Closing exchange rate impact :  
MXN (-5.2%), BRL (-16.8%)
- Awards in Saudi Arabia and Latam
- 69% of backlog abroad

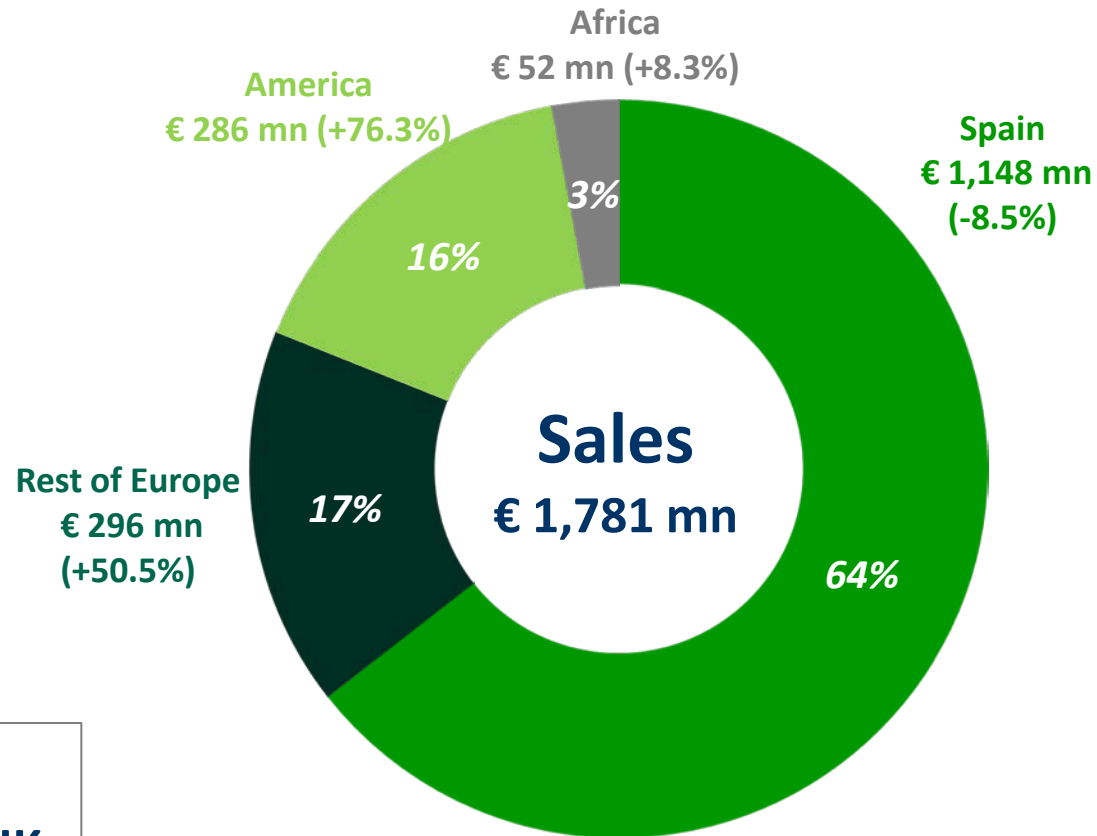
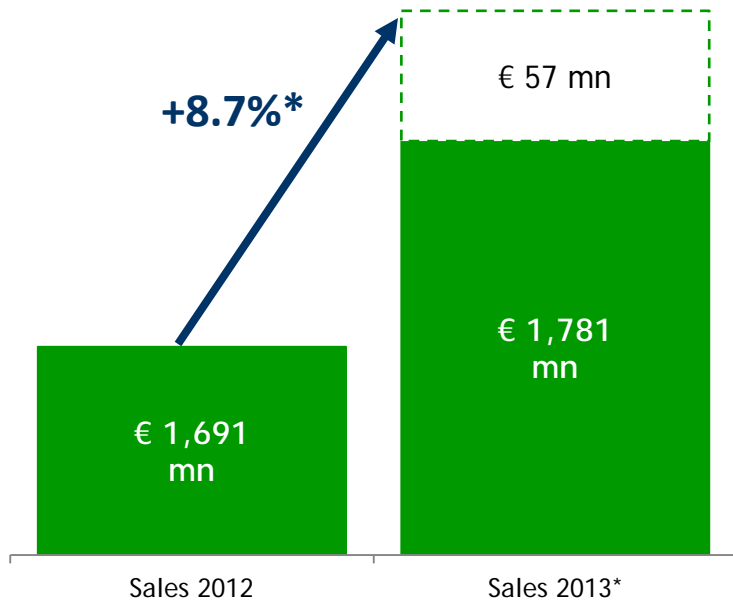


\* Includes forex effect and perimeter changes

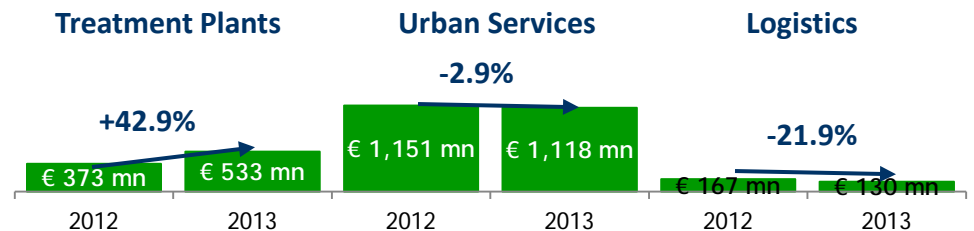
# Main Awards – Industrial Services



# Environment - Sales

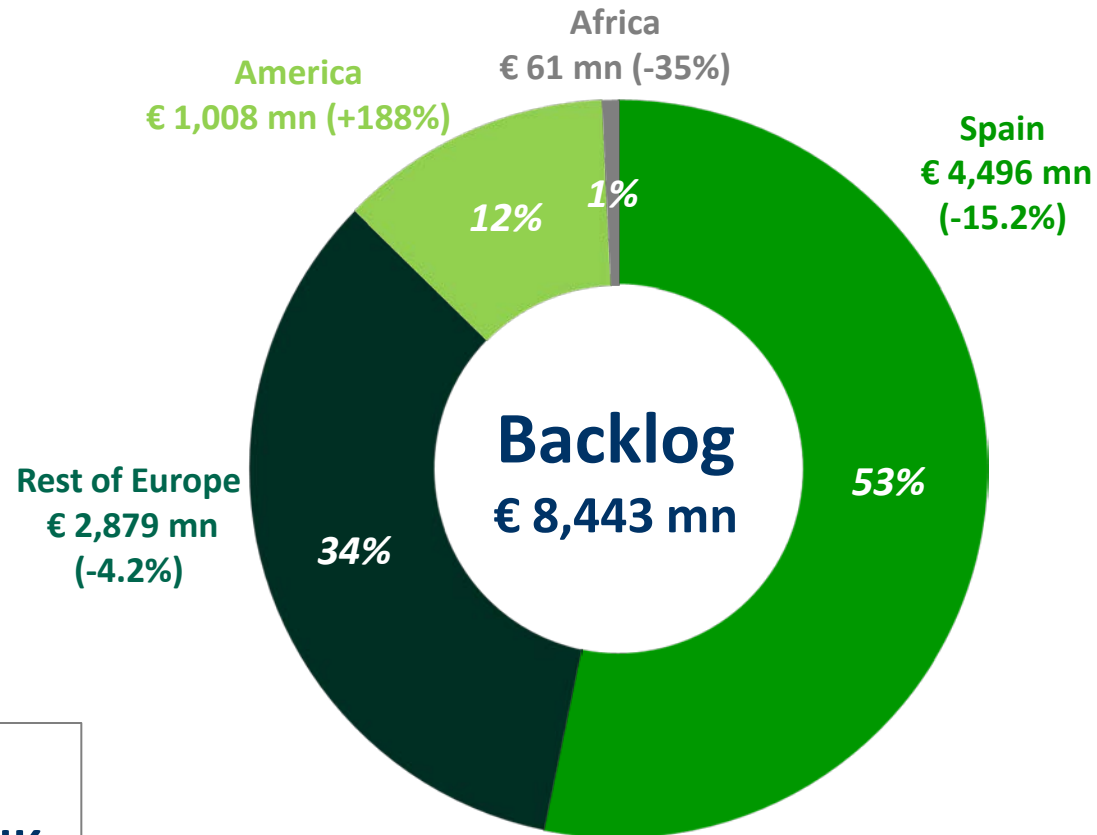
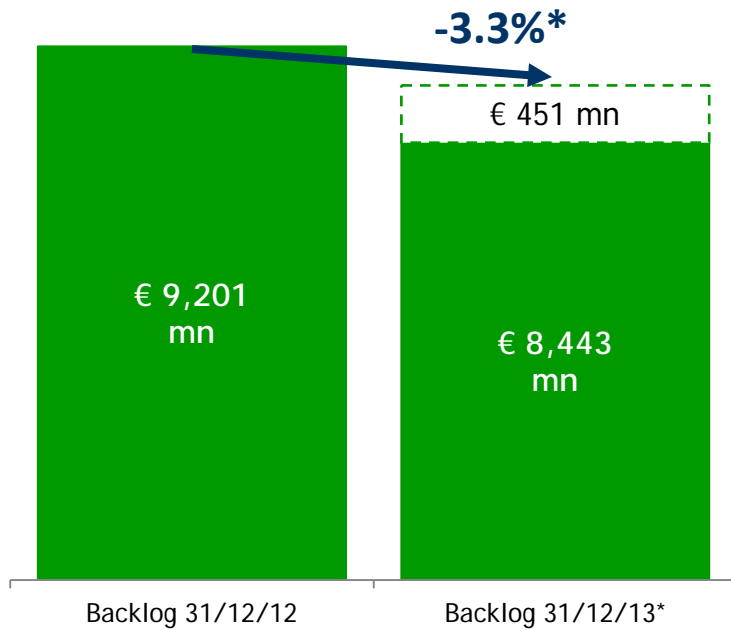


- Activity increase in France and the UK
- Acquisition of the minorities in Chile

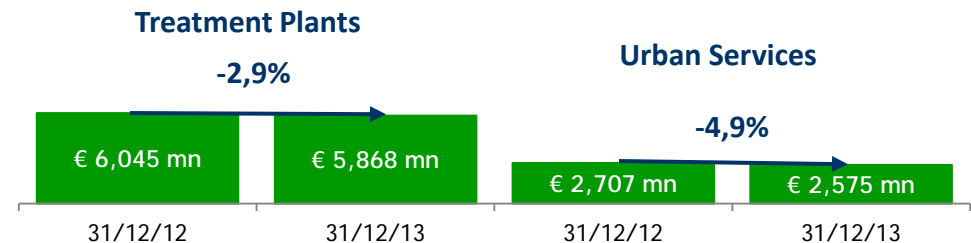


\* Includes forex effect

# Environment - Backlog

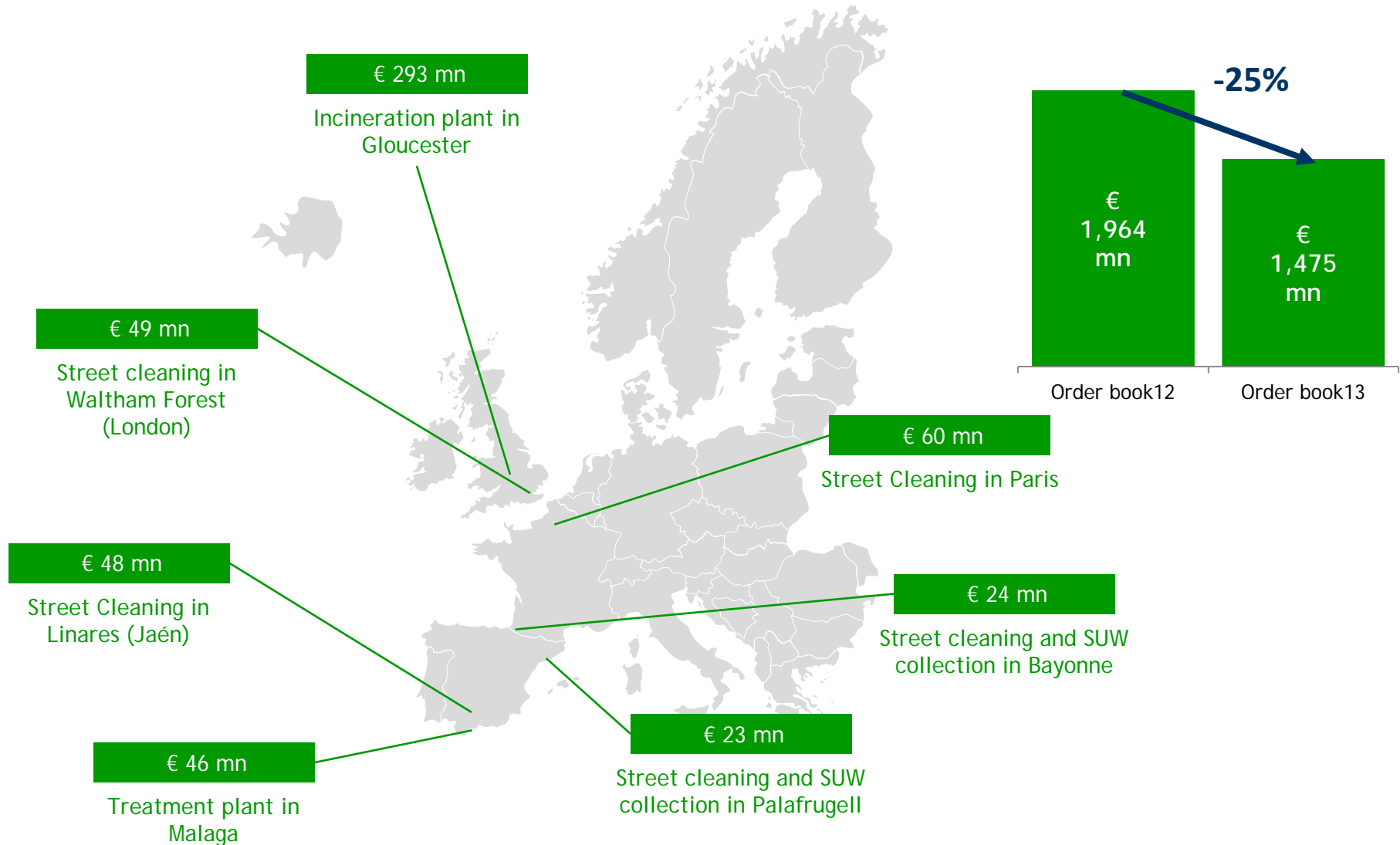


- Activity increase in France and the UK
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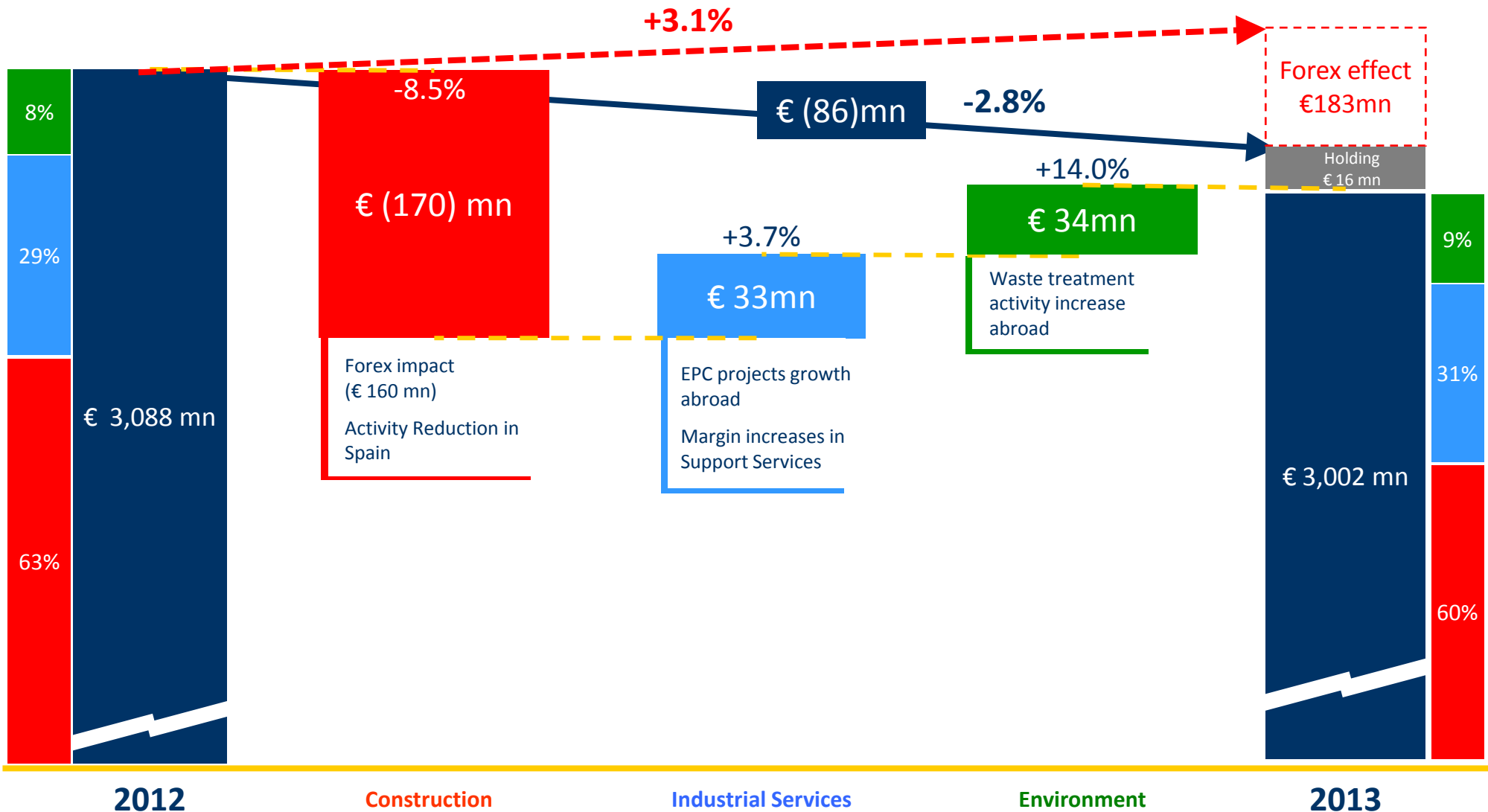


\* Includes forex effect and perimeter changes

# Main Awards – Environment



# Operating Results - EBITDA

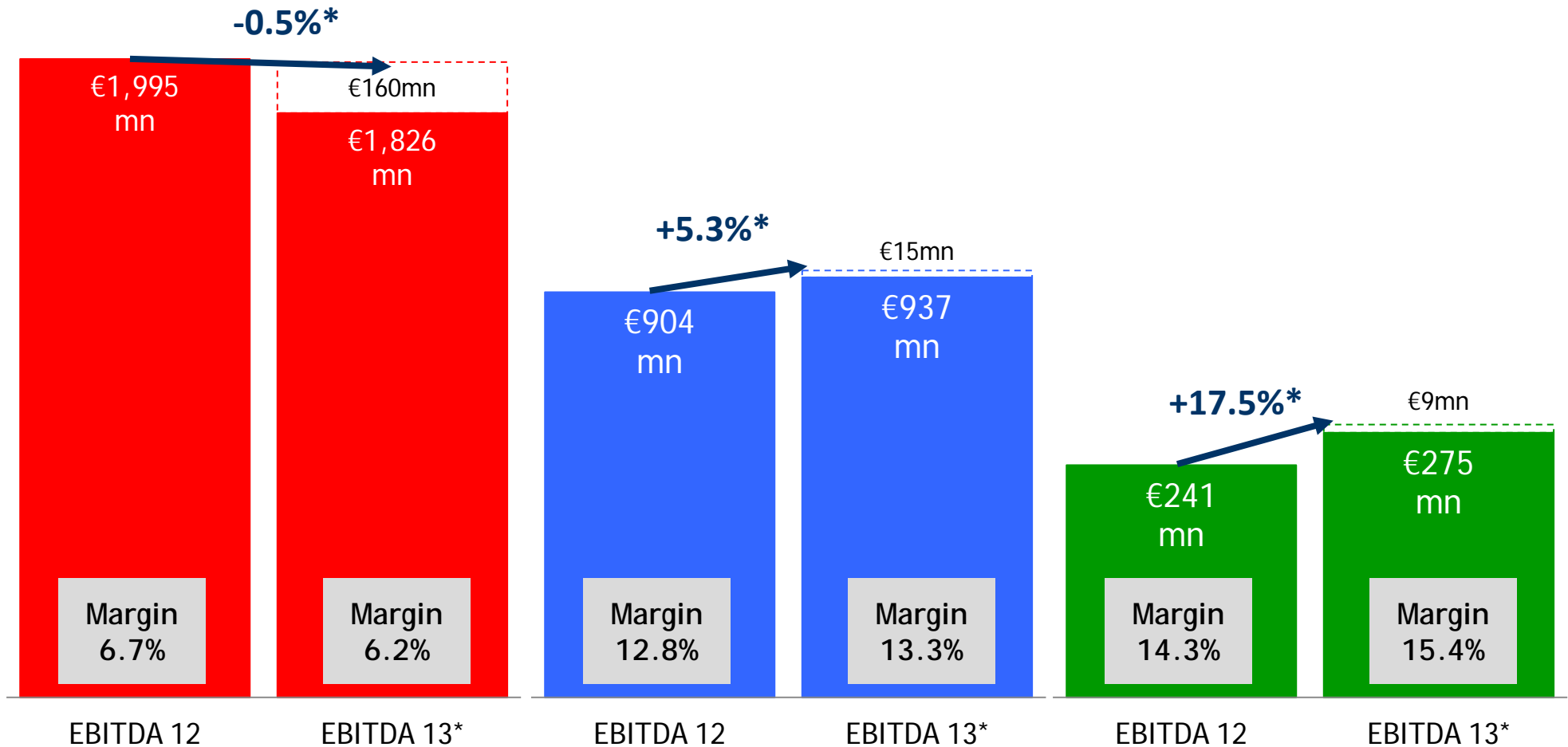


# Operating Results - EBITDA

## Construction

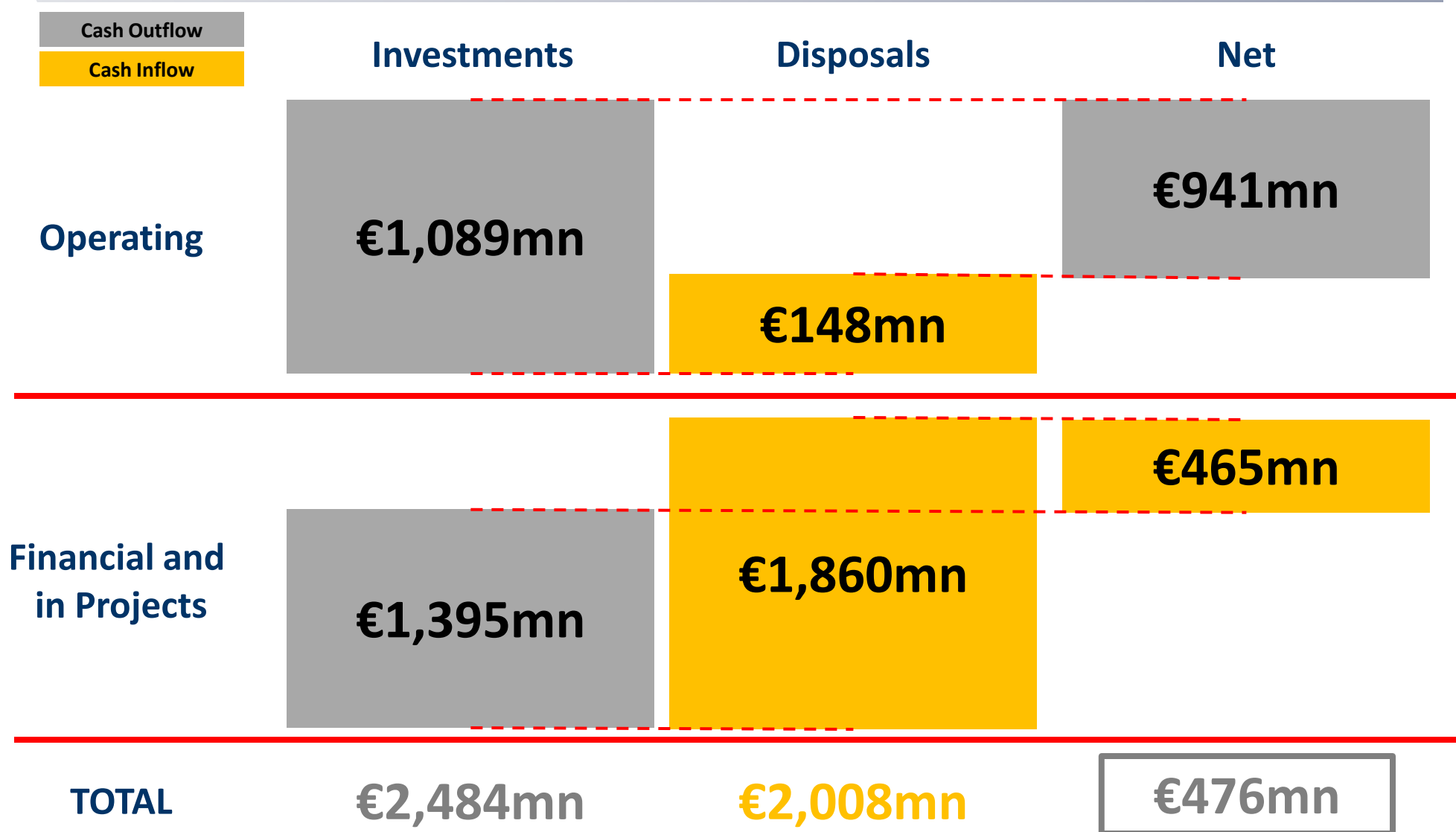
## Industrial Services

## Environment



\* Includes forex effect

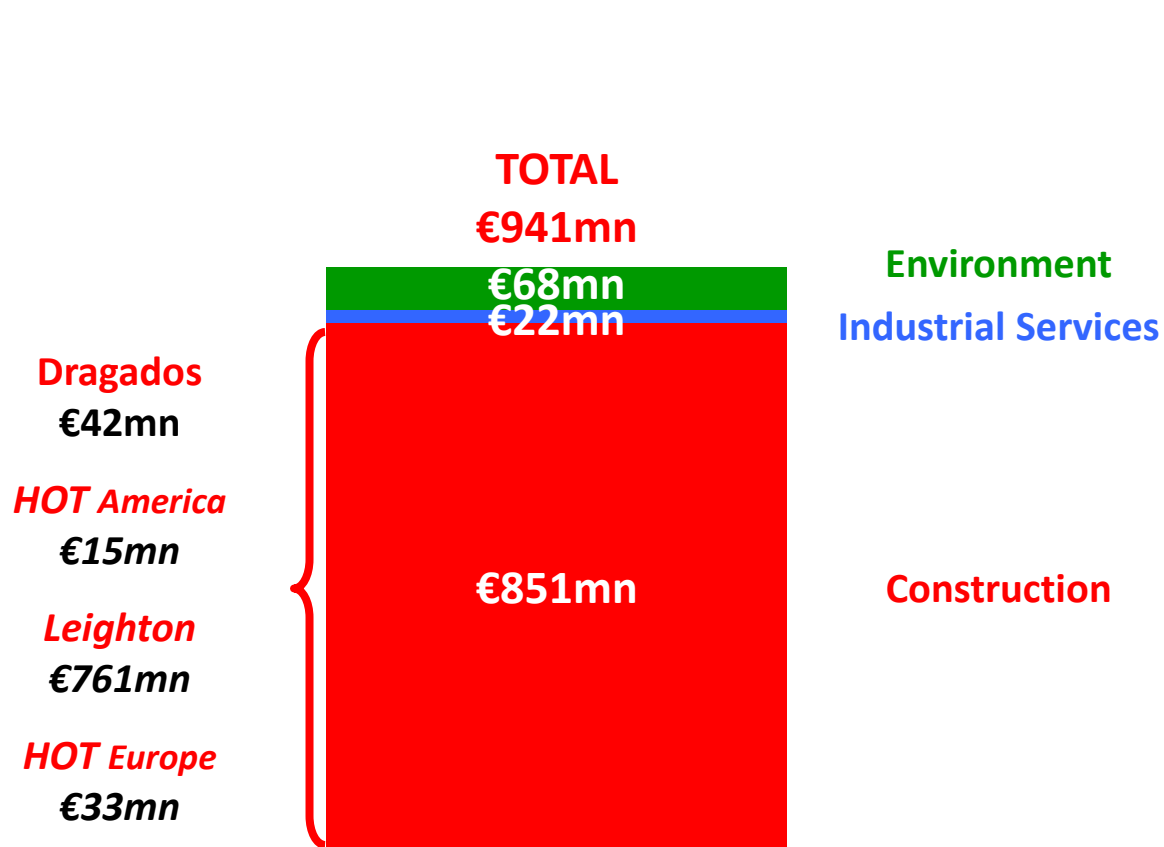
# Net Investments 2013





# Net operating investments details 2013

## Net Operating Investments

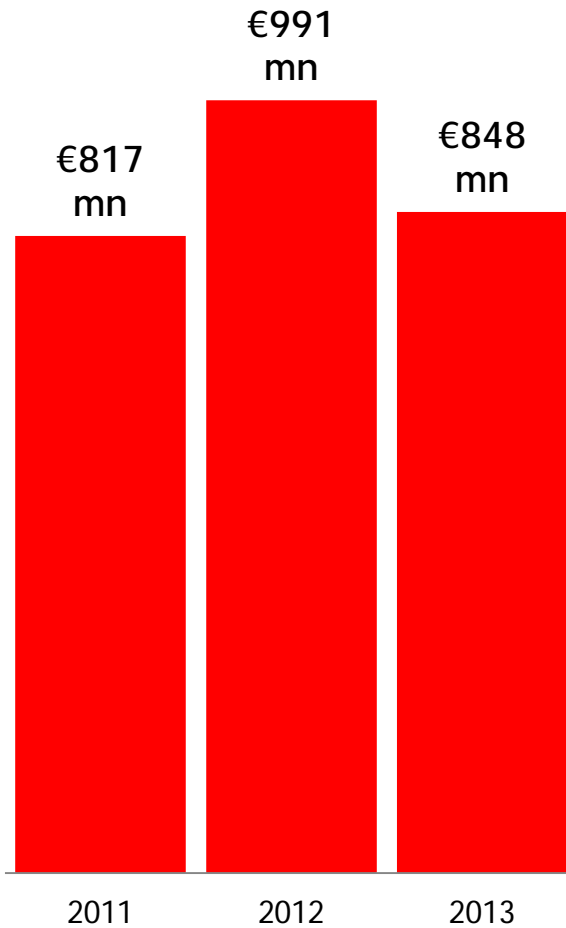


## Depreciation

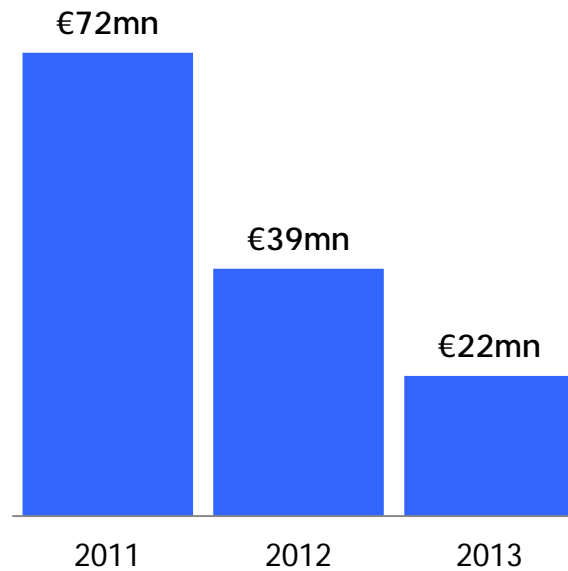


# Net operating investments evolution

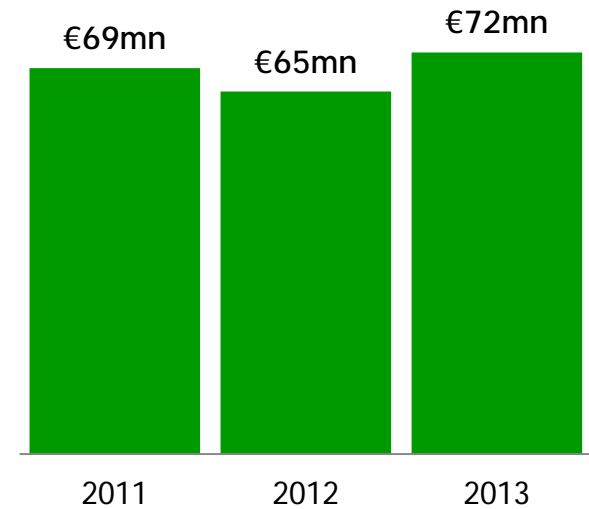
## Construction



## Industrial Services



## Environment



\* Not including Iridium nor Holding

# Net financial investments 2013

## Investments in concessions and projects

- *Construction* € 673 mn
- *Industrial Services* € 372 mn
- *Environment* € 125 mn

## Financial Investments

- *6% LEI acquisition* € 198 mn
- *HOT acquisition + Others* € 27 mn

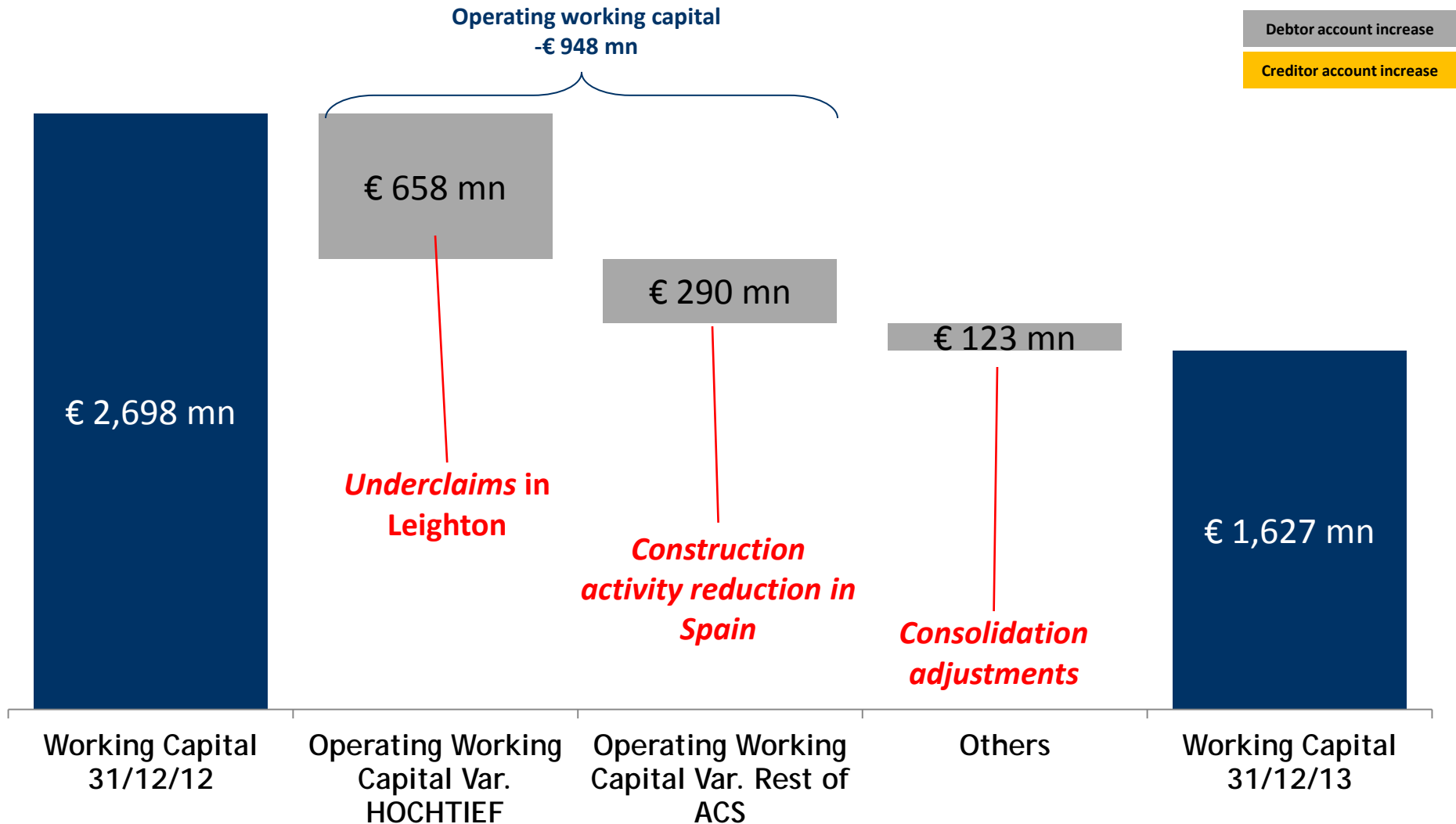
**€ 1,395 mn**

## Financial Disposals

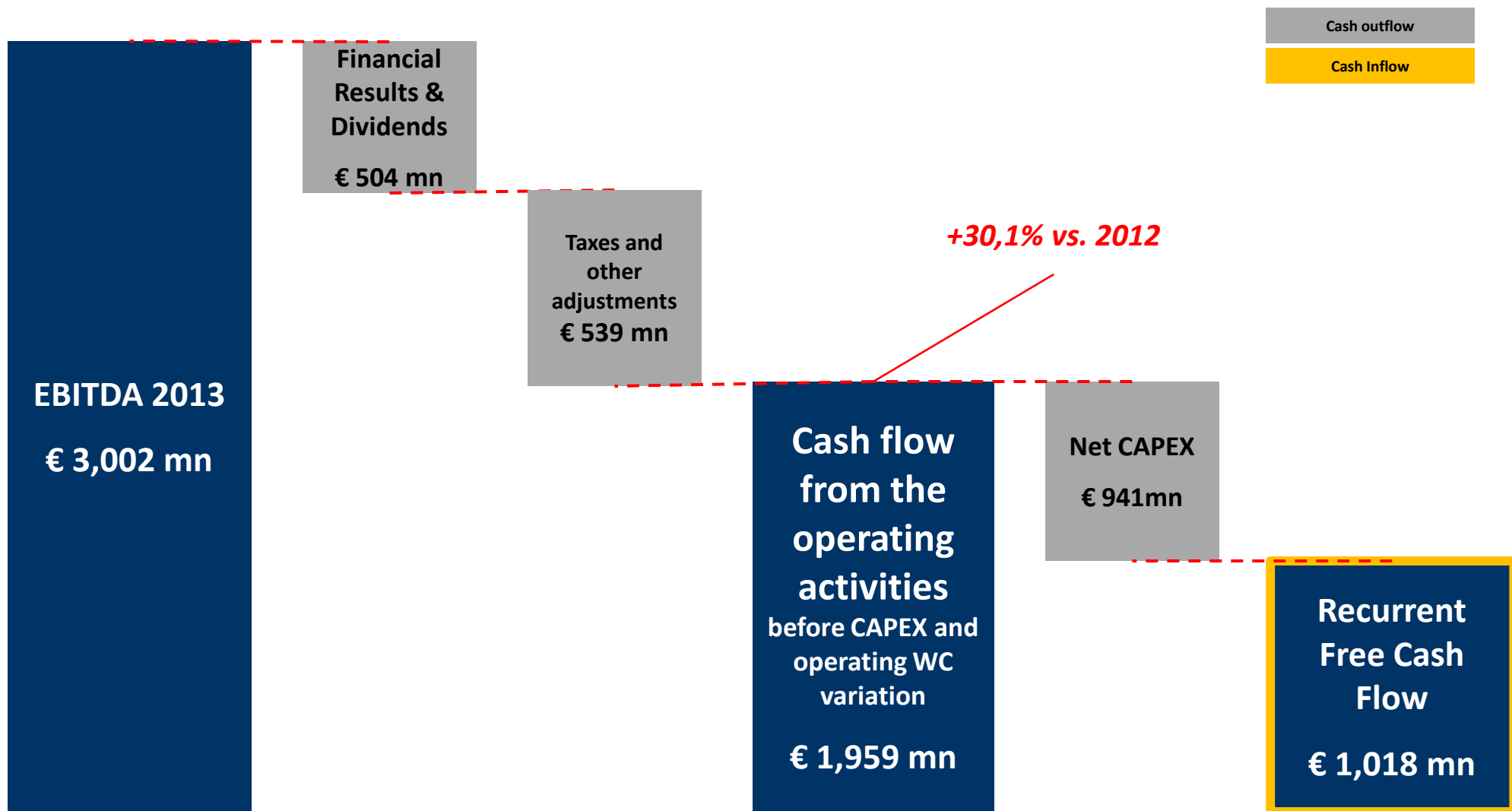
- *Telecomm* € 451 mn
- *Services* € 236 mn
- *Airports* € 1,083 mn
- *Others* € 90 mn

**€ (1.860) mn**

# Working Capital Evolution 2013



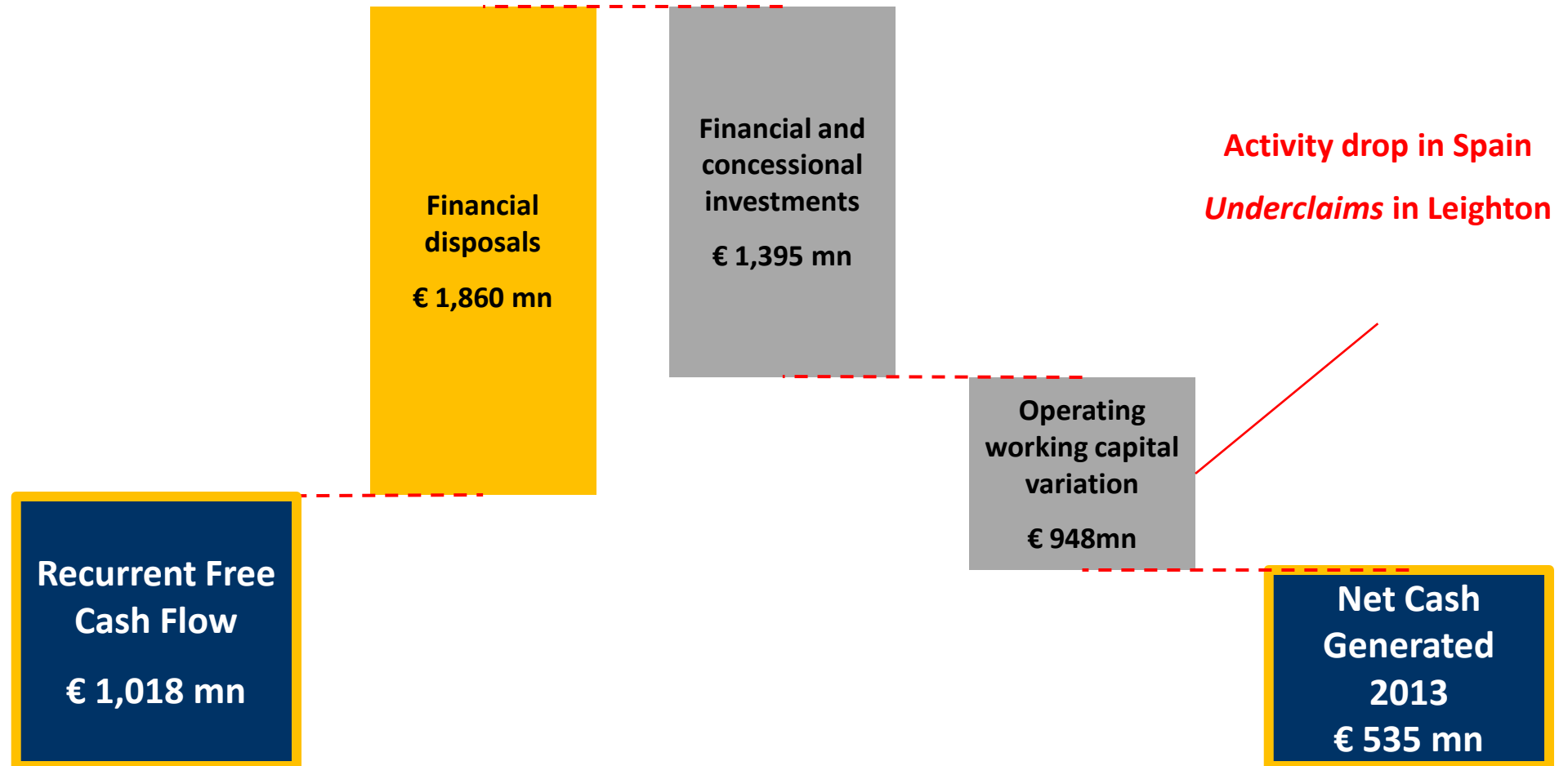
# Recurrent Free Cash Flow



# Extraordinary items in the Free Cash Flow

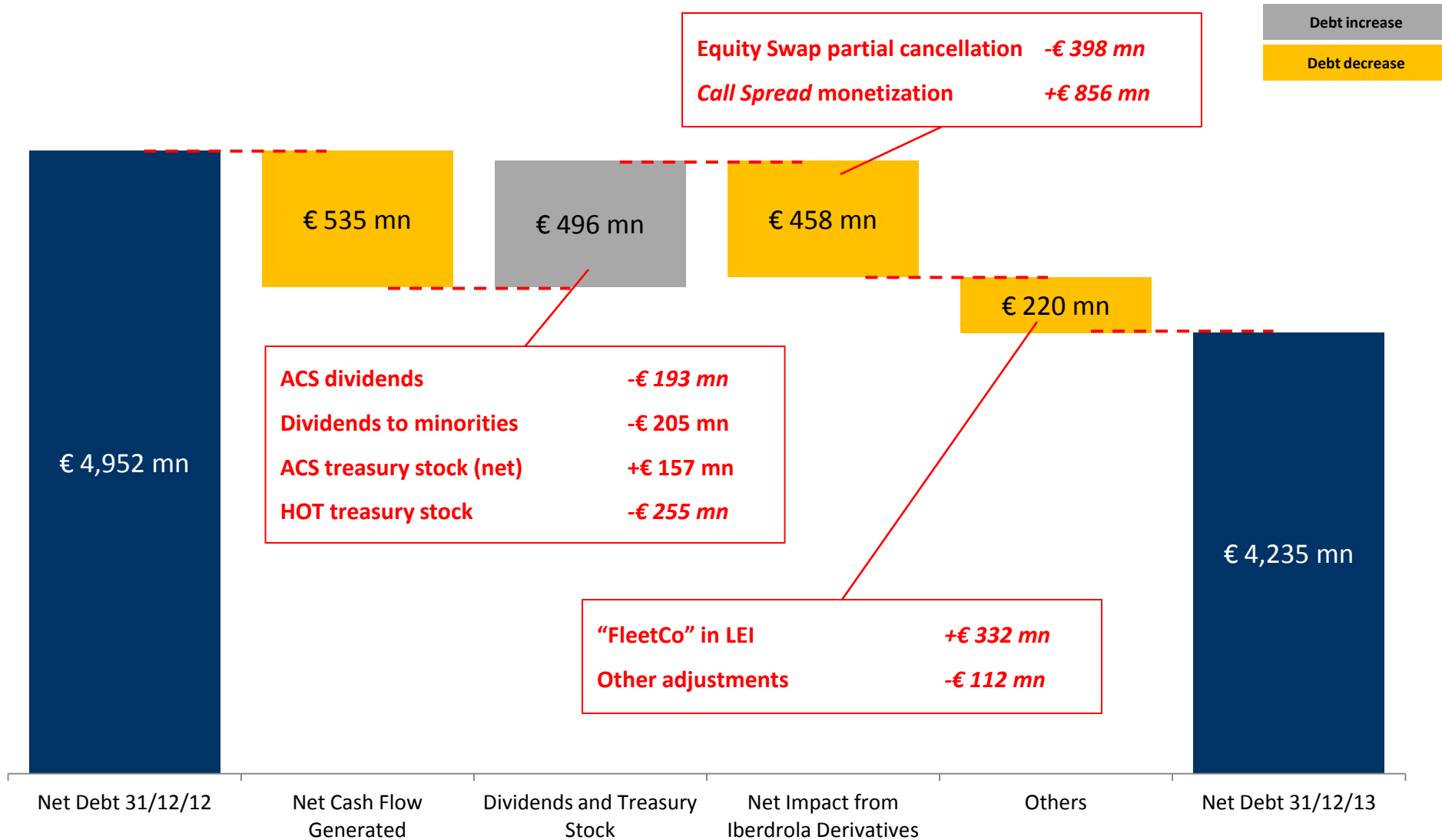
Cash outflow

Cash Inflow



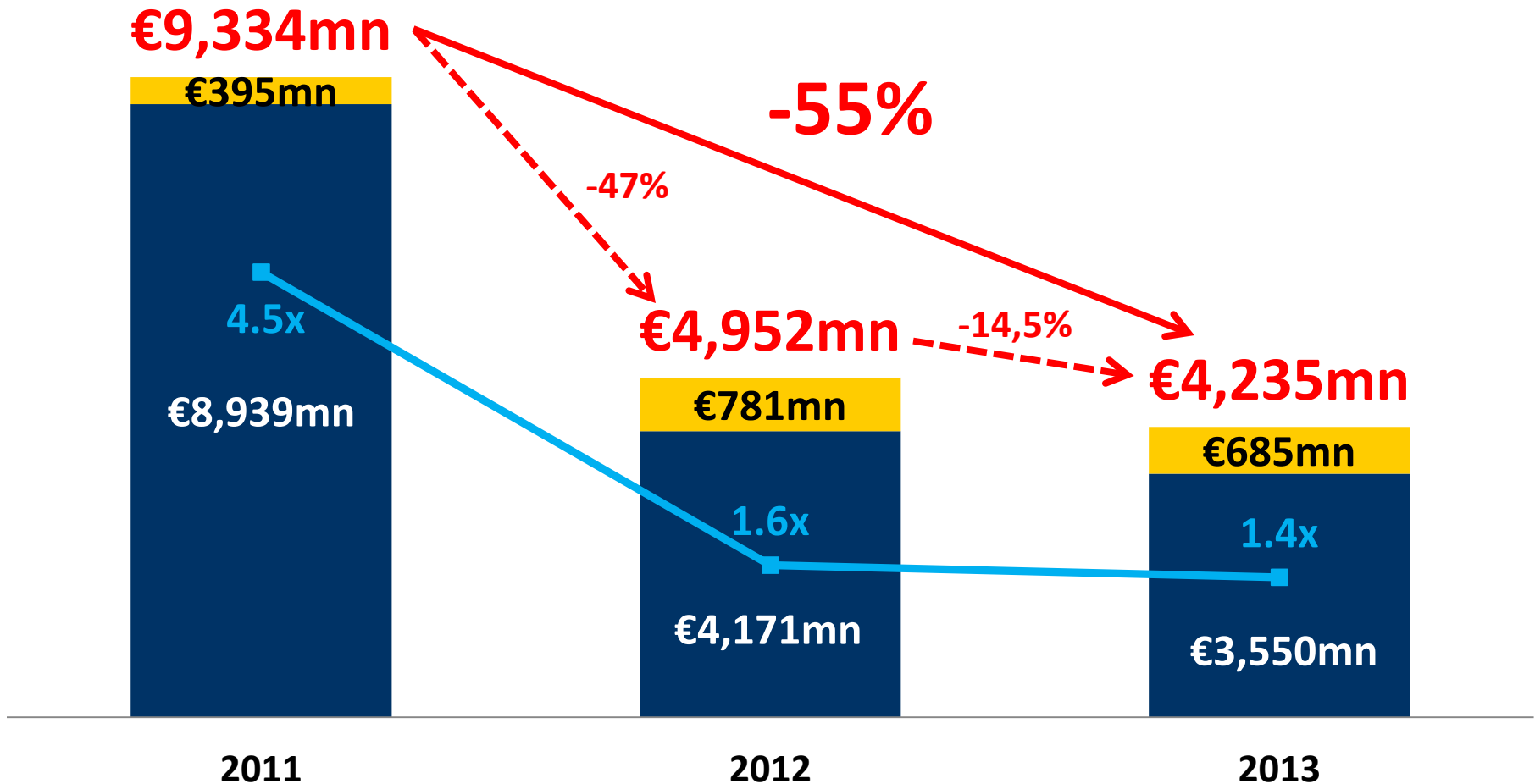
**Activity drop in Spain**  
**Underclaims in Leighton**

# Net Debt Evolution in 2013



# Significant debt reduction in 2 years

■ Business net debt   
 ■ Project Finance   
 ■ Total Net Debt   
 —■— Business Net Debt / EBITDA\*



\* Not including EBITDA from concessional projects, renewables, etc.

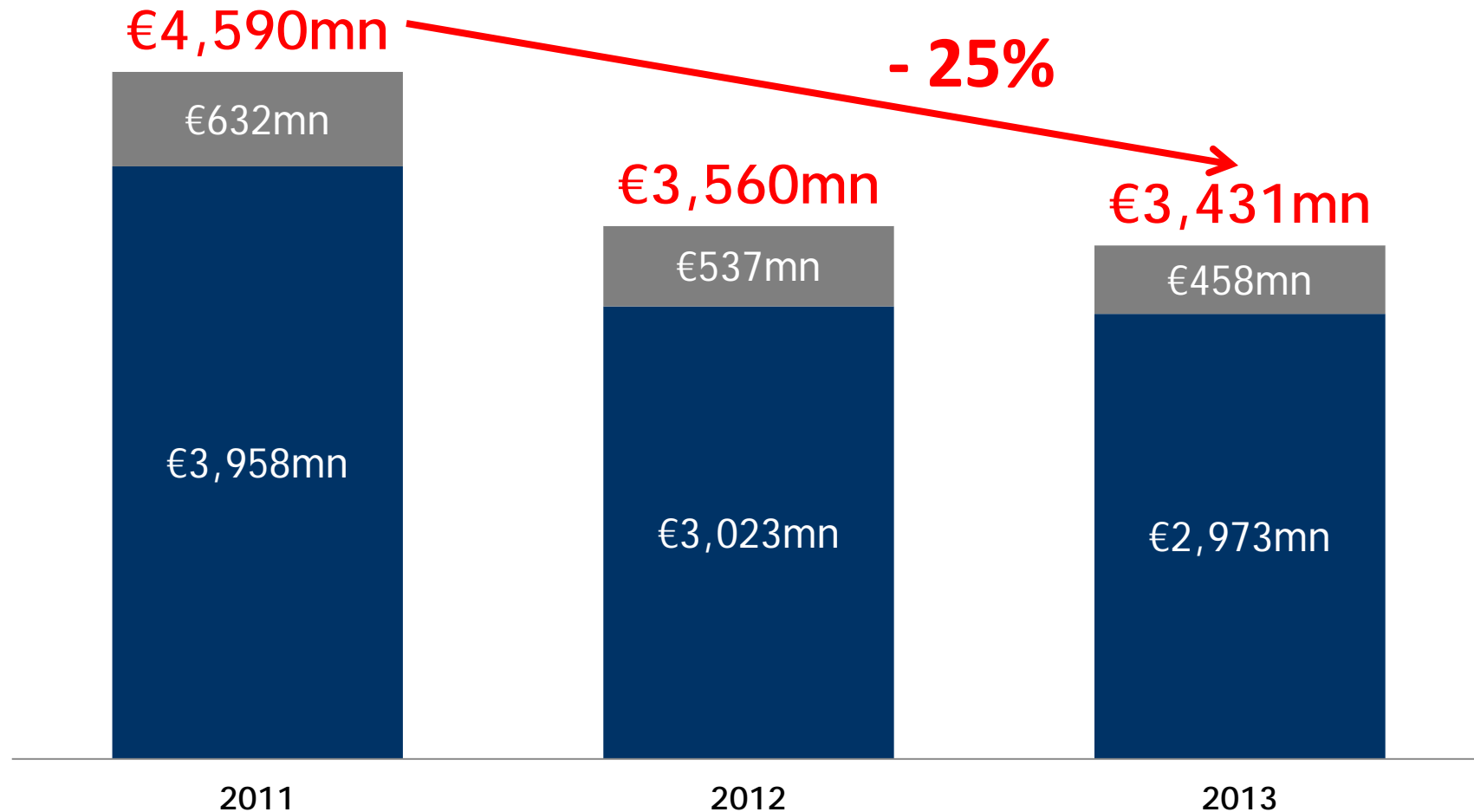


# Other financial liabilities

■ Net Debt from Assets Held for Sale

■ Factoring

**Total**



# Financial Gearing Reduction

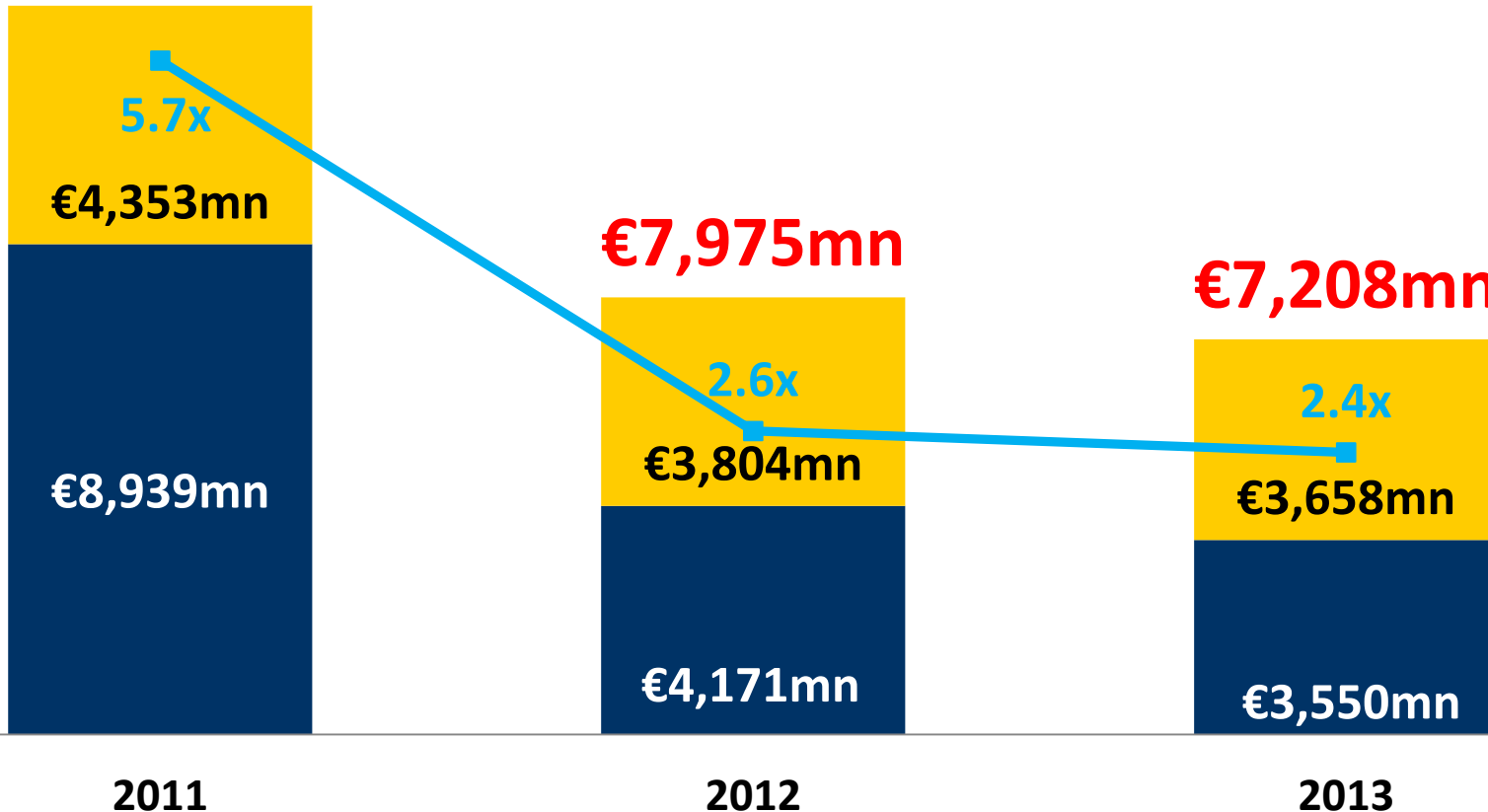
■ Business Net Debt

■ Project Finance (including AHfS)

**Total Net Debt (incl. Debt from AHfS)**

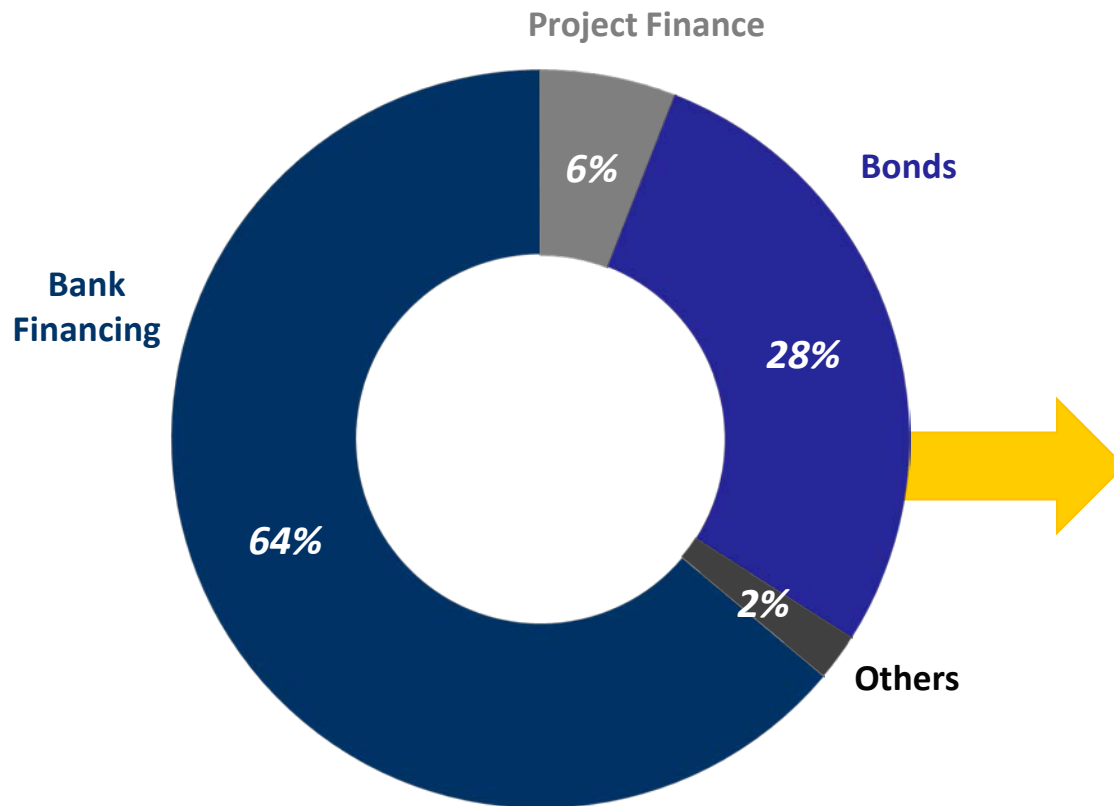
— Total Net Debt / EBITDA

**€13,292mn**

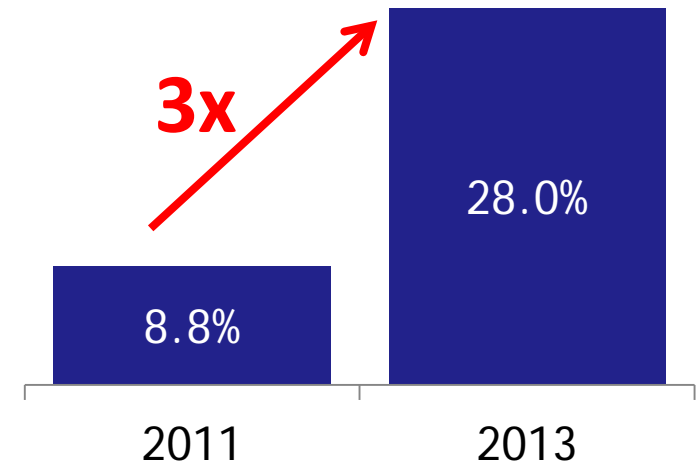


# Fixed income capital markets access

## Consolidated debt structure 31<sup>st</sup> December 2013



Bond debt as a percentage of total debt



# Results 2013 Conclusions

## Good Results

Demonstrated profitability

EBIT=€1,746mn +10.5%

Recurrent cash flow generation

>€1,000mn

## Financial structure reinforcement

Net Debt Reduction

-14.5% in 2013

-55% in two years

Disposal of non core assets

€1,860 mn in 2013

>€6,500 mn in two years

## Investments for the future

Infrastructure development

Concessions

Energy Projects

Stake increase  
in HOCHTIEF and Leighton

56% HOT

58% LEI

# Strategic objectives fulfillment

**Largest international contractor in USA, Asia-Pacific and 2<sup>nd</sup> in Latam**

1 <sup>st</sup> UNITED STATES		2 <sup>nd</sup> LATIN AMERICA / CARIBBEAN		1 <sup>st</sup> ASIA	
RANK	2013	RANK	2012	RANK	2012
Top 10 Revenue: \$38,053.0 Mil. Sector's Revenue: \$44,106.4 Mil.		Top 10 Revenue: \$28,355.4 Mil. Sector's Revenue: \$50,016.1 Mil.		Top 10 Revenue: \$74,214.8 Mil. Sector's Revenue: \$138,814.2 Mil.	
1	2	1	1	1	1
GRUPO ACS		CONSTRUTORA NORBERTO ODEBRECHT		HOCHTIEF AG	
		2	2	2	2
		GRUPO ACS		GRUPO ACS	

- Restructuring plan in HOCHTIEF
- Risk control system unification
- Overheads reduction

## Strategic Objectives 2013-15

**Global Growth**

*Consolidation in developed markets*

**Profitability Increase**

*Risks Control*

**World Leader in Infrastructure Development**

**Net Debt Reduction**

*Sale of non core Assets*

*Operating Cash Flow Generation*

**Disposals € 2,008 million**

**Operating Cash Flow +30.1%**

**Net Debt -14.5%**

# Corporate Strategy in Grupo ACS

**Reinforcement of  
Global Leadership**

**Profitability  
Increase**

**Increased Financial  
Efficiency**

**Growth in developed  
markets**

**Risk control systems  
homogenized**

**Improvements in  
working capital  
management**

**Investments in  
infrastructure  
development projects**

**Growth in high value  
added activities**

**Increase access to  
capital markets**

## Strategic objectives 2014-2016

### Profitable Growth

Recurrent Net Profit  
annual growth  
**>10%**

### Moderate financial gearing

Business Net Debt  
EBITDA  
**< 1.4x**

### Attractive return to shareholders

**Stable dividend  
policy**

**Sustainable value creation**



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