



*2006 Ordinary General Shareholders' Meeting  
May 11, 2007  
Vicechairman's Speech  
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## INTRODUCTION

Thank you Chairman.

Shareholders,

I come before you once again to summarize the initiatives undertaken by the ACS Group in 2006 in order to combine economic and business growth with sustainable and responsible development.

Sustainability is not only part of the ACS Group's culture, but as the Group confirms each day, that of all the stakeholders with a relationship to our group, who demand such sustainability from us. This is a challenge which we are better prepared to face each year, not only from an organizational but also from a strategic standpoint.

The ACS Group is a worldwide reference in the development, construction and management of infrastructures, services and energy, and its strategic mission is the framework according to which it carries on its activities and strives for ongoing growth. This mission is based on three basic pillars:

- Meeting the needs of its customers.
- Maximizing the profitability of resources.
- Improving the society in which we live.

All of which are undertaken as part of the group's ongoing policy to create value for its shareholders.

To fulfil this mission, the Group maintains:

- Solid organizational values, such as the quest for profitability and the capacity to meet commitments.
- A strategy of sustainable growth, which improves social well-being, respects the environment and is based on a policy of transparency.

- Competitive advantages based on experience, technical knowledge, service capacity and availability of capital.

The path on which to practically apply these principles in our organization is the base of our Corporate Responsibility policy. This policy is dictated by the Board of Directors, which has delegated the Audit and Control Committee to supervise its fulfilment.

- In 2006, the Board of Directors also approved the implementation of a code of conduct for all ACS Group employees, in which all the basic standards already being followed are included in a public notarized document which enables us to share the bases for our activity with all employees, clients, shareholders and other stakeholders. As already mentioned by our Chairman, this code summarizes the basic principles of our corporate culture, i.e. integrity, professionalism, and respect for people and for the environment.

The Group's corporate responsibility policy is practically carried out by means of five commitments that the ACS Group has undertaken in relation to all facets of its activity and to all the stakeholders with which it interacts. These five commitments, which will serve as the basis of my presentation, are as follows:

- Commitment to the creation of value
- Commitment to information transparency.
- Commitment to research, development and innovation.
- Commitment to the natural environment.
- Commitment to individuals and the social environment.

### **COMMITMENT TO THE CREATION OF VALUE**

Beginning with our commitment to the creation of value, shareholder profitability is the main objective of the ACS Group, and all its activities

are aimed in this direction. On this path, value and wealth is also created for the rest of the stakeholders that are involved in our production process. In the past year, the ACS Group generated funds amounting to 20,875 million euros, of which over 14,000 million euros came from our clients, over 4.500 million from financial institutions and approximately 2.235 million from our investees' dividends, divestments, etc.

The funds generated, all of this wealth, was systematically allocated to all the stakeholders that have a relationship with our Group, according to our operating needs. In this respect, noteworthy is that almost 50% of these funds were allocated to our suppliers and subcontractors, and that over 30% was allocated to investments which guarantee our future.

Of these funds, over 212 million were allocated to you, our shareholders, in the form of dividends, which were increased by 53% with respect to the 138 million euros paid in 2005, thereby ratifying our aim to create value year after year.

Of all the funds generated, the 14.067 million euros generated from our clients are obviously of most significance, and represent an increase of 16.1% with respect to the previous year.

At the beginning of my presentation, I reminded you of the bases of our strategic mission, and customer satisfaction as a means by which to create value was the first concept discussed.

In a business like ours, clients must perceive that they are the most significant part of a production chain which prioritizes the constant quest for excellence in order to guarantee the high quality level of our activity.

This means that special attention must be placed on processes and applying the most appropriate and advanced techniques, as well as providing the equipment necessary to carry out this function and the monitoring thereof. Accordingly, in 2006, an investment of over 30 million euros was made and over 500 people were involved in this pledge for

excellence, resulting in the maintenance or improvement of quality standards by all Group areas, as evidenced by the certificates it was awarded for compliance with ISO 9001 standards by certified external agents. For good reason, since our foundation we have been a member of the Club de Gestión de la Calidad (Quality Management Association), an entity which exclusively represents the European Foundation for Quality Management (EFQM) in Spain, evidencing the ACS Group's commitment to quality.

Whereas this increase in sales was of significance, even more so was the previously mentioned increase in the remuneration to our shareholders via dividends.

According to the latest data available from the previous General Shareholders' Meeting, there were approximately 65,500 Group shareholders holding an average of 5,384 shares, which represented an average value of 229.951 Euros at year-end. Free-float capital represented 56.8%.

In 2006, the shares were highly liquid, with an average of 1,098,000, whose equivalent value amounted to 36,810,000 Euros, being traded daily.

In terms of profitability, I would like to highlight the following:

- In the past ten years, the value of the ACS Group share has multiplied 23 times, with an annual shareholder return of 40.5%.
- In this same period, the average revaluation of the IBEX was 10.6%, and according to the Instituto de Empresa, ACS is one of the five Spanish companies which has created the most value for its shareholders in these past two years.
- In 2006, stock market capitalisation increased by 57% from 9.602 million euros to 15.071 million euros, and according to yesterday's closing figures, this capitalisation would amount to 16,380 million euros, an 8.7% increase since the beginning of the year.

Not only do our shareholders benefit from the creation of value. It also causes our Group to be a key element in a sector in which, in addition to our employees, our suppliers and sub contractors also benefit since they are all part of our production process.

As of December 31, 2006, the ACS Group had 123,652 employees, accounting for 0.5% of Spain's working population. The Group also created over 10,000 net jobs throughout the year. Of our employees, 17% work in the international area, and by divisions, 16% work in the construction area, 29% in industrial services, and 55% in environment and logistics.

Since they are aware of the fact that human capital is one of the ACS Group's most important assets, all of our companies have implemented measures aimed at retaining and motivating their employees, especially by means of the possibility for promotion within the Group. Later in my presentation, I will explain how are human resource policies are implemented.

Our suppliers and subcontractors also profited, being allocated 10,282 million euros of the funds generated in 2006. The Group's relationship with these entities is part of its activity, and maintaining stable and lasting relationships is key to the success of the different ACS companies.

## **COMMITMENT TO INFORMATION TRANSPARENCY**

Continuing with the description of the ACS Group's five commitments to Corporate Responsibility, it is important to highlight its firm focus on Information Transparency. The objective is to assure that our activity is as open as possible, enabling us to do the following:

- Transmit our corporate strategy and that of each business area externally.
- Contribute to the makeup of a positive umbrella corporate image which aids in the achievement of business objectives and commercial activity.
- Maintain a fluent relationship with external agents, particularly with media representatives.

A fundamental tool in this regard is the ACS Group's website, which was completely changed in 2006 in order to better meet its aim to be an open window to society, acting as an ongoing and communication channel which offers all historic and current economic and financial information on the company.

In the past year, there were 970 daily users, with an average 15,260 pages viewed.

This information transparency was well reflected in the different large domestic and international media sources, such as the prestigious US magazine "ENR" which ranks us as one of the 10 best Global Contractors in 2006 or the financial US magazine Forbes, which includes us in the list of the top 500 companies worldwide.

In Europe, ACS is one of the 25 highest valued companies on the Standard Poor's Europe 350 index and one of the top eight Spanish companies in terms of turnover according to the magazine Actualidad Económica.

This acknowledgement is a tool which enables us to strengthen the prestigious image of all of our companies while carrying on our business activities.

## **COMMITMENT TO RESEARCH, DEVELOPMENT AND INNOVATION**

The ACS Group's prestige is not based solely on its capacity to generate value, but also its capacity as a leading company in its sector, a position which it maintains as a result of our efforts relating to the development of technology and in-house technical capacity, in line with our commitment to research, development and innovation.

This is based on the improvement of our processes and the implementation of the latest technological developments, which increase the satisfaction of our clients and better serve Society.

The diversification process we have carried out in recent years has led us to undertake a wide range of activities, each of which has its own features and approaches R&D&i in a different but decided manner.

For this purpose, each area of activity has been assigned a Technological Development Committee, and over 23 million euros was invested in this connection in 2006, of which 59% was allocated to Construction, 20% to Industrial Services and an additional 21% to Environment and Logistics.

This investment has given rise to a large number of projects, some of which are detailed in the 2006 Annual Report which you have received today.

## **COMMITMENT TO THE NATURAL ENVIRONMENT**

Continuing with the development of our Corporate Responsibility policy, at this point I would like to highlight that it would be impossible to carry on our activity today without taking into account our environmental and cultural environment, in order to assure that the impact of our operations is minimal in defence of the principle that "the whole world has the right to enjoy an appropriate environment, and the duty to preserve it".

Since our ordinary operations can give rise to certain environmental impacts, a environmental policy whose criteria is known and put into practice by all Group companies is necessary.

ACS implements an Environmental Plan in each of its activity areas, placing special attention on the most significant impacts as well as the changes in the law in force.

Each of these plans includes five fundamental measures, which our key to our environmental commitment:

- Evaluate the impacts of each area and establish initiatives which avoid or minimize such impacts.

- Propose alternatives to clients which favour the environment.
- Report to and train both the staff and collaborators and to heighten their awareness regarding environmental issues.
- Use natural resources in an efficient manner.
- Adequately manage waste, reducing the production thereof, increasing its reuse and fostering the recycling thereof.

As a result of this policy, 90% of the Group's production was environmentally certified in accordance with ISO 14.001 standard in 2006 and we were able to improve our environmental indicators. Detailed information is included in the Annual Report in this connection. However, it is important to highlight the Group's efforts to reduce CO<sub>2</sub> emissions,

- by means of our activities relating to the treatment of waste,
- and mainly as a result of our decided focus on renewable energies, taking into consideration that the Group manages over 570 Mw at our wind-powered facilities which prevents the emission of around eight hundred thousand tons of CO<sub>2</sub> into the atmosphere each year.

These activities are part of the contribution of ACS to prevent climate change and its consequences in the near future.

This past weekend, the competent bodies of the European Union issued a report in which they decidedly urged Europeans to work towards reducing the greenhouse effect through their governments and companies. The ACS Group would like to reaffirm that our environmental efforts are based on respecting the guidelines for preventing this climate change.

IN 2006, this effort translated into an investment of over 100 million euros in assets whose purpose is to treat waste as well as other environmental contracts, in addition to the Group's investment of over 300 million euros in

renewable energies, wind-powered facilities and other advanced initiatives such as thermal solar energy, a technology in which we are pioneers in Spain taking into account the generation activity in our plants in Granada and Extremadura.

## **COMMITMENT TO INDIVIDUALS AND THE SOCIAL ENVIRONMENT**

Lastly, allow me to discuss our fifth commitment, which relates to the promotion of respect for individuals and the improvement of our social environment.

The ACS Group is aware that in addition to having knowledge and technical experience, our employees need to be capable of managing resources, serving clients, innovating and researching.

For this purpose, each ACS Group company makes a daily effort to continually improve its capacities by means of training and motivation, placing special attention on work conditions and safety.

At the end of 2006, the ACS Group had 123,652 employees, of which almost eleven thousand were management or professionals with degrees, over twelve thousand were technical and clerical staff and over one hundred thousand were specialists and operatives. 83% of these employees work in Spain, 13% in America, 2% in the rest of Europe and an additional 2% in the rest of the world.

33% of our employees are women, and over 1,300 of these women hold positions of responsibility within our organization. The percentage of women employees increases in all Group areas year after year, and it is part of our commitment to assure that this trend continues, in accordance with our equal-opportunities policy, which prevents discrimination. In this manner, we foster women's access to positions of responsibility in our Group, which has historically had few women employees due to the sector in which it belongs.

With respect to the commitment to individuals, the ACS Group's efforts are developed by applying three extensive policies with respect to our employees.

- Firstly, a human resources policy which provides for an environment which enables our professionals to show their talent and places importance on the hiring of young technicians. In this respect, efforts are made to retain talented individuals by means of specific motivational measures including salary practices providing for the combination of fixed and variable pay, where responsibility and high performance are valued and there are clear promotion possibilities.
- Secondly, a professional development training program, implemented by means of an Annual Plan which comprised 650,000 class hours, 62,000 participants and an investment of 6.1 million euros in the past year.
- and thirdly, the application of our safety and risk prevention policies. This is one of the areas of most importance to the ACS Group and consequently, the greatest efforts are made in this respect, leading to more than satisfactory results in terms of the limited number of accidents in each of our business areas.

Finally, I do not want to end this presentation without making reference to our commitment to the Society, which focuses on the improvement of people's living conditions through the adoption of measures to facilitate integration, promote cultural activities and generate knowledge.

To this end, the ACS Foundation, whose sponsor is a replica of the ACS Group's Board of Directors, aims to integrate, coordinate and manage the Group's efforts in relation to patronage and cultural, institutional, sports and environmental sponsorship.

To fulfil these aims, the ACS Foundation has established the following lines of action:

- Improve disabled individuals' quality of life, by facilitating their integration and accessibility. For this purpose, we have entered into agreements with other Institutions and

Associations such as the Royal Board on Disability, the ONCE foundation, etc., and we form part of the Jury for the Reina Sofia awards which recognizes the efforts of Town Councils that improve accessibility of their municipalities.

- Work to foster and improve the environment, sponsoring or organizing conferences, seminars, courses and forums with over 8,500 attendees this past year.
- Cultural and educational development and promotion, by means of agreements with other Institutions and Foundations, whose vocation is the support and patronage of a wide range of art and culture.
- And finally, the promotion, conservation and spreading of Spanish historical heritage, in which connection noteworthy is the investment effort made by the Group for the restoration of works in 2006.

In conclusion, I hope to have provided you with a vision of everything we do in relation to social responsibility. All these initiatives and in general all of our efforts in this area are aimed at improving people's quality of life and our environment, in order to guarantee sustainable development and foster respect for our surroundings. And for this purpose, we consider it to be worthwhile to continue work in a decided and firm manner year after year to achieve this objective.

Thank you for your attention.