Extraordinary General Shareholders' Meeting

December 3, 2008

Chairman's Speech

Mr. Florentino Pérez

INTRODUCTION

It is a pleasure to be with you once again at this, the ACS Group's Extraordinary General Shareholders' Meeting, and I sincerely thank you for attending.

We are here in view of our continued concern for our shareholders. In fact, this meeting is being held to request your approval to reduce the share capital of ACS by 4.99% through the redemption of the treasury shares acquired over recent months.

If you, the shareholders, agree to our proposal, your profitability will be increased by means of the acquisition of treasury shares at very attractive prices which do not reflect the value of ACS.

Above all else, our proposal evidences the confidence we have in our Group, its values and its potential.

The current lack of liquidity and the uncertain economic outlook affects, inter alia, the market price of shares in organised markets. 2008 has been a very negative year for equity securities.

The Spanish indicator IBEX35, which grew by 7% last year reaching a high of 16,000 points in the middle of November 2007, has dropped by 41.8% so far this year, the Stoxx 50 is also down by 46.5% and the New York Stock Exchange's Dow Jones has dropped by 37% in 2008.

This situation has arisen abruptly, marked by a high level of volatility and with record-breaking highs and lows in the indexes in short periods of time.

These financial upheavals throughout the year have inevitably affected the ACS share, which has fallen by 23% this year to yesterday's closing price of 31.3 euros.

However, our share has performed better than the IBEX35, which has dropped by 41.8% so far this year. Additionally, the performance of the market price of our share has broadly exceeded that of the other main companies in our sector, including both those listed in Spain and those trading on other international stock markets.

It should also be pointed out that in a market which is highly volatile and in which there is a strong presence of speculator funds, the ACS share has successfully defended itself and has followed a straight course.

Despite the fact that it has performed better, the share’s market price does not accurately reflect the value of our company, In fact, the average purchase price for the shares that we propose redeeming is not even 28.4€ per share.

The direct effect of the proposed redemption of treasury shares, together with the redemption carried out in May will be a 10.2% increase in the earnings per share.

Nevertheless, shareholders, we will meet the foreseen aims once again this year despite the uncertain economic and financial backdrop.

Our good results and consistent track record centring on the activities which we know well, combined with our sound financial position is the basis for our proposal to continue investing in our own business project through the acquisition of treasury shares.

Our proposal was drawn up with the backing of all the shareholders represented on the Board, who are present here today. I would like to personally thank them for their support.

Definitively, our proposal is to continue on the path towards the creation of value, with the same business prudence we have shown you up to now, and with a renewed illusion of making ACS the worldwide leader in our sector.

INTERNATIONAL ECONOMIC BACKDROP

Now I would like to comment on the current economic situation which has led to the current business worries, government action and massive media coverage.

It is worthwhile to take the analysis performed by the G-20 countries at the meeting recently held in Washington as a reference.

The countries largely agree as to the root causes of the problems. During a period of strong global growth, growing capital flows and prolonged stability earlier in the decade, the combination of unsound risk management, opaque financial products, and excessive leveraging combined to create vulnerabilities in the system. Vulnerabilities that together with the errors committed by the regulators and supervisors of certain developed countries resulted in a severe disruption of the financial markets.

The crisis of the financial industry began almost a year and a half ago in July 2007, but it has not yet reached a climax and it is currently having far-reaching effects on the real economy.

In fact, Western economies are currently showing near to zero or negative growth, and some have fallen into recession. At the same time, the growth rates of emerging economies have fallen due to the contraction of consumption in developed countries.

In recent months, the heads of the largest economies, including inter alia, the G-20, have taken urgent and exceptional measures to stabilize the financial markets and support the worldwide economy. A number of actions have been initiated to stimulate economies, provide liquidity, strengthen the capital of financial institutions, protect savings and deposits, unfreeze credit markets and urgently address certain regulatory deficiencies.

However, to face these challenges in the medium and long-term, the following commitments have been defined in the Washington Declaration:

- Firstly, to continue their efforts and take whatever further actions are necessary to stabilize the financial system; use monetary policy in the appropriate manners; use fiscal measures to stimulate domestic demand to rapid effect; and help emerging and developing economies gain access to finance.

- Secondly, common principles were defined for a group of reforms that will strengthen financial markets and regulatory regimes so as to reduce the probability of future crises. The reforms are aimed at:

  - strengthening transparency and accountability in the financial markets;

  - enhancing the regulatory regimes by developing an international code of conduct;

  - promoting the integrity of the financial markets by bolstering investor and consumer protection;

  - reinforcing international cooperation on crisis prevention, management and resolution;

  - and reforming the international financial institutions created in Bretton Woods so that they can more adequately reflect changing economic weights in the world economy by giving emerging and developing economies greater representation in order to increase their legitimacy and effectiveness.

The process then initiated will be ongoing and a new summit has been called prior to 30th April.

The Washington Summit also issued a declaration of highly important principles:

- The representatives of the largest world economies have declared their shared belief that market principles, open trade and investment regimes, and effectively regulated financial markets foster the dynamism, innovation, and entrepreneurship that are essential for economic growth, employment and poverty reduction.
- Also, they have committed to maintaining an open global economy stating that these shared principles will foster growing globalization as a basis for economic growth and prosperity.

- Although they recognize the necessity to improve financial sector regulation, they warn that over-regulation which could hamper economic growth and exacerbate the contraction of capital flows should be avoided.
- Lastly, they strongly reject protectionism and will strive to conclude the World Trade Organization's Doha Development agenda, in order to foster exports from developing countries.

The Washington Summit issued a detailed action plan to be urgently implemented. The unity shown by the leaders of the largest world economies, combined with the ratification of the market economy principles, enhanced regulation, continued globalization and the rejection of protectionism, are all very positive.

Following the Washington Summit, the leading players have continued to make highly significant decisions.

On November 24, the US authorities announced that the Federal Reserve would inject US $800 billion into the economy. This massive new financing involving the direct issuance of money will enable the mortgage agencies to buy debt and negotiable instruments, in order to stabilize the property market. In view of the size and the finance method, it could be said that in view of the risk of deflation, the dollar printing machine was turned on.

The European Union also took action on November 26 with the presentation by the Commission of a "Recovery Plan for Growth and Jobs to Boost Demand and Restore Confidence in the European Economy".

Commission President José Manuel Durao Barroso said "Exceptional times call for exceptional measures. The jobs and well-being of our citizens are at stake. Europe needs to extend to the real economy its unprecedented coordination over financial markets".

The Plan implements a timely, targeted and temporary fiscal stimulus. The Proposal aims to ensure all Member States take part since coordinated action will generate multiplier effects. However, the implementation will not be uniform, but rather each member state will take the appropriate measures taking into consideration its own circumstances.

The Recovery Plan urgently calls for a fiscal stimulus of around 200,000 million euros (equivalent to 1.5 % of EU GDP) to boost demand. Of this total, around 170,000 million euros will be within national budgets. The remaining amount (around 30,000 million euros) is to be within the European Union budget and from the European Investment Bank.

The fiscal stimulus might consist in tax rebates, which tend to have a short-term impact on demand, despite the risk of having the increased income available allocated to savings rather than consumption. Alternatively, it could be targeted to investment in public expenses, the top priorities being infrastructures, energy, R&D and education.

Also, it is suggested that the Member States grant guarantees and bridge loans to resolve the lack of cash flow suffered by many companies, which is currently contracting economic activity.

The stimulus will be within the Stability Pact, but will make full use of the flexibility offered by this Pact. Member States who launch stimulus packages will benefit in two ways: they will stimulate demand in their own economies and will foster trading between those Member States.

Additionally, the Recovery Plan addresses the need for Europe's long-term competitiveness. For this purpose, and within the framework of the "Lisbon Growth and Jobs Strategy", "smart investments" are proposed, which are aimed at making Europe's economy more dynamic.

The Commission has asked the Heads of State and Government at the European Council which is to meet on December 11 and 12 to approve their individual fiscal stimulus plans prior to the end of 2008 and show their determination to act together in a closely coordinated way.

ECONOMIC BACKDROP IN SPAIN

In Spain, the economic situation gives rise to the same uncertainties as in all the other large developed countries, despite some features which are specific to Spain such as its high trade deficit, which translates into the indebtedness of our financial system and the speedy drop in the residential building sector, which at one time accounted for 9% of the Spanish GDP.

The confidence and expectations of the economic agents have deteriorated in only a short time. Our country is suffering from a slow down in growth; and indicators such as consumption, employment and inflation have quickly worsened. Also, accessing finance is much more difficult and the conditions are much stricter. Especially noteworthy is that immigrants are no longer tied to the construction of housing since building and sales have stopped. However, these immigrants have remained in Spain meaning that there is an increase in unemployment.

The Spanish economic policy should be aimed at curbing the trade deficit, reducing energy dependency and improving productivity. In order to overcome the current situation a change in the growth model is required. However, now more than ever it is necessary to defend the role of entrepreneurs as the main players in stimulating investment and innovation aimed at permanently regenerating economic competitiveness.

In the short-term the positive factors of our financial system under the supervision of a stronger Bank of Spain include the existence of an extensive and detailed infrastructure plan with identified needs and projects as well as clauses which allow the Government to increase its investment (as it is now doing now) in order to directly counter the problems of unemployment and economic cooling. As demanded by the European Union Recovery Plan, it is urgently necessary to assure that working capital flows in the business fabric in line with certain recent measures taken by European governments. And above all, our track record of social commitment must continue so that businesses, trade unions and the Government face the required structural changes with decision and confidence. I am convinced that once again, businesses and trade unions will be able to meet the challenges they faces as they have evidenced over the past 30 years.

The Spanish government has also followed the same path as the Washington Summit within the framework of the European Union Recovery Plan. A step in this direction is the extraordinary allocation of 11,000 million euros payable out of the 2008 Budgets, which was approved by the Council of Ministries on Friday, and is meant to curb the destruction of jobs and reactivate economic activity.

These funds shall be used to invest in public works and equipment, especially for the Town Halls, in order to create 300,000 jobs, since Spain has been especially affected by the loss of jobs, with an unemployment rate already reaching 12.8%.

Other significant budget amounts shall be allocated to environmental actions, the automobile sector, R&D, housing renovations and the dependent care plan.

The Government has asserted that "it is aware of the importance of applying this plan quickly" in order for it to be effective.

Definitively the packets of measures have been developed as a result of the problems which have arisen and which require ongoing responses.

2009 will be one of the most crucial years for the Spanish economy in the past decades. It will be necessary to face a long and difficult process involving extensive changes and our traditional conduct will be changed.

THE ENERGY INDUSTRY AND THE SALE OF UNIÓN FENOSA

Now, I would like to explain the most important decision taken by the ACS Group since I spoke to you, the shareholders, at the last General Shareholders' Meeting held in May.

On July 30, the ACS Group entered into an agreement with Natural Gas for the sale of its 45.3% ownership interest in Unión Fenosa for 18.33 euros per share.

The transaction is being carried out in two phases:

- The first immediate transaction consisted in the sale of the first 9.99% for 1,675 million euros, which gave rise to a capital gain of 404 million euros. This amount was already recognized in the Group's third quarter results.
- The remaining 35.4% is to be sold after the operation is authorized by the National Fair Trade Commission. This second transaction will give rise to revenue of 5,915 million euros and is expected to be performed in the middle of January.

In September 2005, ACS purchased 22% of Unión Fenosa; and then slightly increased its ownership interest to 24.9% over the next few months. Subsequently, a partial takeover bid was launched for 10% of the company's share capital (in March 2006) and the Group continued to increase its ownership interest in accordance with the law in force until reaching 45.3% in January 2008.

The actions taken by ACS as the reference shareholder, as well as the company's other shareholders, have caused the performance of Unión Fenosa to be brilliant over the past three years. In 2008, Unión Fenosa will have achieved the best results in its history. The projected recurring profit in 2008 will practically double the profit recorded when ACS entered the company in 2005.

During this period the process of concentrating on the “core business” of energy was completed. Certain divestments such as the inclusion of Soluziona in Indra, have had a significant strategic impact and have been a decisive step in the development of this technological company.

At the same time, a Strategic Plan was launched in order to reach a new dimension both in terms of size and profitability. Over the first year and a half in which this Strategic Plan was carried out, the company reactivated its business development capacity and 7,000 of the 9,000 million investment euros projected in the plan have been committed. With such investments in continuity and development it is likely that 90% of the aims of the Strategic Plan would be achieved, maintaining the current sound structure of the company's balance sheet.

The sale of Unión Fenosa was an appropriate decision taken at the right time.

This decision to sell was appropriate in view of the brilliance of the developments achieved in Unión Fenosa, which have made our investment and that of all the shareholders valuable, and will enable us to profit from capital gains, especially taking into account that the purchase Gas Natural will end with the takeover of 100% of the company's share capital.

The decision was also appropriate given the inclusion of Unión Fenosa in Gas Natural. For the Gas Natural Group, the inclusion of Unión Fenosa will result in the creation of a large wholly Spanish energy group of European dimension, with a good position in the gas and electricity chains, and with a good balance between business in Spain and in international markets.

Both companies complement each other not only in terms of activities, but also geographic location. Both companies have ambitious growth plans which will foreseeably be combined into one optimized plan. There is sure to be a process involving the combination of capacities and the integration of cultures sharing the professionalism and a sense of public service.

This decision was also appropriate since it allowed the ACS Group to unambiguously continue its track record in the energy industry.

ACS has tried to build a majority Spanish owned energy group on the basis of its ownership interest in Unión Fenosa, either by merging Iberdrola or by purchasing segregated assets in the latter company following a certain corporate transaction. However, for different reasons and especially problems relating to competition, none of these theoretical alternatives were possible in practice. Therefore, it no longer made sense to hold ownership interests in both Iberdrola and Unión Fenosa at the same time.

Without the difficulties caused by our presence in another company in the industry, ACS will be able to move closer to its aim and permanently be prepared to consolidate its position in the energy industry as the controlling shareholder of Iberdrola. ACS intends to increase its ownership interest in Iberdrola, and together with its other shareholders, to have a prominent role in the development of the leading Spanish electricity company.

Besides, the decision to sell Unión Fenosa was taken at the right time. In view of the economic upheaval worldwide following September 15, all transactions closed prior to this date can be considered to be successful.

With the elimination of the fully consolidated Unión Fenosa from the scope of consolidation, the volume of ACS' debt has been reduced by over 13,000 million, which has strengthened the Group's financial position.

After the sale of Unión Fenosa to Gas Natural becomes final, which is to take place in the middle of January, the total debt of the ACS Group will drop to 6,000 million euros. Moreover, most of this debt will be without recourse, considering that it will be secured by the assets it is financing.

Please allow me to explain our commitment to the energy sector in more detail. ACS has actively participated in the electricity sector for over 70 years Since the creation of the oldest generation and distribution assets in the 20s, ACS Group companies already worked towards the installation and maintenance of these assets, while fostering a lasting relationship of trust with the public regulator and electric companies, which were then both public and private.

Taking into account our commitment to energy, this is the extensive experience we intend to supply in Iberdrola. We wish to contribute to business development and our main objective is to create value for all shareholders in a transcendental economic sector.

We will attempt to collaborate in the growth and profitability of Iberdrola as a reference shareholder, together with the rest of the shareholders.

The way in which we act will be not be new or different from our actions in Unión Fenosa, Abertis or Hochtief, where we applied our experience and best practices in order to aid in increasing the company's future profitability, and consequently, that of all its shareholders.

CURRENT STRATEGY OF THE ACS GROUP

In the complex economic scenario in which we are present, the decision to exit Unión Fenosa and the ratification of our will to continue making a track record in the energy sector leads to a reflection regarding our ACS Group, a reflection on our values, our culture and our strategy.

The cultural values and principles of our Group are the signs of our identity, which we have cultivated and maintained during our long track record. ACS has developed a decentralized organization strongly dedicated to its clients, which is backed by a human team combining technical excellence and a business mentality based on our activity as contractors.

All these cultural values and principles have permeated the companies in which we have had ownership interests and the activities we have carried out through our conduct, the performance of our activities and the development of our human teams, thereby extending and consolidating our company culture.

Strategy, by definition, is not permanent. In a long and complex business development, strategy must consist in actions and decisions based on our values and principles and immerse in our culture, which reflect our adaptation to changes in the environment. When there are sudden ups and downs as well as radical changes in the environment, the strategy is required to be flexible, agile and forward thinking.

Over our 25 years of history as a Group, ACS is the result of a prolonged and orderly exercise of integration and growth. Since its genesis in 1983 with the acquisition of Construcciones Padrós up to the current date, our strategies have changed but our values remain the same and our corporate culture is alive.

Maximizing profitability for all our shareholders is considered to be fundamental among our values.

Since the merger of OCP and Ginés Navarro 11 years ago, the ACS Group then created has become a large industrial group, dedicated to the development of infrastructures and energy, included among the top companies worldwide in most of its lines of business, and operating in over 40 countries.

During this period, i.e. between 1997 and 2008, we have been capable of:

- Generating approximately, 6,500 million euros of net profit;
- Paying dividends amounting to 1,683 million euros, i.e. 26% of the cumulative profit earned;
- Investing close to 18,500 million euros in our main activities and in new business opportunities;
- Increasing internationalization, and changing from a Group which worked almost exclusively in the domestic market to one in which 20% of its income is from international markets.

Today we are one of the worldwide leaders in our sector and we have a diversified portfolio of activities with growth potential. Our objective of offering our shareholders high and sustainable returns has a sound base.

To achieve sustained and consistent profitability, our successive corporate strategies maintain three essential criteria which we apply to each of the business activities in which we take part:

- First: assuring that **our income is stable**, by avoiding or limiting our presence in markets or activities which are too volatile or cyclical.
- Second: pursuing **profitable and sustainable growth** for each line of business, which must be able to demonstrate sufficient capacity to generate cash in the medium and long-term.
- Third: promoting **efficient risk management** enabling us to assign and strictly control each euro that we invest.

Our corporate strategies add aims to the essential criteria which expand and strengthen our competitive edge:

- Firstly, we seek recognized **global leadership** in each of our activity areas. We aim to position ourselves as one of the leading players in all sectors in which we compete, as a means by which to strengthen our competitiveness and continue attracting talent to our organisation.

  Consequently, we wish to continue investing in those activities in which we have a clear competitive edge internationally, both due to our sector leadership as our technical and financial capacity.

- Secondly, we pursue ongoing **operating efficiency**. This efficiency requires the ongoing improvement of operating margins, taking advantage of our scale economies as a result of our size and leadership, and the maintenance of a flexible and dynamic structure which is not bureaucratic and is highly decentralized. Decentralization, which is part of our culture, is essential for fostering the business spirit of each of our agents.

- Thirdly, our decisions must be backed by a **sound financial structure**, which enables us to follow a reasonable investment policy in profitable projects allowing for growth. The ACS Group has demonstrated that it has a high capacity to obtain and use financial resources where they are needed.

In addition to continuing the development of our business areas, our present strategy includes the fostering of our interests in Abertis and Iberdrola and the search for synergies with Hochtief.

FUTURE OUTLOOK

As we always point out in our annual meetings with you, we have the best resources, both human and technical to face the challenges that arise with guarantees, and we continue to have the necessary illusion to exceed the expectations we generate.

Without a doubt, the economic environment in upcoming years will be difficult. The current financial situation and economic outlook foretells a complicated end to the year 2008 and a difficult 2009. We believe that from now on nothing will be the same. However we will work to assure that our company continues improving.

The cumulative results obtained up to October allow us to be optimistic with respect to our ability to maintain or even improve the projected results announced at the beginning of the year. Therefore, the Board has decided to pay a 2008 interim dividend of ninety euro cents per share, which is 20% higher than the interim dividend paid the previous year.

Additionally, our backlog of contracts as of today's date and the expectations with respect to future contracts in the different markets where we are present allow us to be optimistic with respect to 2009 and to maintain our growth and profitability objectives.

Our confidence is based mainly on the fact that our businesses are sound and that we continue to maintain a high generation of cash.

In infrastructure activities, both Dragados and Iridium are firmly committed to international expansion, mainly in the US market, whose contribution to sales and profit for 2009 will increase substantially.

Also, the results of the Industrial Services area continue to show solid growth, backed by the multiple projects under development, of which nearly half are being carried out abroad in the medium term.

Lastly, the Environment and Logistics businesses are highly recurrent, since they rely on highly diversified clients, products and markets, leading to highly stable income and operating margins.

Therefore, as I previously mentioned, we are optimistic. Moreover, we know where we are and the effort it has cost us to get here. Therefore, and although we have the same illusion to progress, we will never risk what we have already achieved with the effort of so many individuals. The valuation of risk is also one of our main assets and will guide our future.

I would like to end, shareholders, by affirming that despite the difficulties which have arisen worldwide, have no doubt that we will continue working with even greater illusion, if possible, to reach the objectives set and continue offering attractive investment returns. Meanwhile, I hope and wish that you continue to give us the same support you have offered up to now.

Thank you.