



*Ordinary General Shareholders' Meeting 2007*

*26 May 2008*

*Vice Chairman's speech*

*Antonio García Ferrer*

Thank you Mr. Chairman.

Dear Shareholders,

In my speech I am going to give a brief summary of the initiatives the ACS Group undertook during 2007 to combine growth with sustainable and responsible development. This is a basic objective in our strategy for Corporate Social Responsibility.

I will also mention the main milestones fulfilled in 2007 and the objectives we have set ourselves for this year, outstanding among which is our commitment to support the fight against Climate Change, an initiative we believe is important for the Society we live in.

During its 25 years of history, the ACS Group has become a worldwide reference in development, construction and management of infrastructure, services and energy, basing its growth on the continual creation of value for its shareholders, clients and society in general.

Our strategic principles have been fundamental in achieving this. These are:

- Creating profitability which is at the same time compatible with Society and the agents who interact with us,
- Maintaining sustainable growth, which improves social wellbeing, respects the environment and is transparently and rigorously communicated,
- Making continual progress in the competitive advantages we have acquired based on experience, technical know-how and the availability of capital.

These strategic principles have led to five commitments:

- To the creation of value
- To information transparency
- To research, development and innovation
- To the natural environment

- To the social environment

I think the Chairman's speech made our position with respect to creating value for our shareholders, clients and society in general sufficiently clear, so I am not going to go more deeply into that.

With regards to our commitment to information transparency, I want to affirm the resolve with which we work in the ACS Group to bring the greatest possible clarity to our activities, so as to:

- Transmit the Company's corporate strategies,
- Project the reality of our business,
- Contribute to the make up of an overarching corporate image, and
- Maintain a fluent relationship with our environment.

A fundamental tool for achieving the previous points is the ACS Group website. This registered over 760,000 visits in 2007. Another tool is our Annual Report which you have all received and where you will find the most relevant information on the Group for the past year.

Allow me to tell you some more about our sustainable development strategy by spending some time on our commitment to Research, Development and Innovation.

We at the ACS Group believe that to continue to maintain our leadership in the sector we need to keep up our commitment to continuous technological and technical development. In pursuing this objective we invested over 57 million euros in 2007, 148% more than the year before, of which 16 million came from the Construction area, 5.2 million in the Environment and Logistics area, 17.8 million in Industrial Services and 18 million in the Energy area. This investment results in the carrying out of projects, collaborations with universities and with specialised domestic and international forums and our own innovation initiatives which are detailed in the Annual Report which has been delivered to you.

As I said at the beginning of my speech, the ACS Group has recently approved some basic guidelines for active collaboration in the fight against Climate Change, initiatives framed in our commitment to the Natural Environment.

In this sense some opportunities have been identified which can have a significant influence on the reduction in greenhouse gas emissions, and which we have summarised in the following actions:

- Implementation of procedures which increase energy savings and efficiency,
- Active participation in debates on Climate Change to improve our knowledge,
- Identification of new business opportunities which contribute to a better future,
- Advancement of and participation in projects which enable the reduction of emissions, efficient management of natural resources, treatment of wastes and the development of renewable energies,
- Increase in the allocation of financial resources contributing to the development of these projects.

To do this we are following two lines of action:

- Minimising the environmental impacts our ordinary activities may generate, and
- Increasing investment in projects which reduce these impacts, improve the management of resources and encourage efficiency and quality, all with respect for technical viability and economic efficiency.

In the first of these, each of our companies prepares its Environmental Plan for its work centres, driving improvements in its reference environmental indicators, among which are:

- Water and energy consumption
- CO<sub>2</sub> emissions

- And the generation and reuse of wastes.

The results of all our environmental initiatives appear in the Annual Report which was delivered to you and which shows significant improvements over the data for 2006.

In the second line of action against Climate Change, the one which is undoubtedly more novel, the Group's firm commitment to increase sustainable, profitable investments stands out. These include our investments in Waste Treatment Plants or in our new wind and thermal solar renewable energy generating plants, a technology in which we are leaders in Spain and Europe.

In terms of Solid Waste Treatment Plants, our subsidiary Urbaser manages 111 plants for recycling, energy recovery, biomethanization and composting. Some 16 million tons of waste per year are treated in these and 674 GWh of electrical energy are generated. Total investment allocated to these types of assets comes to over 600 million euros, which gives an idea of the Group's commitment to such an important sector for the environment.

This volume of investment and number of assets managed positions us as the outstanding leader in Spain in this segment of activity and enables us to compete in markets as complex as France, where we are a highly regarded player with a growing market share.

This variety of waste treatment processes has enabled the generation of savings in CO<sub>2</sub> emissions of 5.2 million tons in 2007. So at the same time that we are solving the problem of exhaustion of existing dumps, we also contribute to reducing the greenhouse effect.

Within a continuous process of research, we are already planning treatment plants which dispose of only 10% of the waste in dumps and recycle 90%, as against the current 70% for some of our operating plants.

The second example I would like to share with you is our firm commitment to the development of renewable energies.

Through our Industrial Services activity area, we have a majority holding in the operation of 28 wind farms, with an investment of over 1,000 million euros and a total of 834 MW of installed power. These generated some 915 GWh of electrical energy in 2007. This represents a saving of over 858,000 tons of CO<sub>2</sub> which would have been emitted by a thermal power station if it had produced the same energy over the same period of time.

The Group also has a portfolio of 38 wind farms in development or under construction with a total installed power of nearly 2,000 MW and representing an investment of over 2,200 million euros, which gives some idea of the potential for growth of this business.

As regards alternative energy, the ACS Group is a pioneer in the development of thermal solar plants for electricity generation in Spain. Specifically, construction started on the ANDASOL I and ANDASOL II projects in 2007. These are two thermal solar plants located in the province of Granada of 50 MW in power each one.

Likewise, we participate in a third thermal solar plant, also of 50 MW, in Extremadura (Extresol I) and we have another five plants in the planning and financing stage in Andalusia, Extremadura and Castile-La Mancha with a total power of 250 MW. According to our forecasts, by the end of the 2011 financial year the ACS Group will have 8 plants operating with a total of 400 MW and a total committed investment of over 2,750 million euros.

The magnitude of these investments is additional proof of the ACS Group's commitment to the needs of Natural Environment and specifically to the fight against Climate Change.

To continue, allow me to explain our main initiatives for sustainable development of our social environment, which is intimately linked to the people who work with us and to our contribution to Society in improving the quality of life of its citizens.

In his speech, the Chairman has already detailed the importance of the team in a Group like ours, which had 144,919 working for it directly at the end of 2007, with women making up 33.8% of that number.

I do not want to expand too much on the description of the Group's human resources policy, which seeks to recruit and retain talent as the basis of the commitment to excellence which ACS has always shown. You have all the information available in the corresponding section of our report on Corporate Responsibility which you will find in the documents supplied to you.

However, I would like to take a moment over one aspect we consider to be very important: the transmission and implementation of our business values and culture in such a large and decentralised organisation as the ACS Group.

This provides the frame of reference for the Board of Directors' initiative in 2007 to approve the code of conduct for all the Group's employees. This brings together the ethical principles which guide our operation and form part of our corporate culture. Allow me to remind you of our three main principles for action which are expected of any ACS employee:

- Integrity, such that their behaviour is in accordance with the principles of loyalty and good faith,
- Professionalism, such that their actions are focused on excellence, quality and willingness to provide service,
- Respect for People and their Surroundings, in accordance with the United Nations Global Compact in the areas of human rights and the protection of the environment.

The scope of these standards is not new to the ACS Group's employees as it already made up part of the company's culture and use, but the formulation and the creation of the relevant control procedures are new. Having completed their first year, no serious incidents have been identified in the execution of our activities.

With reference to improving the quality of life of the people who make up our Society, and to be consistent with the United Nations Global Compact which we signed in 2002, the ACS Foundation plays a relevant role in this aspect in directing its activities towards:

- Improving accessibility for disabled people,

- Carrying out initiatives which promote improvement of the environment,
- Promoting culture and education,
- Promoting, conserving and disseminating the wealth of Spanish Historical Heritage,
- Collaborating with other Institutions and Foundations with similar aims to ours.

During 2007, the ACS Foundation dedicated almost three million euros to this mission in carrying out 89 projects which have benefited over one and a half million inhabitants of Spain.

This involvement of the ACS Group in improving society and promoting sustainable development is a continuing effort which we set ourselves as a challenge year after year. We have set ourselves the following objectives for 2008:

- Reducing CO<sub>2</sub> emissions in our activities,
- Maintaining an investment in R+D+i amounting to over 5% of ordinary net profit,
- Commissioning the first 50 MW thermal solar energy plant, the largest of this type in Spain,
- Continuing to promote equal opportunities policies,
- Reinforcing systems for the prevention of workplace risks,
- Increasing the Foundation's budget by 15%.

We consider that these objectives are achievable and that they represent a significant challenge for us and we are going to work so that at this time next year we will be able to tell all of you that we continue improving.

I hope, as I finish my speech, that I have been able to give a vision of what we do in the area of corporate responsibility, guaranteeing sustainable development and encouraging respect for our surroundings.

Thank you for your attention.