



# Global Construction Conference

November, 2003

**Highlights**

**The new ACS Group**

**Outlook for 2003**

**Conclusions**

### Creation of a European leader

- #1 in the most profitable market: Spain
- Market leader in all businesses related to the development and management of infrastructures

### Excellent growth opportunities

- Diversified portfolio of activities
- Government Investment Plans

### Potential synergies from the merger

### Financial strength

### Industry's reference stock

- Market Capitalization > € 4.3 bn
- Liquidity > € 20 mn daily

**# 1 in Spanish Construction**

**# 1 in Industrial Services in Spain, Portugal & Latam**

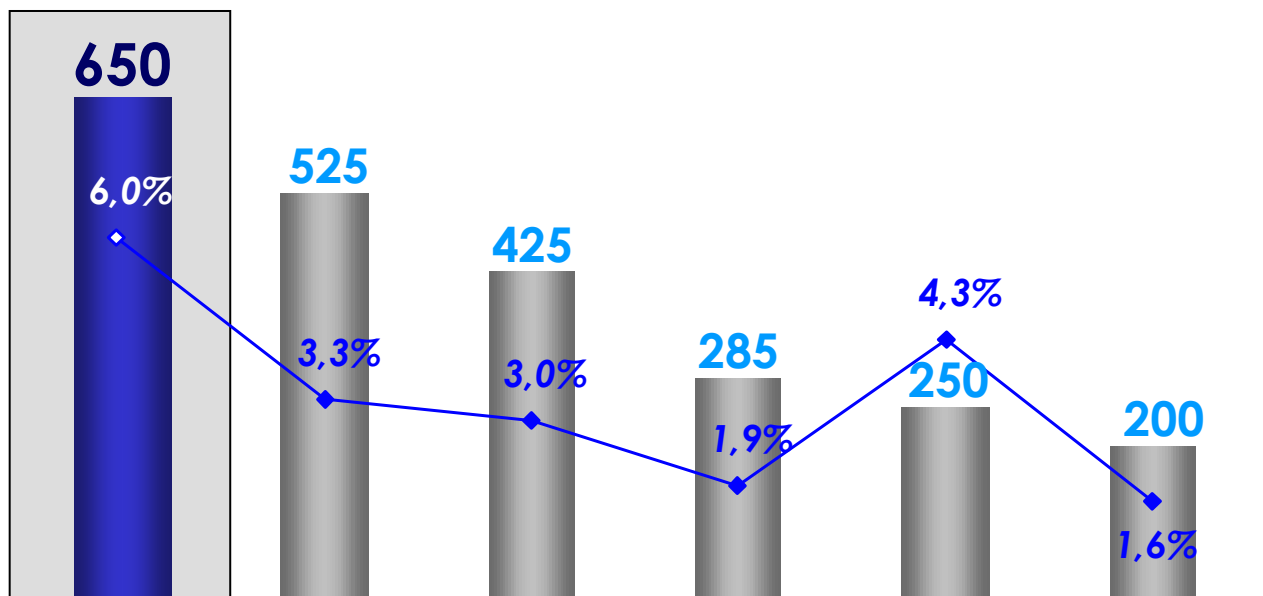
**# 1 in Waste Management in Spain**

**# 1 in Ports and Logistics Services in Spain**

**Core shareholder in the # 1 transport infrastructure concessions company worldwide (by # of concessions)**

## Comp. EBIT 03e\*

€ million  
Margin on sales



## Sales 03e (€ bn)

	ACS	Vinci	Bouygues	Skanska	Ferrovial**	Hochtief
Total Sales	10.8	17.5	21.5	14.9	7.0	12.3
Comp. Sales*	10.8	15.7	14.2	12.3	5.8	12.3

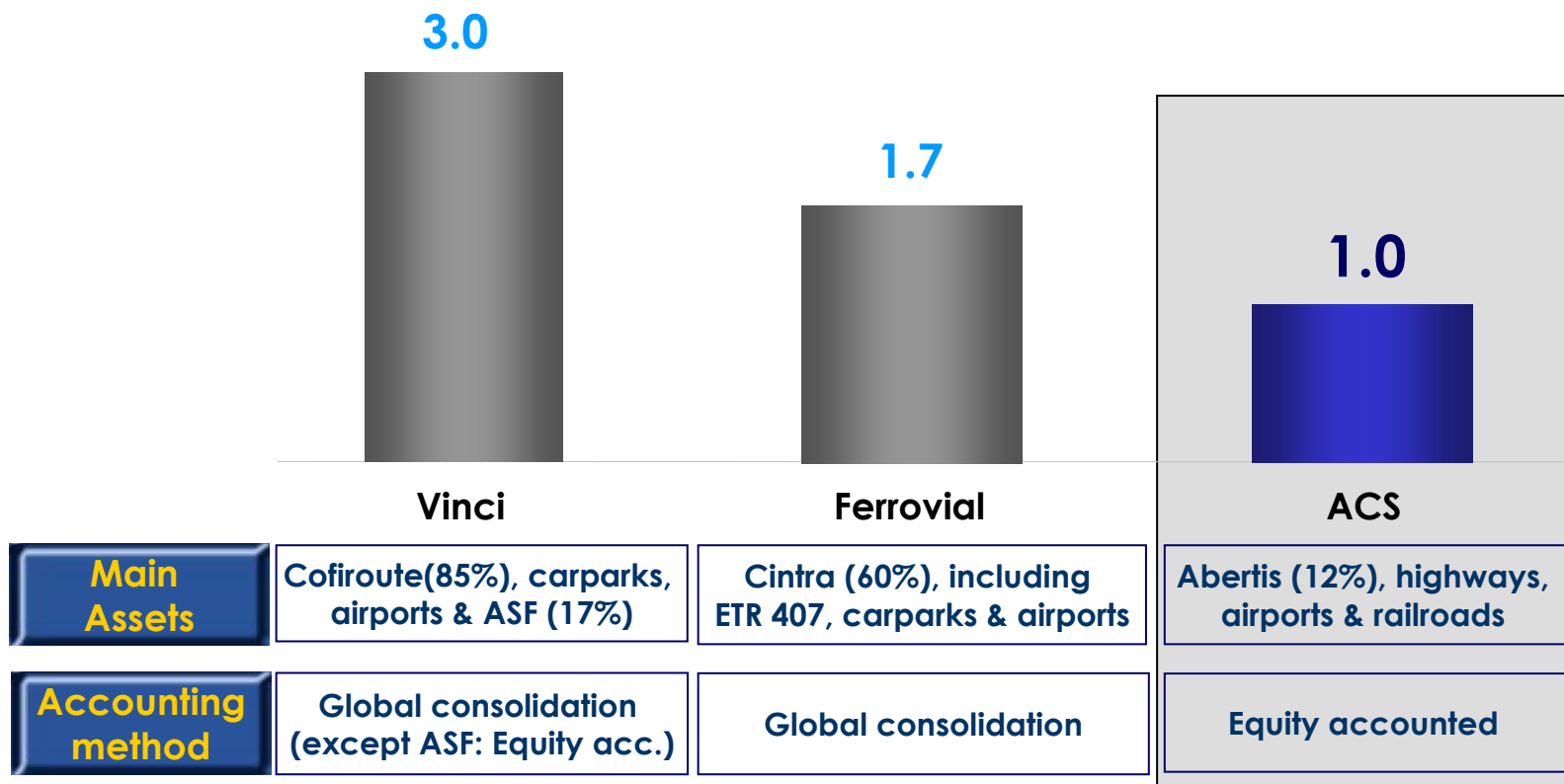
\* Comparable data are estimated figures in those activities carried out by all companies: Construction, Services & Industrial. It does not include data from Concessions, Real Estate and other businesses.

\*\* Ferrovial figures include CESP&A & Amey full year data

Source: Analysts' Reports and Companies data

## Equity Investments in Concessions\*

€ billion



\* Source: Companies' Reports. It does not consider implicit capital gains.

## New ACS Group



<b>Revenues 2003e</b>	<b>52%</b>	<b>29%</b>	<b>19%</b>	Equity Accounted
<b>EBIT 2003e</b>	<b>47%</b>	<b>31%</b>	<b>22%</b>	Equity Accounted

## High recurrence and visibility of revenues

### Solid Balance Sheet

Operating Assets  
& Goodwill  
€ 2.6 bn

Shareholders'  
Equity<sup>1</sup>  
€ 2.0 bn

LT Liabilities €0.5 bn

Financial Assets  
€ 1.4 bn

Net Debt  
€ 1.5 bn

<sup>1</sup> Before accounting for the extraordinary provision for the costs of the merger

### Strong Cash Generation

EBITDA 03e > € 900 mn

Free Cash Flow 03e > € 500 mn

### Merger Synergies

Recurrent net savings of € 85 mn from 2006  
Extraordinary provision of € 110 mn<sup>2</sup> in 2003

<sup>2</sup> Net impact on P&L, after tax deductions

### Public Initiative

#### Domestic Market

Ministry of	National Plan	Period
Public Works	Infrastructure	2000 - 2010
Environment	Hydraulic	2001 - 2008
Economy	Energy	2002 - 2011
Environment	Urban Waste	2000 - 2006

#### International Market

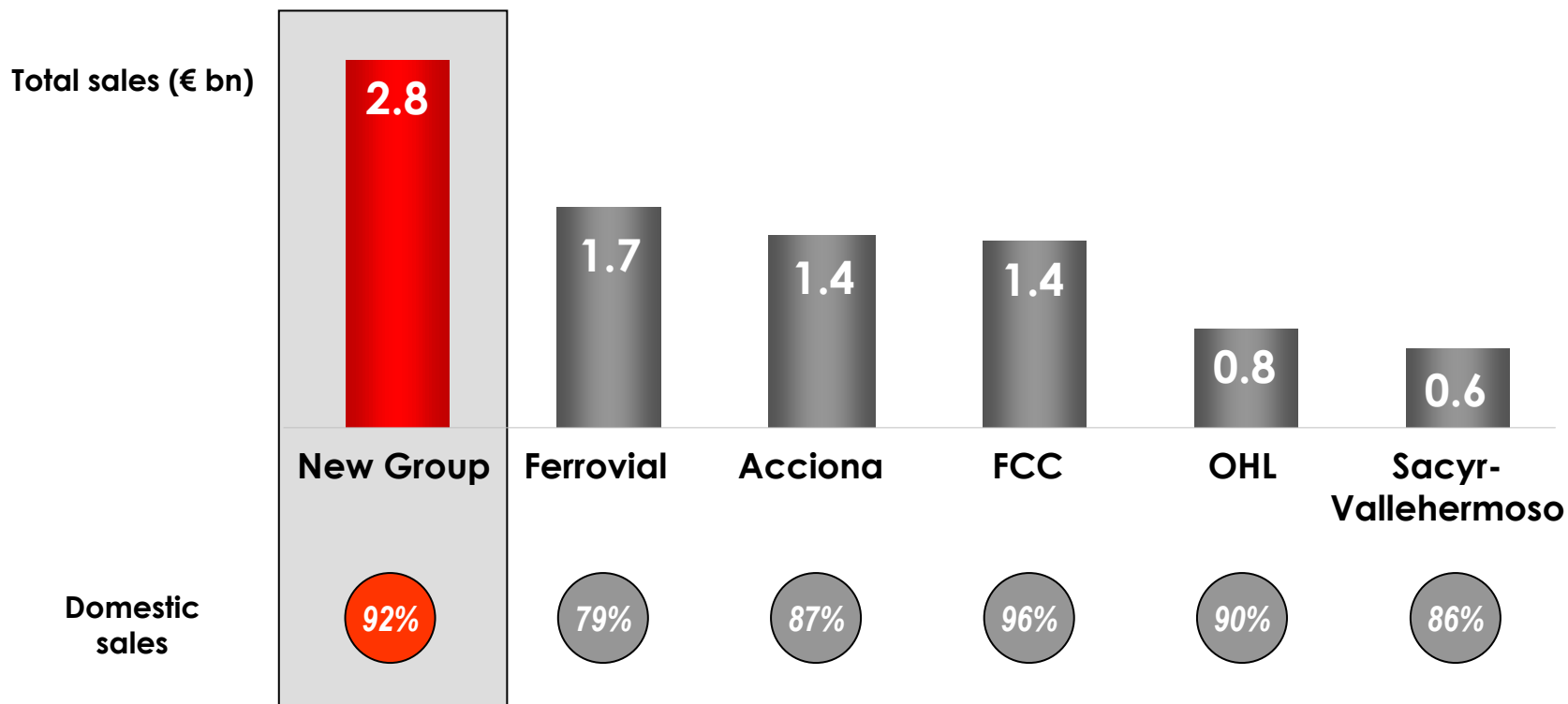
Public tender for Concessions across Europe and Latam

### Private Initiative

- **Supported by GDP growth**
  - Recovery of investment in equipment
- **Investment in infrastructures**
  - New highway concessions
  - PFI in hospitals, airports, light trains, etc.
- **Outsourcing of services by large corporations & public entities**

### A clear leader in Spain

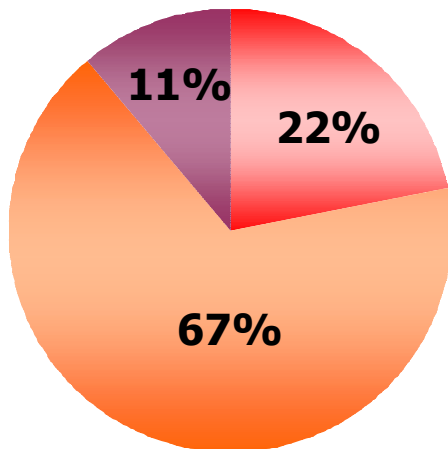
1H/03



**1H/03 Revenues: € 2.8 bn**

### Residential Building

Extended throughout the Spanish territory



### Non Residential Building

Administrative offices, Cultural, Sports & Industrial buildings, Health Centres, Hospitals

### Civil Works

Highways and Roads, Tunnels, Railways & subways, Hydraulic & coastal infrastructures, Airports.

### National Infrastructure Plan (2000 – 2010)

<b>Total Investments</b>	<b>€ 102.9 bn</b>	<b>(30% financed by EU)</b>	
<b>Highways</b>	<b>€ 39.8 bn</b>	Complete the high capacity road network	
<b>Railroads</b>	<b>€ 40.5 bn</b>	Update current railway communications (HST)	
<b>Airports</b>	<b>€ 11.4 bn</b>	New Airports Infrastructures	
<b>Ports</b>	<b>€ 7.5 bn</b>	Modernisation & enlargement Spanish Ports	
<b>Others</b>	<b>€ 3.6 bn</b>	Other actions related to transport infrastructures	
<b>Budget breakdown</b>	<b>2000 - 2004</b>	<b>2005 - 2006</b>	<b>2007 - 2010</b>
	<b>€ 43 bn</b>	<b>€ 17.3 bn</b>	<b>€ 42.6 bn</b>

### National Hydraulic Plan (2001 – 2008)

<b>Regulation</b>	<b>€ 2.7 bn</b>	
<b>Irrigation</b>	<b>€ 6.1 bn</b>	Satisfy water needs of Eastern Spain
<b>Urban Supply, Sewerage &amp; Purification</b>	<b>€ 5.4 bn</b>	
<b>Prevention &amp; Environmental Restoration</b>	<b>€ 3.3 bn</b>	Promote environmental care in the use of water
<b>Water Control &amp; Quality</b>	<b>€ 1.2 bn</b>	
<b>Total Investments</b>	<b>€ 18.8 bn</b>	

**National Public Budget for 2004 includes part of the investments carried out by the Infrastructure & Hydraulic Plans**

	€ bn	Growth (%)
Highways	3.56	- 1.0
Railroads	4.57	+ 8.5
Hydraulic Works	3.34	+ 11.4
Airports	2.32	+ 5.2
Ports	2.26	+ 23.6
<b>Total</b>	<b>16.1</b>	<b>+ 8.2</b>

**Good prospects  
for Civil work  
activities**

### Targets

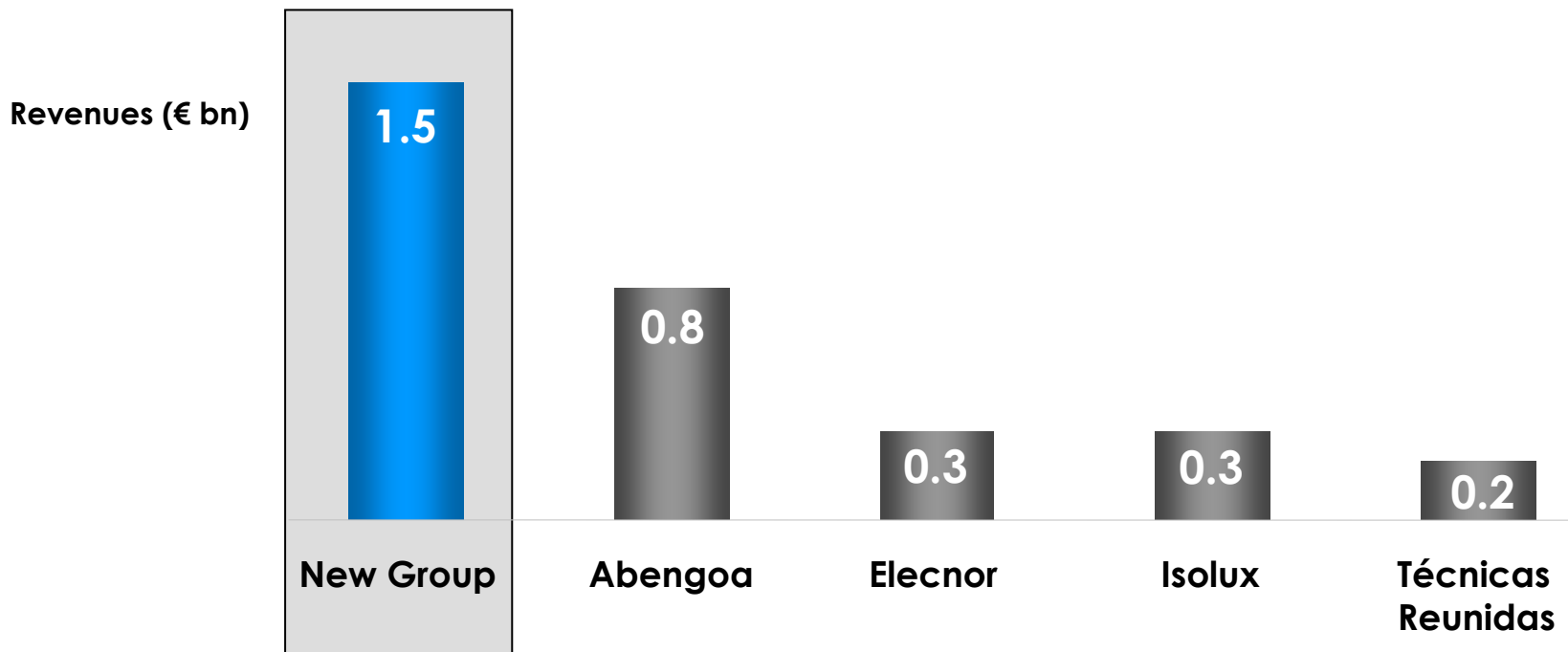
- **Maintain consistent growth**
- **Consolidate profitability through focusing on projects of:**
  - Significant size
  - Value added
  - Specialisation
- **Selective international expansion :**
  - Build presence in stable countries with long-term prospects
  - Concession projects

### Competitive Advantage

- **Highly competitive position in public sector projects**
  - Proven quality and technical capacity
  - Wide global multi-disciplinary experience
  - Solid backlog
- **Wide geographical presence**
  - Complete domestic coverage
  - Operations in more than 15 countries
- **Corporate reputation**
  - Worldwide prestige
  - Technical awareness

### An unrivalled leader

1H/03



### Positioned throughout the value chain

Promotion

Engineering

Installation

Maintenance

Energy

✓

✓

✓

✓

Oil & Gas

-

✓

✓

✓

Systems

-

✓

✓

✓

Industrial

-

✓

✓

✓

Integrated services for large clients and public sector

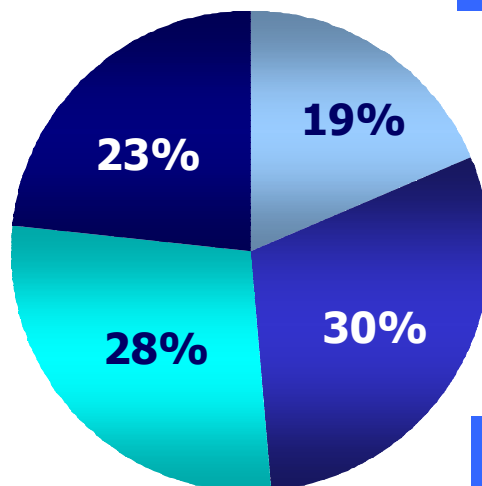
1H/03 Revenues: €1.5 bn

### Industrial

Industrial, thermodynamic, mechanic and sanitary Installation & maintenance

### Oil & Gas

Maintenance & installation of networks and storage systems as the off shore Plants construction



### Systems

Systems related to telecommunications, rail & street traffic, and industrial control

### Energy

Mainly generation and distribution of energy

### National Energy Plan

#### Energy

#### Oil & Gas

##### Generation

Energy generation, renewable energy, Desalination Plants, Gas storage

Energy shortage in South Europe

Renewable Energy: Support from the Administration

##### Distribution

Electric grid: HT & LT lines

New transportation lines

Need to permanently match the supply and industrial capacity to the new demands from the market :

- Operating and drilling structures
- Storage facilities
- Pipelines
- Industrial networks
- Home distribution

### Backed by Public & Private Investments

#### Systems

#### Industrial Services

##### Railroads

Energy lines, Signaling, & other Control Systems

High speed train development

##### Urban Systems

Traffic Control: Lightening systems, & other systems

Traffic systems for large and medium size cities

##### Telecom

High standard technology & other Networks and Systems

New operators Upgrading & maintenance of the existing networks

##### Installation

Applied engineering in Industrial Plants, Heating & Air conditioning and Integral Maintenance

New capacities for Chemical Plants and other Industrial facilities

##### Maintenance

Outsourcing of facilities services

### Targets

- **Lead sector growth in the coming years**
- **Improve productivity**
  - Growth in value added services
  - Strict cost-control policy
- **Geographical expansion based on strict profitability criteria**
- **Investment in promotion of technology-intensive businesses**

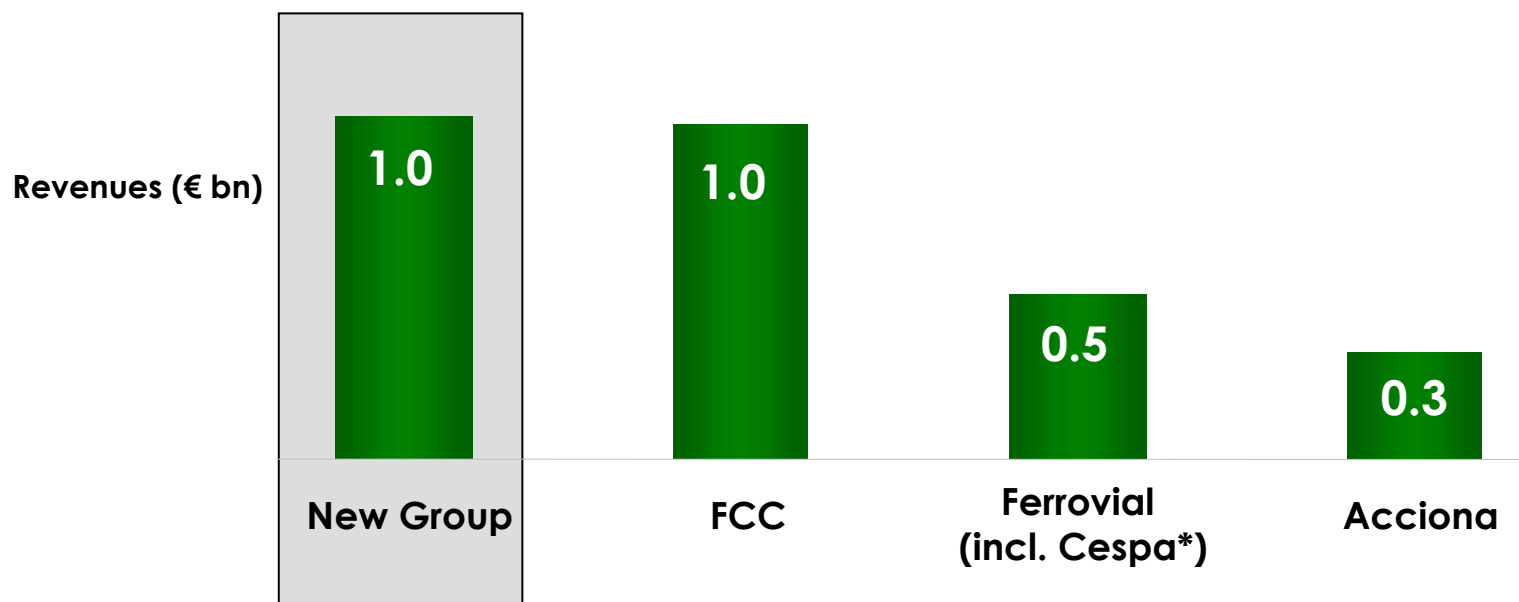
### Competitive Advantage

- **Unrivalled leadership position**
- **State-of-the-art technical qualification**
- **Processes and services integration capacity**
- **Wide geographical reach**
  - 50 countries
  - 200 operational centres in Spain
- **Dynamic and efficient structure**
  - Strong corporate culture
  - Geographic/ product matrix structure
  - Compensation scheme linked to objectives
- **Business diversification**

**Selective growth to maximise profitability**

### A benchmark for the sector

1H/03



\* Ferrovial acquired Cespa in August 2003

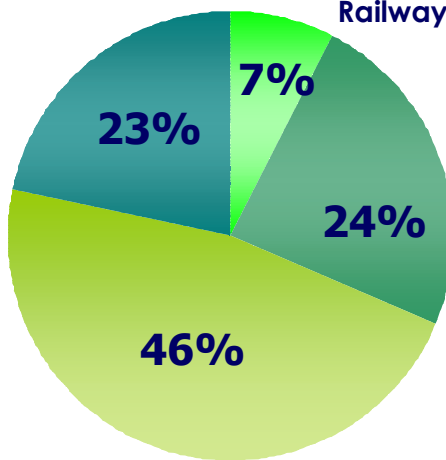
### 1H/03 Revenues: €1.0 bn

#### Facility Management

- Integrated building maintenance
- Sanitary services
- Advertising management
- Urban fixtures & furnishings

#### Transport

- Road passenger transport
- Railway transport



#### Port & Logistics

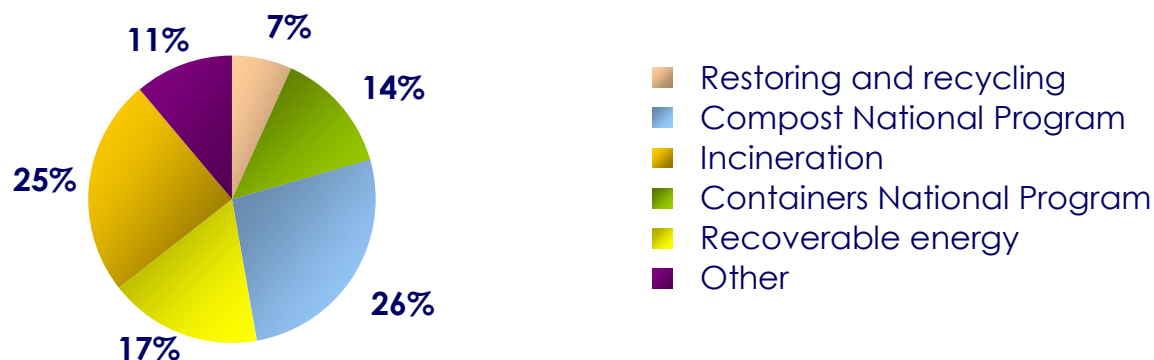
- Port handling**
  - Loading
  - Towage
- Maritime Agency**
  - Consignment
  - Transit
- Logistics Services**

#### Environmental

- Solid urban waste management:**
  - Collection and treatment
  - Street cleaning
- Special waste** (Sanitary, Industrial)
- Integrated management of water cycle**
- Gardening and reforestation**

### National Urban Waste Plan (2000-2006)

**Total Investments € 3.3 bn**



### Government main actions

- Closure of uncontrolled landfills
- Construction of new infrastructures
- Selective waste collection

Market growth prospects for next 3 years > 10%

Most active business areas:  
Treatment & Collection

### Targets

- **Maintain double digit growth rates over the next 3 years**
- **Lead the solid urban waste sector**
- **Expansion in Port and Logistics Services**
- **Consolidate international operations focusing on profitability**
- **Promote new complementary business areas**

### Competitive Advantage

- **Technological leadership in environmental services:**
  - **SUW:** Incineration, biological treatment, compost
  - **Special Waste:** Toxic waste, oil, sanitary waste
- **Leadership in domestic port activity**
- **Critical mass benefit from economies of scale**
- **Geographical reach**
  - Over 300 centres
  - Population covered > 50 mn
- **Wide range of services per client type**

**World leader in infrastructure promotion**



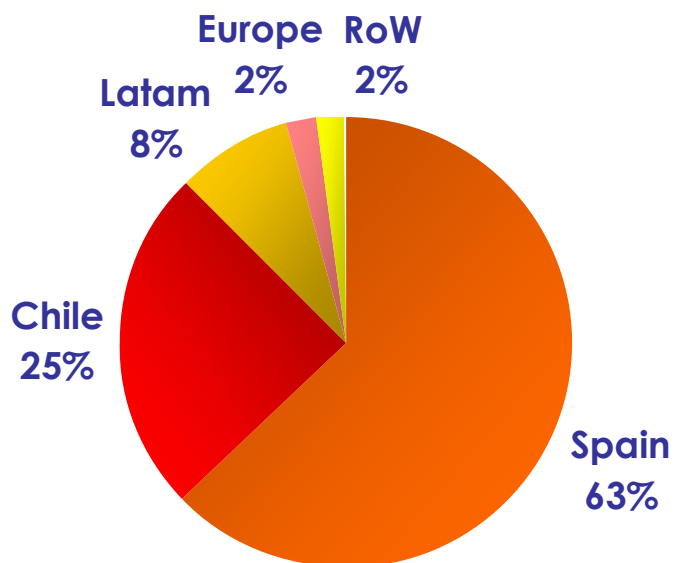
22 concessions in highways, airports, railroads,  
with a total equity investment over € 600 mn

The new Group  
holds 12% of  
Abertis, valued  
at € 700 mn

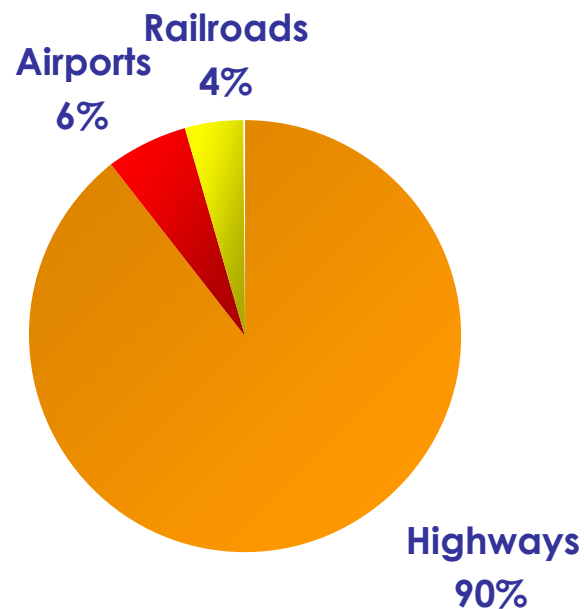
**Total portfolio > € 1.3 bn**

### Diversification of current portfolio\*

#### Geographical breakdown



#### Assets breakdown



\* By € mn invested. Considering Abertis' concessions proportionally to the Group's stake

### Targets

- Lead the global market in promotion of concessions
- Develop a diversified portfolio of projects
- Foster international expansion in countries with stable environment
- Achieve attractive returns by leveraging on the group's capabilities in all the stages of the project

### Competitive advantage

- Excellent and proven experience over 30 years:
    - Bid
    - Financing
    - Construction
    - Execution
- } → **Reliability**
- Complementary to other activities of the Group
  - Leading industrial shareholder in Abertis
  - Strong value creation track-record in the concessions under management

**Selective investments with recurring returns**

# Outlook for 2003

## Pro-forma Main Financial Figures

€ million

		2003e	Growth**
<b>Revenues</b>	>	10,800	+ 10%
<b>EBITDA</b>	>	900	+ 14%
<b>EBIT</b>	>	650	+ 13%
<b>EPS*</b>	≈	3.2 €	+ 13%
<b>Shareholders' Equity*</b>	≈	2,000	} D/E ≈ 75%
<b>Net Debt</b>	<	1,500	
<b>Company Net Debt</b>	<	1,200	
<b>Project Finance</b>	>	300	

\* Before accounting for the extraordinary provision for the costs of the merger

\*\* Like-for-like growth rates

**Creation of a European leader**

**Value-creation oriented strategy**

**Committed management team with proven track record**

**Good position to benefit from attractive opportunities in the infrastructure sector**

**Attractive growth and profitability outlook across all the business units**

**Solid financial structure**

### Business Plan 2003 - 2007

**Revenues**

**EPS**

**Dividend Policy**

**CAGR**

5% - 10%

10% - 15%

**Pay out**

≈ 25%