

Cádiz / 27 y 28 / septembre / 2007

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ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



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Sustainability Indexes
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INVESTOR'S DAY

ELECTRICITY ACTIVITIES
Juan José FANJUL PASTRANA

Electrical Networks-General Manager

■ Background

- First steps
- Activity Development
- Business Expansion

■ Our Philosophy

- A Services Company
- Diversity of Activities
- Future overall view

■ Our market

- Our Know-How
- Domestic Market
- International Scenery
- Keys of the future business development



- First steps:
 - We started our activity as an Auxiliary Company for the Electric Companies 80 years ago.
 - Our initial works were carried out for the Distribution & Transmission Lines networks construction, to meet the requirements of the Local and National Electricity Boards.



- **Development of the Activity**
 - Implementation in the whole national territory in order to meet the requirements of the Electricity Boards, “filling the holes” with the works that the Companies left aside within their more recurrent activities.
 - This aspect allowed us to develop the complete business of the electricity activity, and at the same time, to conquest the international markets to increase in growth.

- When supplementing the necessities of the Electric Sector, our evolution went over the following stages:
 - ✓ Construction
 - ✓ Engineering & Construction
 - ✓ Engineering, Construction & Maintenance
 - ✓ Engineering, Construction, Maintenance & Operation
 - ✓ Turnkey Projects
 - ✓ BOOT



- **Business Expansion:**
 - The current power demand, based on the self-sustained growth, makes some important lacks appear, both for the Generation and Transmission sectors.
 - The Group covers these aspects, allowing its development and expansion, as much technically as financially, being able to get up to the different countries where the demand increases.

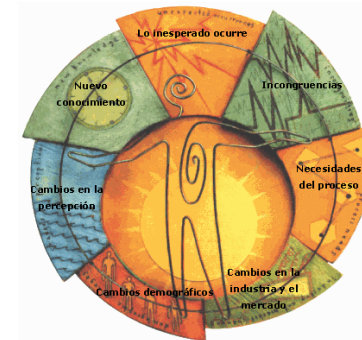


- SERVICES COMPANY
- BUSINESS DIVERSITY
- FUTURE OVERALL VIEW

Our philosophy is based on the following fundamental aspects:

- SERVICE TO THE CLIENT
- GEOGRAPHICAL IMPLEMENTATION
- INNOVATION

Finally, CONTINUOUS IMPROVEMENT



- The continuous improvement means the development and the setting-up of:
 - ✓ New Tools & Machinery
 - ✓ New Working Methods
 - ✓ Staff Training & Specialization



- BUSINESS DIVERSITY:

The maturity and the large experience acquired on the National Market, have allowed us to better undertake:



- New Activities/Specialties
- New Business Areas

Finally, the incursion on the INTERNATIONAL SCENERY.

■ FUTURE OVERALL VIEW:

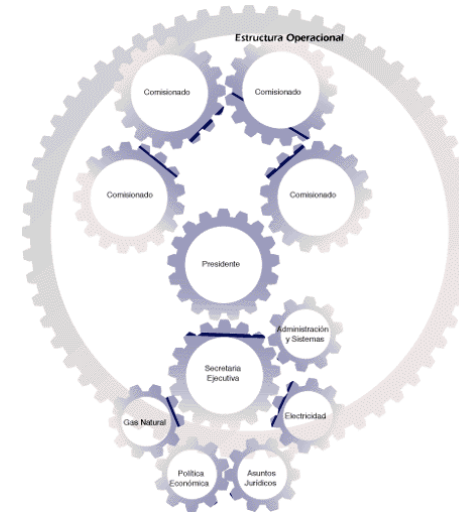
The objectives for Energy Strategy, fixed by the industrialized countries are among others, the following:

- POWER SUPPLY ASSURANCE
- ENVIRONMENT CONSERVATION



- Those world-wide objectives lead us to the EFFICIENCY & EXCELLENCY on the Energy Sectors.
- For our business, this means the opportunity to PERFORM & OPERATE MORE AND BETTER.

- Our Know-How
- National Market
- International Scenery
- Keys of the future Development



ENGINEERING
SUPPLY & ERECTION
CONSTRUCTION
MAINTENANCE
OPERATION



- Distribution
- Transmission
- Substations
- Live-line Works

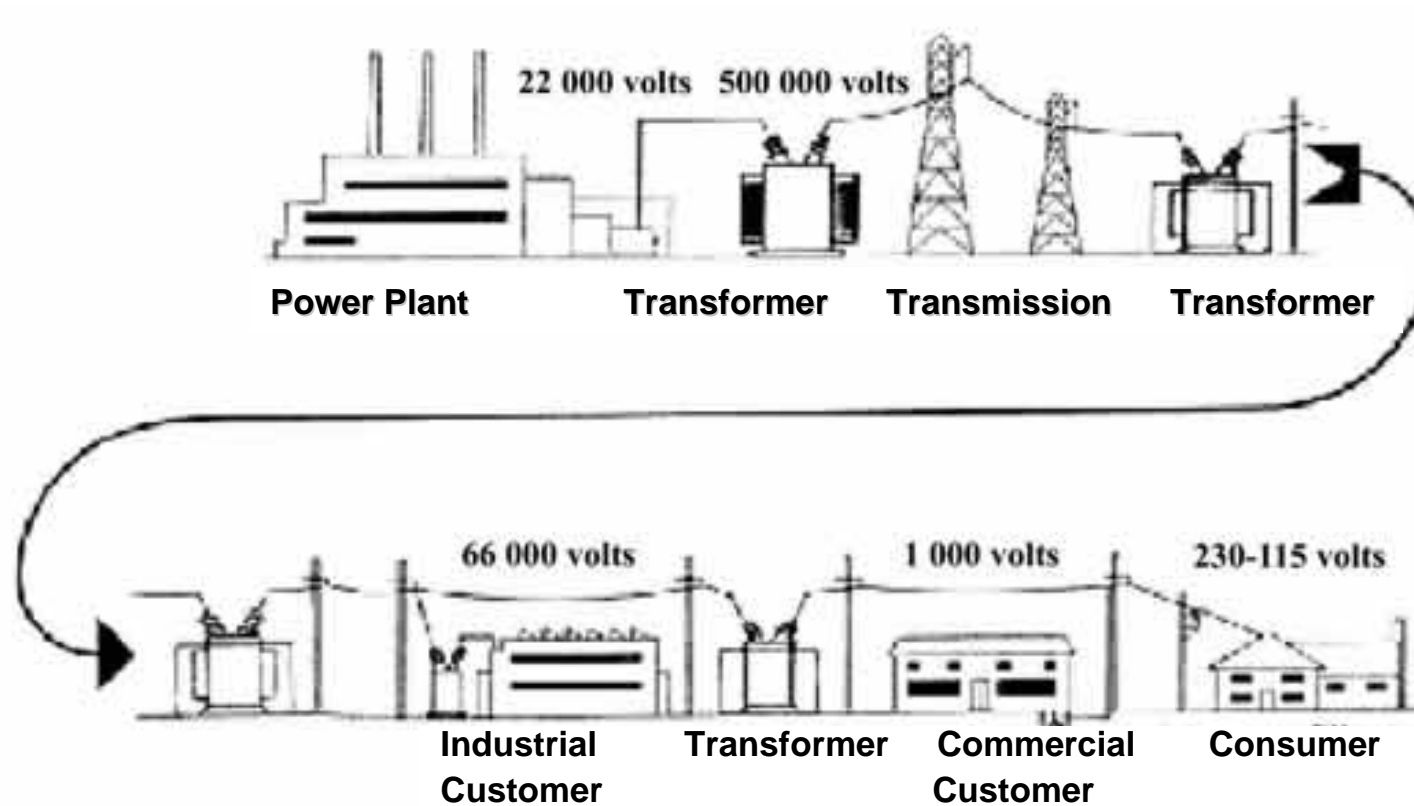
- The development of the activities regarding Power Transmission, is based on:
 - National Branch Offices Network near the Client.
 - Our Policy as a Services Company.

In addition, we can take advantage of our strategic presence to open new markets and new business areas.



- 120 Branch Offices
- 922 Graduated & Engineers
- 12,275 High Qualified Manpower

Scope of works



- **Transmission Lines CONSTRUCTION:**
 - ✓ Engineering
 - ✓ Civil Works
 - ✓ Assembly and Erection
 - ✓ Stringing, Sagging and Clamping
 - ✓ Commissioning



- Transmission Lines MAINTENANCE:
 - Conventional Maintenance
 - “Live-Line” Maintenance. (In 1968, the Group introduced this innovated activity in Spain, and actually we maintain the leadership, both in Spain and abroad)





Height extension on 220kV OHVL



OPGW stringing



220kV underground system



220kV Tower erection

FUTURE PERSPECTIVE AND STRATEGY:

- **Construction:**
 - A more structured Power Network
 - Necessity of new facilities
 - High investments on the network
- **Maintenance:**
 - Territory presence with a better “letter of introduction”
 - Old network. Consumers’ sensitivity. Natural disasters
- **Wind Farms development**
 - High ratio up to 2010
- **Solar Energy development**
 - A still embryo status. Prospective value. Strong investments



- Our export activity started in 70's.
- With the experience adquired, our development in the international scenery is based on two strategies:
 - Large Construction Projects
 - Permanent presence:
 - ✓ Reinforced territorial structure
 - ✓ BOOT projects





LATIN AMERICA

ARGENTINA
BRAZIL
CHILE
COLOMBIA
ECUADOR
EL SALVADOR
GUATEMALA
HONDURAS
MEXICO
NICARAGUA
PANAMA
PERU
DOM. REPUBLIC
VENEZUELA

EUROPE

ANDORRA
FRANCE
PORTUGAL

MIDDLE EAST

ABU DHABI
KUWAIT
OMAN

AFRICA

ALGERIA
CAMEROON
LIBYA
MAURITANIA
TUNISIA
ZAMBIA
ZIMBABWE

ASIA

BANGLADESH
CAMBODIA
INDIA
THAILAND
VIETNAM

LARGE CONSTRUCTION PROJECTS

- The different opportunities are based on:
 - ✓ Our Technical Capability
 - ✓ Our references in the market
 - ✓ Our financial strength





400kV Transmission Line
Maya Riviera (Mexico)



800kV Transmission Line - India

PERMANENT PRESENCE: Territorial structure

- Contracts awarding are due to:
 - ✓ Our territorial presence. Client proximity
 - ✓ Recurrent activities
 - ✓ Clients fidelity
 - ✓ Self-sustained growth
 - ✓ New business and activities



Some works references

Height extension on 400kV OHVL



Insulators cleaning



33kV Transmission line maintenance

PERMANENT PRESENCE: CONCESSIONS

- Permanent presence - System Operator
- High compensation activity
- Risk controlled
- Complete cycle of the business
- Prospective value





Transmitindo energia para o desenvolvimento sustentável brasileiro





Concessions under Operation

Kv	Description	Km	Total EPC Value (€)
500	Samambaia-Itumbiara-Emborcação	600	73,670,621
500	Itumbiara-Marimbondo	212	47,445,648
500	C.Paulista-T. Preto	181	54,321,238
500	Tucurui-Vila do Conde	325	84,774,615
500	Itumbiara-Cuiaba	811	260,434,749
230	P.Primavera-Dourados-Imbirussu	512	116,405,247
500	Serra da Mesa-Paracatu-Emborcação (*)	681	203,001,034
(*) Operation date forecast: March, 08		3,322	840,053,152





Concessions in implementation

Kv	Description	Km	Total EPC Value (€)
500	Triângulo Transmission Line	708	107,890,918
230	Jauru-Ariquemes-Samuel	949	146,954,871
500	Poços de Caldas-Ribeirao Preto	308	109,007,031
500	Sao Simao-Marimbondo-R. Preto	413	82,964,395
500	Serra Paracatu	246	139,514,118
		2,624	586,331,333



NEXT AUCTIONS FOR CONCESSIONS (Nov, 2007)

Kv	No. Of Lines	Km	Investment (M US\$)
230	2	373	128
500/230	10	2,023	631
500/230	7	1,818	1,700
	19	4,214	2,459

PERU

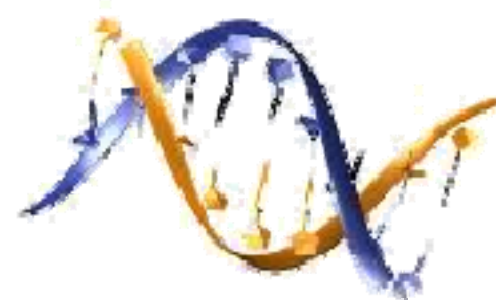


CLIENT: RED ELÉCTRICA DEL SUR - REDESUR

On March 19th, 1999 the CONCESSIONARY (Redesur) subscribed a CONTRACT with the LICENSOR (Peruvian Government-Ministry of Mines & Energy).

Kv	Description	Km	Total EPC Value (€)
220	MOQUEGUA-TACNA	135	14,320,730
220	MOQUEGUA-PUNO	193	24,027,376
220	SOCABAYA-MOQUEGUA	107	7,308,452
Date of operation: March, 2001		435	45,656,558

- The position reached with the concessions management and the performance of large international projects, allow us to be more optimistic facing the Investments Plans scheduled in the countries where we have actually a permanent presence.



- Our experience as well as our vocation to open new markets and to explore new activities, is the key of our growth.