



***ANNUAL GENERAL MEETING OF
SHAREHOLDERS***

10th May 2013

Speech of the Chairman

Florentino Pérez

INTRODUCTION

Good morning to everyone.

It is a pleasure to be with you again on the occasion of this Ordinary General Meeting of Shareholders of the ACS Group and I thank you sincerely for your presence. I also wish to thank the attending members of the Board of Directors of the ACS Group, of the Management Committee and of all those shareholders who have delegated their vote by proxy or who have exercised their right through electronic media over the past few days.

My words this morning will address our current situation and also what I consider to be our strengths for the future. I will also give an account of the work performed during financial year 2012 and the first months of 2013.

The ACS Group today

Today, ACS is a global Group, probably the only one in our sector, with an active presence in all developed markets, which is engaged in civil and industrial engineering activities in more than 60 countries, but mainly in the three most economically advanced geographical areas of the world, Europe, North America and the Asia-Pacific region.

The integration into our Group of HOCHTIEF, in June 2011, represents another step along the path that started in 1983, the year when this passionate business project commenced. ACS is currently a competitive, vigorous and dynamic company, a result of an industrial plan based on integration, diversification, an entrepreneur spirit, customer service and profitability. It is one of the main Spanish companies in the world that can really compete globally for a leadership position in a sector as important as the implementation of infrastructures, key to the economic and social development of the countries in which we operate.

The ACS Group currently has more than 162,000 employees, of which 14,000 are engineers. With good operating results in the year 2012, our activities continue to offer a solid profitability, together with an important international diversification, as our sales, EBITDA, portfolio and capacity to generate cash flow demonstrate.

We are all aware of the difficult economic situation which this country is facing, the financial tensions in Europe and the impact in the capital markets, with a generalised fall in share prices during the year 2012, accumulating on the fall in prices experienced in the second half of 2011.

Market volatility significantly affected Iberdrola from July 2011 and during the whole of last year, 2012. Its market price in mid-2012 had fallen by more than 50% and settled in July at a share price of 2.65 euros per share.

The situation made it advisable for us to restructure our holding in Iberdrola by reducing our investment in the electricity company and by accounting for an adjustment in value in the remaining holding.

Since it was our understanding that this situation was temporary, and bearing in mind that the share price was below the intrinsic value of the electricity company, we subscribed a financial derivative contract for 10% of the share capital of Iberdrola, maturing in 2015, whereby we trust we will recover an important part of the losses incurred in this financial year.

The positive operating results, the sale of assets and the restructuring of our holding in Iberdrola has allowed us to reduce by half the net financial debt we had a year ago and to strengthen our financial structure.

All these tasks carried out during 2012 must not distract us from our strategy of consolidating as the most important building and contracting company and developer of infrastructures in the world.

Economic Environment

We are immersed in a very complex economic and financial situation. The political and economic instability that Europe is experiencing, aggravated in Spain by the necessarily tough adjustment of government debt and the reform of the financial system, has fostered uncertainty in the Euro zone. This situation has significantly increased volatility in the prices of sovereign debt in all peripheral countries, increasing their financing costs and deteriorating their national accounts.

In the last few months, Spain has implemented a series of far-reaching reforms and has decidedly restructured the financial system, overburdened by the collapse of the property sector. Although it is in a better situation than twelve months ago in terms of the government budget deficit and the risk premium, economically Spain faces a very tough year in 2013. Practically all the economic analysis institutions foresee a fall in GDP of around 1.3% in 2013, which could lead to an unemployment level of 27% of the working population.

Although clearly a complicated scenario, I believe that important reforms have been undertaken which will help in producing an improvement to the economy in the second half of this year 2013 and a recovery in 2014, when a growth of GDP of around 0.7% is expected.

The main factors contributing to this improvement in the Spanish economy are, in my opinion:

- the very positive evolution of our trade balance, that is the result of restraining imports together with a strong increase in exports;
- the effort to reduce the government budget deficit;
- the increase in competitiveness, thanks to a moderation of labour costs; and
- the beneficial effect that the restructuring of the financial system may have on the availability of credit for undertaking new business activity.

I should remind you that Spain represents 15.6% of total sales for the ACS Group and 17.4% of the portfolio of future projects.

Contrary to the situation in Spain, the evolution of the world economy is forecast to grow at a rate of 3.5% in 2013, with a particularly impacting contribution from the emerging economies. In the majority of industrialised countries, there are significant signs of growth and numerous developing countries continue to grow at a steady rate. Very good prospects exist in our main markets. Not only do Australia and the United States present solid economic data but they also reveal a clear need of investment in

the creation of infrastructures, both in the field of civil engineering and industrial or energy projects.

As I mentioned earlier, ACS carries out its activities mainly in three economically developed regions, which represent 86% of the sales of the Group in 2012: Australia, in the Asia-Pacific zone, represents 32% of our income from sales; North America represents 27% of sales; and Europe represents another 27%.

Australia continues to be the driver of economic growth thanks to its buoyant raw materials market which supplies major countries in the region, both economically emergent and developed countries. With an expected growth in GDP of 3%, it continues to be the developed country that dedicates the highest percentage of its GDP to investment in both civil engineering and energy infrastructures, with more than 29% of the total. The constant needs of countries like China and India, and the energy changes in Japan following the nuclear moratorium, offer positive prospects of growth in the activities in which Leighton is engaged in Australia, mainly civil engineering and mining services.

In North America, ACS is one of the leading building contractors with turnover of nearly 9,200 million euros in 2012 and with good growth prospects in the coming years.

According the IMF, the GDP of the United States and Canada will grow in 2013 at a rate of 2% and 1.8% respectively. The United States presents a very attractive venue for building contractors, with its aging infrastructures requiring huge investment in terms of reform and maintenance, and with substantial opportunities for new developments and government concessions.

Canada, for its part, has proved to be a solid economy during the crisis period and has a stable and attractive regulatory framework for the development of infrastructures, particularly government concessions.

Mexico presents prospects of stable growth of around 3% in the next few years, according to the IMF, with an economy based on natural resources and with a

substantial need for civil engineering and particularly energy infrastructures, which amount to more than 25% of the GDP of the country.

The country is developing an overall infrastructure plan for the period from 2013 to 2018 in which it intends to invest more than 400,000 million euros, of which around 60% will be used for the development of energy infrastructures, particularly in relation to oil and gas.

Europe, in 2012, has been affected by the crisis of its financial institutions and speculation concerning the long term feasibility of the monetary union. This situation continues to limit the growth of GDP for the overall European region to 0.5% in 2013, with a scant 1% in 2014, in accordance with the perspective of the IMF and of the European Commission.

In this environment, the development of plans for infrastructures is not anticipated in European countries, such as took place in Spain in the last decade and over the last quarter of a century in Central Europe. The level of government investment in these countries, however, which does not exceed 1.2% of GDP in the Euro zone, is at its lowest level for several decades. It is difficult for further reductions to take place in developed countries such as those which compose the European Union. To the contrary, in the medium term a return to normal levels is likely to occur.

Spain, which has announced its plans for infrastructures for the next 10 years, foresees a level similar to its current level, 0.8% of GDP, far from the 1.74% of 2008. This is a prudent estimate which time will probably prove to be pessimistic.

On the other hand, public private partnerships may contribute to an increase in the undertaking of new projects. The United Kingdom, with an evident deficit in infrastructures, is an example of the practice of public private partnerships whereby the government anticipates continuing to stimulate investment in the next few years.

The possibility of a growth in energy infrastructures also exists, particularly in Germany, where the moratorium on nuclear capacity is giving rise to investment in alternative sources and in energy transmission grids.

SUMMARY OF FINANCIAL YEAR 2012

Consolidated results

May I now pass on to summarise the evolution of our operating activities during the year 2012; the impact that the current economic situation has had on our company; and how we have reacted to the challenges we have encountered in the past few months.

- In 2012, the ACS Group registered excellent operating results, since our activities continue to produce a solid profitability and an important international diversification, which make us the leading infrastructure group in the world, with a presence in practically all developed markets, both in civil building and contracting works and industrial and energy projects. Our sales, operating profit, portfolio and our capacity to generate cash flow reveal the strength and resilience of our businesses during the long crisis that has protracted since 2008.
- On the other hand, our accounting results have been affected by the partial divestment and the adjustment of the value of our holding in Iberdrola. As I mentioned at the outset, this has caused us to make a series of extraordinary adjustments to our accounting results which, as I also mentioned earlier, we hope to recover in large part as a result of the financial derivative contract we have subscribed.
- The generation of cash flows and the divestment have allowed us to reduce by half the financial debt we had a year ago. Specifically, we have reduced financial debt by 4,400 million euros, which has significantly strengthened our financial structure.

Allow me to provide you with some relevant data concerning our operating results.

- Sales have increased by 34.9% to 38,396 million euros, which is the result of the consolidation of HOCHTIEF during this complete financial year and the constant international growth of our activities. Stated in terms comparable with the perimeter for consolidation in 2011, the growth of sales would have been 4.1%.

- The total business portfolio is equivalent to 21 months' production, a ratio that has been stable over the last twelve months, amounting to the figure of 65,626 million euros.
- The Group's EBITDA stands at 3,088 million euros, 33.3% higher than in 2011, which is also due to the consolidation of HOCHTIEF during the whole of 2012.
- The significant capacity of the operating companies of the Group to generate cash flow is worthy of notice. In 2012, they obtained 1,825 million euros in cash flow, 41.8% higher than in 2011.
- Finally, the Group's net financial debt stands at 4,952 million euros, 47% less than in 2011.

With regard to net profit, I should differentiate between the evolution of our ordinary business activities and the impact of streamlining the holding in Iberdrola.

Our businesses have in fact undergone a favourable evolution in their net results:

- Building and contracting produced 274 million euros, very similar to last year thanks to the contribution of HOCHTIEF, which compensated the fall in activity in Spain.
- Industrial services show the same net profit as in 2011, 416 million euros, based on a vigorous international expansion which has compensated the fall in activity in Spain.
- Environment recorded 97 million euros in ordinary net profit, with a fall of 19% due to the sale last year of the hospital waste business and certain logistic assets.

I believe that in such a difficult year these results demonstrate the strength and resilience of our businesses, which gives us a reason for optimism in respect of the future.

After deducting overhead expense and financial results, which include the acquisition of HOCHTIEF and the contribution of associate companies, the Group achieved an ordinary net profit of 705 million euros, 9.9% less than in 2011, mainly due to the sale of assets and of holdings in listed companies.

The extraordinary results of the Group in 2012 are heavily influenced by the streamlining of the investment in Iberdrola.

The sales of assets during the accounting period have given rise to the following impacts:

- In 2012, we sold shares in Iberdrola equivalent to 12% of its share capital, which induced a capital loss of 1,312 million euros.
- The sale of 10.3% of Abertis has produced a capital gain of 197 million euros.
- The capital gains from the sale of other assets, in particular the 23.5% holding in Clece, amounted to 125 million euros.

In addition, a series of adjustments due to impairments of value and extraordinary expenses during the financial year have negatively affected our results:

- An impairment of value of 1,308 million euros was accounted for in respect of the remaining investment holding in Iberdrola, due to a valuation of the holding at market prices.
- We have also accounted for 333 million euros of extraordinary expense which amongst other items records provisions on assets, mainly in the field of renewable energy, and financial expense arising from the restructuring of our liabilities.

The joint effect of all these items has given rise to accounting for a negative net result of 1,926 million euros.

As I said earlier, since we were convinced that the quoted share price of Iberdrola was significantly below its intrinsic value, in July 2012 we subscribed a financial derivative contract maturing in 2015 in respect of 597 million shares of Iberdrola, approximately 10% of its share capital, for the purpose of recovering an important part of those losses, in addition to generating a substantial cash flow, provided that the share price of Iberdrola is quoted at above 3.26 euros.

Again, I wish to emphasise the serious effort made to reduce net financial debt to a half of where it stood in 2011. Specifically, in 2012 we have reduced our net financial debt by 4,382 million euros, a reduction of 47%, to 4,952 million euros.

For this purpose, in addition to the 12% of Iberdrola, the 10.3% of Abertis and the 23.5% of Clece, we have sold several wind parks in Spain, five transmission lines in Brazil and the transport hubs in Madrid. Leighton has sold its urban waste

management assets and we have also sold motorways under government concession in Chile, Canada and Spain.

Our capacity to generate operating cash flows and the efficient management of working capital has also contributed to reducing financial debt.

At 31st December 2012, our net financial debt to EBITDA ratio stood at 1.8 times.

As a result of the decrease in financial leverage and the strength of our operating results, the company's Board of Directors adopted the resolution to submit to the consideration of all of you at this Annual General Meeting, ladies and gentlemen shareholders, the distribution of a total dividend of 115 euro cents per share, by means of a flexible mechanism whereby shareholders can choose to receive the dividend in shares or in cash.

Operating Results

Moving on into the breakdown of operating results, sales for the year amounted to 38,396 million euros, 34.9% higher than in 2011. In 2011, the contribution of the sales of HOCHTIEF was only consolidated as from the month of June. If we include its sales for the entire year, the equivalent comparable growth would be 4.1%.

The Building & Contracting area represents 77% of Group sales and contributes 29,683 million euros. In comparable terms, including the sales of HOCHTIEF for the full year 2011, there has been a 5.3% growth.

Industrial Services recorded sales of 7,050 million euros, which represents 18% of Group sales.

Finally, Environment contributes 1,691 million euros, 0.3% higher than in 2011, representing 5% of total Group sales.

All our business activity is growing outside Spain. Our internationalisation has multiplied as a result of the consolidation of HOCHTIEF, which contributes with its presence in consolidated markets such as Australia or the United States of America.

The combined international activity of all Group companies shows a wide geographical diversification of income:

- Europe, including Spain, contributes 27%;
- America contributes 32%, predominantly the United States, where the Group invoices 27% of its sales, whereas South America contributes 5%;
- Asia-Pacific represents 40%, thanks to the contribution of Leighton. The most relevant country in the Asia Pacific region is Australia, with 32.5% of total Group sales.
- And finally, Africa represents 1% of total sales.

In 2012, the ACS Group invoiced a total of 32,421 million euros outside Spain, 84.4% of the total.

Of the 65,625 million euros in the business portfolio, Building & Contracting, with 49,200 million euros, represents 75% of the total, whilst Environment contributes 14% and Industrial Services 11%. The total business portfolio of the ACS Group is equivalent to 21 months of production.

As in the case of sales, the composition of the business portfolio proceeds mainly from contracts outside Spain, a figure amounting to 54,178 million euros, which represents 82.6% of the total.

- The Asia Pacific region, with 41% of the business portfolio, is the main region. It includes the mining contracts subscribed by Leighton, which have a longer average duration than other infrastructure contracts.
- North America, which now represents 21% of the total, has experienced a strong growth of 11.2% in this financial year, due to the activity of Building & Contracting and Industrial Services, whereas South America represent 3% of the total.
- The Rest of Europe has also grown by 1.1%, mainly the United Kingdom, Germany, France and Poland.
- The business portfolio in Spain, on the other hand, has decreased by 9.5%, a direct consequence of the current economic situation.

Operating results have grown noticeably. The Group consolidated EBITDA has grown by 33.3% and amounts to 3,008 million euros, which represents a gross margin of 8.0%.

EBIT, on the other hand, which has grown by 18.5% to reach 1,579 million euros, has been affected by the substantial growth of depreciation, arising particularly from the consolidation of HOCHTIEF whose activity is more capital intensive, especially its mining operations.

The magnitudes of these figures position us as a Spanish multinational company with a global presence, and a world leader in terms of number of projects, business portfolio, size and, above all, profitability.

Activity Report

I would like to move on to a description of our activities in 2012, based on the diversification that we have actively sought over the years and of the competitive advantages of our companies, leaders in many of the areas in which they are engaged.

Building & Contracting

In the building and contracting area, sales in 2012 amounted to 29,683 million euros, 49% higher than the previous year, due to the contribution of HOCHTIEF, which in 2011 only contributed to consolidated results as from the month of June. In comparable terms, sales grew by 5.3%.

The gross operating profit, or EBITDA, in the building and contracting area amounts to 1,995 million euros, with a gross margin of 6.7%, whereas the net profit, or EBIT, for the year amounted to 685 million euros, and was influenced by the depreciation of assets of HOCHTIEF and the lower gross margin of the German group. Net profit in the building and contracting area amounted to 274 million euros, 1% less than in 2011.

By geographical regions, building and contracting sales come mainly from Australia. The Asia Pacific region represents 52% of sales and 54% of the business portfolio. America, through Dragados, Turner and Flatiron, represents 31% of sales and 25% of

the business portfolio. Europe, excluding Spain, represents 11% of sales and 14% of the business portfolio and Spain alone now represents 6% of sales and 7% of the portfolio.

The portfolio of construction contracts amounts to 49,264 million euros, equivalent to 20 months of production.

The building and contracting companies of the ACS Group have been awarded important projects during the year 2012, of which I would like to make special mention of:

- Several contracts in Australia for the development of mining activities, valued at more than 6,000 million euros, and several contracts related to natural gas liquefaction and regasification plants for large oil company customers. Prominent amongst them is the Gorgon project, in which Leighton is working on the construction of the port installations of the plant, with a budget that was extended in the year under examination by more than 630 million euros and which in total exceeds 1,470 million euros.
- In Europe, significant projects have been awarded such as the construction of S8 motorway and the modernisation of the E-20 railway line in Poland, the contract for building the access tunnel to the new station in Stuttgart, Germany, several railway tunnels and motorways in Norway and several tranches of the Spanish high speed train to Galicia, in Spain.
- I wish to draw attention in particular to our growing presence in North America in the areas of Building and Contracting and Concessions, through Dragados, Iridium and Turner. In the past few years, we have positioned ourselves as one of the leading companies.

One of the latest projects won by Dragados is the construction and maintenance of a light underground railway line in Ottawa, with an investment of more than 1,500 million euros. This is the most prominent example of the type of infrastructure we target in this market.

Once again, the brilliant accomplishments of Iridium in this so competitive market are outstanding. In the last few years it has won the award of very relevant projects in the North American market with a total construction volume of more than 5,000 million dollars. Projects that include:

- The I-595 corridor highway in Miami.
- The A-30 ring road in Montreal, Canada.
- The South Fraser perimeter road in Vancouver, Canada.
- The Henday Drive Edmonton Ring Road in Edmonton, Canada.
- The Windsor Essex motorway between Ontario (Canada) and Michigan, in the United States.

Our building and contracting subsidiaries are also carrying out numerous projects of significant magnitudes and technical complexity. For example, Dragados is building a tunnel on the SR-99 Seattle ring road using the largest tunnelling machine in the world, with a diameter of 17.5 metres.

Different Group companies operating on the east coast of the United States are performing multiple construction tasks to expand and improve the installations of the New York subway, including the extension of Grand Central station in Manhattan.

Industrial Services

The Industrial Services area has recorded the same sale volume as twelve months ago, amounting to 7,050 million euros. The fall in the activity in Spain has been compensated by international growth.

The Industrial Services area presents positive operating results:

- The gross operating profit, or EBITDA, has been maintained and amounts to 904 million euros, with a gross margin of 12.8%.
- The net profit from operations, or EBIT, grew by 2.6% to 849 million euros, with a gross margin on sales of 12%.

- Ordinary net profit amounted to 416 million euros, practically the same as the previous year.

The international business of the Industrial Services area recorded sales of 4,112 million euros, 58% of the total, with a business portfolio of 4.616 million euros, equivalent to 65% of the total. It is growing at a rate of 10.7% thanks to a stable presence in geographical regions with high growth potential, such as Mexico, Brazil, Chile and Peru.

America, with 42% of sales and 45% of the business portfolio, will be the main growth area during the next few years.

The business portfolio increased by 4.2% to 7,161 million euros, equivalent to 12 months of activity which, in this business segment and with the growth in recent years, is particularly important.

Of the main contracts awarded in Industrial Services during 2012, attention may be drawn to the following:

- Works for the construction of the offshore oil rig in the Gulf of Mexico, for 351 million euros.
- Two photovoltaic plants, each of 75 megawatts, included in the state energy plan in South Africa, for a value of more than 295 million euros in total.
- The concession contract in Peru to construct a high voltage power line, valued at more than 171 million euros.
- The construction of an oil platform in the North Sea, in Norway, for Statoil, valued at more than 169 million euros.
- The overhead high voltage power line between the states of Río Grande do Sul, Santa Catarina and Paraná, for 160 million euros.

Environment

Continuing the review of our activities, the Environment area is a sector reference in Spain in the activities in which it is engaged: environmental services related mainly to the management, collection, treatment and recycling of solid urban waste, including certain logistical activities.

In the year 2012, the turnover of business in the Environment area grew by 0.3% and amounted to 1,691 million euros. The EBITDA amounted to 241 million euros, which represents a gross margin of 14.3%. The decrease compared with the previous year is mainly due to the sale of the hospital waste business (Consenur) which took place in the year 2011.

The gross operating profit fell by 5.4% to 106 million euros, with a gross margin of 6.3%, due to the increase in depreciation, whilst ordinary net profit was 97 million euros, a fall of 19.3% due to the divestment of the Group in Clece, Consenur and other logistical activities.

The business portfolio of the Environment area grew by 2.9% to 9,201 million euros, equivalent to 68 months of activity. The portfolio in Spain represents 58% of the total and thus the contribution of international activities amounts to 42%.

In respect of countries and geographical regions, the Environment area carries out its activities, in addition to Spain, in France, the United Kingdom and certain Latin American countries.

It is worth drawing your attention to the award of a contract for a treatment plant in Essex, in the United Kingdom, for a total value of 997 million euros, a project which demonstrates the capacity of Urbaser to attract international recognition and which complements its strong presence in France, where we have treatment plants in Paris, Marseilles, Bayonne and Challose, in addition to other locations.

These projects, together with the treatment plants that Urbaser has in Spain, positions us as one of the leading waste treatment companies in Europe and in the world.

In Spain, contracts have been extended by more than 410 million euros and several new awards have been won, in line with the recurrent and counter cyclical nature of the activities of our Environment area.

Prominent amongst the awards are several waste collection and treatment contracts in Madrid, for an accumulated value of more than 100 million euros.

Financial structure

I now move on to describe the efforts we have made in 2012 to reinforce our financial structure, reducing our net financial debt to practically half of where it stood in 2011 and improving our leverage ratios.

As indicated earlier, our net debt decreased 47% in the last 12 months to 4,952 million euros. This figure is composed of:

- The debt of HOCHTIEF, which amounts to 1,164 million euros.
- And the debt of the rest of the Group, 3,788 million euros, which includes the debt used to acquire HOCHTIEF, other syndicated and bilateral financing agreements and the financing of certain projects of subsidiary companies.

The reduction of Group debt by 4,382 million euros in 2012 was accomplished largely with funds proceeding from the sales of assets and from those generated by operations.

This level of the Group's net debt together with the positive evolution of our business activities mean that our debt ratios have improved significantly. Specifically, the ratio of Net Debt to EBITDA is now 1.8 times and, if we add EBITDA plus the non-recourse financing of the projects we hold for sale, the ratio ascends to 2.6 times, a figure significantly lower than the 3 times that we fixed as a target at the last Annual General Meeting of Shareholders. Net debt divided by Group equity is equivalent to 0.9 times.

In summary, the Group has passed from a net debt of 9,334 million euros at the end of 2011 to the current 4,952 million euros.

- Group operations have generated cash flows of 1,506 million euros.
- Consolidated total Group working capital has given rise to an outflow of cash of 207 million euros.

- Collections of divestment, including the 12% of Iberdrola, several participations in concessions, machinery and other equipment, and the 10% of Abertis, produced inflows of 4,781 million euros.
- The Group has invested 2,170 million euros, mainly Leighton, which has invested more than 1,100 million euros in its mining businesses, which are capital intensive. A further 326 million euros have been invested for developing renewable energy assets and concessions which are currently available for sale, so that the joint investment amounts to 2,496 million euros.
- We have also remunerated shareholders with a total amount of 723 million euros, of which 179 million pertains to minority interests of Group subsidiaries, mainly Leighton.
- Finally, the modification of the equity swap on Iberdrola, together with other adjustments due to consolidation, give rise to a reduction of net debt of 1,521 million euros.

May I emphasise that even during this period of debt reduction, the ACS Group has in 2012 continued its investment activity in the development of operating businesses and concession projects.

Total investment in 2012 amounted to 2,496 million euros:

- 1.539 million euros have been invested in ongoing operations.
- Group companies have invested 927 million euros in concession assets, and
- the Corporation has invested 30 million euros.

Sale of Assets

In 2011, we commenced the process of divestment in non-strategic assets for the purpose of reducing our debt.

During the last two financial years, we have transactions and sold assets for a joint value of 7,594 million euros, 2,813 million euros in 2011 and 4,781 million euros in 2012. The breakdown of divestment in 2012 is as follows:

- In Building & Contracting, funds amounting to 683 million euros were obtained from the sale of diverse assets.
- In Industrial Services, assets were sold for the amount of 485 million euros, amongst them five power lines in Brazil and several wind parks in Spain.
- Assets were sold for the amount of 128 million euros in the Environment area.
- Finally, the Corporation has divested 3,485 million euros, including the sale of Iberdrola for 2,573 million euros and of Abertis for 897 million euros.

As a summary of financial year 2012, it may be said that operating results have been good, as demonstrated by the sustained profitability of ACS Group businesses.

We have reduced net debt by half, thanks to the capacity of our business operations to generate cash flow and through the sale of assets.

The accounting impact from the sale if Iberdrola has been substantial but, obviously, it has been a non-recurring extraordinary result which we think we will recover in part in the next three years.

And HOCHTIEF is an essential part of our overall strategy since it represents one of the platforms for internationalisation and future growth on which we will build in the coming years.

Share performance

With regard to share performance, the capital markets have recognised our efforts during financial year 2012 and during this year 2013 we have provided a return on investment of 14.4% from the beginning of the year, substantially higher than the IBEX 35 index that has not surpass 5%. In the last twelve months, indeed, from May 2012, the ACS share has gained 66% when the leading Spanish index has not surpassed 26%.

Obviously, part of this recovery is due to the general fall in the Spanish stock market during the last year. Specifically, the ACS share price fell by 16.8% during the year 2012 and shares were quoted at 19.04 euros at 31st December, equivalent to a market

capitalisation of 6,000 million euros. The evolution of our share price, corrected for the distribution of dividends, fell over the year by 7.5%. Over the same period, the IBEX 35 index fell by 4.6%.

I would like to point out, however, that since the creation of the IBEX 35 index at the beginning of 1992, and in spite of the recent fall in the Spanish stock market, the stock market behaviour of the ACS share is the second best and shows an annual 10.9% increase in value over these 21 years, whereas the reference stock exchange index shows an annual 5.4% increase in value.

Future Prospects

At a decisive time for our Group, I would like to share with you our prospects for the years to come and the main thrust of our strategy.

Our principal objective is to consolidate ACS as a global leader in the industry of developing infrastructures, both in terms of size and of profitability. The size and the leadership of our companies allow us to offer better services to more customers, through a more complete and diversified portfolio of products and to generate greater added value in our activities.

In order to achieve this, in the next three years we will focus our strategy on three major objectives:

- To reinforce the positioning of our activities globally, in profitable developed markets and in activities related to civil and industrial infrastructures.
- To continue to pursue our goal of profitability. We are implementing our risk control system throughout the Group, mainly focussed on four areas: the selection of country, the size of projects, the security of debt collections and the terms and conditions for carrying out the works. The objective is for all Group companies to be consistently profitable in all their markets and activities.
- To continue to reduce our net debt, generating cash flows from our operations and from the sale of non-strategic assets. The recent agreement reached this week for the sale of HOCHTIEF's airport assets, for the amount of 1,100 million euros, is a good example of the application of our strategy.

ACS is the only infrastructure development company that is present in the majority of the most important world markets, with large local companies and a resolute dedication to customer service.

Our positioning is a very important asset, a competitive advantage that we are going to consolidate in coming years by fostering the commercial cooperation of all our companies in the expansion of our activities throughout the world.

Our reference brands, Dragados, Cobra, HOCHTIEF, Urbaser, Turner, Leighton and others, are pillars in the process of building this global Group.

There is no other infrastructure and construction group in the world that has implemented a similar strategy over the years and for this reason we trust we will lead this industry globally in coming years.

We can count on great companies, which perform profitable operations in developed markets. Our operating capacity is based on more than 14,000 engineers, with wide experience and specialisation in the implementation of large projects, located in many markets and with global perspective.

Our values are based on the entrepreneurial spirit of our people, on excellent customer service, on a clear focus on profit, and on an effective control of risks. Fitted together, they are a guarantee of return on investment.

Corporate Social Responsibility

Our values are aligned with sustainable growth and the improvement of the society in which we live. Our commitment with Sustainability is reflected in our Corporate Social Responsibility strategy which, due to a strong impulse during the year 2012 ha made us a point of reference for the sector. In this financial year we have passed a series of important milestones in our commitment with ethics and professional standards, an important improvement in environmental efficiency and we have continued to reinforce our policies for health and safety at work.

However, this is not sufficient. We believe that a Group of companies like ACS, composed of leading companies worldwide in their respective fields of activity, cannot

fall behind in the sphere of Sustainability, either in respect of the impact that this would have to its reputation, or in respect of the opportunities that this generates to improve the profitable growth of the ACS Group.

For this reason, we have developed a programme to improve in this field and also to lead the sector in Corporate Social Responsibility actions. This object of this plan, which we have called "one", is to foster the development and exchange of good management practices between the ACS Group companies in three key areas: Ethics, Efficiency and Employees.

We aim with this initiative to define a plan of action for the Group companies to develop Corporate Social Responsibility policies within a common framework, but always in accordance with their specific needs and characteristics.

As Deputy Chairman Antonio García Ferrer will describe during his address, project "one" identifies areas for improvement in which it is advisable to focus future management efforts, particularly in areas related to our corporate reputation, which imply obligatory requirements in tender and bidding processes or may give rise to cost saving in the course of our activity.

Project "one" is a further initiative with which we aim to base the assumption of best practices in all our companies, whilst maintaining the high level of decentralisation that is a characteristic of the ACS Group, but without forgetting that strategic, cultural and corporate elements unite us.

I am convinced that to adopt measures that make us leaders in terms of Corporate Social Responsibility will also be conducive to a higher creating further added value for our shareholders, employees, customers and for all the stakeholders with whom we relate.

Conclusion

I would like to close my address by restate that our objectives for this year 2013 are the profitable growth of our business activities and the reduction of our financial leverage.

We are convinced that our capacity for growth is undeniable. In the last ten years, we have been capable of carrying out a very important integration project. Since the acquisition of Dragados to the consolidation of HOCHTIEF, the turnover of ACS has grown at an annual rate of more than 24%, from the 8,825 million euros we invoiced in 2003 to the more than 38,000 million euros of turnover reported in this financial year 2012.

Our commitment to profitability is critical. The evolution we have experienced in the last ten years shows that we are capable of maintaining increasingly profitable operations, even in difficult times such as those we are going through in Spain. We have at such times been able to make our organisation structure flexible to adapt it to the needs of the market and the economic situation. We have been efficient in the management of resources and of our operating capacity.

In terms of gross operating profit, or EBITDA, the Group has expanded at an annual rate of more than 22%, passing from 795 million euros in 2003 to 3,088 million euros in financial year 2012.

If we analyse the evolution of the ACS Group in these ten years, the strength of our business operations is prominent, having generated 6,933 million euros of accumulated net profit since 2003, with an exceptional stability, whereas the extraordinary results have varied substantially over the same period.

Even after the negative impact of Iberdrola in this financial year 2012, we have accumulated 1,961 million euros of extraordinary results. Of these, more than half, 1,100 million euros, proceeds from the results contributed by our listed companies, that is to say, Abertis, Urbis, Union Fenosa and Iberdrola, and the rest, 861 million euros, proceed from the sale of non-listed companies.

The generation of funds in these ten years, 8,894 million euros of net profit, is outstanding. The capital markets have understood this and in spite of the poor performance of the past two years, the ACS share, as stated before, has shown the second best performance of the IBEX 35 index since the creation of this Spanish index at the beginning of 1992 and the average annual return over the past ten years has amounted to 14.7%.

For this reason I am convinced that if we maintain our level of profitability in the light of our expectations of our growth of sales in the next few years, the market will again recognise the fundamental value of our business and your investment, therefore, ladies and gentlemen shareholders, will be compensated with ratios of return on investment that are higher than they have been over the past decade.

Our financial structure has also undergone a substantial change in 2012 in comparison with previous years and we have demonstrated our capacity to adapt to the demands of our shareholders and investors, who appreciate the reduction of the financial leverage of the past few years. Specifically, we have reduced our net debt to EBITDA ratio from 7.2 times in 2006 to 1.8 times in 2012.

In 2013, we hope to end the year with a Group net debt around 3,000 million euros. We want to increase the profitability of all the business activities in which we are engaged, in order to maintain an attractive dividend policy and recover our value on the stock market.

To summarise, we aim to be a global business, efficient and profitable, and diversified in terms of products, markets and companies. These objectives are not easy, but we believe that we have the resources, the inspiration and the opportunity to exceed the expectations that you have placed on us.

I trust that I will see you next year to be able to confirm these predictions and to continue to share with you the progress of our global leadership project in the development of infrastructures throughout the world.

Thank you.