

LETTER FROM THE CHAIRMAN

PREPARE TO KEEP GROWING

Dear Shareholder,

In 2018, the ACS Group achieved excellent results, exceeding 915 million euros of net profit, 14.1% more than the previous year. These results were possible thanks to the positive evolution of all activities and the strong generation of operating cash, which grew 17% and has allowed us to make significant investments throughout the year, while simultaneously maintaining a solid financial structure. In fact, the Group closed the year with a positive net cash position and net assets over 6,000 million euros.

Sales totaled 36,659 million euros, 9.7% more than the previous year, adjusted for the exchange rate. The region with the greatest activity continues to be North America, with 46% of total sales, followed by Europe with 21%. Oceania represented 20% of sales while Asia amounted to 7%. The production in South America reached 5% while Africa did not reach 1% of sales. By countries, the most important are the United States, Australia, Spain, Canada, Germany and Mexico, which together represent around 85% of the Group's total sales.

In addition, we have a growing portfolio of projects, which total 72,223 million euros, mainly in the strategic markets where the Group maintains a solid competitive position. This has been strengthened with the acquisition of Abertis, a worldwide leader in the management of toll highways and infrastructures, which will allow us to accelerate our investment plan in concessional infrastructure projects.

The operating results show an improvement in the margins over sales, with the gross operating profit (EBITDA) at 2,437 million euros and the net operating profit (EBIT) at 1,791 million euros, growing respectively by 13% and 16.6% in comparable terms.

Another important milestone we reached this year is completely eliminating net debt, presenting a positive net cash balance of 3 million euros at 2018 year-end. This figure represents an improvement of 156 million euros from the previous year, despite having made total net investments of over 1,500 million euros, including the deal to acquire Abertis.

This positive operating and financial evolution of our Group has been reflected in the performance of ACS's share in 2018, which has been revalued at 3.7%, compared to the general drop of the main stock indexes in Europe, where the Stoxx50 has fallen 14.3% and the IBEX35 by 15%. In addition, we've increased the dividend per share by 17% up to 1.4 euros, such that the total remuneration for the shareholder reached 8% in 2018.

We've also experienced solid advances in matters related to safety, ethics and diversity during the year, demonstrating our continuous commitment to sustainability. The improvements are notable in the main safety indexes and the reduction of the accident rate as a result of the substantial increase in investments of 11.9% in this area. In aspects related to corporate governance, we've introduced internal standards intended to improve the Group's policies of due diligence, increasing the number of employees that have received training in this area by 50%.

ACS Group's Diversity Policy has started to bear fruit, as shown by the number of women in management positions increasing by 14.1% in 2018. This fact is especially significant in an industrial group of 195,461 employees distributed across over 60 countries, with a gender diversity greater than 40% and over 7,000 workers coming from disadvantaged groups, which together reflect the cultural diversity of the largest global infrastructure company.

We owe the success of our journey to all these people who work for our Group, from our clients to our suppliers, and especially you, dear shareholder. ACS remains committed to the future, and we are excited to continue creating economic and social value. Rest assured that we will put all of our effort into these values, and I look forward to reporting the results next year.



Florentino Pérez
President of the ACS Group

