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Investors' Day

Cash, Profitability and Growth

London, November 22nd 2011

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Welcome

Ernesto López Mozo
CFO Ferrovial

Ferrovial Services: Cash, Profitability and Growth

Santiago Olivares
CEO Ferrovial Services

Strong Service Provider with High Growth Prospects

Scale [1)]

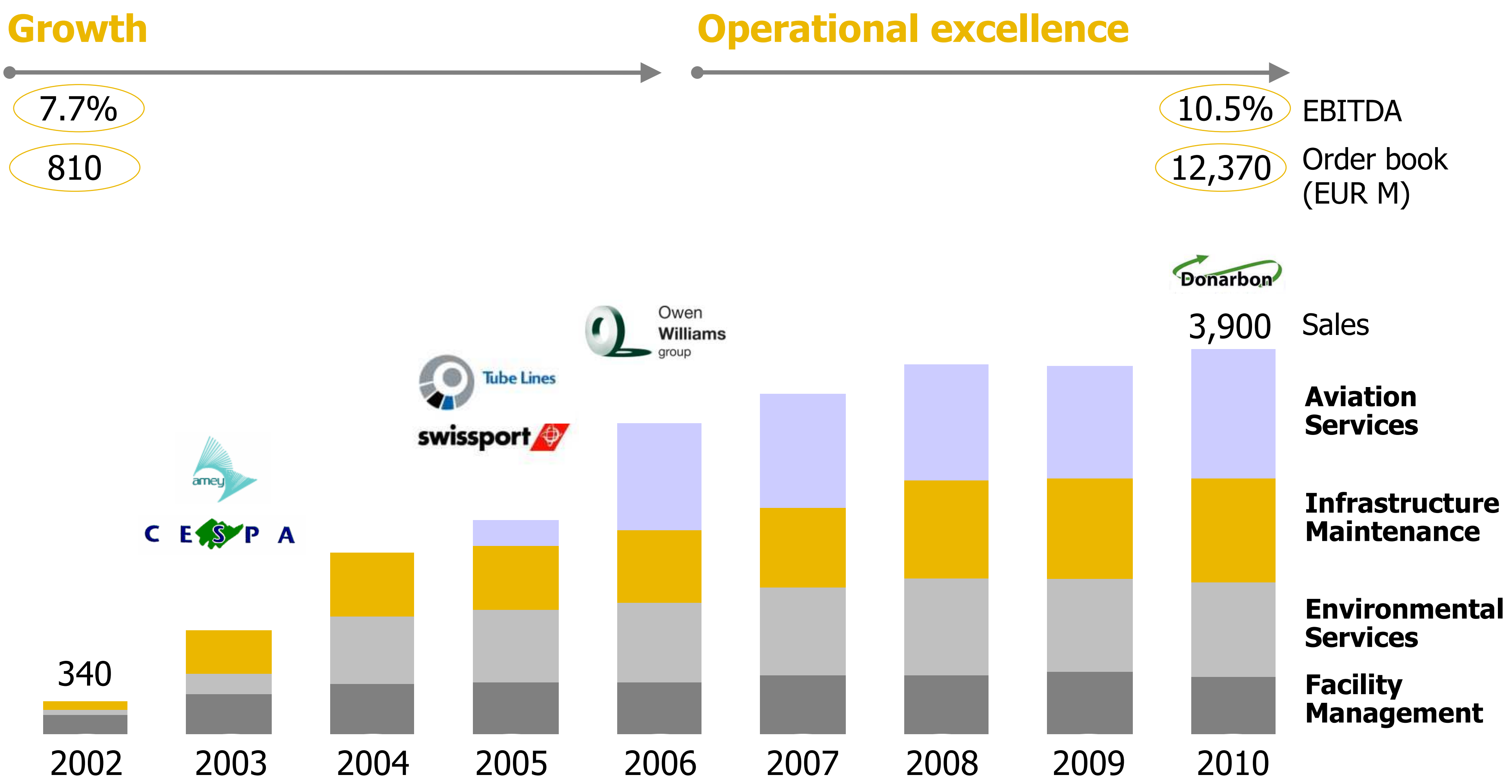
• Sales	EUR 2.6 B
• Employees	44,000
• Order book	EUR 12.4 B

Leading positions

- Local Government – Spain, UK
- Waste Treatment – Spain
- Facility Management – Spain
- Asset Management – UK

1) 2010 data, Swissport not included
Source: Ferrovial Services

Scale and Capabilities through Acquisitions



Source: Ferrovial Services

Three Service Lines with Specific Attributes

	Client Profile	Contract length	Recurring capex (% sales)	EBITDA Margin	
				Sector	FS [1]
Infrastructure Maintenance	• Government	• 3-10 years • 20-25 years (PPP)	1-3%	7-10%	9.5%
Environmental Services	• Government • Industry	• 7-10 years • 20-25 years (PPP)	6-8%	14-18%	17.1%
Facility and Energy Management	• Government • Industry	• 3-10 years	1-10%	5-15%	6.4%

1) Average 2008-10
Source: Ferrovial Services analysis

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Strong Competitive Position in Spain and the UK

	FS 2010 (EUR M)		FS position		
	Sales	EBITDA	Spain	UK	Main brands
Infrastructure Maintenance	1,060	101	Top 3	Top 3	amey, ferroser
Environmental Services	952	163	Top 3	Top 10	cespa, ameycespa
Facility and Energy Management	586	37	Top 3	Top 10	ferroser, amey

Source: Ferrovial Services

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Focus on Key Value Drivers

Activity Cash Flow

	Short-term drivers	Long-term drivers
Sales Growth	• Order book • Success rate • Renewals, extensions • Project work	• Pipeline • Long-term contracts • Client partnerships • New geographies
EBITDA Margin	• Operational efficiency • Project work	• Value-added services
Working Capital	• Collections	• Quality of client base • Value-added services
Capex	• Financial discipline • Financing structures	• Asset management • Financing structures

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Our Strategic Vision

Partner of choice to clients and citizens to optimise the performance of urban, transport and social infrastructure

Differentiation drivers

- Client Focus
- Integrated Service Offer
- Whole Life Asset Management
- Innovation

Strong and Resilient Financial Performance

Fernando González de Canales
CFO Ferrovial Services

Strong Organic Financial Performance

Ferrovial Services' financial performance (CAGR 2006-10)

			**Total**
Sales	+4.6%	+7.6%	**+5.8%**
EBITDA	+3.2%	+11.0%	**+5.8%**
Order Book	+12.1%	+13.6%	**+12.9%**

Cumulative operating cash flow (2006-10): EUR 1 B

Secure revenue flow

- Order book and pipeline
- Quality of client base

Operational optimisation

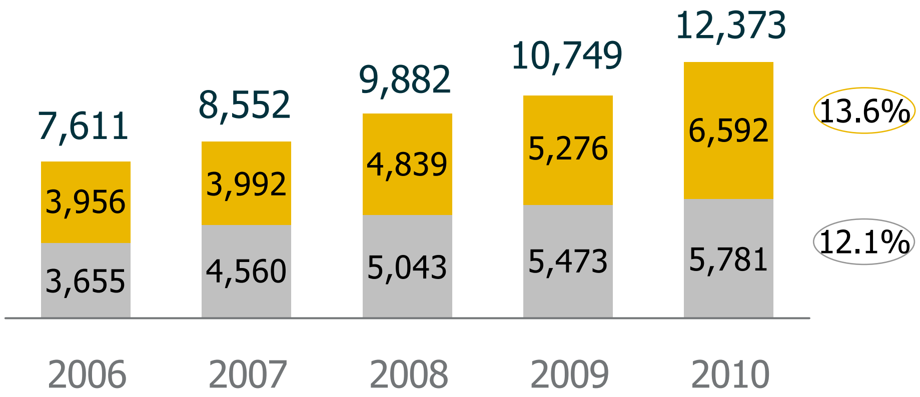
- Contracts
- Acquisitions

Note: Swissport not included
Source: Ferrovial Services

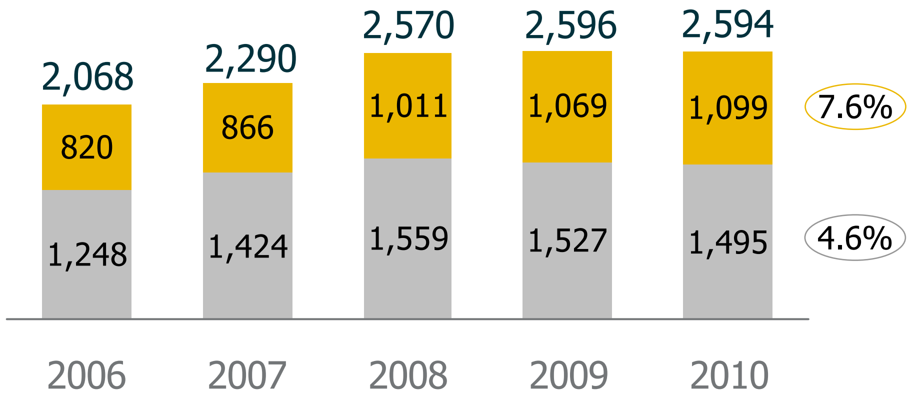
Sound Financial Evolution Despite Economic Crisis

Ferrovial Services' financial performance (EUR M)

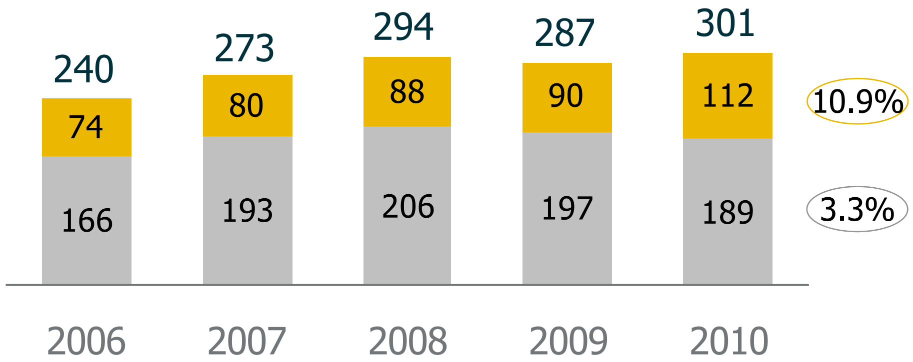
Order book



Sales



EBITDA



UK

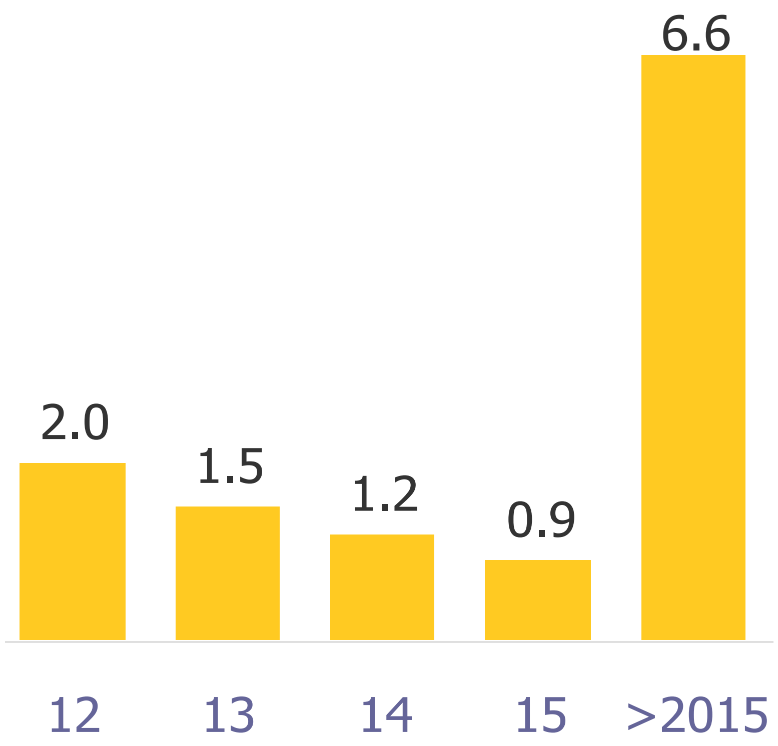
Spain

X% CAGR (2006-10)

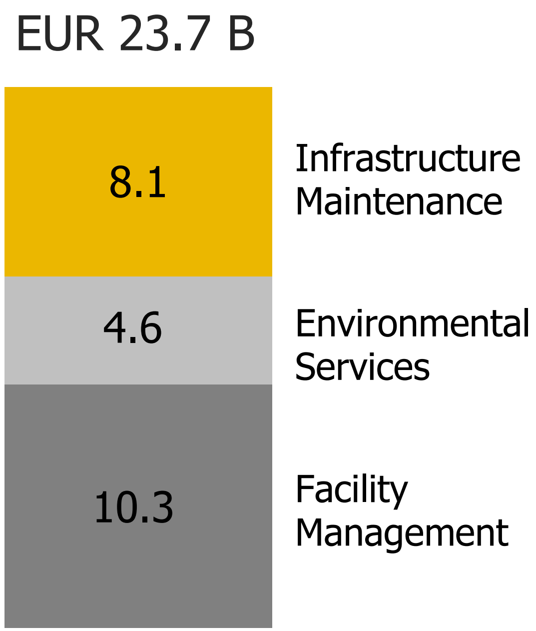
Note: Swissport not included
Source: Ferrovial Services

Strong Order Book and Pipeline

FS' secured sales (EUR B)

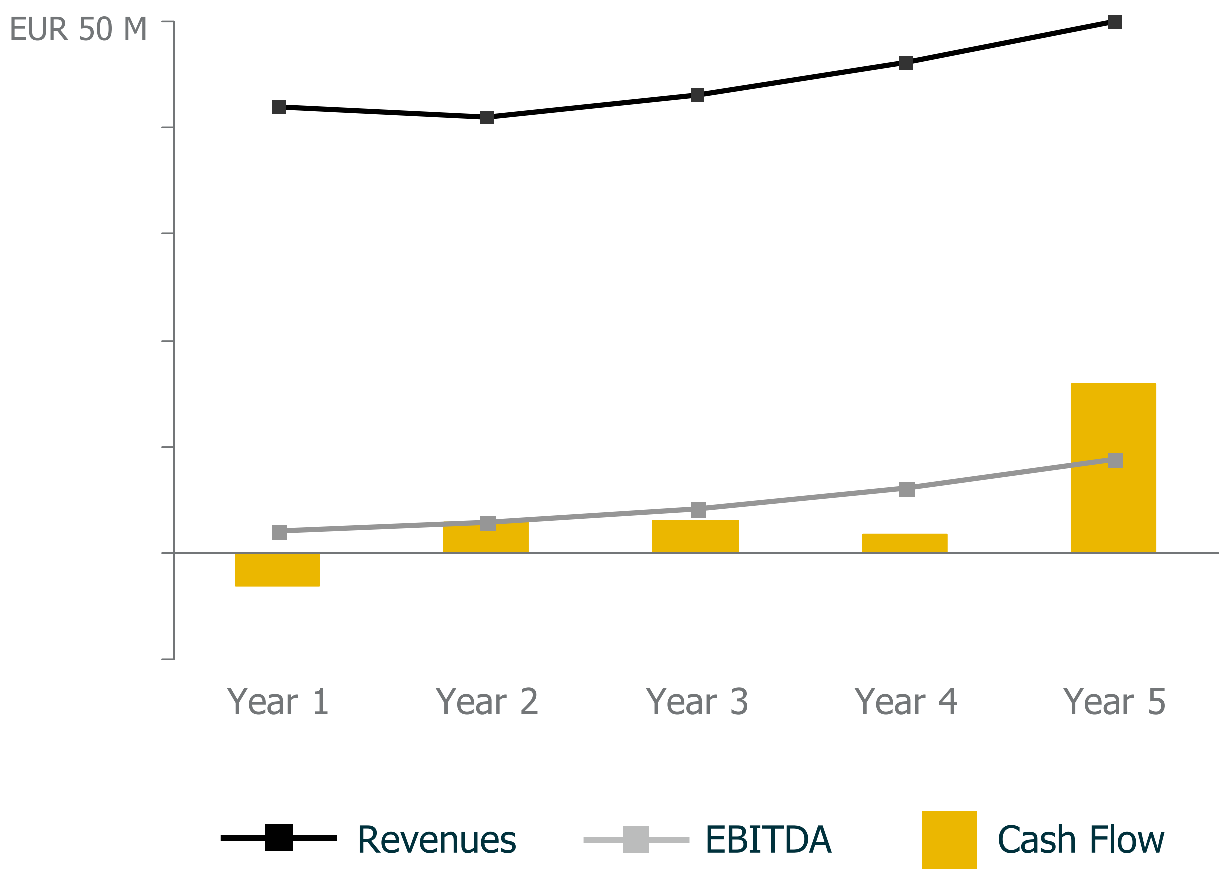


Identified potential projects for 2012



Source: Ferrovial Services analysis

Contract profile – Road Maintenance



Term
- 4 to 6 years

Capex
- 1-3% sales

Revenue
- Fixed amount
- Project work
- Schedule of rates

Success factors to win
- Experience
- Technical solution
- Price

Note: Disguised data, information intended for illustrative purposes only
Source: Ferrovial Services analysis

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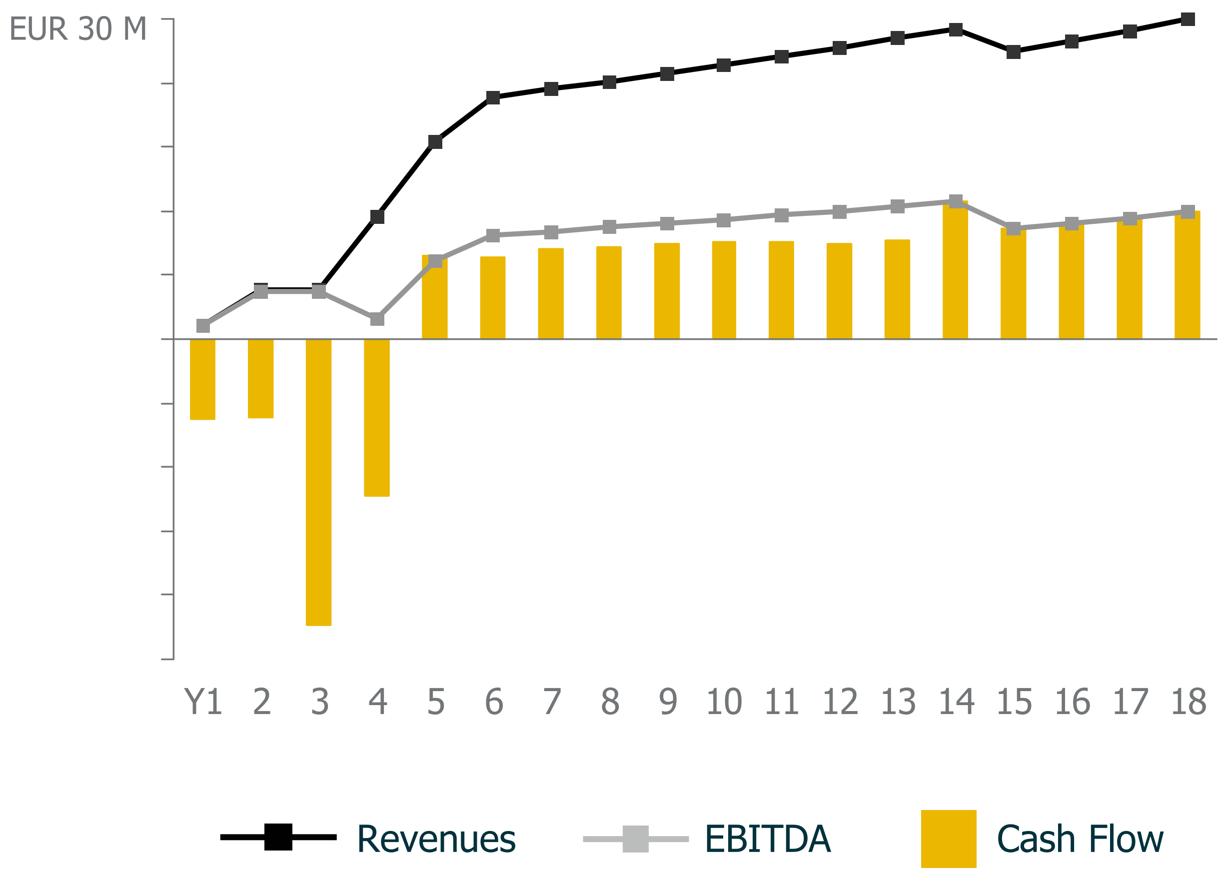
Contract profile – Waste Treatment



Term
- 15 to 20 years

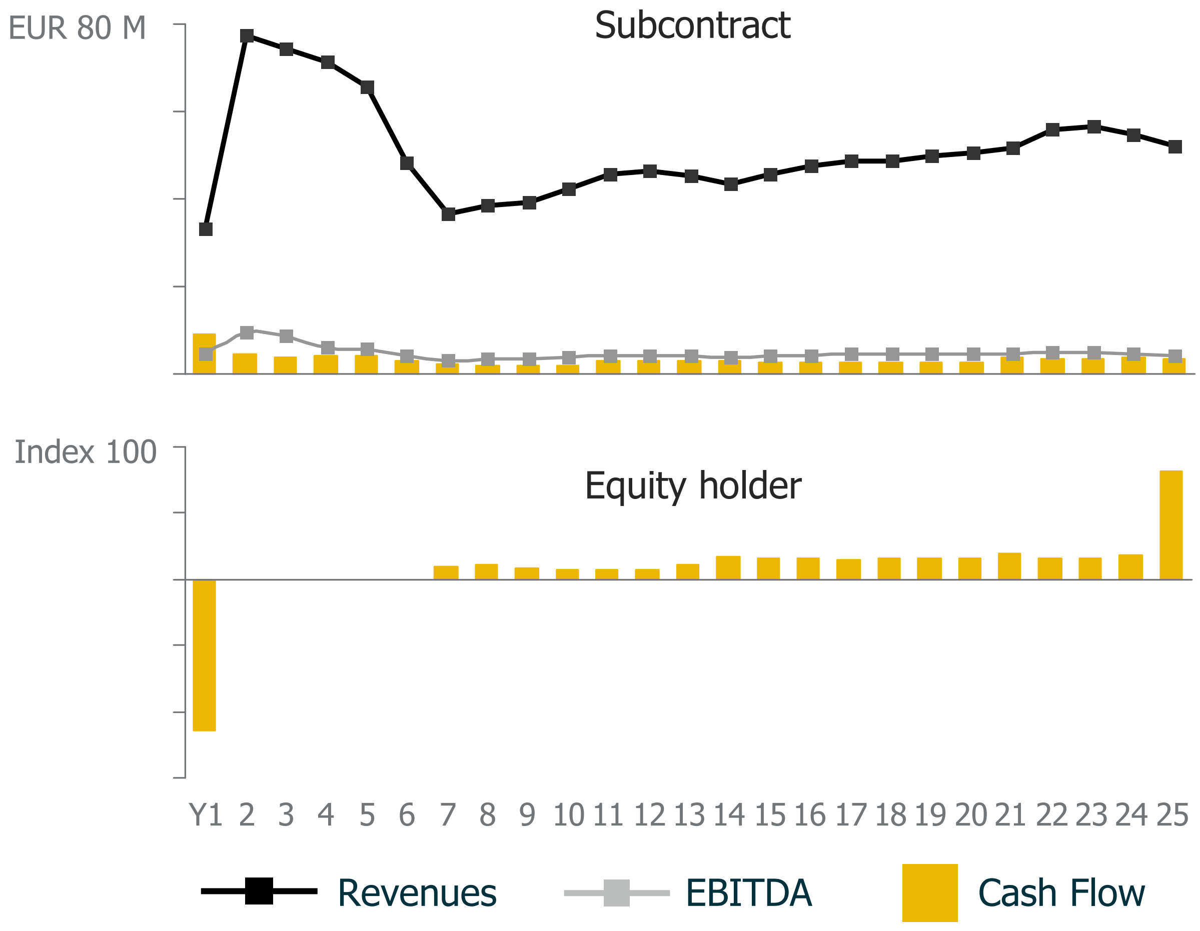
Capex
- 10-20% sales

Revenue
- Fixed amount
- Variable rate (EUR/tn)
- Third parties

Success factors to win
- Technical expertise
- Track record
- Environmental solution

Note: Disguised data, information intended for illustrative purposes only
Source: Ferrovial Services analysis

Contract Profile – Long Term Asset Management



Term

- 20 to 25 years

Equity

- Minority stake

Contract operations

- 100%

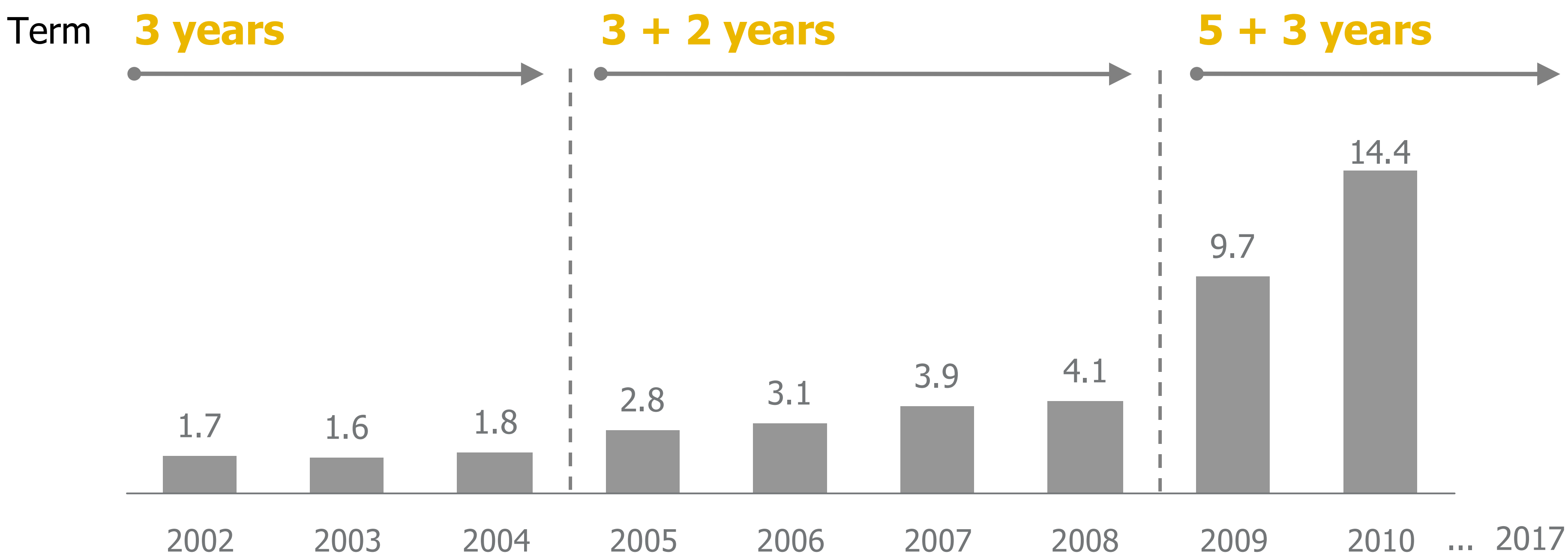
Success factors to win

- Understanding client needs
- Funding capacity
- Asset management

Note: Disguised data, information intended for illustrative purposes only
Source: Ferrovial Services analysis

Contract Development Through Client Partnership

Example: Sales and scope of contracts with industrial client (EUR M)



- Facilities Management (127,000 sqm)

- Facilities Management (338,000 sqm)

- FM (408,100 sqm)
- Waste management
- Gardening
- Civil works

Source: Ferrovial Services

Stable Cash Flow Generation

Ferrovial Services' cash flow (EUR M)

	Average 2006-08	Average 2009-10
Operating cash flow	**202**	**210**
Capex	-135	-93
Activity cash flow	**67**	**117**

Cash Flow optimization

- Quality of the client base of existing and new contracts
- Active working capital management
- Project finance, operating leases

Note: Swissport not included
Source: Ferrovial Services

High Quality Client Portfolio

Ferrovial Services' main clients in Spain (2010)

Sales of Top 10 clients (EUR M)

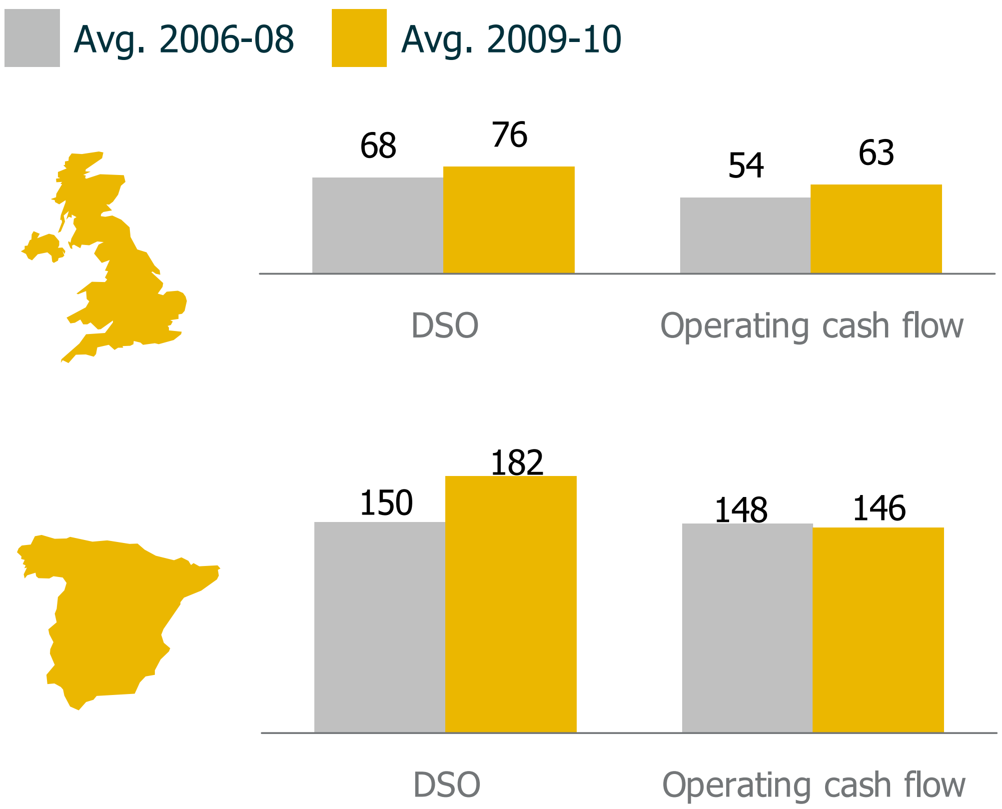
Madrid City Council	83.6
Madrid Region	60.2
Murcia City Council	58.3
Barcelona City Council	57.5
Andalusian Health Service	56.0
Ministry for Infrastructure	48.9
Granada City Council	40.7
Ecoembres	18.7
Madrid Metro	18.6
City Council of La Coruña	17.9

Top 20 cities

Source: Ferrovial Services

Continuous Working Capital Management

Ferrovial Services DSO[1)] and Operating Cash Flow (EUR M)



Working Capital optimisation

- Cash forecast by client/contract
- Active management (bonus linked to operating cash flow targets)
- Main actions
  - Collaborative approach
  - Reduce exposure to clients with treasury constraints
  - Collect due debt

1) Days Sales Outstanding
Note: Swissport not included
Source: Ferrovial Services

Practical Application of Asset Management as a Key Differentiator

Mel Ewell
CEO Amey

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End-to-End Asset Management

ASSET PLANNING	The development & design of completely new infrastructure assets
ASSET OPTIMISATION	The whole life optimisation of existing assets including life-cycle, routine, major maintenance, renewals & improvements
ASSET OPERATION & USE	Provision of a service to the public which is asset based & delivers an outcome

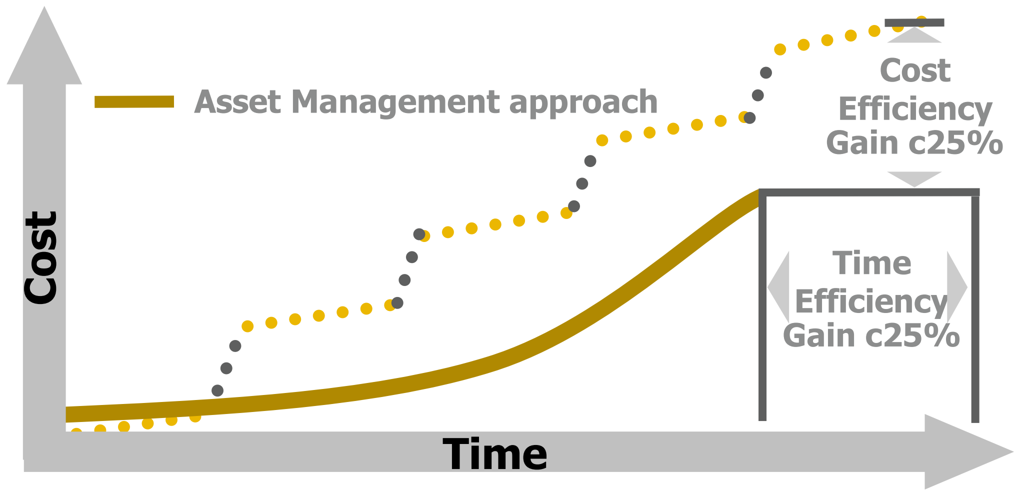
Strategic alignment of Asset Management to core business objectives

Maximise ROI and optimise risk

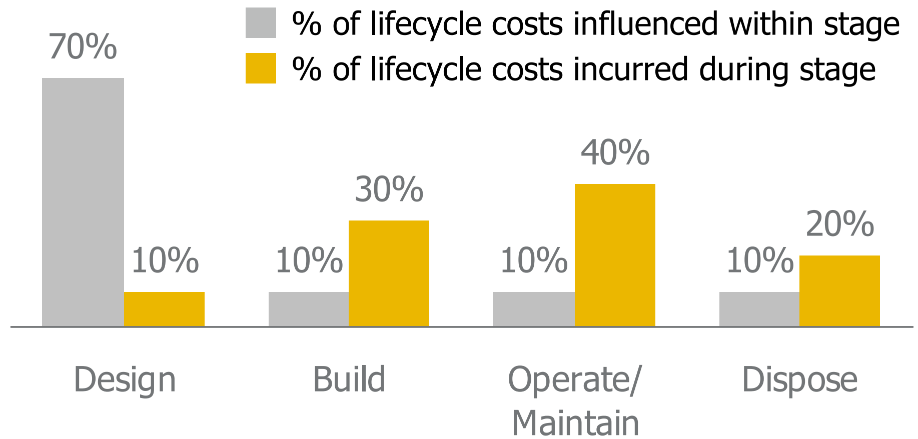
Asset Management as a Differentiator

Differentiating through asset management

- Fully integrated business model supporting stand alone or holistic service package
- Competitive scale with 2,500 professionals and 5 major UK Hubs
- More informed consultancy approach based upon operational experience
- Greater ability to maximise ROI through capex and opex management
- Cost efficiencies with product & service innovation



Asset cost lifecycle



Source: Ferrovial Services analysis

Asset Management: Innovation and Partnership

Partnership Approach to Innovation

Engaging Employees	• Best practice sharing harnessed across the whole group – e.g. Ferrovial Asset Management Center of Excellence
Client Partnerships	• Profit sharing partnerships (e.g. North Lanarkshire CC) • Long term partnerships provide platform for new opportunities and financing of innovative solutions
Supply Chain	• Introduction of new technology – i.e. New LED Street lighting reduces maintenance costs by 50%
Academic	• Leading edge thinking through integration with academic thought-partners • Massachusetts Institute of Technology (MIT)
Third Sector (Charitable)	• Community partnerships aligned to societal objectives • New employment partnerships with DofE (Duke of Edinburgh's award)

Source: Ferrovial Services

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Optimising the Existing Asset

Example: Network Rail

Network Rail GRIP Framework							
GRIP 1	GRIP 2	GRIP 3	GRIP 4	GRIP 5	GRIP 6	GRIP 7	GRIP 8
Output definition	Pre-feasibility	Option selection	Single option development	Detailed design	Construction test & commission	Scheme hand back	Project close out

Case study: Cotswolds line outcomes

- Utilised full asset management approach from design and feasibility to signalling & track renewals
- On going maintenance improved through effective and efficient installation
- Disruption minimised through coordination with other Amey rail contracts
- Project delivered on time & generated cost efficiencies
- Transferred risk through stage assessments
- 100% safety record

Source: Network Rail, Ferrovial Services

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Benefits of Whole Life Asset Management

Optimised Efficiency
- Cost efficiencies
- Environmental efficiencies
- Improved asset utilisation

Societal Benefits
- Skills and employment
- Community engagement
- HR transformation

WHOLE LIFE ASSET MANAGEMENT

Risk Transfer
- Asset accountability transfers to private sector
- Payment by results

Innovation
- Operational efficiency
- New technology

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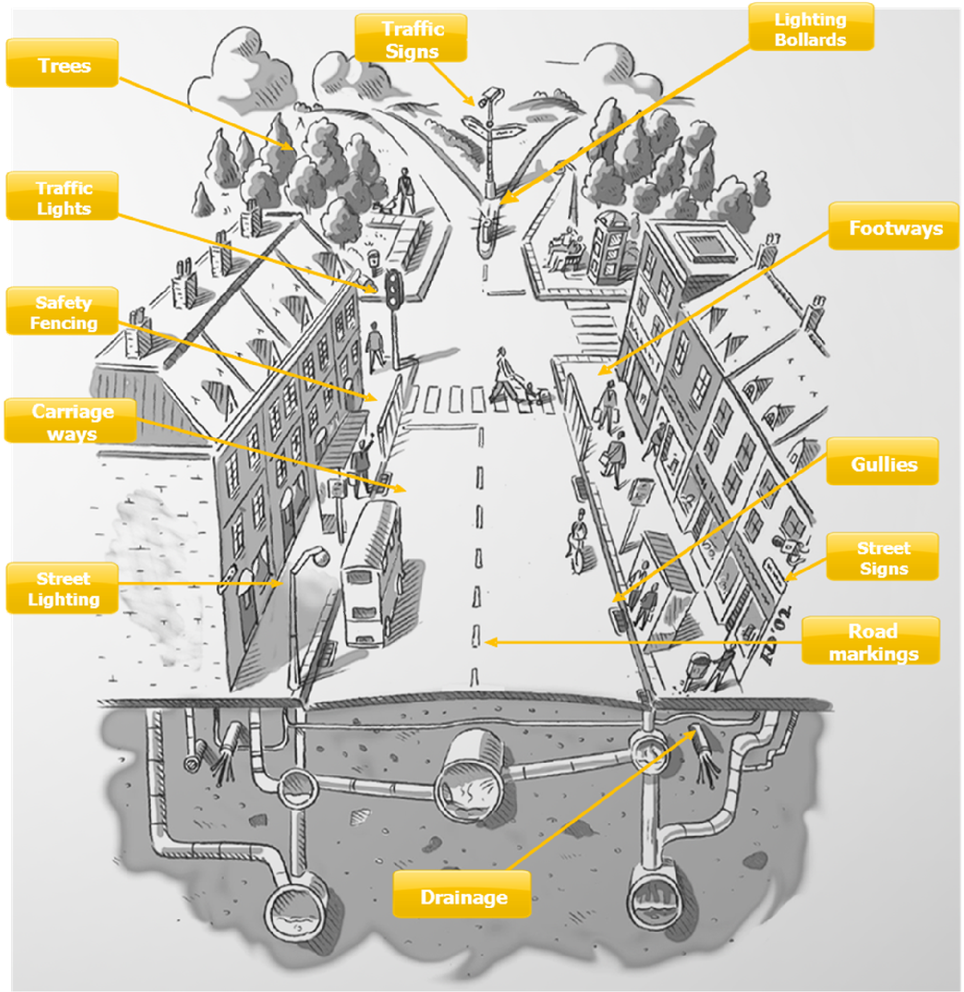
Application of Whole Life Asset Management

Contract dynamics

- 25 year, £2.7bn PFI contract
- Largest local authority contract in Europe
- 5 year capex period - £350 M
  - Payment released every semester according to milestones & Service Level Agreements
- 20 year maintenance period
- Payment by results (ca 1,500 indicators)
- Driving 20% efficiencies for client
  - 30% more productive
  - Investment in new technology
  - Process reinvention

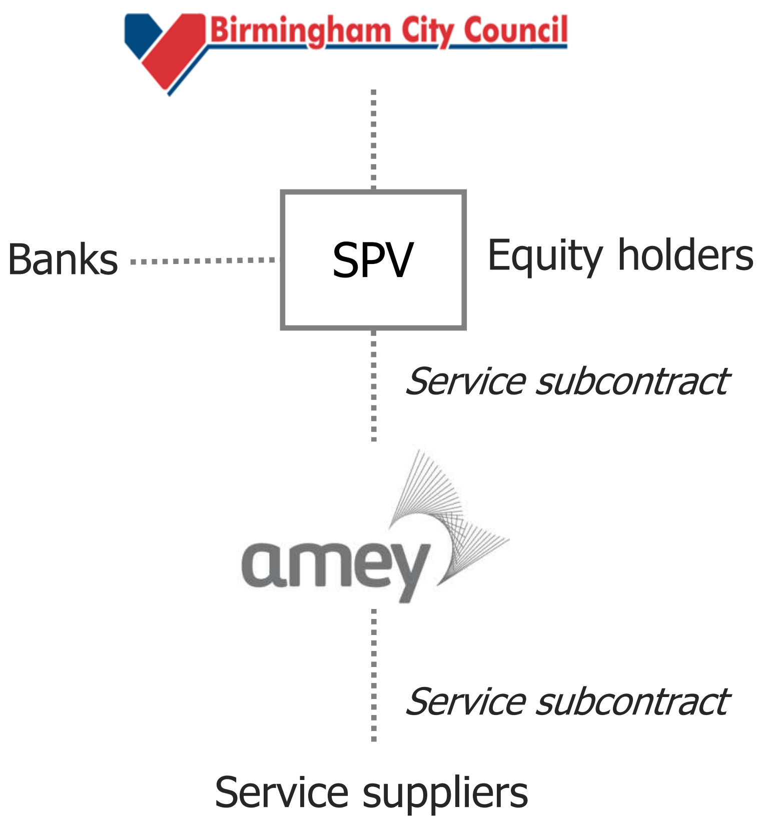


Source: Birmingham City Council, Ferrovial Services

BIRMINGHAM PARTNERSHIP

Contractual Structure

Governance structure



Main benefits for the client

- Ability to manage complex financing and attract private investment
- Payment by results ensure quality metrics are delivered
- Investment in new technology
- Long term partnership creates platform of relationship development
- Risk transfer through real application of asset management

Source: Birmingham City Council, Ferrovial Services

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Example: Birmingham Tunnels Refurbishment

ASSET PLANNING

ASSET OPTIMISATION

ASSET OPERATION & USE

- Integration of specialists teams
  - Design, civils, M&E, technology systems, transportation & planning, operational delivery
- Tunnels integrated into asset management schedule for the capex period
- Utilising traffic modeling, Amey devised alternative programme to the client specification that reduced disruption, cost & time risk
- Solution designed by Amey, retaining profits in-house
- Enhances Amey's reputation for whole solution value add

Source: Ferrovial Services

Anticipating Market Challenges

Íñigo Jodra
Director of Strategy & Development

Our Clients Face a Challenging Environment

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1. Economic

- Limited economic growth
- Credit and liquidity shortages

Constraints of public resources and more demanding society

2. Socio-demographic

- Urban population
- Unemployment

3. Environmental

- Regulation
- More responsible society

Search for Efficiency of the Public Sector

Public spending in infrastructure maintenance services (2010)

EUR 12 B

CAGR (08-10): +1%

EUR 20 B

CAGR (08-10): +6%

Trends public sector

Spain:
- Bundling
- Scope optimisation
- Privatisation

UK:
- Outsourcing
- Partnership schemes
- Bundling

Success factors

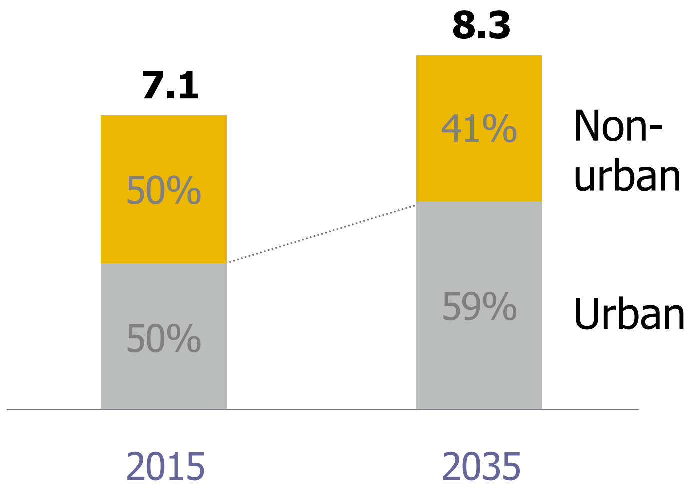
- Financial strength
- Services portfolio
- Asset management

Source: Spanish Ministries for Economy and Infrastructure, UK Department for Communities and Local Government, UK Department for Transport, market reports, Ferrovial Services analysis

Cities Are a Growing Priority

Increasing Urban Population

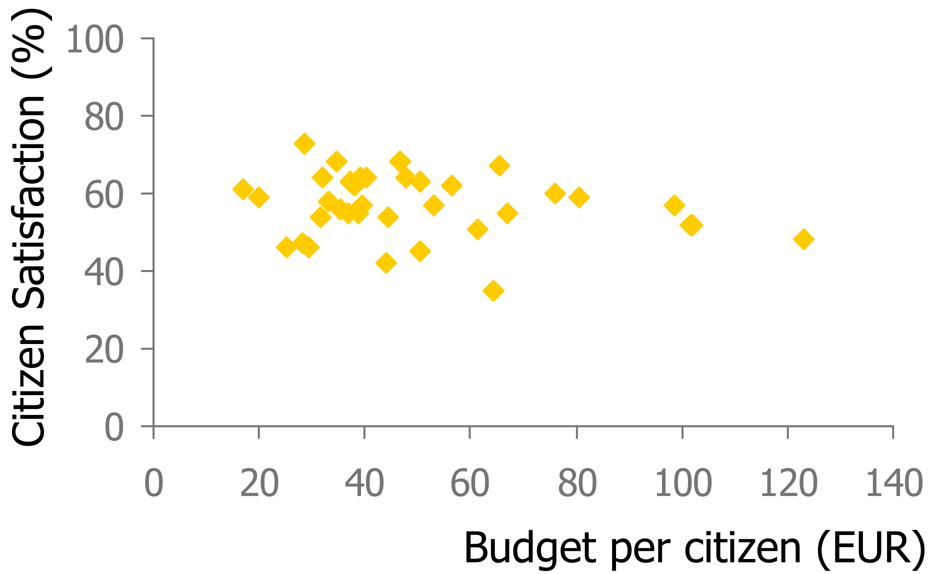
World population (billion)



Cities pop.>1 M 477 527

Dissatisfied citizens

Example: Spanish cities [1)]



1) Waste management and collection – city spend and citizen satisfaction (2010)
Source: United Nations, OCU, Ferrovial Services analysis

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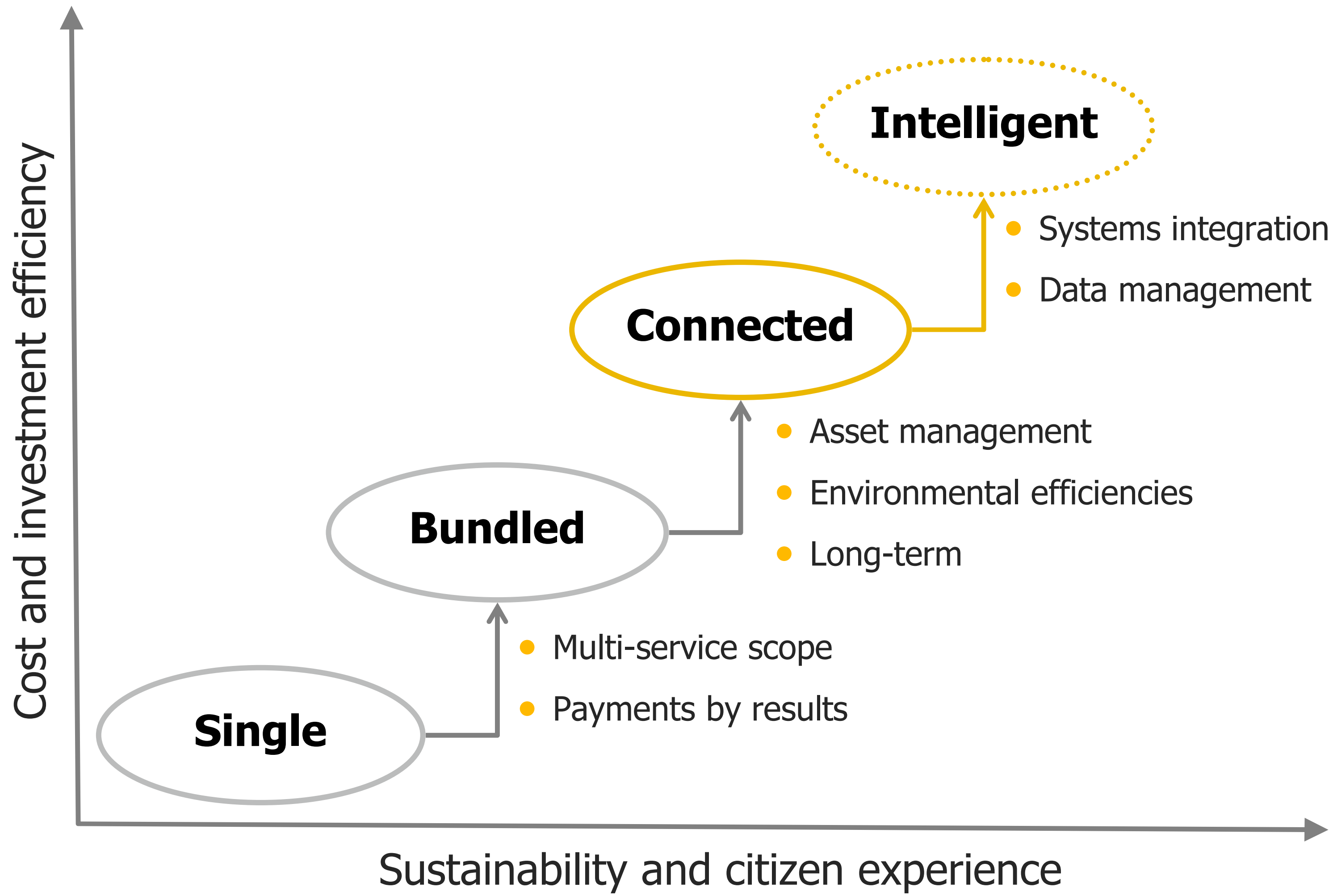
Regulation Drives Environmental Focus

	Main regulatory frame	Main content/objectives
CO_2 emissions	• Directive 2010/75/EU Industrial Emissions	• Limits to greenhouse gas emissions • BAT[1)] implementation • New monitoring requirements
Waste as resource	• Directive 2008/98/EC Waste	• 2020 recycling objectives
Green purchases	• European Commitment to 20/20/20 target by 2025	• 20% cut in greenhouse gas emissions • 20% increase in renewable energy • 20% cut in energy consumption

- **Environmentally friendly service offer**
- **Environmental risk control and management**

1) Best Available Techniques
Source: European Union, Ferrovial, Ferrovial Services analysis

Clients Demand New Business Models



Source: Ferrovial Services analysis

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Connected Contracts Are a Reality

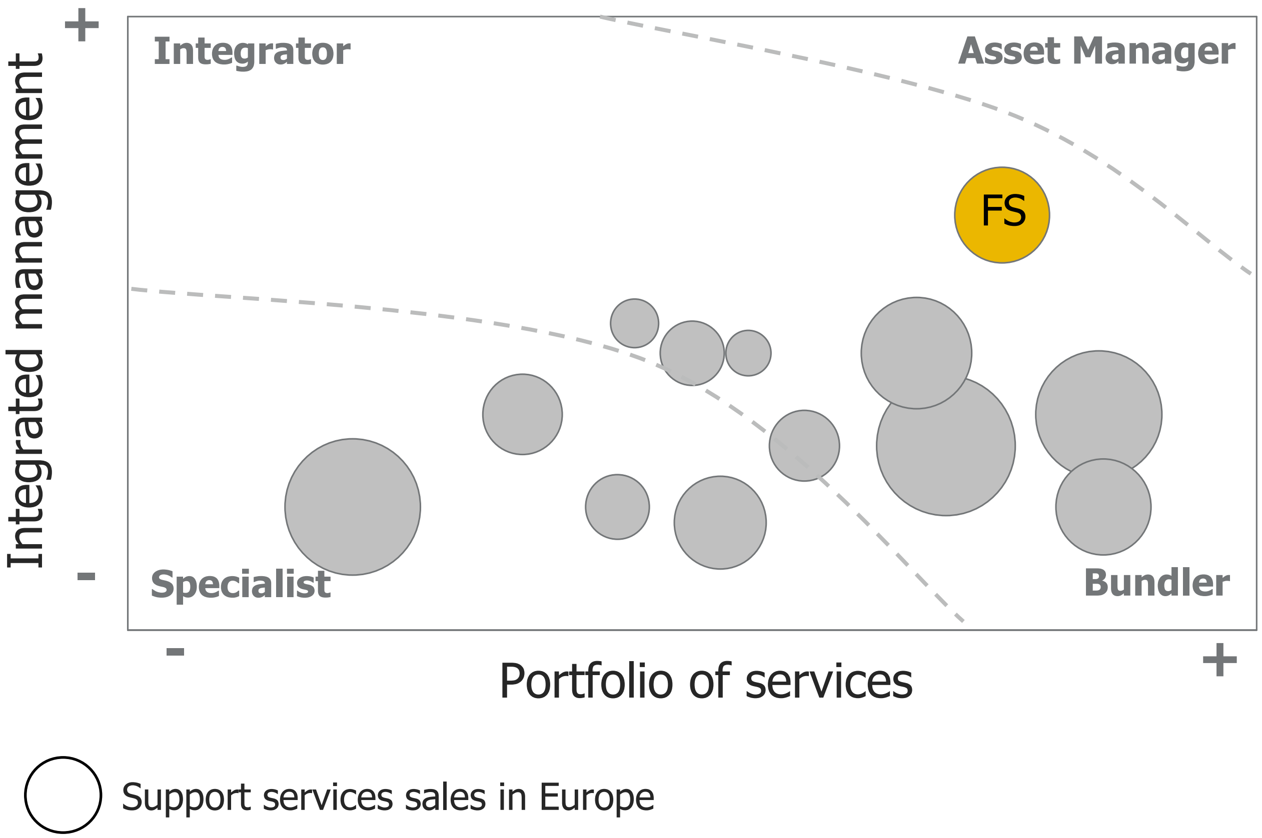
Examples of existing contracts & current bids

	Scope	Years	EUR B	Service providers: Bidders	Service providers: Winner
Birmingham	• Highways maintenance, street lighting	25	3.2	• Amey • Vinci/John Laing/WSP	• Amey
Murcia	• Waste collection and treatment, street cleansing	20	1.6	• Cespa • Sacyr • FCC	• Cespa
Sheffield	• Highways maintenance, street lighting	25	2.7	• Amey • Carillion/ Mouchel	• tbd
Isle of Wight	• Highways maintenance, street lighting	25	0.9	• Amey • Vinci • Colas	• tbd

Source: Councils, Ferrovial Services

FS is Ready to Seize the Opportunity

Business models of European support services companies



New success factors

- End-to-end delivery
- Integrated offer to cities
- Sustainability
- Scale

Source: Support services companies' information, financial analysts reports, market reports, Ferrovial Services experience and analysis

Cutting-Edge Services: Intelligent Cities

Enrique Sánchez
Director of Cities

An Attractive Market – FS is Well Positioned

Large potential market


Cities >50K inhabitants	145	194
Citizens of cities >50K	24.6 M	31.2 M
Market size	**EUR 8-10 B**	**EUR 14-17 B**

FS capabilities and resources

- Strong presence in the city services market
  - 134 out of 339 cities in Spain and UK are FS clients
- Largest integrated portfolio of urban services
- Know-how in sophisticated PPP contracts
  - Order book > EUR 6 B
- Experience in KPI-based schemes

Source: INE, United Nations, Spanish Ministry for Economy, UK Department for Communities and Local Government, Ferrovial Services analysis

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FS Model: Higher Quality at Lower Cost

Main features

- Integration → economies of scale
- Operational excellence → efficiency

- Output-oriented/KPIs → flexibility
- Citizen/client focus → quality

- "Smart" technology → functionality
- Sustainability/long-term → viability

Benefits for Cities and Citizens

- 20% public expenditure savings
- Citizen satisfaction
- Long-term employment

Source: Ferrovial Services

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Action Plan

Main short-term actions

- Specific Cities division created
- Commercial & Marketing plan
- City services re-engineering

Main resources

- Multidisciplinary and dedicated team
- Far-reaching commercial network
- Strong in-house R&D capabilities

Partnerships

- Technological firms
- Academic and research institutions
- Industrial specialists - lighting, mobility etc.

Impact in 2012-16

- **Market leader in Spain and UK**
- **Order book: EUR 6 B +**

Source: Ferrovial Services

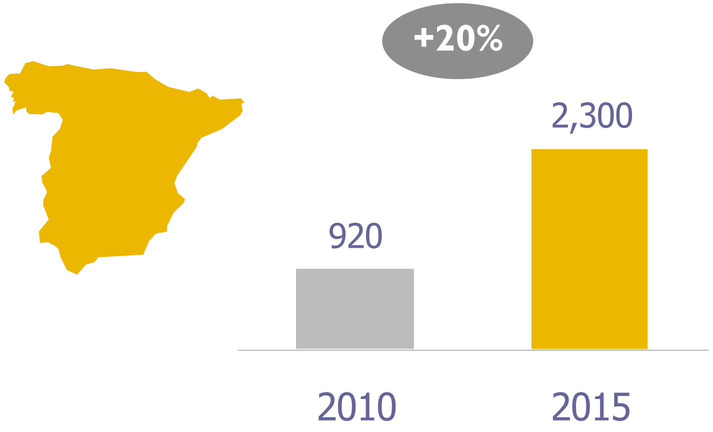
Cutting-Edge Services: Energy Efficiency

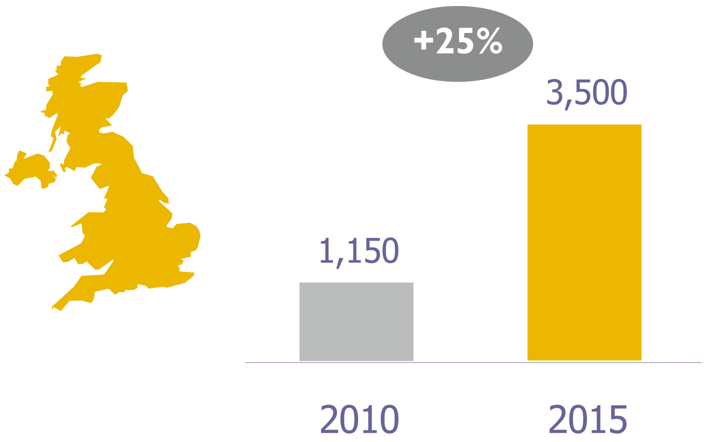
Juan Ignacio Beltrán
CEO Ferroser

ENERGY EFFICIENCY

Energy Efficiency is Emerging in Spain and the UK

Market (EUR M, CAGR)





Main growth drivers

- Energy cost optimization
- Environmental regulation
- Corporate social responsibility
- Quality of life improvement
- Development of Cities

Main players

- FM specialists
- Utilities
- Engineering firms
- Equipment providers
- Niche consultancies

Source: Market and industry reports, Ferrovial Services experience and analysis

ENERGY EFFICIENCY

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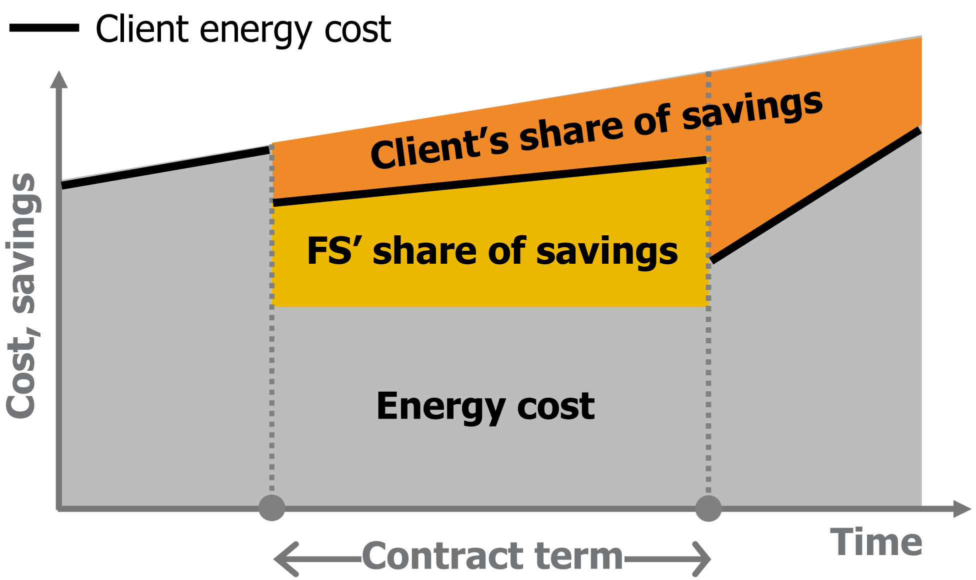
FS Model: End-to-End Focused on Total Savings

FS Energy Efficiency model



- End-to-end, internal resources
- Know-how on all technologies
- Proprietary systems
- SLA-driven contracts

Example: Bilbao Kirolak contract

- Client: Bilbao Council
- Scope: 24 centers
- Term: 10 years
- Benefits for the client
  - 25% cost savings
  - 27% lower gas consumption
  - 7% lower electricity consumption
  - 2,000 tn/year less CO_2 emissions

Source: Bilbao Kirolak, Ferrovial Services analysis

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Action Plan

Main short-term actions

- Grow share in buildings and public lighting
- Increase presence in Industrial market
- Contracts in district heating and cooling

Main resources

- Sales network in Spain and UK
- Engineering and technical personnel
- Energy and industrial accreditations
- Capex for technical upgrades

Partnerships

- Utilities
- Equipment manufacturers
- Engineering and consulting firms

Impact in 2012-16

- **Top 3 player in Spain and UK**
- **Order book: EUR 500 M +**

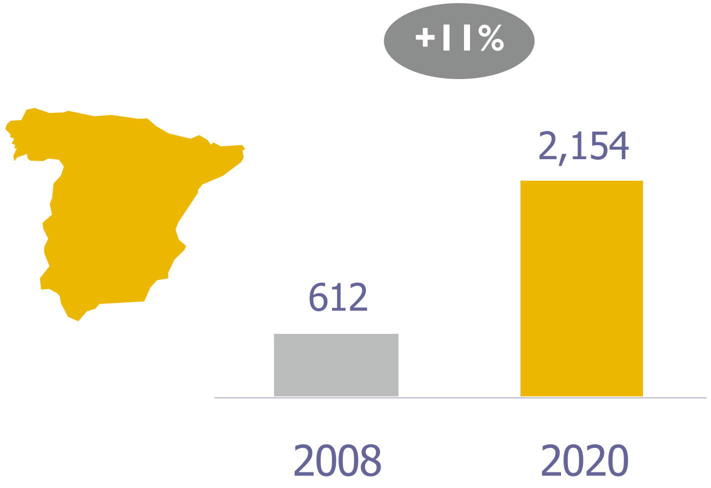
Source: Ferrovial Services

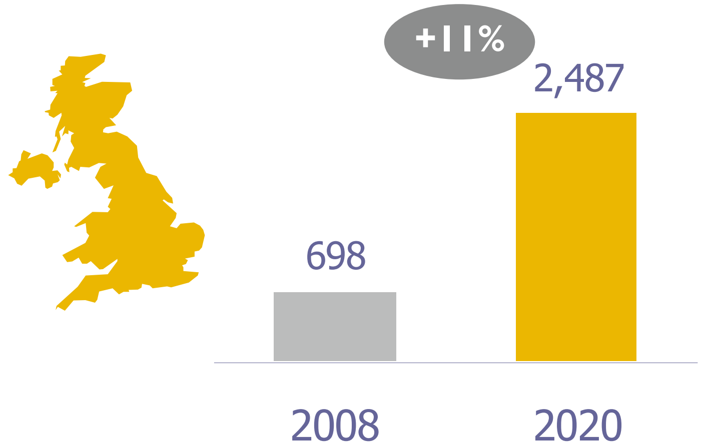
Cutting-Edge Services: Energy from Waste

Javier Llansó
CEO Cespa

High Growth Market in Environmental Services

Market (EUR M, CAGR)





Main growth drivers

- EU regulation
- European Commission forecast: increase in waste generation
- Energy prices and consumption increasing worldwide
- CO_2 trading from renewable energy

Growth opportunities

- Ambitious targets of Renewable Energies Plan 2011-20
- 9 new incinerator projects
- Subsidies to energy from waste

- DEFRA's list includes >30 incinerator plants
- Scotland's target: 25% of waste through EfW
- Anaerobic digestion promotion

Source: Market and industry reports, environmental regulation, Ferrovial Services experience and analysis

FS Has the Relevant Experience and Capabilities

660 GWh produced in 2010

- Landfill and anaerobic digestion biogas (14 plants)
- Municipal solid waste thermal treatment
- Industrial waste thermal treatment
- Solid recovered fuel
- Forest and agriculture biomass

Other competitive advantages

- Experience in public services and waste management/treatment
- Know-how in biogas energy recovery
- One of main producers of Solid Recovered Fuel in Spain
- Technical and R&D staff

Source: Ferrovial Services

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Action Plan

Main short-term actions

- Development of awarded capacity
  - 1 Thermal Treatment plant (UK)
  - 8 SRF[1)] production plants (Spain)
  - 3 Anaerobic Digestion plants (Spain, UK, Portugal)
  - 3 Combined Heat & Power plants (Spain)

Main resources

- Equity investment
- Specialized Technical and R&D staff
- External contracts

Partnerships

- Technical equipment suppliers
- Providers of project finance senior debt
- Power and SRF offtakers

Impact in 2012-16

- **Leader in Spain, Top 3 in UK**
- **Order book: EUR 2.5 B +**

[1)] Solid Recovered Fuel
Source: Ferrovial Services

Strategic Plan to Maintain Profitable Growth

Santiago Olivares
CEO Ferrovial Services

Three Strategic Guidelines

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1. Optimize operational efficiency

- Cross-functional efficiency programs

2. Expand value-added services portfolio

- Cutting-edge innovation projects
- Acquire distinctive capabilities

3. Grow in new geographies

- Multi-service platforms in Europe and America

Source :Ferrovial Services

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Ongoing Efficiency Program

	Key levers	Target
Indirect costs (central, contracts) – Infrastructure Maintenance UK	• Accounts payable • Temporary employees recruitment • Organisation	• 20 M£ savings
Direct costs – Environmental Services Spain	• Route optimisation • Supplier management • Operational personnel	• 3-5% cost reduction
Sourcing (external supplies) – Infrastructure, Facilities Management Spain	• Sourcing organisation, processes • Supplier management • Order and invoices control	• 4-6% cost reduction
Sales organization – Spain	• Sales personnel productivity • Knowledge centralization	• Improve sales effectiveness

Source :Ferrovial Services

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Cutting-Edge Services to Foster Organic Growth

Intelligent Cities

- 15-25% cost savings
- Quality of service
- Citizen engagement

Energy Efficiency

- 20% energy consumption savings
- Capex and risk sharing

Energy from Waste

- Reduction of CO_2 emissions
- Reduction of landfilled waste

Source :Ferrovial Services

New Geographies – Key Driver for Value Creation

Strategic rationale

- Profitable growth
- Diversification
- Distinctive, proven business model
- Management team, knowledge
- Leverage Ferrovial presence

Internationalization model

- Focus on large and growing markets
  - Emerging: strong macroeconomic fundamentals
  - Developed: propensity to outsource, favorable regulatory and labor force
- "Two-speed" on a case by case basis
  - Acquisition of local platforms
  - Greenfield through JV and contracts
- Financial and value creation criteria

Source: Ferrovial Services

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Future Profitable Growth and Cash Generation

1. Proven and resilient business model
2. Key distinctive capabilities
3. Clear strategic direction
4. Ability to develop new markets
5. Qualified, committed management team

2011-15 goals (organic)

- CAGR Sales: 5-8%
- EBITDA Margin: 10%+

Final Remarks

Íñigo Meirás
CEO Ferrovial