ACS
ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

# *Acquiring a Majority Stake in*

HOCHTIEF

17th September 2010

*This presentation is to be used for the ACS' Analyst & Investors Conference Call*

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## *Description of the Transaction*

Strategic Objectives

Considerations on the Offer

Financial Impact on Grupo ACS

Conclusions

# Executive Summary

1. *ACS has announced its intention to launch a tender offer for 100% shares of HOCHTIEF*

2. *The offer will be made in ACS shares: 8 ACS shares for every 5 HOCHTIEF shares*

3. *ACS objective is to increase its stake in HOCHTIEF just above 50%, to achieve full financial consolidation*

4. *HOCHTIEF will remain as a listed German company with a substantial free float*

# Description of the Transaction

*Transaction to be completed in 2 steps*

**1** *Exchange offer in ACS shares; using treasury stock and borrowed shares is foreseen*

*To hedge systemic stock market risk*

**2** *Acquisition of shares in the stock market if required, depending upon acceptance, until target is reached*

*Once the public offer is completed*

# Description of the Transaction (II)

1

*Exchange offer in ACS shares;*
*using treasury stock and borrowed shares is foreseen*

**Exchange ratio**

| | | |
|---|---|---|
| **8 ACS shares** | ***For every*** | **5 HOCHTIEF shares** |

- ✓ **No cash component eliminates systemic market risk**
- ✓ **Borrowed shares required subject to acceptance level**

# Description of the Transaction (III)

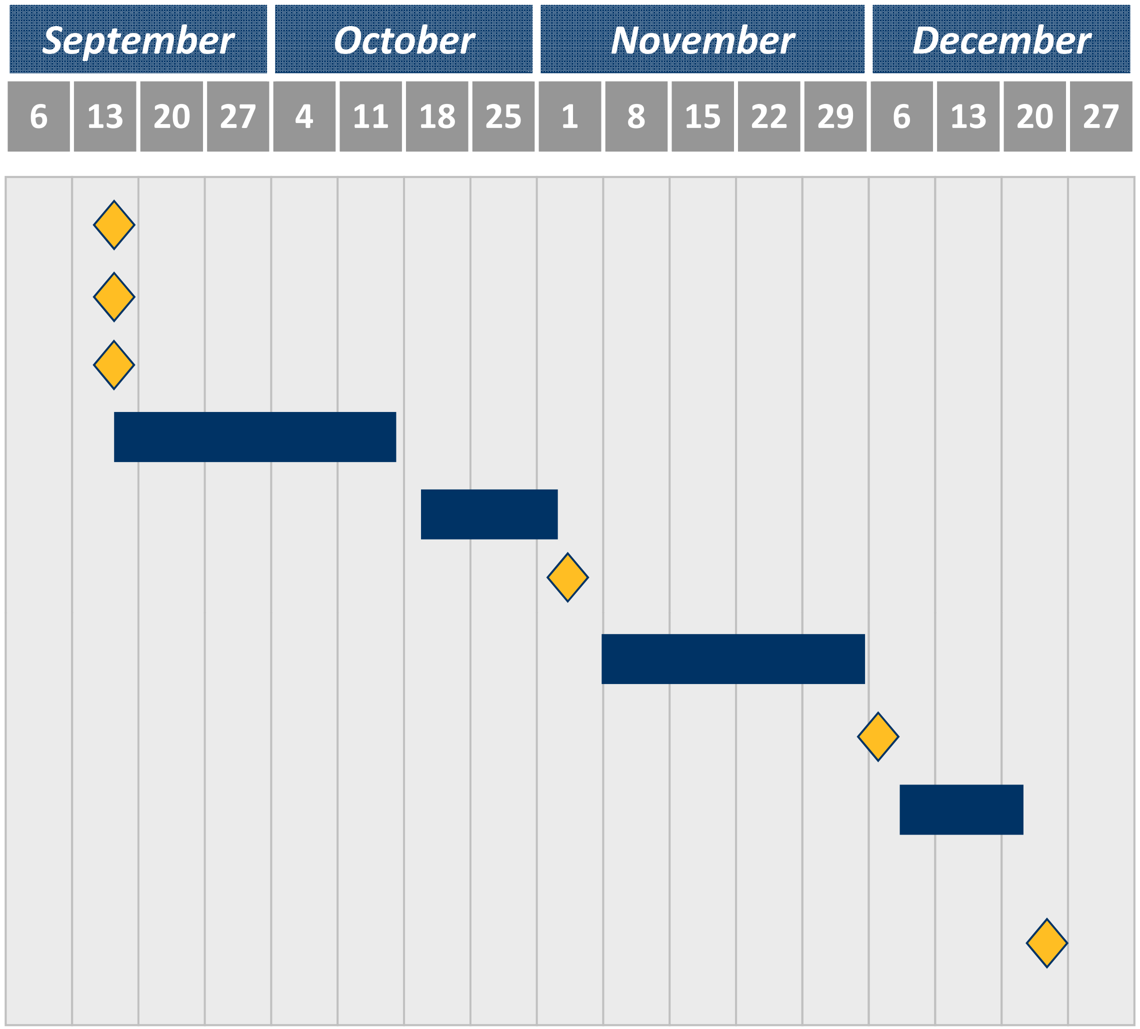
2

*Acquisition of shares in the stock market if required, depending upon acceptance, until target is reached*

**Once the offer is completed, and if 50% is not reached, Grupo ACS can buy HOCHTIEF shares in the market with no price or time restrictions**

# Tentative calendar of the Public Offer

| | Date |
|---|---|
| Decision of Grupo ACS BoD | 16 Sep |
| Information of HOCHTIEF Mgmt | 16 Sep |
| Announcement of Offer | 16 Sep |
| Filing Period for Offer Document | by 14 Oct |
| BaFin Review | around 1 Nov |
| Publication of Offer Document | around 2 Nov |
| Acceptance Period | by 30 Nov |
| Publication of Tender Result | 6 Dec |
| Additional Acceptance Period | by 20 Dec |
| Publication of Tender Result after Add. Acceptance Period | 23 Dec |

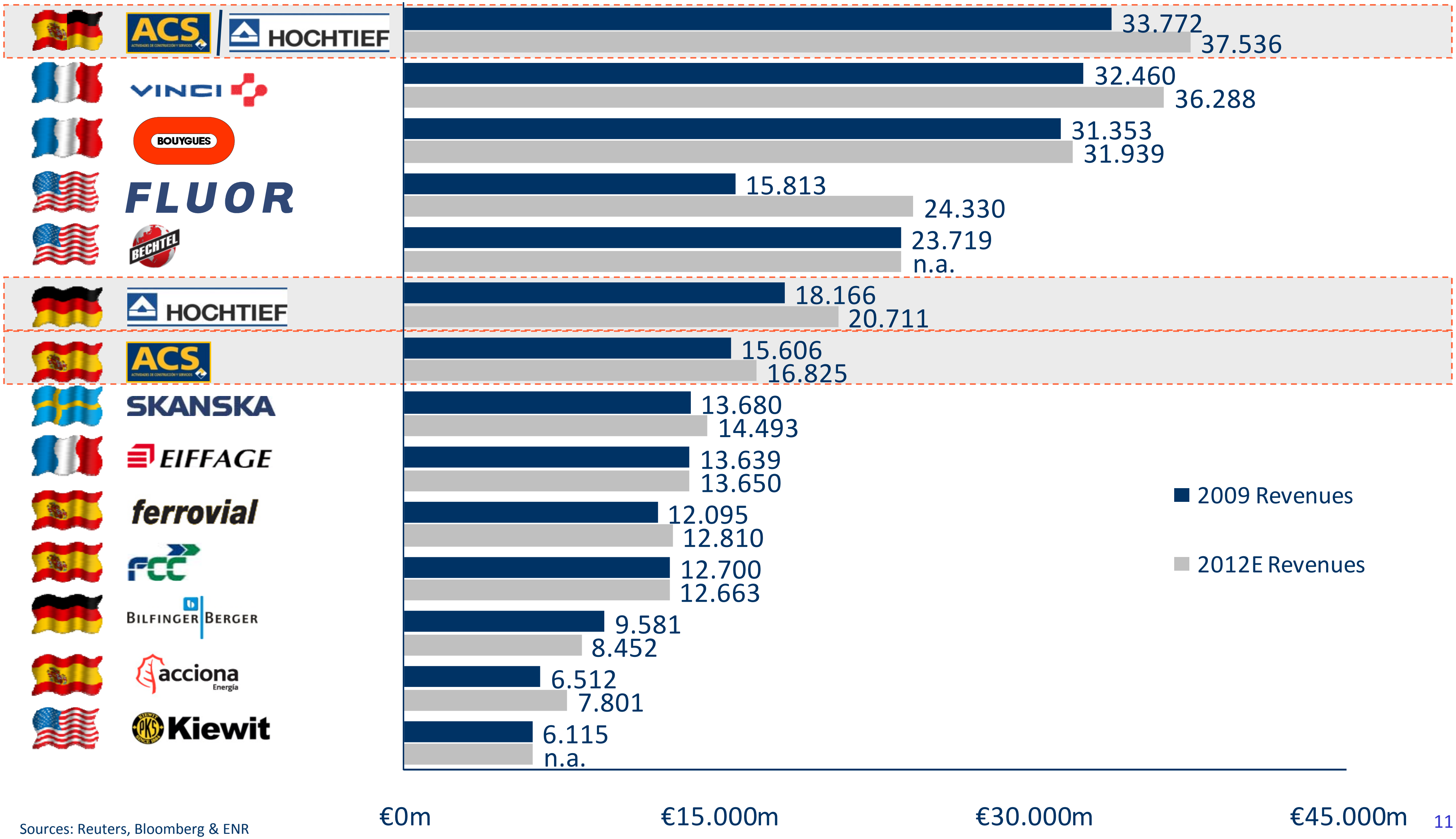


- Description of the Transaction
- ***Strategic Objectives***
- Considerations on the Offer
- Financial Impact on Grupo ACS
- Conclusions

# Strategic Objectives of the Transaction

1. *Become with HOCHTIEF the world leader in the global infrastructure industry*
2. *Improve global presence and regional diversification*
3. *Increase competitive advantages and profitability*
4. *Strengthen HOCHTIEF's shareholder structure*
5. *Increase visibility and understanding of Grupo ACS's strategy and financial statements*

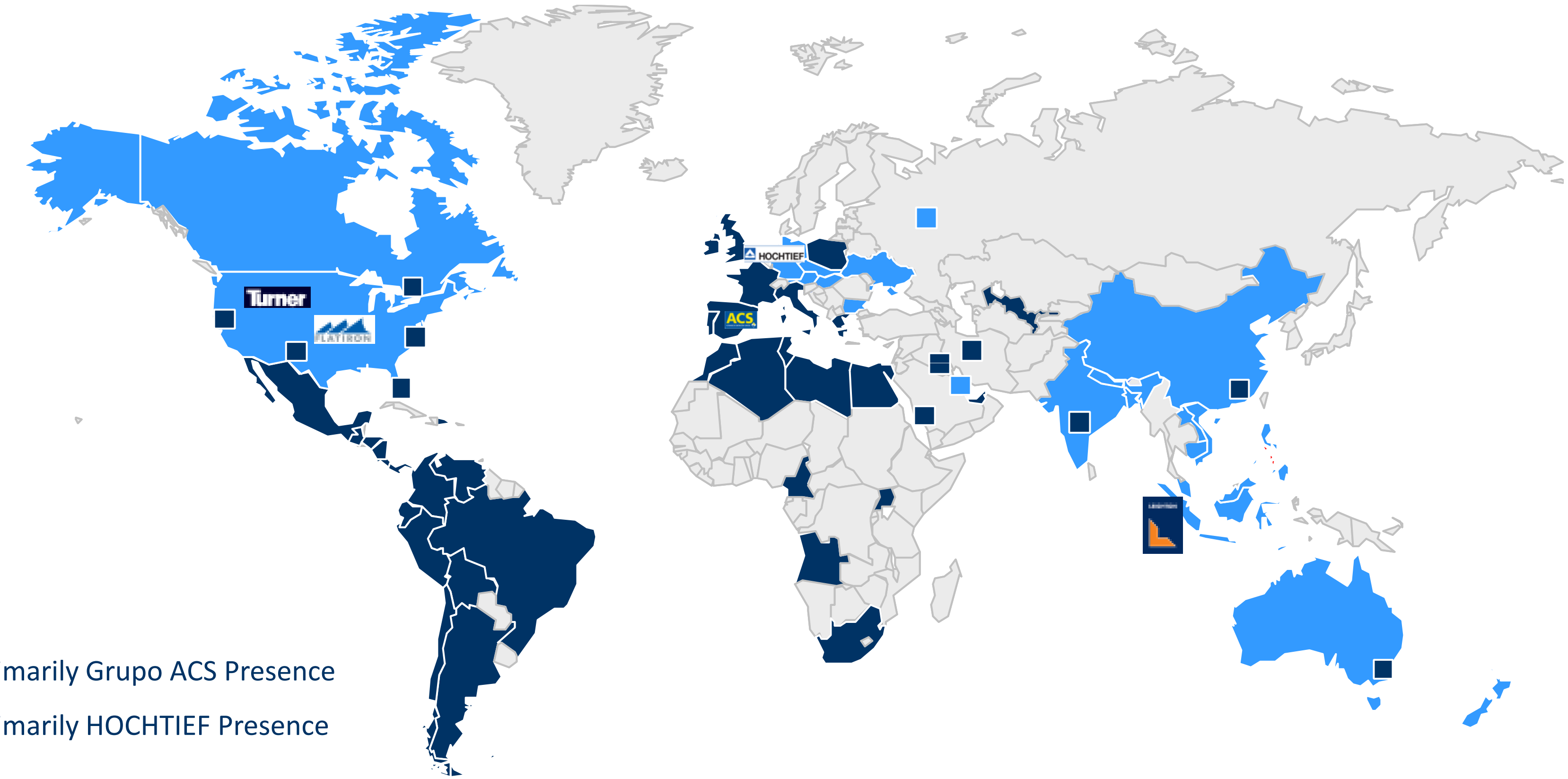
# A World Leader in Global Infrastructure Industry




Sources: Reuters, Bloomberg & ENR

# Complementing Global Presence

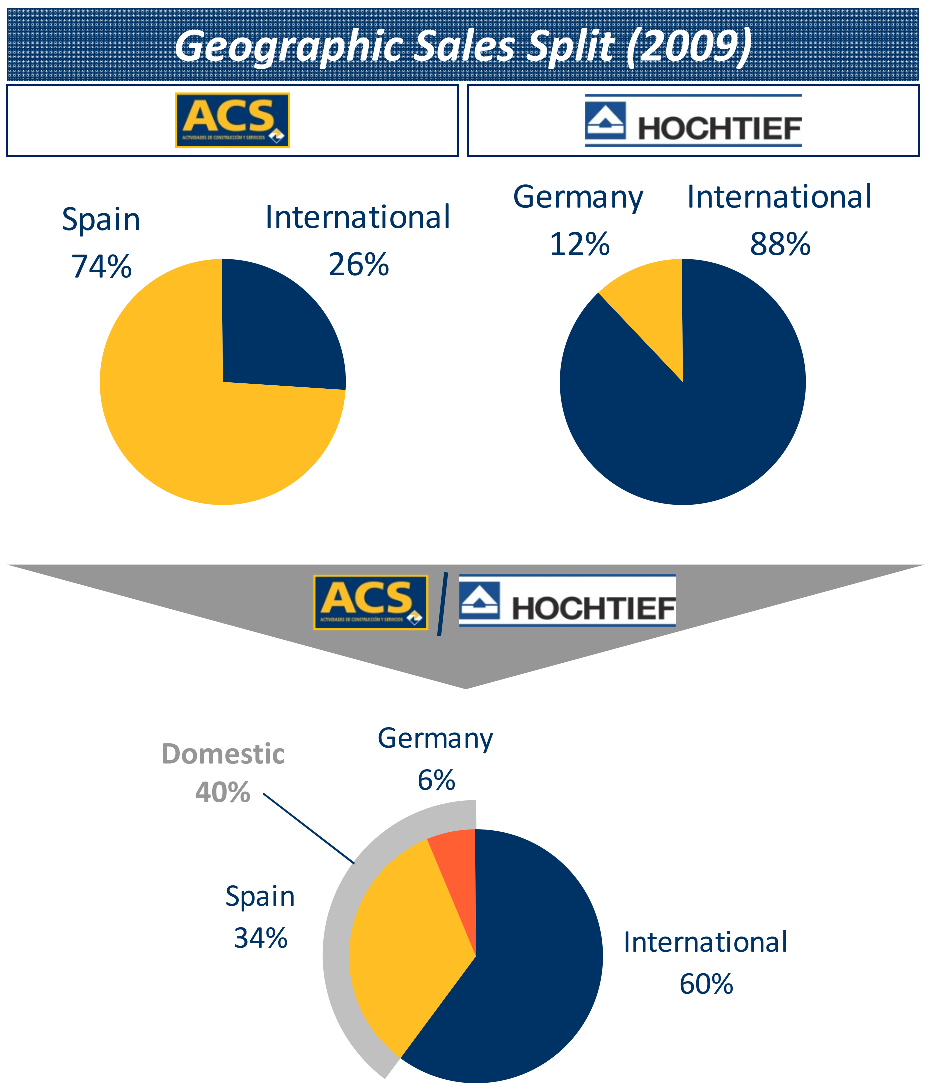
***Strong presence in all 5 continents***
***and unique foothold in emerging markets***

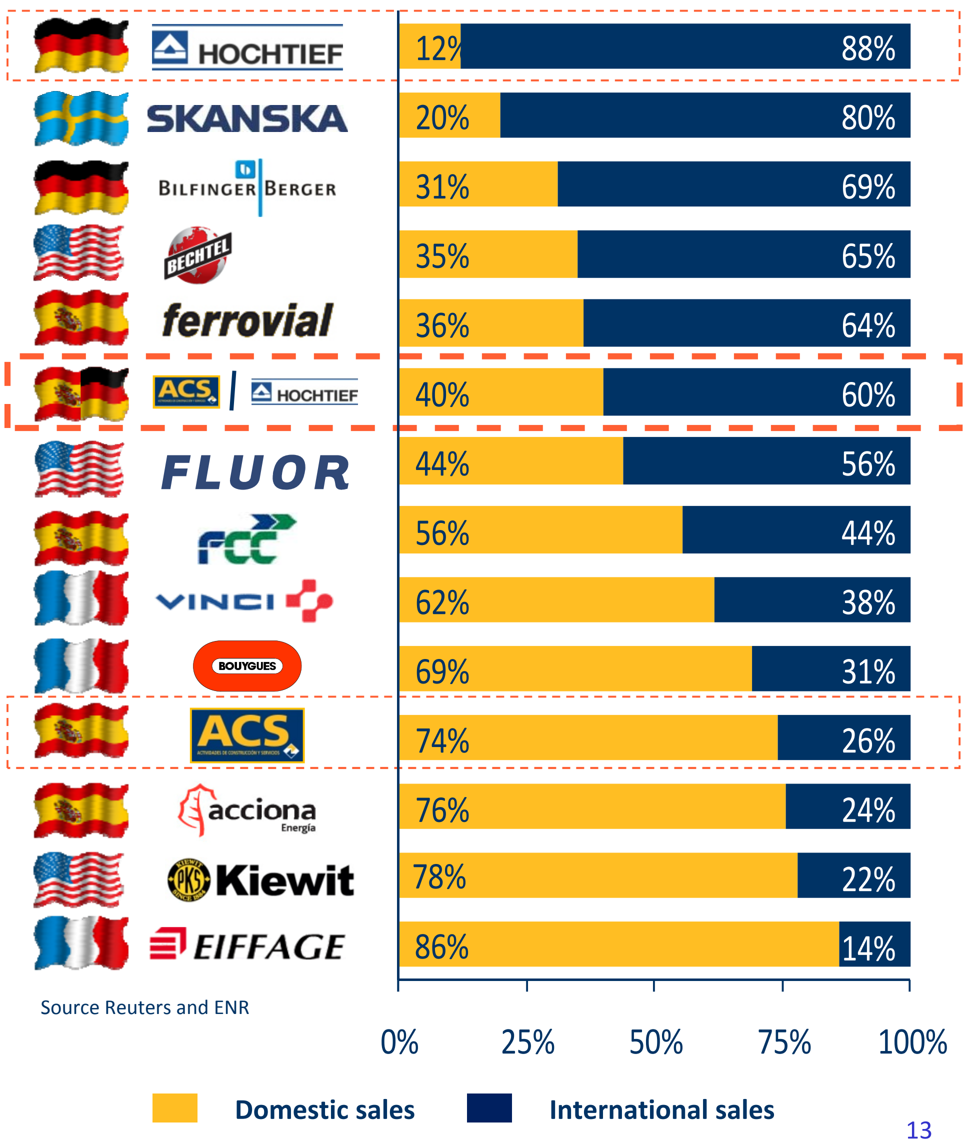



Primarily Grupo ACS Presence

Primarily HOCHTIEF Presence

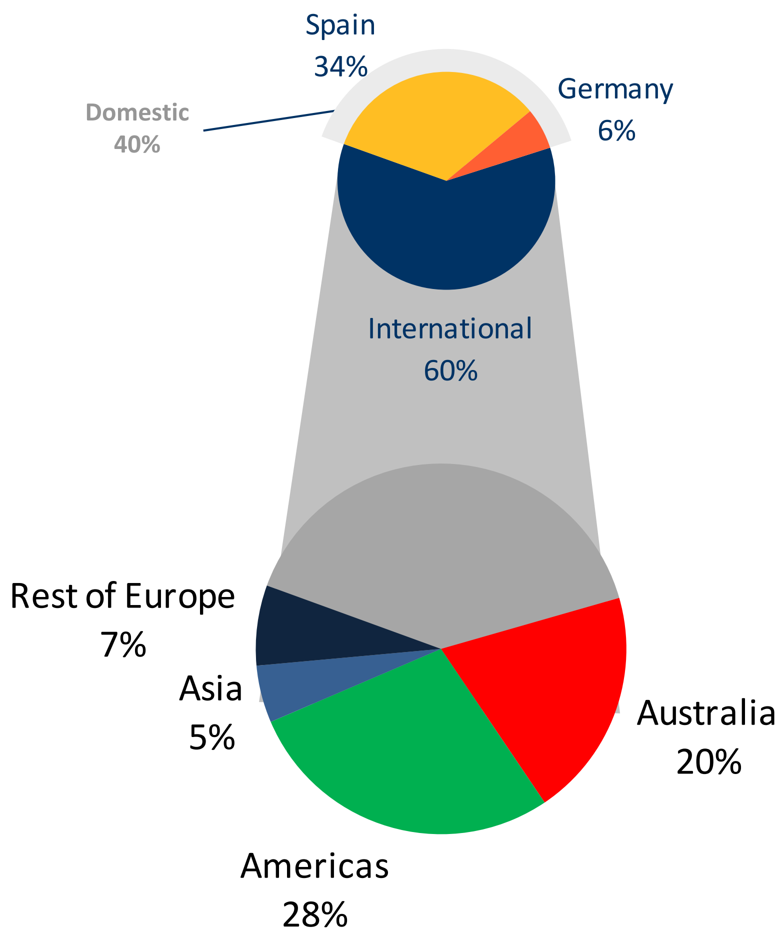
# Increasing Regional Diversification



# High Exposure to Growth Markets

## *Revenue Split – Grupo ACS + HOCHTIEF (2009)*




## *Comment*

**ACS**

**Sector diversification leads to stable and recurring revenues**

**Business strategy is to seek future growth:**

- **Increasing international activities**
- **Expanding into growing markets**

**HOCHTIEF**

**Very strong international base (≈90% of sales abroad)**

**Active in attractive regions like North America, Australia and Asia**

**Transaction will lead to an excellent mix of mature and growth markets**

## Attracting Talented and Skilled Resources

a *By creating the worldwide infrastructure leader*

b *Offering extensive technical expertise*

c *Having access to the most complex projects in the world*

# Widening the Access to Financial Markets

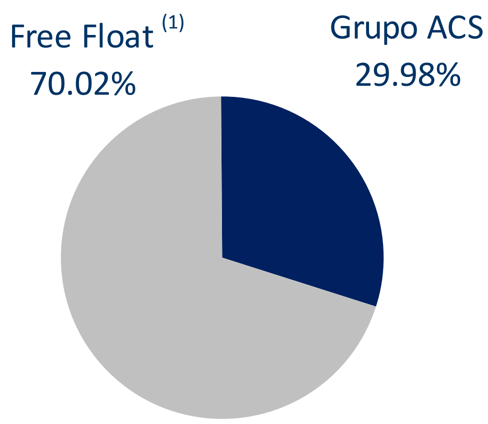
**a** *Prominence in the financial markets is increased*

**b** *A larger operational footprint increases investors visibility*

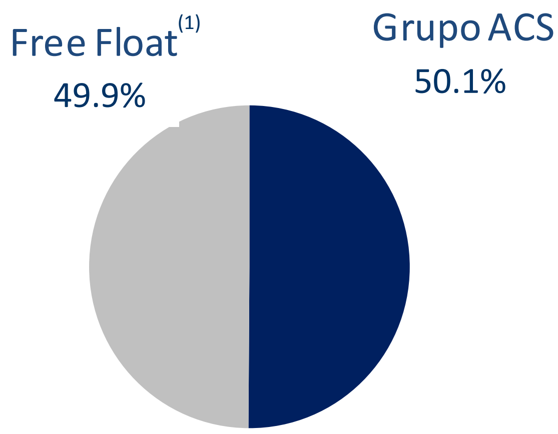
**c** *Global financial resources generate costs efficiency*

# Strengthening HOCHTIEF Shareholder Structure

### *Before Transaction*




### *Target*




## *Transaction will:*

***Strengthen HOCHTIEF's shareholding structure***

***Secure Grupo ACS's position as the core shareholder***

(1) Including treasury shares of 4.94%

# Increase Visibility and Understanding of ACS

5

## In Terms of Strategy

**a** *World leadership promotes global awareness amongst stakeholders*

**b** *Improves both companies' competitive position granting access to new geographical markets*

**c** *Reaffirms Grupo ACS's long term support in HOCHTIEF as reference shareholder*

# 5 Increase Visibility and Understanding of ACS (II)

## In Terms of Financials

**a** *HOCHTIEF full consolidation better reflects Grupo ACS's reality compared to equity method*

**b** *Strengthening of Grupo ACS's financial structure*

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## Regulatory Framework

**a** *Increase of Grupo ACS's shareholding in HOCHTIEF above 30% requires a public tender offer for all outstanding shares*

**b** *Funding of the offer needs to be secured upfront – share borrowing agreements are foreseen*

# Pricing

**a** *Minimum offer price for Hochtief shares <u>is the three month volume weighted average Hochtief share price on the stock exchange (VWAP), prior to the announcement</u>, or the highest price paid or agreed to be paid for Hochtief shares during the six months period prior to the publication of the offer document if higher than VWAP*

**b** *Value of the shares offered (implied price) is calculated based on the three months average closing share price (not weighted) of Grupo ACS prior to the announcement*

**c** *After announcement the number of shares offered (i.e. the exchange ratio) remains fixed, independent of any price movement in the market*

# Corporate Governance at HOCHTIEF

**a** *HOCHTIEF will remain a Frankfurt-listed company with a substantial free float, headquartered in Essen*

**b** *Grupo ACS does not plan a domination agreement*

**c** *Grupo ACS supports the Management and Supervisory Boards of HOCHTIEF*

# HOCHTIEF Shareholding

**a** *HOCHTIEF will benefit from an anchor shareholder providing long term stability*

**b** *HOCHTIEF's identity will be maintained*

**c** *HOCHTIEF will continue to operate under its successful multi-brand structure in the various regions of the world*

**d** *With an average attendance at HOCHTIEF's AGM of approx. 60%, today Grupo ACS already comes close to an AGM majority*

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# Pro-Forma key figures

All figures in € million

| | ACS 2009 | | ACS HOCHTIEF 2010pf[1] |
|---|---|---|---|
| ***Revenues*** | ***15,606*** | Consensus data. *Source: Reuters* | ***34,962*** |
| ***EBITDA[2]*** | ***1,458*** | | ***2,842*** |
| ***EBIT*** | ***1,080*** | | ***1,697*** |
| ***Ordinary Net Profit[3]*** | ***842*** | | ***966*** |
| ***Net Debt[4]*** | ***9,271*** | Proforma as of 30/06/10 | ***9,026*** |
| ***Net Worth*** | ***4,592*** | | ***7,165*** |
| ***Backlog[5]*** | ***29,507*** | | ***72,026*** |
| ***Employees*** | ***142,176*** | | ***213,073*** |

(1)Assumption: Grupo ACS holds 50.07% in HOCHTIEF and fully consolidates HOCHTIEF's financials and Vespucio Norte & Tunel de San Cristobal concessions; additional impact from mark-to-market valuation of tangible and intangible assets is assumed

(2)HOCHTIEF is accounted in accordance with ACS accounting standards: EBITDA does not include equity method.

(3)Profit after taxes and minorities, but not including exceptional results

(4) The proforma figure of the debt includes the cash obtained from the sale of Abertis, the cash from the sale of the Ports division and the payment of ACS's dividends last July

(5)HOCHTIEF's order backlog includes the share of backlog from non-consolidated joint-ventures and associates, while ACS only includes backlog of consolidated entities

# Financial structure

## Grupo ACS pro-forma pre-transaction*

| Total Net Assets | Total Liabilities & Shareholders' Equity |
|---|---|
| Working Capital €(2.4)bn | Net Worth €4.0bn |
| Fixed Assets €3.1bn | Project Finance €4.4bn |
| Non-Current Assets in Projects €5.4bn | Corporate Net Debt €3.9bn |
| Long-Term Financial Investments €6.4bn | Other Non-Current Liabilities €1.6bn |
| Other Non-Current Assets €1.4bn | |

**TOTAL NET ASSETS : € 13.9 bn**

## Pro-Forma Combined

| Total Net Assets | Total Liabilities & Shareholders' Equity |
|---|---|
| Working Capital €(3.8) bn | Net Worth €7.2bn |
| Fixed Assets €7.4bn | Project Finance €5.0bn |
| Non-Current Assets in Projects €5.9bn | Corporate Net Debt €4.0bn |
| Long-Term Financial Assets €7.6bn | Other Non-Current Liabilities €2.9m |
| Other Non-Current Assets €2.0bn | |

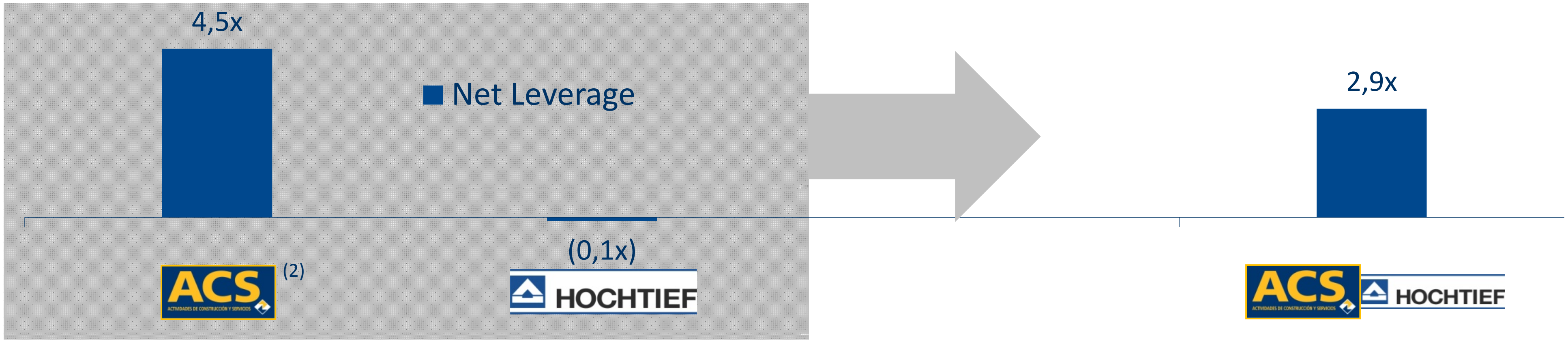
**TOTAL NET ASSETS : € 19.1 bn**

* Pro-forma pre-transaction ACS B/S includes the Abertis transaction, the sale of SPL and the payment of dividends of ACS last July.

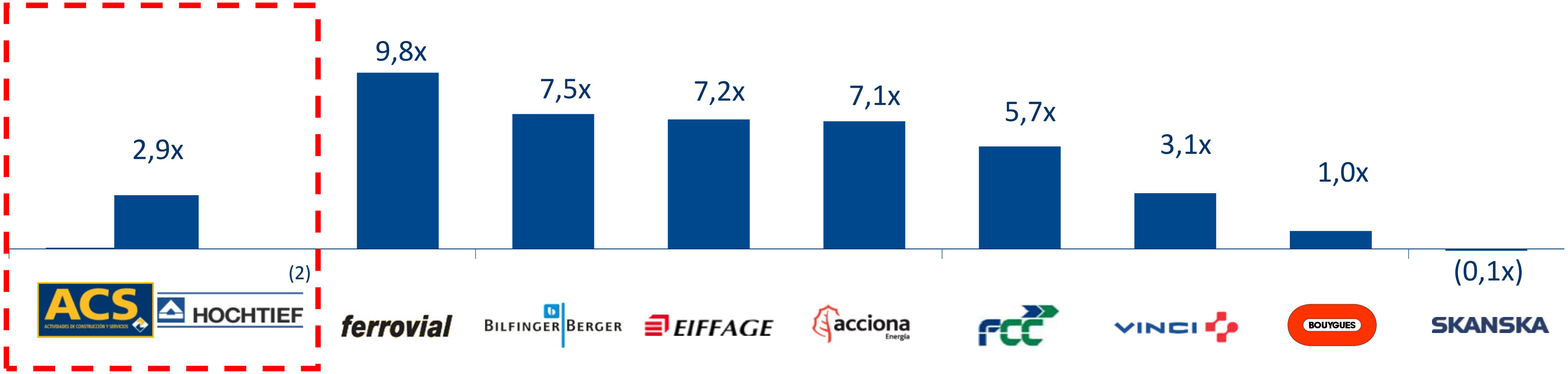
The pro-forma combined B/S does not include in the Project Finance paragraph HOHCTIEF's project finance, which included in Corporate Net Debt as it is not broken down in HOCHTIEF's financial accounts

# Reduced Financial Leverage

## *Deleveraging Effect through Consolidation*[1]




## *Leverage Multiples of Selected Peers*[1]




[1] 2010pf

[2] Pro-forma Figures. Net Debt includes cash from Abertis and SPL disposals and the ACS dividend paid in July; EBITDA includes dividends paid from associates

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## Fulfillment of strategic goals

1. *Become the Western world leaders in the global infrastructure industry* ✔
2. *Improve global presence and regional diversification* ✔
3. *Increase competitive advantages and profitability* ✔
4. *Strengthening Grupo ACS's financial structure* ✔

**Value creation in both companies as main target**