

services

Considered in the market as a solid partner that is committed to its public and private clients, it provides services that enhance infrastructures and cities in an efficient and sustainable way.

Currently, it offers a wide range of innovative management solutions and services, which respond to its clients' most demanding requirements. They are subject to high quality standards, are competitively priced and environmentally friendly.

The main characteristic of its range of services is the integrated management of assets, which covers their entire life cycle, and clearly differentiates the company from others in the industry. Ferrovial Services covers a full range of services, starting with the design stage and including the management, operation and maintenance of transport infrastructures, environmental services, and the management of building and facility services, with energy efficiency being a common factor in all these services.

People: the main asset

Ferrovial Services is a division made up of people who work for people.

- Increasing worker safety is a constant goal. In 2012 all accident rates continued their downward trend as a result of the campaigns and actions taken. Specifically, the accident incidence rate decreased by 6.9% and the frequency rate by 10.9%.
- Managing the talent of our teams is a key factor for success. Training in new skills, along with a clear policy of retaining talent, enables us to have the professionals and teams required to meet our objectives. Additionally, the company has launched several internal mobility programs (Secondment, Discovery, Business Pass), to promote exchange between different businesses and

geographical areas and strengthen the organization's capabilities.

- Contributing to the society in which Ferrovial Services operates: This activity incorporates people from disabled and vulnerable groups into teams and collaborates in social events by providing staff and technical resources.

Innovation: guarantee of continuity

Providing services in an economic situation that places restrictions on most clients means that alternatives have to be found to traditional procedures. Ferrovial Services, in collaboration with clients and cutting-edge national and international institutions working on innovation such as the Massachusetts Institute of Technology (MIT), has increased the number of initiatives aimed at developing equipment, technologies and solutions to manage services more efficiently and economically.

Ferrovial Services has involved the entire organization in this search by creating a culture of innovation focused directly on the business. Ideas can be generated by anyone, collected, analyzed, developed and implemented in a viable way.

Internationalization: exploiting experience

Ferrovial Services has developed a sound model of service provision and management that has enabled it to achieve its current position of market leader. The know-how and expertise of its teams have been the basis for its internationalization. This strategy of giving an international scope to its experience in managing service companies has been a priority throughout 2012. It has been taken material shape through the creation of new companies, the consolidation of existing ones and an

During 2012 Ferrovial Services has maintained its position as an international benchmark for the efficient provision of urban and environmental services and maintenance of infrastructures and facilities.



operating cash flow

491
million euro
(all-time high)

backlog

12.78
billion euro
(all-time high)

services

more than 22
million citizens

in

130
large european cities

analysis of acquisitions in new countries where there is sufficient legal security.

The cases described below, such as the expansion of the AmeyCespa portfolio in the British waste market, the creation of a new service company in Poland, and the first contracts won in Qatar, are clear examples of the ability of Ferrovia Services to diversify its client portfolio into new geographical areas and reduce the risk of concentration.

Strategic lines: a clear vision

Ferrovia Services' Strategic Plan has progressed well during 2012 in all its lines. Their guiding principle is the generation of high value-added activities. The development of the new model of smart cities has been understood by Spanish city councils and work has begun on the first tenders; energy efficiency has become the common denominator of all contracts for the maintenance of buildings and infrastructure; and waste reuse, by recovering materials or energy, is seen as a prerequisite to reduce the amount of waste sent to landfills and generate additional value. The prior development of innovative tools has led to solutions being presented to the market that are clearly differentiated from those offered by competitors.

Performance in the year

2012 has been a positive year for the Services division, which has improved its profitability over the previous year and increased sales by 4.6%.

There are three notable measures of performance that demonstrate this has been a good year for the company. Firstly, the income statement shows profitable growth, with net income improving by 11%. Secondly, cash flow: Operating cash flow is at all-time high of 491 million euro, three times more than in 2011 (164 million euro), which will allow Ferrovia Services to invest in growth as well as strengthen its capacity. Finally, the order backlog: In 2012, this reached a record high of almost 13 billion euro, which provides stable and positive results in the future, and guarantees the company's long-term purpose.

2012 was a key year for the internationalization of Ferrovia Services, which began operations in Poland (through FBSerwis) with facility management and road maintenance contracts. It has also recently signed a major contract to provide services at Doha International Airport (Qatar), and is currently studying the expansion of its activities in several markets in Latin America, with a focus on Chile and Colombia.

These results demonstrate the company's strength in all its activities, boosted by a selective growth strategy focusing on long-term contracts, in which Ferrovia Services stands out through its innovative management and operational efficiency.

Cities: a new service model

In 2012, Ferrovia Services consolidated its distinctive model for the efficient delivery of comprehensive services to cities, which allows local government clients to: generate savings, improve the quality of public services and encourage citizen participation.

Ferrovia Services maintains a unique position with a differentiated portfolio and the ability to meet cities' main needs. Its value proposition is based on four pillars:

- Long-term public-private partnerships leading to the introduction of innovative solutions and ensuring the necessary investments. There has to be a shift from the current situation of short-term contracts to the concept of association or partnership.
- Service integration provides savings achieved through synergies and economies of scale. The comprehensive management of services makes it possible to save up to 20% on the cost of municipal services.
- The industry must evolve from controlling the resources assigned to the contract to measuring results.
- Citizens have to become involved in the provision of services and their contribution should be recognized.

It is, in short, about integrating the economy, governance, mobility, the environment and citizen participation as a way of contributing to an improved quality of life. Both Birmingham (with 2 years' experience) and Sheffield (a new contract signed in 2012) have become international benchmarks for innovation, efficiency and long-term public-private commitment.

Amey

The Ferrovia Services subsidiary in the United Kingdom is a benchmark in the British market for services to transport infrastructure and facility management. It works with public and private clients from sectors such as justice, aviation, central government, education and transport. The total workforce consists of more than 11,000 employees.

In 2012, its sales grew by 8.3% as a result of new contracts, and revenue increased from contracts within its order backlog. Some highlights of the year are as follows:

- The agreement for the management of urban infrastructure in Sheffield is a contract for the improvement and maintenance of urban infrastructure in the city over 25 years. Amey will be responsible for one of the largest projects in the country, providing service to more than 1,900 kilometers of roads, 68,000 street lights, 500 traffic lights, 600 bridges, 2,400 retaining walls and 35,000 trees on roadsides throughout the city. This project represents an order backlog of 2 billion pounds (2.425 billion euro) over the 25 years of operation.

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- Maintenance of infrastructure with Calderdale Council amounting to 120 million pounds.
- Renewal of infrastructure maintenance in the county of Hampshire worth 43million euro.
- Consultancy Service for the maintenance of Traffic Scotland for the next 6 years.
- Extension of the maintenance contract for 5,000 miles of roads and sidewalks in Hampshire until 2016.
- Daily transportation of prisoners through GEOAmey. The contract period is 10 years, at a value of 900 million pounds. This activity represents approximately 2,600 daily movements, with a fleet of 500 vehicles with special features.
- Installation of the electric rail system in Norfolk.
- Maintenance and cleaning of the Home Office building.
- Consulting and technical assistance for signaling and improving rail tracks.
- Awarded IIP (Investors in People) Gold Standard for work supporting and encouraging its employees.
- Received recognition from the Institution of Civil Engineers (ICE) for the innovation implemented in maintaining the West Midlands road network.

AmeyCespa

AmeyCespa is a joint venture that is 50% owned by Amey and 50% by Cespa. It was created to take advantage of the synergies generated by Amey's knowledge of the English contractual framework and Cespa's experience in integrated waste management. The most significant events in 2012 in AmeyCespa included the following:

- A new contract in Milton Keynes to design, build and operate a waste treatment plant. AmeyCespa will manage the facility for 15 years from its launch scheduled for 2016. This new recycling plant will enable local waste management costs to be reduced by over 50 million pounds over the lifetime of the facility. In addition, it will increase recycling levels and reduce landfill use by 95%. It will employ 200 people during its construction and will serve as an educational center for local schools.
- After the necessary administrative procedures, AmeyCespa has obtained planning consent for a waste management plant in Yorkshire. This license was AmeyCespa's condition for carrying out the financial closure that, in turn, allows for the construction of the Allerton Waste Recovery Park to be started in 2013. The contract will run for 25 years and involves the construction of a waste treatment plant with a capacity to handle 90% of the waste from the city of York and the county of North Yorkshire.



Cespa

Cespa is a company with over forty years of experience in providing integrated waste management and environmental services to cities. It is currently the leader in Spain in waste management and maintenance of green areas and is among the top three companies in the sector for collecting urban solid waste (USW) and street cleaning.

Its business lines can be grouped into two main areas:

- Urban services, including activities relating to the cleaning and maintenance of public spaces serving people.
- Waste treatment and industrial services, which include activities relating to collection, waste transfer and cleaning, always based on criteria of sustainability and environmental protection.

The significant events in 2012 include the following:

- The award of the Salto del Negro Waste Treatment Plant and the Juan El Grande Waste Treatment Plant, located on the island of Gran Canaria, for over 500 million euro. The two plants will serve a combined population of over 800,000.
- The inauguration of the Toledo Ecopark, in March 2012, in response to the need to provide the province of Toledo with an adequate infrastructure for the treatment and recovery of urban waste. This plant has capacity to manage the 250,000 tons of waste generated annually in the area for 20 years. Through material recovery at



the Ecopark, Cespa will avoid the emission of around 50,000 tons of CO₂, equivalent to the emissions from 20,000 cars in a year.

- Cespa has constructed Europe's first wind power plant for recharging electric vehicles in Barcelona.
- The renewal of contracts for the maintenance and cleaning of 10 districts in the city of Madrid (Centro, Arganzuela, Retiro, Salamanca, Tetuán, Chamartín, Chamberí, Vallecas, Moratalaz and Vicálvaro) for 24 million euro.
- An agreement between Murcia City Council, Cespa and Estrella de Levante. The agreement includes a plan for the construction of a plant for waste recovery using anaerobic digestion, which treats both organic material residue and by-products from the brewing of beer. It also aims to recycle waste as biogas and compost.
- Renewal of the contract for street cleaning and urban waste collection with San Vicente del Raspeig City Council, for 33 million euro over 8 years.
- Extension of the contract for street cleaning, urban waste and solid waste collection in the city of Guadalajara.
- Renewal of the contract for the industrial management of scrap and waste from the Ford vehicle plant.

Waste reuse

Cespa develops innovative solutions for implementation at each of the stages of the waste management life cycle: collection, treatment, recycling and exploitation. As a final result, the use of some of the components of waste has increased through the preparation of fuels that can be used to generate electricity or heat, or as raw materials for other industrial processes. Along with the significant resulting environmental benefits, this entails the opening of new revenue generation sources for the company.

In 2012, more than 130,000 MWh of electricity was generated annually in facilities managed by Cespa, as a result of the energy recovery of landfill biogas and biomethane processes. This avoided the emission into the atmosphere of more than 804,765.00 t eq of CO₂ in Spain and 28,606 t eq of CO₂ in Portugal, equivalent to taking 557,164 cars in Spain and 19,865 in Portugal off the roads for a year. In addition, 1,187,022 tons of waste were recovered for use as raw materials.



Emergency services, Madrid, Spain

Ferrosfer

Ferrosfer is a company specialized in the comprehensive maintenance and conservation of infrastructures and buildings. Its areas of activity involve building and infrastructure management (facility management), energy management and maintenance of industrial plants and buildings in sectors as diverse as healthcare, banking, hotels and telecommunications.

Ferrosfer is also responsible for the maintenance and upkeep of roads, airports and urban roads, as well as for their signaling. The contracts for the comprehensive management of services include the management of sports centers, ambulances, and air traffic control centers and call centers.

As well as the contract for urgent medical transportation of patients in the Community of Madrid, another milestone in 2012 was the first concession granted by AENA in its outsourcing of air traffic control services. FerroNATS was created for this purpose. It combines Ferrosfer's knowledge of the airport sector with NATS' technical and human resources in managing air traffic.

Operations at the control towers of Sabadell, Cuatro Vientos and Vigo airports began in November 2012. In 2013, service provision will begin in the control towers of Jerez, La Coruna, Seville, Valencia, Ibiza and Alicante.

Other highlights of 2012 are the following:

- The contract for the management of lighting energy services in Soto del Real (Madrid) for the next 20 years. An innovative lighting technology and power management control system will make it possible to maintain the level of street lighting but reduce energy used by 80%.
- The energy services contract with the Network of Bilbao Municipal Sports Centers (*Bilbao Kirolak*), which applies a pioneering computer program that will achieve reductions in energy consumption of up to 25%.
- The agreement for the management of energy services and maintenance of municipal buildings and public lighting in Torrejón de Ardoz (Madrid) for the next 20 years for 65 million euro, which will allow the municipality to reduce its carbon footprint by 35% with savings of 8,585 MWh/year.
- The concession over the next 4 years of customer services provided by phone and in person to citizens of Madrid City Council and its network of Citizen Service Offices, under the name of *Línea Madrid*.
- The concession by the Ministry of Public Works of the maintenance of various sections of the state highway network in Zaragoza, Madrid, Valencia, Salamanca, Segovia, Valladolid and Badajoz.
- Extensions of the cleaning contracts for the Hospital Universitario la Paz and the Centro Hospitalario 12 de octubre.



Installing LED lighting



Solutions to optimize energy consumption

The main characteristic of its range of services is the integrated management of assets, which covers their entire life cycle, and clearly differentiates what Ferrosfer Services has to offer.

- The comprehensive maintenance of production facilities at the DELPHI factory in Sant Cugat.
- The award of the contract for the integrated management of the buildings in the Universidad Europea de Madrid.
- The comprehensive maintenance contract for the facilities of the Hospital San Roque de Maspalomas in Gran Canaria.
- The contract extension for integrated service provision in the district of Villaverde in Madrid.
- The agreement with the Ministry of Public Works for the maintenance and operation for a period of two years of the A-1 from Madrid to Irun, the N-120 from Logroño to Vigo, the N-232 from Vinaroz to Santander and the BU-12 Burgos airport access and access road to the Bayas industrial park (Miranda de Ebro).

Energy efficiency

Ferrosfer desarrolla una línea específica de eficiencia energética destinada a implantar soluciones para la reducción de la huella de carbono y el gasto energético, optimizando el consumo de las instalaciones industriales, residenciales y Ferrosfer develops a specific energy efficiency line designed to implement solutions to reduce the carbon footprint and energy costs by optimizing the use of industrial, residential and commercial facilities. The company offers a comprehensive solution within the energy services value chain, ranging from the initial energy audit of the facilities to contracts for integrated energy management with payment conditional on making agreed savings.

New markets

In recent years, one of the strategic priorities of Ferrosfer Services has been expanding its activities into new geographical areas. In 2012 it exported its differentiated business model when it started operations in countries such as Qatar, Colombia, Chile and Poland, as well as extending its portfolio of services in its traditional markets (United Kingdom and Spain), where the company is the market leader. The strategy is based on creating a new company or, in some cases, acquiring local companies as a method to accelerate expansion.

FBSerwis

FBSerwis is a joint venture between Budimex, with its local knowledge, and Ferrovia Services, which provides the technical knowledge of the industry. It aims to exploit the synergies that the expertise of both companies can achieve in integrated asset management in the Polish market, from design and construction (carried out by Budimex) to maintenance throughout its life cycle facilitated by Ferrovia Services. The first facility management and road maintenance contracts were signed in 2012.

Its first concession was the two-year technical maintenance contract for the Ludwika Rydygiera hospital, the biggest in Krakow, which is the second largest city in the country. It has recently been awarded the contract to maintain a 48-kilometer section of the A1 highway at the Sosnica link, in the south of the country. The six-year project is in addition to those the company is carrying out in the provinces of Pomerania and Podlaskie.

In addition to the above, in July 2012 a consortium made up of Budimex, Cespa and Keppel Seghers, the Belgian environmental technology company, was awarded the contract to design and construct a thermal waste recovery plant in the city of Bialystok for 78 million euro. This is the first waste treatment project in Poland.

Qatar: The value of experience

Ferrovia Services started operating in Qatar in 2012 with its first contracts:

- The Qatar Public Works Authority (Ashghal) chose Amey as provider of consultancy services for the management and improvement of the road network in the country over the next five years. Ashghal is the authority responsible for the planning, design, construction and management of road infrastructure in Qatar. Under the contract, Amey will act as a consultant to improve policies and procedures related to the operation and maintenance of roads, customer service and financial management, among other functions.
- Ferrovia Qatar has also been contracted to provide facility management services in specialized facilities at Doha International Airport for 30 million euro over the next three years with an option to extend the contract for another three years. When the new Doha International Airport opens, in the second half of 2013, it will become one of the largest airports in the world, the main gateway to the Middle East and the operational base for Qatar Airways.

Latin America: New horizons

During 2012, Chile and Colombia have been the focus of attention for Ferrovia Services in launching its operations in Latin America. Commercial offices have been set up in both countries and various growth opportunities are being analyzed.

