The background of the cover is a photograph of a building under construction. The building's facade is composed of light-colored, vertically-oriented panels. A prominent shadow of a construction crane is cast across the building's surface. A bright yellow diagonal stripe runs from the top right towards the center. On the left side, there is a graphic element consisting of a series of vertical lines of varying heights that form a triangular shape pointing towards the center.

**The Ernst & Young CEO/CFO  
Roundtable for the Construction,  
Engineering and Infrastructure  
Industry 2011**

**Competing for growth: perspectives  
from industry leaders**

Ten years of CEO/CFO roundtables

A man in a dark suit is standing on a spiral staircase, leaning on the railing and looking out a large window. The window is made of many panes, and the light is bright and warm. The man's hands are clasped together on the railing.

**10 years**  
of CEO/CFO  
roundtables

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# Introduction

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On 8 and 9 September 2011, Ernst & Young held its 10th annual CEO/CFO Roundtable for the Construction, Engineering and Infrastructure Industry. With more than 80 senior industry executives participating, the event marked a record turnout. The roundtable was held in London and hosted by Ernst & Young's Europe, Middle East, India and Africa (EMEA) Real Estate Leader Ad Buisman, and Ernst & Young's Global Construction and Infrastructure Leader Malcolm Bairstow.

# The first day

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On the event's first day, participants took the public tour of East London's Olympic Park, site of the 2012 Summer Olympic Games. The CEOs and CFOs learned of the park's achievements in sustainability and efficiency.

East London has been transformed from a neglected and polluted industrial area into an enjoyable place to live and work. The project boasts significant achievements in sustainable development and construction. For instance, the main Olympic stadium required only one-third the amount of steel used to build the stadium at the Beijing Olympics – the Bird's Nest – and almost 80% of the materials for the stadium were

culled from the demolition of buildings on the site. The Olympic Park has beautiful green areas and clean water canals that are expected to draw in wildlife, including otters! When the Olympics ends, most of the park is earmarked for future use. The city will have new affordable housing from apartments in the Olympic Village, parks and a wide variety of multi-use athletic and other facilities.

# Sleepwalking into crisis

Ad Buisman, Ernst & Young's EMEA Real Estate Leader

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Ad Buisman provided perspective on the last 10 years of the event and the financial and economic crisis brewing during that time.

From 2002 to 2006, when financially everything seemed just fine, there was cause for concern, but it was largely ignored, explained Ad Buisman. These concerns related to global imbalances, prices in China and India, the ever-increasing US public debt and government deficit, Chimerica (the symbiotic embrace of the US and China) and the lessons not learned from the 2001-02 economic crisis in South America.

The world was sleepwalking into crisis. From 2007 onward, there was a rude awakening: from financial and economic crisis to unemployment and sovereign debt crisis. Signs of hope from financial markets in 2010 were, in 2011, dashed by sovereign problems in Europe. The scenario of the euro breaking apart seems no longer unthinkable. (UBS has calculated the cost of such a scenario would be 50% of European GDP.) Construction output, in many

countries the driver of economic and job growth, has plunged by almost 20% since 2005 and signs of recovery seem far away. Debt can be overcome with economic growth, but many countries will find it difficult to compete with Germany. While the German labor cost index stands at 105 (100 back in 2003), most other European countries stand between 120 and 140.



# The global economy at a dangerous juncture

Peter Spencer, Chief Economic Adviser, Ernst & Young ITEM Club

Peter Spencer of the Ernst & Young forecasting group the ITEM Club believes that the support offered by the European Financial Stability Facility holds genuine promise.

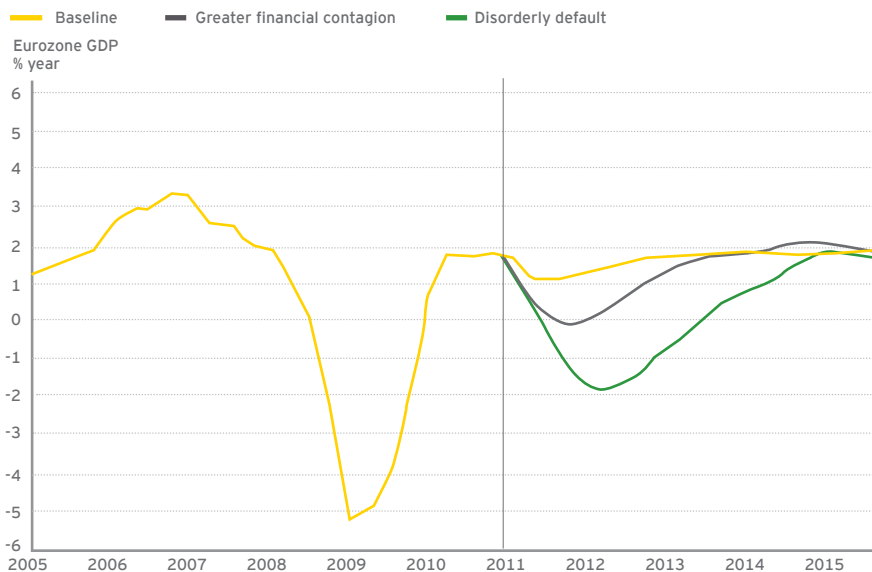
With political inertia, ever-decreasing bank lending, fearful markets, consumer and business confidence and disposable income at all-time low levels, the global economy is at a dangerous juncture. Eurozone growth is unbalanced at best, sovereign debt is potentially out of control and companies face major refinancing challenges. Moreover, banks are heavily exposed to

periphery countries and credit spreads, whereby public debt is only the tip of the iceberg. Debt maturity is also a major issue, and financial stress measures indicate that the financial crisis is spiraling and we could experience a disorderly default.

Peter believes the crisis is set to continue until 2013 and that global and Eurozone

developments will hang together rather than behave separately. On the positive side, easing inflation will help consumers to get back on their feet in many countries. In addition, lower commodity prices, rock-bottom long-term interest rates and Japan's recovery will all help global growth. The ITEM Club expects Eurozone growth to reach 2% by 2014.

## Alternative scenarios for the Eurozone debt crisis



Source: Ernst & Young ITEM Club.

# Keynote address

Sir David Higgins, Chief Executive of Network Rail and former CEO of the London Olympic Delivery Authority

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Keynote speaker Sir David Higgins discussed the challenges of the Olympic Park project and Network Rail.

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“We recognize there is more we can do to bring about fundamental change within our organization to make it more efficient and customer-focused, which will include a completely new kind of relationship with train operators and suppliers.”

Sir David Higgins

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David Higgins was knighted in 2011 for his work on the biggest construction project in Europe – the Olympic Park in London. During the roundtable, he talked about his past challenges in leading the construction of the Park and the current challenges he faces at Network Rail, the owner and operator of Britain’s rail infrastructure. David’s key advice in project control is: don’t be defensive, provide proper program assurance, conduct adequate and timely planning, use appropriate and state-of-the-art risk management, be disciplined and, last but not least, find the right partners. On the latter point, he explained why the Olympic Delivery Authority appointed a delivery company to manage the construction of the Olympic Park, and its associated infrastructure, instead of using in-house program management. David noted

that it was about a disciplined approach, which is key to the entire process. “The industry is defined by crisis and controlled by control,” he added. This translates to governance needs to be improved and controls need to be more stringent.

Sir David also illustrated Britain’s challenges in operating and maintaining its infrastructure properly and in an orderly manner. His current task at Network Rail is to create an efficient network and to reform the organization as it goes through its biggest investment phase ever. “We recognize there is more we can do to bring about fundamental change within the organization to make it more efficient and customer-focused, which will include a completely new kind of relationship with train operators and suppliers,” David stated.



Sir David Higgins: “The industry is defined by crisis and controlled by control.”

# Running a major infrastructure provider in a challenging economy

Andrew Wyllie, CEO, Costain PLC

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Andrew Wyllie explained how his company, a major infrastructure provider, is dealing with a challenging economy.

Andrew Wyllie explained that his corporate agenda is built on safety, leadership, strategy, customers, innovation, people development and stakeholders.

Expanding on several of these topics, Andrew's key messages included:

- ▶ We should continuously "analyze and challenge how we do what we do."
- ▶ Determine the customers you want to work for and aim for those with the best chances of repeat orders.
- ▶ Customers are willing to pay for innovation and service enhancements.
- ▶ Having control over the supply chain is an important factor in being an efficient and on-time infrastructure provider. Accordingly, Costain has reduced its number of suppliers from 17,000 to approximately 2,500.
- ▶ Companies need to broaden their capabilities to meet the demands of their most important customers.
- ▶ It is critical to have the right leadership team, address safety and effectively compete for the most talented employees.



# Competing for growth – a panel discussion

Mike Lucki, CFO, CH2M HILL; Victor Pastor, CFO, FCC Group; Duncan Magrath, CFO, Balfour Beatty; Brian Field, Urban Planner and Development Adviser, European Investment Bank; Andrew Wyllie, CEO, Costain; and Malcolm Bairstow, Global Construction and Infrastructure Leader, Ernst & Young

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The annual panel discussion was led by Ernst & Young's Malcolm Bairstow and focused on "competing for growth and winning in the new economy" – the theme of an Ernst & Young survey of 1,400 CFOs from leading companies around the globe.

Malcolm Bairstow opened the panel by describing several current issues facing the industry, including the funding of infrastructure, governance and risk management, industry consolidation, choosing the right markets, efficiency, innovation and the war for talent. He sees significant opportunities in European megaprojects in energy and transport and further afield, megaprojects in oil, gas and mining, such as offshore oil platforms. However, he acknowledges there are significant risks associated with these large projects.

Malcolm then posed the first question for the panel: "Where is the money?" Brian Field explained that there is still money being invested, although the appetite for risk has changed significantly. For example, the European Investment Bank had increased its annual lending to

approximately €79 billion in the immediate wake of the 2008 crisis, up from an average of roughly €55 billion per year; however, it has subsequently scaled down somewhat, to approximately €65 billion annually. Duncan Magrath commented that Balfour Beatty was exploring ways of investing in infrastructure that would not require significant balance sheet commitment. However, Balfour Beatty is not unique in this respect: for example, Royal BAM set up an infrastructure fund with the pension fund giant PGGM. Victor Pastor told the audience that the structure of financing has changed dramatically. Today, the FCC Group depends more on pension and sovereign wealth funds for its infrastructure funding, as it can't depend on its banks as much. The challenge here is construction risk, which some banks want to avoid. Victor thinks Spain has two tough lending years ahead before the government's deficit will be

brought back to a more acceptable level. In contrast, Mike Lucki said he has sufficient support from the nine banks that CH2M HILL borrows from. He suggested, however, that it would be helpful for banks to have a greater understanding of the construction industry, as CH2M HILL sometimes finds it a challenge to explain certain projects to them.

All panel members were of the opinion that the current economy is, to some extent, driven by sentiments. As such, there is a risk that this sentiment simply becomes a self-fulfilling prophecy. Both Mike and Duncan firmly believe that their countries (the US and UK) should spend much more on infrastructure, as that boosts the economy with a multiplier in excess of 2.5. Hence, President Obama's new proposed jobs legislation, which was announced on 8 September 2011, is disappointing.

Only \$50 billion of that is dedicated to infrastructure – a drop in the bucket, according to Mike. On the importance of continuous and high-level innovation, panelists were almost unanimous in their support. Andrew Wyllie says it's also imperative that his senior and middle management can answer the question, "What are the top three innovations within our company?"

All panelists were optimistic about the long-term prospects for infrastructure. The main question mark, however, is funding, and it would be helpful if banks increased their understanding of the market. On the question of industry consolidation, panelists believe that aiming for scale can be a risky goal: acquisitions, instead, should be based on creating diversification and meeting the needs of customers.

Another topic discussed was diversity, an item high on the agenda of all panelists; however, their experiences differed. Mike noted that female staffing at CH2M HILL was at a satisfactory level but could still be improved upon, while Victor noted that despite creating many opportunities for women, female staffing at FCC was below the company's targets.

The panel concluded with three other key messages:

- ▶ Find geographies where investors are putting money to work.
- ▶ Multicultural management is needed to overcome the shortage of engineers.
- ▶ The work force is less mobile in the western US due to an increased emphasis on work-life balance.

# Benchmarks in financial performance

Ad Buisman, Ernst & Young's EMEA Real Estate Leader

Ad Buisman provided a macroeconomic overview of the European construction industry based on financial performance results.

## Countries

Ad Buisman started his analysis by providing a macroeconomic overview of the construction industry based on Eurostat's construction production index figures. In June 2011, monthly building construction output decreased by 1.0% in the euro area and by 1.4% in the entire European Union (EU27), after 0.3% gains in both zones in May. In addition, civil engineering output fell by 2.7% in the euro area and by 0.8% in the EU27 during June, after a 1.1% decline in the euro area and no change in the EU27 in May.

Among the member states for which data is available for June 2011, annual

construction output fell in 10 countries and rose in 4. The largest decreases were registered in Spain (-43.7%), Slovenia (-35.9%), Hungary (-13.9%) and Romania (-10.0%). Increases were noted in Poland (+16.2%), Sweden (+4.5%), Germany (+2.6%) and the Netherlands (+2.3%). Construction output in the euro area fell by 11.3% in June compared to June 2010, driven by double-digit declines in Spain and Slovenia. For the EU27, construction output fell 8.1% year-on-year. Building construction output fell by 12.5% in the euro area and by 9.7% in the EU27, while civil engineering output in June decreased by 4.5% year-on-year in the euro area but increased by 0.6% in the EU27.

The crisis has hit the European construction industry hard and has translated into significant reductions in the construction output of all European countries since 2005. However, since the beginning of 2011, a slight upward trend has been witnessed in construction output and new orders. France and Germany witnessed large increases in new orders until June 2011, when they declined. Data from CIPS/Markit suggests that construction output in the UK may have improved in the second quarter of 2011 after recording its biggest quarterly fall in two years between January and March 2011. As reported by the German Federal Statistical Office (Destatis), the total price-adjusted value of orders

■ Negative  
■ Warning  
■ Positive

## Evolution of production volume in the construction sector since 2000

In %	2000-2005 by year	2006	2007	2008	2009	2010	2011	2011	Cost of the crisis 2007-2011	Public debt as a % of GDP	Public deficit as a % of GDP	2011 economic growth forecast
France	0.1	3.8	2.3	-3.2	-6.2	-3.0	1.5	Recovery	-10.6	85.4	-7.0	1.4%
Germany	-5.4	6.3	3.0	-0.6	-0.1	0.2	1.2	Recovery	0.8	83.2	-3.3	2.6%
United Kingdom	2.9	1.3	2.4	-1.1	-11.4	6.2	1.0	Recovery	-6.0	80.0	-10.4	1.4%
Italy	3.4	3.3	7.4	-0.6	-11.6	-3.3	0.5	Not yet out of crisis	-14.6	119.0	-4.6	0.9%
United States	11.7	-1.7	-18.6	-30.2	-28.6	-3.0	-1.5	Still in crisis	-52.3	100.3	-9.8	2.9%
Spain	4.7	2.2	-4.3	-16.3	-11.3	-20.2	-8.0	Still in crisis	-45.5	63.6	-9.2	0.5%

Sources: Euler Hermes, Reuters, Fox News, Daily Times and Eurostat.

"Governments begin to hobble economic growth when public debt runs as high as 80% to 100% of gross domestic product," according to a study by economists at the Bank for International Settlements (Source: Bloomberg).

received by building construction and civil and underground engineering enterprises in Germany decreased 0.7% in June 2011 from June 2010. In June, annual building construction demand in Germany increased by 3.6% (year-on-year), while demand in civil and underground engineering was up by 5%. The European Central Bank (ECB) said in its monthly bulletin in August that the current recovery in construction investment has been very weak in France and Spain.

### Top 20 European contractors

Ad Buisman presented results of research conducted by Ernst & Young on the 2010 financial results of the top 20 contractors

(by revenue) in Europe. Perhaps not surprisingly, companies with higher sales are not necessarily outperformers in terms of net income or order books. As a group, the top 20 outperforms the European construction sector as a whole; big and diversified seems beautiful. The results show that the top four companies on the list remain unchanged and there is one newcomer to the overall list, a Swedish firm. Sales for the top 20 companies increased by 1.5% as compared to a decrease of 4.9% in 2009. In contrast, building construction fell by 3.9% in Europe in 2010. Overall, the net income, adjusted for impairment and capital losses, of the top 20 increased 2.1%, driven by increased profitability among

more than half of the companies. The total order book for all companies showed an increase of 12.8% and totaled to almost €433 billion, vs. €384 billion in 2009. Without taking into account the seldomly reported maturity of the order books, this represents an average 21 months of production, vs. 20 months in 2009. Spanish and German companies saw the largest increases in their order books.

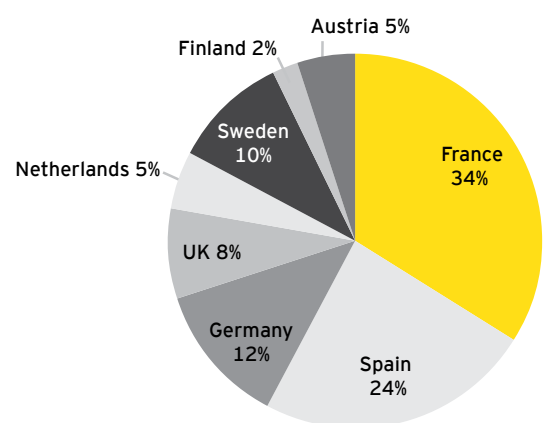
While UK companies showed the most favorable gearing and debt-to-EBITDA ratios, the average debt-to-EBITDA ratio for the top 20 stood at 4.1. However, it drops to 2.1 if Spanish companies are excluded. As Ad pointed out, this exclusion is relevant

Financial performance of the European top 20 contractors (by revenue) in 2010 (amounts expressed in millions of euros)

	2010	2009	% Change
Net sales	230,878	227,524	1.5%
Net result	8,070	7,905	2.1%
EBITDA	23,699	22,170	6.9%
Order book	433,931	384,719	12.8%
Net debt/EBITDA	4.1	4.2	-2.4%
Gearing (debt/equity)	1.5	1.7	-11.8%

Source: 2010 Ernst & Young survey.

Percentage of revenue of the top 20 European contractors by country in 2010



Source: 2010 Ernst & Young survey.



because Spanish companies have significant long-term concessions contracts, almost exclusively financed on a nonrecourse basis.

#### **2011 half-year results**

At the time of the roundtable, most of the top 20 contractors had reported their results through 30 June 2011. The sluggish recovery in Europe's construction sector came into focus when several major players reported that they are burdened by austerity measures and civil spending cuts at home and abroad. Companies show mixed results; there is not a clear trend as yet, but many companies expect that the good results of 2010 will most likely not be repeated in 2011. Because of a slowdown in the Spanish construction market, most of the Spanish players are focusing on geographical diversification and are increasing their presence in other major markets around the world, including the Middle East. Favorable weather conditions positively impacted the results of some companies.

#### **Outlook**

European construction companies are expected to continue to witness weak-to-modest performance over the next few years due to rising commodity prices, higher manufacturing output costs and wage inflation. As a result of rising competition, it may be difficult to increase contract prices, and costs have started to increase disproportionately, which is expected to create pressure on companies' margins. The cost of construction in Europe remains the highest in the world, with Switzerland and Denmark leading the pack. During the downturn, global supply chains have shifted their focus away from Europe toward emerging markets such as China and India, which could possibly mean that suppliers may not be able to guarantee materials when business does begin to increase. In June 2011, one of the European construction forecast groups projected that construction output in the 19 European countries it monitors would fall by 0.4% in 2011, slightly higher than the 0.1% drop it had forecast in December 2010. Austerity packages in countries like Spain, Portugal and Italy will contribute heavily to slower growth across Europe.

# Analyst's outlook for the sector

Luis Prieto, Analyst, Deutsche Bank

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Luis Prieto reiterated that transparency in financial statements is far from complete. Insight into the maturity of order books and information on the profit margin contracted with these order books is the exception instead of the rule.

Luis Prieto confirmed that construction companies with high-quality infrastructure assets are outperformers as there is strong demand for these assets, and this will continue to grow. However, Luis's discussion mainly focused on the uncertainty in markets, nations and world GDP. He underpinned his analysis by quoting one CEO of a major construction company: "I see zero on the ground but have no clue what is happening." Although the gloomy potential scenarios are not actually unfolding, the concern is palpable. And this is understandable, because the industry's

sensitivity is very real: according to Luis, Deutsche Bank has calculated that a 1% reduction in world GDP growth would shrink earnings of cement companies by 25%, and of contractors by 10% to 15%. Likewise, a 1% decline in contract prices would cause a 30% decrease in EBITDA for cement companies. The cement industry would stagnate if global GDP growth shrank to 1.5%.

Investor uncertainty is readily apparent in the stock market: correlation between all stocks (their movement in the same

direction) now exceeds 80%, well above the 30% sometimes seen in the past. The game of stock picking is therefore over. Luis notes that the slightest piece of negative news leads to short-selling, and that the uncertainties reflected during the panel discussion and Peter Spencer's presentation affect the valuations of long-term infrastructure projects. One risk for long-term projects is the pace of innovation: if a project drags on, will that road or that airport be needed by the time it's completed?

# Managing corruption

Kevin Hills, Partner, Ernst & Young LLP's Fraud Investigation & Dispute Services

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Kevin Hills opened by explaining the relevance of anti-corruption and fraud management for construction and infrastructure companies, which includes keeping pace with the ever-increasing anti-corruption legislation. He also discussed the results of an Ernst & Young corruption survey, which had some remarkable conclusions.

Companies face pressure to enter new emerging markets due to diminished domestic growth. As a result, many issues arise when doing business in those markets. For example, there are many touch points with government officials when obtaining licenses and planning permissions. In addition, companies experience funding issues because many infrastructure projects are funded in whole or in part by governments. The use of complex structures, such as joint ventures, subcontractors, consultants and agents can create challenges due to the difficulty of tracking payments in this environment. These challenges come at a time when many countries are updating anti-corruption legislation and increasing regulatory enforcement.

To determine the current state of corruption, Ernst & Young conducted a survey of construction and infrastructure companies, which demonstrated some remarkable results, including:

- ▶ 64% of the respondents report that their organizations have anti-bribery and corruption policies in place, as well as a code of conduct, but only 11% have received training.

- ▶ Businesses remain under pressure with regard to costs: 64% of the respondents noted an increase in pressure to reduce costs, compared to just 51% in 2009.
- ▶ The pressure on management to improve financial performance remains high, according to 81% of respondents in the construction sector.
- ▶ At the board/senior management level, 56% perceive management as likely to cut corners in difficult economic times. The percentage of those below the board/senior management level reporting that they believe management would be likely to cut corners was 72%.
- ▶ 68% see bribery as widespread in many markets, with 42% reporting that it is common practice to use bribery to win contracts in their markets.

Kevin introduced Transparency International's Corruption Perceptions Index and discussed some of the risks Ernst & Young is currently observing in Europe, the Middle East, India and Africa. Unfortunately, many of the countries discussed have very unsatisfactory scores. This is in line with the market's growing demand for increased supervision by regulators and that the vast majority of respondents to the survey believe that

bribery and corruption are widespread. One effort to control corruption – which seems to be having a positive effect – is the Dodd-Frank Act, which was introduced in the US; 70% of the respondents believe that Dodd-Frank has encouraged employees to be whistleblowers and another 52% believe that these measures have led to a change in behavior.

Kevin concluded by providing the following recommendations to manage corruption:

- ▶ Set the correct tone at the top
- ▶ Perform a comprehensive anti-bribery and corruption (ABAC) risk assessment
- ▶ Review existing policies and procedures and close ABAC gaps
- ▶ Improve communication and employee training
- ▶ Conduct due diligence on suppliers, customers, contractors, agents and other third parties
- ▶ Extend ABAC policies and procedures to contracts with third parties
- ▶ Undertake proactive data analysis in addition to current internal controls in place
- ▶ Understand what is happening on the ground, especially in unfamiliar territories and when dealing with complex business structures

# Corporate responsibility and the environment

Pia Bäckman Forkner, Senior Manager, Ernst & Young Sweden

Pia Bäckman Forkner highlighted several areas of corporate responsibility which need improvement and reviewed key trends which are impacting the corporate responsibility agenda.

Pia Bäckman Forkner's discussion addressed different areas of corporate responsibility, with a particular focus on the environment. She opened by examining several areas of corporate responsibility which need to be improved, including:

- ▶ Increasing knowledge and awareness for stakeholders
- ▶ Calling on suppliers to meet higher standards
- ▶ Developing energy-efficient transport and logistics
- ▶ Improving reputations and decreasing corruption
- ▶ Fully integrating corporate responsibility with the business strategy
- ▶ Creating and promoting behavioral change

Pia also reviewed the following trends

which today are impacting the corporate responsibility agenda:

- ▶ Diversity and gender
- ▶ Responsibility for employees
- ▶ Communication and transparency
- ▶ Preservation of natural resources
- ▶ Life-cycle cost engineering
- ▶ Corporate responsibility reporting, driven by the Global Reporting Initiative

Corporate responsibility today is, to a large extent, focused on environmental sustainability. Making progress in this area requires a new way of thinking and managing, and creating new alliances.

While energy efficiency is a priority of the European Union, only a few countries have made substantial progress, with Germany clearly best in class. The European

Construction Industry Federation (FIEC) has put sustainable construction high on its agenda and calls for the integration of sustainability concepts in construction, recommending a balanced economic, ecological and social approach. FIEC has recommended 10 principles of sustainability, which include minimizing waste, the environmental classifications of buildings, use of environmentally friendly materials, and optimizing working conditions.

Energy certifications need to be better regulated and sustainable construction has only just begun – and there is still a long way to go. In fact, there is still an enormous lack of knowledge about corporate responsibility and sustainability in general, according to Pia.



Sustainability is no longer hype, but a must.

# Closing remarks

Ad Buisman, Ernst & Young's EMEA Real Estate Leader

Ad Buisman described Germany as the country that not only outperforms in economic and construction growth, and lower construction costs but also in sustainability. This is a remarkable achievement, as growth and sustainability are not always easy to combine.

Ad summarized a variety of important points from this year's roundtable, including uncertainties and negative sentiments in the market, key actions for businesses to take and what to avoid doing.

Investors should consider uncertainties and negative sentiments about:

- ▶ The Eurozone: will the euro survive in its current state?
- ▶ World GDP: will global GDP stagnate or fall backwards?
- ▶ Stocks: will prices continue to plunge?
- ▶ Financial markets: exposure of financial institutions to certain challenged investments, such as sovereign debt and real estate loans.

Key actions for construction, engineering and infrastructure organizations:

- ▶ Invest in high-quality infrastructure assets with a focus on energy, water and food.
- ▶ Ensure proper risk management, project planning and program assurance.
- ▶ Diversify to more promising markets and countries.
- ▶ Increase mobility of employees and producing assets.
- ▶ Innovate to satisfy customer demand and optimize customer satisfaction.
- ▶ Reduce the number of suppliers in the supply chain.
- ▶ Choose the right customers - those with a large chance of repeat orders.

- ▶ Continue to build on stakeholders' confidence in your organization.
- ▶ Integrate corporate responsibility and sustainability in the overall business strategy.
- ▶ Undertake selective acquisitions based on fulfilling consumer needs.

Businesses should not:

- ▶ Fail to implement procedures to prevent bribery and corruption
- ▶ Communicate poorly or lack transparency
- ▶ Be unprepared to comply with regulations
- ▶ Consolidate for the purpose of scale only – evaluate the pros and cons

The quote of the event is perhaps Andrew Wyllie's:  
"Analyze and challenge how we do what we do."

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Today's real estate industry must adopt new approaches to address regulatory requirements and financial risks, while meeting the challenges of expanding globally and achieving sustainable growth. Ernst & Young's Global Real Estate Center brings together a worldwide team of professionals to help you achieve your potential – a team with deep technical experience in providing assurance, tax, transaction and advisory services. The Center works to anticipate market trends, identify the implications and develop points of view on relevant industry issues. Ultimately it enables us to help you meet your goals and compete more effectively. It's how Ernst & Young makes a difference.

For more information, please contact:

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