

Letter from the Chairman



Dear Shareholder,

It is an honour for me, as Chairman of the Board of Directors, to present BME's 2011 Corporate Social Responsibility Report (CSR).

CSR has become a business management tool and a driver of ethics in the business world, heralding a new economy based on responsible and sustainable companies. In this sphere, BME's objective is to contribute where best we can and take advantage of our position in the financial system to support and create opportunities for all Stock Market users and customers, and for the company's main stakeholders.

Therefore, in 2011, we continued to implement our corporate principles among users and customers, in the pursuit of efficiency and transparency to provide the services they require and satisfy their expectations. In this summary of BME's activities I would like to highlight the key financing role played by the stock exchange in these difficult economic times. The restrictions on funding currently affecting both the public and private sectors do not only pose one of the greatest challenges facing the Spanish economy today, but it is also one of the main pillars that that will underpin the country's future growth and competitiveness.

Consolidation of CSR: adherence to the UN Global Compact and support for the Social Responsibility with Entrepreneurs initiative

In this area, I would underline two significant developments: First, BME's adherence to the UN Global Compact in 2011, becoming a member of the Red Española in the Large Listed Companies category. *The UN Global Compact* comprises over 8,000 entities from 130 different countries. It is an international initiative in the area of Social Responsibility for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of Human Rights, Labour, Environment and Anti-corruption.

By being a signatory to the Global Compact, BME's view of CSR is based on our commitment to companies, investors and all other securities markets participants, and, by extension, to society at large.

Second, as a show of support for entrepreneurs and small companies (in much the same way as the MAB), in 2011 BME also joined the *Social Responsibility with Entrepreneurs initiative*, headed by Bankinter, Accenture and IE Business School. Large multinationals were small companies that became successful. To become multinationals they had to be able to access sufficient financing resources to allow them to leverage a brilliant idea into a consolidated successful business.

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Shareholder value

BME has proved worthy of its shareholders' confidence in face of volatile and turbulent financial markets, maintaining its dividend commitments and closing the year with a yield of 11% (via dividends), placing it at the top of the ranking among IBEX 35® companies.

BME shares gained 17% in 2011, while the IBEX 35® lost 13%.

Employee training and work/life balance

The combination of talent and commitment shown by our employees is one of the main reasons behind our success. Therefore, we have focused on building a corporate identity out of diversity, boosting the know-how specific to each business unit to enhance professional growth. The company is permanently working to improve the work/life balance of our employees and their health and safety in the work place, and placed great emphasis on training in 2011.

The number of employees attending the wide selection of courses offered was maintained in 2011 to 553, with more than 2,033 lecture hours and special attention was given to language training. An initiative called *Urban holiday camps* was also rolled out, allowing the children of employees to take part in group activities with other young people.

BME has also created an Innovation group comprising members of different business units and aimed at defining and streamlining the role played by innovation at the company. As a result of the work of this

team, in 2011 an internal communications campaign was developed, *QUIZ Equipo BME*, with the objective of encouraging teamwork among group employees through the development of new projects, products and services.

I would also like to stress BME's pledge to providing stable employment over these recent difficult years. We consider this to be one of the cornerstones of CSR, especially in times of crisis and severe unemployment.

Upholding our cultural heritage, art and museums

BME has sponsored several social, cultural and artistic initiatives in our community, in addition to developing and sustaining various centres of education, study and research.

In 2011, we carried out a substantial reform on the facade of the *Palacio de la Bolsa* building, which has received more than 10,000 visitors through guided tours that form part of our broad financial training programme aimed at all spheres of society.

Protecting the environment

BME remains a member of the FTSE4Good IBEX sustainable investment index and we continue to participate in the *Carbon Disclosure Project*, evidencing our clear commitment to protecting the environment. We have also made progress in reducing and recycling the waste the company produces and made further savings in basic consumption and energy resources.

I believe that we are making good progress in our mission to create value for shareholders, customers, employees, society in general and the community in which BME operates through its CSR policy. Many challenges clearly lie ahead over the next few years and we still have some way to go, but BME's strategy, in tandem with our financial stability and corporate governance, will support us in this endeavour and we will continue to strengthen our initiatives in this field. Lastly, I would like to say that, despite the numerous challenges currently facing society, BME will strive to uphold its position as a key and responsible standard bearer for the economic and financial world, recognised especially for our commitment to listed companies and to investors who we strive to serve with the maximum guarantee of efficiency and security.

Thank you.



Antonio J. Zoido