



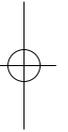
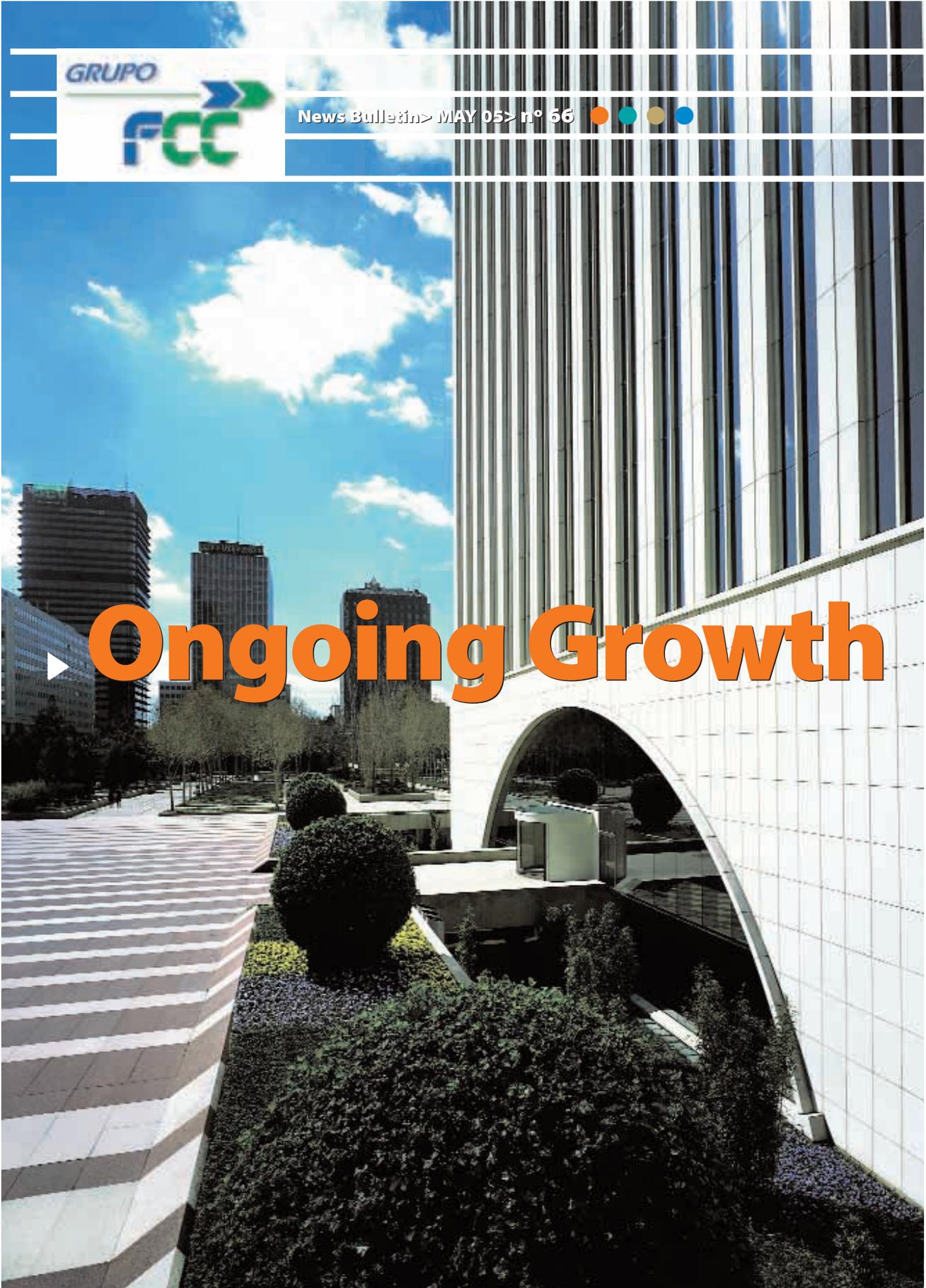
GRUPO



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# Ongoing Growth





# FCC announces **targets** and



**F**CC's chief executive officer Rafael Montes made a presentation on 18 April to the Group's managers, analysts, and the media, on the Company's growth plans for the next three years, supported by FCC core shareholders headed by Esther Koplowitz. The Group aims to increase its sales twofold in the next three years and increase its international presence. Excluding corporate transactions, FCC expects 4% sales growth this year, with net income growing between 8 and 10%.

## ► Strategy objective

Organic business performance has been responsible for practically all of FCC's growth in recent years. Its shareholding structure has made it difficult to pursue an aggressive acquisition policy, but now that Veolia has ceased to be a shareholder, this will no longer be the case. Esther Koplowitz, FCC's largest shareholder, allowed the entry of new financial partners (Ibersuizas, Cartera Deva, the Peugeot family, and Grupo Faustino), highlighting their "solvency, experience, and tradition in investing in major companies such as FCC", and wagering on their commitment and decisive support.

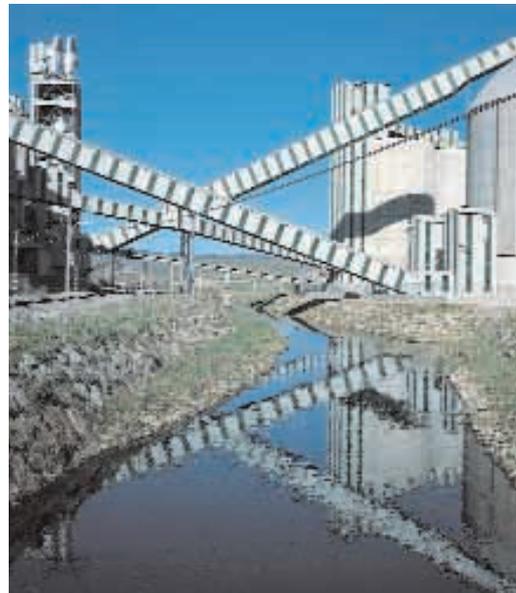
The incorporation of new shareholders also shores up the strategy announced by Esther Koplowitz in July 2004 aimed at consolidating a diversified shareholder structure that would represent a solvent and stable base for FCC's controlling partner.

## STOCK MARKET PERFORMANCE

In the last three years, FCC has consistently topped the selective IBEX and accumulates 95% gains for shareholders.

### Dividends

FCC's dividends increased 3.6x in the last four years. Payout is 2.3x higher and accounts for 50% of ordinary income after taxes. The dividend in 2004 surged 94%.



FCC now wants to consolidate its leadership and boost growth and profitability in its three strategic areas: Services, Construction and Cement, combining organic growth with acquisitions in the domestic as well as in international markets, and pressing ahead with the process aimed at gradually increasing the weighting of the Services area.

### To meet this target, the Company counts on:

- Its leadership and proven management capabilities in these strategic areas.
- Its debt capacity, enabling the FCC Group to invest more than 3 billion euros.
- The firm and decisive commitment of its core shareholders.

About to embark in a new phase, FCC has already allocated the teams and necessary means for identifying, analysing, negotiating, and, if appropriate, executing any investment alternative that fits in with its strategic targets.

The first step has already been taken in this active

# Plans for the future



acquisition-driven policy with the acquisition of the Grupo Logístico Santos last February.

The implementation of this policy will also enable FCC to meet the following objectives:

#### ► Operational objectives

- In the next three years, double its current sales to 10 to 12 billion euros.
- Increase its international presence, with international business contributing between 35 to 40% of the Group's consolidated sales.
- In this same period, increase gross operating income (EBITDA) twofold, to 1.4 - 1.6 billion euros.

#### ► Financial objectives

- Keep the gearing ratio below 50%.
- Maintain the Debt/EBITDA ratio at less than 2.5x

#### Growth factors

**Environment:** Growth in urban areas, increase higher added value services and privatisations.

**Water:** Market privatisation, growth in urban and new business areas (industrial water, desalination, or irrigation plans).

**Industrial waste:** Application of current E.U. environmental guidelines, new growth opportunities driven by higher environmental awareness prompting new regulations, such as soil decontamination, electronic, hazardous, and very hazardous waste.

**City furnishings:** International organic growth thanks to new tender processes: New York, London, etc.

#### FCC IS ONE OF THE LARGEST SERVICE AND CONSTRUCTION GROUPS IN SPAIN.

- 4,626 million euros market cap.
- 6,286 million euros in sales.
- 388 million euros in Net Income.
- 715 million euros in net Cash Flow.
- 16,405 million euros order book backlog.
- 63,600 employees.

**Handling:** Growth thanks to the extension of licenses in 40 Spanish airports and international diversification.

**Logistics:** Organic market growth due to convergence with neighbouring countries and possible acquisitions driven by market fragmentation.

**Technical Vehicle Inspection (ITV):** Organic growth thanks to extension of concessions, diversification in certification activities, and international expansion in countries such as Brazil.

**Transport:** Participation in the new freight railway transport market and new opportunities in urban transport (underground and streetcars).

**Construction:** Development of the Transport Infrastructure Plan (PEIT) and international expansion with creation of development platforms in geographical areas offering strong growth potential.

**Cement:** Recovery of the North American Market and full operation of U.S. facilities. ■



# Inauguration of the Contemporary Art Museum of Castilla y León



**O**n 1 April, the Prince and Princess of Asturias, Felipe de Borbón and Letizia Ortiz, inaugurated the new Contemporary Art Museum of Castilla y León (MUSAC), worth an investment of more than 33 million euros. The Prince and Princess, accompanied by the President of Castilla y León, Juan Vicente Herrera, the Secretary of Culture, Silvia Clemente, and the mayor of León, María Amilibia, visited the new art facilities. Designed by the architects Emilio Tuñón and Luis Mansilla, winner of the 2003 National Architecture Award, the project spans over 9,700 m<sup>2</sup>. A courtyard measuring 1,300 m<sup>2</sup> serves as an outdoors art exhibit area. If the outdoor public square is included, this space stretches over 1,500 m<sup>2</sup>. The FCC-built complex stands on an over 21,000 m<sup>2</sup> plot between Avenida de los Reyes Leoneses and Campanillas, Obispo Vilaplana, and Padre Llorente streets. Built in the modern district of León, the glass building has a steel structure and white reinforced concrete beams, with an auxiliary structure consisting of laminated galvanised steel profiles.

## TECHNICAL TEAM

**MANAGER AND HEAD OF DEPARTMENT:**  
Javier Courel Martínez.

**HEAD OF PROJECT:**  
Óscar Fernández González.

**HEAD OF THE TECHNICAL OFFICE:**  
Marcos Laiz Navarro.

**PROJECT SUPERVISOR:**  
Vicente Pascual González.



A STAINED WINDOW WITH MORE than 3,000 multi-coloured panes of glass make up the façade of the museum, the design of which takes its inspiration from the oldest stained glass window in the Cathedral of León, known as "The Falconer", dating back to the twelfth century.





Its main facade consists of more than 3,300 multi-coloured glass panes held together by more than 500 iron beams. The design takes its inspiration from the oldest stained glass window in the Cathedral of León, known as "The Falconer", dating back to the twelfth century. The building also has two types of roofing, an inverted gravel structure, and another ventilated ceiling made of zinc.

The vestibule houses, among other installations, the ticket booths, the information desk, access to different exhibit areas, a shop, cafeteria, and restaurant. The internal areas of the building, such as the warehouse, offices, documentation, conservation, classrooms, and library are situated behind the vestibule. The new and spacious halls are equipped with air-conditioning and safety, fire detection and protection systems, closed circuit TV, loudspeaker systems, voice and data networks, all of which are centralised in the control room. ■

#### THE MUSEUM IN FIGURES

Construction of the Contemporary Art Museum of Castilla and León (MUSAC) began in March 2002. After three years of work, the unique building, designed by the architects Emilio Tuñón and Luis Moreno Mansilla, designers of the Fine Arts Museum of León and Castellón, and the archaeological museum of Zamora, also built by FCC, has been officially inaugurated.

- Total budget: 33 million euros.
- Size of lot: 21,178.15 m<sup>2</sup>.
- Total construction: 9,700 m<sup>2</sup>.
- Total outdoor space: 10,800 m<sup>2</sup>.



THE HALLS OF THE MUSEUM are all air-conditioned and equipped with security and fire detection and extinguishing systems.





# Sharp increase in harbour works portfolio

**S**pectacular increase in harbour projects awarded to FCC in 2004 in comparison with previous years, confirming the company's excellent performance in this sector as it consolidates its positioning as one of the most competitive companies

dock with the sea and transversal link in the Valencia harbour.

- American Cup 2007. FCC, the majority partner in a joint venture with a local company, awarded a 19.7 million euro project.
- 1st Phase of the cruise ship harbour at Rosario Port in Fuerteventura, awarded by the Las

Palmas de Gran Canaria Port Authority.

- Enlargement of the South esplanade in the commercial docks at Palma de Mallorca Harbour. Balearic Islands Port Authority.
- Extension of the Navarra dock at Tarragona Harbour. Tarragona



nationwide.

The main projects awarded in the last few months of last year and early 2005 are as follows:

- Enlargement of the Gijón harbour (Asturias). The project, in which FCC Construcción participates in a joint venture with another company in the sector, is worth 579.2 million euros.
- New gateway to the harbour in Seville (Phase I – Floodgates). Worth 166.6 million Euros, FCC Construcción is the main partner in the winning consortium in which it participates with two other sector companies.
- Channel connecting the interior

## SEVILLE HARBOUR

New access gateways in Seville Harbour. The project involves the construction of a new 434-metre long lock at the junction of the Alfonso XIII Channel and the Guadalquivir River with capacity for tugged vessels. The floodgates are 42 metres wide, 20.3 metres high, and 6 metre thick, with the interior parameters of the gates spanning over 253 metres. The support docks will be built using 173 metre long sheet piles. The navigation channel will be dredged -9 metres downstream and -7.70 upstream. The project also contemplates the execution of three mobile bridges, two for the road measuring 44 metres long and 12 metres wide, and another bridge for the railway, with the same length and 6.10 metres wide, with a platform balancing on a horizontal axis coinciding with the support lines. Construction involves 19,000 metric tons of corrugated steel, 280,000 m<sup>3</sup> of concrete, 5,600 metric tons of laminated steel for the bridges and floodgates, 5,000 metric tons of sheet pile. More than 4,000,000 m<sup>3</sup> dredging works will be executed over different types of terrain.

Port Authority.

- Revamping of the fish market building in the fishing dock at Santa Cruz de Tenerife Harbour. Santa Cruz de Tenerife Port Authority.
- New Aboño-Musel connection at the Gijón Harbour (Asturias) Gijón Port Authority.
- Urbanization of the Los Mármoles Dock. Arrecife Harbour, Lanzarote. Las Palmas de Gran Canarias Port Authority.
- Upgrading A Laxe dock, Vigo Harbour (Pontevedra). Vigo Port Authority.
- Protection in the north Coia dike in Vigo Harbour (Pontevedra). Vigo Port Authority.
- Enclosure of the fish market at the loading dock in Vigo Harbour (Pontevedra) Vigo Port Authority.
- Vertical enclosure of the fish market parking facility at Vigo Harbour (Pontevedra). Vigo Port Authority.
- Las Azucenas Dock. Motril Harbour enlargement project. Almería-Motril Port Authority.
- Resurfacing work in the north zone of the new ferry harbour (1st phase) in Vigo Harbour (Vigo Port Authority).

The sum of all the projects awarded is 826.4 million euros. ■

#### VALENCIA HARBOUR

Interior dock communication channel with the sea and transversal link with the Valencia Harbour. Project involves the execution of a 600-metre long, 80-metre wide, and 7-metre deep communication channel linking the interior dock with the sea. It is one of the first projects undertaken for the 2007 American Cup. The contract includes the construction of a road stretch parallel to the current mobile railway bridge, with a coronation width of 30 metres. Water renewal in the interior dock is achieved using six 2 metre diameter pipelines incorporated in the nucleus of the embankment.



#### MUSEL-GIJÓN HARBOUR (ASTURIAS)

Enlargement of the Gijón Harbour. The project consists of 3 dykes (towers, north, and counter-dyke) spanning over 3,834 metres. The first one consists of a breakwater and up to 200 metric tons of concrete blocks for protection. The second one is made of prefabricated reinforced concrete boxes, while the third one has a breakwater and 90 metric ton blocks.

The 1,250-metre long north dock will be built with 53-metre long reinforced steel boxes. The esplanade, spanning over 145 hectares, requires 25 million m<sup>3</sup> of dredging work, 350,000 of which involves rock formation. More than 2.5 million m<sup>3</sup> of concrete, 40,000 metric tons of steel, and 15 million m<sup>3</sup> of quarry material, plus 11 million m<sup>3</sup> of borrow.



# The Oceanographic Park in Valencia wins prize for best civil engineering work

**E**l Parque Oceanográfico de Valencia (Valencia Oceanographic Park) built by FCC Construcción for the Generalitat Valencia, was awarded the Construmat prize for the best civil engineering project. The prize was given by the Salón Internacional de la Construcción (Construmat 2005) held in Barcelona in the Montjuic fair grounds. The award ceremony took place on 14 April in the Palacio Pedralbes.

The prize, which aims to stimulate technological innovation, is one of the most prestigious in Spain. The Department of Territorial Policy and Public Works of the Generalitat de Cataluña, and the Technical Secretariat of the Construction Technology Institute of Cataluña are two of the collaborating entities.

In awarding this prize, the panel of judges highlighted "the excellent combination of technical, environmental, and functional solutions, with a high level of creativity and innovation in various techniques: diverse structural types, precise installations and functioning aimed at achieving environmental diversity in the different reproductions of biological habitats, and a very positive approach in the access and public areas, invested with great dignity".

Six of the eleven works selected for this award, were executed by FCC Construcción, including: the Tren Cremallera de Monserrat (monorail), the Delicias Train Station in Zaragoza, the Daoiz and Velarde Sports Centre in Madrid,



the National Art Museum of Cataluña (MNAC) in Barcelona, as well as the Landscaping of the Controlled La Vall d'en Joan Deposit in the Garraf Nature Park in Barcelona.

L'Oceanogràfic, an authentic marine park, a reproduction of the main seas and oceans in the planet, is the largest of its kind in Europe, housing more than 45,000 animals of 500 different species from several types of habitats.

The building has spectacular reinforced concrete sheet roofing in a hyperbolic paraboloid shape.

A meticulous selection of materials went into this project, which features the latest in technology. Spanning over 100,000m<sup>2</sup> distributed in two levels, the park is located in the eastern part of the City of Arts and Science, near the previous mouth of the Turia River.

One installation is dedicated to fish and invertebrates and another one

**JOAQUIM NADAL, the Counsellor for Territorial Policy and Public Works, hands José Mayor Oreja, Chief Executive Officer of FCC, the Construmat prize for the best Civil Engineering project.**

is for sea mammals. Divided into 10 theme areas, known as Submarine Towers filled with fish, these areas contain 42 million litres of seawater, equal to the size of 15 Olympic pools. The park has one of the largest dolphin tanks in the world, holding 23 million litres of water and has an interactive hall accommodating up to 500 people, an underwater restaurant surrounded by 480,000 litres of water, and a 10-million litre artificial lake in the middle of the park. More than 150,000 m<sup>3</sup> water is fed from the Mediterranean Sea into the tanks through a 7 km-long outlet channel, with an alternative salt water production plant also used to bring water to the facilities.

The park is designed as a large space for research, education, and leisure, with the main objective of developing marine scientific and educational activities, as well as the conservation of sea fauna and flora. ■

► **ONE OF THE MOST PRESTIGIOUS PRIZES** in Spain designed to stimulate technological innovation.



## Construmat 2005



## SELECTED FCC PROJECTS

**Building: Special mention**

- The Zaragoza-Delicias train station in Zaragoza. The panel of judges described it as "a very intelligent project where by means of a simple level movement and a technically complex yet simple roofing structure, the result is a non-monolithic or heavy structure, standing as a landmark element fully integrated in the city"
- The National Art Museum of Cataluña (MNAC) in Barcelona, received a special mention as "a project in which the construction solutions and techniques achieve a comprehensive refurbishment of the building, respecting the original architecture, while at the same time adapting it to new program and functional requirements"
- The Daoiz y Velarde Sports Centre, Madrid. Classified thanks to "the construction quality and measured project solution, taking advantage, formally or environmentally, of the original building's qualities, carefully adapting it, yet providing a totally new vision and maximising its functionality to meet all the building's requirements"

**Civil engineering: Diplomas**

- The construction and installations of the Cremallera de Monistrol to Montserrat (monorail), Barcelona, was awarded a diploma for the "valuable recovery of a historic infrastructure, using modern technical solutions, elegantly integrated in a nature park, with the upgrading of the most deteriorated parts of the areas surrounding the monastery"
- Landscaping of the controlled La Vall d'en Joan deposit in the Garraf Nature Park in Barcelona. Diploma awarded for the "excellent execution of a project designed for upgrading nature areas which were previously very damaged, with a functional and artistic concept, in line with land-art or great landscaping"

## Refurbishment of the **San Francisco Convent hostel** in **Santo Domingo de la Calzada** (La Rioja)



**T**he Minister of Industry, Tourism, and Commerce, José Montilla Aguilera, and the President of the La Rioja regional government, Pedro Sanz Alonso, inaugurated the new Santo Domingo Bernardo de Fresneda parador in Santo Domingo de la Calzada, housed in the ancient San Francisco Convent hostel. Commissioned by Paradores, S.A., the project involved the refurbishment of this hostel on the Road of Saint James, converting it into a parador featuring all amenities. The hostel stands in the historic-artistic San Francisco Convent in Santo Domingo de la Calzada, a National Monument, with a church, sacristy, and classic style cloisters, dating back to the sixteenth and seventeenth century. The project involved the revamping of the facilities and civil works in 35 rooms plus the construction of 16 additional rooms. A dining room area, situated in a 447 m<sup>2</sup> internal courtyard was built using a metal post structure and a laminated wood window structure, with a

► **ON THE GROUNDS OF THE SAN FRANCISCO CONVENT, the Parador is just 800 metres from the historic centre of Santo Domingo de La Calzada in a building built in 1595 by Juan de Herrera.**



ceiling consisting of bronze anodised aluminium, and transparent polycarbonate plates. The entire project was adapted to meet all the requirements of paradores.

### ► **San Francisco Convent**

The refurbishment of the convent was commissioned by the Ministry of Housing with the financial collaboration of the Santo Domingo de La Calzada city hall

THE BUILDING includes a church, a workshop-museum, and a hostel, which after the refurbishment work, is used as a tourist parador.

and the government of La Rioja. The project involved the church, a museum-workshop, and the hostel. FCC was also in charge of demolition, removing the exterior and interior carpentry work, dismantling the roof, replacing the roof tiles, and several other works, including new structures and special masonry work. ■

### TECHNICAL TEAM

**HEAD OF DEPARTMENT:**  
Antonio Gracia Vera.

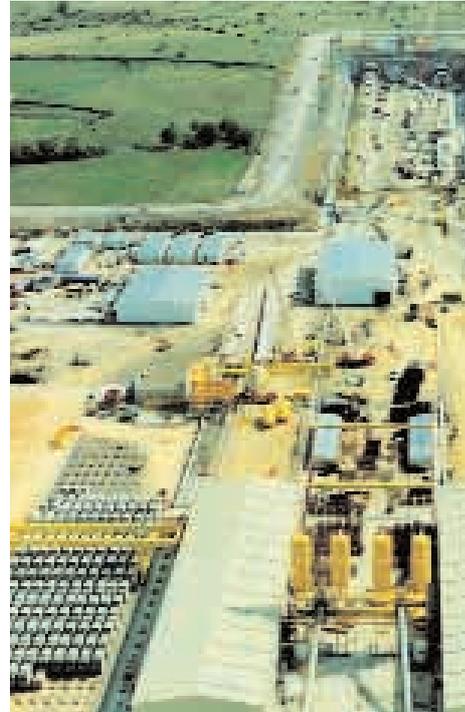
**HEAD OF PROJECT:**  
Angel Rosell Carpintero.

**HEAD OF PRODUCTION:**  
José Antonio Gracia Martín.

**PROJECT SUPERVISOR:**  
Antonio Molina García.



THE DOUBLE-SHIELD MIXED TUNNELLING machine that was used has a 9.5 m excavation diameter on the west side, and 9.46 on the east side. In the photograph, the front of the tunnel and detail of the head of the tunnelling machine.



## Completion of drilling and lining work at the Guadarrama Tunnel

### CONSISTS OF TWO PARALLEL ONE-WAY 28.4 KM LONG TUBES

**F**CC, in a joint venture with other companies, has completed drilling and lining work on the two tubes of the northern exit of the Guadarrama Tunnel. This side of the tunnel was completed at the end of December and the western side at the end of January, both of which have an excavated length of 14,400 m. Work on the future high-speed Soto del Real-Segovia railway access was completed at a good pace. A mixed tunnelling machine was used to drill the tunnels. It has a double shield, an excavation

diameter of 9.5 meters on the west and 9.46 metres on the east side. The sides of the tunnel were covered with prefabricated reinforced concrete segments, 32 cm thick, and 1.60 m wide, and variable lengths. Galleries connecting both tunnels were built every 250 metres. In compliance with environmental demands, leftover excavation material was transferred on conveyor belts to quarries for its subsequent use in other public works. The tunnels span from the

Miraflores de la Sierra (Madrid) municipal area to Segovia. Since the Guadarrama massif is a specially protected zone, intermediate drilling was ruled out, and, instead, four tunnelling machines were used, two for each of the tubes comprising the tunnel, which were specifically built considering the special characteristics of the plan and the geology of the Guadarrama mountain range. At the completion of the excavation work, more than four million m<sup>3</sup> of rocks had been extracted. ■

## Construction of two buildings in the **Cristalia** Business Park in Madrid



**I** SO, an FCC Construcciones subsidiary, was awarded the project for the Cristalia 5 and 6 Office buildings. These will be built in one of the lots at the Cristalia Business Park in Madrid's Hortaleza district next to the M-40, with 92,000 of floor space and 32,000 m<sup>2</sup> of landscaped grounds. Eleven more buildings, for offices, hotels, restaurants, banks, security guards, and complementary services will be built in the surrounding area. The park will be the largest of its type in the capital. The project calls

for the construction of two office buildings with a ground level and 6 other rectangular 71.63 x 18.70 metre floors. Both buildings will have two basement floors to be used as parking facilities. Landscaping, sewage and plumbing are also part of the project. Latticework forging will make up entire horizontal structure of the buildings, with pillars and screens used for the vertical structure. The façade consists of a curtain wall with fibreglass filter insulation. The total budget for this project, with an 18-month execution deadline, is 13.51 million euros. ■



### Prize for the study on **comprehensive protection** of the **circular sawmill**

**F** CC Construcción and the Escuela Politécnica Superior de la

Universidad de Girona awarded the prize for the "Study for the comprehensive protection of the circular sawmill" to Jordi Mías, a student completing the his last year in Industrial Technical Engineering. The award ceremony, at the University of Girona, was presided by the dean of the Polytechnic University, Joaquín Velayos. The winning project proposes an innovative solution comprising of a car to bring together the sawmill pieces, and can serve as the basis for future safety-enhancing innovations.

All students from the Girona and the Barcelona Polytechnic Universities were invited to submit their projects.

The works submitted were designed to provide solutions for improving the safety of the sawmill and making it a more useful tool. ■

► **A CAR TO BRING together the pieces of a circular sawmill was the innovative feature of the award-winning project.**

## FCC Construcción publishes the first “In Accordance” sustainability report in the sector

**F**CC is the first construction company to have published the “In Accordance Sustainability Report. The Company voluntarily took the decision to periodically inform stakeholders on social, environmental, and economic aspects in accordance with the guidelines of the Global Reporting Initiative.

For FCC’s Chief Executive Officer, José Mayor Oreja, the report represents “the culmination of a progressive modernisation process in the Company’s management systems, which have made the organization increasingly more efficient and responsible in environmental and social aspects”.

The document was written with the advise of the Entorno Foundation and in accordance with the 2002 Global Reporting Initiative Guidelines. The report, validated by Aenor, will be published twice a year.

### Improvements and responsibility

The report details the solutions contributed for identifying the impact and risks of construction activities on environmental and social aspects.

FCC Construcción has implemented the ISO 9001 Quality system. Deeply embedded in the organization, these requirements constantly support the operating units through the highly qualified technical service teams who carry out viability studies of all solutions in the planning stage. The Company closely monitors and controls legal compliance and is committed to the training and career development of its personnel and subcontractors, constantly evaluating its suppliers to optimise all contracted work. FCC has set up an ISO 14001



Environmental Management system for the control and constant improvement of environmental performance in all areas. 79% of the projects fully comply with the environmental target, 96% integrate the restoration of areas affected by installations as part of their targets, and 90% have reduced inert materials in dumping sites by 15%.

FCC Construcción, which has voluntarily subscribed to the principles of Global Compact, is clearly aware of its responsibilities towards society and the natural habitat.

THE REPORT details the solutions contributed for identifying the impacts and risks that construction activity can have on the environment and social surroundings.



According to the report, 99.6% of employees work full time; the accident rate at FCC Construcción is one-fourth below the average in the sector, with the company dedicating 116,000 hours in ongoing training.

FCC is firmly committed to safeguarding its employees’ safety, and has set up the necessary conditions for the compliance with current law and internal regulations. It plans, organizes, and implements, appropriate follow-up mechanisms at all the company’s hierarchical levels aimed at accident prevention and the reduction of hazards at projects. As detailed in the report, FCC has been gradually incorporating the culture of sustainability in its day-to-day affairs, convinced that its image before society and its positioning as a company are enhanced as it contributes to the improvement of the natural and social surroundings. ■

# FCC Construcción's R+D+i activities

**U**sing the most appropriate technology in projects contributes added value and is a differentiating factor in today's highly competitive markets. At FCC Construcción, innovation has always been normal practice. Some clear examples of this approach are projects such as the Puerta de Europa Towers, or the floating dock in Monaco, built in the Bay of Algeciras. Nevertheless, a few years ago, FCC became involved in complementary R+D+i activities, usually developed in singular projects requiring intelligent and innovative solutions. The CORE construction company-reengineering project is

one example, as well as the SFRC project involving concrete reinforced with metal fibres, or the HIPER development project characterised by the use of low-cost stainless steel in reinforced concrete. These actions were launched following the invitation of other organizations participating in projects subsidised by the European Commission through different framework programs. After creating the R+D department under the General Technical Service Department, FCC Construcción began to participate in different types of projects, nationwide and internationally, with a more practical approach,

and became very involved in several European and national R+D+i initiatives.

## ► National projects

FCC Construcción executes innovative projects under several types of public and private funding. Classified according to their nature, such projects include:

### Partial public funding (PROFIT Program):

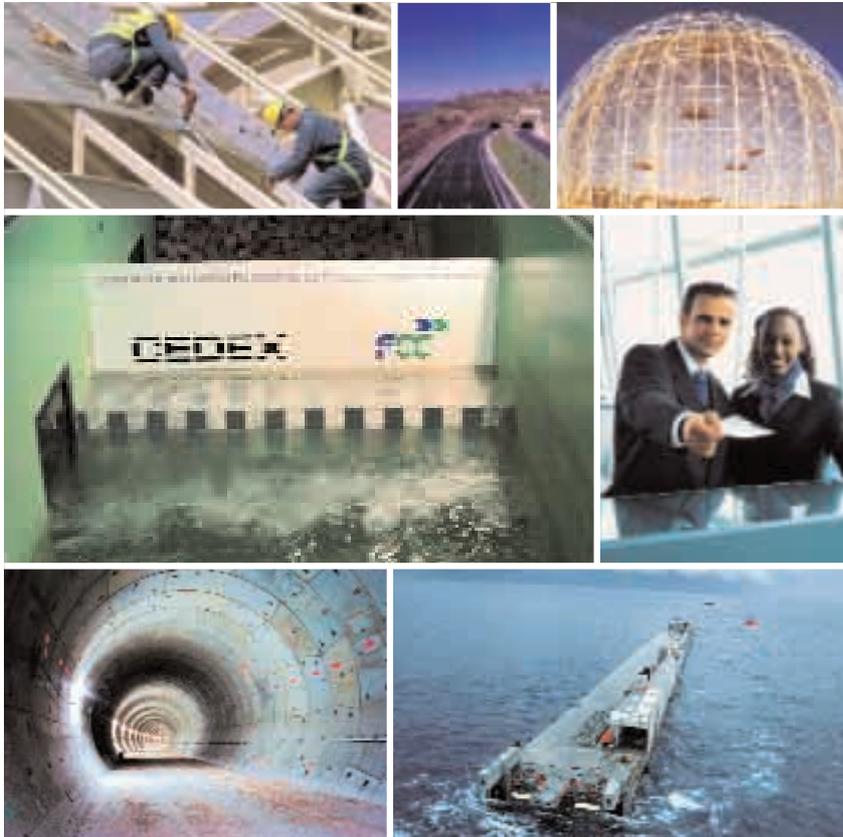
- Logro Project, based on the optimisation and improved waste management in construction.
- Development and testing of boxes with low reflection elements for docks and dykes.
- Shotec project: Grouting automation and improvement of mixtures for projected concrete.
- Use of concrete with fibres in the segments used in the construction of Line 9 of the Barcelona Underground system.

### Own funding:

- e-notebook. The development of software for inspections using e-

SEVERAL YEARS ago, FCC became involved in other complementary R+D+i activities that it generally develops in singular projects requiring intelligent and innovative solutions.





notebooks connected with office IT systems.

- Study of the excavation parameters of the Guadarrama tunnels, which involved gathering information and analysing the functional parameters of the tunnelling machines, the actual type of terrain, and wear and tear of cutting blades.

#### ► International projects

FCC began two construction projects approved by the European Commission as part of the Sixth Framework Program:

- Tunconstruct: optimisation of underground construction, involving the complete lifecycle: design, construction, and operations.

- ManuBuild: building industrialisation, adapting developments to bring them closer to user requirements.

FCC Construcción actively engages and leads in these projects, and is also a member of their respective Board of Directors. ■

### ► FCC IS ACTIVELY INVOLVED IN SEVERAL national and international R+D+i projects and initiatives.

#### INVOLVEMENT IN GENERAL R+D+i ACTIVITIES

FCC Construcción actively participates in several European and nationwide initiatives.

- Encord. Group of large European companies in the construction sector, engaging in the analysis of the R+D+i situation in Europe, promoting the procurement of appropriate funding for R+D+i activities.
- European Construction Technology Platform. An initiative involving more than 300 organizations (industries, universities, research centres, European Administrations, etc.). FCC Construcción is a member of this platform's Board of Directors, and also participates as the leader in the strategic underground construction line as well as in buildings and cities and in sustainable construction.
- National Construction Technology Platform. More than 150 organizations participate in this initiative (industries,

universities, research centres, government, etc.) FCC Construcción is the leader in this platform, coordinating the permanent committee, and those involving sustainable construction and building.

This platform, currently launching its activities, is preparing the relationship-regulating document, and is building a website:

**[www.construccion2030.org](http://www.construccion2030.org)**

The main strategic are beginning their work, with an average of 25 organizations interested in each of these platforms.

The objectives of these two platforms are to define the 2030 vision, as well as the strategic research agenda for the sector in Europe and Spain. One of the other targets is to develop macro-projects, with mixed public-private funding.

# FCC awarded urban cleaning contract in Benidorm until 2018

The Benidorm local administration and FCC reached an agreement whereby the Company will be responsible for waste collection and street cleaning in the city until 2018. FCC plans to invest more than 1,185,000 million euros in equipment in this 93 million euro project.

**F**CC has been involved in urban cleaning and waste collection in Benidorm since 1987. As proof of its confidence in FCC's expertise, the city's authorities have continuously extended the contracts and awarded new projects. Once again, the city has selected FCC for the waste collection and street cleaning service, awarding the company a concession expiring in 2018. Revenues from this project reach 9,951,570 euros per year, including VAT. The company plans to invest 1,185,505 euros, 866,645 in the urban waste collection and transport service, and the remaining 318,860 euros in street cleaning services.

Benidorm, with a permanent population of 65,000 in the low tourist season, produces 160,000 tons of waste per day, which is collected and transferred to the Transference Plant for its treatment. The solid waste collection and transfer service will be provided 365 days a year, while street cleaning services will be significantly extended particularly in the summer months, Christmas, and Easter holidays. FCC has an average 115-employee work team for providing these services. The company will provide a fleet of three side-loading trucks with 75-m<sup>3</sup> capacity, as well as back-loading collection trucks with 4.5, 7, 11, and 21.5-m<sup>3</sup> capacities. The other collection equipment

includes side and back loading mixed washing equipment, light open vehicles, vans with hot water hydro-cleaners for washing the exterior of containers, inspection vans, and workshop and maintenance vans. Some of the upgrades proposed by FCC affect the current selective waste collection system, increasing solid urban waste collection services. In short, this contract ensures appropriate collection services and introduces new technologies and work methods. Besides providing this service, FCC



THE COMPANY plans to invest 1,185,505 euros, 866,645 of which will be spent in solid waste collection and transport, and the remaining 318,645 in street cleaning services.

## SINCE 1987

- FCC was awarded the first selective solid waste collection contract in Benidorm in 1987.
- In 1993, Benidorm's local authorities awarded FCC a new contract. Since then, and up to the present day, the contract has been extended several times and significant upgrades have been incorporate to ensure optimal service.



► **THE CONTRACT GUARANTEES** waste collection services and introduces technological innovations and new work methods.



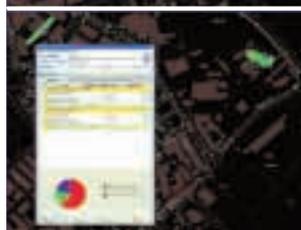
**THE SOLID URBAN waste collection and transport service will operate 365 days a year, with street cleaning services significantly increased in the summer, Christmas, and the Easter holidays.**

is also in charge of cleaning the beaches in Benidorm, the boardwalk, and of collecting floating objects in public waters. The city's authorities will also put at FCC's disposal a 6,000 m<sup>2</sup> plot for the construction of a vehicle park and warehouse in which the company will invest more than 1,038,000 euros. The citizens of Benidorm enjoy living in one of the cleanest cities in Spain, wasQUITAR awarded a special mention last year by Ategrus, the Technical Association of Waste Management and the Environment, as one of the cleanest cities in Spain. ■

## Conservación y Sistemas recovers previous contract for the upkeep of Madrid's irrigation networks



**C**onservación y Sistemas, an FCC Versia subsidiary, specialising urban infrastructure maintenance and operations, and in traffic management systems, won a contract put out to tender by Madrid's local government for the upkeep, repair, and modification of hydraulic mechanical or electrical elements of the city's irrigation systems, fountains, and hydrants in the Centre, Moncloa-Aravaca, Chamberí, Tetuán, and Fuencarral-El Pardo municipal districts. This service, previously known as "conservation of the municipal irrigation, public fountain, and hydrants in the city of Madrid" has been provided to the Madrid City Hall since 1957 up until 31 December 1996. Conservación y Sistemas, S.A. submitted AVANGIS, an IT application for management of this activity, which was selected by Madrid's local authorities for its implementation in the different districts where this service will be provided.



AVANGIS IS A modular platform based on the most modern technologies, such as GIS (Geographical Information System), Web (distributed intranet / internet environment) and inter-department e-communications.

FCC is a leader in IT system development for the support and supervision of different types of municipal services. AVANGIS is a modular platform based on the latest technologies such as GIS, Intranet / internet (web) distributed environment, and inter-department e-communications. The application also includes several specific modules for the organization and planning of the urban service (irrigation, sewage, pavements, ...). FCC will recover one of its most significant contracts in Madrid after winning the project put out to tender. ■

## New parking projects

**T**he Parking business, one of FCC Versia's activities, won several contracts in recent months totalling over five million euros. These include a contract for the management of more than 1,000 regulated aboveground parking spaces, four new contracts for vehicle towing and storage, and a new contract awarded by the Madrid Community for the

capture and issuance of fines. The parking contracts awarded include: the above ground parking facility in Mollet del Vallès (Barcelona), Mollerusa and Tarrega (Lleida) and Loja (Granada). The company will be in charge of managing towing services and the vehicle deposit in Talavera de la Reina (Toledo), Mollet del Vallès (Barcelona), Mostoles (Madrid, and Guadalajara. ■





## Aqualia launches several projects for Irrigation Union Groups

**A**qualia's comprehensive water management activities represent its commitment to quality and efficiency. The company's experience, resources, and business capabilities are particularly noteworthy in irrigation activities, an area in which Aqualia is involved in the construction, exploitation, and management of several projects aimed at enhancing performance in specific regions. As part of the dynamics for providing solutions for optimal use of the resources in each particular area, Aqualia has developed a tool that increases the added value of its offering for upgrading irrigation networks and represents an innovative element in its sector. This new tool, known as Sistema de Gestión para Regantes (SIGGRE) (Management System for Irrigation Union Groups), is the result of a collaboration agreement concluded by Aqualia and CADIC, S.A., which has a software program, known as "Latina" that is perfectly adapted

to Aqualia's system development requirements. Among its many features, the software makes it possible to manage 3D vector information or information covering a large geographical area. It also covers all project related hardware platform requirements. SIGGRE's capabilities include management of basic information on the irrigation groups, as well as the execution of irrigation calculations and simulations using a hydraulic analysis model.

### ► Collaboration

Furthermore, and as proof of its commitment with respect to Irrigation Union Groups, Aqualia is sponsoring the events commemorating the 50th anniversary of the founding of the National Federation of Irrigation Union Groups

### ► THE INITIATIVES INCLUDE THE DEVELOPMENT of the innovative Irrigation Union Group Management System (SIGGRE).

#### MANAGEMENT SYSTEM

SIGGRE is, in short, a specific application designed for the comprehensive management of all Irrigation Union Group activities.

(FENACORE).

To support this event and coinciding with the ECOMED-POLLUTEC International Energy and Environment Salon, held last March in Barcelona, Juan Luis Castillo gave a speech entitled "Aqualia's proposal as a private operator for the exploitation of irrigation infrastructures." Thanks to all of these initiatives, Aqualia is one of the reference companies in the irrigation segment, part of its comprehensive water management activities. ■

► **PROACTIVA MEDIO AMBIENTE IN VENEZUELA:**  
**urban cleaning and waste collection services in**  
**Libertador, Baruta and Mariño in the state of**  
**Nueva Esparta.**



# Strong growth for FCC in

**T**hrough its subsidiary Proactiva Medio Ambiente, FCC carries out its activities in Venezuela, most of which involve cleaning services and waste collection and transport. The Company operates in the towns of Libertador, Baruta and Mariño in the state of Nueva Esparta, through its subsidiaries Proactiva Libertador, Fospuca Baruta, and Fospuca Porlamar, with over 2,000 employees providing daily services to different municipalities and groups. Proactiva has strong technical and professional credentials and the capabilities to meet service requirements. The Company recently made a large investment in high technology vehicles and IT system. It provides daily services to 1,282,000 inhabitants and collects 36,820 tons of waste per day.

► **Proactiva Libertador**

Proactiva and the mayor of Libertador, Freddy Bernal, recently signed a 10-year concession agreement for the collection and transfer of solid waste in 12 parishes in the city's midtown districts. The estimated investment in this project amounts to 34 billion bolivares in material equipment. The population in Altagracia, Catedral, San José, Candelaria, San Bernardino, El Recreo, Santa Rosalía, San Pedro, El Valle, Coche, Santa Teresa, and San Agustín, will be provided several complementary services designed to improve their quality of life.



EXECUTION OF THE concession agreement for the collection and transport of solid urban waste in Libertador, and equipment used in providing services to several towns in Venezuela.



# Venezuela

One of the novelties in this contract is that it contemplates the collection of rubble, pathological waste, pruning waste, dead animals, as well as the deployment of new high technology equipment to optimise service provision jointly and in collaboration with municipal services and local authorities.

Proactiva will provide services to 690,000 residents, 35% of the total population in Libertador according to the latest census. The Company employs 384 workers who will manage 51 day and 25 night shifts, and will collect an average 845 tons of waste per day.

Though an environmental education campaign, the company plans to send notices to residents and businesses informing them of the schedule for depositing their waste in closed bags at the appropriate locations to ensure the welfare of the citizens of Libertador.

## ► Baruta

Several years ago, Baruta local authorities, in their efforts to maintain one of the cleanest cities in Venezuela, entrusted the FCC subsidiary the management of waste collection and street cleaning. In Baruta, the company provides services to aQUITAR 500,000 residents and collects more than 395 tons of waste per day.

Given the importance and innovation involved in the services demanded by Baruta, the Company has placed special emphasis on incorporating latest technology

## POPULATION COVERED BY SERVICES

Daily services provided to 1,282,000 residents, including the collection of 36,820 tons of waste in the following municipalities: Libertador Este: provides services to the Altigracia, Catedral, San José, Candalaria, San Bernardino, El Recreo, Santa Rosalía, San Pedro, El Valle, Coche, Santa Teresa, and San Agustín parishes; Baruta (Miranda state) and Mariño (Porlamar-Nueva Esparta state).

equipment adapted to the requirements of the city for the utmost efficient management of the services contracted by the local administration. Investment in materials totals 9,588 million bolívares.

The cleaning services incorporate a rapid deployment brigade in charge of cleaning the roads and midtown districts. A new service will also be implemented for cleaning garden areas in public streets and roads, reinforcing cleaning efforts in autumn to collect fallen leaves. In addition, the contract incorporates a mechanical sweeping system for the main avenues, as well as day and night emergency road services to handle traffic accidents.

Several 240 and 1,000 litre-capacity solid waste containers have been installed in Baruta. Besides these containers, the city will also have six motorcycles that will be used to collect dog litter in parks and avenues.

A selective waste collection system has been implemented, comprising igloos located in areas known as "Ecological Islands" where residents will deposit waste previously classified as glass, cardboard, and paper, as a first step in the recycling process.

Another service for the collection of pathological waste from hospitals and clinics has been implemented. These materials are transported in a refrigerated unit to prevent the decomposition of organic waste.

A special customer service hot line was also implemented where residents can call with their queries and channel all their suggestions.

## ► Porlamar

The Company will also provide services to the 91,893 residents of Mariño, scattered over an area spreading over 31,000,000 m<sup>2</sup>. The concession period began in 1998, although services had been previously provided since 1987 until 1998 under a contract.

The Porlamar project involves the provision of cleaning and waste collection service in this tourist destination with intensive and permanent commercial activities.

The authorities of Porlamar fully aware that the island depends on tourism and trade for its livelihood, and of the importance of caring for the environment, have undertaken efforts aimed at raising the population's environmental awareness, particularly with respect to waste management. ■



**HEADQUARTERS IN PAMPLONA**

Cementos Portland Valderrivas, with its headquarters in Pamplona, where it began its activities in 1903, is the header of Fomento de Construcciones y Contratas' cement group and is currently the second leading cement company in Spain and one of the leaders in the U.S. eastern coast.

Its development has been bolstered by an investment policy mainly aimed at:

- Increasing output in factories..
- Improving environmental quality
- Preventing occupational hazards.

## Cementos Portland Valderrivas acquires 19 concrete plants

**C**ementos Portland Valderrivas acquired 19 concrete plants, paying over 20 million euros, from the British company Hanson, one of the world's leading companies involved in the production and marketing of heavy construction materials.

Sales volume in these plants is 1.2 million cubic metres annually, with estimated sales at 65 million euros per annum. The plants are located in Madrid (8), Alicante (3), Gran

Canaria (3), Tenerife (2), plus 3 in the provinces of Logroño, Palencia, and Burgos.

Cementos Portland Valderrivas produces 5.2 million cubic metres of concrete in its 103 plants in Spain and 10 in the state of Maine (.U.S.). Hympsa is the Group's header concrete company.

Its area of influence in Spain covers 20 provinces, with over 570 concrete mixers which cover over 45,000 kilometres every day to service the Company's customers. It has mobile plants to provide service to specific projects requiring the versatility and usefulness of this type of equipment. ■

► **SALES VOLUME AT THESE PLANTS total 1.2 million cubic metres per annum.**

## Execution of a voluntary agreement for the prevention of pollution in Castilla y León

**C**ementos Portland Valderrivas, S. A., voluntarily signed an agreement for the prevention and control of pollution in the cement industry in the Autonomous Region of Castilla y León. The agreement was signed on 28 February with the Environment Department at this autonomous region.

The agreement entails the commitment to gradually implement best practices in the control and prevention of pollution from cement factories;



which in the case of Cementos Valderrivas, involves the factory at Hontoria in Palencia, bringing forward the request for Comprehensive Environmental Authorization to 31 December 2005.

The agreement, in force until 31 December 2006, in addition to the aforementioned objective, aims to improve environmental performance by:

- Promoting the capitalisation of waste by using it as alternative fuel.
- Guard and control pollutant emissions.
- Develop and implement an environmental management system based on European EMAS Guidelines. ■

# Esther Koplowitz, Vice-President of Cementos Portland Valderrivas

**T**he Cementos Portland Valderrivas, S.A. Board of Directors passed a resolution appointing Esther Koplowitz, FCC Group's major shareholder, as member of the Board and the Company's Vice-President.

Rafael Montes, Chief Executive Officer of Construcciones y Contratas, S.A. (FCC); José Manuel Revuelta, General Deputy Manager of Cementos Portland Valderrivas, and Cartera Deva, S.A.,

represented by Jaime Llantada were also appointed Board Members.

Following the appointment of these four directors, the Board of Director now has 18 members, the number agreed by the last Annual General Meeting held on 29 June

of last year in Pamplona.

There were also other changes in the Executive Committee, with Fernando Ferreras and Antonio Pérez submitting their resignations and Rafael Montes and José Manuel Revuelta taking their place. ■



## COMMITMENT WITH ITS CUSTOMERS

To fulfil its commitment to its customers and society, these premises constantly guide the Cementos Portland Valderrivas Group:

Respect of the environment. Through the fulfilment of new obligations pursuant to the Law on the Prevention and Control of Pollution, and other much more demanding internal regulations established by the company.

Quality commitment, encompassing all manufacturing lines, products, and delivery contracts. The workforce is the cornerstone for corporate growth and, consequently the Group constantly ensures the best career training for its professionals and complies with the most stringent measures designed to ensure on-the-job safety.

## CEMENTOS PORTLAND VALDERRIVAS ACTIVITIES

The Portland Valderrivas Group operates nine cement factories, six in Spain in El Alto (Madrid), Olazagutía (Navarre), Hontoria (Palencia), Alcalá de Guadaíra (Seville), Mataporquera (Cantabria) and Lemona (Vizcaya) and three factories in Maine, Pennsylvania and South Carolina.

The Company is also involved in the sector's entire industrial cycle, operating 113 concrete plants, 46 aggregate quarries, eight dry mortar plants, two industrial treatment plants, eight onshore and eight offshore terminals. The Cementos Portland Valderrivas group mainly engages in the cement, concrete, aggregate, and mortar sectors, closely linked to the construction sector, one of the strongest and most dynamic in recent years.

Cement consumption in Spain in 2004 reached 48 million tons, a record volume in eight consecutive years. Cement and clinker imports have been increasing since 1997, totalling 8.2 million tons, merely up 0.5% year-on-year, while exports, 1.5 million tons, are 21.8% higher than in 2003.



# Fire prevention campaign in the Madrid Community

FCC CONTRIBUTES A HELICOPTER-BORNE BRIGADE



**T**he Madrid Community will have a helicopter-borne brigade starting next June that will be rapidly deployed whenever a forest fire is reported in the region. This is one of the most salient aspects of the fire-fighting campaign for this summer. The brigade was included for the first time in the high-risk 2004 campaign carried out by Matinsa, an FCC subsidiary. During this period, 151 actions were executed with 105 flight hours and an average 15 minutes time elapsing from the time the fire was reported until the fire-fighting teams arrived.



The brigade comprises 10 professionals, including a Technical Forest Engineer and a two-turbine SOKOL PZL W3-A2 helicopter with a 1,500 litres of water deposit. The brigade will be dispatched automatically as soon as a fire is detected within an approximate 30 km radius. Its mission is to be at the forefront and the first to respond in fire-fighting operations to gain control of the situation. Once the firemen and forest squads arrive, the brigade returns to its base and prepares in the event of another incident. The brigade operates by taking the operators to the scene of the fire. The first fire-fighting actions involve the use of manual tools supported by water sprayed from the helicopter in a perfectly synchronised fashion. The specially trained personnel comprising the brigade is extremely fit and trained. Most of the day is spent on training. Matinsa has been providing fire prevention and extinguishing services in the Madrid community since 1998. ■



## Agreement with the Universidad Rey Juan Carlos in Madrid

**T**he Universidad Rey Juan Carlos Foundation and Aqualia, the FCC subsidiary specialising in comprehensive water management, entered into a collaboration agreement for the sixth edition of summer courses to be held from 4 to 20 July in Aranjuez, a World Heritage site, and one of the important cultural landmarks in Spain. The courses will be held at the historic Pavia military quarters. Both parties to the agreement will organize courses and seminars and will develop a training scholarship program for student practices. These are the objectives contemplated in the agreement signed by the dean of Universidad Rey Juan Carlos, Pedro González-Trevijano, and Aqualia's Chief Executive Officer, Fernando Moreno. As one of the first initiatives, Aqualia will provide support for the summer courses held in Aranjuez (Madrid) from the 4th to the 8th of July, under the theme "Water and the environment in Spain: problems, modelling, and management". Lectures on the hydrological plan, desalination, geographical information systems, and the Geshem programs will be organized, as well as round table discussions on Water in Spain and the Kyoto Protocol among other water and environment related subjects. Well-known experts on the environment as well as several Aqualia department directors will teach the courses. ■



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