



- ▶ REALIA WILL BE LISTED IN THE STOCK EXCHANGE
- ▶ JOSÉ IGNACIO MARTÍNEZ-YNZENGA, CHAIRMAN AND CEO OF CEMENTOS LEMONA



▶ **FCC** grows along
with **Europe**



FCC acquires a water management

The FCC Group now operates in the Czech market through ASA, an Austrian environmental services company, which acquired SmVAK, the third-largest water management company in the Czech Republic. The cost of the acquisition was EUR 248 million, including net financial debt totalling EUR 79 million.

**F**

CC, through its subsidiary Aqualia, has acquired Czech water company Severomoravské Vodovody a Kanalizace Ostrava, A.S. (SmVaK). The investment is worth EUR 248 million.

SmVaK, the third-leading water company in the Czech Republic and the largest in Moravia and Silesia, also supplies water in Poland and has begun commercial operations in Slovakia.

At year-end 2005, the company was supplying water to 1.2 million people using 6,000 kilometres of pipelines, 42 water treatment plants, and 62 sewage plants. Since the company owns and manages the infrastructure, the term of service provision is indefinite.

SmVaK is expected to report EUR 57 million in revenues and EUR 27 million in EBITDA in 2006 (47% EBITDA margin). The investment includes EUR 79 million in net financial

debt and represents a 9.1x EV/EBITDA value.

FCC competed against multinational water companies and infrastructure investment funds to acquire SmVaK. As is customary in this type of transaction, completion is subject to approval by the Czech anti-trust authorities.

The acquisition of SmVaK complements the acquisition of waste management company ASA in March. ASA is firmly established in Austria, the Czech Republic, Slovakia, Hungary, Poland and Romania, and plans are underway to expand into Slovenia, Croatia, Bulgaria and Serbia.

► A leading player

Thanks to these two investments, FCC becomes a leading player in water and waste management in Eastern Europe, boosting its development in a region offering enormous growth potential.

► **ESTIMATED REVENUES** of EUR 57 million in 2006



company in the Czech Republic



ABOVE, THE SMVAK OFFICES IN OSTRAVA; to the left, the Karviná water treatment plant; below, the Jablunkov water treatment plant.



SmVak ACQUISITION UNVEILED

Last 21 April, Aqualia reported this transaction to the local media. Present in this event were Albín Dobeš, Pavel Zumr, Miroslav Kynl representing SmVak, and Miguel Jurado, Aqualia's Deputy General Manager of the Development and International area who spoke about Aqualia and discussed basic lines of action for the future. The FCC Group is already present in the Czech market through ASA, an Austrian company engaging in the management of solid urban waste and dumping sites, which generates 30% of its sales in this country.



Left to right: from SmVaK, Albín Dobeš Pavel Zumr, Miroslav Kynl, and Miguel Jurado, Deputy General Manager of Aqualia's Development and International area.

Both acquisitions are in keeping with FCC's Strategic Plan unveiled in April 2005 and supported by the company's principal shareholder, Esther Koplowitz, which contemplates a program of acquisitions in the Group's three strategic areas: construction, services and cement.. The Plan aims to double revenues to EUR 10-12 billion by the end of 2008, expand the international business to 35% of consolidated revenues, and double EBITDA to around EUR 1.5 billion.

In the intervening year, FCC has completed seven transactions (including SmVaK) and invested EUR 1.26 billion. ■

- ▶ **THE THIRD-LARGEST COMPANY** in this sector in the Czech Republic and the leading operator in Moravia and Silesia

FCC signs acquisition of the Austrian group ASA

FCC signed the agreement for the acquisition of ASA, an Austrian environmental service company, from the French utility EDF, in an event held in Madrid's Torre Picasso.

The price paid to EDF for this acquisition was EUR 224 million, with FCC assuming EUR 51 million of ASA's net debt. Rafael Montes, representing FCC, and Maurice Orfeuil, the EDF representative, signed the purchase agreement.

ASA, based in Himberg, near Vienna, is a leading company in global waste management and disposal, providing waste collection, transport, treatment, dumping sites, classification, and recycling services to commercial, industrial, and private customers in the region.



LEFT, EDF REPRESENTATIVE Maurice Orfeuil and FCC's Managing Director Rafael Montes at the signing ceremony at Torre Picasso. Below, the ASA headquarters in Himberg, a city southeast of Vienna.



Hungary, Poland and Romania and plans to expand to Slovenia, Croatia, Bulgaria, and Serbia. The ASA acquisition is a highly strategic move for FCC because it offers:

- Significant international growth in waste management and treatment with access to a market of over 110 million people.
- A unique opportunity for the

development and implementation of waste management activities in other East European countries with strong growth potential (over 6%).

- An ideal platform for launching and developing other FCC business lines in Central and Eastern Europe, such as comprehensive water management, construction, and other services. ■



FROM LEFT TO RIGHT, MIGUEL JURADO, Aqualia's General Deputy Director of the International and Development area; Salvatore Messina, the Mayor of Caltanissetta; Fernando Moreno, General Manager of Aqualia; Gioacchino Di Maria, the Chairman of Ambito Territoriale Ottimale (ATO); and Roberto Pérez, Aqualia's regional manager for Europe.

Ottimale (ATO), Filippo Collura, and Salvatore Messina, the Mayor of Caltanissetta, were also present at this briefing.

Aqualia described the company's innovative project and its corporate strategy that has been successfully implemented in more than 700 cities and towns in Spain and Portugal.

The project represents an ambitious investment plan totalling EUR 250 million which will be spent in building new facilities and upgrading existing ones in order to optimise water resources and improve services. ■

Aqualia introduces its management model in Caltanissetta, Sicily

On March 30, Aqualia held a press briefing to inform the local media of its plans after having been awarded a 30-year contract for providing water management services to the 285,000 people living in the 22 towns in the Caltanissetta province. The General Manager, Fernando

Moreno, the General Deputy Director of the International and Development area, Miguel Jurado, and Roberto Pérez, regional manager for Europe headed the company's delegation attending this event. Representatives from all the cities in this province, as well as the Chairman of Ambito Territoriale

New York City unveils its new urban furniture



Representatives from the New York City Hall, in a press briefing held on 22 March, unveiled the new newsstands, bus stop hoardings, and public restrooms to be installed by Cemusa throughout the city after the company won a 20-year contract in an international tender in competition with the world's leading companies specialising in outdoor advertising and city furniture.

Over the past few months, Cemusa has been negotiating the details of this contract which was awarded last September. ■

► **CEMUSA WINS a 20-year city furniture management contract**



Paris is next

Cemusa, in association with the North American multinational, Viacom, participated in a tender organized by the Paris City Council.

This tender contemplates the design, supply and installation of a fleet of bicycles for public use and general information urban furniture for a ten-year period. Two hundred bicycle stations and 3,000 bicycles will be installed. At the same time, the city will allow the concession company to install information panels containing local information or advertising on

2 x 8 metre supports, to be defined in further detail during the tender process.

The contract award process is expected to last throughout 2006. The Cemusa-Viacom association is solely for the purpose of this tender.

Cemusa is one of the FCC subsidiaries with the longest-standing tradition in international operations. It has already installed more than 110,000 advertising elements and supports in more than 120 cities in 11 European and American countries. ■

► **WILL SUPPLY a fleet of 3,000 bicycles**

A LEADER IN THE OUTDOOR ADVERTISING SECTOR

Cemusa's activities in the urban furniture and outdoor advertising segment date back to 1984.

Those activities encompass the design, installation, maintenance, and operations of high-quality advertising supports adapted to the specific surroundings.

The company offers its broad experience to city councils, transport agencies, airports, commercial centres, and to other public or private entities, contributing to urban attractiveness, functionality, and economic development.

Flightcare will be in charge of SNBA's and Virgin Express' handling operations at Brussels Airport



BEST AIRPORT IN EUROPE

In 2005, Airports Council International (ACI) named Brussels airport as one of the best in Europe along with Copenhagen airport, and the third best airport in the world in its category.

This prize is awarded based on a survey taken among 100,000 travellers at 73 airports around the world focusing on several criteria such as staff courtesies and the quality of services provided at airports.

Since 2003, Brussels Airport has ranked among the 5 best airports in Europe.



The airline companies SNBA and Virgin Express awarded Spanish company Flightcare, an FCC subsidiary, a 2-year contract for ramp handling operations at Brussels Airport.

This means handling over 150,000 cargo and passenger movements with an estimated income of more than EUR 70 million. The operations of these two companies represent 36% of total traffic at Brussels Airport.

Thanks to this new contract, Flightcare enjoys a 70% market share and maintains its leadership in handling activities at Brussels airport.

This airport is currently one of the five best as regards punctuality, while SNBA is one of the three most punctual European airline companies

In 2002, FCC began to manage

handling operations at Brussels airport after acquiring SABENA Airline's assets, thanks to which, Flightcare became the top handling operator in Belgium. The company also has increased its presence in Belgium, expanding operations to Ostend and Liege airports. ■



► **WILL HANDLE OVER 150,000** movements with revenues estimated at over **EUR 70 million**



Civil Aviation authorises Flightcare to give courses on handling hazardous materials

The General Department of Civil Aviation has authorised Flightcare to give courses, with full autonomy and flexibility, on no-risk air transport of hazardous materials, also authorising the company to give grades on these courses. The company has a staff of 25 instructors who report to a head of training at each work centre, and also has technical and teaching resources aligned to their needs: periodically revised manuals,

training classrooms, multimedia equipment, etc. IATA is responsible for the necessary technical certification to give these courses and is in charge of supervising regulations in this respect and of the periodical recycling of instructors. From April to December 2005, roughly 1,500 workers were trained in handling hazardous materials. This underscores Flightcare's interest in training its workers and its ability to adapt to its client's



needs and requirements in an aspect as important as the safety and transport of dangerous materials. ■

Madrid Airport cargo handling facilities to be enlarged

Flightcare and Clasa, a wholly-owned subsidiary of Entidad Pública Empresarial Aeropuertos Españoles y Navegación Aérea (Aena), have entered into an agreement to enlarge the facilities of Flightcare Cargo at the Madrid airport. Under this agreement, an adjacent 9,500 m² plot will be added to the current facilities of Flightcare

Cargo Madrid, 5,200 m² of which will be used to build new facilities and 3,300 m² will be reserved for ground manoeuvres. The new facilities will include an operating-warehouse area, new offices and an outdoor covered loading dock. They will also include 12 new docks, one of which will be equipped with rollers for transporting pallets. With this investment, Flightcare

Cargo Madrid, which in 2005 handled more than 40,000 tonnes of cargo, will double its capacity to accommodate its growth and the needs of its clients, which have increased in the last quarter due to recent contract renewals and new contracts awards, including agreements with Air France, Qatar, KLM and Swissair. The Flightcare network handles more than 200,000 tonnes of cargo at airports in Brussels, Ostend, Madrid, Barcelona, Malaga, Las Palmas, Lanzarote, Bilbao and Valencia. ■

► **THE CURRENT AGREEMENT IS** for an initial 5-year term



Port Aventura gives FCC its cleaning

Since 1998, FCC has been providing different types of cleaning services at Port Ventura, Spain's largest theme park located in Costa Dorada, Tarragona, which opens from the

end of March until the 7th of January. This company recently awarded FCC a 5-year contract contemplating other types of urban cleaning services. FCC will be in charge of cleaning all the roads and streets, including access roads to the park, the parking area, and the queues leading up to the different park attractions. It will also be responsible for cleaning some of the park's attractions, such as the Sea Odyssey or the Temple of Fire, as well as the service areas, including offices, locker rooms, warehouses, service roads, etc.

► **Caribe Aquatic Park**

The company will also be in charge of cleaning and disinfecting all the facilities at the Caribe Aquatic Park, including the outdoor areas where the large wave pool and children's areas are located, as well as the indoor

air-conditioned zones.

The contract contemplates cleaning services for the exterior roads leading to the three hotels in this resort park: Port Aventura, El Paso, and Caribe, as well as cleaning the beach area surrounding the outdoor and indoor pools.

FCC will perform daily maintenance operations at all the public washrooms in the five theme areas and in the Caribe Aquatic Park and will also be in charge of cleaning the roads in the coastal area, including the pedestrian zones and the streets within the park, as well as all landscaping and gardening services.

It will collect and transport solid and organic waste using the containers located at different park areas and at the hotels, as well as transferring all this waste for its disposal.

To achieve this, the company will introduce a selective waste



Ámbito holds its first seminar on environmental issues



contract

collection service for paper and cardboard, containers, metal cans, glass, office paper, wood pallets, and vegetable oil, transferring all this material and handling its disposal.

FCC will use sweeping and mopping machines, lifting platforms, open trunk vehicles, vans, etc. as well as other materials for cleaning interiors. Waste collection trucks with double compartments, vehicles with open compartments, and others will be used for the selective collection of waste materials. Similar vehicles and machinery will be used for providing gardening and landscaping services.

A Beach Club will be inaugurated next June in the coast of Salou featuring restaurants and eight swimming pools. FCC will be responsible for providing cleaning and disinfection services in the pool area and in the access roads. ■



The first seminar on environmental issues "New Perspectives for the Characterisation and Recovery of Contaminated Sites" was held last 20 April in Madrid. Organized by the FCC Group Industrial Waste Division, through Ámbito, and aimed at clients and representatives of autonomous regional governments, the conference was a success and attended by many. Over 90 professionals from different industrial sectors including technicians from the chemical, iron and steel industry industries, the

FROM LEFT TO right, Louis Verbuggen, Manager of Fugro Bélgica N.V.; Aurelio Blasco, General Manager of Ámbito; and M^a Jesús Kaifer, Technical Manager of Ámbito.

fuel distribution and storage segment, the real estate sector, etc. as well as representatives from Public Administrations participated at this seminar. The company made a presentation on current trends in defining strategies for identifying contaminated sites and the technical-economic viability of the main decontamination technologies.

Staff from FCC's Contaminated Soil Department made these presentations with the collaboration of the multinational Dutch company Fugro B.V. ■

FOR SUSTAINABLE DEVELOPMENT

By constantly investing in R+D+I, Ámbito is able to develop the most innovative and proven technologies to ensure that industrial development and respect for the environment are fully compatible.

The quality systems applied by Ámbito have been awarded ISO/9001 and ISO/14001 environmental certificates. Ámbito also collaborates in sustainable development projects and implements recycling measures in its work processes thereby contributing to a cleaner environment.



Proactiva awarded waste treatment plant in Argentina



PERITO MORENO
Glacier in Santa Cruz province, Argentina.

Proactiva Medio Ambiente, held jointly by FCC and Veolia each with a 50% stake, won a construction contract through its subsidiary, Lamcef, for the construction, installation, and operation of a bio-pathogenic waste treatment plant. This plant

will provide several services, including the collection, treatment, and final disposal of this waste in the entire province of Santa Cruz, Argentina. The term of this agreement is 10 years and annual sales are estimated at EUR 530,000 million. Lamcef specialises in pathogenic

OTHER CONTRACTS

The company has several contracts in Argentina. It is responsible for comprehensive water and sewage network management in the province of Catamarca. In the solid urban waste treatment segment, it provides transport, treatment, and disposal services in the province of Misiones; it is in charge of construction and operations at the Fachinal dumping site and of several transfer plants and manages street cleaning services in the town of Avellaneda. Besides these, the company is also involved in industrial and hospital waste related activities.

waste treatment, providing collection, transfer, and incineration treatment services.

► Santa Cruz Province

The company's facilities and offices are located in La Plata, province of Buenos Aires. These model facilities in Latin America, were specially designed for transforming waste from the health sector into non-pollutant materials. Its clients include hospitals, clinics, maternity clinics, laboratories, doctors' and dentists' offices, veterinarians, and pharmacies. ■

Mexico

Management of the Querétaro dump site until 2026

Proactiva extended its contract for management of the Querétaro dumpsite, north of Mexico City, for another 15 years. Turnover will reach EUR 48.3 million. This dumping site provides services to a population of 750,000 who produce 650 tons of waste per day. ■



Guadalupe, Mexico, waste treatment plant.

Waste collection contract in Guadalupe extended

In Guadalupe, Nuevo León, Mexico, Proactiva extended the contract for waste collection for an additional five years. This contract is worth EUR 25 million. Services are provided to 750,000 inhabitants who produce 620 tons of waste per day. ■

New contract in Chile

Coinca, Proactiva's Chilean subsidiary, won a 7-year contract for the collection and transport of urban solid waste and street cleaning services in San Felipe, Chile. The company will collect 1,700 tons of waste per month in this small town located in Valparaiso's fifth region. This town is also the capital of the San Felipe de Aconcagua province. San Felipe, mainly involved in agricultural activities, is known for its dry cereals, fruits, grape vines, garden produce, and fodder for animals. ■

► **IN MEXICO, PROACTIVA PROVIDES** water and waste management services to over 7 million people

FCC Group opens its new Data Processing Centre

To comply with the new Strategic Plan for Information Security and Risk Management, FCC is currently involved in a project aimed at revamping its technology infrastructure. As part of this program, the Group will be opening a new Data Processing Centre for its corporate IT equipment scheduled to be in full operations within the next few months. Corporate IT system production will be relocated, leasing space for data processing (Collocation) at Interxion, a supplier offering the most advanced systems for energy supply, climate control, fire prevention, and secure access.

► Continuity guaranteed

The infrastructure's "n+1" mode configuration provides redundant elements for each system plus another back-up system in case of an emergency. Service level over the last five years has been 100% as shown by the SunTone Service Excellence certificate obtained for its services, facilities, operations, and support services.

In emergencies, service continuity is ensured thanks to the Business Recovery Centre situated at the Federico Salmón building. Thanks to the implementation of this new CPD, the FCC Group will be able to guarantee application infrastructure operations in High Availability Mode.

The services that will be available in the first phase are follows:

- Data storage.
- E-mail.



- Back-up copies.
- Secure access.
- Virus and SPAM filters.
- Intranet, Internet and Mobile device interconnectivity.

All of these functions will be monitored and managed in accordance with the best practices currently available.

After this first phase, corporate applications presently housed at several local servers will be gradually transferred to the new CPD.

The infrastructure rightsizing contemplated the necessary



technology requirements to be able to provide coverage for the Integra Project. FCC will thereby have the most modern installations and technologies that are necessary to meet growing complexity and volume of its activities. ■

STRATEGIC SECURITY PLAN

The Securmática seminar, organized by the magazine SIC, was held in Madrid on 24, 26, and 27 April. In its third edition, the FCC Group was asked to give a conference on the establishment of the risk management function and the strategic information security plan developed by the company's Information Security and Risk Management Department. The head of this department, Gianluca D'Antonio, gave the speech on this subject.



Carlos Galán Pascual, president of the Legal Technology Agency, professor at the Carlos III University in Madrid, and Gianluca D'Antonio, Manager of Information Security and Risk Management.

► **THE CENTRE WILL ENSURE THAT ALL APPLICATION** infrastructure services are always in the High Availability Mode

Integra Project, FCC Group's new information system



The FCC Group, with the goal of having a new platform for its information systems in the economic-financial department, is currently designing a new model that will be better adapted to meet its needs. This initiative, the Integra Project, will also optimise processes by standardising and simplifying these processes and by improving the Group's operations by taking advantage of the automation and integration capabilities of a new standard tool.

► Basis for growth

This new implementation will lay the foundations for sustained business growth through the analysis, development, and promotion of a new IT system supporting FCC Group operations. In the presentation of the Integra Project last 21 November, FCC

Group's Managing Director, Rafael Montes, referred to the project as a "new challenge for FCC...we are talking about installing a new management and economic-financial information model, something which we to be able to meet the company's requirements. It must be mentioned that the model supporting our normal activities

THE INTEGRA PROJECT presentation was presided by: from left to right, José Eugenio Truega, Managing Director of Administration and Finance; Rafael Montes, CEO, Fernando Falcó, Board Member; and Felipe B. García, Secretary General.

dates back to 1992 and many things have happened since then (...). The requirements of all departments outstrip the current system's capabilities and many important technological breakthroughs have taken place, in addition to new requirements...upgrades and patches are no longer sufficient. We are going to consider a new

KEY ASPECTS OF THE PROJECT

Integra

- 1. Processes and Procedures Department.** Refers to the definition of current and future business processes as well as the development and implementation of the new corresponding procedures.
- 2. Solutions Department,** includes the implementation of the new solution, that is, aligning the standard tool to defined processes and procedures.
- 3. Change management.** The main objective is optimal assimilation of new processes and procedures by users of the new system affected by its implementation. By the rollout date, users will have correctly assimilated these changes and will be fully capable of using the new system, thereby ensuring the project's success. This is why it's important to take certain interrelated measures and actions and implement an appropriate training/communication strategy.



PHASES AND MILESTONES

1. Design and construction of the solution with the rollout of a pilot company in the construction division by the end of the first quarter:

- Economic-financial processes and opportunities for improvement are being defined in the design phase.
- In order to reach the construction milestone, the system will be defined, adapting it to the processes defined in the previous phase and users will receive training on the new application.
- Lastly, the system will be rolled out in a pilot company in the construction division. The project team will be with users and support them, addressing any doubts and resolving any incidences to ensure that use of the new system and the execution of new processes stabilises as quickly as possible to be able to extend the new application to the rest of the organization.

2. When this first phase is completed, the new plan for extending the model to the rest of the organization will be confirmed with this process executed in a scaled fashion:

- Solution extended to the National Construction division.
- Solution extended to the International Construction division.
- Solution extended to the Services division.
- Solution extended to Versia.

model for the FCC Group that is capable of meeting all our requirements, one that incorporates the new technological breakthroughs, and will enable the company to handle significant growth and face the future (...)'.

► Two key benefits

From the business standpoint, implementation of the Integra Project can provide many advantages of which the most important one is that it will speed up business processes by providing access to more information on business performance in real time. This will make it possible to respond more quickly to changes taking place in the marketplace. Secondly, the

project optimises business processes by computerising tasks that were previously performed manually, and by integrating all administrative and financial operations in a single system. This will facilitate analysis of information for an efficient decision-making process and will reduce the efforts currently required for data handling. Furthermore, the project will provide a reliable system infrastructure with capacity for future growth.

To ensure the success of a project of such magnitude, the FCC

Group has a great team of professionals performing different functions: project coordination and management; process definition; validation and implementation of the solution; and change management. A comprehensive approach will enable maximisation of the Group's synergies, advancing towards the creation of a comprehensive and differentiated corporate image to consolidate the group's leadership, standardise technology, and arrive at a single business model. ■

► **DELIVERABLES:** enhanced capabilities and optimisation of business processes

FCC builds a new El Corte Inglés commercial centre in the province of Málaga



The new Hipercor commercial centre was inaugurated last 29

March in Mijas, province of Malaga, with Agustín Moreno, the mayor of this city, attending the ceremony. ISO, an FCC Construction subsidiary executed a large part of the work on this building, the fifth one built by El Corte Inglés in Malaga.

The project consisted of the construction of a building on a 16,000 m² plot of land with five below-grade levels for 1,775 parking spaces plus an additional four above-grade floors, all totalling 152,000 m² of floor space, 37,000m² of which will be commercial floor space.



TECHNICAL TEAM

DEPARTMENT MANAGER:

Pablo Colio Abril

HEAD OF PROJECT:

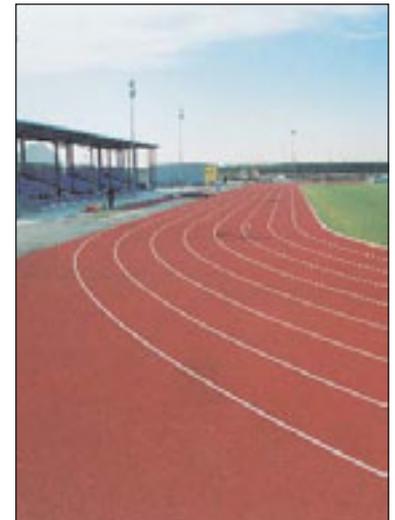
Máximo García de las Heras

SUPERVISOR:

José Blázquez Garrido

The building has modern and state-of-the art installations and is bathed by the light filtering in through the enormous glass façade in one of the sides of the building, one of the project's most outstanding features.

FCC executed all the work involved in the area surrounding the centre as well as the access roads. ■



Sports facilities for the RCD Español Soccer Club

FCC built the new standard rugby field for the Real Club Deportivo

Español de Barcelona. The 112 x 68m field is sown with grass, has sprinkler system, and a 400 metre-long, 8-track athletics field spreading over 8,200 m², including pole-vaulting zones as well lanes, bleachers with a capacity for 360 seats, 10 petanque courts, as well as locker rooms and weight-lifting rooms.

The ground was prepared using high-module polyester geogrids with waterproof grouting. Roupes of piles were used in the foundation of the bleachers and ground plates and crossbeams in the auxiliary buildings, with the structure comprising a solid slab of reinforced concrete. ■

TECHNICAL TEAM

DEPARTMENT MANAGER:

Carlos Sánchez

HEAD OF PROJECT:

Josep Tarrés

SUPERVISOR:

Nicolás Durán

▶ **THREE NEW BUILDINGS** and 8,500 m²



Extension of the Quatre Camins (Barcelona) penitentiary

F CC built three prefabricated buildings within the Quatre Camins penitentiary that will be used as housing modules for the inmates. Of the total 8,500m² of floor space, 6,000 m² are buildings and the remaining 2,500 m² are courtyards. This penitentiary can accommodate up to 300 inmates.

The three floors of each of these modules will be used for the following purposes:

The ground floor consists of the access area with public spaces, dining rooms, offices, sitting rooms, classrooms, nursery, laundry room, and other services; the first and second floors each will have 25 double cells. The prefabricated module

TECHNICAL TEAM

DEPARTMENT MANAGER:

Carlos Gómez Salegui

HEAD OF PROJECT:

Jordi Clusellas Calvet

PROJECT ASSISTANTS:

Cesare Ferrari Casas/Javier Carmona López

SUPERVISOR:

Juan Sánchez Rubio

ADMINISTRATION:

Carles Sáez Adrián

structure is supported by 1-metre-high concrete pillars. The outside wall as well as the interior dividing walls are made with 60 mm-thick sandwich panels consisting of two pre-primed and galvanised layers each 1.2 mm-thick with kaolin wool insulation between each layer.

FCC was in charge of installing electricity, plumbing, heating, air-conditioning, fire-fighting equipment, security, intercom system, and television.

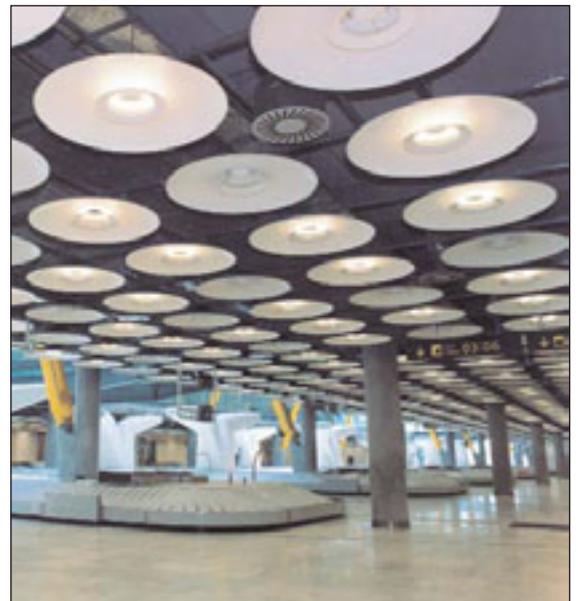
It also furnished the three modules with bunk beds, mattresses, bed linen, blankets, chairs, tables, cleaning products, medical equipment, security and IT materials and other types of materials. ■

FCC and Caja Madrid chosen for the subway to Terminal 4 at Barajas Airport

T he Community of Madrid has awarded the consortium formed by FCC and Caja Madrid the concession to build and operate the extension of line 8 of Metro de Madrid from the Barajas underground station to the new intermodal transfer facility at Terminal T-4 of the Madrid airport. The concession, with a 20-year duration period, also includes construction. Estimated investment for this project comes to over EUR 50 million. The project consists in 2.5 kilometres of tunnel, 1.6 kilometres of which will be drilled

with a tunnelling machine from the current cul-de-sac station at the town of Barajas to the new combined railway/metro station at the airport's new terminal area. FCC and Caja Madrid will create a concessionaire company to carry out the investments. The necessary financing will be covered entirely with equity.

This project is part of the Community of Madrid 2003-2007 Metro System Expansion Program. The new section will be integrated into the Metro system, such that passenger transport service will be the responsibility of Metro de Madrid. ■



The vestibule of the Almeda metro station in Barcelona opens to the public

F CC was commissioned by the public company, Gestor de

Infraestructura, S.A. (GISA) to build the new vestibule of the Almeda station in Cornellá for Line 8 of the Barcelona subway system.

The Secretary for Territorial Policy and Public Works of the Generalitat of Catalunya, Joaquín Nadal, and the mayor of Cornellá, Antonio Balmón, inaugurated this new project.

The revamping project consisted of a new access area measuring 120 m² and 29 metres long at the other end of the subway platforms with lifts and escalators.

The station only has one entrance at the street level and, therefore, it was necessary to build a walkway connecting the two platforms to enable passengers to reach the single entrance and exit platform. It was necessary to demolish a layer of the vault because of the limited height of the structure. Since traffic was maintained at all times, it was necessary build a protective shield to guarantee the safety conditions at the worksite. The new station meets all evacuation-related standards and provides access for the disabled. ■



TECHNICAL TEAM

DEPARTMENT MANAGER:

Gerardo Alvira

HEAD OF PROJECT:

Marc Celma

SUPERVISOR:

Juan Matés



New stretch of the Barcelona tramway system

Joaquim Nadal, the Secretary for Territorial Policy and Public Works

of the Generalitat of Catalunya, inaugurated the new 2.2 Km-long stretch of the Barcelona tramway that includes three new stops: Rambla de San Just, Walden, and Consell Comarcal, providing services to the Sant Just Desvern district.

This project, which will significantly improve travel conditions between the Baix Llobregat municipalities, includes an underpass below the B-23 highway for automobile traffic, the tramway, and pedestrians.

The tramway has made it possible to revamp 65,000m² of land and increase the town's landscaped area by 16,000m².

Work is currently underway to extend the tramway system, which is expected to reach the outskirts of Sant Feliu de Llobregat by early 2007. ■

The first stone is laid of the new Blanes Healthcare Centre, Girona

F CC placed the first stone marking the start of construction of the new Blanes medical centre that will provide primary healthcare, mental health, and drug abuse services.

The building, situated in Avenida de Europa, consists of three floors with a total 3,000 m² of floor space.

The 500m² large ground floor will house the Healthcare and Health Monitoring Centre; the first floor,

1,500m² large, will house the Primary Healthcare Centre; while the second floor, measuring 1,000 m² will house the Mental Health unit.

The key features of this construction project include pillar-based foundations supported by reinforced concrete slabs, a reinforced concrete structure with a reticular top slab, flat roofs, terrazzo pavements, and gypsum plasterboard finishes. ■



FCC builds the Parliamentary Commission Building for the Nicaraguan National Assembly



TECHNICAL TEAM

PROJECT MANAGER:

Milton Picado

ENGINEERS:

Juan Carlos González and Deglis González

PROJECT SUPERVISORS:

Juan Salazar, Henry Tobal and Guillermo Lumbí



In June 2005, the FCC Group entered into an agreement for completing the construction work at the Parliamentary Commission Building for the Nicaraguan National Assembly that commenced several years ago.

The company's offer was the best rated in this tender process which took into account aspects such as the financial offer, a

technical evaluation of the company, and the proposed construction period. The subsidiary completed the construction of this building on time. The 3,500 m² building has three levels and will be used to house the 17 commissions of the National Assembly.

The project involved execution of nearly 40% of the pending construction work as well as all electro-mechanical works, air-

conditioning, finishes, gardens, and outdoor landscaping. The building has several offices, meeting rooms, restrooms in all floors, in addition to a 600m² auditorium located on the third floor.

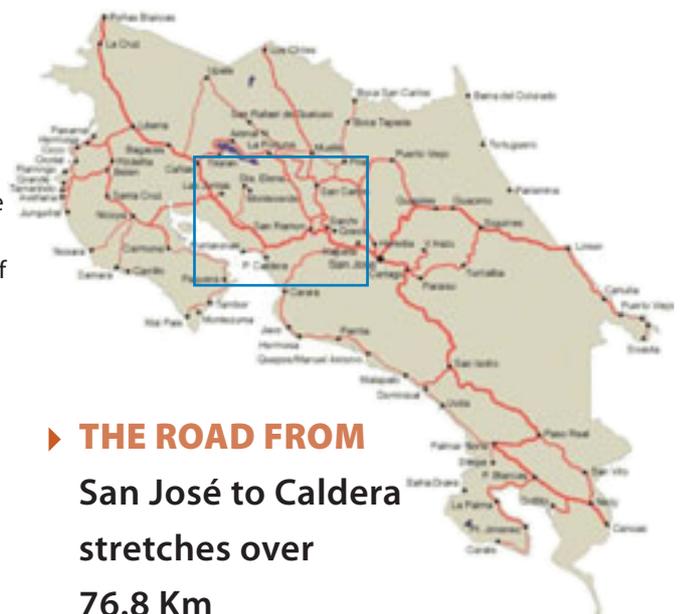
The facilities include internet services, telephone and audio systems, all consisting of high technology materials and equipment. Top quality products were used in all the finishes. ■

FCC wins 25-year contract for highway operations in Costa Rica

An FCC-led consortium was awarded a 25-year concession for a highway in Costa Rica. The project is worth an investment of EUR 145 million.

The San José-Caldera toll motorway is 76.8 Km long, has two lanes going in each direction, and is divided into three stretches. The first of these stretches, 14.2 km long, connecting San José and Ciudad Colón has two lanes going

in each direction with a third lane to be built to improve traffic conditions along certain points of this stretch. The newly built second stretch connects Ciudad Colón and Orotina, is 38.8 km long, has one lane in each direction, and includes several important structures. The third stretch, from Orotina to Caldera, currently with one lane going in each direction, will be totally revamped. ■



▶ **THE ROAD FROM San José to Caldera stretches over 76.8 Km**

A new hospital for Cojutepeque, El Salvador

The President of the Republic of El Salvador, Elías Antonio Saca, jointly with the Minister of Public Health and Social Aid, José Guillermo Maza Brizuela, presided over the ceremony marking the start of the construction project for the new hospital in Cojutepeque.

A consortium participated by FCC Construcción and its Central American subsidiary Corporación M&S Internacional was awarded the construction contract representing an investment of \$10.301.092 that will be funded by the International Bank for Reconstruction and Development (IBRD) a loan to finance the Hospital Reconstruction Earthquake Emergencies and Extension of Healthcare Service Project (RHESSA).

The contract contemplates the design, construction, and furnishing of a hospital with 100 beds and four surgery rooms with approximately 8,500 m² of



floor space. This project will benefit over 186,000 people living in the Cuscatlán Department and surrounding areas. The hospital will be able to attend to 93,000 outpatient visits, 19,000 emergencies, 3,700 surgeries, and 2,300 childbirths.

The hospital's services include general surgery, internal medicine, gynaecology and obstetrics, paediatrics, neonatal care, orthopaedics, ophthalmology, paediatric surgery, plastic surgery, endocrinology, urology,, otolaryngology, neurology, and other specialties. ■

Enlargement of the Kern Pharma Laboratories in Terrasa, Barcelona

FCC was in charge of enlarging the Kern Pharma laboratories industrial complex in Terrasa, Barcelona.

The first phase of the project consisted of the construction of a provisional outdoor parking space and another prefabricated two-floor parking facilities situated in the current parking lot.

In the second phase, three new buildings were built and refurbishment work was carried out in other existing buildings. The project also called for landscaping work in the areas surrounding the new buildings, with a new access road and a

garden area. Management offices were refurbished in the last phase of this project. Work involved the dismantling of the façade and a new curtain wall enclosure, flooring, and distribution of offices. ■

TECHNICAL TEAM

DEPARTMENT MANAGER:

Carlos Gómez Salegui

HEAD OF PROJECT:

Jaume Riera Padreny

SUPERVISOR:

Pedro Sanz Alba

ADMINISTRATIVE STAFF:

Jaime García Rodríguez





HOW IT FUNCTIONS

The mobile laboratory injects a fluctuating cushioned wave of voltage through a series of successive discharges at increasingly higher levels of power. It obtains an ecograph that is interpreted by specialised technicians to determine the status of the cable and whether or not it has to be replaced.



FCC to carry out a research project for the European Defense Agency

Espelsa, the FCC subsidiary specialising in electricity installation projects won the first phase of a tender for the study, development, and demonstration of precise technologies to prevent flight accidents involving un-manned aircraft. The European Defense Agency considered the offer submitted by Espelsa in a consortium with other companies in the sector and competed with other consortiums, the best of the offers presented at this tender process. The goal of this tender was to encourage active research and analysis of the regulations and systems required for incorporating these un-manned flights in civil airspace as a first and essential step before their commercial development. ESPELSA is therefore contributing to future air traffic with manned and unmanned flights. ■



▶ EDA CONSIDERED
Espelsa's proposal is the best

Espelsa launches a mobile laboratory for medium-voltage repair works

Espelsa recently acquired a mobile system for predicting failures, which will be used for by the inspection department of its Grid Maintenance Division. The vehicle features a computer-enabled testing and diagnosis system to repair medium-voltage cables. The system is able to detect weak spots in the airtight insulation of medium-voltage distribution networks caused by installation construction failures, intervention of external agents, or simply due to age.



▶ Specifications

The vehicle is divided into two areas. The front part is adapted for carrying the IT system, while the back of the vehicle is used for carrying the measuring equipment used by personnel specialised in detecting failures. Thanks to this technology, Espelsa is able to carry out preventive maintenance of

Endesa Group's medium-voltage grid in Barcelona, which represents a considerable improvement in the quality of supply for users and a reduction in repair work. ■

JOSEP LLUÍS BONET, the Chairman of Fira Barcelona, the mayors of Barcelona and L'Hospitalet, Joan Clos and Celestino Corbacho, and the Japanese architect Toyo Ito, attended the ceremony.



FCC will build the Torres Fira in Barcelona

The first stone of the Torres Fira project by the Japanese architect Toyo Ito was laid last 6 April. Standing 117 metres tall, these two towers will become the gateway of the new Fira Barcelona (Barcelona Fair Grounds) complex.

The Chairman of Fira Barcelona, Josep Lluís Bonet, and the mayors of Barcelona and L'Hospitalet, Joan Clos and Celestino Corbacho, joined the architect and attended this event. FCC will be in charge of building this project consisting of two towers which will become part of the new Europa Plaza at the Gran Vía de L'Hospitalet.

The first tower, with 23 floors, will be used as an office building while a 338-room hotel will occupy the 26-floors of the second tower. The most salient aspect of this second tower is that it rotates around its axis thereby providing views of the cities of L'Hospitalet and Barcelona, the airport, the future Europa Plaza, and the fair grounds.

A common floor that will house a large 2,357 m² commercial area will connect both buildings. Construction should be completed by 2009. These two buildings designed by the acclaimed Japanese architect will become a landmark at the southern entrance to Barcelona and part of the fast urban transformation process that is taking place in this area connecting L'Hospitalet and Barcelona. ■

► **DESIGNED BY TOYO ITO, the buildings will become one of the landmarks in the Barcelona metropolitan area**

FCC and Caja Madrid boost their strategy with Realia's IPO



FCC and Caja Madrid have announced major changes in their real estate sector strategy. The agreement reached by both entities regarding their 49.17% respective stake in Realia Business (Realia) contemplates several changes in Realia's strategy and shareholder structure.

The agreement underscores the two partners' commitment to boost the company's growth through major acquisitions to increase its critical mass, diversify its business lines, and create value for shareholders.

The agreement also reflects FCC's and Caja Madrid's commitment to modify the shareholder structure enabling FCC to consolidate Realia globally in its accounts. The FCC and Caja Madrid agreement also reiterates the desire of both partners, as agreed in 2000, to take the steps required

to list Realia in stock markets while maintaining stable control of the company following its IPO. As part of the growth strategy and thanks to FCC's and Caja Madrid's support of its international diversification drive, Realia has reached an agreement with the major shareholders of SIIC de Paris, a French real estate company specialised in real estate property activities, for the purchase of 73.09% of its share capital. This deal will enable Realia to advance in its international diversification drive following its entry in the Portuguese and Polish markets. SIIC de Paris offers a unique platform for gaining a foothold in the French market, the largest in the European Union, which also offers a very attractive tax regime. The agreement with the major shareholders of SIIC de Paris ensures the success of this tender,

Real estate sector



although Realia will shortly launch a takeover bid since this company is listed in the Paris stock exchange. The agreed price, EUR 300/share, implies that the entire company is valued at EUR 586 million.

Realia will also assume SIIC's current EUR 260 million debt. ■

SIIC DE PARIS

SIIC de Paris, listed in the Paris Stock Exchange, engages mainly in real estate property activities. The company owns 33 buildings, 90,291 m² of above-grade floor space, mainly in the office segment. Most of its assets are situated in the city's business districts. The Company also engages in leasing activities. Total sales in 2005 reached EUR 95 million, with rental revenues totalling EUR 29 million. The company posted EUR 35 million in operating income.



Realia increases its portfolio of singular buildings in Barcelona

Grupo Inmobiliario Realia Business consolidates its presence in Barcelona thanks to the acquisition of a 117 metre-tall modern design skyscraper at the Torres Fira projects, one of the city's landmarks.

Realia spends EUR 140 million in the acquisition of the Office Tower that will be built next to the new Fira Barcelona grounds in the Plaza de Europa, at the start of the Gran Vía de les Corts Catalanes in L'Hospitalet de Llobregat.

The future 117 metre-tall office tower with 31,135 m² of above-grade floor space, will have 23 floors, each measuring 1,300 m², 3,038 m² of commercial space on the ground floor, and three basements with 399 parking spaces.

The offices are situated around the building's cylindrical core. The design of the building is highly functional, with uncluttered spaces that can be used either as individual offices or wide-open areas. Natural light filters in through the façade, totally made of glass.

► Urban project

This complex is part of the ambitious urban project promoted by L'Hospitalet de Llobregat's City Council aimed at expanding the fair grounds to 213,000 m², making it the second largest one in Europe after the one in Milan. Set to become one of the city's landmarks, the complex will energise this district which is set to become one of the major business areas. It is estimated that the complex will generate nearly 500,000 overnight hotel stays in this zone per year.

The Fira Towers will certainly become an architectural reference in Barcelona and a major milestone in the city's office market, not merely because of its design, but also thanks to its technical characteristics and exceptional location. ■

Cementos Portland Valderrivas wins prize for best environmental management in the Madrid Community

The Chamber of Commerce of Madrid, the Business Confederation of Madrid (CEIM-CEOE) and the Madrid Community awarded Cementos Portland Valderrivas the Corporate 2005 Environmental Prize for the best environmental management in the Madrid Community. The Secretary for the Environment, Mariano Zabía, the Chairman of the Chamber of Commerce, Fernando Fernández-Tapias, and the CEIM-CEOE chairman, Gerardo Díaz-Ferrán, presided over the ceremony.



The El Alto factory operated by Cementos Portland Valderrivas in the town of Morata de Tajuña (Madrid) has received the Environmental Award from the Community of Madrid in the large enterprise category. The Chairman and CEO, José Ignacio Martínez-Ynzenga received the award on behalf of the company. The award, given by the Department of the Environment and Territorial Organisation of the Community of Madrid, the Chamber of Commerce and Industry and CEIM-CEOE, recognises the efforts of the Company, part of the Fomento de Construcciones y Contratas (FCC) Group, to protect, monitor and recover the environment.

► Investment of 40 million

The cement company, whose Vice President is Esther Koplowitz, has a permanent program in place to revamp and upgrade the AI Alto factory facilities. Nearly EUR 40 million will be invested in connection with this programme

JOSÉ IGNACIO Martínez-Ynzenga collects the prize given to Cementos Portland Valderrivas by the Madrid Community.

over the next three years. A significant part of the investment will be earmarked for environmental purposes. The factory is considered the most technologically modern factory in Spain and the most energy-efficient in all of Europe. According to José Ignacio Martínez-Ynzenga, Chairman and CEO of Cementos Portland Valderrivas, "winning this award is a source of pride for the entire Group, which considers environmental management a fundamental business management tool at all of its factories, both in Spain and in the US, and proof of the commitment to sustainable development repeatedly manifested by our shareholder, the FCC Group". ■

ENVIRONMENT AWARD

The Cementos Portland Valderrivas factory was recognised for its investment and commitment to environmental improvement. This commitment was underscored in the agreement that the company voluntarily signed with the Madrid Community whereby it agrees to reduce emissions below the levels established in corresponding regulations. The Company was also awarded a certificate for environmental management pursuant to ISO 14001 standards.



Sponsors the Environment and Journalism Seminar held in Seville

Last 6 April, Cementos Portland Valderrivas sponsored the Environment and Journalism Seminar in Seville organized by the Fundación Laboral Andaluza del Cemento y el Medio Ambiente (Flacema).

The manager of the Portland Valderrivas cement factory in Alcalá de Guadaíra, Jesús Lauarnaga, and the General Technical Manager of Cementos Portland Valderrivas, Pablo Espeso Martínez, were among those participating in this event.

► The Alcalá de Guadaíra factory

Once the seminar ended, Cementos Portland Valderrivas organized a guided tour of its cement factory in Alcalá de Guadaíra (Seville) to explain to all who attended how the factory functioned and the technical and environmental upgrades that had been implemented at these facilities.

Cementos Portland Valderrivas plans to invest EUR 43 million over the next three years. Of this amount, EUR 19 million will be spent in reducing emissions,

building waste and raw material storage facilities, and minimising sound pollution, among other environmental measures, to transform this factory into one of the leading ones in Europe in terms of efficiency, safety, and environmental control.

In recent years, Cementos Portland Valderrivas has invested EUR 96 million in revamping its Alcalá de Guadaíra factory. Thanks to these expenditures, the factory was able to increase production by 30% to a total 1.8 million tons per year of clinker, equivalent to two million tons of cement. It was also able to reduce total pollutant emissions by 87% thereby contributing to sustainable development. All of these facilities are in full operations, thanks to which the factory has the cement furnace with the largest capacity in Spain. These upgrades also make it possible for the factory to meet the new requirements of the Ley de Control Integrado de la Contaminación (IPPC) (Law on Integrated Pollution Control), that requires industries to adapt to its specifications before 30 October 2007. ■

José Ignacio Martínez-Ynzenga, chairman and CEO of Cementos Lemona

The new Board of Directors was appointed at Cemento Lemona's Annual General Meeting held on 10 May in Bilbao, following the success of the offer launched by Cementos Portland Valderrivas, now holding a 97.40% stake in this cement company.

The AGM passed a resolution to list Cementos Lemona in the stock market and agreed to appoint José Ignacio Martínez-Ynzenga as the company's Chairman and CEO to replace José Domingo Ampuero.

The AGM also agreed to appoint Esther Alcocer Koplowitz, Alicia Alcocer Koplowitz, Fernando Falcó Fernández de Córdoba, and Carlos Fitz-James Stuart as new board members.

José Domingo Ampuero, Enrique Varela, Ángel Luis Heras, and Manuel Melgar remain as board members.

In 2005, Cementos Lemona's sales reached EUR 127 million, 25.5% higher year-on-year. At EUR 21 million, net income was up 40%. ■



JOSÉ IGNACIO MARTÍNEZ-YNZENGA, left, and the former Chairman José Domingo Ampuero.



ABOVE, THE prizewinners with His Royal Highness, the Saudi Prince; on the left, Marcelino Oreja receives the Real Club de Enganches de Sevilla prize on behalf of FCC.

FCC receives award in Seville for its great cultural contribution

The Real Club de Enganches de Andalucía (Harness Club) honours FCC for its great cultural contribution, promoted by Esther Koplowitz, and the recent publication of the book "Historia del carruaje en España" (History of Carriages in Spain). The award ceremony took place on 22 April and was followed by a gala dinner given by the Real Club de Enganches de Andalucía at the Carriage Museum in Seville to all prizewinners. His Royal Highness Prince Saud Bin Naif Bin Abdulaziz Al Saud, the Saudi Ambassador in Spain, and his wife, her Highness Abeer Bint Faisal Alsand, and daughters were the guests of honours at this event.

Marcelino Oreja, FCC's Chairman and CEO, received the prize on behalf of the company, a "Bronze Collar", as a symbol for the appreciation and recognition of the company's contribution to culture. The company's efforts were previously recognised with a gold medal given by the Royal Academy of History to Esther Koplowitz.

The Real Maestranza de Caballería de Ronda, was also honoured at this event thanks to the contribution of the Marquee of Salvatierra who wrote the prologue to FCC's book, "History of Carriages in Spain". Other award winners included the president of the Real Club de Enganches de Andalucía, Rafael Álvarez Colunga, and the General Director of Seville's Carriage Museum, Ramón Moreno de los Ríos. ■

Aqualia at the Fourth World Water Forum held in Mexico

Aqualia, in collaboration with the Instituto Español de Comercio Exterior (ICEX) (Spanish Institute for Foreign Trade) participated in the World Water Forum held last March in Mexico. The Spanish Minister of the Environment, Cristina Narbona, and the General Director of Water from this same Ministry, attended this international event. Both visited Aqualia's information stand at the Spanish Pavilion where several companies and organizations involved in water resource management aspects participated.

The World Water Forum is a World Water Council (WWC) initiative held every three years. The aim of this event is to raise awareness on water related problems, promote better management of water resources, and trigger actions in this respect at the highest political levels as well as among society as a whole. ■

ALSO AT THE 12TH SMAGUA EVENT

The company also participated at the International Water and Environment Salon held in Zaragoza from 28 to 31 March. This international event has become a point of reference and convergence for the leading global industries interested in all activities pertaining to water development.



THE MINISTER OF Environment, Cristina Narbona, and Jaime Palop, General Director of Water, with Enrique Hernández, Service Management Director, and Rafael Aznar, Director of Concessions, in Aqualia's stand. On the left, stand in Zaragoza.

