



FCC WINS AN ITALIAN WATER MANAGEMENT CONTRACT TOTAL BACKLOG AMOUNTS 1,500 MILLION EURO

FCC, through its subsidiary Aqualia, has won a tender to manage the integral water cycle for the Italian province of Caltanissetta for the next 30 years. This contract's business portfolio is worth a total of 1,500 million euros.

The province of Caltanissetta, located on the island of Sicily, has 23 towns and a total population of 275,000.

This is the first contract Aqualia has ever secured in Italy. Only 10% of Italy's market of 58 million inhabitants is served by private companies, but the firms that are there are some of the world's primary operators: Veolia (Sicily, Calabria, Latina, Piamonte, Liguria and Tuscany), the Suez Group (Tuscany) and Saur (Sicily and Campania).

The potential of the Italian water market is considerable, because Italy has one of the smallest private sectors of any of the European countries. Moreover, it is currently a very dynamic market to be in, as shown by the recent award of water service for the city of Catania and the tenders currently under way in cities such as Palermo, Naples, Syracuse, Ragusa and Catanzaro.

Caltanissetta's two largest population centres are Gela (72,000 inhabitants) and Caltanissetta (61,000 inhabitants), and Aqualia would begin operations with 100,000 customers.

The contract calls for 247 million euros in investments. Eight-five million of that will be coming from European, national and regional public funds.

The tender was awarded to a consortium in which Aqualia is the majority participant (51%), the other members being the Italian firms Galva (47%), CCC (1%), Gate (0.5%) and AIEM (0.5%).

The province of Caltanissetta is caught up in the middle of a period of economic expansion, thanks to its being chosen as the European point of entry for Libyan gas. A gas reception station is therefore being built, which is sparking development throughout the region.

What's more, ambitious infrastructure projects are springing up all over Sicily, some of which involve other Spanish firms.

Other Projects in Italy

At present, Aqualia is a finalist in two more comprehensive water management tenders in Italy, one in Ragusa, Sicily, and one in Vibo Valentia, Calabria. Together the two projects cover 480,000 inhabitants and are expected to bring in 1,600 million euros in revenues.





Aqualia in Spain

Aqualia, which went into business in 1990, has in the last 15 years become the second-largest Spanish water management operator and the sixth-largest water management operator in the world, growing at an annual rate of around 22%.

It is active in over 700 Spanish cities and towns and covers a population of over 11,000,000 inhabitants in Spain. The cities it covers include Oviedo, Vigo, Salamanca, Ávila, Mérida, Valdepeñas (Ciudad Real), Hellín (Albacete), Lleida, Ibiza, Denia and Alcoi (Alicante), Jaén, Algeciras (Cádiz), Nerja (Málaga), Puente Genil (Córdoba), Almería and Badajoz.

International Projects

In Portugal, Aqualia is a finalist in the Lezíria do Tajo tender for service to a cluster of nine municipalities with a total population of 200,000 inhabitants, which makes for a portfolio of 900 million euros.

Activity in Algeria is focused for the time being on the desalination business, where Aqualia was recently awarded two of the world's biggest desalination contracts. These two contracts concern the construction and operation (for 25 years) of the desalination plants at Mostaganem and Cap Djinet. Each plant will have a capacity of 100,000 cubic metres per day, and a total investment of 184 million euros will be made. These two contracts alone will mean 46 million euros per year in revenues for the company and a joint business portfolio of nearly 1,200 million euros.

In addition, Aqualia is involved in the processes to award the construction and a 25-year term operating three other desalination plants, at El Tarf, Cap Blanc and Tenes.

Aqualia is also active in the Israeli desalination sector, where it has prequalified to bid on the biggest desalination contract in history: construction and a 25-year operating term for the largest desalination plant in the world (230,000 m³/day), located in Hadera. In this process Aqualia is competing with firms of the likes of General Electric and the biggest desalination company in the world, the Israeli firm IDE. This contract would represent average annual revenues of 45 million euros and a portfolio of approximately 1,000 million euros.

Aqualia has been active in China for the last five years in the provinces of Anhui and Hunan and in Tianjin. Since 2004 it has had its own offices in Beijing. Last summer it signed a 25-year agreement to purify the waste water of Bengbu in Anhui province, located in southeast China. The anticipated investment comes to 49 million euros and the overall revenues will be about 500 million euros.

In the industrial water sector, Aqualia has become Spain's leader after its takeovers of Graver España, Nilo, Chemipur and Hidrotec, whose joint revenues come up to a yearly total of 15 million euros. With this foundation, Aqualia will also be entering the international industrial water market, where it anticipates playing a significant role very soon.

