



INFORMA

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FCC BUILDS IN SWITZERLAND THE WORLD'S LONGEST TUNNEL



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Street cleaning, Vitoria-Gasteiz



Since day one
working for a better environment

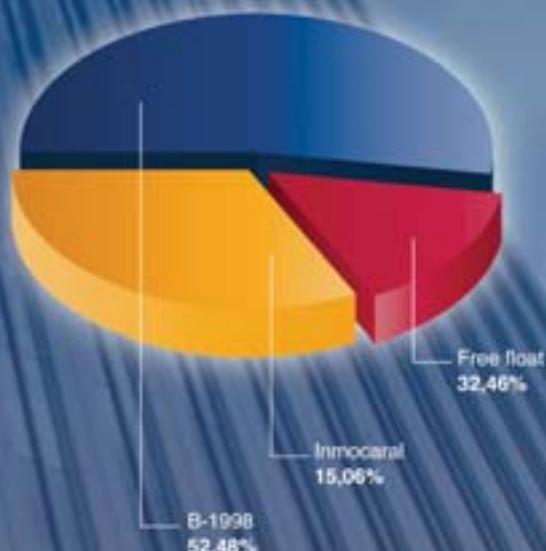
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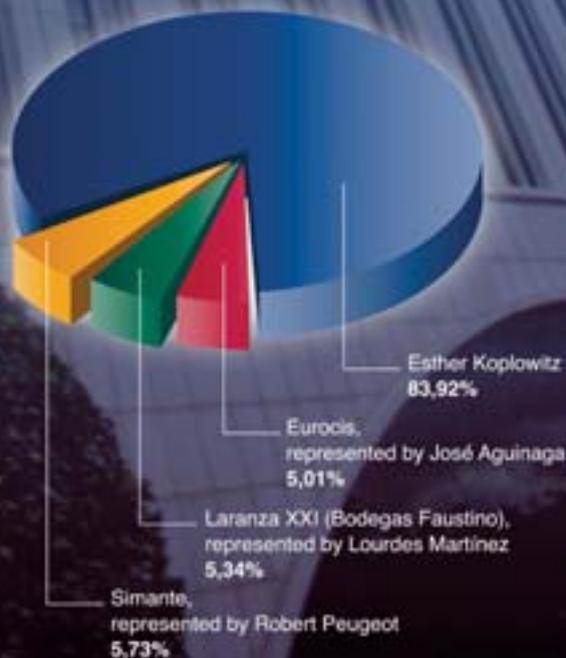
Esther Koplowitz strengthens her position as FCC's major shareholder

By acquiring Ibersuiza's 10.55% shareholding in B-1998, Esther Koplowitz increases her stake in B-1998 to 83.92%.

FCC ownership structure



B-1998 ownership structure



Esther Koplowitz acquired Ibersuizas Holding's interest in B-1998, which, with its 52.483% stake in Fomento de Construcciones y Contratas, is FCC's leading shareholder. Through her company Dominum Dirección y Gestión, Esther Koplowitz has acquired 10.55% of B-1998, S.L. The transaction will call for a disbursement of 381.5 million euro, which implies a valuation of 55.95 euros per FCC share. After the purchase, made at the Spanish businesswoman's initiative, Ibersuizas Holdings will be leaving the board of B-1998 while Ibersuizas Alfa will step down from the FCC Board of Directors. Luis Chicharro, who is staying as chairman of Cementos Portland Valderrivas, explained, "We decided to take up Esther Koplowitz's offer, because the six-year goals we had set were reached in three; so the investment cycle, linked to the creation of value at FCC, has gone through more than satisfactorily". With this purchase, Esther Koplowitz now controls 83.92% of B-1998, bolstering her commitment to FCC. Other major shareholders have decided to hold on to their shares in the company. Several months ago they all received the same offer from Esther Koplowitz and all opted to continue in B-1998, given their long-term investment philosophy and their commitment to FCC's development.

Following this transaction, the shareholding structure of B-1998 is as follows: Esther Koplowitz (83.92%); Simante, represented by Robert Peugeot (5.73%); Laranza XXI (Bodegas Faustino), represented by Lourdes Martínez (5.34%); and Eurocis, represented by José Aguinaga (5.01%). These movements do not imply any variation whatsoever in the distribution of the capital and the control of Fomento de Construcciones y Contratas; this, Esther Koplowitz underlines, "Further underscores that stability is ensured thanks to the presence of core shareholder such as B-1998".



Baldomero Falcones addresses FCC Group employees

On 2 January, the new executive vice-chairman and CEO of FCC, Baldomero Falcones, wrote a letter to all employees to express his excitement as he assumes the

great responsibility of managing FCC. The letter was translated into English, German and Czech and sent to FCC's foreign subsidiaries for its distribution.

Madrid, 2 January 2008

Dear friend,

In my first act as the Vice-Chairman and CEO of FCC, I wish to write to you to express the great excitement I feel as I assume the great responsibility of managing FCC.

It is often stated that workers are a company's main asset. Esther Koplowitz, to whom I owe the proposal to join the Board of Directors, constantly stresses this idea. I sincerely believe that she is right and that this has been clearly demonstrated at our company. We part of a workforce of 100,000 employees who are creating this company every day. This is the reason why it is so important for me to enjoy your trust and support.

FCC is facing a new phase full of opportunities in all areas; therefore, it is essential to count on everyone's support and work. The vocation for growth and diversification, a key characteristic of FCC, will play, more than ever, a key role.

We now face the challenge of improving the high levels of quality, development, job creation, and profitability that my predecessor, Rafael Montes, concluded in the Strategic Plan. I count on you to accomplish this task.

In the coming months, I will have more opportunities to inform you of novelties in the company.

My intention now is to greet you and wish you very happy holidays with your families.

Many regards,

Baldomero Falcones
Vice-Chairman and CEO



Traditionally, FCC's growth strategy has focused on diversification. Although it was founded as a construction company in 1900, in 1911 the company started to operate in the public service sector after being awarded a sewage cleaning and maintenance contract in Barcelona.



Esther Koplowitz and her family presided over the loyalty award ceremony. In the photo, all the award-winners and top FCC representatives.

FCC honours employees who have worked at the company for 40 and for 25 years

The FCC Group awarded the loyalty prizes to those who have worked at the company for 40 or 25 years at an event held on 18 December in the Ifema Convention Hall in Madrid, coinciding with the annual Christmas celebration for all FCC employees.

Tribute paid to those who have worked at the company for so many years at an emotional event presided by the company's leading shareholder, Esther Koplowitz.

Forty years is a very long time and it has passed very quickly, Rafael Montes, the current FCC Chairman mentioned in the video shown at the event, where others who have been with the company for 40 years also participated. All of these employees joined the company in 1967. Their first day of work, as they all perfectly remembered, was very important. There were many anecdotes about their early days at the company. They grew and

tackled challenges and the company became just another family, where they worked in a very friendly environment as real companions. These employees believe that Esther Koplowitz was responsible for this excellent work environment.

Marcelino Oreja, the Company's chairman until that date, was the first one to take the floor. He remembered that it had been a very intensive year of work, with excellent results achieved thanks to the collaboration of everyone. "We reaffirmed our positioning in our domestic market" he said, "We have expanded abroad, and are now a reference company in all the activities in which we engage".



In the photo, from left to right: Baldomero Falcones, executive vice-chairman and CEO of FCC; Rafael Montes, FCC's current Chairman, and Marcelino Oreja, who until that day was the group's CEO, at the loyalty award ceremony presided by the company's major shareholder, Esther Koplowitz.

Rafael Montes expressed his appreciation for the presence of Esther Koplowitz and her family. "She never misses this event and she never fails to meet her immense responsibilities", said Montes adding that "three years ago, I came here before you to that, at the proposal of Esther Koplowitz, the Board of Directors had approved my appointment as chief executive officer of the company, an immense responsibility for me".

He referred to the tribute paid by the Spanish-United States Chamber of Commerce to Esther Koplowitz in New York, naming her "Businesswoman of the Year". Ending his speech by saying, "at present, FCC has more than 1,000 companies, operates in 52 countries, and has a workforce of more than 100,000 employees. As always, we have always believed that our employees are our greatest assets, and in this respect, we are tremendously rich".

In his first appearance at this event, Baldomero Falcones, FCC's executive vice-chairman and CEO, made gave the closing speech. He said "for me it is an honour to be part of the FCC team, as I also mentioned today at the Board meeting. FCC has been a pioneer in diversification, international expansion, and in its policy with respect to human resources. FCC is a great asset for all of you and for our country, it is a great company. We are currently

in an enviable situation, at the close of an exceptional year, about to fulfil a strategic plan that has enabled us to achieve unbeatable results, and placing the company in a better positioning from which to meet future challenges. We have all the opportunities. We are most likely the company with the best positioning to seize these opportunities in the market, to do this conscientiously and profitably to ensure growth. These opportunities are there and we have the team to take advantage of such opportunities. I want to thank the Board for the confidence it has placed on me, and to thank Esther for her support and her decision. We have a great businesswoman, brave, decided, and intelligent and, at the same time extremely human. We have an extraordinary Board of Directors, a united board which is an enormous asset for our company. We also have a great management team and the best human team. I want to thank you for the trust you have placed on the Board, thank Esther for her support, and thank all of you. We will work together. I will always be at your disposal. My door will always be open for each and every one of you. There are many things that must be done, and we are going to do them. I congratulate those who have worked for our company for 25 or 40 years. We are very proud. I wish you and your families the best these holidays and as of tomorrow, I will be at my office at your disposal".





FCC implements "Familia" plan to integrate people with disabilities

The objective of the "Familia" program is to provide support to FCC employees' family members who have some form of disability. The program comprises several actions and measures to promote the integration of people with disabilities in the job market.



FCC and Fundación Adecco have signed a cooperation agreement to foster the integration of people with disabilities into society and the labour market. The agreement envisages training and work-related orientation activities, as well as activities geared to train and prepare people with

disabilities to enter the labour market in the future.

Managed by the Human Resources and Means Division

This project, launched by the Human Resources

"We want to help employees' family dependants with some form of disability to achieve a level of personal autonomy that is sufficient for their integration in society and in the job market. With the collaboration of Fundación Adecco and a personalised program for each family, we can meet this objective. We can help you"

and Means Division, will be managed with the utmost confidentiality. All employee applications will be handled by this division and by Fundación Adecco on a personal basis. The goal of the project, in keeping with the Group's Corporate Social Responsibility policy, is to provide support to relatives of FCC employees that have some form of disability and to enable them to integrate effectively into society and the labour market. The programme will cover dependent relatives up to the



first degree (children, spouse and parents of working age) with certified disability of 33% or greater. People of working age will receive an assessment of skills and social abilities with a view to facilitating their integration into work, as well as information, guidance and advice on finding a job.

People of working age will receive an assessment of skills and social abilities with a view to facilitating their integration into work, as well as information, guidance and advice on finding a job. Other actions will be designed for those who are not capable of working in order to improve their personal development.

Other programs will be developed for those who are unable to work in order to enhance their personal development. The goal of the project is to provide support to relatives of FCC employees that have some form of disability, and to enable them to integrate effectively into society and the labour market. The programme will cover dependent relatives up to the first degree (children, spouse and parents of working age) with certified disability of 33% or greater.

For under-age beneficiaries, Fundación Adecco will design alternative programs as well as leisure activities with the aim of developing social and relationship skills at the same time. Fundación Adecco will schedule an interview with interested parties to evaluate, diagnose, and design an individual plan to foster each person's social integration based on their individual situation and the expectations and needs of each of the families.

Family Plan Procedures

The program, consisting of five phases, is an individualized service to foster social-labour integration of family members with disabilities.

Phase I: Diagnosis and personal guidance

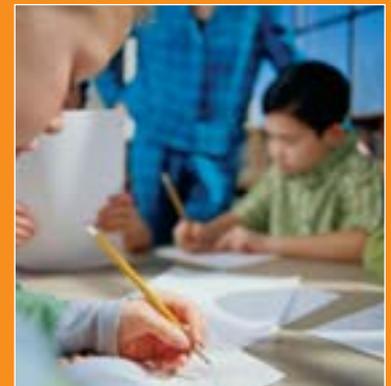
Phase II: Guidance, information, planning for finding a job and other alternatives.

Phase III: Personal interview

Phase IV: Training program

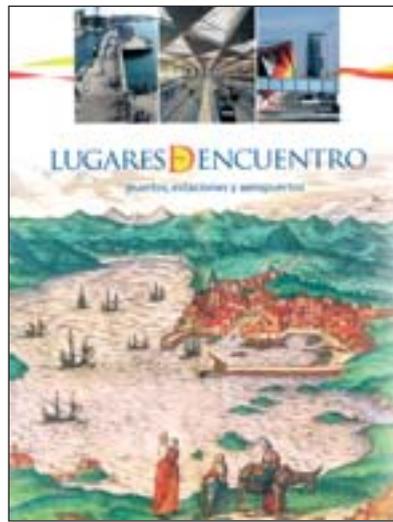
Phase V: Integration in the job market

The program is completely personalised and adapted to the specific needs of each interested party. The goal is to promote the necessary skills, attitudes, and techniques to make them autonomous, allowing them to personally look for a job or to find other parallel alternatives besides jobs.



The goal of the project is to provide support to relatives of FCC' employees that have some form of disability to enable them to integrate effectively into society and the job market.

“Meeting Places: Harbours, Stations, and Airports”, a new book published by FCC



FCC has published a new book entitled: “Meeting Places: Harbours, Stations, and Airports”, which, as in previous years, was prepared by Cinterco and coordinated by the Corporate Image Department. The book is divided according to historic periods, has five chapters with 450 pages and over 750 illustrations:

- Harbours. Place of Encounters in ancient periods and in Roman Spain.
- Harbours. Places of Encounters in the Middle Ages.
- Harbours: Places of Encounters in the Modern Age.
- Harbours and railroad stations.
- Railroad and subway stations, harbours, and airports. Places of encounter in the twentieth and twenty-first centuries.

Several well-known authors have collaborated in this book, the fifteenth published by FCC. It describes in rich historic detail the harbours and places of encounter in Spain, from the ancient days, to the Roman times, and up to the present. It also includes many images of harbours, railway stations, and airports.

This new work in which highly respected professors, writers, historians, architects, and engineers have participated, is part of an educational and scientific collection published by FCC that is widely used as a work of reference in universities and in the academic world.

Gold Medal for Esther Koplowitz

On 23 January 2004, the Royal Academy of History awarded Esther Koplowitz its Gold Medal for her promotion of history-scientific books.

Gift for the National Theatre Museum

FCC has given the National Theatre Museum in Almagro (Ciudad Real), a copy “Theatre Stages in Spain” a book published by FCC, with a special binding for this occasion.

This donation is in keeping with FCC’s social responsibility commitment which has, among its many objectives, incrementing the valuable collection of this museum which is in charge of protecting the rich theatre heritage in Spain. The museum has sent a letter to Esther Koplowitz and to Rafael Montes, FCC’s current CEO, expressing its appreciation.

H.M. Queen Sofia of Spain confers the Gold Cross for Social Solidarity to Esther Koplowitz

H.M. Queen Sofia of Spain confers the Gold Cross of the Civil Order of Social Solidarity to Esther Koplowitz, Marchioness of Casa Peñalver and of Cubas, at a ceremony today in the Zarzuela Palace, Madrid. The Minister of Labour and Social Affairs, Jesús Caldera, and the State Secretary for Social Services, Amparo Valcárcel, were among the many personalities attending this event. Esther Koplowitz was accompanied by her family and by Gonzalo Anes, Director of Spain’s Royal Academy of History.

The Civil Order of Social Solidarity is granted to individuals who have made a particularly outstanding contribution by promoting or undertaking activities and services in society which have resulted in greater social welfare. The distinction, granted by the Minister of Labour, acknowledges Esther Koplowitz’s work to help the disadvantaged, especially the elderly and people with mental disabilities who have limited means.

The Esther Koplowitz Foundation, a not-for-profit organisation established in the early 1990s that is funded solely by contributions from its Chairman, focuses on building and outfitting homes for elderly people of limited means and people with mental disabilities; upon completion, the homes are donated to the various administrations.

This is the case with the retirement homes built by the Foundation in Collado Villalba (Madrid) and Barcelona, and the home for people with severe mental disabilities that it built and donated to the Valencia City Government. The Esther Koplowitz Foundation is currently developing a home for poor elderly people in Valladolid and a home for adults with mental disabilities in Valencia.

The Foundation is also active in the field of medical research and equipment. It recently donated a Da Vinci surgical robot, one of only two currently in Spain, to the



Jesús Caldera, Minister of Labour and Social Affairs, greets Esther Koplowitz in the presence of H.M. Queen Sofia of Spain.

Hospital Clínico San Carlos in Madrid, putting that prestigious clinic at the forefront of robotic surgery.

In the coming months, the first stone will be laid for the Esther Koplowitz Biomedical Research Centre (CIBEK) in Barcelona; the centre will provide work space for 400 researchers and is one of the largest cases of biomedical research sponsorship in Europe (15 million euro); the CIBEK is scheduled to be operational in 2010.

With all these projects, the Esther Koplowitz Foundation will have donated 82 million euro to help the disadvantaged and contribute to scientific development in Spain.

In recognition of her dedication to these causes, in July 2001 the Spanish Cabinet awarded Esther Koplowitz the Grand Cross of the

Order of Civil Merit for her work for society. Other distinctions granted to Esther Koplowitz for her work include the Silver Cross of the Order of Merit of the Guardia Civil, the Coat of Arms of the City of Barcelona, the title of Adoptive Daughter of the City of Valencia, and the Gold Medal of Spain's Royal Academy of History for her cultural work inside and

outside FCC. Early in 2007, the Adecco Foundation granted the Esther Koplowitz Foundation its Annual Award in recognition of its work in favour of the disadvantaged.

The distinction recognises the businesswoman's work in favour of the most disadvantaged

In September 2007, Esther Koplowitz was named 'Business Leader of the Year' by the Spain-U.S. Chamber of Commerce for her entrepreneurship at the head of FCC and her work in favour of the needy. Her foundation provides assistance to a number of associations and organisations, including most notably the Queen Sofia Foundation's Alzheimer Project, Caritas, Horizontes Abiertos, Mensajeros de la Paz, Police Orphans, Guardia Civil Orphans, and Aid for Victims of Terrorism.

CONSTRUCTION

ALPINE wins 1.033 billion euro railway project in Switzerland

FCC's Austrian construction company, ALPINE, will participate in the construction of the St. Gotthard pass tunnel. The contract contemplates placement of rails, assembly of the train control system, signalling and lighting, plus the construction of telecommunication networks in the two one-way tunnels.

The consortium led by ALPINE, FCC's Austrian subsidiary, will be in charge of the technical railway installations in St. Gotthard tunnel in Switzerland, after winning a contract for 1.033 billion euros. Building work, scheduled to begin in early 2009 in Bodio, the southbound part of the tunnel in St. Gotthard, includes placement of rails, assembly of train control systems,

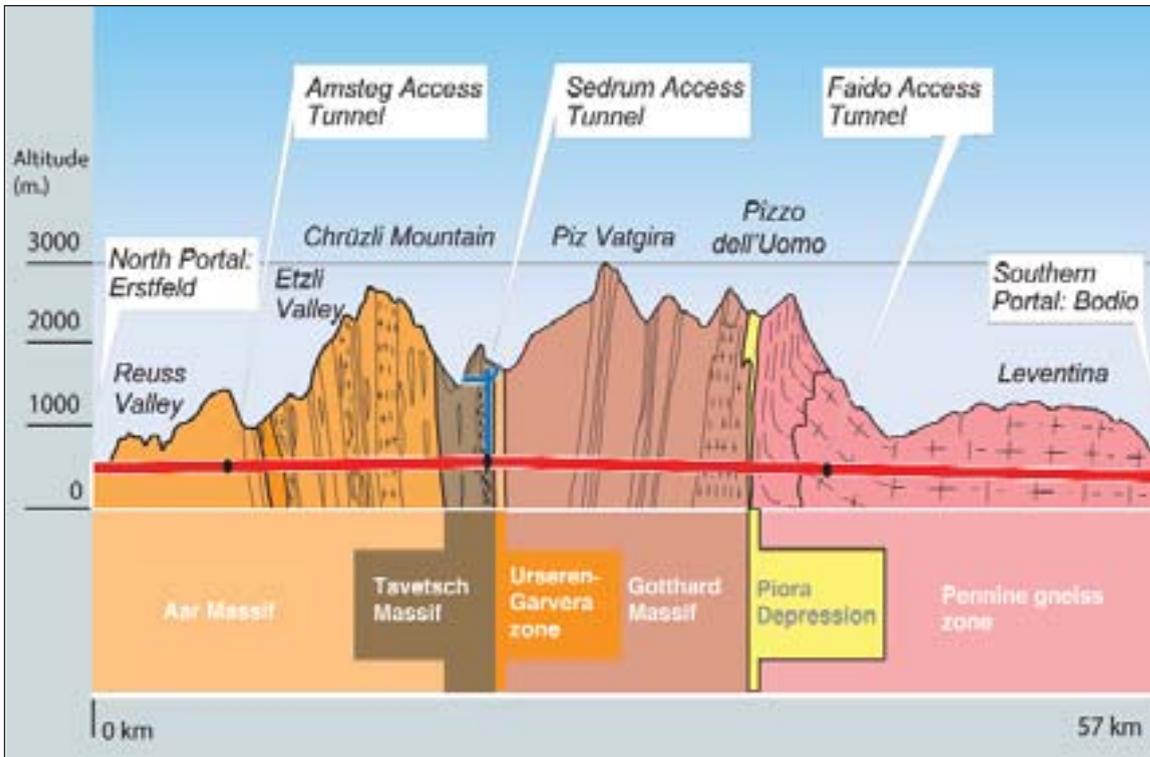
Work will be carried out in the two one-way tunnels

signalling, lighting, and construction for telecommunication networks in the two one-way tunnels. In addition, technical equipment will be installed in the outdoor stretches, north and south, until linking up with the existing railway line.

The longest railway tunnel in the world

The railway tunnel at the St. Gotthard pass in Switzerland, currently under construction, will stretch over 57 kilometres and have 153.5 km of tunnels. The tunnel should be completed by 2017 after a construction period of nearly twenty years. It will become the longest railway tunnel in the world. ALPINE won the civil works construction contract in 2002. The St. Gotthard tunnel will double transport capacity in the north-south corridor to nearly 40 million tons of goods, reducing travel time from Zurich to Milan to two hour and forty minutes.

Thanks to this project, passenger trains will be able



to cross the Alps at a speed of up to 250 km/hour in the future. It will also make it possible for merchandise trains of up to 4,000 tons to travel through the tunnel, thereby easing heavy vehicle traffic congestion in the North-South St. Gotthard road. The ALPINE Group operates throughout the world. With construction volume of nearly 3.3 billion

euros and approximately 14,300 employees, ALPINE is Austria's second leading construction group. In 2007, ALPINE executed contracts worth more than 3 billion euros. FCC acquired an 80% stake in this company in 2006 as part of the 2005-2008 Strategic Plan promoted by its leading shareholder, Esther Koplowitz.

Makes it easier to cross the Alps



The St. Gotthard pass is one of the major gateways for crossing the Alps in the north-south European route. Both tunnels will speed up crossing of the Alps and establish a direct route for high-speed trains. After the project is

completed, the current four-hour travel time between Zurich and Milan will be reduced to two and one half hours. The mouth of the tunnel will be near the cities of Erstfeld (north) and Bodio (south).



Thanks to this project, passenger trains will be able to cross the Alps in the future at a speed of 250 km/hour.

Globalvía closes financing for Autopistas del Sol, in Costa Rica

Latin American PPP Deal of the Year 2007 Award

Project Finance magazine (Euromoney Group) has announced the winners of "Deal of the Year 2007" awards. This is the ninth edition of this award, divided into several categories, for the main project finance deals in the world.

In the "Latin American PPP Deal of the Year 2007" category, the award went to the financing project. The prize was awarded since this is the first PPP highway concession in Costa Rica and also due to the challenging task of securing funding.

The official award ceremony will be held in New York on 6 March.

Globalvía Infraestructures

Globalvía, an FCC and CAJAMADRID 50:50% joint venture, engages in the development and exploitation of infrastructures. The new company has 37 infrastructure concessions, including toll roads, railways and metro lines, ports, airports and public buildings. It ranks fifth worldwide among infrastructure concession companies according to Public Works Financing magazine. Globalvía pursues regional and business diversification through the acquisition of already existing concessions (brownfield) as well as by bidding for new infrastructure concessions (Greenfield).

The toll road company Autopistas del Sol, owned 35% by Globalvía (a subsidiary of FCC Construcción and Caja Madrid), 35% by Itinere Infraestructuras (the Sacyr Vallehermoso group's infrastructure subsidiary), 13% by M&S DI-MS Desarrollos Internacionales, and 17% by Soares da Costa, has completed a financing agreement for the construction of a toll road between the cities of Caldera and San José, in Costa Rica.

Worth an investment of 330 million dollars, the road will stretch over 76.8 kilometres, connecting the cities of San José and Caldera. The concession period is 25 years.

The Central American Bank for Economic Integration (BCIE) and Caja Madrid, with the support of Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group, lead-managed the 247-million-dollar syndicated loan, which has a maximum lifetime of 20 years. Present at the signature was Costa Rica's Deputy Minister for Concessions, Luis Diego Vargas, representing the Consejo Nacional de Concesiones.

The road will provide a direct route, shortening the

journey from the port of Caldera (which handles 40% of Costa Rica's imports) to the capital city, San José. Construction will commence in January and will proceed in three stages: San José-Ciudad Colón, Ciudad Colón-Orotina and Orotina-Caldera.

Tolls, which will be collected in the Costa Rican local currency, the Colon, are referenced to the US dollar and will be revised every three months on the basis of the colon/dollar exchange rate; accordingly, the concession holders have a hedge against any depreciation of the local currency. Moreover, the Government of Costa Rica will guarantee minimum revenues during the first 17.5 years of operation.

Autopistas del Valle

This consortium already has another toll road under construction in Costa Rica: Autopistas del Valle, which will connect San José to San Ramón along the country's most heavily-travelled route, providing access also to San José International Airport. That road will be 60 kilometres long and the concession is for 25 years.

Estimated investment is 300 million dollars



Worldwide operations

The ALPINE Group operates worldwide. With approximately 3.3 billion euro in construction revenues and close to 14,300 employees, ALPINE is Austria's second-largest construction group. In 2007, ALPINE landed new contracts worth over 3 billion euro. FCC acquired 80% of Alpine in 2006 as part of the 2005-2008 Strategic Plan promoted by the company's leading shareholder, Esther Koplowitz.

ALPINE to build a rail link to Berlin's new airport

ALPINE, FCC's Austrian subsidiary, has won a 63.6-million-euro contract to build a new rail link to Berlin Brandenburg International Airport (BBI).

The track will provide major connections for southbound regional and long-distance rail traffic out of Berlin. ALPINE and its German partner, GSB, are set to finish the project in 2011. BBI is two-thirds larger after recent expansion and needs a new rail link. ALPINE has started with the Mahlow and

Schönefeld junctions. The contract calls for the construction of six underground sections of track measuring a total of 2.5 kilometres, three railway and four highway bridges and the laying of 33 kilometres of track.

ALPINE will also build the platforms for the new rail terminal. The project will require moving 330,000 m³ of earth, using 87,000 m³ of reinforced concrete and 12,000 tonnes of steel.



FCC to build and operate the M-404 toll road in Madrid

Part of the ambitious REDSUR project of the Department of Transport and Infrastructures of the Madrid Regional Government, the toll road is worth an investment of 453 million euros.

The Madrid Regional Government has awarded the contract to build, finance and operate the new M-404 toll road to a consortium comprising FCC and Caja Madrid (50% each). The investment is worth 453 million euro.

The road, under a 30-year shadow toll concession, will be built in 18 months. FCC Construcción is solely responsible for the construction, operations, and maintenance of the toll highway. The 27-kilometre dual carriageway, awarded to FCC, will connect the M-407 in Griñon to the M-307 in Ciempozuelos.

The road is part of the ambitious REDSUR project

of the Department of Transport and Infrastructures of the Madrid Regional Government. Doubling the width of the M-404 will improve communications and road safety in the towns of southern Madrid, such as Serranillos, Griñon, Cubas de la Sagra, Torrejón de la Calzada, Torrejón de Velasco, Valdemoro and Ciempozuelos.

The goal of the project is to increase traffic capacity, eliminate black spots and at-grade intersections, and turn the road into a backbone for the southern Madrid region, since it connects the A-42 Toledo motorway with the A-IV Andalusia motorway, two of the main gateways to the city of Madrid. The objective is to equip one of the Madrid region's

Upgrades in the M-40

- First CO²-free road in the Madrid Autonomous Community. Trees and ponds offset Co2 traffic emissions.
- Environmental and road safety advantages and improved road surface thanks to the addition of rubber and graded crushed artificial aggregate as a granular sub-base.
- Lighter visual impact of overpass and underpass structures enhances the visual aspect and reduces necessary earth movement operations.
- Replacement the concrete barrier with a metal one, complying with safety requirements.
- Mixed slab used in the A-42 and A-4 overpasses. The single-girder slab stretchers over the railway overpass to prevent affecting road traffic during the execution of the project.
- Revamped intersections, access roads, and connections; number of lanes increased as well as the length of the junction.
- Solution proposed to address lack of loading gauge in the A-4, A-42, R-4, and High-Speed train intersections.
- Placement of panels, signalling systems, and information on tourist attractions. Construction of two service areas.
- Upgrades and refurbishment of historical-artistic, archaeological, and paleontological heritage sites.
- Revamping of pedestrian and forest roads and creation of a botanical path along the Guatén Stream.
- Measures implemented in cattle crossings, replacement of paths, access roads, and services, and refurbishment of land fills.
- Measures necessary to prevent disrupting traffic on the M-404, focusing on road safety and on environmental management of project.



Some of the areas where the project will be executed.

fastest-growing areas with powerful, modern infrastructure.

First ecological road

The improvements submitted by FCC in its offer reflect its commitment to the environment, road safety, and infrastructure functionality.

Aware of the environmental impact resulting from building a highway in a sensitive environment, FCC's proposal contemplated widening the 404 highway thereby providing the Madrid Autonomous Community with an ecological road, the first one that will be free of carbon monoxide, thanks to the first-of-its kind

Shadow toll system

measure to compensate CO² emissions from traffic by building emission-absorbers by planting trees or building ponds. Besides improving the environmental quality of the region, these measures enhance the beauty of the surroundings and reduce acoustic impact.

Based on FCC's and Caja Madrid's experience in concessions, the conservation and exploitation system submitted ensures the best quality service, safety, and economic efficiency in order to achieve optimal levels of functionality, comfort, information, and safety. When completed, this project will strengthen Global Vía Infraestructuras, a consortium created by FCC and Caja Madrid (50% each) for the joint management of these types of assets.





Castile-Leon Parliament Building in Valladolid. The Pamplona-Logroño Highway. Autovía del Camino.

2007 Promotion of Quality and Innovation Awards

On 10 December, FCC announced the 2007 Promotion of Quality and Innovation awards, given annually to major projects. The daughters of Esther Koplowitz, Esther and Alicia; Rafael Montes, FCC's current chairman; Marcelino Oreja, the former chairman and CEO, and José Mayor, CEO of FCC Construcción, plus several company representatives attended the event held at FCC's headquarters in Torre Picasso.

The 2007 Building Quality Award was given to the new Castile-Leon Parliament building while the prize for Civil Works was awarded to the Pamplona-Logroño highway, known as Autovía del Camino. Award winners received a plaque designed expressly for this event by José Luis Sánchez, one of the most important sculptors in Spanish contemporary art.

The 2007 Innovation Award went to the low-reflection boxes for breakwaters for wharfs and dikes and the enlargement of the platform and new vestibule at the

Line 3 subway station at Puerta del Sol. Alpine's BPV-Betonfilterpress Blüten "Weicher Betone" (measuring equipment for assessing the segregation of fresh concrete for special foundations) received an honourable mention. This innovation was appraised during the construction of a curtain wall and perforated piles at a building in Vienna.



Platform at the Line 3 subway line in the Puerta del Sol station. Metro de Madrid.

The Honorary FCC Construcción Head of Project award was given posthumously to Carlos Cebamanos Jarreta for his personal qualities as well as for his excellent professional career in FCC.

Head of the Castile-Leon Parliament Building in Valladolid.

The new parliament building is situated in one of Valladolid's fastest growing districts, Villa del Prado. The project was designed by the architect from Granada Ramón Fernández Alonso and supervised by the architects

Leopoldo Cortejoso and Juan Coronado. The building, 170 metres in length and 50 metre wide, comprises four volumes totalling 30,000 m2 of floor space.

The first volume is a rectangle comprising three floors and a white concrete outer wall. Its geometry emphasises the horizontal aspects of the building, which is only broken-off by part of the building forming the chamber. The second volume is a library with horizontal aluminium and glass siding, a large glass cube in front of the main façade. Divided into two levels, the lower level is designed for parliamentary activities while the top level is similar to a large lantern that projects natural light into the interior. The outer wall was designed using serigraphic glass with digitalized images of alabaster. The fourth section is a two-storey glass building with a curtain wall in its exterior.

The Pamplona-Logroño highway. Autovía del Camino

This is one of the largest projects ever awarded by the Navarre regional government. The project includes construction and a 30-year operation concession for the highway connecting Pamplona and Logroño.

Spanning over 70.3 kilometres, between Zizur Mayor and the NA-134 highway, the infrastructure has 20 intersections serving as gateways to various towns. The project is worth a investment of 324 million euros.

The road is divided into five sections. The first section is 12.7 km long with four intersections between Zizur Mayor and Puente la Reina, in addition to tunnels crossing the El Perdón mountain range.

The second section, Puente la Reina, is 5.2 km long, has two intersections, two semi-intersections, and eleven structures, including the 300 metre long Santiago bridge over the River Arga which was designed by the civil engineer Javier Manterola.

The third section, Puente La Reina – Estella, is 12.5 km long, with 16 structures, and four intersections proving access to the towns of Mañeru, Cirauqui, Alloz, and Lácar.

Stretching from Estella to Los Arcos, the fourth section is 8.7 km long. The fifth section, closest to Viana, is 14.1 km long, has seven intersections, and 33 structures, and marks the completion of the

Autovía del Camino project after being opened to traffic.

Low-reflection boxes for the breakwater wharfs and dikes.

Boxes are most frequently used in major maritime projects in Spain. For development of this project, FCC entered into an agreement with the Ministry of Development's Centre for Studies and Experiments in Public Works (CEDEX).

FCC's proposal is based on the excellent capacity for reducing reflections in the vertical wall over a long interval spanning the most critical situations that could arise in Spanish ports as well as in other harbours worldwide.

The solution adopted consists of three parallel reflection-absorbing mechanisms to address: the lag in the reflected wave giving rise to fissures in the parameters; dissipation due to turbulence in the lateral expansion of the first row of chambers and interference causing the flow of stored water in the upper chambers of the second row.

Already patented, this development has been chosen in several projects awarded to FCC, including a major project, due to its size, at the new Granadilla Harbour in the island of Tenerife.

Enlargement of the platform and new vestibule at the Puerta del Sol station, Line 3.

The project contemplates an overall refurbishment and revamping of the Madrid Underground System's Line 3 underground stations. The length of the subway stations will be enlarged from 60 to 90 meters to accommodate trains with 6 wagons instead of the trains with 4 wagons used until now, providing large halls, escalators, equipment feature Braille, and elevators. The project also contemplates the assembly of new electricity stations, reinforcement and water-proofing of tunnels and stations, and new tracks.

The enlarged Sol subway station is at the intersection of Preciados Street and Puerta del Sol. Since there is not sufficient space in the public thoroughfare, access to the new station is through an underground vestibule which is accessed from the front of a commercial centre. Since the new platform is wider than the street, it was necessary to reinforce the foundations of adjacent buildings.



Honoric Mention for the work developed by ALPINE engineers Thomas Eisenhut, from the Construction Technical Analysis and Tests Department, and Klaus Breit and Alexander Pekarek, both from the Foundations and Piles and Special Constructions Department. Above, Marcelino Oreja hands out the award to Thomas Eisenhut, and above these lines, Alexander Pekarek receives the prize from José Mayor, CEO of FCC Construcción.



Juan Antonio Muro Murillo, Director of the Machinery Department of the Executive Division of Technical Services, received the Honoric Head of Project Award given posthumously to Carlos Cebamanos Jarreta, as a personal recognition and for his professional career at FCC.



Low-reflection boxes.

FCC wins first construction contract in the US

The company enters the U.S. construction market after winning 12.5 million dollar contract for widening a Miami highway.

FCC has landed a contract from FDOT (Florida Department of Transportation) to widen the I-95 in Miami. The contract is worth 121.5 million dollars.

This is FCC's first construction project in the US. The project involves adding two separate lanes on I-95, one in each direction.

The existing lane for HOV (high occupancy vehicles) will be divided into two non-toll lanes without barriers, with the other carriageways redistributed in order to be able to add the two new lanes. This means that it will be necessary to reduce the interior and exterior hard shoulders as well as the width of existing lanes.

The work will be conducted along 11 miles of the highway, starting at the southern SR-112 intersection,

approximately at SW 29, where the width of the lanes will start to widen, also requiring enlarging the two bridges at this intersection, up to the SR-286 (Golden Glades) intersection.

FCC operates in the cement, city furniture, industrial waste management and now construction sectors

The contract includes the installation of an ITS (Intelligent Transportation System) and toll systems, as well as expanding several existing structures at the

In the image, point where carriageway enlargement begins, also requiring increasing the width of the bridges.





Detail of the two curved overpasses and third-level viaducts at the SR-112 intersection, on the right.

main interchange, building on- and off- ramps and resurfacing.

In particular, it includes raising two viaducts in order to increase headroom on the highway. This will take place in two phases, by cutting the current decks and then jacking them up into line with the new structure in such a way as to minimise traffic disruption.

These toll lanes without barriers, the free-flow system,

will be used by buses, ambulances taxis, and authorized vehicles free-of-charge. Other vehicles may use these lanes by paying a toll which will vary depending on the time of day. The free-flow system is used in highways to collect tolls from automobiles without these automobiles having to stop.

The entire highway project along 24 miles of road will be awarded as three separate contracts. FCC has been awarded the first contract.



Above, a bus shelter installed in New York; the Keystone cement factory, and above these lines, one of the oil waste plants recently acquired by FCC.

FCC in the United States

FCC has been operating in North America since 1984 when its subsidiary, Portland Valderrivas, built a cement terminal in Boston. Portland Valderrivas subsequently acquired three cement plants, in Maine, South Carolina and Pennsylvania, as well as other cement assets along the Eastern Seaboard, including seven distribution terminals. The company has invested a total of 420 million dollars at those three plants to make them more efficient and, in particular, to make them more environmentally-friendly and safer for the workers. Cemusa, the subsidiary specialised in the design and exploitation of urban furniture, has contracts in Miami (2002), San Antonio, Texas (2003), Boston (2004), and New York (2005). The latter is the largest such contract ever awarded by New York City. Through FCC *Ámbito*, the company recently paid 182.5 million dollars for two US subsidiaries of Siemens specialising in the treatment and recovery of industrial oil and other ancillary services to the oil industry. As a result, FCC, controlled by Esther Koplowitz, is the second-largest player in this field in the USA.



Technical team

Head of department:

**Fernando Flórez Tejado/
José María Quintanilla García**

Head of Project:

**Julio Germán Ruiz Cabrero/
Luis José Mayo Martín**

Production Manager:

Miguel Ángel Vicente Ramos

Administration Manager:

Luis Pérez García

Supervisor:

Miguel Juan Martín

The Manzanal Bridge in Zamora opened for traffic

FCC built the new bridge over the Ricobayo reservoir between the towns of Manzanal del Barco and Palacios del Pan, in Zamora. Measuring 479.25 metres, the infrastructure is built just a few metres from the old Manzanal bridge, built in the 1930s, and which is closed for traffic due to major structural

damages. The inauguration of this infrastructure cuts driving distance by 50 km.

Worth an investment of 13.5 million euros, this is the largest infrastructure project ever undertaken by the Zamora regional government.

The first stone is laid at the site of the new courthouse in Cuenca

Mariano Fernández Bermejo, the Minister of Justice, presided the ceremony on 4 December when the first stone was laid for the new courthouse building in Cuenca. The minister was accompanied by the Secretary of Justice and Protection of Citizens, Angelina Martínez; the mayor of Cuenca, Francisco Javier Pulido, and the president of the Supreme Court of Castile-La Mancha, Vicente Rouco.

The new rectangular building will occupy a 7,000 m² plot of land. It will have a basement and a mezzanine level, housing for archives, common services, a forensic clinic, an area for detainees, and for the police. The ground floor will house the civil registry, police court, the dean's office, and ten courtrooms. Professional offices and judicial units will be situated on the second floor.

Minister Fernández Bermejo during the presentation and the stone laying ceremony for the new Cuenca Courthouse building.



FCC to build a new ONCE school in Madrid

On 17 January, the mayor of Madrid, Alberto Ruiz Gallardón; the Secretary of Social Services, Families and Disabilities, Amparo Valcarce; and the Chairman of the ONCE, Miguel Carballada Piñeiro laid the cornerstone of the ONCE's new Educational Resources Centre in Madrid.

FCC will be in charge of building this new centre which will provide services to more than 2,500 children and youngsters who are blind or have serious sight difficulties.

The mayor, Alberto Ruiz Gallardón, praised the "extraordinary work" carried out by ONCE and the "positive impact that fostering values of equality and solidarity has on society". The mayor mentioned that the new centre is "a space for opportunity and ensures equality not just for the disabled but also for all citizens".

The building will occupy a 9,600 m² plot of land in Madrid's Moratalaz district. With 22,000 m² of floor space, the building has four storeys and a basement level for parking and a workshop space, laid out in an "L" shape for the three main uses of the centre: a

boarding school, a school and a sports centre.

One of the special features of this Project is the commitment to make all spaces fully accessible, with colours and textures to help students who have some sight remaining. It combines family spaces with others for educational and leisure purposes.

The project will meet the needs of children as soon as they are born up to university since it includes a unit for early stimulation for babies with sight problems until they reach college, and even as adults, providing support in all specialties throughout the entire schooling years.

The new centre will have a specific school for primary and secondary education and for professional training. It will also have a boarding school, a medical and rehabilitation service, a department for comprehensive education to provide support for special schooling at other centres, a production unit for educational material, a unit for those who are hearing impaired and blind, general resources, sports facilities and an auditorium.



The mayor of Madrid, Alberto Ruiz Gallardón, lays the first stone for the new ONCE building in Moratalaz, a project worth an investment of 27 million euros.

Inauguration of the ONCE Centre in Toledo

José María Barreda, the president of Castile-La Mancha, inaugurated the new regional head office of the ONCE in Toledo.

The 3,600 m² building has five floors and two basement levels for parking facilities. The north wing will house the Regional ONCE delegation with the offices situated in the south wing. Each of the wings is connected by a lobby with staircases and elevators and an inner courtyard for ventilation and natural light.

Equipo técnico

Head of Department:
Aparicio Muñoz
Head of Project:
Gregorio Gómez López
Project Supervisor:
Julio Carretero Gallego
Installation technician:
José Manuel Ávila Melins

From left to right: Klaus Fisher, Director of ALPINE's Business Development of the Tunnel Division; Avelino Acero, Manager of FCC's Zone IX; Manuel Arnaiz, General Coordinator of Singular Projects of the Urban Development, Housing, and Infrastructure Department of the Madrid city government; and, José Mayor Oreja, Chairman of FCC Construcción.



The Group participates in the International Tunnel Convention

On 5 November, at the Municipal Convention Centre of Madrid, the Spanish Association of Tunnels and Civil Works (AETOS) inaugurated the “International Convention: Tunnels: a transformation Factor”, with the active participation of FCC and ALPINE .

The AETOS convention addresses all issues in connection with underground projects, particularly those related to technological progress and innovation. Avelino Acero, the Transportation Director of FCC Construcción and member of the

AETOS Committee, acting as co-chairman of the meeting, spoke on Exploitation and Security. The engineer Igor San Dámaso and Javier Ainchil, technical director of Zone III and VI, both working at FCC Construcción, participated in the seminar on Technological Progress and Innovation. Representing ALPINE, Klaus Fisher, Director of Business Development of the Tunnel Division, also participated in this event. FCC and ALPINE both participated at the technical exhibit that was organized coinciding with the convention



FCC to upgrade Barcelona Metro's electrical installations

Gestora de Infraestructuras (GISA), a company owned by the Catalan Regional Government (Generalitat), has awarded Deneo Energía e Infraestructuras, S.A., an FCC subsidiary specialised in electrical installations, the contract to extend and upgrade the power supply to Barcelona Metro Line 4.

The project also includes upgrading the Maragall, Verdaguer and Verneda substations and the “railway triangle”.

The project, to be completed in 29 months, is worth 22 million euro. Deneo is the current name of Montajes Gavisa, S.A., which was acquired by FCC in 2003.

It includes part of Gavisa's structure and its over 25 years' experience in installing overhead contact power lines, signalling and communications systems for railways, as well as low, medium and high tension power distribution systems and networks.

FCC publishes its fifth Environmental Report

FCC Construcción was the first company to publish an Environmental Report in 2000, and has continued to do so every two years.

The Environmental Report has become an essential tool for companies. FCC Construcción has just published its fifth Environmental Report, including for the first time practical examples of measures implemented to protect the natural surroundings. This report, which stresses the importance of the environment as one of the core values of FCC Construcción, is published every two years to share information with all interested stakeholders on the environmental measures that the company has implemented in all its activities.

Contribution to the general welfare

The document, supported by a rigorous management and sustainability system, analyzes FCC's current contribution to society, underscoring the company's strong financials, its technological solvency, human resources and materials, and the values that underpin its corporate culture. Aware of the sector's impact on the environment, the company does not merely detail the theoretical basis of the possible effects resulting from its activities; it has also implemented a system of indicators to make a quantitative assessment of the environmental aspects of all its projects. The company won the Garrigues-Expansion-CIIS environmental award in the sustainability and corporate social responsibility category for its environmental reports that have been published since 2000.



07

Comunicación Medioambiental



Tunnels, factors for change

Since the eighties, tunnels have been considered infrastructures that contribute to improving the quality of life. In a country as mountainous as Spain, tunnels are of utmost necessity.



Avelino Acero Díaz
Manager of FCC
Construcción Zone IX

When we have satisfied other needs, we want and demand better, faster, and safer means of communication; we do not want cars on the streets where we walk, etc. This is the reason why a large number of tunnels are currently being built in Spain. This trend is set to remain in place over the future, with additional tunnels expected to be built in the future.

Spain is a worldwide reference in tunnel construction

Until recently, tunnel construction involved manual methods for drilling in addition to the use of explosives. Performance was limited and the risk of accidents occurring was significantly high. It was quite difficult to tackle the construction of very long tunnels and the trend was to reduce their length by building tunnels with steeper slopes at levels closer to the surface, achieving shorter tunnels. Nevertheless, there were many milestone projects in Spain such as the 6 km-long Padornelo tunnel from Zamora to Orense, or the 7 km-long Egaña tunnel in the yet to be completed Santander-Mediterranean road, in addition to the sixty-two tunnels in the Pajares mountain pass between

León and Asturias, one of the most significant engineering feat in Spain the nineteenth century.

At present, railway and road communication require greater comfort, speed, and safety. This implies, particularly with regards to railways, the construction of longer tunnels.

There is also great demand for tunnels in cities for subways and automobiles. In Madrid, more than 150 kilometres of tunnel have been built over the last ten years. Tunnel boring machines, such as the EPB type machines, have been the preferred method for building tunnels or by-passes such as the 3-6 km long and 15.02 diameter wide by-pass in the M-30 beltway in Madrid; the tunnel with the widest diameter in the world. This type of tunnel, with a large diameter, should be increasingly more common in the future in highway projects since they are wide enough to accommodate three lanes in their interior.

The greatest progress, however, has been in the widespread use of latest generation tunnel boring machines. These machines allow great performance and create safe working conditions. They require strong financial investments since most of these machines are custom-built for each project according to the section to be built, the type of material to be dug,



among other factors. Nevertheless, thanks to these machines it is now possible to tackle projects that have been impossible otherwise.

High-speed

Just as an example, the two 27 km-long tubes of the Guadarrama tunnel were executed in four years using four tunnel boring machines. Although it is difficult to estimate, it would have taken at least 10 years using conventional methods to execute this project, without considering other factors such as construction and safety problems.

Going back to the construction of the tunnels for the Madrid Metro system, it would have been impossible to build so many kilometres of tunnels in 10 years without the EPB-type tunnel boring machine.

At present, 25 km-long tunnels are being built in Spain for railways, such as the already completed Guadarrama tunnels or the Pajares tunnel, currently at very advanced

stages of construction. This also applies to the 9 km-long Abdalajis tunnel in the Córdoba-Málaga section of the high-speed railway, already completed, and others, in different stages, using similar construction methods.

Other tunnel projects are in the early stage of construction. This includes the 6 km-long Sotillo tunnels in the Pajares mountain pass or the new railway tunnel, also 6 km-long, for the high-speed train to Vigo. Looking at the longer term, it is most likely that more tunnels will be built since the future high-speed railways and the new generation highways will make this a necessity.

At present, Spain is a reference worldwide in this respect. Considering the number of tunnels built in the last 20 years and those currently in progress, no other country in the world can claim such a record.

The tunnel in the English Channel connecting France and England is

one of the most famous. This is not just because of its length but also because of the fact that it is mostly under the sea. The Seikan tunnel in Japan which spans over more than 50 kilometres is also one of the most important tunnel projects in the world. The new Saint Gotthard Tunnel is currently being built in the Alps between Switzerland and Italy. Over 50 km-long, this new tunnel will replace the 18 km-long tunnel built more than 100 years ago.

Geotechnical study

The engineer who has to tackle the project and construction of a tunnel must take into consideration several very important aspects, each of which, if not handled correctly, could lead to the project's failure. The engineer must be extremely knowledgeable about the terrain, the geotechnical study complemented with an intensive drilling campaign, research in other tunnels or mining projects in the same region, and other aspects. In short, it is necessary to have as much data as possible about the type of terrain, taking as long as necessary to acquire this information. It would be a very grave mistake to tackle a major tunnel construction project in haste since it is almost certain that any gains would be offset by delays during the execution of such project.

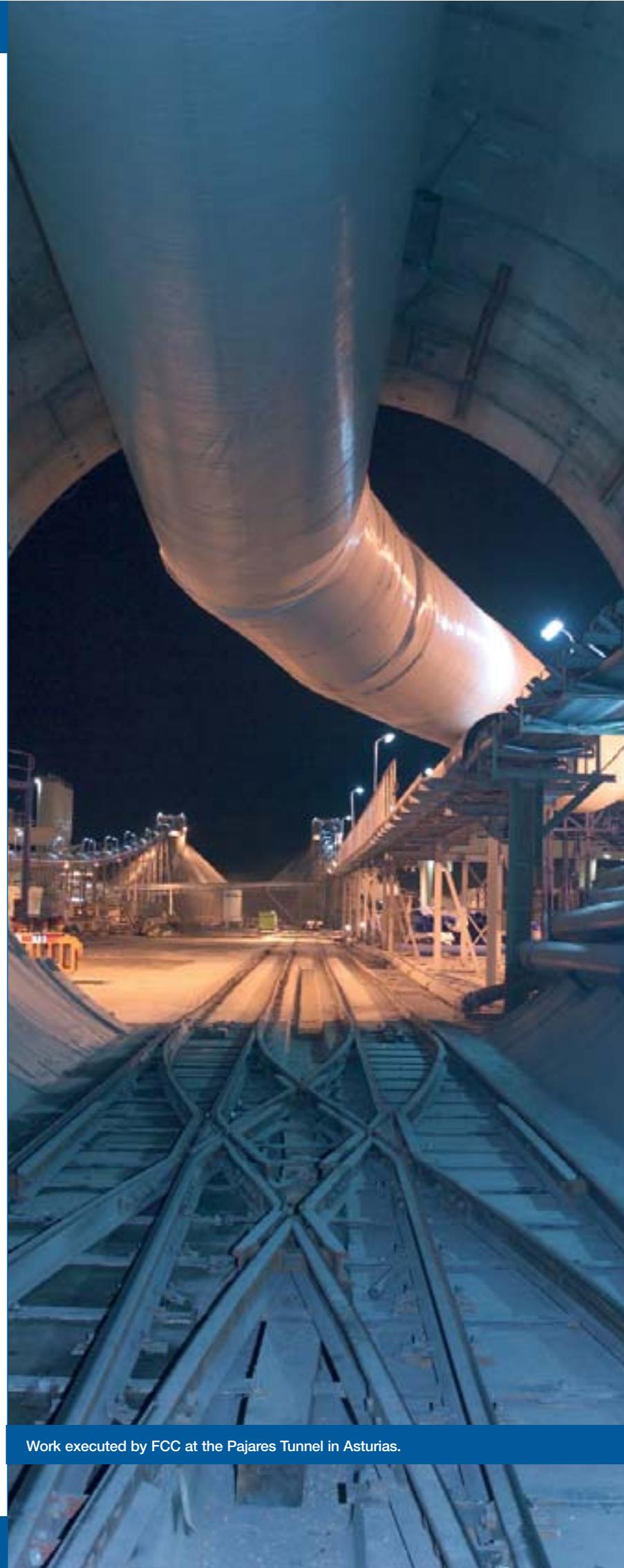
The design of the tunnel boring machine is another very important aspect to consider. This

phase requires the joint collaboration of the engineer and the manufacturer in order to incorporate the upgrades or complementary elements that have proved to be successful in other similar projects. There should be sufficient leeway when defining the parameters of the tunnel boring machine (drive and engine, in particular). At the end, there is nothing more expensive than trying to save money when designing a tunnel boring machine.

In addition, the engineer must also carefully consider all the earth removal machines, ventilation equipment, rail lines for the transport of sections, materials for extrados injection, etc. to ensure that everything is in place and supports the work performed by the tunnel boring machines, and that these machines do not stop working because of any installation failures or insufficiencies.

Lastly, but most particularly, it is necessary to design the necessary resources and safety protocols for workers, anticipating any type of contingency. The impact on the environment is also a key factor to be taken into account.

Most of these projects are in mountainous regions and quite often in protected habitats. Dumping sites and waste treatment must always be part of any project of these characteristics because of their importance for the success of the project.



Work executed by FCC at the Pajares Tunnel in Asturias.

FCC wins two contracts for pneumatic waste collection services

The company will provide pneumatic waste collection services near the high-speed train station in Zaragoza and in the historic district of Pamplona, a contract worth 26 million euros.

The company Zaragoza Alta Velocidad and the Association of Townships in Pamplona awarded FCC contracts for pneumatic waste collection in two districts in these cities. FCC has been in charge of conventional waste collection continuously since 1940 in Zaragoza, and since 1985 in Pamplona.

In Pamplona, the pneumatic waste collection system, worth 20 million euros, will be installed in the historic quarter.

Waste deposited in 54 collection points throughout the historic quarter will be transported pneumatically via a 5.5-kilometre network of pipes to a waste collection centre.

The collection points, each decorated with a different motif of old Pamplona, will have separate hatches for organic refuse, packaging, and paper and cardboard. The system will be designed for use by people with disabilities.

In Zaragoza, FCC will build a 5.8-million-euro solid waste collection system in the environs of the Delicias Transport Terminal. A new residential area is to be built in this central location under the official name of the Digital Mile, known popularly as the AVE (high-speed train) district.

The waste system comprises various collection points at convenient locations around the neighbourhood, with separate hatches for light packaging and other waste. It will have a network of more than seven kilometres of pneumatic pipes which will carry waste from the collection points to a central waste management plant.

The waste management plant, housing suction motors, hoppers, transfer station and control room, will be partially below grade and will be located northwest of the Delicias



Custom-designed hatches for Pamplona.

Station, between the train tracks and the AP-68 highway. Separate waste categories will be compacted and shipped to specific waste management plants. An additional forty-two collection points with underground hoppers will be built for waste cardboard and glass. This waste collection system will provide residents in both cities with several advantages. It will minimise noise and smells since refuse will remain underground; it will reduce congestion by eliminating truck traffic between hatch locations; the waste collection points will be integrated into the surroundings; and the system is more hygienic for users.



Aerial view of the work site near Delicias Station in Zaragoza

FCC Ámbito rolls out the first plant for recycling electrical and electronic devices

Fuensanta Coves, the secretary of the environment of the Andalusian regional government, inaugurated the first plant for recycling electrical and electronic waste in Andalucía. Known as the RECILEC facility, its shareholders are FCC Ámbito, IRSA, and EGMASA, a public company belonging to the Andalusian Autonomous Community. The project costs

The centre is situated in Tecnoparque Medioambiental y Energético de Andalucía (PAMA), at the former site of Aznalcóllar mining facilities. It occupies 25,000m² and has three separate processing lines: white goods (fridges, air conditioners, freezers, washing machines), brown goods (televisions, stereos, monitors, VCRs, photocopiers, etc.), and lamps (fluorescent and incandescent). Ámbito expects to recycle 11,500 tonnes of electrical

and electronic waste in 2008, equivalent to 115,000 refrigerators, 1.7 million fluorescent tubes and approximately 300,000 television sets and monitors.

An 80% recovery rate was attained during trials in the last seven months of 2007, and the plant expects to surpass that rate this year.

The plant will recover over 9,200 tonnes of raw materials which will be returned to the production cycle, thereby sparing the use of raw materials. This will contribute to improving the environment by avoiding uncontrolled emissions of large amounts of chlorofluorocarbons (CFC), a greenhouse gas that is one of the main culprits for the hole in the ozone layer, while also reducing the amount of mercury and other compounds being disposed of in landfills.



Above, in the centre, Fuensanta Coves, secretary of the environment, at the inauguration of the first plant for recycling electric and electronic devices situated in Andalucía at the Tecnoparque Medioambiental y Energético de Andalucía (PAMA); above these lines, the mayor of Aznalcóllar, Salud Santana.



The mayor of Avila, Miguel Angel García Nieto, was present in this event and gave the closing speech at the seminar.

FCC Medio Ambiente launches road safety campaign in Ávila

FCC Medio Ambiente, in collaboration with the Ávila City Council and Fundación MAPFRE, has developed a pilot campaign on road safety that it plans to carry out at all of its facilities in Spain. The goal of this campaign is to provide information and training to workers on safe and efficient driving skills.

The results of the campaign were announced last December in an event that was presided by the mayor of Ávila, Miguel Ángel García Nieto. In his speech, the mayor praised the fact that companies were “concerned about their workers’ training” since, in his opinion, that was the “best service that could be rendered to the public”. He also stressed the importance of these types of initiatives since “90% of accidents on the road or outside working hours, are caused by traffic”.

This safe driving initiative involves all workers, who must strive to prevent unsafe behaviour when driving on public roads. The initiative was aimed at all employees, even those who do not normally drive company vehicles.

The introduction of this campaign was for the purpose of improving the lives of workers and those around them. This information and training campaign contemplates various aspects related to road safety in the work environment.

FCC Medio Ambiente provides solid urban waste collection and street cleaning services in Ávila using a fleet of 113 vehicles and 113 company employees. One hundred and sixty workers participated in this campaign which involved nearly 1,000 hours of training courses over a three week-period.

As part of this campaign, FCC Medio Ambiente has also conducted a training program on assisted driving to analyze skills and behaviour, taking into account aspects such as attention, correction, and prevention of risk situations.

In the final presentation last December, road conditions, vehicles, as well as drivers’ psychological-physical state were analyzed.

Below and at the centre, the mayor with the FCC Medio Ambiente employees in Avila who participated in the road safety campaign, and FCC and Mapfre representatives.





Cemusa introduces a bike rental public service in Donostia-San Sebastián, Guipúzcoa

The Donostia-San Sebastián City Council has awarded FCC subsidiary Cemusa, the leader in urban furniture and outdoor advertising, the project to start up an automated public bicycle rental system.

Cemusa, which also holds the advertising concession for bus stop shelters and time-and-temperature displays in Donostia-San Sebastián, will be making a hundred vehicles available at five strategic points of the city where citizens will find bike racks and an electronic terminal that will let them release the chosen bike with a swipe of a user's magnetic card.

The service, similar to that implemented by Cemusa in Pamplona and Rome, will be run on a pilot basis for a two-year initial period that may be extended by another two years. After that time, the City Council will look at the results in order to decide on the possible definitive introduction of the service. If the green light is given, the service would be spread to other points of the city.

The project poses an alternative to the "unsustainable" model based on private automobiles and it is the ideal complement to the city's other means of public transport. Bicycle rental will be free for the first hour, cost one euro for the second hour and three euros for all hours after that, up to a maximum of five hours'

occupation. It costs an annual fee of 12 euro to sign up for the system and obtain a user's card. Donostia-San Sebastián has a long tradition of pedalling as a regular means of transport and boasts Spain's highest proportion of bike lanes per inhabitant. In fact, it is possible to ride a bike through most of the entire city.

Apart from providing the vehicles and installing the stations, Cemusa will be taking charge of maintenance and will be working hand in hand with the City Council to make the electronic system compatible with other municipal cards and to post a web page where users can get important information about the service, such as the occupation level and the units available at each station. The eight-speed bikes chosen for the city, made in Guipúzcoa, will be outfitted with a security system and numbered to make bike theft more difficult.

Manages more than 160,000 items

Cemusa, a company integrated in FCC Versia, the FCC Group's service subsidiary, has been doing business in the segment since 1984 and currently manages over 160,000 items of urban furniture and advertising structures installed in 160 cities of 13 countries of Europe and America, including New York, Milan, Rio de Janeiro, Miami, Lisbon and Madrid.



Cemusa will install a hundred bicycles throughout five strategic points of the city where citizens will find bike racks and an electronic terminal that will let them release the chosen bike with a swipe of a user's magnetic card.

Aqualia wins international corporate excellence award

From left to right: John Raspin, Environment Manager of the Frost & Sullivan Group; Luis de Lope, Manager of Aqualia's International Concessions; Mariano Blanco, Aqualia's Manager of International Clients and Resources; and, Ángel García of Aqualia's Marketing and Communications Department.

Aqualia, the FCC subsidiary specialising in comprehensive water management, won the Customer Service Leadership of the Year award given by the consulting firm Frost & Sullivan every year as part of its Best Practices Program to reward corporate excellence worldwide. These prizes are recognized internationally by the media, investors, and users.

Aqualia was the only award-winning Spanish company at the 2007 Excellence Awards Banquet held in London. The panel of judges valued Aqualia's strategy based on the principles of efficiency, nearness to the client, and brand recognition as well as its commitment to service quality standards as reflected in water supply, facilities, and water controls. The company has been granted ISO 9001 and ISO 14001 quality certificate and has constantly demonstrated its commitment to the environment and sustainable development.

Employees' involvement in the company's policy of customer satisfaction, the exclusive model for gauging customer's satisfaction in order to be able to implement suitable measures aimed at improvement, were also aspects that made Aqualia worthy of this award.

This prize is in addition to the one recently awarded by Global Water Intelligence Magazine in the category as the best Water Management Company in the World, recognition of Aqualia's performance in recent years and its international experience.



First Municipal Seminar on Water and Sustainability in Jaén



The "Andalucía facing a new water management model" presentation. From left to right: Joan Corominas, Managing Director of the Andalusian Water Agency; María del Pilar Shaw, secretary of Consumption at the Jaén City Council; and Jaime Palop, General Water Director at the Ministry of the Environment.

Aqualia has sponsored the First Municipal Seminar on Water and Sustainability held in January in Jaén. The Jaén City Council and the Consumers' Union also collaborated in this event together with top representatives from the Ministry of the Environment, the Andalusian Regional Government, and the Jaén Provincial Council. Among those participating in the inauguration of this seminar were Jaime Palop, the General Director of Water at the Ministry of the Environment; Gaspar Zarrías, Director of the President's Office of the Andalusian Regional Government; Carmen Peñalver, the mayor of Jaén; Felipe López, President of the Jaén Provincial Council; Alfonso Ibáñez, President of the Consumers' Union of Jaén; and Leandro Melgar, Director of Aqualia's Southern Delegation.

The Minister of the Environment in his speech said

that "we are living in a situation with a shortage of natural resources and must implement modern water management criteria". Felipe López stressed the importance of the seminar which provided "an excellent opportunity for reflection and for sharing experiences so that we can all learn how to contribute to sustainability. Afterwards, Carmen Peñalver highlighted the excellent role played by the Municipal Corporation in managing resources, stating that "jointly with Aqualia and the Consumers' Union, we are making great efforts in water conservation". After the inauguration ceremony, there were several presentations such as the one made by Aqualia representatives, Manuel Castañedo, Director of Management Control, and Nicolás Martínez, director of the regional office, who made a presentation on the Comprehensive Plan for Efficient Management of Urban Demand for Water.

FCC strengthens its positioning in Central and Eastern European markets

Aqualia continues with its expansion and consolidation process in the Central and Eastern European markets. The company acquired the Czech water management company SmVaK two years ago for 248 million euros. SmVaK is the third leading company in this sector in the Czech Republic and the main operator in Moravia and Silesia. This company also supplies water in Poland and has recently started commercial operations in Slovakia.

With nearly 1.5 million clients, SmVaK's infrastructures consist of a network 6,000 km long, 42 drinking water stations, and 62 wastewater treatment plants. It owns the infrastructure that it manages and, consequently, the service concession periods are for an indefinite period.

Last year, Aqualia opened a commercial office in Prague that will serve as the platform for developing the company's international expansion in this region. A few months ago, the company acquired another Czech engineering company, Inzenering SRO,

founded in 1005 and specialising in civil works consulting, analysis, and quality control. This company has been awarded the ISO 9001 certificate. Among its major projects, the company prepared SmVaK's investment program up to the year 2016, a project worth 183 million euros. Inzenering SRO was integrated in Aqualia Infraestructuras, the Aqualia subsidiary engaging in engineering, design, and construction of wastewater treatment plants, a reference in the sector at home and abroad.

Over the past few months, SmVaK has doubled its efforts in Poland, a very promising market due to its proximity to the Czech Republic. SmVaK was recently awarded a water supply contract for the city of Leszna Górna. It will provide water to this municipality from its distribution network at the Trinec region in the Czech Republic, at the border with Poland. A pipeline was built by Inzenering SRO to connect both networks thereby enabling the supply of water. This contract is in addition to two others awarded in Poland in the Piaski and Polsky Tesn regions.



Above these lines, members of the SmVaK Board of Directors in front of the company's headquarters in Ostrava, Czech Republic.



Inzenering SRO laboratories.

Lloret de Mar's mayor inaugurates Aqualia's new office and presides at Master Plan presentation

Aqualia, the company awarded the concession for comprehensive water management in Lloret de Mar, with the collaboration of the city's local authorities, inaugurated Aqualia's new customer service office. Xavier Crespo i Llobet, the city's mayor, presided at the event.

The Master Plan, unveiled at the inauguration, contemplates the upgrading of water infrastructures in the city, including the optimization of service in large parts of the city, improved water flow, enhanced pipeline

performance, all of which calls for more than 36.8 million euros investment over the next 25 years.

Aqualia continues to increase its activity in Cataluña where the company currently manages all types of installations in more than 80 cities and towns which have expressed their confidence in its business model. In Spain, the company operates in more than 850 cities and towns, providing services to a population of over 13 million, 1.2 million of whom resides in Cataluña.



In the centre, Xavier Crespo, Mayor of Lloret de Mar; on his right, Joan Haro, head of Aqualia's Service in Lloret de Mar and Pep Valls, Director of Urban Development and Water and Sewage Services. On his left, Santiago Lafuente, Director of Aqualia's North and East zones, and Juan Luis Castillo, Deputy Director of the Aqualia's East zone.



Ceremony in the prize “Austrian Environmental Technologies for Central, Southern, and Eastern Europe” category.

ASA wins prize for sustainable project in Romania

ASA, the FCC subsidiary specialising in environmental services, comply with the most stringent European standards.



The town of Arad in Romania.

The Austrian Society for the Environment and Technology (ÖGUT), in its 22nd edition, awarded the annual prizes for the most outstanding sustainable projects. This year ASA won the prize in the category “Austrian Environmental Technologies for Central, Southern, and Eastern Europe” for the roll-out of a modern and pioneering waste treatment facility at Arad (Romania), with a population of more than 172,000. The cash prize was 5,000 euros.

The facilities comply with the most stringent

Pioneering waste treatment projects

European environmental standards for waste management and will redound in enormous social and environmental benefits for the Romanian city of Arad.

A.S.A launched this project in 2003. Prior to this date, the city’s waste was transported to an illegal landfill at the outskirts of the city, next to main drinking water supply pipes.

Leader in waste management

ASA, with head offices in Himberg, near Vienna, is the FCC subsidiary leader in comprehensive waste management and treatment. The company provides comprehensive waste management services, ranging from collection, transport, disposal, dumping sites, classification, and recycling, for municipal, commercial, industrial, and private customers in the region.

It operates in Austria, the Czech Republic, Hungary, Poland, and Romania and plans to expand its presence to other countries in Central and Eastern Europe. The company currently operates 20 dumping sites. It owns 17 of these facilities and the remainder are under municipal management concessions.

It provides waste collection, treatment, and disposal services to more than 2.9 inhabitants and handles approximately 1.6 million tons of commercial, industrial and hazardous waste for more than 38,000 clients.

FCC Group participates in the Fifth Latin American Congress on Parks and Public Gardens

FCC participated in the Fifth Latin American Congress on Parks and Public Gardens in Tucumán Argentina. The convention was organized by the Spanish Association of Parks and Public Gardens, professional associations of engineers and architects from Tucumán, and the city council. Various companies sponsored and collaborated in organizing this event, including FCC.

On behalf of the company, Pedro Cifuentes Ballester and the head of the Department of Parks and Gardens of FCC's Murcia-Almeria Office, Pedro José Cifuentes Rosso, made a presentation entitled "Evolution of the

Mediterranean landscape on the region of Cartagena".

After meeting for three days, the specialists drafted the "Argentina 2007 Charter", calling for greater professionalism in managing green public areas, building awareness among the population on the importance of trees for the environment, and passing laws to prevent further damage to trees in public squares and parks.

Over 500 experts from different parts of the world participated in this edition of the Latin American Congress on Parks and Public Gardens

Points included in the Argentina 2007 Charter

- Build awareness among public entities to encourage planning and management of green areas, making this a financially viable project with an appropriate level of professionalism.
- Recognise the importance of planting trees in different spaces, selecting the most suitable specimens and planting them in the urban environment.
- Pass laws to prevent the vulnerability of public green areas.
- Foster respect for singular trees as a sign of past, present, and future generations, considering these elements that enrich the cultural character of the population.
- Recognise the ecological, social, and environmental benefits of trees in general and green spaces in particular, as well as their impact against climate change.
- Protect local plants in natural parks and encourage planting them in public gardens in accordance with current sustainability criteria.
- Dignify management with a social responsibility commitment and apply new research and development technologies in landscaped areas.
- Ensure the rational use of resources in maintenance, implementing eco-efficient management standards.
- Promote the flow of information among park and garden associations, universities, research centres in different places encouraging a multi-cultural approach.
- Preserve biodiversity city parks and gardens as well as natural spaces, considering these the heritage of present and future generations.
- Recognise the aesthetic, symbolic, and psychological value of green areas as a factor for a better quality of life.
- Oversee planning and design, including maintenance, to achieve sustainable green spaces.
- Train technicians in aspects such as planning, design, execution, management, and maintenance of public parks and gardens.



Above these lines, images of some of the parks and gardens in Cartagena managed by FCC.

CEMENT





Cementos Portland Valderrivas joins Fundación Entorno-BCSD España to combat climate change

This alliance is in keeping with the company's firm commitment to be a trailblazer in environmental issues and sustainable development.

Cementos Portland Valderrivas and Fundación Entorno-BCSD España signed a cooperation agreement to engage in joint activities in the areas of sustainable development and Corporate Social Responsibility which will enable the cement company to strengthen its leadership positioning in sustainable development through information, awareness-raising, training, demonstration and research activities.

The alliance is a response to the company's firm commitment to Fundación Entorno-BCSD España to be a pioneer in the field of sustainable development. Under the agreement, FCC Group company Cementos Portland Valderrivas will participate in the foundation's working groups on Energy & Climate Change, Sustainable Construction, and Business in Society, which comprise leading Spanish companies that seek to establish a combined front to face the challenges of sustainable development.

Collaboration agreement for the furtherance of sustainable development and corporate responsibility

The initiative is part of the work being done worldwide by the World Business Council for Sustainable Development (WBCSD), a leading international body comprising over 180 companies; Fundación Entorno-BCSD España is WBCSD's partner in Spain. The results of the working groups define the position of Spanish business within the major debates on sustainable development within the WBCSD.

The cooperation agreement was signed at the Madrid School of Mine Engineering with the participation of José Ignacio Martínez-Ynzenga, Chairman and CEO of Cementos Portland Valderrivas; Manuel Melgar, Corporate General Manager at Cementos Portland Valderrivas; Cristina García-Orcoyen, Director of Fundación



The cement plant in Harleyville, South Carolina, United States of America.

Entorno-BCSD España, and Alfonso Maldonado Zamora, Director of the School.

Ramón Jáuregui, a member of the Spanish Parliament, attended as a special guest and gave a talk on “Corporate Social Responsibility”.

During the event, Martínez-Ynzenga said that “the Cementos Portland Valderrivas Group shares the sustainable development vision espoused by Fundación Entorno and its member companies since we are aware that, in a globalised world, companies must assume our full responsibility. It is not enough to be profitable; we must go further and consider our performance in the light of how our activities influence the world around use, particularly people, society and the environment”.

Cristina García-Orcoyen highlighted the importance of the agreement: “By joining this initiative, Cementos Portland Valderrivas will be able to work with other companies in the framework of an international institution on complex, important issues such as climate change and sustainable construction. It will also strengthen the working groups established by the Foundation and we will all benefit from its experience”

Commitment to fighting climate change

Cementos Portland Valderrivas has already assisted the foundation's working group on Energy & Climate Change through the publication “eCO²nomía. Liderazgo empresarial hacia una economía baja en

FE-BCSD Spain

FE-BCSD Spain is a private institution which works with businesses that seek to strengthen their commitment to sustainable development. Its goal is to show the benefits associated with sustainable growth. The foundation has been a member of the WBCSD Regional Network in Spain (FE-BCSD Spain) since March 2006.



Portland Valderrivas

Cementos Portland Valderrivas is the largest cement producer in Spain. The company has 15 cement factories: eight in Spain (two in Barcelona and one each in Vizcaya, Navarre, Palencia, Madrid and Seville) and seven abroad (three in the US, two in Argentina and one each in Uruguay and Tunisia); its total annual production capacity is 18.8 million tonnes.



The initiative is part of the working groups organized worldwide by the World Business Council for Sustainable Development

carbono". (Business leadership in a low-carbon economy), which underscores the efforts it is already making to combat climate change. Cementos Portland Valderrivas applies the best available technology in cement production to improve energy efficiency and also reduce atmospheric emissions of the main combustion gases from the clinker kiln: nitrogen oxides (NO^x), sulphur oxides (SO^x) and carbon dioxide.

The Cementos Portland Valderrivas Group has modified the white cement production line at its El Alto, Madrid plant (the largest cement plant in Spain and one of the most modern in Europe) by installing a pre-heater, a grate cooler, and new burners.

Overall, the process modifications led to a number of environmental upgrades:

- 64% reduction in NO^x emissions
- 65% cutback in SO² emissions.
- A 2.7% reduction in CO² emissions per tonne of white clinker produced.

This improvement, which is the result of an increase in process energy efficiency,

reduced CO² emissions by 8,000 tonnes per year due to better unit energy consumption. According to Manuel Melgar, "This initiative is continued within our climate change strategy, which is part of our objective to 'Reduce the emission of greenhouse gases, CO², per unit output', as set out in our Sustainability Report 2006".

FE-BCSD Spain Working Groups

All of the foundation's business members are invited to participate in the working groups (Energy & Climate Change, Business in Society, Sustainable Construction), which allow for a comprehensive discussion of topics and provide conclusions that are more generally applicable. National and international experts as well as stakeholders participate in each working group.

According to Cristina García-Orcóyen, "Our corporate partners have long abandoned old paradigms and have embraced new, profitable forms of business that are environmentally-friendly and socially responsible".



Above, the El Alto Cement Plant in Morata de tajuña (Madrid). Above these lines, details of the El Porcal wetlands in Rivas Vaciamadrid (Madrid).



On the left, another image of El Porcal. The management model and refurbishment plants at this facility have contributed to making these wetlands one of the most important ecological reserves in the Madrid Autonomous Community.

FCC implements good environmental practices

FCC implemented on 9 January a protocol for waste management at the Federico Salmón building. The objective is to minimise the impact on the environment of the activities carried out at this centre and fulfil the commitments set out in the Corporate Responsibility Master Plan.

The FCC Group Corporate Responsibility Master Plan, ratified by the Board of Directors on 17 January, contemplates the “green centre” action plan to back FCC’s commitment to the implementation of good environmental practices at its Federico Salmón offices and other work centres with regards to waste generated at these sites to minimize its impact on the environment.

Several measures have been implemented to mitigate the impact of waste on the environment, including: the identification and quantification of waste generated at the centre; recruitment and hiring of qualified managers for the collection and potential recycling of common day-to-day waste (paper, cardboard, toner, containers, batteries, fluorescent bulbs, and electric and electronic equipment); placement of containers for selective waste selection; a communications campaign for branding, labelling, and for the production of posters to be displayed at different points throughout the work site; defining a procedure in writing that will be disseminated in the Group’s intranet to inform users of the protocol to be followed for the appropriate handling of waste generated at the centre.

FCC Ambito, the FCC Group brand created for carrying out industrial waste management activities will be the manager authorised by the Madrid Autonomous Community. FCC Ambito will be in charge of waste collection and handling, except for toners and containers.

The other environmental measures that have been implemented with regards to the “green centre” target include the installation of presence detectors at practically all the restrooms in the building to avoid having the lights turned

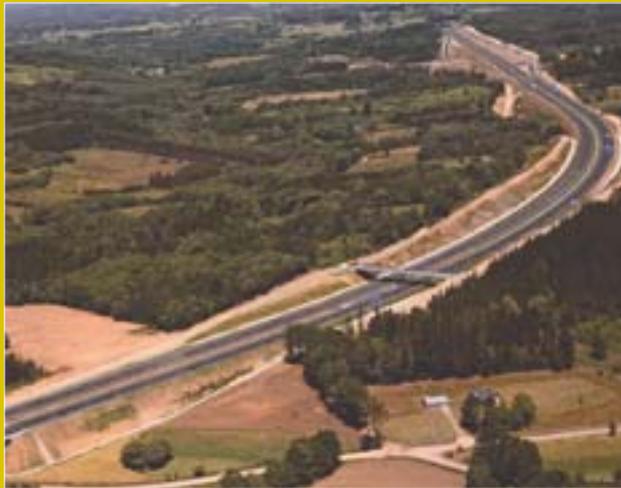


when it is not necessary and thereby reduce consumption of electricity. Other measures are to be implemented in the coming months to reduce water consumption.

Environmental measures

- Identification and quantification of waste generated at the building.
- Recruitment and hiring of qualified managers for the collection and potential recycling of normal day-to-day waste (paper, cardboard, toner, containers, batteries, fluorescent bulbs, and electric and electronic equipment).
- Placement of containers for selective waste collection.
- Communication campaign, including measures such as: branding, labelling, and posters distributed throughout the building.
- Definition of written procedures to be provided to those who use the building at the Group's intranet. These procedures set out the protocol to be implemented for the appropriate handling of waste generated at the work site.





FCC, a pioneer company in Corporate Responsibility

Euromoney highlights the following aspects of the Master Plan

- The commitment of Portland Valderrivas factory to reducing emissions levels below legally established levels.
- Investment in eco-efficient furnace installations for clinker production, using materials that minimize emissions and using alternative waste-derived fuels.
- Participation in the Spanish Carbon Fund.
- Implementation of a service model using sustainable vehicles, prioritizing the purchase of the least pollutant vehicles.
- Generation of eco-efficiency synergies throughout the entire group, such as using waste instead of fuel to generate energy in cement manufacturing facilities.

The prestigious British magazine Euromoney selected FCC as one of the pioneering companies in Europe in promoting and implementing corporate responsibility within the Group. The other selected companies are Deutsche Telekom, The Linde Group, Edison Spa, Iberdrola, Enel Slovenske Elektrarne, Air France Klm, Jerónimo Martins, Dong Energy, and the KLP Group.

According to Euromoney, Esther Koplowitz, the Chairman of the Strategy Committee and the major shareholder of FCC, has encouraged a change in the company's strategic approach, from a construction company towards other high-margin businesses, redounding in earnings growth and an increase in the share price.

The sectors in which the Group operates represent challenges for Corporate Responsibility and for reducing contaminant gas emissions. FCC has shown its determination to address these issues throughout the entire Group. The company has also expressed its commitment to provide services that also generate social benefits.

Great interest for sustainable growth

For Euromoney, Esther Koplowitz is

increasingly known for her charity work as the founder of the Esther Koplowitz Foundation, one of the most important private charities in Spain and in Europe, funded solely with the contributions of its chairwoman and founder.

Based on this commitment, FCC created a specific Corporate Responsibility department which publishes a detailed report every year of all FCC's initiatives in this respect. Important decisions are taken based not only on economic criteria, but also in terms of the social, environmental, and ethical implications.

Euromoney highlighted that FCC is a member of the United National Global Pact and that its culture, based on close links to the communities where it operates, ensures adherence a sustainable development policy. The Master Corporate Responsibility Plan, approved by the Board of Directors fulfils this commitment, stressing two important objectives: eco-efficiency and the fight against global warming.

Lastly, Euromoney also reports that the Master Plan has been drafted after all of the Group's business areas made an in-depth analysis in order to capitalise on all the Corporate Responsibility aspects in each of these divisions.

Aqualia's commitment to Corporate Social Responsibility

Aqualia, the FCC subsidiary specialising in comprehensive water management, organised a seminar to fulfil its commitments as detailed in its first Corporate Social Responsibility Report, both in terms of implementing in-house measures to encourage employee training, as well as other measures implemented in all the municipalities where it conducts its water management activities.

In keeping with the FCC Group commitment to Corporate Social Responsibility, the company has implemented its own Quality Charter, acquiring the commitment to improving information and rapport with its customers, expedite procedures, and provide immediate solutions in the event of any incidence affecting its services.

Improve information and rapport with clients

To date, the company has organized three meetings with workers in Ávila, Santa Eulalia del Rio (Ibiza), and Puerto de la Cruz (Tenerife). In accordance with the theme "The Service Quality Charter. A commitment to Society", Aqualia presented the project and the basic principles of corporate responsibility.

About 60 professionals involved in providing services in the various divisions were present in the event. The mayor of Ávila, Miguel Ángel García Nieto, and the counsellor for Public Works and Services, Antonio Pérez Martín, participated in the seminar and in its adjournment. In Puerto de la Cruz, the counsellor for Services and the Environment, Jaime Coello attended the seminar and in Candelaria, Javier Rivero, the counsellor from the Treasury Department.

Objectives of the Quality Charter

- Foster client's confidence and trust in the company.
- Increase knowledge in relation to the service and its features.
- Promote a positive attitude towards the company by encouraging a close and emotional response to Aqualia brand.
- Increase brand recognition.
- Optimise efforts made through the rating and management of quality indicators



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