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SERVICES

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SERVICES



Citizen Services

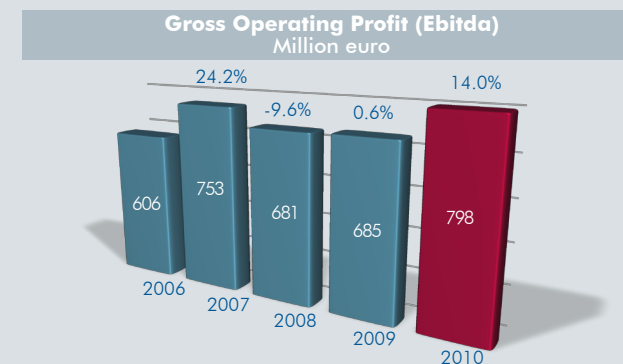
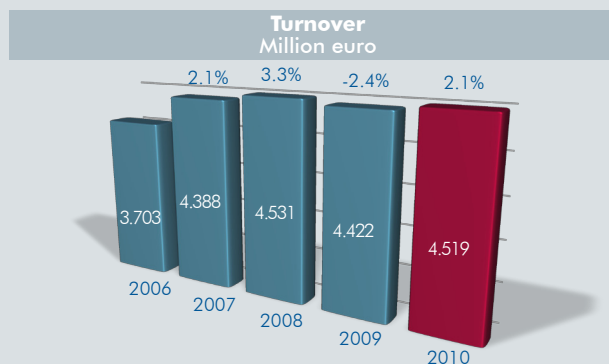
ENVIRONMENTAL SERVICES
COVERS THE NEEDS OF
3,449 CITIES AND TOWNS,
A POPULATION OF
OVER 27.5 MILLION
INHABITANTS

As a citizen service company, FCC has kept environmental activities as one of its core businesses practically ever since the company was created more than a century ago. The Services business area furnishes 46% of FCC's gross operating results and 30% of its turnover.

FCC clusters its Services activity into two major areas:

- **Environmental Services**, which covers all business related with urban sanitation (rubbish collection, street cleaning, urban waste treatment and industrial waste recycling);
- **Versia**, which sold off its underground car park and vehicle inspection businesses and therefore has seen a reduction in activity this year. In the wake of these divestments, Versia's remaining activities are logistics, airport handling, urban furniture, car parks, conservation and systems, passenger transport and industrial vehicle sales.

In 2010 the environmental services backlog lived up to the strong example set the year before. In the last fiscal year the backlog hit a value of 25,325 million euro, which means it showed a 6.9% year-on-year increase.



SERVICES



SECTOR ANALYSIS

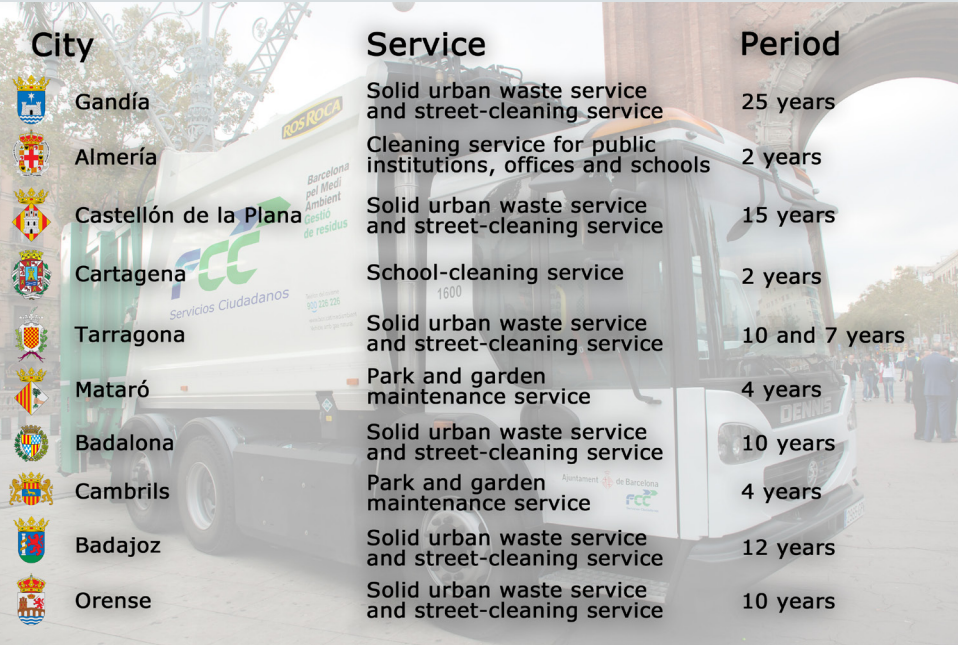
Urban sanitation business met its forecasts for 2010 due to a 17% rise in contract awards (total contracts awarded: 448). The value of these contracts (for solid waste collection and treatment, street cleaning and sewer system maintenance) added up to 2,243 million euro, as opposed to 1,544 million euro in 2009.

On the other hand, the building and retail space cleaning and maintenance subsectors and the park and garden maintenance and upkeep sector did feel the fallout of the economic crisis. In 2010 841 million euro in contracts were awarded, 26% less than in the fiscal year before (1,146), in 922 calls for tenders (also fewer than those held in 2009). The fundamental reason for this downside lay in both private and public organizations' tendency to extend the contracts they already had instead of calling for new tenders.

The fact that 2011 is an election year means that forecasts for this fiscal year are much lower than those of last year; government activity at all levels slows down as a consequence of the impasse caused by election-related activities.

FCC'S ACTIVITY

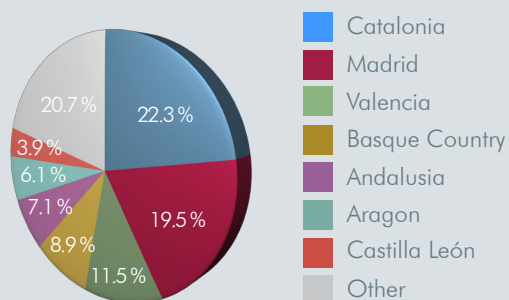
FCC renders urban sanitation services in 3,449 cities and towns throughout Spain, covering a joint population of over 27.5 million inhabitants, who produced 6.700.577 tons of rubbish. For this kind of work, the Citizen Service Group has a fleet of 11.865 vehicles, 272 of which are electrical or hybrid.



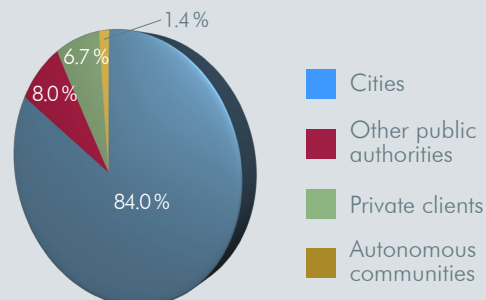
City	Service	Period
 Gandía	Solid urban waste service and street-cleaning service	25 years
 Almería	Cleaning service for public institutions, offices and schools	2 years
 Castellón de la Plana	Solid urban waste service and street-cleaning service	15 years
 Cartagena	School-cleaning service	2 years
 Tarragona	Solid urban waste service and street-cleaning service	10 and 7 years
 Mataró	Park and garden maintenance service	4 years
 Badalona	Solid urban waste service and street-cleaning service	10 years
 Cambrils	Park and garden maintenance service	4 years
 Badajoz	Solid urban waste service and street-cleaning service	12 years
 Orense	Solid urban waste service and street-cleaning service	10 years

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Geographical Area
Contracts in Spain

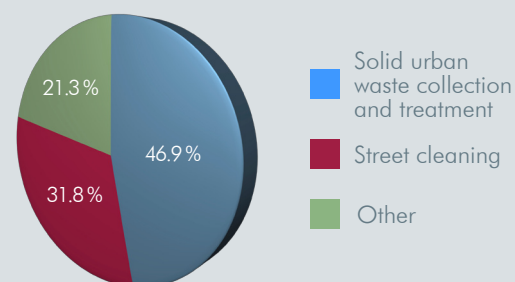


Breakdown by Client Type
Contracts in Spain

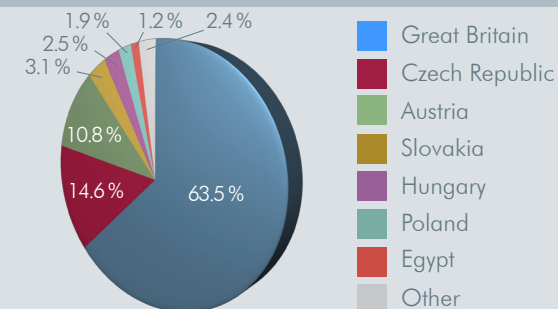


Outside Spain FCC is one of the leading end-to-end solid urban waste management and energy recovery firms in the United Kingdom, central and eastern Europe and northern Africa. It does business in 12 countries (the United Kingdom, Austria, the Czech Republic, Slovakia, Hungary, Poland, Romania, Bulgaria, Serbia, Lithuania, Portugal and Egypt). During 2010 it earned more than 1,022 million euro in turnover. In Latin America FCC does business through Proactiva Medio Ambiente, a company owned in equal shares by FCC and Veolia Environmental.

Breakdown by Service Type
Contracts in Spain



Geographical Area
Contracts Abroad

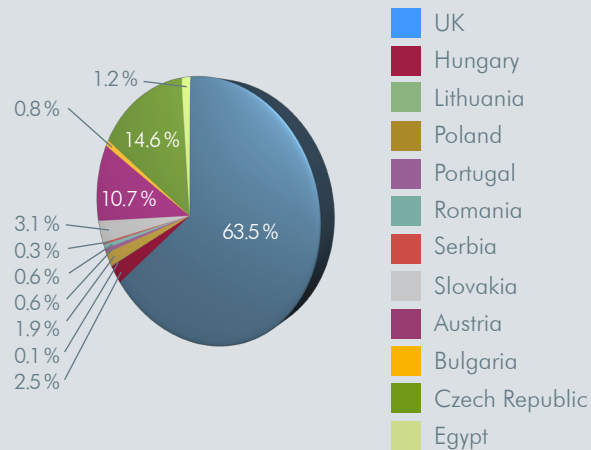


SERVICES

INTERNATIONAL ENVIRONMENT

During 2010 the International Environment Division won a total of 28 calls for PFI tenders in street cleaning, waste collection, waste transport, waste treatment and waste disposal in the geographical areas listed below:

International Environment Division
Turnover in 2010 - Geographical Location



CONTESTS ADJUDGED IN THE EXTERIOR

FCC United Kingdom (WRG)		FCC central and eastern Europe (ASA)	
Gained contests:	18	Gained contests:	10
Population covered:	5.182.300 inhabitants	Population covered:	2.042.000 inhabitants
Treated tons:	1.142.000 tpa	Treated tons:	418.400 tpa
Annual invoicing:	65.235 k€	Annual invoicing:	18.114 k€
Contracted portfolio:	1.818.500 €	Contracted portfolio:	110.589 k€

DESPITE THE GLOBAL
ECONOMIC CRISIS, OUR AUSTRIAN
SUBSIDIARY ASA
INCREASED ITS SALES BY
14% IN 2010

SERVICES

Some of the most significant contracts won in 2010:

FCC United Kingdom (WRG).

- PFI contract for the county of Lincolnshire (eastern England).

Services rendered: Treatment and disposal of the county's municipal waste. The proposed solution includes the design, construction and operation of an incinerator plant capable of handling 150,000 tons of waste per year.

The incinerator plant will put out more than 84,000 MWh of electricity per year, which is equivalent to the power consumed annually by more than 17,000 homes.

Population covered: 646.000 inhabitants.

Contract term: 25 years.

- PFI contract for the county of Buckinghamshire (southeast England).

Services rendered: Treatment and disposal of the county's municipal waste plus commercial and industrial waste. The proposed solution includes the design, construction and operation of an incinerator plant capable of handling 300,000 tons of waste per year and two transfer stations for transporting the region's waste.

The incinerator plant will put out more than 179,000 MWh of electricity per year, which is equivalent to the power consumed annually by more than 36,000 homes.

Population covered: 487.000 inhabitants.

Contract term: 30 years.

- Landfill disposal contract with the Thurrock Council, United Kingdom.

Services rendered: Household waste treatment and disposal in landfill

Population covered: 143.000 inhabitants.

Contract term: 7 years.

- Contract to operate transfer stations in the county of Hertfordshire, United Kingdom.

Services rendered: Transfer plant operation

Population covered: 1.066.000 inhabitants.

Contract term: 8 years.

- Household waste transfer and disposal contract in the county of Norfolk, United Kingdom.

Services rendered: Household waste transfer, treatment and disposal

Population covered: 853.000 inhabitants.

Contract term: 5 years.

FCC central and eastern Europe (ASA)

- Street-cleaning contract for two districts of Prague, Czech Republic.

Services rendered: Street cleaning and winter services

Population covered: 1.200.000 inhabitants.

Contract term: 8 years.

- Municipal rubbish collection contract in one district of Sofia, Bulgaria.

Services rendered: Waste collection, transport and disposal

Population covered: 70.000 inhabitants.

Contract term: 4 years.

- Contract to recover contaminated soil in Srdce (Bratislava), Slovakia.

Services rendered: Contaminated soil recovery

Population covered: Not applicable

Contract term: 3 years.

- Street-cleaning contract for the city of Bratislava, Slovakia.

Services rendered: Street cleaning and winter services.

Population covered: 440.000 inhabitants.

Contract term: 8 years.

SERVICES

TECHNOLOGICAL INNOVATIONS

In recent years environmental issues have exerted a growing influence over calls for tenders and bids, which have become more and more demanding in their environmental exigencies. These conditions force us to develop or improve technologies, such as the technologies involved in pollution emissions from machinery. For this reason different processes have been developed that are of huge interest in terms of our services' vehicle emissions.

Innovation in running automobiles on natural gas.

Today we have the necessary consolidated, applied technology to treat emissions by using natural gas as a fuel in high-pressure gas-filling plants and in more than one thousand, two hundred and fifty vehicles from our fleet. We require these vehicles to provide street-cleaning, waste collection, gardening and fountain-cleaning services, and even sewer cleaning and maintenance, which means we have had to develop more than thirty different types of vehicles.

In 2010 we launched an important and possibly unique innovation in the field of natural gas as applied to automobiles. It is a contract requiring 700,000 Nm³ of natural gas to be supplied per year, to power 43 vehicles. Laying pipe to run gas directly to where the contract specifies would be extremely expensive and difficult. In Castellón we built the first station providing natural gas for vehicle consumption on the basis of LNG (liquefied natural gas) shipped by road in cryogenic storage (-173 °C).

The station has a double-walled storage tank holding 60 m³ of LNG.

The liquefied gas is run into an external pressurizing circuit equipped with cryogenic pumps that compress the gas to a maximum pressure of 350 bars. The compressed gas is then piped to a vaporizer, where it is converted into the gaseous state. It can then flow into the lorry tanks through



the five double pumps installed at the station, without requiring the use of compressors.

The gas that evaporates during the process is reused in the boilers that provide the station's hot water and heating.

Electrical Vehicles

FCC's first big fleet of street-cleaning vehicles, a total of 89 units, was rolled out in Barcelona in 2009. To expand the fleet and continue along the same lines, FCC has carried on working to develop an electrically powered auxiliary vehicle. The resulting vehicle has contributed in a big way to reducing pollution emissions by releasing much lower emissions than its diesel equivalent yet maintaining the same manoeuvrability and useful load-bearing capacity. At present FCC has a total of 252 vehicles running on electric and electric/hybrid technology in Environmental Services.

The strides FCC is making in electrical drive systems (including system control) and energy storage systems

have also enabled the group to develop and roll out two more types of electrical units that completely eliminate pollutant gas and noise emissions while at work. These units are known as ZEVs, or zero-emissions vehicles.

- The first is a wholly electrical street-cleaning vehicle with a maximum admissible weight of 3.5 tons. It has a tilting chassis capable of holding 10 cubic metres, so it is clearly superior in waste load-bearing capacity to the light vehicle debuted in 2009.
- The other ZEV is also a completely electrical vehicle, but its maximum admissible weight is 5.2 tons. It is for loading, handling and carrying side-loading containers in vehicle-unfriendly areas –in other words, rubbish collection. Its chassis can carry up to three side-loading containers, and it is powered entirely by electricity.

Both of these units will be going into service under FCC's contract with the city of Badalona. The initial fleet will contain 12 units: eight tilting units and four container-loading units. In both cases the vehicles' features and performance figures are the same as or better than those of a vehicle run on an equivalent combustion engine.

In another important step forward, the technology behind the 32 electrical and hybrid KB I collection and compacting vehicles that are currently operating in Madrid, Barcelona and Zaragoza is being extended for use in street-washing services in hard-to-reach historical areas. This equipment too is electrical and hybrid, using electricity to drive all units all the time. Except for the sound of the water, the noise these street washers produce is practically unnoticeable, because the vehicles have no internal combustion engines at all. What is more, there are absolutely no emissions of pollutant gases.

SERVICES

Pneumatic Rubbish Collection

Pamplona is the scene of a new, trail-blazing activity by FCC: the construction and operation of the first pneumatic rubbish collection system, which will cover the city's entire central area. To deploy the new system, rubbish collection shafts (topped by terminals known as "letterboxes") have been set up. Nearly six kilometres of waste transport system and more than 100 "letterboxes" have had to be installed, accommodating three different types of rubbish: paper/cardboard, plastic and metal food and drink containers and other rubbish. The system has a collection capacity of 5,080 tons per year and will collect the sorted rubbish of more than 6,400 homes and 834 shops.

The system's heart is a central collection station outfitted with the necessary machinery for producing suction (480 kW, via turbo extractor fans), decanting, filtering off any air and compacting the rubbish. This process is performed separately for each waste type. The system is controlled and operated remotely via electronic controls, which activate the entire system from a single point located right at the central station. In other words, products sorted and deposited in the appropriate letterbox by householders are automatically collected, without the aid of any vehicles, through a fast underground network under the control of a single person. The waste is conveyed to the central station, where it is automatically compacted into large containers that are loaded onto lorries and shipped to the disposal or treatment plant.

The collection network is 5,712 metres long, with steel pipe 500 millimetres in diameter to carry the waste. The network also has 122 letterboxes for waste pick-up (36 for paper/cardboard, 35 for food and drink containers and 51 for other rubbish) scattered over 35 locations in the historic centre of Pamplona.

This underground collection system poses major environmental advantages, because it makes it unnecessary to send any vehicles at all to make door-to-door pick-ups, with the exception of vehicles collecting glass and items too large to fit in the letterboxes.

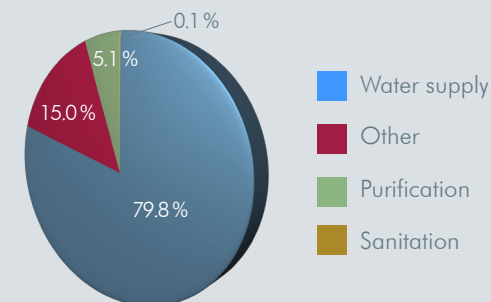


ANALYSIS OF THE SECTOR

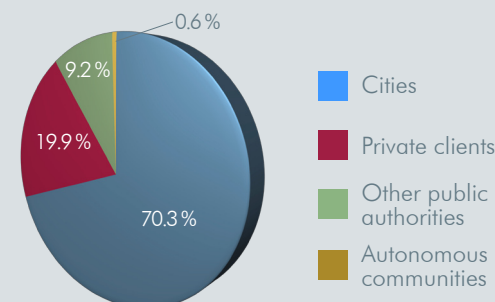
Large quantities of high-quality water are key for economic prosperity everywhere and necessary for any society that prizes wellbeing today. For this reason, optimum water management has become a necessary requirement and something very like a planet-wide challenge: How to make water a solution instead of a problem in the 21st century. In fact worldwide water consumption doubles every 20 years, and the United Nations anticipates that the demand will surpass the water supply by more than 30% by 2040. In this context it seems now to have been universally agreed that water is an economic asset, –that is, water is scarce and is subject to alternative uses.

Experience tells us that end-to-end water cycle management is being used as a mechanism for subsidizing different business activities, by setting water prices that are lower than the real cost of water use. In this context there is a need to set a price on water service. This can only be done on the basis of cost/benefit analyses covering all the needs and uses of this precious resource, as stated in the Water Framework

Breakdown by Service Type

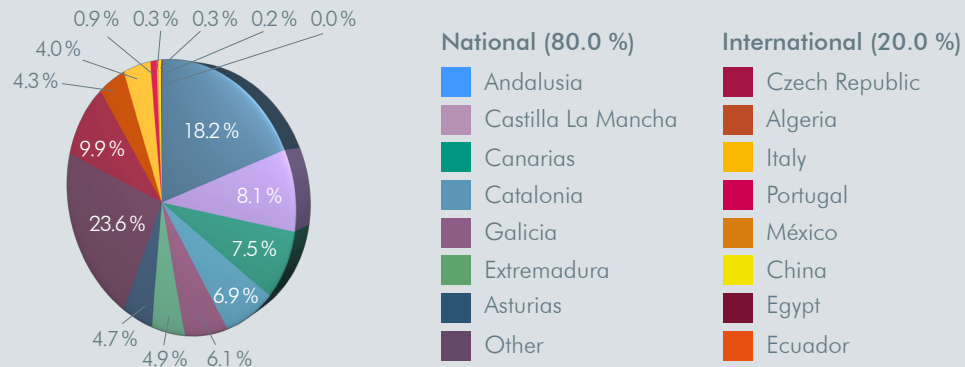


Breakdown by Client Type
Contracts in Spain



SERVICES

Geographical Area



Directive (WFD). Logically, all benefits pertaining to economic profitability alone should be put down under "Benefits", but the benefits of social and environmental profitability have to go at the top of the list. Planning work will make it possible to identify what infrastructure building and replacement needs must be addressed in the upcoming years. Practice tells us we need to identify the possible sources of financial resources for satisfying those needs. So, it just seems to make sense for the private sector's financial contribution to be regarded as linked to its recovering the funds it contributes. How? By operating the infrastructure thus funded.

It is the specialized companies that can furnish the solutions cities and towns are demanding, solutions always respectful of the environment, sustainable resource use and clear orientation toward citizens. An expert company that has the finest professionals with training spanning many disciplines can furnish technical assistance in the tasks of water resource planning, alternative technology evaluation, infrastructure design to optimize the resource by minimizing environmental impact, plus guaranteed good operation at minimum cost.

In the construction of infrastructure and the manufacturing of production goods related with the end-to-end water cycle, companies can also contribute value by incorporating the latest technologies and ensuring quality. For example, companies have proprietary RDI developments that ensure durability and reduce operating costs over the span of infrastructure's useful life. Those business projects that embrace several of these fields of activity at once will be more effective at cooperating with the administration in working toward the general objective of optimizing end-to-end water cycle management.

In recent years the Spanish government has been encouraging the private sector to participate in the field of end-to-end water cycle management. This is a good thing and a wise thing for it to do. Government's attitude is making it easier for Spanish firms to gain a lead in the international market and to position themselves as the world's standard setters in water management. And it is through starting business in different countries—many of which need modern, expert management in order to solve historic water problems we have been facing for a great many years—that will prove a source of wealth and high added value for Spain.



SERVICES

DIVERSIFICATION STRATEGY AND TARGETING OF THE INTERNATIONAL MARKET



FCC'S WATER BUSINESS IN 2010

The water management sector is not immune to the current financial situation. However, while reductions in consumption and cutbacks in public investment are the order of the day, **Aqualia** continues full speed ahead. In addition, **Aqualia**'s diversification strategy and years-old commitment to the international market have enabled **Aqualia** to maintain both its business backlog and its turnover by engaging in activity in countries forecast for big growth in the water management sector. **Aqualia**'s international strategy for emerging countries regards public-private partnership (PPP) systems as the best way of getting a start in a new country, because PPPs are projects that entail just a limited risk and provide a better grasp of the rules of the game as played in the country in question.

In fact, FCC subsidiary **Aqualia** Infraestructuras already has 75% of its production abroad. This is also because of **Aqualia**'s business model, which is end-user oriented. **Aqualia** stays in direct touch with its end users, the people who pay regular bills. Thus, **Aqualia** can maintain minimum bad debt rates and generate a constant cash flow in long-term (25- to 30-year) government contracts regulated by economic and financial equilibrium.

The present complicated financial situation is especially affecting cities and towns; and it is this very circumstance that has paved the way to a change in municipal water service management models and enabled a high level of contract bidding to be maintained in 2010. **Aqualia**, positioned for years now as an expert in end-to-end water cycle management, participated in 516 calls for tenders related with the sector and won 210 contracts worth 1,134.6 million euro, which make the overall backlog 12,818.8 million euro.

Water activity coverage is 177.2 months. That is 9.2 months longer than in 2009 and practically 15 times the yearly turnover. Territories are demanding more efficient, customer-oriented water service, on a

foundation of environmental and social commitment, and **Aqualia** is responding. **Aqualia** was awarded the Spanish Ministry of Health, Social Policy and Equality's "Equality in Enterprise" insignia, which only about thirty organizations managed to earn this year. What is more, **Aqualia** simultaneously earned AENOR certificates in RDI Management and Energy Management, a special achievement, since no other firm in the sector holds these certificates.

In Spain **FCC**'s water business area was the biggest winner of contracts from the Ministry of the Natural, Rural and Marine Environment. For instance, **Aqualia** was selected to build the largest water treatment plant put out to tender in Spain in 2010, the plant in Gijón.

In the international field, **Aqualia** won a new water management contract in Portugal, in the city of Fundão. Fundão joins Elvas, Campo Maior, Abrantes and Cartaxo and helps consolidate the company as one of the main indirect water management operators in our neighbour across the border.

During 2010 new contracts were won in countries including Romania (where **Aqualia** is currently engaged in building two wastewater treatment plants), Mexico (where the company has signed its third contract) and Chile (**Aqualia** has successfully entered the Chilean market for the production of desalinated water). In addition, the company is still working in regions such as the Middle East.

SERVICES



Ámbito covers FCC's activities in the full-service management of all kinds of industrial waste: hazardous waste, non-hazardous waste, recyclable waste, soil and environmental liabilities. After two years of severe economic crisis, 2010 was for Ámbito a year in which to reap the harvest of the measures taken in the 2008 and 2009 fiscal years.

The numbers speak for themselves: Sales went up 17%, taking turnover to over 280 million euro, with a 44% increase in gross operating results (EBITDA). In addition, the average collection period and the delinquency rate were reduced. The rosy picture is not limited to certain countries only. In all the countries where FCC Ámbito does business (the top three being Spain, the US and Portugal), sales increased.

The causes behind the recovery are both internal (reduction of expenditure and increase in efficiency, both introduced in the last two fiscal years) and external (materials recycled by FCC Ámbito have benefited from the rise in the price of raw materials). Also, because of the more international business focus taken in line with the overall strategy of the Citizen Service Group, sales abroad now account for 42% of total sales, with the eventual target of over 45% in 2011.

One of the Industrial Waste Division's most important projects is the decontamination of Flix Reservoir in Tarragona. Work there is now well advanced. It is the biggest decontamination project ever awarded in Europe, with a budget of 150 million euro and a million tons to be decontaminated and treated.

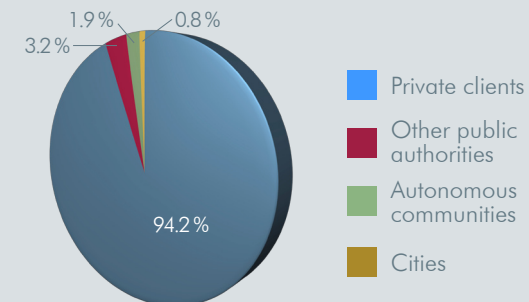
SALES
WENT UP
17%

Syracuse, Italy, is another of the settings where FCC Ámbito is busy. Waste management work began in Syracuse in November of last year with a budget of 60 million euro and the objective of treating 260,000 tons of contaminated sludge.

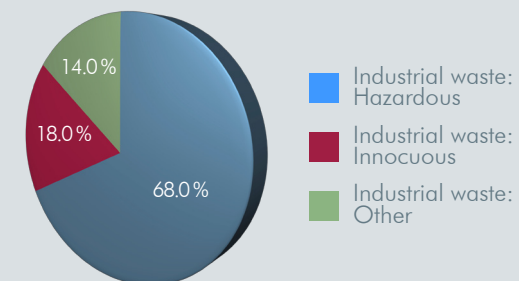
The new plant opened in Portugal in late 2008 is enjoying a similarly stellar career. In terms of both turnover and profitability, last year's figures beat the already good results of 2009 (the plant's first full business year). In addition, in the last stretch of the fiscal year, EGF and Electricidade de Portugal each awarded a contract, so improvement can be expected over the figures posted in 2010 by Ecodeal, FCC Ámbito's Portuguese subsidiary.

The United States was the setting of the start of a promising new activity, petroleum waste management on the eastern coast of the US and the Gulf of Mexico. In this business FCC Environmental achieved two-digit growth in turnover, operating profit and results.

Breakdown by Client Type
Contracts in Spain



Breakdown by Service Type



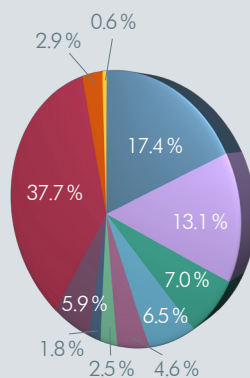
SERVICES

Back home in Spain, contracts for new waste management services all over the country were secured with high-profile clients like the Bertelsmann Group (a ten-year contract), ENDESA (for the full-service plant waste management system for all of Andalusia), Renault, Mapfre and Citroën.

The FCC subsidiary in the paper recovery business, Marepa, succeeded in increasing its market share in Spain, and in addition its already large business in selective collection was fattened by contracts with cities including Orense, Castellón, Badajoz, Segovia and Benidorm.



Geographical Area





Versia handles FCC's activities in non-environmental services, which are:

- Logistics
- Airport handling
- Urban furniture
- Car parks
- Vehicle inspections
- Conservation and systems
- Sales of cleaning vehicles and specialty vehicles (SVAT)

TURNOVER:
846
MILLION EURO

In 2010 there have been two events of particular relevance for Versia, one result was the sale of Versia's underground car park business to the Mutua Madrileña Automovilística insurance firm. Under the sale terms, Mutua Madrileña Automovilística bought 31 car parks for 120 million euro.

In December it was the vehicle inspection business's turn to be sold, to the Swiss SGS Group. The 180-million-euro sale included all inspection stations operating in Spain and Argentina.

In the rest of its activities, Versia persevered in its efforts to optimize its production structures, control costs and at the same time improve its indebtedness ratios. At the close of 2010, its consolidated turnover came to 846 million euro.

SERVICES



SERVICES



TURNOVER:
285
MILLION EURO



FCC Logística renders services in Spain and Portugal. Its clients are some of the leading firms in a range of sectors, including the automotive, food, cleaning product, perfume, cosmetic and personal care and appliance sectors. Industry and technology, the pharmaceutical and optical sector, mass distribution platforms and B2B and B2C goods-shipping platforms complete the picture of the realm this division of the Citizen Service Group works in.

FCC's Logistics Division holds the Quality Seal, which guarantees compliance with the sector's Good Practice Code in FCC's commitment to help forge an image of reliability, integrity and transparency in the logistics sector.

In some of the foremost events of the fiscal year:

- A new base for the shipping fleet was officially opened in Cabanillas del Campo, Guadalajara. It features a lorry park, a private petrol station and modern garage facilities for fleet maintenance. The new base is attached to an office building that houses the Shipping Unit.
- An automated order preparation facility went into operation at the logistic centre in Azambuja, Portugal, which works with the pharmaceutical sector.

- Activities got under way to provide supervision support at the Valencia Port Border Inspection Station, after FCC Logística won the five-year contract offered by the Valencia Harbour Authority.
- Inauguration of an 18,000-m² platform in Burgos dedicated to the Mahou-San Miguel Group, to serve customers in northern Spain.



SERVICES



Flightcare, S.L., is the FCC service company that provides ramp-, passenger- and cargo-handling services at 14 airports all over Europe. In 2010 it served more than 34 million passengers flying with 250 companies, totalling 324,000 movements and handling more than 333,000 tons of cargo.

In Spain Flightcare provides ramp- and passenger-handling services at the airports in Barcelona, Málaga, Alicante, Valencia, Fuerteventura, Jerez and Almería. In addition it provides cargo-handling services in Madrid, Barcelona, Valencia and Alicante.

In Belgium Flightcare is the principal ramp- and passenger-handling operator and one of the leading cargo-handling operators at Brussels Airport. Flightcare can be found also at the airports in Ostend-Bruges, Liège and Charleroi.

In Rome Flightcare is the principal independent handling agent at Fiumicino Airport and the only independent operator at Ciampino Airport.

The leading events of 2010 included the signing of a contract with Lufthansa and Swiss for Barcelona Airport

and Rome-Fiumicino Airport. Flightcare already held a contract with the same clients for Brussels Airport. In addition, in September a new cargo centre was opened at Rome Airport; in just four months' use, the new centre is already at over 75% of its capacity. This fact, together with the ramp and passenger services Flightcare was already providing, make Flightcare the only handling firm at Rome Airport that provides its clients with comprehensive service.

Flightcare also sailed with flying colours through the Spanish audits for the renewal of its quality and environment certifications for another three years. In addition, Brussels was the first airport where Flightcare earned ISAGO (IATA Safety Audit for Ground Operations) certification.



TURNOVER:
244,4
MILLION EURO

SERVICES



The design, manufacture, installation and maintenance of many kinds of urban furniture and the marketing of advertising space on urban furniture are Cemusa's specialities. More than 160 cities in Europe and America, such as New York, Madrid, Rio de Janeiro, Barcelona, Boston, Lisbon, Milan and Brasilia, are host to Cemusa's 160,000 installations. Cemusa's urban furniture designs are produced in cooperation with architects and designers of recognized worldwide prestige.

Cemusa too saw 2010 as a year of recovery after the previous two fiscal years of severe economic crisis. With the recovery of the advertising sector, this urban furniture company regained market share, while its commitment to technological innovation placed it in the vanguard of new advertising formats.

For example, Cemusa endowed its urban furniture range with digital capabilities. The world's first digital newsstands, a Cemusa product, were rolled out in New York City,

where Cemusa has been managing street furniture since 2006. In world-famous Times Square, Cemusa installed a circuit of high-definition LCD digital screens built right into newsstands to broadcast advertising videos and other content. This circuit provides the first large-format digital advertising opportunity in the streets of the Big Apple.

In the Italy market, Cemusa also expanded its range of advertising in Milan with the installation of illuminated billboards all along the perimeter of the Citylife project. Citylife aims to transform the city and includes the construction of a huge park, three skyscrapers, a design museum, residential and retail areas and underground car parks.

At home in Spain, Cemusa won the contract to run the advertising at tram stops in Bilbao. It also took home the contract to adapt the newsstands on Barcelona's popular thoroughfare Las Ramblas for advertising using digital technology and to operate the advertising afterwards.

TURNOVER:
129,4
MILLION EURO

SERVICES



Estacionamientos y Servicios, S.A.



FCC's parking-facility business focuses primarily on regulated on-street parking management, municipal vehicle-towing and vehicle impoundment services and the development and introduction of computer applications to handle traffic violations.

The company manages approximately 133,000 regulated on-street parking spaces in 60 cities. In 18 of these cities FCC also furnishes towing services to remove improperly parked vehicles.

The new contract awards of the year were:

- San Sebastián, Guipúzcoa. Regulated on-street parking in the Gros, Atotxa, Amara Nuevo, Antiguo Ondarreta and Ibatea neighbourhoods and the business areas of Miramón, Zuatzu and Igara, in the car park
- Salamanca. 2,794 spaces of regulated on-street parking and management of the vehicle towing service, for a ten-year period.
- Benicàssim, Castellón. 259 spaces of regulated on-street parking for a two-and-a-half-year period, extendable up to a maximum of four years.
- Huercal-Overa, Almería. 220 spaces of regulated on-street parking for a four-year period, extendable by a further four years.

for public transport users at Paseo de Ondarreta, Plaza Lautximieta, Illumbe and in the area for recreational vehicles on Paseo de Berio, a total of 11,646 parking spaces, for a five-year period, extendable for an extra four years.

TURNOVER:
76,8
MILLION EURO

SERVICES



Conservación y Sistemas, S.A., is a technological firm specializing in the design, installation, operation and maintenance of traffic management and shadow toll projects in interurban road systems, safety facilities in road and railway tunnels and urban infrastructure maintenance and upkeep. Its areas of action are:

- City upkeep and other services: Pavements, sewer tunnels and systems, irrigation and water distribution.
- Traffic management systems for toll motorways and dual carriageways.
- Control and safety systems for tunnels on roads, railways tunnels, buildings and special installations.

In 2010 Conservación y Sistemas satisfactorily passed ISO 9001:2008 Quality Management System audits conducted by AENOR.

TURNOVER:
33,1
MILLION EURO

Its most significant contract awards and projects included:

- Traffic management systems
 - Traffic and shadow toll management (AUTO-ESTRADA TRANSMONTANA).
 - Variable message signage (SPANISH DIRECTORATE-GENERAL OF TRAFFIC).
 - Maintenance of the Catalan Speed Monitor System (SERVEI CATALA TRANSIT).
- Road tunnel control systems
 - Monrepós Tunnels (SPANISH MINISTRY OF DEVELOPMENT).
 - Tunnels on road C-17 between Vic and Ripoll (CEDINSA).
- Technical systems for railways
 - Safety and communications systems (MURCIA TRAM).
 - Ticketing, ITA and information panel systems (ZARAGOZA TRAM).
- Urban service upkeep
 - Sewer system upkeep for one-third of the Autonomous Community of Madrid.
 - Sewer system upkeep for Rivas-Vaciamadrid.



- Street and road work
 - Surface repairs and improvements in Madrid, Getafe and Fuenlabrada.
 - Remodelling of the Entrevías Bus Station and compressed-gas filling stations for EMT (the municipal transport company), Madrid.
- Renovation and repairs of the water supply system for Canal Isabel II.

SERVICES



TURNOVER:
22
MILLION EURO

Sistemas y Vehículos de Alta Tecnología (SVAT) sells high-tech equipment and vehicles for city sanitation, coastal water and beach cleaning and industrial cleaning.

In 2010 SVAT continued to lead sales of compact city street sweepers featuring technological improvements that have reduced pollutant gas emissions, sound levels and fuel and water consumption.

The technological innovations launched for the first time in 2009 in SVAT's Barcelona contracts were reflected this year in many other Spanish cities. The Euro 5 engines, the electronic engine regulation system that saves fuel and reduces RPMs, and the dual sweeping system with tile-scrubbing and water-recycling capability have become widespread features of our street sweepers.

The main cities where street-cleaning machines were delivered were: Barcelona; Valladolid; Madrid; Orihuela, Alicante; Palma de Mallorca; Vigo; Orense; Castellón; Calafell, Tarragona; Reus, Tarragona; El Prat de Llobregat, Barcelona; Ronda, Málaga; Badalona,



Barcelona; Badajoz; Calviá, Mallorca; Cartagena, Murcia; Tres Cantos, Madrid; Fuenlabrada, Madrid; San Juan, Alicante; Zarauz, Guipúzcoa; Amorebieta, Vizcaya; Pollensa, Mallorca; Sagunto, Valencia, and Benicàssim, Castellón.

The industrial cleaning and sewer market rebounded slightly; combined units that suck water in and jet it back out were delivered in Gijón, Córdoba, Mallorca and Tarragona.

Floating-waste collection vessels continued working along the coast of Catalonia.





CONSTRUCTION

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CONSTRUCTION

CONSTRUCTION



CONSTRUCTION

GOOD GLOBAL EXPECTATIONS OF GROWTH

ANALYSIS OF THE SECTOR

Current Setting

In the international context, despite the slow relative growth of the advanced economies in comparison to the emerging economies, there are grounds for feeling that the global financial crisis is over. Market evolution, which has to do with the situation of the economy, is positive (The bullish stock market inspires confidence and encourages consumer spending and investment) and foretells good global expectations of growth.

There persists, however, a cloud of disquiet that has to do with geopolitical risks, increased tension in currency markets, the loss of ground in fiscal consolidation in the advanced economies and a certain overheating of the emerging economies' activity due to their high relative growth.



Deleveraging and recovery are going to take years, and structural reforms will be needed in the peripheral economies –on even tougher terms if confirmation is forthcoming of the risks engendered by the unrest in North Africa, which will cause a supply shock and inflationist tensions.

In Spain the tenuous signs of recovery that marked the start of 2010 lost momentum in the second part of the year due to the budgetary adjustment and the sovereign debt crisis, which affected the peripheral countries of the eurozone.

Spain is facing another tough fiscal year, with the perspective of being unable to set specific spending

ceilings for 2012 in view of the additional risk of backlash from the development of oil prices.

There are also doubts over growth outlooks, so it is a top priority to get credible reforms under way to palliate the public deficit, quell the solvency and liquidity crisis and finance the current deficit.

Reforms aimed at boosting growth will have positive effects on the risk premium (as actually already perceived):

- Compliance with deficit targets.
- Reform of collective bargaining.
- Wages not indexed to oil prices.
- Energy reform.
- Market unity.
- Investment in transport infrastructure.
- Fostering of research by private enterprise.
- Education aimed at creating employability.

Because of the magnitude of the public deficit (9.2% of the GDP in 2010), it is going to require a huge effort to reduce the deficit to 3% as anticipated in the Fiscal Consolidation Plan, which seeks to recover the structural deficit of 2007 by 2013. These measures will affect the GDP in the short run, but they will also hamper the

CONSTRUCTION

economy's growth in the medium term unless the right structural reforms are made.

The Spanish economy is anticipated to recover more slowly and later than other European countries' economies. This is because Spain has not yet solved the problem of the private sector's high level of indebtedness, its dependence on foreign financing and the high unemployment rate.

The Spanish economy is being forced to deal with the change in cycle under the stigma of unemployment and with the need to avoid lagging behind its neighbours, who are getting the situation under control, albeit not without difficulties. In quarter-on-quarter terms, the increase in the employment rate in industry and agriculture has failed to offset the declines in construction and services.

According to Eurostat, one good figure, the Spanish Harmonized Labour Cost Index, displayed a 0.8% decline (the first in a historical series) for the third quarter of 2010. That figure contrasts with the 0.8% increase registered in the eurozone. For the first time wage revisions have apparently broken their link with the CPI, and productivity has shown a mild improvement.

The Construction Sector

The construction sector is facing its fifth consecutive year of production declines, which affect the four traditional

subsectors (residential, non-residential, refurbishment and civil engineering works). From the perspective of supply, the decline is sharper, 10.8% in real terms from 2009, as opposed to 0.1% in the Spanish economy as a whole, pulling the GDP down by 1.6 points.

The fiscal year culminated with a total production of 147,900 million euro and a negative variation of 10.8% in real terms from 2009 (negative 9.3% in building and negative 13.5% in civil engineering works).

One highly revealing indicator of the standstill of domestic construction activity is the apparent consumption of cement, which registered a 15% drop. That makes for an accumulated 56% backslide over the last three years to a consumption level similar to that of 1988.

The investment in construction (GAV), which accounted for 14.3% of the GDP in 2009, shrunk to 12.7%, a level similar to that of France but still 2.3 points higher than the average for the euro area, toward which Spain's investment level is inexorably converging. The ratio between investment in construction and GDP has bounced back to what it was in the early seventies.

By subsectors, **residential building**, the heavyweight of the construction industry, accounted in 2010 for 26.0% of the total (still 10 points more than in the countries around Spain), with a balance down 17.0% from 2009.



Porta Fira Towers, Barcelona

CONSTRUCTION

HOUSING SALES IN SPAIN ROSE AGAIN IN 2010



Launching gantry

Among the leading indicators, the area of new construction according to architect's permits registered a negative rate of 26.9% as a consequence of the drop in its two components, residential and non-residential (which lost 30.5% and 19.3%, respectively).

It is estimated that in 2010 the number of housing units begun was no more than 100,000, 33% fewer than in 2009. There were estimated to be 260,000 finished housing units, also 33% fewer than in the preceding fiscal year.

On the other hand, housing sales in Spain rose again in 2010 after two years of plummeting figures, although the approximately 440,000 flats that changed hands over the last year are still far short of pre-crisis sales levels, when over 700,000 transactions were closed per year. Sales went up 6.8% in 2010, as opposed to the 25% and 28% drops of the two preceding fiscal years. These figures are most probably affected by the fact that thousands of new homeowners hurried to take advantage of the tax incentives available for home purchases at all income levels as of 2011.

Non-residential building accounted for 16.0% of business, down 5% from the previous fiscal year (10 points higher than in 2009/2008, when the reduction was 15%). Building permits in this subsector experienced a 19.3% drop.

Building refurbishment and maintenance, which made up 25% of the total, fell off by 4.0% (seven points less than in 2009). The execution budget for expansions and improvements went down by 10% in nominal terms (as opposed to the 1% loss registered in the fiscal year before).

This subsector presents investment figures 18 points below its European Monetary Union counterparts, and therefore it may be inferred to have room to grow. However, while other subsectors are seeing convergence toward the same levels as the countries around us, unfortunately refurbishment is not following suit.

Civil engineering works accounted for 33% of the sector's total overall production, with a year-on-year decrease of 14.0%, the first decrease in many years.

During 2010 Spain dropped from fourth to fifth place in the European Union construction market, with 10.4% of the total, after Germany (which slips into first place with 19.7%), France (18.8%), Italy (12.0%) and the United Kingdom (10.8%).

Last fiscal year government calls for tenders went down 32% in nominal terms to 26,519 million euro. The national government, which was responsible for 20.9%, slashed its potential contracts by 54.7% to 5,531 million, with reductions in all departments.

The Ministry of Development was the biggest reducer, offering 3,662 million in contracts, 60.2% less than the year before. The cutback was due fundamentally to the 69.5% decline in ADIF's contracts to 1,604 million because work on the AVE high-speed railway line to Valencia was completed.

CONSTRUCTION

Despite these data, the Ministry of Development made a real effort to invest, with an average yearly investment of:

- 10,086 million euro in the 2001-2004 period
- 15,497 million euro in the 2005-2008 period
- 16,765 million euro in the 2009-2011 period

In 2010 14,091 million euro in investments were made, and in 2011 plans are to invest 13,636 million euro. The effort the Ministry of Development is making for the 2011 fiscal year is equal to 1.7% of the GDP, as opposed to 0.69% of Germany's and 0.50% of the United Kingdom's.

The autonomous communities, which were responsible for 35.0% of all government calls for tenders, showed a 21.3% drop to 9,413 million, and local administrations, with 43.6%, reduced their calls for tenders by 22.4% to 11,574 million.

The budgetary restrictions under which all levels of government are now labouring in order to meet public deficit objectives have created an environment in which private capital is being called upon to cover the cost of building public infrastructure.

In 2010 the volume of the concessions put out to tender by all levels of government together came to 10,483 million euro (more than twice the budget for the projects promoted in all of fiscal year 2009). Basically concessions were offered by autonomous communities seeking road infrastructure. The ratio of concessions to the total number of calls for tenders was 39.5% (1% of the GDP), up 27.2% since 2009.

THE JOB MARKET

In 2010 the construction sector contained 8.9% of the total working population, 1.1% less than in 2009. In the last two years the sector has lost 1,145,000 jobs, 54% of the total number of jobs destroyed in Spain. Despite the cruel readjustment, the sector has now dropped a further 12.6% to 1,650,830 people employed.

Construction took more hits to employment than any other business sector in relative terms, with a 5.7% reduction in the number of working people since the third quarter of the year.

THE VOLUME OF
THE CONCESSIONS PUT OUT
TO TENDER
BY ALL LEVELS
OF GOVERNMENT TOGETHER
CAME TO
10.483
MILLION EURO



CONSTRUCTION



Vela Hotel, Barcelona

FORECASTS

The forecasts for 2011 point toward a tendency consistent with the cycle, with an overall sector production decrease of between 8% and 10.0% in constant terms.

Considering the effect of the Immediate Action Plan, the two main investing ministries (the Ministry of Development and the Ministry of the Natural, Rural and Marine Environment), their agencies, public entities, business enterprises and publicly owned companies are dealing with allocations that require them to reduce the investment earmarked for infrastructure policy by 31.2% from what it was in 2010, in current terms.

By subsectors, and more specifically in the case of **residential building**, the sharpness of the drop will soften from 2010's 17.1% to 4.5% for 2011 as a whole, due to the stock (400,000 to 500,000 properties), which will shrink as 2011 progresses. In 2012 mild positive growth of around 1% is expected.

Non-residential building production will go down by as much as 3.0%, the same as the investment in the sector, which will not rise until the markets' recovery has been consolidated. This will happen, as in the past, in stages: first offices and leisure, then retail and logistics. The decline will continue to bottom out in 2011 and will slide into growth in 2012.

Civil engineering works will continue to keep construction activity on its feet. The investment in infrastructure in the upcoming fiscal year is expected to show a decline of between 19% and 22% from the investment made in 2010.

For the 2011 budget, the Immediate Action Plan, the Fiscal Consolidation Plan and the cutbacks of May 2010 mean a 5,205-million-euro reduction (down 26.1%) in the real investment made by the Ministry of Development and the Ministry of the Environment, in comparison to the budget liquidated in 2009 (historic high). In addition, the culmination of the 2010 Local Fund for Employment and Sustainability programme will bring negative weight to bear.

The adjustment will continue in 2012, although more moderately, with cutbacks of 4 to 5% due to the measures aimed at reducing the public deficit and rebuilding confidence.

The big challenges to face on the path to recovery in 2011 are:

- The closing of railway and road corridors by means of committed public-private partnerships, consolidation of the PEI (Special Infrastructure Plan) and advancing of project schedules
- Compliance with payment terms by public administrations, until the new late payment directive is transposed
- No new additional budgetary cutbacks in real investment, which would entail even more severe, unsustainable adjustments in the sector

Concessions will continue constituting a source of business for the construction sector. Private initiative will keep applying its technological and financial support toward the effort to bear up under the investment deficit both in Spain and abroad.

CONSTRUCTION

The Spanish Ministry of Development has just launched its Extraordinary Infrastructure Investment Plan (EIP), through which it anticipates mobilizing an investment of 17,000 million euro in concert with private capital over the span of several years, to fund railway and road projects and thus offset part of the public investment adjustment.

Because of the internationalization of the major building firms, the reduction in domestic business has been successfully offset with business abroad. This is the real situation as well as a necessity, and it is in response to the potential generated during the expansive cycle and the considerable expectations of growth in the world economy for 2011-2012.

That is why it is so important to maintain investment activity in our country. Such activity has enabled our companies to grow and to acquire know-how and a knowledge of other markets that would have been unthinkable in other times yet today is –not just temporarily, either– a guarantee of business sustainability.

Big Spanish building firms have become leaders in markets unknown less than a decade ago, and their backlogs contain an increasingly significant share of projects abroad, where Spanish firms compete under the same conditions as other firms from other countries in a highly competitive market.

THE REDUCTION IN
DOMESTIC BUSINESS HAS BEEN
SUCCESSFULLY OFFSET
THANKS TO
INTERNATIONALIZATION



San José Caldera Motorway, Costa Rica

CONSTRUCTION



CONSTRUCTION IS STILL
THE HEAVYWEIGHT OF THE
GROUP'S TURNOVER IN
QUANTITATIVE TERMS;
IT ACCOUNTS FOR **55,3%**
OF THE TURNOVER

FCC'S ACTIVITY

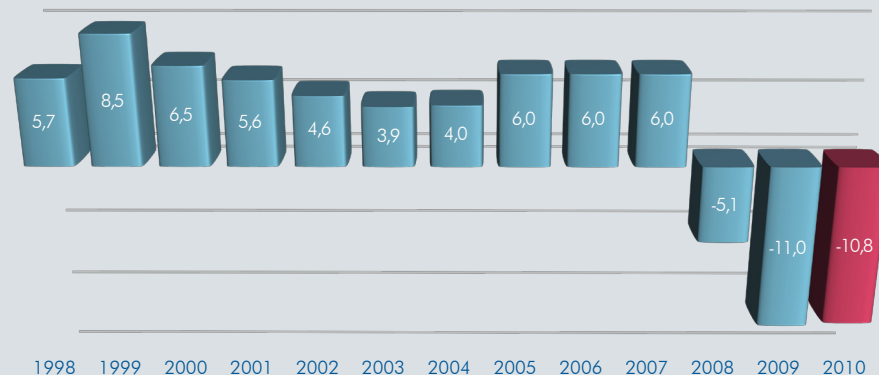
FCC's construction business is clustered around one company, FCC Construcción, S.A., which in 2010 earned 6,693.6 million euro in turnover, 7% less than in the preceding fiscal year. More than half (54.8%) of the turnover came from transactions outside Spain.

The gross operating result (EBITDA) came to 355.5 million euro, which is down 12.5% from 2009.

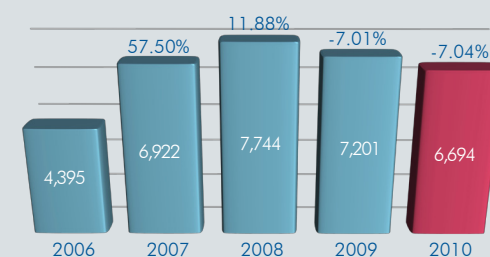
The construction business's contribution to the Group's total EBITDA amounted to 24.8%.

During 2010 FCC Construcción won 6,133.8 million euro's worth of contracts, bringing its backlog of outstanding projects to 9,984.0 million euro. Contracts abroad made up 44.8% of this backlog.

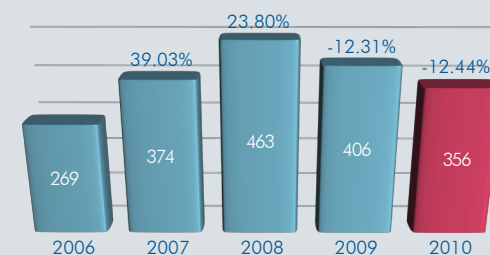
Annual Variation Rates in
In constant terms (Source: Seopan)



Turnover
Million euro



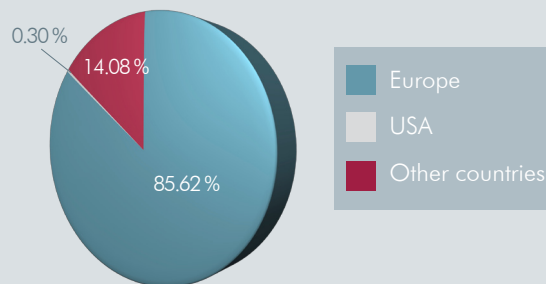
Gross Operating Profit (Ebitda)
Million euro



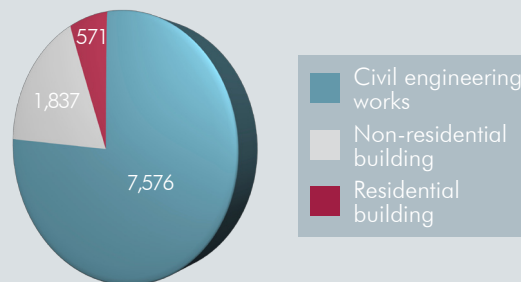
CONSTRUCTION

THE SECTOR THAT GENERATES THE MOST PRODUCTION AND PROJECT BACKLOG

International Turnover



Backlog



MOTORWAYS, DUAL CARRIAGEWAYS AND ROADS

This is the most active subsector of civil engineering works and the subsector that generates the most production and project backlog.

The list below gives the most important contracts won during the last fiscal year.

- **S5 expressway in Poland**, between the cities of Posen and Wrocław, including bypasses around the cities of Bojanowo and Rawicz. The 29-kilometre-long section will be twinned to four lanes.
- **Viaduct for the new northern approach to Seville**. The work consists in a 784-metre-long viaduct with spans measuring 48 to 66 metres apiece. The structure is made of precast components. Two 3.8-metre-tall, 2.5-metre-wide box girders form the deck.
- **Motorway A1 in the section between Świerklany and Gorzyczki, in Poland**. This 18.3-kilometre-long segment of the A1 runs between the Świerklany exit and the Czech border at Gorzyczki, in southern Poland. The design includes the construction of two junctions, two rest areas and 31 bridges. The project's major construction job is a 380-metre cable-stayed bridge.

- **General improvement of access to road C-31, from kilometre point 231+800 to kilometre point 235+000, in Cabrera del Mar/Mataró, Barcelona**. The section is 3.2 kilometres long and calls for the construction of six viaducts, six bridges, three flyovers, eight undercrossings and two 185-metre-long tunnels.
- **Improvement of road EN4, phase 1, between the Lidl roundabout and the Las Sochinhas roundabout, in the city of Elvas, Portugal**. The work consists in modifying the existing 3,810 metres of road to create a section of two three-metre-wide roads.
- **Two sections of the pan-European corridor in Serbia**. The contract is for the construction of a 15-kilometre section of dual carriageway and seven bridges of lengths ranging between 50 and 500 metres. The project's two main components are the 5.8-kilometre-long Dimitrovgrad bypass (in eastern Serbia) and the 8.6-kilometre-long section of road to the Bulgarian border.
- **Rehabilitation of the Pan-American Highway (Section: Carlos/Penonomé) and maintenance of roads and tracks on Circuit "A" of Coclé province, Panama**. The work consists in providing regular maintenance for 204.5 kilometres scattered along six sections of road.

CONSTRUCTION



Seville lock

MAJOR DOMESTIC AND INTERNATIONAL PROJECTS

AIRPORTS

- **Retrofitting of the flight field at Lanzarote Airport.**
- **Apron slab improvements at Tenerife North Airport.** The work consists in improving rigid and flexible surfacing on the aircraft parking apron. There are 67,200 m² of rigid surfacing. The project includes replacement of drainage facilities, surface markings and beacons.
- **Retrofitting of check-in and boarding areas at the air base at San Javier, Murcia (which is open to civil air traffic).**

HYDRAULIC WORKS

The foremost contract awards from the last fiscal year were:

- **New approach to the Panama Canal.** The new approach channel to the Panama Canal from the Pacific is part of the project for the placement of the third set of gates at Miraflores. The work consists in the construction of 3.7 kilometres of 200-metre-wide approach channel to the Pacific gates.
- **Operation, maintenance, updating and upkeep of the automatic hydrological information system for the Júcar River Basin.**
- **Seawater desalination plant at Guía de Isora, Tenerife.** The work includes the collection of sea water from eight 60-metre-deep shafts 650 millimetres in diameter, the desalination facility proper, the brine disposal system featuring an outfall up to five metres deep, a pumping station, a 10,000-m³ storage tank, land development and the electricity supply.
- **Second main drinking-water distribution ring. Section: Retamares artery branch to Getafe storage tank branch, Madrid.** The pipe layout runs parallel to road M-50 from Boadilla del Monte to Getafe along a length of 18.77 kilometres.

- **Second phase of the Lower Los Payuelos Canal, León.** There are 30 kilometres of canal between Santas Martas and Sahagún de Campos.
- **Design and construction of the Las Lajas main and the Rogelio Sinán pipe, Panama.** The work consists in redesigning and building the Las Lajas main, which entails the installation of 11,340 metres of pipes.

MARINE CONSTRUCTION

The foremost contract awards were:

- **Foundations of Duques de Alba DA-1 and DA-2 at the docking jetty at the hydrocarbon storage and distribution terminal at Bahía de Algeciras Harbour, Algeciras, Cádiz.** The work consists in laying the foundations and rubble mound for the construction of a docking terminal once the sea bottom has been dredged and the terrain has been consolidated with gravel columns.
- **Facilities at Port Adriano in Calviá, Balears.**
- **Enlargement of the Química quay in Tarragona.** The project is intended to enlarge the existing quay by reclaiming land from the sea through the construction and sinking of 34 reinforced-concrete caissons to form three berthing lines, one 495 metres long, one 373 metres long and one 326 metres long.

CONSTRUCTION

RAIL INFRASTRUCTURE

Rail infrastructure remains one of the most dynamic sectors there is, thanks to plans to expand the high-speed railway network and projects to build new underground lines.

During the last fiscal year, the following were the foremost contract awards:

- **Construction and supply of the entire rail system for Line 1 of the Panama Metro.** The work consists in the construction of a new metro line approximately 13.7 kilometres long. Thirteen stations will also be built; five are on viaducts, five are underground and one is partially underground, at one end of the line. This last station will double as an interchange facility where passengers can switch to and from other means of transport.
- **Railway line 185 kilometres long running west of the capital of Algiers and connecting the cities of Relizane, Tiaret and Tissemsilt, in Algeria.** The new line will have a single set of tracks split into two distinct sections: the 121.1-kilometre-long Relizane/Tiaret section, on which five tunnels will be built using the new Austrian method; and the 64.2-kilometre-long Tiaret/Tissemsilt section. The work also includes the construction of seven passenger stations, five level junctions and improvements to the existing stations at Relizane and Tissemsilt.
- **Approaches to La Sagrera Station.** The work consists in the construction of the approaches to the future La Sagrera Station and the Villafranca/Maçanet and Vilanova/Mataró local train lines, plus the bed to hold the high-speed line from Madrid to Barcelona to the French border.
- **Bergara/Antzuola section of the bed of the new Basque Country railway network.** The work consists in the construction of a 4.3-kilometre-long section of the route, including the construction of a 3,706-metre-long tunnel with a free cross-section of 85 m². An emergency tunnel is being built parallel to the main tunnel; the emergency tunnel is 2,750 metres long and has a free cross-section of 26 m².
- **Urban railway tunnel in Karlsruhe, Germany.** The contract covers the project design and special underground engineering work, in addition to the construction of roads, tunnels and stations.
- **Bed for the high-speed railway between Madrid and Extremadura. Section: Alcántara Reservoir/Garro villas.** The work consists in the construction of a new bed for a twin set of high-speed tracks 6,266 metres long. One special feature of the section is a 996-metre-long viaduct over the Almonte River. Its central arch span is made of concrete, stretching 384 metres underneath the deck. That is a record for Spain and the third-longest such span in the world.

ONE OF
FCC CONSTRUCCIÓN'S
MOST DYNAMIC
SECTORS



Underground tunnels in Girona

CONSTRUCTION



Housing in the northern area, Las Tablas, Madrid

ALL OVER
THE COUNTRY,
ALL OVER THE WORLD

URBAN DEVELOPMENT AND PARKING FACILITIES

Foremost contract awards:

- **The development portion of execution unit 213-02 in Bilbao.** The work consists in rectifying existing streets, extending one street and installing all utilities mains.
- **Development of the distribution area at lot 1.7 in Nuevo Tres Cantos, in Madrid.**
- **Improvement of Passeig de Sant Joan. Plaça Tetuan/Arc de Triomf section, in Barcelona.** The designed section calls for two great 17-metre-wide pavements for pedestrians, adjacent to each of the two lines of buildings, and a street with two lanes in each direction with a bicycle lane a total of four metres wide.
- **Improvement of traffic safety and sustainable urban mobility in the city of León,** in the city centre, Avenida de Ordoño II, Avenida de la Independencia, Avenida del Padre Isla and Plaza de Santo Domingo.
- **Partial development of the Garrido Sur III district of Salamanca.**
- **Development of the Alicante park road. Section: Avenida Lorenzo Carbonell/El Palmeral, in Alicante.** The work consists in a corridor with two lanes in each direction, a bike lane and a railway bed. The corridor has a total cross-section of 41 to 45 metres and is 1,400 metres long.

RESIDENTIAL CONSTRUCTION

The foremost contract awards were:

- **59 homes in Sanchinarro, Madrid.**
- **72 homes, garage space and appurtenances at the Montecarmelo Development Action Plan site in Madrid.**
- **1,000 homes developed directly by FCC** in Madrid's Nuevo Tres Cantos sector, split into four developments (288, 288, 207 and 217 units).
- **55 homes in Vilafranca del Penedés, Barcelona,** with a total floor area of 8,336 m². One basement and five above-ground floors.
- **102 homes built for sale directly by FCC in Tres Cantos, Madrid.**
- **Construction of 17,700 m² of government-supported housing in Mexico City.**
- **91 homes built with basic public sponsorship, Tres Cantos, Madrid.**
- **Completion of 116 units of publicly sponsored housing in eight blocks in San Jerónimo-Alamillo, Sevilla.**
- **137 homes in the Villaverde district, Madrid,** consisting in two rectangular buildings having a total floor area of 17,900 m².
- **84 units of publicly sponsored housing in Galdar, Las Palmas de Gran Canaria,** consisting in a building with a floor area of 7,760 m² above ground and 2,318 m² below ground.
- **77 units of publicly sponsored housing in Elche, Alicante.** The building has a basement floor for parking, a ground floor and seven floors of housing with a total floor area of 12,771 m².

CONSTRUCTION

NON-RESIDENTIAL CONSTRUCTION

Included under this heading is the construction of administrative buildings, schools, health service buildings, cultural, athletic and commercial facilities, hotels and industrial buildings.

Administrative and Office Buildings

- **Building to house the Provincial Directorate of the National Social Security Treasury in San Sebastián, Guipúzcoa.**
- **Remodelling and maintenance of the buildings where the London Olympics will be held** to accommodate the needs of accredited radio, TV and print journalists at the games. The floor area involved measures more than 60,000 m².
- **Foundations of the skyscraper for BBVA de México,** to house the bank's headquarters in Mexico's capital.
- **Panama Electoral Tribunal.** The project consists in a combination of three buildings with five storeys of offices and a basement car park. These three buildings (two having 2,433.6 m² per storey and one having 2,402.4 m² per storey) fit together into an H. The total area is 33,000 m².
- **Office building for the FCC Group in Las Tablas.** The building consists of 13,656 m² of floor area below ground level, split into three storeys, and 19,064 m² of floor area above ground level in seven storeys.
- **Construction, upkeep, maintenance and 32 years' operation of Els Plans Penitentiary in Tárrega, Lérida.** The complex has buildings that do not rise above ground level plus two buildings with prefabricated modules and an approximate area of 74,000 m².

Schools

- **New School of Economics** on Chemical Institute premises in Sarrià, Barcelona.
- **Secondary school in Castelldefels, Barcelona,** with a floor area of 3,986 m².
- **Secondary school that also offers initial vocational qualification programmes in Suances, Cantabria,** with an area of 4,611 m².



BID office building, Nicaragua

BUILDINGS

FOR MANY
DIFFERENT USES

CONSTRUCTION



Magic Box, Madrid

THE SORTS OF BUILDINGS WE BUILD

Health Service Centres

- **Ten primary healthcare centres on the island of Mallorca** under a construction, upkeep and operation contract.
- **Day centre and home for the elderly in Avilés** with a floor area of 8,000 m².
- **Design, construction, equipping and financing of Hospital Luis "Chicho" Fábregas in the province of Veraguas, Panama.** The design observes the strictest criteria of environmental friendliness. It encourages responsible water use, reduces energy demands as much as possible and optimizes systems to improve their energy efficiency.
- **Second Phase of the Master Plan for the La Coruña Hospital Complex.** The work will be done in two phases without shutting down hospital operations. There are 7,386 m² of new construction and 15,371 m² of alterations to the existing building.
- **Enlargement and alterations to Hospital Santiago Apóstol in Miranda de Ebro, Burgos.** The job consists of 1,688 m² of alterations and 7,366 m² of new construction.

Cultural, Entertainment and Athletic Complexes

- **New stands at Ramón de Carranza Stadium in Cádiz.** Included in the contract is the demolition of the old stands and the construction of a new set of stands with an eight-storey structure (basement, ground floor and six floors above that).
- **Phase II of the Reyno de Navarra Arena multi-purpose pavilion in Pamplona, Navarra.** The work consists in the construction of walls, roof, finishes and systems of the Reyno de Navarra Arena. Development of the entire surrounding area is included.
- **Work on the main Majadahonda bicycle network, phase 1,** consisting in the construction of several sections of bike lane (eight kilometres) in the centre of the city of Majadahonda, Madrid.
- **Retrofitting of the Escuelas Pías municipal building** for social and educational use in the Centro district of the city of Madrid.

Shopping Centres, Fairgrounds and Conference Facilities

- **Special foundations and the first phase of foundations for the central Port Adriano shopping centre building in Calviá, Baleares.**
- **Second phase of the Madrid International Convention Centre,** consisting in foundations and structure up to ground level, roof and waterproofing.

Refurbishment and Maintenance

- **Alterations to the senior citizens' home in Arenys de Mar, Barcelona.**



FCC Industrial is the new brand name under which the **FCC Group** means to implement its growth strategy based on diversification and internalization. Thanks to this move, **FCC** will cement its position in the industrial and energy sectors, which continue to receive strong support from all public and private sectors.

The **FCC Industrial** brand name was launched in November 2010. Under its flag different **FCC Construcción** firms from the industrial sphere will be operating. They have a long career in projects in this area of business, which is the best guarantee for a shared future full of success.

In parallel with the creation of the new brand name, two of FCC's investees, **Ibérica de Servicios y Obras (ISO)** and **Auxiliar de Pipelines (APL)**, merged in December of last year. Since the start of this fiscal year they have been doing business jointly under the name "**FCC Actividades de Construcción Industrial**". The new firm will be active in the following business areas:

- Construction of all kinds of projects, with an emphasis on industrial projects
- Turnkey contracts and EPC contracts for renewable energy production facilities (solar thermal plants, biomass and other projects related with renewable energy production)
- Turnkey contracts and EPC contracts for industrial plants (refineries, combined-cycle plants, cement-making plants)

- Regasification plants and liquid natural gas (LNG) storage tanks
- Construction of oil pipelines, gas pipelines and gas- and hydrocarbon-handling facilities

Furthermore, in order to strengthen and unify the image of the resulting company, foster fresh business possibilities and take advantage of the synergies from these companies, **ESPELSA** has changed its company name to "**FCC Servicios Industriales y Energéticos**", and it has taken over **DENEO**, **ELCEN**, **EURMAN** and **GEINSA**. The new company will be responsible for the following business areas:

- Turnkey contracts and EPC contracts for photovoltaic plants and systems in energy plants
- Railways (catenaries, railroad installations and systems)



Denia Landfall 3. Underwater gas pipeline

CONSTRUCTION

- Distribution networks (power substations, overhead and underground lines, etc.)
- Maintenance and energy efficiency
- Manufacturing of electrical service panels
- Systems (advanced information systems engineering)

Lastly, the following companies have also been brought into the **FCC Industrial** Group: **InterNational TECAIR**, specializing in building HVAC systems; **Prefabricados DELTA**, maker of precast building components, and **MEGAPLAS**, which renders corporate image services. They will all carry on doing business under the same name within the **FCC Industrial Group**.

CONSTRUCTION

WE GUARANTEE MAXIMUM QUALITY AND SAFETY



Murcia Tram

FCC ACTIVIDADES DE CONSTRUCCIÓN INDUSTRIAL, S.A.

On 17 December 2010 the merger took place. Ibérica de Servicios y Obras, S.A. (ISO), took over Auxiliar de Pipelines, S.A. (APL), by a process that allows both companies to continue doing business under ISO's name, corporate tax ID code and business address.

Moreover, as a consequence of the merger process, the resulting company will be changing its name to "FCC Actividades de Construcción Industrial, S.A." This change will become effective in the month of February 2011.

This report contains the joint activities of the two merged companies, since the accounting records for both are unified as of 31 December 2010.

The building activity of FCC Actividades de Construcción Industrial, S.A., has focussed fundamentally on industrial facilities, shopping centres, residential and non-residential building, housing developments, oil and gas pipelines and HVAC, hot water and refrigeration systems.

The following are the features of the most important projects awarded to the company:

- EPC (engineering, procurement and construction) contract for a 50-MW solar thermal power plant in Palma del Río, Cartagena.
- Construction of 180 homes under basic public sponsorship in Leganés, Madrid.
- Construction of a building for industrial activities at the Vicálvaro Development Action Plan site, Madrid.
- Construction of the floor slabs, scenic lift structure, metal reinforcements in the lift shaft core and additional jobs in the new Edificio Windsor, Madrid.
- Cartagena-Puertollano oil pipeline, Section I, Murcia. The pipeline is 92 kilometres long and made of API-5L-X60 carbon steel 14" in diameter.

- Tivissa-Paterna gas pipeline, Central section, Castellón. The pipeline is 54 kilometres long and made of API-5L-X70 carbon steel 40" in diameter.

FCC SERVICIOS INDUSTRIALES Y ENERGÉTICOS, S.A.

FCC Servicios Industriales y Energéticos S.A., is the company resulting from the merger of several of FCC Construcción's industrial companies in the industrial and energy sectors. It has been doing business under this name since January 2011. FCC Servicios Industriales y Energéticos, S.A., combines the synergies and experience of its component companies to attain a clear, solid position in the industrial sector. Its goal is to earn its clients' trust and to expand its business portfolio, thanks in part to diversification and the momentum some business areas are gathering from being more in touch with the times (as in the case of the Renewable Energy Division and the new Railroad Division).

This report contains the joint activities of the two merged companies since the accounting records for both were unified as of 31 December 2010.

The following are the features of the most important projects awarded to the company:

Renewable Energy Division

- 50-MW solar thermal power plant in Palma del Río, Córdoba.
- 50-MW solar thermal power plant in Villena, Alicante.
- Construction of a photovoltaic farm in Sardinia, Italy. There are two plants constructed on greenhouse roofs, with a peak power of 0.69 MW and 3.6 MW, respectively.

CONSTRUCTION

Railroad Division

- Málaga Metro, Lines 1 and 2. All jobs involved in electrification and installation of rigid catenary and tram catenary, ventilation systems, communication systems, data transmission networks, etc.
- Barcelona Metro, Line 4. Increase and improvement of the power input for Line 4 of the Barcelona Metro. This includes remodelling the Maragall, Verdaguer and Veneda substations.
- Murcia Tram: Construction of four substations and installation of the electrical and electrification systems and the tram catenary for the Murcia Tram.

Electrical Installations Division

- Electrical mechanical systems at Port Adriano in Calviá, Mallorca.
- Remodelling of Cibeles Palace. Indoor and outdoor decoration systems using LEDs (light-emitting diodes).
- Hospital de Torrejón de Ardoz, Madrid. Low-voltage and medium-voltage system, power-generating set, indoor, outdoor and emergency lighting. Communication and voice and data system, Wi-Fi system, IP voice system, in addition to a rooftop photovoltaic facility.
- Several office buildings at calle Albasanz and García Noblejas, in Madrid.
- Tizi Ouzu in Algeria. Provisional systems for the camp housing the workers building the athletic complex.
- Vitoria Penitentiary. Electrical and mechanical systems.

Distribution Network Division

- Medium-voltage setback work on the Valmojado/Illescas section of the La Sagra Dual Carriageway.
- Power supply for ADIF'S AVE (high-speed railway) facility control building in Albacete.
- Modernization of the systems in Hospital Comarcal de Hellín, in Hellín, Albacete.
- Contract for the operation, maintenance and construction of power distribution facilities in the provinces of Albacete, Cuenca and Madrid.
- Assembly of power substations in the region of Madrid.

Maintenance and Energy Efficiency Division

Thanks to the synergies of the merged companies, FCC SIE is prepared to offer comprehensive maintenance service that includes high added value. The maintenance contracts on the following buildings were renewed:

- The Cervantes Institute's main offices on Calle Alcalá in Madrid.
- The National Library in Madrid.
- The Sogecable broadcasting and production centre.
- Torre Realía in Plaza Castilla, Madrid.
- Laboratorios Abbot.

Systems Division

- MPB (Mission Planning Briefing) System. Design and development of the Eurofighter "GSS Mission Planning and Briefing" programme.
- Flight simulator for the Spanish Directorate-General of Traffic's DGT FNPT II MCC, based on Eurocopter's AS 355 NP. FCC Servicios Industriales y Energéticos, S.A., developed a flight simulator based on the Eurocopter AS 355 NP. The AS 355 NP is a twin-turbine helicopter recently acquired by the DG of Traffic for highway surveillance. In cooperation with the DG of Traffic, the company ran a battery of flight tests in December, earning a certificate from the National Air Safety Agency.



Wind farm

CONSTRUCTION

RDI Projects

The RECOMP (Reduced Certification Costs Using Trusted Multi-core Platforms) Project is a research project funded by Artemis Joint Undertaking, a European Commission organization. The project's objective is to create a standard-setting European technological platform for certifying systems containing safety-critical components in the aeronautic, automotive and industrial sectors in order to minimize safety certification costs and make the process more flexible.

HEATING AND AIR CONDITIONING

InterNational Tecair, S.A.

InterNational Tecair, S.A., designs engineering projects and installs HVAC systems and electrical installation control systems and provides full-service management and maintenance of its products. It has been in business since 1984.

InterNational Tecair, S.A., is noted for its pursuit of development and its commitment to innovation. Its use of advanced technologies, such as ecological coolant gases, stands as a token of its principles.

During the last quarter of the year, InterNational Tecair, S.A., began working actively with the newly created FCC Servicios Industriales y Energéticos, S.A. Like FCC SIE, InterNational Tecair, S.A., has begun doing business under the Group's new brand name, FCC Industrial. This enables the company to utilize the synergies in this field to better advantage, in order to continue offering its clients innovation and quality.



The main jobs done in 2010:

- El Matadero complex in Madrid. Energy-producing equipment was installed for part of the new culture and art complex.
- Provincial Historic Archive of Guadalajara. HVAC, plumbing and fire protection work.
- Cáceres Provincial Police Headquarters. The HVAC system work was done.
- Centro Hospitalario de Alta Resolución (CARE), a healthcare centre in Córdoba.
- National Centre of Cardiovascular Research (CNIC), Carlos III University, Madrid. HVAC, purified-water and steam system.
- Hospital Torrejón. The HVAC, control and centralized management systems are being installed.
- New International Centre of Economic and Social Studies (CIEES) in Majadahonda, Madrid. HVAC system featuring air-to-water heat pumps, air treatment equipment and four-pipe fan coil units.
- The Higher Centre of Scientific Research's Molecular Microbiology Institute in Alcalá de Henares. HVAC and air treatment systems.

R&D Projects

Continuation of the BALI (Building Acoustics Living) project. The objective is to develop architectural products and systems with top-of-the-line acoustic features and tools to help the building sector in the comprehensive design of buildings that are more efficient in terms of acoustic comfort.



INFRASTRUCTURE UPKEEP

The FCC Group operates in this sector through Mantenimiento de Infraestructuras, S.A. (MATINSA), covering the following areas:

Dual Carriageways and Roads

Maintenance of more than 1,600 kilometres of dual carriageways and 2,100 kilometres of conventional roads belonging to several tiers of road systems (national, regional, provincial, district, etc.).

Matinsa maintains the approach to Madrid on dual carriageway A-6 from Villalba, which includes the section containing the BUS-VAO lane. The reversible, high-occupancy BUS-VAO lane is one of Europe's pioneering models of infrastructure.

Also, Matinsa provides upkeep for the ring roads around Barcelona, Ronda de Dalt and Ronda Litoral and the approaches to the city of Zaragoza. It is responsible for the maintenance of a great many sections of road, including the fourth ring road around Zaragoza.

During the 2010 fiscal year upkeep contracts were renewed in the provinces of Gerona, Madrid, Guipúzcoa, Tarragona, Jaén, Barcelona, Salamanca and Palencia.

Hydraulic Infrastructure Maintenance

This year Matinsa was chosen by tender to maintain and operate the following Júcar River Basin canals:

- The Júcar-Turia Canal, 60 kilometres long, providing water for the city of Valencia, the Valencia metropolitan area and Sagunto.
- The main Campo del Turia Canal, 60 kilometres long, which carries water for the irrigation needs of 24,500 hectares and the drinking-water needs of Losa del Arzobispo and Villar del Arzobispo.
- The main Magro River Canal, 11.8 kilometres long, and the canal on the left bank of the Magro River, 28.2 kilometres long.

Matinsa also operates and maintains SAIH, the Júcar River Hydrographic Confederation's automatic hydrographic information system.

Forestry Jobs

These jobs include forestry work, forest replanting and forest improvement in the autonomous communities of Madrid, Andalusia, Extremadura, the Valencian Community and Castilla y León.

One of the foremost events of the year was the award of the contract for the Riofrío Forest Silvopastoral Plan at the La Granja office, for the Spanish National Heritage authorities.

OUR COMMITMENT IS
TO BEING A
RESPONSIBLE
UNDERTAKING

CONSTRUCTION



Winter road maintenance



Forest fire prevention

CONSTRUCTION



Fighting forest fires



Forest fire prevention

Forest Fire Prevention and Fighting

Matinsa has been providing reserve crew service uninterruptedly since 1998 for the eastern zone of the Community of Madrid, with a total of 234 operators, eight heavy forest fire pumps, 15 lightweight pumps, two high-mobility vehicles (VAMTACs), one twin-turbine helicopter and 14 forestry engineers.

The company has also managed the fire-fighting service for Madrid's Casa de Campo ever since 2003, and it manages the forest fire-fighting service on railway lines in northeast Spain (Aragon and Catalonia).

Environmental Otherration

The company engages in environmental Otherration work and work to reclaim deteriorated spaces (for example, dune systems) plus work to keep up and maintain reclaimed areas afterwards.

The most significant environmental Otherration work done during the fiscal year is still under way; it is the recovery of the Guardamar del Segura dune system in Alicante.

This fiscal year the company was awarded the contract to create a pedestrian track, build a barricade and replant slopes on road M-601 in Navacerrada pass, Madrid.

Maintenance and Upkeep of Natural Spaces, Gardens and Landscaped Areas

This fiscal year the following action is being performed:

- Upkeep of parks and gardens requiring special protection in Madrid, including the Templo de Debod, the Sabatini Gardens, El Capricho Park, Dehesa de la Villa Park, Oeste Park, Quinta de los Molinos and the Tres Cantos forest area.
- Upkeep of Bosquesur Park in Madrid.
- Upkeep and maintenance service for areas of bare earth, pavements and items of civil engineering work in the Casa de Campo, Madrid.

The company was awarded coastline upkeep and rebuilding service in Pontevedra, which it will be doing for the Ministry of the Natural, Rural and Marine Environment.

RDI Projects

Matinsa participates in the following research, development and innovation projects:

- Project Fénix-TIC, consisting in the development and establishment of a management system for forest fire prevention and fighting.
- Project Puentes, for the design of a system for the real-time auscultation of structures while in use, using wireless sensors.

THE EXTRA VALUE OF
CARING ABOUT PEOPLE AND THE
ENVIRONMENT



ENGINEERING

Proyectos y Servicios, S.A. (Proser), studies and designs engineering plans. The following are the foremost of the contract awards won during the fiscal year:

Dual Carriageways and Roads

- Plans for twinning road EX-370. Section: Plasencia to A-66 Cáceres.
- Draft plan and feasibility study for the construction, upkeep and operation of dual carriageway A-306. Torredonjimeno to El Carpio.
- Design of a new bus station in Castelló d'Empúries, Girona.

Conventional and Urban Railways

- Construction plans for the high-speed line from Madrid to Extremadura to the French border. Section: Madrid to Oropesa, Toledo. Subsection: Oropesa to the border of the province of Toledo.
- Services for activities performed as part of the study on mobility vis-à-vis the introduction of the Costa del Sol railway corridor.

Hydraulic Works

- Design of the project to adapt the Viñuela/Málaga pipeline to the new channels prepared for streams at El Rincón de la Victoria, Málaga.
- Construction of the Segarra-Garrigues System irrigation distribution system.

- Reports on the first safety check and behaviour reports on Terradets Dam, Baserca Dam and Llauset Dam in the provinces of Lérida and Huesca.

Technical Assistance for Architectural Supervision Teams

- Technical assistance, control and monitoring of the upstream dikes belonging to Itoiz Reservoir. These are the Oroz Betelu and Nagore dams, located upstream of the reservoir.
- Technical assistance for supervision of work on the bed of the north-northwest high-speed corridor. Section: Valladolid to Burgos. Subsections: Venta de Baños Intersection to Torquemada and Torquemada to Quintana del Puente.
- Architectural supervision for the WWTP (wastewater treatment plant) and discharge collection system in San Bartolomé de la Torre, Huelva.
- Technical assistance for the architectural supervision team working on flood defences in Rosal de la Frontera, Huelva.
- Technical assistance for the architectural supervision team working on regulating tanks for the central system of the Sierra de Huelva.
- Technical assistance for improvement of roads C-154, B-432, BV-4405 and BP-4653, which make up the section of the Vic/Gironella Corridor between Olost and Olvan and the new Prats de Lluçanès relief road.

RDI

- During 2010, as part of its RDI programme, PROSER engaged in certain tasks concerning the optimization of the geometric cross-section of tunnels. These tasks were part of a project entitled, "Urban Tunnels: Research into New Methodologies for the Analysis, Design and Construction of Tunnels in Urban Areas". This RDI project

CONSTRUCTION



Torquemada Viaduct, Palencia

has been certified for the second year running by EQA (European Quality Assurance).

- In 2010 the "InnoProser" intranet application was launched. "InnoProser" is a set of calculating, design and drafting applications available to any user of the PROSER network.

Arrangements are currently being made to have this application certified as a technological innovation, since its activity finished in 2010.

- Also, in December 2010 initial contact was made for the implementation of a cooperation project on railway tunnel safety. The future consortium has the following participants: FCC Construcción, the Biomechanics Institute of Valencia (IBV), AITEMIN and Madrid Polytechnic University (UPM).

CONSTRUCTION



CORPORATE IMAGE PROFESSIONALS

CORPORATE IMAGE

MEGAPLAS, S.A.

Megaplas is the FCC Group company that provides European corporate image services, working through its two production and management centres in Madrid and Turin.

In the petrol sector, Megaplas began 2010 by debuting the new corporate image for DISA's service station network. DISA is the number-one petrol station operator in the Canary Islands, with 204 stations in the archipelago. In this, its first year, the image was introduced at 35 petrol stations. During the coming years all the remaining stations in the network will gradually switch over.

Empresa Municipal de Transportes de Madrid (EMT) chose Megaplas to design, make and install a three-sided, 38-metre-tall advertising totem for its new operations centre in Sanchinarro and to identify the centre's 40-metre-long main entranceway with an illuminated sign.

In the automobile sector, Megaplas was designated as one of the Fiat Group's two European corporate image suppliers to introduce the new Jeep image on the continent. Megaplas is also to continue as corporate image supplier for the group's other brand names, Alfa Romeo, Lancia and Fiat.



Corporate image designed for a petrol station chain



PRECAST COMPONENTS

PREFABRICADOS DELTA, S.A.

- During 2010 Prefabricados Delta manufactured and supplied:
- 26.5 kilometres of post-tensioned concrete pipe with metal sleeves and elastic joints.
- 1,550 metres of reinforced-concrete pipe with metal sleeves and joints for welding.
- 40.5 kilometres of fibreglass-reinforced polyester (FRP) pipe.
- More than 172,000 pre-tensioned monoblock sleepers of different types.
- 1,636 segmented reinforced-concrete rings for inner tunnel linings.

By business sectors, the foremost supplies in terms of size or special requirements were:

Water Pipe Supplies

A total of 68.5 kilometres of pipe was manufactured and supplied. Of that total, 40.5 kilometres were fibreglass-reinforced polyester pipe, and 28 kilometres were concrete pipe with metal sleeves.

The most significant works contracts included the following:

- Organization of wastewater from the plant in Pinedo, Valencia; section II of the pipe from Catarroja to

Benifayó. The company manufactured and supplied 10,212 metres of post-tensioned concrete pipe with metal sleeves, elastic joints and an inner diameter of 1200 mm, for a maximum design pressure of six atmospheres.

- Hydraulic infrastructure from after the point of transfer from the Júcar River to the Vinalopó River, right-hand branch. For this contract Prefabricados Delta manufactured 8,100 metres of post-tensioned concrete pipe with metal sleeves, elastic joints, an inner diameter of 900 mm and design pressures of 10, 12.5 and 16 atmospheres.
- Supply of post-tensioned concrete pipe with metal sleeves to improve irrigation in the Malvinas Sector of the El Fresno Irrigation Community. The company supplied 3,780 metres of post-tensioned concrete pipe with metal sleeves, an inner diameter of 1,000 mm and a maximum design pressure of 10 atmospheres.
- Payuelos II Canal. Manufacture and supply of the pipes for the U-bends on Payuelos II Canal, which consists in two parallel reinforced-concrete pipes with metal sleeves, joints for welding and an inner diameter of 2,600 mm, for a maximum design pressure of five atmospheres. It so happens that these are the largest, heaviest pipes Prefabricados Delta has ever manufactured.
- Irrigation distribution pool for the Segarra-Garrigues System, Sector 13. A total of 15 kilometres of FRP pipe were supplied.
- Modernization of hydraulic infrastructure for irrigation in the main Molina de Segura irrigation ditch. Eight thousand metres of FRP pipe were installed.
- Aboño mains, with a total of 11 kilometres of fibreglass-reinforced polyester pipe in diameters ranging from 400 to 800 mm, rated for a pressure of six atmospheres.

CONSTRUCTION



PRECAST COMPONENTS FOR CIVIL ENGINEERING WORKS

CONSTRUCTION



Pre-tensioned monoblock sleepers

Railway Sleeper Supplies

During 2010 172,116 pre-tensioned monoblock sleepers were supplied, fundamentally type PR-01 (multipurpose sleepers for domestic- and international-gauge rails).

Sleepers were also supplied for the Albacete/Almansa section of the high-speed lines approaching the Levante region of Spain and for the North-Northwest High-Speed Corridor section from Ourense to Santiago.

Reinforced-Concrete Segment Supplies

In 2010 manufacturing was finished on reinforced-concrete segments for the project to build the infrastructure for the extension of Line 2 of the Madrid Metro system to Las Rosas.

During 2010 a total of 1,636 rings (2,454 linear metres) were supplied, making a total of 13,088 units manufactured, including the necessary rail support components and the actual tunnel segments themselves.

INFRASTRUCTURE CONCESSIONS

For building 2010 was a year of crisis, especially domestically, and especially for construction projects planned, executed and sold directly by the company. The concession sector too felt the pinch, in the form of a lower number of calls for tenders. But the sector affected most of all is that portion of the financial market that deals with structured financing for infrastructure projects. The result is a miasma of uncertainty and a reduction in the funds earmarked for financing projects of this kind.

The Concessions Management Office was mindful of this situation and stuck closely to the 2008-2010 Strategic Plan. It prudently took advantage of any opportunities of growth that came to light.

The objectives the office looked at in selecting which concessions to bid on were:

1. To submit bids that were more solid and more likely to get financing.
2. To diversify the backlog of work in order to mitigate the domestic situation by laying greater emphasis on different markets abroad. One of the keys to success is engaging in activities not only in the domestic market, but in the international market.
3. To close on contract financing.

The foremost events in 2010 concerned the closing of financing deals for several contracts awarded to the company. Such developments were especially important because of the situation of the financial market for structured and project financing (especially in domestic terms).

Most of the contracts for which financing deals were closed in 2010 in the domestic market were contracts in which FCC's Concessions Management Office participated.

Financing Deals Closed in 2010:

- **Eix Transversal, Catalonia.** A total of **487 million euro** in financing was obtained, good until 2033. Three financial institutions, La Caixa, the European Investment Bank and the Spanish Institute of Official Credit, participated. The way the financing is structured includes a new feature: A product offered by the EIB and called "LGTT" (Loan Guarantee for TEN Transports). This product is a guarantee that covers possible drops in trade from the base-line case for the first five years of operation.

DOING BUSINESS IN INFRASTRUCTURE CONCESSIONS THROUGH THREE COMPANIES

CONSTRUCTION

The financial structure's complexity, volume and characteristics earned recognition from Euromoney, which declared the Eix Transversal financing scheme one of its **Deals of the Year for 2010**.

The regional government (Generalitat de Catalunya) will furnish construction financing in the form of a 254.2-million-euro subsidy.

- **Line 9 of the Barcelona Metro.** The amount financed totalled 960 million euro. Two contracts were made, one with the EIB (European Investment Bank) for 200 million euro, and the remainder (760 million euro) was financed by a group of several domestic financial institutions: Caja Madrid, La Caixa, Banco Santander, BBVA, the Spanish Institute of Official Credit, Banesto and Dexia Sabadell.
- **Zaragoza Tram.** The amount financed totalled 232 million euro, with the participation of ACF (Ahorro Corporación Financiera), the Spanish Institute of Official Credit, La Caixa, BBVA, Banco Santander and the EIB.
- **Murcia Tram.** Financing was arranged for 153 million euro, with the participation of Société Générale, Banco Popular, Banco Santander and the Spanish Institute of Official Credit.
- **Mallorcan health centres (CAPSA).** Fifteen million euro in financing.

Concession Business

FCC works infrastructure concessions through three companies:

- FCC CONSTRUCCION (Concession Division)
- THE ALPINE GROUP (79.27% FCC)
- GLOBAL VIA INFRAESTRUCTURAS (50% FCC)

Below is a list of the concession holders in which FCC holds an interest:

Spain

■ Tranvía de Murcia (50%)

Murcia Tram. In April 2009 the Murcia City Council awarded a contract for the construction, maintenance and operation of Line 1 of the Murcia Tram (17.76 kilometres and 28 stops) for 40 years.

The foremost events in 2010 were the closing of the financing deal (153 million euro) and the sale of 10% of FCC's interest to FCC's partner, COMSA. Tram service is expected to be opened to the public in March 2011.

■ Tranvía de Zaragoza (16.62%)

Zaragoza Tram. The Zaragoza City Council held a call for tenders in order to select the partner of a partially government-owned company that would be in charge of building, commissioning, maintaining and operating Line 1 of the Zaragoza Tram (12.8 kilometres) for a 35-year period. The contract was awarded to TRAZA, a consortium to which FCC belongs. Twenty percent of the capital in the new company will belong to the city of Zaragoza, and 80% will belong to TRAZA.

The new service, whose technology has already won it regard as the most modern tram in Spain, will be fully operational in 2013. The first phase is currently under construction and is expected to go into service in March 2011.



City of Justice, Barcelona

CONSTRUCTION



Enniskillen Hospital, Northern Ireland

■ Urbicsa (29%)

Company awarded a public works concession contract for the construction, maintenance and operation of the buildings and facilities of the City of Justice project in Barcelona and L'Hospitalet de Llobregat.

The 2010 fiscal year was the first full year of maintenance and operation of the eight-building complex making up the "Ciutat de la Justícia de Barcelona i l'Hospitalet de Llobregat", since the judicial authorities completed their move to the new venue in 2009.

■ Autovía Conquense (100%)

Cuenca Dual Carriageway. In 2007 the Ministry of Development awarded FCC Construcción a 19-year public works concession to keep up and operate the portion of roads A-3 and A-31 that runs through the province of Cuenca. FCC has been doing maintenance work there ever since the contract was signed.

In September 2009 all plans were delivered. At the end of last year one-fourth of the construction had been completed.

■ Hospital de Torrejón de Ardoz (5%)

The Community of Madrid awarded the contract for full management of Hospital de Torrejón de Ardoz for 30 years in August 2009. The hospital will have an area of 62,000 m² and 240 beds, and it will provide health care for more than 133,144 people. FCC represents 66.67% of the construction company and has a stake of 5% in the capital.

Construction began in early January 2010 and is estimated take 18 months to finish.

■ Centros Salud de Mallorca (33%)

Mallorcan healthcare centres. In late 2009 the Health Service of the Autonomous Community of Islas Baleares provisionally chose a consortium featuring FCC Construcción to receive the public works concession contract to build, keep up and operate five health centres and five basic health units.

The foremost events in 2010 were the closing of the financing deal and the completion of the five basic units for delivery in early 2011.

■ Cedinsa Eix Llobregat (34%)

Holder of the concession for the construction and shadow toll operation of the road between Berga and Puig-Reig, Barcelona, as well as the upkeep and maintenance of the San Fruitós de Bages/Puig-Reig section, both of which are part of road C-16 (the Llobregat Artery). Two thousand and ten was the third year of full operation. The average daily traffic on these sections amounted to 21,000 vehicles.

CONSTRUCTION

■ Cedinsa d'Aro (27.2%)

In December 2005 Cedinsa won the contract for a 33-year shadow toll concession covering the 27.7 kilometres of the dual carriageway from Maçanet to Platja d'Aro. The contract comprises the design, construction and operation of the section of road C-35 between Vidreres and Alou and the operation of the Maçanet/Vidreres section of road C-35, the Alou/Santa Cristina d'Aro section of road C-65 and the Santa Cristina d'Aro/Platja d'Aro section of road C-31. Two thousand and ten was the second year of full operation. The average daily traffic amounted to 24,300 vehicles.

■ Cedinsa Ter (27.2%)

In 2006 FCC Construcción was awarded the concession for the 48.6-kilometre-long Vic/Ripoll shadow toll dual carriageway. Included are 25.2 kilometres of new route between Centelles and Ripio. The term of the concession is 33 years, including three years for construction and 30 years for operation. In July 2010 section 3A, between Masies de Voltregà and Sora, was inaugurated and thrown completely open to traffic. The average daily traffic was 28,000 vehicles.

■ Cedinsa Eix Transversal (27.2%)

In June 2007 the company was awarded a 33-year shadow toll concession for a 150-kilometre stretch of the Eje Transversal dual carriageway. The contract calls for the design, construction and operation of the Cervera/Caldes de Malavella section of road C-25. Most of the work involves twinning road C-25.

International

■ New Acute Hospital for the South West, Northern Ireland

In May 2009 the financing and concession contracts were signed between the Sperrin Lakeland Health and Social Care Trust (Health Administration) and the winning consortium (in which FCC holds a 39% interest) for the construction, maintenance and operation (non-health services) of the New Acute Hospital for the Southwest in Enniskillen, Northern Ireland, for a 33-year period. The new hospital will have 315 beds. Over the last year construction continued, amounting to 62% of the total project by year's end. Construction is expected to come to an end in March 2012.



M-50, Ireland

CONSTRUCTION



Global Via Infraestructuras 2010

During 2010 Global Via Infraestructuras (GVI) continued in its consolidation as the platform for major infrastructure projects. In the 2010 fiscal year, GVI took up a position as the world's number-two infrastructure manager in terms of the number of concessions handled.

No new projects were awarded to Global Via in 2010.

Under its portfolio reorganization and management strategy, GVI made the following divestments during 2010:

- **Autovía del Camino:** In July 2010 Global Via Infraestructuras and other shareholders closed an agreement with an international infrastructure fund to transfer part of their holdings in Autovía del Camino, the shadow toll motorway located in Spain's Navarra region, which links Pamplona and Logroño. The transaction meant that GVI remains a shareholder, with 9.1% of this concession-holding enterprise.
- **Marina Port Vell:** Global Via Infraestructuras closed the deal to transfer its 60.49% share of Marina Port Vell, a port concession in Barcelona Harbour with mooring capacity for 413 large ships, to an international infrastructure fund.
- **Nàutic de Tarragona:** In December 2010 Global Via Infraestructuras closed the sale of its 25% share

of Nàutic de Tarragona, a marina concession in Tarragona Harbour, with mooring capacity for 417 ships and 8,000 m² of retail space. The buyer was Real Club Náutico de Tarragona, which rose from its former interest of 5.67% to 30.67% of the shares in the marina.

Furthermore, in 2010 Global Via Infraestructuras launched a plan to raise funds by bringing new shareholders into the fold. GVI began the process of scouting out new investors at a time when the international concession market was again looking good to major investors.

As of 31 December 2010, the following concession-holding companies remained pending consolidation in GVI: Túnel de Coatzacoalcos (Mexico), Autopista del Valle entre San José y San Ramón (Costa Rica), Marina de Laredo, Autovía Ibiza-San Antonio, Accesos de Madrid (R3 and R5), and the companies holding the tram concessions in Barcelona, Trambaix and Trambesos.

Because the asset consolidation process begun in 2007 will be drawn out over several fiscal years, the portfolio of projects Global Via manages has been classified into assets already consolidated during fiscal years 2007, 2008, 2009 and 2010 and assets whose transfer Global Via will be concluding in fiscal year 2011.

SECOND-BIGGEST
INFRASTRUCTURE MANAGER
IN THE
WORLD

Concessions already brought within Global Vía's consolidation perimeter as of 31 December 2010:

- **Autopista del Itata (100%).** Itata Motorway. Global Via Infraestructuras holds the contract to build this Chilean toll motorway between Concepción and Chillán, a total of 98 kilometres, and operate it for 13 years. The motorway is operational and in 2010 saw an average daily traffic of 4,007 vehicles.
- **Autopista del Aconcagua (100%).** Aconcagua Motorway. This company holds the government concession to build the section of the Route 5 toll motorway between Santiago and Los Vilos, Chile, a total of 218 kilometres, and to operate the motorway under a 30-year concession. There are three toll stations that charge tolls in both directions. The average daily traffic in 2010 was 12,535 vehicles.
- **Auto-Estrada Transmontana (50%).** Transmontana Motorway. The company holds the contract to build the mixed toll motorway between Vilareal and Bragança, a total of 194 kilometres, and operate it for 30 years. Currently in the design and construction phase.



Viaduct over the Ulla River, Galician Motorway

CONSTRUCTION

- **Autopista Central Gallega (61.39%).** Galician Central Motorway. Government concession to build the toll motorway between Santiago de Compostela and Alto de Santo Domingo and operate it for a 75-year period. The road is 56.8 kilometres long. In 2005 it went into operation. The average daily traffic in 2010 was 6,156 vehicles.
- **Túnel de Sóller (56.53%).** Sóller Tunnel. The company in charge of the government concession to build Sóller Tunnel through the Sierra de Alfábía, part of the corridor from Palma de Mallorca to Sóller, and to operate the tunnel under a shadow toll arrangement. The tunnel is 3.1 kilometres long, and the concession is for 33 years. The tunnel has been in operation since 1989 and in 2010 saw an average daily traffic of 7,752 vehicles.
- **Terminal Polivalente de Castellón (45%).** Castellón Multipurpose Terminal. The company that won the contract to build and operate a 9.5-hectare container- and general goods-handling terminal in Castellón Harbour. In operation since 2006. The terminal saw 63,272 container movements in 2010.
- **Autopista de la Costa Cálida (35.75%).** Costa Cálida Motorway. The company in charge of the government concession to build the toll motorway from Cartagena to Vera and operate it for a 36-year period. The toll section is 98 kilometres long, and there are 16 kilometres of toll-free motorway for internal traffic going around Cartagena. In 2010 the average daily traffic was 2,045 vehicles.
- **Metro Barajas (100%).** The company in charge of the government concession to design, build and operate the section of metropolitan railway between Barajas and the New T-4 Terminal Building on Line 8. The rails are a total of 2.5 kilometres long, and the concession is good for 20 years. The line has been in service since 2007. In 2010 there were 4,499,461 passengers.
- **M-404 (100%).** The company that won the concession to design, build, keep up and operate the 27 kilometres of dual carriageway M-404 between roads M-407 and M-506 as a shadow toll operation. Concession awarded in December 2007.
- **Aeropuerto de Castellón (45%).** Castellón Airport. The company that won a 50-year contract to build and operate Castellón Airport. The future airport will be situated between Benlloch and Villanueva de Alcolea, at an exceptionally well-chosen site that lies within 50 kilometres or less of anywhere in the province. At the close of fiscal year 2010, construction was practically finished, and forecasts are for the first commercial operations to begin in the first half of 2011.
- **Puerto de Gijón, Explanada de Aboño (20%).** Gijón Harbour, Aboño Yard. The company that won the concession to build a 168,000-m² bulk goods terminal in the port of Gijón and operate it for 30 years. During 2010 the terminal moved 1,580,681 tons of goods.
- **Terminal de Graneles de Castellón (30%).** Castellón Bulk Goods Terminal. The company that won the concession to build and for 35 years to operate the solid bulk goods terminal in the southern enlargement of Castellón Harbour, with 300 linear metres of wharf and 60,000 m² of attached yard. Contract awarded in September 2005 and terminal opened in 2008. The terminal moved a total of 543,762 tons of goods during 2010.

- **Hospital del Sureste (66.66%).** The company in charge of the government concession to build and provide full-service maintenance management, including preventive maintenance, corrective maintenance and replacements, cleaning, conventional urban and medical waste collection, internal/external transport, orderlies, administrative staff, reception, information and switchboard staff, security and surveillance, sterilization service, laundry, food service/catering, vermin and insect extermination, storage and distribution management and street and garden upkeep. The hospital had 110 beds for hospitalized patients in 2007, which may be increased to 148 in 2017, with an estimated area of 37,000 m². In operation since 2007.



Gijón Harbour

CONSTRUCTION



Envalira Tunnel

- **Scutvias, Auto-Estradas da Beira Interior (8.33%).** Company in charge of the government concession to build and operate the shadow toll motorway between Abrantes and Guarda. The motorway is 198 kilometres long; of that, 95 kilometres belong to already-existing roads, and 103 kilometres are new-built. The concession is good for 30 years. The concession includes the operation of three petrol stations. Financing for the concession was obtained from the EIB. In operation since 2005. In 2010 it saw an average daily traffic of 10,545 vehicles.
- **M-407 (50%).** This company holds the concession for the design, construction, upkeep and operation of the 11.6 kilometres of the M-407 dual carriageway between roads M-404 and M-506 as a shadow toll operation. The concession was awarded in August 2005 and has been in operation since 2007. In 2010 it saw an average daily traffic of 28,934 vehicles.
- **Concesiones de Madrid (100%).** Government concession for the stretch of the M-45 dual carriageway ringing Madrid from the O'Donnell artery to the N-II, a total of 14.1 kilometres, for a period of 25 years under a shadow toll arrangement. The concession has been in operation since 2002, with an average daily traffic of 84,203 vehicles in 2010.
- **Túnel d'Envalira (80%).** Envalira Tunnel. The company in charge of the government concession for the design, construction and operation of the shadow toll Envalira Tunnel, which links the Grau Roig winter resort to Pas de la Casa and carries traffic between Andorra and France on the Barcelona-Toulouse artery. The tunnel is 3.2 kilometres long, and the concession is for 50 years. The tunnel has been in operation since 1998, and in 2010 it saw an average daily traffic of 1,794 vehicles.
- **Tranvía de Parla (75%).** Parla Tram. The company that won the 40-year contract for the construction, supply of rolling stock, operation and maintenance of the 8.5 kilometres of double tram track in Parla, Madrid. This concession was awarded in 2005 and became operational in June 2007. The tram was used by an average of 4,820,394 passengers per year in 2010.
- **Transportes Ferroviarios de Madrid (49.37%).** Holder of the 32-year concession for the extension of Line 9 of the Madrid Metro underground railway between Vicálvaro and Arganda. The stretch is a total of 20 kilometres long and has three through stations. During 2010 it was used by 6,653,570 passengers.
- **Ruta de los Pantanos (66.6%).** This concession is for the construction, management and upkeep for a 25-year period of the twinned 21.8-kilometre section of roadway on roads M-511 and M-501 between roads M-40 and M-522, in the Community of Madrid. The concession has been in operation since 2002 and in 2010 saw an average daily traffic of 36,763 vehicles.
- **M-50 Dublin (45%).** The company that holds a concession for the construction and 35 years' operation of Dublin's M-50 ring road, the city's primary bypass. The project consists in building 24 kilometres of motorway and operating and maintaining that stretch along with an additional 19.3 kilometres. It is a pay-as-you-go toll road, and it went into operation in September 2010.

CONSTRUCTION

■ **Nuevo Necaxa-Tehuacán (50%).** AUNETI, S.A. de C.V. The company that holds the Necaxa-Tehuacán dual carriageway concession is the company in charge of designing, building and operating the 85-kilometre motorway between Nuevo Necaxa and Tehuacán, which lies in the states of Veracruz and Puebla. It forms part of the main overland axis joining Mexico City and Veracruz. This dual carriageway is divided into two sections:

- TC1 from Nuevo Necaxa to Ávila Camacho, 36.6 kilometres long, four lanes, for construction and pay-as-you-go operation.
- TC2 from Ávila Camacho to Tehuacán, 48.1 kilometres long, two lanes, for operation as a toll road.

Construction is in progress.

■ **Autovía del Camino (9.1%).** El Camino Dual Carriageway. The company that won the contract to build and operate the dual carriageway from Pamplona to Logroño using the shadow toll system. The road is a total of 70.25 kilometres long and has been in operation since late 2004. In 2010 it saw an average daily traffic of 12,034 vehicles.

■ **Port Torredembarra (24.08%).** The company in charge of the government concession to build, operate and maintain a marina situated in Torredembarra, Tarragona. It has mooring capacity for 714 boats plus retail space and stores. Currently in operation.

■ **Metro de Málaga (24.50%).** The company in charge of the government concession to design, build and operate lines 1 and 2 of the Málaga Metro system. There are 16.5 kilometres of rails, 71% underground, with 19 stations on the route. Construction of the concession is in progress.

■ **Aeropuerto de Santiago de Chile (14.78%).** Santiago de Chile Airport. The company in charge of the government concession to build and operate Arturo Merino Benítez International Airport in Santiago de Chile. In September 2005 the airport opened its second runway, built by the Ministry of Public Works, which improved airport operations. During 2010 there were 10,265,173 passengers.

■ **Autopista San José-Caldera (48%).** Motorway from San José to Caldera. The company in charge of the government concession to build and operate the shadow toll motorway from San José to Caldera, in Costa Rica, linking the country's capital with one of Costa Rica's main Pacific ports. The road is 76.8 kilometres long, and the concession is for 25 years. The motorway became operational in January 2010. In 2010 it saw an average traffic of 23,508 vehicles per day.

■ **Hospital de Son Dureta (32%).** The company that won the contract to build and operate the Balearic Islands' new reference hospital. The hospital has an area of 193,088 m² and 987 beds, and it will provide health services for more than a million people. The concession is for 30 years. The hospital was opened in 2010.



M-50, Ireland

CONSTRUCTION



San José Caldera Motorway, Costa Rica



Laredo Harbour

■ **N6 Galway-Ballinasloe (45%).** The company that won the contract to build and operate the N6 Galway-Ballinasloe motorway along the strategic east-west corridor from Galway to Dublin, complying with the requirements of the National Development Plan. It consists of a 56-kilometre-long toll motorway between Galway and Ballinasloe, a seven-kilometre junction to the Loughrea bypass (single lane) and approximately 32 kilometres of slip roads. The concession is for 30 years. The motorway became operational in December 2009. In 2010 it saw an average daily traffic of 9,020 vehicles.

■ **R-2 Autopista del Henares (10%).** Henares Motorway. Henarsa, S.A., is the company that won the contract to build and operate the R-2 toll motorway, a 62-kilometre stretch of road that runs between road M-40 and Guadalajara. There are two sections. The inner section, which runs from road M-40 to road M-50, is an alternative route for avoiding traffic jams on road A-1 in San Sebastián de los Reyes and Alcobendas. The outer section is an alternative route to the heavy traffic on road A-2 between Guadalajara and road M-50. The term of the concession is 24 years. The average daily traffic during the last fiscal year was 9,282 vehicles.

■ **Circunvalación de Alicante (25%).** Alicante Ring Road. Ciralsa, S.A., is the holder of the concession to build and operate the 28.5-kilometre Alicante ring road. The concession is for 36 years. The ring road has been in operation since December 2007, with an average daily traffic of 7,220 vehicles.

■ **Metro Liger de Sanchinarro (42.5%).** In 2006 Metro Liger de Madrid, S.A., was awarded the contract to operate and maintain the 5.4-kilometre-long Pinar de Chamartín/Sanchinarro/Las Tablas light metro line that connects lines 1 and 4 of the Madrid Metro system. This line has been operational since May 2007. The concession is for 30 years. In 2010 4,963,478 travellers rode on the light metro.

Concession holders that will be brought into Global Via in 2011:

■ **Tramvia Metropolità del Baix Llobregat (19.03%).** Baix Llobregat Metropolitan Tram. The company that won the contract to build tram infrastructure between southern Barcelona and the towns in the Baix Llobregat district and operate the tram system for 25 years. The system has been in service since 2005. In 2009 it was used by 15,542,000 travellers.

■ **Tramvia Metropolità del Besòs (19.03%).** El Besòs Metropolitan Tram. This company was awarded a 27-year contract to build, operate and maintain the tram that links the Estación del Norte and the Villa Olímpica in Barcelona with Sant Adrià del Besòs and Badalona. It is 15 kilometres long. In 2009 it was used by 7,464,000 travellers.

■ **Autovía Ibiza-San Antonio (50%).** Dual carriageway between Ibiza and San Antonio. The company in charge of the government concession to build and operate the twinned shadow toll section of the road between Ibiza and San Antonio. The project is special, because 1.3 kilometres of the dual carriageway run underground in the San Rafael area. The road is a total of 14 kilometres long, and the concession is for 25 years. In 2010 the road saw an average daily traffic of 30,894 vehicles.

■ **Marina de Laredo (42.5%).** Laredo Marina. The company in charge of the government concession to build protective structures at Laredo's new fishing port and recreational marina, which can accommodate 537 recreational crafts up to 20 metres long, and to operate the facility for 40 years. Also included is the construction and operation of a 400-car marina car park and a dry storage yard accommodating 200 boats up to eight metres long. Construction of the concession is in progress.

CONSTRUCTION

- **Autopista San José-San Ramón (48%).** Motorway from San José to San Ramón. The company in charge of the government concession to build and operate the shadow toll motorway between San José and San Ramón, Costa Rica, for 25 years. The motorway is 60 kilometres long.
- **Túnel de Coatzacoalcos (70%).** Coatzacoalcos Tunnel. The company in charge of the government concession to build an underwater tunnel in Coatzacoalcos, in the state of Veracruz, Mexico, and to operate it as a toll tunnel. The tunnel is 2,200 metres long, including 1,200 metres of underwater tunnel built using six pre-tensioned concrete segments precast in a drydock. The concession is for 37 years. Construction started in 2007, and the tunnel is expected to be operational before the end of 2012.
- **Accesos de Madrid (20%).** Approaches to Madrid. This is the company that won a contract to operate the R3 and R5 toll motorways. The R3 is a 33.9-kilometre toll motorway between road M-40 and Arganda del Rey that runs parallel to the toll-free alternative A-3 road. The R5 is a 28.3-kilometre toll motorway between road M-45 and Navalcarnero that runs parallel to road A-5. Both have been in operation since 2004, and the concession is for 50 years. The average daily traffic in 2010 was 12,120 vehicles.



Austrian subsidiary Alpine also holds an interest in these concessions:

- **Design, financing, construction and 30 years' operation of the first section of the A5 motorway in Austria.** This is the country's first motorway concession, a 51-kilometre section of road. It includes the construction of the first part of motorway A5 from Vienna toward the Czech Republic between the towns of Eibesbrunn and Schrick and the prolongation of the north-eastern ring around Vienna, which will connect to the S1 and S2 fast lanes. Phase 1 entered operation in November 2009 and Phase 2 in February 2010.

The following table is a summary of all the infrastructure concessions managed by GVI and FCC as of 31 December 2010, including the contracts managed by Alpine as well.



ALPINE breaks through at Saint Gotthard



Poznan Stadium, Poland

CONSTRUCTION



Hala Ludowa, Poland



Murcia Tram

CONCESSION	COMPANY	TYPE	INVESTMENT (million €)	TERM (YEARS)
Galician Central Motorway	GVI	Toll road	303	75
Costa Cálida Motorway, Murcia	GVI	Toll road	649	36
Motorway from San José to San Ramón, Costa Rica	GVI	Toll road	213	25
Motorway from San José to Caldera, Costa Rica	GVI	Toll road	264	25
N6 Galway-Ballinasloe, Ireland	GVI	Toll road	340	30
R3 and R5 approaches to Madrid	GVI	Toll road	1,003	50
R-2 Henares Motorway	GVI	Toll road	563	24
Alicante Ring Road	GVI	Toll road	445	36
A-5, Austria	ALPINE	Toll road	875	30
Envalira Tunnel, Andorra	GVI	Toll tunnel	54	50
Sóller Tunnel	GVI	Toll tunnel	51	33.5
El Camino Dual Carriageway, Navarra (*)	GVI	Shadow toll road	356	30
M-45, Madrid	GVI	Shadow toll road	214	34
M-407, Madrid	GVI	Shadow toll road	74	30
M-404, Madrid	GVI	Shadow toll road	162	30
Twinned dual carriageway between Ibiza and San Antonio	GVI	Shadow toll road	101	25
Auto-Estradas da Beira Interior, Portugal	GVI	Shadow toll road	933	30
Ruta de los Pantanos	GVI	Shadow toll road	107	25
Coatzacoalcos Tunnel, Mexico	GVI	Toll tunnel	185	30
N. Necaxa-Tihuatlán, Mexico	GVI	Toll road	493	30
M-50 Dublin, Ireland	GVI	Pay-as-you-go toll road	419	35
Itata Motorway, Chile	GVI	Toll road	198	15
Aconcagua Motorway, Chile	GVI	Toll road	457	13
Transmontana Motorway, Portugal	GVI	Shadow and real toll road	706	30
Cedinsa Eix Llobregat	FCC	Shadow toll road	174	33
Cedinsa d'Aro	FCC	Shadow toll road	54	33
Cedinsa TER, Vic-Ripoll	FCC	Shadow toll road	221	32

CONSTRUCTION

CONCESSION	COMPANY	TYPE	INVESTMENT (million €)	TERM (YEARS)
Cedinsa Eix Transversal	FCC	Shadow toll road	712	33
Cuenca Dual Carriageway	FCC	Shadow toll road	120	19
Parla Tram	GVI	Rail infrastructure	104	40
Baix Llobregat Tram	GVI	Rail infrastructure	249	25
El Besòs Tram	GVI	Rail infrastructure	225	27
Murcia Tram	FCC	Rail infrastructure	183	40
Zaragoza Tram	FCC	Rail infrastructure	345	35
Madrid Metro Line 9	GVI	Rail infrastructure	124	32
Barajas Metro	GVI	Rail infrastructure	47	20
Málaga Metro	GVI	Rail infrastructure	504	35
Sanchinarro Light Metro, Madrid	GVI	Rail infrastructure	293	30
Laredo Marina, Cantabria	GVI	Marina	70	40
Port Torredembarra	GVI	Marina	15	30
Portsur Castellón	GVI	Port logistics facility	30	35
Castellón Multipurpose Terminal	GVI	Port logistics facility	35	30
Gijón Harbour Bulk Goods Terminal	GVI	Port logistics facility	17	30
Santiago Air Terminal, Chile	GVI	Airport	249	21.5
Castellón Airport	GVI	Airport	127	50
Hospital del Sureste, Madrid	GVI	Hospital	71	30
Hospital de Son Dureta, Mallorca	GVI	Hospital	243	31.5
Hospital de Torrejón	FCC	Hospital	137	30
Enniskillen Hospital, Northern Ireland	FCC	Hospital	372	33
Mallorcan healthcare centres	FCC	Health building	22	11
City of Justice in Barcelona and hospitals (URBICSA)	FCC	Service building	263	35
Tema Concesionaria, Mallorca	FCC	Service building	33	40



Zaragoza University Assembly Hall



RCD Español

CONSTRUCTION



COMMITMENT TO SUSTAINABILITY AND QUALITY

TECHNOLOGICAL DEVELOPMENT

FCC Construcción backs an active policy of technological development, applying innovation constantly in its projects. The company is firmly committed to sustainability in technological development and views its own contribution to quality of life as a competitive factor.

RDI

FCC participates in the technological facets of the most unique projects, preparing its own RDI designs and ways of improving construction procedures. These advantages, in combination with strong support for the company's machinery and ancillary resources, enable FCC to offer its clients a range of in-house technical solutions. That is what makes FCC stand out from the rest of the sector.

For example, FCC Construcción is an active participant in a great many European RDI projects, such as the European Construction Technology Platform, the E2B (Energy Efficient Buildings) Association, the Core Group launching the ReFINE (Research for Future Infrastructure Networks in Europe) initiative, ENCORD (the European Network of Construction Companies for Research and Development), AENOR's CACEC (Advisory Group for Builder Certification) and the Spanish Construction Technology Platform. These organizations all aim to combine the efforts being made by research centres, industries and universities in everything having to do with research, development and technological innovation in the area of construction.

A number of targeted RDI projects were also conducted during the course of 2010. Work continued on projects started in preceding fiscal years, such as the Arfrisol Project, BALI, Submerged Tunnels, OLIN, Urban Tunnels, Continuous Wall and CLEAM. New projects were also launched, such as SR (Sustainable Building

Refurbishment), Tanks (on designing a system for storing bitumen modified with powdered disused tires for plants that make hot bituminous mixtures), Vitraso (on diagnosing and predicting the way noise is transmitted in building), Ecorasa (full use of building and demolition waste as fill for sewer ditches) and Cemesferas (research into manufacturing spherical vitreous microparticles with cementing properties).

MATERIAL LABORATORY

In cooperation with Cementos Portland Valderrivas, our Material Laboratory has conducted tests to characterize, batch and find applications for certain new kinds of cement now being developed, such as Ultraval and Microval, and to batch cement for the test section of rigid concrete pavement on the dual carriageway between Vic and Ripoll.

BBR PTE

During 2010 BBR PTE, the FCC company specializing in pretensioning and special building techniques, made the following developments in the field of applying post-tensioning and building techniques:

- Development of special equipment for lifting and turning precast components for the new bridge over the Danube River (from Vidin to Calafat, Bulgaria). The equipment includes three heavy-lifting jacks with their respective control stations. The jacks are mounted on a framework that can slide with its load along a structure that sits underneath, enabling the precast components of the bridge pile cap protectors to be lifted, turned over, moved and lowered into their permanent position.
- Development of a unit for lifting and lowering wind generator turbines. The unit consists of a self-lifting platform that uses heavy-lifting jacks to propel itself.

The platform can be used to install wind generator turbines on their supporting tower and remove them again without the need to bring in heavy cranes. The unit has safety features that block the system when the wind is too high or there is an emergency.

- BBR HiAm CONA system. Development has been consolidated on the system to be used in stay cables on cable-stayed bridges. Stay cables have been installed with this system on the two cable-stayed bridges FCC has built in Romania, Basarab Bridge and Centura Bridge, both in Bucharest.

Special Designs and Construction

The following were some of the most specialized, innovative and technically tricky examples of design and technical assistance work done.

Hydraulic Works

- Enciso Dam, Logroño. All through 2010 tests were run on a small model of the dam to study a stepped structure for the main spillway. The structure simplified the overflow issue and optimized the stilling pool. The test was conducted at Catalonia Polytechnic University with the cooperation of the Civil Engineering School's Department of Hydraulics.
- Heightening of Yesa Dam, Navarra. The work was commissioned by the Ebro River Hydrographic Confederation. A small model of the dam's standard

spillway was tested. This singular spillway operates in a shaft with gates. It is connected to a drainage tunnel that forms part of the existing dam's current relief system. The test was conducted at the Hydrographic Studies Centre run by CEDEX, the Public Works Studies and Experimentation Centre. On the basis of the test's findings, different types of gates for the dam will be studied.

- Machinery and systems for hydraulic projects. A concrete-cooling system using cold water was implemented at the Castrovido Dam site in Burgos. On the hottest days, concrete temperatures had been found to rise as high as 35 °C, which could have been a problem for large batches. A system was therefore assembled that keeps the water between 4 and 7 °C. The system acts to cool the water used to make concrete as well as to chill the aggregates.

At Alcollarín Dam, Cáceres, for the delivery of the 170,000 m³ of concrete the dam needed, the site was equipped with a mobile concrete plant featuring telescoping conveyor belts that could extend to 30 metres. This was the first dam FCC built entirely with this system. In addition, at the same site, due to typically high local temperatures, FCC set up a latest-generation, modular flake ice factory that came pre-assembled in containers. The assembly time was therefore only a quarter of what a conventional flake ice machine requires. The machine made it possible to bring the fresh concrete's temperature down by as much as 10 °C.

CONSTRUCTION



East Dock, Castellón Harbour

FULLY COMMITTED TO SUSTAINABILITY

CONSTRUCTION



Ebro River Bridge, Deltebre



Piers for San Marco Viaduct, Mexico

Marine Construction

■ Extension of the east dock of Castellón Harbour. This was the first project built with the low-reflection caissons designed, studied and patented by FCC Construcción as the result of an RDI project implemented under an agreement with CEDEX. The special thing about these caissons is that they have a set of external openings and internal chambers causing a great deal of the incident wave energy to be dissipated by turbulence. The uniqueness of these caissons (verified in two- and three-dimensional physical models for the project) also led to a special design for the dock's crest, which is fitted with "blowholes" to allow part of the water flowing into the caisson to be vented back into the sea and relieve the pressure caused by waves inside the chambers. The system's patent has been expanded to cover the blowholes as well.

■ Increase in the depth at the Aragon quay at Tarragona Harbour. To increase the depth of the existing quay (built on caissons) by two metres, it was decided to administer a soil-improvement treatment utilizing SuperJet grout columns. The necessary treatment was outlined according to the conditions of the caissons' foundations all along the quay, adjusting the treatment columns' width and length to ensure that the resulting structure would behave correctly. Very-high-pressure injection processes had to be developed.

■ Marine construction machinery. BOCAMI split barge: In 2010 the BOCAMI began working as a dredge boat, after the installation of a Liebherr-964 excavator on a platform that can move up and down inside the hopper. The machine is equipped with a four-m3 hydraulic orange-peel grab for dredging, a three-fingered claw for stacking riprap and a two-m3 orange-peel grab for levelling. With the installation of this equipment, the BOCAMI split barge has increased its marine construction applications considerably and is now completing work units that used to be outsourced.

Viaducts and Special Structures

■ Bridge over the Ebro River in Deltebre, Tarragona. This bridge, close to the mouth of the Ebro, has a central span 112 metres long and two side spans 69 metres long. It has a total width of 19 metres, half of which is reserved for vehicles, and the other half, for recreational use. Because of its singular design, structurally speaking the bridge is a cross between a suspension bridge and an extradosed cable-stayed bridge: Its deck is held up by two pairs of cables placed along the bridge's central axis and resting on a cable saddle set at the top of the middle piers. Both the deck and the piers have a compound cross-section combining steel and concrete.

For environmental reasons, in order to minimize impact on the river, the 60-metre-long central section was built on the bank of the river and then launched and floated to the middle of the river and hoisted into position. BBR PTE handled the manoeuvres.

■ Guadalquivir River lock gates. The four metal gates on the lock are huge (52 metres long, 17 to 20 metres tall and six metres thick). Their structure is made of metal. They can be manipulated to raise or lower the water in the lock so it is higher or lower than the level of the water in the Guadalquivir. Two gates only are actually operational; the other two are reserved for use in the event one of the primary gates breaks or requires maintenance.

The gates were built in a shipyard and floated into place. Once settled in their housing, the gates move on carriages that roll along rails, and they are winched up and down on cables.

■ Bascule bridges at Seville Harbour. As part of the same project as the lock gates, three bascule bridges were built at the harbour in Seville. They are single-span bridges with their counterweights on the outside. They are the first bridges of this type to be built in Spain, although the type is widely used in Holland

CONSTRUCTION

and similar countries for small bridges. One of the bridges carries the railroad tracks, while the other two are for automobiles. They all have the same 44-metre span. The road bridges are 12 metres wide, while the railway bridge is six metres wide, since it carries only one set of tracks. The half-moon cross-section –a highly unusual shape for bridge– was chosen for reasons of appearance. The bridge's rotation is driven by two hydraulic cylinders situated at the base of the tower, next to the ball-and-socket joint.

- Viaducts on road A-4 (the new Despeñaperros roadway). Construction is complete on four double viaducts, with a total deck length of 3,300 metres and a maximum pier height of 80 metres. The viaducts were built using precast segments assembled span by span, a system used exclusively by FCC. The system made it easier to build the viaducts and possible to assemble up to two segments per week, far outperforming other systems. This project is the most important ever built by means of this system.
- San Marcos Viaduct on the dual carriageway between Nuevo Necaxa and Ávila Camacho, in Mexico. Construction proceeds on the viaduct, which will have one of the tallest bridge piers in the world, 210 metres tall. The viaduct deck will be made of concrete, built as a progressive cantilever with a maximum span of 180 metres. Pier 3, which is under construction and currently 150 metres tall, has already surpassed the tallest piers ever built in Spain.
- Museum of Royal Collections, Madrid. The building abuts La Almudena Cathedral along a 40-metre-tall wall of earth, so construction had to be planned carefully to avoid inflicting even the slightest structural damage to the cathedral. Pre-built retaining walls were secured to the site at seven actively monitored anchoring levels. A check using pendulums was run once the detensioning process had been reversed. The building's ten-story-tall structure has now been

completed, so the provisional earth anchors have been released. The thrust of the soil is now borne by the building itself.

- Test section for a two-layer concrete road surface. A test section of concrete road surface was laid in cooperation with Cementos Portland Valderrivas in the left-hand lane of road C-17 between Masies de Voltregà and Enllaç, Barcelona, heading toward Ripoll. The surface is based on the Austrian Road Surface Standards, and it consists in a vibrated-concrete surface with joints, laid using the two-layer system, with a surface finish of visible aggregates subjected to chemical denudation. The test section was a total of 912 metres long. The advantages of this surface are: ease of construction, long useful life, low maintenance cost, stability, anti-slip surface texture, resistance to aggressive agents, reflective qualities and energy savings in construction, maintenance and user vehicles.
- Viaduct machinery. NRS LG 70/75 launching gantry: The supplementary components were purchased to adapt this unit for flying shuttering for spans of up to 60 metres, with a weight-bearing capacity of 32 tons/metre and single-phase in-situ concrete casting. After its adaptation, the formwork is now ready for interchangeable use as a precast segment launching gantry or flying shuttering for in-situ concrete casting. It is scheduled to be used in the viaduct over the Corgo River in Vilarreal, Portugal, where 16 60-metre spans must be built with a box width of 12 metres. The expected performance rate is one span every two weeks.



Museum of Royal Collections, Madrid



Autovía del Cantábrico, between Las Dueñas and Muros de Nalón, Asturias

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Underground Construction

FCC Construcción is one of the world's underground construction specialists. It has a great many projects in Spain and abroad, using the earth pressure balance (EPB) system and rock TBMs. Various improvements were made to machines and facilities in 2010.

■ Underground construction machinery. On the Sagrera-Mandri section of Line 9, a belt accumulator system was installed right inside the tunnel while construction was still in progress. The system can hold 550 metres of conveyor belt. There all the ancillary equipment plus the belt spool-loading equipment are "hung" by chemical anchors, to free up as much of the tunnel's floor area as possible. For concrete casting beneath the rails after completion of the work to excavate the Chamartín-Atocha Tunnel, a novel system was designed that takes advantage of the rubble removal belt used during tunnel construction to carry the concrete into the tunnel and deliver it where needed. The procedure will reduce the project's construction completion time.

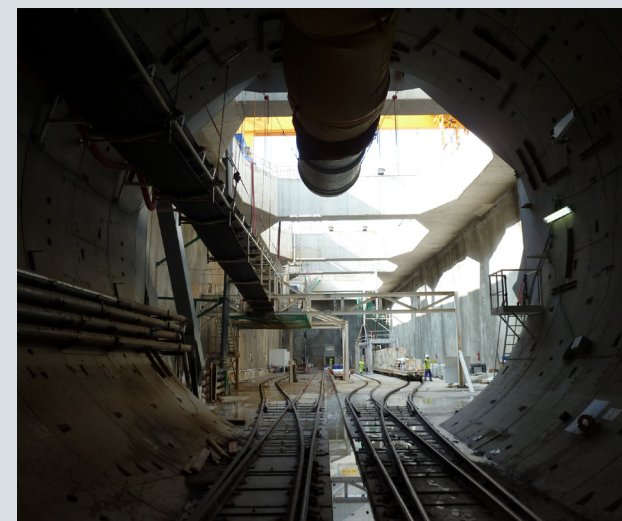
The projects completed or under construction in 2010 are the following.

■ EPB TBMs:

Tunnels Completed/ In Progress	Length (km)	Length Tunnelled in 2010 (km)	Diameter (m)
S-1 (Terrasa/Can Roca-Rambla d'Egara)	3.1	0.5	6.9
S-2 (Terrasa/Can Roca-Rambla d'Egara)	3.1	1.1	6.9
L-9 (Mas Blau-Parc Logistic)	7.0	2.0	10.4
L-9 (Sagrera-Mandri)	5.5	1.3	12.0
Gerona I tunnel under the city	1.3	1.3	12.1
Madrid AV Chamartín-Atocha	6.8	6.0	12.0



TBM boring the high-speed railroad tunnel between Atocha Station and Chamartín Station



Underground tunnels in Gerona

■ Hard-rock TBMs:

Tunnels Completed/ In Progress	Length (km)	Length Tunnelled in 2010 (km)	Diameter (m)
A Madroa-1 (north) (Vigo-As Maceiras)	8.1	5.7	9.5
A Madroa-2 (south) (Vigo-As Maceiras)	8.1	5.3	9.6
UTE Túneles de Sorbas, Tunnel 1	5.9	4.2	10.1

MANAGEMENT SYSTEMS

With its international expansion in full blow, FCC Construcción has adapted its Management and Sustainability System for safe, secure application throughout the company's entire business sphere. Processes, procedures, computer applications, formats and records are gradually being updated to respond to the new needs that arise from embarking on projects of international scope. Our priority is still to satisfy our clients beyond their expectations with a commitment to comply with established requirements and the kind of quality guarantee that is typical of FCC Construcción.

Part of our commitment to our clients has to do with information security. FCC Construcción is the only Spanish building firm in Spain to have earned ISO 27001 certification for its Information Security Management System from AENOR, and the company continues introducing new indicators to check the performance of its countermeasures from the security standpoint. The goal is to keep any potential threats to our information assets under control and to protect our clients' assets.

Risk Management

With senior management's strong support, Risk and Opportunity Management was systematically consolidated this year at FCC Construcción. Because procedures based on risk management have been adopted, opportunities that are not at first visible can be identified, threats can be turned into opportunities and potential losses can be partially or entirely avoided. This reinforces our business strategy and makes us stand out from the competition.

Based on a reliable, internationally recognized method, risk detection, risk evaluation and subsequent risk

control together make up a process of continuous review applicable to all phases of each project. It helps win new contracts, too; the process makes it easier for FCC to gain a foothold in new markets with highly demanding clients, and thus it reinforces the company's objective in its international development, which is decidedly committed to a global future.

Environment

FCC Construcción feels that, within a culture of responsibility, all achievements made and processes developed ought to set a standard for behaviour and be incorporated into the "cultural heritage" of the worldwide building sector. Accordingly, the company participates in and leads a large number of Spanish technical committees (AEN/CTN 198/SC2 "Infrastructure Sustainability", which FCC Construcción chairs) and international technical committees, such as CEN-TC 165 "Wastewater Engineering", CEN/TC 350 "Sustainability of Construction Works", ISO/TC 59/SC 17 "Building Construction/Sustainability in Building Construction" (where the company chairs WG5, the Committee on Sustainability in Civil Engineering Works) and ISO/TC 207 "Environmental Management". It is also active in the leading technical associations in its business area: the Scientific and Technical Association for Structural Concrete, the Technical Association for Ports and Coasts-PIANC and committees on large dams (It chairs the "Engineering Activities in Planning" Technical Committee at SPANCOLD and is the Spanish representative at the International Commission of Large Dams, ICOLD).

FCC Construcción is aware that knowing and assessing our organization's current carbon footprint status is the first step for taking wise, environmentally friendly decisions. Getting a head start on future challenges, in 2010 FCC Construcción developed a greenhouse gas-measuring protocol in accordance with the

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Enagás plant, Barcelona

internationally consolidated guidelines in ISO 14064, the GHG Protocol and the protocol for measuring CO2 in building. The company's computer planning and management applications have been adapted to record and quantify data on the activity of each identified source of emissions, integrate the data and generate emission inventory reports that are subject to verification by an accredited GHG verification agency.

INFORMATION SECURITY
IS PART OF OUR COMMITMENT
TO OUR
CLIENTS

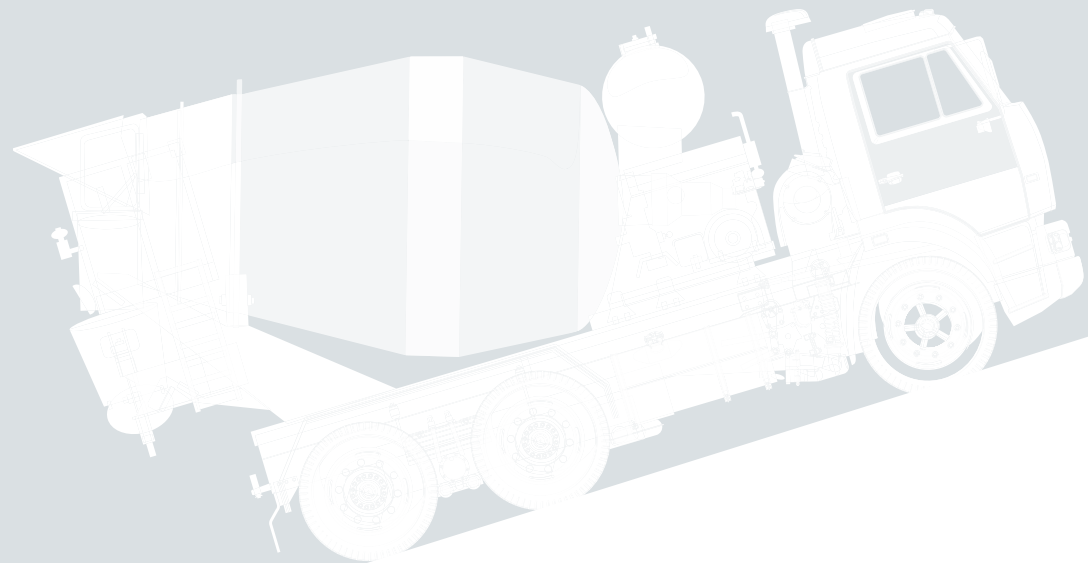


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THE CEMENT SECTOR

Spain

Fiscal year 2010 saw a widespread decline in government calls for tenders. According to figures released by Seopan, the Spanish association of employers in the construction sector, official calls for tenders fell by more than one third (33.1%) from what they were worth in 2009 to 26,519 million euro, as opposed to the 39,617.9 million of the year before. By project type, calls for tenders in building dropped 21.2% to 11,006.7 million euro, while in civil engineering works the loss of ground was even greater, 39.5%, down to 15,512.4 million from the 25,652.7 million of 2009.

When classified by the levels of government involved, the decline in calls issued by the national government was even sharper (55.4%), plummeting from 12,398.8 million in 2009 to 5,531.5 million. Regional governments behaved better, since their calls for tenders were down 22.9% from 12,210.9 million euro in 2009 to 9,413.4 million euro. Local governments tendered 11,574.2 million euro's of contracts, with a 22.9% reduction from 2009, when they tendered 15,008.1 million euro. These figures paint a clear picture of the startlingly negative development of the construction sector.

In the cement sector, information from the National Association of Cement Manufacturers (OFICEMEN) is equally unequivocal. Cement consumption in Spain fell



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by 4.4 million tons to 24.5 million, a 15.1% decline. To orient comparisons, the domestic cement demand hit record highs just three years ago, in 2007, with 56 million tons; from there to the figures for 2010 there is a drop of 56.2%. This reduction in consumption naturally affected cement and clinker imports, down 31.3% to 2 million tons, eight hundred thousand kilos less than just one year ago.

On the other side of the page, the domestic cement sector has continued boosting cement and clinker exports, which hit 3.8 million tons in 2010, as opposed to 2.8 million tons shipped abroad in 2009. That makes the year-on-year increase a good 32.8%, somewhat higher than the rate of decline in imports.

United States, Tunisia and the United Kingdom

In 2010 the US slowed the rate of decline in its cement consumption, which has been going down steadily since 2005. In the last fiscal year, according to figures from the US Department of the Interior's Geological Survey, consumption went down 2.8% from 71.5 million tons in 2009 to 69.5 million tons last year. Nevertheless, this consumption figure is far from the 128.3 million tons consumed in 2005; the US demand for cement has therefore contracted by 46% in the last five years.

Cement and clinker imports have held steady at levels similar to those of 2009; imports were 6.9 million tons in

2010, compared to 6.8 million tons a year before. In the meantime, exports rose from 900,000,000 kilos to a million tons, therefore showing a rate of increase of just 13.6%.

The Tunisian demand for cement is the only area in the Cementos Portland Valderrivas Group's sphere of commercial influence that grew in 2010; according to information from the *Chambre National de Producteurs de Ciment*, the nation's cement consumption rose by 9.7% per year, from 6.6 million tons to 7.2 million tons. These 640,000 tons of growth in absolute figures set a ten-year record.

Cement and clinker imports went down, but not by much, from 112,000 tons in 2009 to 79,000 tons; exports fell farther, with a 31.9% reduction, amounting to 623,000 tons in 2010, compared to 916,000 one year before.

The development of the British market was equally sunny, despite the adverse weather conditions at the start of the year and the even-worse weather in the month of December. Consumption of cement and derivative products experienced growth at a year-on-year rate of around 4%. The increase in the demand was even sharper in the central area and gradually spread to the southern regions of the island.



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GROUP DEVELOPMENT

Cement

In June 2010 the regional government of Madrid granted the Cementos Portland Valderrivas Group the Community of Madrid's European Excellence Award in the environment category. The Community of Madrid gives these awards out each year to acknowledge organizations that worked especially hard in favour of the European Union and its values. The award was given for the environmental management work done at the El Alto factory in Morata de Tajuña, which is regarded as Spain's biggest cement-making facility.

In terms of figures, as a consequence of the global economic crisis, which has been hitting the sector hard since 2007, aggregate sales by the Cementos Portland Valderrivas Group in 2010 came to 10,352,339 tons of cement and clinker, down 15.8% from the sales of the year before. Argentina and Uruguay were not included in the 2010 turnover figures because they were sold off in October 2009. At that time Cementos Uniland transferred its cement and clinker, concrete and dry mortar business units.

By physical units, the company in the Cementos Portland Valderrivas Group that made the biggest sales was Corporación Uniland, with 4,097,894 tons (39.6% of the total), followed by Cementos Portland Valderrivas with 3,592,421 tons (34.7%). Giant Cement Holding accounted for 1,209,303 tons of sales (11.7%), followed by Cementos Alfa, which sold 594,859 tons, outperforming Cementos Lemona, which placed 557,439 tons on the market (between the two of them, they made 11.1% of the Group's sales). Dragon Alfa and other companies sold 300,423 tons.

The Group has implemented UNE-EN-ISO 14001 and the European EMAS Regulation at all its factories, with certification by outside agencies, in a determined commitment to use alternative fuels for an eventual

reduction of CO₂ emissions. The El Alto plant is the only one that has an energy management system compliant with UNE-EN 6001.

Fiscal year 2010 meant another step in the Group's effort to improve its export figures in order to offset ever-lower numbers in the Spanish and US markets. Of the total sales figure (10.35 million tons), 11.2% headed for international markets, which was 1.6% more than in 2009. In Spain the export percentage was 14.7%, as opposed to 13.3% the previous fiscal year. The difference was greater in the US, because, with internal sales very similar to those of the year before, sales abroad rocketed from 19,513 tons in 2009 to 57,086 tons in 2010, which means the ratio of foreign to domestic sales rose from 1.6% to 4.7%.

Ready-mixed Concrete

In 2010 the Cementos Portland Valderrivas Group sold an aggregate total of 4,070,964 cubic metres of ready-mixed concrete, 17.2% less than the year before.

By groups, Cementos Portland Valderrivas placed 2,466,879 cubic metres on its market, 14.1% less than in 2009; it therefore accounted for 60.6% of the Group's total sales. Corporación Uniland, with 1,281,748 cubic metres (down 21.9%) made up 31.5% of the total sold. The Cementos Lemona Group came in third, with 198,074 cubic metres, equivalent to 4.9% of the overall total, and a negative year-on-year rate of 23.7%. The Cementos Alfa and Giant Cement Holding groups sold 71,895 cubic metres and 52,368 cubic metres, respectively, in their commercial areas, with negative variations of 16.5% and 6.9%, respectively, since the year before.

Of the 4,070,964 cubic metres sold in 2010, 3,855,729 were marketed in Spain, 162,867 in Tunisia and 52,368 in the USA.

During 2010 the Group supplied the concrete for a great many projects in Spain, the most important being the following:



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- Barcelona: High-speed railroad section in Sagrera, Sant Andreu sector, section III Diagonal corridor, junction of AP7 Gelida Sant Sadurní and Vallirana relief road.
- Bilbao: Petronor coke plant in Muskiz, section of the Metro tracks between Etxebarri and Basauri and between Portugalete and Santurzi, sections of the South Metropolitan relief road and section of the high-speed railroad in Amorebieta, new municipal pelota court and work on the Alto las Chozas Amurrio road.
- Córdoba: Hipercor.
- Gerona: Twinning of road C31 between Plantja D'aro and Palamós.
- Huelva: Juan Gonzalo Wharf enlargement.
- Jaén: Pumping and turbine station at La Breña Dam.
- Jerez: Hospital Comarcal de La Línea.
- Lérida: Segarra-Garrigues Canal, section IV.
- Madrid: Hospital de Torrejón, the Museum of Royal Collections and the Serrano high-speed railroad tunnel.
- Málaga: Southern approach to the airport and Málaga Metro Line 1.
- Palencia: High-speed railroad intersection at Venta de Baños.
- Tarragona: DP World, Tarragona harbour.
- Valladolid: New bridge over the Pisuerga River.
- Zamora: High-speed railroad line between La Hiniesta and Perilla.

In 2010 action aimed at consolidating environmental policy continued, with the goal of increasing the number of ready-mixed concrete plants that can boast zero liquid waste and avoid discharging any waste, solid or liquid. All the Group's companies in the concrete division are



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certified pursuant to UNE EN ISO 9001, and several production plants have already earned their N product certification from AENOR.

Aggregates

In 2010 the aggregate business unit marketed 14,418,922 tons of product, which means an annual reduction of 6.8% or more than a million tons less in absolute terms.

By corporate groups, Cementos Portland Valderrivas sold 7,679,559 tons (10.1% less than in 2009) and accounted for 53.3% of the total. Corporación Uniland sold 3,873,989 tons, equivalent to a 13.6% increase over 2009, and accounted for 26.9% of total sales. Cementos Leona and Cementos Alfa delivered 2,204,621 tons and 433,436 tons, respectively, in their area of commercial influence, with year-on-year decreases of 13.1% and 31.2%. The Giant Cement Holding Group sold 227,317 tons, making for a negative annual rate of 33.7%. Altogether 14,191,605 tons of aggregates were marketed in Spain and 227,317 tons were marketed in the USA.

During 2010 aggregates of various qualities were supplied for different projects, the foremost of which were the following:

■ Barcelona: UTE EBRE-Flix, Ecoparc and the Sagrera high-speed line.

■ Bilbao: Alto Las Chozas road, Amurrio, high-speed railroad sections from Amorebieta to Lemoa, high-speed railroad sections from Lemoa to Galdakao, fill for wharf AZ2 and replacement of blocks for the harbour and supplies for the Metropolitan South Relief Road.

■ Burgos: Asphalt mixing plant for surfacing and reinforcing road N-I.

■ Córdoba: Hipercon.

■ Jaén: Despeñaperros construction work.

■ Jerez: UTE La Barca-Jerez, UTE AVE-Aeropuerto and wharf IV at Rota Naval Base.

■ Madrid: UTE Aparcamiento de Serrano, Hospital de Torrejón, Slaughterhouse. Supply of asphalt mixing plant for twinning of road M-100 and for road N-II. Indoor manège for the Civil Guard in Valdemoro. Development of Sector 10 in Mejorada del Campo and Institute of Molecular Medicine at the Complutensian University in Alcalá de Henares.

■ Málaga: Joint venture to build new airport field and metro. Tennis court in Los Pacos housing development. Gibraltar project. Municipal works for the city of Alhaurín de la Torre and MA-Cabermeja.

■ Sevilla: Joint venture for S-40 bridges, Copero, Palmera, Humilladero factory and former hospital.

■ Tarragona: Diagonal Villafranca.

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Dry Mortar

The division that put in the best showing out of the entire Group was dry mortar, because it sold 1,089,874 tons of product in 2010, practically the same amount as in 2009. The bulk of this volume (1,087,532 tons) was for the domestic market, and the rest was supplied to the United Kingdom.

The Corporación Uniland Group sold 58.9% of the total, with 641,714 tons, down 8.5% from the previous year. The Cementos Portland Valderrivas Group contributed 320,698 tons, a hefty 29.4% increase, and accounted for 29.4% of total sales. Together Cementos Lemona and Cementos Alfa marketed the remaining 11.7% of the total, their figures being 82,764 tons and 44,698 tons, down since 2009 by 4.6% and 19.2%, respectively.

In 2010 dry mortar was supplied to several construction sites, led by the following:

- Barcelona: Hotel W Vela at the harbour and Trinidad Tunnel.
- Bilbao: South relief road.
- Cádiz: Refurbishment of the former Royal Jail building.
- Madrid: City of Justice Legal Medicine Building and tunnel between Navacarnero and Móstoles.
- Málaga: New airport terminal.
- Navarra: Film library and the Pamplona Fire Department.
- Sevilla: Enlargement of the Palacio de Congresos conference centre.
- Zaragoza: Circe bioclimatic building and the school of design.

CEMENT

INDUSTRIAL INVESTMENTS

In view of the construction and cement sector's economic plight, the Cementos Portland Valderrivas Group's investments in 2010 were reduced to those investments promised the previous fiscal year and those investments vital to keep the Group's industrial facilities running smoothly.

The sole facilities receiving investments were the facilities related with alternative fuels, for compliance with the ambitious Strategic Plan on Energy from Waste. This plan's objective is to raise the EfW percentages at the Group's cement factories from 7.7% in 2009 to better than 30% in the year 2014.



In order to meet these goals, changes have been planned in manufacturing processes, which have required heavy investments in equipment for alternative fuel storage, handling, transport and dosing. These alternative fuels replace traditional fuels and also reduce CO2 emissions.

One such investment was made at the Mataporquera plant, which in 2010 started up a latest-generation, fully automated facility for alternative fuels fed in through the clinker kiln's precalciner. In late 2010 construction was also begun on new equipment that will enhance the main burner's EfW performance. The new equipment will be operational in the second half of 2011.

Similarly, facilities to enable the kiln's main burner to use alternative fuels are also being assembled at the Monjos factory. They are scheduled to start up early in 2011. Another big environmental improvement at Monjos involved switching from an electrostatic filter at kiln V to a baghouse, in order to meet the requirements set in the factory's environmental authorization. The baghouse will enable particle emissions to be slashed to far below the legal limit.

Construction began in late 2010 at the El Alto factory on systems that in 2011 will make it possible for the two clinker kilns' main burners to burn biomass.

The new investment undertaken in late 2010 at the Hontoria factory is anticipated to conclude in the first half of 2011. This investment will enable the factory to broaden the range of alternative fuel types it can use and will also increase the factory's replacement percentage with the addition of two dosing facilities at the kiln's main burner and precalciner.

At Lemona the precalciner dosing facility was enlarged to enable wider consumption of biomass and tyres. Work also began to assemble the new equipment for dosing the main burner's new alternative fuels; this equipment is scheduled to go into operation in the second half of 2011, boosting Lemona's fuel replacement percentage to over 50%.

THE COMMUNITY OF
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EXCELLENCE AWARD

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ENVIRONMENT AND SUSTAINABILITY

Cementos Portland Valderrivas' commitment to the environment is passed on to all its cement-, concrete-, aggregate- and mortar-manufacturing and material-shipping activities. Accordingly, the Group has redefined its environmental management system to cover all its fields of activity. It made progress in introducing the system in 2010, by strengthening current certifications, earning new certifications (in cement, aggregates and mortar in Spain) and extending the perimeter of the system's application (in cement in Tunisia, where the first steps for certification were taken in 2011).

In the Cementos Portland Valderrivas Group's 2010 Sustainability Report, drawn up pursuant to the Global Reporting Initiative's G3 Guidelines, itemized information is given on the impact of the Group's activities on the environment. The report includes triple bottom line reporting on results from the standpoint of economic, environmental and social performance, plus a comparison with preceding years.

Fiscal year 2010 made it five years since Cementos Portland Valderrivas made a commitment to transparency with its stakeholders. This year the Group issued its fifth Sustainability Report, which includes the contributions and opinions given by employees and representatives of society who participated in the Group's stakeholder dialogue meetings.

The main strides made this year focussed on consolidating the stakeholder consultation method, which provides us with valuable qualitative and quantitative information and includes a trust barometer for tracking stakeholder

satisfaction. In addition, this year the personal consultation process was completed at all the cement factories in Spain, expanding the perimeter to include the Mataporquera factory in Cantabria, and the step was taken to set up face-to-face dialogue with the factory in Enfidha, Tunisia.

With the fourth round of dialogue in 2010, we have spoken to 600 representatives of our stakeholders and gathered important information that has been used to update the firm's CSR strategy.

As a result of the work done in 2010, Cementos Portland Valderrivas for the first time has been included in the prestigious Merco reputation index. Merco is the Corporate Reputation Business Monitor, and its Merco index includes the 100 companies ranked highest in terms of reputation. Cementos Portland Valderrivas was listed 85th and came in as the leader of the cement sector, ahead of major multinational cement-making groups.

This result bolsters our decision to improve management by being efficient and tackling the future with determination and transparency. We will adhere to the lines we have already established, working responsibly for the protection of the environment and applying ethics in our business and in our commitments to our stakeholders.

Energy from Waste

During 2010 the Group took a very firm step forward in its policy on EfW at cement factories. The tangible result has been a considerable increase both energy-wise and



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material-wise. Different types of waste with potential for use making rawmix have been tested.

The results gleaned in 2010 were satisfactory. The necessary authorizations were secured for using different types of waste to produce energy at all factories with the single exception of the Olazagutía factory, which has applied for authorization and expects to receive it in 2011.

The Cementos Portland Valderrivas Group achieved a 7% average thermal substitution rate in Spain. Individually, the results of the factories that use EfW were: Lemona (up to 32% thermal substitution in December); Vallcarca (high of 18%); Hontoria (up significantly in the second half of the year, when it too hit 18%); and Mataporquera (high of 16%). Tunisia has begun preparations for burning tyres and the rest fraction left over from treated waste, and the United States continues with its already-long tradition of using industrial waste to generate energy.

These actions have made it possible to replace more than 35,000 tons of coke over the year, with a 60,000-ton reduction of CO₂ emissions thus avoided. In short, the practice of EfW has meant a savings for the company of over 3.2 million euro from what it would have cost to burn petcoke alone.

The strong support for EfW will be reflected in 2011, when all the EfW facilities whose assembly got under way in 2010 are finished. Things will begin with EfW at Monjos and El Alto. It will be possible to use a wider range of waste and larger quantities too. The

focus will be mainly on biomass and particularly on fuels derived from the rest fraction, supplied in part by FCC.

Material Recycling

Work has also continued on the use of alternative raw materials for making rawmix instead of natural limestone or marl. The material replacement rate, given in tons of alternative raw materials per ton of clinker, has hit 6.25%; for the company, that means a savings of more than 2.2 million euro.

A small percentage of these materials are decarbonated, which enables an additional reduction in greenhouse gas emissions. Reducing GHG emissions is one of the lines of action for 2011.

In future the material recycling strategy will rest fundamentally on three families of waste, in addition to biomass: fuels derived from the rest fraction (which will be provided primarily by FCC, with whom cooperation agreements have been signed); wastewater purification plant sludge; and lastly plastics, including plastics from food and drink containers. How to convert them into a suitable fuel is currently a topic of study.

RDI

One of the strategies management is taking in the Cementos Portland Valderrivas Group to mitigate the effects of the crisis in the cement sector is to pull no punches in research, development and innovation. New product research and development is encouraged, both inside the Group and in cooperation with other firms and technology centres of acknowledged prestige, through joint projects.

Last year the RDI Department achieved consolidation. It developed or optimized eight new special products that offer high added value and very different possibilities of use. In addition it conducted eight research projects

CEMENT

involving more than 70 people from the organization, leading to two new patents. Joint work with FCC's research teams and Innovation Management Office, especially in subjects related with construction, contributed largely to these results.

Public financing, a total of 5.86 million euro (1.57 million euro in grants and 4.29 million euro in interest-free loans), was secured from various sources to pursue this research.

Once new products are developed, a double challenge has yet to be faced: industrial production and marketing. The products created and action taken on this front were the following:

- **Microcements:** The Cementos Portland Valderrivas Group has made itself one of the go-to companies for microcements, which are used primarily to waterproof concrete, especially for dams.
- **Heavy-duty cements (ULTRAVAL and ULTRAVAL SR):** These are EN 197-compliant Portland cements that are ultra-tough, especially when new, so they can be used to get projects off the ground quickly. They can increase project productivity generally, too, especially in the precast concrete industry.
- **Fast-setting concrete:** These products take less than eight hours to reach the kind of hardness that other concretes take days to achieve, regardless of the weather. Especially fine for civil defence work, military work or simply at sites where time constraints are a key factor.
- **Cements for cooling towers and water pipes:** Cements suitable for use in highly aggressive environments, especially power plant cooling towers and wastewater pipes. In another variation, they can be used to build off-shore wind power generator platforms, which are currently being looked into by the FLOTTEK research project, a consortium partnering the Group with another eight big businesses and research institutions.

■ **Oil well cement:** Class G HSR cement pursuant to ANSI/API 10A/ISO 10426-1-2001, requested by companies that work with oil wells. They mix in the necessary additives to withstand oil wells' high pressures and temperatures satisfactorily. This cement, developed in 2009, was optimized in 2010.

■ **Agglomerating agents for stabilizing contaminated soils:** Research continues with a view to tailoring these products to each particular case where they are required.

The Group, in its commitment to fight climate change, is putting a huge effort into developing products that have a smaller carbon footprint, release fewer CO₂ emissions and consume less energy. Research along these lines is being led by Cementos Portland Valderrivas in cooperation with FCC, Madrid Polytechnic University and Spain's High Council of Scientific Research, with funding from the Spanish Ministry of Science and Innovation.

The company is also concerned over how materials behave in buildings, as shown by the work done in the CICLOPE project, where building material life cycle analysis is used to study variations in CO₂ emissions and energy consumption with a view to their optimization.

Some of the RDI projects already under way or approved in 2010 are particularly environment-oriented, as is the case of TEDEC, at the Mataporquera factory, where research is being done into new desulphurization processes for reducing SO₂ emissions, and SIGERAPI, at the Lemona factory, whose objective is to furnish a management tool that integrates the production process with noise prediction models without requiring a highly specialized knowledge of acoustics. The R+D Department helps manage these projects by supporting and supervising the research work done.

Project SAGER (research into large-scale electricity storage and subsequent use) and Project MUGIELEC (infrastructure and energy management associated with electrical vehicles) were also approved in 2010.



RDI PROJECTS
WITH A STRONG
ENVIRONMENTAL
COMPONENT

CEMENT



These are two big projects (Seven partners participate in SAGER and 15 in MUGIELEC) strongly linked to energy management, where Cementos Portland Valderrivas, together with FCC Construcción and FCC Energía, will be conducting research into the materials required for each use.

El proyecto SAGER (investigación sobre el almacenamiento de Energy eléctrica a gran escala y posterior aprovechamiento) y el proyecto MUGIELEC (infraestructuras y gestión de la Energy asociadas a vehículo eléctrico) también han sido aprobados en el año 2010. Se trata de grandes proyectos en los que participan 7 y 15 socios, respectivamente, muy vinculados a la gestión energética, y donde Cements Portland Valderrivas, junto con FCC Construcción y FCC Energy, investigará sobre los materiales que se requieran para cada uso.

HUMAN RESOURCES, OCCUPATIONAL HEALTH AND SAFETY AND INFORMATION SYSTEMS

Human Resources

In 2010 the Group continued adjusting its organizational and HR structure to the situation of the markets where it does business, as it did in the two previous years. As a

consequence the Group's payroll was reduced by 309 employees (252 in Spain, 33 in the USA, 20 in Tunisia and four in the United Kingdom), bringing the Group's total workforce at 31 December 2010 to 3,387 employees (2,323 in Spain, 649 in the USA, 387 in Tunisia and 28 in the United Kingdom). The adjustment process was carried out through a human resources plan worked out especially for the cement, concrete, aggregate and mortar businesses in collaboration with the appropriate workers' committees and labour union sections.

Also during 2010 agreements were reached with the workers' committees and labour union sections for the collective bargaining agreements covering the Alcalá de Guadaira and El Alto factories (valid for four years) and for the central office staff (valid for three years) and the collective bargaining agreement for Hympsa, central zone (for 2010, 2011 and 2012). Sector-specific agreements with the nationwide federations of labour unions FECOMA-CCOO and MCA-UGT were reached as well, for the signing of the Agreement on Specific Matters and Coverage of Gaps and for the nationwide recovery of the Spanish cement sector (sustainable resource use, environmental protection, personal health and enhanced competitiveness).

On the training front, during fiscal year 2010 41,461 hours of training were done. Of this total, 28,614 hours were done in Spain, 10,180 in the USA, 2,474 in Tunisia and 193 in the United Kingdom. The areas dealt with in training were occupational safety and risk prevention, information systems and corporate social responsibility. An on-line training programme was also run; more than 254 employees learned about the Code of Ethics, the Equality Plan and harassment prevention.

Also during fiscal 2010 work continued with the Group's development plan, which was tagged a "high potential plan" in 2009; three colloquiums with senior management were held, a course on finance for non-experts was given, and work will continue in 2011 with a programme to develop management and leadership skills.

CEMENT

As in previous fiscal years, there was an annual meeting of Group executives. This year's meeting was held on 24 November 2010 at the El Alto factory. The results of 2010 and the strategy and objectives for 2011 were reviewed. In addition to the chairman and the Steering Committee, another 53 executives participated.

As part of its work in corporate social responsibility, the Cementos Portland Valderrivas Group held its first corporate volunteer drive in May 2010 at the El Alto factory quarry. This drive is part of the project the Group is engaged in with the Adecco Foundation, to encourage social and occupational integration for people with disabilities. Moreover, under the "Family Plan" initiative (which the Group has been running in Spain together with the Adecco Foundation since 2009), personalized attention has been provided for 13 Group employee relatives with disabilities, children and adults up to age 65, to help them achieve social and occupational integration.

Occupational Health and Safety

In occupational health and safety, fiscal year 2010 closed without any serious accidents. As a consequence of the action plan mapped out for 2010, the accident frequency index at the Group's companies in Spain was slashed by 43% from its 2009 level. Also, a 34% improvement in the same index was achieved in the USA, and in Tunisia the index was brought down by 5.2%. Moreover, in this period AENOR's follow-up audits connected with OHSAS 18001 certification for all the cement factories in Spain plus Aripresa and Horprenor were completed successfully.

Uniland Cementera, S.A., had its Occupational Health and Safety System subjected to the audit required by law, with satisfactory results, and in Tunisia an occupational health and safety system pursuant to OHSAS 18001 was designed and introduced.

Information Systems and Technologies

The most outstanding events of 2010 were the completion, on time and in budget, of the SAP Lemona project to integrate the companies belonging to the Lemona subgroup within the SAP platform; the completion of the Da Vinci Project, which meant outsourcing the activities and human and physical resources linked to IT management throughout the Group; and the creation of the Strategic Plan on Information Systems for the 2010-2012 period, which was approved by the Steering Committee in March 2010.

SHARE BEHAVIOUR ON THE CONTINUOUS MARKET

During 2010 shares in Cementos Portland Valderrivas, S.A., did not miss a single day of trading on the continuous market. The overall share capital moved in trading was 17.28% (more than 6.55 million shares). At the close of the year, the outstanding share capital came to nearly 38 million shares (37,930,733, to be exact) after the capital increase the company performed in the last two months of 2009. FCC's control portfolio held 69.72% of the outstanding shares in Cementos Portland Valderrivas, S.A., at the end of fiscal year 2010.

ACCIDENT FREQUENCY
INDEX REDUCED BY
43%



CEMENT



Trading hit its high on 8 January at 23.84 euro, while the low of 11.26 euro occurred in the session of 26 July. At the close of 2010, Portland shares stood at 12.15 euro, making the market capitalization nearly 460.5 million euro. The Madrid Stock Market General Index (IGBM) also took quite a hit in 2010, since the 1,262.36 points with which it began the first session of the year had fallen to 1,003.73 by the last session.

Results

The drop in cement consumption by the Spanish and US markets meant a reduction in the Cementos Portland Valderrivas Group's turnover, which was down 14.4% from 2009 to 886.7 million euro. This figure included business done in Argentina and Uruguay up to 31 October 2009.

In this environment of crippling crisis for the sector as a whole, the pro-saving policy launched by the Cementos Portland Valderrivas Group in 2009 with its Plan 100 was continued last year under Plan 100+.

The gross operating result, which was 219.7 million euro, experienced a 24% decline from 2009, while the

operating margin was 24.8% of the turnover, as opposed to 27.9% a year before. This slimmer margin was due to the increase in production costs, the revaluation of the euro and the way prices developed. Nevertheless, operating costs were reduced considerably, due to the launching of the new savings plan mapped out for 2010. The plan is a continuation of the strategy designed for 2009 and has worked to offset in part the reduction of demand in the areas where the Group does business. The earnings of continuing operations before taxes were 2.8 million euro, and the year's net result attributable to the controlling company amounted to 1.2 million euro, 95% less than in 2009.

The Group's total assets, worth 3,745.2 million euro, showed a minor (3.2%) downturn from 2009 due to amortisation and depreciation. Tangible fixed assets were down slightly, and permanent financial investments held steady at practically the same level as before. Cash, which rose last year because of the share increase in November and December 2009 and the sale of assets mentioned above, crept down by just 5.9%. Also, a real effort was made at trimming stocks and receivables, which experienced a joint year-on-year reduction of 12%. Equity rose from 1,455.6 million euro to 1,472.1 million

CEMENT

euro. Payables to financial institutions were reduced in 2010 by 150.2 million euro, as opposed to a reduction of 167.9 million euro in 2009.

Under the agreed-on policy concerning the reorganization of the Cementos Portland Valderrivas Group's international assets, the Board of Directors held a meeting in late December 2010, when it approved the sale of the Giant Cement Holding Inc. Group to a company organized in the USA, Uniland Acquisition Corporation, a wholly owned investee of Uniland International B.V. (which belongs in turn entirely to the Corporación Uniland Group), for 700 million dollars, company value.

The point of this sale was to consolidate the Uniland Group as the instrument for the internationalization of the activities of the Cemento Portland Valderrivas Group, through its Dutch subsidiary Uniland International B.V.

This transaction took place within the corporate group and therefore involved no increase or decrease of equity. The objective was to bring all the assets doing business abroad together into a single international company.





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ENERGY

ENERGY



ENERGY



Wind farm at Conjuro, Granada

ANALYSIS OF THE SECTOR

In 2010 the domestic demand for electricity grew by 3% to 275 TWh. In so doing it returned to the path of growth after 2009's thitherto unprecedented decline in consumption.

Taken by technologies, growth was best in the hydraulic technologies, +59%, followed by solar at +21%, wind at +18% and nuclear at +17%. These performances contrast with the decline in conventional power plants powered by coal, -30%, and conventional combined-cycle plants, -17%.

Technology	Twh	% 10/09	Structure
Hydraulic	38.0	59.3%	14%
Nuclear	61.9	17.4%	23%
Coal	25.9	-30.7%	9%
Fuel gas	9.6	-4.3%	3%
Combined cycle	68.8	-16.3%	25%
Ordinary Procedure	204.2	-1.0%	74%
Energy consumed in energy generation	-7.6	-5.6%	-3%
Special Procedure	91.5	12.8%	33%
Wind	43.0	18.3%	16%
Solar	7.3	21.0%	3%
Other Special Procedure sources	41.2	6.4%	15%
Net Generation	288.2	3.2%	105%
- Energy consumed in pumping	-4.4	18.8%	-2%
+ International exchanges	-8.5	4.8%	-3%
Demand metered at power station busbars	275.3	3.0%	100%

* The Special Procedure for electrical energy production is one that, in addition to the ordinary regime, is applied in Spain to the disposal of electric energy distribution networks and transport from the waste, biomass, hydro, wind, solar and cogeneration.

** The price of wholesale energy market, which changes every hour, with the result of matching offers to sell electricity producers and market demand.

It is important to point out that the Special Procedure* accounted for 33% of the demand. Special Procedure sources experienced serious growth, propelled especially by wind power. In addition, the growth in hydraulic and nuclear power generation caused CO₂ emissions to come down by 20% to 56 million tons, a figure similar to that of emissions 20 years ago.

The average pool** price was €37/MWh, very similar to the price in 2009 and much lower than the price in 2008.

Year	€/MWh
2008	64.43
2009	36.96
2010	37.01

The Special Procedure received 7,016 million euro in premiums, which was 15% more than in 2009. Eighty-four percent of the premiums went to the photovoltaic (37%), wind (28%) and CHP (19%) technologies.

From the regulatory viewpoint, the Special Procedure underwent some major changes. Certain technical measures were introduced, aimed at facilitating renewable energy sources' integration into the power system, and economic measures were taken, aimed at controlling the volume of premiums. One of the foremost of the technical measures required photovoltaic facilities to be adjusted to handle voltage dips and made it mandatory to sign up with a control centre. The scheme of incentives for controlling reactive energy (for all technologies) was also modified. The economic measures consisted in reducing premiums for a transitional period (lasting two to three years, depending on the technology) and setting a maximum number of equivalent hours per year that can earn premiums. These economic measures are complemented by the launching of the Preassignment Registry in 2009, a mechanism for controlling and planning the authorization of new facilities.

ENERGY

The Spanish wind sector grew by 8% to an installed production capacity of 20,500 MW, which meant 1,516 new MW had been hooked up to the grid. In absolute terms, this growth is slower than the average of 2,000 new MW per year reached in the period from 2004 to 2009.

Although the wind sector has also experienced a certain loss of momentum in the rest of the world, its rate of growth continued to be quite considerable; it grew by 22% in 2010, bringing the total to 194 GW. According to data released by the Global Wind Energy Council, this involved 47,300 million in investments. For the first time ever, more than half the new production capacity was installed in emerging markets, especially China, whose installation of 16 new GW placed it ahead of all other countries in the world; China now has 42 GW in operation. China has also become the biggest manufacturer of wind power equipment. Other countries, such as India, Brazil and Mexico, also showed above-average growth. Nine GW were installed in Europe, bringing the European pool to 84 GW. The greatest growth in Europe was, interestingly, in marine wind energy, led by the United Kingdom, Denmark and Belgium.

The Spanish photovoltaic sector has been bogged down for the last two years, after the end of the "photovoltaic boom" of 2007 and 2008, when, according to the Spanish National Energy Commission, close to 41,500 facilities (3,267 MW in generating capacity) were connected. Most of those facilities were commissioned before September 2008, because payment went down considerably as of that date.

In 2010 2,019 photovoltaic facilities were connected to the grid, generating 135 MW. Both figures were far below those registered in previous periods.

Growth in the worldwide photovoltaic sector, however, gathered speed. Thirteen new GW were commissioned, making a total installed generating capacity of 35 GW

scattered among some two million facilities, according to European Photovoltaic Industry Association figures. The great versatility of this type of facility in terms of location (mounting on buildings or on the ground), their size and the availability of sunlight explain why the photovoltaic sector, unlike the wind and solar thermal sectors, is so widely scattered instead of being more concentrated.

The Spanish solar thermal sector grew sharply to an installed capacity of 732 MW. In 2010 nine 50-MW plants were hooked up to the grid, with a total capacity of 450 MW. According to the facilities registered in the Preassignment Registry, over the next three years some 38 additional plants are anticipated to be hooked up to the grid, with 1,760 MW, which will bump the total to about 2,500 MW in operation by the end of 2013.

In the rest of the world too the solar thermal sector is developing nicely, although more sedately. In the USA the installed capacity is on the order of 380 MW distributed into 17 plants, and a large number of projects are just waiting for the implementation of an energy policy that will enable them to be rolled out. The US electric energy sector law was repealed by the current administration, and the issue of renewable energy continues to be legislated at the state level. There is no common policy for the entire country, except for some tax-related advantages. Other countries, such as Algeria, Australia, China, Egypt, Mexico, Morocco and the Arab Emirates, are building or have recently hooked up solar thermal plants.

IN 2010 THE DOMESTIC
DEMAND FOR ELECTRICITY
GREW BY 3% TO
275 TWh



Wind farm at Monte Seixo and the Cando Mountains

ENERGY

From the planning standpoint, 2010 meant the end of the cycle defined in Spanish Royal Decree 661/2007 and in the 2005-2010 Renewable Energy Plan. The established objectives were reached by wind technology (100%), photovoltaic technology (285%) and solar thermal technology (150%). The rest of the technologies failed to reach their expected objectives; their compliance ranged between 50% and 75% of their targets.

The year 2011 is the first in a new planning cycle for both Spain and Europe. A new royal decree on renewable energy is expected to be published, to replace Royal Decree 661/2007, reflect the changes that have happened over the last few years and set fresh objectives. Moreover, the EU member states fulfilled their obligation under Directive 2009/28/EC to draw up a renewable energy plan in order to reach European objectives for 2020 (20% renewable energy, 20% energy saving, 20% emissions reduction). According to the recently submitted plans, all countries are going to be meeting the stated objectives.

FCC ENERGÍA

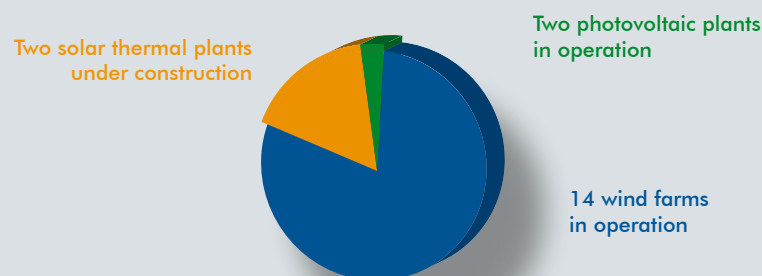
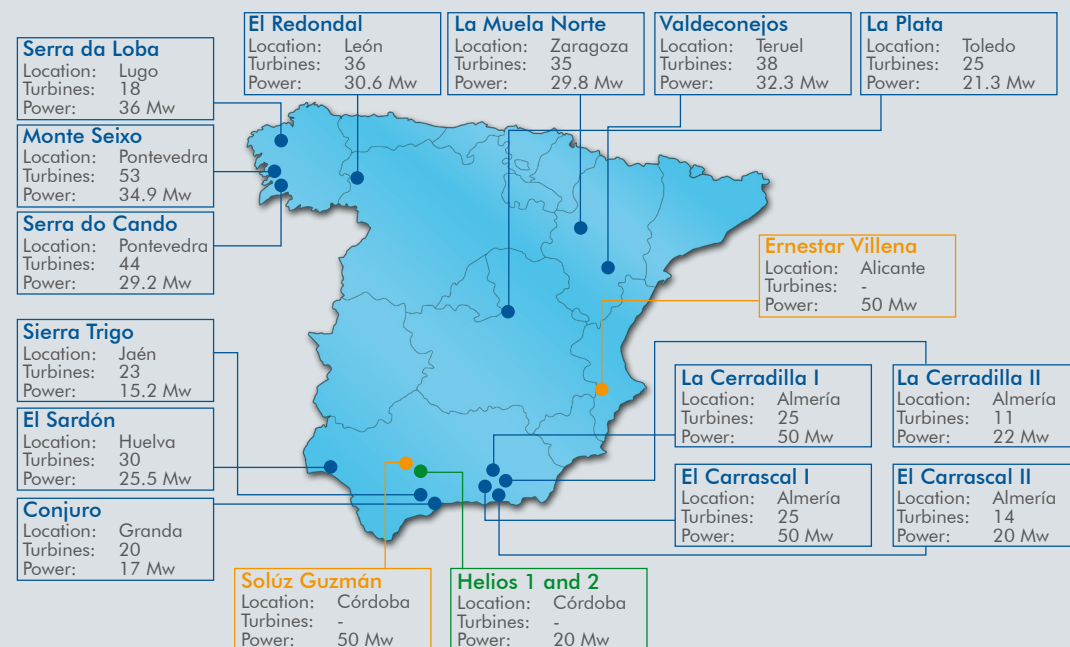
Our world sees using renewable sources to produce electricity as something we need to do, as well as one of the most environmentally friendly courses we can choose. Renewable technologies do not leave any residue behind, and their use considerably reduces the amount of gas emissions given off into our atmosphere by burning fossil fuels.

By generating electricity from renewable power sources, FCC Energía avoided the emission of 489,602.8 tons of CO₂ in 2010 and supplied 211,554 Spanish homes with power.

FCC Energía's turnover was 86.3 million euro, and its EBITDA was 65.5 million euro.

In 2010 FCC Energía produced 918,884 MWh of wind and photovoltaic energy.

Breakdown of assets by geographical area



ENERGY

ACTIVITIES IN PHOTOVOLTAIC POWER

FCC's Energy Division is the owner of two photovoltaic facilities located in the province of Córdoba. Each has the capacity to produce 10 MW. These facilities have been operating and outputting energy since September 2008.

Production for 2010 came to 31,819 MWh, and turnover was 13,853,400 euro.

ACTIVITIES IN WIND POWER

FCC Energía has 14 wind farms with a total capacity of 422 MW. These farms are scattered over 10 Spanish provinces.

Wind production in 2010 came to 887,065 MWh, and turnover was 72,452,000 euro.

WIND POWER TENDERS

During 2010 FCC Energía participated in calls for wind power tenders put out by the autonomous communities of Galicia, Catalonia and Aragon.

1. GALICIA

In July 2010 FCC Energía tendered a bid for the assignment of 2,325 MW of capacity in the form of new wind farms in Galicia. The Energy Division of the Citizen Service Group participated in the tender through SIGENERA, S.L., a company in which FCC holds a 50% interest. FCC's partner in SIGENERA, S.L., is INVERAVANTE.

The bid requested the assignment of a total of 306 MW. Two separate requests were submitted, each for 153 MW, at the 2010 government call for tenders for the selection of new wind farms in Galicia.

In December 2010 notice was received from the regional government of Galicia stating that the Pico Cedeira plan had been included among the selected draft wind farm

plans. This project, situated in the towns of Pico Cedeira and Laracha, calls for 16 three-MW wind generators, making the wind farm's total generating capacity 48 MW. During 2011 applications for the pertinent regional permits and authorizations will be prepared and submitted.

2. CATALONIA

In June 2010 a government call went out for tenders for authorizations to install wind farms in the Autonomous Community of Catalonia's priority development zones. The winners were to be awarded a maximum of 769 MW, divided into seven priority development zones for which wind farm designs could be submitted. FCC Energía, through its subsidiary FCC Energía Catalunya, S.L., submitted applications for four of the seven zones.

In December 2010 the final award decision came through, giving FCC Energía Catalunya, S.L., the three projects for priority development zone VIII (Anoia and Segarra).

3. ARAGON

FCC Energía submitted wind farm applications in three of the calls for tenders that went out in 2010 in the Autonomous Community of Aragon, for zones C, D and E.

ACTIVITIES IN SOLAR THERMAL POWER

In 2010 construction got under way on the 50-MW Guzmán solar thermal plant in Palma del Río, Córdoba. For this solar thermal project, FCC allied itself with Mitsui, a Japanese corporation, which acquired 30% of the project. Guzmán will have to be up, running and outputting energy into the grid by December 2012.

In June 2009 FCC Energía acquired 67% of ENERSTAR VILLENA, a company in the business of building and operating a 49.9-MW solar thermal plant in Villena, Alicante. FCC's taking an interest in the company made it possible to sign the contracts to buy and rent the land



Photovoltaic farm in Córdoba

where the plant will be raised. The land negotiations were closed in March 2010.

Plant construction is scheduled to begin in April 2011. In December 2013 the plant must be outputting energy into the grid.

ACTIVITY IN ENERGY EFFICIENCY

FCC has created Efiteck Energía for business activities concerning energy saving and energy efficiency. The new company lays particular emphasis on fostering electric mobility, generating renewable energy and producing RDI designs for power generation, power storage and sustainable building.



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REAL ESTATE

REAL ESTATE



REAL ESTATE



FCC and Caja Madrid created the REALIA Group in 2000 by merging their property and real estate development assets into a single firm. Since its creation, this real estate investee has been devoted to developing, managing and operating all kinds of immovable property, including office buildings, shopping centres, residential buildings and land.

Property

REALIA's strategic approach is based on lending additional weight to its property assets and reducing its exposure to residential activity. Realia has office buildings in Spain and France, mostly at strategic points of the main Spanish and Parisian business districts. It also has shopping centres in Spain, situated in areas of urban growth.

Property makes up 67% of REALIA's assets by value. These assets have a total area of 654,484 m², of which 571,362 m² are operational and 83,122 m² are under development. Additionally, REALIA holds 123,809 m² of buildable area in land reserves.

Offices in Spain

REALIA has a total leasable area of 232,698 m² of office buildings in operation in Spain, mostly in the prime zones of business districts. Its office buildings in Spain include Torre Realia (home of the group's corporate offices) and the Los Cubos building, both of which are fine exponents of Madrid architecture, and Torre Realia BCN in Barcelona.



Porta Fira Hotel, Barcelona

Barcelona is home to Torre Realia BCN, the work of Japanese architect Toyo Ito. The building was inaugurated in July 2009 and has a total leasable area of 31,959 m². It stands 117 metres tall and has 24 storeys, 22 of which are for lease, while the other two house the building's plant. The interior design is very special, because there are floors offering 1,350 m² of space free of pre-built inner partitions, thus making it easier for tenants to distribute areas as they see fit.

SIIC de Paris

REALIA's French subsidiary has added two new buildings to its office portfolio, Coface and Les Miroirs, which together have 50,793 m² of leasable area. The two new assets were contributed by Société Foncière Lyonnaise (SFL) in an increase of SIIC de Paris's capital, in which SFL took 29.99% of the capital. This transaction enables REALIA's property subsidiary to comply with French tax legislation on listed property investment companies and strengthen its commitment to property.

REALIA took control of SIIC de Paris, a property management company that is listed on the Paris stock market, in May 2006. On 27 December 2010 SIIC de Paris approved a capital increase that enabled Realia to reduce its holding to 59.73%, while SFL (a subsidiary of the Colonial real estate company) came into the mix as second-biggest shareholder.

These assets were incorporated without adding any debt to the company, which in fact enables the LTV (loan to value) indebtedness ratio to be reduced by 9.2 points from 43.5% to 34.3%.

REAL ESTATE

Furthermore, SIIC de Paris rented out the Trait d'Union building immediately after its construction was complete. Trait d'Union has an area of 14,850 m², and the entire building has been rented to the Mondadori publishing group for nine years.

After SFL's contribution of its two buildings, SIIC de Paris has in its list of assets 36 buildings in operation and two buildings in the process of being refurbished. Most of them are located in Paris's prime zones. Their total area comes to 193,188 m².



Coface Building, Paris

Some of the more significant buildings belonging to the SIIC de Paris Group are situated at 85-89 Quai André Citroën, 61-63 rue de Belles Feuilles and 142 Boulevard Haussmann.

Shopping Centres

REALIA operates a leasable gross area of 133,184 m² in shopping centres at excellent locations, with a good mix of operators including the leading fashion, home, food and leisure firms.

REALIA's portfolio includes such significant shopping centres as Plaza Nueva de Leganés, opened in 2009; Ferial Plaza Guadalajara; La Noria Murcia Outlet Shopping, specializing in top-brand outlet products since 2008; and La Vaguada and Jardín de Serrano in Madrid.

Residential

REALIA kicked off five new property developments, in Madrid, Valencia, Valladolid and Sevilla.

The point to this strategy is to pave the way for a successful return to business once the crisis is over and the sector wakes back up, prepare a product suited to the market's new needs and make the land portfolio perform in the form of new property developments.

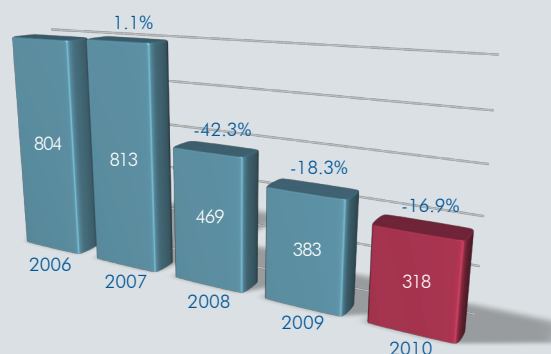
REALIA delivered a total of 447 homes and closed the fiscal year with a stock of 730 finished units.



La Noria Murcia Outlet Shopping

REAL ESTATE

Total revenue
Million euro



Strategy

Since 2006 REALIA has been following a strategy based on strengthening its assets and increasing their weight in terms of GAV (market value) in preference to property development. Always, however, REALIA has seen its own company development as secondary to its tenants' development and its own indebtedness control.

Under its traditional asset rotation policy, REALIA sold the Diagonal 640 office building in Barcelona to the German investment fund Deka Immobilien Cristalia, S.L.U., for 145 million euro, with 26.5 million in capital gains.

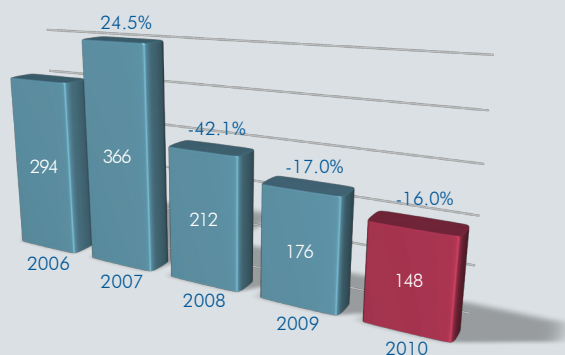
This transaction fell within the strategy on investment and rotation of suitably mature assets envisioned in the REALIA Group's Business Plan.

Diagonal 640 is a nine-storey building with a leasable area of 28,500 m².

In property development, REALIA continues adjusting its supply to the market circumstances, with the objective of responding to the new needs of the demand and finding an outlet for stock at attractive prices, yet without undermining the company's solidity. In line with this strategy, the average discount REALIA applied to residential sales during 2010 was 22.8%.

At the same time, in order to boost the value of its assets and put new units up for sale for the next few fiscal years, REALIA continues managing land with the right location and potential demand to constitute the raw materials for the next step in the development business.

Ebitda



Hato Verde, Guillena (Sevilla)

Results

The economic crisis is affecting all sectors of the economy, particularly real estate. Even so, REALIA closed fiscal year 2010 with a healthy balance sheet, controlled indebtedness and operating profits.

In 2010 the Group's revenues came to 317.5 million euro, 17% less than the fiscal year before. Property development earned 103 million euro, while assets brought in 199 million. Business in land again yielded income for the Group, to the tune of nine million euro, and the remainder of the revenues came from other sources.

At the close of the fiscal year, the controlling company had racked up a net result of 1.1 million euro.

REAL ESTATE



Los Altos de Campo Real (Madrid)

Furthermore, despite the lower valuation of its assets, REALIA still holds on its balance sheet 1,100 million euro in latent gross capital gains. This is due to Realia's traditional rule of prudent accounting, which mandates listing assets on the books at their historical cost.

Also because of its prudent outlook, REALIA holds its net financial debt under control; at the close of 2010, net financial debt was 2,126.7 million euro, which makes for an indebtedness ratio, in terms of loan to value (LTV), of 48%. Of this debt, more than 94% matures between 2012 and 2017.



TORRE PICASSO

Torre Picasso

Torre Picasso is wholly owned by FCC. With its area of 121,000 m², it is one of Madrid's landmark buildings. It was conceived on the basis of the most advanced technologies, making it one of the most comfortable, effective, safe, intelligent buildings in Europe.

Torre Picasso is committed to sustainable development, and it upholds its environmental commitment through strict compliance with legislation in all its realms of operation. As a result, it has earned Environmental Management System Certification under UNE-EN ISO 14001.

Occupation in 2010 was practically 100%.

Torre Picasso remains immersed in the process of renovating and improving its existing facilities and introducing new services for its clients' comfort.

Its objective is to take on environmental responsibility commitments voluntarily and to encourage initiatives that foster a clear reduction in negative environmental impact and an increase in wellbeing for the population at large.

In 2010 Torre Picasso became the first high-rise office building in Madrid to outfit parking spaces with battery-recharging stations for electrical vehicles. Providing facilities for electric cars is one of the environmental commitments Torre Picasso has gladly taken on, and it will install charging stations throughout the rest of its car park as the demand rises.

