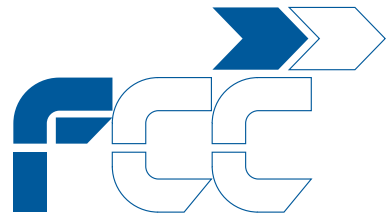


ANUAL REPORT



FOMENTO DE
CONSTRUCCIONES Y
CONTRATAS, S.A.

ANNUAL REPORT
2001



Summary



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Dear Shareholders,

2001 was an excellent year for the FCC Group, achieving one of the highest rates of growth in recent years. The **consolidated turnover** was 5.2 billion euros, a growth of more than 15.8% over the year before, while the portfolio of outstanding construction work and services hit a record high of 13,656 million euros. The **dominant company's** net profit was 241 million euros, an increase of approximately 12%.

This notable progress in both the Group's size and profitability is in keeping with the **strategic lines** of action discussed at previous General Meetings of Shareholders which focus on strengthening the Group's three basic activity sectors - services, construction and cement - through internal growth and acquisitions.

- With regard to **services**, the turnover figure increased contracts in excess of 2.7 billion euros were awarded. At the end of the fiscal year, the portfolio of pending contracts amounted to a total of 10.5 billion euros, which is equivalent to 6 years of turnover and constitutes a milestone in the Group's one hundred year history. This favorable evolution was possible thanks to the dynamism of the city maintenance and water management sub sectors, in addition to notable urban furniture contract awards abroad and the purchase of companies operating in the field of industrial waste processing and elimination, passenger transport and airport handling.
- Activity in the **construction** sector was equally positive, with an annual growth rate of 16.6%, thanks primarily to the excellent situation of the construction market in Spain, partially owing to the demand created by the execution of the 2000-2007 Infrastructure Plan. At the end of the fiscal year, the construction portfolio was approximately 3 billion euros.
- The companies of the Group that operate in the **cement** sector increased their turnover by 19.8%, driven by demand level in our own country and in North America. This enabled us to further diversify our cement activity geographically to the point where 33% of sales last year came from markets outside of Spain.

The agenda contains an item dealing with the proposed merger and absorption of Portland Valderrivas S.A. by FCC which will be submitted to the General Meeting of Shareholders for its consideration and approval. This operation, if it goes through, will achieve two objectives: it will simplify the structure of the companies operating in the cement sector and enable our company to have a greater direct economic stake in this activity.

Along with the three strategic sectors mentioned above, we have **financial interests** in other companies operating in different fields. These investments are maintained as part of our assets on the basis of their appropriateness and optimization of the value of the investment. In this regard, it should be noted that during the last fiscal year the company decided to sell off its interest in Inversiones y Estudios Financieros S.A. (Safei). This operation, once complete, will bring in a windfall profit of 72 million euros.

Under the heading of results, the **operating profits (Ebitda)** were 704 million euros, an increase of 12.4% over the year before, while the **profits from ordinary activities** were 434 million euros, an increase of 10.8%. The percentages of these magnitudes with respect to the consolidated turnover figure are very significant, representing 13.6% and 8.4% of the consolidated net turnover, respectively.

The increase in overall results enabled us to increase the **net profits of the dominant company**, which rose by 187% over the last four years. In 2001, the dominant company had net profits of 241 million euros.

In keeping with the Board of Directors' intention to progressively increase the **dividend** per share based on the evolution of the after-tax profit from ordinary activities, a proposal will be presented to the General Meeting of Shareholders to pay a gross dividend of 0.52 euros per share, which represents an 11% increase over the year before and a 300% increase compared to four years ago.

One of the variables with the most significant effect on the country's future development is its capacity to **invest** in the renovation and updating of its production equipment in order to improve its efficiency and competitiveness, and its ability to invest in the share capital of other companies in order to broaden its scope of action. Our Group has been particularly active in this area, as witnessed by the fact that over the last four fiscal years we have invested more than 2.6 billion euros, including 556 million during the last fiscal year.

This significant investment activity was possible without placing a strain on our financial structure thanks to the **cash flow** generated each year as a result of the profits earned and the criteria of prudence applied to fixed asset depreciation and the provisions made for possible future contingencies. All of this is reflected in the 506 million euros of cash flow earned in 2001, which enabled us to finance more than 90% of our investments using our own resources.

One of the indices which highlights the Group's vigor and expansion is manifested in the increase in the **number of employees** working in the Group's different activity lines. At the end of the fiscal year, the Group had 51,996 employees, an increase of 1,954 jobs over the year before and a total increase of 15,332 jobs over the last four years. Employee training is one of our priorities, since we are firmly convinced that our people are our best asset and that their collaboration is essential to keeping this a dynamic and efficient company.

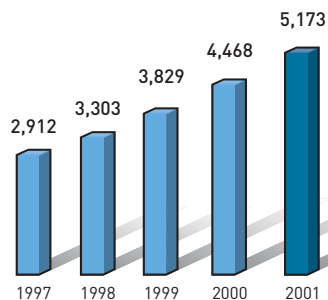
Before concluding, I would like to acknowledge and thank, on behalf of the Board of Directors, our shareholders for their constant support, our employees for their professionalism and dedication and our clients for placing their trust in us, encouraging us to continually set new and more challenging goals for ourselves.

Marcelino Oreja Aguirre
Chairman of the Board of Directors

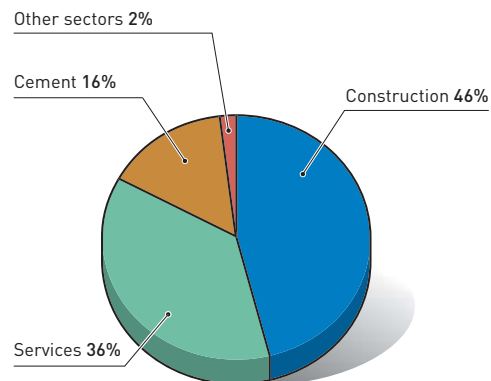
The FCC Group in Figures: Consolidated Data

Turnover

(Millions of euros)

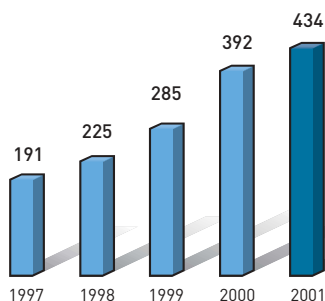


Distribution by Activity



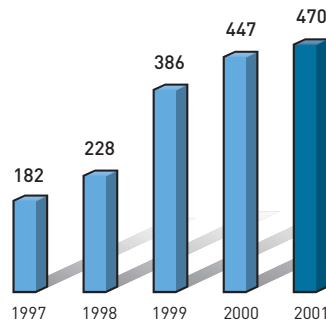
Profits from Ordinary Activities

(Millions of euros)



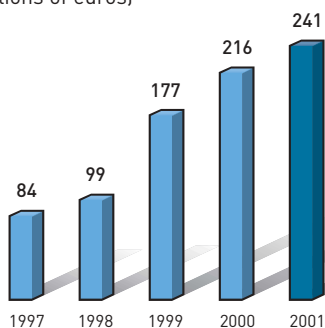
Before-tax profits

(Millions of euros)



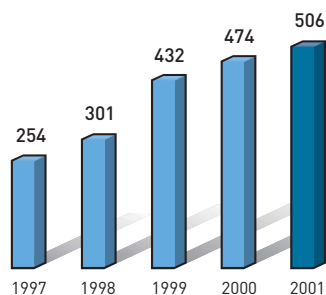
Net profit of the controlling company

(Millions of euros)



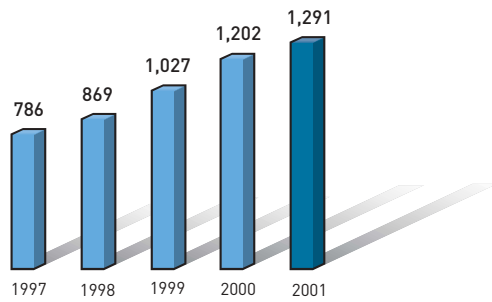
Cash flow

(Millions of euros)



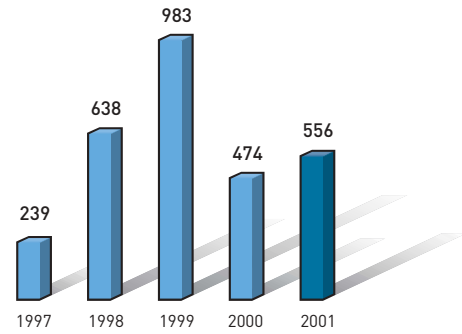
Shareholder Equity

(Millions of euros)



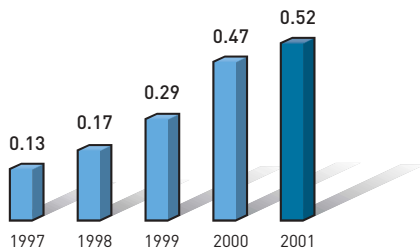
Investments

(Millions of euros)



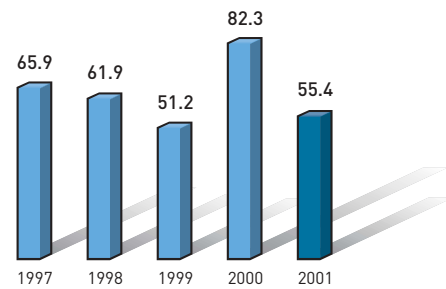
Dividend plus premium

(Euros)



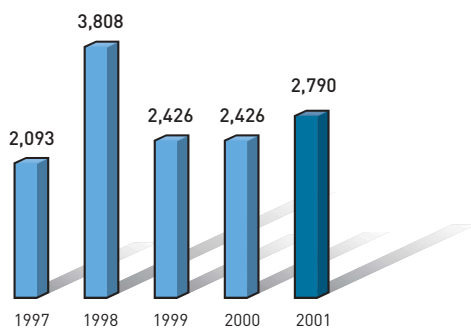
Shares traded

(Millions)



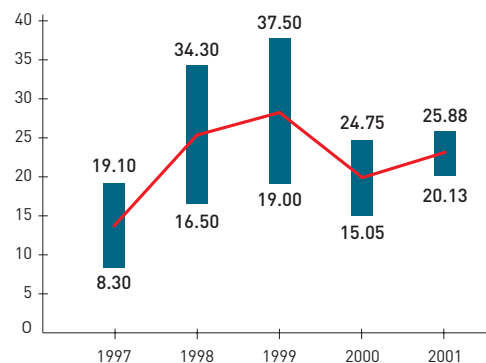
Stock capitalization (as of 31 december)

(Millions of euros)



Maximum, Minimum and Average Share Values

(Euros)





Services

The activities in this sector are handled by FCC Medio Ambiente, S.A. and FCC Agua y Entorno Urbano, S.A., with the exception of logistics and tourism, which are channeled through Grucysa, S.A. and its affiliates.

The service contracts pending execution at the end of the year were valued at 10,459 million euros, a 14.8% increase over the year and enough to cover six years of billing.

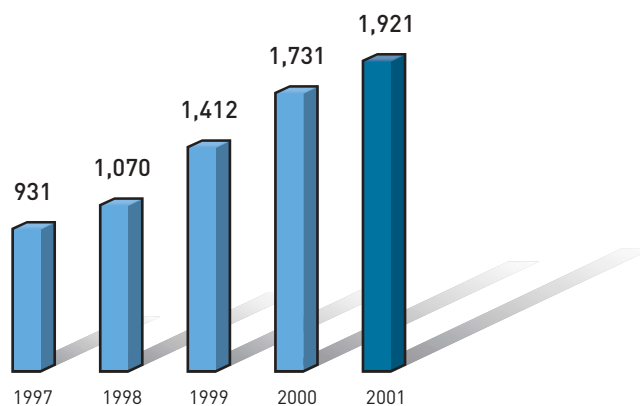
In Latin America, city maintenance and water management activities are handled by Proactiva de Medio Ambiente, S.A., a company owned in equal parts by FCC and Vivendi Environnement, S.A.



Street cleaning in Madrid.

Turnover

(Millions of euros)



Trash collection using side-loading garbage trucks. Bilbao.

In Spain, the FCC Group's city maintenance activities are carried out by the parent company and the following affiliates and associated companies:

- FCC Medio Ambiente, S.A.
- Alfonso Benítez, S.A.
- Castellana de Servicios, S.A.
- Clavegueram de Barcelona, S.A.
- Compañia Catalana de Servicios, S.A.
- Ecoparc del Besòs, S.A.
- Empresa Comarcal de Serveis Mediambientals del Baix Penedès ECOBP, S.L.
- Empresa Mixta de Medio Ambiente del Rincón de la Victoria, S.A.
- Fisersa Manteniment Urbà, S.A.
- Gestión Integral de Residuos Sólidos, S.A.
- Jaume Oró, S.L.
- Limpieza e Higiene de Cartagena, S.A.
- Limpiezas Urbanas de Mallorca, S.A.
- Municipal de Serveis, S.A.
- Onix Gibraltar Ltd.
- Recollida i Neteja Oró - Vila, S.L.
- Saneamiento y Servicios, S.A.
- Serveis d'Escombraries i Neteja, S.A.
- Servicios de Levante, S.A.
- Servicios de Limpieza Integral de Málaga III, S.A.
- Servicios Especiales de Limpieza, S.A. (Selsa)
- Tratamiento Industrial de Residuos del Mediterráneo, S.A.
- Tratamiento Industrial de Residuos Sólidos, S.A.
- Valorización y Tratamiento de Residuos, S.A.
- Zabalgardi, S.A.



Trash collection using dual-compartment side-loading garbage trucks. Barcelona

City Maintenance

This chapter comprises such services as the collection and treatment of solid urban waste, street cleaning, sewer cleaning and related activities.

These services are provided to more than 43.5 million inhabitants in 1,700 municipalities in 12 countries.

During the last fiscal year, 174 new contracts were awarded for a total value of 1.4 billion euros.

The most noteworthy among them were:

- **Madrid.** Street cleaning in the Retiro district for the next ten years. As of the end of 2001, FCC rendered the same services to six other districts in the capital.
- **Madrid.** Conservation and maintenance of public gardens covering a total of 400 hectares in Carabanchel, Usera and Villaverde.
- **Madrid.** Cleaning of the Puerta de Atocha train station in Madrid. In addition to being the departing point for the high speed AVE train, the part that was formerly the Atocha station has been converted into a botanical garden.
- **Juan Carlos I Fairground (Ifema), Madrid.** This contract involves the cleaning of 93,000 square meters of covered pavilions, common areas, roads, parking areas, central shopping area and a new convention center and auditorium located at the north entrance.



Waste incinerator in Son Reus (Palma de Mallorca).

- **Málaga.** Street cleaning, collection, treatment and elimination of solid urban waste for sixteen years. The contract is handled under an arrangement in which a 49% stake is controlled by the City of Málaga and 51% by a private company in which FCC is a majority shareholder. 284,000 tons of solid waste are collected and subsequently treated at a recycling plant.
- **Palma de Mallorca.** Eight-year extension of the urban waste management contract between the Mallorca city council and the company Tratamiento Industrial de Residuos del Mediterráneo, S.A. The contract includes the construction and operation of new facilities.
- **Ceuta.** Operation of the urban waste transfer plant for a four-year term. The service includes managing the transfer plant itself and transporting the waste for treatment from Ceuta to the mainland.
- **Melilla.** Street cleaning and urban waste collection for ten years. The contract includes beach cleaning.
- **Segovia.** Operation of the treatment plant, transfer plants and solid urban waste landfill for the entire province for a ten-year period which may be extended for another ten years.
- **Bogotá (Colombia).** Five-year extension of the contract for the management of the Doña Juana controlled landfill with a treatment capacity of 5,000 tons per day. This is one of the world's largest dumping grounds. It serves a population of 8,500,000 people.

Affiliates and associated companies which handle the city maintenance business in Europe:

France:

- Française d'Assainissement et de Service, S.A. (Fassa).
- Idex Fassa Environnement, S.A.
- F C Environnement, S.A.S.
- Fassa Environnement, S.A.
- Société d'Exploitation et de Transports d'Ordures Industrielles et Ménageres, S.A. (Setoim)
- Sirr Basse Normandie, S.A.
- Via Environnement, S.A.

Portugal:

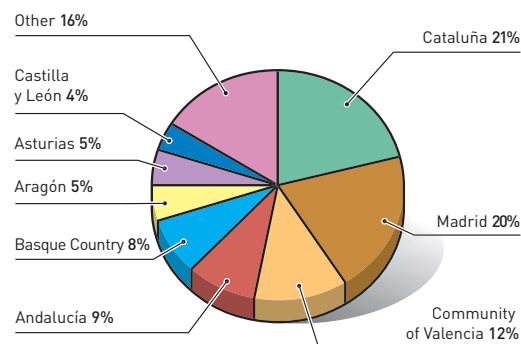
- Focsa Serviços de Portugal, S.A.

United Kingdom:

- Focsa Services (UK) Ltd.
- Beacon Waste Ltd.
- The Composting Company Ltd.
- Mercia Waste Management Ltd.
- Severn Waste Services Ltd.
- Telford & Wrekin Services Ltd.

Geographic Scope of Action

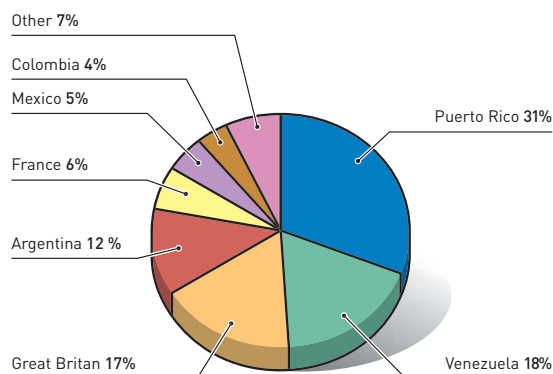
Contracts in Spain



Presentation of city maintenance vehicle fleet in Málaga.



Contracts abroad





Park and garden maintenance.

Companies associated with Proactiva Medio Ambiente, S.A. with contracts in Latin America.

Argentina:

- Aesa, Aseo y Ecología de Buenos Aires, S.A.
- Aeba, Ambiente y Ecología de Buenos Aires, S.A.
- Aesa Misiones, S.A.
- Aguas del Valle, S.A.
- Ces, Compañía Ecológica Sudamericana, S.A.
- Deltacom, S.A.
- Deltaliq, S.A.
- Lamcef, S.A.
- Solurban, S.A.

Brazil:

- Brumado, S.A.
- CGEA Brasil Participações, S.C.Ltda.
- Companhia de Saneamento de Paraná Ltda.
- Domino Holdings, S.A.
- Empresa General de Serviços S.C. Ltda.
- Intranscol, S.A. Colecta e Ramação de Resíduos Ltda.

Chile:

- Coinca, S.A.
- Compagnie Generale d'Entreprises Automobile Chile, S.A.
- Multiaseo, S.A.

Colombia:

- Aseo de Candelaria, S.A. E.S.P.
- Aseo de Pradera, S.A. E.S.P.
- Aseo El Cerrito, S.A. E.S.P.
- Aseo Yumbo, S.A. E.S.P.
- Bugueña de Aseo, S.A. E.S.P.
- Palmirana de Aseo, S.A. E.S.P.
- Proactiva de Servicios, S.A. E.S.P.
- Proactiva Doña Juana, S.A. E.S.P.
- Proactiva Oriente, S.A. E.S.P.
- Tulueña de Aseo, S.A. E.S.P.

Mexico:

- Cima Obras y Servicios, S.A. de C.V.
- Compañía General de Servicios Urbanos, S.A. de C.V.
- Consorcio Internacional de Medio Ambiente, S.A. de C.V.
- Consultoría de Servicios Operativos, S.A. de C.V.
- Mexicana de Medio Ambiente, S.A. de C.V.
- Servicios de Tecnología Ambiental, S.A. de C.V.

- **Santiago de Chile.** Twenty-two year contract for the management of the Santiago Poniente landfill for the larger Santiago de Chile metropolitan area, with an expected production rate of 2,000 tons per day.
- **Guadalupe (Mexico).** Five-year urban waste collection contract.
- **Avellaneda (Argentina).** Two-year renewal of the solid urban waste collection contract.
- **L'Hospitalet de Llobregat (Barcelona).** Collection of solid urban waste, street cleaning, and sewer cleaning for ten years.
- **Silao (Mexico).** Fifteen-year waste collection and treatment contract.
- **Santa Coloma de Gramanet (Barcelona).** Street cleaning and residential trash pick-up for ten years. The trash is collected using side and rear-loading vehicles.
- **Reus (Tarragona).** Street cleaning, garbage collection and management of the treatment plant for eight years.
- **Manresa (Barcelona).** Garbage collection and street cleaning for eight years. Side-loading vehicles with separate containers are used to collect the trash and organic matter all over the municipality. The organic matter is transported to the composting plant in Bages, which has the capacity to treat 16,000 tons per year and which FCC was also chosen to operate.
- **Rubí (Barcelona).** Garbage collection, street cleaning and operation of the waste treatment plant located in Rubí with a capacity of 25,000 tons per year. The term of the contract is eight years.

Street cleaning in Santa Coloma de Gramanet (Barcelona).





Sewer cleaning, Bilbao.

Dominican Republic:

- *Compañía de Limpieza y Embellecimiento, C.P.*
- *Dominicana Sanitary Service, B.V.*
- *FCC Servicios Santo Domingo, S.A.*

Venezuela:

- *Cotécnica Caracas C.A.*
- *Cotécnica Chacao C.A.*
- *Cotécnica La Bonanza C.A.*
- *Fospuca Baruta C.A.*
- *Fospuca C.A.*
- *Fospuca Carrizal C.A.*
- *Fospuca Guaicaipuro C.A.*
- *Fospuca Libertador C.A.*
- *Fospuca Maturín C.A.*
- *Fospuca Nueva Esparta C.A.*
- *Fospuca Zamora C.A.*
- *Inversiones Cotécnica C.A.*
- *Servicios Plasticot 405 C.A.*

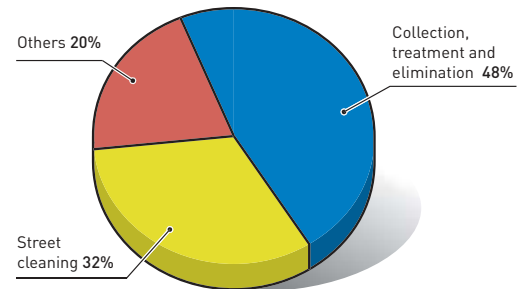
- **Montcada i Reixac (Barcelona).** Construction of the Ecoparc del Besòs waste treatment plant with an annual capacity of 315,000 tons. It is equipped to treat organic waste, yard waste and large household items. The Ecoparc comprises a series of processes designed to separate out the recyclable materials and to convert the organic matter into fertilizer and fuel for producing electricity.
- **Vinaròs (Castellón).** Street cleaning, garbage collection, cleaning and maintenance of gardens and beaches.
- **Salobreña (Granada).** Ten-year contract for the collection and transport of solid urban waste.
- **Port Aventura Amusement Park (Tarragona).** Cleaning of attractions, service areas and roads. In 2002, the park was visited by a total of 3,300,000 people.

Waste recycling plant. Valladolid.



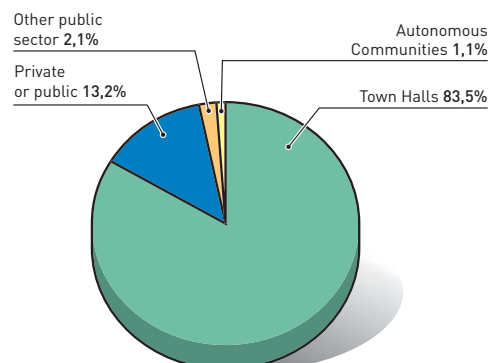
Breakdown by service type

Contracts in Spain



Customer type

Contracts in Spain



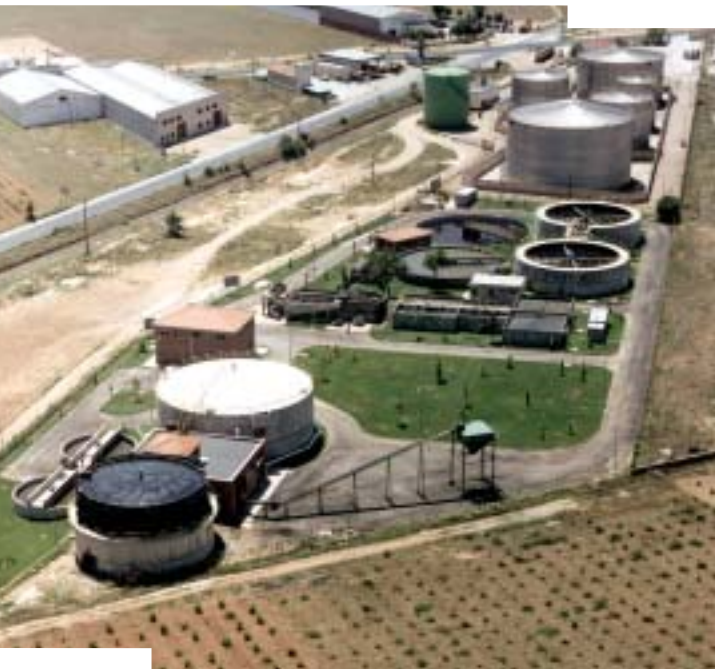
Water Management

This continued to be a busy sector last year, with turnover of 342.77 million euros, a 14% increase over the year before.

This growth was possible thanks to the company's efforts to obtain new contract awards valued at 530 million euros, bringing the contract portfolio to 4.337 million euros at the end of the year.

All of the subsidiaries operating in the water sector have been grouped under the **aqualia** name and work has started to implement the new corporate image in offices and on vehicles.

aqualia provides a population of more than 6,000,000 inhabitants with drinking water and serves 9,500,000 inhabitants in the area of wastewater treatment.



Wastewater treatment plant in Tomelloso (Ciudad Real).



Drinking water treatment plant in Talavera de la Reina (Toledo).

The contracts awarded during the last fiscal year were as follows:

Integral Water Treatment

- Écija (Sevilla): 25 years.
- Fuentes de Andalucía (Sevilla): 25 years.
- Monforte de Lemos (Lugo): 25 years.
- Peñaflor (Sevilla): 25 years.

Drinking Water

- Ciudad Rodrigo (Salamanca): Water Distribution (5 years).
- Corral de Almaguer (Toledo): Water Distribution (16 years).
- El Vendrell (Tarragona): Water Distribution (6 years).
- La Parra (Badajoz): Water Distribution (20 years).
- Las Torres de Cotillas (Murcia): Water Distribution (5 years).
- Lena (Asturias): Water Distribution and sewage (5 years).
- Lliria (Valencia): Water Distribution (25 years).
- Los Alcázares (Murcia): Water Distribution and sewer maintenance (20 years).
- Mancomunidad Nogales (Badajoz): Water Distribution (20 years).
- Morón de la Frontera (Sevilla): Water Distribution (20 years).
- Pueblonuevo del Guadiana (Badajoz): Water Distribution (5 years).
- Puerto Lumbreras (Murcia): Water Distribution and sewage (25 years).
- Rota (Cádiz): Water Distribution (5 years).
- Sant Antoni de Portmany (Balearic Islands): Water Distribution and sewage (15 years).
- Torre de Juan Abad (Ciudad Real): Water Distribution and sewage (10 years).
- Villamartín (Cádiz): Water Distribution and sewage (10 years).

Desalination

- **Blanes (Girona):** Construction, financing and operation of a seawater desalination plant from the delta of the Tordera river for the supply of drinking water for 15 years.

Water Treatment

- **Igualada (Barcelona):** Maintenance of water treatment system for 4 years.
- **La Línea de la Concepción (Cádiz):** Maintenance of sewer system and management of wastewater treatment plant, for 25 years.
- **La Solana (Ciudad Real):** Construction, maintenance and operation of wastewater treatment plant, for 8 years
- **Linares (Jaén):** Management of wastewater treatment plant, for 6 years.
- **Sabiñánigo (Huesca):** Operation, maintenance and conservation of a wastewater treatment plant, for 2 years.
- **Tarazona (Zaragoza)** Maintenance of a wastewater treatment plant, for 2 years.
- **Tomelloso (Ciudad Real):** Management of industrial water treatment service, for 5 years.
- **Villamartín (Cádiz):** Wastewater treatment, for 25 years.

Irrigation

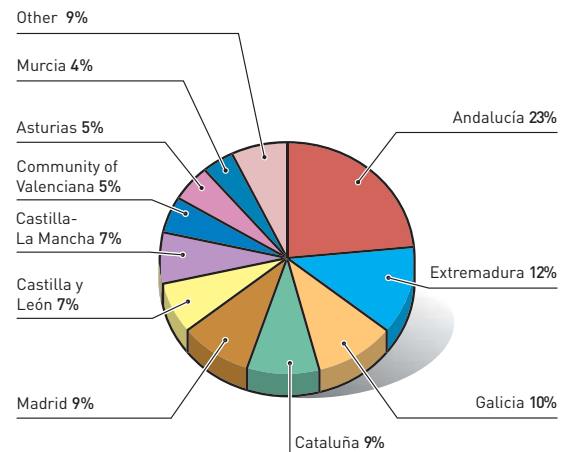
- **Córdoba:** Technical assistance for the Guadalquivir Irrigation Community.
- **Tarragona:** Improvements to the operation of the hydraulic infrastructure of the Ebro Irrigation Community Farmers' Union.
- **Tarragona:** Technical assistance for the Ebro Delta Irrigation Community.
- **Tomelloso (Ciudad Real):** Improvements to the irrigation system of the Los Auriles Irrigation Community.

Group companies operating in this sector:

- Seragua, S.A.
- Aguas Potables de Sant Feliu de Guíxols, S.A.
- Abastecimientos y Saneamientos Generales, S.L.
- Adobs Orgànics, S.L.
- Aigües de l'Alt Empordà, S.A. (Adamsa)
- Compañía de Usos y Recursos, S.A.
- Conservación de Infraestructuras Urbanas, S.A. (Coinusa)
- Prosein, S.A.
- Sociedad Mediterránea de Aguas, S.A.
- Sociedad de Explotación de Aguas Residuales, S.A. (Searsa)
- Sociedad Española de Aguas Filtradas, S.A.
- Sogesur, Sociedad de Gestión de Servicios Urbanos, S.A.
- Técnica de Depuración, S.A. (Tedes)
- Tratamiento Industrial de Aguas, S.A. (Trainasa)
- Viasa, S.A.

Geographic Scope of Action

Contracts in Spain



Seawater desalination plant. Adeje-Arona Tenerife.



Parking

The services falling under this heading include the management, operation, control and maintenance of regulated on-street parking and the construction, operation and management of underground parking as well as vehicle towing.

FCC manages approximately 99,000 regulated on-street parking spaces and 8,200 underground parking spaces in 86 cities.



Regulated on-street parking. Oviedo.



Underground parking in Granollers (Barcelona).

Group companies operating in this sector:

Spain:

- Estacionamientos y Servicios, S.A. (Eyssa).
- Aparcamientos Concertados, S.A. (Parcosa).
- Empresa Mixta de Tráfico de Gijón, S.A.
- Empresa Mixta de Tráfico, S.A. (Emitra).

Morocco:

- Casapark, S.A.R.L.
- Casapark Mouley Youssef, S.A.R.L.

The contracts awarded in 2001 affected the following municipalities:

On-street Parking Contracts

- Guadalajara: 6 years.
- Lleida: 15 years.
- Mataró (Barcelona): 5 years.
- Mollet del Vallés (Barcelona): 2 years.
- Rentería (Guipúzcoa): 4 years.
- Tortosa (Tarragona): 7 years.

Underground Parking Contracts

- Ciudad Real. Plaza de la Constitución: 254 spaces, 45 years.
- Erreñería (Guipúzcoa): Former municipal corn exchange, 41 space, 5 years.
- Gijón (Asturias). Paseo de Begoña: 416 spaces, 50 years.
- Igualada (Barcelona). Plaza de la Cruz: 282 spaces, 45 years.
- Mataró (Barcelona). Plaza de Granollers (216 spaces) and Plaza de Spain (221 spaces), 10 years.
- Pamplona. Plaza del Castillo: 800 spaces, 75 years.
- Salamanca. Avenida Reyes de Spain: 330 spaces, 50 years.
- Tudela (Navarra). Plaza de la Constitución: 116 spaces, 50 years.

Vehicle Removal and Towing Contracts

- Arrecife de Lanzarote: 4 years
- Lleida: 15 years
- Miranda de Ebro (Burgos): 2 years
- Mollet del Vallés (Barcelona): 2 years



Ground assistance for aircraft.
Las Palmas de Gran Canaria.

Airport Handling

Airport handling services were rendered to the passengers of different airlines throughout the check-in and boarding process. Aircraft and luggage transport services were also provided, as well as other services for aircraft and their crewmembers during their stay at the airport.

Group companies operating in this sector:

- Eurohandling UTE
- Iberhandling, S.A.
- Logística de Mercancías Aeroportuarias, S.L.

Contracts in Progress:

- Ground assistance for passengers and aircraft at the airports in Barcelona, Bilbao, Fuerteventura, Lanzarote, Las Palmas, Madrid, Málaga, Santiago de Compostela and Valencia.
- Merchandise handling at the Barcelona and Madrid airports.

17,370,000 passengers were served, an increase of 9% and 72,500 aircraft, a 13.5% increase over the previous year. 137,211 tons of cargo was handled, representing an extraordinary increase of 164%

The most noteworthy event in fiscal year 2001 was the acquisition of Logística de Mercancías Aeroportuarias, S.L., the cargo handling company for the Madrid and Barcelona airports, which handled 84,000 tons of cargo last year.





ITV.- Technical Vehicle Inspection

1,400,000 vehicles were inspected in the year 2001 at the 50 ITV stations operated by Group Companies in Spain and Argentina.

Operations commenced at a permanent station in Alcañiz (Teruel) and a mobile unit for inspecting farm vehicles in the Lower Aragón region, both contracts awarded by the Aragón regional government.

Emission controls were implemented for both diesel and gasoline-operated vehicles. These stations have boxes and special equipment for performing emission control tests.

A newly constructed station commenced operations in Valencia. This station is equipped with special equipment to control the toxic gases emitted by vehicles.

Group companies operating in this sector:

Spain:

- General de Servicios ITV, S.A.
- Aragonesa de Servicios ITV, S.A.
- ITV Insular, S.A.
- Valenciana de Servicios ITV, S.A.

Argentina:

- ITV Córdoba, S.A.
- ITV, S.A.
- VTV, S.A.
- Concesionaria Zone 5, S.A.
- Verauto La Plata, S.A.



ITV (vehicle inspection) in Coslada (Madrid).

Logistics

Logistical services are provided to auto companies, computer companies and consumer goods companies through operating centers located close to their clients, including the integral management of the components of a production chain.

The activity of Logística Navarra, S.A. was marked by the start-up of production of the new VW Polo model at the Volkswagen factory in Pamplona and the Opel Combo at the North American company's facilities in Portugal. A new building measuring 10,000 m² was built in Pamplona at the Volkswagen Supplier Park, which was inaugurated at the beginning of 2002.

Aitena, S.A. further consolidated its position of leadership in the rendering of logistical services to appliance companies, drugstores and perfumeries and the food sector from its facilities in Barcelona, the Canary Islands and Alovera (Guadalajara). At this last facility, located next to the Madrid-Barcelona highway about 30 km from the Barajas airport, the company has 70,000 square meters of storage space.

Logistic Activities, S.A, following the renewal of the Johnson & Johnson contract for the entire Iberian Peninsula, will commence logistical activities at its operating center in Alovera (Guadalajara) next year.

The following subsidiaries of Grucycsa, S.A. operate in this sector:

- Logística Logística Navarra, S.A.
- Logística Aitena, S.A.
- Logística Aitena Portugal, S.A.
- Logística Logistic Activities, S.A. (Loacsa)



Automatic picking installations.

At Aitena Portugal, S.A., 2001 was characterized by the company's specialization in three fields: pharmaceuticals and hospital products, consumer goods and home appliances, thanks to an increase in the number of clients. The Company signed a contract with Tabaqueira (Philip Morris Group) for the storage and distribution of raw materials and finished products. This subsidiary has 50,000 square meters of storage space in Azambuja and 25,000 square meters in Oporto.

Logistical facilities in Alovera (Guadalajara).





Bust stop cleaning and maintenance. Madrid.

Street Furniture

This chapter includes the design, manufacture, installation and maintenance, with or without advertising, of all kinds of street furniture, especially hoardings at bus stops, on clocks, information panels and columns, news-stands, public conveniences, batter, glass and paper banks, pedestrian signposts and traffic signs, electronic and electro-mechanical public information panels, etc.

The companies of the FCC Group that operate in this sector handle more than 43,000 elements and outdoor advertising in 11 cities in Europe and America.

The technical department has extensive experience in this field. Some of the designers who have collaborated on the development of street furniture for the FCC Group include internationally known experts such as Nicholas Grimshaw, the architect who designed the Waterloo Station (London), Oscar Niemeyer, the designer of many of the public buildings in Brasília (Brazil), Jean Piantanida, the designer of much of the street furniture found in Europe and the Argentine Jorge Pensi, who has lived in Spain for more than 25 years and specializes in the design of street furniture and lighting.

Last year, the group won the following contract awards for the management of billboard advertising and other street furniture supports in Spain:

- **Barcelona Metropolitan Area:** Bus stop platforms and shelters, for 7 years.
- **Arcos de la Frontera (Cádiz):** Shelters, for 18 years.
- **Bonrepós and Mirambell (Valencia):** Shelters, advertising supports and signaling for 15 years.
- **Foios (Valencia):** Shelters and advertising supports for 15 years.
- **Jerez de la Frontera (Cádiz):** Shelters and other advertising supports for 4 years.
- **Logroño:** Newsstands, for 15 years.
- **Málaga:** Newsstands, for 15 years.
- **Manises (Valencia):** Advertising supports for 20 years.
- **Marín (Pontevedra):** Shelters and advertising supports for 10 years.
- **Mislata (Valencia):** Shelters and advertising supports for 10 years.
- **Montcada i Reixac (Barcelona):** Shelters and other street furniture components for 23 years.
- **La Pobla de Farnals (Valencia):** Shelters and advertising supports for 14 years.
- **Sanxenxo (Pontevedra):** Shelters and advertising supports 15 years.
- **Torrejón de Ardoz (Madrid):** Advertising supports for 10 years.
- **Vilaboa (Pontevedra):** Shelters, advertising supports and information columns for 15 years.

These contract awards have reaffirmed the FCC Group's position of leadership and market share in Spain. At the same time, special emphasis was placed on international expansion, where important contracts, some of which are described below, were won:

- **Miami** (United States): Installation, maintenance and operation of more than 5,000 street furniture elements for a period of 15 years in the Miami Dade County area which comprises 31 municipalities and 1,500,000 inhabitants.
- **Parma** (Italy): Installation of 1,500 units and management over the next 20 years. With this award, the Group consolidated itself in the competitive Italian market after winning a contract in Genoa last year.
- **Manaos** (Brazil): In this city of 1,500,000 inhabitants, the Group will be responsible for 1,000 advertising supports for 15 years. This contract, in addition to those signed in 2000 with the governments of Río de Janeiro and Salvador de Bahía, converts the companies of the FCC Group into leaders in this sector on the Brazilian market.

Spain:

- *Cemusa - Corporación Europea de Mobiliario Urbano, S.A.*
- *Servicios de Publicidad Urbanos, S.A. (Urba)*

Brazil:

- *Logística Cemusa do Brasil Ltda.*
- *Logística Cemusa Salvador, S.A.*

Costa Rica:

- *Logística Equipamientos Urbanos de Costa Rica, S.A. (Eucor)*

El Salvador:

- *Logística Equipamientos Urbanos de El Salvador, S.A. de C.V. (Eusal)*

United States:

- *Logística Cemusa Inc.*
- *Logística Cemusa Miami, Ltd.*

Guatemala:

- *Logística Equipamientos Urbanos de Guatemala, S.A. (Eugua)*

Italy:

- *Logística Cemusa Italia, S.r.l.*

Mexico:

- *Logística Equipamientos Urbanos de Mexico, S.A. de C.V. (Eumex)*
- *Logística Tenedora de Acciones, S.A. de C.V.*
- *Logística Servicios de Tecnología Especializada, S.A. de C.V. (Sertesa)*
- *Logística Servicios de Comercialización de Publicidad, S.A. de C.V. (Secom)*

Panama:

- *Logística Equipamientos Urbanos de Panamá, S.A. (Eupan)*

Portugal:

- *Logística Cemusa Portugal - Companhia de Mobiliário Urbano e Publicidade, S.A.*
- *Logística Zone Verde - Promoção e Marketing, Lda.*

Dominican Republic:

- *Logística Equipamientos Urbanos Dominicanos, S.A. (Eudom)*



Grimshaw Newsstand. Genoa (Italy).





PEK Guardian traffic control system. Barcelona.

Group companies operating in this sector:

- *Sistemas de Control y Comunicaciones, S.A.*

Conservation and Systems

The most important contracts awarded last year include:

- Cleaning and conservation of Zones II and III of the City of Madrid's sewer system, which account for 40% of Madrid's entire sewer system.
- Inspection, conservation and control of Madrid's 100 kilometers of service galleries through which the city's telephone, electricity, water and cable wires runs.
- Maintenance of the facilities which regulate and control traffic enter Barcelona from the south.
- Emergency work on the distribution and adduction network for the division of the Plaza de Castilla, in Madrid, for Canal de Isabel II.
- Traffic control on the M-501 divided highway in Madrid and Madeira (Portugal), financed by a shadow toll system.
- Traffic control in the Envalira tunnel in the principality of Andorra.
- The Group also embarked on a new activity in the telecommunications sector with contracts to perform civil work and install base stations for UMTS.

Cleaning of Barcelona Football Club facilities.





Passenger transport on the Costa del Sol (Malaga)

Passenger Transport

Last year, 45 million passengers were transported over a total of 23 million kilometers.

The management of rail passenger transport has commenced with the concession of the Diagonal-Baix Llobregat streetcar in Barcelona which is currently under construction and expected to be operational in 2003.

At the end of last year, the Group acquired the company Automóviles Portillo, S.A., which subsequently merged with Corporación Española de Transportes, S.A., giving the latter a new dimension and enabling the Group to consolidate its position in the passenger transport sector for both city and intercity service. Automóviles Portillo, S.A. holds licenses in Cádiz and Málaga. Last year, it transported 17.3 million passengers.

Also during the course of the last year, the Group was chosen to provide service to the metropolitan area of north-western Valencia through the company Edetania Bus, S.A.

The FCC Group companies that operate in this sector provide urban transport in Ávila, Benalmádena (Málaga), Estepona (Málaga), Jerez de la Frontera (Cádiz), Marbella (Málaga), Mataró (Barcelona), Sanlúcar de Barrameda (Cádiz), Talavera de la Reina (Toledo), Tarrasa (Barcelona) and Torremolinos (Málaga), along with the Madrid-Almería intercity line, metropolitan service in north-western Valencia, Málaga to Benalmádena, Rincón de la Victoria and Fuengirola, plus the Marbella to Fuengirola and Estepona line.

Group companies operating in this sector:

- Corporación Española de Transportes, S.A.
- Almeraya, S.A.
- Corporación Jerezana de Transportes Urbanos, S.A.
- Edetania Bus, S.A.
- Transportes Urbanos de Sanlúcar, S.A.
- Transports Municipals d'Egara, S.A.



City passenger transport. Valencia.

Industrial Waste Treatment

Last year, the FCC Group created an Industrial Waste Division to group together all of the activities in this sector.

The new division serves both private clients and numerous public administrations in the three types of waste generated by industry and consumption: inert waste, non-hazardous waste and hazardous waste. In all cases, the services include collection, transport, treatment, recycling, resource recovery and elimination.

In 2001, the division handled 375,000 tons of waste (industrial, batteries, refrigerators, transformers, aerosols and contaminated soil), a 50% increase over the year before. In addition, 100 research and soil decontamination projects were carried out for public and private clients (oil companies, real estate and construction companies).



Contaminated transformer maintenance.

Following the acquisition of the companies pertaining to the Ekonor, S.A. Group, combined with the activities of the FCC companies that were already operating in this sector, the Group now has the largest commercial network in Spain for the management of all kinds of waste with a significant number of treatment plants and disposal facilities.

Group companies operating in this sector:

- Aecosol, S.L.
- Agr, S.A.
- Baltecma, S.L.
- Bisbieta, S.L.
- Ekonor, S.A.
- Electrorecycling, S.A.
- Gemasur, S.L.
- Hidrocen, S.L.
- Inges, S.A.
- Ipodec-Riscop, S.A.
- Ligete, S.A.
- Lizarreka, S.L.
- Pilagest, S.L.
- Recitermia, S.A.
- Sogecar, S.A.
- Tpa, S.A.
- Trebal, S.A.
- Tri, S.A.
- UTE Montmelo

Waste elimination plant in Getafe (Madrid).



In the field of electric and electronic waste, the company Electrorecycling, S.A., has been awarded a contract to build and operate a treatment plant in Cataluña that is expected to be operational in 2003.

Ekonor, S.A. is building a transfer plant at the Bilbao Port and an emergency intervention base which will be operational this year, while Recitermia, S.A. is building a resource recovery plant in the Community of Madrid.

Tourism

Grubarges Inversión Hotelera, S.L, a company that is jointly owned by Grucycsa, Gesinar (Grupo BBVA) and Barceló Empresas, owns 30 hotels in Spain, the United States and Mexico with a total of 7,822 rooms for rent.

In July of last year, a 300-room hotel opened its doors in Punta Umbría (Huelva). The hotel is located on the oceanfront close to three protected areas: Los Enebrales, La Laguna de El Portil and las Marismas de Odiel.

Since it was founded in 1998, Grubarges has invested 685 million euros. It is now the leading Spanish hotel group in the United States.



Hotel Hatulco Resort. Mexico.

New Technologies

Rear-loading container-washing vehicle with noiseless auxiliary engine

As part of the FCC Group's policy to constantly strive to improve environmental conditions, its technical services have designed and manufactured the first noiseless automatic container-washing system.

In the equipment used previously, the noise of the mechanical equipment itself was exacerbated by the noise caused by the impact of the water hitting the container walls at high pressure.

To address this problem, the new design is based on the action of a pump assembly driven by an auxiliary engine contained in a completely soundproof compartment along with a cooling system for the auxiliary engine that uses heat exchangers to convert the wash water into coolant.

The washing compartment is soundproof thanks to the use of a double-walled hatch containing noise-absorbing materials and the fact that the outside of the washing chamber is painted with noise-absorbing materials. In addition, all pipes and valve assemblies are mounted on elastic elements which prevents them from vibrating when the equipment is working.

The results of the first units, already in service, are excellent, having decreased the noise level by 13 DbA. With a maximum noise level of 68.5 DbA, these vehicles have the lowest noise levels of any built thus far for this purpose.



Soundproof container washer.

4x4 (four-wheel drive) 9 m³ garbage collector-compactor with multi-purpose receptacle lift, noiseless and with a maximum width of 2 m.

This is a very small vehicle with advanced trash collection features and high performance levels.

In its simplest version (rear drive) which is already being used, it is performing very well due to the vehicle's width and compacting capacity. The new four-wheel-drive version includes the possibility of using the equipment in areas that are very difficult to reach due to narrow streets, faulty pavement or steep slopes, features that are often seen on the outskirts of a city.

The vehicle has a new transmission and drive system that uses a torque converter. For maneuvering steep slopes it includes a new automatic braking technology by which the chassis initially brakes the vehicle independently of the driver. This, combined with its narrow width (2 meters) and 18 ton load capacity, enables it to maneuver in areas that are difficult to access.

It has a capacity of 9 m³ and has been designed for high compacting, up to almost 750 kg/m³. This load density optimizes the chassis and brings about considerable savings.

For even more versatility, the vehicle is equipped with a cable type receptacle lift with the capacity to elevate containers up to 3,000 liters and loads weighing more than 850 kilograms.

Treatment of the organic matter in urban waste by methanization

The use of methanization is becoming more widespread in Europe as an economic and ecological alternative to composting for the treatment of the organic matter in solid urban waste. With more than 50 facilities operating in Europe, methanization has been shown to be a viable procedure for the future. This technology is gradually taking hold in Spain and has been successfully developed by FCC.

Methanization is a biological process whereby organic matter is decomposed by microorganisms in an oxygen-free environment (anaerobic). The development of this biological reaction depends primarily on the temperature in the environment where the reaction is taking place and the length of time the materials are left there. This process occurs naturally at traditional landfills, transforming the organic matter into landfill gas which is composed primarily of methane which can be converted into energy and a biologically stable solid (compost) that can be used as organic fertilizer after undergoing a maturation process.

In view of the importance of the biological treatment of solid urban waste, by 2006 it is expected that 24% of the waste generated in Spain will be treated using composting techniques. The FCC Group has thus decided to take the first step toward programs focusing on treatment processes using composting and biomethanization.

To carry out this R&D project to define a methodology for monitoring the quality of the compost obtained from solid urban waste, a collaboration agreement has been signed with the Environmental Science Center of the High Council of Scientific Research. This program, which will be developed over the next three years, will receive funding from the Profi Fund (Program for the Promotion of Technical Research) available through the Ministry of Science and Technology.

The research on biomethanization techniques will be carried out as part of an exchange protocol with Creed researchers (Vivendi Group Applied Research Center) in order to start a database of verified references to be shared by Vivendi Environnement and FCC.

Each one of these projects and programs will enable us to give our clients the best possible advice and to design the innovative technological solutions that will open the door to new markets.

Quality and Environmental Management

In 2001, an environmental management system was set in place for all activities related to garbage collection, street cleaning, park and garden cleaning and conservation, property maintenance and sewer cleaning and the subsequent attainment of compliance certificates with UNE-EN ISO 14001

To this end, we have introduced a series of actions into our productive processes designed to protect and respect the environment, including:

- Assessment at all permanent facilities of potential pollution of or interaction with the air, soil and water.
- Studies of the atmospheric emissions of vehicles, combustion boilers and waste at elimination and treatment points.



Four-wheel drive collector-compactor.

- Evaluation of the waste produced during processes. In this regard, our facilities have been equipped with suitable trash receptacles and safety measures to separate and store hazardous waste while awaiting collection by an authorized waste management company.
- Dumping into sewer systems and public channels has been analyzed and control measures have been implemented to comply with all dumping authorization requirements.
- An environmental policy designed to reduce the use of resources and to study the possibility of cutting down on the contamination generated by each facility has been established.
- Depending on the service involved, contracts now include written guidelines for achieving the state objectives.

During the last fiscal year, the parent company's quality certificate was renewed as were those of FCC Medio Ambiente, S.A., Alfonso Benítez, S.A., Servicios de Levante, S.A. y Servicios Especiales de Limpieza, S.A. for all city maintenance activities.

Quality management systems based on the revision of standard UN-EN ISO 9001:2000 have been designed and implemented at Saneamiento y Servicios, S. A.(Sayse), which operates in El Puerto de Santa María (Cádiz), and Municipal de Serveis, S.A. (Musersa), which operates in Girona.



Construction

Contracts and Order Book

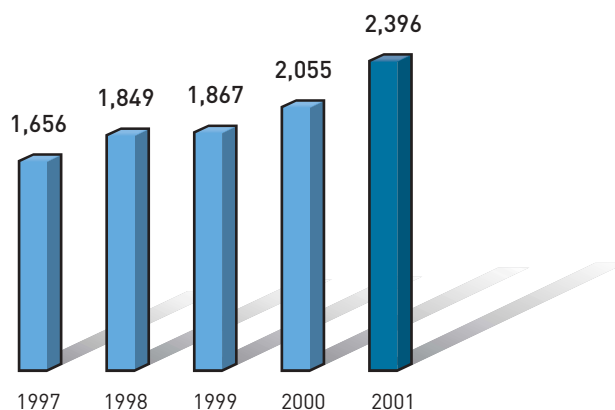
In 2001, new contracts totaling 2,368 million euros were awarded, an increase of 17% over the year before, while the portfolio of work to be performed as of 31 December was 2,947 million euros, a record in FCC's one hundred year history.



Los Monteros Palm Beach Housing Development.
Marbella (Malaga).

Turnover

(Millions of euros)



Cantabrico Divided Highway.
Section: Lamadrid-Unquera. Cantabria.
La Acebosa viaduct.

Roads and Highways

This subsector continues to account for the largest part of the Group's construction activity in terms of both turnover and the amount of work in the order book.

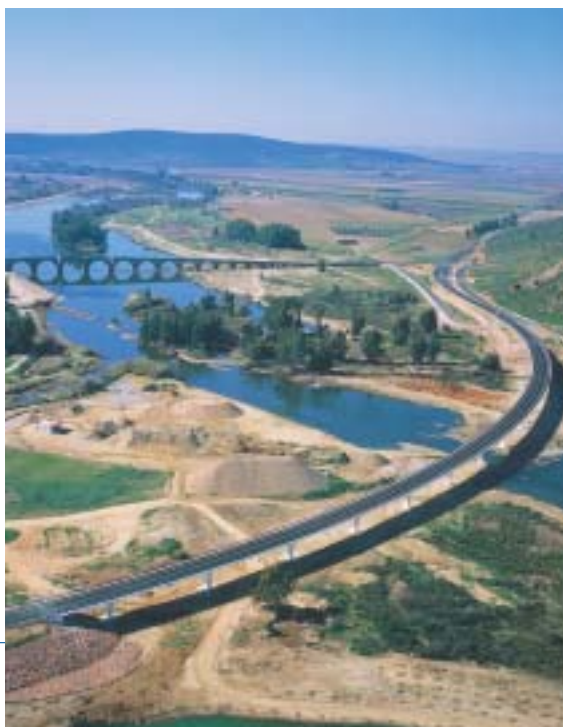
The most relevant contracts awarded last year were:

- N-632 divided highway, Grases-Infanzón section in Asturias which will connect the Gijón beltway with the Cantábrico highway. The section is 9 kilometers long and includes the construction of a viaduct almost 600 meters long and two tunnels, one in each direction, measuring 1,160 and 2.355 m, respective.
- Vitoria-Eibar divided highway, Bergara Norte-Bergara Sur section, 4.5 kilometers long including the 1,480 meter San Marcial tunnel and the 625 meter Ipiñarri viaduct over the Deva river with a central span measuring 74 m.
- Access tunnels to the new Porto Football Club (Portugal) stadium as part of the work for the 2004 European Football Championship. The work includes the excavation of 1,300,000 cubic meters for the construction of the new sports facility.
- La Plata divided highway, section between the Gerena junction and the Camas junction (Sevilla) measuring 13.8 kilometers long. One of the most important sections of this project is the Santi Ponce viaduct measures 2 kilometers long which, due to the geotechnical singularities of the area, will require a foundation that is 30 meters deep.
- Sallent-Puig-Reig section (Barcelona) of the Llobregat arterial road.
- Third lane on the Llíria- Valencia divided highway.
- León-Santa María del Páramo section.
- Castilla divided highway, Aldehuela de Bóveda-Martín de Yeltes (Salamanca) section measuring 25.4 kilometers long and running between Salamanca and Ciudad Rodrigo, which will replace the current highway which accommodates a large part of the road traffic between Portugal and Spain.
- Connection of the south cloverleaf to the A-7 in Valencia.

The following are among the projects completed and delivery during the last fiscal year:

- Autovía del Noroeste, Castrolamas-Noceda (Lugo) - Puerto de Piedrafita section. The section is 8 kilometers long with a maximum slope of 5% and includes 4 viaducts measuring 1,974 meters and 2 two-way tunnels measuring 280 and 865 meters, respectively.
- Autovía del Cantábrico, Unquera-Lamadrid (Santander) section measuring 15.9 kilometers long with an interchange in San Vicente de la Barquera. The section is composed of 28 structures broken down into 6 viaducts, 9 underpasses, 4 railroad crossings, 8 overpasses and one bridge.
- 195 kilometers of the Fredericton-Moncton divided highway were inaugurated in Canada. This highway is part of the Transcanadian highway system. The construction, which lasted four years, represents a milestone in the country's history in terms of the type of contract and the volume of work which was valued at more than 430 million euros. 20 interchanges, 18 wide-span arches over streams and 59 structures including overpasses and underpasses at intersections with other roads were built along the section in question. The contract includes a 20-year maintenance agreement which may be extended to 30 years. This road will substantially improve the connections between the two largest cities in New Brunswick.

New bridge and relief road in Medellín (Badajoz).





Bridge over the River Ozama.
Santo Domingo (Dominican Republic).

- 12 kilometers of the M-501 divided highway, the "Carretera de los Pantanos" have been opened to traffic. FCC Construcción, S.A. is participating in this project as the licensee and contractor. The total length of the section is 21.8 kilometers, 9.8 kilometers of which pertain to the M-511 highway and the remaining 12 to the M-501. The work includes 10 overpasses, 24 underpasses, 12 interchanges and a viaduct over the Guadarrama. This is the first section of highway opened to traffic that is part of a series of highways in the Community of Madrid bid on under a shadow toll arrangements. The newly inaugurated section connects the towns of Villaviciosa de Odón and Quijorna. The remaining 10 kilometers, between the M-40 and Villaviciosa de Odón are expected to be completed by the summer of 2002.
- The new Juan Bosch bridge over the Ozama River was inaugurated in Santo Domingo in the presence of high-ranking officials from the Dominican Republic. The bridge is a strutted structure with pylons and a concrete platform. It measures 64.2 meters in length with a central span of 180 meters and a width of 32 meters. The budget for this job was 43 million pesetas.

Lleida-Barcelona Divided Highway.
Section: Santa Maria del Cami-Igualada (Barcelona).
Elevated traffic circle.



Hydraulic Works

The most important contracts awarded last year were:

- Channeling of the Llobregat River between the Mercabarna Bridge and the ocean in El Prat de Llobregat (Barcelona). The river is being rerouted to permit the enlargement of the Free Zone and the Port of Barcelona.
- An 8.15 kilometer long hydraulic tunnel between the Odelouca and Funcho dams in Silves in the Faro District (Portugal). The tunnel will be built with a tunnel-boring machine and will have an inside diameter of 2.3 meters.
- Water supply to the Eresma river community, improving the service to cities and towns in the provinces of Segovia, Ávila and Valladolid.
- As part of the City of Madrid's Integral Maintenance Plan, actions affecting divers municipalities in the catchment areas of the Jarama and Lozoya rivers.
- Collectors on the right bank of the Guadalquivir in Aljarafe (Sevilla) and general collector in Porriño (Pontevedra).
- Driving and connection of the Rialb dam to the Segarra-Garrigues canal (Lleida). Composed of a double pipe, 3.5 meters in diameters and 900 meters long, with inlets, pumps and an energy transformation plant.



Interconnection of the Jarama-Lozoya and Alberche river basins. Guadarrama (Madrid) Aqueduct over the Manzanares.



Palma de Mallorca Port.

Marine Works

The most notable contract award last year was the east dike at the Port of Barcelona. The work consists of prolonging the current dike by 2.2 kilometers by anchoring a total of 88 caissons, four different types, the largest of which measure 24.39 x 33 x 20.60 m. Some 6.44 million cubic meters of soil and sludge will have to be dredged and 8.1 tons of quarry materials will be used as well as 18,000 tons of steel and more than 500,000 cubic meters of concrete. The caissons will be assembled on the new floating dock, "Mar de Aneto", owned by FCC Construcción, S.A.

Other awards:

- Enlargement and widening of the Mármoles pier at the port of Arrecife (Lanzarote). The work involves the anchoring of 6 caissons measuring 31.75 x 10.50 x 16.80 m.
- Infrastructures at the Roses (Girona) marina.
- First phase of the Badalona port (Barcelona).
- Reorganization of the fishing zone at the port of Tarragona.

Air Transport

The most notable contract awards last year included:

- Embarkation building at the Palma de Mallorca airport.
- Bus and taxi parking area and new access to Terminal B, both at the Barcelona Airport.
- Service channels at the Madrid-Barajas airport.

Progress is being made on the construction of the new terminal building at the Madrid-Barajas airport, which continues to be the largest civil work contract awarded in Spain with a constructed surface area of more than 500.000 m².

New control tower at the Malaga airport.



Rail Transport

This subsector has been particularly active in recent years due to the construction of the Madrid-Barcelona, Madrid-Northesat and Córdoba-Málaga high speed liens as well as the enlargement of metropolitan rail systems in Barcelona and Madrid.

Notable contract awards:

- Line 9 of the Barcelona Metro, section four which runs between Bon Pastor, Can Zam and the Zona Universitaria to Sagrera. This is the most unique project on the new line which involves the excavation of an 8.4 km tunnel between Sagrera and the University and will enable trains to operate at two different levels inside the same tunnel.
- Miño line (Porto-Valença do Minho-Tuy) in Portugal. The section is 11 km long and includes the construction and remodeling of several stations as well as new structures.
- Alfoanelos Station on the blue line of the metropolitan train system in Lisbon (Portugal). The project includes the construction of a screened section with more than 4,100 meters of piles measuring 800 mm in diameter.

The following contracts were awarded for work on high speed train lines:

- Zaragoza-Zuera section measuring 31.2 km long. Consists of the construction of a wide international railroad line alongside the current one which is straightened and adapted for high speed. Includes the construction of the platform, tracks, electrification and signaling, as well as viaducts over the Ebro and Gállego rivers.
- Subsection IX-A, El Vendrell-Bellvey (Tarragona), a 5.9 kilometer section of the Madrid-Barcelona line. Includes the construction of 4 viaducts, 3 overpasses, 2 underpasses and 287 meters of underpass under the highway.
- Second phase of the Delicias station in Zaragoza which will serve the Madrid-Zaragoza-Barcelona-French border high speed line in the future. The contract calls for the execution of all interior finish work, finish work on tracks and co-generation systems, sewage, electricity and air-conditioning. FCC Construcción, S.A. is also participating in the first phase.
- Nava de la Asunción-Coca (Segovia) subsection of the Segovia-Valladolid high speed line. The section is 9 km long, along which 10 underpasses will be built. Two million tons of soil will be moved and 300,000 m² of soil will be compacted for this project.

High speed train.
Section: Mejorada del Campo (Madrid).



Last September, a funicular railway in Bulnes (Asturias) inside the Picos de Europa National Park was inaugurated, thus solving this town's isolation problem as it is the only one in Asturias that is not accessible by road. The work included the construction of a tunnel measuring 2,200 meters long and 4.5 meters in diameters, drilled with tunnel-boring machines and built with a 28% slope. The civil work for this project received the Quality Award for the year 2001.

Last year, local train service between Alcobendas and San Sebastián de los Reyes was inaugurated in the Community of Madrid. Likewise inaugurated were the widened tunnel and enlarged station of the number ten metro line in Madrid, which will enable Metrosur to link up with the city metropolitan network by using train units with larger loading gauges and higher capacities than the current ones. The section is 7.1 km long, 3 km of which are above-ground while the rest are underground. There is one unstaffed station and two underground stations.

Construction was also completed on the tunnels to prolong line ten and the Móstoles section of Metrosur, all of which was accomplished using the "La Adelantada" tunnel-boring machine. The experience and quality of the employees operating this complex tool managed to break world records referring to the tunnels built using prefabricated voussoirs.



"La Adelantada" tunnel-boring machine.





"Os Capelos" in Carral (A Coruña).

Homes

During the last fiscal year, contracts were signed for the construction of 4,750 homes in Spain, the most notable of which included the following:

- 114 homes in Rivas-Vaciamadrid (Madrid).
- 44 homes in Sotogrande-San Roque (Cádiz).
- 115 homes in Las Cumbres del Rodeo, Marbella (Málaga).
- 224 homes for the Málaga Municipal Housing Institute.
- 112 homes in the "Jardín del Mar" housing estate in Campello (Alicante).
- 108 homes in the "El Porvenir" housing estate in Baracaldo (Vizcaya).
- 238 homes in Daganzo de Arriba (Madrid).
- 220 homes in the "Valmarino" housing estate in Valencia.
- 98 homes in the Valdelasfuentes housing estate in Alcobendas (Madrid).
- 186 homes en Badalona (Barcelona).
- 150 homes in the "Els Químics" housing estate in Girona.

Housing Estates

The housing development business at Tablas and Monte Carmelo, located in the northern part of the Community of Madrid, continued to move at a brisk pace. The two developments combined occupy a surface area of 6,180,000 square meters which includes land movement, paving and services for more than 20,000 homes. Construction has already begun on some plots.

The following are among the most significant contracts awarded last year:

- Integrated Merchandise Center in Lleida.
- Passeig Valldaura in Barcelona.
- Ribera del Estadio in Córdoba.



Homes at Eugenia de Montijo street. Madrid.



Nueva Andalucía Housing Development. Marbella (Malaga).



El Corte Ingles Shopping Center. Cadiz.

Non-Residential Construction

This chapter encompasses the construction of buildings for diverse uses: administrative, educational, cultural, sports facilities, retail space, hotels and industry. The most notable awards included:

Government Buildings and Offices:

- Municipal office buildings for the Town Hall in Hospitalet de Llobregat (Barcelona).
- Traffic control center in Madrid.
- Four office buildings in Madrid and Leioa (Vizcaya).
- Office building and R&D facilities in Palau de Plegamans (Barcelona).

Teaching Centers:

- University building for the Valencia Polytechnic University.
- Basic training schools at the Rota Naval Base (Cádiz).
- Buildings for the Schools of Geography, History and Philosophy at the University of Barcelona.
- Parasitology and Biomedical Institute at the Health Studies Campus in Armilla (Granada).
- Secondary schools in Añover de Tajo (Toledo) and Tarragona.

Cultural, Sports and Entertainment Centers:

- Madrid Circus. This contract was awarded in a competitive tender process for the design and construction. The building will be located at Ronda de Atocha in a former biscuit factory. The original façade will be conserved. 3,200 square meters of the buildings 7,400 will be used for public performances while the rest will be used for installations, museums, offices, dressing rooms and parking.
- Parking area and building adjacent to the Alfredo Kraus Auditorium in Las Palmas de Gran Canaria.
- Installations, finish work and furnishings for a gymnasium in Tarrasa (Barcelona).
- Salamanca Performing Arts Center, which is expected to be completed by the time Salamanca becomes the European cultural capital.
- Enlargement of the Chapín municipal stadium in Jerez de la Frontera (Cádiz).
- Indoor pool in Guadalajara.
- Design and construction of the sports center at paseo Imperial in Madrid's Arganzuela district.

The Castellon Fine Arts Museum was inaugurated last year. It has received the FAD Architecture Award for 2001 and the Quality Award for the best construction of the year.



"Son Llatzer" Hospital. Palma de Mallorca.

Shopping Centers, Fairgrounds and Congress Halls.

- Structure of the Tres Aguas shopping center in Alcorcón (Madrid) occupying a total of 200,000 square meters.
- First phase of the Barcelona Convention Center which will host the most relevant events of the Barcelona Universal Cultural Forum in 2004.
- Underground parking for the new Fairground in Bilbao (Vizcaya).
- Shopping and entertainment center in Valencia.

The Bahía de Cádiz shopping center was inaugurated last year. In addition to the Corte Inglés and Hipercor, the facilities also include 10 cinemas. The total constructed surface area is 150,000 square meters built on a 24,000 square meter plot. The complex is a six-story building, four of which are underground, with 1,200 parking spaces. The Santa Cruz de Tenerife shopping center was inaugurated in October of last year.

Hotels:

- 167-room hotel on Isla Cristina (Huelva).
- 300-room hotel on Isla Canela, Ayamonte (Huelva).
- 414-room hotel in La Línea de la Concepción (Cádiz).

Industrial Buildings:

- Phases 1, 2, 3 and 4 of the Barcelona bus depot.
- Logistics warehouse in Mataró (Barcelona).
- Second phase of the workshops for Transportes Urbanos de Sevilla (Tussam).

Rehabilitation and Maintenance

- Remodeling of the former elevator station at Plaza de Castilla in Madrid.
- Rehabilitation of the Daoiz y Velarde Arsenal in Madrid.
- Renovation of the Cataluña School of Music in Barcelona.
- Town hall in Las Palmas de Gran Canaria.

"Nuestra Casa" Residence. Foundation for Aiding the Disabled. Collado Villalba (Madrid).





Wastewater treatment plant in Sabadell (Barcelona).

Water Treatment

The subsidiary that specializes in this area, Servicios y Procesos Ambientales, S.A., expanded its presence on the market by winning the following contract awards:

Water Desalination:

- Tordera Station (Barcelona), with a treatment capacity of 10 hm³/year and the potential to double capacity. The contract call for plant management for a 12 year term.
- Janubio Plant on the Playa Blanca (Lanzarote) with a treatment capacity of 10,500 m³/day, including plant management for 15 years.

Water Treatment:

- Treatment of water from the Jarama and Lozoya river basins in the Community of Madrid which includes more than 33 km of collectors and 4 treatment plants.
- Deodorization of the Casaquemada (Madrid) wastewater treatment plant which includes four metal covers measuring 37 meters in diameter for the primary settling tanks, as well as air treatment systems.
- Plant for the Alicante Airport.
- Arenas de San Pedro treatment plant(Ávila).
- Enlargement of the Letur station (Albacete).

Industrial water:

- Reduction of water hardness in boilers for the thermal power plant in Tarragona (3,400 m³/day).
- Treatment of effluents from a bottling factory (2,000 m³/day).

International:

- Industrial wastewater treatment for a paper factory in China with the capacity to treat 40,000 m³ per day of industrial wastewater from the pulp production line.
- Sludge treatment plants at the Lingzhuang (750,000 m³/day) and Jieyuan (500,000 m³/day) drinking water facilities, both in China.

Wastewater treatment plant in El Espinar. San Rafael (Segovia).



Infrastructure Conservation

The subsidiary Mantenimiento de Infraestructuras, S.A. (Matinsa) is a company that specializes in this sector on three different fronts:

Road Maintenance:

- Maintains more than 800 kilometers of regional highways and 2,000 kilometers of national highway all over Spain, including several sections of the CN-301, CN-430 and A-31 running between Madrid and Alicante; diverse sections of the CN-II in the provinces of Madrid, Zaragoza and Lleida; the A-49 expressway from Sevilla to Huelva; Madrid- Guadarrama section of the CN-VI and León-Campomanes of the A-66; the high capacity sector in Gran Canaria; the north-eastern part of the Community of Madrid and all of the roads in the province of Avila falling under the jurisdiction of the Castilla y León regional government.



Forest work.



Reservoir conservation.

Hydraulic Infrastructures:

- Maintenance of 7 dams for the Guadalquivir Hydrographic Confederation and the Júcar basin's automatic hydrographic information system for the Júcar Hydrographic Confederation.

Forestry:

- Reforestation, forest treatments, reforestation of farmland, restoration of the natural environment in areas affected by infrastructures and auxiliary forestry work in the Autonomous Communities of Andalucía, Castilla y León, Castilla-La Mancha, Galicia, Extremadura, Comunidad Valenciana and Madrid.
- Renovation of the forest fire prevention and emergency intervention system in the northern zone of the Community of Madrid and park maintenance in the south-eastern part of the Community of Madrid.
- Environmental improvement actions have commenced in the mountains to the east of León and on Section IV in the province of Soria.

Engineering

Proyectos y Servicios, S.A. (Proser) is the subsidiary that specializes in engineering studies and design projects. The new contracts awarded to this firm included:

Roads and Highways:

- Condado de Treviño (Burgos) relief road off the N-1 national highway. The total length of the section is 9.2 kilometers and includes one junction, 9 structures and a two-way tunnel measuring 480 meters long.
- N-630 La Plata divided highway, section LE-412-Villabrázaro (Zamora). The total length of the section is 9.2 kilometers with one junction and 22 structures.
- Llobregat divided highway, Sallent-Berguedà section measuring 13.5 kilometers long with 7 junctions and 23 structures.
- Repair on the A-499 highway, Villanueva de los Castillejos-Puebla de Guzmán (Huelva) section measuring 14 kms long.

Madrid-Zaragoza-Barcelona-French Border high speed train.



Railroads and Metros:

- New high speed rail access to the north and north-eastern part of Spain, Soto del Real-Segovia section (Guadarrama tunnel). Includes 32.8 km of dual tracks one with twin tunnels, each one 28.4 km long, 8.5 m in diameter with 32 cm thick voussoirs.
- North-east corridor of the Zaragoza-Huesca-Canfranc high speed train line. Zuera-Tardienta (Zaragoza) section. The project consists of laying 28 kilometers of new wide railroad tracks.
- Adaptation and modernization of the Zamora-A Coruña line (Atlantic artery) at Ordes (A Coruña). This is a 7.2 km relief section of the current railroad track designed for speeds of 200-220 km/h with a double track platform.
- Prolongation of the T-4 streetcar line in Valencia. Section T.V.V.-Barrio de La Coma, 4 kilometers long.
- Generalitat de Catalunya Trains, Plaza de España connection to the Vallès line. Four different routes were analyzed along with a transport study.

Hydraulic Works:

- L'Albagés Dam (Lleida). A dam for loose materials measuring 88 m high that closes off a 100 hm³ reservoir. This reservoir is the final destination of the Segarra-Garrigues canal.
- Regulation of the Segrià Sur (Lleida). Drip irrigation system for a surface area of 6,000 hectares, with primary and secondary pipes and distribution network.
- Irrigation viability study for the area around the Rialb reservoir (Lleida) and plans.
- Conditioning and enlargement of the Urgell canal (Lleida). Implementation of a 17 kilometer inside section of reinforced concrete, with a transport capacity of 40 m³/second.
- Channeling of the Ciriano and Bienquerida (Málaga) streams. Composed of two sections measuring 848 and 1,853 meters long.
- Improvements to the Torrevieja (Alicante) wastewater treatment plant, with a treatment capacity of 60,000 m³/day.
- Wastewater treatment plant with a treatment capacity of 7,700 m³/day, expandable to 15,000 m³, pump station and drive and backwash pipes for treated water for Arenys de Mar, Arenys de Munt and Canet de Mar (Barcelona).

Rias Bajas divided highway. Section: Fumaces-Estivades. Verin Viaduct.





Toro - Zamora canal.

Technical Assistance and Work Superintendence

- Inspection of plans and monitoring of the construction work on the R-2 toll road from Madrid to Guadalajara and the M-50 beltway in Madrid, subsection running between CN-II and CN-I.
- Control and supervision of work on the thermal sludge treatment plant at the wastewater treatment plant in Rubí (Barcelona), with a sludge drying capacity of 32,725 tons per year. Heat and electricity co-generation by means of 2 natural gas engines with alternator terminal power of 6.120 kw.
- Supervision of work on a common landfill for the towns of Mairena del Alcor and El Viso del Alcor (Sevilla) and wastewater treatment plant. This is a conventional treatment plant with active sludge with anaerobic treatment of excess sludge.
- Construction and management of the work on the enlargement of a gray cement line, installation of a mill and disassembly of another mill for a cement factory in Morata de Tajuña (Madrid).

Other Projects

- Work on the tunnel connecting María de Molina Street and the Madrid-Barcelona N-II highway, a continuous underpass that provides a west-to-east connection between the Paseo de la Castellana and the CN-II highway.
- Updating of technical files, operating regulations and detailed inspection of the Beninar, Beznar, Cuevas de Almanzora La Viñuela dams (Almería).
- Composting plants for solid urban waste in the Bages and Cerdanya (Girona) regions with a treatment capacity of 40,000 tons per year.



Megaplas theme park.

Corporate Image

Megaplas, S.A. is the company of the FCC Group devoted to the implementation of corporate image for large retail concerns:

Some of the most notable contracts awarded to the company last year included:

- The Madrid Theme Park in San Martín de la Vega (Madrid).
- 550 bank branches.
- Remodeling of 200 service stations.
- Restaurant chains in Spain, Portugal, Italy and France.
- Automobile dealerships in Spain and France.

Gas and Oil Pipelines

The company Auxiliar de Pipelines, S.A. specializes in the construction and erection of pipelines for transporting all kinds of fluids.

The most important contracts awarded last year included:

- Five kilometers of gas pipeline branches in Soria using 6" steel pipes.
- Modification of the route of the gas pipeline in Semianillo de Madrid, at the height of the M-45, including the installation of 400 meters of 26" steel pipes, 400 meters of 16" pipes and two lines of 400 meters each of 16" pipes.
- Laying of a shunt to Manoteras (Madrid) including the installation of 100 meters of 16" and 12" steel pipes and a 300 meter branch of 12" pipe.
- Reform work on the fuel storage and supply facilities at train stations in Albacete, Algeciras (Cádiz), Almería, Cartagena (Murcia), Cerro Negro (Madrid), Córdoba, Huelva, Sevilla and Vicálvaro (Madrid).
- Integral gasification (construction of hook-up networks and in-home installations) in Béjar, Guijuelo and Salamanca.

Rivas-Alcala gas pipeline (Madrid).





Factory in Puente Genil (Cordoba).

Prefabricated Products

Business was brisk for Prefabricados Delta, S.A. in 2001. The most indicative data on the activities carried out at the company's plants in Humanes (Madrid) and Puente Genil (Córdoba) last year are as follows:

- 32 km of post-stressed reinforced concrete pipes with metal sleeves, elastic joints and diameters between 1,000 and 1,200 mm for water supply in Lleida.
- Production of 340,000 rail ties for Renfe and for the Ente Gestor de Infraestructuras Ferroviarias to be used on the Madrid-Barcelona high speed line.
- More than 20,000 voussoirs for the Metrosur tunnel that will connect the municipalities in the southern part of the Community of Madrid.

Repairs and Reform Work

Reparalia, S. A. provides repairs, reform work and maintenance services to private clients and groups. It has seven regional offices and a network of 2,400 professionals specializing in more than 20 different trades.

It has contractual agreements with numerous insurance agencies, financial entities, electric companies and distribution companies.



Santiago de Chile airport.

Infrastructure Concessions

Accesos de Madrid Concesionaria Española, S.A.

This affiliate was awarded a contract for the construction, conservation and management of the Radial 3 (M 40-Arganda del Rey) and Radial 5 (M 40-Navalcarnero) toll roads and the M 50 West (Madrid). All together, ninety kilometers of highway and a total investment of 721 million euros with an operating term of 50 years.

Autopista Central Gallega Concesionaria Española, S.A.

This company was awarded a contract for the construction, conservation and operation of the toll highway between Santiago de Compostela and Alto de Santo Domingo, a section measuring 56.8 km. An investment of 270 million euros and an operating term of 75 years.

Fredericton-Moncton Freeway

The company was awarded a contract by the government of New Brunswick in Canada for the construction and operation of a freeway spanning 250 kilometers that is already in service. The company will be responsible for operating the road for the next ten years and for maintaining it for the next 20.

Compañía Concesonaria del Túnel de Sóller, S.A.

This concession has been operating since February 1997. It includes a 3 kilometer tunnel running through the Alfabia mountain range to facilitate the traffic between Sóller and Palma de Mallorca. Last year it was used by an average of 6,530 vehicles on a daily basis, a 4.8% increase over the year before.

Concesiones de Madrid, S.A.

The administrative concession relative to the management of Madrid's southern beltway (M-45) running between the N-II and the O'Donnell arterial road and measuring 14.1 kilometers long was opened to the public this year. The term of the contract is 25 years under a "shadow toll" arrangement. It involves an investment of 180 million euros.

Marina Port Vell, S.A.

Located at the Port of Barcelona, all 413 of the berths available for recreational boats are fully occupied as are the 4,800 square meters of leasable commercial space.

Nàutic Tarragona, S.A.

This marina has 417 berths, 65% of which have been sold or rented, and 8,000 square meters of commercial space, all of which has been sold.



Theme park in Madrid.

Parque Temático de Madrid, S.A.

This company is the owner of the recently inaugurated Warner Bros Theme Park in San Martín de la Vega (Madrid). A total of 38 million euros was invested into the Park, which sits on 250 hectares of land.

Port Torredembarra, S.A.

This marina has 820 berths, more than 75% of which were occupied last year. All 4,000 square meters of commercial space was rented.

Ruta de los Pantanos, S.A.

This company is responsible for the construction, conservation and management - for 25 years - of the so-called "Reservoir Route" which consists of doubling the roadway on the M-511 and M-501 roads between the M-40 and the M-522 to facilitate access to Madrid from the west. A total of 75 million euros is expected to be invested in the 21.8 kilometers of new roadway which will be operated under a "shadow toll" arrangement. The first twelve kilometers were opened to traffic at the end of last year.

Scutvias, S.A.

This 176 kilometer long highway, operated under a "shadow toll" arrangement, links Abrantes and Guarda (Portugal). Work will be completed in 2004, although some parts of the road have been open to traffic since 2000.

S.C.L. Terminal Aéreo de Santiago, S.A.

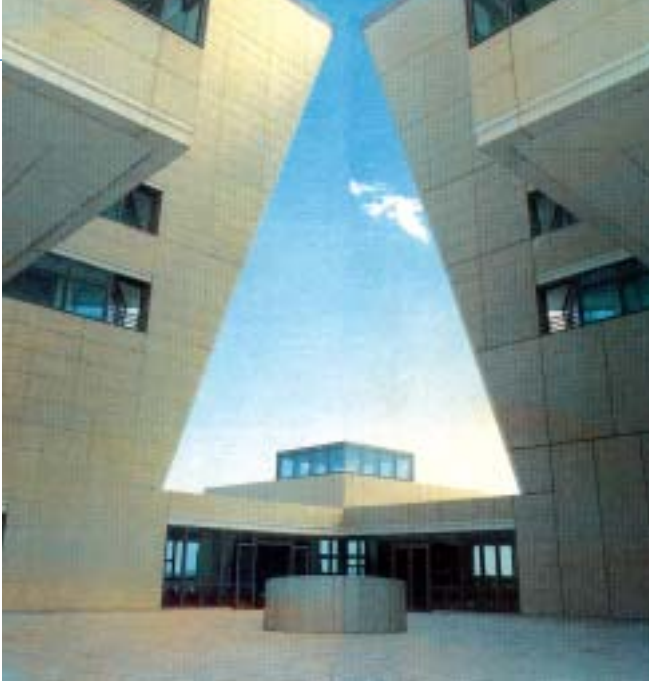
This company was awarded a fifteen-year contract to manage the passenger terminal at the Arturo Merino Benítez Airport in Santiago de Chile. The work was completed in March 2001. Almost six million passengers used the airport facilities during the last fiscal year.

Tramvía Metropolità, S.A.

This company was awarded a 25-year contract to build and operate a transportation infrastructure which will connect southern Barcelona to the towns and villages located on the outskirts of the metropolitan area in the Baix Llobregat region such as San Just, Cornellà de Llobregat, Hospitalet de Llobregat, Sant Joan Despí, Esplugues and Sant Feliu. It consists of 18.2 kilometers of track and 20 trains, in addition to stations, shops and depots. It is expected to be operational by the end of 2003.

Jarama viaduct on the M-45.





World Trade Center. Barcelona.

Parc Tecnologic World Trade Center Cornellà, S.A.

This company holds a license to build and operate a complex composed of a 58,000 square meter technology park, 34,000 square meters of office space, 10,000 square meters of commercial space and 1,400 parking spaces. The complex is located in Cornellà de Llobregat, just outside of the Barcelona city limits.

Application of New Technologies

One of the constant features of the policies of FCC Construcción, S.A. consists of using the most advanced technologies and incorporating new auxiliary resources to optimize its processes for designing, planning and executing construction work.

Some of the specific efforts made in the last fiscal year are mentioned below:

Bridges

FCC has created two assembly lines that make large beams for single caisson bridges with a production capacity of ten beams per week. At this time the company has orders to produce 575 beams measuring 13,600 meters long to be used to build 128,500 square meters of bridges for the M-50 and for the R-3 and R-5 arterial roads in Madrid and the Avila-A6 connection.

Bailen-Motril divided highway.
Section: Athendin-Durcal.



Transportes Ferroviarios de Madrid, S.A.

This company holds a 30-year concession for the prolongation of Line 9 of the Madrid metro system between Vicálvaro and Arganda. The total section measure 20 kilometers long and includes 3 stations. At the end of last year, an average of 15,865 passengers used this route on a daily basis.

Túnel d'Envalira, S.A.

This company is responsible for the construction, conservation and operations of a tunnel measuring 3 kilometers long that links the Soldeu and Pas de la Casa ski areas, both in Andorra. A total of 72.1 million euros will be invested in this 50-year concession. Work began at the end of 1999 and the tunnel is expected to be operational by 2002.

World Trade Center Barcelona, S.A.

Holder of a 50-year concession to manage the World Trade Center at the Port of Barcelona, a complex occupying a surface area of 36,000 square meters of office and retail space and 6,000 square meters of conference halls and meeting rooms that were opened to the public in 2000. A 280-room hotel was recently inaugurated.

The Company's central laboratory has designed a range of highly resistant self-compacting concrete that was used on the arch of the bridge over the Ebro River on the Ronda de la Hispanidad in Zaragoza.

The Prestressed Department has developed, in collaboration with the Swiss prestressed products company BBR, a system of cables and anchors for strutted bridges used to build the Ozama bridge in the Dominican Republic with a 180-meter span.

Among the new types of bridges built thus far, the viaduct over the Tina Menor on the Cantábrico highway is most notable. With 125-meter mixed section spans using double caissons, the outside gable ends of the caissons are composed of lattices.

Marine Work

The company purchased a new floating dock named "Mar del Aneto" to build caissons up to 45 meters long, 25 meters wide and 28 meters high with a displacement of 17,5000 tons. This new dock has greatly improved the ability of FCC Construcción, S.A. to build maritime caissons.

FCC Construcción, S.A. collaborated with the Administration on the development of innovative solutions for transom piers (that dissipate the energy of the swell) for the ports in Palma de Mallorca and Denia (Alicante) and on defining solutions for the repair of damages caused by catastrophic storms on the Mediterranean coast.



"Mar de Aneto" floating dock.

Tunnels

Last year, FCC Construcción, S.A. started work on 18 highway tunnels, 9 railroad tunnels and one hydraulic tunnel measuring a total of 34 kilometers long. A broad range of state-of-the-art technologies, machinery and auxiliary resources was used on each one.

The tunnel-boring machine "La Adelantada" owned by FCC Construcción, S.A. has broken world records for digging 9.4 meter diameter tunnels by boring 1,020 meters of tunnel in a month and 49.5 meters during the construction of the Metrosur tunnels in Madrid.

In collaboration with other companies, two tunnel-boring machines have been acquired to build the Guadarrama tunnels for the Madrid-Valladolid high speed train line as it passes through Segovia. These tunnel-boring machines are designed to dig 9.48 meter diameters and include a double telescopic shield for excavating in hard rock and fractured terrain.

Research, Development and Technological Innovation

In keeping with its policy in previous fiscal years, FCC Construcción, S.A. continued to participate in the Brite-Euram program financed by the European Union. This research and development program focuses on developing methods for designing and testing elements made of concrete using metal fibers. The Growth program studies the use of low cost stainless steel in reinforced concrete elements. Both projects are being developed by consortia whose members are businesses and universities from European Union countries.

FCC Construcción, S.A. is now part of the Encord Group (The European Network of Construction Companies for Research and Development), a European platform that promotes the participation of the construction industry in research, development and technological innovation activities. This organization is composed of 14 of the leading companies in their respective fields of expertise.

In terms of maritime work, the company is working, along with prestigious European engineering firms on the development of innovative solutions for vertical dikes on soft soil.

As far as innovative software for construction control processes, FCC Construcción, S.A. is participating with a software company on the design and testing of a computer program for controlling inspections and testing of construction projects, primarily linear, based on the GIS platform (Geographic Information System).

New airport terminal at Madrid-Barajas.



Quality and the Environment

FCC Construcción, S.A. is continuously reviewing and improving its quality system, using processes that are ISO 9001:2000 compliant in all of its activities.

To facilitate the application of the quality system to construction work, a computer portal is being developed which will be restricted to FCC Group personnel. This portal will assist employees in using the company's different computer applications relative to quality, planning, etc.

In collaboration with the Ministries of Development and the Environment, Cedex, Aenor and Seopan, the Company is working on the preparation of guides form applying the ISO 9001 and ISO 14001 standards to construction companies.

In the area of employee education, last year the Company offered 274 courses that were attended by 2,977 employees: a total of 89,265 classroom hours. According to the surveys conducted, the satisfaction level of course attendees was 81%, while the rate of effectiveness was 83%.



Funicular in Bulnes (Asturias).
Recipient of "Quality Award".

The quality award for excellence for the 2001 fiscal year went to the Fine Arts Museum in Castellón de la Plana, under the construction category and to the Bulnes funicular under the civil works category.

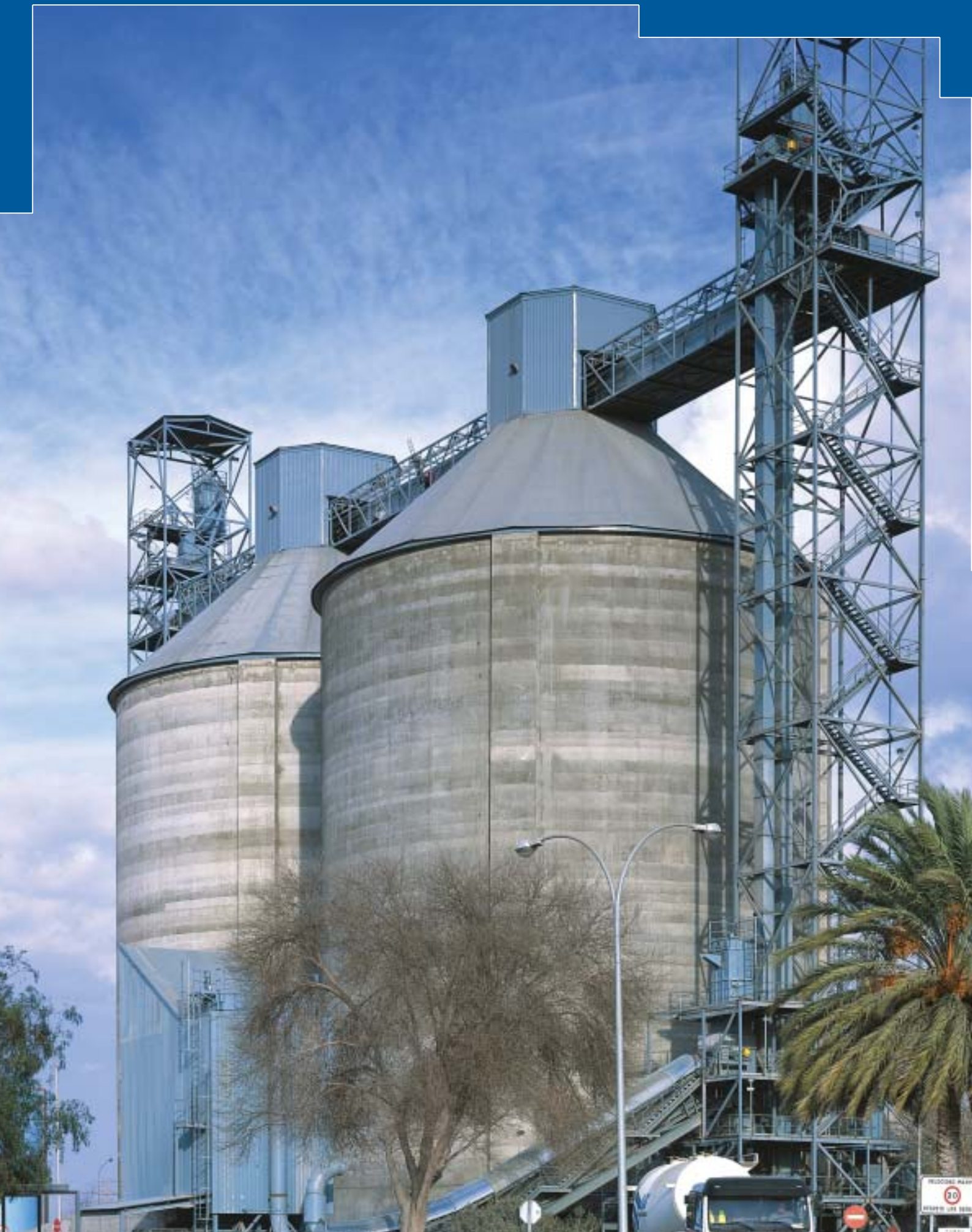
With regard to the protection and defense of the environment, FCC Construcción, S.A. has incorporated a total of 35 good environmental practices into its construction processes. These include the recycling or reuse of more than 3.5 million cubic meters of soil above and beyond the initially budgeted volume.



Museum of Fine Arts in Castellón.
Recipient of "Quality Award".

Theater in San Lorenzo de El Escorial (Madrid)
Pinsapo protection.





Cement

Portland Valderrivas, S.A. leads the group of companies through which FCC is present in the cement sector. It owns 58.8% of Cementos Portland S.A. and 80% of Torre Picasso.

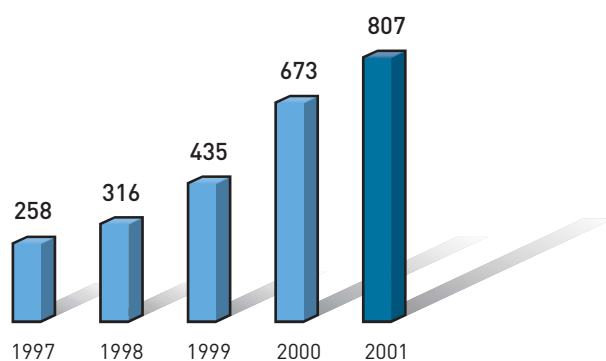
As a consequence of growth in the construction sector, Cementos Portland's factories have been working at close to full capacity. In order to continue satisfying market demands and grow the cement activity. The Group plans to invest 93 million euros to renovate its cement factories located in Morata de Tajuña (Madrid), Hontoria (Palencia), Alcalá de Guadaira (Sevilla) and Mataporquera (Cantabria). In addition to the productivity improvements that will be achieved by modernizing productive processes, manufacturing capacity will be increased by some 900,000 tons of cement per year which represents an 11% increase over the former production potential of Cementos Portland in Spain.



Cement factory in Mataporquera (Cantabria).

Turnover

(Millions of euros)



Cement factory in
Alcalá de Guadaira (Sevilla).

In the United States, low interest rates combined with increased public spending have prevented the construction sector, despite the tragic events of September 11, 2001, from being debilitated which translates into a moderate growth in the demand for cement which is estimated at 114 million tons, an increase of 3.2% over the year before.

Cementos Portland and its subsidiaries have sold 7.3 million tons of cement in Spain and have exported another 180,000 tons, primarily by Cementos Alfa, S.A. through its terminal in the United Kingdom. This, added to sales of 2.1 million tons in the United States, brings the total sales figure to 9.6 million tons which is equivalent to a 6% increase over the year before.

Through its subsidiaries and affiliates, the company produced and commercialized 4.8 million cubic meters of prepared concrete, an increase of 10.4% over the year before, and 14.5 million tons of aggregates, a 9.6% increase, as well as 432,000 tons of dry mortar, an increase of 15.8% over the year before.



Torre Picasso.

The company transported 2.5 million tons of raw materials and finished products, poured 213,000 cubic meters of prepared concrete and produced 1,200 Gwh of electricity at its own plants and those of affiliated companies, which represents an increase of 15.5% over the year before.

In the United States, 13.5 million units of concrete blocks were delivered along with 470,000 tons of light aggregates and the treatment of 251,000 tons of industrial waste.

The affiliates in the concrete and aggregates sector have increased the number of industrial facilities and thus their production capacity. The concrete division has seven more plants than the year before, for a total of 113. The aggregates sector has 3 new quarries for a total of 39.

In 2001, the company's cement products obtained (CE) product quality certification. Since 1997, its products have been AENOR certified and its quality management systems compliant with Standard UNE-EN ISO 9002:1994



Aggregates plant in Arcos de la Frontera (Cadiz).

Proper environmental management of the company's own cement activities is fostered in order to protect the environment and consolidate sustained development. The environmental management policy focuses the promotion and development of non-polluting energies, decreasing the consumption of electrical and thermal power by investing in equipment and processes that make it possible to use smaller amounts of traditional fuels by partially replacing them with renewable alternatives and monitoring the release of contaminants into the atmosphere.

In 2001, the company's facilities at Hontoria and its factory and lime quarries received certification for its environmental management system pursuant to UNE-EN ISO 14001:1996.

Cementos Portland collaborates with the Community of Madrid's Emergency and Rescue Service (SERCAM) in financing the supply of concrete and other materials needed to build a network of heliports in this Autonomous Community. In 2001, five such facilities were built in Navas del Rey, Robledo de Chavela, Estremera, Fuentidueña de Tajo and Rozas de Puerto Real. Twenty more heliports are expected to become operational between 2002 and 2003.

With regard to real estate activity, throughout 2001 all of the office and retail space at the Torre Picasso, 80% of which is owned by Portland Valderrivas S.A., was fully occupied, continuing with the trend toward full occupancy initiated and which has continued uninterruptedly since 1997. It is noteworthy that operating costs have been significantly reduced. This, along with the updating of market prices for lease renewals, have led to a considerable increase in cash flow, 19% higher than the year before.

In April 2002, the Boards of Directors of Portland Valderrivas S.A. and Fomento de Construcciones y Contratas S.A. decided to submit to their respective General Meetings of Shareholders a proposal for the merger of the two companies whereby Portland Valderrivas S.A. would be absorbed by FCC. The idea behind this operation is to simplify the structure of the companies of the FCC Group operating in the cement sector and to increase the economic weight of this activity.

Companies operating in this sector:

- Cementos Portland, S.A.CDN-USA (Cement)
- Cementos Alfa, S.A.
- Cementos Atlántico, S.A.
- Giant Cement Holding Inc. (Cement)
- Áridos y Premezclados, S.A.
- Arkaitza (Concrete)
- Atracem, S.A. (Transport)
- Canteras de Alaiz (Concrete and aggregates)
- CBH (Concrete pouring)
- Hormigones y Morteros Preparados, S.A.



Quarry in Alaiz. Pamplona.

Real Estate



Real estate development in Las Rozas (Madrid).

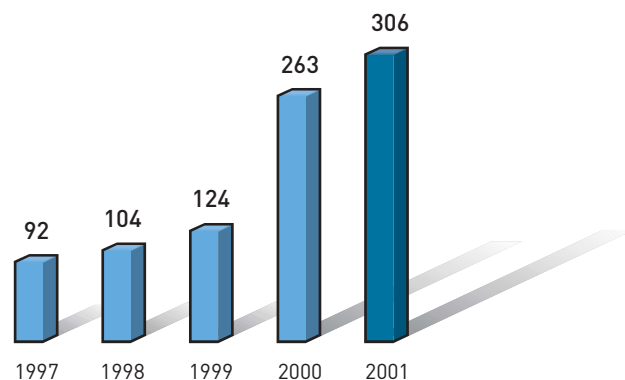
In 2001, 1,539 homes were sold; 1,348 homes were delivered to buyers and construction started on 1,380 new homes.

The leasable space was 340,000 square meters, with an occupancy level of 97%.

Realia Business, S.A. has 6,700,000 m² of developable land available to build more than 16,000 homes, in addition to 20,000 complementary units such as garages, storage rooms, offices and commercial space.

Turnover

(Millions of euros)



Realia Business, S.A., a company founded in 2000 that comprises the real estate asset management and development activities of FCC Inmobiliaria and Caja Madrid, is one of the top-ranked companies on the Spanish real estate market.

Realia Business, S.A. operates in three lines of business:

- **Asset Management:** Full-service management of leased office and retail space, primarily. The company has a portfolio of more than 50 emblematic rental properties, the most noteworthy of which include: the East Tower of the Puerta Europa in Madrid; Avda. Diagonal 640 in Barcelona, the Nervion Plaza Shopping Center in Sevilla, in addition to those managed by the Grupo Hermanos Revilla located in some of Madrid's most affluent neighborhoods.
- **Real Estate Development:** Realia comprises more than 70 real estate development companies with real estate products for sale, mainly primary and secondary residences in Spain and Portugal, with regional offices in Andalucía, Asturias, Canary Islands, Cataluña, Centro and Levante.
- **Real Estate Services:** Handled by two companies: CISMISA, which specializes in the sale of new and used real estate products, and TMI which offers full-service property management.

Real estate development in Front Maritim. Barcelona.



Other Sectors

The companies involved in air conditioning, auto sales, financial mediation, advanced computer systems and electrical maintenance are managed by Grucyrsa, S.A., as are the logistics and tourism activities described in the Services sections.

Air Conditioning

Internacional Tecair, S.A. is the subsidiary that specializes in designing and installing air conditioning systems and fire protection systems in all kinds of buildings.

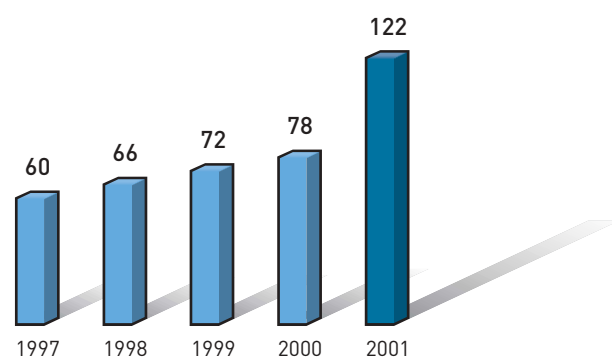
During the last fiscal year, systems were installed in more than 50,000 square meters of space in different office buildings using the latest variable refrigerant volume technologies (VRV).

A new company, Aremitecair, S.A., was formed in order to increase the Group's presence in the Community of Valencia.

The subsidiary Eurman, S.A. handles the maintenance of these systems in architecturally unique buildings in eight Autonomous Communities as well as hospitals and leading hotel complexes.

Turnover

(Millions of euros)



Air conditioning at the Virgen de la Candelaria Hospital. Tenerife.





Coastal water cleaning service.

Vehicle Sales and Technical Assistance

Sistemas y Vehículos de Alta Tecnología, S.A. (SVAT) sells high technology equipment for cleaning and maintaining city streets, industries, ports, airports and military installations. It also provides technical and after-sale assistance.

SVAT led the way last year in sales of compact street cleaners with the delivery of 100 units to Alicante, Córdoba, Hospitalet, Las Palmas, Madrid (for the recently introduced emergency service), Málaga, Murcia, Valencia, Vigo and Valladolid.

Sales of special sewer-cleaning equipment increased notably, particularly those that include the "Recy" water recirculation system which improves the equipment's performance and cuts down on water consumption.

Last summer, 20 maintenance boats were used to clean floating waste along the Cataluña coastline in a pioneer coastal cleaning and security project. The possibility of offering the same services in other coastal areas of Spain makes for a promising future for this new line of business.

Last December, the Spanish Navy signed a contract for the purchase of 18 "Piranha" amphibious combat vehicles for the Marine Corps which will serve as the basis for the formation of a new mechanized battalion.

Financial Mediation and Fund Management

Last year, 20.4% of Safei was sold off, thus initiating Grucyrsa's disinvestments in the financial mediation sector. This operation generated goodwill in the amount of 46.2 million euros.

Following the sales, Grucyrsa maintains a 10% stake in Safei. There are certain purchase and sale options on these shares for transmission to the buyer of the first share package.





Electrical installations at the Sogecable building. Madrid.

Advanced Computer Telecommunications and Control Systems. Electrical Installation and Maintenance

Especialidades Eléctricas, S. A. (Espelsa) is a company that designs and installs electrical installations, builds and maintains distribution systems and substations and develops advanced computerized simulation and control systems.

The most significant contracts awarded last year included electrical installation for the UMTS Switching Center in Bilbao, the San Lorenzo Theatre in El Escorial (Madrid), the Gregorio Marañón Maternal Hospital in Madrid, the Sogecable Building in Madrid, as well as the construction and maintenance of distributions systems and substations in Barcelona, Ciudad Real, Madrid and Toledo.

In the field of advanced computer system engineering, Espelsa provides Mission Planning and Briefing (MPB) for the European EFA-2000 Typhoon fighter plane and the planning system for the P-3 Orion marine patrol plane.



Mobile Telephony

FCC is, along with Vivendi Telecom Internacional, S.A, one of the co-owners of Vendi Telecom España, S.L. The latter, in turn, is one of the majority shareholders in Xfera Móviles, S.A. with a 29.49 % stake in its share capital.

Xfera Móviles S.A holds a license to operate third generation mobile telephone systems (U.M.T.S.) issued by the Ministry of Development.

As a result of technological complications and regulatory changes, this operator has delayed its commercial launch in this sector. In the meantime, Xfera is preparing an assortment of products and services and fine-tuning its technological platform and a distribution network with a view toward entering this market under the best conditions of efficiency, quality and commercial success.



Internet Activities

Shopnet Brokers, S.A., in which FCC holds an interest, is a company that specializes in insurance information and advisory services. It currently markets two products, both of which are fully operative:

- Segurosbroker.com, which provides customers and agents with on-line consulting and the possibility of obtaining prices for different products from numerous companies using a proprietary multi-pricing system. Customers can also purchase the product of their choice in real time with full economic and legal guarantees.
- Milenari.com, an independent insurance portal that provides information and advice on insurance activities and the insurance sector.

Grupo Netjuice. This company was split into two separate companies last year:

- Netjuice Consulting, focuses on the activities related to the development and implementation of technological solutions for corporate clients. The company specializes in the introduction of new digital technologies to all processes required by companies that do not want to miss out on the advantages of the new technological environment. Its clients include some of the most important financial entities operating in Spain, public administrations, all telecommunications operators and a significant number of the largest companies in Spain in general.
- Arts Capital, comprises the rest of the companies created by this Group to implement certain Internet-related initiatives.

Build2e-difica, S.A., is the company which came out of the merger of Spain's two most representative construction portals (Build2build y e-difica), and which operates in the market under the trade name of Obralia. During the initial stage, its activities will focus on the implementation of a portal adapted to the special characteristics of the construction sector, with the initiation of a commercial plan targeting more than 20,000 suppliers in order to prepare them for on-line transactions.



Personnel



The Board of Directors wishes to express its gratitude to all employees for their selfless dedication and professionalism which have made it possible to obtain the results referred to in this report.

As of 31 December 2001, the FCC Group had a staff of 51,996 employees, a net annual increase of 1,954 jobs.

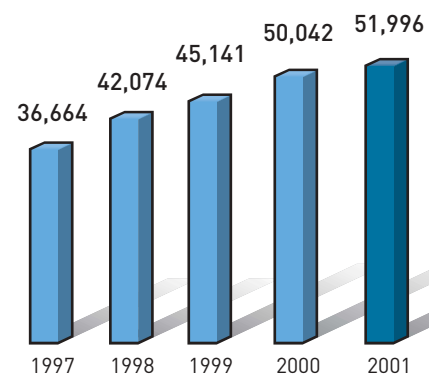
8,678 employees perform their duties abroad.

As of the end of the fiscal year, there were 3,407 employees holding degrees which represents an annual increase of 4.4%.

Accident prevention and safety in the workplace, as well as training in these area, are priorities in all companies of the FCC Group.

Staff

(As at 31 December Each Year)



The most noteworthy events were as follows:

- 102 basic level courses were offered in the areas of Services and Construction. The courses were 50 hours long and were offered to 1,080 middle managers and operators as provided for in the Risk Prevention Law. In addition, awareness-raising sessions were offered on the subject of job safety to the Group's employees and those of its suppliers. These sessions were attended by more than 5,500 people.
- Internal safety audits were performed in all Urban Environment areas.
- The basic safety instructions for construction and civil work are being continuously updated. At the same time, new texts have been published in order to adapt them to changing circumstances.
- The implementation of the Prevention Management System at construction sites has managed to involve suppliers and their own internal prevention services in the construction process, which has led to a significant improvement in safety conditions.

The Group's medical service continued its preventive and therapeutic activities. In fiscal year 2001, medical services performed a total of 13,445 medical check-ups, 33,695 medical visits, 30,024 clinical analyses and 16,089 x-rays and hearing tests.

244 collective agreements regulating the working conditions of more than 26,500 employees were negotiated and signed by the Group. In addition, the Group participated in the negotiation of other agreements at the provincial or national level.

As in previous years, special emphasis continued to be placed on training, with activities taking place in all areas of the Group focusing on both the acquisition of new knowledge and techniques as well as refresher courses. In this regard, a total of 1,578 training activities were organized including course, seminars, workshops, congresses and conferences. These activities were attended by 13,862 employees. 346,613 teaching hours were offered to improve the professional knowledge of aspects such as:

- Occupational risk prevention and safety
- Construction measurements and budgets
- Information science
- Languages (English and French)
- Construction management
- Quality
- Customer service
- Operation of city cleaning vehicles
- Training of water meter readers
- Special courses for handling and cement activities

The Group continued its collaborative efforts with the different universities that train professionals in fields related to those in which the Group operates through courses, seminars, scholarships and internships to supplement their training and facilitate their entrance into the job market.



Information About the Shares

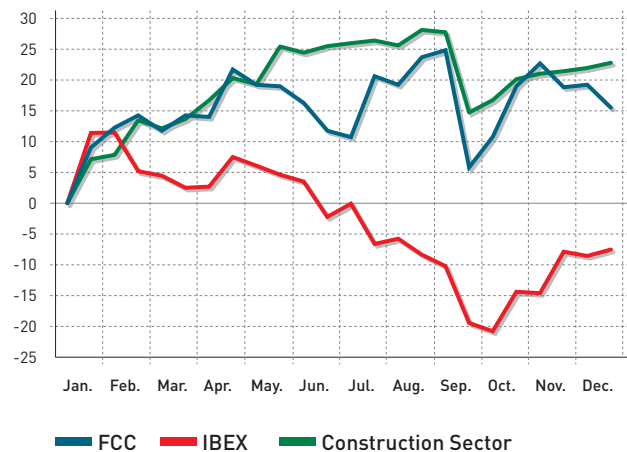
Stock Exchange Evolution

In 2001, stock market activity was marked, to a large extent, by a climate of recession which became more pronounced as the months went by. Just as the stock market was beginning to overcome its fears, the terrorist attacks in the United States on 11 September unleashed a crisis of confidence among investors.

These events also had a negative effect on the Spanish stock exchange. The general index closed the year down by 6.3% and the Ibex-35 ended with accumulated losses of 7.5%. This index reached its high for the year of 10,132 points on 25 January 2001, subsequently dropping to below 6,500 points in the third week of September as a result of the aforementioned events. At that point, with losses in excess of 28%, the market initiated its recovery based, to a large degree, on the low prices of the most representative shares on the Spanish stock exchange. This made it possible to recoup part of the sharp decline that had occurred.



Construction Company Values in 2001



Another factor that affected the markets, particularly during the last quarter of 2001, was the uncertainty surrounding the situation in Argentina. This has a particularly negative impact on the Spanish stock market as the European economy that has the closest commercial relationship with Argentina.

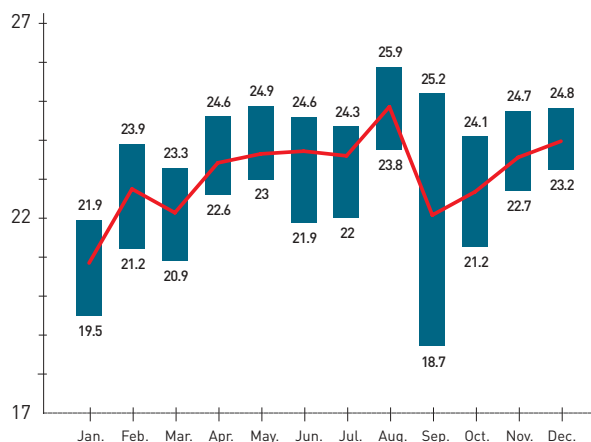
Another telling piece of information is the decrease in trading, a clear symptom of a lack of investor confidence. The transactions recorded by the Stock Exchange Interconnection system (SIBE) in 2001 were valued at 440,198 million euros, 9.9% lower than the year before.

By sectors, the metal, construction and food industries closed with considerable gains. Electric companies and the petrochemicals sector closed at practically the same levels at which they had begun the year while the rest, including banking and telecommunications, closed with losses. Once again, the new technologies sector sustained the greatest setback.

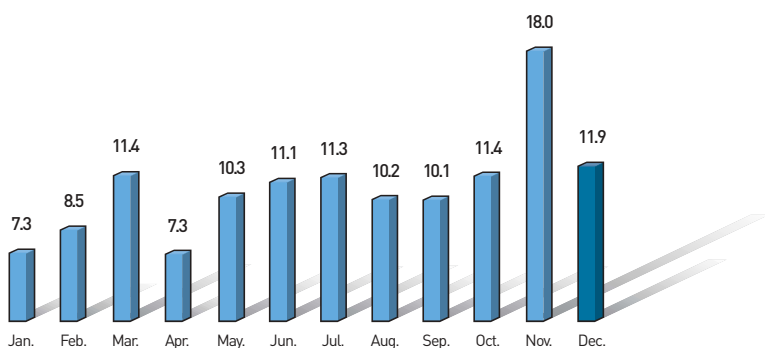
The construction companies that quote on the stock exchange played a sheltering role with substantially better performance levels than most of the Spanish stock exchange, ending the year up 22.8%. The market put its faith in the sustained growth of the construction business in the medium to long term, something which is closely linked to the execution of the National Infrastructure Plan, in which investments will continue to be made through 2007, and the tendency of all of the companies operating in this sector to diversify toward non-cyclical businesses.

FCC shares started the year at 20.13 euros and continued to appreciate, reaching a high of 25.88 euros per share on 23 August, a 28% increase in value. However, it all came to a halt with the events of September, after which a good part of what had been gained was lost. The shares begin to recover in the final months of the year and ended the fiscal year at 23.25 euros for an annual increase in value of 15.5%.

FCC Stock Values: monthly High, Low and average (Euros)



Trading Volumes (Millions of euros)



Shareholders

The Company's stock is composed of bearer shares recorded by account entries. Its stock trades on the four Spanish stock exchanges. According to information lodged with the National Stock Exchange Commission (Comisión Nacional del Mercado de Valores) the company B 1998, S.L. directly or indirectly controls 57.06% of the share capital in Fomento de Construcciones y Contratas, S.A.

Also according to the National Stock Exchange Commission (Comisión Nacional del Mercado de Valores) 10.1% of the share capital in Fomento de Construcciones y Contratas, S.A. is directly or indirectly held by Compagnie National à Portefeuille (CNP).

As of 31 December 31 2001, a total of 68,597,706 shares was directly or indirectly held by the Board of Directors.

Dividends

If the proposed distribution of profits is approved by the General Meeting of Shareholders, dividends will be paid out as follows:

		euros
Gross dividend per share		0.520487
Interim dividend		
Amount paid	0.230000	
Personal or corporate income		
Tax withholding	0.050487	0.280487
Gross complementary dividend		0.240000
Personal or corporate income		
Tax withholding		0.043200
Cash amount payable per complementary dividend		0.196800



Historical Evolution of Principal Magnitudes

Assets	2001	2000	1999	1998	1997
(Millions of euros)					
Shareholders for uncalled capital	—	1	1	28	38
Fixed Assets	2,488	2,236	1,990	1,361	1,251
Intangible	410	313	246	159	144
Tangible	1,415	1,266	1,318	945	829
Financial	625	617	393	238	254
Parent company shares	25	24	23	15	16
Start-up costs	13	16	10	4	8
Goodwill on consolidation	368	421	397	227	37
Deferred expenses	34	18	16	9	7
Working capital	3,254	2,913	2,700	2,536	2,199
Inventory	356	325	442	363	363
Debtors	2,106	1,915	1,622	1,372	1,118
Current asset investments	466	402	432	617	576
Short term parent company shares	—	2	—	39	—
Cash / banks	307	252	190	134	133
Accruals	19	17	14	11	9
Total Assets	6,144	5,589	5,104	4,161	3,532
Liabilities	2001	2000	1999	1998	1997
(Millions of euros)					
Owners' Equity	1,291	1,202	1,027	869	785
Capital	120	120	120	90	90
Issue premium	130	130	130	130	130
Reserves	393	358	266	254	209
Consolidation reserves	434	401	349	307	278
Conversion differences	7	7	4	—	3
Fiscal year profit	241	216	177	99	84
Interim dividend	(34)	(30)	(19)	(11)	(9)
External partners	624	574	497	467	473
Negative consolidation differences	37	37	—	—	—
Deferred income	41	40	28	32	35
Provisions for risks and expenses	245	282	223	158	114
Long term creditors	774	762	966	589	393
Debt with credit institutions	581	572	746	466	263
Other creditors	189	178	176	117	128
Contributions pending on shares	4	12	25	6	2
Creditors on L/T trade operations	—	—	19	—	—
Short term creditors	3,132	2,692	2,363	2,046	1,732
Debt with credit institutions	480	347	305	239	159
Debt with group and associated companies	28	30	13	5	7
Trade creditors	1,848	1,604	1,427	1,276	1,106
Non-trade debt	637	578	453	395	357
Provisions for operations	138	132	159	130	102
Accruals	1	1	6	1	1
Total Liabilities	6,144	5,589	5,104	4,161	3,532

Profit and Loss Account	2001	%	2000	%	1999	%	1998	%	1997	%
(Millions of euros)										
+ Net turnover	5,173	100.0%	4,468	100.0%	3,829	100.0%	3,303	100.0%	2,912	100.0%
+ Other income and capitalized expenses	111	2.1%	106	2.4%	92	2.4%	90	2.7%	98	3.4%
+ Variation in stocks of finished products and work in progress	27	0.5%	12	0.3%	56	1.5%	[29]	[0.9%]	11	0.4%
= Total value of production	5,311	102.7%	4,586	102.6%	3,977	103.9%	3,364	101.8%	3,021	103.7%
- Consumables and other expenses	3,221	62.3%	2,690	60.2%	2,327	60.8%	1,985	60.1%	1,792	61.5%
- Personnel expenses	1,386	26.8%	1,269	28.4%	1,095	28.6%	952	28.8%	884	30.4%
= Gross operating results	704	13.6%	627	14.0%	555	14.5%	427	12.9%	345	11.8%
- Fixed asset depreciation and reversion	210	4.1%	189	4.2%	151	3.9%	127	3.8%	104	3.6%
- Variations in cash flow provisions	18	0.4%	4	0.1%	13	0.3%	38	1.2%	31	1.1%
= Net operating results	476	9.2%	434	9.7%	391	10.2%	262	7.9%	210	7.2%
+ Financial income	50	1.0%	61	1.4%	41	1.1%	47	1.4%	50	1.7%
- Financial expenses	95	1.8%	103	2.3%	64	1.7%	62	1.9%	62	2.1%
- Variation in financial investment provisions	6	0.1%	2	0.0%	1	0.0%	—	—	—	—
- Goodwill amortisation	28	0.5%	37	0.8%	105	2.7%	39	1.2%	14	0.5%
+ Income from offset companies	37	0.7%	39	0.9%	22	0.6%	17	0.5%	7	0.2%
= Results from ordinary activities	434	8.4%	392	8.8%	284	7.4%	225	6.8%	191	6.6%
+ Extraordinary results	36	0.7%	55	1.2%	102	2.7%	3	0.1%	[9]	[0.3%]
= Before-tax results	470	9.1%	447	10.0%	386	10.1%	228	6.9%	182	6.3%
- Corporate income tax	150	2.9%	140	3.1%	133	3.5%	74	2.2%	60	2.1%
= After-tax results	320	6.2%	307	6.9%	253	6.6%	154	4.7%	122	4.2%
- Results attributed to external partners	79	1.5%	91	2.0%	76	2.0%	55	1.7%	38	1.3%
= Net results attributed to parent company	241	4.7%	216	4.8%	177	4.6%	99	3.0%	84	2.9%

Evolution of the Principal Sectors where the FCC Group Operates during the Fiscal Year

Services

In the field of city maintenance services which include the collection and treatment of solid urban waste, street cleaning and sewer system maintenance, a total of 306 contracts were put out to bid last year in Spain, a decrease of 14% with respect to the year before. The total amount of the contracts awarded as a result of these tenders was 361 million euros.

In keeping with the trend observed over the last several years, there was very brisk bidding activity in the subsectors devoted to the cleaning and maintenance of buildings, commercial space and shopping centers as well as park and garden maintenance and conservation. A total of 399 new contracts were put out to bid, compared to 253 the year before. The contract awards under these headings were valued at 382 million euros, 41% higher than the year before.

The outlook for 2002 indicates that the Group will be bidding on services for large cities. Consequently, a significant increase can be expected in the total value of the contracts awarded, although there will be fewer tenders submitted.

There will be public tenders on more than 180 contracts in the water management area which will generate revenues in excess of 870 million euros for the companies that are awarded these contracts.

As a consequence of the implementation of the National Hydrological Plan, a National Irrigation Plan was approved to promote improved technical management in irrigating communities. It is expected that, in connection with the execution of this Plan, contracts will be put out to bid for the management, execution and financing of infrastructures for the purpose of modernizing irrigation systems in Spain.

Construction

For the fifth year in a row, the construction sector maintained positive growth with an increase of 5.6% over the total production figure for 2000, more than double the rate for the national economy as a whole. In fact, this sector was the most dynamic in terms of both the volume of activity and job creation. One out of every three new jobs created in 2001 was in the construction sector, a sector that employs 1.72 million people, or 11.6% of the working population.

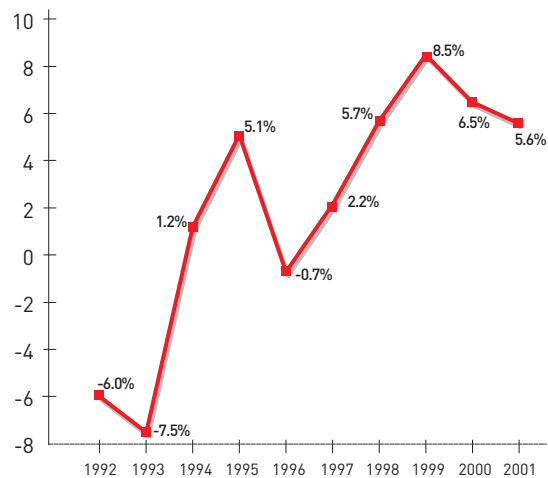
The total production for this sector exceeded 95 billion euros, which is equivalent to 14.6% of the Gross Domestic Product (GDP).

Demand from the private sector accounted for 78% of the total, while the remaining 22% came from public administrations.





Year-on-year variations in construction activity rates

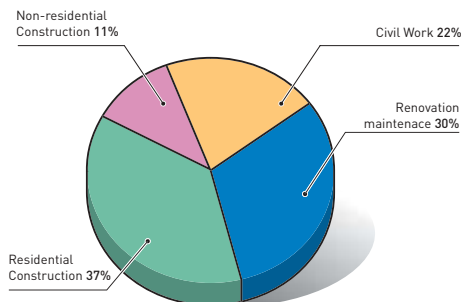


By subsectors, the greatest increase was seen in civil work (+10%), surpassing residential construction (+4%) which in previous years had been the driving force behind the growth in the construction sector. This confirms the gradual slowdown of new home construction, despite which residential construction continues to be the subsector with the greatest weight in terms of overall production within the construction sector (37%). Non-residential construction, along with maintenance and renovation, also grew by 5.5% and 4.5%, respectively.

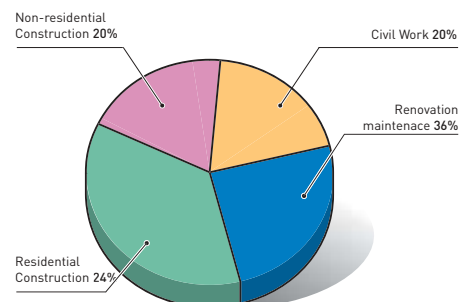
If we compare production by subsectors in Spain with European averages, we see that the percentages are only similar in civil work. While in Spain we allocate proportionally higher resources to residential construction, we fall below the European average in non-residential construction as well as maintenance and renovation.

Breakdown of Construction Work by Subsector. Spain

(Millions of euros)



Breakdown of Construction Work by Subsector. Europe



The offers tendered to public administration, by announcement date, amounted to 22,947 million euros, which is equivalent to an annual increase of 34.6%. It should be noted that the autonomous entities regulated by the Ministry of Development played a key role, accounting for more than 40% of the total contracts put out to bid for the General Administration and 20% of the public administrations as a whole.

The turnover from construction work abroad was 3,300 million euros, which represents an increase of more than 28% compared to the previous year. International contracts in this sector were valued at 2,900 million euros, a figure which is lower than the amount of the work executed during the fiscal year for the first time in several years.

The forecast for 2002 points to growth which is expected to exceed 4%. In constant terms, this means that the positive trend that has been seen since 1997 will be sustained. One of the cornerstones of this optimistic outlook is the execution of the Infrastructure Plan 2000-2007 and the National Hydrological Plan. The private sector, more closely identified with construction, is expected to continue to grow at a percentage slightly higher than the GDP.

Cement

Production in Spain reached a new historical record last year, with 42.2 million tons, an increase of 9.7% over the previous year.

6.6 million tons of cement and clinker were imported, an increase of 34.1% compared to 2000, as a consequence of internal demand.

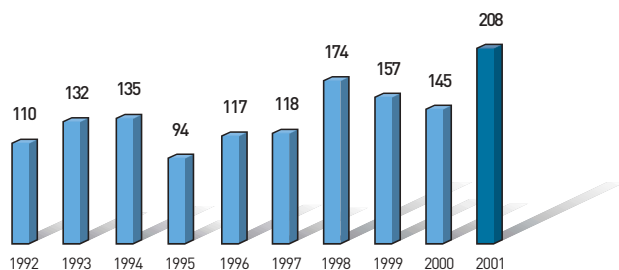
Exports declined for the fifth year in a row, down to 1.4 million tons or 33.1% less than the year before.

In 2002, the cement sector is expected to continue evolving positively, as demonstrated by the fact that the first quarter showed a production increase of 7.2% over the same period last year.

Evolution of public tenders

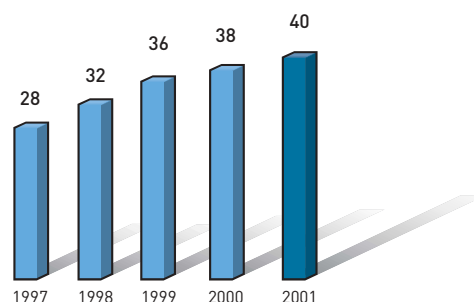
(Index number 1991=100)

Source: Ministry of Development



Cement Market in Spain

Source: Oficemen





Real Estate

The Spanish real estate sector has not suffered the deceleration that has affected other sectors. The figures for the residential sector, in particular, remained positive as of the end of 2000 due, to a large part, by sustained demand levels. The sector remained active, albeit with growth levels that were slightly lower than in previous fiscal year, with approximately 500,000 new housing starts, 6% less than in 2000. This situation is expected to continue this year, with new home prices rising between 7% and 10%, substantially lower than the 14% recorded in 2001.

With regard to the development of residential real estate for tourism, demand from abroad has increased notably. The forecasts indicate that 800,000 families, primarily from Great Britain and Germany, will want to establish residency in Spain over the next five years, which implies a considerable increase in the specific weight of this market segment.

The office subsector is characterized by increased supply, particularly in cities like Madrid and Barcelona, and a decrease in rental prices per square meter, all of which will lead to stabilization following the sharp upward trend of recent years. However, real estate purchases have remained close to the maximum levels reached in 2000. By all accounts, this situation will continue in 2002.

Industrial products, especially those related to the logistics sector, turned out to be the most stable and active segment of the real estate market. Foreign investment in this segment is likewise noteworthy and the forecast is that we will see an upward trend in this area this year.

Shopping centers continued to be a dynamic segment, as in previous years. In 2001, 23 new shopping centers opened in Spain occupying a total surface area of 447,880 square meters at a cost of 1,100 million euros. Growth is expected to stabilize

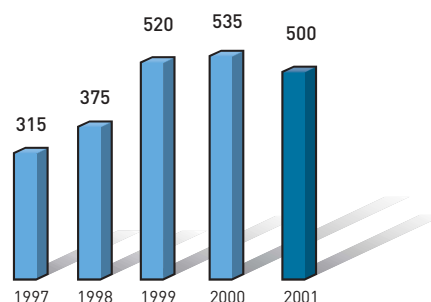
during the present fiscal year, with more activity being seen in cities with smaller surface areas per 1,000 inhabitants.

Rental prices of ground level retail space increased between 10% and 15%, due primarily to the fact that such space is in short supply in desirable city locations.

New housing starts

(Thousands)

Source: Seopan



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