



FCC WINS WASTE COLLECTION CONTRACT IN CENTRAL MADRID

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| <ul style="list-style-type: none">➤ It projects 470 million euro in revenues over the next nine years.➤ It will use 227 vehicles powered by natural gas, electricity and biodiesel.➤ FCC provides waste collection services in 4,000 municipalities, of which 3,420 are in Spain. |
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Madrid, 25 October 2006. The Madrid City Government has awarded FCC a 9-year contract to collect waste in the city centre. Revenues from the contract are estimated at 470 million euro.

The contract covers waste collection in the Centro, Arganzuela, Retiro, Salamanca, Chamartín, Tetuán and Chamberí districts and some areas of the Fuencarral-El Pardo and Moncloa districts.

FCC is also in charge of waste collection in the rest of the city, having won the contract in 2002 (it finalises on 1 January 2013).

In fact, on this occasion FCC has won three separate tenders, since central Madrid was split into two zones, divided by Paseo de la Castellana. The third tender relates to specific collection of paper, cardboard, glass and batteries. FCC bid alone for the contracts, competing with four companies grouped in two consortia.

The company must invest 48.1 million euro in vehicles and installations.

Madrid's seven central districts generate over 480 million kilograms of solid waste per year (organic waste, packaging, paper and cardboard, glass, batteries, dead animals, hospital waste, furniture and other large waste). That is approximately 1.25 kg per inhabitant per day.

Electric vehicles

FCC will use 227 new vehicles to provide this service. The trucks for waste collection will mainly be powered by natural gas, which is quieter and much less polluting than conventional trucks; 14 of the trucks will be electric.

Development of the electric truck, which was conceived by FCC as there is nothing suitable on the market, took four years from the prototype stage. The truck is narrow (1.85 metres wide) and highly manoeuvrable to handle tight corners, but it can carry 3.7 tonnes. Waste is collected entirely under electric power, and the batteries are recharged using a 220 horsepower internal combustion engine.

Its exceptional performance in terms of tonnes of waste collected per hour and lower pollutant emission (all-electric) plus the compacting, geometry, engine and transmission characteristics make it superior to diesel-powered vehicles; this led to official designation as a European Eureka project.

Madrid Polytechnical University, through INSIA (the Institute for Vehicle Research and Certification) certified the technical characteristics of all the vehicles to be used in the contract in terms of noise and pollutant emission, stability, and safety systems.

The certificate was obtained after one year of exhaustive tests of all types, measurements in various conditions of the prototypes, etc., during which numerous





modifications had to be made to enable the vehicles to meet the conditions for INSA accreditation.

Quality control

FCC will establish a specific Comprehensive Quality Control area and increase the staff of professionals to oversee and supervise both service quality and employee performance.

Two new categories of inspector have been created: Quality Supervisor and Behaviour Observer; their main advantage over municipal supervisors is that they can intervene immediately to resolve any incident arising during operations. These professionals will log information that can be used to correct personnel behaviour and identify corrective measures.

Staff training will be a fundamental part of this area, and it will be provided on an ongoing basis, using the observations by the new supervisor categories of improper behaviour by employees, which will be rectified in order to obtain the desired optimal results.

In this line, between 22,000 and 27,000 observations will be made each month, amply exceeding the minimum figure of 700 required by the City Government, providing the necessary data for taking any necessary corrective measures.

Presence in over 4,000 municipalities

FCC has been providing urban sanitation and cleaning services since 1911, when it began providing waste collection services in Barcelona (a contract which it still holds today). It has been collecting municipal solid waste in Madrid since 1940, winning the tenders held by the City Government since then.

It provides waste collection and treatment, street cleaning, facility management and garden maintenance services in approximately 4,000 municipalities in Europe, Africa and the Americas, serving approximately 50 million people. In Spain alone, it operates in 3,420 municipalities, including many provincial capitals such as Albacete, Alicante, Ávila, Barcelona, Bilbao, Castellón, Ceuta, Cuenca, Gerona, Jaén, Las Palmas, Madrid, Málaga, Melilla, Oviedo, Pamplona, Salamanca, San Sebastián, Segovia, Tarragona, Valencia, Valladolid and Vitoria.

This new contract further strengthens FCC's leading position in Spain in this environmental area, in which it obtained 1.98 billion euro in revenues in 2005.

