Red de Comunicación
El espacio de las personas de FCC
March 2010, N 1

Aqualia closes financing for the construction of a wastewater treatment plant in Egypt.

A day at the Atocha-Chamartin high-speed train worksite with FCC employees

FCC executives receive online training on the Code of Ethics

How do we convert waste into energy?

Cementos Portland Valderrivas committed to "green" cement

Visiting the air cargo area managed by Flightcare at Barajas Airport

Salamanca, always looking ahead to the future

Esther Koplowitz, Consejera de Veolia Environnement

La Fundación Esther Koplowitz recibe la medalla del Consell Valencià de Cultura

Edit: Internal Communication. Communications and Corporate Responsibility unit.

Esther Koplowitz appointed member of the Board of Veolia Environment

The Board of Directors of Veolia Environment, a leading water and environmental services group, voted on 17 December to appoint Esther Koplowitz as a member of the Company's Board of Directors as of 1 January 2010.

The appointment, made at the proposal of the company chairman, Henri Proglio, is due to Esther Koplowitz's extensive business experience and her in-depth knowledge of the municipal services and environment industry.

Esther Koplowitz is the Vice-Chairman and the principal shareholder of the FCC Group, Vice-Chair of Cementos Portland Valderrivas, and also of the Esther Koplowitz Foundation.

Esther Koplowitz, who has worked closely with the Veolia Environment for some years, was a Board member of the former Compagnie Générale des Eaux in 1998 and of Veolia Environment from 2000 to 2002.

For some years, Veolia Environment and FCC have had a joint venture in Latin America, Proactiva Medio Ambiente S.A.

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See slide show

From left to right: José Luis de la Torre, Chairman of FCC Servicios; Baldomero Falcones, Chairman and CEO of FCC; José Mayor, Chairman of FCC Construcción; and Eduardo González, Managing Director of Energy and Sustainability.

FCC posted a profit of 307 million euro in 2009

FCC's net reported income in 2009 was 307.2 million euro, 8% less than in the previous year. The Company also reduced its debt with recourse by 10%, shored up its international presence, and increased its backlog by 5.6%.

FCC improved steadily in 2009: it posted a net profit of 95.6 million euro in the first half of the year and 211.6 million euro in the second half, i.e. an increase of 121%.

Revenues

Revenues totalled 12,669.6 million euro, down 6.7% with respect to 2008, due primarily to a 10.2% decline in revenues in Spain resulting from the slowdown in the Construction business.

The international business, which accounted for 44.3% of the group's total revenues, performed in line with last year, falling just 2.1% as a result of the 10.3% depreciation of the pound sterling against the euro, which had an impact on the International Environmental area. International revenues would have remained almost stable (-0.6%) at constant exchange rates.

***The stake in Realia has been equity accounted since 1 January 2009. For comparison purpose. s, this note presents a pro-forma income statement for 2008 in which Realia is equity-accounted**

The Renewable Energy business came into operation at the end of 2008 and has been classified as a separate division since 1Q09.

The backlog of works and services amounted to 34,547.5 million euro at 2009 year-end, 5.6% more than at 2008 year-end.

Infrastructure

The performance of international infrastructure projects was positive with revenues remaining practically stable (-0.5%) in relation to the previous year.

Activity outside Spain accounted for 53% of this area's total revenues, the bulk of which were concentrated in Europe (92%) through locally-based subsidiaries.

Specifically, Austria accounted for 42% of international revenues, Germany for 17% and Eastern Europe for 25%.

Revenues in Spain declined by 13.4% due mainly to adapting the pace of work on public works projects to clients' funding capacity.

Civil engineering, which is more complex and has greater added value, increased its contribution in 2009, accounting for 69% of revenues and 76% of the total backlog.

This area saw sharp growth (especially in international markets), and the total backlog expanded by 6.9% to 10.856 billion euro, enhancing future revenue visibility.

Environmental Services

Revenues shrank slightly (by 1%), due primarily to a 5.5% reduction in international revenues, attributable to the adverse currency effect and a 17.7% decline in the Industrial Waste division.

The **Environmental unit in Spain**, which accounts for 41% of the area's total revenues and focuses primarily on municipal services and waste management contracts, reported a 3.4% increase.

The **international Environmental unit** accounts for 28% of the area's revenues; activities include municipal waste treatment in the UK and Central and Eastern Europe. Revenues from this activity in the UK declined 5.5% as a result of the depreciation of the pound sterling against the euro. At a constant exchange rate, revenues would have increased by 1.7%.

The **Water** unit, which accounts for 24% of area revenues and focuses on end-to-end water management contracts and water infrastructure development, experienced 3.1% growth in revenues in the year.

Industrial Waste management, which accounts for 7% of this area's revenues, saw a 17.7% contraction in revenues due to the impact of lower volumes and lower average prices of commodities (oil, paper and metal).

In 2009, international revenues accounted for 35% of the area's total. The main markets outside Spain are: the UK (53% of the total: municipal waste management), the Czech Republic (16%: municipal waste and end-to-end water management), Austria (8%: municipal waste management), and the US (7%: industrial waste management).

Environmental Services saw an upswing in new contracts during the year, expanding the backlog by 5.1% compared with December 2008 to 23.691 billion euro, i.e. almost 6.6 times 2009 revenues.

Versia

Revenues at Versia (non-environmental services) declined 8.6% in 2009 due to the impact of the economic slowdown on demand for Urban Furniture, Logistics and Handling services.

International revenues accounted for 32% of the total, comprising mainly Handling (where they accounted for 72% of the total) and Urban Furniture (54%).

Cement

Revenues in the Cement area fell by 27.3% in 2009 to 1,035.4 million euro, due primarily to the decline in domestic cement consumption. This is the result of the severe adjustment in residential construction in Spain that started in early 2007.

International revenues, which account for 29% of the total, fell 13.2% as a result of the sharp decline in cement consumption in the US (revenues -30%) and of the depreciation of the pound sterling. This performance was partially offset by a notable increase in exports to third countries and a slight improvement in revenues in Tunisia (2%).

Despite the slowdown, the EBITDA margin declined just 1.4 percentage points to 27.9%, due largely to lower energy costs, cost savings and optimisation of production capacity in the face lower demand.

The 2009-2011 cost saving plan is proceeding apace. Recurring savings amounting to 71 million euro have been attained, compared with the annual target of 65 million euro.

Cementos Portland Valderrivas' net interest-bearing debt was reduced by 19.5% to 1,419.3 million euro.

Renewable energy

The Energy division has no comparable figures for 2008 because it came into being as a separate business unit in 2009 following the acquisition of wind assets arranged in the second half of 2008 and completed in January 2009.

Revenues totalled 81.9 million euro, of which 67.1 million euro (82%) were from wind power (installed capacity: 422 MW) and the remainder from solar photovoltaic (20 MW).

Torre Picasso

Torre Picasso's revenues were practically the same as in 2008 due to maintaining the occupancy rate (close to 100%) and average prices.

Resultados

Gross Operating Income (EBITDA) was 1,460.6 million euro, implying a sales margin of 11.5%, just 0.5% percentage points below the margin in 2008.

Net interest expense totalled 281.1 million euro, 23% down year-on-year thanks to lower interest rates and the Group's efficient financial management.

Net reported profit was 307.2 million euro, el 8% less than in 2008 mainly as the result of the above-mentioned economic slowdown and negative contribution of equity-accounted earnings.

The trend in reported profit throughout the year, however, and as already mentioned, was positive.

At 31 December 2009, net loans and borrowings totalled 7655.2 million euro, 762.1 million euro more than at the end of 2008. This increase is fully attributable to growth investments made over the year in the Group's business units and subsidiaries totalling 981.4 million euro, which includes the acquisition for 785 million euro of the Olivent Group in the renewable energy area and its subsequent incorporation in the scope of consolidation.

By business areas, Servicios y Energía accounts for 72.6% of net debt, associated with regulated public service contracts which are stable and long term. Another 18.5% of net debt relates to the Cement division, a business which has a significant amount of fixed assets and free cash flows.

In addition, 2,881.8 million euro in net debt corresponds to non-recourse financing, representing a considerable 37.6% of the total at 31 December 2009 versus 22.8% a year earlier.

Despite the investment efforts totalling 1,601.1 million euro, recourse net debt with decreased 10.3% to 4,773.4 million euro.

The workforce at 31 December was 92,324 in comparison with 93,510 in the previous year.

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From left to right: Andrés del Río, Vice-Chairman of the Esther Koplowitz Foundation; Rita Barberá, mayo of Valencia; and, Santiago Grisolía, Chairman of the Valencia Department of Culture.

The Esther Koplowitz Foundation awarded a medal by the Valencia Department of Culture

Santiago Grisolía, the Chairman of the Valencia Department of Culture, gave the institution's gold medal to the Esther Koplowitz Foundation, for its donation to the city of Valencia of two homes for the physically and mentally disabled senior citizens, and for its valuable support of scientific research. The distinguished scientist, Santiago Grisolía, handed the award to the Foundation.

The chairman of the Foundation, Andrés del Río, received the medal on behalf of Esther Koplowitz, and was accompanied at the event by her daughters Esther, Alicia, and Carmen. Unable to attend the ceremony, Esther Koplowitz expressed her appreciation and high regard for Santiago Grisolía.

Various local personalities and representatives of the cultural, economic, scientific, and institutional community of Valencia attended the event, including the city's mayor, Rita Barberá; the chairman of the Royal Academy of Moral Sciences, Marcelino Oreja, and the chairman of the FCC Foundation, Rafael Montés.

Through her Foundation, Esther Koplowitz donated two homes for the physically and mentally elderly citizens. The first of these, La Casa Nostra, featuring the latest in treatment and therapy equipment and resources for the treatment of the elderly with physical or severe mental disabilities, was delivered in 2004 to the City Council which became responsible for managing this home. It can accommodate 60 residents and 40 at its day care centre. The second home, currently under construction, will be able to accommodate twice as many residents.

Esther Koplowitz was named Adopted Daughter of the city of Valencia in 2004 by its mayor,Rita Barberá. Her foundation collaborates with various entities, including the Jaime I Foundation.

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Blue floodlights bathe Torre Picassos to mark Span's presidency of the European Unión

The façade of Torre Picasso is being lit in blue (the colour of the European flag) from midnight on 31 December 2009 to 30 June 2010 to mark Spain's Presidency of the European Union. This is Spain's fourth six-month Presidency since it joined the European Union in 1986.

Torre Picasso is the only privately-owned building in Madrid to go blue during this mandate. The other blue-lit buildings are the Alcalá Gate and the Royal Theatre in Madrid, the Aqueduct in Segovia, Trajan's Arch in Merida, the Tower of Hercules in La Coruña, Bellver Castle in Palma de Mallorca, the Quart Towers in Valencia, the Agbar Tower in Barcelona, the Alfredo Kraus Auditorium in Las Palmas de Gran Canaria, and the Monument to the Cortes in Cádiz.

All four façades of Torre Picasso are being floodlit in blue. The lighting system consists of 60 floodlights using 1800 W mercury vapour metal halide lamps, ensuring excellent light distribution and colour reproduction.

This type of lighting is widely used in sports stadiums, to floodlight buildings and in applications where good chromatic quality is important.

Torre Picasso, which is owned by FCC, has been a landmark in Madrid since its inauguration in 1989.

Standing 157 metres high, it is one of Spain's tallest buildings; its high-tech design makes it one of the most comfortable, effective and safest smart buildings in Europe.

Torre Picasso has 121,000 square metres of floor space. Occupancy of the offices and commercial premises was 100% throughout 2009, as has been the case uninterruptedly since 1997.

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THE COMPANY

The panel of judges praised the work of the members of the FCC team: Avelino Acero, Alejandro Cisneros, Ricardo Gil, Juan Girón, and José Luis del Valle

See slide show

The Association of Civil Engineers of Madrid award a prize to the new Puerta del Lol Commuter Rail Station

The Madrid Professional Association of Civil Engineers considers the new Pueta del Sol Commuter Rail Station, promoted by Spain's Ministry of Infrastructures and built by FCC, the best public work in 2009, according to the association's panel of judges who give this prize every year.

The prize was presented by Victor Morlán, Deputy Minister for Planning and Infrastructure at the Infrastructure Ministry, to Avelino Acero, General Manager of Construction at FCC.

The award was based on the scale and difficulty of the technical and environmental challenges involved and the fact that the project had to be completed in the heart of Madrid's old quarter; overcoming those challenges made the Sol station an outstanding public transport project in the region and an example of what civil engineers contribute to the Madrid community.

The jury highlighted the work of the FCC team, comprising Avelino Acero, Alejandro Cisneros, Ricardo Gil, Juan Girón and José Luis del Valle.

The Puerta del Sol station, which was inaugurated on 27 June by Spain's Prime Minister, José Luis Rodríguez Zapatero, is part of the new 8,500-metre commuter rail link between Atocha and Chamartín.

The cavern, which is unique because of its characteristics (measuring 207 metres in length, 20 metres in width and 15 metres in height), was designed on two levels: the tracks and platforms are on the lower level, and passengers access via a mezzanine level.

The cavern length is just slightly less than the height of the 250-metre Caja Madrid tower (excluding the upper arch) in the Cuatro Torres Business Area on Madrid's Paseo de la Castellana.

Two FCC projects, also developed by the same Transport Infrastructure team, received awards from the Madrid Professional Association of Civil Engineers in 2008: the comprehensive refurbishment and expansion of Madrid Metro line 3, and the high-speed rail line to northern and north-western Spain.

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Objectives

Values

Graphics

Implementation of the new Procurement Model in the Group

After the Executive Committee approves the new procurement regulations, expected to take place on 19 April, and, with the FCC Purchasing Table and the supplier relationship electronic tool functioning for nearly two months, the new Procurement model will be implemented throughout the Spanish Group companies.

The Procurement team already comprises 23 employees from various Group business units after a recruitment drive was organized by the Human Resources Department last December. Since the recruitment process has not been completed yet, centralised procurement will be handled by this initial team. The training program in which this team participated is quite varied, covering many technical specialities in accordance with the Group's different business units.

With this team in place and with the new Ariba electronic tool for managing online offers by suppliers available since the end of February, a pilot project comprising the Procurement Tables was launched. Specific purchases are now being handled in a centralised fashion. The Procurement Table, a professional group which analyses bids and offers from suppliers, and in which all the units involved in the purchase participate, is responsible for deciding, objectively and by mutual agreement among all its members, the contracts to be awarded to suppliers. The Procurement Table convenes twice every week on Tuesdays and Fridays.
The functioning of the IT tool and the Procurement Table has been fine-tuned in these last seven weeks and ten purchases, totalling 24 million euro, were awarded with an average 6.7% in cost savings. Another seven purchases for the amount of 119 million euro are currently under negotiations. As a reference, more than 100 offers have been submitted online by the suppliers who have been invited to submit a tender.

These purchases are encouraging, not just because of the financial aspects and the fact that these fulfil the requirements of the business units, but also because of the teamwork dynamics achieved among the units that handle the purchase of products and services and the Procurement unit.

From now henceforth, these figures will start to grow after all the business units have been informed about the new Procurement model and change management. The Company plans to provide a general overview of this model throughout the entire organization. Afterwards, training in connection with this process and the tool will be provided to those involved in purchases. This will be carried out gradually as the different products and services are included in the scope of the model. A team of process specialists from the various business units will be collaborating in the change process.

On 24 March, the Group's Executive Committee was informed on the progress achieved in the implementation of this procurement model. Baldomero Falcones, the Company's CEO and Chairman stressed the importance of improving efficiency, also mentioning that this transformation required the support and commitment of the entire Group.

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See slide show

3D model of the future New Cairo wastewater treatment plant

Aqualia closes financing for the construction of a wastewater treatment plant in Egypt.

The 50/50% consortium comprising Aqualia, the FCC subsidiary specialising in end-to-end water management, and the Egyptian firm Orascom Construction Industries (OCI) closed the financing deal for the project involving the design, construction, and operations of the New Cairo wastewater treatment plant Egypt's capital.

This is Aqualia's first PPP in Egypt; the project represents a backlog of 360 million euro and includes managing the plant for 20 years.

The financing agreement was signed by Aqualia and OCI with the New Urban Communities Authority and Egypt's Ministry of Finance at a ceremony in Cairo.

The four banks participating in the syndication pool are: National Société Générale Bank SAE (NSGB), Commercial International Bank (CIB) Egypt SAE, Arab African International Bank SAE and Ahli United Bank (Egypt) SAE. NSGB is the agent bank and CIB is the custodian. Baker & McKenzie is the project's legal advisor.

A direct agreement between the government, consortium and banks has also been concluded, further guaranteeing the project's development.

The plant will treat the sewage of more than a million people and will have the capacity to treat 250 million litres of water per day. The sewage treatment plant and the sludge storage zone will span areas of 305,506 m2 and 192,671 m2, respectively.

The plant will have a water processing line including 4 pre-treatment and primary decanting lines, 6 biological treatment and secondary decanting lines and 10 tertiary treatment lines; it will also have a sludge treatment system with 6 thickening lines (3 for primary sludge and 3 for secondary sludge), 4 anaerobic digestion lines and 8 dehydration lines.

The treated water will be stored in existing settling ponds for reuse in irrigation, and the sludge will be reused for agricultural purposes. The biogas produced will be used to heat and operate the sludge treatment system.

Aqualia's competitors for the contract included top international companies in the sector, such as Veolia, Kharafi, Metito and Befesa.

Aqualia's first contract in this north-African country

This is Aqualia's first contract in Egypt and it extends the company's international outreach, particularly its strategy to expand in North Africa, where it is already building two of the largest desalination plants on the continent in the Algerian towns of Mostaganem and Cap Djinet. Aqualia is carrying out an active commercial activity in countries such as Libya, Morocco, and Tunisia, and is participating in several tenders for new water infrastructures.

In the Middle East, the company has opened a business development office in the United Arab Emirates; it has projects under way in the UAE, as well as Bahrain, Qatar, Oman and Saudi Arabia, where there are prospects for major business opportunities in the coming years.

Aqualia manages more than 300 water treatment plants worldwide (Spain, the Czech Republic and Portugal, etc.) that treat more than 400 million cubic metres of waste water each year and ensure it returns to the environment under optimal conditions, which is crucial for the sustainable development of cities and a fundamental part of the comprehensive water cycle.

The FCC water subsidiary, which has a backlog of 12.2 billion euro, remains committed to expanding abroad; it currently operates in the Czech Republic, Portugal, Italy,

Algeria, China and Mexico, and serves more than 26 million people worldwide.

FCC entered the water management business in 1990, and in less than two decades it has become one of the world's leading companies in the sector.

In Spain, Aqualia enjoys a 34% share of the outsourced water management market. The company provides water services in 1,100 municipalities to more than 13 million people. In 2007, Aqualia was named "Water Company of the Year" by the prestigious international magazine Global Water Intelligence, a fitting tribute to its track record and international scope. It was also awarded the Customer Service Leadership of the Year award by prestigious UK consulting firm Frost & Sullivan.

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Leaders in Urban Sanitation

In 2008, FCC was awarded contracts totalling 2.887 billion euro for urban sanitation activities in Spain (waste collection, street cleaning, municipal waste management, facility management, garden maintenance, sewer cleaning, etc.), i.e. twice the 2007 figure.
FCC provides urban sanitation services (waste collection, street cleaning, municipal waste management, garden cleaning, etc.) in 3,597 of Spain's 8,100 municipalities, where it billed 1.440 billion euro in 2008, compared with 1.350 billion euro a year earlier.
The company provides services to 27 million people.
In 2008, revenues from the above-mentioned services in Spain totalled 2.498 billion euro.
FCC's backlog in this area has expanded steadily and now amounts to 8.926 billion euro, i.e. 21.7% more than at 2007 year-end and equivalent to 70 months' work.
Outside Spain, FCC operates in various countries in Central and Eastern Europe, the UK and Latin America.

FCC awarded municipal sanitation and street cleaning contract in Orense

The Orense City Council has awarded a contract for street cleaning and municipal waste collection and transport to a joint venture comprised of FCC and two other companies; the 10-year contract, which can be extended by an additional two years, is worth around 120 million euro.

Services will be provided by a trained team that is committed to the serving citizens using innovative, environmentally-friendly technology developed in-house by FCC that is not available on the market. The company will spend more than 10 million euro on equipment, quality control measures and communications.

The equipment and services will be adapted to the characteristics of Orense. The vehicles will be specially-designed for greater carrying capacity and waste collection performance without sacrificing manoeuvrability, with the lowest possible cost, fuel consumption and noise and pollutant emissions, in line with the concept of clean technology. These vehicles will e equipped with leading-edge quality and safety features and will comply with Euro IV and Euro V standards.

According to needs, vehicles will be powered by ecological fuels (biodiesel, electricity, hybrids) and diesel/gasoline.

Street washers will be fitted with a novel water optimisation system which regulates the water flow and pressure as a function of vehicle speed. This will greatly enhance washing efficiency while reducing water consumption considerably. Additionally, data capture systems will provide reports and details on the street washers' movement.

The facilities will be comprised of central and ancillary depots, a main office, ancillary premises, a customer service office and an ecological classroom.

The central depot will have a system to treat water from cleaning vehicles and skips; an recharging station for electric vehicles; a biodiesel pump; a solar thermal energy installation for the production of sanitary hot water, and other environmentally-friendly equipment.

The contract also includes the establishment of a call centre, a customer service office and websites dealing with the municipality and the cleaning and waste management services.

FCC has designed an innovative control system based on a real-time geographical information system. Vehicles will be fitted with GPS/GPRS, on-board computer and mobile communications with the capacity to send and receive alerts and video, locate vehicles and skips, relay vehicle identification data and provide two-way communications between area supervisors and workers.

FCC will use side-loading trucks to collect waste in the city centre and rear-loading trucks in rural, peri-urban and industrial areas and other parts of the centre where side-loading is not an option. Side-loading trucks will be used to collect source separated waste throughout the municipality.

The fleet will include vehicles with dual side steering wheels to ensure complete coverage and maximum manoeuvrability. The contract includes collection of industrial glass and paper waste and the placement and removal of paper/cardboard and glass skips in certain areas of the city centre.

Waste collection vehicles will be fitted with computer equipment to control containers and waste collection vehicles and to identify and weigh skips.

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Project methodology

The methodology of the study conducted in Oviedo is basically as follows; occupied houses in the city's urban centre equipped with individual water metres but without interior pressure equipment are identified. Subsequently, these water meters are checked periodically to collect data. This process will be carried out during a few months to be able to determine the possible seasonal variations and the water consumption trend over a period of time.

From left to right: Alfonso Tomás, Manager of Aqualia in Oviedo; Isabel Pérez-Espinosa, secretary of Water and the Environment at Oviedo' City Council; and, Ricardo Álvarez, Client Manager of Aqualia in Asturias

Aqualia launches an intelligent water meter system in Oviedo

With this innovative system, Aqualia is able to know how much, how, and when water is consumed, enabling it to learn about the water consumption habits of the population and optimise the water meter network.

The Oviedo City Council and Aqualia reported the excellent results of the Pilot Plan for the installation of electronic water meters that are able to obtain statistical data on water consumption at each home, thereby providing information on the water consumption profile of each household plus other data to improve management of demand, detect leaks inside home installations, etc.

These modern intelligent water meters feature a latest generation electronic system with microprocessors and large capacity memory chips that store specific data that make it possible for the Company to have specific information at all times on water consumption trends, such as the amount and the time of day when this resource is consumed.

Statistical consumption data

The metres provide statistical information on water consumption at different times of the day, on maximum and minimum flows, the number of times that the metre is turned on, notices on detected leaks, incidence reports by type and date, the total flows and time; accumulated water consumption, and the consumption trend over a 12-month period.

These water meters can be read and data extracted on an individual or centralised basis, providing three types of data: data stored in the meters, reading and time data, and other types of statistical data. Information is downloaded on flat archives that are easy to integrate in the client management system.

It is possible to read the meters using the traditional portable terminal method or the innovative radio-based system implemented at the Oviedo Municipal Water Department. Data is subsequently downloaded in a specialised software program for its analysis.

The main data obtained so far in Oviedo confirms that normal consumption at households is more than 50 litres per hour. Less than this amount of water indicates that there could be small water leaks or that the systems for closing the faucets and cistern are not working properly.

Normal consumption, about 60% of the total, is generally between 300 and 700 litres per hour. Any more than 1,350 litres per hour is highly unusual and less frequent.

More than 50% of water is consumed between 8:00 a.m. and 4:00 p.m. and consumption is particularly intensive until midnight. Demand diminishes between midnight and 4:00 a.m.

It was also confirmed that water consumption in households adds up to an average 25 hours per week.

The pilot test will provide practical information once it is completed, such as the type of consumption of the residential clients of the Oviedo Municipal Water Department in order to learn about the consumption habits and trends of average households and to improve water demand management and promote the sustainability of water resources.

Oviedo's City Council and Aqualia are constantly working with the objective of offering technical innovation to contribute to improving this service and to encourage sustainable

development to the benefit of the community.

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The project contemplates the construction of a 3.7 km long and 200 metre-wide channel connecting to the Pacific locks

FCC to build a new access channel to the Panama Canal

FCC Construcción, in consortium with two Central American companies, has been awarded a contract by the Panama Canal Authority to build the new access channel from the Panama Canal to the Pacific as part of the project to build the third set of locks at Miraflores. The contract is worth 187 million euro and construction will be completed in 43 months.

The project calls for the construction of a 3.7-kilometre long 200-metre wide channel connecting to the Pacific locks and includes the excavation, transport and disposal of approximately 27 million cubic metres of mostly rocky material.

Other projects in Panama

FCC Construcción has completed other projects in Panama, including design, construction and environmental impact surveys for access roads to the second bridge over the Panama Canal, and a range of road upgrading, maintenance and widening projects.

The company is currently installing Mabey-type bridges at Cerro Viento, on Avenida José Domino Díaz, the Matías Hernández water treatment plant, and a pipeline running along the country's eastern coast.

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Ireland's prime minister inaugurates toll road between Galway and Ballinasloe, built by FCC and Sacyr

Brian Cowen, the prime minister of Ireland, inaugurated the 56-kilometre N6 toll road, between Galway and Ballinasloe, which was built by Sacyr Vallehermoso and FCC at a cost of 288 million euro.

The road, which is a key component of Ireland's National Development Plan, is one of the country's largest civil engineering projects and will be managed for 36 years by Sacyr Concesiones, the infrastructure subsidiary of the Sacyr Vallehermoso group, and Globalvía, a 50:50 joint venture of FCC and Caja Madrid.

The contract signed in April 2007 between consortium that won the public tender for the project and the Irish National Roads Authority established a period of 33 months for construction. The project was finally completed in 30 months.

In addition to to the 56 kilometres of toll road, the project included seven kilometres of conventional roadway plus the following structures:16 underpasses; 23 overpasses; 3 bridges over railways; one pedestrian overpass; four double-roundabout junctions; two bridges over rivers; and a viaduct over the river Suck in Ballinasloe.

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Construction of an electricity power plant complex in Portugal

The project calls for the construction of a hydroelectric plant worth 107 million euro

FCC won a contract from Energías de Portugal (EDP) to build the Ribeiradio and Ermida dams, accesses to the Ribeiradio dam, and complementary works for 107 million euro.

José Sócrates, Prime Minister of Portugal, attended the laying of the first stone; the projects will be completed in four years and generate 134 GWh.

The Ribeiradio dam will be a circular concrete gravity dam containing 230,000 m3 of material; the 262-metre crown will be 74 metres high. There will be three 13 x 13 metre spillways with segment gates and a 2.5-metre wide drain. The dissipator will consist of a 6-metre high concrete dam located 135 metres downstream.

The hydroelectric plant will be built in a circular shaft with a diameter of 23 metres and a depth of 36 metres. It will have one generator driven by an underground water circuit comprised of a water intake and a penstock 205 metres long with a diameter of 5.5 metres, which will discharge to the dissipator.

The Ermida Dam will be a straight concrete gravity dam (75,000 m3 of material); the 175.1-metre long crown will be 35 metres high. The dam will have a fixed-lip spillway and a 1.2 x 1.5-metre drain plus a 30-metre dissipator. The hydroelectric plant will have two generators fed by separate penstocks running through the dam.

There will be two access roads to the Ribeiradio Dam: one measuring 1.34 kilometres on the right bank and another measuring 1 kilometre on the left bank; with an average grade of 10%, they will be 6.5 metres wide, comprising two 2.75 metre lanes and 0.5 metre hard shoulders.

The EM 569 highway, along the right bank of the Ermida Dam, will be rebuilt along a length of 2.35 kilometres, including the construction of a bridge over the Salgueiro River.

This project will require more than 570,000 m3 of earth movements, more than 370,000 m3 of concrete and over 7,700 tonnes of steel.

FCC has extensive experience in building waterworks. It is currently building a number of large dams of different kinds: In Spain, the most important are the Castrovido (99 metres high), Yesa (117 m), and Enciso (105 m) dams; in Mexico, El Zapotillo (132 m); and in Bulgaria, Tsankov Kamak (130 m), built by FCC subsidiary ALPINE.

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The Chamartín-Atocha section of the high-speed train tunnel, the longest one in Madrid without any intermediate train stations.

See slide show

A day at the Atocha-Chamartin high-speed train worksite with FCC employees

The new 7.3 km-long high-speed train tunnel, being built by FCC, will connect the Chamartín and Atocha train stations in Madrid. FCC is currently involved in the preliminary work before assembling the tunnelling machine which is scheduled to start drilling on 5 April.

The project goes through eight subway lines in Madrid and three commuter train tunnels, in parallel as the approximately 400 metre-long tunnel known as the "tunnel of laughter". The tunnelling machine is placed at a 150 metre radius curve, reaching a 250 metre curve when it arrives at Atocha.

This tunnel section, without any intermediate stations along the way, is the longest ever built in Madrid.

Technical data

Name of project: Serrano Joint-Venture high-speed train tunnel

Owned by: Administrador de Infraestructuras Ferroviarias (ADIF).

Location of working shaft: South end of the Chamartín train station.

Execution period: 12-14 months.

EPB: (Earth Pressure Balance) tunnelling machine.

Length of tunnel: 7.3 Km, of which 6.9 Km will be underground.

Excavation Diameter: 11.5 m.

Estimated progress: 20 metres/day

Weight of shield: 2,000 tonnes.

The team in charge of the project

The team in charge of this project comes are members of the FCC Transport and Machinery centres. All have broad experience in tunnel construction and have been in charge of major projects, including the M-30 by-pass, the Guadarrama tunnels, and the Barcelona subway enlargement project. A large number of employees report to them at present in assembly the machine at the working shaft, all of whom have lots of experience in projects of this nature, very demanding and requiring a high degree of involvement.

All coincide in the same thing: the worst part of these types of projects is the hurry and pressure to meet deadlines. Often, this situation is aggravated by adverse weather conditions which slow down the project and performance, although thanks to the efforts and dedication of all personnel, it is always possible to make up for lost time.

We met them at the worksite where they told us about the special characteristics of their work and the difficulties that they face every day.

Name: José Raso

Age: 45 years old

Job title: Head of Machinery

Worksite: Machinery Central Services

Started to work at FCC: 20 years ago

What are the most important projects in which you have been involved?

I started at the Machinery Park and my first civil engineering work was the Casasola dam in Malaga. I have been working with tunnelling machines for the past 14 years, including at the Barcelona Metro, line 9, in the Ave Vigo-Das Maceiras section of the underground and in dismantling the tunnelling machine used in the M-30 road project**.**

What does your job involve?

The team of engineers that work under me and I supervise the entire procurement process for tunnelling machine parts. We tracked machine construction process in Germany, its subsequent assembly at the factory, transport and subsequent assembly at the work site, plus control of engineering of the tunnelling machine in operations and its subsequent dismantling.

What do you like most about your job?

Being able to be involved during the entire process, from beginning to end. Start and finish a project. Also, the human team.

What do you like least about your job? What would you try to improve?

The worst part is the continuous changes in deadlines**.**

Off the record: "Safety at the worksite has improved considerably thanks to the close collaboration of employees in preventing occupational hazards".su trabajo/qué mejoraría:

Name: Luis León

Age: 52 years old

Job title: Project Manager

Worksite: Transport

Started to work at FCC: 22 years ago

What are the most important projects in which you have been involved?

I worked at the high-speed train station in Atocha, the enlargement of Line 1 of the Madrid subway system, the Bilbao Metro project, line 7 of the Madrid subway, also in Metro Sur and at Cantoblanco-Alcobendas (Madrid) section of the commuter railway.

What does your job involve?

I'm in charge of all civil works: concrete, steel frameworks, etc. We are currently involved in building the ventilation, extraction, and emergency shafts.

What do you like most about your job?

My colleagues, without any doubt.

What do you like least about your job? What would you improve?

The pressure of working to meet execution deadlines.

Off the record: Luis highlights the great team spirit among FCC employees, the great work environment at these major project in which they must face great pressure and hurry almost every day.

Name: Javier Alañón

Age: 42 years old

Job title: Project Manager

Worksite: Transport

Started to work at FCC: 15 years ago

What are the most important projects in which you have been involved?

The Parla (Madrid) commuter train station, the M-30 beltway with the Tizona tunnelling machine, the Cantoblanco-Alcobendas section of the commuter railway line; the high-speed train platform in Mejorada del Cambo, and also, at the Mediterranean corridor project in Tarragona.

What does your job involve?

Project planning, coordination, organization, and management.

What do you like the most about your work?

Always active. We have to tackle and resolve problems every day, work is not repetitive, although, sometimes I wish the pace was a bit more relaxed.

What do you like least about your job? What would you improve?

Always rushing.

Off the Record: In his opinion, we should let others know about the work that we are carrying out. Many people are interested in tunnelling projects, perhaps we could prepare a video/a feature article on milestones so people can have a better idea of what we actually do.

Name: Marcos Calleja

Age: 26 years old

Job title: Machine engineer

Worksite: Machinery Central Services

Started to work at FCC: 2 years ago

What are the most important projects in which you have been involved?

My first project at the company was the last section of Line 9 of the Madrid subway system. I was also involved in repairing the Tizona tunnelling machine used at the M-30 project and now at the project for completing the M´50 (starting now).

What does your job involve?

As part of the engineering team working for the Machinery Manager, I participated in monitoring the manufacturing process for the machine in Germany and was involved in assembling the tunnelling machine and monitoring the work performed by the machine during the entire project.

What do you like most about your job?

The machine itself and its complexity. Every day is different.

What do you like least about your job? What would you improve?

The almost exclusive dedication required, although it does compensate.

Name: Francisco Campos

Age: 51 years old

Job title: Procurement Manager

Worksite: Transport

Started to work at FCC: 36 years ago

What are the most important projects in which you have been involved?

I always worked in civil engineering projects. My first project was the waste treatment plants in China and in Madrid. I also participated in other projects such as railway access to Parla (Madrid) and the commuter railway line from Cantoblanco to Alcobendas. Prior to this, I also worked at the Guadarrama tunnels.

What does your job involve?

It´s very diverse: working with all types of suppliers, installers, etc.

What do you like least about your job? What would you improve?

Deadline pressure. In projects, the deadline is always yesterday

Name: Pedro Sánchez

Age: 32 years old

Job title: Manager of the Accounting Department

Worksite: Transport

Started to work at FCC: 10 years ago

What are the most important projects in which you have been involved?

The first project in which I was involved at FCC was the Zaragoza-Huesca road section. I also worked at several sections of the Madrid-Valladolid high-speed train railway and at Madrid Calle-30 with the Tizona tunnelling machine.

What does your job involve?

Balance sheets, payrolls, the normal work performed by the chief accountant. The difference with other jobs is that we do this at the worksite.

What do you like most about your job?

I like to work at the worksite, be actively involved in the project.

What do you like least about your job? What would you improve?

Nothing in particular.

Edit: Internal Communication. Communications and Corporate Responsibility unit.

FCC builds the Atocha-Chamartín high-speed railway tunnel in Madrid

The aim of the project is to open up circulation of the high-speed trains between Atocha and Chamartín stations, connecting the north and south of the Peninsula through Madrid. Stretching over 7.44 km with a diameter of 10.40 metres and double lanes, six kilometres of the tunnel will be drilled using a tunnelling machine with a drilling diameter of 11.48 metres at a depth of 40 metres, while another 563 metres will be drilled manually and the remaining 22 kilometres using the so-called German method.

ADIF awarded FCC the 206 million euro contract for building the tunnel connecting the Atocha and Chamartín train stations in Madrid.

The Atocha-Chamartín high-speed railway tunnel, with an international width, will have two 7.33 km long railway lines of which, 6.9 km will be underground. Starting at Méndez Álvaro Street, it will run along Alfonso XII Street and go under Serrano until Plaza República Argentina, where the route will follow the current urban layout with the new lane between Francisco Suárez and Mateo Inurria streets, until finally reaching the south end of the Chamartín train station.

Different techniques will be used for drilling the underground part of the tunnel. An EPB tunnelling machine with a drilling diameter of 11.48 meters will be used to excavate 6 kilometres at a depth of 40 meters. Another 563 meters will be excavated manually and the remaining 22 meters will be executed using the so-called German method which consists of reinforcing the vault with a 1.8 to 2 metre deep layer of concrete as the drilling work advances.

The working shaft will be next to Padre Damián Street and the dismantling shaft at the Carlos V traffic circle. Nine emergency and three ventilation shafts will be built as well as three transformation centres. The tunnel will feature fire extinguishing equipment, ventilation, and water pumping equipment, energy supply, lightning, and communication and control facilities.

Edit: Internal Communication. Communications and Corporate Responsibility unit.

FCC executives receive online training on the Code of Ethics

The code of ethics, drafted with the objective of unifying and reinforcing the Group's identity culture and its standards of conduct is one of the key elements for managing the Company's corporate responsibility.

The ethical principles contemplated in the Code of Conduct, compliance with which is mandatory, applies to all FCC Group managers, executives, and employees. It is a tool which guides the Group's actions in areas relating to particularly relevant social, environmental, and ethical issues.

More than two hundred senior executives of the FCC Group have received training on the Code of Ethics approved by the Board of Directors.

This course, which will be taught in different phases to all Company employees, is one of the objectives contemplated in the Second FCC Corporate Responsibility Master Plan.

The objective of FCC is to have the entire organization become involved in reinforcing the Company's culture of integrity. Compliance with the Code of Ethics is of utmost importance for the Group and increasingly appreciated by its stakeholders. Since corporate penal liability is one of the issues that will be contemplated in the new penal code, a code of ethics will be essential for holding companies harmless for any damages that could arise.

Available in the Company's intranet and its website, the Code of Ethics has been translated into seven languages (Spanish, English, French, German, Portuguese, Arabic, and Italian) to ensure and facilitate its application in all of the Group's international activities.

Ethical channels

Those who are bound by the Code of Ethics are required to report any wrongdoing, confidentially, through the ethical channels and procedures, in good faith and without any fear of reprisal.

The Group has defined a general communication procedure for issues in connection with the Code of Ethics. The Internal Code of Conduct Monitoring Committee is in charge of resolving any issues in this respect, safeguarding the proper functioning of the communication channels that have been set up for Company employees. The committee handles any reports that it receives and ensures that these are resolved by the corresponding Group units. It promotes awareness of the Code of Ethics among Group employees and also among non-company third parties. Employees can contact the Secretary of the Monitoring Committee by e-mail through the Group's intranet or by post, indicating that the matter is "personal and confidential".

FCC also has specific procedures in place for financial and accounting irregularities. The Audit and Control Committee is responsible for handling issues of this nature. Employees can forward their communication to the representative of the Audit and Control Committee through the Group's Intranet (in-house communication channel) or by post.

A specific procedure has also been defined for mobbing or sexual harassment. The Human Resources Department has been entrusted with the responsibility for handling these issues.

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MANAGEMENT

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Carmen Iglesias, historian and academician, with residents of Nuestra Casa on the day she gave a conference on History and Family.

Fourth month of the "Friday at the Retirement Home" program

The Friday at the Retirement Home program is one of the many volunteer activities conducted by FCC at the Nuestra Casa de Collado Villalba (Madrid) retirement home.

The FCC Volunteer Program resumed after the summer holidays. In addition to the regular activities carried out by volunteers, such as the bullfighting, painting, and manicure workshops, birthday parties, and taking the elderly out for walks, a new initiative was introduced "Friday at the Retirement Home" consisting of round table discussions and debates among guests and the residents

Baldomero Falcones, FCC's chairman and CEO, inaugurated the event by giving a speech on the company and on the importance of the volunteer program, praising the work carried out by the Foundation which is funded solely with the contributions of Esther Koplowitz.

From its inception last October, various profiles from the FCC Group have participated on volunteer basis in these Friday events, discussing interesting subjects with the residents to spark their curiosity. These subjects range from recommendations for watching TV, the first conference in the cycle headed by José Manuel Velasco, the FCC General Manager of Communication and Social responsibility, to other subjects such as the conference given by Engracia Hidalgo on 12 February describing her experience as the secretary of social affairs and family of the Madrid Autonomous Community.

Another eight conferences have been organized at the home in the past few months, including "The ages of life" by Gustavo Villapalos; "Being in Babia" by Felipe B. Garcia, Secretary General of CC; "History and family", by Carmen Iglesias, a historian member of the Royal Academy of History; "Equal rights for men and women throughout history" by Gonzalo Anes y Álvarez Castrillón, director of the Royal Academy of History; "The Global Economy" by José Manuel Revuelta, professor at the Universidad Autónoma de Madrid and General Corporate Director of Planning and Control at Cementos Portland Valderrivas; "The Spirit of the Spanish Transition" by Marcelino Oreja Aguirre, CEO and former chairman of FCC; "The seven steps for achieving happiness" by Manuel Camacho, Trustee of the Esther Koplowitz Foundation ; and, " Jesus of Nazareth in History" by Santiago Ortiz de Navacerrada, Professor of Procedural Law at the University of Alcalá de Henares.

These conferences were full of messages and curiosities. We heard about the difference between reality and fiction in TV through several examples, we were told about friendship, love, commitment, family, friends, and memories as essential elements for achieving happiness. We were convinced of the positive aspects of reaching a fruitful age, such as ethics, the ability to distance oneself from problems and accepting ourselves for what we are; loyalty, gratitude, and courtesy. We also learned about landscapes, gastronomy, folklore and culture in Babia (León) as well as the fact that "Babieca" the famous horse of El Cid came from this region. We got a glimpsed of the role of women from the age of Plato and Aristotle up to the present time, when, more than in any other age of our history, women have reached the maximum equality with men and many other lessons which residents welcomed with enthusiasm and which contribute to the success of the "Friday at the Retirement Home" program.

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See slide show

Successful "War on Paper" campaign

Last November, FCC launched an awareness-building campaign on the use of paper as part of the Group's Corporate Responsibility Master Plan, whose essential goal is to implement good environmental practices at the workplace.

We appreciate all your contributions and, in view of the success of this in-house communication campaign, we thought that it would be of interest to prepare a small guide, to be posted in the Group's intranet, that will include the contributions and suggestions made on recycling and savings measures.

Besides contributing to the implementation of good practices and protecting the environment, these measures bolster the Company's policy on efficiency and sustainable economy.

Reducing the use of paper is a fundamental aspect for managing environmental impacts in a copay and requires the involvement and collaboration of the entire organization. At FCC, we want to be responsible and eco-efficient and invite all of you to put into practices the suggestions made by FCC employees in the "War on Paper" campaign.

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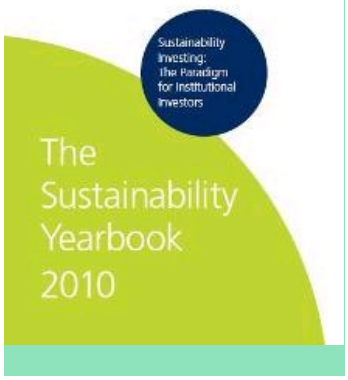

FCC qualified for the Sustainable Asset Management (SAM) "Gold Class" award.

This is the most prestigious global report which identifies the challenges and risks faced by companies considering the sector in which they conduct the activities and distinguishing those that are best prepared to such risks and challenges.

The FCC Group won a "gold" rating for its performance in relation to corporate responsibility by SAM (Sustainable Asset Management) as announced in the Yearbook 2010, presented by the consulting firm Price Waterhouse Coopers and by SAM.

This document details the results of the annual assessment process performed by the investment firm in relation to leading companies worldwide based on sustainability criteria and which provides the basis for the well-known Down Jones Sustainability Index (DJSI).

Selected for the second consecutive year

It was announced last September that FCC had been chosen for the second consecutive year for its inclusion in the selective Down Jones Sustainability Index which rewards the 10 companies that have shown the best environmental, economic and social performance among a universe of more than 1,200 companies. The Gold Class award is an acknowledgement of the great strides that FCC has made since the previous year when the Company was classified in the Silver Category.

This distinction, which was awarded to only two companies in the sector, underscores the efforts made by the Organization to include framework corporate responsibility policies as part of its corporate strategy and to promote projects related to integrity, protection of the environment, innovation, and social and corporate stewardship. The measures implemented by the Group and which were taken into account in this classification, include the implementation of the FCC Master Plan; the Group's Code of Ethics; its confidential communication channel; the approval of an environmental policy; several innovation projects on the use and generation of alternative fuels and renewable energies; management of the fleet of vehicles from a sustainable perspective; the leadership shown in sustainable construction working groups; external communication of environmental information; measures aimed at minimising occupational hazards;, and standards for suppliers.

FCC joined the index in 2008

SAM and Down Jones Indexes and Stoxx Limited collaborate in the preparation of the Down Jones Sustainability Indices (DJSI) which serve as a reference on the growing number of financial instruments based on sustainability criteria.

FCC was included in this international stock market index in October 2009. The Company was assessed and selected based on its corporate governance criteria, and its commitment to sustainability and to conducting its activities in a socially responsible fashion.

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The financial newspaper Cinco Días recognises FCC's environmetal research efforts

FCC was distinguished at the 2009 Cinco Días Awards for Business Innovation, which recognise the most innovative business initiatives.

The awards are divided into three categories: the most innovative business initiatives in the fields of corporate social responsibility (CSR), new technologies, and university-related entrepreneurship.

FCC received the award in the new technologies field in recognition of its sustainable waste collection initiative, which uses small electric-hybrid trucks to access difficult-to-reach areas.

The trucks have adequate capacity (4-5 tonnes of carrying space each); reduced width, measuring at most 1.9 metres; excellent manoeuvrability, due to their size and turn radius; and very low levels of noise and exhaust pipe emissions. Many electric vehicles are already in use in a number of Spanish cities.

The panel of judges, chaired by Emilio Ontiveros, Founder and Chairman of Analistas Financieros Internacionales, was comprised of Ana Patricia Botín, Chairwoman of Banesto; Javier Monzón, Chairman of Indra; José Núñez, Chairman of Alquimia; Joaquín Estefanía, Head of the UAM/El País School of Journalism; and Jorge Rivera, Editor of Cinco Días.

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The "FCC Environmental Classroom"

As part of its 2nd Corporate Responsibility Master Plan, FCC launched the "Environmental Classroom" project under the concept "The earth's future is in the classroom".

FCC, providing services to the community for the last 100 years, considers that promoting educational and training programs for Young people is essential since they will be the ones who will take our place n taking care of the earth and its resources.

The objective f this initiative is to build awareness among children, from an early age, on the impact that our day-to-day activities have on the environment and enable them to develop environmentally friendly habits and attitudes. To show its commitment to this cause, FCC decided to collaborate in the first phase of this project with the Sagrado Corazón School in Madrid, where FCC has been conducting activities for many decades.

The environmental curriculum consists of four classes for 75 children from 8 to 10 years old. It is supported by dynamic and very visual presentations, games and activities. A guided tour to one of the facilities managed by FCC Group, waste or a water treatment plant, will be organized when the course has been completed.

The contents and material used in the course is prepared and taught by experts on these issues who work at various Group business units, such as Construction, Cementos Portland Valderrivas, Aqualia, and FCC Ámbito.

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José Ignacio Elorrieta receives award from the Spanish Society of Environmental Health (SESA)

José Ignacio Elorrieta Pérez de Diego, Director General of Environment and Sustainability for Cementos Portland Valderrivas group, has been recognised by the Spanish Society of Environmental Health (SESA) with the organisation's insignia for his lifetime achievements in environmental preservation, health and research, as well as his contribution to education.

Specific accomplishments include the development of the Environmental Health Programme, a manual which has been established as the protocol for diagnosis of the main environmental risk factors underlying regional morbidity-mortality rates with a view to improving them and preventing new illnesses. The programme was published as a book (Guide to drafting primary care environmental health programmes), first by the Spanish Ministry of Health and Consumer Affairs and later by the World Health Organisation (WHO), as part of the environmental health care framework programme for primary care teams in Navarra.

When Elorrieta was Head of Navarra's Public Health Institute, he transformed the institution into the primary centre for liaison in Spain with the WHO's European Regional office. As a result, in addition to launching a number of very advanced environmental health programmes (hydatidosis, critical points, chemical safety, etc.) and collaborating closely as a temporary advisor to the WHO on numerous occasions, he organised an International Master's Degree in Environmental Health, under the auspices of the Navarra government and the WHO, which was particularly successful in Latin America.

The award was presented at a dinner held on Thursday, 29 October, in La Coruña on the occasion of the 10th Spanish and Iberoamerican Environmental Health Conference.

Elorrieta holds a PhD in biology from the Complutense University in Madrid, having majored at post-graduate level in bioelectromagnetism, biomedical engineering and environmental taxation. Before joining the Cementos Portland Valderrivas group, he held a number of positions in the public administration: Spain's central government (Ministries of Health and Consumer Affairs, Environment and Education & Science), and the Navarra regional government (Departments of Health and Social Welfare, Environment, Territorial Planning and Housing), among others. He is also a former Executive Director of Sustainability at the Institute for Resources Sustainability.

Regarding his international experience, Elorrieta has headed Spanish delegations at conferences of the Parties to the Stockholm Convention and the Strategic Approach to International Chemicals Management (SAICAM) under the auspices of the UN and the OECD. He has advised the World Health Organisation as part of international panels of experts on the environment, health and urban ecology, and also the European Commission and the European Environment Council.

He has published 17 books on science, and over 180 articles; he was awarded the Civil Order of Health for his teaching work.

With the appointment of José Ignacio Elorrieta as Director General of Environment and Sustainability, Cementos Portland Valderrivas evidences its strong commitment to aligning group strategy with the most advanced policies in the area of sustainability, health, and the fight against climate change, setting specific objectives such as minimising greenhouse gas emissions from all its plants.

The first challenge which José Ignacio Elorrieta addressed at Cementos Portland Valderrivas was to reduce annual CO2 emissions by the group's plants by 300,000 tonnes/year.

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Aqualia and the trade unions CC.OO and UGT execute first Equality Plan in the water industry

Aqualia signs the first equality plan in the water industry with labour unions CC.OO. and UGT

The Equality Plan consists of an "ordered set of measures which will make it possible actually and effectively to achieve, in the overall context for which it was designed, the goals regarding equal treatment and equal opportunity for men and women and to eliminate any trace of sexual discrimination".

The agreement was signed by Fernando Moreno García, General Manager of Aqualia, Antonio Deusa Pedrazo, General Secretary of the Federation of Related Industries in UGT, and Fernando J. Antón Pérez, Secretary of the End-to-End Water Industry section of CC.OO.'s Federation of Services to Citizens.

Through this agreement, Aqualia seeks to contribute to raising awareness about, protect and enhance the individual liberties of the people in its organization. In particular, it protects personal dignity within the company, establishes healthy behaviour patterns, and eradicates behaviours that might be considered illegitimate encroachment upon a person's privacy or dignity.

The Vitoria City Council rewards three FCC employees for their altruism and courage.

Patxi Lazcoz, the mayor of Vitoria-Gasteiz publicly recognised the coraje of three FCC employees who work in the city's waste collection service

The employees are Yolanda Gallego and Mikel Treviño, in charge of urban cleaning, and Cádido Romero, the driver of th truck which operates at the biocomposting pant in Júndiz.

Yolanda and Mikel were rewarded for refusing to hand in the waste collection truck to about thirty individuals with their faces covered with masks who tried to hijack the truck on 27 November and Cándido for jumping into a truck last 14 November which was aflame inside the biocomposting plant and driving it outside.

FCC has been providing solid urban waste collection and street cleaning services to Vitoria-Gazteiz since 2006.

EYSA implements equality plan

EYSA, the specialist in managing, operating, overseeing and maintaining car parks, has signed an Equality Plan which runs until 31 December 2013 with the General Union of Workers (UGT) and Comisiones Obreras (CC.OO.)

The Equality Plan consists of an "ordered set of measures which will make it possible actually and effectively to achieve, in each individual company, the goals regarding equal treatment and equal opportunity for men and women and to eliminate any trace of sexual discrimination". The labour unions also participated in a survey of the current situation.

Notable new features of the agreement include unpaid leave for as long as necessary in the case of international adoptions, giving preference to hiring women who have been found by the courts to have suffered gender violence, and the possibility of convening a special meeting of the steering committee to address cases of discrimination for reasons of gender, pregnancy or maternity.

Through this agreement, EYSA seeks to contribute to raising awareness about, protecting and enhancing the individual liberties of its employees. In particular, it protects personal dignity within the company, establishes healthy behaviour patterns, and eradicates behaviours that might be considered an illegitimate encroachment upon a person's privacy or dignity.

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MANAGEMENT

The FCC Medio Ambiente office in Barcelona and the ONCE foundation sign a agreement for the integration of people with different capabilities

The Barcelona headquarters of FCC Medio Ambiente and the ONCE Foundation signed a collaboration agreement to promote various corporate responsibility projects for integrating, socially and in the job market, people with different capabilities at the above-mentioned office.

The agreement, promoted by FCC's major shareholder, Esther Koplowitz, was signed by Pablo Martín Zamora, manager of the Barcelona headquarters of FCC Medio Ambiente, and by Luis Crespo Asenjo, Managing Director of the ONCE Foundation.

FCC, as a result of this agreement, joins another 29 companies which collaborate in the INSERTA program sponsored by the ONCE Foundation. Pursuant to the agreement, both entities agree to promote the integration of people with different capabilities in the job market, either directly, by incorporating them in the workforce at the FCC Barcelona office, or indirectly, by purchasing goods and services from the Special Job Centres run by ONCE at its Foundation.

In addition, the FCC Barcelona office will promote and encourage measures that contribute to integrating people with different capabilities in the job market, as well as creating jobs and providing training to these individuals.

The company that specialises in providing services to the community will include in its Social Responsibility strategy and plans, measures that contribute to increasing awareness and projects that contribute to the welfare and create job for those with different capabilities.

FCC is committed to corporate social responsibility, convinced that its ethical performance and social and environmental commitment not only address the issue of equality and justice, but are also profitable since it improves the atmosphere at the workplace and generates reciprocity and acceptance. People with different disabilities have the right to access the goods and services of companies on equal terms and also represent a group of stakeholders that no leading companies such as FCC leave aside.

FCC volunteers and Scalextric launch a social program

FCC, through its volunteer program, part of its Corporate Social Responsibility Master Plan, entered into an agreement with Tecnitoys, the Spanish company that manufactures and distributes Scalextric®. Under the terms of this agreement, Esther Koplowitz Foundation centres will have, free of charge, the Scalextric® race circuits and cars on specific dates, such as during the Christmas holidays, and spring and autumn holidays The Foundation's retirement homes in Madrid, Barcelona, and Valencia, accommodate various groups of individuals with limited financial resources.

The agreement, signed by Sergi Pastor, CEO of Tecnitoys/Scalextric®, and by José Manuel Velasco, Managing Director of Communications and Corporate Social Responsibility at FCC, reflects the desire of both companies to promote social programs to help those with the greatest needs.

Pursuant to this agreement, the manufacturer of Scalextric® will provide various race circuits and cars to all the retirement homes run by the Foundation. Employees of this company will be in charge of assembling the circuits and of explaining how to run them to those in charge of these homes and to volunteers.

The Esther Koplowitz foundation is funded solely with the contributions of its founder and chairperson. The Foundation is currently financing the construction of two new homes in Valencia and Valladolid and the enlargement of the Nido Foundation and "El Despertar" Association day-care centres in Madrid. It has also contributed 15 million euro for building the Esther Koplowitz Centre for Biomedical Research (CIBEK) in Barcelona, which is scheduled to open in mid-2010.

Tecnitoys/Scalextric is a Spanish company specialising in the toy sector. It distributes its products, cars built to scale, circuits, and slot accessories, in the international market, especially in countries where this game is most popular, such as Germany, Mexico, Australia, and the United States. In some of these countries, its products are sold under the trademark SCX, the anagram of Scalextric.

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Red de Comunicación
El espacio de las personas de FCC
March 2010, N 1

FCC converts waste into energy, providing clean energy to about 200,000 households in Europe

Waste, a raw material converted into energy

COMBUSTION
Combustion takes place at temperatures ranging from 850 to 1,000º C.

TREATMENT OF FUMES
In order to minimise the environmental impact of fumes resulting from the combustion process, these are subject to a cleaning process using several types of filters and chemical elements to comply with European Union emission standards.

GENERATION OF ELECTRIC POWER
The steam obtained is fed into a turbine which, in turn, generates electric power.

FEEDING THE ELECTRICITY GRID
Transformers adapt the output current which is fed into the high-voltage grid for its transport.

See slide show

How do we convert waste into energy?

One of FCC's priorities in the renewable energy sector is to obtain energy from household waste after its proper recycling, making efficient use of paper, cardboard, metal containers, glass, and other materials. The last fraction of waste can be converted into energy instead of being sent to a dump site.

FCC converts waste and supplies clean energy to 200,000 households in Europe. The company currently operates four waste-to-energy plants: two in the United Kingdom in Allington (Kent) and Eastcroft (Nottingham); one in Zistedorf, Austria; and two in Spain, in Bilbao and in Mallorca.

Waste is an inexhaustible resource and, accordingly, probably the most accessible source of renewable energy since it is easy to obtain. Solid urban waste represents a waste of materials and energy. Its subsequent collection, treatment, and elimination result in increasingly higher financial and environmental costs for the community.

At present, residential waste is collected and sorted and then treated to take advantage of paper, cardboard, containers, and other materials. The last fraction is deposited in a landfill site. This, however, is not the solution, since there are fewer and fewer locations close to urban centres that can be used as landfill sites and, moreover, landfill sites generate gas emissions, thereby causing pollution. It is therefore necessary to use waste to make its use compatible with environmental considerations. In the most developed countries in Europe, also those that are the most environmentally friendly, a solution has been found: converting waste into clean energy.

What does this process involve?

Nearly 600 kilograms of waste are generated per inhabitant in Spain each year, totalling about 24 million of solid urban waste per year, almost the same as the average figure in the rest of Europe.

Of these 600 Kg/inhabitant per year, 317 Kg are sent to a landfill site in comparison with less than 100 Kg/inhabitant per year in countries such as Germany, Belgium, Denmark, Sweden, and the Netherlands.

As to incineration, Spain, with 35 Kg/inhabitant per year, lags behind other European countries which are at the forefront in environmental issues such as France Holland, Sweden, Luxembourg, and Denmark, where 300/Kg/inhabitant per year are incinerated.

Twelve percent of recycled waste is collected in a selective fashion. A lot of waste ends up in the garbage without being separated, arriving at a mechanical-biological treatment plant where it is sorted out and subjected to a treatment. Some inorganic waste, such as beverage cans, paper, cardboard, or other types of containers can be recycled. About 46% of waste, which cannot be recycled, undergoes a specific process to obtain energy or is deposited at a landfill site.

Food waste, which accounts for nearly 32% of organic waste, undergoes a biological process in order to obtain organic fertilizers, known as compost, which are then used in farming and in gardening.

Selective waste collection and a specific treatment make it possible to obtain new products or raw materials. The first factor that has to be analysed in relation to recycling into energy is the energy potential of waste. Plastic materials and liquid industrial waste, for example, have high calorific power whereas the waste-to-energy potential of organic and solid urban waste is more limited. Sixty percent of total waste cannot be recycled and its treatment could involve gasification, pyrolysis, or incineration.

Gases from the combustion of waste are used to generate electric power at the incineration plant. Unlike the gasification and pyrolysis process, it is not necessary for

waste to be of the same type for the incineration process. Combustion takes place at temperatures ranging from 850 to 1000º C. To minimise the impact on the environment, combustion-generated gases is filtered and treated with chemical compounds to ensure that emissions comply with European environmental standards. Steam is fed into turbines which, in turn, generate electric power. Transformers adapt the current to the high-voltage grid for its transport and, from here, electricity is sent to power substations that adapt the voltage to the one required by end consumers. Consequently, the waste bin is a great source of energy and, taking advantage of this waste also contributes to reducing methane emissions generated at landfill sites and to sustainable development.

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FCC waste-to-energy generation assets

Spain offers enormous potential in waste-to-energy generation in order develop a policy in accordance with its current levels of waste. FCC currently has five waste-to-energy plants: two in the United Kingdom, one in Austria, and two in Spain (Zabalbarbi in Bilbao, and TIRME in Mallorca). The total treatment capacity of these facilities is 1.8 million tons of waste per year.

The Allington (Kent) incineration plant in the United Kingdom.

The Allington plant, situated in Kent County southeast of London, is the largest waste-to-energy plant in the United Kingdom. The facility consists of a power station that generates electricity from waste in addition to a recycling plant. This facility can process up to 65,000 tons of recyclable waste per year which is previously sorted out at its origin. Paper, cardboard, plastic, and metal, sorted out at the recycling plant, is sent for its reprocessing.

The power plant uses a Rowitec fluid bed to process up to 500,000 tons of solid urban waste from households and from the industry each year. When working at full capacity, the facility can feed up to 35 megawatts of electricity to the national power grid.

The Eastcroft plant in Nottingham (United Kingdom)

The Eastcroft power plant produces thermal energy in the form of steam which is used in the city of Nottingham for heating thousands of homes, offices, shops, and public buildings.

The plan to enlarge its capacity from 100,000 tons of waste per year to 260,000 tons, and which strictly complies with local and regional urban planning criteria and the national waste and energy policy, was approved in 2009.

This enlargement project will enable WRG, the FCC subsidiary and the leading company in Britain engaging in treatment of solid urban waste, to increase its waste-to-energy portfolio significantly. The power plant will increase its value as treatment facility for non-recyclable waste and will continue contributing to the municipal heating system of Nottingham, considerably reducing the amount of waste that is sent to landfill sites and making a significant contribution in the battle against climate change.

The Zistersdorf facility (Vienna)

Situated 50 kilometres north of Vienna, the Zistersdorf plant can process up to 130,000 tons of waste per year, of which 70%, consisting of household, commercial and industrial non-hazardous waste arrives by train. This waste is then converted into energy.

The plant is equipped with Von Roll Innova furnace technology and is able to generate a net amount of 14.5 Mw of electric power, feeding 99,450 Mwh to the national power grid, sufficient to supply energy to a city of more than 30,000 homes.

The Zabalgarbi plant (Bilbao)

The Zabalgarbi incinerator generates energy from urban solid waste from the cities and towns on the left bank of the river: Ortuella, Gallarta, Musquiz, Santurzi, Portugalete, Sestao, and Baracaldo, and other municipalities in Vizcaya, accounting for 35% of all waste generated in this province.

With an annual treatment capacity of 250,000 tons of waste, the plant is prepared to generate 760 million kilowatts/hour per year, equivalent to 10% of energy consumption in Vizcaya and 30% of the energy consumed in households and in the commercial segment. Gas consumption is approximately 1,070 Mth/year.

TIRME Plant (Palma de Mallorca)

A third treatment line will be added soon to the Son Reus incinerator, which converts waste into energy and supplies electricity to the residential segment in Palma.

The overall electricity capacity of this incinerator will reach 45 megawatts, 5% of power generated in all the islands. The current plant generates 23 megawatts and the new one will be able to generate 38 megawatts, that is, 52 megawatts of which 6 will be used to power the plants.

The entire island generates approximately 700,000 tons of each year. The third incineration furnace, once the construction project is completed will be able to handle all the waste that is generated in Mallorca.

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GUEST COLUMN

See slide show

Cementos Alfa factory (Santander)

Cementos Portland Valderrivas committed to "green" cement

By: José Ignacio Elorrieta Pérez de Diego

General Manager of the Environment and Sustainability at Cementos Portland Valderrivas Group

Crises should be the gateway to opportunities. At times like these, the axiom "change for the better" takes on a new meaning and becomes a necessity that cannot be postponed. It is necessary to start working differently. Albert Einstein said: "The world will not evolve past its current state of crisis by using the same thinking that created the situation".

The word "sustainable" has become fashionable, so much so that, it is affirmed that development and business will have to be sustainable or else there will not be any development or business in the not too distant future. This does not mean doing less business; it means doing it differently.

In the cement industry, there is no room for complaining about the crisis in the construction sector or the reduction in public works put out to tender; what is most important is to look for a way to address this situation urgently and to search for new market locations for the immediate future.

This is the road that the Cementos Portland Valderrivas Group took some time ago, putting the environment at the centre of competitiveness to reduce costs, recover and open new markets, launching new products such as services.

Evolving from materials and energy-intensive growth towards elements of greater added value, a new policy supported by innovation, productivity, and competitiveness underpinned by knowledge.

The CPV Group decided that the road to sustainability means improving environmental management and the battle against climate change, focused mainly on improving energy efficiency, recycling materials and the energy of by-products and waste, looking for alternative fuels other than traditionally used the fossil fuels.

This has meant a Copernican turn since, historically, cement manufacturing and consumption have been considered pollutant activities. Just 20 years ago, cement factories were associated with dust surrounding the facilities and, in the last decade, and following the Kyoto Protocol, it has been directly linked to climate change since cement factories are responsible for 5% of total CO2 emissions.

Environmental management

CPF is the only cement Group that has been awarded the ISO 14001 environmental certificate and the EMAS (the E.U. Eco-Management and Audit Scheme) certificate for all its factories in Spain, an external audit that underscores that the Group's environmental commitment goes beyond merely complying with current law.

Battle against climate change

The cement activity, because of what is involved in its production process, generates a large amount of CO2 emissions. Accordingly, one of our main concerns is to reduce these emissions in the production process.

We are addressing this issue in various ways, such as by using raw materials which are more decarbonated, replacing fossil fuels with alternative ones.

In the last line is where Spain is lagging significantly behind other advanced EU countries and this is where we are making considerable efforts.

Last year, in Spain, the Group took firm steps towards recycling energy at its cement factories. This activity is particularly interesting in relation to the environment since, besides reducing emissions (those of replaced fossil fuels and those of alternative fuels, some of which, if not used in this manner would be degraded in landfill sites) also reduce some other air pollutants such as nitrogen oxide. We believe that this environmental improvement redounds in the good of the community by taking advantage of something which, if not used, would be considered mere waste.

Having arrived at this stage, as of now, definitive progress in recycling will be even faster once the corresponding permits have been secured, approved, and the pertinent investments made to revamp the facilities to allow the entry of waste in the combustion processes.

Until now, cement has been part of the problem affecting climate change. As of now, however, it will certainly be part of the solution. This is possible since after water, concrete derived from cement, is the material most consumed in the world. Consequently, this material, not just the way it is used but also the way it is designed, will play a key role in new markets as a result of climate change, reducing CO2 emissions and will be part of the policies to adapt to this change (infrastructures to protect against extreme natural phenomena which are caused by CO2 pollution).

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GUEST COLUMN

Recover and open new markets, manufacture new products as services.

The activity of Cementos Portland Valderrivas is not limited to improving its production processes, manufacturing high quality cement using less energy and raw materials, and with lower CO2 emissions. The Company also aims to produce differentiated products with greater added value to gain new market share.

José Ignacio Elorrieta Pérez de Diego

To this end, CPV is currently focused on:

- **Promoting the use of concrete paving on highways, roads, and rural roads as an economic, ecological, and social alternative.** This material is intrinsically superior to asphalt in terms of sustainability: greater durability; less energy footprint; greater reduction of CO2 emissions from heavy vehicles; less noise pollution. Since it is nationally-manufactured product, its price is not as affected by speculative mechanisms as in the case of petroleum.

- Developing special cements that offer differentiated services that contribute to resolving current problems. These include **microcement** for waterproofing tunnels; **natural cements**; **ultracements**; **concrete for refrigeration towers**, **desalination plants**, or as support for offshore wind turbines; **stabilisation/solidification cements** suitable for fixing pollutants on the ground; **flash cement** for ultra-rapid repair of infrastructures, such as airport runways, etc.

These and other initiatives (construction materials that improve thermal isolation to make already built or refurbished buildings more energy-efficient) are part of the investigation lines that CPV's R&D division has been working on in recent times, aware of their importance in the very near future.

The fight against climate change is the key driver behind our efforts: producing "green" cement with zero CO2 emissions to air throughout its entire lifetime is our aim, even though, to achieve it, we must capture, transport, and store CO2 emissions which we cannot prevent in our production processes. In this respect, we are currently developing several biological and physical research processes.

Waging on the safety of citizens in case of fire or floods, ensuring basic requirements, such as water and energy supply, manufacturing energy-efficient homes and public infrastructures with a product that is 100% recyclable, highways with less CO2 emissions...this is the road we have taken and we have no other alternative since our future depends on this.

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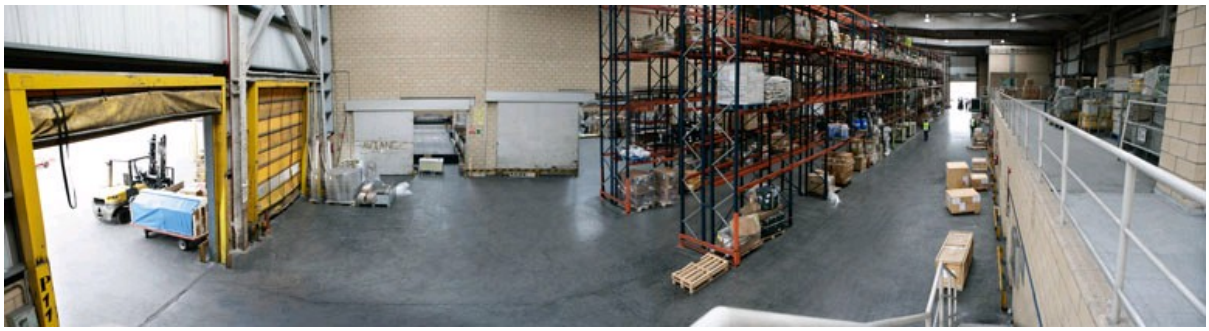

General view of the Flightcargo facilities at Madrid's Barajas Airport.

See slide show

Visiting the air cargo area managed by Flightcare at Barajas Airport

The workplace where FCC professionals perform reception, import and export processing, computerised treatment of documentation, custom procedures, and pallet services, also preparing cargo for its subsequent transport in passenger or cargo aircraft or trucks.

Each year, 51,000 tons of merchandise of the most varied nature from all parts of the world are handled, stored, and distributed from FCC's facilities at the first line of the Madrid Barajas Airport air cargo facilities.

Working eight-hour shifts, 24 hours a day, the employees of Flightcare, the FCC company engaging in airport handling activities, handle merchandise departing or arriving from aircraft and trucks owned by the airline companies to which it provides services. It receives sorts, and distributes this merchandise and acts as a point of contact between the airline company and its clients and official organizations.

At the handling facilities since 2001

We visited the facilities accompanied by Concha Moya the head of the cargo centre who informed us that, since the start of activities in 2001, Flightcare staff has handled unique cargoes, such as sea lions, luxury cars, a group of penguins who were being sent to Faunia, and exotic fish.

We witnessed the intense loading and unloading operations carried out every day and, during our visit, were present during the dismantling of a cargo pallet from Singapore, the transport of an immense aircraft wheel, and the arrival of a cargo of flowers from Colombia that was later sold throughout Spain on Valentine's Day. Just a few days earlier, a cargo of humanitarian aid for Haiti had left the installations.

During our tour, we visited the cold storage units for perishable products, the cargo belt, a large sliding surface for transporting heavier loads; and the zone equipped for animals with bird cages, modules for small mammals such as dogs and cats, and large containers for horses and bulls, where animals are kept for inspection by a veterinarian.

Products that arrive at the facilities in bad conditions are taken by FCC Medio Ambiente to the Valdedomíngues or the Liébana incinerator in Valverde de Alcalá, the only plant in the Madrid Autonomous Community that has a permit for the incineration of animal-derived products.

The loading and storage facilities at Madrid's Barajas Airport were recently enlarged. One hundred employees work daily at this facility, handling merchandise and also managing and processing necessary documentation with official organizations, such as documentation for merchandise from non-EU countries, inspected by customs professionals; animal products for human consumption, inspected by the Ministry of Health, and merchandise derived from animal products that is not for human consumption, for example, hunting trophies, which are handled by the Ministry of the Environment.

Today, Flightcare is a reference brand in the European handling industry. Backed by FCC and with more than ten years' experience in this sector, the company provides its clients services aligned to their specific needs.

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Flightcare, FCC's handling company

Flightcare is an FCC company that provides airport ramp, passenger, and cargo handling services. Its main objective is to provide quality services and to optimise its performance by reducing the impact on the environment to those that are strictly unavoidable.

The Company operates in 14 airports and, in 2009, provided services to more than 250 companies, handled 321,820 flights, 34 million passengers, and 260,000 tons of cargo.

In Spain, Flightcare provides its ramp and passenger handling services at Barcelona, Malaga, Alicante, Valencia, Fuerteventura, Jerez, and Almeria airports. Its market share in 2009 was around 38% at the bases where it operates. It also provides cargo handling services in Madrid, Valencia, and Alicante.

Belgium is one of the key pillars of Flightcare's business in Europe, operating in Brussels, Bruges-Ostend, Liege, and Charleroi airports. In Brussels, one of the main airports where it operates, Flightcare enjoys a 67% market share in liberalised ramp handling services. In the Belgian market, its market share in cargo handling is more than 25%.

Flightcare is the leading independent handling agent in Rome. Its market share at Leonardo da Vinci (Fiumicino) airport was about 41%. Flightcare is the only independent operator at the Giovanni Battista Pastine (Ciampino) airport.

The company made great efforts in 2009 to optimise its production processes to enhance its competitive edge.

Flightcare was the first company to implement the use of the rampsnake at Brussels Airport. This is a new technological development for loading and unloading baggage rapidly and safely without causing harm to personnel, also optimising the time involved in this process.

It is the first handling agent in Spain to implement and to obtain three Management System certificates: ISO 9001.2000 for the Quality Management System; ISO

14001.2004 for the Environmental Management System; and OHSAS 18001.1999 for the Safety and Health Management System.

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See slide show

Salamanca, always looking ahead to the future

Salamanca, at the feet of its Cathedral, surrenders to the Tormes River and the Roman bridge, the gate to the city which is part of the ancient Vía de a Plata (Silver Road). The medieval towers of this cathedral watch over this great metropolis, a crossroad of cultures. Salamanca, a city with character, personality, and a unique way of life, is also famous for its University, a jewel of Renaissance art; its Plaza Mayor, one of the most beautiful in Spain; its Casa de las Conchas, one of the most popular palaces in the city, and many other major Romanesque, Gothic, Renaissance, Baroque, and Mudejar style monuments.

Originally founded by a Celtic tribe, Salamanca was originally called Hemática. It was conquered later by the Romans, seized by the Visigoths, ruled by the Muslims, and rebuilt and repopulated by Raymond of Bourgogne at the behest of King Alfonso VI.

Above all, Salamanca is a city that never sleeps. In the morning, the city is teeming with students, professionals, and then later in the day, its streets and squares are taken over by tourists and others who take the place of the students.

Its traditional cafes, such as the Novelty, founded in 1905 and situated in Plaza Mayor, are the favourite places for gathering. The author Torrente Ballester and his friends used to gather here to watch the incessant come and go of the city and its inhabitants.

Gastronomy is also part of the culture of Salamanca, which produces a wide aray of exquisite products. Its grilled meats are quite famous, especially pork, *Morucha* beef, lamb, without forgetting its famous meat pie. The city's typical sweets and pastries, *perronillas*, wafers, the *maimón* buns, candied almonds, are all very well known and often have an underlying legend.

Salamanca, the city of the Spanish language

The city is the home of major research centres, such as the Cancer Research Centre, the Centre for the Technological Development of Water, and the Centre for Applied Biomolecular Research. It is also the home of major financial and corporate centres and is also a known worldwide for its Spanish language courses.

"For a very long time –Julián Lanzarote, the city's mayor since 1995, said – *we have been working to make Salamanca a reference for the teaching of Spanish and, I believe, that little by little, we are achieving this goal. We already have a good structure of Spanish language academies, courses for foreigners offered by the University of Salamanca which enjoy a very good reputation, boarding facilities for students, apartments for rent, a good night-life, a great cultural offering. In short, everything for anyone who wants to learn our language in a monumental city of astounding beauty. This is why I believe that we will also succeed in our project, which we have called "Salamanca, the city of the Spanish language".*

Julián Lanzarote has heard others say wonderful things about the city, *"I've heard a lot of good things about Salamanca. Most recently, perhaps, was the speech given by the former president of Costa Rica, Oscar Arias, named Doctor Honoris Causa by the University. In his speech he said that "This city was conquered by the Carthaginians and Romans, by the Visigoths and the Moors. At the end, however, the city was the great conqueror; ruling with reason rather than by force".*

European city of sports

Salamanca is city that has received great recognition: UNESCO World Heritage Site in 1988 and the European City of Culture in 2002, which led to the creation of the Salamanca City of Culture Foundation in 2003. The Fundación de los Saberes (Foundation of Knowledge) was created in 2009 to support the Spanish educational system.

Salamanca is an example of a clean city; it is also a green city, with millions of square metres of parks and gardens; a monumental and cultural city par excellence; a city of tourists; a vibrant city, cosmopolitan, and fun.

It was chosen this year as the European Sports City 2010, undoubtedly, a great source of pride for all its inhabitants. The mayor told us: "*We the people of Salamanca are very proud of our city. As you well said, Salamanca has received great recognition in the past few years as a World Heritage Site, European City of Culture, and, this year, the European Sports City, awarded unanimously by the Association of European Sports Capitals, rewarding many years of hard work to promote physical-sports activities among the city's residents. We will dedicate our efforts in the year 2010 in promoting sports and its implicit values, such as teamwork, solidarity, comradeship, and respect*". To mark this event, Salamanca will be hosting more than 70 sports activities in 2010.

The Salamanca City of Culture Foundation will also organize more than 70 cultural events for all members of the public, such as the concerts featuring Fito & Fitipaldis, Mónica Naranjo accompanied by the Symphony Film Orchestra of Madrid, Estopa, Antonio Orozco, and Joan Manuel Serrat. The program includes a concert the first one of its kind, of the Joven Orquesta Sinfónica "Ciudad de Salamanca", jointly with the group, La Oreja de Van Gogh. Theatre events have also been schedules, with Francisco Valladares, Pepe Viyuela, Teté Delgado, Asunción Balaguer and Tricicle. In addition, a course on the city's history will be given every Monday of March and the Santo Domingo de la Cruz hall will feature an exhibit organised by Centro Documental de la Memoria Histórica.

Community services

Tourism, art, and culture go hand in hand in Salamanca. This is also the case in relation to the services that FCC provides to the city's residents, such as urban sanitation; end-to-end water management; the supply, installation, conservation, and operation of street furniture, public bathrooms; bus stops and information columns, tow-away services, and the construction of large infrastructures. FCC is a leading, diversified and international group which provides services focused on eco-efficiency. Julián Lanzarote said that "*City Councils must be very clear about this concept since it is the administration that is closest and in direct contact with residents and the one that provides the most services contributing to improving the quality of life of the community. Aspects as basic as drinking water supply; waste collection; street cleaning services; maintenance and upkeep of public parking facilities, parks and gardens, and children's playgrounds; children's day-care centres that make it possible to balance out work and family life, social aid for those with the greatest needs; public transport; home services for the elderly; sports and cultural activities, etc.*"

According to a study on residents' perception of the services provided by the Salamanca City Council, citizens showed that they were generally aware of all the services provided. The services that were best known were: waste collection (97.2%); followed by parks and gardens (96.5%); drinking water supply (96%), street lighting", and street maintenance (92.7%).

The service most used by residents was, according to this study, was waste collection (96.4%). This was followed by drinking water supply (96%), street lighting (95.2%), and street maintenance services (94.4%).

The City Council is the city's main driver, and the mayor wants his city to be a modern one, "*I want my city to remain a cultural, world heritage, university city, but always looking towards the future. That is, with modern services and infrastructures*".

Clean energy

Salamanca is committed to being an ecological city, with the latest technological innovation, modern, but always maintaining cultural and artistic sites. In the future, the mayor would like for the city to have "*clean, non-pollutant energy and at the same time, competitive, although I don't know if we will be able to see this someday*".

Organising the transport system is essential for ensuring the good health of cities, with less noise and no pollution. In Salamanca, according to Julián Lanzarote "*we have taken major steps in recent years in this respect in the city's historic and commercial districts. Many of the city's streets are now just for pedestrians so that the residents of Salamanca and visitors can enjoy the monuments. To achieve this, we built several underground parking facilities in the surrounding areas. We also have a good public urban transportation system so that residents don't have to use their cars. We should also bear in mind that Salamanca is a relatively small city and distances are short. Therefore,, it is often possible to walk from one place to another*".

This is because Julián Lanzarote is an up-to-date mayor of a vibrant city, a city that has website enabling residents to take a "virtual" tour, a city with new infrastructures that open the door to a new age of possibilities for creating wealth and carrying out major projects, and a mayor whose main concern is to improve the quality of life of the city's residents.

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FCC's services in Salamanca

FCC is positioning itself as a company that provides services to the community, focused on eco-efficiency. Our Group wants to contribute to sustainable development, assuming commitments voluntarily in environmental responsibility and promoting initiatives with the aim of reducing the impact of our activities on the environment.

In Salamanca, through FCC Construcción, FCC has executed major infrastructures projects, such as the Serna Bridge, the concrete structure of El Corte Inglés department store, new municipal facilities for the local police, and a hospital.

FCC Construcción engages in all construction activities and is a reference company in the execution of civil works (roads, railways, airports, hydraulic projects, offshore projects) and building in the national as well as in the international market.

It also has proven experience in developing projects under a concession scheme and has several subsidiaries which conduct similar activities in the construction industry (engineering, prefabrication, installations, etc.).

FCC Medio Ambiente collects solid urban waste and provides street cleaning services in various communities. The FCC Group is the leader n Spain and one of the leading operators in this activity in Latin America. It is also a reference in the United Kingdom, Austria, Portugal, and East Europe.

In Salamanca, FCC Medio Ambiente has been involved in urban sanitation activities since 1972. It has 120 waste collection vehicles which cover about 1,500 streets each day, collecting nearly 65 million tons of waste per year. The garbage trucks run on compressed natural gas, much less pollutant than conventional fuels, and are fitted with GPS systems. The service is provided using side-loading trucks for all containers on the ground, including those in the city's midtown district. Buried containers are picked up by means of a back-loading system.

Aqualia, the FCC subsidiary specialising in end-to-end water management, started operations in Salamanca in January 1997. Its activities focus on managing, operating, and maintaining water supply, sanitation, and wastewater treatment public services to a population of 220,000 people.

It currently supplies 22,000,000 cubic metres of drinking water per year and treats more than 24,000,000 cubic meters of wastewater. It has a laboratory to analyse drinking water, performing 2,082 tests at 28,765 supply points.

Estacionamientos y Servicios (EYSA) is the FCC Company specialising in the management, operations, control and maintenance of regulated parking facilities on the ground; construction, operations, and management of underground car parks; vehicle removal and deposit municipal services, and development and implementation of software for managing traffic violations.

EYSA's towing services and regulated parking contract in Salamanca, dating back to 1989, has been extended for another ten years.

The regulated parking area involves the current zone plus another zone in Garrido Sur with 2,794 car park spaces.

The company will replace the current parking ticket vending machines with new ones featuring the latest technologies, centralised via GPRS for sending out alarms and data on real time, which will be autonomous, and include a solar energy feeding module.

The controllers will have PDA-type terminals which, in addition to telephone functionalities, can be used to issue and send fines via GPRS.

Towing services will be provided using five cranes equipped with GPS, transmitter,asystem for capturing license plates, images, and location.

Cemusa is the FCC subsidiary specialising in city furniture. It operates in more than 160 cities in 11 European countries and America, and has installed over 150,000 elements.

It is the leading outdoor advertising company in Spain and one of the leaders worldwide. Its activities range from the design, installation, maintenance, and exploitation of advertising space on high-quality city furniture, adapted to specific contexts.

In Salamanca, the company supplies, installs, and provides maintenance and operation services for 180 items of urban furniture; public toilets, bus and taxi shelters, and information displays. The contract awarded by the City Council expires in 2020.

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