

# **FCC Group**

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**London**

**March 4<sup>th</sup>, 2004**

- I. FCC Group “Today”**
- II. Financial Highlights**
- III. Positioning by Business Area**
- IV. Conclusions**

# **I. FCC Group “Today”**

## **II. Financial Highlights**

## **III. Positioning by Business Area**

## **IV. Conclusions**

# The FCC Group

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The FCC Group is one of the largest construction and services groups in Spain



- €3.9 Bn market cap
- €6.05 Bn sales
- Mainly domestic (89,5% of sales)
- 61,000 employees

# Strategic Vision

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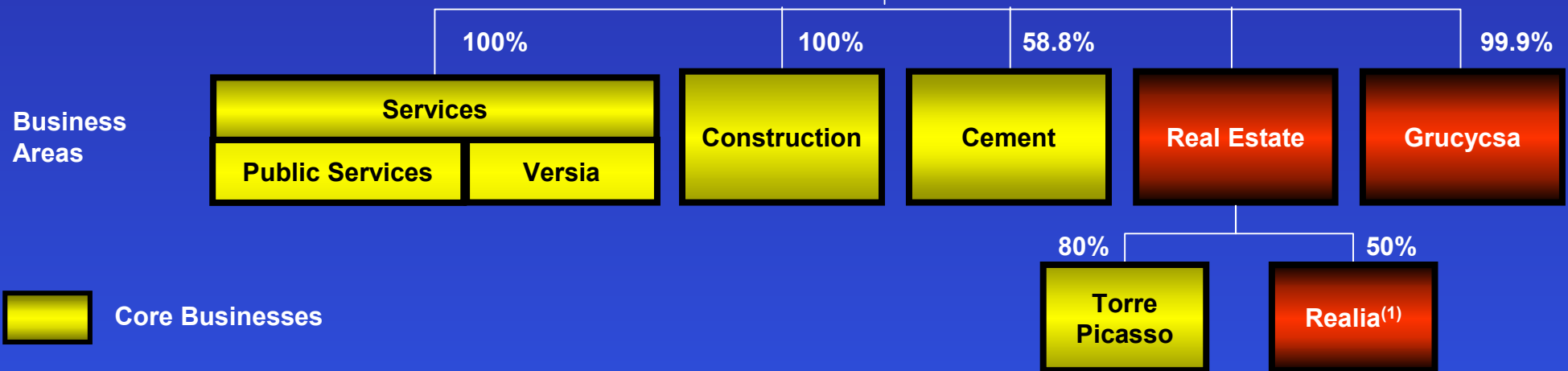
**Consolidate leadership position and fuel growth and profitability in three key Strategic Areas**

**Public  
Services**

**Construction**

**Cement**

# Organisational Structure



## 03 Revenues Breakdown

Services	Construction	Cement	Real Estate	Grucyrsa
33.9%	47.9%	14.0%	0.3% <sup>(3)</sup>	3.9%

## 03 EBITDA Breakdown<sup>(2)</sup>

Services	Construction	Cement	Real Estate	Grucyrsa
43.2% <sup>(2)</sup>	18.0%	35.5%	1.8% <sup>(3)</sup>	2.0%

Notes:

- (1) Equity consolidation
- (2) Excluding EBITDA allocated to Central Services
- (3) Torre Picasso only

# Key Strengths

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- **Leadership position in key strategic areas**

- No.1 services company in Spain
- No.2 cement company in Spain
- No.3 construction company in Spain

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- **Highest exposure to services among peers**

- 34% of consolidated Revenues
- 43% of consolidated EBITDA

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- **Strong earnings visibility**

- ~55% of revenues from public entities
- ~35% of revenues are concession related

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- **Strong financial position**

- 0.68x net debt / EBITDA ratio
- 22.8% gearing ratio

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- **Strong cash flow generation**

- 13.3% EBITDA margin
- €707 MM of cash flow

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**Unique financial position and know-how  
to continue growing in key Strategic Areas**

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IV. The “Future”

V. Conclusions



# Strong 2003 Results

(€ MM)	2002	2003	% Change
Revenues	5,497.2	6,050.5	+10.1%
EBITDA	741.3	804.1	+8.5%
<i>% Margin</i>	<i>13.5%</i>	<i>13.3%</i>	
EBIT	498.1	519.0	+4.2%
<i>% Margin</i>	<i>9.1%</i>	<i>8.6%</i>	
Ordinary Income	469.3	521.1	+11.0%
<i>% Margin</i>	<i>8.5%</i>	<i>8.6%</i>	
Net Income	273.0	308.6	+13.0%
Cash Flow <sup>(1)</sup>	577.6	707.7	+22.5%

Note:

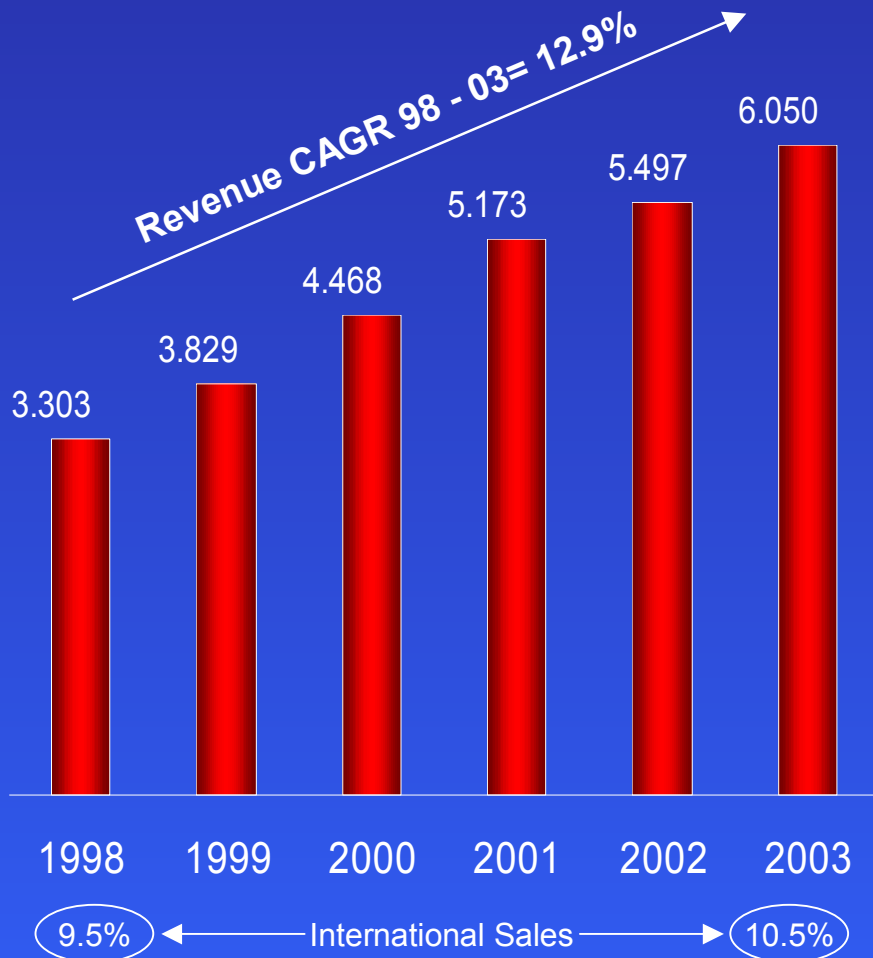
(1) Defined as ordinary net income plus D&A minus results under equity method plus dividends from equity accounted investments

# Growth Across All Key Strategic Areas

(€ MM)	2003 Revenues	% Change	2003 EBITDA	% Change
<b>Construction</b>	2,950.1	+12.19	140.0	+13.3%
<b>Public Services</b>	1,708.9	+6.4%	255.0	+6.3%
<b>Urban Services</b>	381.0	+24.8%	80.6	+11.6%
<b>Cement</b>	865.6	+4.1%	276.2	+1.5%
<b>Grucycsa</b>	241.5	+10.4%	11.9	19.0%
<b>Torre Picasso</b>	16.5	+2.4%	14.4	+0.0%

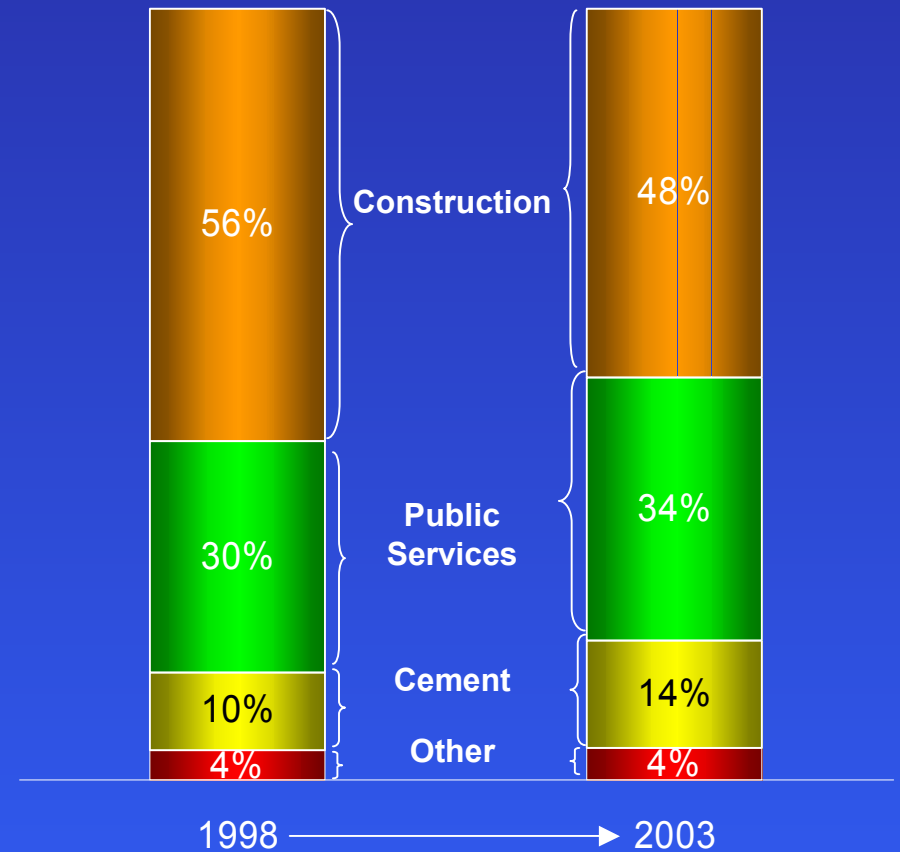
# Consistently Strong Track Record

## Revenue Growth



Revenues 2003: 6.050 MM +10.1%

## Diversification of Revenues



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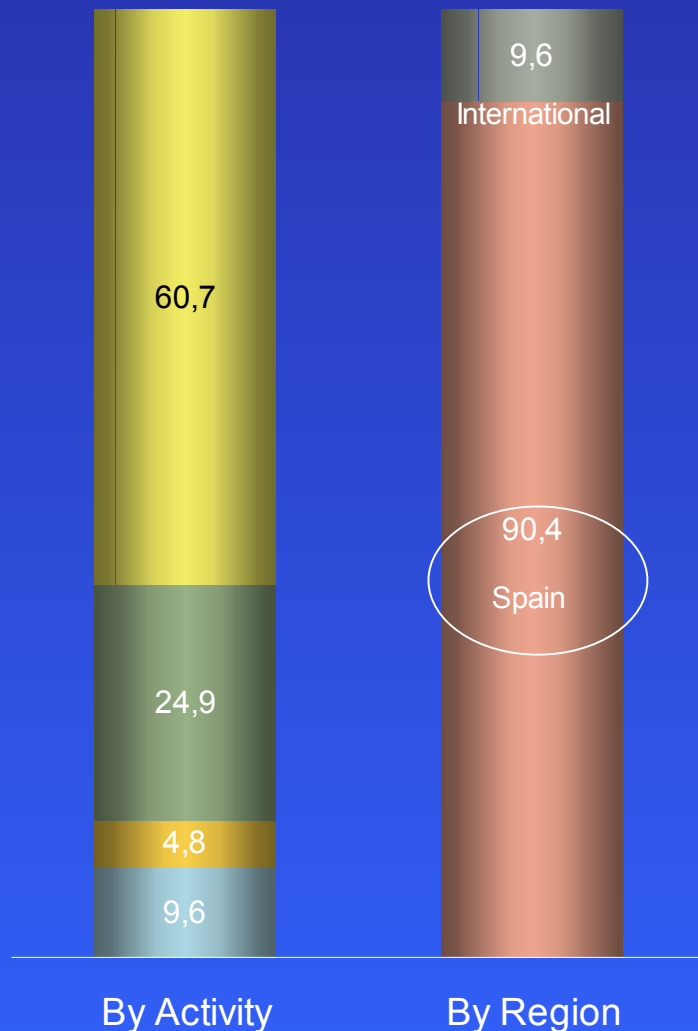
**SERVICES:**

**Public Services**

# Public Services

## Breakdown by Type of Activity and Region

### 2003 Revenue Breakdown (€1,708.9 MM)



#### Environmental Services (€1,036.6 MM)

- Solid urban waste collection, treatment and disposal
- Street cleaning
- Maintenance of parks and gardens

#### Water Management (€425.6 MM)

- Full management cycle of drinkable water
- Treatment of residual water

#### Industrial Waste (€82.8 MM sales)

- Design, construction and operation of industrial waste treatment plants
- Industrial waste collection, treatment and disposal

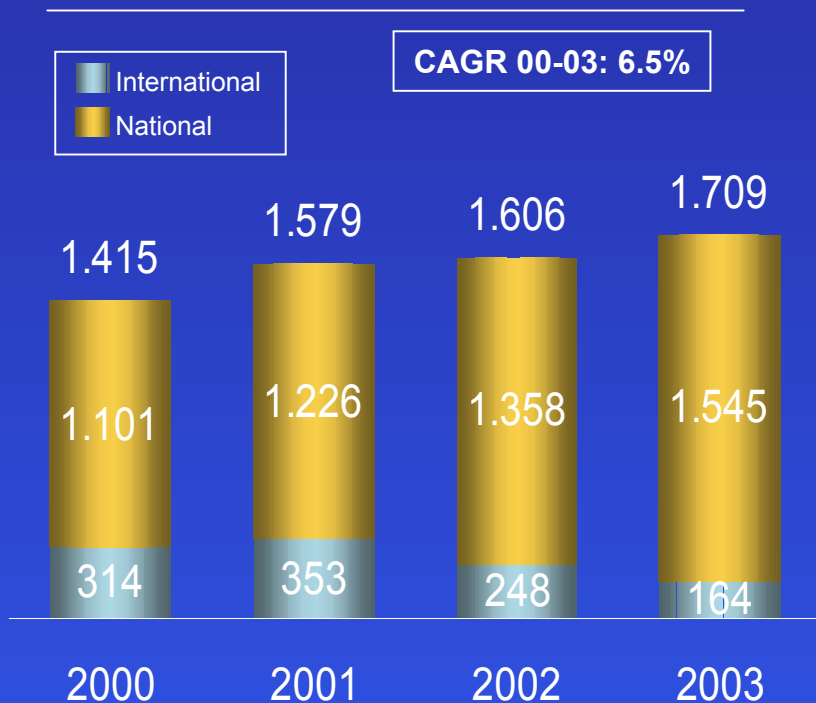
#### International (€164.2 MM sales)

- Mainly environmental and water management services
- Presence in Europe, North of Africa and Latam

# Public Services

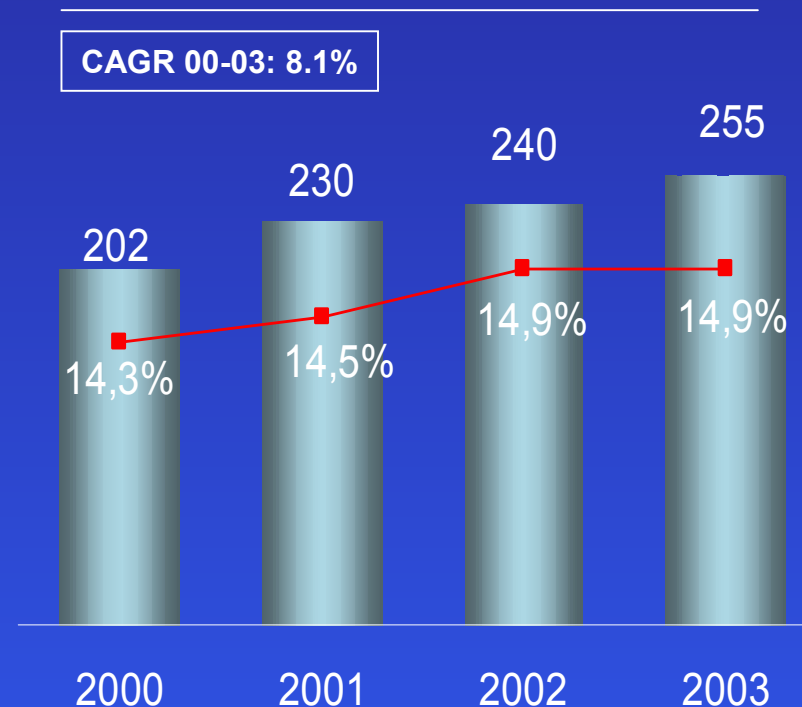
## Key Financials (€ MM)

### Revenues



Revenues 2003: €1.709 MM +6.4%  
 Domestic Revenues CAGR 00-03: +12%

### EBITDA



EBITDA 2003: €255 MM + 6.3%  
 Domestic EBITDA CAGR 00-03: +11.8%

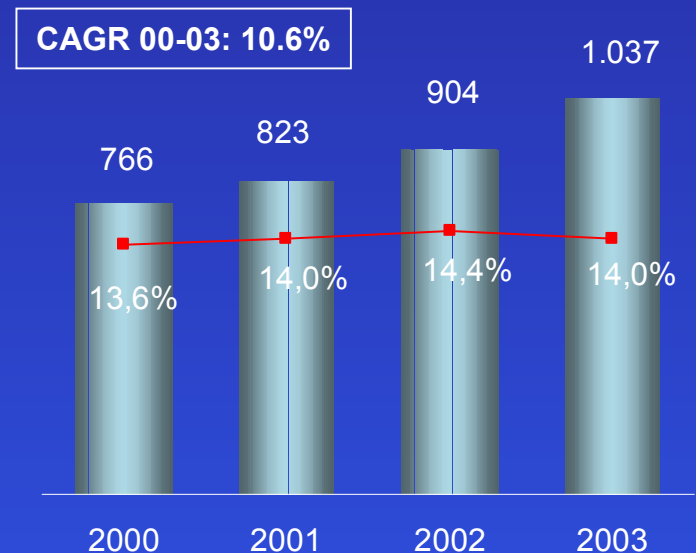
**Backlog of €11,419 MM as of December 2003**

# Environmental Services

## Positioning

- No.1 company in Spain (approx. 50% market share of privatised market)
  - 21 MM equivalent population covered
- Present in almost all Spanish cities above 50,000 population
- Existing portfolio with 8-10 year average concession life

Revenues (€ MM) / EBITDA Margin



**Revenues 2003: € 1.036,6 MM +14.7%**  
**EBITDA 2003: € 144,7 MM +11.5%**



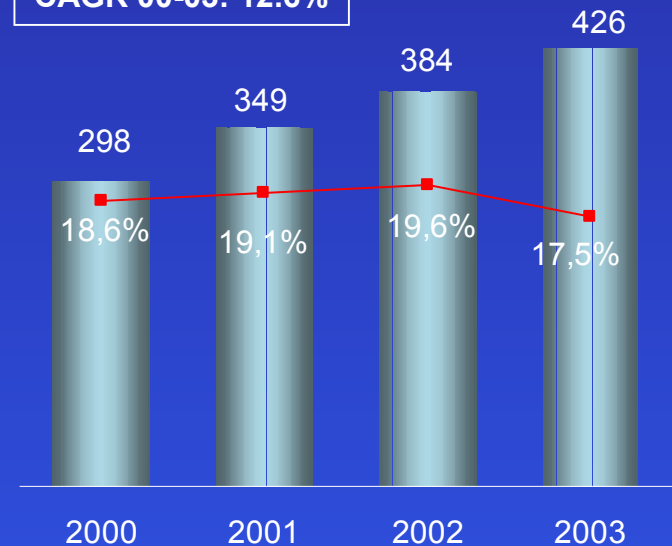
# Water Management

## Positioning

- No.2 company in Spain (approx. 30% market share of privatised market)
  - Water treatment: 9MM equivalent population covered
  - Water distribution: 6 MM equivalent population covered
- Existing portfolio with 20-25 year average concession life

Revenues (€ MM) / EBITDA Margin

CAGR 00-03: 12.6%



**Revenues 2003: € 425,6 MM +10.8%**

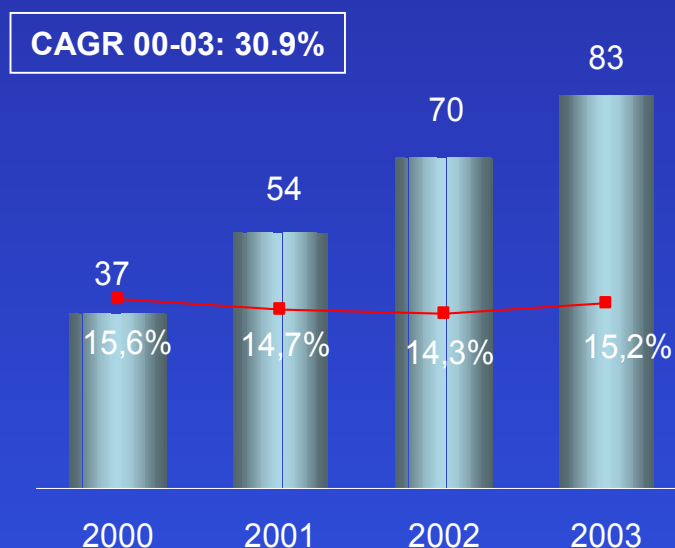
**EBITDA 2003: € 74,4 MM -1.2%**

# Industrial Waste

## Positioning

- One of Spain's leading companies in the fast growing industrial waste segment
- Selective acquisition strategy in a very fragmented market
  - Ekonor (October 2001), specialised in treatment of industrial waste
  - Euroresiduos (October 2002), specialised in industrial landfill

Revenues (€ MM) / EBITDA Margin



**Revenues 2003: € 82,8 MM +17.6%**

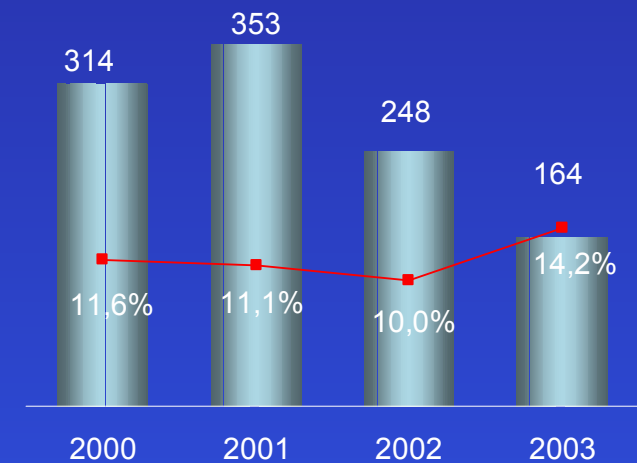
**EBITDA 2003: € 12,6 MM +24.7%**

# International Services

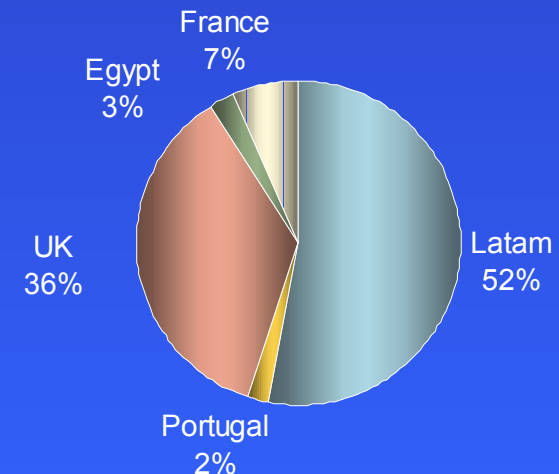
## Positioning

- Latam activities (52% of sales) held through Proactiva, a 50/50 J/V with Vivendi Environment
  - 03 sales decrease (33.7%) mainly explained by loss of Puerto Rico contract (June 2002), as well as currency devaluation
- European sales (45% of total) concentrated on three key very stable markets
- Recent 15 year contract awarded in Egypt with expected annual revenues in the region of €20 MM

Revenues (€ MM) / EBITDA Margin



2003 Revenue Breakdown



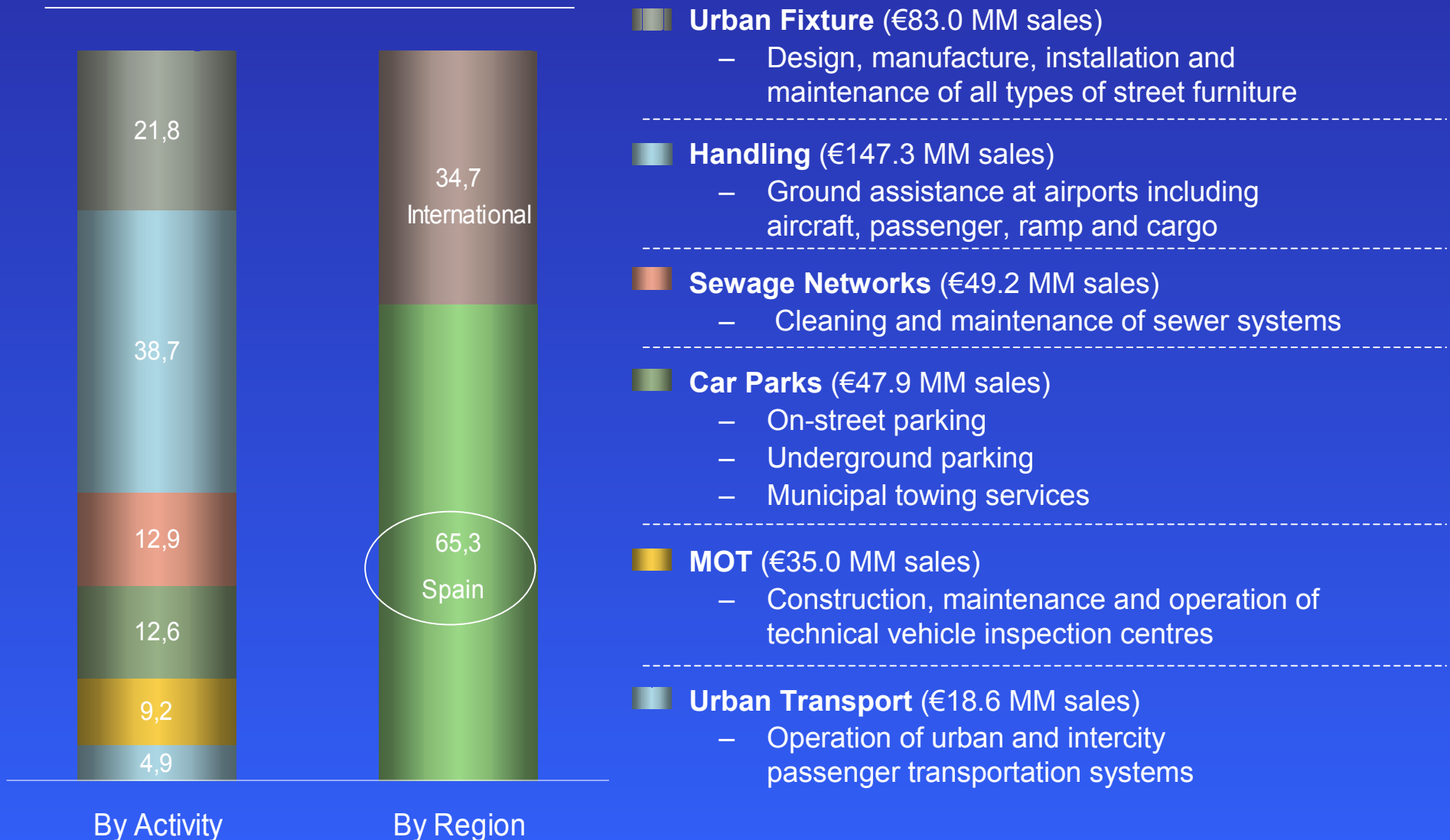
**SERVICES:**

**Urban Services**

# Urban Services

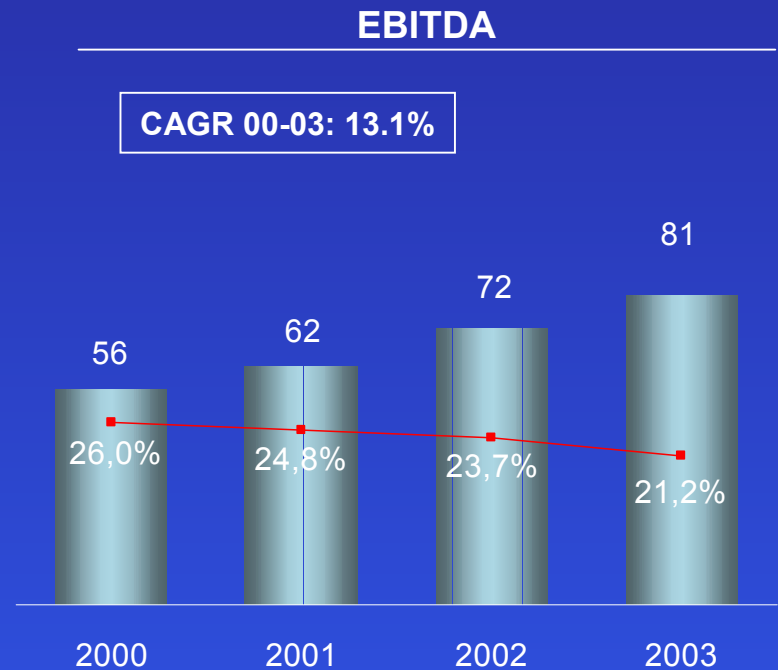
## Breakdown by Type of Activity and Region

2003 Revenue Breakdown (€381 MM)



# Urban Services

## Key Financials (€ MM)



Revenues 2003: €381 MM +24.8%  
Domestic Revenues CAGR 00-03: +16.1%

EBITDA 2003: €80,6 MM +11.6%

**Leading position in main segments within urban services**

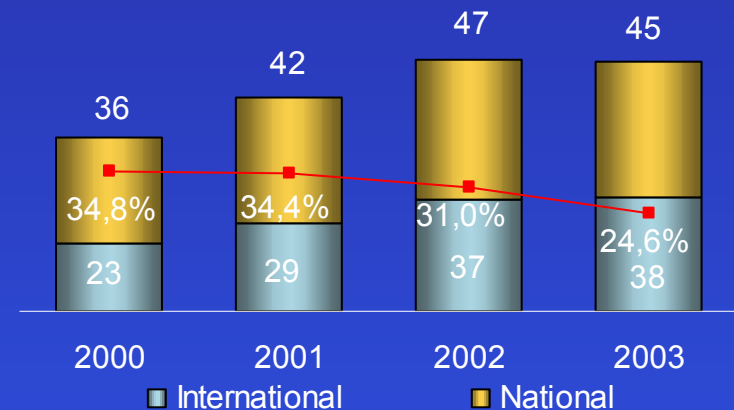
# Urban Fixtures

## Positioning

- No.1 in Spain (approx. 40% market share)
  - Focused on the less cyclical street furniture segment
- Very strong international presence in more than 100 cities in Europe, US and Latam
  - No.1 in Portugal
  - Recent contracts awarded in Brazil, Italy and US

### Revenues (€ MM) / EBITDA Margin

CAGR 00-03: 12.7%



***FCC plans to continue expanding this activity internationally***

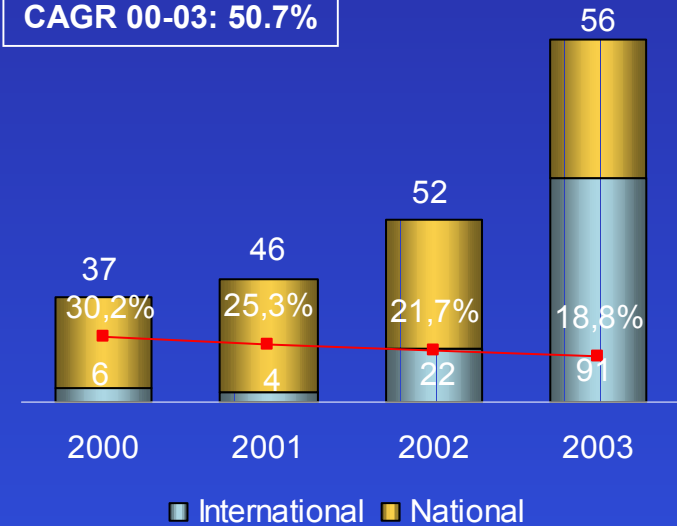
# Handling

## Positioning

- No.2 largest operator in Spain
- Presence in a total of 10 airports
  - Domestic activities (9 airports) currently managed through a 50/50 J/V with AirEuropa
  - In October 2002, FCC acquired Sabena's handling activity in Brussels
- Second round of liberalisation in 2004/2005 will open Iberia's 42 handling licences to competition

## Revenues (€ MM) / EBITDA Margin

CAGR 00-03: 50.7%





# Urban Services – Other Activities

## Sewage Networks (€49 MM Sales)

- Historically first market player (provides services in Madrid and Barcelona since 1942 and 1911 respectively)
- Manages majority of Madrid and Barcelona sewage network
- 100% domestic activity

## Car Parks (€48 MM Sales)

- On-street parking in 35 cities (100,000 spaces managed)
- 36 underground parkings, with more than 8,200 spaces
- 30 towing services contracts
- 100% domestic activity

## MOT (€35 MM Sales)

- 50 technical vehicle inspection centres in Spain and Argentina
- One of the leaders in Spain with 10% market share (1.4 MM vehicles inspected)
- Argentina represents only 7% of sales

## Transport (€19 MM Sales)

- 9 urban transport contracts in Spain
- 2 intercity contracts
- Recently awarded 2 railway transport contracts in Barcelona
- 100% domestic activity

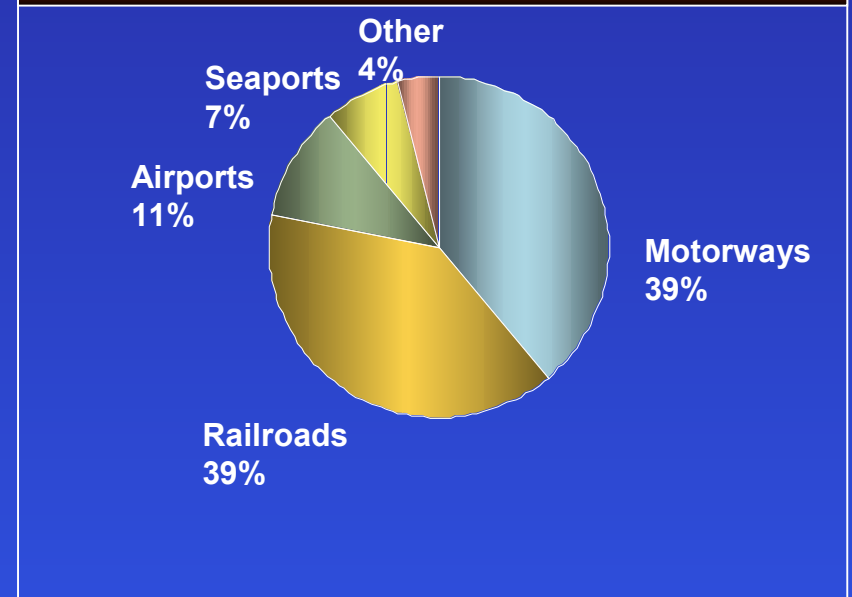
# Construction

# “Plan Nacional de Infraestructura”

Total Investment per Period  
(ex-Hydrological Plan) - € Bn



Investment Breakdown  
(ex-Hydrological Plan)



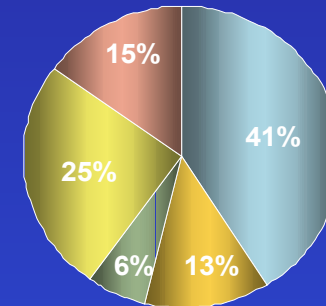
**A €114 Bn Infrastructure Plan, to be funded by the Spanish Government (53%), the EU (29%) and private finance (18%)**

# Construction

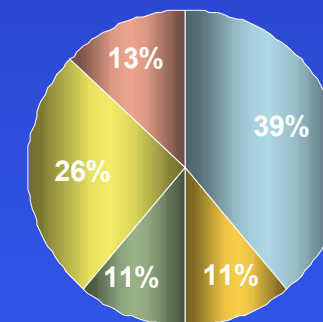
## Positioning

- Leading construction company in Spain in terms of revenues
  - Mostly domestic business (96% of revenues)
  - Clear focus on the public sector (62% of revenues)
  - Clear focus on civil works (61% of revenues)
- International presence mostly focused on Portugal
- Incipient presence in infrastructure concessions

2003 Backlog Breakdown

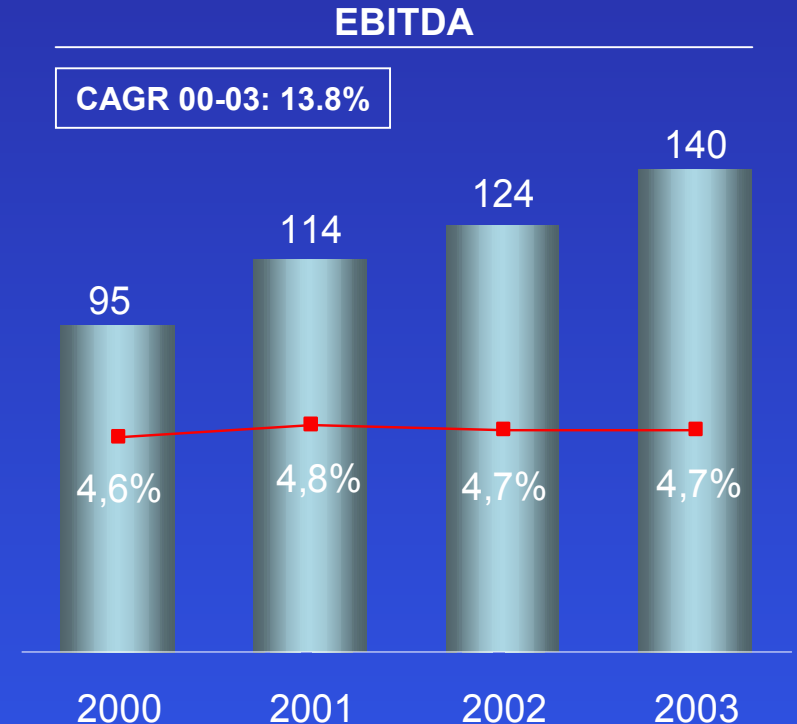
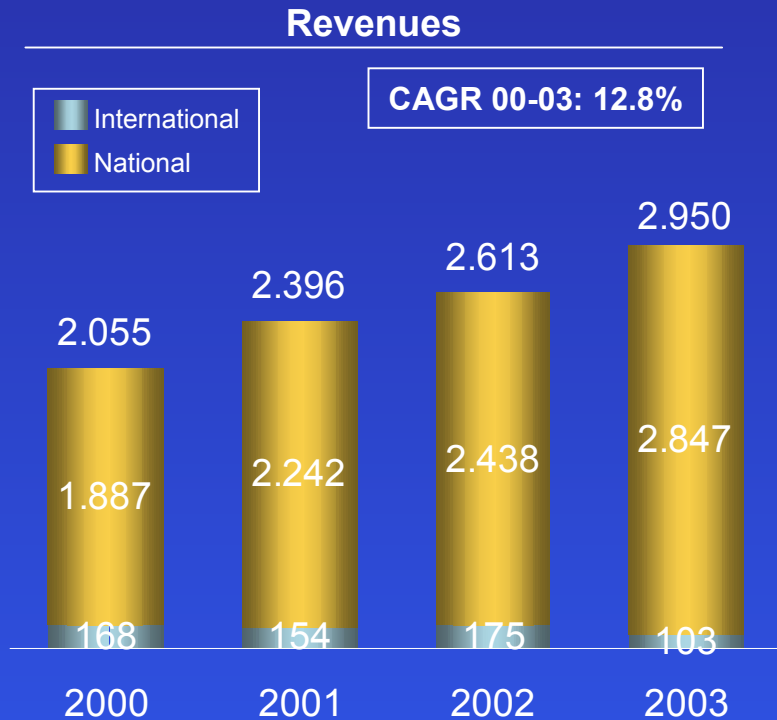


2003 Revenues Breakdown



# Construction

## Key Financials (€ MM)



Revenues 2003: €2,950.1 MM +12.9%  
Domestic Revenues CAGR 00-03: +14.7%

EBITDA 2003: €140 MM +13.3%

**Record backlog of €3,660 MM as of Dec 2003  
(+7.4%), equivalent to 15 months**

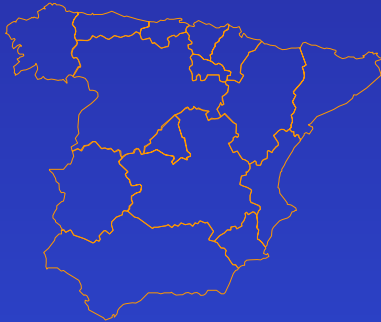
**Cement**

# Cement

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## Cementos Portland

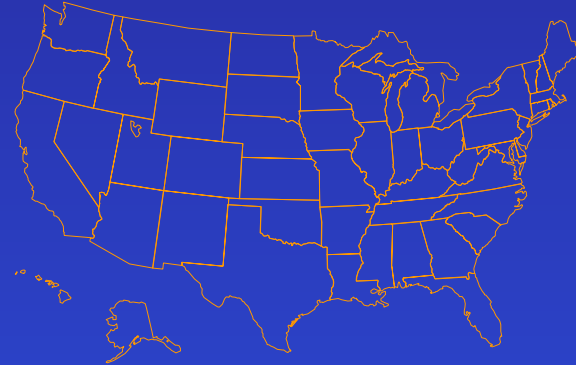
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- No.2 Spanish cement company, with 17% market share
- Leadership in Northern and Central Spain
- 6 fully owned plants, with 9.0 MM tonnes of cement capacity utilisation
- Over 90% of capacity utilisation rate

## Giant Cement – CDN USA

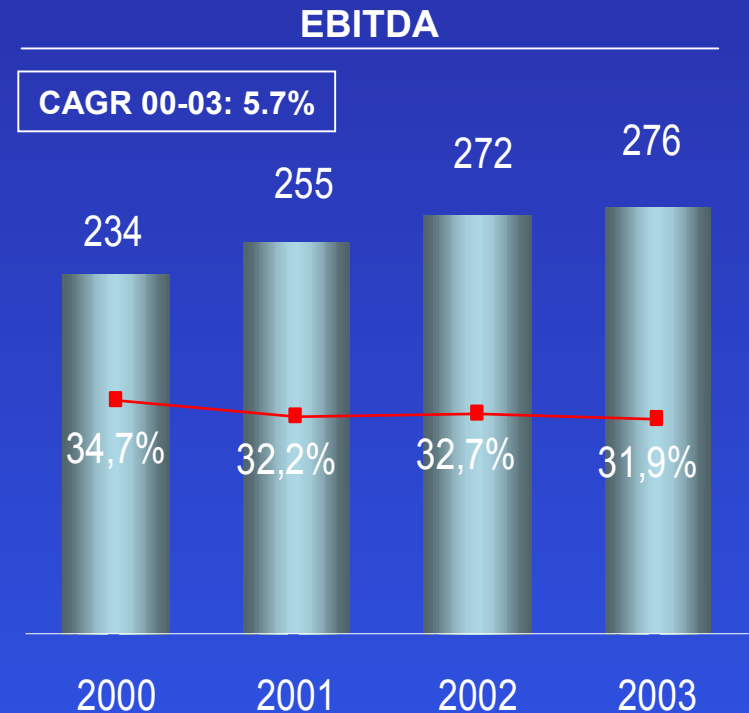
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- 100% US subsidiary of Cementos Portland since 2000
- No.15 US cement company
- Leadership (No.4) in East Coast (Carolina, Virginia and Pennsylvania)
- 3 plants, with 2.1 MM tonnes of cement capacity

# Cement

## Key Financials (€ MM)



Revenues 2003: €865.6 MM +4.1%  
 Domestic Revenues CAGR 00-03: +11.4%

EBITDA 2003: €276,2 MM +1.5%

**Strong activity in the domestic market expected to continue on the back of the construction sector growth**



# Torre Picasso

# Torre Picasso

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- 80% owned by FCC, Torre Picasso is one of the most emblematic office buildings in Madrid

## Key 2003 Figures

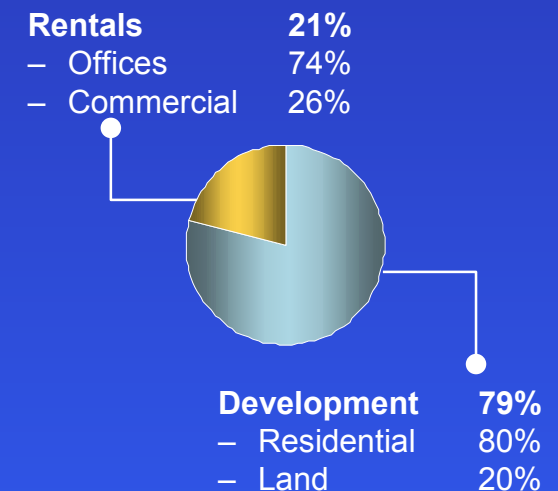
• Surface(m <sup>2</sup> )	
– Office	70,195
– Local	7,962
– Garage	832 Spaces
• Occupancy ratio (%)	92.24%
• Revenues (€ MM)	16.5
• EBITDA (€ MM)	14.4

# Non-Core Assets

# Non-Core Assets - Realia

- Result of the merger between FCC's and Caja Madrid's real estate activities: 4<sup>th</sup> largest real estate company in terms of assets (€1.6 Bn)

Key Figures (€ MM)	2002	2003	%
• Sales	410	470	+14.6%
• EBITDA	114	141	+23.9%
• EBIT	105	121	+15.4%
• Net Income	55	106	+91.7%
• Equity	405	466	+15.1%



# Non-Core Assets - Grucycsa

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- FCC's diversified investment holding
- Revenues of €241 MM
- Current key investments:

## % of Revenues

– Logistics: Logística de Navarra	40%
– Electrical systems: Espelsa	23%
– Heating and air-conditioning: Tecair	17%
– Industrial Equipment: SVAT	5%
– Other	15%

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# Key Highlights

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**Unique financial capability and know-how  
to continue growing in all key strategic areas**

- **Leadership position** in three key strategic areas: Services, Construction and Cement
- **High exposure to public services**
- **Earnings visibility**
- **Strong leverage capacity**
- **Strong cash flow generation**
- **Growth and profitability potential** in all three strategic areas

