

**M**ondragón Corporación Cooperativa (MCC) is the fruit of the co-operative movement initiated in 1956, the year in which the first industrial co-operative was set up in Mondragón, Gipuzkoa, Spain. Its business philosophy can be found in its

**Corporate Values:**

- Co-operation
  - Participation
  - Social Commitment
- Industrial banking, social welfare, insurance and

MCC's mission combines the basic objectives of a business organisation competing on international markets with the use of democratic methods in its company organisation, job creation, advancement of its workers in human and professional terms and commitment to social development.

In organisational terms, Mondragón Corporación Cooperativa is divided into three groups: Financial, Industrial and Distribution, together with the Research, Training and Education areas.

**Financial Group:**

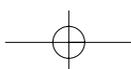
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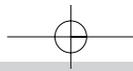
**Industrial Group:** Consists of seven divisions engaged in industrial production.

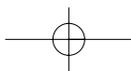
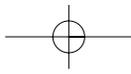
**Distribution Group:** Combines retailing with agricultural-food activities.

**CENTRO CORPORATIVO de MCC**

Pº José Mº Arizmendiarieta, nº 5  
20500 MONDRAGON - Guipúzcoa







## Summary

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## Highlights

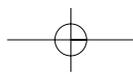
• In millions of euros

	1996	1997	1998
<b>Total Sales</b>	3,786	4,368	5,348
<b>International Sales</b>	1,080	1,255	1,434
<b>Assets Under Administration*</b>	4,402	5,024	5,708
<b>Equity</b>	2,000	2,369	2,843
<b>Investment</b>	271	378	425
<b>Results</b>	216	314	414

\* Caja Laboral

### Workforce



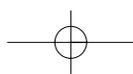


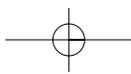
**T**he general economic situation, characterised by a significant rate of growth, a reactivation in consumer spending, a high investment level, contained inflation and falling interest rates, provided the right framework for the achievements made by Mondragón Corporación Cooperativa which, in general, exceeded the targets set for the year.

A favourable economic climate certainly helps, but it has to be managed. In this regard, an organisation based on people enables significant improvements to be made in terms of knowledge, which is the basis for business development in the world in which we live. Our results are the fruit of the commitment of all the people who form part of the Corporation, whose efforts must be acknowledged as the reason behind the achievements made.

The MCC Management Model, based on the co-operative principles behind this project, continues to be implemented and developed, with significant achievements made during the year.

- Significant improvement in the number of applications of the model, with 67 companies applying the EFQM self-evaluation, as well as in the scores achieved, with two co-operatives having formally joined the 400 club.
- General measurement of the satisfaction of the workforce, essential for finding out what members think and be able to establish plans for improvement.





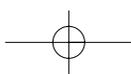
- *Widespread use of instruments to measure customer satisfaction, in the awareness that our future is inevitably linked to them.*
- *Advances in the development of internal communication, with increasingly more widespread specific plans.*

*Qualitative developments have made possible significant increases in the activities of the three groups: Financial, Industrial and Distribution, with improvements that have enabled an increase in market share.*

*Activity on the international stage, an aim pursued with determination in the different plans, has enabled further advances to be made towards the 50% target established for the year 2000. More production plants have been set up abroad and bit by bit our culture is beginning to accept that to operate in many markets it is necessary to have production plants in situ.*

*As a result of the excellent performance of other variables, there has been a significant increase in profitability, thereby establishing the bases for future development and enabling a firm commitment to be made to investment, as the best indicator of our undertaking to reinvest profits in order to generate wealth. Results for the year totalled 414 million euros, which is 32% higher than those obtained in 1997.*

*The most outstanding achievement of the year has been without doubt the creation of 7,732 new jobs. This has*

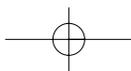
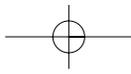


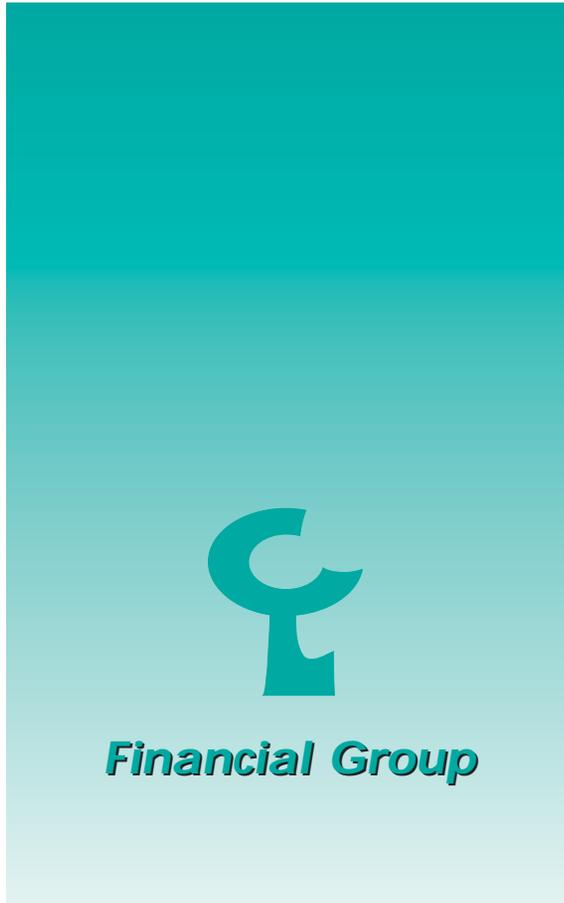
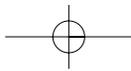
*helped to ease one of the biggest problems our society suffers from. For us, employment is a basic objective and we are naturally bound to strive to create more jobs.*

*1998 has therefore been a positive year, in which we have tried to offer an open image, of collaboration with others. This has resulted in the signing of new agreements, based on the conviction that our commitment to the values that inspire us will better reach fruition through solidarity.*

*Antonio Cancelo  
President of the General Council*







## FINANCIAL GROUP

In the financial area 1998 was characterised by the convergence of interest rates, both long- and short-term, in the countries that have adopted the euro as the single currency. This convergence has taken place at lower levels than expected, which has led to revaluations of the fixed and variable income portfolios, and also a tightening of the financial intermediation margins.

In this context, the compliance of MCC's Financial Group with the Basic Corporate Objectives has been as follows:

**Customer Satisfaction.** During the year work was intensified on the direct measurement of customer satisfaction, by means of self-evaluations, certifications and improvement programmes. Caja Laboral's Electronic Banking service and Seguros Lagun-Aro's car Insurance business obtained ISO 9000 certification from AENOR.

In order to improve customer service, 13 new bank branches and 5 new insurance offices were opened, the number of branches open all day was increased and there was promotion of the alternative Telephone and Electronic Banking services. The Electronic Banking service was given a further boost with the start-up of Caja Laboral Net, an interactive banking service via the Internet.

**Profitability.** The tightening of intermediation margins as a result of the fall in interest rates

was offset by the increased volume of business recorded in 1998 due to the improvement in the economy. In turn, the excellent performance of the financial markets helped boost results, which for this Group, in overall terms, increased by 26% compared to 1997.

**Internationalisation.** Caja Laboral is the only company in this Group that operates on the international stage, with an extensive network of foreign correspondent banks.

The most outstanding aspects in 1997 were the 19% increase in the volume of commercial operations abroad, the signing of a collaboration agreement with CESCE to market a commercial risk cover policy for exporters, as well as the successful adaptation to the euro, with services now being offered in the new currency.

**Development.** All the indicators of the levels of activity of this Group recorded increases in 1998. Total customer assets under administration and bank investment recorded two-digit increases, while the high level of profitability obtained has reinforced the soundness of the net worth of the group, taking Caja Laboral's equity to 669 million euros and Lagun-Aro's funds to 1,721 million euros.

The opening of new bank branches continued, mainly in areas with greater expectations for business development like La Rioja and Castilla-León.

**Worker Participation.** In 1998 this Group's workforce increased by 45 people, mainly cooperative members, to account for a total of 1,858 people at 31.12.98.

The training courses offered during the year were aimed at improving the technical abilities of the workforce (tax matters, the euro, sales methods, etc.). Promotion courses were also offered as was aid for complementary courses.

It should also be highlighted that over the year, 7 million euros from Caja Laboral's Education and Promotion Fund were earmarked for co-operative training and promotion, and research as well as cultural and health matters.

Among the aspects relating to Lagun Aro, the positive performance of the Employment Aid benefit should be highlighted, with its cost being half that recorded in 1997. The efforts made to clear up problems with early retirement and collaborate in the management of health care for the Spanish Social Security system also stand out. A Community Service for the Prevention of Occupational hazards was also set up. ■

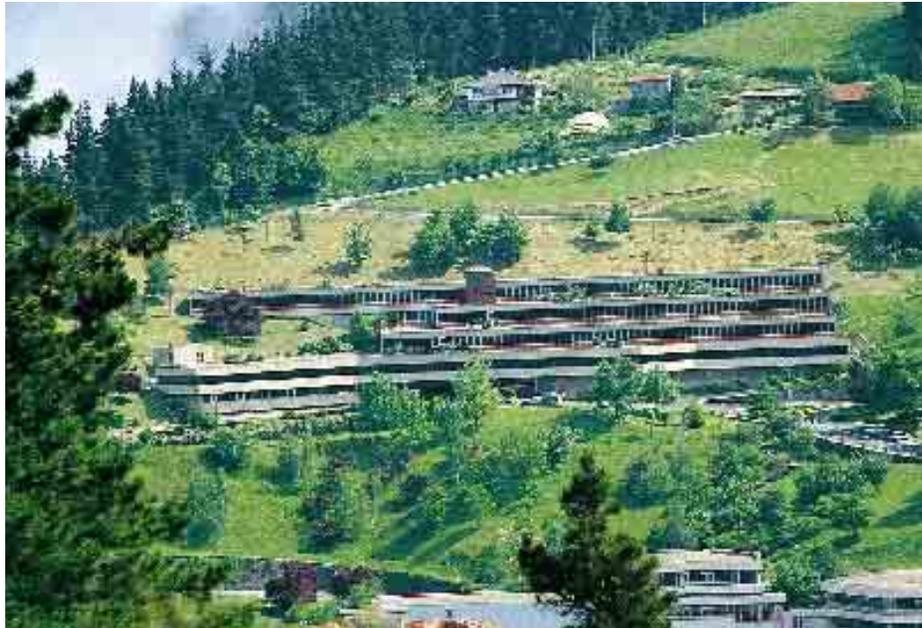
**Juan María Otaegui**

MCC Vice-president  
Chief Executive - Financial Group

## FINANCIAL GROUP

### **Caja laboral**

*Sdad. Coop. de Crédito*



*Caja Laboral,  
Head Offices, Mondragón*

Caja Laboral is a credit institution which, set up by the industrial co-operatives in 1959, has played a key role in the financing of these companies, in making them part of a joint project and the promoting of new business activities, establishing the bases of what is today Mondragón Corporación Cooperativa.

1998 was an excellent year for Caja Laboral, in spite of the uncertainty which has dominated the activities of the financial markets and the successive cuts in interest rates that finally took the official rate to 3%, with the resulting pressure on the banking sector intermediation margin.

Total assets on the balance sheet accounted for 5,476 million euros at the end of 1998, which

is an increase of 20.3% compared to 1997.

Deposits totalled 4,191 million euros at the end of the year, with a notable increase over the year of 15.9%, due mainly to the new savings schemes launched in 1998. Resources administered off the balance sheet, with the performance of pension funds and unit trusts standing out, also recorded a 16% increase, taking the overall figure of customer assets under administration at the end of the year to 5,708 million euros.

Equity continued to grow, boosted by the high level of profitability obtained and the demanding policy of capitalisation of profits, taking the final figure to 669 million euros. In accordance with Bank of Spain regulations, the institution's capi-

tal adequacy ratio was 21.3%, well in excess of the minimum requirement of 8%, as well as the average for the sector.

As far as lending business was concerned, net bank investment increased by 17.1% over the year, taking the balance of this heading to 3,084 million euros. The most active type of loan is still the mortgage loan, with an increase of 363 million euros. Mortgage loans now account for 71% of all loans to the private sector.

Net investment of the securities portfolio, consisting of fixed and variable income securities, as well as holdings in group companies, rose to 1,011 million euros, a relative increase of 29.7%, with the biggest increase in the public funds portfolio.

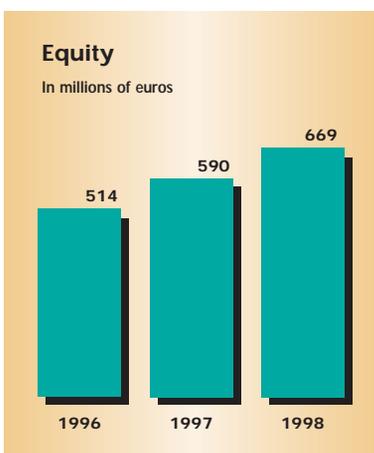
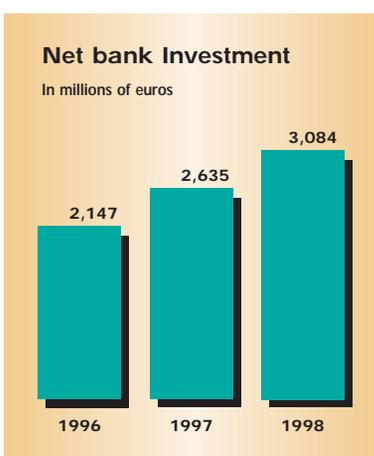
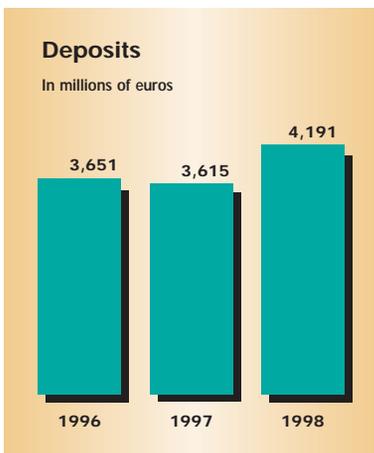
## FINANCIAL GROUP

For its part, investment in cash, banks and credit institutions, the balance of which includes the cash and central bank figures as well as the net position with credit institutions, remained at a similar level to the previous year, with a balance of 638 million euros at the end of the year.

In terms of the profitability obtained in 1998, the most outstanding aspects were the 2.3% increase in the intermediation margin, in spite of the inherent difficulties in the fall in interest rates, the 22% increase in commission on services, with those for the management of unit trusts standing out, and the results from financial operations. Profits before tax came to 111 million euros, which was 13.3% higher than in 1997.

From the qualitative point of view, this was the second year covered by the Strategic Plan 1997-2000, which established the basic objective of maintaining leadership in terms of profitability, solvency and efficiency.

Following the guidelines emanating from this plan, in terms of commercial activity aimed at the private sector the launch of new



guaranteed term-savings schemes and the extension of the Ahorro Bienestar scheme stand out.

As for commercial activity aimed at the business sector, the boost to the Electronic Banking service with the start-up of Caja Laboral Net, interactive banking via the Internet, enabling customers to operate in both pesetas and euros should be highlighted.

Finally, a mention should be given to Aroleasing, a company specialising in financial leasing, which has belonged 100% to Caja Laboral since 1996.

In 1998, Aroleasing signed 1,834 new contracts, to the value of 80 million euros, which represents an increase of 28% over the 1997 figure. Of all the investment made, 66% was channelled through the branches of Caja Laboral.

Loan investment at the end of the year totalled 154 million euros, with an increase of 19% over the year and the doubtful debt ratio at 2.72%, an improvement of 9.5% compared to the percentage recorded in 1997. ■

## FINANCIAL GROUP

### Lagun Aro

Voluntary Social Welfare Institution

The members of the co-operatives forming part of Mondragón Corporación Cooperativa receive their social welfare benefits through Lagun-Aro, an institution whose task it is to provide them with social security cover, to complement or replace the Public System.

At 31 December 1998, Lagun-Aro EPSV had 20,591 members, in 115 co-operatives. This figure was an increase of 1,249 people since 1997.

As far as pro rata benefits are concerned, which are short-term benefits funded by the quotas paid by the co-operatives, these totalled 35 million 1998. Under this heading, Sick Leave benefits stand out in terms of volume with 15 million euros (42.3% of the total), followed by Health Care, with 13 million euros (36.1%). Employment Aid should also be highlighted as it has fallen to 1.1 million euros, with a surplus of 15 million euros generated due to the excellent performance of employment in the co-operatives.

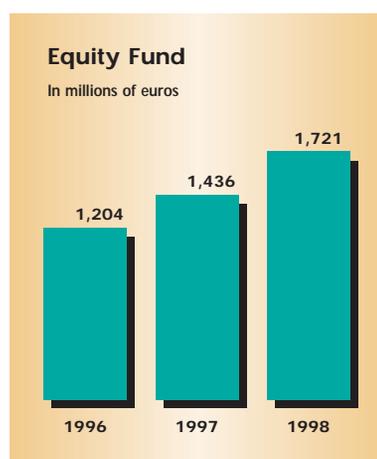
The benefits for Retirement, Widowhood and Invalidity, which have to be guaranteed for long periods of time and for a large number of members, are financed by reserves to guarantee the corresponding pensions.



Lagun-Aro, Head Offices, Mondragón

This enabled 32 million euros in pensions to be paid out in 1998. At the end of the year, there were 4,343 people receiving pensions.

These benefits are guaranteed by Lagun-Aro's funds, which at the end of 1998 came to 1,721 million euros, once the returns on the investment portfolio had been applied. In comparison with the close of 1997, the fund has increased by 286 million euros, which is 19.9% in relative terms.



Lagun-Aro's activities also include a Company Medicine Service for the co-operatives and their members. The aim of this service is to improve health and working conditions through its Medical, Laboratory, and Safety and Hygiene Departments. In 1998, this service carried out 2,244 medical examinations on possible new members, 23,784 analyses, as well as 4,836 complementary tests (Radiology, Spirometry, Blood pressure, etc.).

Finally, it should be mentioned that following the guidelines established by the Law covering the Prevention of Occupational Hazards and the Prevention Service Regulations, with the collaboration of a number of co-operatives associated with Lagun-Aro, a joint Occupational Hazard Prevention Service was set up in 1998. This service is a true pilot experience to better avoid hazards in the co-operatives and to be able to respond more efficiently in the field of occupational hazard prevention. ■

## FINANCIAL GROUP



### Seguros Lagun-Aro Seguros Lagun-Aro Vida

1998 was a satisfactory year for Seguros Lagun-Aro and Lagun-Aro Vida, both from the point of view of new policies and profitability, and in the area of Total Quality management.

Income obtained from insurance premiums and financial income totalled 127 million euros, for both companies.

In General Insurance, there was a 4.4% increase in premiums, taking turnover to 41 million euros. There was an increase of 9.1% in the number of policies, with a total of 166,000 policies now issued.

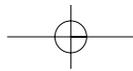
In Life Insurance, which covers the market for life insurance and combined retirement and savings products, turnover totalled 37 million euros, affected by the fall in interest rates and uncertainties regarding taxation, finally cleared up by the new income tax system which will come into force in 1999. In Traditional Life Insurance, mainly regular premiums, turnover accounted for 14 million euros, which was an increase of 25% over 1997.

Other events worthy of mention, included in the current Strategic Plan, were as follows:

- The opening of five new outlets in Ermua, Deusto, Usánsolo,

Cruces (Baracaldo) and Ondárroa. This now takes our chain of outlets of our own to a total of 47, in addition to the 256 branches of Caja Laboral, on the basis of the Banking-Insurance agreement. 16 new members of staff were also taken on, taking the total workforce to 215 people at 31.12.98.

- The company was awarded ISO-9002 certification by AENOR, for its car insurance activity. Seguros Lagun Aro is the first insurance company in Spain to be awarded this certification. ■



***Industrial Group***



## INDUSTRIAL GROUP

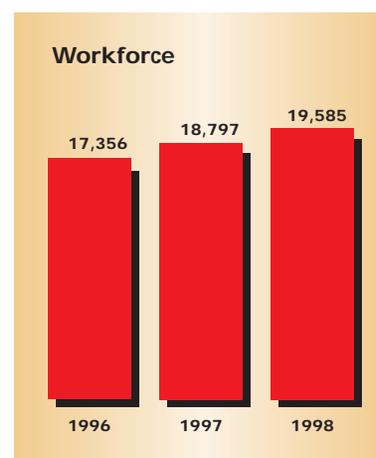
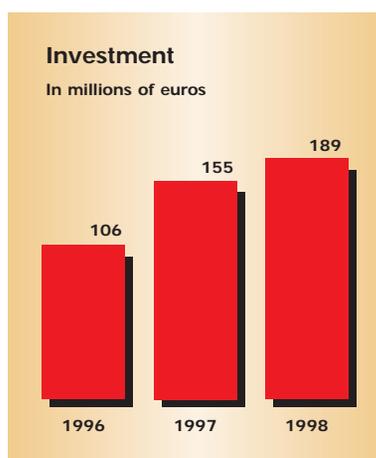
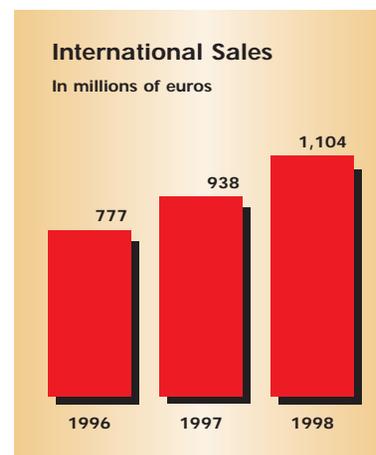
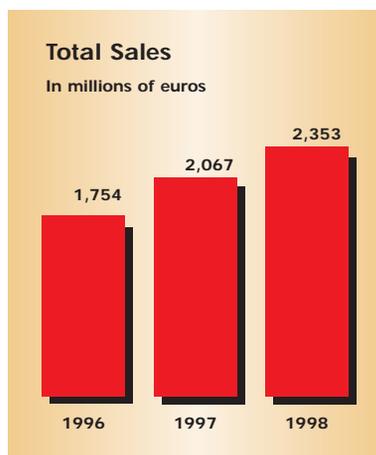
The favourable economic situation in 1998 led to a substantial boost in industrial activity, with increases in production in the order of 5.5% in Spain as a whole and 7.6% in the Basque Country.

MCC's Industrial Group maintained its order books and use of production capacity at high levels during almost all of the year, with a certain amount of deceleration in demand being felt towards the end of the year. This was a reflection of less economic growth at the world level and the weakening of the dollar compared to the first half of the year.

The main achievements as far as the Basic Corporate Objectives are concerned were as follows:

**Customer Satisfaction.** In 1998 work continued on the progressive implementation of the Corporation's Management model. The aim of this model is to procure customer satisfaction together with the satisfaction of the workforce and good economic performance, based on self-evaluations using the EFQM methodology, which has already been applied in 67 of this Group's businesses.

Six co-operatives have also been subjected to external evaluations, with two of them joining the 400 Club, which under the sponsorship of the Basque Quality Foundation consists of those companies scoring more than 400 points in the EFQM evaluation.



1998 saw the total of companies with ISO 9000 certification reach 68, with 24 more in the process of achieving it.

It should also be highlighted that, in order to optimise customer service, some co-operatives in the automotive sector are setting up manufacturing plants close to where their customers are located, specifically in Saragossa and Brazil.

**Profitability.** The high level of production activity maintained by this Group in 1998 led to a significant 25% increase in prof-

its, with profitability over sales in the order of 6%.

The divisions that performed best in this regard were the Automotive division, due to the strong increase in car sales of 17% in Spain and 7% in Europe as a whole, and Industrial Equipment, where the coach bodywork business performed especially well. The household Goods division also had a very good year, with substantial improvements in profitability in spite of having undertaken a costly internal reorganisation process.

## INDUSTRIAL GROUP

**Internationalisation.** The problems existing in different areas of the world like Asia, Russia and Latin America did not prevent this Group from achieving international sales, the sum total of exports and sales generated from production plants abroad, of 1,104 million euros in 1998. This figure is an increase of 18% on that recorded in 1997 and accounts for 47% of total sales, an increase of two points compared to 1997.

At the end of last year, the Industrial Group had 17 manufacturing plants abroad, with important plans for new plants to be located mainly in the Mercosur area.

The internationalisation process is being complemented locally with four important joint ventures with international partners and corporate support from three delegations in China, Brazil and India, together with trading companies in Iran, Colombia and Indonesia.

**Development.** The development of the Industrial Group has been significant over the last few years, with turnover and equity having doubled in five years.

Turnover in 1998 accounted for 2,353 million euros, with an increase of 13.8% compared to 1997. The most dynamic divisions were Industrial Equipment, with a considerable increase of 37%, followed by Machine Tools (28%) and Construction (23%), in line with the strength

of business investment and the construction of homes.

The investments tackled by this Group in 1998 also stand out. These accounted for 189 million euros, which is a 22% more than the investment figures for 1997. The strength of demand, for both capital and consumer goods, integration in the EMU and low interest rates were the determining factors in this increase in investment.

At the same time, employment also rose, with the workforce of the Industrial Group increasing by 788 people. This is 4.2% higher than the figure at the start of the year and takes total jobs in the Group to 19,585.

**Worker Participation.** In 1998 a lot of work was done to improve internal communication, as it is considered a key element for social cohesion in a joint corporate project. Forums on communication-information were therefore held with the participation of 30 co-operatives, monthly MCC information sheets started to be distributed and the corporate Intranet MCCnet received a considerable boost.

Likewise, needs were diagnosed and training plans established for all the Divisions, with a Management Development System drawn up on the basis of areas of competence.

With regard to the prevention of occupational hazards, the hazards were evaluated at 22 work centres and prevention system implemented a in 5 co-opera-

tives. A lot of attention was also paid to environmental management, by means of diagnoses and the implementation of management systems. Four co-operatives achieved environmental management certification to ISO-14.001. ■

## Automotive INDUSTRIAL GROUP

The turnover of the Division increased by 12% and its international sales by 18%, in a year characterised by a good level of profitability, job creation and a strengthening of the strategy for collaboration with other groups to develop joint projects, especially in the international sphere.

In this context, the Automódulos company was set up to manufacture complete axles. It began activities with a project in the town of Borja, in the province of Saragossa, with Opel as its main customer. The following firms have a holding in this company: Gestamp Automoción, 40%; MCC, 40% (Mondragón Automoción, Fagor Ederlan, Batz and MCC Inversiones); and Gamesa Automoción, 20%.

The strategic alliance with Gamesa for the development of industrial automotive activities in Mercosur was of singular importance. This led to the subsequent creation of the Promoauto company, with its headquarters in the province of Alava and in which Gamesa and MCC Inversiones each have a 50% holding.

Promoauto was set up with an equity of close to 72 million euros. This figure includes the companies in which Gamesa Participações has a holding. Promoauto has taken an 80% holding in this firm, and the Brazilian investment fund Centrus a 20% holding.

The projects initially contemplated by Promoauto are going to require investment in excess of 60 million euros. The first of these is



Fagor Ederlan

Batz do Brasil, which will produce jacks, pedal units and brake levers starting in April 1999. Other projects linked to the activities of Fagor Ederlan, Maier and Cikautxo in Brazil are also being studied. These will probably materialise over the next two years.

This boost to the internationalisation process has been accompanied by a significant investment effort on the part of the companies in the Division. Fagor Ederlan has initiated important projects accounting for investments of 34 million euros, among which the following stand out: a 50% increase in the capacity of the aluminium die-casting plant and serving as the global supplier for the Corsa 2000, both in Europe and America.

The latter has already led to the setting up of a company in Borja from where the front suspension column will be supplied to the Opel plant in Figueruelas from the last quarter of 1999.

FIT Automoción, in which the German company Continental has a 34% holding, MCC Inversiones a 33% holding and Fagor Ederlan a 33% holding, satisfactorily completed its first year manufacturing brake systems for Volkswagen in Germany. The initial

investment of 8 million euros is going to be increased with another 9 million euros over the period 1999-2000.

In June, Maier inaugurated the new Ferroplast plant, in which it is the majority partner, in the Galician town of Porriño, with an investment of 8 million euros. Its main customer is Citroën in Vigo, as well as

Renault, Nissan and Seat. The company provides employment for 200 people and produces plastic injection moulded parts: demisters and fluid ducts.

In September, Cikautxo inaugurated an injection moulding plant in Saragossa and was awarded the prize for "Best Pipework Supplier" by the Volkswagen Group.

Finally, Mapsa decided to invest 19 million euros over the three-year period 1998-2000. The company plans to double sales and exports and achieve production of close to two million wheel rims in the year 2000. ■

**Juan María Uzquidun**

MCC Vice-president  
Chief Executive - Automotive

In millions of Euros

	1997	1998
Sales	436	487
Internat. Sales	245	289

#### COMPANIES:

Automódulos, Batz do Brasil, Batz Sistemas, Cikautxo, Fagor Ederlan, Ferroplast, Fit Automoción, FPK, Galdan, Luzuriaga Tafalla, Luzuriaga Usurbil, Maier, Maier Navarra, Mapsa and Promoauto.

## Components INDUSTRIAL GROUP

The turnover of this Division increased by 3% and its international sales by 4%; with the latter accounting for 63% of total turnover. In the field of quality management, the fact the Czech subsidiary Zerco obtained ISO 9000 certification is worth highlighting. This means that all the companies in the Division now have this international quality certificate.

In 1998 the investments of the Division accounted for 34 million euros, as part of the overall figure planned for the three-year period 1997-99 totalling 98 million euros. This investment is earmarked for the development of new products, the adaptation of products to new markets and the need to tackle the demands for business development on the threshold of the new millennium.

At the organisational and business level, the incorporation of the Consonni co-operative into the Division stands out. This will help to strengthen the Division's presence in the tubular heating element business.

In the R&D area, within the framework of the Science and Technology Plan and as part of the Intek Programme, technologies and products were developed in the field of digital TV. New sensors and microsystems were also developed for application in domestic appliances,

both for white goods and for domestic water heating appliances.

As part of the European FUSE programme, an electronic temperature control was developed for application in electric cooking appliances. An electronic energy controller system was also developed based on touch-control technology.

The **White Goods** activity was characterised by a significant advance in the supply of electronic components, in addition to electromechanical ones, both for washing and cooking appliances. This provides a wide range of products that can easily be adapted to customer requirements.

In the area of **Household Comfort**, a new regulation and control component was finished for domestic heating in the European and North American markets. During the year, Orkli set up a new subsidiary in Italy and a sales network of its own in France for the Distribution business.

In **Electronics**, Fagor Electrónica decided to invest more than 12 million euros over the three-year period 1999-2001.

investment is aimed at developing a range of high value-added products in digital technology for receiving television signals and setting up new production cells.

This ambitious investment plan comes on top of the one already carried out over the last three-year period to the value of 9 million euros, which enabled the production capacity of the clean room for the manufacture of chips to be extended by 1,250 m<sup>2</sup> and the production of SMD semiconductor miniature formats to be started up.

Fagor Electrónica, whose sales increased by 11% over the year, received special recognition in the field of quality when it was awarded the Silver Q based on the EFQM European Quality Management Model. ■

**José M<sup>a</sup> Aldekoa**  
MCC Vice-president  
Chief Executive - Components

#### COMPANIES:

Consonni, Copreci, Copreci México, Eika, Embega, Fagor Electrónica, Matz-Erreka, Orkli, Tajo and Zerco.

## Construction INDUSTRIAL GROUP

In a year in which the construction sector in Spain was very dynamic, with strong demand for new homes, the refurbishment of old ones and significant growth in civil engineering, the sales of this Division increased by 23%. The 28% increase in international sales also played a significant part.

The incorporation into the Division of the Catalan co-operative Ecotècnia, engaged in the design, manufacture and maintenance of wind-powered generators and the promotion and exploitation of wind farms should be highlighted.

In **Lifts and Elevators**, Orona continued its rise in the domestic market with its range of lifts, escalators and automatic doors. The company's most important projects were carried out at the Universidad Pública de Navarra, the Cargo Terminal at Barajas Airport (Madrid), the Auditorium in Oviedo and the south rail bypass in Bilbao.

On the international stage, the markets of the European Union performed really well, especially France and Portugal. There was also penetration into new countries in the Middle East like Lebanon and Jordan. However, the crisis in Asia and Latin America resulted in a slowdown in these markets.

In **Structures and Handling**, Urssa grew by 25% and its international sales accounted for 38% of the total. The company continued its policy of market segmentation and working on



Orona, lifts and escalators

projects designed by architects of international fame.

Among its most important projects the following stand out: the Antel complex in Montevideo with a building more than 160 metres high; the roof of the Amiens football stadium and the extension to the Sollac steel plant in Fos-sur-Mer, both in France; the roof of the Vista Alegre Bullring in Madrid and the Santiago de Calatrava viaducts in the City of the Arts in Valencia.

Other important projects contracted were: The Fume Purification building for C.T. Avedore in Copenhagen; the roof of the Feira Nova shopping centre in Sintra, Portugal; the Euskaltel building in Zamudio; the Galvanisation Tower for Aceralia in Avilés; the new galvanising plant for Solmed in Puerto de Sagunto as well as for Arregui in Vitoria-Gasteiz; the rebuilding of the As Pias bridge in Ferrol and the building of the fourth bridge over the River Urumea in San Sebastián.

Orona's Spatial Structures business built the roof for the Avilés Stadium, the Music Conservatory in Santander and a large dome in the Oceanographic Park in Valencia. At the interna-

tional level, sales accounted for 52% of the total, with the following projects standing out: the Tavira market and the Engineering building in Oporto, both in Portugal; the roof of a sports centre in Cyprus and two roofs for the Aviano base in Italy.

In the Handling sector, Rochman built its new plant and boosted its exports in Europe and Latin America. Biurrarena increased its sales by 36% and launched a new activity for the engineering and manufacture of industrial and urban waste containers and for the design and construction of recycling plants.

In **Construction Work and Materials** mention should be made of Lana's investment plan to the value of 13 million euros for the two-year period 1999-2000, aimed at increasing production capacity and developing rustic furniture, with the creation of 50 new jobs. ■

Jesús Maiztegui

MCC Vice-president  
Chief Executive – Construction

In millions of Euros

	1997	1998
Sales	163	201
Internat. Sales	31	40

#### COMPANIES:

- **Lifting systems:**  
Orona.
- **Structures and Handling:**  
Biurrarena, KBE-Urssa, Orona, Rochman and Urssa.
- **Construction Work and Materials:**  
Covimar, Etorki, Lana and Vicon.

## Industrial Equipment

### INDUSTRIAL GROUP

In an excellent year, in which advantage was taken of the favourable economic situation in Europe and America for business development and consolidation, the turnover of this Division rose by 37%. International sales played a very important part as they increased by 77%.

The significant amount of investment of previous years was continued (11% over sales) and a high level of profitability obtained.

In **Leisure and Sport** the rate of change imposed on the businesses was intensified, based above all on international expansion. Dikar maintained its favourable position on the US market and Eredu had an excellent year with growth of 34%. The company boosted its modern furniture activity, by strengthening its presence in 26 countries.

Orbea confirmed its strategy of aiming at the medium and high segments of the market, with a significant, stable presence in all European markets, especially France and Germany.

**Components and Technical Equipment** exceeded all expectations, with a 45% increase in turnover, due mainly to the brilliant performance of Irizar. This company increased its sales by 52% and doubled its exports, which accounted for 58% of total turnover.



*His majesty the king of Spain together with other personalities at the inauguration of the "Century of Creation" exhibition.*

In the international sphere, it is worth highlighting the start of the production of coaches in Brazil, the successful penetration into the difficult United States market and the supply of 52 coaches to transport the teams during the World Cup finals held in France.

1998 was a landmark in the history of Irizar with the inauguration of the company's new installations in Omaiztegui. These accounted for an investment of 18 million euros, and will increase production capacity by 50% to enable 1,350 coaches a year to be produced. In the environmental management area, Irizar became the first European company in its sector to be awarded the ISO 14.001 Certificate.

In the same subgroup, the 25% increase in Ederfil's international sales and the 28% increase in Urola's turnover, mainly in processing, should be highlighted.

**Industrial Services** also had a good year, with a 33% increase in sales and an excel-

lent export performance, the figure doubling compared to 1997.

In qualitative terms, the PRODESO company was set up. Its aim is to promote the internationalisation of the training and social development activities of MCC and especially Alecoop. This company

has led to the development of the SENA project in Colombia.

Alkargo consolidated its business project, by attracting emblematic orders in the Spanish market and boosting its exports, just the same as Osatu, Coinalde and the printing companies Elkar and Danona, which significantly strengthened their technical and production capacity. ■

**Iñaki Otaño**

MCC Vice-president  
Chief Executive - Industrial Equipment

In millions of Euros

	1997	1998
<b>Sales</b>	<b>210</b>	<b>288</b>
<b>Internat. Sales</b>	<b>76</b>	<b>135</b>

#### COMPANIES:

- **Leisure and Sport:**  
Dikar, Eredu, Orbea, Shanghai Dikar and Wingroup.
- **Technical Components and Equipment:**  
Ederfil, Hertell, Irizar, Irizar Brasil, Irizar Maghreb, Tianjin Irizar Coach and Urola.
- **Industrial Services:**  
Alecop, Alkargo, Coinalde, Danona Litografía, Elkar, Oiarso, Osatu and Prodeso.

## Household Goods

### INDUSTRIAL GROUP

In a year in which there was strong growth in consumer spending, this Division increased its turnover by 19%, with its international sales accounting for 38% of the total, and significantly improved its profitability.

The integration of Domusa, a company engaged in the production of boilers for individual homes, into the Domestic Appliance subgroup, is worth highlighting. This company has a consolidated position on the Spanish market and a growing presence abroad.

In **Domestic Appliances**, Fagor had a very dynamic year in which the company achieved a turnover in excess of 620 million euros and grew significantly both in the domestic market (16.5%) and the international market (23%). It also carried out an internal reorganisation of its plants, concentrating all the manufacture of refrigerators in Mondragón and transferring the production of boilers and air conditioning equipment to Basauri.

This dynamism was reflected in the volume of investment, which exceeded 34 million euros, of which 10 million were earmarked for the extension to the washing machine plant, 15 million for innovation and the development of new products and 5 million for the strengthening of foreign subsidiaries.

In the domestic market, Fagor consolidated its leadership by



Fagor Electrodomesticos

achieving an average market share of 23%. In the international area, in addition to strengthening its presence in the markets of the European Union, especially in France, Germany, Portugal and Great Britain, the company increased its penetration in Eastern Europe, with a consolidation of its positions in the Czech Republic and Hungary and the opening of a delegation in the Ukraine.

In Argentina, an agreement was reached with Mabe, for this Mexican company to take a shareholding in McLean. The strategic aim of the operation is to boost the leadership of McLean in the Argentine market as a global manufacturer of domestic appliances and increase Fagor's presence in the Latin American market.

In Morocco, the range of products manufactured was extended, adding the production of water heaters and washing machines to that of refrigerators, thereby making Fagor the joint market leader with a 20% share.

Geyser-Gastech ended the year with an installed capacity of 800,000 water heaters, the sum

total of the capacities of Vaillant and Fagor, making the Bergara plant the biggest in its sector in Europe.

In **Furniture**, sales of the Office collection launched by Coinma continued successfully, and Danona confirmed its leadership in exports among Spanish furniture manufacturers, with 58%

of its production going abroad.

In **Commercial Equipment**, the sales of the subgroup grew by 32%, with exports playing a strong role with a 38% increase. The take-off of Kide in the industrial refrigeration market should be highlighted. Fagor Industrial's plant in Lucena, which manufactures commercial refrigeration appliances, amply exceeded the expectations for its first year of operation. This has led to an increase in its manufacturing capacity. ■

**Jesús Catania**

MCC Vice-president  
Chief Executive - Household Goods

In millions of Euros

	1997	1998
<b>Sales</b>	<b>638</b>	<b>724</b>
<b>Internat. Sales</b>	<b>223</b>	<b>277</b>

#### COMPANIES:

- **Domestic Appliances:**  
Cadore, Edesa, Extra Electromenager Fagofri, Fagor Electrodomésticos, Geyser Gastech and Mc Lean.
- **Furniture:**  
Coinma and Danona.
- **Commercial Equipment:**  
Fagor Industrial and Kide.

## Engineering and Capital Goods

### INDUSTRIAL GROUP

**T**his Division recorded a turnover similar to that of the previous year, with a high level of profitability and a 14% increase in employment. A lot of orders were won in all the areas, with order books totalling 200 million euros at the end of the year.



*Fagor Arrasate*

#### In Automation and

**Control**, the decision was taken to merge Berriola with Fagor Automation, as the culmination of co-operation which had been going on for many years. In R&D the MC family of the Fagor 8050 Interactive Numerical Control, the new series of the 8055 CNC that incorporates the LCD flat monitor and the 8070 PC-based CNC were developed.

The international area continued to play an important role, with 65% of Fagor Automation's sales going abroad -40% America, 38% Europe and 21% Asia- and the opening of two new sales offices in New Delhi and Guangdong, thereby completing the 22 sales offices in 16 different countries, in which 30% of the total workforce work.

**Engineering and Consultancy** underwent growth of 27%, with a significant increase in profitability and a 13% increase in highly skilled employment. As part of its expansion plan, subsidiaries of LKS have been set up in Madrid, Galicia and Navarra and at the start of 1999, the new company LKS Intelcom S.L. will be set up.

LKS Intelcom, in which LKS Ingeniería and Enyca have a hold-

ing, is engaged in the design and implementation of structural wiring networks, local area networks and telephone systems for industrial and service companies.

In **Forming Machinery** turnover was slightly lower than the record figures of 1997, with profitability at a good level and order books at excellent levels, with orders mainly from abroad.

Of the equipment supplied by Fagor Arrasate, the following stands out: in the automotive sector, presses for Gestamp, Rover and VW-Seat; in the domestic appliance sector, several lines for the production of parts for General Electric, Mayc and the Mexican company Vitro; in the iron and steel sector, cutting lines for Ugine, Tailor Steel, Eko Stahl and Krupp-Hoesch.

Fagor Arrasate also won important new orders from Citroën, Tower, Renault and Essa Palau in the automotive sector; from General Electric, Grupo Vitro and Mabe in the domestic appliance sector and from Acerinox, Thyssen, Krupp and Contrasteel, the biggest steel producer in Egypt, in the iron and steel sector. Ona Pres saw its business

grow significantly, with orders won from Lear Corporation, Ford U.K. and Thera.

In Die Making, the Group's presence was strengthened in the United States and Germany with top level customers. Aurrenak supplied moulds for the manufacturing of engine blocks to Chrysler, Honda and Caterpil-

lar and won orders from new customers like Kolbenschmidt, Renault and Teksid. Batz continued to have Volvo and Ford Germany as its main customers.

Finally, Fagor Sistemas recorded robust growth of 53%, consolidated its activities in France through the subsidiary Cima and won orders from important companies like Eaton Ros, Rockwell, SNR and Valeo. ■

**José Luis Olasolo**

MCC Vice-president  
Chief Executive  
Engineering and Capital Goods

In millions of Euros

	1997	1998
<b>Sales</b>	<b>226</b>	<b>216</b>
<b>Internat. Sales</b>	<b>134</b>	<b>103</b>

#### COMPANIES:

- **Automation and Control:**  
Berriola and Fagor Automation.
- **Engineering and Consultancy:**  
Diara, Enyca, LKS Consultoría, LKS Ingeniería, MSI, Ondoan and SEI Fagor.
- **Forming Machinery:**  
Aurrenak, Batz Troquelaría, Fagor Arrasate, P.I. Proin, Fagor Sistemas, Cima and Ona-Pres.

## Machine Tools INDUSTRIAL GROUP

The year was highly positive, with a 28% increase in turnover and a 42% increase in exports, and a high level of profitability in all the co-operatives of the Division and the creation of 7% new jobs. New orders were won in line with the forecasts made, although in the last quarter of the year the trend started to change, with expectations for 1999 being somewhat less favourable.

In **Cutting Machine Tools**, 1998 was the best year in the history of Grupo Danobat, with record turnover, a 50% increase in exports and a high level of investment, with extensions to Goiti and work starting on important extensions to the Soralue plant.

It was also a good year for new orders, although they slowed down towards the end of the year, which concluded with order books totalling 77 million euros. This guarantees just over 50% of the turnover forecast for 1999. Germany once again headed the list of export orders with 25%, followed by France (12%), Brazil (10%), United States (8%) and Italy (7%).

To strengthen the Group's presence in the important automotive sector, a specific Management unit was set up for the whole Group. Its aim is to globally coordinate the sales networks linked to this activity and take responsibility for sales manage-



Danobat

ment and keeping a watch on technology regarding two strategic parts: the crankshaft and the camshaft, making it possible of offer complete solutions for the manufacture of these key engine parts.

Aeronautics is another sector that is rising steadily within the activities of Grupo Danobat. In 1998 a turnover of 5 million euros was achieved in advanced technology grinding machines, for grinding turbine blades and undercarriages.

The order for the first machine for the aeronautical sector in Japan stands out for its importance. This order was for IHI-Ishikawajima and was worth 1.6 million euros. Danobat grinding machines incorporate the latest advances in grinding technology and production control, and have won the trust of companies as important as: General Electric, American Airlines, British Airways, BWB, Delta Airlines, Swissair, Sabena, IHI-Ishikawajima, Iberia or Casa.

**Woodwork Machinery, Tooling and Fixtures** increased its turnover by 16%,

taking the total to more than 23 million euros. All the companies in the Subgroup achieved a good level of profitability of 6% over sales and increased employment by 7%, in a clear process of consolidation of their activities.

A small shadow was cast over this highly positive picture by the crisis in Brazil, which clearly affected the expectations created in this enormous market, as a result of the collaboration agreement signed by Egurko/Ortza with the Italian subsidiary of Giben.

In terms of investment, that made by Latz and Zubiola to increase their production capacity, stands out. ■

**Antonio Echeverría**

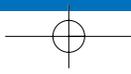
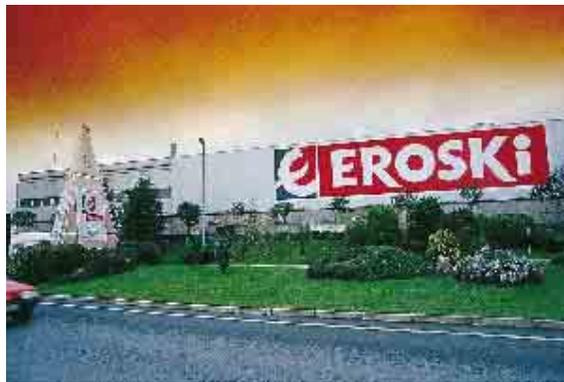
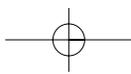
MCC Vice-president  
Chief Executive - Machine Tools

In millions of Euros

	1997	1998
<b>Sales</b>	<b>117</b>	<b>150</b>
<b>Internat. Sales</b>	<b>60</b>	<b>85</b>

#### COMPANIES:

- **Cutting Machine Tools**  
Danobat, D+S Sistemas, Estarta Rectificadora, Goiti, Lealde and Soralue.
- **Woodwork Machinery, Tooling and Fixtures:**  
Doiki, Egurko, Latz, Ortza and Zubiola.



1

1998 was a very positive year for the Distribution Group, as it improved its position in the markets in which it operates and made advances in compliance with the Basic Corporate Objectives.

**Customer Satisfaction.** In this area a lot of work has been done on quality assurance, in the search for continuous improvement by drawing up quality manuals and implementing process re-engineering in the whole of the supply chain. This has led to a reduction in delivery times and guarantees the freshness of food products.

The store network was also modernised, with the refurbishment of four Maxi hypermarkets, the new store model implemented in seven Eroski hypermarkets.

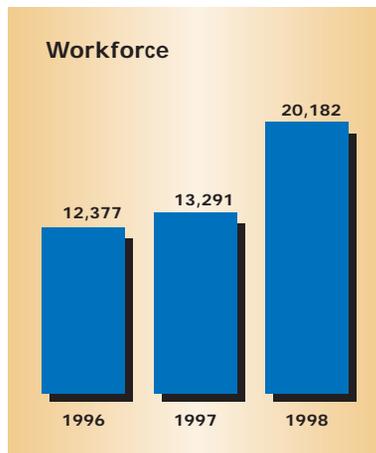
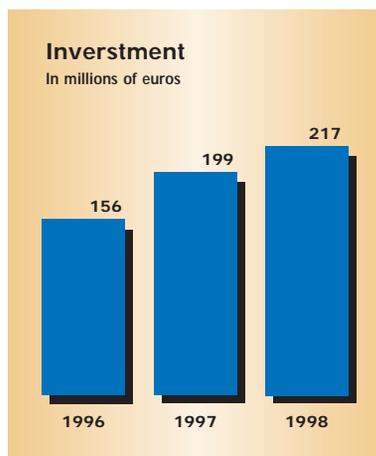
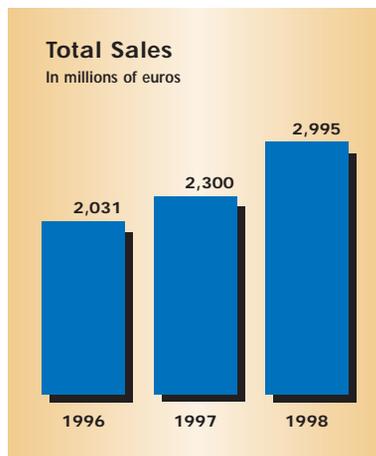
The launch of the new Consumer brand should be highlighted. This name, strongly identified with the Group, is the one now given to all own-brand products, the consumer magazine and charge card.

**Profitability.** In 1998 there was reactivation of consumer spending and the Distribution Group achieved an excellent 30% increase in sales. Moreover, the biggest increases were obtained in the non-food activities (leisure and sport, books and music, textiles, etc.) which offer higher margins. This led to a 42% increase in total profits.

The Distribution Group operates mainly in Spain. However, it is also present in France, through its subsidiary Sofides, which has 3 hypermarkets and a chain of 19 supermarkets.

The Group is also a member of the Intergroup non-food purchas-

## DISTRIBUTION GROUP



ing group, located in Denmark and which has offices in Hong-Kong.

**Development.** In 1998 advances continued to made in the con-

solidation and extension of business alliances, with a new agreement with the Vegonsa company, similar to that reached with Unide and Mercat at the end of 1997, in order to create joint ventures to run supermarket chains. Likewise, the supermarkets of Grupo Distac in Catalonia were taken over, thereby completing the Group's presence all over Spain.

In addition to this, in 1998 5 new Eroski hypermarkets, 55 Cosnum supermarkets and 8 travel agency branches were also opened.

The promotion of new activities concentrated on commercial catering and sports and leisure stores, as well as the new cooperative Unekel, in the Erkop subgroup, engaged in the production and sale of rabbits.

A considerable amount of growth was recorded, with total sales of 2,995 million euros and material and financial investment to the value of 217 million euros.

**Worker Participation.** The business alliances and opening of new stores meant that the total workforce of the Group increased by 6.891 people, taking the total to 20,182 by the end of the year.

An important aspect during the year was the start-up of Gespa, a general partnership that enables the workers of Erosmer Ibérica to participate in the capital, the management and the profits.

Training was also intensive, both as far as new workers are concerned, and concerning the preparation of the workforce for adaptation to the euro. ■

**Constan Dacosta**

MCC Vice-president  
Chief Executive – Distribution Group

## DISTRIBUTION GROUP

### Eroski

Eroski Bilbondo



Grupo Eroski is made up of the Eroski and Consum co-operatives, which operate via Cecosa as partners in Erosmer S.A., in which the following are partners: ONCE, Argentaria, Lagun-Aro, BBK and the Italian co-operatives GDE.

The agreements reached with Mercat and Unide and the subsequent alliance with the Galician company Vegalsa have consolidated Grupo Eroski's leadership in the world of Spanish food retailing. Its Consum supermarket chain is now the largest in Spain and covers practically the whole country.

The new CONSUM supermarket concept is based on a Commit-

ment to Savings and Quality, by means of a general, constant low price policy and a commitment to quality as far as fresh produce is concerned, from when it is chosen and during its processing through the logistics chain.

The Purchasing Centre now purchases a total of 3,600 million euros of goods, placing the Group at the top of the list of the companies operating in Spain, especially regarding fresh produce. Among the aims of purchasing management is the promotion and commercialisation of local and regional products, making Grupo Eroski the leading sales network for Spanish products.

Gespa was set up in order to promote the participation of the

workers in the capital, profits and management of Erosmer. Nine out of every ten workers have joined the scheme, and the various representative bodies for the close to 1,300 workers were set up during the year.

This involvement of the workers, in addition to putting into practice the principles of integration and participation, characteristic of co-operatives, is a business value that has a direct effect on the level of quality and customer satisfaction.

Customer service also includes, for example, the continuous carrying out of audits, home deliveries, the incorporation of new products like home-made cakes or vacuum packed cold meats or

## DISTRIBUTION GROUP



*Eroski laboratories*

the use of advanced technologies like videoconferencing for the sale of computer products.

Mention should also be made of the implementation of the Critical Point Risk and Control Analysis to ensure the quality of fresh produce, the drawing up of quality manuals for the dispatch depots, the continued success of programmes like "the natural taste" for beef, recognised as a mark of quality by the Ministry of Agriculture or the more than 200 tasting panels used to evaluate the quality of Consumer own-brand products.

The historic commitment of Eroski own-brand brands to the consumer has been strengthened with the new Consumer products, with a more extensive range, offering 1,500 high quality items at advantageous prices.

With the incorporation of new companies into the Group, the Consumer brand will be on sale in more than 1,000 stores and available to six million consumers.

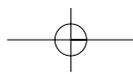
Likewise, the new Consumer Card maintains all the features of its Eroski predecessor, consolidating it as the leading charge card in the food sector. Its features are complemented by those offered by the Travel Club card, of which the Group is a founder together with other companies of recognised prestige.

In 1998 44,000 people became consumer members, taking the total to 385,223. A lot of work in consumer education and information is aimed at these members. The Consumer magazine, with a monthly circulation of 300,000 copies, is today a

point of reference for Consumer organisations in Spain. In the consumer education field, 220,000 people participated in different events, in a year characterised by the growing specialisation of these modules.

As far as its commitment to the environment is concerned, Grupo Eroski practised an active policy in favour of the environment and collaborated in

numerous activities in support of the handicapped or those in need, as well as in cultural or local sporting events. ■



## DISTRIBUTION GROUP

### Erkop

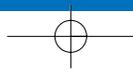


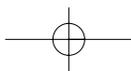
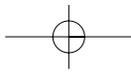
1998 was marked by Erkop's internal consolidation process, the extension of its commercial activity areas, the implementation of programmes for the internal assessment of processes and the notable advances achieved in turnover, which rose by 16%.

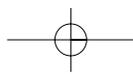
As far as new activities are concerned, two new companies were set up in 1998: Comislagun, a company set up in collaboration with the Valencian Co-operative Business Group to offer catering services in the Levant region and the new co-operative Unekel, engaged in the produc-

tion and sale of rabbits.

In the Quality area, work started on the assessment of internal processes using EFQM, and on the systematic measurement of customer satisfaction with the services offered by Erkop co-operatives. ■







***Research, Training  
and Education***



## RESEARCH

### Ikerlan

In 1998 Ikerlan obtained UNE-EN-ISO 9001 certification, which guarantees the services the Centre provides in terms of technological research projects for the development of products and the improvement of production processes in the areas of Electronics and Control Systems, Design, Production and Energy technologies. Another important event was the transfer of the Energy Division to the Alava Technological Park.

The work carried out to launch the Microsystems activity also stands out. The expectations for this activity in the future are high, with a lot of potential for

new businesses. This project has the support of MCC and has been set in motion after a preliminary study carried out with MIT – Massachusetts Institute of Technology- and sponsored by the Basque Government.

In 1998, Ikerlan achieved a total income of 9 million euros, of which 3 million, mainly from the Basque Government, served to fund generic and strategic research projects.

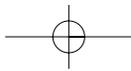
Contracted research and development, the main indicator of technology transfer to industry, generated income of 6 million euros, mainly from projects carried out for companies in the

capital goods, domestic appliance, electronics, automotive and energy sectors.

A singular project has also been set in motion to transfer Ikerlan's management and organisational model to the Colombian institution SENA, within the framework of a wide-ranging collaboration agreement between MCC and SENA.

At the European level, the centre participated in three new R&D projects within the IV Framework Programme. The European Commission named Ikerlan as a "Technology Transfer Centre" for the Basque Country in the area of electronics, as part of the FUSE programme. ■





## RESEARCH



### Maier Technology Centre (MTC)

**M**TC is a Technological Centre specialising in the research and development of heat-formed plastic parts and units for the automotive, domestic appliance and consumer electronics sectors.

It works on the basis of Concurrent Engineering in close collaboration with its clients, thereby consolidating its position as a development supplier, in line with the demanding requirements of industry.

MTC's activities include design, simulation, manufacture of injection moulds, industrialisation of parts and the researching of new technologies applicable in its area of work. Among its main achievements in 1998, penetration in new important clients like Jaguar and Magnetti Marelli stands out, as does the growth experienced in existing clients in the automotive sector.

The centre has a staff of close to 100 people, made up mainly of engineers. In 1999, it is hoped that another 20 people will be taken on, in order to cover the needs deriving from the strong growth of the Maier Group. ■

### Ideko

1998 was a big step forward in the consolidation of Ideko as a technological leader in the Machine Tool sector, in which it has taken on the leading role in the drawing up of the Product and Technology Plan for 1999-2001 for all the companies it works with. As a result of this Plan, different projects have been set in motion to find, test and apply new technologies.

In product improvement, special emphasis was given to the prototype workshop, with new machines being researched for high speed machining. Likewise, work continued on the incorporation of advanced Control Systems for machine monitoring and troubleshooting, thereby making

them easier to use and avoiding downtime.

In Information Systems, Ideko completed its team engaged in computer development and started an ambitious Information Systems Reengineering project for the group of companies it provides services for.

Work also continued on Total Quality management, with advances made in the processes defined as strategic and the Project Development Process established as a priority.

Ideko's total income came to 3 million euros. 63% corresponded to projects for companies in the sector and the rest to medium- and long-term research projects. ■



## TRAINING AND EDUCATION

### **Mondragón Unibertsitatea (MU)**

**T**his first academic year 1997-98 has to be rated as very positive. The centre officially became a university and the curriculum was completely changed without teaching activities being affected in any significant way.

The bases of the organisational structure with which the University is going to operate were also established, starting from the principle that the already existing faculties have an initial structure of their own, together with the need to have a number of common elements which are as simple and as efficient as possible.

This first year of operation of the MU has also meant the creation of the governing and management bodies of the University, the Governing Council and the Management Council, as well as a number of working commissions for the University as a whole.

In quantitative terms, the targets set were fully met. There were 2,418 students in total, of which 2,219 corresponded to the first two levels and 199 students to the postgraduate levels. Significant efforts were also made to boost third level studies in collaboration with other universities, with 37 lecturers and scholarship holders immersed in this process.

The total budget for this first academic year totalled 14 million euros, not including the investment heading which accounted for 1.5 million euros. Research, especially that carried out in collaboration with local industry, accounted for 10% of the bud-



get, with numerous projects developed jointly with Ikerlan and Ideko.

This research dimension is a fundamental part of the activities of Mondragón Unibertsitatea. This was clear from the 53 generic projects carried out during its first academic year, several of them as part of European programmes like Brite-Euram, Esprit, Eureka etc. and the 131 contracted research projects with local leading-edge companies.

Another peculiarity of MU is the role given to In-service Training, with numerous training programmes having been carried out like the Masters in Production Management, Masters in Company Management, Advanced Course in Environmental Management, Advanced Course in Product Engineering, etc.

For a University like that of Mondragón, based on co-operative philosophy and with close links to business activity, the setting up of two centres were of crucial importance: the University Co-operative Studies Institute (KUI),

whose task it is to research and promote the values of the Mondragón Co-operative Experience and the University Automotive Centre (AUZ), whose task it is to direct training and R&D resources to companies in the automotive sector.

From a more academic point of view, 13 courses were started in Engineering, Business Science, Humanities and Educational Science and international programmes were boosted. In this field, 80 students from Mondragón Unibertsitatea studied second and third level in 21 universities in France, Switzerland, Great Britain, Canada and United States. Likewise, 43 foreign students studied at MU and worked in local companies. ■

#### **Engineering**

The Higher Polytechnic School offers first level studies with a common first course and two specialist courses, aimed at offering degrees in: Industrial Technical Engineering in Mechanics, Systems Computing, Industrial Elec-

## TRAINING AND EDUCATION

tronics and Industrial Design. During this first academic year, 1,336 students studied these specialist courses and 278 students graduated.

A second level offers the possibility of obtaining an engineering degree in Industrial Organisation and Automatics and Industrial Electronics. In 1997-98 154 students studied these courses with 39 graduating.

Finally, the third level offers the possibility of obtaining an Engineering Doctorate in Industrial Organisation and an Engineering Doctorate in Automatics and Industrial Electronics. There were 155 students studying postgraduate courses.

### **Business Science**

The Business Science Faculty offers first level studies lasting three years, for a Technical Engineering degree in Management Computing. For this first academic year, including the first level of Business Administration and Management, 313 students were registered and 102 graduated.

The second level studies last four years and lead to a Degree in Business Administration and Management. There were 100 students registered in 1997-98.

The third level leads to a Doctorate in Business Administration and Management. There were 24 postgraduate students.

### **Humanities**

The Faculty of Humanities and Education Science offers as level courses, lasting three years,

degrees in Infant Education, in Special Education and specialising in English. There were a total of 316 students studying these courses with 50 graduates.

The second level, lasting four years, offers a degree in Business Humanities while the third level offers postgraduates the possibility of doing a Doctorate in Business Humanities. There were 20 people doing postgraduate courses.

### **CIM (Centro de Idiomas Mondragón)**

**D**uring the academic year 1997-98 the centre had 1,580 students. The Company Division intensified its presence in the Basque Autonomous Community, with an annual increase of 15%.

The Academic Division was appointed to give the optional language classes for Mondragón Unibertsitatea and reached an agreement with the University of Cambridge for students to sit its exams at CIM.

An important agreement was signed with the Bilbao company Didaktiker, which led to the opening of two centres in Vitoria and Bilbao for the teaching of English and Basque by means of a multimedia system under the name of bai & by. ■

### **Txorierrri Politeknikoa**

**I**n 1998 this Centre was included in the Network of Professional Training

Centres, in order to be able to collaborate in the development of training programmes promoted by the Basque Government.

It also participated, together with the Department for Action Abroad of the Basque Government and Alecop, in the development of a co-operation project in Bogotá, by sending lecturers for teaching and advisory purposes.

During the academic year 1997-98 Txorierrri had 461 students within the state system. 4,601 hours of training were given in 20 different courses, in the sphere of occupational and in-service training. ■

### **Lea-Artibai**

**I**n academic year 1997-98, 298 students studied at this centre. 263 participated in training cycles and 117 studied Polymer Engineering.

At the international level, there was an exchange of students with German and Swedish colleges, collaboration projects with Venezuela and Argentina, steps were taken to enable students to work in European companies during their studies and two lecturers went on secondment to European Technological Centres.

In the business field, the Osteolan S.L. project was consolidated and Moltek and Servicad went from strength to strength. Two new projects were started up for the recycling of organic waste and for the microbiological analysis of preserves. ■

## TRAINING AND EDUCATION

### Otalora



In this Co-operative and Management Training Centre, as far as Management Training was concerned, in 1998 two general Company management courses were given together with a number of specific seminars with the participation of more than 200 people. A Management Development System was also developed in accordance with the Corporate Management Model. Three "Ikas" courses for postgraduates were also given for 60 people.

In Co-operative Training, eight courses were given for members of Governing Councils and Social Councils, attended by 226 people, in addition to various training programmes for new co-operative members.

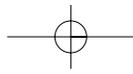
In terms of Co-operative Dissemination, relations were strengthened with a number of Universities, especially in the Basque Autonomous Community and Navarra, and 811 visitors especially from Latin America, Asia, Eastern Europe and, of course, Spain were attended to.

In Internal Corporate Communication, the TU Lankide magazine continued to come out on a monthly basis, and two forums

were held about the successful experiences of Irizar and Maier.

In the Sociological Studies area, activity centred on the assessment of the "Satisfaction of Personnel" in 30 co-operatives in accordance with the European EFQM model.

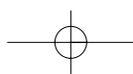
In Training Management, support was provided for the co-operatives in detecting their training needs, in drawing up training plans and processing possible subsidies. ■



***Financial Statements  
and Trading Account***

***Organisational  
Structure***

***Company and  
Management Bodies***



## **MCC Financial Statements and Trading Account as at 31-12-98**

This part of the Annual Report offers an overall view of Mondragón Corporación Cooperativa, by presenting the Corporation's financial statements and trading account at the end of 1998. Likewise, a comparison of these figures with those for the previous year shows year-to-year developments.

The information given refers to the integrated Balance Sheets for the last two years, as well as the

composition of Value Added generated overall within the Corporation.

To obtain these integrated statements, balances reflecting operations between companies have been offset, and internal economic movements have been removed, in order to delimit the actual situation of MCC as far as its outward appearance is concerned.

### **Balance Sheet**

#### **Balance Sheet of Mondragón Corporación Cooperativa**

(After Distribution of Net Surplus)

(millions of euros)

HEADING	31.12.97		31.12.98		Annual Variation	
	Amount	% distr.	Amount	% distr.	Amount	%
<b>ASSETS</b>						
Fixed	1,797	19.4	2,022	17.7	225	12.5
Current	7,468	80.6	9,406	82.3	1,938	25.9
<b>TOTAL ASSETS</b>	<b>9,265</b>	<b>100.0</b>	<b>11,428</b>	<b>100.0</b>	<b>2,163</b>	<b>23.3</b>
<b>LIABILITIES</b>						
Equity	2,367	25.6	2,843	24.9	474	20.0
External Partners	181	1.9	221	1.9	40	22.4
Long term creditors	1,074	11.6	1,037	9.1	(37)	(3.5)
Short term creditors	5,641	60.9	7,327	64.1	1,686	29.9
<b>TOTAL LIABILITIES</b>	<b>9,265</b>	<b>100.0</b>	<b>11,428</b>	<b>100.0</b>	<b>2,163</b>	<b>23.3</b>

MCC's Balance Sheet at 31.12.98 showed a total volume of assets under administration of close to two 11,428 euros, an increase of 2,163 million euros over the year, which is 23.3% in percentage terms.

This growth was mainly due to the Financial Group, whose balance increased by 1,679 million euros, as a result of the considerable increase in assets administered by Caja Laboral and Lagun-Aro.

The most outstanding features of each heading of the balance sheet of Mondragón Corporación Cooperativa as at 31.12.98 are detailed below:

#### **Fixed Assets**

At the end of 1998, MCC's fixed assets totalled 2,022 million euros, having increased by 225 million euros (12.5%) during the year.

Total investment made during the year accounted for 425 million euros, which is an increase of 13% on the figure for the previous year. Depreciation applied in 1998 rose to 201 million euros, which is an increase of 16% compared to 1997.

### Current Assets

The current assets heading is the largest element of the net worth of the Corporation and that which underwent most growth in 1998, having increased by 1,938 million euros (25.9%).

87% of this figure came from the Financial Group, as it is under this heading that Caja Laboral's bank investment and Lagun-Aro's investment portfolio are to be found. Both increased significantly in

1998, mainly in the customer loan and fixed income securities portfolio headings.

### Equity

In 1998, MCC's Equity was considerably strengthened, registering an increase of 474 million euros (20%). This increase was due to the favourable economic performance of the Corporation, which led to a high level of profitability for the year, and to the demanding policy for capitalisation of surplus, which is mainly reinvested to self-finance development.

The following table summarises the performance in 1998 of the main accounts which make up Equity.

### Mondragón Corporación Cooperativa Equity

(millions of euros)

HEADING	31.12.97		31.12.98	
	Amount	% distr.	Amount	% distr.
Share Capital	491	20.7	600	21.1
Equity Fund of Lagun Aro (*)	902	38.1	1,111	39.1
Reserves	976	41.2	1,132	39.8
<b>EQUITY</b>	<b>2,369</b>	<b>100.0</b>	<b>2,843</b>	<b>100.0</b>

(\*) Excluding Matured Liabilities and the part corresponding to external partners.

### External Partners

The opening of new channels of expansion for MCC, both on the domestic market and on the international market, implies a gradual increase in the participation of external partners in joint ventures.

The capital holdings of these external partners are mainly to be found in companies included in the consolidated statements of the industrial co-operatives and the distribution sector, to which should be added the proportional part of members of Lagun-Aro from outside the MCC co-operatives: The total for external partners accounted for 221 million euros at 31.12.98, an increase of 22.4% over the year, with its percentage over liabilities remaining stable at 1.9%.

### Long-term liabilities

The balance of MCC funding from third parties with a period of maturity of more than one year underwent a slight fall of 3.5% in 1998, totalling 1,031 million euros at the end of the year. Therefore, it only accounted for 9.1% of liabilities at the end of the year, which was a slight fall.

66% of this figure corresponds to the Financial Group, and pertains to term deposits belonging to Caja Laboral savers and to Lagun-Aro's Matured Liabilities Reserve Fund. The latter accounted for 453 million euros at 31.12.98 and serves to meet obligations contracted with members receiving capitalisation benefits.

### Short-term liabilities

This balance sheet heading increased by 1,686 million euros (29.9%) during 1998. 81% of this increase was down to the Financial Group, mainly due to new savings attracted by Caja Laboral and occasional borrowing with short-term investment objectives by Lagun-Aro.

Mention should also be made of the growth in off-balance sheet savings schemes like combined banking-insurance products, unit trusts and pension and welfare funds, whose overall balance came to 2,549 million euros at the end of 1998, after an increase of 349 million euros over the figure for 1997.

### VALUE ADDED

To complete this commentary on MCC's Balance Sheet, the following table is offered in which a comparison is made of the financial statements for the last two years, after being structured on the basis of the composition of Value Added.

The overall Value Added generated by MCC in 1998 increased by 14.6% to total 1,843 million euros.

The biggest part of this Value Added was generated by the Industrial Group, which with 775 million euros accounted for 42% of the total. It was closely followed by the Financial Group with 36%, with

### Value added generated by Mondragón Corporación Cooperativa

(millions of euros)

HEADING	1997		1998		Annual variation	
	Amount	% distr.	Amount	% distr.	Amount	%
Value Added	1,608	100.0	1,843	100.0	235	14.6
Personnel Costs	(713)	(44.3)	(846)	(45.9)	133	18.6
Internal Yield	895	55.7	997	54.1	102	11.4
Financial Costs	(219)	(13.6)	(198)	(10.7)	(21)	(9.5)
Cash-Flow	676	42.1	799	43.4	123	18.1
Depreciations	(173)	(10.8)	(201)	(10.9)	28	15.7
Operating Profit	503	31.3	598	32.5	95	18.9
Transfers and other Income	(114)	(7.1)	(103)	(5.6)	(11)	(9.0)
Lagun-Aro Tech. Int. Rate	(75)	(4.7)	(81)	(4.4)	6	7.7
<b>Surplus on year</b>	<b>314</b>	<b>19.5</b>	<b>414</b>	<b>22.5</b>	<b>100</b>	<b>31.7</b>

the remaining 22% corresponding to the Distribution Group which, with its strategy for growth, increased its share by 3 points compared to 1997.

Personnel Costs rose by 18.6%, due to the considerable creation of jobs in MCC. Wages accounted for 45.9% of the Value Added generated, which was an increase of 1.6 points compared with 1997.

The downward trend in interest rates in 1997 was reflected in MCC's accounts, as Financial Costs fell significantly by 14.1% compared with 1997, in spite of the notable increase in volume of business recorded in all areas of the corporation. This fall means that they account for 13.6% of Value Added, 4.9 points less than in 1997. This was due to new companies joining the Corporation, mainly in the Distribution Group. This means that the com-

parison between both years is not completely homogeneous.

The incorporation of the Spanish economy into the EMU led to a continuation in the fall in interest rates in 1998, which has been reflected by a 21 million euro cut (-9.5%) in MCC's Financial Costs compared to 1997, in spite of the increase in turnover recorded in all areas of activity. This fall has led to a decrease of 2.9 points in the absorption of Value Added by Financial Costs compared to 1997, taking the figure to 10.7%.

The depreciations recorded by MCC in 1998 totalled 201 million euros, with year-to-year growth of 15.7%, which is explained by the high level of investment in the last few years. Although the Industrial Group still accounts for most of the depreciation (47% of the total), the Distribution Group has significantly closed the gap, with its depreciations now accounting for 43% of the total.

As an effect of the behaviour of costs, a Trading Profit of 598 million euros was achieved, which was 95 million euros (18.9%) higher than the figure achieved in 1997.

Non-trading income consists mainly of transfers to provisions, minority partner interests and other non-trading income, and actuarial adjustments if required. The figure for 1998 came to -103 million euros, which was 9% lower than the figure for 1997.

Likewise, the trading profit is reduced by the application of the technical interest rate, which was 5.6% at the end of 1998, to Lagun-Aro's reserves in order to restate actuarial liabilities. As a result, the application of this technical interest rate meant a decrease of 81 million euros in the profits for 1998, which is 7.7% more than in 1997.

Therefore, the Final Surplus on the year totalled 414 million euros, which is a significant improvement of 31.7% over the figure recorded in 1997. This represents 22.5% over the Value Added generated, which compares very favourably with the figure of 19.5% achieved in 1997.

The following table briefly summarises how this Surplus has been distributed, compared with 1997.

#### Distribution of Mondragón Corporación Cooperativa surplus

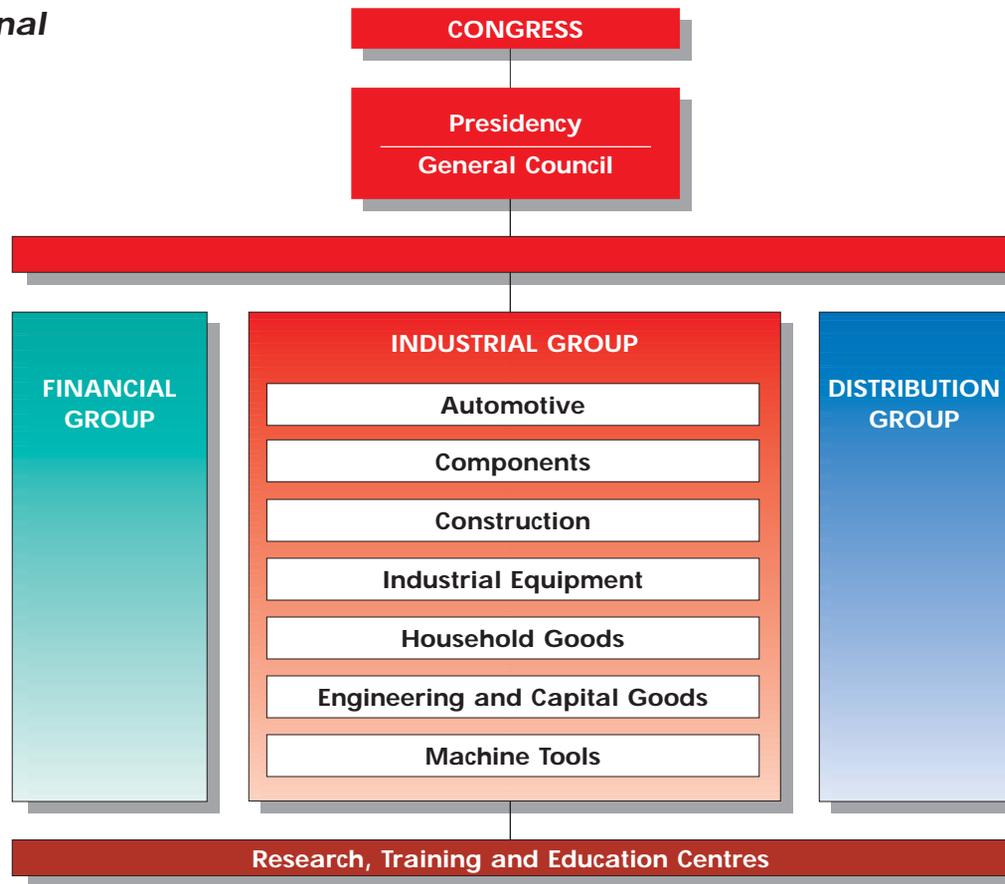
(millions of euros)

HEADING	31.12.97		31.12.98	
	Amount	% distr.	Amount	% distr.
Company Tax	20	6.5	26	6.2
Education and Coop. Prom. Fund	19	6.0	24	5.8
Interest on Capital Contributions and Monetised Dividends.	42	13.2	45	11.0
Capitalised Profit	234	74.3	319	77.0
<b>Total Surplus on Year</b>	<b>314</b>	<b>100.0</b>	<b>414</b>	<b>100.0</b>

The first three headings in the table refer to external payments. The last one covers the significant

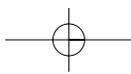
capitalisation of the remaining Surplus, in the form of co-operative dividends or reserve funds.

## Organisational Structure



## Social and Management Bodies

STANDING COMMITTEE OF THE CONGRESS		GENERAL COUNCIL	
<b>President:</b>	Otaegui, Juan M <sup>a</sup>	<b>President:</b>	Cancelo, Antonio
<b>Vice-president:</b>	Salegui, Francisco	<b>Vice-president:</b>	Aldekoa, José M <sup>a</sup> Catania, Jesús Dacosta, Constan Echeverría, Antonio Maiztegui, Jesús Olasolo, José Luis Otaegui, Juan M <sup>a</sup> Otaño, Iñaki Uzkudun, Juan M <sup>a</sup>
<b>Members:</b>	Andrés, José Luis Anduaga, Juan Jesús Ansoategui, Juan José Arabaolaza, Juan José Arrieta, Juan José Domaica, Ramón Gantxegi, Javier Gaztañaga, J. Domingo Herrera, Miguel Lakuntza, Ignacio Larramendi, José M <sup>a</sup> Markaide, Agustín Muruamendiaratz, Martín Valero, Luis	<b>Officers:</b>	Gárate, José Ignacio Goienetxe, Jesús M <sup>a</sup> Herrasti, Jesús M <sup>a</sup> Laspiur, Miguel Angel Relegui, Javier
<b>General Secretary:</b>	Erdocia, Javier	<b>General Secretary:</b>	Erdocia, Javier



**GENERAL COUNCIL**



*José Mª Aldekoa*



*Jesús Catania*



*Constan Dacosta*



*Antonio Echeverría*



*Jesús Maiztegui*



*José Luis Olasolo*



*Iñaki Otaño*



*Juan Mª Uzkudun*



*José Ignacio Gárate*



*Jesús Mª Goienetxe*



*Jesús Mª Herrasti*



*Miguel Angel Laspiur*



*Javier Retegui*

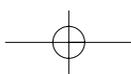


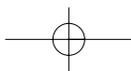
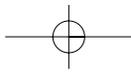
*Javier Erdocia*

*Juan Mª Otaegui  
President of the  
Congress*



*Antonio Cancelo  
President of the  
General Council*







***List of MCC  
Companies***

## List of MCC Companies



### Financial Group

#### Banking

##### ARO LEASING

C/ Gran Vía 35-6°  
48009 Bilbao  
(Bizkaia)  
Tel.: 34 944 244 350  
Fax: 34 944 236 669

##### Activities:

Financial leasing of capital equipment.

##### CAJA LABORAL

Pº José Mº  
Arizmendiarieta s/n  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 719 500  
Fax: 34 943 719 778  
Servicio.de.Atencion.al.  
Cliente@cajalaboral.es

##### Activities:

Banking.

#### Insurance

##### LAGUN ARO VIDA

C/Gran Vía 35-1º  
48009 Bilbao  
(Bizkaia)  
Tel.: 34 944 798 300  
Fax: 34 944 169 803

##### Activities:

Life Insurance.

##### SEGUROS LAGUN ARO

C/Gran Vía 35-1º  
Tel.: 34 944 798 300  
Fax: 34 944 169 803

##### Activities:

General Insurance.

#### Social Welfare

##### LAGUN ARO

Pº José Mº  
Arizmendiarieta s/n  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 790 100  
Fax: 34 943 793 531  
E-mail:  
lagunaro@sarenet.es

##### Activities:

Social welfare cover for co-operators



### Industrial Group



#### AUTOMOTIVE

##### CIKAUTXO

Bº Magdalena 2, B  
48710 Berriatua  
(Bizkaia)  
Tel.: 34 946 133 000  
Fax: 34 946 137 040  
E-mail:  
cikautxo@cikautxo.es

##### Activities:

Injection moulded and overmoulded parts.  
Rubber mixes

##### BATZ SISTEMAS

Bº Torrea 32-34  
48140 Igorre  
(Bizkaia)  
Tel.: 34 946 315 707  
Fax: 34 946 315 566  
E-mail:  
Batzcoop@batz.es

##### Activities:

Assemblies, bodywork assembly. Hand brake levers. Jacks. Pedal units. Rear axles.

##### BATZ DO BRASIL

Avda. Eurico Ambrog  
2100 Taubaté SP  
Estado de Sao Paulo,  
Brasil  
Tel. 00 55 122 86 15 73  
Fax 00 55 122 86 15 53  
**Batz and Promoauto have a 90% holding**

##### Activities:

Jacks, brake levers, pedal units

##### FAGOR EDERLAN

Gaztanadui, 42  
20540 Eskoriatza  
(Gipuzkoa)  
Tel.: 34 943 719 000  
Fax: 34 943 719 001  
E-mail:  
edersa@sarenet.es

##### Activities:

Suspension arms. Knuckles. Mechanism casings. Clutch housings. Gearbox covers. Discs. Drums. Calipers. Cylinder head covers. Differential gearboxes. Gearboxes.

##### GALDAN

Pol. Ibarra, s/n  
Alsasua, Navarra  
Tel.: 34 948 563 675  
**Fagor Ederlan has a 50% holding**

##### Activities:

Aluminium die casting.

##### AUTOMODULOS

Parque Tecnológico,  
Ed. 103  
48170 Zamudio  
(Bizkaia)  
Tel.: 34 944 209 370  
Fax: 34 944 209 369

**Mcc Inversiones, MCC Automoción, Fagor Ederlan and Batz have a 40% holding.**

##### Activities:

Complete axles for cars.

##### FIT AUTOMOCION

Barrio San Juan, s/n  
Apdo. 80  
20570 Bergara  
(Gipuzkoa)  
Tel.: 34 943 769 044  
Fax: 34 943 769 156

**MCC Inversiones and Fagor Ederlan have a 66% holding.**

##### Activities:

Brake calipers.

##### FPK

Bº San Antolin, 16  
48170 Zamudio  
(Bizkaia)  
Tel.: 34 944 523 605  
Fax: 34 944 522 156  
E-mail:  
fpk@fpksa.com  
**MCC Inversiones has a 50% holding.**

##### Activities:

Plastic assembly supports. Engine covers. Noise shields.

##### LUZURIAGA TAFALLA

Tafalla (Navarra)  
Tel.: 34 948 700 250  
Fax: 34 948 702 054  
E-mail:  
central@vluzuriaga.es

##### Activities:

Cylinder blocks and heads for engines.

##### LUZURIAGA USURBIL

C/ Txiki-Erdi  
20170 Usurbil  
(Gipuzkoa)  
Tel.: 34 943 370 200  
Fax: 34 943 365 564

##### Activities:

Brake housings and suspension arms.

##### MAIER

Pol. Ind. Arabieta, s/n  
Apdo. 103  
48300 Gernika  
(Bizkaia)  
Tel.: 34 946 259 200  
Fax: 34 946 259 219  
E-mail:  
maier@sarenet.es

##### Activities:

Plastic injection moulding. Die making. Finishes: chrome-plating, screen-printing, heat engraving, painting, laser, etc.

##### MAIER NAVARRA

Poligono Ind. Elordi, s/n  
31979 Iraizotz-Ultzama  
(Navarra)  
Tel.: 34 948 309 210  
Fax: 34 948 309 333  
**Maier has a 95% holding.**  
E-mail:  
maier.mgi@sarenet.es

##### Activities:

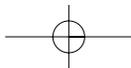
Plastic injection moulding.

##### FERROPLAST

Poligono "A Granxa"  
Parcela 2, Rua 1  
36400 Porriño  
(Pontevedra)  
Apdo. 6015  
36210 Vigo  
Tel.: 34 986 342 020  
Fax: 34 986 342 999  
E-mail:  
ferroplast@asime.es  
**Maier has a 51% holding.**

##### Activities:

Thermoplastic injection moulding.



### MAPSA

Ctra. Echauri, 11  
31160 Orcoyen  
(Navarra)  
Apdo. 1002  
31080 Pamplona  
Tel.: 34 948 325 011  
Fax: 34 948 325 323  
E-mail:  
gerencia@mapsa.net

#### Activities:

Manufacture of aluminium wheel rims.  
Manufacture of water pump housings.  
Low pressure and gravity cast aluminium parts.

### PROMOAUTO

Portal de Gamarra, 40  
Apdo. 628  
01080 Vitoria  
Tel.: 34 945 129 100  
Fax: 34 945 129 110

**MCC inversiones has a 50% holding**

#### Activities:

Development of automotive parts.



COMPONENTS

### CONSONNI

Bº Trobika, s/n  
48100 Munguía  
Apdo. 35  
Tel.: 34 946 156 331  
Fax: 34 946 156 281

#### Activities:

Heating elements. Electric heaters. Tubular hot plates for small and large domestic appliances.

### COPRECI

Avda. de Alava, 3  
E-20550 Aretxabaleta  
(Gipuzkoa)  
Tel.: 34 943 794 500  
Fax: 34 943 792 349  
E-mail:  
home@copreci.es

#### Activities:

Regulation and control components for the domestic appliance sector. Taps with or without safety device and thermostats for gas ovens and hobs. Electrically operated pumps, timers, pressure switches, thermostats and electronic regulation and control circuits for washing machines and dishwashers. Transformers and regulation and control circuits for microwave ovens. Valves and CO<sub>2</sub> analysing units for gas heaters. Thermostats for washing machines, convectors and electric ovens.

### COPRECI MÉXICO

C/Uno, nº 736 Z.I.  
Guadalajara  
Jalisco-Mexico 44940  
Tel.: 52 36 610 6065  
Fax: 52 36 610 6046  
E-mail:  
copreci@infosel.net.mx

**Copreci has a 51% holding.**

#### Activities:

Valves for gas barbecues and taps for domestic gas cookers..

### ZERCO

Komenského 274  
793 68 Dvorce u  
Brunlálu  
Czech Republic  
Tel.: 420 646 74 54 92  
Fax: 420 646 74 54 95  
E-mail:  
zerco@ova.pvtnet.cz

#### Activities:

Manufacture of taps and safety systems for domestic gas applications.

### EIKA

Etxebarria  
Apdo. 20  
E-48270 Markina  
(Bizkaia)  
Tel.: 34 946 167 732  
Fax: 34 946 167 744  
E-mail:  
eika@eika.es

#### Activities:

Sheathed heating elements. Electric hotplates. Heaters for glass ceramic hobs.

### EMBEGA

Pol. Industrial, s/n  
Apdo. 63  
E-31200 Estella  
(Navarra)  
Tel.: 34 948 541 353  
Fax: 34 948 541 362  
E-mail:  
embega@embega.es

#### Activities:

Decorative metal trims. Printed gaskets. Membrane switches.

### FAGOR ELECTRONICA

Bº San Andres, s/n  
Apdo. 33  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 791 011  
Fax: 34 943 796 847  
E-mail:  
rf.sales@fagorelectronica.es  
sc.sales@fagorelectronica.es

#### Activities:

Semiconductors: power diodes, Zener diodes, transitory suppresser diodes. R.F. components: systems for receiving TV signals. Specific design of R.F. equipment.

### MATZ-ERREKA

Bº de Ibarreta, s/n  
E-20577 Antzuola  
(Gipuzkoa)  
Tel.: 34 943 76 60 00  
Fax: 34 943 76 63 75  
E-mail:  
matz-errekamatz-errekamcc.es

#### Activities:

Plastic injection. Fixing elements. Automation equipment for doors and shutters.

### ORKLI

Ctra. Zaldibia  
20240 Ordizia  
(Gipuzkoa)  
Tel.: 34 943 88 07 00  
Fax: 34 943 88 73 08

#### Activities:

Thermoelectric safety systems for gas: magnetic units, thermocouples and water heating. Heating and control valves: magnetic units, thermocouples, powered valves, overpressure valves, flow and pressure switches. Distribution: manual and thermostatic radiator valves, overpressure valves, sphere valves, gas valves and thermostats.

### TAJO

Zona Ind. Aranguren  
Bº Arragua  
20180 Oiartzun  
(Gipuzkoa)  
Tel.: 34 943 49 03 75  
Fax: 34 943 49 13 63  
E-mail:  
tajo@tajo.mcc.es

#### Activities:

Plastic injection. Mould construction for plastic injection.



CONSTRUCTION

### Lifts and Elevators

#### ORONA

Pol. Ind. Lastaola  
20120 Hernani  
(Gipuzkoa)  
Tel.: 34 943 551 400  
Fax: 34 943 550 047  
E-mail:  
oi.orona@sarenet.es

#### Activities:

Manufacture and installation of lifts and escalators. Maintenance and repair of lifts and escalators. Manufacture and installation of spatial structures and enclosures. Installation and maintenance of pedestrian doors

### Structures and Handling

#### BIURRARENA

Pol. Bidebitarte  
Donostia Ibilbidea, 28  
Apdo. 887  
20014 Astigarraga  
(Gipuzkoa)  
Tel.: 34 943 554 350  
Fax: 34 943 555 360

#### Activities:

Machinery and After Sales Service (Public works and forestry)  
Maintenance and industrial supply.  
(Maintenance management, marketing of hydraulic and pneumatic material, assembly of structures and installations).

### ROCHMAN

48210 Ochandiano  
(Bizkaia)  
Tel.: 34 945 450 075  
Fax: 34 945 450 257  
E-mail:  
info@rochman.es

#### Activities:

Rollways. Handling installations.  
Packaging and wrapping machines.

### URSSA

Campo de los Palacios  
Apdo. 284  
01006 Vitoria (Alava)  
Tel.: 34 945 135 744  
Fax: 34 945 135 792  
E-mail:  
urssa@urssa.es

#### Activities:

Engineering, manufacture of metal structures.

### KBE-URSSA

Polígono Industrial  
Júndiz  
Zurrupitieta, s/n  
VITORIA  
Tel.: 34 945 290 203  
Fax: 34 945 290 677  
E-mail:  
comercia.kbe.urssa@jet.es

**URSSA has a 50% holding**

#### Activities:

PVC sections.

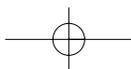
### Construction Work and Materials

#### COVIMAR

Bº Leguineche  
Apdo. 20  
48340 Amorebieta  
(Bizkaia)  
Tel.: 34 946 730 546  
Fax: 34 946 734 491

#### Activities:

Work surfaces and funerary art in marble, graphite and stone. Supply of worked material. Fitting of material in situ.



## MCC Companies

### ETORKI

Pol. Ind. Murga, 16  
01479 Murga-Aiala  
(Alava)  
Tel.: 34 945 399 072  
Fax: 34 945 399 223  
E-mail:  
etorki@coverlink.es

#### Activities:

Pine boards and planks.

### LANA

C/ Santxolopetegui  
Auzoa, 24  
20560 Oñati  
(Gipuzkoa)  
Tel.: 34 943 780 111  
Fax: 34 943 783 222  
E-mail:  
info@lana-scoop.es

#### Activities:

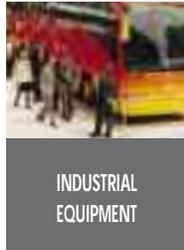
Formwork boards. Boards  
for furniture. Three-ply  
boards. Boards for  
structural use.

### VICON

Padre Larroca, 3  
20001 San Sebastian  
(Gipuzkoa)  
Tel.: 34 943 270 300  
Fax: 34 943 273 047  
Elgeta  
(Gipuzkoa)  
Tel.: 34 943 789 022  
Fax: 34 943 789 024  
E-mail:  
vicon@adegi.es

#### Activities:

Buildings and homes.  
Industrial premises.



INDUSTRIAL  
EQUIPMENT

### Leisure and sport

#### DIKAR

Urarte Kalea, 26  
Apdo. 193  
(Pol. Ind. San Lorenzo)  
20570 Bergara  
(Gipuzkoa)  
Tel.: 34 943 765 548  
Fax: 34 943 760 814  
E-mail: comercial@dikar.es

#### Activities:

Muzzle-loading weapons.

### SHANGHAI DIKAR LEISURE AND SPORTS EQUIPMENT

Mengjing, Village,  
Huangdu Town  
Jinding District, Shanghai  
P.R. China  
Tel.: 8621 59594169  
Fax: 8621 59594769

#### WINGROUP

Apartado 168  
Amillaga, 28  
20570 Bergara  
(Gipuzkoa)  
Tel.: 34 943 769 056  
Fax: 34 943 769 178

#### Activities:

Tents. Exercise equipment.  
Hand and electrical tools.

#### EREDU

Ola Auzoa, 4  
20250 Legorreta  
(Gipuzkoa)  
Tel.: 34 943 806 100  
Fax: 34 943 806 374  
E-mail: eredu@eredu.com

#### Activities:

Metal furniture for outdoor  
use: countryside, beach and  
garden.  
Modern furniture for indoor  
use.

### ORBEA

Pol. Ind. Goitondo  
48269 Mallabia  
**Equipment**  
Tel.: 34 943 171 950  
Fax: 34 943 174 397  
E-mail:  
orbea@sarenet

#### Activities:

Bicycles.

### Technical Components and

#### EDERFIL

Pol. Industrial, s/n  
20250 Legorreta  
(Gipuzkoa)  
Tel.: 34 943 806 050  
Fax: 34 943 806 349  
E-mail:  
ederfil@facilnet.es

#### Activities:

Electric conductors.

#### HERTELL

Poligono Industrial, s/n  
20267 Ikastegieta  
(Gipuzkoa)  
Tel.: 34 943 653 240  
Fax: 34 943 653 332  
E-mail:  
hertell@jet.es

#### Activities:

For the agricultural sector:  
Depressors. Valves.  
Reducers, accessories.  
Water pumps and milking  
pumps.

#### IRIZAR

Zumarraga Bidea, 8  
20216 Ormaiztegi  
(Gipuzkoa)  
Tel.: 34 943 809 100  
Fax: 34 943 889 101  
E-mail: irizar@irizar.com

#### Activities:

Luxury long- and medium-  
distance coach bodywork.

### IRIZAR BRASIL

Rod.Marechal Rondon,  
Km. 252,5  
CED 18603-970  
Botucatu-SP, Brazil  
Tel.: 55 14 820-8008  
Fax: 55 14 820-8001  
**Irizar has a 100%  
holding.**

#### Activities:

Coach manufacture.

### IRIZAR MAGHREB

Km 0.300 Oulja, Salé  
Moroc  
Tel.: 212 7 810113  
Tax: 212 7 807668  
**Irizar has a 34%  
holding.**

#### Activities:

Coach manufacture.

### TIANJIN IRIZAR COACH

218, Hong Qi Road  
Nankai District  
Tianjin (China)  
Tel.: 86 222 7613346  
Fax: 86 222 7613245  
E-mail:  
irizar@public1.tpt.tj.cn  
**Irizar has a 35,7%  
holding.**

#### Activities:

Coach manufacture.

### UROLA

Urola-Kalea, s/n  
Apdo. 3  
20230 Legazpia  
(Gipuzkoa)  
Tel.: 34 943 737 003  
Fax: 34 943 730 926  
E-mail:  
transformado@urola.com  
maquinaria@urola.com

#### Activities:

Construction of blowing  
machines for the  
manufacture of hollow  
thermoplastic bottles.  
Manufacture of blowing  
moulds. Plastic extrusion.  
Plastic injection moulding.  
Plastic blowing. Plastic  
injection moulding-blowing

### Industrial Services

#### ALECOP

Loramendi, s/n  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 712 405  
Fax: 34 943 799 212  
E-mail:  
alecop@alecop.es

#### Activities:

Technical educational  
equipment. Prefabricated  
electrical installations.

#### PRODESO

Uribe Auzoa, 10  
202500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 779 351

#### Activities:

Education and training  
systems. Consultancy and  
technical assistance in  
education. Teaching  
material. Technological  
research centres. Company  
creation and innovation  
centres. General  
consultancy.

#### ALKARGO

Bº Belako, s/n  
Apdo 102  
48100 Mungia  
(Bizkaia)  
Tel.: 34 946 740 004  
Fax: 34 946 744 417  
E-mail:  
alkargo@alkargo.es

#### Activities:

Distribution transformers.  
Medium-power  
transformers.  
Autotransformers. Dry  
encapsulated transformers.

### COINALDE

Concejo, 10  
01013 Vitoria  
(Alava)  
Tel.: 34 945 264 288  
Fax: 34 945 253 997

#### Activities:

Nails. Wire. Metal mesh.

### DANONA LITOGRAFIA

Pol. Ugaldetxo, s/n  
20180 Oiartzun  
(Gipuzkoa)  
Tel.: 34 943 491 250  
Fax: 34 943 491 660  
E-mail:  
danona@euskalnet.net

#### Activities:

Catalogues. Magazines.  
Books. Posters. Leaflets.  
Annual Reports.

### ELKAR

Autonomia, 71 - 3ª  
48012 Bilbao  
(Bizkaia)  
Tel.: 34 944 273 300  
Fax: 34 944 274 097  
E-mail:  
elkar@elkar.es

#### Activities:

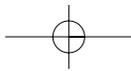
Industrial catalogues.  
Books. Advertising leaflets.  
Annual Reports.  
Magazines. Graphic  
products in general

### OIARSO

Bº Zikuñaga, 57-F  
Poligono Ibarluze  
20128 Hernani  
(Gipuzkoa)  
Tel.: 34 943 335 020  
Fax: 34 943 335 210  
E-mail:  
oiarso@oiarso.com

#### Activities:

For the health sector:  
Infusion equipment.  
Transfusion equipment.  
Catheters. Epicraneals.  
Enteral nutrition. Parenteral  
nutrition. Accessories and  
connectology. Probes.  
Anaesthesia equipment.  
Anti AIDS kit.



### OSATU

Travesía de Padure, s/n  
48240 Berriz  
(Bizkaia)  
Tel.: 34 946 225 371  
Fax: 34 946 225 391

#### Activities:

For the health sector:  
Monitors. Single or three-  
channel  
electrocardiographs.  
Defibrillators. Ergometers.  
Spirometers. Ultrasound  
scanners.



HOUSEHOLD GOODS

### Domestic appliances

### CADORE

Bº San Esteban, s/n  
20737 Régil  
Apto. 95 - 20730  
Azpeitia  
Tel.: 34 943 813 899  
Fax: 34 943 815 666

#### Activities:

Individual boilers.

### EDESA

Cervantes, 45  
48970 Basauri  
(Bizkaia)  
Tel.: 34 944 491 200  
Fax: 34 944 495 096

#### Activities:

Manufacture of domestic  
appliances.  
White goods.

### FAGOR ELECTRODOMESTICOS

Bº San Andrés, s/n  
Apdo. 49  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 719 100  
Fax: 34 943 796 881  
E-mail:  
fagorelectrodomesticos@  
mcc.es

#### Activities:

Cookers. Ovens. Extractor  
fans. Microwave ovens. Air  
conditioning. Fridges and  
freezers. Washing  
machines. Dryers.  
Dishwashers. Water  
heaters. Boilers. Storage  
heaters. Kitchen units and  
kitchenware.

### EXTRA ELECTROMENAGER

Avenue Hassan II  
Mohammedia  
BP 179 - Marocco  
Tel.: 212 3 32 74 12  
Fax 212 3 32 74 25

**Fagor  
Electrodomésticos  
has a 100%  
holding.**

#### Activities:

Manufacture of domestic  
appliances.

### GEYSER GASTECH

Bº San Juan s/n  
Apdo. 151  
20570 Bergara  
(Gipuzkoa)  
Tel.: 34 943 769 004  
Fax: 34 943 767 136

**Fagor  
Electrodomesticos  
has a 50% holding.**

#### Activities:

Gas water heaters.

### MC LEAN

Valentín Gomez, 151  
1706 Haido  
Buenos Aires (Argentina)  
Tel.: 54 1 489 14 15  
Fax: 54 1 489 09 42  
E-mail:  
mcleanmk@satlink.com

**Fagor  
Electrodomesticos  
and MCC  
Inversiones have a  
50% holding**

#### Actividad

Manufacture of domestic  
appliances.

### Furniture

### COINMA

Vitorabiada 4-Z.I.  
Ali - Gobeo  
01010 Vitoria (Alava)  
Tel.: 34 945 241 616  
Fax: 34 945 240 637  
E-mail:  
coinmacc@saren.es

#### Actividad:

Wooden office furniture.

### DANONA

Anardi Area, 2  
Apdo. 42  
20730 Azpeitia  
(Gipuzkoa)  
Tel.: 34 943 815 900  
Fax: 34 943 810 066  
E-mail:  
danona@jet.es

#### Actividad:

Veneered and melamine  
lounge furniture.  
Veneered and melamine  
dining room furniture  
Veneered and melamine  
bedroom furniture  
Veneered and melamine  
children's bedroom furniture  
Upholstered sofas

### Commercial Equipment

### FAGOR INDUSTRIAL

Santxolopetegui, 22  
Apto. 17  
20560 Oñati  
(Gipuzkoa)  
Tel.: 34 943 718 030  
Fax: 34 943 718 181  
E-mail:  
info@fagorindustrial.com

#### Activities:

300 to 3,000 dishes/hour  
dishwashers.  
Glass washers. 7-10-14-25-  
50 kg. washing machines.  
Ranges. Brat pans.  
Convection and combi  
steamers (gas and electric).  
Fryers. Fry-tops.  
Commercial refrigeration.

### FAGOFRI

Ctra. Córdoba-Málaga  
km. 8  
14900 Lucena  
(Córdoba)  
Tel.: 34 956 516 179  
Fax: 34 957 515 621

**Fagor Industrial has  
a 50% holding**

#### Activities:

Domestic appliances

### KIDE

Pol. Gardotza, s/n  
Apdo. 61 Ondarroa  
48710 Barriatua  
(Bizkaia)  
Tel.: 34 946 831 600  
Fax: 34 946 833 133  
E-mail:  
kide@kide.es

#### Activities:

Insulated panels and doors  
for coldrooms, cold stores  
and miniboxes.



ENGINEERING AND  
CAPITAL GOODS

### Automation and Control

### BERRIOLA

Bº San Esteban s/n  
20170 Usurbil  
(Gipuzkoa)  
Tel: 34 943 366 090  
Fax: 34 943 370 094  
E-mail:  
berriola@saren.es

#### Activities:

Direct current motors.  
Special custom-made  
motors. Permanent magnet  
servomotors. Brushless  
drives. Repair of motors  
and regulators.

### FAGOR AUTOMATION

Bº San Andrés s/n  
Apdo. 144  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 799 511  
Fax: 34 943 791 712  
E-mail:  
marketing-  
info@faborautomation.  
mcc.es

#### Activities:

Numerical controls. Digital  
readouts. Linear and rotary  
transducers. Feed and  
headstock regulators. Feed  
and headstock motors.

### Engineering and Consultancy

### DIARA

Pol. Basabe  
Edif. Oficinas EO 13-14  
20550 Aretxabaleta  
(Gipuzkoa)  
Tel.: 34 943 771 015  
Fax: 34 943 790 587  
E-mail:  
diaradis@saren.es

#### Activities:

Product design. Packaging  
design. Graphic design,  
corporate image.

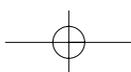
### ENYCA

Avda. La Cerrada, 37  
39600 Maliaño  
(Cantabria)  
Tel.: 34 942 261 096  
Fax: 34 942 260 506  
E-mail:  
enycas@enycas.es

**The Engineering and  
Consultancy  
Subgroup has a  
66.66% holding**

#### Activities:

Telecommunications  
engineering



## MCC Companies

### LKS CONSULTORIA

Pº José Mª  
Arizmendiarieta, 5  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 770 335  
Fax: 34 943 771 012  
E-mail:  
lksmondr@lks.es

#### Activities:

Consulting. Management  
Advice. Specific solutions.  
Training in Strategy,  
Quality and Continuous  
improvement, Marketing,  
Organisation and Human  
resources, Industrial  
Engineering and logistics,  
Economic-Financial matters.  
Account auditing.

### LKS INGENIERIA

Pº José Mª  
Arizmendiarieta, 5  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 770 335  
Fax: 34 943 793 878  
E-mail:  
lks.ingenieria@mcc.es

#### Activities:

Consulting in engineering.  
Property valuations. Civil  
Engineering. Building.

### MSI

#### MONDRAGON SISTEMAS DE INFORMACION

Ama kandida, 21  
(Denac)  
20140 Andoain  
(Gipuzkoa)  
Tel.: 34 943 594 400  
Fax: 34 943 590 536  
E-mail:  
arechavaleta@msi.mcc.es  
andoain@msi.mcc.es

#### Activities:

Computer systems and  
services

### ONDOAN

Parque Tecnológico  
Edif. 101 módulo C  
48016 Zamudio  
(Bizkaia)  
Tel.: 34 944 522 313  
Fax: 34 944 521 047  
E-mail:  
ondoan01@sarenet.es  
ondoan02@sarenet.es

#### Activities:

Engineering/Consulting  
(Environment)  
Turnkey systems  
(Environment)

### SEI FAGOR

Le Forum  
64116 Bayonne CEDEX  
(Francia)  
Tel.: 33 559 580 000  
Fax: 33 559 580 199  
E-mail:  
sei@eureka.  
archimedia.fr

**The Engineering and  
Consultancy  
Subgroup has a  
66.66% holding**

#### Activities:

Computing and software  
development.

### Metal Forming

#### AURENAK

Vitorialanda 15  
Ali - Gobeo  
01010 Vitoria  
Tel.: 34 945 244 850  
Fax: 34 945 246 912  
E-mail:  
ak@aurrenak.com

#### Activities:

Tooling for different iron  
and aluminium casting  
technologies in the  
automotive sector.

### BATZ TROQUERERIA

Bº Torrea 32 - 34  
48140 Igorre  
(Bizkaia)  
Tel.: 34 94 6315 707  
Fax: 34 94 6315 566  
E-mail:  
bosco.diez@teleline.es

#### Activities:

Die manufacture.

### FAGOR ARRASATE

Bº San Andrés, 20  
Apdo. 18  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 792 011  
Fax: 34 943 799 677  
E-mail:  
comercial@fagorarrasate.es

#### Activities:

Presses and stamping  
systems.  
Strip processing systems.  
Welded tube and section  
manufacturing systems.  
Transfer, progressive and  
conventional dies.  
Engineering and consulting.

### P.I. PROIN, S.A.

Avda. Carlos I, 10-1º  
San Sebastián  
Tel.: 34 943 376 012  
Fax: 34 943 365 942  
E-mail:  
proin@fagorarrasate.es  
**Fagor Arrasate has  
a 100% holding**

#### Activities:

Manufacture of machine  
tools  
(Sheet metal processing  
systems)

### FAGOR SISTEMAS

Poligono Industrial  
Basabe, pab. E.  
Apdo. 198  
20550 Aretxabaleta  
(Gipuzkoa)  
Tel.: 34 943 712 080  
Fax: 34 943 712 210  
E-mail:  
fagor.sistemas@sarenet.es

#### Activities:

Automatic assembly  
systems.  
Robotics.

### CIMA

Parc d'activités le  
Pradines  
Orange  
France  
Tel.: 33 49 0111 665  
Fax: 33 49 0511 878  
**Fagor Sistemas has  
an 82% holding.**

#### Activities:

Study and design of  
automatic assembly  
systems.

### ONA-PRES

Pol. Industrial  
Ugaldeguren II  
Bº San Antolin, s/n  
48170 Zamudio  
(Bizkaia)  
Tel.: 34 944 523 808  
Fax: 34 944 523 980  
E-mail:  
onapr001@sarenet.es

#### Activities:

Hydraulic presses.



MACHINE TOOLS

### Machine Tools (Cutting)

#### DANOBAT

Arriaga kalea, 21  
Apdo. 28  
E-20870 Elgoibar  
(Gipuzkoa)  
Tel.: 34 943 740 250  
Fax: 34 943 743 138  
E-mail:  
izubia@danobat.com

#### Activities:

Grinding machines: CNC, cylindrical, exteriors and interiors, flat surfaces, bridge and special for the aeronautical sector. Lathes: CNC, lathe centres, vertical. Automatic handling.

#### D+S SISTEMAS

Arriaga Kalea, 1  
Apdo. 80  
E-20870 Elgoibar  
(Gipuzkoa)  
Tel.: 34 943 748 050  
Fax: 34 943 743 767  
E-mail:  
viniguez@ds-  
sistemas.com

#### Activities:

Special machinery. Special and transfer machines. Flexible machining lines.

#### ESTARTA RECTIFICADORA

C/ Autonomía, 1  
Apdo. 147  
E-20870 Elgoibar  
(Gipuzkoa)  
Tel.: 34 943 743 705  
Fax: 34 943 741 758  
E-mail:  
estarta@estarta.com

#### Activities:

Construction of Centre-less grinding machines.

#### GOITI

Arriaga Kalea 1  
Apdo. 80  
E-20870 Elgoibar  
(Gipuzkoa)  
Tel.: 34 943 748 323  
Fax: 34 943 748 144  
E-mail:  
j.m.pagaegui@goiti.com

#### Activities:

CNC sheet metal punching machines.  
CNC punching machines with shears included.  
Laser cutting machines.  
Automatic press brakes and flexible bending and punching systems.  
Punching tools.

#### LEALDE

Barrio Cortazar, s/n  
Apdo. 11  
I-48288 Ispaster  
(Bizkaia)  
Tel.: 34 946 844 004  
Fax: 34 946 844 130  
E-mail:  
lealde@lealde.com

#### Activities:

Horizontal CNC lathes.  
Vertical CNC lathes.

#### SORALUCE

Bº Osintxu  
B-20570 Bergara  
(Gipuzkoa)  
Tel.: 34 943 748 050  
Fax: 34 943 765 128  
E-mail:  
soraluce@soraluce.com

#### Activities:

Moving column milling centres. Fixed bed CNC milling machines.  
Machining centres. Radial drilling machines.

#### Machinery for Wood, Tooling and Fixtures

#### DOIKI

Pol. Ind. Goitondo 5  
48269 Mallabia  
(Bizkaia)  
Tel.: 34 943 171 600  
Fax: 34 943 174 273  
E-mail:  
doiki@sarenet.es

#### Activities:

Dimensional verification tooling. High precision mechanics. Electronic, pneumatic and mechanical gauges. Machining fixtures.

#### EGURKO

Basusta Bidea, 9  
Apdo. 25  
20750 Zumaia  
(Gipuzkoa)  
Tel.: 34 943 860 100  
Fax: 34 943 143 107  
E-mail:  
egurzu@globalnet.es

#### Activities:

Machinery for wood. Edge veneering machines.  
Profiling machines.  
Combined veneering + profiling machines.  
Sanding machines.

#### LATZ

Avda. de los Gudaris,  
s/n  
Apdo. 56  
20140 Andoain  
(Gipuzkoa)  
Tel.: 34 943 592 507  
Fax: 34 943 591 391  
E-mail:  
mendlatz@sarenet.es

#### Activities:

Standard HSS, HSSCo and solid carbide drills. Special HSS, HSSCo and solid carbide tools.

#### ORTZA

Pol. Areta, s/n  
31620 Huarte-Pamplona  
(Navarra)  
Tel.: 34 948 330 438  
Fax: 34 948 330 002  
E-mail:  
ortza@globalnet.es

#### Activities:

Machinery for wood.  
Equalising and sectioning saws. Machining centres.

#### ZUBIOLA

Bº Landeta, s/n  
20730 Azpeitia  
(Gipuzkoa)  
Tel.: 34 943 157 056  
Fax: 34 943 150 026  
E-mail:  
zubiola@sarenet.es

#### Activities:

Tools for wood: HSS drills. MD drills. HSS milling cutters. MD milling cutters. Discs. Cutter heads. Window units. Cutters.

## MCC Companies



### Distribution Group

#### Distribution

##### CONSUM

Avda. de Espioca, s/n  
46400 Silla (Valencia)  
Tel.: 34 961 974 050  
Fax: 34 961 974 092  
E-mail:  
consum@servicom.es

##### Activities:

Retailing of consumer products in small and large stores: Fruit and vegetables, meat and cold meats, fish, dairy products, groceries, drinks, frozen food, cleaning materials and household goods, textiles, domestic appliances, leisure articles, do-it-yourself, sound and vision, kitchenware.

##### EREIN COMERCIAL

Pol. Ibur Erreka, s/n  
Apdo. 242  
20600 Eibar  
(Gipuzkoa)  
Tel.: 34 943 208 544  
Fax: 34 943 208 634  
ix10203@express.es

##### Activities:

Marketing of food products to the catering trade and collectives..

##### EROSKI

Bº San Agustín, s/n  
48230 Elorrio (Bizkaia)  
Tel.: 34 946 211 211  
Fax: 34 946 211 222  
E-mail:  
grupoeroski@mcc.es  
http://www.eroski.es

##### Activities:

Retailing in small and large stores: Fruit and vegetables, meat and cold meats, fish, dairy products, groceries, drinks, frozen food, sundries and cleaning materials, textiles, domestic appliances, leisure articles, do-it-yourself, sound and vision, kitchenware, travel and petrol.

##### EROSMER

Bº San Agustín, s/n  
48230 Elorrio (Bizkaia)  
Tel.: 34 946 211 211  
Fax: 34 946 211 222

**Participada al 78,07%**

##### Activities:

Retailing of consumer products in large stores.

#### Agricultural-food

##### AUZO-LAGUN

Uribarri Auzoa, 13  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 794 611  
Fax: 34 943 794 366  
E-mail:  
auzolagun@logiccontrol.es

##### Activities:

Catering. Cooked dishes. Cleaning of buildings and premises. Complete service for the health sector.

##### BARRENETXE

Okerra, 7  
48270 Markina  
(Bizkaia)  
Tel.: 34 946 168 143

**Explot. Berriatua:**

Tel.: 34 946 139 157

**Explot. Etxeberria:**

Tel.: 34 946 166 173

E-mail:

barrentxe@logiccontrol.es

##### Activities:

Horticulture in greenhouses and the open air.

##### BEHI-ALDE

Olaeta-Aramaiona  
(Alava)  
Apdo. 44 (Mondragón)  
Tel.: 34 945 450 100  
Granja: 34 945 450 100

##### Activities:

Milk. Livestock for breeding and meat.

##### MIBA

Ctra. Etxebarria, s/n  
48270 Markina  
(Vizcaya)  
Tel.: 34 946 167 884  
Fax: 34 946 167 886  
Olaeta-Aramaiona  
(Alava)  
Granja:  
34 945 450 259

##### Activities:

Compound feeds. Small agricultural machinery. Fertilisers and seeds. Phytosanitary products. Veterinary service.

##### UNEKEL

Barriada de Berrio, s/n  
48230 Elorrio (Bizkaia)  
Tel.: 34 946 167 884  
Fax: 34 946 167 886

##### Activities:

Breeding of rabbits.

### Research, Training and Education

#### Research and Training Centres

##### IDEKO

Arriaga kalea, 2  
Apdo. 80  
20870 Elgoibar  
(Gipuzkoa)  
Tel.: 34 943 748 000  
Fax: 34 943 743 804  
E-mail:  
alusoz@ideko.es

##### Activities:

Development of and innovation in machine tools and systems. Product development. Improvement of production processes. Technical support. Technology monitoring.

##### IKERLAN

José María  
Arizmendiarieta, 2  
Apdo. 146  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 771 200  
Fax: 34 943 796 944  
E-mail:  
webmaster@ikerlan.es

##### Activities:

Contracted R&D projects for the development of new products or for the improvement of production processes. Mechatronics: electronics and technical design and production systems. Energy: rational use of energy, renewable energy.

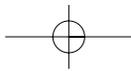
##### MTC

MAIER TECHNOLOGY CENTRE

Pol. Ind. Arabieta  
48300 Gernika  
(Bizkaia)  
Tel.: 34 946 259 265  
Fax: 34 946 259 258  
E-mail:  
mtc@sarenet.es

##### Activities:

Research and development in automotive assemblies and components made with thermoplastics. Development of new technologies.



## Education and Training Centres

### CIM (AHIZKE)

Avenida de Alava, 4  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 712 055  
Fax: 34 943 712 181  
E-mail: empresas@cim-  
idiomas.com

#### Activities:

Language training.  
Translation and interpreting  
service.

### ETEO

ESCUELA UNIVERSITARIA  
ESTUDIOS EMPRESARIALES  
Larraña, 33  
20560 Onate  
(Gipuzkoa)  
Tel.: 34 943 781 311  
E-mail:  
eteo0001@sarenet.es

#### Activities:

Training in business  
administration.

### IRAKASLE ESKOLA

20540 Eskoriatza  
(Gipuzkoa)  
Tel.: 34 943 714 157  
Fax: 34 943 714 032  
E-mail: ie@jet.es

#### Activities:

University Teacher Training  
College.

### LEA-ARTIBAI

Avda. Jemein, 19  
48270 Markina  
(Bizkaia)  
Tel.: 34 946 167 552  
Fax: 34 946 166 674

#### Activities:

Technical education.

## MONDRAGON ESKOLA POLITEKNIKOA

C/Loramendi, 4  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 794 700  
Fax: 34 943 791 536  
E-mail: eskola@mep.es

#### Activities:

Technical education.

## MONDRAGON UNIBERTSITATEA

C/Loramendi, 4  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 794 700  
Fax: 34 943 791 536  
E-mail: ilacunza@mep.es

#### Activities:

University education.

## OTALORA

Palacio OTALORA  
Barrio Aozaraza s/n  
20550 Aretxabaleta  
(Gipuzkoa)  
Tel.: 34 943 712 406  
Fax: 34 943 712 338  
E-mail:  
gletona@otalora.mcc.es

#### Activities:

Co-operative and business  
training.

## TXORIERRI

POLITEKNIKA IKASTEGIA  
Untzaga Ibaia kalea, 1  
48016 Derio  
(Bizkaia)  
Tel.: 34 944 544 000  
Fax: 34 944 544 003  
E-mail:  
info@txorierrri.educanet.net

#### Activities:

Technical education.

## Support Bodies and International Services

### Support Bodies

#### ASCORP

Rosario Pino, 1  
28020 Madrid  
(Madrid)  
Tel.: 34 915 790 604  
Fax: 34 915 707 304  
E-mail: ascorp@mcc.es

#### Activities:

Holding Company.

#### FUNDACION MCC

Arizmendiarieta, 5  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 779 300  
Fax: 34 943 796 632  
E-mail:  
fundacion@mcc.es

#### Activities:

Promotion of the social  
economy.

#### MCC INVERSIONES

Arizmendiarieta, 5  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 779 300  
Fax: 34 943 796 632

#### Activities:

Company promotion.

## MCC DESARROLLO

Pº José María  
Arizmendiarieta, 5  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 779 300  
Fax: 34 943 796 632  
www.mondragon.mcc.es

### MCC Inversiones and Caja Laboral have a 23.75% holding

#### Activities:

Company promotion.

## MCC SUSTRAI

Arizmendiarieta, 5  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 77 93 00  
Fax: 34 943 79 66 32

#### Activities:

Property management.

## International Services

### EUSCOL

Arizmendiarieta, 5  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 779 300  
Fax: 34 943 796 632  
**66.66% holding**

#### Activities:

Commercial services.

## MCC INTERNACIONAL

Arizmendiarieta, 5  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 779 300  
Fax: 34 943 796 632  
E-mail:  
mcci@mcc.es

#### Activities:

International business  
promotion.

## MONDRAGON BEIJING

Room 9267, Golden  
Land Building  
32 Liang Ma Qiao  
Road, 10016,  
Beijing, P.R.C.  
Tel.: 8610 6464 3681-5  
Fax: 8610 6464 36 80

#### Activities:

Commercial services.

## MCC BRASIL-LUCRO

Alameda Joaquim  
Eugénio de Lima  
696 Conj. 33  
CP 01403-901  
Sao Paulo - Brasil  
Tel.: 5511 289 50 83  
Fax: 5511 289 5879  
E-mail:  
lmlant@nethall.com.br

#### Activities:

Commercial services.

## MCC INDIA

1110, eleventh Floor,  
International Trade  
Tower  
Nehru Place,  
110019 - New Delhi,  
India  
Tel.: 0091-11-6221964  
Fax: 0091-11-6231612  
E-mail:  
mccindia@del3.vsnl.net-in

#### Activities:

Commercial services.

## MCC MONDRAGON COLOMBIA

Transversal 39 B,  
Avda. Nutibara  
nº 73 A - 21  
Edificio Centro, 39  
Oficina 402  
Medellín - Colombia  
Tel.: 57 4 411 0725  
Fax: 57 4 411 0713

#### Activities:

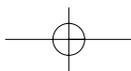
Commercial services

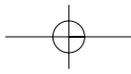
## MONDRAGÓN ZAGROS

Arizmendiarieta, 5  
20500 Mondragón  
(Gipuzkoa)  
Tel.: 34 943 779 354  
Fax: 34 943 796 632  
E-mail: mz@mcc.es

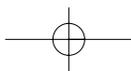
#### Activities:

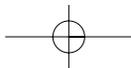
Commercial services





Mondragón, 27 May 1999





"Ondragón Corporación Cooperativa (MCC) is the fruit of the co-operative movement initiated in 1956, the year in which the first industrial co-operative was set up in Mondragón, Gipuzkoa, Spain. Its business philosophy can be found in its Corporate Values:

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DESIGN AND CO-ORDINATION  
Centro Corporativo de MCC

PHOTOMECHANICS  
Croman / Fot. Andrés

PRINTING  
A. G. Elkar, S.Coop.

Legal Deposit: BI- 1132/99

