



1999

ANNUAL REPORT



MANAGEMENT REPORT

1999

statistical data

(millions of pesetas)

	1995	1996	1997	1998	1999	1999 millions euros
Net revenues	138,912	129,824	154,888	167,747	202,049	1,214.3
Export (%)	89	89	87	89	91.5	
Investments	6,747	3,779	5,446	9,014	11,537	69.3
Fixed assets depreciation	7,227	7,070	3,722	5,860	7,232	43.5
Number of employees as of December 31	8,182	7,931	7,695	7,436	7,430	
Net profit	3,855	4,468	6,500	7,798	13,454	80.9
Return on equity (%)	8,16	8,75	10,96	12,14	19,42	
Net indebtedness	6,130	(6,576)	(26,911)	(58,110)	(89,392)	(537.3)
Stockholders' equity	51,067	59,291 ⁽¹⁾	64,259 ⁽¹⁾	69,277 ⁽¹⁾	79,945 ⁽¹⁾	480.5
Total Balance stockholders' equity	144,254	131,555 ⁽²⁾	144,554	172,640	225,856	1,357.4
Rate of exchange Ptas./\$	124,83	127,99	147,22	148,15	159,30	

(1): Includes 3,756 million pesetas which correspond to the restatement reserve Royal Decree-Law 7/1996.

(2): This figure, for 1996, has been modified for comparison purposes.

NET PROFIT after taxes



SALES



executive management

(as of 14th March, 2000)



chairman and CEO

Alberto Fernández Fernández

directors:

Joaquín Abril Martorell

Ignacio del Cuillo Contreras

Vicente Gómez Domínguez

Carlos Gómez García

Arantxa López Arrate

Adolfo Menéndez Menéndez

José Antonio Mingot García

Pedro Pablo Núñez Domingo

Francisco Pérez Muínelo

Esther Rituerto Martínez

Elisa Robles Fraga

Carlos Romero González

Juan Manuel Tejada Cárdenas

Manuel Valencia Alonso



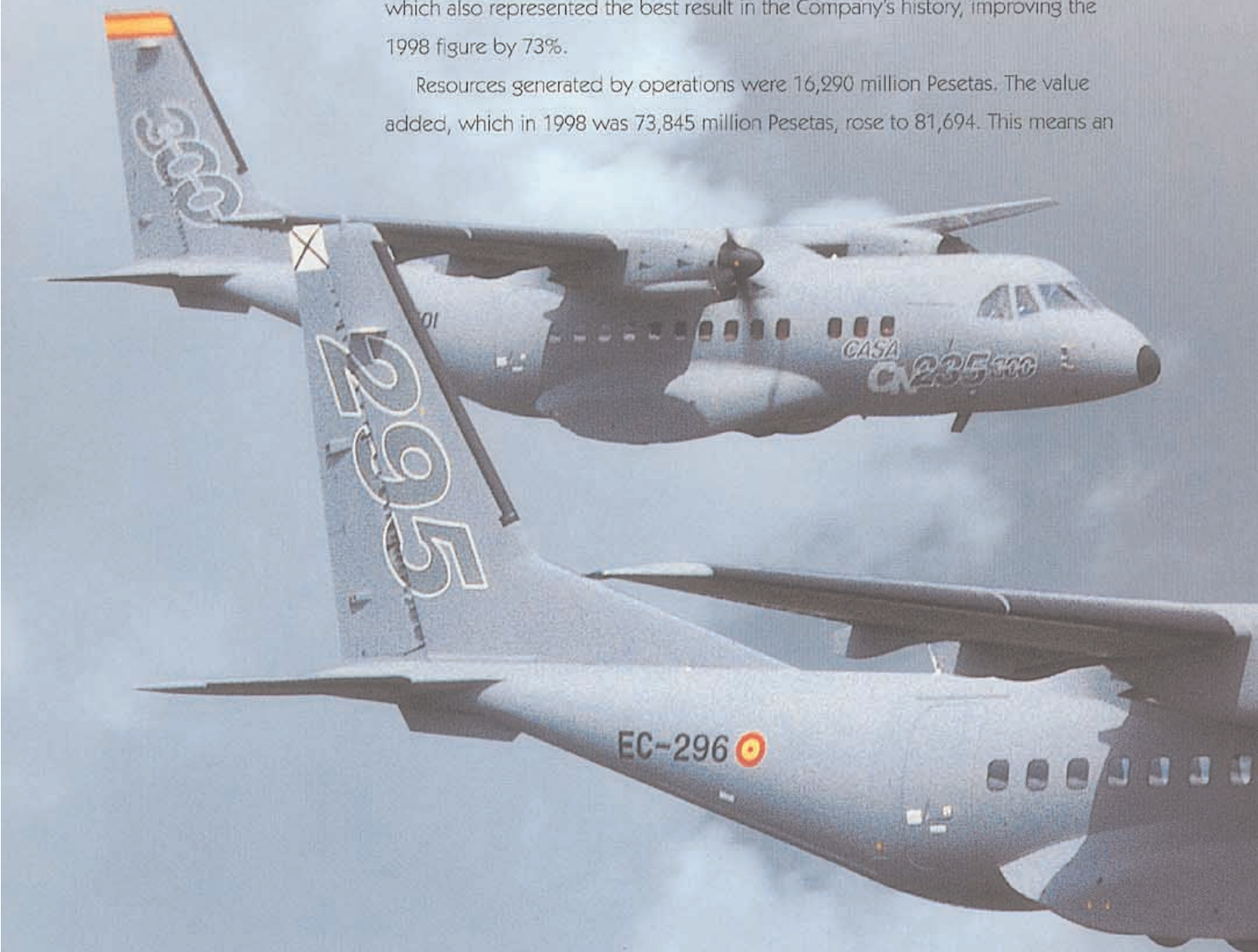
In 1999, CASA continued the positive results it has reported since 1993.

Including the consortia in which it participates, CASA's turnover amounted to 202,049 million Pesetas (1,214 million Euros, 1,281 million Dollars). This sales figure is the highest in the Company's history and represents a growth of 20% over the previous year.

Of this total, 91.5% were exports and the remainder represented sales in Spain's domestic market. 70% of sales were made in the commercial market and 30% to military interests.

Profits stood at 13,454 million Pesetas (81 million Euros, 84 million Dollars), which also represented the best result in the Company's history, improving the 1998 figure by 73%.

Resources generated by operations were 16,290 million Pesetas. The value added, which in 1998 was 73,845 million Pesetas, rose to 81,694. This means an



company



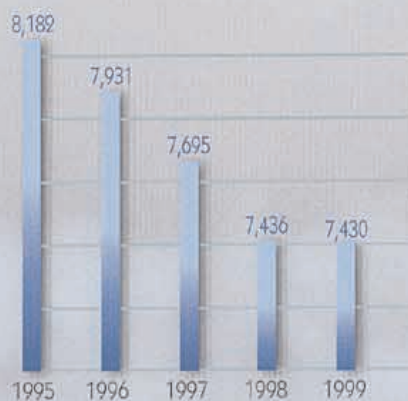
evolution of value added per employee of 9.6 million Pesetas in 1998 to 11 million in 1999.

Investments in fixed assets were 10,974 million Pesetas, of which 6,350 million corresponded to purchases and 4,624 to the construction of tooling as part of new programmes development. Investments were self funded.

Regarding the Company's human resources, CASA staff at 31 December, 1999 stood at 7,430 workers, which means a net reduction of 6 employees with respect to the previous year. A Collective Bargain for the years 1999, 2000 and 2001 was signed with workers' representatives. As part of an agreement with the workers' representatives, an early retirement plan was applied as of 31 December 1999 that will be instituted during the first quarter of 2000 for over-58 personnel as part of measures designed to increase productivity.

In terms of qualification and training courses for personnel, 247,472 hours were dedicated to further train members of the staff.

STAFF EVOLUTION



evolution



Commercial operations covered important activities in every market. Orders were received for 240,914 million Pesetas (1,448 million Euros, 1,512 million Dollars), which represents a backlog at year's end of 626,113 million Pesetas (3,763 million Euros, 3,930 million Dollars), an increase of 16% over the end of 1998.

The most noteworthy events in CASA's business areas are the following.

One C-212 in special fishing surveillance configuration was contracted in 1999 for the General Secretariat of Maritime Fishery Activities of the Spanish Ministry of Agriculture.

Furthermore, negotiations were finalised with the Dominican Republic for the purchase of two aircraft. The agreement will become effective during the first few months of the year 2000.

In 1999, CASA delivered a C-212 Series 400 maritime patrol aircraft to the Surinam Defence Ministry. The Series 400 adds significant improvements to the

C-212.

The industrial co-operation programme with Turkey that was extended to 2002 to cover the production of the 9 aircraft sold in 1998 to the Turkish Navy and Coastguard represents an important international co-operation milestone as well as a new opportunity to open up the influential Turkish market. The programme will count on CASA's technical and industrial support.

Negotiations are underway to contract the Mission Systems that will equip the aircraft. These planes will meet the maritime surveillance needs along Turkey's coastline and over its jurisdictional waters. CASA is eager to promote, sell and exploit the recently developed PM/ASW Integrated Mission System.



company evolution



The satisfactory completion of the first phase of the industrial co-operation programme with Turkey involving 52 CN-235 aircraft, the last five of which were delivered in 1998, will prolong the manufacturing programme with deliveries of nine new aircraft starting in 2001.

Regarding the C-295, INTA, DGAC and FAA certifications were obtained during 1999.

Sales of nine aircraft were made to the Spanish Air Force, the launching customer of the C-295. This represents a key milestone in the future success of the C-295 on international markets.

With this contract, CASA has completed its family of light and medium military transport aircraft with the addition of the C-295 in the nine-ton payload category.

SALES domestic market/exports

8.44% Domestic market

91.56% Exports







An agreement was signed with the Spanish Ministry of Industry and Energy (MINER) to finance the development and implementation of the operative modernisation of the P-3 Orion aircraft flown by the Spanish Air Force, although the date to formalise the acquisition of these aircraft by the Spanish Air Force is still pending.

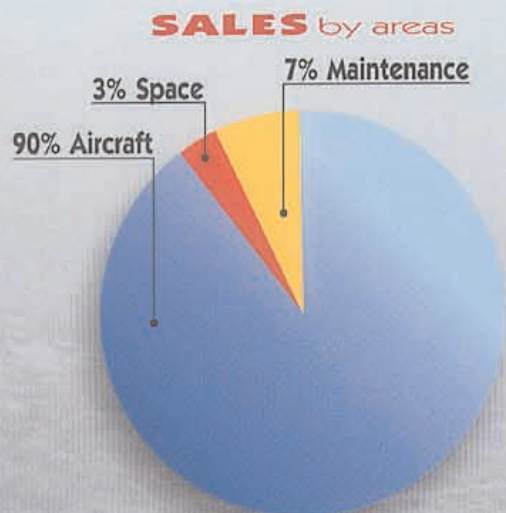
As a member of the Airbus Industrie (AI) consortium, CASA has contributed to the excellent commercial results of the consortium in 1999. Together with its partners and AI, CASA has effectively worked in 1999 to deliver 294 aircraft, 65 more than in 1998. A further 476 aircraft worth 30,500 million Dollars have been contracted, a figure that represents 55% of the total market share with respect to its only competitor, Boeing. It should be noted that among the Airbus contracts, agreements have been signed with ILFC, British Airways, TWA, Northwest Airlines, America West, US Airways and with Air France.

ORDER BOOK



company evolution





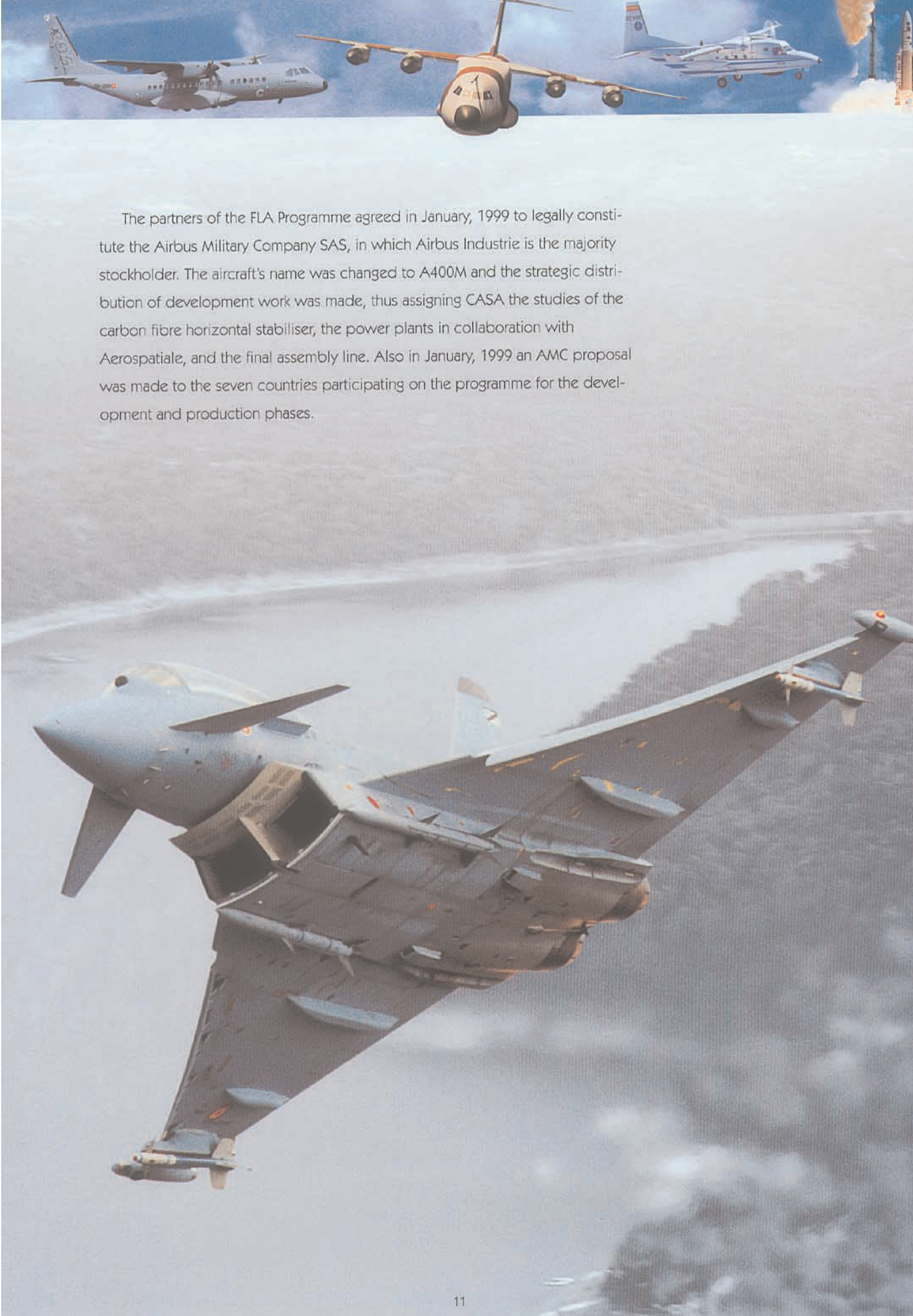
The development of the Eurofighter Typhoon fighter progressed, meeting the objectives set forth in the general planning programme.

Together with its partners in the Eurofighter consortium, CASA participated in the creation of the Eurofighter International (EFI) company that will commercialise the Eurofighter Typhoon weapons system all over the world.

Two new contracts for PC3 and PC10 Integrated Logistic Support were signed in January.

The Production Investment (PI), Series Production (SP) and Integrated Logistic Support (ILS) phases are progressing according to the pre-established plan.

CASA is responsible for the engineering, structural and systems testing areas, integrated logistic support, manufacturing and in-flight testing. In terms of production, an area in which CASA will contribute 14%, it will manufacture the right wings and the left and right slats of all the aircraft and it will assemble all the aircraft operated by the Spanish Air Force. Regarding integrated logistic support that will be provided from the feasibility studies to the end of the aircraft's operative life, CASA will participate with 13% in the overall packages of the Consortium and it will be responsible for all the products and services required by the Spanish Air Force.



The partners of the FLA Programme agreed in January, 1999 to legally constitute the Airbus Military Company SAS, in which Airbus Industrie is the majority stockholder. The aircraft's name was changed to A400M and the strategic distribution of development work was made, thus assigning CASA the studies of the carbon fibre horizontal stabiliser, the power plants in collaboration with Aerospatiale, and the final assembly line. Also in January, 1999 an AMC proposal was made to the seven countries participating on the programme for the development and production phases.



With its recognised leadership in the area of composite materials technology, CASA continued to develop the fan cowls for the A340-500/600. On this model, Airbus' main development in the last few years, CASA also participates with traditional work packages (stabiliser, etc.) in which it has introduced a new production technology.

At the beginning of the year, CASA was selected by Aircelle to develop and produce the fan cowls for the A318, as a result of the bid made at the end of



company evolution



1998. This will strengthen CASA's position in this new business growth area (A3XX, etc). During the month of September, CASA responded to Requests for Information from BFE Goodrich (USA) and Aircelle (Europe), positioning the company as a potential supplier of fan cowls for the A3XX. This firm position is based on the development of Fibre Placement, a new manufacturing technology of curved surfaces in composite materials.

CASA signed a contract with the German company Dornier Luftfahrt to design, develop and manufacture the wing, horizontal stabiliser and vertical stabiliser of the Dornier 728.

The Maintenance Division obtained the contract for the mid-life update of the F-18's of the Spanish Air Force and further signed a contract with the Navy for services in engineering, logistic support, maintenance and repair of the majority of its aircraft and components until the year 2002.





The Space Division entered the commercial exploitation phase of the Ariane 5 which surpassed its development phase in 1998 and which had its first commercial flight in 1999. In addition, nine Ariane 4's were launched.

The Division contracted the development of the antenna for the GALILEOSAT satellites constellation for the new European satellite navigation system.

CASA's Information Technology activities focussed throughout 1999 on continuing to develop the CAD-PDM Programme, Logistic Support systems and the introduction of new Distributed Plant Control systems. In addition, the updating of systems and platforms to resolve the Y2K effect was undertaken and caused no problems for the Company.

company evolution





In June, CASA's merger with Dasa was announced. On October 14th, and during the CASA/Dasa integration process, the creation of a new European aerospace company was also announced: the European Aeronautic Defence and Space Company (EADS). The merger of Aerospatiale Matra and Daimler-Chrysler Aerospace AG (Dasa) momentarily stopped the integration of CASA and Dasa.

Later, on December 2nd, the Spanish, German and French Prime Ministers, José María Aznar, Gerhard Schröder and Lionel Jospin, respectively, signed in Madrid the agreement for the merger of CASA with the two previously mentioned companies within the EADS framework, an agreement that will create the third largest aerospace company in the world in terms of turnover.

The EADS company in formation would at present have 96.000 employees and would have had a turnover of 20.800 M. Euros.



company evolution



European Aeronautic Defense and Space Company





events following year's end

The Spanish Council of Ministers, after receiving the mandatory report from the Privatisation Consultative Council, approved CASA's integration in EADS in its March 3rd, 2000 session.

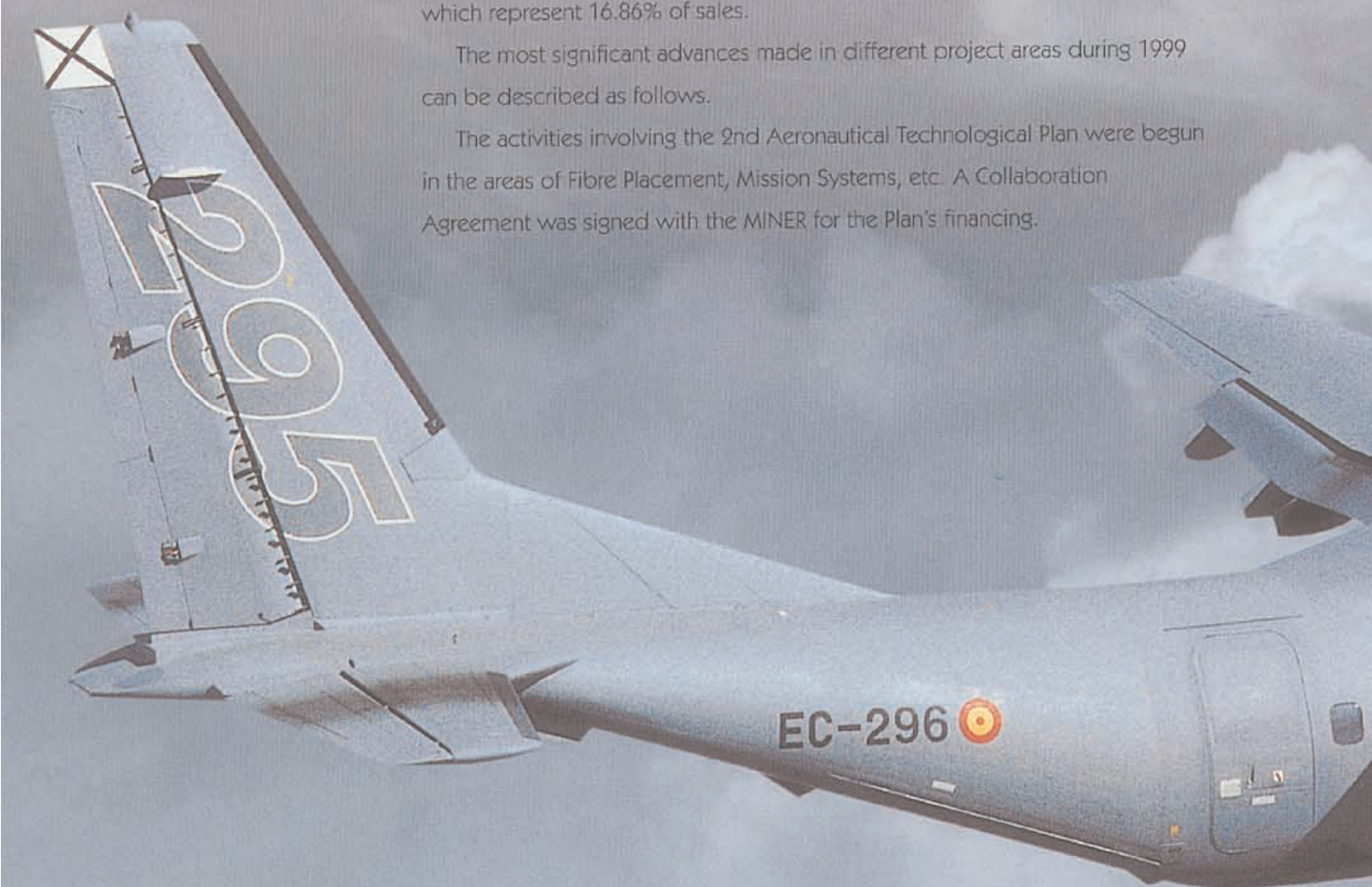
No relevant events that could have a significant impact on the year's financial results took place.

research

Total R&D expenditures during the year amounted to 26,404 million Pesetas, which represent 16.86% of sales.

The most significant advances made in different project areas during 1999 can be described as follows.

The activities involving the 2nd Aeronautical Technological Plan were begun in the areas of Fibre Placement, Mission Systems, etc. A Collaboration Agreement was signed with the MINER for the Plan's financing.





and development

R&D activities in the area of CASA Products continued with investments in the development phase of the new C-295 aircraft with the flight test programme. INTA, DGAC and FAA certifications were reached.

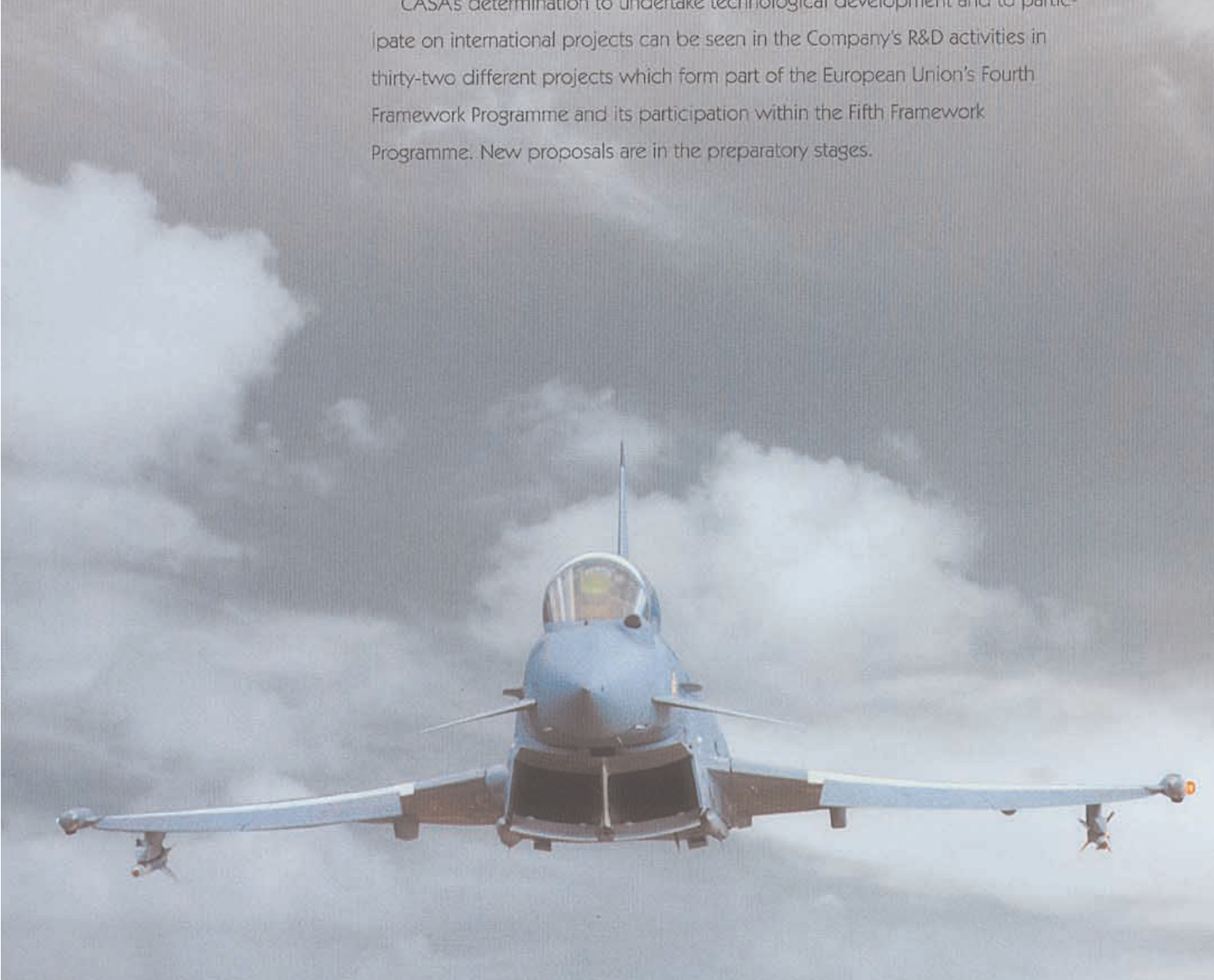
Regarding the new Mission Systems business line, the development work on the integrated Mission Systems for maritime patrol and anti-submarine warfare continued their course. A Collaboration Agreement was signed with the MINER for the financing of the modernisation of the P-3 Orion aircraft operated by the Spanish Air Force.



Consortia R&D activities in the Airbus programme were focussed on the development phase work for the new A340-500/600 model and the prelaunch work for the A3XX and A318, while the Eurofighter Typhoon continued its development phase according to the established timetables and the FLA programme undertook its prelaunch phase (PLA) activities.

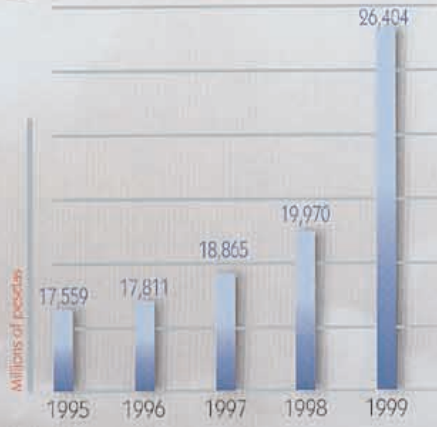
The Space Division's technological developments were designed to qualify the new CASA Separation System (CRSS), which, linked to the Shock Attenuator will be used in the year 2000 for Ariane 5 launches. Regarding antennas, a contract was obtained for the development of an antenna for the GALILEOSAT constellation of satellites, while work was continued to develop the antennas for the ASCAT instrument for the first meteorological and earth observation satellite of the METOP family.

CASA's determination to undertake technological development and to participate on international projects can be seen in the Company's R&D activities in thirty-two different projects which form part of the European Union's Fourth Framework Programme and its participation within the Fifth Framework Programme. New proposals are in the preparatory stages.





R+D INVESTMENT



research and development



future evolution

Decidedly involved in the overall European aerospace and defence industry, CASA will endeavour to improve its efficiency in the year 2000 with increased activities and results. At the same time, it will meet growing demands to make the EADS a success.

As a Company, CASA is today:

- Balanced between commercial and military operations.
- Clearly export oriented with more than 80% of its turnover derived from this area.
- Strong market presence in light- and medium-range transport aircraft, aerostructures and missions systems.
- Participation in the most important European consortia and companies: EADS, Airbus, Airbus Military Company, Eurofighter and Arianespace.
- Increased activities in aircraft maintenance and modernisation.
- Market expansion in the development and manufacture of launchers and satellites.





Financial statements

Balance sheets

As of December 31, 1998 and 1999
(millions of pesetas)

ASSETS (I)	1999	1998
FIXED AND OTHER NON CURRENT ASSETS	37,197	34,931
INTANGIBLE ASSETS	592	2,378
Research and development expenses	16,884	19,434
EDP applications	5,520	5,520
Accumulated amortization	(21,812)	(22,576)
TANGIBLE FIXED ASSETS	31,789	28,056
Land and structures	19,237	18,843
Technical installations and machinery	9,786	9,511
Other installations, tools and furniture	36,968	37,052
Advances and construction in progress	14,733	7,338
Other tangible fixed assets	12,401	12,080
Provisions	(1,632)	(1,650)
Accumulated depreciation	(59,704)	(55,118)
LONG-TERM FINANCIAL INVESTMENTS	4,541	4,222
Holdings in Group companies	5,564	5,564
Loans to Group companies	537	543
Holdings in associated companies	540	390
Loans to associated companies	100	150
Long-term investment securities	2,050	1,672
Other long-term loans	1	30
Long-term deposits and guarantees	32	35
Capital payments payable	(310)	(34)
Provisions	(3,973)	(4,128)
LONG-TERM ACCOUNTS RECEIVABLE	275	275
DEFERRED CHARGES	90	106

ASSETS (II)	1999	1998
CURRENT ASSETS	188,569	137,603
INVENTORIES	38,111	37,895
Commercial inventories	6,224	5,311
Raw materials	13,296	13,827
Work-in-process and semifinished products	25,846	27,432
Finished products	1,244	208
Advances to suppliers	2,153	606
Provisions	(10,652)	(9,489)
ACCOUNTS RECEIVABLE	55,514	35,739
Customer receivables for sales and services	44,357	27,769
Receivable from Group companies	256	841
Sundry accounts receivable	3,287	1,303
Employee receivable	841	375
Tax receivable	7,612	6,215
Provisions	(839)	(764)
SHORT-TERM FINANCIAL INVESTMENTS	94,664	63,709
Investment securities	89,607	58,694
Other loans	5,055	5,013
Short-term deposits and guarantees	2	2
CASH	191	107
ACCRUAL ACCOUNTS	89	153
TOTAL ASSETS	225,856	172,640

Balance sheets

As of December 31, 1998 and 1999
(millions of pesetas)

SHAREHOLDERS' EQUITY AND LIABILITIES (I)	1999	1998
SHAREHOLDERS' EQUITY	79,945	69,277
CAPITAL STOCK	46,425	46,425
LEGAL RESERVE	6,519	5,739
REVALUATION RESERVE ROYAL DECREE-LAW 7/1996	3,756	3,756
VOLUNTARY RESERVE	9,791	5,559
INCOME FOR THE YEAR	13,454	7,798
DEFERRED REVENUES	2,982	3,289
CAPITAL SUBSIDIES	2,707	3,014
OTHER DEFERRED REVENUES	275	275
PROVISIONS FOR CONTINGENCIES AND EXPENSES	10,475	11,797
PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS	1,061	1,037
OTHER PROVISIONS	303	430
PROVISIONS FOR OTHER CONTINGENCIES	9,111	10,330
LONG-TERM DEBT	9,500	12,882
PAYABLE TO GROUP AND ASSOCIATED COMPANIES	2,961	3,902
OTHER ACCOUNTS PAYABLE	6,539	8,980

SHAREHOLDERS' EQUITY AND LIABILITIES (II)	1999	1998
CURRENT LIABILITIES	122,954	75,395
PAYABLE TO CREDIT ENTITIES	1,920	1,412
Loans and other payables	1,904	1,385
Accrued interest payable	16	27
PAYABLE TO GROUP AND ASSOCIATED COMPANIES	1,717	1,492
TRADE ACCOUNTS PAYABLE	95,328	61,633
Advance on orders	59,547	42,934
Accounts payable for purchases and services	29,303	11,015
Notes payable	6,478	7,684
OTHER NONTRADE PAYABLES	23,989	10,817
Accrued taxes payable	3,859	3,407
Other payables	11,000	4,727
Compensation payable	9,130	2,631
Short-term deposits and guarantees received	0	52
ACCRUAL ACCOUNTS	0	41
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	225,856	172,640

Statements of income

As of December 31, 1998 and 1999
(millions of pesetas)

DEBIT	1999	1998
EXPENSES		
DECREASE IN FINISHED PRODUCTS AND WORK-IN-PROCESS INVENTORIES	551	4,988
PROCUREMENTS	66,394	43,702
Purchases	66,777	46,428
Variation in inventories of goods for resale and raw materials	(383)	(2,726)
PERSONNEL EXPENSES	49,003	47,559
Wages, salaries and similar expenses	37,358	36,276
Employee welfare expenses	11,645	11,283
PERIOD DEPRECIATION AND AMORTIZATION	7,232	5,860
VARIATION IN OPERATING PROVISIONS	2,286	1,571
Variation in inventory provisions	1,163	142
Variation in provisions and losses on uncollectable receivables	82	(11)
Variation in other provisions for contingencies and expenses	1,041	1,440
OTHER OPERATING EXPENSES	15,207	15,765
Outside services	14,702	15,449
Taxes other than income tax	505	316
OPERATING INCOME	21,577	17,407
FINANCIAL AND SIMILAR EXPENSES	1,607	1,228
VARIATION IN FINANCIAL INVESTMENT PROVISIONS AND INCOME FROM EIG	1,328	1,605
EXCHANGE LOSSES	6,840	3,300
FINANCIAL INCOME	0	0
INCOME FROM ORDINARY ACTIVITIES	15,695	17,236
EXTRAORDINARY EXPENSES	7,317	10,078
EXTRAORDINARY INCOME	1,495	0
INCOME BEFORE TAXES	17,190	8,320
CORPORATE INCOME TAX	3,736	522
INCOME FOR THE YEAR	13,454	7,798

CREDIT	1999	1998
REVENUES		
NET REVENUES	202,049	167,747
SHARE IN JOINT BUSINESS	(45,505)	(35,941)
NET SALES	156,544	131,806
Sales	141,518	119,132
Sale of developments and technical assistance	15,026	12,674
INCREASE IN FINISHED PRODUCTS AND WORK-IN-PROCESS INVENTORIES	0	0
CAPITALISED EXPENSES OF IN-HOUSE WORK ON FIXED ASSETS	4,805	4,031
OTHER OPERATING REVENUES	901	1,015
Sundry and other operating revenues	317	364
Operating subsidies	584	651
OPERATING LOSS	0	0
REVENUES FROM SHAREHOLDINGS	26	30
OTHER REVENUES	0	0
OTHER INTEREST AND SIMILAR REVENUES	2,347	2,617
EXCHANGE GAINS	1,520	3,315
FINANCIAL LOSS	5,882	171
LOSS ON ORDINARY ACTIVITIES	0	0
CAPITAL SUBSIDIES TRANSFERRED TO INCOME FOR THE YEAR	2,630	927
EXTRAORDINARY REVENUES	6,182	235
EXTRAORDINARY LOSS	0	8,916
NET LOSS BEFORE TAXES	0	0
LOSS FOR THE YEAR	0	0

Statements of changes in financial position

As of December 31, 1998 and 1999
(millions of pesetas)

APPLICATION OF FUNDS	1999	1998
Fixed asset additions	11,537	9,014
– Intangible assets	182	379
– Tangible fixed assets	10,974	8,431
– Long-term financial investments	381	204
Dividends paid	2,786	2,781
Cancellation of long-term debt	7,059	6,726
Transfer to short-term debt	1,059	
Use of provisions for contingencies and expenses	584	2,781
Transfer to short-term of provisions for contingencies and expenses	2,960	
TOTAL FUNDS APPLIED	25,985	21,302
FUND OBTAINED IN EXCESS OF FUNDS APPLIED (INCREASE IN WORKING CAPITAL)	3,407	7,857
TOTAL	29,392	29,159

SOURCE OF FUNDS	1999	1998
From operations	16,290	22,124
Long-term debt	11,897	5,235
– Payable to group companies	690	
– Other accounts payable	11,207	
Fixed asset retirements	302	78
– Tangible fixed assets, net	129	76
– Long-term financial investments	173	2
Maturity of long-term financial investments	6	4
Maturity of long-term accounts receivable	0	865
Capital subsidies	897	853
TOTAL FUNDS OBTAINED	29,392	29,159
FUNDS APPLIED IN EXCESS OF FUNDS OBTAINED (DECREASE IN WORKING CAPITAL)		
TOTAL	29,392	29,159

Statements of changes in financial position

As of December 31, 1998 and 1999
(millions of pesetas)

VARIATION IN WORKING CAPITAL	1999		1998	
	Increase	Decrease	Increase	Decrease
Inventories	216			2,667
Accounts receivable	19,775			896
Short-term financial investment	30,955		32,039	
Cash	84		57	
Payable to credit entities		508		521
Payable to Group		225	114	
Trade accounts payable		33,695		19,132
Other accounts payable		13,172		1,011
Accrual accounts		23		126
TOTAL	51,030	47,623	32,210	24,353
VARIATION IN WORKING CAPITAL		3,407		7,857
TOTAL	51,030	51,030	32,210	32,210

	1999	1998
INCOME FOR THE YEAR PER BOOKS	13,454	7,798
ADD		
Period depreciation and amortization and fixed asset provisions		
– Intangible assets	182	250
– Tangible fixed assets	7,016	7,242
– Financial investments	(117)	475
Variation in provisions for contingencies and expenses	2,222	6,366
Amortization of deferred charges and start-up expenses	16	17
Net value of disposals and retirements		
– Intangible	1,786	18
– Tangible	96	54
Recognition of interest of Airbus loss		833
LESS		
Capital subsidies transferred to income for the year	(2,630)	(927)
Pay-off of long-term loans	(5,735)	
Revenues from donations		(2)
FUNDS OBTAINED FROM OPERATIONS	16,290	22,124

Long-term financial investment

As of December 31, 1999
(millions of pesetas)

HOLDINGS IN COMPANIES	Cost	Provision for diminution in value	Capital payments payable	Long-term financial investments
GROUP COMPANIES				
CASA-AIRCRAFT USA, INC.	3,813	(3,223)		591
CESA	869	(61)		808
AISA	882	(400)		482
Total	5,564	(3,683)	0	1,881
ASSOCIATED COMPANIES				
HELICOPTEROS EUROCOPTER	4			4
AIRTEC	5			5
SACESA	285	(10)		275
GIRALDA EMIRATES LLC	245	(245)		0
CEDIEF, A.I.E.	1			1
Total	540	(255)	0	285
INVESTMENT SECURITIES				
AIRBUS FINANCE COMPANY (1)	1,064			1,064
DEFEX	278			278
ICSA	541		(225)	316
ARIANESPACE	42		(31)	11
EUROFIGHTER, GMBH	69		(52)	17
OTHER COMPANIES	56	(35)	(2)	19
Total	2,050	(35)	(310)	1,705
Total	8,154	(3,973)	(310)	3,871

(1) Ownership interest of 4'2 %

The most significant information on the main Group, associated companies and multigroup companies is as follows:

COMPANIES	% of ownership	Capital stock	Reserves	Prior years' income (loss)	Currency
CASA-AIRCRAFT USA, INC	100	32	(28)	(1)	MM. \$.
CESA	60	1,448	(211)	18	MM Pts.
AISA	100	30	436	87	MM Pts.
SACESA	45	409	111	166	MM Pts.
GIRALDA EMIRATES LLC	49	15	-	(1)	MM Dirhams
CEDIEF, A.I.E.	50	2	-	(1)	MM Pts.

The Company's capital stock consists of fully subscribed and paid registered shares with the following par values:

SHARES	Number of Shares	Par value per share (Ptas.)	Total par value (millions of Ptas.)
Series 1	18,041,180	1.14	21
Series 2	4,195,882	11.38	48
Series 3	102,000,000	28.46	2,903
Series 4	11,000,000	569.22	6,261
Series 5	4,581,825	793.32	3,635
Series 6	4,230,000	7,933.19	33,557
Total			46,425

As of December 31, 1999, the Company's major shareholder was SEPI, which owned 99.2853% of the shares of Construcciones Aeronáuticas, S.A.

Shareholders' equity

As of December 31, 1998 and 1999
(millions of pesetas)

The variations in "Equity accounts" in 1998 were as follows:

SHAREHOLDERS' EQUITY	1998 DISTRIBUTION OF INCOME			1999 INCOME	BALANCE AT 31-DEC-99
	BALANCE AT 31-DEC-98	RESERVES	DIVIDEND DISTRIBUTED		
Capital stock	46,425			0	46,425
Legal Reserve	5,739	780		0	6,519
Voluntary reserve	5,559	4,232		0	9,791
Revaluation reserve	3,756			0	3,756
Income for the year	7,798	(5,012)	(2,786)	13,454	13,454
Total	69,277	0	(2,786)	13,454	79,945

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