

**Fomento de  
Construcciones y  
Contratas, S.A.**

Financial Statements for the year  
ended 31 December 2013 and  
Directors' Report, together with  
Independent Auditors' Report

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.*

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.*

## AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Shareholders of  
FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.:

1. We have audited the financial statements of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., which comprise the balance sheet at 31 December 2013 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The directors are responsible for the preparation of the Company's financial statements in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2 to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.
2. In our opinion, the accompanying financial statements for 2013 present fairly, in all material respects, the equity and financial position of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. at 31 December 2013, and the results of its operations and its cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.
3. Without qualifying our audit opinion, we draw attention to Notes 17 and 26 to the accompanying financial statements, which indicate that in the last two years the Group of which FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. is the parent and the Company itself incurred losses that have significantly weakened their financial and equity position. In this respect, the Company's directors have approved a strategic plan that envisages divestments and a global restructuring of its financial debt, the contract for which has not yet become definitively legally binding. This circumstance is indicative of a significant uncertainty concerning the applicability of the going concern principle of accounting with respect to the accompanying financial statements, and it may affect the Company's ability to realise its assets and settle its liabilities for the amounts and with the classification reflected in the accompanying financial statements. In particular, it is not possible to assess the impact that the outcome of this situation could have in relation to the recovery of the Company's deferred tax assets and of its investments in FCC Construcción, S.A. and in Cementos Portland Valderrivas, S.A. The auditors' reports on the financial statements of these companies for 2013 include an uncertainty similar to that expressed in this paragraph. The Company's directors expect that the implementation of the strategic plan and the successful completion of the aforementioned restructuring of the Group's debt will make it possible to bring the debt servicing into line with the funds expected to be generated by the businesses and to finance its operations adequately. Accordingly, the Company's directors prepared the accompanying financial statements in accordance with the going concern principle of accounting.
4. The accompanying directors' report for 2013 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2013. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.  
Registered in ROAC under no. S0692

Javier Parada Pardo  
31 March 2014

AUDITORS' REPORT ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. FOR 2013

To the Directors of  
FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.:

As requested by the Board of Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. ("the Entity") and in accordance with our proposal-letter of 27 January 2014, we have applied certain procedures to the information relating to the ICFR system included in section F) of the accompanying Annual Corporate Governance Report of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. for 2013, which summarises the internal control procedures of the Entity in relation to its annual financial reporting.

The Board of Directors is responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the information relating to the ICFR system included in section F) of the accompanying Annual Corporate Governance Report.

It should be noted in this regard, irrespective of the quality of the design and operating effectiveness of the internal control system adopted by the Entity in relation to its annual financial reporting, that the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

In the course of our audit work on the financial statements and pursuant to Technical Auditing Standards, the sole purpose of our assessment of the internal control of the Entity was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Entity's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we applied exclusively the specific procedures described below and indicated in the Guidelines on the Auditors' Report on the Information relating to the System of Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Entity's annual financial reporting for 2013 described in the information relating to the ICFR system included in section F) of the accompanying Annual Corporate Governance Report. Therefore, had we applied procedures additional to those performed, or performed an audit or a review of the internal control over the regulated annual financial reporting, other matters or aspects might have been disclosed which would have been reported to you.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the Consolidated Spanish Audit Law, approved by Legislative Royal Decree 1/2011, of 1 July, we do not express an audit opinion in the terms provided for in that Law.

The procedures applied were as follows:

1. Perusal and understanding of the information prepared by the Entity in relation to the ICFR system - disclosure information included in the directors' report- and assessment of whether this information addresses all the information required in accordance with the minimum content described in section F, relating to the description of the ICFR system, of the model Annual Corporate Governance Report established in CNMV Circular no. 5/2013, of 12 June 2013.
2. Inquiries of personnel in charge of preparing the information detailed in point 1 above for the purpose of achieving: (i) familiarisation with the preparation process; (ii) obtainment of the information required in order to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) obtainment of information on whether the aforementioned control procedures have been implemented and are in use at the Entity.
3. Review of the explanatory documentation supporting the information detailed in point 1 above, including mainly the documentation furnished directly to the personnel in charge of preparing the information describing the system of ICFR. In this respect, the aforementioned documentation includes reports prepared by the senior executives and other internal or external experts providing support functions to the Audit and Control Committee.
4. Comparison of the information detailed in point 1 above with the knowledge on the Entity's ICFR obtained through the procedures applied during the financial statement audit work.
5. Perusal of minutes of meetings of the Board of Directors and of other committees of the Entity in order to assess the consistency between the ICFR system issues addressed therein and the information detailed in point 1 above.
6. Obtainment of the representation letter in connection with the work performed, signed by those responsible for preparing and formulating the information detailed in point 1 above.

The procedures applied to the Information relating to the ICFR system did not disclose any inconsistencies or incidents that might affect the Information.

This report has been prepared exclusively in the framework of the requirements of Spanish Securities Market Law 24/1988, of 28 July, amended by Sustainable Economy Law 2/2011, of 4 March, and by CNMV Circular no. 5/2013, of 12 June 2013, for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.

DELOITTE, S.L.

Javier Parada Pardo  
31 March 2014