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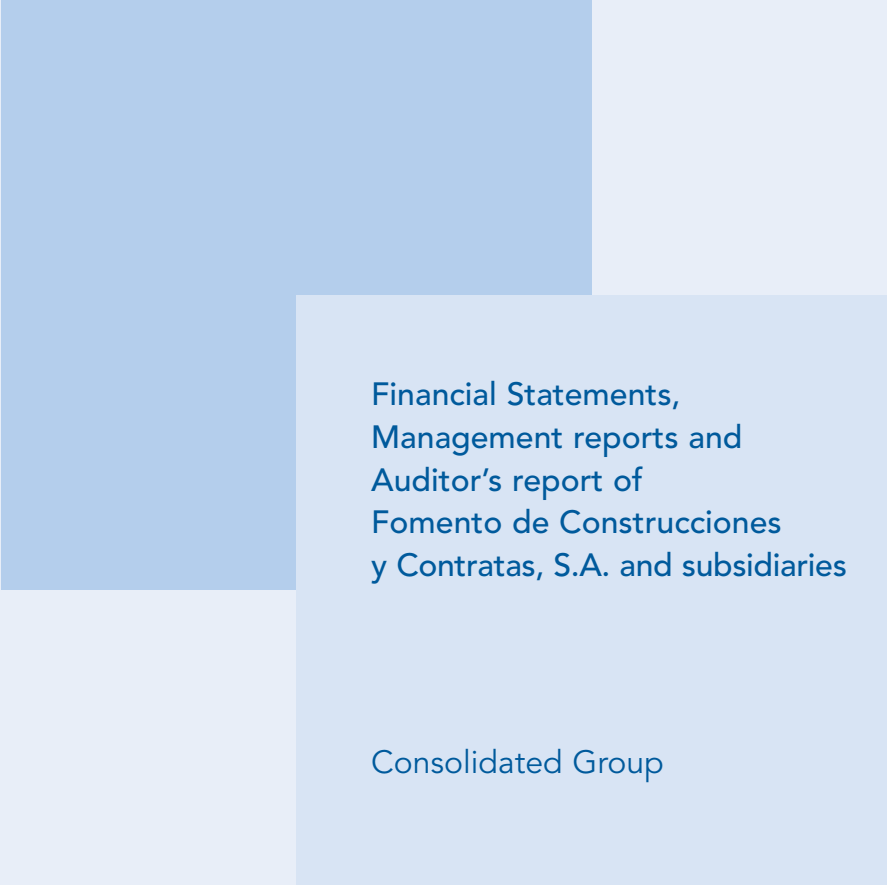
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Financial Statements,
Management reports and
Auditor's report of
Fomento de Construcciones
y Contratas, S.A. and subsidiaries

Consolidated Group

**Financial
Statements**

Consolidated
Group



CONSOLIDATED BALANCE SHEET

Fomento de Construcciones y Contratas, S.A. and subsidiaries (Consolidated Group)

ASSETS	12.31.2004	12.31.2003
Due from shareholders for uncalled capital	196	230
Fixed and other noncurrent assets	3,192,359	2,977,018
Start-up expenses	12,681	11,490
Intangible assets	585,485	584,636
- Research and development expenses	3,096	3,439
- Concessions, patents, licenses, trademarks and other	437,478	369,973
- Goodwill	228,726	229,600
- Computer software	19,183	16,813
- Rights on leased assets	174,380	204,883
- Allowances	(62)	(182)
- Amortization	(277,316)	(239,890)
Tangible fixed assets	1,869,023	1,731,524
- Land and structures	768,508	699,716
- Plant and machinery	2,058,814	1,882,433
- Other fixtures, tools and furniture	400,742	358,872
- Advances and construction in progress	251,794	240,633
- Other tangible fixed assets	151,729	138,997
- Allowances	(30,840)	(33,079)
- Accumulated depreciation	(1,731,724)	(1,556,048)
Long-term investments	714,631	638,829
- Investments in Group and associated companies	—	1,808
- Investments accounted for by the equity method	516,945	496,932
- Loans to companies accounted for by the equity method	38,089	28,817
- Long-term investment securities	88,915	114,705
- Other loans	68,329	51,917
- Long-term deposits and guarantees given	29,791	37,525
- Allowances	(27,438)	(92,875)
Parent Company shares	10,539	10,539
Consolidation goodwill	184,603	191,365
Deferred charges	35,056	38,570
Current assets	4,218,472	3,832,570
Inventories	372,439	429,352
- Merchandise	95,657	132,828
- Raw materials and other supplies	160,038	170,947
- Work-in-process and semifinished goods	83,360	94,485
- Finished goods	25,578	25,484
- Advances	14,133	12,222
- Allowances	(6,327)	(6,614)
Accounts receivable	2,959,616	2,704,968
- Trade receivables for sales and services	2,575,704	2,269,375
- Receivable from associated companies	61,834	73,257
- Sundry accounts receivable	95,757	170,873
- Employee receivables	2,903	2,899
- Tax receivables	367,438	319,492
- Allowances	(144,020)	(130,928)
Short-term investments	612,212	390,329
- Loans to companies accounted for by the equity method	23,255	16,321
- Short-term investment securities	222,909	148,729
- Other loans	362,772	217,569
- Short-term deposits and guarantees given	6,658	11,390
- Allowances	(3,382)	(3,680)
Cash	255,482	293,008
Accrual accounts	18,723	14,913
TOTAL ASSETS	7,630,686	7,039,753

as of December 31, 2004

Thousands of euros

SAHAREHOLDERS' EQUITY AND LIABILITIES	12.31.2004	12.31.2003
Shareholders' equity	2,040,259	1,845,506
Capital stock	130,567	130,567
Additional paid-in capital	242,133	242,133
Reserves of the Parent Company	440,177	429,203
Consolidation reserves	999,632	846,158
Translation differences	(72,056)	(63,085)
Income attributable to the Parent Company	388,297	308,579
- Consolidated	444,220	369,994
- Attributed to minority interests	(55,923)	(61,415)
Interim dividend	(88,491)	(48,049)
Minority interests	411,763	387,774
Negative consolidation differences	36,103	36,103
Deferred revenues	58,109	46,885
- Capital subsidies	51,184	38,762
- Other deferred revenues	6,925	8,123
Provisions for contingencies and expenses	313,815	238,364
- Provisions	272,542	202,315
- Reversion reserve	41,273	36,049
Long-term debt	606,590	748,767
Debentures and other marketable debt securities	43,274	46,256
- Nonconvertible debentures	43,274	46,256
Payable to credit institutions	325,887	444,218
- Loans and other payables	289,608	406,987
- Long-term lease payments payable	36,279	37,231
Other payables	196,117	232,116
- Long-term taxes payable	67,203	74,064
- Limited recourse project financing loans	57,684	61,057
- Other payables	54,364	81,848
- Long-term guarantees and deposits received	16,866	15,147
Uncalled capital payments payable	41,312	26,177
Current liabilities	4,164,047	3,736,354
Payable to credit institutions	629,400	589,783
- Loans and other payables	586,199	533,233
- Interest payable	8,085	7,332
- Short-term lease payments payable	35,116	49,218
Payable to associated companies	38,488	13,671
Trade accounts payable	2,599,606	2,379,438
- Advances received on orders	417,130	362,947
- Accounts payable for purchases and services	1,409,854	1,175,430
- Notes payable	772,622	841,061
Other nontrade payables	797,775	666,695
- Taxes payable	445,130	376,861
- Notes payable	22,786	25,304
- Limited recourse project financing loans	10,787	9,850
- Other payables	232,286	174,273
- Compensation payable	78,255	74,586
- Short-term guarantees and deposits received	8,531	5,821
Operating allowances	95,834	85,710
Accrual accounts	2,944	1,057
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,630,686	7,039,753



CONSOLIDATED STATEMENT OF INCOME

Fomento de Construcciones y Contratas, S.A. and subsidiaries (Consolidated Group)

DEBIT	12.31.2004	12.31.2003
Total operating expenses	5,878,400	5,683,701
Decrease in finished goods and work-in-process inventories	21,272	–
Cost of materials used and other external expenses	2,873,646	2,843,293
Personnel expenses	1,714,741	1,625,850
- Wages, salaries and similar expenses	1,313,762	1,245,275
- Employee welfare expenses	400,979	380,575
Depreciation and amortization expense	281,260	263,729
Variation in operating allowances	20,768	16,412
Other operating expenses	966,713	934,417
Operating income	543,585	518,932
Financial expenses	74,590	79,684
Variation in investment valuation allowances	7,570	5,332
Exchange losses	12,214	25,117
Amortization of consolidation goodwill	20,167	18,950
Income from ordinary activities	570,178	521,051
Variation in tangible fixed asset and intangible asset allowances	364	21,637
Losses on fixed assets and control portfolio	2,957	–
Extraordinary expenses and losses	41,613	122,106
Extraordinary income	33,114	–
Consolidated income before taxes	603,292	496,272
Corporate income tax	159,072	126,278
Consolidated income for the year	444,220	369,994
Income attributed to minority interests	(55,923)	(61,415)
Income for the year attributed to the parent company	388,297	308,579

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Exhibit I . Consolidable Subsidiaries

Exhibit II. Multigroup Companies

Exhibit III. Companies Accounted for by the Equity Method

Exhibit IV. Changes in the Composition of the Consolidated Group

1. COMPANIES' BUSINESS ACTIVITIES



The FCC Group's activity is carried on mainly through the following three strategic business areas:

- **Services:** this unit groups together the areas specializing in environmental **services**, i.e. services related to urban cleaning, industrial waste treatment and the integral water cycle, and includes **Versia**, which provides various services such as logistics, street furniture, passenger transport, vehicle roadworthiness tests, vehicle parking lots and ground aircraft and passenger handling, etc.
- **Construction:** this area specializes in infrastructure construction projects, building construction and related activities, such as highways, freeways, roads, tunnels, bridges, waterworks, ports, airports, residential property developments, housing units, nonresidential building construction, lighting, industrial air conditioning and heating systems, environmental restoration, etc. The Construction area also encompasses the concession-holder companies (highways, tunnels, marinas, railways, trams and multiuse buildings).
- **Cement:** this unit engages in the operation of quarries and mineral deposits, the manufacture of cement, lime, plaster and related premanufactured products and the production of concrete..

The FCC Group is also highly active in the **Real Estate** industry, both through its 49.17% holding in Realia Business, S.A., with a presence in housing development and in the office and commercial premises lease market, and through the operation of the Torre Picasso building, which is 80%-owned by the Parent Company.

Operations abroad, which represent 10% of the FCC Group's net sales, are carried on mainly in European Union, U.S. and Latin-American markets.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS



a) Basis of presentation

The consolidated financial statements, which were prepared from the accounting records as of December 31, 2004, of Fomento de Construcciones y Contratas, S.A. and of its investees, are presented in accordance with current legislation and are expressed in thousands of euros.

The financial statements of Fomento de Construcciones y Contratas, S.A. and of its investees, which were prepared by their respective directors, have not yet been approved by the related Shareholders' Meetings. However, no changes are expected to be made to the financial statements as a result of compliance with this requirement.

b) Consolidation principles

The subsidiaries listed in Exhibit I, which Fomento de Construcciones y Contratas, S.A. controls by virtue of ownership of a majority of the voting rights, either directly or through other companies controlled by it, were fully consolidated.

The equity of minority interests in the net worth and results of the consolidated companies is presented under the "Minority Interests" caption on the liability side of the consolidated balance sheet and under the "Income Attributed to Minority Interests" caption in the consolidated statement of income, respectively.

Exhibit II details the companies which were proportionally consolidated because one or several FCC Group companies have ownership interests in them and manage them jointly with one or more non-Group companies.

The companies listed in Exhibit III, in which Fomento de Construcciones y Contratas, S.A. does not have majority direct or indirect holdings but does exercise significant influence, are presented in the accompanying consolidated balance sheet under the "Long-Term Investments - Investments Accounted for by the Equity Method" caption at the underlying book value of the holding. The share in the after-tax income for the year of these companies is reflected in the accompanying consolidated statement of income as "Share in the Income of Companies Accounted for by the Equity Method".

c) Changes in the consolidated Group

Exhibit IV shows the changes in 2004 in the consolidated companies and in the companies accounted for by the equity method.

The effects of the inclusion of companies in, and their exclusion from, the consolidated Group, where material, are shown in the related notes to these consolidated financial statements under the "Variation in Consolidated Group" heading.

Law 62/2003 on Tax, Administrative, Labor and Social Security Measures repealed (for the years beginning on or after January 1, 2004) Article 43.2.e) of the Commercial Code, which stipulated that the performance of activities differing significantly from those of the Group could result in the exclusion of a subsidiary from the scope of consolidation. Consequently, Abies Re Anstalt and Fir Re Société, which engage in reinsurance and had therefore been excluded from consolidation in prior years, were included as consolidable companies in 2004. Also in 2004, the FCC Group commenced a restructuring process which included the partial liquidation of this reinsurance activity, leading, inter alia, to the distribution of dividends to the Parent Company. The accompanying consolidated statement of income includes €60,311 thousand of extraordinary income that arose in connection with this process.

d) Joint ventures and owners' associations

The FCC Group companies which participate in joint ventures included in their respective financial statements the proportional part, based on the percentage of participation, of the joint ventures' assets and liabilities and transactions, after elimination of the reciprocal assets and liabilities and revenues and expenses. Also, the Parent Company Fomento de Construcciones y Contratas, S.A. has an 80% ownership interest in the Torre Picasso building, which is being operated through an owners' association, and includes in the relevant captions its equity in the assets, liabilities, revenues and expenses based on its percentage of ownership.

3. VALUATION STANDARDS



a) Goodwill and negative consolidation difference

The goodwill arising in the acquisition of holdings in companies was calculated as the difference between the book value of the Parent Company's direct or indirect holding in the capital stock of each subsidiary and the proportional amount of the net worth of the subsidiary based on the percentage of ownership at the acquisition date. The resulting difference is allocated, as far as possible and solely for the purpose of consolidation, to the subsidiary's asset and liability accounts when the book value of these items differs significantly from their market value.

The difference remaining after the aforementioned allocation is recorded, if positive, under the "Consolidation Goodwill" caption and, if negative, under the "Negative Consolidation Difference" caption on the asset and liability sides, respectively, of the accompanying consolidated balance sheet.

Consolidation goodwill is amortized systematically over the estimated period in which the investment will be recovered, up to a limit of 20 years, and is adjusted to market value as required in the event of impairment.

The negative consolidation difference is charged to income for the year in which the capital gains represented by it are deemed to be realized or, where applicable, when the events covered by this negative difference occur.

b) Transactions between consolidated companies

Material gains or losses on intercompany transactions in the Group are eliminated in consolidation and deferred until they are realized with third parties outside the Group. Intercompany results on in-house work on fixed assets are eliminated in consolidation and are recognized as the related assets are depreciated or when they are disposed of to third parties. Intercompany receivables and payables and revenues and expenses were eliminated from the consolidated financial statements.

c) Uniformity of presentation

The necessary unification procedures were applied to the Group companies to ensure that their financial statements are presented in accordance with the Parent Company's general and uniform valuation principles and standards.

In general, the fiscal year of the consolidated companies ends on December 31.

d) Translation of financial statements of foreign companies

The financial statements of foreign companies were generally translated to euros at the year-end exchange rates, except for:

- Capital stock and reserves, which were translated at historical exchange rates.
- The income-statement items of the foreign subsidiaries and associated companies, which were translated at the average exchange rates in the period.

Translation differences arising at the consolidated foreign companies which applied the year-end exchange rates are shown net of taxes under the "Shareholders' Equity - Translation Differences" caption in the accompanying consolidated balance sheet, net of the portion relating to minority interests, which is reflected in the related caption.

At the companies that apply the monetary-nonmonetary method, the nonmonetary items are translated at historical exchange rates and the monetary items at year-end rates, the effect of translation being reflected in the statement of income.

e) Start-up expenses

Start-up expenses are valued at the cost of the related goods and services and are amortized over the maximum legally stipulated period of five years.

f) Intangible assets

Intangible assets are recorded at cost.

Administrative concessions are amortized over the concession period, which ranges on average from 25 to 50 years.

Leased assets are amortized by the straight-line method over the years of useful life, which are the same as those for tangible fixed assets.

The goodwill arising on intra-Group mergers, which was acquired for valuable consideration, is amortized systematically over the period during which it contributes to the obtainment of revenues, up to a maximum of 20 years, and is adjusted to market value as required in the event of impairment.

g) Tangible fixed assets

Tangible fixed assets acquired prior to 1983 are carried at cost revalued pursuant to Law 9/1983. Prior to 1983 the companies had revalued their balance sheets and the carrying values of their tangible fixed assets pursuant to the applicable enabling legislation. Tangible fixed assets acquired subsequent to 1983 are carried at cost, except in the case of certain subsidiaries operating in the cement business, which revalued their tangible fixed assets pursuant to Royal Decree-Law 7/1996, Navarre Regulation 23/1966 and Vizcaya Regulation 6/1996. The effect of these revaluations on the consolidated statement of income is not material.

Group work on fixed assets is valued at production cost.

Upkeep and maintenance expenses not leading to a lengthening of the useful life or to an increased production capacity of the related assets are expensed currently.

Tangible fixed assets are depreciated by the straight-line method at annual rates based on the following years of estimated useful life:

	Years of estimated useful life
Buildings and other structures	25 – 50
Torre Picasso building	75
Plant and machinery	5 – 15
Other fixtures, tools and furniture	7 – 12
Computer hardware	4
Other tangible fixed assets	5 – 10

Tangible fixed assets assigned exclusively to certain specific contracts are depreciated over the shorter of the years of useful life indicated above or the contract term.

h) Deferred financial expenses relating to the financing of fixed assets

The acquisition price of tangible fixed assets and intangible assets does not usually include the interest on loans used to finance them, which is generally expensed currently. However, in the industrial waste and parking lot business divisions, in view of the extended construction period for certain facilities, the accrued interest incurred on the financing of these facilities through the date on which they come into service is included in the acquisition price. The amount of this interest is in no case material. In addition, in 2004 financial expenses were capitalized at certain foreign companies in the Cement area in relation to the investments made by them to modernize their plants and facilities.

Additionally, in accordance with the regulations adapting the Spanish Chart of Accounts to the water supply/treatment and toll road, tunnel, bridge and other tollway concession businesses, the interest on the loans financing the fixed assets required to carry on these activities is deferred over the concession term, provided that there is evidence that the capitalized expenses will be recovered in future years' rates.

Also, interest arising from the financing of fixed assets through financial leases is deferred and charged to income over the contract term on the basis of the principal outstanding.

The interest capitalized as described in the preceding paragraphs is included under the "Deferred Charges" or "Accrual Accounts" captions on the asset side of the balance sheet, depending on whether the related amounts are to be taken to income in the long or short term.

i) Long-term investments. Marketable securities and nontrade loans

In accordance with current legislation, investments in listed and unlisted marketable securities are valued at cost, revalued where appropriate pursuant to Law 9/1983, net of the required allowance for decline in value. The effect of applying this method is that all unrealized losses on investment securities are recorded, whereas unrealized gains are not, except for those disclosed at the time of acquisition and still existing at the date of subsequent valuation.

Loans are valued at the amount delivered plus the unmatured accrued interest at the balance-sheet date. The necessary value adjustments are made by recording allowances for loans with possible recovery problems.

Securities and loans maturing in under 12 months from the balance-sheet date are classified as short-term (current assets) and those maturing at over 12 months as long-term (noncurrent assets). Other investments of a permanent nature are classified as noncurrent assets.

j) Inventories

Inventories are valued at average acquisition price or average production cost and the necessary value adjustments are made to mark the carrying values to market, if this is lower. Allowances are also recorded for the decline in value of obsolete inventories.

The assets received in payment of loans are carried at the lowest of the following three values: the amount at which the loan relating to the asset received is recorded, production cost or market.

k) Parent Company shares held by the Group

Parent Company shares are valued at the lowest of average cost, market or underlying book value. Any gains or losses on intercompany transactions involving these shares are eliminated in consolidation.

l) Subsidies

Nonrefundable capital subsidies are allocated to income in proportion to the period depreciation on the subsidized assets.

m) Provisions for pensions and similar obligations

In general, the Spanish Group companies have not established any pension plans to supplement the social security pension benefits. However, pursuant to the revised Pension Fund and Plan Law, in the specific cases in which similar obligations exist, the companies externalize their pension and other similar commitments to employees.

Also, for certain employees, including some executives and directors, in the past an insurance policy was arranged and the related premium paid to cover the payment of contingent liabilities relating to death and permanent occupational disability and to retirement bonuses and other benefits.

The companies have recorded the required provisions for terminations of permanent site personnel, which are included, together with other items, under the "Operating Allowances" caption in the accompanying consolidated balance sheet. The effect on the consolidated statement of income for 2004 was not material.

The cement company Giant Cement Holding Inc., based in the U.S.A., has assumed the commitment to supplement its employees' retirement pension benefits. The valuation of the assets assigned to this commitment and of the related accrued obligations was conducted by independent actuaries, and €12,488 thousand and €5,678 thousand were recorded in this connection in the accompanying consolidated financial statements under the "Long-Term Deposits and Guarantees Given" and "Provisions for Contingencies and Expenses" captions, respectively. In addition, Giant Cement Holding, Inc. has undertaken to maintain its medical and life insurance commitments to certain of its employees after they have left the company's employ. The commitments thus accrued, which amount to €12,238 thousand, were recorded under the "Provisions for Contingencies and Expenses" caption.

n) Provisions for contingencies and expenses

The Group companies, in addition to the provisions mentioned in Note 3-m) above, have recorded other provisions for contingencies and expenses relating to the estimated amount required for probable or certain third-party liability and for outstanding obligations whose exact amount cannot yet be fully determined or whose date of payment is uncertain, since they are dependent on the fulfillment of certain conditions. These provisions are recorded when the related liability or obligation arises.

o) Reversion reserve

The companies generally record a reversion reserve for assets subject to administrative concessions which revert to the grantor entity at the end of the concession period. This reserve is calculated by supplementing the depreciation of the related asset, so that at the end of the concession period the net book value (after deduction of the related accumulated depreciation) is zero. The period provision to the reversion reserve amounted to €5,656 thousand.

Additionally, the companies consider that the periodic maintenance plans for their facilities, the cost of which is expensed currently, are sufficient to ensure delivery of the revertible assets in good working order at the end of the concession periods and that, therefore, no significant expenses will arise as a result of the reversion.

p) Classification of debt

Debts maturing in under 12 months from the balance sheet date are classified as current liabilities and those maturing at over 12 months as long-term debt.

Debts are valued at the amounts drawn plus the unmatured accrued interest. Nontrade debts are carried at their repayment value and the interest on the transaction is recorded under the "Deferred Charges" or "Accrual Accounts" captions on the asset side of the consolidated balance sheet, depending on whether it is expected to be taken to income at long or short term, respectively. The balances of these captions are allocated to income on the basis of the principal amount outstanding.

In certain cases the exchange rate or interest rate risk relating to the debt is hedged through futures and derivatives. The transaction expenses and the differences arising due to market price fluctuations are charged to income by the same timing of recognition method as that used for the costs of the main debt hedged.

q) Corporate income tax

The expense for corporate income tax included in the accompanying consolidated statement of income is calculated on the basis of consolidated income before taxes, increased or decreased, as appropriate, by the permanent differences between taxable income and book income. The tax rate stipulated by the legislation applicable to each company is applied to this adjusted book income, net of the tax relief and tax credits earned in the year, adding in turn, the positive or negative differences between the estimated tax charge calculated for the prior year's accounting close and the subsequent tax settlement at the payment date.

r) Foreign currency transactions

Balances receivable and payable in foreign currencies are translated to euros at the exchange rates prevailing at the date of the consolidated balance sheet, and the differences that arise are taken to income as stipulated by current regulations.

The differences resulting from fluctuations in exchange rates from the date on which the transactions were made, or the related values were adjusted, to the date of collection or payment are taken to period income.

s) Recognition of revenues and expenses

In construction and urban cleaning activities, the companies recognize as the period result on their construction and service contracts the difference between production (valued at the sale price of the construction work performed or services provided during the period, as specified in the principal contract entered into with the owners or in amendments or addenda thereto approved by the owners, or at the sale price of completed projects or services with respect to which, although no such approval has been given, there is reasonable assurance of recovery) and the costs incurred during the year, since the revenues and costs of projects and services in these business areas are susceptible to substantial variations during the performance period which cannot be readily foreseen or objectively quantified. Also, late-payment interest is recognized as a revenue at the date of the approval and/or definitive collection thereof.

The difference between the amount of production recorded from inception of each project and the amount certified for each project through the date of the consolidated financial statements is recorded as "Completed Production Pending Certification" under the "Trade Receivables for Sales and Services" caption. Certificate prebillings for various items are recorded under the "Advances Received on Orders" caption on the liability side of the consolidated balance sheet.

The operating costs incurred in construction work and services, which include the interest accrued at market rates during the customary payment period in these business areas, are allocated as they arise. Site-clearance costs and any expenses which may arise from project completion through definitive settlement thereof are accrued over the execution period and the related provisions are recorded under the "Operating Allowances" caption in the consolidated balance sheet.

The revenues and expenses of the remaining activities are recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

In accordance with the accounting principle of prudence, the Group companies only record realized income at year-end, whereas foreseeable contingencies and losses, including possible losses, are recorded as soon as they become known by means of the related provisions (see Notes 3-n, 17 and 19).

t) Environmental information

The FCC Group's environmental policy goes beyond strict compliance with current legislation in the area of environmental improvement and protection to include the establishment of preventive planning and the analysis and minimization of the environmental impact of the activities performed by the Group.

In the Services area, in view of the nature of the activities carried on, particular attention must be paid to controlling the impact on the environment; for example, companies holding concessions to operate landfills are, in general, responsible for the sealing, control and reforestation thereof at the end of the concession period.

The Group's cement companies have fixed assets designed to filter atmospheric gas emissions, honor their commitments relating to the environmental restoration of depleted quarries and apply technologies that contribute to environmentally efficient process management.

The Construction division adopts environmental practices which make it possible to respect the environment in the performance of construction projects: reduction of atmospheric dust emissions, noise and vibration control, treatment of effluents generated by construction projects, maximum reduction of waste generation, and safeguarding of biological diversity through the protection of animal or plant species.

The acquisition costs of the fixed assets used in environmental conservation are recorded under the "Tangible Fixed Assets" and "Intangible Assets" captions based on the nature of the investment, and are depreciated or amortized over their useful lives. Also, in accordance with current accounting regulations, the companies record the expenses and provisions arising from their environmental commitments.

4. START-UP EXPENSES



The variations in 2004 in the balance of this caption in the consolidated balance sheet were as follows:

Balance at 12.31.03	11,490
Additions	4,078
Translation differences and variation in consolidated Group	(14)
Amortization	(2,873)
Balance at 12.31.04	12,681

5. INTANGIBLE ASSETS



The detail of intangible assets and of the related accumulated amortization as of December 31, 2004, is as follows:

	Cost	Accumulated depreciation	Allowances	Net
Research and development expenses	3,096	(390)	–	2,706
Concessions, patents, licenses, trademarks and other	437,478	(116,715)	(62)	320,701
Goodwill	228,726	(99,642)	–	129,084
Computer software	19,183	(15,053)	–	4,130
Rights on leased assets	174,380	(45,516)	–	128,864
	862,863	(277,316)	(62)	585,485

The variations in 2004 in the balance of this caption in the consolidated balance sheet were as follows:

	Balance at 12.31.03	Translation differences and variation in consolidated Group	Additions or Provisions	Retirements or reductions	Transfers	Balance at 12.31.04
Research and development expenses	3,439	395	15	(753)	–	3,096
Concessions, patents, licenses, trademarks and other	369,973	9,922	62,894	(5,311)	–	437,478
Goodwill	229,600	(976)	102	–	–	228,726
Computer software	16,813	657	2,286	(573)	–	19,183
Rights on leased assets	204,883	1,396	46,459	(74)	(78,284)	174,380
Allowances	(182)	120	–	–	–	(62)
Amortization	(239,890)	(2,903)	(57,620)	990	22,107	(277,316)
	584,636	8,611	54,136	(5,721)	(56,177)	585,485

The "Concessions, Patents, Licenses, Trademarks and Other" account includes most notably the amounts paid for the concessions held by the Group in order to carry on its business activities (water supply services, passenger transport, operation of landfills, etc.). These amounts are being amortized on a straight-line basis over the concession period. The main additions in 2004 relate to investments in water activities and ground aircraft and passenger handling.

The balance of the "Goodwill" caption includes mainly €104,388 thousand and €17,325 thousand relating to the goodwill, net of amortization, that arose from the mergers in prior years of Cementos Atlántico, S.A. with Cementos Portland Valderrivas, S.A. and of Automóviles Portillo, S.A. with Corporación Española de Transporte, S.A., respectively.

The features of the financial lease contracts in force at 2004 year-end were as follows:

	Movable property	Real estate	Total
Original cost of the assets	173,117	1,263	174,380
Value of purchase options	1,877	11	1,888
Contract term (years)	2 to 5	10	–
Lease payments paid in the year	57,998	102	58,100
Lease payments paid in prior years	51,663	729	52,392
Lease payments outstanding, including purchase option	70,961	434	71,395

The detail of leased assets as of December 31, 2004, is as follows:

Land and structures	1,263
Plant and machinery	136,359
Other fixtures, tools and furniture	25,074
Other tangible fixed assets	11,684
	174,380

6. TANGIBLE FIXED ASSETS

The detail of tangible fixed assets and of the related accumulated depreciation as of December 31, 2004, is as follows:

	Cost	Accumulated depreciation	Allowances	Net
Land and structures	768,508	(145,759)	(30,504)	592,245
Plant and machinery	2,058,814	(1,238,613)	(336)	819,865
Other fixtures, tools and furniture	400,742	(242,974)	–	157,768
Advances and construction in progress	251,794	–	–	251,794
Other tangible fixed assets	151,729	(104,378)	–	47,351
	3,631,587	(1,731,724)	(30,840)	1,869,023

Los movimientos de las diversas partidas del inmovilizado habidas en el ejercicio, han sido los siguientes:

	Balance at 12.31.03	Translation differences and variation in consolidated Group	Additions or provisions	Retirements or reductions	Transfers	Balance at 12.31.04
Land and structures	699,716	(7,622)	17,700	(7,990)	66,704	768,508
Plant and machinery	1,882,433	5,698	70,415	(76,019)	176,287	2,058,814
Other fixtures, tools and furniture	358,872	7,162	29,483	(15,669)	20,894	400,742
Advances and construction in progress	240,633	(2,484)	205,095	(3,760)	(187,690)	251,794
Other tangible fixed assets	138,997	6,312	12,822	(8,491)	2,089	151,729
Allowances	(33,079)	2,600	(361)	–	–	(30,840)
Amortization	(1,556,048)	1,037	(220,767)	66,161	(22,107)	(1,731,724)
	1,731,524	12,703	114,387	(45,768)	56,177	1,869,023

All the tangible fixed assets were being used in production at 2004 year-end; however, €827,395 thousand of tangible fixed assets had been fully depreciated.

The Group companies take out the insurance policies they consider necessary to cover the possible risks to which their tangible fixed assets are subject.

Tangible fixed assets located outside Spain and the accumulated depreciation thereof amounted to €634,199 thousand and €169,052 thousand, respectively.

7. CONSOLIDATION GOODWILL



The variations in the balance of this caption in the consolidated balance sheet in 2004 were as follows:

Balance at 12.31.03		191,365
Additions:		
Gestió i Recuperació de Terrenys, S.A.	16,841	
Limpiezas Industriales Alfus, S.A.	9,162	
Corporación M&S Internacional C.A., S.A.	6,299	
Recuperació de Pedreres, S.L.	1,605	
Other	<u>3,961</u>	37,868
Amortization:		
Grupo Ekonor	(7,105)	
Tratamientos y Recuperaciones Industriales, S.A.	(1,972)	
Giant Cement Holding, Inc.	(1,637)	
Cementos Portland Valderrivas, S.A.	(1,348)	
Pinturas Jaque, S.L.	(1,266)	
Limpiezas Industriales Alfus, S.A.	(1,224)	
Other	<u>(5,615)</u>	(20,167)
Translation differences		(18,313)
Extraordinary amortization		(6,150)
Balance at 12.31.04		184,603

The detail of the goodwill recorded in the accompanying consolidated balance sheet as of December 31, 2004, is as follows:

Grupo Ekonor	37,198
Giant Cement Holding, Inc.	23,402
Cementos Portland Valderrivas, S.A.	17,864
Gestió i Recuperació de Terrenys, S.A.	16,841
Jaime Franquesa, S.A.	15,677
Recuperació de Pedreres, S.L.	11,776
Atlas Gestión Medioambiental, S.A.	10,292
Limpiezas Industriales Alfus, S.A.	7,938
Tratamientos y Recuperaciones Industriales, S.A.	7,888
Corporación M&S Internacional C.A., S.A.	6,299
Montajes Gavisa, S.A.	4,892
Canteras de Aláiz, S.A.	4,027
Other	20,509
	184,603

The balance of this caption in the accompanying consolidated balance sheet includes €1,961 thousand of goodwill relating to companies accounted for by the equity method.

8. NEGATIVE CONSOLIDATION DIFFERENCE



The negative difference of €36,103 thousand recorded in the accompanying consolidated balance sheet arose as a result of the market valuations of the assets contributed to the Realía Business Group by its shareholders in 2000.

9. INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD



The detail, by company, of the balance of this caption is disclosed in Exhibit III (listing the companies accounted for by the equity method). The variations in 2004, by item, were as follows:

Balance at 12.31.03		496,932
Purchases and subscriptions:		
Metro de Málaga, S.A.	20,546	
Autovía del Camino, S.A.	14,280	
Autopista de la Costa Cálida C.E.A., S.A.	13,799	
Terminal Polivalente de Castellón, S.A.	4,005	
Other	2,000	54,630
2004 income:		
Grupo Realía Business	57,295	
Grupo Cementos Leona	5,196	
Participadas del Grupo Proactiva Medio Ambiente	2,853	
Grupo Eumex	1,594	
Other	8,667	75,605
Change in consolidation method:		
Grupo Eumex	9,496	
Construcciones Olabarri, S.L.	(2,619)	6,877
Translation differences and capital reductions:		
Grupo Cementos Leona	(5,524)	
Other	(560)	(6,084)
Dividends distributed in the year:		
Grupo Realía Business	(27,637)	
Concesiones de Madrid, S.A.	(1,210)	
Other	(3,774)	(32,621)
Sales:		
Grupo Grubar Hoteles	(78,093)	
Other	(301)	(78,394)
Balance at 12.31.04		516,945

With respect to the "Change in Consolidation Method", as indicated in Exhibit IV, the Eumex Group ceased to be proportionally consolidated since, although FCC exercises significant influence over this group, it no longer jointly manages; also, Construcciones Olabarri, S.A. is now treated as a multigroup company and, accordingly, is proportionally consolidated.

In 2004 the 50% holding in the Grubar Hoteles Group was sold at a price determined on the basis of the market values of the hotels in which this group held ownership interests, giving rise to a loss of €23,264 thousand, which was included in the "Extraordinary Loss" caption in the accompanying consolidated statement of income.

10. MARKETABLE SECURITIES AND NONTRADE LOANS

The detail of the main accounts under the "Long-Term Investments" and "Short-Term Investments" captions in the accompanying consolidated balance sheet is as follows:

a) Long-term investments

Investment securities

Breakdown of the balance as of December 31, 2004:

	% of Effective ownership	Asset value	Allowances	Net book value
Holdings of over 5%:				
Alazor Inversiones, S.A.	15.75	31,344	(991)	30,353
World Trade Center Barcelona, S.A.	16.52	9,611	(2,994)	6,617
Xfera Móviles, S.A.	8.26	5,413	(5,413)	—
Transportes Ferroviarios de Madrid, S.A.	12.19	5,122	(1,336)	3,786
S.C.L. Terminal Aéreo de Santiago, S.A.	14.77	5,048	(2,625)	2,423
Tacel Inversiones, S.A.	13.32	4,296	(245)	4,051
Artscapital Investment, S.A.	10.83	4,171	(4,171)	—
Scutvias-Autoestradas Da Beira Interior, S.A.	13.33	4,098	—	4,098
Shopnet Brokers, S.A.	15.54	2,796	(2,796)	—
Build2Edifica, S.A.	15.45	2,053	(1,257)	796
WTC Almeda Park, S.A.	12.50	1,875	(592)	1,283
Vertederos de Residuos, S.A.	16.03	1,107	—	1,107
Other		6,903	(1,227)	5,676
Holdings of less than 5%				
Parque Temático de Madrid, S.A.	1.75	3,516	(1,758)	1,758
Other		1,562	(1,447)	115
		88,915	(26,852)	62,063

Most of these securities correspond to concession-holders in relation to which the Group companies were awarded tenders to perform the construction projects specified in the related concessions.

The Parent Company has provided guarantees amounting to €28,625 thousand in relation to the investment in Xfera Móviles, S.A.

The variations in the long-term investment securities in 2004 were as follows:

	Cost	Allowances
Balance at 12.31.03	114,705	(48,774)
Additions and provisions:		
Xfera Móviles, S.A.	5,413	(5,413)
Alazor Inversiones, S.A.	1,340	(991)
Vertederos de Residuos, S.A.	1,107	—
Scutvias-Autoestradas Da Beira Interior, S.A.	458	—
Parque Temático de Madrid, S.A.	—	(889)
Terra Mítica PTB, S.A.	—	(803)
Other	527	(852)
Retirements, reductions and amount of allowances used:		
Venditelecom España, S.L.	(26,776)	26,776
Grupo Inversiones y Estudios Financieros	(3,547)	—
Polux Capital, S.L.	(2,344)	2,344
Artscapital Investment, S.A.	(1,298)	1,298
Other	(670)	452
Balance at 12.31.04	88,915	(26,852)

In 2004, 10% of Inversiones y Estudios Financieros, S.A. (Safei) was transferred under the terms and conditions established in the sale option held by the FCC Group, giving rise to a gain of €21,738 thousand, which is recorded under the "Extraordinary Income" caption in the accompanying consolidated statement of income. Also, Venditelecom España, S.L. and Polux Capital, S.L. were liquidated in 2004; these investments had been provisioned in full in prior years.

b) Short-term investments

Short-term investment securities

Breakdown of the balance as of December 31, 2004:

Issuers	Fixed-Income securities	Equity securities	Total
Government debt securities	54,229	–	54,229
Shares and other equity interests	–	40,521	40,521
Corporate promissory notes and other	128,159	–	128,159
	182,388	40,521	222,909

This caption includes the investments of cash surpluses in high-liquidity, high-rotation assets, which are valued at the lower of cost or market.

Other loans

The "Other Loans" account includes investments of cash surpluses in high-liquidity, high-rotation bank deposits of various different types.

The average rate of return obtained in 2004 on the investments in fixed-income securities and other loans was 2.06%.

11. DEFERRED CHARGES



The variations in the balance of this caption in 2004 were as follows:

Balance at 12.31.03	38,570
Financing of fixed assets assigned to concessions (Note 3-h)	1,503
Variation in the consolidated Group and other variations	4,519
Amounts taken to income	(9,536)
Balance at 12.31.04	35,056

The balance of this caption as of December 31, 2004, includes mainly €23,785 thousand of deferred financial expenses on the financing of fixed assets assigned to concessions and €6,538 thousand capitalized at the Cementos Portland Valderrivas Group originating from the subsidiary Giant Cement Holding Inc.

12. INVENTORIES



The "Inventories – Merchandise" account in the accompanying consolidated balance sheet relates mainly to the building lots acquired by the FCC Construcción Group and intended for sale, including most notably those amounting to €25,520 thousand relating to the Madrid Autonomous Community's Urban Development Plans, which were acquired in exchange for the construction work performed to implement these plans, and to the properties in Sant Joan Despí and Badalona in the province of Barcelona, amounting to €45,580 thousand and €16,670 thousand, respectively, acquired as a result of other construction projects performed.

The decrease in 2005 in this account was due mainly to the sale of building lots relating to the Madrid Autonomous Community's Urban Development Plans.

13. TRADE RECEIVABLE FOR SALES AND SERVICES

The breakdown of the balance of this caption in the accompanying consolidated balance sheet, which relates basically to the amounts receivable for construction work performed, for services provided and other activities, is as follows:

Construction certificates receivable and trade receivables for sales	1,862,964
Completed production pending certification	674,295
Retentions	38,445
Trade receivables for sales and services	2,575,704
Advances received on orders	(417,130)
Total trade receivables, net	2,158,574

The foregoing total is the net balance of trade receivables after deduction of the balance of the "Advances Received on Orders" account on the liability side of the accompanying consolidated balance sheet which, as required by accounting regulations, includes collected and uncollected certificate prebillings for various items and the advances received (normally in cash) for future supplies.

The "Construction Certificates Receivable and Trade Receivables for Sales" account reflects mainly the amount of the certificate billings to customers for completed work and services provided pending collection as of December 31, 2004. Of the total balance, €15,194 thousand of notes receivable had been discounted and the related debt to credit institutions is shown on the liability side of the consolidated balance sheet.

As indicated in Note 3-s, the "Completed Production Pending Certification" account reflects the difference at year-end between the production recorded from inception of each project and contract in progress as of December 31, 2004, and the amount of the certificates issued therefor. Accordingly, the balance of this account represents the value at certificate price of the construction units completed and services rendered as of December 31, 2004, which will be certified in the next few months either because they are specified in the principal contract or in addenda or amendments thereto approved by the customer or because there is no doubt as to their immediate approval.

Since the revenues which may ultimately arise from the projects in progress are subject to certain factors whose final effect cannot be objectively determined at present (e.g. the final amounts receivable for settlement, amendments, additions, price revisions, etc.), the companies recognize the revenues from work units not supported by contracts entered into with the owners in the year in which they are approved by the owner or in which the companies consider that there is no doubt as to their recovery in order to proceed to certify them.

The Group companies assign trade receivables to financial institutions, without the possibility of recourse in the event of nonpayment. The amount deducted from the trade receivables balance at year-end in this connection amounted to €284,887 thousand. These transactions accrue interest under normal market conditions through the date on which the financial institution collects from our customers. Collection management in this period continues to be performed by the Group companies.

In 2004 certain future collection rights arising from construction project contracts awarded under the full payment of price method were sold. These rights, amounting to €116,784 thousand, were recorded as a reduction of the balance of the "Completed Production Pending Certification" caption.

The balance of trade receivables for construction activities, after deduction of the receivables assigned, amounted to €1,135,793 thousand, of which €106,342 thousand related to customers abroad. The detail of the accounts receivable from Spanish customers for construction activities, classified by public and private sector, is as follows:

Entities	
Central government	152,272
Autonomous Community governments	172,783
City councils	62,477
Autonomous agencies and State-owned companies	243,440
Public sector	630,972
Private sector	398,479
	1,029,451

The average age of the public-sector construction activity balances is approximately 3.5 months.

In addition, it should be noted that the "Sundry Accounts Receivable" caption in the accompanying consolidated balance sheet includes the receivables relating to the trade loans granted to joint venturers in connection with the projects and services carried out through them and the receivables relating to other operating revenues, i.e. mainly the revenues from various different services provided on an as-needed basis which, since they do not relate to the Group companies' normal business activities, are not included as net sales.

14. SHAREHOLDERS' EQUITY

The variations in equity accounts in 2004 were as follows:

	Balance at 12.31.03	2003 retained Earnings	Dividends distributed	Translation differences and other Variations	Income for the year	Balance at 12.31.04
Capital stock	130,567	–	–	–	–	130,567
Additional paid-in capital	242,133	–	–	–	–	242,133
Legal reserve	26,113	–	–	–	–	26,113
Reserve for treasury stock	9,422	–	–	–	–	9,422
Reserve for retired capital	2,770	–	–	–	–	2,770
Voluntary reserves	390,898	10,974	–	–	–	401,872
Reserves of the Parent Company	429,203	10,974	–	–	–	440,177
Consolidation reserves	846,158	159,091	–	(5,617)	–	999,632
Translation differences	(63,085)	–	–	(8,971)	–	(72,056)
Income attributable to the Parent Company	308,579	(170,065)	(138,514)	–	388,297	388,297
Interim dividend	(48,049)	–	48,049	–	(88,491)	(88,491)
Shareholders' equity	1,845,506	–	(90,465)	(14,588)	299,806	2,040,259

On December 22, 2003, the Parent Company, Fomento de Construcciones y Contratas, S.A., resolved to distribute an interim dividend out of 2004 income equivalent to 68% gross of the par value of the shares (€0.68 per share), which was paid on and after January 10, 2005.

a) Capital stock

The capital stock of Fomento de Construcciones y Contratas, S.A. consists of 130,567,483 common bearer shares of €1 par value each.

All the shares have identical rights and are fully subscribed and paid.

The shares of Fomento de Construcciones y Contratas, S.A. are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and traded through the Spanish computerized trading system (Continuous Market).

With regard to the holdings owned directly or indirectly of 10% or more (through subsidiaries) by other companies, as required by current legislation B-1998, S.L. has informed us that it has a direct and indirect ownership interest of 52.483% in the capital stock. Also, per the data recorded at the Spanish National Securities Market Commission (CNMV), Acciona, S.A. owns a 15.055% holding in Fomento de Construcciones y Contratas, S.A.

The aforementioned company, B-1998, S.L., in which Esther Koplowitz Romero de Juseu, the Ibersuizas Group, Simante, S.L. and Larranza XXI, S.L. have ownership interests of 73.375%, 15.56%, 5.726% and 5.339%, respectively, has certain commitments to its shareholders, recorded and published by the CNMV, including most notably that relating to the distribution of a dividend of at least 50% of the consolidated net income attributed to the Parent Company, excluding extraordinary income or loss.

b) Additional paid-in capital

The revised Corporations Law expressly permits the use of the additional paid-in capital balance to increase capital and establishes no specific restrictions as to its use for other purposes.

c) Legal reserve

Under the revised Corporations Law, 10% of income for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of capital stock. The legal reserve cannot be distributed to shareholders except in the event of liquidation.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased capital stock amount.

Except as mentioned above, until the legal reserve exceeds 20% of capital stock, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

As of December 31, 2004, the Parent Company's legal reserve had reached the legally stipulated minimum.

d) Treasury stock

As of December 31, 2004, the Parent Company held 434,322 shares of treasury stock, representing 0.33% of its capital stock, with a net book value of €9,422.

Also, the subsidiaries Compañía Auxiliar de Agencia y Mediación, S.A. and Grucycsa, S.A. held 316,008 and 475 shares, respectively, of the Parent Company, which represented 0.25% of the latter's capital stock and are recorded in these Group companies' accounting records at a net value of €1,117 thousand.

€10,539 thousand of the total reserves balance are considered to be restricted until such time as the treasury stock held by Fomento de Construcciones y Contratas, S.A. and the shares of the Parent Company held by the Group companies are sold or retired. This amount coincides with the amount at which the shares of the Parent Company held by the Group are valued on the asset side of the accompanying consolidated balance sheet.

No transactions involving shares of treasury stock were performed in 2004.

e) Reserve for retired capital

This reserve includes the par value of the treasury stock retired in 2002 with a charge to unrestricted reserves, in accordance with Article 167.3 of the Corporations Law. The reserve for retired capital is restricted, unless the same requirements as those stipulated for capital reductions are met.

f) Consolidation reserves

This caption in the accompanying consolidated balance sheet includes the reserves at fully and proportionally consolidated companies and companies accounted for by the equity method. The amounts included under this caption for the major companies, including, where appropriate, their subsidiaries, are as follows:

Grupo Cementos Portland Valderrivas	306,314
Afigesa Group	236,853
FCC Construcción Group	104,162
Corporación Financiera Hispánica, S.A.	102,109
FCC Versia, S.A.	42,230
FCC Medio Ambiente, S.A.	40,127
Realia Business Group	30,522
Other, and consolidation adjustments	137,315
Total consolidation reserves	999,632

€20,164 thousand of the total consolidation reserves relate to the effect of the asset revaluations made as indicated in Note 3-g.

g) Translation differences

The amounts included under this caption for each of the major companies are as follows:

USA:		
Giant Cement Holding, Inc.	24,882	
Other	<u>1,395</u>	26,277
Latin America:		
Grupo Proactiva	38,689	
Other	<u>6,798</u>	45,487
Other		<u>292</u>
Total translation differences		72,056

The negative trend in translation differences is due mainly to the appreciation of the euro against the U.S. dollar and certain South American currencies in 2004.

The net worth of the foreign companies accounts for 13% of the FCC Group's total equity. The detail, by geographical market, of this net worth, including the related translation differences, is as follows (in thousands of euros):

USA	179,896
Latin America	73,941
Other	<u>14,417</u>
	268,254

Particularly noteworthy in the U.S. market was the Giant Cement Holding Inc. Group, whose equity, following the 8% depreciation of the U.S. dollar against the euro in 2004, amounted to €147,478 thousand.

15. MINORITY INTERESTS



The balance of this caption in the accompanying consolidated balance sheet reflects the equity of minority shareholders in the net worth and income for the year after taxes of the Group companies in which they have ownership interests. The variations in this account in 2004 were as follows:

Balance at 12.31.03	387,774
Income for the year	55,923
Distribution of dividends	(25,921)
Translation differences and variation in consolidated Group	(6,013)
Balance at 12.31.04	411,763

The 2004 year-end detail, by item, of the balances relating to the main companies with minority interests is as follows:

	Net worth		Income	Total
	Capital stock	Reserves		
Cementos Portland Valderrivas Group	17,193	312,642	53,664	383,499
Compañía Concesionaria del Túnel de Sóller, S.A.	7,238	33	111	7,382
Other	8,765	9,969	2,148	20,882
	33,196	322,644	55,923	411,763

€15,243 thousand of total reserves relate to the asset revaluation performed by the cement business companies, as indicated in Note 3-g.

16. SUBSIDIES



The accompanying consolidated balance sheet includes the subsidies that were received in the past for €64,821 thousand, €13,637 thousand of which have been taken to income, including €2,765 thousand in the year ended December 31, 2004.

17. PROVISIONS FOR CONTINGENCIES AND EXPENSES



This caption in the consolidated balance sheet includes the following liabilities:

- The reversion reserve for assets subject to administrative concessions which will revert to the grantor entity at the end of the concession period, as indicated in Note 3-o.
- The provisions for pensions recorded to cover the commitments described in Note 3-m.
- Provisions for litigation which, as indicated in Note 21, cover the contingencies of the FCC Group companies acting as defendants in certain disputes in relation to the liability inherent in the activities carried on by them.
- Reinsurance provisions. As indicated in Note 2-c to these consolidated financial statements, in 2004 Fir Re Société Anonyme was included in the scope of consolidation of the FCC Group, as a result of which the accompanying consolidated balance sheet includes the related equalization provisions and the provisions for unexpired risks to cover the contingencies arising from this company's reinsurance activity.
- Environmental risks (see Note 23).
- Other provisions for contingencies and expenses relating to the estimated amount required for probable or certain third-party liability and for outstanding obligations whose exact amount cannot yet be fully determined or whose date of payment is uncertain, since they are dependent on the fulfillment of certain conditions. In 2004 provisions were recorded amounting to €30,000 thousand to cover extraordinary contingencies arising from the Group's activity abroad, mainly in Latin America and North Africa. This amount is included as an extraordinary loss in the accompanying consolidated statement of income.

The balance as of December 31, 2004, of each of the foregoing items is as follows:

Reversion reserve	41,273
Provisions for pensions and similar obligations	19,865
Provisions for litigation	119,121
Reinsurance provisions	15,594
Environmental provisions	17,947
Other provisions for contingencies and expenses	100,015
Total	313,815

18. NONTRADE PAYABLES

a) The long-term payables in each of the related accounts in the accompanying consolidated balance sheet mature as follows:

	2006	2007	2008	2009	2010 and Subsequent year	Total
Nonconvertible debentures	103	517	1,860	413	40,381	43,274
Payable to credit institutions	101,288	104,327	37,039	24,252	58,981	325,887
Limited recourse project financing loans	7,734	8,790	9,912	6,141	25,107	57,684
Taxes payable	3,782	3,136	3,045	3,002	54,238	67,203
Other payables	6,851	2,409	1,339	1,997	58,634	71,230
Uncalled capital payments payable	41,140	–	–	–	172	41,312
	160,898	119,179	53,195	35,805	237,513	606,590

The nonconvertible debentures relate mainly to Giant Cement Holding Inc., which in 2003 launched an issue comprising two tranches of US\$ 25 million and US\$ 30 million, maturing in 2010 and 2013 and with fixed interest rates of 4.95% and 5.63%, respectively.

The foreign currency payables under the "Payable to Credit Institutions" caption include most notably €67,901 thousand denominated in U.S. dollars relating mainly to the U.S. cement companies.

The average interest rates on the long-term payables to credit institutions are basically those of the various interbank markets, tied to Mibor, Euribor and Libor.

The balance of the "Limited Recourse Project Financing Loans" account relates to the payments outstanding in connection with the investments made in certain projects, mainly for operating the water supply in Vigo. The debt will be repaid using the revenues arising from operation of the services and, provided the contract terms and conditions are met, with no other liability for the Group companies if the funds obtained during the term of the loan do not cover the full amount of the principal plus interest. The average interest rate on the loans is tied to Euribor plus a spread based on market rates.

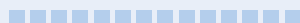
The detail of the balance of the "Taxes Payable" caption is disclosed in Note 20 ("Tax Matters").

The "Other Payables" account includes mainly payables for the acquisition of fixed assets. Of the total balance, €49,826 thousand bear interest at market rates.

- b) The short-term accounts payable to associated companies include trade payables and the current account and loan balances with these companies. The loans bear interest at market rates.
- c) The "Current Liabilities – Other Nontrade Payables – Other Payables" caption in the accompanying consolidated balance sheet includes, inter alia, various debt items which do not bear interest, such as the amounts forecast for the payment of the interim dividend (€88,275 thousand) and fixed asset suppliers (€68,511 thousand).
- d) As indicated in Note 13 ("Trade Receivables for Sales and Services"), certain bank loans have been secured by €15,194 thousand of notes receivable.

As of December 31, 2004, the Group had credit facilities with a limit of €2,679,609 thousand, of which €1,803,802 thousand had not been drawn down at that date.

19. OPERATING ALLOWANCES



The detail of this caption in the accompanying consolidated balance sheet is as follows:

Allowance for claims	74,604
Allowance for construction contract settlements	21,230
	95,834

The allowance for claims covers the contingent liabilities which might arise from claims by third parties as a result of business operations.

The allowance for construction contract settlements includes the losses and expenses expected to arise from the date of completion through definitive settlement of the contracts.

20. TAX MATTERS



The detail of the balances of the "Tax Receivables" and "Taxes Payable" captions on the asset and liability sides, respectively, of the accompanying consolidated balance sheet is as follows:

I) Long-term

The balance payable of €62,703 thousand relates to deferred corporate income tax which will be payable in years subsequent to 2005.

€46,498 thousand of this liability, which is interest-free, relate to the tax effect of the difference between the book value and the value for tax purposes of certain fixed assets of Giant Cement Holding Inc. The remaining €20,505 thousand relate to the accelerated depreciation of tangible fixed assets under various benefits provided for by tax legislation and include most notably €12,051 thousand relating to 35% of the early depreciation of the Torre Picasso building, which qualify for the tax incentives stipulated in Royal Decree-Law 2/1985 and Royal Decree-Law 3/1993. The due dates of the accrued taxes payable disclosed in Note 18 are based on the years of useful life of the related assets.

II) Short-term

Tax receivables:	
Prepaid corporate income tax and tax assets	257,340
VAT refundable	91,989
Tax refunds and other items	18,109
	367,438
Tax payables:	
Personal and corporate income tax withholdings (from salary income and income from movable capital)	24,262
Deferred corporate income tax	94,669
Corporate income tax payable	84,709
VAT payable	146,626
Levies on construction certificates, services and other items	59,841
Accrued social security taxes payable	35,023
	445,130

Reconciliation of the consolidated income per books to the taxable income for corporate income tax purposes:

Consolidated income for the year per books before taxes			603,292
	<u>Increase</u>	<u>Decrease</u>	
Consolidation adjustments and eliminations	–	(45,871)	(45,871)
Adjusted consolidated income per books	28,356	(36,884)	(8,528)
Adjusted consolidated income per books			548,893
Timing differences:			
Arising in the reporting year	273,970	(170,348)	103,622
Arising in prior years	162,418	(99,469)	62,949
Consolidated taxable income			715,464

Adjusted consolidated income per books	548,893
Corporate income tax charge (35%)	192,113
Tax credits and relief	(26,915)
Other adjustments	(6,126)
Corporate income tax payable	159,072

The Fomento de Construcciones y Contratas Group has capitalized the deferred tax assets arising from timing differences, except for those with respect to which there are reasonable doubts as to their future recovery.

The variations due to timing differences arose mainly as follows:

- Items recorded as increases include mainly depreciation and amortization and provisions which will become tax deductible in subsequent years, and the allocation to taxable income of the income of joint ventures which had been deferred in 2003.
- Items recorded as decreases include the deferral due to the special amortization of lease contracts, the income of joint ventures that will be included in the corporate income tax base of the following year and the impact of certain expenses incurred in prior years which became tax deductible in 2004, since the conditions stipulated by tax legislation had been met.

The tax credits and tax relief include those provided for environmental protection, foreign investments, R&D and the reinvestment of gains on the sale of fixed assets.

Fomento de Construcciones y Contratas, S.A., the subsidiaries composing the FCC Group and the joint ventures have all the years not yet statute-barred open for review by the tax inspection authorities for the taxes applicable to them. The criteria which the tax authorities might adopt for the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. However, the Parent Company's directors consider that the resulting liabilities would not have a material effect on the Group's net worth.

Under authorization 18/89, the FCC Group is taxed on a consolidated basis for corporate income tax purposes with all the other Group companies which meet the relevant requirements envisaged by tax legislation.

21. GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES



As of December 31, 2004, the Group had provided €2,031,191 thousand of guarantees to third parties, mostly completion bonds provided to government agencies and private customers as security for the performance of construction projects and urban cleaning contracts.

The Group companies have guaranteed for their employees the investments made in 2000 for a five-year period in the collective investment fund set up by the Vivendi Universal Group. The possible payments and additional costs that may be incurred by the FCC Group companies, which in any case are not expected to be material, are counterguaranteed by the Vivendi Universal Group.

Fomento de Construcciones y Contratas, S.A. and the Group subsidiaries are acting as defendants in certain lawsuits in relation to the liabilities inherent in the various activities carried on by the Group in the performance of the contracts awarded, for which the related provisions have been recorded (see Notes 3-n, 17 and 19). Accordingly, the resulting liabilities would not have a significant effect on the Group's net worth.

22. REVENUES AND EXPENSES



a) Transactions with associated companies

The net sales figure in the accompanying consolidated statement of income includes €184,591 thousand of billings by Group companies to associated companies.

b) Net sales

The breakdown of net sales, by Group activity, is as follows:

	2004	2003
Construction	3,090,218	2,950,141
Services	1,819,182	1,708,897
Versia	514,478	380,987
Cement	881,523	865,626
Other activities and eliminations due to intercompany transactions	(19,519)	144,821
	6,285,882	6,050,472

In 2004 certain changes were made to the Group's internal areas of activity, as a result of which the logistics and installations sectors were included in Versia and Construction, respectively. These sectors were included as "Other Activities" in 2003.

The breakdown, by market, of the net sales made abroad by the Group companies is as follows:

	2004	2003
European Union	307,040	319,913
United States	191,092	194,718
Latin America	129,380	112,355
Other	13,140	10,563
	640,652	637,549

Net sales in the Construction Area

In substantially all the net construction sales the Group acted as the general contractor.

The detail of net construction sales, by type of project, is as follows:

Civil engineering	1,705,721
Residential building construction	573,905
Nonresidential building construction	671,698
Other activities	138,894
	3,090,218

The construction work carried out by subcontractors amounted to €1,332,259 thousand.

The detail of net construction sales, by type of customer, is as follows:

Central government	632,455
Autonomous Community governments	371,269
City councils	122,527
Autonomous agencies and State-owned companies	716,395
Public sector	1,842,646
Private sector	1,116,124
Total Spain	2,958,770
Abroad	131,448
	3,090,218

The detail of the backlog for construction work at 2004 year-end is as follows:

	Contracts in progress	Contracts not yet commenced	Total backlog
Civil engineering	2,455,724	148,123	2,603,847
Residential building construction	611,715	34,666	646,381
Nonresidential building construction	1,088,179	12,787	1,100,966
	4,155,618	195,576	4,351,194

The breakdown of the backlog for construction work at 2004 year-end, by geographical area, is as follows:

	Andalucía	Castilla y León	Cataluña	Madrid	Other Spain	Abroad
Civil engineering	161,408	421,918	677,780	470,478	779,187	93,076
Residential building construction	68,040	13,992	18,903	402,608	123,817	19,021
Nonresidential building construction	160,798	37,665	258,641	240,743	401,523	1,596
	390,246	473,575	955,324	1,113,829	1,304,527	113,693

c) Operating income by business line

Following is a breakdown, by business line, of operating income and the percentage it represents of net sales.

c.1) Gross operating income.

	2004		2003	
	Income	Percentage of net sales	Income	Percentage of net sales
Construction	159,031	5.15	140,001	4.75
Services	285,371	15.69	254,999	14.92
Versia	91,840	17.85	80,646	21.17
Cement	264,988	30.06	276,218	31.91
Other	50,039	—	52,254	—
	851,269	13.54	804,118	13.29

c.2) Net operating income.

	2004		2003	
	Income	Percentage of net sales	Income	Percentage of net sales
Construction	120,691	3.91	103,215	3.50
Services	149,568	8.22	138,586	8.11
Versia	49,650	9.65	45,220	11.87
Cement	172,327	19.55	189,422	21.88
Other	51,349	—	42,489	—
	543,585	8.65	518,932	8.58

d) Financial loss

Financial loss improved significantly as a result of the combination of various factors: reduced indebtedness, lower average interest rates and lower exchange losses than in 2003, and increased revenues from dividends and from transactions involving short-term marketable securities.

e) Extraordinary income / loss

The main items affecting the balance of the "Extraordinary Income/Loss" caption in the accompanying consolidated statement of income are indicated in Notes 2-c, 9 and 17-f above.

f) Labor force

The average number of employees at the companies in 2004 was as follows:

Managers and university graduate employees	2,781
Other line personnel (junior college graduates)	3,115
Clerical and similar staff	5,542
Other salaried employees	51,990
	63,428

Of the foregoing total, the headcount in the construction business was 10,561 employees, of whom 3,467 were permanent employees.

g) Consolidated income

The contribution of the main Group companies to the income attributable to the Parent Company, net of eliminations, adjustments and allocation of the amortization of consolidation goodwill, was as follows:

Aqualia Gestión Integral del Agua, S.A.	18,841
Asesoría Financiera y de Gestión, S.A.	7,927
Cementos Alfa, S.A.	6,605
Cementos Portland Valderrivas, S.A.	53,144
(Cemusa) Corporación Europea de Mobiliario Urbano, S.A.	8,563
Contratas y Ventas, S.A.	8,907
FCC Construcción, S.A.	62,709
FCC Medio Ambiente, S.A.	9,702
Flightcare, S.L.	8,651
Fomento de Construcciones y Contratas, S.A.	77,225
General de Servicios ITV, S.A.	5,733
Ibérica de Servicios y Obras, S.A.	6,044
Realía Business, S.A.	56,701
Other	57,544
	388,297

23. ENVIRONMENTAL INFORMATION

As indicated in Note 3-t, the FCC Group's environmental policy is based not only on strict compliance with legislation in the area of environmental conservation and improvement, but also on the establishment of preventive planning and an environmental analysis of the various activities performed by the Group in order to minimize their impact on the surroundings. The implementation of quality management and environmental management systems and follow-up audits are illustrative of the measures taken by the FCC Group in this area.

By their very nature, the Services area activities are geared towards environmental protection and conservation, not only through the production activity itself (waste collection, operation and control of landfills, sewer cleaning, treatment and elimination of industrial waste, waste water treatment, etc.), but also as a result of performing these activities using production techniques and systems designed to reduce environmental impact, on occasions surpassing the requirements stipulated in the regulations governing this area.

The performance of production activities in the Services area requires the use of specialized structures, plant and machinery that are efficient in terms of environmental protection and conservation. As of December 31, 2004, the acquisition cost of the fixed assets assigned to production in the Services area totaled €1,645,883 thousand and the related accumulated depreciation amounted to €659,291 thousand. The provisions for landfill sealing and shutdown expenses totaled €15,551 thousand.

At year-end the Cementos Portland Valderrivas Group had fixed assets relating to environmental conservation and protection amounting to €46,733 thousand (net of depreciation).

The Construction division adopts environmental practices which make it possible to respect the environment in the performance of construction projects, and minimizes its environmental impact through the following measures: reduction of atmospheric dust emissions; noise and vibration control; control of water discharges with special emphasis on the treatment of effluents generated by construction projects; maximum reduction of waste generation; safeguarding of the biological diversity of animals and plants; protection of urban surroundings due to the occupation, pollution or loss of land and the development of specific training programs for the techniques involved in the environmental decision-making process. It has also implemented an "Environmental Behavior Code" which establishes the requirements for subcontractors and suppliers in the area of environmental conservation and protection.

FCC Group management considers that the Group companies' contingencies relating to environmental protection and improvement as of December 31, 2004, would not have a significant impact on the accompanying consolidated financial statements, which include provisions for contingencies and expenses to cover any environmental contingencies which may arise.

24. FEES PAID TO AUDITORS



The 2004 fees for financial audit services and for other professional services provided to the various Group and multigroup companies composing the FCC Group by the principal auditor and by other auditors participating in the audit of the various Group companies and by entities related to them are shown in the following table.

Fees for financial audit services:		2,782
Principal auditor	1,813	
Other auditors	969	
Fees for other services:		1,002
Principal auditor	538	
Other auditors	464	
		3,784

25. INFORMATION ON THE BOARD OF DIRECTORS



The compensation earned by the directors of Fomento de Construcciones y Contratas, S.A. and payable to them by the Company or by any of the Group, multigroup or associated companies was as follows (in thousands of euros):

Bylaw-stipulated profit sharing	2,230
Salaries	2,748
Attendance fees	66
Other compensation	474
Total	5,518

In the past an insurance policy was arranged and the premium paid to cover the payment of contingencies relating to death and permanent occupational disability, and to retirement bonuses and other benefits for certain of the directors of Fomento de Construcciones y Contratas, S.A. In 2004 no additional payment was made in this connection.

Except as indicated in the foregoing paragraphs, no other compensation, advances, loans or guarantees of any kind were granted to the directors, and there were no pension or life insurance obligations to former or current directors.

Following is a detail of the equity interests owned by the directors of Fomento de Construcciones y Contratas, S.A., or by persons representing them, in companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the corporate purpose of the FCC Group, and of the positions they hold and the functions they discharge thereat. This information was provided by the directors themselves.

Director's name or corporate name	Investee company	Percentage of ownership	Position held or functions discharged
D. Marcelino Oreja Aguirre	Metrovacesa, S.A.	<0.01	
D ^a Alicia Alcocer Koplowitz	A.C.S. Actividades de Construcción y Servicios, S.A.	<0.01	
	Obrascon Huarte Lain, S.A.	<0.01	
D. Pedro A. del Castillo Machado	Eléctrica Maspalomas, S.A.	7.46	Chairman and Chief Executive
	Elmasa Medio Ambiente, S.L.	7.46	Officer Director

The directors of Fomento de Construcciones y Contratas, S.A. have declared that they do not engage in any activity, as independent professionals or as employees, that is identical, similar or complementary to the activity that constitutes the corporate purpose of the Company.

In 2004 Elmasa Patrimonial, S.A. sold to Aqualia Gestión Integral del Agua, S.A. 51% of the capital stock of Gestión de Aguas del Norte, S.A. for €1 million. This transaction was authorized by resolution of the Board of Directors of Fomento de Construcciones, S.A. in conformity with Article 25.4 of the Board's Regulations. Pedro Agustín del Castillo, who together with his family owns the selling company, acts as representative of Ibersuizas Holdings, S.L., which in turn is a member of the Board of Directors of Fomento de Construcciones y Contratas, S.A.

Except as indicated in the preceding paragraph, during the business year the directors of Fomento de Construcciones y Contratas, S.A., or persons acting on their behalf, did not perform, with the Company or with any company of the same Group, any transactions that were not part of the Company's normal business activities or were not conducted on normal market conditions.

26. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

Under Regulation (EC) no. 1606/2002 of the European Parliament and of the Council dated July 19, 2002, all companies governed by the laws of a European Union Member State and whose securities are listed on a regulated market of any EU Member State must present their consolidated financial statements for the years beginning on or after January 1, 2005, in accordance with the International Financial Reporting Standards (IFRSs) ratified by the European Union. In conformity with IFRS 1, for comparison purposes it will be necessary to include in the 2005 consolidated financial statements, the figures for 2004, also prepared in accordance with IFRSs.

In order to comply with the obligation imposed by Regulation (EC) no. 1606/2002 and the provisions of Law 62/2003, the FCC Group has established a plan for the transition to IFRSs that includes, inter alia, the following steps:

1. Analysis of the differences between the methods provided for in the National Chart of Accounts in force in Spain and in IFRSs, and of the effects that such differences might have on the calculation of the estimates required to prepare the financial statements.
2. Selection of the methods to be used in cases or areas for which IFRSs permit alternative treatment.
3. Adaptation of the internal and employee training standards.
4. Assessment, determination and implementation of the appropriate changes to or adaptations of the operating procedures and systems used for compiling and providing the information required in order to prepare the financial statements.
5. Assessment, determination and implementation of the changes that have to be made to the planning and organization of the process involved in the compilation of information and the conversion and consolidation of the information of Group and associated companies.
6. Preparation of the opening consolidated financial statements as of the transition date and of the quarterly financial statements for 2004, both in accordance with IFRSs.

The plan is currently being implemented and will finally be completed during 2005. The analysis performed, taking into account the alternatives being examined by Management, disclosed that the application of IFRSs will not foreseeably have a significant effect on the Group's net worth as of December 31, 2004. However, it is considered that in the future the most significant possible effects may result from the changes in the treatment of business combinations, the valuation of financial instruments, assets and liabilities, and the interpretations to be adopted by the IFRIC on the recording of administrative concessions.

In any case, the final determination of the possible impacts will be subject to the IFRSs and interpretations thereof (IFRIC) that are ultimately in force as of December 31, 2005.

27. CONSOLIDATED COST ACCOUNTING STATEMENTS OF INCOME



	12.31.2004		12.31.2003	
	Amount	%	Amount	%
Net sales	6,285,882	100.00	6,050,472	100.00
+ Other operating revenues	85,186	1.36	73,523	1.22
- Variation in finished goods and work-in-process inventories	21,272	0.34	(8,020)	(0.13)
+ Capitalized expenses of Group work on fixed assets	50,917	0.81	70,618	1.17
Production value	6,400,713	101.83	6,202,633	102.51
- Net purchases	1,004,007	15.97	1,036,641	17.13
- Variation in inventories of merchandise, materials and other consumables	43,642	0.69	(2,459)	(0.04)
- External and operating expenses	2,787,054	44.34	2,738,483	45.26
- Personnel expenses	1,714,741	27.28	1,625,850	26.87
Gross operating income	851,269	13.54	804,118	13.29
- Depreciation and amortization expense	281,260	4.47	263,729	4.36
- Period provision to reversion reserve	5,656	0.09	5,045	0.08
- Bad debts written off and variation in operating allowances	20,768	0.33	16,412	0.27
Net operating income	543,585	8.65	518,932	8.58
+ Financial revenues	65,529	1.04	64,796	1.07
- Financial expenses	86,804	1.38	104,801	1.73
- Variations in investment valuation allowances	7,570	0.12	5,332	0.09
Financial loss	(28,845)	(0.46)	(45,337)	(0.75)
+ Share in income of companies accounted for by the equity method	75,605	1.20	66,406	1.10
- Amortization of consolidation goodwill	20,167	0.32	18,950	0.31
Income from ordinary activities	570,178	9.07	521,051	8.61
+ Gains on fixed assets and extraordinary revenues	78,048	1.24	118,964	1.97
- Losses on fixed assets and extraordinary expenses	44,570	0.71	122,106	2.02
- Variation in tangible fixed asset and intangible asset allowances	364	0.01	21,637	0.36
Income before taxes	603,292	9.60	496,272	8.20
- Corporate income tax	159,072	2.53	126,278	2.09
Consolidated income for the year	444,220	7.07	369,994	6.12
- Income attributed to minority interests	55,923	0.89	61,415	1.02
Income for the year attributed to the parent company	388,297	6.18	308,579	5.10

28. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH



These consolidated financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Group that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

EXHIBIT I. CONSOLIDABLE SUBSIDIARIES

Company	Net book values	%	Nominal percentage of ownership and holder
■ CONSTRUCTION AREA			
FCC Construcción, S.A. Balmes, 36. Barcelona (a)	275,551	99.99 0.01	Fomento de Construcciones y Contratas, S.A. Europea de Gestión, S.A. Sole-shareholder company
Aremi Tecair, S.A. Av. De les Corts Valencianes, 50. Valencia -Air conditioning-	36	60.00	Internacional Tecair, S.A.
Áridos de Melo, S.L. Finca la Barca y el Ballestar, s/n. Barajas de Melo (Cuenca)	60	99.99 0.01	Ibervia Construcciones y Contratas, S.L. Sincler, S.A. Sole-shareholder company
Auxiliar de Pipelines, S.A. Ps. del Club Deportivo, 1. Pozuelo de Alarcón (Madrid) (e)	601	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
BBR Pretensados y Técnicas Especiales, S.L. Retama, 5. Madrid	1,000	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Binattec Al Maghreb, S.A. 213, Rond-Point de L'Europe. Casablanca (Morocco)	88	99.40 0.10 0.10 0.10 0.10 0.10	FCC Construction International B.V. Contratas y Ventas, S.A. Ibérica de Servicios y Obras, S.A. Mantenimiento de Infraestructuras, S.A. Megaplas, S.A. Proyectos y Servicios, S.A. Servicios y Procesos Ambientales, S.A.
Compañía Concesionaria del Túnel de Sóller, S.A. Puerto Pi, 8. Palma de Mallorca (Balearic islands) (d) -Concession-holder-	8,735	56.53	FCC Construcción, S.A.
Concesiones Viales de Costa Rica, S.A. Av. 10 calles 33 y 35. San José (Costa Rica)	–	100	FCC Construcción, S.A.
Conservial, S.L. Manuel Lasala, 36. Zaragoza	276	99.99 0.01	Pinturas Jaque, S.L. Sincler, S.A. Sole-shareholder company
Construcción y Filiales Mexicanas, S.A. de C.V. Homero, 109. Colonia Chapultepec-Morales. Mexico City (Mexico)	180	99.98 0.01 0.01	FCC Construcción, S.A. Proyectos y Servicios, S.A. Sincler, S.A. Sole-shareholder company
Contratas y Ventas, S.A. Asturias, 41. Oviedo (Asturias) (a)	1,516	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Corporación M&S Internacional C.A., S.A. Costa Rica (a)	9,601	50.00	FCC Construcción, S.A.
Dezvoltare Infrastructura, S.A. Strada Garboveni, 61. Bucharest (Rumania)	5	51.03	Sincler, S.A. Sole-shareholder company
Dizara Inversión, S.L. Avda. General Perón, 36. Madrid	6	99.98 0.02	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Especialidades Eléctricas, S.A. Acanto, 22. Madrid (b) -Electrical installations-	10,953	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Espelsa-Luwat, S.A. Acanto, 22. Madrid -Electrical installations-	36	60.00	Especialidades Eléctricas, S.A.
Eurman, S.A. Valentín Beato, 24-26. Madrid -Air conditioning-	120	99.99 0.01	Internacional Tecair, S.A. Tack Inversiones, S.L. Sole-shareholder company
FCC Constructii Romania, S.A. Str Sfantii Voievozi, 49. Bucharest (Rumania)	50	96.00 1.00 1.00 1.00 1.00	FCC Construction International B.V. Dizara Inversión, S.A. Nevasa Inversión, S.L. Sincler, S.L. Sole-shareholder company Tulsa Inversión, S.L.

Company	Net book values	%	Nominal percentage of ownership and holder
FCC Construction International B.V. Amsteldijk, 166 . Amsterdam (Netherlands)	4,190	99.76 0.24	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
FCC Construcción Puerto Rico Corp. 1225 Ponce de León Avenue. Santurce San Juan de Puerto Rico (USA)	1	100	FCC Construcción, S.A.
Gavisa Portugal Montagens Eléctricas Lda. Av. General Humberto Delgado, 1 Santa Comba Dao. Portugal	10	97.00	Montajes Gavisa, S.A.
Ibérica de Enclaves, S.A. Arquitecto Gaudí, 4. Madrid	385	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Ibérica de Servicios y Obras, S.A. Federico Salmón, 13. Madrid (b)	1,504	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Ibervia Construcciones y Contratas, S.L. Avda. General Perón, 36. Madrid	20,006	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Internacional Tecair, S.A. Valentín Beato, 24-26. Madrid (b) -Air conditioning-	4,196	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Mantenimiento de Infraestructuras, S.A. Avda. General Perón, 36. Madrid (b)	3,602	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Marcas Andaluzas, S.L. Hilera, 10. Málaga	246	99.98 0.02	Pinturas Jaque, S.L. Sincler, S.A. Sole-shareholder company
Megaplas, S.A. Hilanderas, 4-14. La Poveda. Arganda del Rey (Madrid) (b)	2,642	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Megaplas Italia, S.P.A.(*) Vía Piamonte, 1. Borgaro (Italy)	–	100	Megaplas, S.A.
Montajes Gavisa, S.A. La Farga, 5-7 Pol. Ind. La Cerrería. Montcada i Reixac (Barcelona) (b)	7,176 14	99.98 0.02	Contratas y Ventas, S.A. Sincler, S.A. Sole-shareholder company
Motre, S.L. Enginyer Algarra, 65. Pals (Girona)	2,519 1,431	63.77 36.23	Servià Cantó, S.A. Moviterra, S.A.
Moviterra, S.A. Enginyer Algarra, 65. Pals (Girona) (e)	600	99.99 0.01	Ibervia Construcciones y Contratas, S.L. Sincler, S.A. Sole-shareholder company
Naturaleza, Urbanismo y Medio Ambiente, S.A. Autovía de Castilla N-620 Km 13. Simancas (Valladolid) (e) -Development and maintenance of greenfield areas-	–	99.95 0.05	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Nevasa Inversión, S.L. Avda. General Perón, 36. Madrid	6	99.98 0.02	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Norseñal, S.L. Juan Flórez, 64. La Coruña	31	99.99 0.01	Pinturas Jaque, S.L. Sincler, S.A. Sole-shareholder company
Participaciones Teide, S.A. Avda. General Perón, 36. Madrid -Portfolio Company-	714	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Pedra Les Gavarres, S.L. Enginyer Algarra, 65. Pals (Girona)	6	99.98 0.02	Ibervia Construcciones y Contratas, S.L. Dizara Inversión, S.L.
Pinturas Jaque, S.L. Pol. Ind. Oeste, Paraje Sangonera El Palmar. Murcia (b)	704	99.99 0.01	Mantenimiento de Infraestructuras, S.A. Sincler, S.A. Sole-shareholder company
Prefabricados Delta, S.A. Arquitecto Gaudí, 4. Madrid (b)	16,914	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Proyectos y Servicios, S.A. Torregalindo, 1. Madrid (b) -Engineering-	522	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Ramalho Rosa Cobetar Sociedade de Construções, S.A. Rua Central Park, 2. Linda a Velha (Portugal) (a)	6,645	99.98 0.01 0.01	FCC Construcción, S.A. Participaciones Teide, S.A. Sincler, S.A. Sole-shareholder company

Company	Net book values	%	Nominal percentage of ownership and holder
Reparalia, S.A. Parque Empresarial Cerro de los Gamos, 1 Pozuelo de Alarcón. Madrid (b)	–	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Señalizaciones de Vías Públicas, S.L. Avda. de Barber, 2. Toledo	182	99.98 0.02	Pinturas Jaque, S.L. Sincler, S.A. Sole-shareholder company
Señalizaciones Levante, S.L. Itálica, 25. Alicante	228	99.98 0.02	Pinturas Jaque, S.L. Sincler, S.A. Sole-shareholder company
Servià Cantó, S.A. Enginyer Algarra, 65. Pals (Girona) (e)	2,400	99.98 0.02	Ibervia Construcciones y Contratas, S.L. Sincler, S.A. Sole-shareholder company
Servicios y Procesos Ambientales, S.A. Avda. General Perón, 36. Madrid (c)	1,108	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Sincler, S.A. Sole-shareholder company Federico Salmón, 13. Madrid	53	100	FCC Construcción, S.A.
Tulsa Inversión, S.L. Avda. General Perón, 36. Madrid	6	99.98 0.02	FCC Construcción, S.A. Sincler, S.A. Sole-shareholder company
Viales de Andalucía, S.L. Avda. Kansas City, 9. Seville	313	99.98 0.02	Pinturas Jaque, S.L. Sincler, S.A. Sole-shareholder company
Valia Sociedad Gestora de Concesiones de Infraestructuras, S.L. Avda. General Perón, 36. Madrid	3 3	50.00 50.00	FCC Construcción, S.A. Ibervia Construcciones y Contratas, S.L.
Xequievia Sinalizaçao de Vias de Comunicaçao, Ltda. Quinta da Mata-Sete-Casa. Loures (Portugal)	–	80.00 20.00	Pinturas Jaque, S.L. Sincler, S.A. Sole-shareholder company

SERVICES AREA

FCC Medio Ambiente, S.A. Federico Salmón, 13. Madrid (a)	35,102 442	98.98 1.02	Fomento de Construcciones y Contratas, S.A. Corporación Financiera Hispánica, S.A.
■■■■ Urban cleaning			
AEBA, Ambiente y Ecología de Buenos Aires, S.A. Tucumán, 1321. 3°. Buenos Aires (Argentina)	148	50.00 5.00	Fomento de Construcciones y Contratas, S.A. AESA, Aseo y Ecología, S.A
Alfonso Benítez, S.A. Federico Salmón, 13. Madrid (a)	374	99.95 0.05	FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company
Castellana de Servicios, S.A. Federico Salmón, 13. Madrid (a)	62	99.98 0.02	FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company
Compañía Catalana de Servicios, S.A. Balmes, 36. Barcelona (b)	29	99.98 0.02	FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company
Corporación Inmobiliaria Ibérica, S.A. Ulises, 18. Madrid	6,442	99.99 0.01	FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company
Egypt Environmental Services, S.A.E. El Cairo. Egypt	1,637 17 17 80	97.00 1.00 1.00 1.00	Fomento de Construcciones y Contratas, S.A. FCC Medio Ambiente, S.A. Alfonso Benítez, S.A. International Services Inc., S.A. Sole-shareholder company
Empresa Comarcal de Serveis Mediambientals del Baix Penedès ECOBP, S.L. Pza. del Centre, 3. El Vendrell (Tarragona) (e)	204	80.00	Fomento de Construcciones y Contratas, S.A.
Focsa Services, U.K. Ltd. Brook House. Oldham Road-Middleton. Manchester (United Kingdom)	1,161	100	FCC Medio Ambiente, S.A.
Focsa Serviços de Saneamento Urbano de Portugal, S.A. Rua Castilho, 75-1°. Lisbon (Portugal)	641	99.96 0.01 0.01 0.01 0.01	FCC Medio Ambiente, S.A. Alfonso Benítez, S.A. FCC International, B.V. International Services Inc., S.A. Sole-shareholder company Servicios Especiales de Limpieza, S.A.

Company	Net book values	%	Nominal percentage of ownership and holder
Giza Environmental Services, S.A.E. El Cairo. Egypt	225 2 2 78	97.00 1.00 1.00 1.00	Fomento de Construcciones y Contratas, S.A. FCC Medio Ambiente, S.A. Alfonso Benítez, S.A. International Services Inc., S.A. Sole-shareholder company
International Services Inc., S.A. Sole-shareholder company Arquitecto Gaudí, 4. Madrid	60	100	FCC Medio Ambiente, S.A.
Jaume Oro, S.L. Avda. de Les Garrigues, 15. Bellpuig (Lleida) (e)	840 9	99.00 1.00	Compañía Catalana de Servicios, S.A. International Services Inc., S.A. Sole-shareholder company
Limpieza e Higiene de Cartagena, S.A. Sor Francisca Armendáriz, 6. Cartagena (Murcia) (a)	270	90.00	FCC Medio Ambiente, S.A.
Limpiezas Urbanas de Mallorca, S.A. Fusters, 18. Polígono Industrial. Manacor (Balearic islands) (e)	5,209	99.92 0.08	Fomento de Construcciones y Contratas, S.A. International Services Inc., S.A. Sole-shareholder company
Municipal de Serveis, S.A. Joan Torrà i Cabrosa, 7. Girona (e)	96	80.00	FCC Medio Ambiente, S.A.
Onyx Gibraltar, Ltd. 2° Floor, Imossi House, 1/5 Irish Town. Gibraltar (United Kingdom)	4	100	FCC Medio Ambiente, S.A.
Recollida i Neteja Oro-Vila, S.L. Avda. de Las Garrigas, 15. Bellpuig (Lleida) (e)	173 1	99.90 0.10	Compañía Catalana de Servicios, S.A. International Services Inc., S.A. Sole-shareholder company
Saneamiento y Servicios, S.A. Ronda Vigilancia, s/n. Cádiz (a)	63	99.98 0.02	FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company
Serveis d'Escombreries i Neteja, S.A. Pardinyes Altes, 13. Lleida (a)	21	99.94 0.06	FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company
Servicios de Levante, S.A. Ctra. de Valencia, Km 3. Castellón de la Plana (a)	63	99.98 0.02	FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company
Servicios Especiales de Limpieza, S.A. Federico Salmón, 13. Madrid (a)	202	99.99 0.01	FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company
Telford & Wrekin Services, Ltd. Granville House, St. Georges Road. Donnington Wood (United Kingdom)	11	100	Focsa Services, U.K. Ltd.
Valorización y Tratamiento de Residuos, S.A. Alameda de Mazarredo, 15-4° A. Bilbao (Vizcaya) (e)	6,927	99.00 1.00	FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company
■■■■ Water treatment and distribution			
Abastecimientos y Saneamientos del Norte, S.A. Sole-shareholder company Uruguay, 11. Vigo (Pontevedra)	601	100	Aqualia Gestión Integral del Agua, S.A.
Adobs Orgànics, S.L. Sant Benet, 21. Manresa (Barcelona)	22	60.00	Aqualia Gestión Integral del Agua, S.A.
Aguas Jaén, S.A. Plaza de los Jardinillos, 6. Jaén (a)	1,118	60.00	Aqualia Gestión Integral del Agua, S.A.
Aguas Torrelavega, S.A. La Viña, 4. Torrelavega (Cantabria) (e)	307	51.00	Aqualia Gestión Integral del Agua, S.A.
Aigües de l'Alt Empordà, S.A. (ADAMSA) Lluís Companys, 43. Roses (Girona)	31	51.40	Aqualia Gestión Integral del Agua, S.A.
Aqua Campiña, S.A. Avda. Blas Infante, 6. Écija (Seville) (e)	541	90.00	Aqualia Gestión Integral del Agua, S.A.
Aqualia Gestión Integral del Agua, S.A. Federico Salmón, 13. Madrid (c)	254,768	99.99 0.01	Fomento de Construcciones y Contratas, S.A. Industrial de Limpiezas y Servicios, S.A. Sole-shareholder company
Colaboración, Gestión y Asistencia, S.A. Federico Salmón, 13. Madrid (e)	326	99.99 0.01	Aqualia Gestión Integral del Agua, S.A. Industrial de Limpiezas y Servicios, S.A. Sole-shareholder company

Company	Net book values	%	Nominal percentage of ownership and holder
Compañía Onubense de Aguas, S.A. Avda. Martín Alonso Pinzón, 8. Huelva	27	60.00	Aqualia Gestión Integral del Agua, S.A.
Conservación de Infraestructuras Urbanas, S.A. Federico Salmón, 13. Madrid (e)	300	99.99 0.01	Aqualia Gestión Integral del Agua, S.A. Industrial de Limpiezas y Servicios, S.A. Sole-shareholder company
Empresa Mixta de Conservación de la Estación Depuradora de Aguas Residuales de Butarque, S.A. Princesa, 3. Madrid	–	70.00	Aqualia Gestión Integral del Agua, S.A.
F.S. Colaboración y Asistencia, S.A. Ulises, 18 Edificio H. Madrid (e)	273	65.00	Colaboración, Gestión y Asistencia, S.A.
Gestión de Aguas del Norte, S.A. Av. de Tirajana, 39. San Bartolomé de Tirajana (Las Palmas)	1,000	51.00	Aqualia Gestión Integral del Agua, S.A.
Graver Española, S.A. Sole-shareholder company Epalza, 8. Bilbao (Vizcaya)	2,073	100	Aqualia Gestión Integral del Agua, S.A.
Inversora Riutort, S.L. Alfonso XIII. Sabadell (Barcelona)	1	90.00	Aqualia Gestión Integral del Agua, S.A.
Sociedad Ibérica del Agua, S.I.A., S.A. Sole-shareholder company Federico Salmón, 13. Madrid	57	100	Aqualia Gestión Integral del Agua, S.A.
Tratamiento Industrial de Aguas, S.A. Federico Salmón, 13. Madrid (e)	652	99.99 0.01	Aqualia Gestión Integral del Agua, S.A. Industrial de Limpiezas y Servicios, S.A. Sole-shareholder company
■■■■ Waste treatment			
Aecosol, S.L. Común de las Eras-Fustiñana (Navarra)	156	99.99 0.01	Ekonor, S.A. FCC Medio Ambiente, S.A.
Azuser, S.L. Camí de la Rambla, 12. Onda (Castellón de la Plana)	2,383	99.95 0.05	FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company
Baltecma, Gestión de Residuos Industriales, S.L. Conradors, parc. 34 P.I. Marratxi. Mallorca (Balearic islands)	46	70.00	Ekonor, S.A.
Bistibieta, S.L. Trinidad, 9. Algorta (Vizcaya)	1,460 77	95.00 5.00	Ekonor, S.A. FCC Medio Ambiente, S.A.
Compañía de Control de Residuos, S.L. Peña Redonda, 27. Pol. Silvota. Llanera (Asturias)	551	64.00	Ekonor, S.A.
Ecoactiva de Medio Ambiente, S.A. Sole-shareholder company (**) Cr. Puebla Albortón a Zaragoza Km 25. Zaragoza	2,904	100	FCC Medio Ambiente, S.A.
Ecodeal-Gestao Integral de Residuos Industriais, S.A. Rua General Pimenta de Castro, 14. Lisbon (Portugal)	76	54.99 0.01	FCC Medio Ambiente, S.A. T.P.A. Técnicas de Protección Ambiental, S.A.
Ecogenesis Societe Anonime Rendering of Cleansing and Waste Management Services Municipalidad de Atenas. Prefectura de Atica (Greece)		51.00	FCC Medio Ambiente, S.A.
Ekonor, S.A. Larras de San Juan. Iruña de Oca (Álava) (b)	53,511	99.99 0.01	FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company
Equipos de Protección Ambiental, S.L. Trinidad, 9. Algorta (Vizcaya)	31	99.98 0.02	Ekonor, S.A. FCC Medio ambiente, S.A.
Fepanor, S.L. Ctra. Andalucía, Km 56. Ocaña (Toledo)	–	78.00	Ekonor, S.A.
Gamasur Campo de Gibraltar, S.L. Pz. de la Iglesia, 1. Los Barrios (Cádiz)	1,853	85.00	Gestiones Medioambientales del Sur, S.L.
Gestió i Recuperació de Terrenys, S.A. Paratge Vacamorta. Cruïlles (Girona)	15,897	100	Recuperació de Pedreres, S.L.
Gestiones Medioambientales del Sur, S.L. Polígono Industrial Las Quemadas, parc. 271. Córdoba (b)	1,688	99.50	Ekonor, S.A.

Company	Net book values	%	Nominal percentage of ownership and holder
Hidrocen, S.L. Camino del Valle, 12. Arganda del Rey (Madrid) (b)	2,019	99.99 0.01	Ekonor, S.A. FCC Medio Ambiente, S.A.
Ingetma, S.A. Juan Bautista Zabala, 12. Guecho (Vizcaya) -In liquidation-	170	75.00	T.P.A., Técnicas de Protección Ambiental, S.A.
Innovación y Gestión Medioambiental, S.A. Camí de la Rambla. Onda (Castellón de la Plana)	825	99.33	Ekonor, S.A.
Ipodec Riscop, S.A. Sole-shareholder company Ctra. Sabadell a Mollet, Km 1 Molí d'en Gall. Barberà del Vallès (Barcelona) (b)	1,556	100	FCC Medio Ambiente, S.A.
Jaime Franquesa, S.A. Pol. Ind. Zona Franca Sector B Calle D49 (Barcelona)	18,515	99.99 0.01	FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company
Ligete, S.L. Trinidad, 9. Algorta (Vizcaya)	691	99.98 0.02	Ekonor, S.A. FCC Medio Ambiente, S.A.
Limpiezas Industriales Alfus, S.A. Barrio Ibarra, 20. Bedia (Vizcaya) (e)	11,271	70.00	FCC Medio Ambiente, S.A.
Lizarreka, S.L. Bº Elbarrena. Aduna (Guipúzcoa)	4	99.97 0.03	Ekonor, S.A. FCC Medio Ambiente, S.A.
Recitermia, S.A. Cr. Andalucía Km 12. Políg. Indus. "Los Olivos". Getafe. (Madrid)	1,031	100	T.P.A., Técnicas de Protección Ambiental, S.A.
Recuperació de Pedreres, S.L. Paratge Vacamorta. Cruïlles (Girona) (b)	13,162	80.00	FCC Medio Ambiente, S.A.
Técnicas de Descontaminación, S.A. Polígono Guarnizo, parcela 97. El Astillero (Cantabria)	1,503	99.99 0.01	Limpiezas Industriales Alfus, S.A. FCC Medio Ambiente, S.A.
Tratamiento y Reciclado Integral de Ocaña, S.A. Federico Salmón, 13. Madrid	57	99.90 0.10	FCC Medio Ambiente, S.A. T.P.A. Técnicas de Protección Ambiental, S.A.
Tratamientos y Recuperaciones Industriales, S.A. Angli, 31. Barcelona (b)	21,455 14	74.92 0.08	Fomento de Construcciones y Contratas, S.A. International Services Inc., S.A. Sole-shareholder company
T.P.A. Fugro, S.A. Federico Salmón, 13. Madrid	214	60.00	T.P.A., Técnicas de Protección Ambiental, S.A.
T.P.A., Técnicas de Protección Ambiental, S.A. Federico Salmón, 13. Madrid (b)	4,904	99.99 0.01	FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company

■ VERSIA

FCC Versia, S.A. Federico Salmón, 13. Madrid (a)	62,624	99.99 0.01	Fomento de Construcciones y Contratas, S.A. Europea de Gestión, S.A. Sole-shareholder company
Industrial de Limpiezas y Servicios, S.A. Sole-shareholder company Federico Salmón, 13. Madrid (b) -Portfolio Company-	300	100	FCC Versia, S.A.

■■■■ Logistics

Aitena Portugal, Almacenage Transporte e Distribuição de Mercaderias, S.A. Cr. Nacional 1, km 33,4. Alenquer (Portugal) (e)	1,754	99.99	Aitena, Sociedad Anónima Inmobiliaria y de Transportes
Aitena, Sociedad Anónima Inmobiliaria y de Transportes Avda. Fuentesmar, 19. Coslada (Madrid) (a)	8,551	100	Grucycsa, S.A.
Logística Navarra, S.A. C/E Polígono Arazuri Orcoyen Parc 3.8. Pamplona (Navarra) (a)	4,520	99.99 0.01	Grucycsa, S.A. T.A.C.K. Inversiones, S.L. Sole-shareholder company
LNP-Logística, Lda. Estrada Nacional nº 3 km 5,7 Vila Nova da Rainha. Azambuja (Portugal) (e)	900 100	90.00 10.00	Logística Navarra, S.A. Aitena Portugal Almacenage Transporte e Distribuição de Mercaderias, S.A.

Company	Net book values	%	Nominal percentage of ownership and holder
■■■■ Street furniture			
Beta de Administración, S.A. Federico Salmón, 13. Madrid (b)	7,302	99.99 0.01	FCC Versia, S.A. Aragonesa de Servicios I.T.V., S.A.
Camusa Corporación Americana de Mobiliario Urbano, S.A. Arenales, 1123. Buenos Aires (Argentina)	4	99.00 1.00	Cemusa, Corporación Europea de Mobiliario Urbano, S.A. General de Servicios, I.T.V., S.A.
Cemusa Amazonia, S.A. Rua Comendador Clementino, 566 Manaus. Estado do Amazonas (Brazil) (b)	853	100	Cemusa Do Brasil Ltda.
Cemusa Brasília, S.A. SAA/Norte Quadra, 02,25. Brasília (Brasília DF. Brazil) (b)	1,734	100	Cemusa Do Brasil Ltda.
Cemusa, Corporación Europea de Mobiliario Urbano, S.A. Francisco Sancha, 24. Madrid (b)	51,502	99.99 0.01	FCC Versia, S.A. Industrial de Limpiezas y Servicios, S.A. Sole-shareholder company
Cemusa Do Brasil Ltda. Rua Funchal, 263. Sao Paolo (Brazil) (b)	7,837	99.99 0.01	Cemusa, Corporación Europea de Mobiliario Urbano, S.A. Industrial de Limpiezas y Servicios, S.A. Sole-shareholder company
Cemusa Inc. City of Dover. County Kent. Delaware (USA)	5	100	Cemusa, Corporación Europea de Mobiliario Urbano, S.A.
Cemusa Italia, S.R.L. Vía Vincenzo Monti, 8. Milan (Italy)	10	99.95 0.05	Cemusa, Corporación Europea de Mobiliario Urbano, S.A. Industrial de Limpiezas y Servicios, S.A. Sole-shareholder company
Cemusa Miami, Ltd. Florida. USA	4,427	79.00 21.00	Cemusa, Corporación Europea de Mobiliario Urbano, S.A. Cemusa Inc..
Cemusa Portugal, Companhia de Mobiliario Urbano e Publicidade, S.A. Avda. de Pádua, 14. Lisbon (Portugal) (b)	7,569	100	Cemusa, Corporación Europea de Mobiliario Urbano, S.A.
Cemusa Rio, S.A. Avda. Atlántica, 1130. Copacabana. Río de Janeiro (Brazil) (b)	6,666 345	95.00 5.00	Cemusa, Corporación Europea de Mobiliario Urbano, S.A. Cemusa Do Brasil, Ltda.
Cemusa Salvador, S.A. Rua Dr. Altino Teixeira, 302. Loteamento Porto Seco Piraja. Salvador Bahía (Brazil) (b)	—	60.00 5.00	Cemusa, Corporación Europea de Mobiliario Urbano, S.A. Cemusa Do Brasil, Ltda.
Cemusa San Antonio, Ltd. 645 N. Michigan Ave Ste. 800 Chicago. Illinois (USA)	206	99.00 1.00	Cemusa Texas, LLC. Cemusa San Antonio GP, LLC.
Cemusa San Antonio GP, LLC. 645 N. Michigan Ave Ste. 800 Chicago. Illinois (USA)	65	100	Cemusa Inc.
Cemusa Texas, LLC. 645 N. Michigan Ave Ste. 800 Chicago. Illinois (USA)	215	100	Cemusa Inc.
Servicios de Publicidad Urbanos, S.A. Atenas, Nave 46 Pol. Ind. San Luís. Málaga	451	75.00	Cemusa, Corporación Europea de Mobiliario Urbano, S.A.
Zona Verde Promoção e Marketing Lim. R. Cândido dos Reis, 90. Vera Cruz (Portugal)	1,027	100	Cemusa Portugal, Companhia de Mobiliario Urbano e Publicidade, S.A.
■■■■ Parking lots and traffic services			
Aparcamientos Concertados, S.A. Arquitecto Gaudí, 4. Madrid (a)	1,188	99.99 0.01	Estacionamientos y Servicios, S.A. Industrial de Limpiezas y Servicios, S.A. Sole-shareholder company
Casa Park, S.A. 27 Rue Bapaume. Casablanca (Morocco)	48	97.87 0.01 0.01 0.01	Estacionamientos y Servicios, S.A. Aparcamientos Concertados, S.A. FCC Versia, S.A. Beta de Administración, S.A.
Casa Park Moulay Youseff, S.A.R.L. 27 Rue Bapaume. Casablanca (Morocco)	—	99.90	Estacionamientos y Servicios, S.A.
Conservación y Sistemas, S.A. Federico Salmón, 13. Madrid (a)	301	99.99 0.01	C.G.T. Corporación General de Transportes, S.A. Industrial de Limpiezas y Servicios, S.A. Sole-shareholder company

Company	Net book values	%	Nominal percentage of ownership and holder
Empresa Mixta de Tráfico de Gijón, S.A. P. Ind. Promosa Nave 27. El Plano- Tremañes. Gijón (Asturias) (a)	513	60.00	Estacionamientos y Servicios, S.A.
Estacionamientos y Servicios, S.A. Federico Salmón, 13. Madrid (a)	34,760	99.99 0.01	FCC Versia, S.A. Industrial de Limpiezas y Servicios, S.A. Sole-shareholder company
■■■■ Passenger handling and transport			
Belgian Ground Services, S.A. Avenue Louise, 149. Ixelles (Brussels). Belgium (a)	15,000	99.99 0.01	Flightcare, S.L. Beta de Administración, S.A.
C.G.T. Corporación General de Transportes, S.A. Federico Salmón, 13. Madrid (a)	13,373	99.99 0.01	FCC Versia, S.A. Industrial de Limpiezas y Servicios, S.A. Sole-shareholder company
Flightcare, S.L. Federico Salmón, 13. Madrid (a)	22,535	99.99 0.01	FCC Versia, S.A. Industrial de Limpiezas y Servicios, S.A. Sole-shareholder company
■■■■ Vehicle roadworthiness testing			
Aragonesa de Servicios I.T.V., S.A. Federico Salmón, 13. Madrid (e)	3,133	99.99 0.01	General de Servicios I.T.V., S.A. I.T.V. Insular, S.A.
Argam, S.A. Galileo, 2446. Buenos Aires (Argentina)	121	99.99 0.01	I.T.V. Insular, S.A. Beta de Administración, S.A.
Concesionaria Zona 5, S.A. C/7 Número 374. La Plata. Buenos Aires (Argentina)	532	50.00 50.00	C.T.V., S.A. General de Servicios I.T.V., S.A.
C.T.V., S.A. Coronel Esteban Bonorino, 277. Buenos Aires (Argentina)	177	99.99 0.01	General de Servicios I.T.V., S.A. Beta de Administración, S.A.
Ecovec, S.A. Coronel Esteban Bonorino, 271. Buenos Aires (Argentina)	600	99.99 0.01	I.T.V. Insular, S.A. Beta de Administración, S.A.
General de Servicios I.T.V., S.A. Federico Salmón, 13. Madrid (e)	9,188	99.99 0.01	Beta de Administración, S.A. Aragonesa de Servicios I.T.V., S.A.
Geral I.S.V. Brasil Ltda. Av. Rio Branco, 131, 10º Andar Parte Centro Río de Janeiro (Brazil)	69	99.99 0.01	FCC International, B.V. Aragonesa de Servicios I.T.V., S.A.
I.T.V., S.A. Luzuriaga, 345. Buenos Aires (Argentina)	146	99.00 1.00	General de Servicios I.T.V., S.A. I.T.V. Insular, S.A.
I.T.V. Insular, S.A. Federico Salmón, 13. Madrid (e)	6,512	99.99 0.01	General de Servicios I.T.V., S.A. Aragonesa de Servicios I.T.V., S.A.
Verauto La Plata, S.A. Avda. Belgrano, 634. Buenos Aires (Argentina)	572 171 114	50.00 37.50 10.00	Ecovec, S.A. I.T.V. Insular, S.A. Argam, S.A.
VTV Verificaciones Técnicas Vehiculares de Argentina, S.A. San Martín, 140. Buenos Aires (Argentina)	303	99.95 0.05	Aragonesa de Servicios I.T.V., S.A. Industrial de Limpieza y Servicios, S.A. Sole-shareholder company
■ CEMENT AREA			
Cementos Portland Valderrivas, S.A. Estella, 6. Pamplona (Navarra) (a)	175,953 571	58.70 0.06	Fomento de Construcciones y Contratas, S.A. Compañía Auxiliar de Agencia y Mediación, S.A. Sole-shareholder company
	7	0.01	Participaciones Estella 6, S.L. Sole-shareholder company
	3	0.01	Hormigones y Morteros Preparados, S.A. Sole-shareholder company
	2	0.01	Compañía Gral. de Servicios Empresariales, S.A. Sole-shareholder company
	2	0.01	Corporación Española de Servicios, S.A.
	2	0.01	Corporación Financiera Hispánica, S.A.
	2	0.01	Europea de Gestión, S.A. Sole-shareholder company

Company	Net book values	%	Nominal percentage of ownership and holder
Almacenes, Tránsitos y Reexpediciones, S.A. Sole-shareholder company Calderón de la Barca, 4. Santander (Cantabria)	1,164	100	Cementrade, S.A. Sole-shareholder company
Áridos Andújar, S.L. Sole-shareholder company Cr. de los Villares Km 7,5. Andújar (Jaén)	7,043	100	Áridos y Premezclados, S.A. Sole-shareholder company
Áridos de Navarra, S.A. Estella, 6. Pamplona (Navarra)	1	66.00	Hormigones Arkaitza, S.A. Sole-shareholder company
Áridos y Premezclados, S.A. Sole-shareholder company José Abascal, 59. Madrid (a)	25,437	100	Cementos Portland Valderrivas, S.A.
Atracem, S.A. Sole-shareholder company José Abascal, 59. Madrid (a) -Goods transportation and sale of construction materials-	1,000	100	Cementos Portland Valderrivas, S.A.
Cántabra Industrial y Minera, S.A. Sole-shareholder company Calderón de la Barca, 4. Santander (Cantabria)	542	100	Cementos Alfa, S.A.
Canteras de Aláiz, S.A. Estella, 6. Pamplona (Navarra) (c)	14,237	70.02	Cementos Portland Valderrivas, S.A.
Canteras del Pirineo Occidental, S.A. Estella, 6. Pamplona (Navarra)	1,159	60.00 40.00	Cementos Portland Valderrivas, S.A. Cementos Lemona, S.A.
Canteras Villallano, S.L. Poblado de Villallano. Palencia	3,481	100	Cementos Alfa, S.A.
Cemensilos, S.A. Calderón de la Barca, 4. Santander (Cantabria) -Wholesale of construction materials-	674	100	Cementos Alfa, S.A.
Cementos Alfa, S.A. Calderón de la Barca, 4. Santander (Cantabria) (b)	26,403	76.56 0.01 0.01	Cementos Portland Valderrivas, S.A. Compañía Auxiliar de Bombeo de Hormigón, S.A. Sole-shareholder company Participaciones Estella 6, S.L. Sole-shareholder company
Cementrade, S.A. Sole-shareholder company Calderón de la Barca, 4. Santander (Cantabria) -Wholesale of construction materials-	1,199	100	Cementos Alfa, S.A.
Compañía Auxiliar de Bombeo de Hormigón, S.A. Sole-shareholder company José Abascal, 59. Madrid (a)	451	100	Hormigones y Morteros Preparados, S.A. Sole-shareholder company
Explotaciones San Antonio, S.L. Sole-shareholder company Calderón de la Barca, 4. Santander (Cantabria) -Quartz mining-	1,941	100	Cementos Alfa, S.A.
Giant Cement Holding, Inc. 320-D Midland Parkway. Sumerville-South Carolina (USA) (a)	157,518	100	Cementos Portland Valderrivas, S.A.
Hormigones Arkaitza, S.A. Sole-shareholder company Estella, 6. Pamplona (Navarra) (c)	5,738	100	Cementos Portland Valderrivas, S.A.
Hormigones de la Jacetania, S.A. Llano de la Victoria, s/n. Jaca (Huesca)	141 222	50.00 25.00	Cementos Portland Valderrivas, S.A. Hormigones y Áridos del Pirineo Aragonés, S.A.
Hormigones del Zadorra, S.A. Sole-shareholder company Estella, 6. Pamplona (Navarra)	1,294	100	Canteras del Pirineo Occidental, S.A.
Hormigones Reinosa, S.A. Sole-shareholder company Calderón de la Barca, 4. Santander (Cantabria)	942	100	Cementos Alfa, S.A.
Hormigones y Morteros Preparados, S.A. Sole-shareholder company José Abascal, 59. Madrid (a)	5,786	100	Cementos Portland Valderrivas, S.A.
Participaciones Estella 6, S.L. Sole-shareholder company Estella, 6. Pamplona (Navarra) -Inactive-	6	100	Cementos Portland Valderrivas, S.A.

Company	Net book values	%	Nominal percentage of ownership and holder
■ OTHER ACTIVITIES			
■■■■ Portfolio and instrumentality companies			
Afigesa Inversión, S.L. Sole-shareholder company Federico Salmón, 13. Madrid (b)	73,607	100	Asesoría Financiera y de Gestión, S.A.
Asesoría Financiera y de Gestión, S.A. Federico Salmón, 13. Madrid (b)	220,962 3,008	56.15 43.84 0.01	Corporación Financiera Hispánica, S.A. Fomento de Construcciones y Contratas, S.A. Compañía General de Servicios Empresariales, S.A. Sole-shareholder company
Compañía Auxiliar de Agencia y Mediación, S.A. Sole-shareholder company Federico Salmón, 13. Madrid	1,657	100	Fomento de Construcciones y Contratas, S.A.
Compañía General de Servicios Empresariales, S.A. Federico Salmón, 13. Madrid	60	100	Fomento de Construcciones y Contratas, S.A. Sole-shareholder company
Corporación Española de Servicios, S.A. Federico Salmón, 13. Madrid	44	99.99 0.01	Fomento de Construcciones y Contratas, S.A. Europea de Gestión, S.A. Sole-shareholder company
Corporación Financiera Hispánica, S.A. Federico Salmón, 13. Madrid	69,818	99.98 0.01 0.01	Fomento de Construcciones y Contratas, S.A. Compañía General de Servicios Empresariales, S.A. Sole-shareholder company Europea de Gestión, S.A. Sole-shareholder company
Europea de Gestión, S.A. Sole-shareholder company Federico Salmón, 13. Madrid	63	100	Fomento de Construcciones y Contratas, S.A.
Eusko Lanak, S.A. Federico Salmón, 13. Madrid	59	99.99 0.01	Corporación Financiera Hispánica, S.A. Compañía General de Servicios Empresariales, S.A. Sole-shareholder company
FCC Construcciones y Contratas Internacional, S.L. Federico Salmón, 13. Madrid	3	100	Fomento de Construcciones y Contratas, S.A. Sole-shareholder company
FCC Finance, B.V. Amsteldijk, 166. Amsterdam (Netherlands) (b)	38,246	100	FCC International, B.V.
FCC Fomento de Obras y Construcciones, S.L. Federico Salmón, 13. Madrid	3	100	Fomento de Construcciones y Contratas, S.A. Sole-shareholder company
FCC Inmobiliaria Conycon, S.L. Sole-shareholder company Federico Salmón, 13. Madrid	3	100	Fomento de Construcciones y Contratas, S.A.
FCC International, B.V. Amsteldijk, 166. Amsterdam (Netherlands) (b)	40,718	100	Fomento de Construcciones y Contratas, S.A.
FCC 1, S.L. Sole-shareholder company Federico Salmón, 13. Madrid	3	100	Fomento de Construcciones y Contratas, S.A.
Fomento Internacional, Focsa, S.A. Federico Salmón, 13. Madrid	69	99.93 0.07	Fomento de Construcciones y Contratas, S.A. Europea de Gestión, S.A. Sole-shareholder company
F-C y C, S.L. Sole-shareholder company Federico Salmón, 13. Madrid	3	100	Fomento de Construcciones y Contratas, S.A.
Grucycsa, S.A. Plaza Pablo Ruiz Picasso, 1. Madrid (a)	156,786	100	Fomento de Construcciones y Contratas, S.A.
Puerto Cala Merced, S.A. Arquitecto Gaudí, 4. Madrid	56	99.99 0.01	Corporación Financiera Hispánica, S.A. Compañía General de Servicios Empresariales, S.A. Sole-shareholder company
T.A.C.K. Inversiones, S.L. Sole-shareholder company Arquitecto Gaudí, 4. Madrid	6	100	Grucycsa, S.A.

Company	Net book values	%	Nominal percentage of ownership and holder
Marketing of industrial equipment			
Equipos y Procesos, S.A. Conde de Peñalver, 45. Madrid	150	80.73	Sistemas y Vehículos de Alta Tecnología, S.A.
High Technology Vehicles, Inc. Centre Road, 1013 Wilmington. Delaware (USA)	38	100	Sistemas y Vehículos de Alta Tecnología, S.A.
Sistemas y Vehículos de Alta Tecnología, S.A. Conde de Peñalver, 45. Madrid (b)	180	99.99 0.01	Grucyca, S.A. T.A.C.K. Inversiones, S.L. Sole-shareholder company
Insurance and reinsurance brokerage			
Asiris, S.A. Correduría de Seguros Pº de la Castellana, 111. Madrid (a)	160 30	75.00 25.00	Asesoría Financiera y de Gestión, S.A. Fomento de Construcciones y Contratas, S.A.
Fir Re Société Anonyme 19 Rue de Bitbourg. Luxembourg (b)	1,382 5	99.67 0.33	FCC International, B.V. Asesoría Financiera y de Gestión, S.A.
Management of buildings			
Fedemes, S.L. Federico Salmón, 13. Madrid	10,764 1,018	92.67 7.33	Fomento de Construcciones y Contratas, S.A. Corporación Financiera Hispánica, S.A.
Per Gestora Inmobiliaria, S.L. Pz. Pablo Ruiz Picasso. Madrid (a)	48	80.00	Fomento de Construcciones y Contratas, S.A.
Security and surveillance			
Falcon Contratas y Seguridad, S.A. Ronda de Poniente, 13 Locales E2 y P1. Tres Cantos (Madrid) (e)	311	70.00	Grucyca, S.A.
Falcon Contratas y Servicios Auxiliares, S.A. Ronda de Poniente, 13 Local E5. Tres Cantos (Madrid)	60	99.90 0.10	Falcon Contratas y Seguridad, S.A. T.A.C.K. Inversiones, S.L. Sole-shareholder company
Formación y Contratas, S.A. Ronda de Poniente, 13 Local E1. Tres Cantos (Madrid)	60	99.90 0.10	Falcon Contratas y Seguridad, S.A. T.A.C.K. Inversiones, S.L. Sole-shareholder company

Notes:

- The financial statements of all the companies listed above are as of December 31, 2004.
- As required by Article 86 of the revised Corporations Law, in 2004 the Group companies made the related notifications to the companies in which they had acquired direct or indirect holdings of over 10%.
- The main Group companies were audited by Deloitte & Touche, PricewaterhouseCoopers, KPMG Peat Marwick and Ernst & Young, as indicated in the foregoing list with the letters (a), (b), (c) and (d), respectively. Other audit firms are grouped under the letter (e).

(*) Formerly Sanfilippo Messaggi Luminosi, S.R.L.

(**) Formerly Euroresiduos, S.A. (Sole-shareholder company).

EXHIBIT II. MULTIGROUP COMPANIES

Company	Net book values	%	Nominal percentage of ownership and holder
■ CONSTRUCTION AREA			
Ace Acessibilidade Das Antas Construção e Obras Públicas Rua da Constituição, 797. Porto (Portugal)	–	50.00 25.00 25.00	Ramalho Rosa Cobetar Sociedade de Construções, S.A. Construtora Do Tâmega, S.A. Somague Engenharia, S.A.
Ace Acestrada Construção de Estradas Na rua Julieta Ferrao, 12. Lisbon (Portugal)	–	13.33 20.00 20.00 20.00	Ramalho Rosa Cobetar Sociedade de Construções, S.A. Sociedade de Construções Soares da Costa, S.A. Teixeria Duarte Engenharia e Construções, S.A. ACS, Actividades de Construcciones y Servicios, S.A.
Ace Epos-Dragados-Sopol-Ramalho Rosa Cobetar Avda. Casal Riberio, 18. Lisbon (Portugal)	–	13.33 43.33 13.34 30.00	Ramalho Rosa Cobetar Sociedade de Construções, S.A. Empresa Portuguesa de Obras Subterrâneas, Ltda. Sociedades Gral. de Construção e Obras Públicas, S.A. Dragados Obras y Proyectos, S.A.
Ace FCC Construcción e Edifer Rua Soeiro Pereira Gomes, 7. Lisbon (Portugal)	–	50.00 50.00	FCC Construcción, S.A. Edifer Construções Pires Coelho e Fernandes, S.A.
Ace Fomento de Construcciones y Contratas e Soares da Costa Rua Soeiro Pereira Gomes, 7. Lisbon (Portugal)	–	50.00 50.00	Ramalho Rosa Cobetar Sociedade de Construções, S.A. Sociedade de Construções Soares Da Costa, S.A.
Ace Infraestructuras Das Antas. Construção e Obras Públicas Rua Soeiro Pereira Gomes, 7. Lisbon (Portugal)	–	33.33 33.33 33.34	Ramalho Rosa Cobetar Sociedade de Construções, S.A. Construtora Do Tâmega, S.A. Somague Engenharia, S.A.
Ace Ramalho Rosa Cobetar e Edifer Rua Soeiro Pereira Gomes, 7. Lisbon (Portugal)	–	55.90 0.10 44.00	Ramalho Rosa Cobetar Sociedade de Construções, S.A. FCC Construcción, S.A. Edifer Construções Pires Coelho e Fernandes, S.A.
Ace Ramalho Rosa Cobetar & Soares Da Costa Rua Soeiro Pereira Gomes, 7. Lisbon (Portugal)	–	50.00 50.00	Ramalho Rosa Cobetar Sociedade de Construções, S.A. Sociedade de Construções Soares Da Costa, S.A.
Ace Spie, Ramalho Rosa Cobetar, Etermar Avda. Marechal Craveiro Lopes, 8. Lisbon (Portugal)	–	35.00 35.00 30.00	Ramalho Rosa Cobetar Sociedade de Construções, S.A. Spie Batignolles T.P. Etermar, Emp. de Obras Terrestres y Marítimas
Ace Túnel Rua de Ceuta, Construção e Obras Públicas Rua da Constituição, 797. Lisbon (Portugal)	–	49.50 49.50 1.00	FCC Construcción, S.A. Spie Batignolles, T.P. Idom, Ingeniería y Consultoría, S.A.
Auxel Electricidad Auxiliar A.I.E. Acanto, 22. Madrid -Electrical installations-	5	75.00 15.00 10.00	Especialidades Eléctricas, S.A. Fapsa Instalaciones y Obras, S.A. Tendisa, S.A.
Construcciones Olabarri, S.L. Plaza Pio Baroja, 3. Bilbao (Vizcaya)	1,683	49.00 51.00	Ibervia Construcciones y Contratas, S.L. José Luis Olabarri Zalvide
Constructora Aeropuerto Santiago Limitada Alfredo Barros Errazuriz, 1953. Santiago (Chile)	15	50.00 50.00	FCC Construcción, S.A. ACS, Actividades de Construcciones y Servicios, S.A.
Dragados FCC Canadá, Inc. 200 King Street West -Toronto (Canada)	–	50.00 50.00	FCC Construction International, B.V. Dragados FCC Netherlands, B.V.
■ SERVICES AREA			
■■■■ Urban cleaning			
Beacon Waste Limited 106 High Street. Evesham-Worcestershire (United Kingdom)	910	100	Mercia Waste Management, Ltd.
Compañía de Servicios Medioambientales Do Atlántico, S.A. Cr. de Cedeira Km 1. Narón (San Xulián) – La Coruña (e)	294	49.00 51.00	Aqualia Gestión Integral del Agua, S.A. Narón Municipal Council
Ecoparc del Besòs, S.A. Rambla Catalunya, 91-93. Barcelona	4,163 2,621	54.00 31.00 10.00	Tratamiento Industrial de Residuos Sólidos, S.A. Fomento de Construcciones y Contratas, S.A. Tractament i Selecció de Residus, S.A.

Company	Net book values	%	Nominal percentage of ownership and holder
Ecoserveis Urbans de Figueres, S.L. Av. de les Alegries, s/n. Lloret de Mar (Girona)	301	50.00 50.00	Fomento de Construcciones y Contratas, S.A. Tractaments Alt Empordà, S.L.
Empresa Mixta de Limpieza de la Villa de Torrox, S.A. Pz. de la Constitución, 1. Torrox (Málaga) (e)	300	50.00 50.00	Fomento de Construcciones y Contratas, S.A. Torrox Municipal Council
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A. Pza. Al Andalus, 1. Rincón de la Victoria (Málaga) (b)	301	50.00 50.00	Fomento de Construcciones y Contratas, S.A. Rincón de la Victoria Municipal Council
Fisera Ecoserveis, S.A. Alemania, 5. Figueres (Girona)	532	72.72 27.28	Ecoserveis Urbans de Figueres, S.L. Figueres de Serveis, S.A. Sole-shareholder company
Hades Soluciones Medioambientales, S.L. Mayor, 3. Cartagena (Murcia)	60	50.00	FCC Medio Ambiente, S.A.
Ingeniería Urbana, S.A. Av. Saturno, 6. Alicante (a)	3,786	35.00 35.00 30.00	Fomento de Construcciones y Contratas, S.A. Segema Servicios Generales del Medio Ambiente, S.A. Enrique Ortiz e Hijos Contratistas de Obras, S.A.
Mercia Waste Management, Ltd. Brook House. Oldham Road, Middleton. Manchester (United Kingdom)	71	50.00 50.00	Focsa Services U.K. Ltd. Urbaser Limited
Servicios de Limpieza Integral de Málaga III, S.A. Camino de la Térmica, 83. Málaga (b)	3,065	51.00	Servicios Urbanos de Málaga, S.A.
Servicios Urbanos de Málaga, S.A. Ulises, 18. Madrid	1,610	51.00 49.00	Fomento de Construcciones y Contratas, S.A. Urbana de Servicios Ambientales, S.L.
Severn Waste Services Limited Brook House. Oldham Road, Middleton. Manchester (United Kingdom)	177	50.00 50.00	Focsa Services U.K. Ltd. Urbaser Limited
Tratamiento Industrial de Residuos Sólidos, S.A. Rambla Catalunya, 91. Barcelona	1,286	33.33 33.33 33.33	FCC Medio Ambiente, S.A. Concesionaria Barcelonesa, S.A. Urbaser, S.A.
■■■■ Water treatment and distribution			
Aguas y Servicios de la Costa Tropical de Granada, A.I.E. Plaza de la Aurora, s/n. Motril (Granada) (e)	828	51.00	Aqualia Gestión Integral del Agua, S.A.
Aigües de Girona, Salt i Sarrià de Ter, S.A. Ciudadans, 11. Girona	481	80.00 14.00 4.00 2.00	Girona, S.A. Girona Municipal Council Salt Municipal Council Sarrià de Ter Municipal Council
Empresa Mixta de Aguas y Servicios, S.A. Alarcos, 13. Ciudad Real	97	55.00	Gestión de Servicios Hidráulicos de Ciudad Real, A.I.E.
Empresa Municipal de Aguas de Benalmádena, EMABESA Expl. Aparc. Tívoli, s/n. Arroyo de la Miel (Málaga) (e)	1,310	50.00 50.00	Aqualia Gestión Integral del Agua, S.A. Benalmádena Municipal Council
Generavila, S.A. Pz. de la Catedral, 11 – Ávila (e)	428	36.00 36.00 18.00 10.00	Aqualia Gestión Integral del Agua, S.A. Ávila Municipal Council Caja de Ahorros de Ávila Ávila Provincial Government
Gestión de Servicios Hidráulicos de Ciudad Real, A.I.E. Ramírez de Arellano, 15. Madrid	—	75.00	Aqualia Gestión Integral del Agua, S.A.
Girona, S.A. Travesía del Carril, 2. Girona	365	33.61	Aqualia Gestión Integral del Agua, S.A.
Itam Delta de la Tordera A.I.E. Berlín, 38-48. Barcelona	3	49.90 0.10 0.10 49.90	Aqualia Gestión Integral del Agua, S.A. FCC Construcción, S.A. Servicios y Procesos Ambientales, S.A. Proyectos e Instalaciones de Desalación, S.A.

Company	Net book values	%	Nominal percentage of ownership and holder
Searsa. Cañellas, A.I.E. Pasaje Can Faixina, 11. Palma de Mallorca (Balearic islands)	–	50.00	Sociedad de Explotación de Aguas Residuales, S.A.
Sociedad de Explotación de Aguas Residuales, S.A. Bruc, 49. Barcelona (a)	1,044	50.00 50.00	Aqualia Gestión Integral del Agua, S.A. Sociedad General de Aguas de Barcelona, S.A.
Sociedad Española de Aguas Filtradas, S.A. Jacometrezo, 4. Madrid	575	50.00 50.00	Aqualia Gestión Integral del Agua, S.A. Corporación Agbar, S.A.
Zabalgardi, S.A. Rodríguez Arias, 6. Bilbao (Vizcaya)	7,445	26.00 26.00 20.00 10.00 8.00 5.00 5.00	Valorización y Tratamiento de Residuos, S.A. Sener Grupo de Ingeniería, S.A. Vizcaya Provincial Government Ente Vasco de la Energía Instituto para la Diversificación y Ahorro de la Energía, S.A. Bilbao Bizkaia Kutxa Association of Municipalities on the Left Bank of the River of the River Nervión

■■■■ Waste treatment

Atlas Gestión Medioambiental, S.A.(*) Viriato, 47. Barcelona	11,945	50.00	FCC Medio Ambiente, S.A.
Electrorecycling, S.A. Ctra. BV-1224 Km 6,750. El Pont de Vilomara i Rocafort (Barcelona)	800	66.67 33.33	Pilagest, S.L. Indumetal Recycling, S.A.
Pilagest, S.L. Ctra. BV-1224 Km 6,750. El Pont de Vilomara i Rocafort (Barcelona)	400	50.00 50.00	T.P.A. Técnicas de Protección Ambiental, S.A. Senda Ambiental, S.A.
Reciclado de Componentes Electrónicos, S.A. Johan G. Gutemberg, s/n. Seville	1,151	37.50 37.50 25.00	T.P.A. Técnicas de Protección Ambiental, S.A. IR Electronik, S.A. Empresa Gestión Medioambiental, S.A.
Sereco Gestión, S.L. Polígono Guarnizo, parcela 97. El Astillero (Cantabria)	75	50.00	Técnicas de Descontaminación, S.A.

■■■■ Proactiva group investees

Following is a detail of the subsidiaries of Proactiva Medio Ambiente, S.A. which engage in urban cleaning and water treatment and distribution in Latin America, stating the Group's percentage of direct and indirect ownership therein.

Proactiva Medio Ambiente, S.A. Paseo de la Castellana, 216. Madrid (a)	26,923	50.00 50.00	Fomento de Construcciones y Contratas, S.A. Veolia Environnement, S.A.
AESA, Aseo y Ecología, S.A. Avda. Camacué. 5335. Avellaneda (Argentina) (e)		99.96 0.04	Proactiva Medio Ambiente, S.A. FCC Medio Ambiente, S.A.
AESA Misiones, S.A. 25 de Mayo, 1840. Ciudad de Posadas. Misiones (Argentina) (e)		86.75 13.25	Proactiva Medio Ambiente, S.A. AESAs, Aseo y Ecología, S.A.
Agencia Compagnie Generale des Eaux Chile, Ltda. Silvina Hurtado, 1782. Providencia. Santiago de Chile (Chile)		99.90	Proactiva Medio Ambiente, S.A.
Aguas del Valle, S.A. Avda. Ocampo, 1013. Catamarca (Argentina) (e)		70.03 19.97	Proactiva Medio Ambiente, S.A. AESAs, Aseo y Ecología, S.A.
Aseo Candelaria, S.A. E.S.P. Cra. 33 A, 19-25 Valle del Cauca (Colombia) (e)		87.99 0.01	Proactiva Medio Ambiente, S.A. Proactiva Medio Ambiente Venezuela, C.A.
Aseo El Cerrito, S.A. E.S.P. Calle 5, 10-77. Cerrito, Valle del Cauca (Colombia) (e)		63.99 0.01	Proactiva Medio Ambiente, S.A. Proactiva Medio Ambiente Venezuela, C.A.
Aseo Pradera, S.A. E.S.P. Calle 7, 19-32. Pradera, Valle del Cauca (Colombia) (e)		90.12 0.01	Proactiva Medio Ambiente, S.A. Proactiva Medio Ambiente Venezuela, C.A.

Company	Net book values	%	Nominal percentage of ownership and holder
Aseo Yumbo, S.A. E.S.P.	62.00		Proactiva Medio Ambiente, S.A.
Municipio de Yumbo. Valle del Cauca (Colombia) (e)	15.00		Proactiva Colombia, S.A.
	1.00		FCC Medio Ambiente, S.A.
	1.00		International Services Inc., S.A. Sole-shareholder company
	1.00		Servicios Especiales de Limpieza, S.A.
Bugueña de Aseo, S.A. E.S.P.	87.51		Proactiva Medio Ambiente, S.A.
Cra. 16 Norte 32-01– Buga, Valle del Cauca (Colombia) (e)	0.01		Proactiva Medio Ambiente Venezuela, C.A.
CIMA, Obras y Servicios, S.A. de C.V.	99.99		Consortio Internacional de Medio Ambiente, S.A. de C.V.
Tomás Alva Edison, 176. Cuauhtemoc (Mexico) (a)	0.01		Compañía General de Servicios Urbanos, S.A. de C.V.
Coinca, S.A.	99.99		Proactiva Medio Ambiente Chile, S.A.
Silvina Hurtado, 1782. Providencia. Santiago de Chile (Chile) (d)	0.01		Agencia Compagnie Generale des Eaux Chile, Ltda.
Compañía de Aguas de Puerto Rico Inc.	100		Proactiva Medio Ambiente, S.A.
604 Barbosa Ave HR. San Juan (Puerto Rico) (e)			
Compañía de Limpieza y Embellecimiento C por A	99.94		Proactiva Medio Ambiente, S.A.
Avda. Los Restauradores, 56. Sábana Perdida (Santo Domingo) (a)	0.01		Alfonso Benítez, S.A.
	0.01		Castellana de Servicios, S.A.
	0.01		FCC Medio Ambiente, S.A.
	0.01		International Services, Inc., S.A. Sole-shareholder company
	0.01		Servicios de Levante, S.A.
	0.01		Servicios Especiales de Limpieza, S.A.
Compañía General de Servicios Urbanos, S.A. de C.V.	99.99		Proactiva Medio Ambiente, S.A.
Pª de las Palmas nº 930. Lomas de Chapultepec Ciudad de México. (Mexico) (e)			
Concesionaria de Aguas de Aguascalientes, S.A. de C.V.	99.99		Consortio Internacional de Medio Ambiente, S.A. de C.V.
Ecuador, 205. Aguascalientes (Mexico) (a)	0.01		Compañía General de Servicios Urbanos, S.A. de C.V.
Concesionaria Tibitoc, S.A. E.S.P.	33.33		Proactiva Medio Ambiente, S.A.
Trans, 21 nº 100-20 Santa Fe de Bogotá (Colombia) (b)			
Consortio Internacional de Medio Ambiente, S.A. de C.V.	50.00		Proactiva Medio Ambiente, S.A.
Tomás Alva Edison, 176. Cuauhtemoc (Mexico) (a)	40.00		Compañía General de Servicios Urbanos, S.A. de C.V.
Cotécnica Caracas, C.A.	100		Inversiones Cotécnica, C.A.
Avda. Fco. de Miranda. Los Palos Grandes. Caracas (Venezuela) (e)			
Cotécnica Chacao, C.A.	100		Inversiones Cotécnica, C.A.
Avda. Fco. de Miranda. Los Palos Grandes. Caracas (Venezuela) (e)			
Cotécnica La Bonanza, C.A.	100		Inversiones Cotécnica, C.A.
Avda. Fco. de Miranda. Los Palos Grandes. Caracas (Venezuela) (e)			
Deltacom, S.A.	55.37		AESA, Aseo y Ecología, S.A.
Tucumán, 1321. Buenos Aires (Argentina) (d)	44.63		Proactiva Medio Ambiente, S.A.
Deltaliq, S.A.	60.00		Deltacom, S.A.
Tucumán, 1321. Buenos Aires (Argentina) (d)			
Derclase, S.A.	70.00		Proactiva Medio Ambiente, S.A.
Cerrito, 461. 1º. Montevideo (Uruguay)	30.00		AESA, Aseo y Ecología, S.A.
DIVAG, S.A. de C.V.	98.00		Consortio Internacional de Medio Ambiente S.A. de C.V.
Tomás Alva Edison, 176. Cuauhtemoc (Mexico) (a)	2.00		Servicios de Agua Potable, S.A. de C.V.
Dominicana Sanitary Services, B.V.	100		Proactiva Medio Ambiente, S.A.
Brinkwal, 11. Nieuwegein (Netherlands) (a)			
ESETASA, S.A. de C.V.	98.00		Consortio Internacional de Medio Ambiente, S.A. de C.V.
Tomás Alva Edison, 176. Cuauhtemoc (Mexico) (a)	2.00		Servicios de Tecnología Ambiental, S.A. de C.V.
FCC Servicios Santo Domingo, S.A.	94.00		Proactiva Medio Ambiente, S.A.
Prol. Ave 27 de Febrero-Manz. 44. Las Caobas Santo Domingo (Dominican Republic) (a)	1.00		Alfonso Benítez, S.A.
	1.00		Castellana de Servicios, S.A.
	1.00		FCC Medio Ambiente, S.A.
	1.00		International Services Inc., S.A. Sole-shareholder company
	1.00		Servicios de Levante, S.A.
	1.00		Servicios Especiales de Limpieza, S.A.

Company	Net book values	%	Nominal percentage of ownership and holder
Fospuca, C.A. Edif. Delta 5° Avda. Fco. Miranda. Caracas (Venezuela) (a)		60.00	Proactiva Medio Ambiente, S.A.
Fospuca Baruta, C.A. Edif. Delta 5° Avda. Fco. Miranda. Caracas (Venezuela) (a)		60.00	Proactiva Medio Ambiente, S.A.
Fospuca Carrizal, C.A. Edif. Delta 5° Avda. Fco. Miranda. Caracas (Venezuela) (a)		60.00	Proactiva Medio Ambiente, S.A.
Fospuca Guaicaipuro, C.A. Los Teques. Miranda (Venezuela) (a)		60.00	Proactiva Medio Ambiente, S.A.
Fospuca Libertador, C.A. Edif. Delta 5° Avda. Fco. Miranda. Caracas (Venezuela) (a)		60.00	Proactiva Medio Ambiente, S.A.
Fospuca Nueva Esparta, C.A. Calle Miranda con Calle Fuentes, Caserío Fajardo. Porlamar (Venezuela) (a)		60.00	Proactiva Medio Ambiente, S.A.
Fospuca Servicios, C.A. Edif. Delta 5° Avda. Fco. Miranda. Caracas (Venezuela) (a)		60.00	Proactiva Medio Ambiente, S.A.
Fospuca Zamora, C.A. Edif. Delta 5° Avda. Fco. Miranda. Caracas (Venezuela) (a)		60.00	Proactiva Medio Ambiente, S.A.
GCIMA, S.A. de C.V. Tomás Alva Edison, 176. Cuauhtemoc (Mexico) (a)		98.00 2.00	Consortio Internacional de Medio Ambiente, S.A. de C.V. Servicios de Agua Potable, S.A. de C.V.
Gestión Ambiental Petrolera, S.A. Tucumán, 1321. Buenos Aires (Argentina) (d)		50.00	Deltacom, S.A.
Intrascot S.A. Gestao Global de Resíduos Rua Ferreira de Oliveira, 59. Sao Paulo (Brazil) (e)		99.99 0.01	Proactiva Brasil Participações Ltda. Sanedo Participações Ltda.
Inversiones Cotécnica, C.A. Avda. Fco. de Miranda. Los Palos Grandes. Caracas (Venezuela) (e)		60.00	Proactiva Medio Ambiente, S.A.
Lamcef, S.A. Calle 11, 690– La Plata (Argentina) (d)		99.99	AESA Aseo y Ecología, S.A.
Mantenimiento Urbano, C.A. Avda. Fco. de Miranda. Los Palos Grandes. Caracas (Venezuela) (e)		99.99 0.01	Inversiones Cotécnica, C.A. Servicios Cotécnica, C.A.
Mexicana de Medio Ambiente, S.A. de C.V. Tomás Alva Edison, 176. Cuauhtemoc (Mexico) (a)		99.99 0.01	Consortio Internacional de Medio Ambiente, S.A. de C.V. Servicios de Tecnología Ambiental, S.A. de C.V.
Multiaseo, S.A. Carretera General San Martín 9600. Quilicura (Chile) (d)		100	Proactiva Medio Ambiente de Chile, S.A.
Palmirana de Aseo, S.A. E.S.P. Cra. 33 A, 19-25. Valle del Cauca (Colombia) (e)		61.99 0.01	Proactiva Medio Ambiente, S.A. Proactiva Medio Ambiente Venezuela, C.A.
Proactiva Aguas de Montería, S.A. E.S.P. Cl. 27, 8-70 Municipio de Montería, Dpto. Córdoba – (Colombia) (e)		94.96 1.54 1.18 0.77 0.77 0.77 0.01	Proactiva Colombia, S.A. Aqualia Gestión Integral del Agua, S.A. Proactiva Medio Ambiente, S.A. Castellana de Servicios, S.A. FCC Medio Ambiente, S.A. Servicios Especiales de Limpieza, S.A. Proactiva de Servicios, S.A. E.S.P.
Proactiva Avellaneda, S.A. Cl. Camacua 5335. Avellaneda (Argentina) (e)		70.00 30.00	Proactiva Medio Ambiente, S.A. AESAs, Aseo y Ecología, S.A.
Proactiva Brasil Participações Ltda. (**) Avda. Presidente Wilson, 231. Río de Janeiro (Brazil) (e)		99.99 0.01	Proactiva Medio Ambiente, S.A. Sanedo Participações Ltda.
Proactiva Colombia, S.A. Cl. 98 n° 9. 03 Edif. Torre Sancho Santa Fe de Bogotá (Colombia) (e)		94.59 1.23 1.04 1.04 1.04 1.04	Proactiva Medio Ambiente, S.A. Proactiva Medio Ambiente Venezuela C.A. Alfonso Benitez, S.A. FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company Servicios Especiales de Limpieza, S.A.

Company	Net book values	%	Nominal percentage of ownership and holder
Proactiva de Servicios, S.A. E.S.P. Carrera, 4. Santiago de Cali (Colombia) (e)	69.71 29.41 0.29 0.29 0.29		Proactiva Colombia, S.A. Proactiva Medio Ambiente, S.A. FCC Medio Ambiente, S.A. International Services Inc., S.A. Sole-shareholder company Servicios Especiales de Limpieza, S.A.
Proactiva Doña Juana E.S.P., S.A. Calle 98, 9. Santa Fe de Bogotá. Colombia (e)	50.50 23.75 0.50 0.50		Proactiva Colombia, S.A. Fomento de Construcciones y Contratas, S.A. Alfonso Benítez, S.A. FCC Medio Ambiente, S.A.
Proactiva Medio Ambiente Chile, S.A. Silvina Hurtado, 1782. Providencia. Santiago de Chile (Chile) (d)	99.99		Proactiva Medio Ambiente, S.A.
Proactiva Medio Ambiente Venezuela, C.A. Torre Sede Gerencial La Castellana, Piso 6. Caracas (Venezuela) (a)	100		Proactiva Medio Ambiente, S.A.
Proactiva Oriente, S.A. E.S.P. Municipio San José de Cucutá. Dpto. Norte de Santander (Colombia) (e)	88.25 8.51 0.25 0.25 0.25		Proactiva Colombia, S.A. Proactiva de Servicios, S.A. E.S.P. Compañía de Limpieza y Embellecimiento C por A FCC Servicios Santo Domingo, S.A. Proactiva Medio Ambiente Venezuela, C.A.
Sanedo Participações, Ltda. Avda. Presidente Wilson, 231. Rio de Janeiro (Brazil) (e)	99.98 0.01		Société d'Investissement et de Gestion 41. Sig 41, S.A. Cía en Comandita Proactiva Brasil Participações Ltda.
Sera Q.A. Tunja E.S.P., S.A. Cra. 3ª, Este 1120. Tunja. (Colombia) (e)	93.98 5.80 0.01 0.01		Proactiva Medio Ambiente, S.A. Proactiva Colombia, S.A. Aqualia Gestión Integral del Agua, S.A. Proactiva de Servicios, S.A. E.S.P.
Servicios Cotécnica, C.A. Avda. Fco. de Miranda. Los Palos Grandes. Caracas (Venezuela) (e)	100		Inversiones Cotécnica, C.A.
Servicios de Agua Potable, S.A. de C.V. Tomás Alva Edison, 176. Cuauhtemoc (Mexico) (a)	99.99 0.01		Consortio Internacional de Medio Ambiente, S.A. de C.V. Compañía General de Servicios Urbanos, S.A. de C.V.
Servicios de Tecnología Ambiental, S.A. de C.V. Tomás Alva Edison, 176. Cuauhtemoc (Mexico) (a)	99.99 0.01		Consortio Internacional de Medio Ambiente, S.A. de C.V. Compañía General de Servicios Urbanos, S.A. de C.V.
Servicios Plasticot, C.A. Avda. Fco. Miranda. Los Palos Grandes–Caracas (Venezuela) (e)	100		Inversiones Cotécnica, C.A.
Société d'Investissements et de Gestion 41. Sig 41, S.A. Sociedad en Comandita José Abascal, 45. Madrid	100		Proactiva Medio Ambiente, S.A.
Transactional Technologies International, Inc. 252 Ponce de León Avenue, Citibank Tower Hato Rey (Puerto Rico)	70.00		Proactiva Medio Ambiente, S.A.
Tulueña de Aseo, S.A. E.S.P. Cra. 24, 24-03 Tuluá, Valle del Cauca (Colombia) (e)	61.99 0.01		Proactiva Medio Ambiente, S.A. Proactiva Medio Ambiente Venezuela, C.A.

■ VERSIA

■■■■ Parking lots

Infoser Estacionamientos AIE Manuel Silvela, 8. Madrid	60	33.33 33.33 33.33	Estacionamientos y Servicios, S.A. Dornier Sau UTE Satex-Sufi Aparcamientos
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■■■■ Passenger transport

Almeraya, S.A. Ulises, 18. Madrid	60	50.00 45.00 5.00	Corporación Española de Transporte, S.A. Automnibus Interurbanos, S.A García Alonso, Gabriel
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Company	Net book values	%	Nominal percentage of ownership and holder
Corgobus Transportes Urbanos de Vila Real Sociedade Unipessoal Lda. Praceta Cidade Pávoa de Varzim, 7. Vila Real (Portugal)	16	100	Corporación Española de Transporte, S.A.
Corporación Española de Transporte, S.A. Ulises, 18. Madrid (d)	24,243	99.99 0.01	FCC-Connex Corporación, S.L. Detren Compañía General de Servicios Ferroviarios, S.L.
Corporación Jerezana de Transportes Urbanos, S.A. Sole-shareholder company Polígono Ind. El Portal. Jerez de la Frontera (Cádiz) (d)	3,940	100	Corporación Española de Transporte, S.A.
Detren Compañía General de Servicios Ferroviarios, S.L. Ulises, 18. Madrid (d)	4,034	99.99 0.01	FCC-Connex Corporación, S.L. Corporación Española de Transporte, S.A.
FCC-Connex Corporación, S.L. Ulises, 18. Madrid (d)	13,013	50.00 50.00	C.G.T. Corporación General de Transportes, S.A. CGEA Connex, S.A.
Transportes Urbanos de Sanlúcar, S.A. Ctra. de Jerez, Km 1. Sanlúcar de Barrameda (Cádiz) (e)	222	59.68 40.32	Corporación Española de Transporte, S.A. Sanlúcar de Barrameda Municipal Council
Transports Municipals d'Egara, S.A. Ctra. Nacional 150 Km 15. Terrassa (Barcelona) (e)	721	80.00 20.00	Corporación Española de Transporte, S.A. Terrassa Municipal Council

■■■■ Vehicle roadworthiness testing

Valenciana de Servicios ITV, S.A.	905	30.00	General de Servicios ITV, S.A.
Polígono Industrial "El Oliveral" – Ribarroja de Turia (Valencia) (e)	603	20.00 50.00	Aragonesa de Servicios ITV, S.A. Aguas de Valencia, S.A.

■ CEMENT AREA

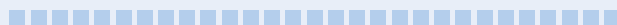
Grupo CDN-USA	28,143	50.00	Cementos Portland, Valderrivas, S.A.
Preble Street, 38. Portland. Maine (USA) (e)		50.00	Cementos Lemona, S.A.

Notes:

- The financial statements of all the companies listed above are as of December 31, 2004.
- The main multigroup companies were audited by Deloitte & Touche, PricewaterhouseCoopers, KPMG Peat Marwick and Ernst & Young, as indicated in the foregoing list with the letters (a), (b), (c) and (d), respectively. Other audit firms are grouped under the letter (e).

(*) Formerly Gestión Medioambiental Enviland, S.A.

(**) Formerly CGEA Brasil Participações s/c Ltda.

EXHIBIT III. COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD


Company	Net book values	%	Nominal percentage of ownership and holder
■ CONSTRUCTION AREA			
■■■■ Concessions-holders			
Aigües del Segarra Garrigues, S.A. Santa Clara, 4. Tàrraga (Lleida)	7,460	24.00 1.00	FCC Construcción, S.A. Aqualia Gestión Integral del Agua, S.A.
Autopistas del Valle, S.A. San José (Costa Rica)	257	35.00 13.00	Concesiones Viales de Costa Rica, S.A. Corporación M&S Internacional C.A., S.A.
Autopista de la Costa Cálida Concesionaria Española de Autopistas, S.A. Saturno, 1. Pozuelo de Alarcón (Madrid)	13,800	35.75	FCC Construcción, S.A.
Autovía del Camino, S.A. Leyre, 11. Pamplona (Navarra) (a)	22,280	40.00	FCC Construcción, S.A.
Concesiones Aeroportuarias, S.A. Avda. Hermanos Bou, 22. Castellón de la Plana	40	40.00	FCC Construcción, S.A.
Concesiones de Madrid, S.A. Avda. de Europa, 18. Alcobendas (Madrid) (a)	8,664	25.00	FCC Construcción, S.A.
Concessió i Explotació d'Infraestructures, S.A. Travessera de Gràcia, 58. Barcelona (a)	11,798	34.00	FCC Construcción, S.A.
Metro de Málaga, S.A. Martínez, 11. Málaga (e)	20,546	20.73	FCC Construcción, S.A.
Ruta de los Pantanos, S.A. Avda. Europa, 18. Parque Empres. La Moraleja-Alcobendas (Madrid) (a)	3,897	25.00	FCC Construcción, S.A.
Tramvia Metropolità, S.A. Córcega, 270. Barcelona	6,872	19.03 4.82 1.00	FCC Construcción, S.A. Detren Compañía General de Servicios Ferroviarios, S.L. CGT Corporación General de Transportes, S.A.
Tramvia Metropolità del Besòs, S.A. Córcega, 270. Barcelona	7,079	19.03 4.82 1.00	FCC Construcción, S.A. Detren Compañía General de Servicios Ferroviarios, S.L. CGT Corporación General de Transportes, S.A.
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra Avda. Tarragona, 58-70 Edificio Les Colomnes Andorra la Vella (Andorra)	5,287	40.00	FCC Construcción, S.A.
■■■■ Other activities			
Cleon, S.A. Villanueva, 2. Madrid (c)	25,262	25.00	FCC Construcción, S.A.
Compañía Tecnológica de Corella Construcción, S.A. Polígono Industrial s/n. Corella (Navarra) (e)	329	49.00	Prefabricados Delta, S.A.
Dinfra Cofimex, S.A. de C.V. Coahuila, 299. Colonia Cuajimalca. Mexico City (Mexico)	42	49.90	Construcción y Filiales Mexicanas, S.A. de C.V.
ECCE Signs for Europe B.V. Essenestraat, 24. Ternat (Belgium) -Commercial sign marketing-	60	25.00	Megaplas, S.A.
ECCE Signs for Europe B.V. S.L. Polaris Ave 53. J.H. Hofddorp (Netherlands) -Commercial sign marketing-	2	25.00	Megaplas, S.A.
Elaboración de Cajones Pretensados, S.L. Avda. General Perón, 36. Madrid	1	50.00	FCC Construcción, S.A.

Company	Net book values	%	Nominal percentage of ownership and holder
Grupo Foment de Construccions i Consulting, S.A. Av. Copríncep Francès 11. Encamp (Andorra)	(38)	33.30	FCC Construction International B.V.
Las Palmeras de Garrucha, S.L. Mayor, 19. Garrucha (Almería)	1,695	20.00	Participaciones Teide, S.A.
Marina de l'Empordà, S.A. Avda. Diagonal, 512. Barcelona -In liquidation-	18	20.00	FCC Construcción, S.A.
Marina Port Vell, S.A. Varadero, s/n. Ed. Torre de Control-Moll del Relotge (Barcelona) (e) -Operation of marinas-	1,751	30.66	FCC Construcción, S.A.
Nàutic Tarragona, S.A. Edificio Club Náutico, Puerto Deportivo. Tarragona -Operation of marinas-	273	25.00	FCC Construcción, S.A.
Nova Bocana Barcelona, S.A. Avda. Josep Tarradellas, 123. Barcelona	250	25.00	FCC Construcción, S.A.
Operador Logístico Integral de Graneles, S.A. Explanada de Aboño-Puerto del Musel. Gijón (Asturias)	1,036	20.00	Contratas y Ventas, S.A.
Port Premià, S.A. Balmes, 36. Barcelona -In liquidation-	(555)	39.72	FCC Construcción, S.A.
Port Torredembarra, S.A. Pza. Peig, 1. Torredembarra (Tarragona) -Operation of marinas-	837	24.08	FCC Construcción, S.A.
Sa Stria, Società Consortile a Responsabilità Limitata Piazza Fernando de Lucia, 60 Roma (Italy)	—	40.00	FCC Construcción, S.A.
Terminal Polivalente de Castellón, S.A. Muelle del Centenario (Terminal B). El Grao (Castellón de la Plana) (e)	4,050	45.00	FCC Construcción, S.A.
Terminal Polivalente de Huelva, S.A. La Marina, 29. Huelva	19	31.50	FCC Construcción, S.A.
Torres Porta Fira, S.A. Mestre Nicolau, 19. Barcelona	1,200	33.33	FCC Construcción, S.A.
Urbs Iudex et Causidicus, S.A. Tarragona, 161, Cos Baix, 3 Derecha. Barcelona	11,177	29.00	FCC Construcción, S.A.
Viveros del río Razón, S.L. Camino del Guardatillo. Valdeavellano de Tera (Soria) -Tree nurseries and gardening-	2	48.00	Naturaleza, Urbanismo y Medio Ambiente, S.A.

■ SERVICES AREA

■■■■ Urban cleaning

Clavegueram de Barcelona, S.A. Acer, 16. Barcelona	910	22.50	Fomento de Construcciones y Contratas, S.A.
Gestión Integral de Residuos Sólidos, S.A. Santa Amalia, 2. Valencia	1,878	49.00	Fomento de Construcciones y Contratas, S.A.
Tirme, S.A. Ctra. Sóller, km. 8. Son Reus Camí. Balearic islands	3,762	20.00	FCC Medio Ambiente, S.A.

■■■■ Water treatment and distribution

Aguas de Denia, S.A. Pedro Esteve, 17. Denia (Alicante)	316	33.00	Aqualia Gestión Integral del Agua, S.A.
Aguas de Ubrique, S.A. Avda. España, 9. Ubrique (Cádiz)	64	49.00	Aqualia Gestión Integral del Agua, S.A.

Company	Net book values	%	Nominal percentage of ownership and holder
Aigües de Blanes, S.A. Canigó, 5. Blanes (Girona)	46	49.00	Girona, S.A.
Conducció del Ter, S.L. Bourg de Peage, 89. Sant Feliu de Guíxols (Girona)	36	48.00	Aqualia Gestión Integral del Agua, S.A.
Empresa Municipal de Aguas de Algeciras, S.A. Virgen del Carmen, s/n. Algeciras (Cádiz) (e)	232	49.00	Aqualia Gestión Integral del Agua, S.A.
Empresa Municipal de Aguas de Toxiria, S.A. Plaza de la Constitución. Torredonjimeno (Jaén)	111	49.00	Aqualia Gestión Integral del Agua, S.A.
La Unión Servicios Municipales, S.A. Salvador Pascual, 7. La Unión (Murcia) (e)	108	49.00	Aqualia Gestión Integral del Agua, S.A.
Nueva Sociedad de Aguas de Ibiza, S.A. Avda. Bartolomé de Rosselló, 18. Ibiza (Balearic islands)	70	40.00	Aqualia Gestión Integral del Agua, S.A.
Proveïments d'Aigua, S.A. Asturias, 13. Girona	119	45.00	Girona, S.A.
Sera Q.A. Duitama E.S.P., S.A. Duitama, Bocaya (Colombia)	44	30.60	Aqualia Gestión Integral del Agua, S.A.

■■■■ Waste treatment

A.B.G. Servicios Medioambientales, S.A. Colón de Larreátegui, 26. Bilbao (Vizcaya)	102	20.00	Limpiezas Industriales Alfus, S.A.
Aprochim Getesarp Rymoil, S.A. Polígono Industrial Logrenzana La Granda. Carreño (Asturias)	737	30.00	FCC Medio Ambiente, S.A.
Sogecar, S.A. Polígono Torrelarragoiti. Zamudio (Vizcaya)	122	30.00	Ekonor, S.A.

■■■■ Proactiva group investees

Listed below is Proactiva Medio Ambiente, S.A.'s investee accounted for by the equity method, stating the percentage of direct and indirect ownership held by Proactiva Medio Ambiente, S.A.

Grupo Domino Holdings Avda. Candido Abreu, 651-80530 Curitiba (Brazil) (d)	20,631	30.00	Sanedo Participações, Ltda.
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■ VERSIA

■■■■ Street furniture

Equipamientos Urbanos de Costa Rica, S.A. Av. 6, CL 17-19 N° 1753. San José (Costa Rica)	348	100	Equipamientos Urbanos de México, S.A. de C.V.
Equipamientos Urbanos de El Salvador, S.A. de C.V. Pasaje Stahl, 117. San Salvador (El Salvador)	172	99.98 0.02	Equipamientos Urbanos de México, S.A. de C.V. Servicios de Comercialización de Publicidad, S.A. de C.V.
Equipamientos Urbanos de Guatemala, S.A. 6ª Avenida 14-50. Zona 10 Guatemala C.A. (Guatemala)	709	99.99 0.01	Equipamientos Urbanos de México, S.A. de C.V. Servicios de Comercialización de Publicidad, S.A. de C.V.
Equipamientos Urbanos de México, S.A. de C.V. Blvd. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)	7,326	50.00 50.00	Cemusa, Corporación Europea de Mobiliario Urbano, S.A. G-40, S.L.
Equipamientos Urbanos de Panamá, S.A. Panamá	241	99.99 0.01	Equipamientos Urbanos de México, S.A. de C.V. Servicios de Comercialización de Publicidad, S.A. de C.V.
Equipamientos Urbanos Dominicanos, S.A. El Conde, 451. Santo Domingo, D.N. – (Dominican Republic)	570	99.99	Equipamientos Urbanos de México, S.A. de C.V.

Company	Net book values	%	Nominal percentage of ownership and holder
Medios de Publicidad, S.A. de C.V. Blvd. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)	106	100	Tenedora de Acciones de Mobiliario, S.A. de C.V.
Servicio y Tecnología Especializada, S.A. de C.V. Blvd. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)	(33)	98.00 2.00	Equipamientos Urbanos de México, S.A. de C.V. Servicios de Comercialización de Publicidad, S.A. de C.V.
Servicios de Comercialización de Publicidad, S.A. de C.V. Blvd. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)	(5)	98.00 2.00	Equipamientos Urbanos de México, S.A. de C.V. Servicio y Tecnología Especializada, S.A. de C.V.
Stoc, S.A. de C.V. Blvd. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)	442	100	Tenedora de Acciones de Mobiliario, S.A. de C.V.
Tenedora de Acciones de Mobiliario, S.A. de C.V. Blvd. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)	658	50.00	Equipamientos Urbanos de México, S.A. de C.V.

■■■■ Passenger transport

Bus Turístico de Málaga, S.L. Pº de los Tilos. Estación de Autobuses. Málaga	46	40.00	Corporación Española de Transporte, S.A.
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■■■■ Vehicle roadworthiness testing

I.T.V. Córdoba, S.A. Dean Funes 802 - Córdoba (Argentina)	63	30.00	General de Servicios I.T.V., S.A.
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■ CEMENT AREA

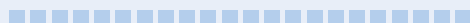
Aplicaciones Minerales, S.A. Camino Fuente Herrero, s/n. Cueva de Cardiel (Burgos)	318	24.00 12.00 12.00	Cementos Portland Valderrivas, S.A. Cementos Alfa, S.A. Cementos Lemona, S.A.
Canteras y Hormigones Quintana, S.A. Ctra. Irún-La Coruña, Km. 184. Gama (Cantabria) (e)	2,981	50.00	Cementos Alfa, S.A.
Canteras y Hormigones VRE, S.A. Arieta, 13. Estella (Navarra) (c)	1,841	50.00	Cementos Portland Valderrivas, S.A.
Carbocem, S.A. Pº de la Castellana, 45. Madrid -Import of coal- (c)	369	42.85 14.28	Cementos Portland Valderrivas, S.A. Cementos Alfa, S.A.
Cementos Lemona, S.A. y sociedades dependientes Alameda de Urquijo, 10. Bilbao (Vizcaya) (a)	35,930	30.71 0.01	Cementos Portland Valderrivas, S.A. Hormigones y Morteros Preparados, S.A. Sole-shareholder company
Dragon Alfa Cement Limited Harbour House-Deck Road, 138. Gloucestershire (United Kingdom) (e)	2,707	50.00	Cementos Alfa, S.A.
Exponor, S.A. Alameda de Urquijo, 10. Bilbao (Vizcaya) -In liquidation-	1	32.00 23.00	Cementos Lemona, S.A. Cementos Portland Valderrivas, S.A.
Hormigones Alcanadre, S.L. Alcubierre, 11- Huesca	430	50.00	Cementos Portland Valderrivas, S.A.
Hormigones Calahorra, S.A. Brebicio, 25. Calahorra (La Rioja)	284	49.99	Cementos Portland Valderrivas, S.A.
Hormigones Castro, S.A. Ctra. Irún-La Coruña, Km. 153. Islares (Cantabria)	440	40.00	Cementos Alfa, S.A.
Hormigones del Baztán, S.L. Suspeltxiki, 25. Vera de Bidasoa (Navarra)	709	50.00	Hormigones Arkaitza, S.A. Sole-shareholder company
Hormigones Delfín, S.A. Venta Blanca - Peralta (Navarra)	964	50.00	Cementos Portland Valderrivas, S.A.

Company	Net book values	%	Nominal percentage of ownership and holder
Hormigones en Masa de Valtierra, S.A. Ctra. de Cadreíta, Km. 0. Valtierra (Navarra)	1,509	50.00	Cementos Portland Valderrivas, S.A.
Hormigones Galizano, S.A. Ctra. Irún-La Coruña, Km. 184. Gama (Cantabria)	295	50.00	Cementos Alfa, S.A.
Hormigones Giral, S.A. Alcubierre, 11. Huesca (e)	2,546	50.00	Cementos Portland Valderrivas, S.A.
Hormigones Reinares, S.A. Bretón de los Herreros, 8. Calahorra (La Rioja)	735	50.00	Cementos Portland Valderrivas, S.A.
Hormigones y Áridos del Pirineo Aragonés, S.A. Ctra. de Biescas, s/n. Sabiñánigo (Huesca) (c)	3,566	50.00	Cementos Portland Valderrivas, S.A.
Lázaro Echeverría, S.A. Isidoro Melero. Alsasua (Navarra) (c)	6,172	40.00	Canteras de Aláiz, S.A.
Navarra de Transportes, S.A. Ctra. Pamplona-Vitoria, km. 52. Olazagutia (Navarra) (c) -Bulk goods transportation-	956	33.33	Cementos Portland Valderrivas, S.A.
Novhorvi, S.A. Portal de Gamarra, 25. Vitoria (Álava)	207	25.00	Canteras del Pirineo Occidental, S.A.
Silos y Morteros, S.L. General Vara del Rey, 1. Logroño (La Rioja)	226	33.33	Hormigones y Morteros Preparados, S.A. Sole-shareholder company
■ REAL ESTATE			
Grupo Realía Business Paseo de la Castellana, 216. Madrid (a)	258,437	44.25 4.41 0.51	Fomento de Construcciones y Contratas, S.A. Corporación Financiera Hispánica, S.A. Grucysa, S.A.
TOTAL COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD 516,945			

Notes:

- The financial statements of all the companies listed above are as of December 31, 2004.
- As required by Article 86 of the revised Corporations Law, in 2004 the Group companies made the related notification to the companies in which they had acquired direct or indirect holdings of over 10%.
- The main companies accounted for by the equity method were audited by Deloitte & Touche, PricewaterhouseCoopers, KPMG Peat Marwick and Ernst & Young, as indicated in the foregoing list with the letters (a), (b), (c) and (d), respectively. Other audit firms are grouped under the letter (e).

EXHIBIT IV. CHANGES IN THE CONSOLIDATED GROUP



Additions	Address
■ FULLY CONSOLIDATED COMPANIES	
ABIES RE ANSTALT (1)	Josef Rheinbergertrasse, 6. Vaduz (Liechtenstein)
ÁRIDOS ANDÚJAR, S.L. UNIPERSONAL	C. de los Villares Km. 7,5. Andújar (Jaén)
ÁRIDOS DE MELO, S.L.	Finca la Barca y el Ballestar, s/n. Barajas de Melo (Cuenca)
BBR PRETENSADOS Y TÉCNICAS ESPECIALES, S.L.	Retama, 5. Madrid
CONCESIONES VIALES DE COSTA RICA, S.A.	Av. 10 calles 33 y 35. San José (Costa Rica)
CORPORACIÓN M & S INTERNACIONAL C.A., S.A.	Costa Rica
ECOGENESIS SOCIÉTÉ ANONYME RENDERING OF CLEANSING AND WASTE MANAGEMENT SERVICES	Municipalidad de Atenas. Prefectura de Atica (Greece)
FIR RE SOCIÉTÉ ANONYME	19 Rue de Bitbourg. Luxembourg
GESTIÓ I RECUPERACIÓ DE TERRENYS, S.A.	Paratge Vacamorta. Cruïlles (Girona)
GESTIÓN DE AGUAS DEL NORTE, S.A.	Av. de Tirajana, 39. San Bartolomé de Tirajana (Las Palmas)
LIMPIEZAS INDUSTRIALES ALFUS, S.A.	Barrio Ibarra, 20. Bedia (Vizcaya)
TÉCNICAS DE DESCONTAMINACIÓN, S.A.	Polígono Guarnizo, parcela 97. El Astillero (Cantabria)
■ PROPORTIONALLY CONSOLIDATED COMPANIES	
CONSTRUCCIONES OLABARRI, S.L. (*)	Plaza Pío Baroja, 3. Bilbao (Vizcaya)
CORGOBUS TRANSPORTES URBANOS DE VILA REAL	Praceta Cidade Pávoa de Varzim, 7. Vila Real (Portugal)
SOCIEDADE UNIPESSOAL LDA.	
GESTIÓN AMBIENTAL PETROLERA, S.A.	Tucumán, 1321. Buenos Aires (Argentina)
HADES SOLUCIONES MEDIOAMBIENTALES, S.L.	Mayor, 3. Cartagena (Murcia)
RECICLADO DE COMPONENTES ELECTRÓNICOS, S.A.	Johan G. Gutemberg, s/n. Seville
SERECO GESTIÓN, S.L.	Polígono Guarnizo, parcela 97. El Astillero (Cantabria)
■ COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD	
A.B.G. SERVICIOS MEDIOAMBIENTALES, S.A.	Colón de Larreátegui, 26. Bilbao (Vizcaya)
AUTOPISTA DE LA COSTA CÁLIDA CONCESIONARIA ESPAÑOLA DE AUTOPISTAS, S.A.	Saturno, 1. Pozuelo de Alarcón (Madrid)
AUTOPISTAS DEL VALLE, S.A.	San José (Costa Rica)
EMPRESA MUNICIPAL DE AGUAS DE TOXIRIA, S.A.	Plaza de la Constitución. Torredonjimeno (Jaén)
EQUIPAMIENTOS URBANOS DE COSTA RICA, S.A. (*)	Av. 6, CL 17-19 N° 1753. San José (Costa Rica)
EQUIPAMIENTOS URBANOS DE EL SALVADOR, S.A. DE C.V. (*)	Pasaje Stahl, 117. San Salvador (El Salvador)
EQUIPAMIENTOS URBANOS DE GUATEMALA, S.A. (*)	6ª Avenida 14-50. Zona 10 Guatemala C.A. (Guatemala)
EQUIPAMIENTOS URBANOS DE MÉXICO, S.A. DE C.V. (*)	Blvd. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)
EQUIPAMIENTOS URBANOS DE PANAMÁ, S.A. (*)	Panamá
EQUIPAMIENTOS URBANOS DOMINICANOS, S.A. (*)	El Conde, 451. Santo Domingo, D.N. – (Dominican Republic)
MEDIOS DE PUBLICIDAD, S.A. DE C.V. (*)	Blvd. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)
METRO DE MÁLAGA, S.A.	Martínez, 11. Málaga
NOVA BOCANA BARCELONA, S.A.	Av. Josep Tarradellas, 123. Barcelona
SERVICIOS DE COMERCIALIZACIÓN DE PUBLICIDAD, S.A. DE C.V. (*)	Blvd. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)
SERVICIOS Y TECNOLOGÍA ESPECIALIZADA, S.A. DE C.V. (*)	Blvd. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)
STOC, S.A. DE C.V. (*)	Blvd. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)
TENEDORA DE ACCIONES DE MOBILIARIO, S.A. DE C.V. (*)	Blvd. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)
TERMINAL POLIVALENTE DE HUELVA, S.A.	La Marina, 29. Huelva
TORRES PORTA FIRA, S.A.	Mestre Nicolau, 19. Barcelona

Retirements	Domicilio
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■ FULLY CONSOLIDATED COMPANIES

ABIES RE ANSTALT (1)	Josef Rheinbergertrasse, 6. Vaduz (Liechtenstein)
ÁRIDOS SILICIOS DE EXTREMERA, S.L. (2)	Cr. de Madrid, 22. Almoguera (Guadalajara)
HORMIGONES ALÁIZ, S.A. UNIPERSONAL (3)	Estella, 6. Pamplona (Navarra)
HORMIGONES ARAQUIL, S.A. UNIPERSONAL (3)	Estella, 6. Pamplona (Navarra)
LOGISTIC ACTIVITIES, S.A. (4)	Avda. de la Industria, 18. Coslada (Madrid)
NOULAS-RESEVI, S.L.	Polígono Artana Nave III. Villarreal (Castellón de la Plana)
SERVICIOS ARAGONESES DE ENERGÍA Y BIOMASA, S.A. (5)	Autovía de Logroño km. 12,6 Utebo (Zaragoza)
VIÑEDOS Y MADERAS PARA EXTERIORES, S.L.	Autovía de Castilla N-620 km. 136. Simancas (Valladolid)

■ PROPORTIONALLY CONSOLIDATED COMPANIES

CES COMPAÑÍA ECOLÓGICA SUDAMERICANA, S.A. (6)	Tucumán, 1321. Buenos Aires (Argentina)
EQUIPAMIENTOS URBANOS DE COSTA RICA, S.A. (*)	Av. 6, CL 17-19 N° 1753. San José (Costa Rica)
EQUIPAMIENTOS URBANOS DE EL SALVADOR, S.A. DE C.V. (*)	Pasaje Stahl, 117. San Salvador (El Salvador)
EQUIPAMIENTOS URBANOS DE GUATEMALA, S.A. (*)	6ª Avenida 14-50. Zona 10 Guatemala C.A. (Guatemala)
EQUIPAMIENTOS URBANOS DE MÉXICO, S.A. DE C.V. (*)	Bldv. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)
EQUIPAMIENTOS URBANOS DE PANAMÁ, S.A. (*)	Panamá
EQUIPAMIENTOS URBANOS DOMINICANOS, S.A. (*)	El Conde, 451. Santo Domingo, D.N. – (República Dominicana)
FASSA ENVIRONNEMENT, S.A.	76 Av. du Président Wilson. La Plaine Saint Denis (France)
FASSA SERVICES, S.A.	1 Rue de Berri. París (France)
FORMACO TRANSAMBIENTAL, LTDA. (7)	Rua Ferreira de Oliveira, 197. Sao Paulo (Brazil)
FRANÇAISE D'ASSAINISSEMENT ET DE SERVICE, S.A.	Av. de Colmar 55/57. Rueil Malmaison (France)
MEDIOS DE PUBLICIDAD, S.A. DE C.V. (*)	Bldv. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)
SERVICIOS DE COMERCIALIZACIÓN DE PUBLICIDAD, S.A. DE C.V. (*)	Bldv. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)
SERVICIOS Y TECNOLOGÍA ESPECIALIZADA, S.A. DE C.V. (*)	Bldv. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)
SOCIÉTÉ D'EXPLOITATION ET DE TRANSPORTS D'ORDURES INDUSTRIELLES ET MÉNAGÈRES, S.A.	Le Nid Coquet. Soudan (France)
STOC, S.A. DE C.V. (*)	Bldv. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)
TENEDORA DE ACCIONES DE MOBILIARIO, S.A. DE C.V. (*)	Bldv. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)

■ COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

CONSTRUCCIONES OLABARRI, S.L. (*)	Plaza Pío Baroja, 3. Bilbao (Vizcaya)
FASSA-COVED ENVIRONNEMENT, SAS	Av. L'Europe, 34. Velizy Villacoublay (France)
GRUPO GRUBAR HOTELES	Pza. Pablo Ruiz Picasso, 1. Madrid
HORMIGONES ARAGÓN, S.A.	Barrio Movera, 20. Zaragoza
HORMIGONES ARNEDO, S.L.	Término Sendero. Arnedo (La Rioja)
HORMIGONES SAN ADRIÁN, S.A.	Avda. de Navarra, 30. San Adrián (Navarra)
IDEX-FASSA ENVIRONNEMENT, SAS	Rue Escudier, 8-bis. Boulogne Billancourt (France)

(1) Company included in consolidation in 2004 (see Note 2-c) and retired in the same year due to liquidation.

(2) Company merged by absorption into ÁRIDOS Y PREMEZCLADOS, S.A.

(3) Company merged by absorption into CANTERAS DE ALÁIZ, S.A.

(4) Company merged by absorption into AITENA, SOCIEDAD ANÓNIMA INMOBILIARIA Y DE TRANSPORTES.

(5) Retirement due to liquidation.

(6) Company merged by absorption into AESA, ASEO Y ECOLOGÍA, S.A.

(7) Company merged by absorption into INTRANSCOL, S.A. GESTAO GLOBAL DE RESIDUOS.

(*) Change in consolidation method (see information in Note 9 on the Eumex Group).



GROUP PERFORMANCE IN 2004

1. INTRODUCTION

The FCC Group's strategic activities, Services, Construction and Cement, are structured into four management units relating to the following specialized areas:

■ Services

- a) The Services unit groups together the various activities relating to urban cleaning, such as the collection and treatment of solid waste, the cleaning of roads and sewerage systems, the maintenance of green areas and offices, industrial waste treatment and the integral water cycle. These activities are performed through the Parent Company Fomento de Construcciones y Contratas, S.A., FCC Medio Ambiente, S.A., Aqualia Gestión Integral del Agua and other subsidiaries of these companies and the Ámbito brand.
- b) Versia, which provides various services such as vehicle parking lots, street furniture, advertising, passenger transport, vehicle roadworthiness tests, ground aircraft and passenger handling, and logistics services to companies from various industries. These activities are carried on mainly by FCC Versia, S.A. and subsidiaries and the Flightcare brand.

- **Construction**, this area specializes in construction and related industries, such as highways, freeways and roads, waterworks, maritime works, airports, railroad infrastructures, property developments, housing, nonresidential buildings, infrastructure conservation, oil and gas pipelines, environmental restoration, etc. These activities are carried on by FCC Construcción, S.A. and subsidiaries.

The Construction area also includes companies holding administrative concessions for the construction and operation of various infrastructures, such as highways, tunnels, airports, marinas and tram lines, and the construction and operation of buildings for various uses.

- **Cement**, this unit engages in the operation of quarries and mineral deposits, the manufacture of cement, lime, plaster and related premanufactured products and the production of concrete. These activities are performed by Cementos Portland Valderrivas, S.A. and Subsidiaries, a Group which is listed on the Spanish computerized trading system.

The FCC Group is also present in the Real Estate industry through Realia Business, S.A., a company in which the Group and Caja Madrid each have a 50% ownership interest, as a result of which it is accounted for by the equity method in the Group's financial statements. The real estate activity focuses on the operation of exceptional office buildings and shopping malls owned by Realia Business, S.A. and on the development of real estate products for their subsequent sale.

2. MAIN AGGREGATES OF THE FCC GROUP

	2004	2003	Variation	
			Absolute	%
Net sales	6,285.9	6,050.5	235.4	3.9
Gross operating income	851.3	804.1	47.2	5.9
Net operating income	543.6	519.0	24.6	4.7
Ordinary income	570.2	521.1	49.1	9.4
Consolidated income before taxes	603.3	496.3	107.0	21.6
Income attributed to the Parent Company	388.3	308.6	79.7	25.8
Construction and services backlog	16,405.1	15,344.0	1,061.1	6.9
Investments	624.6	624.0	0.6	—
Funds obtained	715.1	707.7	7.4	1.0
Net debt	250.8	546.7	(295.9)	(54.1)
Shareholders' equity	2,040.3	1,845.5	194.8	10.6
Dividend per share (euros)	1.36	1.067	0.293	27.5
Earnings per share (euros)	2.99	2.38	0.61	25.6
Consolidated income as % of shareholders' equity and minority interests (ROE)	21.2	19.4	1.8	9.3

2.1. Net sales

In 2004 the FCC Group recorded net sales of €6,285.9 million, up 3.9% on 2003. This increase was underpinned by the positive performance of all the Group's strategic areas.

Net sales by activity	2004		2003		% Variation
	Amount	% of total	Amount	% of total	
Construction	3,090.2	49.2	2,950.1	48.8	4.7
Services	1,819.2	28.9	1,708.9	28.2	6.5
Versia	514.5	8.2	381.0	6.3	35.0
Cementos Portland Valderrivas	881.5	14.0	865.6	14.3	1.8
Consolidation eliminations for intercompany transactions and other	(19.5)	(0.3)	144.9	2.4	
Total	6,285.9	100	6,050.5	100	3.9

In 2004 certain changes were made to the Group's internal areas of activity, as a result of which the logistics and installations sectors were included in Versia and Construction, respectively. These sectors were included as "Other Activities" in 2003.

As regards the breakdown of sales by geographical area, sales in Spain continued to record steady growth (4.3%), due to the commendable performance of all the Group's business lines.

The contribution of sales abroad to consolidated sales fell to 10.2%, due to the impact of both the exclusion from the scope of consolidation of the Mexican street furniture subsidiary Eumex, which is now accounted for by the equity method, and the 8% depreciation of the U.S. dollar against the euro in 2004.

Net sales by geographical area	2004		2003		% Variation
	Amount	% of total	Amount	% of total	
Spain	5,645.3	89.8	5,413.0	89.5	4.3
Abroad	640.6	10.2	637.5	10.5	0.5
Total	6,285.9	100	6,050.5	100	3.9

2.2. Gross operating income

At 2004 year-end the Group reported gross operating income of €851.3 million, up 5.9% on 2003. This growth represents a 0.2 percentage point improvement in the sales margin, which stood at 13.5%, due to the sound performance of the Versia, Construction and Services areas.

As regards the breakdown of income by business line, the growth of the Services and Versia areas prompted their contribution to gross operating income to rise from 41.7% in 2003 to 44.3% in 2004.

Business activity	2004		2003		% Variation
	Amount	% of total	Amount	% of total	
Construction	159.0	18.7	140.0	17.4	13.6
Services	285.4	33.5	255.0	31.7	11.9
Versia	91.8	10.8	80.6	10.0	13.9
Cementos Portland Valderrivas	265.0	31.1	276.2	34.3	(4.0)
Other	50.1	5.9	52.3	6.5	(4.2)
Total	851.3	100	804.1	100	5.9

2.3. Net operating income

Net operating income amounted to €543.6 million, a year-on-year increase of 4.7%. The sales margin of 8.6% was in line with that obtained in 2003.

As regards the trends reported in the various areas, mention should be made of the sound performance of the Services, Versia and Construction areas, which increased their contribution to the Group's operating income, as shown in the following table:

Business activity	2004		2003		% Variation
	Amount	% of total	Amount	% of total	
Construction	120.7	22.2	103.2	19.9	17.0
Services	149.6	27.5	138.6	26.7	7.9
Versia	49.6	9.1	45.2	8.7	9.7
Cementos Portland Valderrivas	172.3	31.7	189.4	36.5	(9.0)
Other	51.4	9.5	42.6	8.2	20.7
Total	543.6	100	519.0	100	4.7

2.4. Ordinary income

Ordinary income in 2004 rose by 9.4% to €570.2 million. The sales margin was up from 8.6% in 2003 to 9.1% in 2004.

This growth in operating income was complemented by the containment of financial costs as a result of the reduction of the Group's indebtedness and the maintenance of interest rates at their current low levels.

Also, the income from companies accounted for by the equity method includes an increased contribution by Realia, whose net income rose by 15.3%, despite the fact that its extraordinary income for the year fell significantly with respect to 2003.

2.5. Consolidated Income before Taxes

Consolidated income before taxes amounted to €603.3 million, an increase of 21.6% with respect to the year-ago period.

Extraordinary income amounted to €33.1 million in 2004, as compared with the extraordinary loss of €24.8 million reported in 2003.

Noteworthy in this connection was the income amounting to €60.3 million received, mainly through dividends, from the reinsurers Abies Re Anstalt and Fir Re Société Anonyme. These companies, which were included in the consolidated Group as a result of the change in legislation introduced by Law 62/2003, are currently being restructured. The sale of the Group's 10% ownership interest in Inversiones y Estudios Financieros, S.A. (Safei) gave rise to additional income of €21.7 million.

Conversely, the sale of the 50% holding in the Grubar Hoteles Group, whose price was determined on the basis of the market value of the hotels in which this group had held ownership interests, gave rise to a loss of €23.2 million. In addition, provisions amounting to approximately €30 million were recorded, basically to cover the risks inherent in the businesses located in Latin America and North Africa.

2.6. Income Attributed to the Parent Company

Income net of taxes attributable to the Parent Company amounted to €388.3 million, representing a 25.8% increase with respect to 2003 and an improvement of 1% in the net sales margin, which stood at 6.2%.

2.7. Backlog

The total construction and services backlog rose by 6.9% to €16,405.1 million, and will guarantee 16.9 months' activity in Construction and 61.9 months' activity in Services.

2.8. Investments

Investments in tangible fixed assets and intangible assets totaled €446.9 million. Of this amount, €40.5 million related to buildings and land, €275.0 million to machinery and equipment and €131.4 million to concessions and other assets.

Long-term investment additions amounted to €177.7 million in 2004, including most notably the investments of €82.3 million in the construction business, the most significant of which were capital contributions to concession-holders.

2.9. Funds Obtained

In 2004 the funds obtained by the FCC Group totaled €715.1 million, up 1% on 2003, as shown in the following table.

	2004	2003	% Variation
Ordinary income net of taxes	411.4	398.2	3.3
Depreciation of assets	301.5	282.7	6.7
Undistributed income from companies accounted for by the equity method	(42.8)	(40.9)	4.6
Other	45.0	67.7	(33.5)
Total	715.1	707.7	1.0

2.10 Net debt

The Group's net debt, as shown in the following table, amounted to €250.8 million, a reduction of 54.12% from €546.7 million in 2003, and the leverage ratio fell from 19.7% in 2003 to 9.3% in 2004.

	2004	2003	% Variation
Debenture issues	43.3	46.2	(6.3)
Bank debt	955.3	1,034.0	(7.6)
Limited recourse debt	68.5	70.9	(3.4)
Other debts	51.4	78.9	(34.9)
Cash + investments	(867.7)	(683.3)	27.0
Net position	250.8	546.7	(54.12)

The table below shows the statement of net financial debt flows, indicating the source of the various balances (from ordinary, investment and financing transactions).

Statement of net financial debt flows	2004	2003	Variation
From ordinary activities	852.5	705.5	147.0
Funds obtained (after taxes)	715.1	707.7	7.4
Variation in working capital	137.4	(2.2)	139.6
(Increase)/Decrease in inventories and accounts receivable	(117.8)	(204.8)	87.0
Increase/(Decrease) in suppliers and accounts payable	255.2	202.6	52.6
From investment transactions	(481.7)	(460.8)	(20.9)
Investments	(624.6)	(624.0)	(0.6)
Buildings and land	(40.5)	(75.5)	35.0
Machinery and equipment	(275.0)	(330.1)	55.1
Concession royalties and other	(131.4)	(78.3)	(53.1)
Shares and other equity interests	(177.7)	(140.1)	(37.6)
Divestments	146.7	149.7	(3.0)
Tangible fixed assets and intangible assets	43.7	16.2	27.5
Shares and other equity interests	103.0	133.5	(30.5)
Other	(3.8)	13.5	(17.3)
From financing transactions	(157.6)	(91.6)	(66.0)
Shareholders' contributions	0.5	0.8	(0.3)
Dividends distributed	(164.3)	(101.6)	(62.7)
Increase / (decrease) in debt	6.2	9.2	(3.0)
From accounting adjustments	82.7	(49.9)	132.6
(Increase)/decrease in net financial debt	295.9	103.2	192.7
Net financial debt	(250.8)	(546.7)	295.9

2.11. Shareholders' Equity

The Group's shareholders' equity at 2004 year-end amounted to €2,040.3 million, up 10.6% on 2003. The main variations in 2004 in the Group's equity accounts are shown in the following table:

Undistributed income for 2004	299.8
Distribución de beneficios de ejercicios anteriores	(90.5)
Foreign currency translation differences	(9.0)
Other	(5.5)
Total	194.8

2.12. Dividend and Earnings per Share

The total dividend proposed for 2004 amounts to €1.36 gross per share, representing a 27.5% increase with respect to 2003. An interim dividend of €0.68 gross per share was distributed.

Earnings per share in 2004 amounted to €2.99, approximately 25.6% higher than in 2003.

The pay out, i.e. the ratio of the income distributed to the income attributed to the Parent Company, was 45.5%.

2.13 ROE. Consolidated Income as a % of Shareholders' Equity and Minority Interests

The return on shareholders' equity increased from 19.4% in 2003 to 21.2% in 2004, evidencing the sound performance of the Group's business activities.

3. ANALYSIS BY BUSINESS AREA



3.1. Construction

3.1.1. Earnings

	2004	2003	% Variation
Net sales	3,090.2	2,950.1	4.7
Gross operating income	159.0	140.0	13.6
Gross operating income margin	5.1%	4.7%	
Net operating income	120.7	103.2	17.0
Net operating income margin	3.9%	3.5%	

Net sales amounted to €3,090.2 million, up 4.7% on the year-ago period. This increase was the result not only of activity in Spain, where billings rose by 3.9%, but also of sales abroad, which increased by 27.8% with respect to 2003.

	2004	2003	% Variation
Spain	2,958.8	2,847.3	3.9
% of total	95.7	96.5	
International	131.4	102.8	27.8
% of total	4.3	3.5	

3.1.2. Return

Gross operating income grew by 13.6% to €159 million, representing a 5.1% sales margin.

Also, net operating income rose by 17% to €120.7 million, and the sales margin also improved, reaching 3.9%.

3.1.3. Backlog and investments

	2004	2003	% Variation
Backlog	4,351.2	3,659.8	18.9
Investments	135.5	99.9	35.6

The construction backlog increased significantly (18.9%) with respect to 2003 to €4,351.2 million. This amount guarantees business operations for a period of 16.9 months, representing an increase of two months with respect to the year-ago period.

Investments made in 2004 amounted to €135.5 million, representing a considerable increase on 2003 (35.6%). Significant investments include the acquisition of machinery and equipment amounting to €39.4 million and financial investments totaling €82.3 million, mainly relating to capital contributions for concession projects, including €14.3 million for the Autovía del Camino freeway (Pamplona-Logroño), €13.8 million for the Costa Cálida highway (Cartagena-Vera) and €20.5 million for the Málaga subway.

3.2. Services

3.2.1. Earnings

	2004	2003	% Variation
Net sales	1,819.2	1,708.9	6.5
Gross operating income	285.4	255.0	11.9
Gross operating income margin	15.7%	14.9%	
Net operating income	149.6	138.6	7.9
Net operating income margin	8.2%	8.1%	

In 2004 net sales in the Services area amounted to €1,819.2 million, up 6.5% on 2003.

Special mention should be made of to the strong position of the Services line in Spain, which grew by 7.2% to €1,656.2 million, All sectors ended the year with marked improvements in their net sales, including most notably the sound performance of Waste, which rose by 29% with respect to 2003.

	Net sales 2004	% Variation	% Total area
Water	460.8	8.3	25.3
Environment	1,088.6	5.0	59.8
International	163.0	(0.7)	9.0
Waste	106.8	29.0	5.9

International sales, which account for 9% of the area's total sales, virtually remained at 2003 levels, standing at €163 million at 2004 year-end.

	2004	2003	% Variation
Spain	1,656.2	1,544.7	7.2
% of total	91.0	90.4	
Internacional	163.0	164.2	(0.7)
% of total	9.0	9.6	

Europe and Latin America accounted for 45.3% and 51.5%, respectively, of total international sales, and the remaining 3.2% was contributed by the contracts obtained in North Africa.

3.2.2. Return

Gross operating income amounted to €285.4 million, up 11.9% on the year-ago period. The sales margin rose from 14.9% in 2003 to 15.7% in 2004.

Net operating income increased by 7.9% to €149.6 million, and its margin also improved, rising to 8.2%.

3.2.3. Backlog and investments

	2004	2003	% Variation
Backlog	11,849.1	11,419.2	3.8
Investments	209.7	263.0	(20.3)

The Services backlog increased by 3.8% to €11,849.1 million, representing 72.2% of the Group's total backlog.

Investments in 2004 totaled €209.7 million, of which €167 million related to tangible fixed assets and intangible assets and €42.7 million to equity interests, including most notably those acquired in Gestió i Recuperació de Terres, S.A. (€15.9 million) and Operación y Mantenimiento de Sistemas de Aguas, S.A. (€10.3 million).

3.3. Versia

3.3.1. Earnings

	2004	2003	% Variation
Net sales	514.5	381.0	35.0
Gross operating income	91.8	80.6	13.9
Gross operating income margin	17.8%	21.2%	
Net operating income	49.6	45.2	9.7
Net operating income margin	9.6%	11.9%	

Net sales rose by 35% to €514.5 million, partly due to the inclusion in FCC Versia of the logistics services companies which, effective from January 1, 2004, were transferred to this internal management area without any effect on the Group's total net sales. These companies contributed additional net sales of €109 million to the area. Conversely, also in 2004, the Mexican subsidiary Cemusa ceased to be fully consolidated and was accounted for by the equity method. Consequently, disregarding these changes, the increase in sales would have been 10.4%.

The increase, considering a constant scope of consolidation, is due mainly to the Parking Lot sector, which grew by 22.8% and to the Transportation sector, which improved by 32.8%, mainly as a result of the commencement of operations of the Barcelona tram system. Also, had the effect of the exclusion of the Mexican subsidiary Cemusa referred to in the preceding paragraph been neutralized, net sales in the Street Furniture area would have increased by 17.8%.

	Net sales 2004	% Variation	% Total area
Upkeep and Systems	50.8	3.3	9.9
Street Furniture (Cemusa)	80.9	(2.5)	15.7
Vehicle Roadworthiness Tests	37.4	6.9	7.3
Parking Lots	58.8	22.8	11.4
Handling	153.0	3.9	29.7
Logistics	109.0		21.2
Urban Transport	24.6	32.8	4.8

Business activity in Spain accounted for 71.3% of total net sales in this area (€366.6 million). The international business expanded by 11.8%, with the most outstanding performances being reported in the Handling and Street Furniture divisions.

	2004	2003	% Variation
Spain	366.6	248.7	47.4
% of total	71.3	65.3	
International	147.9	132.3	11.8
% of total	28.7	34.7	

89.78% of international billings were generated in Europe and the remaining 10.22% in Latin America, the United States and North Africa.

3.3.2. Return

Gross operating income rose by 13.9% to €91.8 million in 2004. However, the net sales margin fell to 17.8%, due mainly to the inclusion of the Logistics business which, in view of its low capital intensity, generates reduced operating margins.

Net operating income amounted to €49.6 million, representing growth of around 9.7% with respect to 2003.

3.3.3. Backlog and investments

	2004	2003	% Variation
Backlog	193.7	43.9	341.2
Investments	90.6	64.6	40.2

Versia's backlog showed highly substantial growth in 2004 (341.2%) to €193.7 million, due mainly to the inclusion of the Logistics business, which contributed a backlog of €146.5 million. Investments made in 2004 increased by 40.2% to €90.6 million, of which €73.2 million related to investments in fixed assets.

3.4. Cementos Portland Valderrivas

3.4.1. Earnings

	2004	2003	% Variation
Net sales	881.5	865.6	1.8
Gross operating income	265.0	276.2	(4.1)
Gross operating income margin	30.1%	31.9%	
Net operating income	172.3	189.4	(9.0)
Net operating income margin	19.5%	21.9%	

Net sales in the Cement area amounted to €881.5 million, an increase of 1.8%. In the Spanish market this growth figure was affected by the increase in billings in geographical areas in which the price per tonne was lower, with the concomitant effect on the average selling price per tonne.

Business in Spain, which accounted for 77.6% of cement sales, continues to show high levels of activity and grew by 3.5% with respect to 2003. By contrast, business abroad fell by 3.4% to €197.8 million, due mainly to the depreciation of over 8% of the U.S. dollar with respect to the euro.

	2004	2003	% Variation
Spain	683.7	660.8	3.5
% of total	77.6	76.3	
International	197.8	204.8	(3.4)
% of total	22.4	23.7	

3.4.2. Return

Gross operating income, which represented 30.1% of net sales, amounted to €265 million, including both the aforementioned impact on the average selling price per tonne and the increase in transport costs arising from the increased number of tonnes transported to the areas of greatest demand.

Net operating income totaled €172.3 million and the sales margin for the area was 19.5%, considering the aforementioned effects and the increase in amortization and depreciation relating to investments made in the United States.

3.4.3. Investments

	2004	2003	% Variation
Investments	155.8	142.1	9.6

Investments in the Cement business amounted to €155.8 million in 2004, a year-on-year increase of 9.6%, and related mainly to the modernization of the Group's U.S. factories.

3.5. Realia Business, S.A.

The Group operates in the real estate industry through its 49.17% holding in Realia Business, S.A., and accounts for this company's earnings by the equity method. The main aggregates of the Realia Business Group taken as a whole are shown below:

3.5.1. Earnings

	2004	2003	% Variation
Net sales	574.6	470.3	22.2
Gross operating income	193.8	140.6	37.8
Gross operating income margin	33.7%	29.9%	
Net operating income	176.8	121.1	46.0
Net operating income margin	30.8%	25.7%	

Particularly worthy of note was the substantial 22.2% increase in net sales and the improvement of the gross and net margins, which stood at 33.7% and 30.8%, respectively.

ACQUISITIONS OF TREASURY STOCK

At year-end Fomento de Construcciones y Contratas, S.A. held 434,322 shares of treasury stock, representing 0.33% of capital stock, valued at €9,422 thousand.

Also, in 2004 Compañía Auxiliar de Agencia y Mediación, S.A. owned 316,008 shares of Fomento de Construcciones y Contratas, S.A., representing 0.24% of its capital stock, which were recorded at their book value of €1,107 thousand, and Grucysa, S.A. owned 475 shares of Fomento de Construcciones y Contratas, S.A., recorded at their book value of €10 thousand. These shares are also deemed to be Parent Company shares in accordance with Article 87 of the revised Corporations Law.

In accordance with Article 79.4 of the Corporations Law, it should be noted that there were no variations in treasury stock in 2004.

RESEARCH AND DEVELOPMENT ACTIVITIES

The FCC Group is actively present in the world of research, development and technological innovation and employs the most effective means of production and techniques in carrying on its various business activities.

Noteworthy developments in the year were the steps taken in each of the three strategic activities, Services, Construction and Cement, to ensure a level of environmental protection that will permit sustained growth.

The Group's research and development initiatives addressed those matters which are directly or indirectly related to our activities, such as the reduction of energy and raw materials consumption, the control of polluting emissions and discharges, the increase in valorization and recycling, the reduction of noise levels, the treatment to eliminate smells from organic waste biomethanization and composting plants, the development of high-performance stainless steels which improve the security of reinforced concrete structures, and the search for low-reflection caissons solutions for use in quays and dikes.

Particular mention should be made of the Group's technological drive, which featured the inclusion of a new natural gas engine in two types of vehicles, mainly for special solid waste collection itineraries and, by extension, in street cleaning activities. Since this very low emission new engine was fitted in reduced-width collection vehicles, it was necessary to install special compressed gas tanks to achieve the same autonomy as a conventional diesel vehicle.

Also, in the Construction area it should be noted that, through FCC Construcción, the Group is a member of the Management Board of the European Construction Technology Platform, an initiative involving more than 300 organizations (industries, universities, research centers, European authorities, etc.) whose objective is to define the Strategic Research Agenda for the construction industry and to attempt to develop macroprojects using public and private-sector financing.

In Europe work commenced on the two construction projects approved by the European Commission within the VI Framework Program, the Tunconstruct Project to optimize underground construction, considering the design, construction and operation cycle, and the Manubuild project to industrialize construction and bring developments closer to user needs.

Other projects worthy of mention in which the Group is involved are the "Optimization of Waste Management in the Construction Industry" and the "Reduction of the Effects on Land of Construction Projects" in the building construction and civil engineering areas, respectively.

The new research and development projects performed obtained the recognition of institutions in Spain such as the Spanish Ministry of Science and Technology's PROFIT Funds, the autonomous community governments and the Industrial Technological Development Center. Noteworthy among the PROFIT program projects is the LOGRO Project for the optimization of construction waste, conducted in collaboration with the Cataluña Technological Institute, and the SHTOEC Project for the automation of gunite spraying and the improvement of gunned concrete mixes.

Also, the European Union's EUREKA Program Committee granted its seal of approval to the research and development project entitled "Definition of Environmental Variables and Indicators in Joint Urban Solid Waste Treatment Processes". This certification acknowledges the originality of the project, the scientific quality of its program and its interest for Europe, as a possible basis for improving knowledge in the area of urban solid waste treatment processes.

OUTLOOK FOR 2005

Below we set forth the prospects for 2005 of the various lines of business composing the FCC Group, which will foreseeably lead to growth in the Group's net sales and earnings.

First of all, it should be mentioned that the construction and services backlog at 2004 year-end amounted to €16,400 million, equivalent to over 31 months' annual production.

For **FCC Servicios**, any increase in the current market share of the Environment division will be linked to the extension and renewal of a significant number of contracts and to the entry into service of new waste treatment and elimination facilities.

In Industrial Waste, 2005 will witness the consolidation of the growth obtained from the investments made in prior years, the entry into service at full capacity of the newly built operating centers and the acquisition of one or other major company in the industry.

In Water Management, significant growth potential continues to exist in the Spanish market. This area will continue to diversify, incorporating new companies with broad experience in the design, construction and operation of water treatment and purification plants and in desalination. Also, the acquisition of a company specializing in industrial water management is envisaged.

As regards the Group's international business, the growth strategy will be based on expansion into new emerging markets, mainly in Eastern Europe. In addition, operations in the countries in which we already have a presence will be consolidated by opening up new business lines.

At the beginning of 2005 the services backlog amounted to €11,850 million, equivalent to over six and a half years of annual production.

Versia's growth in 2005 will be sustained, on the one hand, by the upward trend in Logistics services following the acquisition of the Logístico Santos Group and, on the other hand, by the growth of the market itself.

Increased activity is also forecast in the Street Furniture and Advertising divisions, based on the consolidation of the contracts awarded in the USA, Portugal and Brazil and the obtainment of new contracts in the Spanish market.

As regards **FCC Construcción**, there are sound prospects in the Spanish market for 2005 due to the existing construction backlog and the demand for public-sector construction projects that will be generated by the Ministry for Development's Transportation Infrastructure Strategic Plan. This Plan envisages a series of measures, through 2020, focusing on roads, railways, ports and airports in Spain and on links with the Transeuropean transport network.

In the international market FCC Construcción's presence in Central America will be consolidated through the investments made, and the geographical diversification process will be boosted in Central and Eastern Europe.

At 2004 year-end, the construction backlog amounted to €4,350 million, a figure which guarantees nearly 17 months' production.

The performance of **Cementos Portland Valderrivas** in Spain will be determined by the development of the housing industry and by the rate at which the Spanish infrastructure construction plans are implemented. Forecasts indicate that the levels of production achieved in 2004 will be maintained.

May 2005 will see the entry into service of the modernized facilities of the plant owned by the subsidiary Giant Cement Inc. in South Carolina (USA). As a result, the plant will switch from wet-process to dry-process manufacturing and expand its production capacity to 1 million tonnes, leading to reduced production costs. In addition, an upward trend in prices in the market area of this investee (the states of Virginia, North Carolina and South Carolina) has been detected.

Significant investments will be made to adapt the facilities owned by Cementos Portland Valderrivas, both in Spain and in the United States, to bring them into line with environmental and safety regulations.

In 2005 **Realia's Development** area will continue with its policy of major land acquisitions and turnover in the zoning areas in which it has a significant presence. It also aims to establish itself in the areas in which it is not present, such as Zaragoza and La Rioja.

As regards Realia's International business, the investments in Portugal will be consolidated and land purchases will commence in Poland with short-term urban development plans that will enable the subsidiary Realia Polska Investycje, z.o.o to commence construction on certain plots of land.

The volume of sales and deposits on property units not yet delivered amounted to €587 million at 2004 year-end, representing a significant proportion of net sales for the coming years.

As regards the Property Portfolio, two new shopping mall projects will be launched in 2005 in Guadalajara and Leganés (Madrid). Also, construction work will commence on a shopping mall in the city of Murcia, with a potential buildable area of 30,000 m².

Realia's strategic plan for 2005 and subsequent years foresees significant investments to acquire and/or develop new projects, both in the office and the shopping mall segments. Also, the Company will continue with its policy to dispose of mature, non-strategic assets. Properties of this kind have already been sold in 2005.



Auditor's
report

Consolidated
Group

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

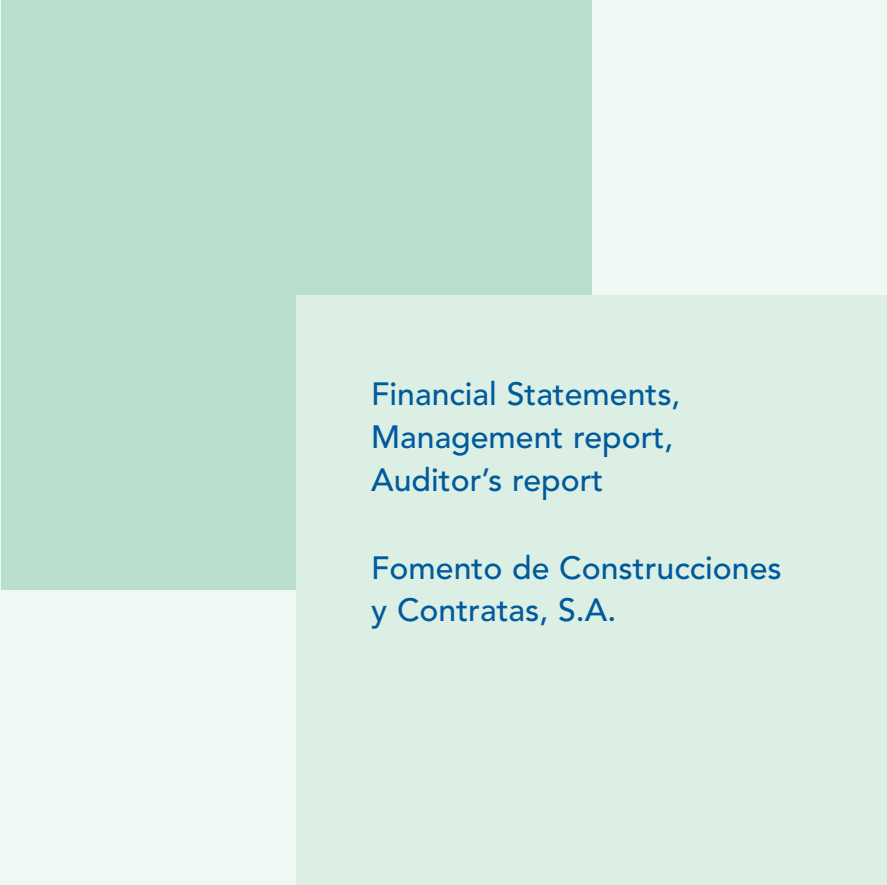
To the Shareholders of
FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.:

1. We have audited the consolidated financial statements of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES comprising the consolidated balance sheet as of December 31, 2004, and the related consolidated statement of income and notes to consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Parent Company's directors. Our responsibility is to express an opinion on the consolidated financial statements referred to above taken as a whole based on our audit work performed in accordance with generally accepted auditing standards, which require examination, by means of selective tests, of the documentation supporting the consolidated financial statements and evaluation of their presentation, of the accounting principles applied and of the estimates made. Our work did not include an examination of the 2004 financial statements of certain subsidiaries and associated companies, whose aggregate assets and net income in absolute values represent 36% and 48%, respectively, of the related consolidated totals. The financial statements of these companies were audited by other auditors (see Exhibits I, II and III to the notes to consolidated financial statements). Our opinion as expressed in this report on the consolidated financial statements of Fomento de Construcciones y Contratas, S.A. and Subsidiaries is based, with respect to these companies, on the reports of the other auditors.
2. As required by Spanish corporate law, for comparison purposes the directors present, in addition to the 2004 figures for each item in the consolidated balance sheet and consolidated statement of income, the figures for 2003. Our opinion refers only to the 2004 consolidated financial statements. Our auditors' report dated April 2, 2004, on the 2003 consolidated financial statements contained an unqualified opinion.
3. In our opinion, based on our audit and on the reports of the other auditors (see Exhibits I, II and III), the consolidated financial statements for 2004 referred to above present, in all material respects, a true and fair view of the net worth and financial position of Fomento de Construcciones y Contratas, S.A. and Subsidiaries as of December 31, 2004, and of the results of their operations in the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with generally accepted accounting principles and standards applied on a basis consistent with that of the preceding year.
4. The accompanying consolidated management report for 2004 contains the explanations which the directors of the Parent Company consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated management report is consistent with that contained in the consolidated financial statements for 2004. Our work as auditors was confined to checking the consolidated management report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of the companies that compose the Group.

DELOITTE
Registered in R.O.C. under no. 58692

Agencia de Auditoría: PwC

April 8, 2005



Financial Statements,
Management report,
Auditor's report

Fomento de Construcciones
y Contratas, S.A.

**Financial
Statements**

Fomento de
Construcciones y
Contratas, S.A.



BALANCE SHEET

Fomento de Construcciones y Contratas, S.A.

ASSETS	12.31.2004	12.31.2003
Fixed and other noncurrent assets	1,657,957	1,660,003
Intangible assets	81,244	115,030
- Concessions, patents, licenses, trademarks and other	29,635	28,548
- Rights on leased assets	81,159	118,995
- Accumulated amortization	(29,550)	(32,513)
Tangible fixed assets	278,515	245,730
- Land and structures	157,947	149,555
- Plant and machinery	320,340	264,289
- Other fixtures, tools and furniture	80,166	68,136
- Advances and construction in progress	25,017	20,974
- Other tangible fixed assets	15,514	14,459
- Allowances	(311)	(311)
- Accumulated depreciation	(320,158)	(271,372)
Long-term investments	1,288,776	1,289,821
- Investments in Group companies	1,139,334	1,139,755
- Investments in associated companies	244,296	243,864
- Loans to Group and associated companies	3,426	3,744
- Long-term investment securities	13,788	39,002
- Other loans	10,503	9,435
- Long-term deposits and guarantees given	4,798	4,371
- Allowances	(127,369)	(150,350)
Treasury stock	9,422	9,422
Deferred charges	5,414	5,320
Current assets	497,700	445,525
Inventories	12,998	25,632
- Raw materials and other supplies	5,610	17,112
- Finished goods	3,227	3,286
- Advances	4,885	5,971
- Allowances	(724)	(737)
Accounts receivable	424,976	368,004
- Trade receivables for sales and services	314,822	298,153
- Receivable from Group companies	35,138	14,029
- Receivable from associated companies	6,812	8,944
- Sundry accounts receivable	11,741	9,237
- Employee receivables	628	853
- Tax receivables	65,235	46,451
- Allowances	(9,400)	(9,663)
Short-term investments	33,865	16,584
- Loans to Group companies	14,668	7,348
- Loans to associated companies	11,373	7,162
- Short-term investment securities	6,616	857
- Other loans	978	992
- Short-term deposits and guarantees given	578	573
- Allowances	(348)	(348)
Cash	23,306	31,613
Accrual accounts	2,555	3,692
TOTAL ASSETS	2,161,071	2,110,848

as of december 31, 2004

In thousands of euros

SHAREHOLDERS' EQUITY AND LIABILITIES	12.31.2004	12.31.2003
Shareholders' equity	921,014	903,680
Capital stock	130,567	130,567
Additional paid-in capital	242,133	242,133
Reserves	440,177	429,203
- Legal reserve	26,113	26,113
- Reserves for treasury stock	9,422	9,422
- Reserve for retired capital	2,770	2,770
- Other reserves	401,872	390,898
Income for the year	196,628	149,826
Interim dividend	(88,491)	(48,049)
Deferred revenues	4,517	4,923
- Capital subsidies	4,517	4,923
Provisions for contingencies and expenses	140,496	98,509
- Provisions	130,228	89,034
- Reversion reserve	10,268	9,475
Long-term debt	29,587	93,073
Payable to credit institutions	3,578	62,823
- Loans and other payables	285	60,330
- Long-term lease payments payable	3,293	2,493
Other payables	26,009	30,250
- Limited recourse project financing loans	9,684	13,481
- Long-term guarantees and deposits received	4,274	4,229
- Long-term taxes payable	12,051	12,540
Current liabilities	1,065,457	1,010,663
Payable to credit institutions	20,510	39,197
- Loans and other payables	5,293	7,970
- Interest payable	425	673
- Short-term lease payments payable	14,792	30,554
Payable to Group and associated companies	594,224	638,049
- Payable to Group companies	590,154	634,681
- Payable to associated companies	4,070	3,368
Trade accounts payable	156,545	146,549
- Advances received on orders	19,328	17,675
- Accounts payable for purchases and services	77,066	72,957
- Notes payable	60,151	55,917
Other nontrade payables	248,211	156,020
- Taxes payable	113,581	65,996
- Notes payable	3,349	5,001
- Limited recourse project financing loans	3,797	3,682
- Other payables	105,768	61,316
- Compensation payable	21,621	19,932
- Short-term guarantees and deposits received	95	93
Operating allowances	45,454	30,616
Accrual accounts	513	232
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,161,071	2,110,848



STATEMENT OF INCOME

Fomento de Construcciones y Contratas, S.A.

DEBIT	12.31.2004	12.31.2003
Total operating expenses	839,832	800,995
Decrease in finished goods and work-in-process inventories	59	100
Cost of materials used and other external expenses	156,909	165,570
- Raw materials and other consumables used	79,039	71,473
- Other external expenses	77,870	94,097
Personnel expenses	485,191	451,675
- Wages, salaries and similar expenses	366,695	339,307
- Employee welfare expenses	118,496	112,368
Depreciation and amortization expense	50,932	45,260
Variation in operating allowances	17,459	5,330
- Variation in inventory allowances	(13)	(22)
- Variation in allowances for and losses on uncollectible receivables	35	624
- Variation in other operating allowances	17,437	4,728
Other operating expenses	129,282	133,060
- Outside services	124,795	128,664
- Taxes other than income tax	3,543	3,506
- Provision to the reversion reserve	944	890
Operating income	84,310	88,413
Financial expenses	21,955	19,025
- On debts to Group and associated companies	11,031	13,444
- On debts to third parties and similar expenses	6,228	5,581
- Losses on investments	4,696	—
Variation in investment valuation allowances	4,115	2,493
Exchange losses	128	34
Financial income	169,582	87,594
Income from ordinary activities	253,892	176,007
Variation in intangible asset, tangible fixed asset and control portfolio allowances	2,233	17,052
Losses on fixed assets	211	—
Extraordinary expenses and losses	32,113	4,140
Income before taxes	220,082	155,985
Corporate income tax	23,454	6,159
Income for the year	196,628	149,826

as of december 31, 2004
In thousands of euros

CREDIT	12.31.2004	12.31.2003
Total operating revenues	924,142	889,408
Net sales	834,726	808,342
Capitalized expenses of in-house work on fixed assets	1,335	1,903
Other operating revenues	88,081	79,163

Revenues from equity investments	192,354	102,754
- Group companies	162,194	81,913
- Associated companies	26,343	20,841
- Nongroup companies	3,817	—
Revenues from other marketable securities and noncurrent loans	598	1,295
- Associated companies	132	143
- Nongroup companies	466	1,152
Other financial revenues	2,807	1,306
- Group and associated companies	11	329
- Other interest	2,276	977
- Gains on investments	520	—
Exchange gains	21	3,791

Gains on fixed assets and control portfolio	—	760
Capital subsidies transferred to income for the year	406	410
Extraordinary revenues	341	—
Extraordinary loss	33,810	20,022



Notes to financial statements

Fomento de Construcciones y Contratas, S.A.

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Exhibit I.	Group Companies
Exhibit II.	Joint Ventures
Exhibit III.	Associated and Multigroup Companies
Exhibit IV	Report of the Board of Directors of Fomento de Construcciones y Contratas, S.A. for the distribution of an interim dividend during the year

1. COMPANY'S BUSINESS ACTIVITIES

The Company's core business is to provide general services, which include mainly the collection and treatment of solid waste, the cleaning of public streets and drainage systems, the maintenance of green areas and buildings, water purification and distribution and other complementary services. It also owns holdings in other Spanish and foreign companies and is the parent company of the FCC Group, which in turn prepares consolidated financial statements.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements, which were prepared from the accounting records of Fomento de Construcciones y Contratas, S.A. and of the joint ventures in which it participates, are presented in accordance with current legislation and expressed in thousands of euros. The balance sheets and income statements of the joint ventures in which the Company participates were proportionally consolidated on the basis of the percentage share in the income, revenues and expenses of each joint venture.

Also, the Company has an 80% ownership interest in the Torre Picasso building, which is being operated through an owners' association. Consequently, the financial statements include the assets, liabilities, revenues and expenses of this association based on the percentage of the Company's ownership interest.

The joint ventures and the owners' association were included by making the necessary uniformity adjustments, reconciliations and reclassifications and by eliminating reciprocal asset and liability balances and revenues and expenses. The detail of any material amounts relating thereto are included in these notes to financial statements.

Exhibit II lists the joint ventures, showing the percentage share in income.

The financial statements of Fomento de Construcciones y Contratas, S.A., which were prepared by its directors, have not yet been approved by the related Shareholders' Meeting. However, it is considered that they will be approved without any changes.

The directors of the Company prepared, together with the 2004 individual financial statements of Fomento de Construcciones y Contratas, S.A., the 2004 consolidated financial statements of the Fomento de Construcciones y Contratas Group, which will also be submitted for approval by the Shareholders' Meeting.

3. DISTRIBUTION OF INCOME

The proposed distribution of the income for 2004 of Fomento de Construcciones y Contratas, S.A. that will be submitted for approval by the Shareholders' Meeting is as follows:

	Amount
Income for the year, before distribution	196,628
Distribution:	
Interim dividend	0.68 euros per share
Final dividend	0.68 euros per share
To voluntary reserve:	
The amount remaining after payment of the interim and final dividends on the shares outstanding entitled to remuneration at the date of payment will be allocated to this reserve.	

On December 22, 2004, Fomento de Construcciones y Contratas, S.A. resolved to distribute an interim dividend of €0.68 per share out of 2004 income, equivalent to 68% (gross) of the par value of the shares. This dividend, totaling €88,491 thousand, was paid as from January 10, 2005 on the dividend-entitled shares.

The Board of Directors' report evidencing the existence of sufficient liquidity for the distribution of the aforementioned interim dividend is included as Exhibit IV hereto.

4. VALUATION STANDARDS



a) Intangible assets

Intangible assets are recorded at cost, which does not include the interest on the related financing.

Leased assets are amortized by the straight-line method over the years of estimated useful life, which are the same as those for tangible fixed assets, and administrative concessions are amortized over the concession period, which ranges on average from 25 to 50 years.

b) Tangible fixed assets

Tangible fixed assets are carried at acquisition cost or at production cost if the Company has performed in-house work thereon.

The cost of the tangible fixed assets does not include financing interest or exchange differences.

Upkeep and maintenance expenses not leading to a lengthening of the useful life or to increased production capacity of the related assets are expensed currently.

Tangible fixed assets are depreciated by the straight-line method at rates based on the following years of estimated useful life:

	Years of estimated useful life
Buildings and other structures	25 – 50
Torre Picasso building	75
Plant and machinery	5 – 15
Other fixtures, tools and furniture	8 – 12
Other tangible fixed assets	4 – 10

Tangible fixed assets assigned exclusively to certain specific contracts are depreciated over the shorter of the years of useful life indicated above or the contract term.

c) Deferred financial expenses relating to the financing of fixed assets

The interest on loans used to finance fixed assets is generally expensed currently.

However, the Company capitalizes the financial expenses arising from the financing of the fixed assets required to carry on its water supply/treatment line of business, in accordance with the Spanish National Chart of Accounts specific to this industry. The expenses thus capitalized are deferred over the term of the service, provided that there is evidence that future revenues will enable the costs previously incurred to be recovered.

The interest capitalized as described in the preceding paragraph is included under the "Deferred Charges" caption in the accompanying balance sheet.

d) Long-term investments. Marketable securities and nontrade loans

In accordance with current legislation, investments in listed and unlisted marketable securities are valued at cost, net of the required allowances for decline in value. The effect of applying this method is that all unrealized losses existing at year-end are recorded, but unrealized gains are not, except for those disclosed at the time of acquisition and still existing at the date of subsequent valuation.

Loans are valued at the amount delivered plus the unmatured accrued interest at the balance-sheet date. The necessary value adjustments are made by recording allowances for loans with possible recovery problems.

Securities and loans maturing in under 12 months from the balance-sheet date are classified as short-term (current assets) and those maturing at over 12 months as long-term (noncurrent assets). Other investments of a permanent nature are classified as long-term financial assets.

e) Inventories

Inventories are valued at average acquisition price or average production cost and the necessary value adjustments are made to mark the carrying values to market, if this is lower. Allowances are also recorded for the decline in value of obsolete inventories.

f) Treasury stock

Treasury stock is valued at the lower of average cost or market, or, if applicable, at approximate underlying book values in accordance with the principle of prudence.

g) Subsidies

Nonrefundable capital subsidies are taken to income in proportion to the period depreciation of the subsidized assets.

h) Provisions for pensions and similar obligations

The Company has not established any pension plans to supplement the social security pension benefits.

In 2002, pursuant to the revised Pension Fund and Plan Law, the Company externalized its pension and other similar commitments to its employees.

Also, for some employees, including certain executives and directors, in the past an insurance policy was arranged and the related premium paid to cover the payment of contingent liabilities relating to death and permanent occupational disability and to retirement bonuses and other benefits.

i) Provisions for contingencies and expenses

The Company has recorded provisions for contingencies and expenses relating to the estimated amount required for probable or certain third-party liability and for outstanding obligations whose exact amount cannot yet be fully determined or whose date of payment is uncertain, since they are dependent on the fulfillment of certain conditions. These provisions are recorded when the related liability or obligation arises.

j) Reversion reserve

The Company records a reversion reserve for assets subject to administrative concessions which revert to the grantor entity at the end of the concession period. This reserve is calculated by supplementing the depreciation of the related asset, so that at the end of the concession period the net book value (after deduction of the related accumulated depreciation) is zero.

Additionally, the Company considers that the periodic maintenance plans for its assets, the cost of which is expensed currently, are sufficient to ensure delivery of the revertible assets in good working order at the end of the concession periods and that, therefore, no significant expenses will arise as a result of the reversion.

k) Classification of debt

Debts maturing in under 12 months from the balance-sheet date are classified as current liabilities and those maturing at over 12 months as long-term debt.

Debts are valued at the amounts drawn plus the unmatured accrued interest. Nontrade debts are carried at their repayment value and the interest on the transaction is recorded under the "Deferred Charges" or "Accrual Accounts" captions on the asset side of the balance sheet, depending on whether the principal amount is classified as long- or short-term. The interest is taken to income on the basis of the principal amount outstanding.

In certain cases the interest rate risk relating to the debt is hedged through futures and derivatives. The transaction expenses and the differences arising due to interest rate fluctuations are charged to income by the same timing of recognition method as that used for the costs of the main debt hedged.

l) Corporate income tax

The expense for corporate income tax of each year is calculated on the basis of book income before taxes, increased or decreased, as appropriate, by the permanent differences from taxable income for corporate income tax purposes and book income, which do not reverse in subsequent periods. To this adjusted book income the Company applies the current tax rate, deducts the tax credits and tax relief earned in the year and adds the positive or negative differences arising between the tax calculated for the closing of the prior year's financial statements and the tax actually paid subsequently.

m) Foreign currency transactions

Balances receivable and payable in foreign currencies are translated to euros at the exchange rates prevailing at the date of the balance sheet, and the differences that arise are taken to income as stipulated by current regulations.

The differences resulting from fluctuations in exchange rates from the date on which the transactions were made, or the related values were adjusted, to the date of collection or payment are taken to period income.

n) Recognition of revenues and expenses

Revenues and expenses are recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

The Company recognizes as the period result on its contracts the difference between period production (valued at the sale price of the service provided during the period, as specified in the principal contract or in approved amendments thereto, and the sale price of other as yet unapproved services for which there is reasonable assurance of recovery) and the costs incurred. Additionally, late-payment interest is recognized as a revenue when it is approved or finally collected.

The difference between the amount of production and the amount certified through the date of the financial statements is recorded as "Completed Production Pending Certification" under the "Trade Receivables for Sales and Services" caption. Certificate prebillings for various items are recorded under the "Advances Received on Orders" caption on the liability side of the balance sheet.

In accordance with the accounting principle of prudence, the Company only records realized income at year-end, whereas foreseeable contingencies and losses, including possible losses, are recorded as soon as they become known, by booking the appropriate provisions (see Notes 4-i and 12).

o) Environmental information

As indicated in Note 1, the Company engages mainly in services activities which, due to their nature, involve special care in controlling environmental impact. For example, with regard to the operation under concession of landfills, the Company is generally responsible for the sealing, control and reforestation thereof on completion of operations. Also, the Company has fixed assets for the protection of the environment and bears any expenses that may be required for this purpose in the performance of its business activities.

The acquisition costs of these fixed assets used in environmental conservation are recorded under the "Tangible Fixed Assets" or "Intangible Assets" captions based on the nature of the investment, and are amortized or depreciated over their useful lives. Also, in accordance with current accounting regulations, the Company records the expenses and provisions arising from such environmental commitments.

5. INTANGIBLE ASSETS

The variations in 2004 in this caption in the accompanying balance sheet were as follows:

	Balance at 12.31.03	Additions or provisions	Retirements or Reductions	Transfers	Balance at 12.31.04
Concessions, patents, licenses, trademarks and other	28,548	3,239	(2,152)	–	29,635
Rights on leased assets	118,995	25,817	–	(63,653)	81,159
Accumulated amortization	(32,513)	(12,294)	88	15,169	(29,550)
	115,030	16,762	(2,064)	(48,484)	81,244

The "Concessions, Patents, Licenses, Trademarks and Other" account relates mainly to joint ventures and includes most notably the amounts paid for concessions for, inter alia, water supply services, which are being amortized on a straight-line basis over the concession period.

The features of the financial lease contracts in force at 2004 year-end are as follows:

Original cost of the assets	81,159
Value of purchase options	865
Contract term (years)	2
Lease payments paid in the year	37,746
Lease payments paid in prior years	26,624
Lease payments outstanding, including purchase option	18,085

The detail of leased assets as of December 31, 2004, is as follows:

Plant and machinery	70,472
Other fixtures, tools and furniture	9,904
Other tangible fixed assets	783
	81,159

6. TANGIBLE FIXED ASSETS

The detail of tangible fixed assets and of the related accumulated depreciation as of December 31, 2004, is as follows:

	Cost	Accumulated depreciation	Allowances	Net
Land and structures	157,947	(51,143)	(311)	106,493
Plant and machinery	320,340	(206,764)	–	113,576
Other fixtures, tools and furniture	80,166	(50,650)	–	29,516
Advances and construction in progress	25,017	–	–	25,017
Other tangible fixed assets	15,514	(11,601)	–	3,913
	598,984	(320,158)	(311)	278,515

€56,707 thousand of the net balance of tangible fixed assets relate to joint ventures.

All the tangible fixed assets were being used in production at 2004 year-end; however, €168,690 thousand of tangible fixed assets had been fully depreciated.

The Company takes out the insurance policies it considers necessary to cover the possible risks to which its tangible fixed assets are subject.

The variations in tangible fixed asset accounts, broken down to show the additions and retirements in 2004, were as follows:

	Balance at 12.31.03	Additions or provisions	Retirements or reductions	Transfers	Balance at 12.31.04
Land and structures	149,555	2,524	(161)	6,029	157,947
Plant and machinery	264,289	5,034	(9,106)	60,123	320,340
Other fixtures, tools and furniture	68,136	5,107	(1,798)	8,721	80,166
Advances and construction in progress	20,974	16,043	–	(12,000)	25,017
Other tangible fixed assets	14,459	583	(308)	780	15,514
Allowances	(311)	–	–	–	(311)
Accumulated depreciation	(271,372)	(38,638)	5,021	(15,169)	(320,158)
	245,730	(9,347)	(6,352)	48,484	278,515

7. LONG- AND SHORT-TERM INVESTMENTS. MARKETABLE SECURITIES AND NONTRADE LOANS

The detail of the main accounts under the "Long-Term Investments" and "Short-Term Investments" captions in the accompanying balance sheet is as follows:

1) Long-term

Investments in Group companies

The detail, by company, of this account in the accompanying balance sheet is presented in Exhibit I, indicating, for each company in which the Company has a direct holding, the following data: corporate name, address, line of business, percentage of direct or indirect ownership, capital stock and reserves, income (loss), dividends received, listing status, and the book value of the holding.

The variations in the balance of this caption in 2004 were as follows:

	Cost
Balance at 12.31.03	1,139,755
Retirement due to liquidation:	
Abies Re Anstalt	(421)
Balance at 12.31.04	1,139,334

Investments in associated companies

This account in the accompanying balance sheet reflects the Company's holdings in associated and multigroup companies, as detailed in Exhibit III, which discloses the same information for each investee in which the Company has a direct holding as that presented for the Group companies.

The variations in the balance of this caption in 2004 were as follows:

	Cost
Balance at 12.31.03	243,864
Share purchase or subscription:	
Ecoparc del Besós, S.A.	432
Balance at 12.31.04	244,296

Long-term investment securities

The detail, by investment, cost and allowance, of the balance of this account as of December 31, 2004, is as follows:

	Equity securities	Allowances	Net book value
Artscapital Investment, S.A. (10.83% shareholding)	4,171	(4,171)	–
Shopnet Brokers, S.A. (15.54% shareholding)	2,796	(2,796)	–
Xfera Móviles, S.A. (8.26% shareholding)	5,413	(5,413)	–
Rest	1,408	(72)	1,336
	13,788	(12,452)	1,336

Fomento de Construcciones y Contratas, S.A., which has an 8.26% holding in Xfera Móviles, S.A., a UMTS wireless telephony license-holder, increased its holding in 2004 by 0.79% due to the restructuring of the investee's shareholder structure. The Company has also provided guarantees totaling €28,625 thousand for Xfera Móviles, S.A.

The variations in 2004 were as follows:

	Cost
Balance at 12.31.03	39,002
Shareholding purchases and subscriptions:	
Xfera Móviles, S.A.	5,413
Shareholding retirements, disposals and capital reductions:	
Venditelecom España, S.L.	(26,776)
Polux Capital, S.L.	(2,344)
Artscapital Investment, S.A.	(1,298)
Shopnet Brokers, S.A.	(209)
Balance at 12.31.04	13,788

Investment valuation allowances

The detail, by company, of this account in the accompanying balance sheet is presented in Exhibit I, in the case of the Group companies, and in Exhibit III, in the case of associated companies. The detail of the allowances relating to long-term investment securities is shown in the preceding tables.

The variations in 2004 were as follows:

Balance at 12.31.03		150,350
Provisions and reversals:		
Group and associated companies:		
Ambiente y Ecología de Buenos Aires, S.A.	267	
Egypt Environmental Services S.A.E.	1,560	
FCC International B.V.	(919)	
Giza Environmental Services S.A.E.	2,387	
Proactiva Medio Ambiente, S.A.	(1,046)	
Other	(16)	2,233
Long-term investment securities:		
Artscapital Investment, S.A.	(1,298)	
Polux Capital, S.L.	(2,344)	
Shopnet Brokers, S.A.	(209)	
Xfera Móviles, S.A.	5,413	
Venditelecom España, S.L.	(26,776)	(25,214)
Balance at 12.31.04		127,369

In 2004 Venditelecom España, S.L. and Polux Capital, S.L. were liquidated, provisions for these investments having been recorded previously. The Company also recorded a provision in 2004 for the total investment in Xfera Móviles, S.A.

II) Short-term investments

This caption includes basically the loans and other nontrade credit facilities granted, inter alia, to Group and associated companies to cater for certain specific cash situations, and other cash surpluses which are invested at short term. These investments are valued at the lower of cost or market, and increased by the interest earned at market rates.

€8,141 thousand of the balance of this caption relate to joint ventures.

8. DEFERRED CHARGES

The variations in 2004 in the balance of this caption in the accompanying balance sheet were as follows:

	Balance at 12.31.03	Additions	Amounts taken to income	Balance at 12.31.04
Financing of fixed assets (Note 4-c)	5,141	105	–	5,246
Financial leases	179	230	(241)	168
	5,320	335	(241)	5,414

9. TRADE RECEIVABLES FOR SALES AND SERVICES

The breakdown of the balance of this caption in the accompanying balance sheet, which relates mainly to the amounts receivable for Company services, is as follows:

Production certificates receivable	255,526
Completed production pending certification	59,296
Trade receivables for sales and services	314,822
Advances received on orders	(19,328)
Total trade receivables, net	295,494

€45,793 thousand of the net trade receivables balance relate to joint ventures.

The foregoing total is the net balance of trade receivables after deduction of the balance of the "Advances Received on Orders" account on the liability side of the accompanying balance sheet which, as required by accounting regulations, includes collected and uncollected certificate prebillings for various items and the advances received (normally in cash) for future supplies.

The "Production Certificates Receivable" account reflects the amount of the certificate billings to customers for services provided pending collection as of December 31, 2004.

The "Completed Production Pending Certification" account reflects the difference between the production recognized by Fomento de Construcciones y Contratas, S.A. on each contract and the amount of the certificates issued to the customers. The balance of this account relates basically to the production performed in December 2004 and the price revisions per the various contracts which, although as yet unapproved, the Company considers will be duly certified since there are no doubts as to their recovery.

The Company assigns trade receivables to financial institutions, without recourse against Fomento de Construcciones y Contratas, S.A. in the event of nonpayment. The amount deducted from the trade receivables balance at year-end in this connection amounted to €94,142 thousand. These transactions accrue interest under normal market conditions through the date on which the financial institution collects from the customers. Collection management in this period continues to be performed by Fomento de Construcciones y Contratas, S.A.

10. SHAREHOLDERS' EQUITY

The variations in equity accounts in 2004 were as follows:

	Balance at 12.31.03	2003 Retained earnings	Dividends distributed	Income for the year	Balance at 12.31.04
Capital stock	130,567	—	—	—	130,567
Additional paid-in capital	242,133	—	—	—	242,133
Legal reserve	26,113	—	—	—	26,113
Reserve for treasury stock	9,422	—	—	—	9,422
Reserve for retired capital	2,770	—	—	—	2,770
Voluntary reserves	390,898	10,974	—	—	401,872
Income for the year	149,826	(10,974)	(138,852)	196,628	196,628
Interim dividend	(48,049)	—	48,049	(88,491)	(88,491)
Shareholders' equity	903,680	—	(90,803)	108,137	921,014

a) Capital stock

The capital stock of Fomento de Construcciones y Contratas, S.A. consists of 130,567,483 common bearer shares of €1 par value each.

All the shares have identical rights and are fully subscribed and paid.

The shares of Fomento de Construcciones y Contratas, S.A. are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and traded through the Spanish computerized trading system.

With regard to direct holdings or indirect holdings (through subsidiaries) of 10% or more owned by other companies, as required by current legislation B 1998, S.L. has informed us that it has a direct and indirect ownership interest of 52.483% in the Company's capital stock. Acciona, S.A., according to the declaration made to the Spanish National Securities Market Commission, owns a 15.055% holding.

The aforementioned B 1998, S.L., which is owned by Esther Koplowitz Romero de Juseu (73.375%), the Ibersuizas Group (15.56%), Simante, S.L. (5.726%) and Larranza XXI, S.L. (5.339%), has certain commitments to its shareholders which have been registered and published by the Spanish National Securities Market Commission and include notably that concerning the distribution of a dividend of at least 50% of net consolidated income attributed to the Parent Company, net of the results arising from extraordinary income or losses.

b) Additional paid-in capital

The revised Corporations Law expressly permits the use of the additional paid-in capital balance to increase capital and establishes no specific restrictions as to its use for other purposes.

c) Legal reserve

Under the revised Corporations Law, 10% of income for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of capital stock. The legal reserve cannot be distributed to shareholders except in the event of liquidation.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased capital stock amount.

Except as mentioned above, until the legal reserve exceeds 20% of capital stock, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

As of December 31, 2004, the legal reserve had reached the legally stipulated minimum.

d) Treasury stock

The Company holds 434,322 shares of treasury stock, representing 0.33% of its capital stock, with a net book value of €9,422 thousand.

As required by Article 79.3 of the Spanish Corporations Law, the Company recorded a reserve of €9,422 thousand for treasury stock, with a charge to voluntary reserves. This reserve is restricted until such time as the treasury stock is sold or retired.

There were no variations under this caption in 2004.

e) Reserve for retired capital

This reserve includes the par value of the treasury stock retired in 2002 with a charge to unrestricted reserves, in accordance with Article 167.3 of the Corporations Law. The reserve for retired capital is restricted, unless it meets the same requirements as those stipulated for capital reductions.

f) Dividends distributed

On March 30, 2004, the Board of Directors approved the preparation of the 2003 financial statements and the proposed distribution of 2003 income, which included the payment of a final dividend of €0.341 gross per share. Subsequently, the Board of Directors at its meeting of June 14, 2004, resolved to modify the proposed distribution of the final dividend, by increasing it to €0.699 gross per share. This agreement was ratified at the Shareholders' Meeting on June 23, 2004, and a final dividend amounting to €90,803 thousand was paid, as reflected in the foregoing table.

11. SUBSIDIES

The accompanying balance sheet includes €7,945 thousand of subsidies received in the past, €3,428 thousand of which had been taken to income, including €406 thousand in the year ended December 31, 2004. This amount relates in full to joint ventures.

12. PROVISIONS AND ALLOWANCES

The variations in 2004 were as follows:

Provisions for contingencies and expenses

	Balance at 12.31.03	Period allocation	Amounts used	Reversals	Balance at 12.31.04
Provisions	89,034	42,160	(966)	—	130,228
Reversion reserve	9,475	944	—	(151)	10,268
	98,509	43,104	(966)	(151)	140,496

Operating allowances

	Balance at 12.31.03	Period provisions	Amounts used	Reversals	Balance at 12.31.04
Allowances	30,616	14,929	—	(91)	45,454
	30,616	14,929	—	(91)	45,454

The Company records the provisions required for third-party liability and other estimated risks as mentioned in Note 4-i. It also records a reversion reserve as indicated in Note 4-j. Noteworthy was the provision charged to extraordinary income of approximately €30 million for the inherent risks in the international business in Latin America, North Africa and other areas.

13. NONTRADE PAYABLES



a) The long-term payables in each of the related accounts in the accompanying balance sheet mature as follows:

	2006	2007	2008	2009	2010 and Subsequent years	Total
Payable to credit institutions	1,470	1,035	553	355	165	3,578
Limited recourse project financing loans	1,951	2,178	2,427	2,701	427	9,684
Long-term taxes payable	479	208	208	208	10,948	12,051
Guarantees and deposits	4,274	–	–	–	–	4,274
	8,174	3,421	3,188	3,264	11,540	29,587

The balance of the "Limited Recourse Project Financing Loans" caption relates to the payments outstanding in connection with the investments made by the Seragua-FCC-Vigo joint venture which operates the water supply in Vigo. The main features of this debt are as follows: the interest rate on the amount outstanding is Euribor plus a spread based on market rates; repayment is in semiannual installments ending in 2010; the repayments are made using the joint venture's revenues from operation of the service and, if the contract terms and conditions are met, with no other liability for the venturers if the funds obtained during the term of the loan do not cover the full amount of the principal plus interest.

The average interest rate on the long-term payables to credit institutions is Euribor plus a spread per the market.

The detail of the balance of the "Long-Term Taxes Payable" caption is disclosed in Note 14 ("Tax Matters").

b) Short-term payables

The accounts payable to Group and associated companies include the loans from these companies, which bear interest at market rates, and the operating payables to these companies.

Noteworthy is the "Other Payables" caption which includes the interim dividend amounting to €88,275 thousand payable out of 2004 income to non-Group third parties, as indicated in Note 3 above.

c) Credit lines

The Company had long- and short-term credit facilities with a limit of €1,346,231 thousand and had drawn down substantially the full amount as of December 31, 2004.

14. TAX MATTERS



The detail of the balances of the "Tax Receivables" and "Taxes Payable" captions on the asset and liability sides, respectively, of the accompanying balance sheet is as follows:

I. Long-term

The "Long-Term Taxes Payable" caption balance of €12,051 thousand relates to deferred corporate income tax for 35% of the accelerated depreciation of the Torre Picasso building in accordance with the tax incentives provided in Royal Decree-Law 2/1985 and the depreciation of the assets covered by Royal Decree-Law 3/1993. The maturity schedule indicated in Note 13 above relates to the years in which this deferred tax will reverse, calculated on the basis of the useful lives of the related assets.

II. Short-term

Tax receivables:

Prepaid corporate income tax	61,660
VAT refundable	2,922
Other items	653
	65,235

Taxes payable:

Personal and corporate income tax withholdings (from salary income and income from movable capital)	5,815
Deferred corporate income tax	28,754
Corporate income tax payable	49,310
VAT and other indirect taxes payable	18,849
Levies and other taxes other than income tax	290
Accrued social security taxes payable	10,563
	113,581

Reconciliation of the income per books to the taxable income for corporate income tax purposes:

Income per books for the year before taxes			220,082
	<u>Increase</u>	<u>Decrease</u>	
Permanent differences	10,276	–	10,276
Adjusted income per books			230,358
Timing differences:			
Arising in the reporting year	55,996	23,331	32,665
Arising in prior years	4,045	3,705	340
Taxable income			263,363

Adjusted income per books	230,358
Corporate income tax charge (35%)	80,625
Intercompany double taxation tax credit	(46,833)
Other tax credits and relief	(13,494)
Other adjustments	3,156
Corporate income tax payable	23,454

Noteworthy among the timing differences are those that arose in the reporting year. The increases were due mainly to the depreciation, amortization and provisions recorded which will be recoverable for tax purposes in subsequent years. The decreases arose mainly from the deferral due to the special method of amortization applied to fixed assets acquired under lease contracts pursuant to Law 43/1995.

Fomento de Construcciones y Contratas, S.A. has all the years not yet statute-barred open for review by the tax inspection authorities for the taxes applicable to it. The criteria which the tax authorities might adopt for the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. However, the Company's directors consider that the resulting liabilities would not have a material effect on the Company's net worth.

Under authorization 18/89, Fomento de Construcciones y Contratas, S.A. is taxed on a consolidated basis for corporate income tax purposes with all the other Group companies which meet the relevant requirements envisaged by tax legislation.

15. GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES



As of December 31, 2004, Fomento de Construcciones y Contratas had provided €287,909 thousand of guarantees to government agencies and private customers, mainly as security for the provision of services under urban cleaning contracts.

The Company had also provided guarantees to third parties for certain Group companies amounting to €134,990 thousand

The Company has guaranteed for its employees the investments made by them in 2000 for a five-year period in the collective investment fund set up by the Vivendi Universal Group. The possible payments and additional costs that may be incurred by the Company, which in any case are not expected to be material, are counterguaranteed by the Vivendi Universal Group.

Complaints have been filed against Fomento de Construcciones y Contratas, S.A. and the joint ventures in which it participates concerning the Company's responsibilities during its activities under the contracts awarded. Since the appropriate provisions have been recorded (see Notes 4-i and 12), any liabilities arising from this situation would have no material impact on the Company's net worth.

16. REVENUES AND EXPENSES



In 2004 Fomento de Construcciones y Contratas, S.A. performed work and provided services for Group and associated companies totaling €89,119 thousand. This amount included most notably €54,628 thousand billed for management, representation and administration services provided to the Company's wholly-owned subsidiary FCC Construcción, S.A., and this balance was recorded under the "Other Operating Revenues" caption in the accompanying statement of income. The Company also purchased €33,850 thousand of services and consumables from the aforementioned companies. The financial expenses incurred in 2004 on nontrade accounts payable to Group companies amounted to €11,031 thousand.

Substantially all the net sales relate to services provided in Spain. Joint ventures accounted for €96,610 thousand of the total "Net Sales" balance.

Operating revenues include rent revenues and billings for the allocation of 80% of costs to the tenants of the Torre Picasso building, amounting to €16,709 thousand and €5,409 thousand, respectively.

The average number of employees at the Company in 2004 was as follows:

Managers and university graduate employees	300
Other line personnel (junior college graduates)	190
Clerical and similar staff	691
Other salaried employees	17,508
	18,689

17. ENVIRONMENTAL INFORMATION



As indicated in Note 4-o, by their very nature, the activities carried on by the Company in the Services area are geared towards environmental protection and conservation, not only through the production activity itself (waste collection, operation and control of landfills, sewer cleaning, treatment and elimination of industrial waste, waste water treatment, etc.), but also as a result of performing these activities using production techniques and systems aimed at reducing environmental impact in accordance with the legally stipulated limits. The implementation of quality management and environmental management systems and the follow-up audits accredit the Company's activities in this connection.

The performance of the aforementioned production activities requires the use of specialized structures, plant and machinery that are efficient in terms of environmental protection and conservation. As of December 31, 2004, the acquisition cost of the fixed assets assigned to these production activities totaled €540,750 thousand and the related accumulated depreciation amounted to €293,971 thousand.

Company management considers that the contingencies relating to environmental protection and improvement as of December 31, 2004, would not have a significant impact on the accompanying financial statements.

18. FEES PAID TO AUDITORS



The “Outside Services” caption in the accompanying statement of income includes the fees for audit services provided to the Company, amounting to €166 thousand. This caption also includes fees relating to other services billed by the auditor or by other entities related to the auditor, amounting to €147 thousand.

19. INFORMATION ON THE BOARD OF DIRECTORS



The compensation earned by the directors of Fomento de Construcciones y Contratas, S.A. and payable to them by the Company was as follows (in thousands of euros):

Bylaw-stipulated profit sharing	1,548
Salaries	2,748
Attendance fees	6
Other compensation	474
	4,776

In the past an insurance policy was arranged and the premium paid to cover the payment of contingencies relating to death and permanent occupational disability, and to retirement bonuses and other benefits for certain of the directors of Fomento de Construcciones y Contratas, S.A. In 2004 no additional payment was made in this connection.

Except as indicated in the foregoing paragraphs, no other compensation, advances, loans or guarantees of any kind were granted to the directors, and there were no pension or life insurance obligations to former or present directors.

Following is a detail of the equity interests owned by the directors of Fomento de Construcciones y Contratas, S.A., or the individuals representing them, in companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company's corporate purpose which are not directly or indirectly owned by Fomento de Construcciones y Contratas, S.A., and of the positions they hold and the functions they discharge thereat. This information was provided by the directors themselves.

Director's name or corporate name	Investee Company	Percentage of ownership	Position held or functions discharged
D. Marcelino Oreja Aguirre	Metrovacesa, S.A.	<0.01	
Dª Alicia Alcocer Koplowitz	A.C.S. Actividades de Construcción y Servicios, S.A.	<0.01	
	Obrascón Huarte Lain, S.A.	<0.01	
D. Pedro A. del Castillo Machado	Eléctrica Maspalomas, S.A.	7.46	Chairman and Chief Executive
	Elmasa Medio Ambiente, S.L.	7.46	Officer Director

The directors of Fomento de Construcciones y Contratas, S.A. have declared that they do not engage in any activity, for their own account or for the account of others, that is identical, similar or complementary to the activity that constitutes the corporate purpose of the Company.

In 2004 Elmasa Patrimonial, S.A. sold its 51% holding in Gestión de Aguas del Norte, S.A. to Aqualia Gestión Integral del Agua, S.A. for € 1 million and the transaction was authorized by a resolution of the Board of Directors of Fomento de Construcciones, S.A. pursuant to Article 25.4 of the Board Regulations. The vendor company is owned by Pedro Agustín del Castillo and his family, and he represents Ibersuizas Holdings, S.L., which is in turn a member of the Board of Directors of Fomento de Construcciones y Contratas, S.A.

Except as expressed in the preceding paragraph, during the business year the directors of Fomento de Construcciones y Contratas, S.A., or persons acting on their behalf, did not perform, with the Company or with any company of the same Group, any transactions that were not part of the Company's normal business activities or were not conducted on normal market conditions.

20. STATEMENTS OF CHANGES IN FINANCIAL POSITION



Source of funds	2004	2003
Funds obtained from operations	295,238	222,300
Capital subsidies	–	148
Increase in long-term debt	3,424	62,493
Disposal of tangible fixed assets	6,532	4,686
Disposal of long-term investments	2,662	–
Repayment or transfer to short term of long-term investments	1,021	455
Increase in provisions for contingencies and expenses	–	2,869
Decrease in working capital	2,619	–
	311,496	292,951

Application of funds	2004	2003
Fixed asset additions:	65,365	141,192
Intangible assets	29,056	58,386
Tangible fixed assets	29,291	36,221
Long-term investments	7,018	46,585
Acquisition of treasury stock	–	7,257
Dividends	179,294	81,018
Repayment or transfer to short term of long-term debt	66,837	6,306
Increase in working capital	–	57,178
	311,496	292,951

Variation in working capital	2004		2003	
	Increase	Decrease	Increase	Decrease
Inventories	–	12,634	6,676	–
Deudores	56,972	–	35,208	–
Accounts payable	–	54,794	18,434	–
Short-term investments	17,281	–	5,369	–
Cash	–	8,307	–	6,222
Accrual accounts	–	1,137	–	2,287
	74,253	76,872	65,687	8,509
Variation in working capital	2,619	–	–	57,178
	76,872	76,872	65,687	65,687

The reconciliation of the income per books for the year to the funds obtained from operations shown in the foregoing statements of changes in financial position is as follows:

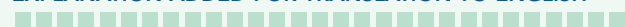
	2004	2003
Income for the year after taxes	196,628	149,826
Depreciation and amortization expense	50,932	45,260
Period provision to reversion reserve	944	890
Deferred charges	(94)	(376)
Provisions for contingencies and expenses	41,194	(7,083)
Variation in investment valuation allowances	6,348	34,953
Losses on fixed asset disposals	(308)	(760)
Capital subsidies transferred to income for the year	(406)	(410)
Funds obtained from operations	295,238	222,300

21. COST ACCOUNTING STATEMENTS OF INCOME



	12.31.2004		12.31.2003	
	Amount	%	Amount	%
Net sales	834,726	100.00	808,342	100.00
+ Other operating revenues	88,081	10.55	79,163	9.79
+ Variation in finished goods and work-in-process inventories	(59)	(0.01)	(100)	(0.01)
+ Capitalized expenses of Group work on fixed assets	1,335	0.16	1,903	0.24
Production value	924,083	110.70	889,308	110.02
- Net purchases	67,537	8.09	72,278	8.94
- Variation in inventories of merchandise, materials and other consumables	11,502	1.38	(805)	(0.10)
- External and operating expenses	206,208	24.70	226,267	27.99
- Personnel expenses	485,191	58.13	451,675	55.88
Gross operating income	153,645	18.40	139,893	17.31
- Depreciation and amortization expense	50,932	6.10	45,260	5.60
- Period provision to reversion reserve	944	0.11	890	0.11
- Bad debts and variation in operating allowances	17,459	2.09	5,330	0.66
Net operating income	84,310	10.10	88,413	10.94
+ Financial revenues	195,780	23.45	109,146	13.50
- Financial expenses	22,083	2.65	19,059	2.36
- Variations in investment valuation allowances	4,115	0.48	2,493	0.31
Financial income	169,582	20.32	87,594	10.83
Income from ordinary activities	253,892	30.42	176,007	21.77
+ Gains on fixed assets and extraordinary revenues	747	0.09	1,170	0.14
- Losses on fixed assets and extraordinary expenses	32,324	3.87	4,140	0.51
- Variation in tangible fixed asset, intangible asset and control portfolio allowances	2,233	0.27	17,052	2.11
Income before taxes	220,082	26.37	155,985	19.29
- Corporate income tax	23,454	2.81	6,159	0.76
Income after taxes	196,628	23.56	149,826	18.53

22. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH



These financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

EXHIBIT I GROUP COMPANIES


Company	Book Value		% Ownership		Dividends received	Capital	Reserves	2004 Income (Loss) before taxes	
	Assets	Allowance						Ordinary	Extraordinary
Abies Re Anstalt Josef Rheinbergerstrasse, 6. Vaduz (Liechtenstein) -Liquidated company-	-	-			27,900			-	-
AEBA Ambiente y Ecología de Buenos Aires, S.A. Tucumán, 1321- 3ª Buenos Aires. Argentina -Urban Cleaning-	834	687	direct indirect	50.00 2.50	104	1,000 (ARP)	1,360 (ARP)	(385) (ARP)	2 (ARP)
Aqualia Gestión Integral del Agua, S.A. Federico Salmón, 13. Madrid -Water management-	254,768	-	direct indirect	99.99 0.01	13,485	145,000	45,851	40,296	(1,662)
Asesoría Financiera y de Gestión, S.A. Federico Salmón, 13. Madrid -Financial-	3,008	-	direct indirect	43.84 56.16	-	6,843	445,773	12,341	-
Asiris, S.A. Correduría de Seguros Pº de la Castellana, 111. Madrid	30	-	direct indirect	25.00 75.00	-	120	776	189	-
Cementos Portland Valderrivas, S.A. Estella, 6. Pamplona -Cement-	175,953	-	direct indirect	58.76 0.06	29,444	41,757	645,865	143,471	(15,544)
Compañía Auxiliar de Agencia y Mediación, S.A. Unipersonal Federico Salmón, 13. Madrid -Portfolio company-	1,657	-		100	-	61	2,319	489	-
Compañía General de Servicios Empresariales, S.A. Unipersonal Federico Salmón, 13. Madrid -Instrumentality company-	60	-		100	-	60	17	3	-
Corporación Española de Servicios, S.A. Federico Salmón, 13. Madrid -Instrumentality company-	44	-	direct indirect	99.99 0.01	-	60	15	1	-
Corporación Financiera Hispánica, S.A. Federico Salmón, 13. Madrid -Portfolio company-	69,818	-	direct indirect	99.99 0.01	-	58,393	283,470	5,693	1
Egypt Environmental Services SAE Cairo-Egypt -Urban Cleaning-	7,760	6,123	direct indirect	97.00 3.00	-	36,400 (£E)	(10,735) (£E)	(11,527) (£E)	(45) (£E)
Empresa Comarcal de Serveis Mediambientals del Baix Penedès, ECOBP, S.L. Plaça del Centre, 3. El Vendrell (Tarragona) -Urban Cleaning-	240	-		80.00	-	301	36	205	-
Europea de Gestión, S.A. Unipersonal Federico Salmón, 13. Madrid -Instrumentality company-	63	-		100	-	60	22	8	-
FCC Construcción, S.A. Balmes, 36. Barcelona -Construction-	275,551	-	direct indirect	99.99 0.01	39,000	130,000	83,379	97,972	(5,201)
FCC Construcciones y Contratas Internacional, S.L. Unipersonal Federico Salmón, 13. Madrid -Instrumentality company-	3	-		100	-	3	-	-	-

Company	Book Value		% Ownership	Dividends received	Capital	Reserves	2004 Income (Loss) before taxes	
	Assets	Allowance					Ordinary	Extraordinary
FCC Fomento de Obras y Construcciones, S.L. Unipersonal Federico Salmón, 13. Madrid -Instrumentality company-	3	—	100	—	3	—	—	—
FCC Inmobiliaria Conycon, S.L. Unipersonal Federico Salmón, 13. Madrid -Instrumentality company-	3	—	100	—	3	—	—	—
FCC International B.V. Amsteldijk 166 Amsterdam (Holland) -Portfolio company-	49,910	9,192	100	27,450	40,840	(28,491)	28,367	(3)
FCC Medio Ambiente, S.A. Federico Salmón, 13. Madrid -Urban cleaning -	35,102	—	direct 98.98 indirect 1.02	4,497	43,272	41,030	11,232	(4,829)
FCC Versia, S.A. Federico Salmón, 13. Madrid -Management company-	62,625	—	direct 99.99 indirect 0.01	18,824	40,337	49,910	14,667	433
FCC 1, S.L. Unipersonal Federico Salmón, 13. Madrid -Instrumentality company -	3	—	100	—	3	—	—	—
F-C y C, S.L. Unipersonal Federico Salmón, 13. Madrid -Instrumentality company -	3	—	100	—	3	—	—	—
Fedemés, S.L. Federico Salmón, 13. Madrid -Real estate-	10,764	—	direct 92.67 indirect 7.33	—	10,301	14,485	396	—
Fomento Internacional Focsa, S.A. Federico Salmón, 13. Madrid -Instrumentality company-	69	—	direct 99.93 indirect 0.07	—	90	23	3	—
Giza Environmental Services S.A.E. Cairo. Egypt -Urban cleaning-	7,566	7,342	direct 97.00 indirect 3.00	—	35,500 (£E)	(14,532) (£E)	(18,987) (£E)	(45) (£E)
Grucycsa, S.A. Pza. Pablo Ruiz Picasso, s/n. Madrid -Portfolio company-	156,786	—	100	—	135,600	12,376	1,350	1,396
Limpiezas Urbanas de Mallorca, S.A. Fusters, 18. Manacor (Balears) -Urban cleaning-	5,208	—	direct 99.92 indirect 0.08	—	308	981	187	(20)
Per Gestora Inmobiliaria, S.L. Pza. Pablo Ruiz Picasso, s/n. Madrid -Property management and administration-	48	—	80.00	12	60	50	16	—
Tratamientos y Recuperaciones Industriales, S.A. Angli, 31. Barcelona -Waste treatment-	21,455	—	direct 74.92 indirect 0.08	1,478	72	8,059	2,273	24
TOTAL	1,139,334	23,344		162,194				

Note:

- Of the related companies, only Cementos Portland Valderrivas, S.A. is a listed company and its share price was €48,00 at year-end. The average market price in the last quarter of 2004 was €44,10.
- As required by Article 86 of the revised Corporations Law, in 2004 the Company made the related notifications to the companies in which it had acquired direct or indirect holdings of over 10%.

EXHIBIT II. JOINT VENTURES


Company	% Ownership	Company	% Ownership
1 ZONA 3 MADRID	10.00	EXTREMADURA	25.00
2 ZONA 10 MADRID	10.00	F.L.F. LA PLANA	47.00
ACERAS Y CALZADAS	50.00	FANGOS VIC	20.00
ADDENDA PUENTE DE VALLECAS 5ª FASE	50.00	FCC – ACISA - AUDING	45.00
AIGÜES DE LLEIDA	50.00	FCC - ANPE	80.00
AGUAS TOMELLOSO	20.00	FCC - DIESEL BARCELONA	80.00
ALCANTARILLADO BILBAO	90.00	FCC - DIESEL N-VI	50.00
ALMEDA	51.00	FCC - ERS LOS PALACIOS	50.00
AMPLIACIÓ LIXIVITATS	20.00	FCC – FCCMA ALCOY	20.00
AQUALBAL	20.00	FCC – FCCMA COLMENAR VIEJO	20.00
AQUALIA – FCC – MYASA	20.00	FCC – FCCMA CORNELLÀ	90.00
AQUALIA – FCC – OVIEDO	5.00	FCC – FCCMA JARDINES ALBACETE	20.00
AQUALIA – FCC – SALAMANCA	5.00	FCC – FCCMA R.B.U. - L.V. JAVEA	20.00
AQUALIA – FCC – SAN VICENTE	20.00	FCC – FCCMA L.V. PAMPLONA	20.00
ARGÍ GUEÑES	70.00	FCC – FCCMA OLESA	20.00
ASTONDO	40.00	FCC – FCCMA RBU TUDELA	20.00
BAIX CAMP	30.00	FCC – FCCMA S.U. DENIA	20.00
BARAJAS	50.00	FCC – FCCMA SAN JAVIER	20.00
BARRIO DE LA LOMA	50.00	FCC – FCCMA SAN SEBASTIÁN	20.00
BIOCOMPOST DE ÁLAVA	50.00	FCC – FCCMA SEGRÍÀ	20.00
BOADILLA	50.00	FCC – FOCONSA	50.00
BOADILLA DEL MONTE	50.00	FCC – HIJOS DE MORENO. S.A.	50.00
BONMATÍ	10.00	FCC – HIMOSA	50.00
C/ALPERNICHES	50.00	FCC – PALAFRUGELL	20.00
CN III	45.00	FCC – PROMECO 2000. S.L.	50.00
CAN BOSSA	20.00	FCC – SUFI MAJADAHONDA	50.00
CANA PUTXA	20.00	FCC – SUFI PESA	50.00
CANGAS	50.00	FCC – SYF PLAYAS	40.00
CASTELLAR DEL VALLÈS	50.00	FCC, S.A. LUMSA	50.00
CENTRALSUG-FCC	50.00	FCCMA – FCCSA VALENCIA	20.00
CENTRO DE GESTIÓN MADRID	50.00	FCCSA – GIRSA	80.00
CENTRO DE GESTIÓN ZARAGOZA	50.00	FCCSA – SECOPSA I	50.00
CHAPARRAL BAJO	20.00	FUENLABRADA	50.00
CHAPARRAL BAJO FASE B	20.00	FUENTES XÀTIVA	50.00
CIUTAT VELLA	50.00	GALERÍAS CASTELLANA	50.00
COLEGIOS SANT QUIRZE	50.00	GIREF	20.00
CONSERVACIÓN Y SISTEMAS	60.00	GUADIANA	20.00
CUENCA	20.00	HÉROES DE ESPAÑA	50.00
CYCSA-EYSSA VIGO	50.00	INFRAESTRUCTURAS MÓSTOLES	50.00
DEIXALLERIA TARRAGONA	20.00	JARDINES SANTA COLOMA	50.00
DEPÓSITO CABECERA	80.00	JUNDIZ	51.00
DEPÓSITO LA MATANZA	20.00	LA MINA	20.00
DEPURADORA HUESCA	80.00	LA SELVA	100.00
ECOSERVEIS FIGUERES	50.00	LEGIO VII	50.00
EDAR ALMANSA	5.00	L.J. SAN SEBASTIÁN	20.00
EDAR ALMENDRALEJO	20.00	L.V. SAN SEBASTIÁN	20.00
EDAR CUERVA	5.00	LVR MUSKIZ II	70.00
EDAR ELCHE	20.00	M-110	50.00
EDAR MEQUINENZA	80.00	MADRID I	50.00
EDAR RANILLA	22.50	MADRID II	50.00
ELISA OCHOA	50.00	MADRID III	50.00

Company	% Ownership
MADRID PAVIMENTA MADRID	50.00
MANCOMUNIDAD ALTO MIJARES	50.00
MARTÍNEZ DE LA RIVA	50.00
MÉNDEZ ÁLVARO	50.00
MÉRIDA	10.00
METEOROLÓGICAS A-6	33.00
MOLINA	5.00
MONTCADA	50.00
MORELLA	50.00
MUSKIZ	70.00
NAVALMORAL	50.00
NIGRÁN	10.00
NIJAR	20.00
NOROESTE	33.00
NOVELDA	5.00
OCAÑA	75.00
ONDA EXPLOTACIÓN	33.33
OPERACIÓN ACERAS 2004	50.00
OPERACIÓN ACERAS II FASE	50.00
OVER	20.00
PARQUE PARÍS DE LAS ROZAS	50.00
PASEO DEL ÁLAMO	50.00
PAVIMENTO ZONA I	50.00
PAVIMENTOS	50.00
PINETONS	50.00
PLA D'URGELL	60.00
PLANTA DE TRATAMIENTOS VALLADOLID	60.00
POLÍGONO TORREHIERRO	50.00
PONIENTE ALMERIENSE	50.00
POSU – FCC VILLALBA	50.00
POZUELO	20.00
PRISMA 2004-2005	50.00
PUERTO	50.00
R.B.U. VILLA-REAL	47.00
R.S. PONIENTE ALMERIENSE	50.00
REDONDELA	10.00
REPARACIÓN VÍAS PÚBLICAS MÓSTOLES	50.00
RESTAURACIÓN GARRAF	27.50
RUTA DE LOS PANTANOS	50.00
SABIÑÁNIGO	80.00
SALTO DEL NEGRO	50.00
SAN FERNANDO	20.00
SANT QUIRZE	50.00
SANTA COLOMA DE GRAMANET	61.00
SANTA CRUZ DE MUDELA	50.00
SANTOMERA	60.00
SASIETA	75.00
SAV - FCC TRATAMIENTOS	35.00
SCC - FCC	10.00
SELECTIVES	20.00
SERAGUA - FCC - VIGO	50.00

Company	% Ownership
SIMÓN HERNÁNDEZ	50.00
SOLANA	35.00
TIRVA FCC - FCCMA RUBÍ	20.00
TABLADA	20.00
TARAZONA	80.00
TOMELLOSO	50.00
TORREJÓN	25.00
TORRIBERA	50.00
TOVIVAL	50.00
TREMP	51.00
TRIAGTGE I CLASSIFICACIÓ D'ENVASOS	60.00
TXINGUDI	75.00
VERTEDERO GARDELEGUI	70.00
VERTRESA	10.00
VIGO RECICLAJE	70.00
VINARÓZ	50.00
ZARAUTZ	20.00
ZARZUELA	50.00
ZONZAMAS FASE II	30.00

EXHIBIT III. ASSOCIATED AND MULTIGROUP COMPANIES


Company	Book Value		% Ownership	Dividends received	Capital	Reserves	2004 Income (Loss) Before Taxes	
	Assets	Allowance					Ordinary	Extraordinary
Clavegueram de Barcelona, S.A. Acer, 16. Barcelona -Urban cleaning-	811	—	22.50	83	3,606	2,863	721	(99)
Ecoparc del Besós, S.A. Rambla Cataluña, 91-93. Barcelona -Urban cleaning-	2,621	—	direct 31.00 indirect 18.00	—	7,710	—	—	—
Ecoserveis Urbans de Figueres, S.L. Pg. Empordà Internacional, Calle A, parcela 50. Vilamallà (Girona) -Urban cleaning-	301	—	50.00	9	601	8	182	—
Empresa Mixta de Limpieza de la Villa de Torrox, S.A. Torrox (Málaga) -Urban cleaning-	300	—	50.00	21	600	142	236	(19)
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A. Pz. Al Andalus, 1. Rincón de la Victoria (Málaga) -Urban cleaning-	301	—	50.00	—	601	82	483	(25)
Gestión Integral de Residuos Sólidos, S.A. Santa Amalia, 2. Valencia -Urban cleaning-	4,733	—	49.00	667	781	1,514	1,887	489
Ingeniería Urbana, S.A. Saturno, 6. Alicante -Urban cleaning-	3,786	—	35.00	476	6,010	4,959	1,802	35
Proactiva Doña Juana E.S.P.S.A Calle 98 n° 9-03 of. 804 Ed. Torre Sancho Santa Fe de Bogotá (Colombia) -Urban cleaning-	284	—	direct 23.75 indirect 27.30	—	2,250,000 (COP)	716,072 (COP)	2,360,528 (COP)	(22,274) (COP)
Proactiva Medio Ambiente, S.A. Paseo de la Castellana, 216. Madrid -Urban cleaning-	119,542	91,573	50.00	—	56,520	(2,396)	(1,155)	3,685
Realia Business, S.A. Paseo de la Castellana, 216. Madrid -Real estate-	110,007	—	direct 44.25 indirect 4.92	24,873	66,570	322,662	129,148	25,064
Servicios Urbanos de Málaga, S.A. Ulises, 18. Madrid -Urban cleaning-	1,610	—	51.00	214	3,156	79	275	—
TOTAL	244,296	91,573		26,343				

Note:

- As required by Article 86 of the revised Corporations Law, in 2003 the Company made the related notifications to the companies in which it had acquired direct or indirect holdings of over 10%.

EXHIBIT IV. "REPORT OF THE BOARD OF DIRECTORS OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
FOR THE DISTRIBUTION OF AN INTERIM DIVIDEND IN 2004"



In accordance with Article 216 of the revised Corporations Law, which requires the Company's directors to present an accounting statement evidencing the existence of sufficient liquidity for the distribution of an interim dividend, it is hereby stated

1. That the after-tax income of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. as of September 30, 2004, amounted to €91,491 thousand.
2. That the Company's after-tax cash flow in the first nine months of 2004 amounted to €121,200 thousand.
3. That the Company's cash and cash equivalents as of September 30, 2004, amounted to €1,291,600 thousand, evidencing the existence of sufficient funds for the distribution of the interim dividend.

Therefore, since at the date of this report there had been no material variations with respect to the foregoing data, the directors consider that there is sufficient liquidity for the distribution of an interim dividend of up to €88,785,888.44 out of 2004 income

The number of shares entitled to an interim dividend is calculated by subtracting from the 130,567,483 shares the shares of treasury stock existing at the date of payment of the dividend.

Accordingly, it is proposed that the following interim dividend out of 2004 income be approved:

Gross % of each share with dividend rights	68%
Gross interim dividend per share	0.68 euros

The related personal income tax or corporate income tax withholdings, where appropriate, will be deducted from the declared gross interim dividend.

Madrid, December 22, 2004

Management
report

Fomento de
Construcciones y
Contratas, S.A.

COMPANY PERFORMANCE IN 2004



The Company's core business is to provide general services, which include mainly the collection and treatment of solid waste, the cleaning of public streets and drainage systems, the maintenance of green areas and buildings, water purification and distribution and other complementary services. It also owns holdings in other Spanish and foreign companies and in 2004 reported net income of €196,628 thousand, representing a 23.56% return on net sales.

The Board of Directors proposes the distribution of a final dividend of €0.68 per share, representing 68% of the par value of the shares outstanding at the date of payment, and the allocation of the remaining income balance to unrestricted reserves. Earlier, on January 10, 2005, an interim dividend of €0.68 per share was paid pursuant to the resolution adopted by the Board of Directors on December 22, 2004.

Fomento de Construcciones y Contratas, S.A. is the parent company of the FCC Group, which is composed of a wide range of subsidiaries engaging in activities such as construction, urban cleaning, the integral water cycle, parking lots, street furniture, passenger transport, vehicle roadworthiness testing, ground passenger and aircraft handling, logistics, cement and real estate. Consequently, for a fully comprehensive representation of the economic events of 2004, the reader is referred to the information contained in the consolidated financial statements.

ACQUISITION OF TREASURY STOCK



At 2004 year-end Fomento de Construcciones y Contratas, S.A. held 434,322 shares of treasury stock, representing 0.33% of its capital stock, valued at €9,422 thousand.

Also in 2004, Compañía Auxiliar de Agencia y Mediación S.A. owned 316,008 shares of Fomento de Construcciones y Contratas, S.A., representing 0.24% of its capital stock, which were recorded at their book value of €1,107 thousand, and Grucycsa, S.A. owned 475 shares of Fomento de Construcciones y Contratas, S.A., recorded at their book value of €10 thousand. These shares are also deemed to be Parent Company shares in accordance with Article 87 of the revised Corporations Law.

In accordance with Article 79.4 of the Corporations Law, it should be mentioned that there were no variations in treasury stock in 2004

RESEARCH AND DEVELOPMENT ACTIVITIES



The FCC Group takes an active part in research, development and technological innovation and applies the most effective means of production and techniques to carry on its activities.

In 2004 significant initiatives were carried out in each of the three strategic business lines, Services, Construction and Cement, which targeted environmental protection as a means to achieving sustainable growth.

The Group carries out research and development in areas directly or indirectly related to our activities seeking, for instance, to reduce the consumption of energy and raw materials, control emissions and polluting discharges, increase reuse and recycling levels, lower acoustic levels, eliminate odors from biomethanization and organic waste composting plants, develop high-performance stainless steels to improve the safety of reinforced concrete structures, design low reflection caissons that can be used in docks and breakwaters, etc.

Special mention must be made of the technological achievement involving the incorporation of a new natural gas engine in two types of vehicles essential for special solid waste collection routes and, by extension, street cleaning. This new engine with minimum polluting emissions has been used in narrow-width collecting vehicles, requiring the installation of special compressed gas tanks to achieve the same autonomy as a conventional diesel vehicle.

In the Construction area, noteworthy is the Group's membership, through FCC Construction, of the Managing Board of the European Construction Technology Platform, an initiative which brings together over 300 organizations (industries, universities, research centers, European government agencies, etc.) and whose objective is to define a Strategic Research Agenda for the industry through the performance of macroprojects with public and private funding

In the European area, work commenced on two construction projects approved by the European Commission within the Sixth Framework Program: the Tunconstruct Project to improve underground construction, considering the design, construction and operation cycle, and the Manubuild Project, for the industrialization of construction, so that developments are more in tune with the users' needs.

Other salient projects in which the Group participates are the "Optimization of construction waste management" and "Reduction of effects of construction on the land" in the building and civil engineering areas, respectively.

The new research and development projects executed were recognized by Spanish institutions such as the Fondos PROFIT program of the Spanish Science and Technology Ministry, the Autonomous Community Governments and the Industrial Technology Development Center. Significant among the PROFIT program projects is the LOGRO Project for the optimization of construction waste, executed jointly with the Instituto Tecnológico de Catalunya, and the SHTOEC Project relating to the automation of guniting and the improvement of mixtures for gunited concrete.

Additionally, the Commission of the EU's EUREKA Program awarded its seal to the research and development project known as "Definition of environmental variables and indicators in combined urban solid waste treatment processes". This certification acknowledges the originality of the project, the scientific worth of its program and European interest in its use as a possible base to gain further knowledge of urban solid waste treatment processes.

OUTLOOK FOR 2005



A description follows of the trends projected for 2005 of the business areas composing the FCC Group, which are expected to drive growth in the Group's net sales and income.

First, it should be pointed out that the construction backlog and services backlog at 2004 year-end amounted to €16,400 million, equivalent to over 31 months of annual production.

For **FCC Servicios**, the increase in the current market share of the Environment division will be associated with the extensions and renewals of a considerable number of contracts, and the entry into service of new waste treatment and removal facilities.

In the Industrial Waste division, 2005 will see the consolidation of growth due to investments in prior years, combined with the reaching of the break-even point by the newly-constructed operating centers and the acquisition of a company of importance in the industry.

In the Water Management division, there are still strong chances of growth in the domestic market. The diversification strategy continues to be implemented, and new companies with broad experience in the design, construction and operation of water treatment and purification plants and in the desalination area will be incorporated. There are also plans to acquire a company that specializes in industrial waters.

The strategy for growth in the International area will be based on expansion towards emerging markets, especially in Eastern Europe. Operations in the other foreign markets in which we are present will be consolidated and we will initiate new business lines.

At the beginning of 2005 the services backlog was €11,850 million, equivalent to over six and a half years of annual production.

The growth of **Versia** in 2005 will be supported by the surge in logistics services due to the acquisition of the Logístico Santos Group and to growth within this market.

The urban furniture and advertising segment is also expected to grow, as a result of the consolidation of the contracts awarded in the U.S., Portugal and Brazil, and new contracts obtained in the domestic market.

The outlook for **FCC Construcción** in 2005 is promising, due to the existing construction backlog and to the demand for public works that will be generated under the Ministry for Development's Strategic Transport Infrastructure Plan (PEIT), which addresses projects running through 2020 for roads, railroads, airports and seaports in Spain, with connections to the trans-European transport network.

In the international market, the Company will strengthen its presence in Central America through the investment made and push for geographical diversification in Central and Eastern Europe.

At 2004 year-end, the construction backlog amounted to €4,350 million, assuring production for nearly 17 months.

The performance of **Cementos Portland Valderrivas** in Spain has been defined by the development of the housing market and the pace of execution of national infrastructure construction plans. According to forecasts, production will remain at 2004 levels.

In May 2005 the upgrades introduced to revamp the plant owned by the subsidiary Giant Cement in South Carolina (USA) came into operation - the wet process gave way to the dry process of production and production capacity increased to 1 million tonnes. Both these measures will bring down production costs. Also, prices appear to be rising in the area served by this investee (the States of Virginia, North Carolina and South Carolina).

Considerable investments were made to comply with legislation on safety and the environment at the Cementos Portland Valderrivas facilities in Spain and the U.S.

In 2005, the property development area of **Realia** will forge ahead with its policy of large-scale land acquisitions and their rotation in urban zones where it has a significant presence. There are also plans to establish a presence in new areas, such as Zaragoza and Rioja.

At international level, the investments in Portugal will be consolidated and land will begin to be purchased in Poland, in areas which are shortly to undergo urban zoning, which will enable the subsidiary Realia Polska Inwestycje, z.o.o to begin constructing in some of these areas.

The volume of sales and deposits placed for property units pending delivery amounted to €587 million at 2004 year-end, representing a large percentage of net sales covered for the coming years.

Significant in the property area are the forthcoming projects involving two new shopping malls in Guadalajara and Leganés (Madrid). The construction of another shopping mall, with a potential buildable area of 30,000 m², will commence in the city of Murcia.

For 2005 and subsequent years, the Company plans to carry out large-scale investments as part of its strategic plan to acquire and/or develop new office building and shopping mall projects, and will continue with its policy of rotating mature, nonstrategic assets. Sales of these types of buildings have already been arranged for 2005.

**Auditor's
report**

Fomento de
Construcciones y
Contratas, S.A.

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. 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. comprising the balance sheet as of December 31, 2004, and the related statement of income and notes to financial statements for the year then ended. The preparation of these financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards, which require examination, by means of selective tests, of the documentation supporting the financial statements and evaluation of their presentation, of the accounting principles applied and of the estimates made.
2. As required by Spanish corporate law, for comparison purposes the directors present, in addition to the 2004 figures for each item in the balance sheet and statements of income and of changes in financial position, the figures for 2003. Our opinion refers only to the 2004 financial statements. Our auditors' report dated April 2, 2004, on the 2003 financial statements contained an unqualified opinion.
3. Fomento de Construcciones y Contratas, S.A. is the head of a corporate group which presents consolidated financial statements separately from the financial statements referred to above, which do not reflect the effect of applying consolidation principles. On this same date we have issued our auditors' report on the consolidated financial statements of Fomento de Construcciones y Contratas, S.A. and Subsidiaries, which contains an unqualified opinion. The effect of consolidation, which was performed on the basis of the accounting records of the companies composing the Group as of December 31, 2004, with respect to the individual financial statements referred to above, was to increase assets by €5,470 million, the Company's reserves by €927 million and income for the year by €192 million.
4. In our opinion, the financial statements for 2004 referred to above present, in all material respects, a true and fair view of the net worth and financial position of Fomento de Construcciones y Contratas, S.A. as of December 31, 2004, and of the results of its operations and of the funds obtained and applied by it in the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with generally accepted accounting principles and standards applied on a basis consistent with that of the preceding year.
5. The accompanying management report for 2004 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 management report is consistent with that contained in the financial statements for 2004. Our work as auditors was confined to checking the management report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of the Company.

DELOITTE
Registered in ROAE under no. S0692

Javier Parada Pardo

April 8, 2005