

# 2004 RESULTS





## ***RESULTS AS OF 31<sup>st</sup> DECEMBER, 2004***

|                    |                                                 |                     |
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## I – HIGHLIGHTS

|                                        | Dec-04         | % Chg.       |
|----------------------------------------|----------------|--------------|
| <b>Net Revenues</b>                    | <b>6.285,9</b> | <b>3,9%</b>  |
| <b>Gross Operating Profit (EBITDA)</b> | <b>851,3</b>   | <b>5,9%</b>  |
| <b>Net Operating Profit (EBIT)</b>     | <b>543,6</b>   | <b>4,7%</b>  |
| <b>Ordinary income</b>                 | <b>570,2</b>   | <b>9,4%</b>  |
| <b>Income before Tax</b>               | <b>603,3</b>   | <b>21,6%</b> |
| <b>Net income</b>                      | <b>388,3</b>   | <b>25,8%</b> |

|                  | Dec-04          | % Chg.      |
|------------------|-----------------|-------------|
| <b>Backlog</b>   | <b>16.405,1</b> | <b>6,9%</b> |
| <b>CAPEX</b>     | <b>624,6</b>    | <b>0,1%</b> |
| <b>Cash Flow</b> | <b>715,1</b>    | <b>1,0%</b> |

## MAIN FACTS

- Net Revenues rose 3,9%, supported by the increase of the domestic activities (+4,3%).
- EBITDA and EBIT increased by 5,9% and 4,7% respectively, resulting in a 13,5% and 8,6% margin over sales.
- Ordinary Income presents an 9,4% increase, attaining € 570,2 million.
- Net Income improves 25,8% compared to the same period last year and margin over sales is up to 6,2%.
- The total Backlog reaches the historical figure of € 16.405,1 million, resulting in a 6,9% increase.
- Capital Expenditures during the period amounted to € 624,6 million.
- Cash flow from operations reached € 715,1 million.
- The interim dividend for year 2004 was € 0,680 per share, which represents a 84% increase compared to the same period last year.

## II. PROFIT & LOSS ACCOUNT AND BALANCE SHEET

(MILLON EUROS)

|                                             | Dec-04         | Dec-03         | % Chg.      | % Sales      |              |
|---------------------------------------------|----------------|----------------|-------------|--------------|--------------|
|                                             |                |                |             | Dec-04       | Dec-03       |
| <b>Net Revenues</b>                         | <b>6.285,9</b> | <b>6.050,5</b> | <b>3,9</b>  | <b>100,0</b> | <b>100,0</b> |
| Other Revenues                              | 136,1          | 152,2          | (10,6)      | 2,2          | 2,5          |
| Operating Expenses                          | (5.570,7)      | (5.398,6)      | 3,2         | (88,6)       | (89,2)       |
| External and Operating Expenses             | (3.856,0)      | (3.772,7)      | 2,2         | (61,3)       | (62,4)       |
| Personnel Expenses                          | (1.714,7)      | (1.625,9)      | 5,5         | (27,3)       | (26,9)       |
| <b>Gross Operating Profit</b>               | <b>851,3</b>   | <b>804,1</b>   | <b>5,9</b>  | <b>13,5</b>  | <b>13,3</b>  |
| Depreciation- amortization                  | (281,3)        | (263,7)        | 6,7         | (4,5)        | (4,4)        |
| Variation Operating provisions              | (20,8)         | (16,4)         | 26,8        | (0,3)        | (0,3)        |
| Reversion Fund Provision                    | (5,6)          | (5,0)          | 12,0        | (0,1)        | (0,1)        |
| <b>Net Operating Profit</b>                 | <b>543,6</b>   | <b>519,0</b>   | <b>4,7</b>  | <b>8,6</b>   | <b>8,6</b>   |
| Net Financial Results                       | (28,8)         | (45,3)         | (36,4)      | (0,5)        | (0,7)        |
| Goodwill Amortization                       | (20,2)         | (19,0)         | 6,3         | (0,3)        | (0,3)        |
| Income from Associates (Equity method)      | 75,6           | 66,4           | 13,9        | 1,2          | 1,1          |
| <b>Ordinary Income</b>                      | <b>570,2</b>   | <b>521,1</b>   | <b>9,4</b>  | <b>9,1</b>   | <b>8,6</b>   |
| Net Extraordinary Results                   | 33,1           | (24,8)         | (233,5)     | 0,5          | (0,4)        |
| <b>Income before Taxes</b>                  | <b>603,3</b>   | <b>496,3</b>   | <b>21,6</b> | <b>9,6</b>   | <b>8,2</b>   |
| Taxes                                       | (159,1)        | (126,3)        | 26,0        | (2,5)        | (2,1)        |
| <b>Net Income before Minority Interests</b> | <b>444,2</b>   | <b>370,0</b>   | <b>20,1</b> | <b>7,1</b>   | <b>6,1</b>   |
| Minority Interests                          | (55,9)         | (61,4)         | (9,0)       | (0,9)        | (1,0)        |
| <b>Net Income</b>                           | <b>388,3</b>   | <b>308,6</b>   | <b>25,8</b> | <b>6,2</b>   | <b>5,1</b>   |

## 1. Net Revenues: + 3,9%

|               | Dec-04         | Dec-03         | % Change    | % Sales Dec-04 | % Sales Dec-03 |
|---------------|----------------|----------------|-------------|----------------|----------------|
| Construction  | 3.090,2        | 2.950,1        | 4,7%        | 48,9%          | 47,9%          |
| Services      | 1.819,2        | 1.708,9        | 6,5%        | 28,8%          | 27,7%          |
| Versia        | 514,5          | 381,0          | 35,0%       | 8,1%           | 6,2%           |
| Cement        | 881,5          | 865,6          | 1,8%        | 13,9%          | 14,0%          |
| Grucycsa      | 0,0            | 241,5          | -100,0%     | 0,0%           | 3,9%           |
| Picasso Tower | 17,1           | 16,5           | 3,6%        | 0,3%           | 0,3%           |
| Intragroup    | -36,6          | -113,1         | -67,6%      |                |                |
| <b>TOTAL</b>  | <b>6.285,9</b> | <b>6.050,5</b> | <b>3,9%</b> | <b>100,0%</b>  | <b>100,0%</b>  |

**Net Revenues** rose up to € 6.285,9 million, **representing a 3,9%** increase compared to the same period last year. This increase is supported by the positive trend in all the strategic areas of the Group: **Versia (+35%)**, **Services (+6,5%)**, **Construction (+4,7%)**.

Regarding the geographical breakdown of the sales, the **domestic activity, with a 4,3% increase** continues with its growth trend. Within the positive evolution of all divisions, we have to mention the performance of **Versia (+47,4%)** and **Services (+7,2%)**.

As for the International activity, it diminishes its contribution towards the consolidated revenues down to 10,2%, due to the change in the consolidation perimeter of the Mexican Urban Fixture subsidiary (Eumex) as well as the impact of the dollar, that has suffered 8% depreciation versus the euro.

|               | Dec-04         | Dec-03         | % Change    | % Sales Dec-04 | % Sales Dec-03 |
|---------------|----------------|----------------|-------------|----------------|----------------|
| Domestic      | 5.645,3        | 5.413,0        | 4,3%        | 89,8%          | 89,5%          |
| International | 640,6          | 637,5          | 0,5%        | 10,2%          | 10,5%          |
| <b>TOTAL</b>  | <b>6.285,9</b> | <b>6.050,5</b> | <b>3,9%</b> | <b>100%</b>    | <b>100%</b>    |

## 2. Operating Expenses: +3,2%

Operating Expenses increased by 3,2%, below the sales growth in the period, improving the operational efficiency.

### **3. Gross Operating Profit: +5,9%**

**Gross Operating Profit** reaches € 851,3 million with a **5,9% increase**. This increase represents a **0,2% improvement of margin over sales**, climbing up to **13,5%**. We should point out the good performance of the **Versia (+13,8%)**, **Construction (+13,6%)** and **Services (+11,9%)** divisions.

### **EBITDA BY ACTIVITIES (CONSOLIDATED)**

|               | Dec-04       | Dec-03       | % Chg. %/   | 2004<br>Total %/ | 2003<br>Total %/ |
|---------------|--------------|--------------|-------------|------------------|------------------|
| Construction  | 159,0        | 140,0        | 13,6%       | 18,7%            | 17,4%            |
| Services      | 285,4        | 255,0        | 11,9%       | 33,5%            | 31,7%            |
| Versia        | 91,8         | 80,6         | 13,8%       | 10,8%            | 10,0%            |
| Cement        | 265,0        | 276,2        | -4,1%       | 31,1%            | 34,3%            |
| Grucyca       | 0,0          | 11,9         | -100,0%     | 0,0%             | 1,5%             |
| Picasso Tower | 14,9         | 14,4         | 3,6%        | 1,8%             | 1,8%             |
| Other         | 35,2         | 26,0         | 35,4%       | 4,1%             | 3,2%             |
| <b>TOTAL</b>  | <b>851,3</b> | <b>804,1</b> | <b>5,9%</b> | <b>100%</b>      | <b>100%</b>      |

Regarding the profit breakdown by divisions, we have to mention that the evolution of the Services and Versia divisions result in a 44,3% contribution towards the Gross Operating result, compared to the previous 41,7%.

### **4. Net Operating Profit: + 4,7%**

**Net Operating Profit** rose **4,7%** reaching € 543,6 million, with a **8,6% margin over sales**.

Within the positive trend of all divisions, we must highlight the **Construction, Versia and Services divisions** which rose their contribution to the consolidated EBIT up to **17%, 9,7% and 7,9%** respectively.

## **EBIT BY ACTIVITIES (CONSOLIDATED)**

|               | Dec-04       | Dec-03       | % Chg. %/ Total | 2004<br>Total | 2003<br>Total |
|---------------|--------------|--------------|-----------------|---------------|---------------|
| Construction  | 120,7        | 103,2        | 17,0%           | 22,2%         | 19,9%         |
| Services      | 149,6        | 138,6        | 7,9%            | 27,5%         | 26,7%         |
| Versia        | 49,6         | 45,2         | 9,7%            | 9,1%          | 8,7%          |
| Cement        | 172,3        | 189,4        | -9,0%           | 31,7%         | 36,5%         |
| Grucycsa      | 0,0          | 7,0          | -100,0%         | 0,0%          | 1,3%          |
| Picasso Tower | 11,8         | 11,4         | 3,5%            | 2,2%          | 2,2%          |
| Other         | 39,6         | 24,2         | 63,6%           | 7,3%          | 4,7%          |
| <b>TOTAL</b>  | <b>543,6</b> | <b>519,0</b> | <b>4,7%</b>     | <b>100%</b>   | <b>100%</b>   |

### **5. Ordinary Income: +9,4%**

**Ordinary Income shows an increase of 9,4%**, reaching € 570,2 million, and **improving its margin over sales 9% from last year's 8,6%**.

Apart from the good operating results we must add the positive evolution of financial results due to the lower corporate indebtedness and to the current interest rates level.

On the other hand, the results under the equity method account for a higher contribution of Realia, which showed 18% increase in its net results although the yearly extraordinary results clearly diminished if we compare them to the previous year.

### **6. Profit Before Taxes: +21,6%**

**Income Before Taxes** reaches € 603,3 million **improved by 21,6%** compared to last year. Extraordinary profit results have reached € 33,1 million as a result of capital gains coming from the remaining 10% sale of Safei.

### **7. Net Income before Minority Interests: +20,0%**

**Net Income before Minority Interests** attained € 444,2 million, representing a **20,0% increase**.

### **8. Net Income: +25,8%**

The consolidated Net Income has increased 25,8% representing **€ 388,3 million**. This increase is a **1,1 percentage improvement on net margin over sales up to 6,2%**.

## CONSOLIDATED BALANCE SHEET

|                                                    | Dec-04         | Dec-03         | % Chg.        |
|----------------------------------------------------|----------------|----------------|---------------|
| <b>Unpaid Capital</b>                              | <b>0,2</b>     | <b>0,2</b>     | <b>(14,8)</b> |
| <b>Fixed and Non current Assets</b>                | <b>3.192,3</b> | <b>2.977,0</b> | <b>7,2</b>    |
| Start up expenses                                  | 12,7           | 11,5           | 10,4          |
| Intangible Assets                                  | 585,5          | 584,7          | 0,1           |
| Tangible Fixed Assets                              | 1.869,0        | 1.731,5        | 7,9           |
| Financial Investments                              | 714,6          | 638,8          | 11,9          |
| Shares of the controlling company                  | 10,5           | 10,5           | 0,0           |
| <b>Goodwill in consolidation</b>                   | <b>184,6</b>   | <b>191,4</b>   | <b>(3,6)</b>  |
| <b>Deferred Charges</b>                            | <b>35,0</b>    | <b>38,6</b>    | <b>(9,3)</b>  |
| <b>Current Assets</b>                              | <b>4.218,5</b> | <b>3.832,6</b> | <b>10,1</b>   |
| Inventories                                        | 372,4          | 429,4          | (13,3)        |
| Accounts Receivable                                | 2.959,6        | 2.705,0        | 9,4           |
| Short Term Financial Investments                   | 612,2          | 390,3          | 56,9          |
| Cash                                               | 255,5          | 293,0          | (12,8)        |
| Accrual Accounts                                   | 18,7           | 14,9           | 25,5          |
| <b>ASSETS = LIABILITIES + SHAREHOLDER'S EQUITY</b> | <b>7.630,6</b> | <b>7.039,8</b> | <b>8,4</b>    |
| <b>Shareholder's Equity</b>                        | <b>2.040,3</b> | <b>1.845,5</b> | <b>10,6</b>   |
| I. Common Capital                                  | 130,6          | 130,6          | 0,0           |
| II. Reserves                                       | 682,2          | 671,3          | 1,6           |
| III. Reserves from consolidated companies          | 999,7          | 846,1          | 18,2          |
| IV. Translation Differences                        | (72,0)         | (63,1)         | 14,1          |
| V. Income allocable to controlling company         | 388,3          | 308,6          | 25,8          |
| VI. Interim Dividends                              | (88,5)         | (48,0)         | 84,4          |
| <b>Minority Interest</b>                           | <b>411,8</b>   | <b>387,8</b>   | <b>6,2</b>    |
| <b>Negative Difference on Consolidation</b>        | <b>36,1</b>    | <b>36,1</b>    | <b>0,0</b>    |
| <b>Deferred Revenues</b>                           | <b>58,1</b>    | <b>46,9</b>    | <b>23,9</b>   |
| <b>Provisions for Risks and Expenses</b>           | <b>313,8</b>   | <b>238,4</b>   | <b>31,6</b>   |
| <b>Long Term Debt</b>                              | <b>606,6</b>   | <b>748,8</b>   | <b>(19,0)</b> |
| Loans and Bank Debt                                | 325,9          | 444,2          | (26,6)        |
| Other Long Term Liabilities                        | 280,7          | 304,6          | (7,8)         |
| <b>Current Liabilities</b>                         | <b>4.068,2</b> | <b>3.650,7</b> | <b>11,4</b>   |
| Loans and Bank Debt                                | 629,4          | 589,8          | 6,7           |
| Accounts Payable                                   | 2.636,5        | 2.392,4        | 10,2          |
| Other Short Term Debt                              | 799,4          | 667,4          | 19,8          |
| Accrual Accounts                                   | 2,9            | 1,1            | 163,6         |
| <b>Short Term Provisions</b>                       | <b>95,8</b>    | <b>85,7</b>    | <b>11,8</b>   |

**The Group's Net Debt is at € 250,8 million**, representing a 54,12% reduction. The **leverage ratio**<sup>(1)</sup> diminishes down to **9,28%**, from previous 19,7% during the same period last year.

(1) Net debt/ (Net Debt+ Shareholder's Equity+ Minority Interest)

|                       | dic-04          | dic-03          | %<br>cambio    |
|-----------------------|-----------------|-----------------|----------------|
| Bonds                 | -43,3           | -46,2           | -6,3%          |
| Bank indebtedness     | -955,3          | -1.034,0        | -7,6%          |
| Limited recourse debt | -68,5           | -70,9           | -3,4%          |
| Other debt            | -51,4           | -78,9           | -34,9%         |
| <b>Total Debt</b>     | <b>-1.118,5</b> | <b>-1.230,0</b> |                |
| Cash and STFI         | 867,7           | 683,3           | 27,0%          |
| <b>Net Position</b>   | <b>-250,8</b>   | <b>-546,7</b>   | <b>-54,12%</b> |

## CASH FLOW

|                                       | Dec-04       | Dec-03       | % Chg.      |
|---------------------------------------|--------------|--------------|-------------|
| Net ordinary profit                   | 411,4        | 398,2        | 3,3%        |
| Depreciation                          | 301,5        | 282,7        | 6,7%        |
| profit from companies (equity method) | -42,8        | -40,9        | 4,6%        |
| Other                                 | 45,0         | 67,7         | -33,5%      |
| <b>TOTAL</b>                          | <b>715,1</b> | <b>707,7</b> | <b>1,0%</b> |

Cash Flow generated increased 1,0% compared to the same period last year, reaching **€ 715,1 million**.

### III. BUSINESS AREAS ANALYSIS

#### 1. CONSTRUCTION

***Sustained increase in revenues and margin improvement.***

➤ RESULTS

|                      | Dec-04  | Dec-03  | Chg.% |
|----------------------|---------|---------|-------|
| REVENUES             | 3.090,2 | 2.950,1 | 4,7%  |
| EBITDA               | 159,0   | 140,0   | 13,6% |
| <i>EBITDA Margin</i> | 5,1%    | 4,7%    |       |
| EBIT                 | 120,7   | 103,2   | 17,0% |
| <i>EBIT Margin</i>   | 3,9%    | 3,5%    |       |

**Revenues** reached **€ 3.090,2 million**, representing a 4,7% increase compared to the same period last year. This increase is not only sustained by the domestic activity, which grew 3,9%, but also by the **international sales** that have risen **27,8%** regarding the same period last year.

|               | Dec-04  |          | Dec-03  |       | Chg.% |
|---------------|---------|----------|---------|-------|-------|
|               |         | %/ Total |         |       |       |
| DOMESTIC      | 2.958,8 | 95,7%    | 2.847,3 | 96,5% | 3,9%  |
| INTERNATIONAL | 131,4   | 4,3%     | 102,8   | 3,5%  | 27,8% |

➤ PROFITABILITY

**EBITDA rose 13,6%** reaching € 159 million. **Margin** over sales grew up to **5,1%**.

**EBIT increased 17%** and attained € 120,7 million, improving **the margin** over sales in **3,9%**.

## **BACKLOG AND CAPEX**

|                | Dec-04         | Dec-03         | Chg. %       |
|----------------|----------------|----------------|--------------|
| <b>BACKLOG</b> | <b>4.351,2</b> | <b>3.659,8</b> | <b>18,9%</b> |
| <b>CAPEX</b>   | <b>135,5</b>   | <b>99,9</b>    | <b>35,6%</b> |

**Backlog has reached a new historical figure of € 4.351,2 million**, which represents a strong **18,9% increase** compared to the same period last year. This figure represents coverage for 16,9 months, more than two months activity over the same period last year.

**CAPEX** during the period reached **€ 135,5 million, resulting** in an important 35,6% growth compared to the same period last year. Almost 50% of these CAPEX were applied in concession projects such as: € 25 million to Autovía del Camino (Pamplona-Logroño); €10,3 million to Autopista de la Costa Cálida (Cartagena Vera) and € 5 million to Malaga's underground.

## **2. SERVICES**

***Increase in revenues and margins continue improving.***

### **➤ RESULTS**

|                      | Dec-04         | Dec-03         | Chg. %       |
|----------------------|----------------|----------------|--------------|
| <b>REVENUES</b>      | <b>1.819,2</b> | <b>1.708,9</b> | <b>6,5%</b>  |
| <b>EBITDA</b>        | <b>285,4</b>   | <b>255,0</b>   | <b>11,9%</b> |
| <b>EBITDA Margin</b> | <b>15,7%</b>   | <b>14,9%</b>   |              |
| <b>EBIT</b>          | <b>149,6</b>   | <b>138,6</b>   | <b>7,9%</b>  |
| <b>EBIT Margin</b>   | <b>8,2%</b>    | <b>8,1%</b>    |              |

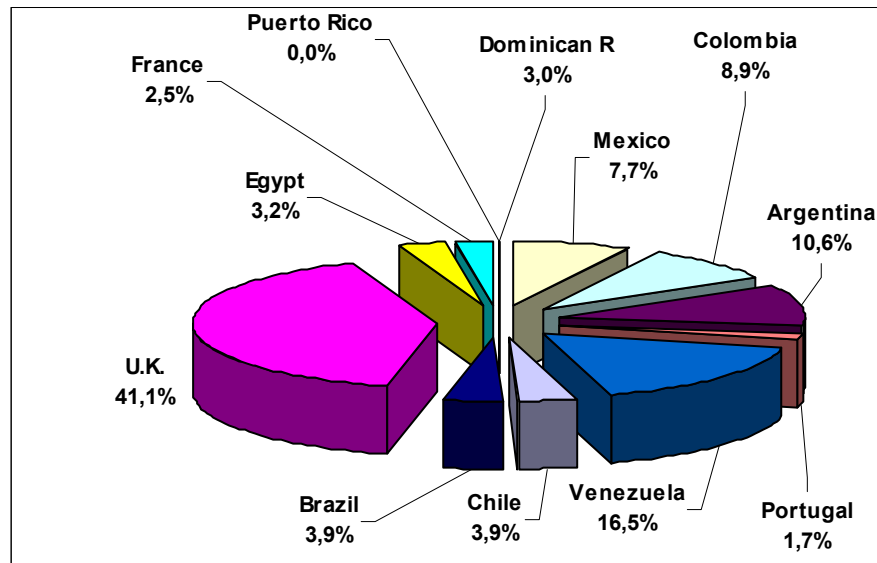
**Net revenues increased 6,5%** during the period reaching **€ 1.819,2 million**.

We have to point out the important strength of the **domestic activity**, which has **increased 7,2% and results in € 1.656,3 million revenues**. All divisions finished the year with improvements in their revenue figures, and more in detail, **Industrial Waste** showed a **29% improvement** compared to the same period last year.

**The International sales**, which **represent 9%** of the total division, have stayed flat and have finished the year at **€ 163 million**.

|                        | Dec-04   |        |                  |
|------------------------|----------|--------|------------------|
|                        | Revenues | % Chg. | %/Total division |
| WATER                  | 460,8    | 8,3%   | 25,3%            |
| ENVIRONMENTAL SERVICES | 1.088,6  | 5,0%   | 59,8%            |
| INTERNATIONAL          | 163,0    | -0,5%  | 9,0%             |
| INDUSTRIAL WASTE       | 106,8    | 29,0%  | 5,9%             |

The International Sales breakdown per countries is as follows:



European Sales represent 45,3% of the total International Division, whilst Latin America's contribution to sales is 51,5%. The contracts signed in North Africa contribute in the remaining 3,2% .

|               | Dec-04  |          | Dec-03  |          | Chg.% |
|---------------|---------|----------|---------|----------|-------|
|               |         | %/ Total |         | %/ Total |       |
| DOMESTIC      | 1.656,3 | 91,0%    | 1.544,7 | 90,4%    | 7,2%  |
| INTERNACIONAL | 163,0   | 9,0%     | 164,2   | 9,6%     | -0,8% |

### ➤ PROFITABILITY

**Gross Operating profit amounted to € 285,4 million**, representing a **strong 11,9% increase** compared to the same period last year. The EBITDA margin shows a clear improvement attaining 15,7%.

**Net Operating profit increased 7,9% reaching € 149,6 million**, improving also its margin over sales **up to 8,2%**.

➤ **BACKLOG AND CAPEX**

|                | Dec-04          | Dec-03          | Chg. %        |
|----------------|-----------------|-----------------|---------------|
| <b>BACKLOG</b> | <b>11.849,1</b> | <b>11.419,2</b> | <b>3,8%</b>   |
| <b>CAPEX</b>   | <b>209,7</b>    | <b>263,0</b>    | <b>-20,3%</b> |

**Backlog** in the Service division **increases 3,8%**, reaching € 11.849,1 million. **CAPEX** during the period amounted to **€ 209,7 million**. Over € 25 million of these CAPEX were financial investments – acquisition of Gestió y Recuperació de Terrenys and Limpiezas Industriales Alfus.

### **3. VERSIA**

***Strong increase in revenues and operating results.***

➤ **RESULTS**

**Versia's revenues for 2004** showed a **35% increase** compared to the same period last year, reaching **€ 514,5 million**. Part of this increase is due to changes in the consolidation perimeter. Not taking into account these changes, the revenues increase would have been 10,4%.

|                      | Dec-04       | Dec-03       | Chg.%        |
|----------------------|--------------|--------------|--------------|
| <b>REVENUES</b>      | <b>514,5</b> | <b>381,0</b> | <b>35,0%</b> |
| <b>EBITDA</b>        | <b>91,8</b>  | <b>80,6</b>  | <b>13,8%</b> |
| <b>EBITDA Margin</b> | <b>17,8%</b> | <b>21,2%</b> |              |
| <b>EBIT</b>          | <b>49,6</b>  | <b>45,2</b>  | <b>9,7%</b>  |
| <b>EBIT Margin</b>   | <b>9,6%</b>  | <b>11,9%</b> |              |

The increase is mainly sustained by the **Parking Division with a 22,8%** increase and the **Transport division (32,8%)** basically due to the beginning of operations for the Barcelona Tram.

Regarding the changes in the consolidation perimeter, we have to point out the new incorporation of the **Logistics Activity** which brings forward **€ 109 million** in revenues. On the other hand, and also in this period, the Mexican subsidiary of Urban Fixtures has been integrated following the equity method and has left the global consolidation.

Without this last change, **revenues from Urban Fixtures would have increased 17,8%**.

|                        | Dec-04   |       |                       |
|------------------------|----------|-------|-----------------------|
|                        | Revenues | %     | Chg. %/Total division |
| SEWAGE AND MAINTENANCE | 50,8     | 3,3%  | 9,9%                  |
| URBAN FIXTURES         | 80,9     | -2,5% | 15,7%                 |
| MOT                    | 37,4     | 6,9%  | 7,3%                  |
| PARKING                | 58,8     | 22,8% | 11,4%                 |
| HANDLING               | 153,0    | 3,9%  | 29,7%                 |
| LOGISTICS              | 109,0    |       | 21,2%                 |
| TRANSPORT              | 24,7     | 32,8% | 4,8%                  |

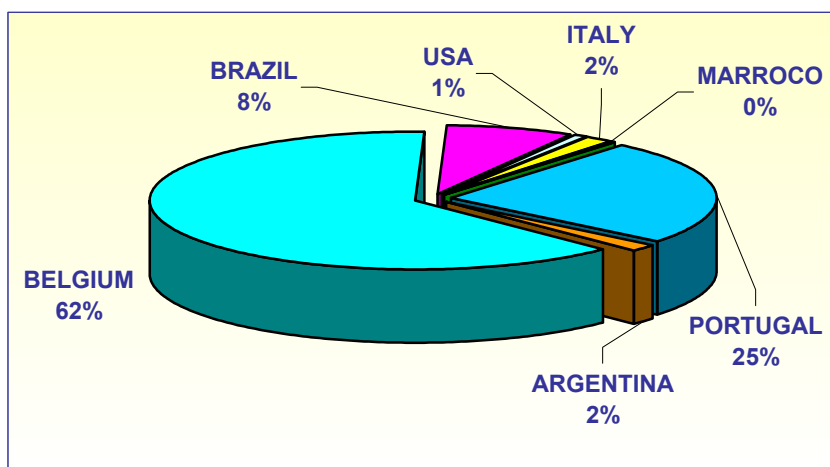
➤ **GEOGRAPHICAL AREA BREAKDOWN**

|               | Dec-04 |          | Dec-03 |          | Chg. % |
|---------------|--------|----------|--------|----------|--------|
|               |        | %/ Total |        | %/ Total |        |
| DOMESTIC      | 366,6  | 71,3%    | 248,7  | 65,3%    | 47,4%  |
| INTERNATIONAL | 147,9  | 28,7%    | 132,3  | 34,7%    | 11,8   |

The **domestic activity** continues its positive trend and shows a **47,4% increase** compared to the same period last year. At the end of the year it represents **71,3% of total division revenues**.

International activity also presents a 11,8% improvement and reaches € 147,9 million.

The International Sales breakdown per countries is as follows:



As for the international sales, 89,78% are generated in Europe, and the remaining 10,22% in Latin America, USA and north Africa.

### ➤ PROFITABILITY

**EBITDA rose** 13,8% and is at **€ 91,8 million**. Margin decrease is mainly due to the consolidation effect of the Logistics activity, that being of low capital strength has lower operating margins.

**EBIT reaches € 49,6 million**, which represents a 9,7% increase compared to the same period last year.

### ➤ BACKLOG AND CAPEX

|                | Dec-04       | Dec-03      | Chg.%         |
|----------------|--------------|-------------|---------------|
| <b>BACKLOG</b> | <b>193,7</b> | <b>43,9</b> | <b>341,2%</b> |
| <b>CAPEX</b>   | <b>90,6</b>  | <b>64,6</b> | <b>40,2%</b>  |

**Backlog has significantly improved during this period (341,2%) reaching € 193,7 million**. This improvement is mainly due to the Logistics activity, which brings forward a € 146,5 million worth backlog. **Investments** during this period **increased 40,2%** and amounted to € 90,6 million. From these figures, € 73,2 million were fixed asset investments.

## 4. CEMENT

***Domestic sales increase and slight decrease in margins.***

### ➤ RESULTS

|                      | Dec-04       | Dec-03       | Chg.%        |
|----------------------|--------------|--------------|--------------|
| <b>REVENUES</b>      | <b>881,5</b> | <b>865,6</b> | <b>1,8%</b>  |
| <b>EBITDA</b>        | <b>265,0</b> | <b>276,2</b> | <b>-4,1%</b> |
| <b>EVITAD Margin</b> | <b>30,1%</b> | <b>31,9%</b> |              |
| <b>EBIT</b>          | <b>172,3</b> | <b>189,4</b> | <b>-9,0%</b> |
| <b>EBIT Margin</b>   | <b>19,5%</b> | <b>21,9%</b> |              |

**Revenues** in the cement area amounted to **€ 881,5 million**, which represents a **1,8% increase** compared to the same period of last year. This growth has been affected by higher sales in those geographical areas with lower prices, which results in a lower average price per tonne.

**The Domestic activity** which represents a 77,6% of sales, continues showing high increase rates and grows 3,5% compared to the same period last year.

On the other hand, **International sales** amount to € 197,8 million, with a **3,4% decrease** mainly due to the 8% depreciation of the dollar against the Euro.

|               | Dec-04   |       | Dec-03   |       | Chg.% |
|---------------|----------|-------|----------|-------|-------|
|               | %/ Total |       | %/ Total |       |       |
| DOMSTIC       | 683,7    | 77,6% | 660,8    | 76,3% | 3,5%  |
| INTERNATIONAL | 197,8    | 22,4% | 204,8    | 23,7% | -3,4% |

### ➤ PROFITABILITY

**EBITDA amounted to € 265 million** taking into account the effect of the lower average price per tonne as well as the transport cost increase due to the higher number of tonnes transported to the geographical areas where demand is stronger.

**EBIT reached € 172,3 million**, absorbing the same effect commented previously along with a higher amortisation increase due to investments made in the USA.

### ➤ CAPEX

|              | Dec-04       | Dec-03       | Chg.%       |
|--------------|--------------|--------------|-------------|
| <b>CAPEX</b> | <b>155,8</b> | <b>142,1</b> | <b>9,6%</b> |

**Investments have increased 9,6% reaching** during this period amounting to **€ 155,8 million**.

## 6. PICASSO TOWER

### ➤ RESULTS

|                             | Dec-04              | Dec-03              | Chg.%       |
|-----------------------------|---------------------|---------------------|-------------|
| <b>REVENUES</b>             | <b>17,1</b>         | <b>16,5</b>         | <b>3,6%</b> |
| <b>EBITDA</b>               | <b>14,9</b>         | <b>14,4</b>         | <b>3,6%</b> |
| <b><i>EBITDA Margin</i></b> | <b><i>87,1%</i></b> | <b><i>87,2%</i></b> |             |
| <b>EBIT</b>                 | <b>11,8</b>         | <b>11,4</b>         | <b>3,5%</b> |
| <b><i>EBIT Margin</i></b>   | <b><i>69,0%</i></b> | <b><i>69,1%</i></b> |             |

Net revenues of Picasso Tower only include rental income as the corresponding costs are accounted for under the heading “other revenues” in the P&L Account.

The net revenues rose **3,6%** compared to the same period last year, amounting to € 17,1 million.

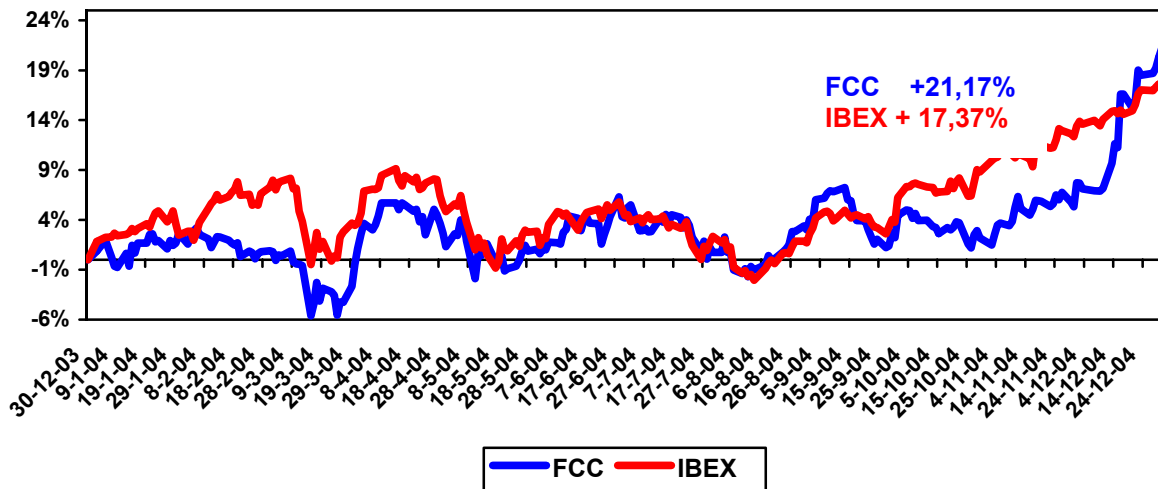
The increase of **EBITDA** and **EBIT** was **3,6%** and **3,5%** respectively were margins have maintained their percentages. The average occupancy rate during the end of the year has been **94%**.

## IV. STOCK MARKET DATA

### SHARE PERFORMANCE

|      | Last  | High  | Low   | Volume (*) | Market cap.<br>(Mill €) |
|------|-------|-------|-------|------------|-------------------------|
| 1999 | 20,20 | 37,50 | 19,00 | 319.086    | 2.637                   |
| 2000 | 20,20 | 24,75 | 15,05 | 294.515    | 2.637                   |
| 2001 | 23,25 | 25,88 | 18,70 | 193.793    | 3.036                   |
| 2002 | 21,40 | 28,97 | 18,96 | 339.924    | 2.794                   |
| 2003 | 29,24 | 29,67 | 20,96 | 451.828    | 3.818                   |
| 2004 | 35,43 | 35,43 | 27,60 | 332.062    | 4.626                   |

(\*) Daily average traded shares



### DIVIDENDS

|         | 2004  | 2003  | 2002   | 2001 | 2000 | 1999 | 1998  | 1997  |
|---------|-------|-------|--------|------|------|------|-------|-------|
| Interim | 0,680 | 0,368 | 0,2970 | 0,28 | 0,25 | 0,16 | 0,09  | 0,075 |
| Final   | (*)   | 0,699 | 0,2536 | 0,24 | 0,22 | 0,13 | 0,075 | 0,05  |
| Total   | 0,680 | 1,067 | 0,5506 | 0,52 | 0,47 | 0,29 | 0,165 | 0,125 |

(\*) Still not determined

## **V. RELEVANT EVENTS**

### **October 26<sup>th</sup>, 2004:**

The Board of Directors of Fomento de Construcciones y Contratas (FCC), on request of Mrs. Esther Koplowitz, has appointed Mr. Rafael Montes as new CEO of the company.

### **October 28<sup>th</sup>, 2004:**

The composition of the new Board of Directors is:

#### **President:**

- D. MARCELINO OREJA AGUIRRE

#### **CEO:**

- D. RAFAEL MONTES SÁNCHEZ

#### **Members:**

- B-1998, S.L., represented by D<sup>a</sup>. ESTHER KOPLOWTIZ ROMERO DE JUSEU
- DOMINUN DESGA, S.A. represented by D<sup>a</sup>. ESTHER ALCOCER KOPLOWTIZ
- DOMINUN DIRECCIÓN Y GESTIÓN, S.A. represented by D<sup>a</sup>. ALICIA ALCOCER KOPLOWITZ
- E.A.C. INVERSIONES CORPORATIVAS, S.L., represented by D<sup>a</sup>. CARMEN ALCOCER KOPLOWTIZ
- D. FERNANDO FALCÓ Y FERNÁNDEZ DE CORDOVA
- D. GONZALO ANÉS ALVARES-CASTRILLÓN
- D. JUAN CASTELLS MASANA
- D. FELIPE BERNABÉ GARCÍA PÉREZ
- D. FRANCISCO MAS-SARDÁ CASANELLES
- D. ROBERT PEUGEOT
- CARTERA DEVA, S.A., represented by D. JOSÉ AGUINAGA CÁRDENAS
- IBERSUIZAS ALFA, S.L. represented by D. LUIS CHICHARRO ORTEGA
- IBERSUIZAS HOLDINGS, S.L. represented by D. PEDRO AGUSTÍN DEL CASTILLO MACHADO

#### **Secretario no Vocal:**

- D. FRANCISCO VICENT CHULIÁ

#### **Executive Commission:**

- D. RAFAEL MONTES SÁNCHEZ
- D. FERNANDO FALCO Y FERNANDEZ DE CORDOVA
- DOMINUN DESGA, S.A. represented by D<sup>a</sup>. ESTHER ALCOCER KOPLOWTIZ
- D. JUAN CASTELLS MASANA
- CARTERA DEVA, S.A., represented by D. JOSÉ AGUINAGA CÁRDENAS

#### **Secretario no Vocal**

- D. JOSE EUGENIO TRUEBA GUTIERREZ

**December 15<sup>th</sup>, 2004:**

- The General Directorate of Registry and Notary Services rules in favour of FCC in their appeal over the non-registration of certain directors with the Companies Register of Barcelona.

**January 14<sup>th</sup>, 2005:**

- The company B 1998, S.L. states that Dominum Dirección y Gestión, S.A. has agreed along with the company Larranza XXI, S.L., to transfer to this last one 5,3389% participation of B 1998, S.L. share capital.

**January 14<sup>th</sup>, 2005:**

- The company B 1998, S.L. states that Dominum Dirección y Gestión, S.A. has agreed along with Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Ibersuizas Holdings, S.L., Cartera Deva, S.A., Arbizu Inversiones, S.A. and EBN Banco de Negocios, to transfer to these last ones 3,25679% participation of B 1998, S.L. share capital.

**January 19<sup>th</sup>, 2005:**

- The Board of Directors passed, amongst others, the following Agreement on their meeting of December 22, 2004:

The naming of a new Audit and Control Committee, that will be made up of the following Directors:

- Mr. Francisco Más-Sardá Casanelles
- Mr. Fernando Falcó y Fernández de Córdova
- Mr. Juan Castells Masana
- Mr. Pedro Agustín del Castillo Machado representing Ibersuizas Holdings, S.L.

The naming of an Appointments and Retribution Committee, composed of the following five Directors:

- Ms. Esther Alcocer Koplowitz, representing Dominum Desga, S.A.
- Mr. Fernando Falcó y Fernández de Córdova
- Mr. Rafael Montes Sánchez
- Mr. José Aguinaga Cárdenas, representing Cartera Deva, S.A.
- Mr. Robert Peugeot

**February 1<sup>st</sup>, 2005:**

- The Company communicates that the Court of First Instance No. 2 of Barcelona has ruled in favour of FCC in its lawsuit against Acciona about the intention of this last one to name three Board Members in FCC's Board of Directors.

**February 3<sup>rd</sup>, 2005:**

- The Company states that FCC Group has signed the contract to buy 100% of the capital of Grupo Logístico Santos (GLS), a move that involves an investment of € 128 million and creates the foremost Spanish logistics operator in the free market, with an annual turnover of € 325 million.

## VI. HISTORIC DATA

### HISTORIC DATA- GROUP FCC

#### CONSOLIDATED STATEMENT OF INCOME (Million Euros)

|                                                                 | 31/12/04       | 31/12/03       | 31/12/02       | 31/12/01       | 04/03 (%)   | 03/02 (%)   | 02/01 (%)   |
|-----------------------------------------------------------------|----------------|----------------|----------------|----------------|-------------|-------------|-------------|
| <b>Net Revenues</b>                                             | <b>6.285,9</b> | <b>6.050,5</b> | <b>5.497,2</b> | <b>5.173,2</b> | <b>3,9</b>  | <b>10,1</b> | <b>6,3</b>  |
| Other operating revenues and in-house work on fixed assets      | 136,1          | 144,1          | 161,2          | 110,5          | -5,6        | -10,6       | 45,9        |
| Variation in finished products and work-in progress inventories |                | 8,0            | 6,0            | 27,4           | -100,0      | 33,2        | -78,1       |
| <b>Total Operating Revenues</b>                                 | <b>6.422,0</b> | <b>6.202,7</b> | <b>5.664,4</b> | <b>5.311,2</b> | <b>3,5</b>  | <b>9,5</b>  | <b>6,7</b>  |
| Operating and External Expenses                                 | -3.856,0       | -3.772,7       | -3.447,9       | -3.220,5       | 2,2         | 9,4         | 7,1         |
| Personnel Expenses                                              | -1.714,7       | -1.625,9       | -1.475,0       | -1.386,3       | 5,5         | 10,2        | 6,4         |
| <b>Gross Operating Profit</b>                                   | <b>851,3</b>   | <b>804,1</b>   | <b>741,4</b>   | <b>704,3</b>   | <b>5,9</b>  | <b>8,5</b>  | <b>5,3</b>  |
| Amortization and provision Reversion                            | -286,9         | -268,7         | -234,6         | 209,9          | 6,8         | 14,5        | -211,8      |
| Variation in Operating Provision                                | -20,8          | -16,4          | -8,7           | 18,6           | 26,8        | 87,8        | -147,0      |
| <b>Net Operating Profit</b>                                     | <b>543,6</b>   | <b>519,0</b>   | <b>498,1</b>   | <b>475,8</b>   | <b>4,7</b>  | <b>4,2</b>  | <b>4,7</b>  |
| Financial Revenues                                              | 65,6           | 64,8           | 59,2           | 50,2           | 1,2         | 9,5         | 17,8        |
| Financial Expenses                                              | -86,8          | -104,8         | -106,9         | -95,1          | -17,2       | -2,0        | 12,4        |
| Variations in Financial Investments                             | -7,6           | -4,4           | -3,0           | -5,7           | 72,7        | 45,1        | -46,4       |
| Amortization of Goodwill                                        | -20,2          | -19,9          | -20,1          | -27,7          | 1,4         | -1,2        | -27,3       |
| Profit from Companies (equity method)                           | 75,6           | 66,4           | 42,1           | 36,6           | 13,8        | 57,9        | 14,9        |
| <b>Profit from Ordinary Activities</b>                          | <b>570,2</b>   | <b>521,1</b>   | <b>469,2</b>   | <b>434,1</b>   | <b>9,4</b>  | <b>11,1</b> | <b>8,1</b>  |
| Net Extraordinary Results                                       | 33,1           | -24,8          | -13,9          | 35,8           | -233,5      | 77,8        | -139,0      |
| <b>Income before Taxes</b>                                      | <b>603,3</b>   | <b>496,3</b>   | <b>455,3</b>   | <b>469,9</b>   | <b>21,6</b> | <b>9,0</b>  | <b>-3,1</b> |
| Corporate Income Taxes                                          | -159,1         | -126,3         | -128,1         | -150,1         | 26,0        | -1,4        | -14,7       |
| Rate (%)                                                        | 26,4           | 25,4           | 28,1           | 31,9           | 3,6         | -9,5        | -11,9       |
| <b>Net Income before Minority Interests</b>                     | <b>444,2</b>   | <b>370,0</b>   | <b>327,2</b>   | <b>319,8</b>   | <b>20,0</b> | <b>13,1</b> | <b>2,3</b>  |
| Minority Interest                                               | -55,9          | -61,4          | -54,3          | -78,8          | -9,0        | 13,1        | -31,1       |
| <b>Net Income</b>                                               | <b>388,3</b>   | <b>308,6</b>   | <b>272,9</b>   | <b>241,0</b>   | <b>25,8</b> | <b>13,1</b> | <b>13,2</b> |

#### REVENUES BY ACTIVITY- CONSOLIDATES (Million Euros)

|                                           | 31/12/04       | 31/12/03       | 31/12/02       | 31/12/01       | 04/03 (%)     | 03/02 (%)   | 02/01 (%)   |
|-------------------------------------------|----------------|----------------|----------------|----------------|---------------|-------------|-------------|
| <b>CONSTRUCTION</b>                       | <b>3.090,2</b> | <b>2.950,1</b> | <b>2.613,1</b> | <b>2.396,0</b> | <b>4,7</b>    | <b>12,9</b> | <b>9,1</b>  |
| <b>URBAN SANITATION</b>                   | <b>1.819,2</b> | <b>1.708,9</b> | <b>1.605,9</b> | <b>1.579,3</b> | <b>6,5</b>    | <b>6,4</b>  | <b>1,7</b>  |
| <b>WATER AND URBAN RELATED ACTIVITIES</b> | <b>514,5</b>   | <b>381,0</b>   | <b>305,2</b>   | <b>250,5</b>   | <b>35,0</b>   | <b>24,8</b> | <b>21,8</b> |
| <b>CEMENT</b>                             | <b>881,5</b>   | <b>865,6</b>   | <b>831,4</b>   | <b>791,7</b>   | <b>1,8</b>    | <b>4,1</b>  | <b>5,0</b>  |
| <b>REAL ESTATE</b>                        | <b>0,0</b>     | <b>0,0</b>     | <b>0,0</b>     | <b>0,0</b>     | <b>0,0</b>    | <b>0,0</b>  | <b>0,0</b>  |
| <b>GRUCYCSA</b>                           | <b>0,0</b>     | <b>241,5</b>   | <b>218,7</b>   | <b>213,4</b>   | <b>-100,0</b> | <b>10,4</b> | <b>2,5</b>  |
| <b>PICASSO TOWER</b>                      | <b>17,1</b>    | <b>16,5</b>    | <b>15,9</b>    | <b>14,9</b>    | <b>3,6</b>    | <b>3,8</b>  | <b>6,7</b>  |
| <b>INTERGROUP</b>                         | <b>-36,6</b>   | <b>-113,1</b>  | <b>-93,0</b>   | <b>-72,5</b>   | <b>-67,6</b>  | <b>21,6</b> | <b>28,3</b> |
| <b>TOTAL</b>                              | <b>6.285,9</b> | <b>6.050,5</b> | <b>5.497,2</b> | <b>5.173,2</b> | <b>3,9</b>    | <b>10,1</b> | <b>6,3</b>  |

#### REVENUES BY MARKETS- CONSOLIDATES (Million Euros)

|                      | 31/12/04       | 31/12/03       | 31/12/02       | 31/12/01       | 04/03 (%)  | 03/02 (%)    | 02/01 (%)   |
|----------------------|----------------|----------------|----------------|----------------|------------|--------------|-------------|
| <b>DOMESTIC</b>      | <b>5.645,3</b> | <b>5.413,0</b> | <b>4.738,7</b> | <b>4.334,1</b> | <b>4,3</b> | <b>14,2</b>  | <b>9,3</b>  |
| <b>INTERNATIONAL</b> | <b>640,6</b>   | <b>637,5</b>   | <b>758,5</b>   | <b>839,1</b>   | <b>0,5</b> | <b>-16,0</b> | <b>-9,6</b> |
| <b>TOTAL</b>         | <b>6.285,9</b> | <b>6.050,5</b> | <b>5.497,2</b> | <b>5.173,2</b> | <b>3,9</b> | <b>10,1</b>  | <b>6,3</b>  |

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