



annual report 2007



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Letter from the Chairman

"FCC will continue to be a clear business reference in terms of soundness and profitability in the future"

Ladies and gentlemen

Fiscal year 2007 was a very special year for FCC, as you can see from this Annual Report, not only because of the truly spectacular results obtained, thanks to the work of a great professional staff and the unconditional support of our shareholders of reference, but also because of the progress made in the area of good governance and corporate responsibility.

The challenges of economic, environmental and social sustainability, including climate change and the exhaustion of natural resources and biodiversity, are important to a Group such as FCC. But it is also becoming increasingly evident that these are strategic factors which affect the competitiveness of the company in an environment of changing risks, demands and opportunities. And FCC has understood this by incorporating corporate responsibility commitments into its new strategic plan.

The Group's 2007-2008 Corporate Responsibility Master Plan promotes the integration of business strategy with corporate responsibility objectives. The report addresses the principle actions carried out in this regard. This year, for example, we have reinforced the framework of values and integrity by revising the mission, vision and values of FCC, drafting a Code of Conduct, deploying an ethical channel as a safeguard measure, and adapting the Group's internal rules to the CNMV's Unified Code of Good Governance.

The issues of climate change and the goal of achieving a low-carbon economy have been undertaken by the different business areas while the Group has made progress in their strategic analysis, in the response to the demands for information from socially responsible investors, and the presence of FCC in public and private initiatives.

Our company has managed to face these challenges and to achieve the ambitious goals we had set for in the 2005-2008 Strategic Plan—a year ahead of time!

As you can see, FCC is prepared to successfully meet the challenges which advanced societies demand and which it will undoubtedly face in the future as a clear business reference in terms of soundness and profitability.

Rafael Montes Sánchez
Chairman



Letter from the Managing Director

Baldomero Falcones joined FCC as Vice President
and Managing Director in January 2008

Ladies and gentlemen

You hold in your hands the annual report for fiscal year 2007 which is a faithful reflection of FCC's success last year, a year in which it took a qualitative and quantitative leap, unprecedented in its hundred-year history, which converted it into a company with a permanent presence in numerous countries and in very diverse and always profitable business activities.

I will summarise the company's principal indicators below which are the result of the efforts of a great staff which I had the honour to join in January 2008..

Net turnover was 13,881 million euro, which represents a 46.4% increase over the year before. This spectacular increase in turnover is due to the consolidation of the companies acquired in 2006 (WRG, Alpine, Uniland, SmVaK, Lemona and Flightcare Italia) and also to the excellent performance of the businesses that were already part of the Group.

We have seen the first fruits of our firm commitment to international expansion with **revenues from business abroad** reaching 36% of the total (4,996 million euro), tripling the 2006 figure. The areas where we have the strongest international presence are construction (41%) and environmental services (36%). 83% of foreign revenues are generated in European countries and 5% in the United States.

50% of the Group's revenues came from construction, due primarily to our international expansion, while 34% came from services, almost 13% from cement and the rest from our real estate business.

Thanks to the efforts of all business areas, at the end of the year the Group had a **backlog** of 33,149 million, which represents an 8.6% increase over the year before.

The **gross operating profit** was 2,042 million euro, which represents an increase of 47.2% and a sales margin of 14.7%, one-tenth higher than the year before. Services contributed 41% to overall Ebitda, cement contributed 30.4%, construction 17.5% and real estate and others, 11%.

The **parent company's profits**, after taxes and minority shareholders, were 738 million euro, which represents a 37.8% increase over 2006.

"Our firm commitment to international expansion has already had an effect, with revenues from business abroad accounting for 36% of the total (4,996 million euro)"

"The total dividend paid against 2007 profits will be 2.13 euros per share, which represents a 4% increase over the year before"

"FCC is now present in 52 countries and employs one hundred thousand people"

These magnificent results were obtained while maintaining the soundness of our balance sheet, since our **net financial debt** at the end of the year was 7,967 million euro, 4,846 of which referred to debt with recourse to the parent company and the remainder to project financing. The net financial debt with recourse was 2.71 time Ebitda, the lowest in our sector.

In view of these excellent results, the Board of Directors will ask the General Meeting of Shareholders to approve the payment of a complementary dividend of 1.065 euros per share, the exact same amount as the interim **dividend** paid in January. If the dividend proposal is successful, the total dividend paid against 2007 profits will be 2.13 euros per share, which represents a 4% increase over the year before.

At FCC, we are making important strides in **Corporate Responsibility**. During the first year of the Corporate Responsibility Master Plan, the actions contained in the Plan gradually incorporate into the Group's strategies and operations the corporate responsibility elements which are material and key to the current and sustainable success of the business.

Climate change and the goal of a low carbon economy, investment in R+D+i and environmental technologies are strategic factors for FCC which it has undertaken with even more determination than in 2006.

Our Group grew in 2007 and became more diverse. FCC is now present in 52 countries and **employs** one hundred thousand people. Growing with diversity and stability requires integration. In this regard, we are developing the Galileo Project, designed to establish a solid cultural, compliance and management foundation for the new international companies that have joined our Group.

All of this can be seen in our Corporate Responsibility Report which has been audited by an independent third party and drafted according to the strict requirements of the Global Reporting Initiative (GRI).

I would like to take this opportunity to thank the employees for their hard work and dedication and the shareholders for having faith in us.

Baldomero Falcones Jaquotot
Vice President and Managing Director

Governing Bodies

Board of Directors

Rafael Montes Sánchez	Chairman Nominee Director
Baldomero Falcones Jaquotot	Vice Chairman Managing Director Executive Director

B 1998, S.L. Representative: Esther Koplowitz Romero de Juseu Nominee Director	Robert Peugeot Nominee Director
Dominum Desga, S.A. Representative: Esther Alcocer Koplowitz Nominee Director	Cartera Deva, S.A. Representative: José Aguinaga Cárdenas Nominee Director
Dominum Dirección y Gestión, S.A. Representative: Carmen Alcocer Koplowitz Nominee Director	Larranza XXI, S.L. Representative: Lourdes Martínez Zabala Nominee Director
EAC Inversiones Corporativas, S.L. Representative: Alicia Alcocer Koplowitz Nominee Director	Max Mazin Brodovka Independent Director
Fernando Falcó y Fernández de Córdova Nominee Director	Mariano Miguel Velasco Nominee Director
Marcelino Oreja Aguirre Nominee Director	César Ortega Gómez Independent Director
Miguel Blesa de la Parra Nominee Director	Antonio Pérez Colmenero Corporate Human and Other Resources Manager Executive Director
Gonzalo Anes y Álvarez de Castrillón Independent Director	Luis Manuel Portillo Muñoz Nominee Director
Juan Castells Masana Nominee Director	Francisco Vicent Chuliá Secretary (non-member)
Felipe Bernabé García Pérez General Secretary Executive Director	

Strategy Committee

Chairman	Esther Koplowitz Romero de Juseu, on behalf of B 1998, S.L.
Members	Esther Alcocer Koplowitz, on behalf of Dominum Desga, S.A. Fernando Falcó y Fernández de Córdova Lourdes Martínez Zabala, on behalf of Larranza XXI, S.L. Robert Peugeot José Aguinaga Cárdenas, on behalf of Cartera Deva, S.A.



Executive Committee

Chairman	Baldomero Falcones Jaquotot
Members	Fernando Falcó y Fernández de Córdova Dominum Desga, S.A. represented by Esther Alcocer Koplowitz Juan Castells Masana Cartera Deva, S.A. represented by José Aguinaga Cárdenas
Secretary (non-member)	Francisco Vicent Chuliá

Appointments and Remunerations Committee

Chairman	Esther Alcocer Koplowitz, on behalf of Dominum Desga, S.A.
Members	Fernando Falcó y Fernández de Córdova Rafael Montes Sánchez Antonio Pérez Colmenero José Aguinaga Cárdenas, on behalf of Cartera Deva, S.A. Robert Peugeot Gonzalo Anes y Álvarez de Castrillón Max Mazin Brodovka
Secretary (non-member)	José María Verdú Ramos

Audit and Control Committee

Chairman	Fernando Falcó y Fernández de Córdova
Members	Alicia Alcocer Koplowitz, on behalf of EAC Inversiones Corporativas, S.L. Gonzalo Anes y Álvarez de Castrillón Juan Castells Masana
Secretary (non-member)	José María Verdú Ramos

Steering Committee

Chairman	Baldomero Falcones Jaquotot
Members	Esther Alcocer Koplowitz Alicia Alcocer Koplowitz Fernando Falcó y Fernández de Córdova Ignacio Bayón Maríné Felipe Bernabé García Pérez (Secretary) José Luis de la Torre Sánchez José Ignacio Martínez-Ynzenga y Cánovas del Castillo José Mayor Oreja Antonio Pérez Colmenero Víctor Pastor Fernández José Luis Vasco Hernando Antonio Gómez Ciria Gérard Ries Eduardo González Gómez José María Verdú Ramos

The new economic environment in which the FCC Group will be operating in the period 2008–2010 will presumably be characterised by:

- Economic slowdown in developed countries.
- Growth in emerging countries.
- More restrictive capital and financial markets and higher financing costs.
- Deceleration of construction and real estate business in the Spanish and North American residential markets.
- Growing demand for investment in transport and service infrastructures in both developed and emerging countries.
- Growing concern with the environment and generation of alternative and clean energies.

strategy

Two-thirds have been invested in international markets





Within this context, management has developed a Strategic Plan for 2008-2010 with the goal of consolidating FCC as a diversified and international leader in services and infrastructure. The main objectives of the Plan are the generation of value for shareholders, the professional development of employees and the contribution of the FCC Group to the sustainable development of society.

These objectives will be reflected in the following business terms:

1. **Profitability:** Generating an increase in value for shareholders of more than 50%.
2. **Leadership:** Earning revenues of 18,000 million euro in the year 2010.
3. **Diversification:** Services will be the primary source of the Group's Ebitda: more than 50% in the year 2010.
4. **Internationalisation:** Income from foreign business will represent more than 50% of the total in the year 2010.

In order to achieve these objectives, FCC will implement three main strategies that will entail an investment of 4,100.

■ **Consolidation of current business,** maintaining FCC's position of leadership and market share in the markets where it operates, consolidating and integrating recent acquisitions. The Group plans to invest approximately 2,400 million euro to consolidate its current business.

■ **Taking advantage of growth opportunities** in the service and infrastructure business in the strategic areas of the United Kingdom, Central and Eastern Europe, the United States and Central America. In addition, the Group will continue to diversify its business, focusing on the energy sector, particularly the areas of co-generation, energy efficiency and renewable energies. To do so, the FCC Group will invest 2,600 million euro in acquisitions and development during the period 2008-2010.

■ **Enhancing the organisation's efficiency** by reorganising people and processes, managing talent and optimising costs.

The Strategic Plan calls for maintaining and improving the Group's financial solvency and security during the period 2008-2010 with a corporate debt to Ebitda rate of less than three. In addition,



the Group will continue to be financially disciplined, internationalise its sources of financial resources and strengthen its relationship with investors.

FCC wants to be recognised and admired by the society it serves and for its contribution to sustainable development. The 2008-2010 Strategic Plan will promote initiatives related to corporate responsibility and transparency that will allow the Group to achieve its objectives.

01/31/2007 | **Changes on the Board and other Governing Bodies**

Esther Koplowitz proposes the appointment to the company's Board of Luis Portillo, Chairman of Inmocaral (which owns 15.066% of FCC), and Mariano Miguel, CEO of Inmobiliaria Colonial.

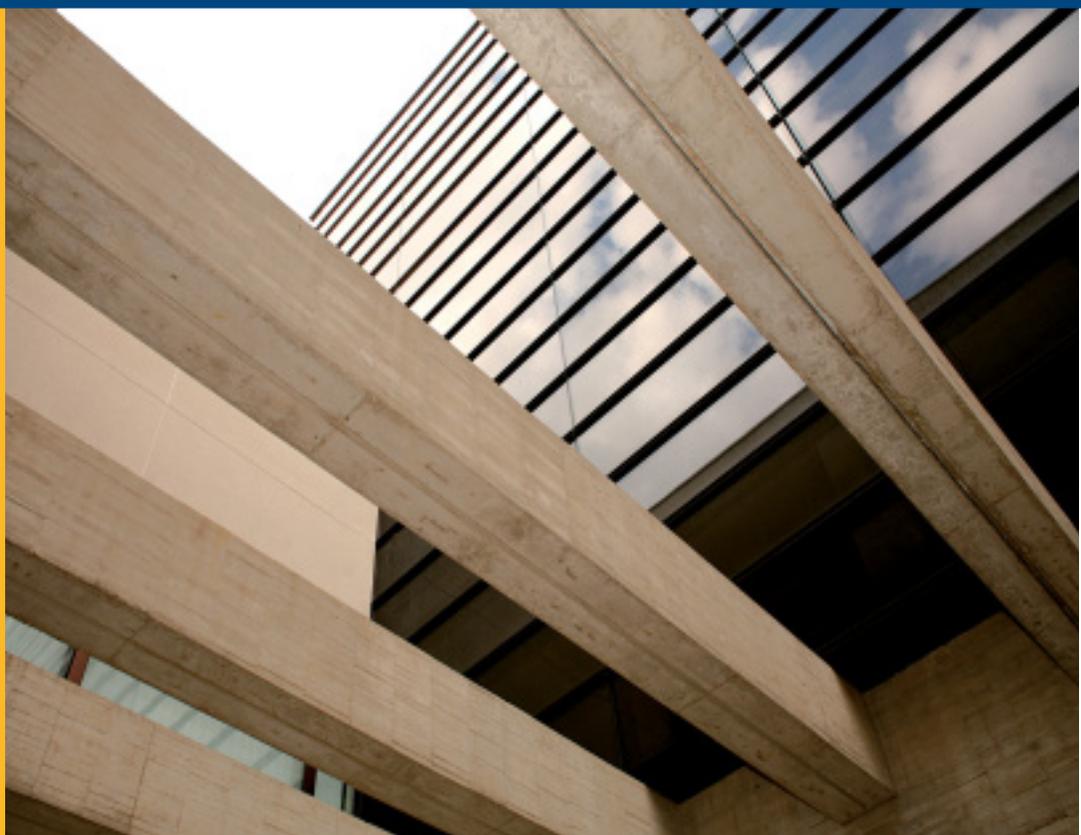
02/27/2007 | **Report on FY 2006 results**

FY 2006 results.

04/02/2007 | **Annual Corporate Governance Report**

relevant events

reported to the CNMV



05/09/2007 | **Report on FY results**

2007 Q1 results.

05/22/2007 | **General Meeting announcement**

Announcement of the General Meeting of Shareholders to be held in Barcelona on 28 June 2007 and meeting agenda.

06/29/2007 | **Changes on the Board and other Governing Bodies**

Announcement of the resolution passed by the General Meeting of Shareholders in relation to the Board of Directors, which stands at 21 members. The directors B 1998, S.L. and Francisco Más-Sardá Casanelles are re-elected

07/26/2007 | **Changes on the Board and other Governing Bodies**

07/30/2007 | **Report on FY results**
2007 first half-year results.

08/01/2007 | **Share acquisitions and transfers**
El Corte Inglés and FCC have reached an agreement under which Inmobiliaria Asón has sold



05/23/2007 | **Changes on the Board and other Governing Bodies**

Ibersuizas Holdings, S.L. steps down as a member of the Board of Directors of FCC.

and the new directors César Ortega Gómez, Luís Manuel Portillo Muñoz and Mariano Miguel Velasco are elected.

20% of Torre Picasso to FCC for 170 million euro. As a result, FCC owns 100% of the building. With this acquisition, FCC now owns 100% of the building.

06/29/2007 | **Announcement of general meeting resolutions**

Announcement of the resolutions passed at the General Meeting of Shareholders held in Barcelona on 28 June 2007.

07/19/2007 | **Shareholder agreements**

Announcement of the "novation modifying the agreements of the shareholders of B 1998, S.L.", which control 52.483% of FCC's capital.

Torre Picasso, in Madrid's AZCA complex, has 122,216 m² of floor space on 43 floors above grade, plus shopping areas and a five-storey basement car park.

07/25/2007 | **Share acquisitions and transfers**

10/11/2007	Syndicated loans Fifteen banks today syndicated an 800 million euro long-term loan to FCC	The operation cost 182.5 million dollars, i.e. nine times 2008 Ebitda. As a result, FCC, which is controlled by Esther Koplowitz, will become the second-largest player in this field in the USA.	12/19/2007	Resolutions of the Board of Directors The Board approves the payment of an interim dividend of 1.065 euros per share against 2007 results.
11/15/2007	Report on FY results Results of the first nine months of 2007.	HRS and International Petroleum operate in 21 states in the Mid-Atlantic, South-East and South Central regions of the USA, an area with a total population of 160 million.	12/26/2007	Other relevant events Esther Koplowitz Romero de Juseu, through her company Dominum Dirección y Gestión, S.A., has purchased the 10.55% share in the company B 1998, S.L. (which owns 52.483% of FCC's share capital) from Ibersuizas Holdings, S.A, effective on 30 January 2008.
12/11/2007	Share acquisitions and transfers FCC has acquired from Siemens Water Technologies Corp. (SWT) its two US subsidiaries specialised in treatment and recovery of industrial oils and other ancillary services to the oil industry: Hydrocarbon Recovery Services Inc. (HRS) and International Petroleum Corp. The two companies will be integrated into FCC Ámbito, the group's industrial waste management division.	The acquired Group, which is based in Houston, Texas, has 38 industrial plants, a fleet of 362 vehicles, and 528 employees. It is expected to obtain 140 million dollars in revenues in 2008.		The price of the transaction was 381.5 million euro which means that the underlying FCC shares were valued at 55.94 euros per share.
		12/18/2007 Changes on the Board and other Governing Bodies The Board of Directors accepted the resignations of Francisco Mas-Sardá Casanelles, Marcelino Oreja Aguirre as Non-Executive Chairman and Rafael Montes Sánchez as Managing Director and appointed Baldomero Falcones Jaquotot as Managing Director and Rafael Montes Sánchez as Non-Executive Chairman.		This transaction carried out at the request of Esther Koplowitz, which increases her ownership in FCC, resulted in the disinvestment of the Ibersuizas Group in the share capital of B 1998, S.L. and consequently of the FCC Group. Ibersuizas Holdings, S.L. will cease to be part of the shareholders' agreement that regulates the relations between the shareholders of B 1998, S.L. At the same time, on the effective date of the agreement indicated above, Ibersuizas Holdings, S.A. will step



Other communications

down as a member of the Board of Directors of B 1998, S.L. and Ibersuizas Alfa, S.L. will step down as a member of the Board of Directors of Fomento de Construcciones y Contratas, S.A.

Following this reorganisation, the shareholdings in B 1998, S.L. are as follows:

Esther Koplowitz (directly or indirectly)	83.92%
Eurocis, S.A.	5.01%
Simante, S.L.	5.73%
Larranza XXI, S.L.	5.34%
Total	100.0%

01/30/2007 **FCC and Caja Madrid found Global Vía Infraestructuras**

Caja Madrid and FCC have established a 50:50 joint venture called Global Vía Infraestructuras, S.A. to group all of the infrastructure assets owned by the two partners.

The company's initial capital stock is 250 million euro and it has holdings in 35 infrastructure concessions, basically roads, commercial ports and marinas, metro and tram lines, and hospitals.

At its first meeting, the new company's Board of Directors elected Jesús Duque as Chairman of Global Vía Infraestructuras and appointed Javier Falces as general manager.

08/01/2007 **FCC enters the glass recycling business**

FCC has entered the glass recycling business by acquiring the Gonzalo Mateo Group for 20 million euro.

It has acquired two companies, Gonzalo Mateo, S.L. and Cristales Molidos, S.L., which will be incorporated into Ámbito, FCC's industrial waste management division.

The Gonzalo Mateo Group processes 100,000 tonnes of consumer and industrial glass waste per year at its three plants in Aragón and Valencia; it is expected to report 12.5 million euro in revenues this year.

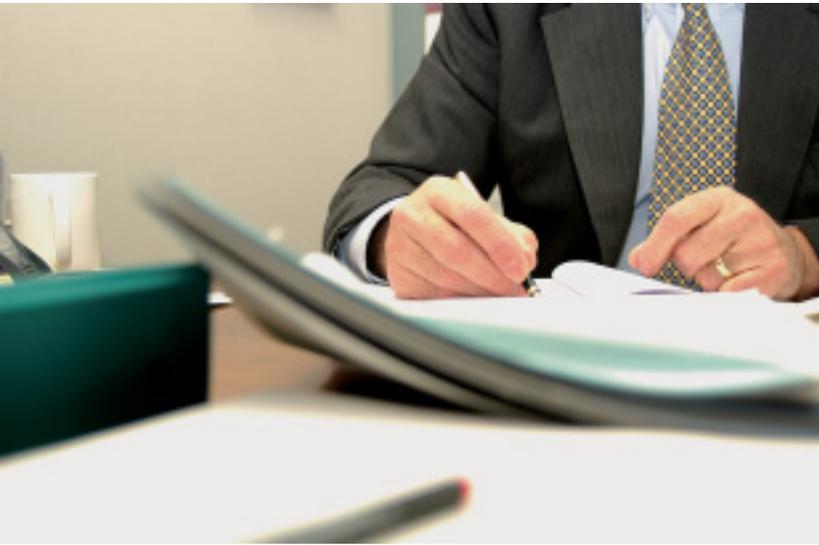


The FCC Group in figures



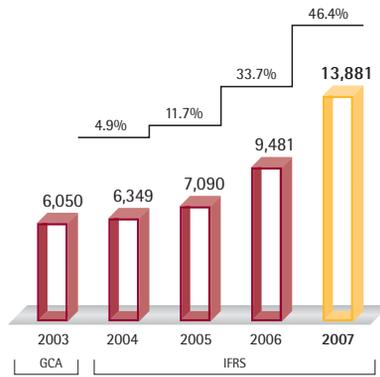
18 consolidated figures

22 brief history of financial figures

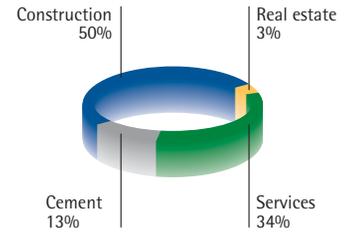


Turnover

Millions of euros

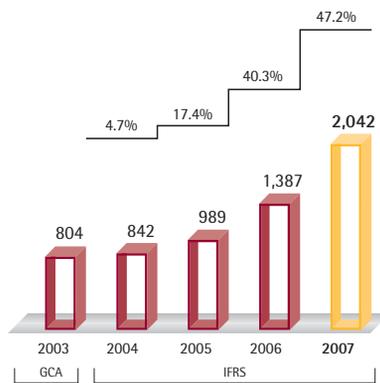


Breakdown by activity



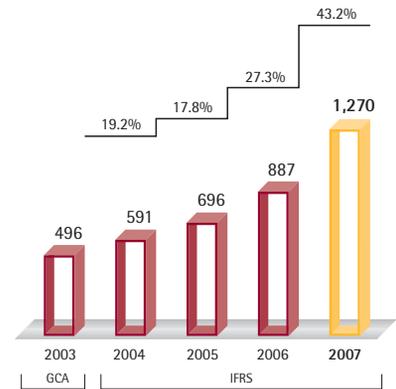
Gross operating profit (Ebitda)

Millions of euros



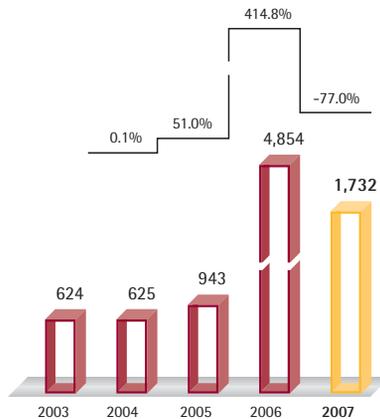
Pre-tax profits

Millions of euros



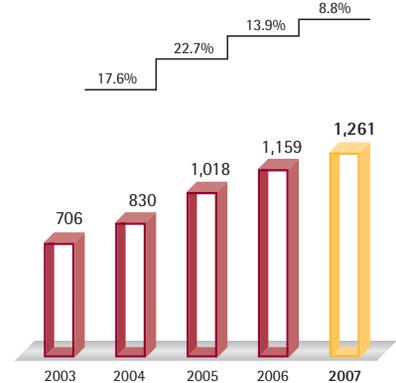
Investments

Millions of euros



Cash flow after taxes

Millions of euros

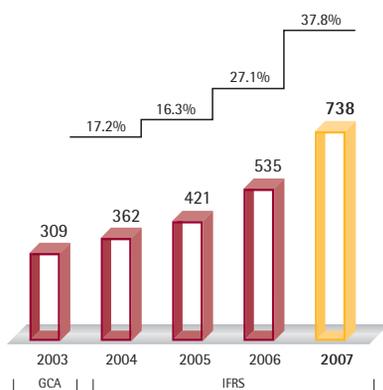


The FCC Group in figures: consolidated figures

GCA: Data according to Spanish General Chart of Accounts rules
IFRS: Data according to International Financial Reporting Standards

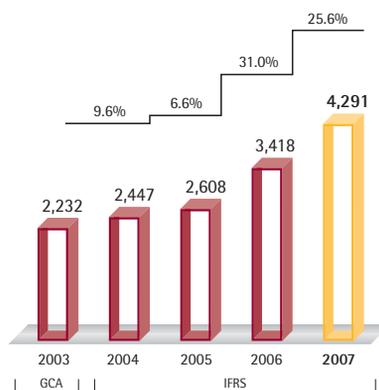
Net profit attributed to the parent company

Millions of euros



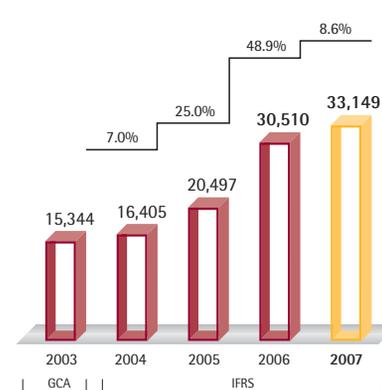
Net wealth

Millions of euros



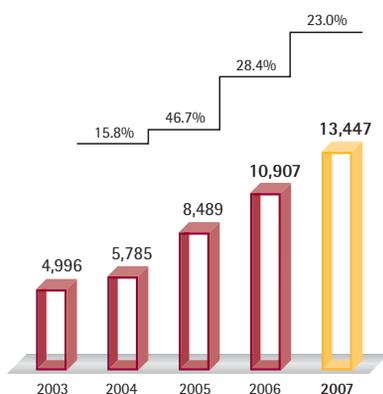
Construction and services backlog

Millions of euros



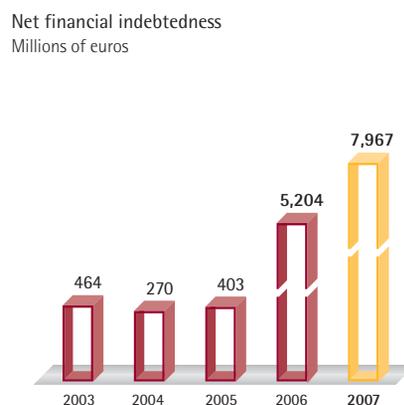
Construction work and services contracted

Millions of euros

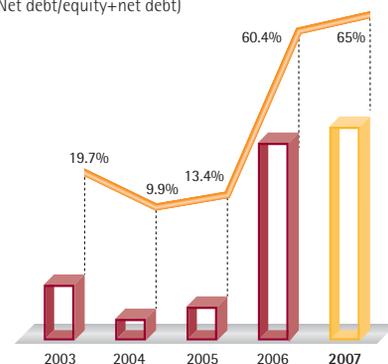


Net financial indebtedness and leverage

Millions of euros



Leverage %
(Net debt/equity+net debt)



Evolution of shares

In 2007, the Spanish stock market made trading history by reaching 15,945 points on 8 November 2007 after starting the year at 14,146 points. However, this trend was interrupted by the subprime mortgage crisis in the United States which affected the world's financial system, causing serious credit problems that ultimately affected the economy, with growth forecasts for world economic activity revised in a downward direction. The Ibex-35 index ended the year at 15,182 points with an appreciation of 7.3%.

The performance of the securities in the Spanish construction sector was worse than the index of reference due to changes in the economic cycle which have had serious repercussions on residential real estate construction. FCC's shares ended the year at 51.40 euros per share, down by 33.4%, which was less than the losses sustained by other companies in the sector such as Ferrovial or Sacyr.

Five-year performance of FCC shares: If an investor invested 10€ in FCC stock on 31-12-2002, his investment would be worth 26.8€ on 31-12-2007, including dividends.

Stock market capitalisation

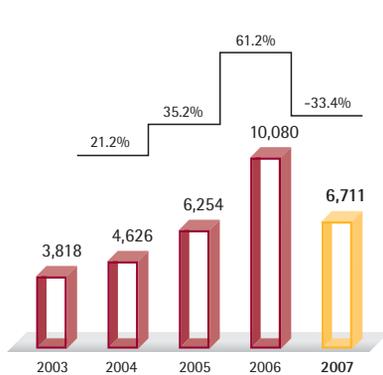
FCC ended the year with a capitalisation amount of 6,711 million, lower than the previous year's record of 10,080 million.

Trading

The total share volume traded was more than 171 million shares, with a daily average of 674,995 shares, which is an 55.1% increase over 2006. Over the course of the year, the traded volume exceeded 1.3 times FCC's total share capital. As far as the cash value traded, the daily average was 45 million euro, more than double the previous year's figure.

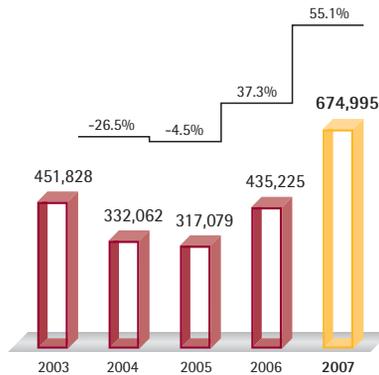
Stock market capitalisation

Millions of euros



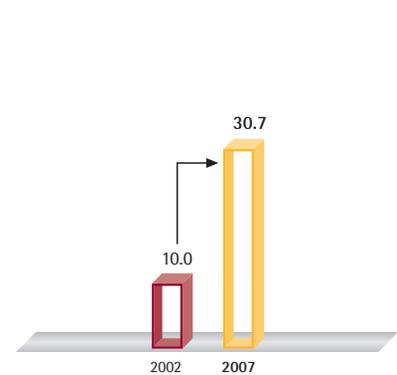
Trading volume

Number of shares daily average



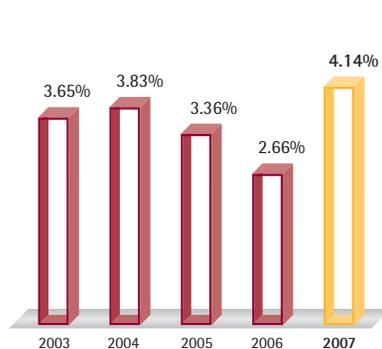
Five-year share yield

Including dividends



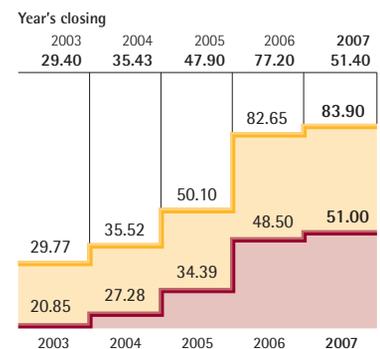
Dividend yield

Calculated with the closing quote



Annual high, low and closing price of shares

Euros



Dividends

Should the proposal that will be submitted to the General Meeting of Shareholders in June 2008 be approved, the amount that will be distributed to shareholders in the form of dividends paid on fiscal 2007 profits will be 2.13 euro per share (gross), distributed in two payments: the interim dividend of 1.065 euro (gross) per share paid on 9 January 2007 and the complementary dividend of 1.065 euro (gross) per share.

The total figure is 3.9% higher than the dividend paid on fiscal year 2006 profits and it makes for a pay-out of 60%, higher than the 50% target pay-out.

In the last five years, the distributed dividend has been multiplied fourfold.

Treasury stock

In fiscal year 2007, FCC acquired a total of 5,046,871 shares of treasury stock for more than 315 million euro. The net position at 31 December 2007 was 5,738,955 shares, equivalent to 4.4% of the company's share capital.

Shareholders

FCC, S.A., issues shares under the book entry system. Those shares are listed on the four Spanish stock exchanges (Madrid, Barcelona, Valencia and Bilbao). According to the information on file in National Securities Market Commission records, the company's most relevant shareholders are as follows:

Shareholder	Shares	Percentage
B 1998, S.L.	59,871,785	45.855%
Inmobiliaria Colonial, S.A.	19,671,780	15.066%
Azate, S.L.*	8,653,815	6.628%

* Wholly-owned subsidiary of B 1998 S.L.

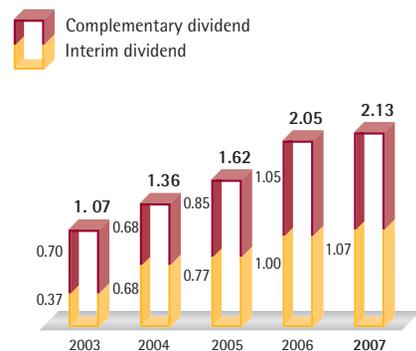
FCC's free float is 32% of the share capital and is composed of Spanish minority shareholders (21%), Spanish institutional investors (32%) and foreign institutional investors (47%),

according to the data provided by Iberclear in May 2007.

The composition of the free-float is as follows:

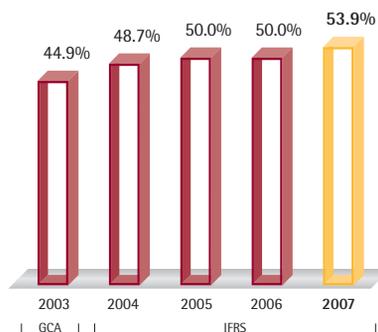
Dividend per share

Euros



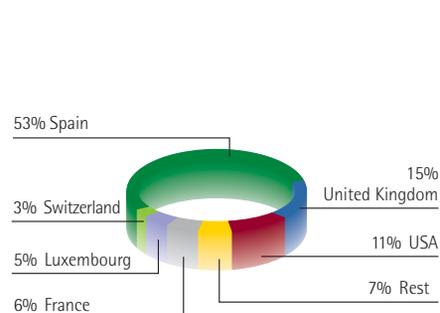
% Pay-out

(Controlling company dividend/net operating results)



Free float breakdown by country

As of 1 June 2007



Assets (Millions of euros)	2007	2006	2005	2004
Non-current assets	13,824	11,581	4,201	3,506
Tangible fixed assets	8,979	6,718	2,182	1,929
Intangible assets	3,313	3,258	956	654
Investments in associated companies	489	584	512	472
Non-current long-term assets	544	605	184	155
Other non-current assets	499	416	367	296
Current assets	9,858	7,441	4,739	3,958
Inventories	2,709	1,080	509	373
Accounts receivable	5,373	4,776	3,121	2,715
Other current long-term investments	162	155	67	121
Cash and cash equivalentss	1,614	1,430	1,042	749
Non-current assets for sale and from discontinued activities	31			
Total assets	23,713	19,022	8,940	7,464

Data according to International Financial Reporting Standards (IFRS).

Liabilities (Millions of euros)	2007	2006	2005	2004
Net wealth	4,291	3,417	2,608	2,447
Wealth attrib. shareholders in parent co.	2,686	2,613	2,232	2,031
Share capital	131	131	131	131
Accum. income and other reserves	1,956	2,077	1,780	1,626
Income for the year	738	535	421	363
Interim dividend	(139)	(130)	(100)	(89)
Minority interests	1,605	804	376	416
Non-current liabilities	9,745	6,858	1,547	1,017
Payable financial institutions and other non-current financial liabilities	7,663	4,738	811	493
Non-current provisions	910	965	415	331
Other non-current liabilities	1,172	1,155	321	193
Current liabilities	9,677	8,747	4,785	4,000
Payable financial institutions and other current financial liabilities	2,593	2,656	832	762
Trade accnts payable and other curr. liab	7,001	6,041	3,922	3,211
Current provisions	83	50	31	27
Total liabilities	23,713	19,022	8,940	7,464

Data according to International Financial Reporting Standards (IFRS).

Assets (Millions of euros)	2003
Due from shareholders for uncalled capital	–
Fixed and other noncurrent assets	2,977
Intangible	585
Tangible	1,731
Long-term	639
Parent company shares	11
Start-up expenses	11
Goodwill in consolidation	191
Deferred charges	39
Current assets	3,833
Inventories	429
Accounts receivable	2,705
Short-term investments	391
Cash	293
Accrual accounts	15
Total assets	7,040

Data according to Spanish General Chart of Accounts (GCA).

Liabilities (Millions of euros)	2003
Shareholders' equity	1,846
Capital	131
Additional paid-in capital	242
Reserves	429
Consolidation reserves	846
Translation differences	(63)
Fiscal year profit	309
Interim dividend	(48)
Minority interests	388
Negative consolidation difference	36
Deferred revenues	47
Provisions for contingencies and expenses	238
Long-term debt	749
Debentures and other marketable debt securities	46
Payable to financial institutions	445
Other payables	232
Capital payments payable	26
Current liabilities	3,736
Payable to financial institutions	590
Payable to Group and associated companies	13
Trade accounts payable	2,379
Other non-trade payables	667
Operating allowances	86
Accrual accounts	1
Total liabilities	7,040

Data according to Spanish General Chart of Accounts (GCA).

Historical evolution of the main financial indicators

Income statement (Millions of euros)	2007	2006	2005	2004
Operating revenues	14,076	9,534	7,154	6,411
Net sales	13,880	9,481	7,090	6,349
Other revenues	196	53	64	62
Operating expenses	(12,777)	(8,653)	(6,498)	(5,846)
Variation finished goods and work-in-process inventories	0	58	44	(21)
Supplies and other external expenses	(8,941)	(6,025)	(4,346)	(3,832)
Personnel expenses	(3,093)	(2,180)	(1,863)	(1,716)
Depreciation and amortization expense	(726)	(474)	(319)	(272)
(Allocation)/Reinvestment of operating allowances	(17)	(32)	(14)	(5)
Operating income	1,299	881	656	565
Financial revenue	108	72	41	48
Financial expenses	(515)	(209)	(81)	(70)
Translation differences	(16)	(4)	6	(5)
Income/(loss) variations in value of financial instruments	16	56	6	(2)
Financial result (loss)	(407)	(85)	(28)	(29)
Share in income of associated companies	32	89	78	72
Result (Deterioration)/Reinvest. tang. and int. fixed a.	(2)	(5)	(12)	(21)
Other profit or (loss)	348	7	2	4
Income before taxes on continued activities	1,270	887	696	591
Corporate income tax expense	(349)	(278)	(217)	(167)
Minority interests	(183)	(73)	(58)	(61)
Income attributed to the parent company	738	536	421	363

Data according to International Financial Reporting Standards (IFRS).

Statement of income (Millions of euros)	2003
+ Net sales	6,050
+ Other revenues and work on fixed assets	145
+ Variations finished goods and work-in-process inventories	8
= Total production value	6,203
– Cost of materials used and other expenses	3,773
– Personnel expenses	1,626
= Gross operating income	804
– Depreciation of fixed assets and reinvestment fund	269
– Variations in working capital provisions	16
= Net operating income	519
+ Financial revenues	65
– Financial expenses	105
– Variations in investment valuation allowances	5
– Amortization of goodwill	19
+ Returns of companies accounted for by the equity method	66
= Income from ordinary activities	521
+ Extraordinary income	(25)
= Income before taxes	496
– Corporate income tax	126
= Income after taxes	370
– Income attributed to minority interests	61
= Net income attributed to the parent company	309

Data according to Spanish General Chart of Accounts (GCA).