FCC

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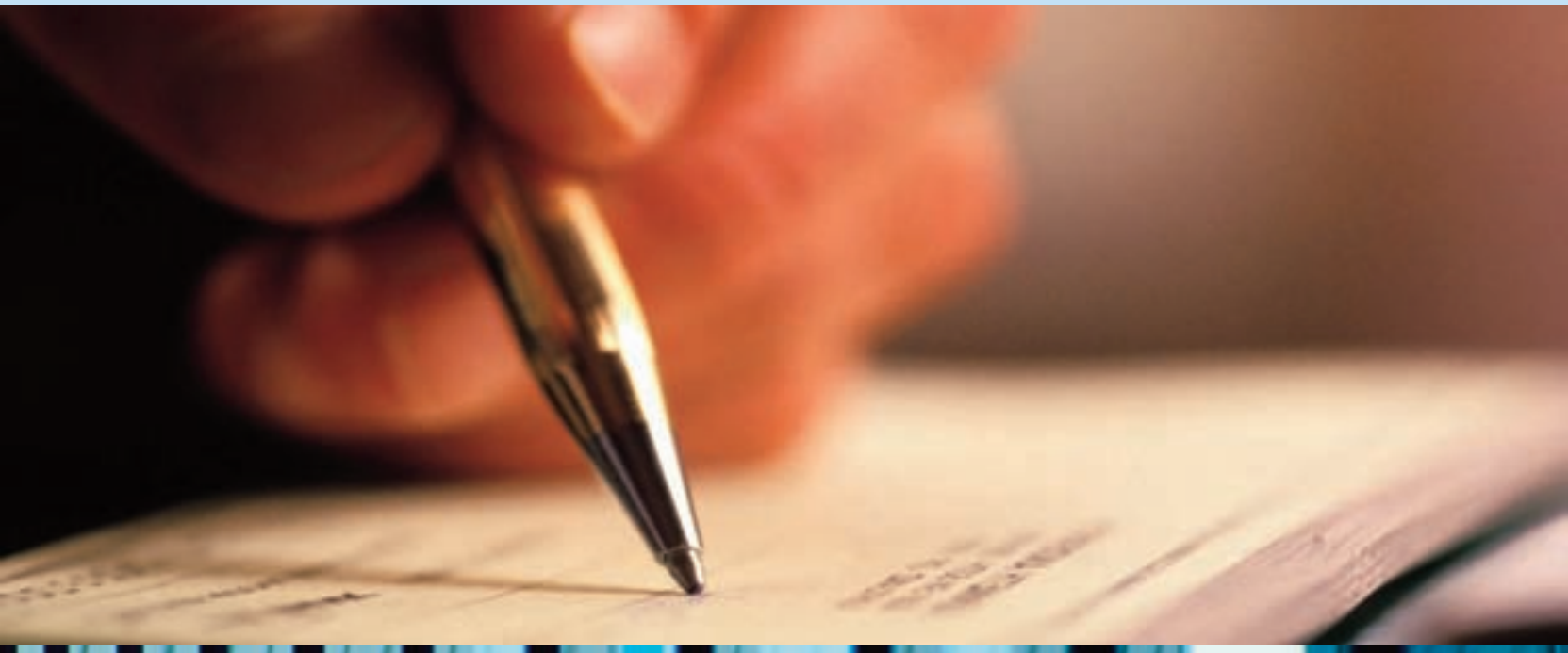

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Consolidated balance sheet

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

ASSETS	12-31-2006		12-31-2005	
NON-CURRENT ASSETS		**11,580,539**		**4,200,860**
Property, plant and equipment (note 5)		6,718,156		2,181,635
Investment property	67,727		68,192	
Buildings, plant and equipment	5,797,195		1,780,885	
Other items of property, plant and equipment	853,234		332,558	
Intangible assets (note 6)		3,257,872		955,805
Concessions (note 7)	387,202		355,109	
Goodwill	2,470,045		461,449	
Other intangible assets	400,625		139,247	
Investments in associates (note 8)		583,512		511,688
Non-current financial assets (note 10)		605,190		184,371
Other non-current assets		415,809		367,361
Deferred tax assets (note 17)	383,069		363,538	
Other non-current assets	32,740		3,823	
CURRENT ASSETS		**7,441,535**		**4,738,683**
Inventories (note 11)		1,079,834		509,085
Trade and other receivables		4,776,272		3,120,598
Accounts receivable (note 12)	4,566,837		2,974,403	
Tax receivables (note 17)	167,789		130,015	
Other receivables	41,646		16,180	
Other current financial assets (note 10)		155,275		67,384
Cash and cash equivalents (note 13)		1,430,154		1,041,616
TOTAL ASSETS		**19,022,074**		**8,939,543**

The accompanying Notes 1 to 27 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2006.

At 31 december 2006

Thousands of euros

EQUITY AND LIABILITIES	12-31-2006		12-31-2005	
EQUITY (note 14)		**3,417,518**		**2,608,354**
Equity attributable to shareholders of the parent		2,613,088		2,232,117
Share capital	130,567		130,567	
Retained earnings and other reserves	2,077,201		1,779,834	
Profit for the year	535,511		421,398	
Interim dividend	(130,191)		(99,682)	
Minority interests		804,430		376,237
NON-CURRENT LIABILITIES		**6,857,976**		**1,546,700**
Bank borrowings and other non-current financial liabilities (note 17)		4,738,460		810,978
Non-current bank borrowings	3,997,855		680,742	
Debt instruments and other held-for-trading liabilities	147,267		50,077	
Other non-current financial liabilities	593,338		80,159	
Long-term provisions (note 16)		964,541		414,805
Other non-current liabilities		1,154,975		320,917
Deferred tax liabilities (note 17)	1,114,267		286,038	
Other non-current liabilities (note 15)	40,708		34,879	
CURRENT LIABILITIES		**8,746,580**		**4,784,489**
Bank borrowings and other current financial liabilities (note 15)		2,656,421		831,575
Current bank borrowings	2,496,191		715,585	
Debt instruments and other held-for-trading liabilities	1,130		114	
Other current financial liabilities	159,100		115,876	
Trade and other payables		6,040,681		3,922,226
Trade payables	5,074,928		3,251,795	
Tax payables (note 17)	687,790		455,110	
Other current liabilities (note 15)	277,963		215,321	
Short-term provisions (note 16)		49,478		30,688
TOTAL EQUITY AND LIABILITIES		**19,022,074**		**8,939,543**

The accompanying Notes 1 to 27 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2006.

Consolidated income statement

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

	12-31-2006	12-31-2005
OPERATING INCOME	9,534,444	7,154,441
Revenue (notes 20 and 21)	9,480,928	7,089,787
Other income	53,516	64,654
OPERATING EXPENSES	(8,653,170)	(6,498,263)
Changes in inventories of finished goods and work in progress	58,372	44,173
Procurements and other external expenses (note 20)	(6,025,458)	(4,346,096)
Staff costs (note 20)	(2,180,050)	(1,863,615)
Depreciation and amortisation charge (notes 5 and 6)	(474,506)	(318,768)
(Charge to)/Reversal of operating allowances	(31,528)	(13,957)
PROFIT FROM OPERATIONS	881,274	656,178
Finance income (note 20)	71,535	41,204
Finance costs (note 20)	(209,139)	(80,881)
Exchange differences	(4,407)	6,040
Gain resulting from changes in value of financial instruments (note 20)	56,303	5,378

Consolidated statement of changes in equity

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

	Share capital (note 14.a)	Reserves of the parent (note 14.b.1)	Reserves for transactions with treasury shares (note 14.b.2)	Consolidation reserves (note 14.b.3)
EQUITY ATTRIBUTABLE AT 31 DECEMBER 2004	**130,567**	**682,310**		**950,281**
Profit for the year				
Income and expenses for the year recognised directly in equity				
Changes in the fair value of financial instruments				
First-time application of IAS 39				
Other				
Translation differences				
TOTAL INCOME AND EXPENSES FOR THE YEAR				
Distribution of profit-				
Retained earnings		196,628		165,851
Dividends		(176,982)		720
Capital increases and reductions				
Treasury share transactions				
First-time application of IAS 32			(10,539)	
Other			(16,335)	
Changes in the scope of consolidation				
Other changes in equity				
First-time application of IFRS 4				7,893
Other				(3,012)
EQUITY ATTRIBUTABLE AT 31 DECEMBER 2005	**130,567**	**701,956**	**(26,874)**	**1,121,733**
Profit for the year				
Income and expenses for the year recognised directly in equity				
Revaluations in business combinations achieved in stages				
Changes in the fair value of financial instruments				
Translation differences				
TOTAL INCOME AND EXPENSES FOR THE YEAR				
Distribution of profit-				
Retained earnings		237,687		183,711
Dividends		(210,035)		
Capital increases and reductions				
Treasury share transactions			27,818	
Changes in the scope of consolidation				
Other changes in equity		(132)		(4,823)
EQUITY ATTRIBUTABLE AT 31 DECEMBER 2006	**130,567**	**729,476**	**944**	**1,300,621**

The accompanying Notes 1 to 27 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2006. In particular, Note 14 "Equity" explains this statement.

At 31 december 2006

Thousands of euros

	12-31-2006	12-31-2005
FINANCIAL LOSS	(85,708)	(28,259)
Share of results of associates (note 8)	89,078	78,364
Impairment losses (recognised)/reversed on property, plant and equipment and intangible assets (notes 5 and 6)	(4,766)	(11,885)
Other gains or losses (note 20)	6,752	2,051
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	886,630	696,449
Income tax (note 17)	(278,022)	(217,159)
Minority interests (note 14)	(73,097)	(57,892)
PROFIT ATTRIBUTABLE TO THE PARENT	535,511	421,398

	12-31-2006	12-31-2005
EARNINGS PER SHARE (note 14)		
Basic	4.14 €	3.25 €
Diluted	4.14 €	3.25 €

The accompanying Notes 1 to 27 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2006.

For the year ended 31 december 2006

Thousands of euros

Valuation Adjustments (note 14.b.4 and 5)	Exchange differences (note 14.b.6)	Profit for the year	Interim dividend (note 14.d)	Equity attributable to shareholders of the parent	Minority interests (note 14)	Equity
	(5,915)	**362,479**	**(88,491)**	**2,031,231**	**415,732**	**2,446,963**
		421,398		421,398	57,892	479,290
(14,063)				(14,063)		(14,063)
(16,544)				(16,544)	186	(16,358)
	19,541			19,541	5,934	25,475
(30,607)	**19,541**	**421,398**		**410,332**	**64,012**	**474,344**
		(362,479)				
			(11,191)	(187,453)	(30,668)	(218,121)
					3,428	3,428
				(10,539)		(10,539)
				(16,335)		(16,335)
					(76,267)	(76,267)
				7,893		7,893
				(3,012)		(3,012)
(30,607)	**13,626**	**421,398**	**(99,682)**	**2,232,117**	**376,237**	**2,608,354**
		535,511		535,511	73,097	608,608
53,702				53,702	12,608	66,310
30,434				30,434	2,977	33,411
	(22,528)			(22,528)	(8,026)	(30,554)
84,136	**(22,528)**	**535,511**		**597,119**	**80,656**	**677,775**
		(421,398)				
			(30,509)	(240,544)	(39,034)	(279,578)
					7,527	7,527
				27,818		27,818
					373,788	373,788
1,533				(3,422)	5,256	1,834
55,062	**(8,902)**	**535,511**	**(130,191)**	**2,613,088**	**804,430**	**3,417,518**

Consolidated cash flow statement

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

For the year ended 31 december 2006

Thousands of euross

	12-31-2006		12-31-2005	
Cash flows from operating activities (before interest and tax)		1,395,960		978,099
Profit from operations	881,274		656,178	
Depreciation and amortisation charge	474,506		318,768	
Adjustments due to other income	40,180		3,153	
Income taxes paid in the year		(292,133)		(214,552)
(Increase) Decrease in operating working capital		14,478		218,663
(Increase) Decrease in inventories and trade and other receivables	(862,097)		(517,914)	
Increase (Decrease) in trade and other payables	876,575		736,577	
Dividends received		49,856		37,272
Other collections (payments) in operating activities		(9,137)		(1,138)
TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES		**1,159,024**		**1,018,344**
Investments		(4,854,462)		(942,953)
Property, plant and equipment	(575,415)		(393,625)	
Intangible assets	(112,358)		(60,584)	
Investments and other financial assets	(4,166,689)		(488,744)	
Disposals		65,888		85,008
Property, plant and equipment and intangible assets	52,773		35,426	
Investments and other financial assets	13,115		49,582	
Other collections (payments) in investing activities		286,047		(19,458)
Change in cash and cash equivalents due to changes in the scope of consolidation	308,098		5,760	
Other	(22,051)		(25,218)	
TOTAL NET CASH FLOWS FROM INVESTING ACTIVITIES		**(4,502,527)**		**(877,403)**
Collections of shareholders' contributions		7,571		3,428
Collections (Payments) in treasury share transactions		33,316		(16,288)
Dividends paid (note 4)		(250,065)		(206,998)
Increase (Decrease) in bank borrowings and other financial liabilities		3,925,220		297,598
Non-current	2,744,116		276,481	
Current	1,181,104		21,117	
Net interest		(106,549)		(21,735)
Collected	32,477		23,805	
Paid	(139,026)		(45,540)	
Other collections (payments) in financing activities and relating to current financial assets		128,876		86,241
TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES		**3,738,369**		**142,246**
TOTAL NET CASH FLOWS FOR THE YEAR		**394,866**		**283,187**
Cash and cash equivalents at beginning of year	1,041,616		748,951	
Exchange differences on cash and cash equivalents in foreign currency	(6,328)		9,478	
CASH AND CASH EQUIVALENTS AT END OF YEAR		**1,430,154**		**1,041,616**

The accompanying Notes 1 to 27 and Appendixes I to V are an integral part of the consolidated financial statements and, together with the latter, make up the statutory consolidated financial statements for 2006.

Notes to the consolidated financial statements

Fomento de Construcciones y Contratas, S.A. and subsidiaries consolidated Group at 31 december 2006

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1. The FCC Group

The FCC Group is made up of the Parent, Fomento de Construcciones y Contratas, S.A., and a number of Spanish and foreign investees which carry on various business activities in the following areas:

Services, this division groups together the areas specialising 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 car parks, ground aircraft and passenger handling, street maintenance and traffic systems, etc.

Construction, this area specialises in infrastructure construction projects, building construction and related activities, such as motorways, freeways and other roads, tunnels, bridges, hydraulic construction works, ports, airports, residential property developments, housing units, non-residential building construction, lighting, industrial air conditioning and heating systems, environmental restoration, etc. The Construction area also encompasses the Group's infrastructure concession operators (motorways, tunnels, marinas, railways, tramways and multiuse buildings).

Cement, this division engages in the operation of quarries and mineral deposits, the manufacture of cement, lime, plaster and related prefabricated products and the production of concrete.

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

Foreign operations, which represent approximately 18% of the FCC Group's revenue (10% in 2005), are carried on mainly in the European, US and Latin American markets.

In 2006 the FCC Group experienced considerable growth due, in part, to the implementation of the Group's strategic plan for 2005-2008. Within the framework of this plan, important acquisitions were made of various business groups in Spain and abroad, which are detailed in Note 3 ("Most Significant Acquisitions") to these financial statements. The inclusion of these acquisitions in the scope of consolidation will contribute significant levels of growth, since in 2007 the Group will consolidate these investees on the basis of their full-year results.

2. Basis of presentation of the consolidated financial statements, basis of consolidation and accounting policies

a) Basis of presentation

The accompanying financial statements and the notes thereto, which compose these statutory consolidated financial statements, were prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union at year-end, in conformity with (EC) Regulation no. 1606/2002 of the European Parliament and of the Council, of 19 July 2002, and with all the related implementing provisions and interpretations.

The consolidated financial statements for 2006 were prepared from the accounting records of Fomento de Construcciones y Contratas, S.A. and of its investees. These records, determined in accordance with the local standards referred to in the following paragraph, were adapted to IFRSs by each of the Group companies using the established operating procedures and systems that enable the performance and support of the consolidation process in accordance with IFRS requirements.

With respect to local standards, it should be noted that the companies resident in Spain are governed by Spanish accounting legislation which, as regards the accounting regulations applicable to individual companies, is based on Royal Decree 1643/1990, of 20 December, approving the Spanish National Chart of Accounts and on the industry charts of accounts implementing it.

The income tax expense is determined, pursuant to current tax legislation, on the basis of the profit calculated in accordance with Spanish GAAP, adjusted using certain accounting policies applicable for the sole purpose of obtaining the taxable profit for income tax purposes. Under authorisation 18/89, the FCC Group files consolidated income tax returns with all the other Group companies that meet the requirements established by tax legislation. The consolidated financial statements of this Tax Group are prepared in accordance with current tax legislation.

The 2006 IFRS consolidated financial statements of the FCC Group were authorised for issue by the Board of Directors of Fomento de Construcciones y Contratas, S.A. and will be submitted for approval by the shareholders at the Annual General Meeting. However, no changes are expected to be made to the consolidated financial statements as a result of compliance with this requirement.

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

For comparison purposes, the 2006 consolidated financial statements include the figures for 2005. Also, these financial statements are expressed in thousands of euros since the euro is the principal currency in the area in which the Group operates.

b) Basis of consolidation

Subsidiaries

The subsidiaries listed in Appendix I, whose financial and operating policies are controlled by Fomento de Construcciones y Contratas, S.A., either directly or through other companies controlled by it, were fully consolidated.

The interest of minority shareholders in the equity and profit or loss of the consolidated companies is presented under "Minority Interests" on the liability side of the accompanying consolidated balance sheet and in the accompanying consolidated income statement, respectively.

Goodwill is determined as indicated in Note 6 below.

Joint ventures

The Group carries on jointly-managed businesses, as described in Note 9 below, through investments in companies controlled jointly by one or more FCC Group companies with other non-Group companies, and interests in Spanish UTEs (unincorporated joint ventures), joint property entities and economic interest groupings, which were included in the accompanying consolidated financial statements in proportion to the Group's ownership interest in the assets, liabilities, income and expenses arising from the transactions performed by these entities, and reciprocal asset and liability balances and income, expenses and profits or losses not realised with third parties are eliminated.

Appendix II lists the companies which were proportionately consolidated and Appendix V lists the joint ventures operated through contractual arrangements with non-Group third parties, such as unincorporated joint ventures, joint property entities, economic interest groupings and other entities of similar legal characteristics.

Associates

The companies listed in Appendix III, over which Fomento de Construcciones y Contratas, S.A. does not exercise control but does have significant influence, are accounted for using the equity method under "Investments in Associates" in the accompanying consolidated balance sheet. The Group's share of these companies' net profit or loss for the year is included under the heading "Share of Results of Associates" in the accompanying consolidated income statement.

Transactions between Group companies

Profits or losses on transactions between consolidated companies are eliminated on consolidation and deferred until they are realised with third parties outside the Group.

Intra-Group results on Group work on non-current assets, which is recognised at production cost, are eliminated on consolidation, except in the case of the construction of assets for concession operators, as described in Note 7 below and in Note 20, "Revenue and Expense Recognition", where reference is made to the recognition of results on the basis of the stage of completion in the construction activity.

Inter-subsidiary receivables and payables were eliminated from the consolidated financial statements and those between the subsidiaries and the joint ventures and intra-Group income and expenses were also eliminated in proportion to the related ownership interests.

Changes in the scope of consolidation

Appendix IV shows the changes in 2006 in the fully and proportionately consolidated companies and the companies accounted for using the equity method. The results of these companies are included in the consolidated income statement from the effective date of acquisition to year-end or from the beginning of the year to the effective date of disposal, as appropriate.

The effects of the inclusion of companies in the scope of consolidation or of their removal therefrom are shown in the related notes to the consolidated financial statements under "Changes in the Scope of Consolidation". In addition, Note 3 to these consolidated financial statements ("Most Significant Acquisitions") summarises the most significant inclusions in the scope of consolidation.

c) Accounting policies

The accounting policies applied in the FCC Group's consolidated financial statements are described in the respective notes to these consolidated financial statements; however, there are certain common accounting policies applicable to various headings in these consolidated financial statements which are described below:

Estimates made

In the Group's consolidated financial statements for 2006 and 2005, estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and commitments reported herein. These estimates relate basically to the following:

- Distribution of the cost of the business combinations (see note 3)
- The impairment losses on certain assets (see notes 5 and 6)
- The useful life of the property, plant and equipment and intangible assets (see notes 5 and 6)
- The measurement of goodwill (see note 6)
- The amount of certain provisions (see note 16)
- The assumptions used in the actuarial calculation of the post-employment benefit liabilities and obligations (see notes 16 and 18).

The FCC Group's consolidated financial statements were prepared so that they present fairly the Group's consolidated equity and financial position at 31 December 2006 and 2005 and the results of its operations, the changes in the consolidated equity and the consolidated cash flows in the years then ended.

Impairment testing of property, plant and equipment and intangible assets

Intangible assets with finite useful lives and property, plant and equipment items are tested for impairment when there is any indication that the assets might have become impaired, in order to adjust their net carrying amount to their value in use (if this is lower).

Goodwill and intangible assets with indefinite useful lives must be tested for impairment at least once a year in order to recognise possible impairment losses.

Impairment losses recognised in prior years on assets other than goodwill may be reversed if the estimates used in the impairment test show a recovery in the value of these assets. The carrying amount of the assets whose recoverable amount increases must in no case exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years.

The recognition or reversal of impairment losses on assets are charged or credited to income under "Impairment Losses (Recognised)/Reversed on Property, Plant and Equipment and Intangible Assets".

To determine the recoverable amount of the assets tested for impairment, an estimate was made of the present value of the net cash flows arising from the cash-generating units to which the assets belong, except for cash inflows and outflows from financing activities and income tax payments, and the cash inflows and outflows arising from scheduled future improvements or enhancements of the assets of these cash-generating units. To discount the cash flows, a pre-tax discount rate was applied that reflects current market assessments of the time value of money and the risks specific to each cash-generating unit.

Flows from cash-generating units located abroad were calculated in the functional currency of these cash-generating units and were discounted using discount rates that take into consideration the risk premiums relating to these currencies. The present value of the net flows thus obtained was translated to euros at the year-end exchange rate applicable to the currency concerned.

Translation differences

The financial statements of foreign operations expressed in currencies other than the euro were generally translated to euros at the year-end exchange rates, except for:

– Share capital and reserves, which were translated at historical exchange rates.

– The income statement items of the fully and proportionately consolidated foreign operations, which were translated at the average exchange rates for the period.

Translation differences arising at the consolidated foreign companies through application of the year-end exchange rate method are included, net of taxes, in equity in the accompanying consolidated balance sheet, as shown in the accompanying consolidated statement of changes in equity.

Exchange differences

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.

The differences resulting from fluctuations in exchange rates between the date on which the collection or payment was made and the date on which the transactions took place or their value was discounted are allocated to profit or loss.

Also, the exchange differences arising in relation to the financing of investments in foreign companies (in which the investment and the financing are denominated in the same currency) are recognised directly in equity as translation differences that offset the effect of the difference arising from the translation to euros of the foreign investee.

3. Most significant acquisitions

Within the framework of the FCC Group's Strategic Plan for 2005-2008, in 2006 various significant corporate acquisitions took place in the various segments of activity, the most noteworthy of which are detailed below. For each investee, on indication is given of its name, acquisition date, percentage of ownership, the cost of the investment and the results contributed since its inclusion in the Group, which include, in turn, the amortisation arising from the recognition at fair value of its assets.

Environmental services

- ASA Abfall Service AG, head of the group with the same name, which engages in waste management in Central and Eastern Europe. The cost of the investment, per the definitive purchase agreement entered into in March, was EUR 226,829 thousand. The FCC Group owns all the shares of this company and the profit for the year contributed by this group from the acquisition date through year-end amounted to EUR 2,525 thousand.
- Waste Recycling Group Ltd., head of the group with the same name, which engages mainly in incineration and in integral waste management projects in the UK. The FCC Group made a payment of EUR 1,963,019 thousand, of which EUR 1,693,532 thousand covered the cost of the investment and the remainder was earmarked for the refinancing of the group. In September the FCC Group took control of this company by acquiring all its shares, and the UK group contributed EUR 4,625 thousand to profit for the year from the acquisition date through year-end.
- Severomoravské Vodovody a Kanalizace Ostrava, S.A., head of the SmVaK Group, which engages mainly in water management in the Czech Republic, was acquired at a cost of EUR 172,272 thousand. In June 98.67% of this company was acquired and its group contributed EUR 2,418 thousand to profit for the year from that date through year-end.

Versia

- Aeroporti di Roma Handling, S.p.A., which engages in airport handling services in Italy, was acquired at a cost of EUR 75,300 thousand. In October all the shares of this company were acquired and it contributed a loss of EUR 2,550 thousand to profit for the year from that date through year-end.

Construction

- 80.71% of Alpine Holding GmbH, parent of the Austrian group Alpine Mayreder Bau, which engages mainly in construction and services, was acquired in November at a cost of EUR 483,680 thousand. This group contributed EUR 4,663 thousand to profit for the year.
- Tacel Inversiones, S.A., head of the Tacel Group, is the concession operator of the Central Galician motorway. In January the FCC Group took control of this company by acquiring an additional 10% holding, thereby bringing its percentage of ownership to 54.64%. The cost of the investment made in 2006 amounted to EUR 13,500 thousand, and the Tacel Group contributed a loss of EUR 3,939 thousand in respect of this additional holding.

Cement

- 51.04% of Corporación Uniland, S.A., parent of the Corporación Uniland Group, was acquired in August by Cementos Portland Valderrivas, S.A. Furthermore, the share purchase agreement includes a put option for the seller on a further 22.50%, exercisable over five years. In December 2006 this option was exercised with respect to 2.18% of the shares, bringing the ownership interest held by the Cementos Portland Valderrivas Group to 53.22% at year-end. The total acquisition cost of this holding amounted to EUR 1,144,134 thousand. The profit contributed by the Corporación Uniland Group (based on the percentage of ownership held therein) amounted to EUR 8,266 thousand.
- Cementos Portland Valderrivas, S.A. launched a takeover bid for Cementos Lemona, S.A., head of the Cementos Lemona Group, as a result of which it increased its ownership interest in this company to 98.28% and, therefore, Cementos Lemona, S.A. was fully consolidated in March. The cost of the takeover bid, which resulted in the purchase of 67.56% of the company, was EUR 242,750 thousand and the profit contributed in respect of the increase in the holding amounted to EUR 6,698 thousand.

Accounting principles and policies

The acquired companies were included in the accompanying consolidated financial statements pursuant to IFRS 3 "Business Combinations", the salient details of which are as follows:

a) The date of inclusion of the acquiree in the consolidated balance sheet is the date on which effective control of this company is obtained, which normally coincides with the acquisition date.

b) On acquisition, the financial statements of the acquiree and its subsidiaries at the acquisition date are included in the Group.

c) The assets and liabilities of the acquirees are recognised in the consolidated balance sheet at their fair value and the related allocations are made in this connection, including the deferred taxes arising therefrom. However, in accordance with IFRSs, the allocations may be reviewed within the 12 months following the acquisition date, should it be necessary to consider new data.

d) The positive difference between the acquisition cost and the percentage share of the equity of the subsidiary, adjusted as a result of the recognition at fair value of the assets and liabilities net of taxes, is recognised as goodwill.

e) If control is obtained in a business combination by means of more than one transaction (e.g. through successive purchases), the goodwill arising from each transaction is treated separately and the reserves relating to the adjustment to fair value of previously held interests, at the date on which control is obtained, are recognised in equity.

Financial statements included-business combinations

Following is a breakdown of the balance sheets included in consolidation relating to the most significant business combinations:

2006	ASA Abfall Service Group	Waste Recycling Group	SmVaK Group	Aeroportidi Roma Handling SpA	Alpine Mayreder Bau Group	Tacel Group	Corporación Uniland Group	Cementos Lemona Group
ASSETS								
Non-current assets	338,538	2,929,779	261,354	92,397	717,836	375,362	1,682,327	481,740
Property, plant and equipment	106,713	2,054,606	260,256	13,415	345,217	363,733	991,608	357,339
Intangible assets	221,576	875,173	1,098	78,980	281,934	452	682,265	90,970
Investments in associates	4,768	–	–	–	–	–	331	13,383
Non-current financial assets	2,729	–	–	–	85,410	4	1,754	8,674
Other non-current assets	2,752	–	–	2	5,275	11,173	6,369	11,374
Current assets	61,376	211,867	25,483	33,626	957,970	3,649	364,048	47,457
Inventories	1,403	–	1,525	–	61,465	–	59,170	13,602
Trade and other receivables	48,379	131,717	11,152	24,574	802,128	205	178,385	31,165
Other current financial assets	4,569	–	12	–	–	2,700	7,826	503
Cash and cash equivalents	7,025	80,150	12,794	9,052	94,377	744	118,667	2,187
Total assets	**399,914**	**3,141,646**	**286,837**	**126,023**	**1,675,806**	**379,011**	**2,046,375**	**529,197**
EQUITY AND LIABILITIES								
Equity	228,703	1,698,452	174,679	75,300	549,118	117,097	1,581,807	333,078
Non-current liabilities	114,695	889,913	100,955	32,063	280,444	243,513	316,723	143,640
Bank borrowings and other non-current financial liabilities	45,518	187,789	74,367	–	109,692	215,446	63,037	70,492
Non-current provisions	45,649	290,406	848	21,693	122,670	–	15,196	14,882
Other non-current liabilities	23,528	411,718	25,740	10,370	48,082	28,067	238,490	58,266
Current liabilities	56,516	553,281	11,203	18,660	846,244	18,401	147,845	52,479
Bank borrowings and other current financial liabilities	13,824	314,115	2,363	761	251,339	3,763	10,900	21,706
Trade payables and other current liabilities	42,692	239,166	8,840	17,899	583,659	14,638	136,945	30,773
Current provisions	–	–	–	–	11,246	–	–	–
Total equity and liabilities	**399,914**	**3,141,646**	**286,837**	**126,023**	**1,675,806**	**379,011**	**2,046,375**	**529,197**

2005	Logístico Santos Group	Entemanser, S.A.	Papeles Hernández e Hijos, S.A.	Manipulación y Recuperación Marepa, S.A.
ASSETS				
Non-current assets	50,352	84,281	7,336	20,647
Property, plant and equipment	16,300	23,974	3,235	19,829
Intangible assets	27,438	53,408	–	3
Non-current financial assets	3,829	6,899	4,113	815
Other non-current assets	2,785	–	(12)	–
Current assets	49,439	18,822	6,932	8,708
Inventories	285	916	346	1,312
Trade and other receivables	48,199	12,592	2,709	7,249
Other current financial assets	186	4,374	1,120	22
Cash and cash equivalents	769	940	2,757	125
Total assets	**99,791**	**103,103**	**14,268**	29,355
EQUITY AND LIABILITIES				
Equity	45,729	65,739	8,661	12,489
Non-current liabilities	9,718	30,879	1,867	7,179
Bank borrowings and other non-current financial liabilities	5,025	5,740	1,424	1,816
Non-current provisions	1,185	–	–	–
Other non-current liabilities	3,508	25,139	443	5,363
Current liabilities	44,344	6,485	3,740	9,687
Bank borrowings and other current financial liabilities	8,984	8	1,513	3,245
Trade payables and other current liabilities	35,360	6,477	2,227	6,442
Total equity and liabilities	**99,791**	**103,103**	**14,268**	**29,355**

Allocations at fair value

The allocation of the cost of the business combinations among the various balance-sheet items, already included in the financial statements set forth in the foregoing table, for the purpose of reflecting the fair value of the assets and liabilities acquired, is as follows:

2006	ASA Abfall Service Group	Waste Recycling Group	SmVaK Group	Aeroportidi Roma Handling SpA	Alpine Mayrede Bau Group	Tacel Group	Corporación Uniland Group	Cementos Lemona Group
ASSETS								
Property, plant and equipment	–	1,363,086	42,609	–	31,042	94,169	752,043	173,544
Intangible assets	86,660	–	–	34,106	45,000	–	–	–
Other non-current assets	–	–	–	–	–	–	–	7,287
Total allocations to assets	86,660	1,363,086	42,609	34,106	76,042	94,169	752,043	180,831
LIABILITIES								
Other non-current liabilities (deferred taxes)	21,665	408,925	10,226	10,370	19,010	26,630	227,113	54,515
Total allocations to liabilities	21,665	408,925	10,226	10,370	19,010	26,630	227,113	54,515
Total net allocations	**64,995**	**954,161**	**32,383**	**23,736**	**57,032**	**67,539**	**524,930**	**126,316**

Noteworthy in the foregoing table is the fair value recognised for the property, plant and equipment of the Waste Recycling Group, amounting to EUR 1,363,086 thousand, which relate in full to the landfills owned by the group companies, and for the factories and quarries of the Corporación Uniland Group's cement activity, amounting to EUR 752,043 thousand.

2005	Logístico Santos Group	Entemanser, S.A.	Papeles Hernández e Hijos, S.A.	Manipulación y Recuperación Marepa, S.A.
ASSETS				
Property, plant and equipment	–	18,410	1,266	14,880
Intangible assets	9,885	53,383	–	–
Total allocations to assets	9,885	71,793	1,266	14,880
LIABILITIES				
Other non-current liabilities (deferred taxes)	2,201	25,127	443	5,208
Total allocations to liabilities	2,201	25,127	443	5,208
Total net allocations	**7,684**	**46,666**	**823**	**9,672**

Goodwill

The table below shows the allocation of the difference on acquisition, indicating the net amount allocated as a result of the fair-value recognition of the investee and the amount allocated to goodwill.

2006	ASA Abfall Service Group	Waste Recycling Group	SmVaK Group	Aeroportidi Roma Handling SpA	Alpine Mayrede Bau Group	Tacel Group	Corporación Uniland Group	Cementos Lemona Group
Cost of acquisition	226,829	1,693,532	172,272	75,300	483,680	13,500	1,144,134	242,750
Equity attributed to the Parent	(46,219)	(384,624)	(140,320)	(17,239)	(204,863)	(3,699)	(193,943)	(100,672)
Goodwill at acquired group (1)	13,636	520,426	–	9,754	–	–	8,884	17,815
Difference on acquisition	**194,246**	**1,829,334**	**31,952**	**67,815**	**278,817**	**9,801**	**959,075**	**159,893**
Total net allocations	(64,995)	(954,161)	(32,383)	(23,736)	(57,032)	(67,539)	(524,930)	(126,316)
Allocation attributable to the Parent for the previously held interest	–	–	–	–	–	27,324	–	35,945
Allocation attributable to minority interests	–	–	431	–	11,001	30,636	245,562	4,124
Allocation to goodwill on consolidation	**129,251**	**875,173**	**–**	**44,079**	**232,786**	**222**	**679,707**	**73,646**

(1) Goodwill arising on the business combinations carried out by the groups acquired prior to their inclusion in the Group.

2005	Logístico Santos Group (2)	Entemanser,S.A.	Papeles Hernández e Hijos,S.A.	Manipulación y recuperación Marepa, S.A.	Cementos Portland Valderrivas, S.A.
Cost of acquisition	123,783	63,953	11,952	26,126	158,513
Equity attributed to the Parent	(22,014)	(18,687)	(6,106)	(2,553)	(81,670)
Difference on acquisition	**101,769**	**45,266**	**5,846**	**23,573**	**76,843**
Total net allocations	(7,684)	(46,666)	(823)	(9,672)	–
Allocation attributable to minority interests	–	1,400	–	1,407	–
Allocation to goodwill on consolidation	**94,085**	**–**	**5,023**	**15,308**	**76,843**

(2) Now the FCC Logística Group.

The total amount allocated to goodwill on consolidation set forth in the foregoing tables amounts to EUR 2,034,864 thousand and EUR 191,259 thousand for 2006 and 2005, respectively (see note 6).

4. Distribution of profit

In 2006 the FCC Group paid dividends totalling EUR 250,065 thousand (2005: EUR 206,998 thousand in 2005), as shown in the accompanying cash flow statement, the detail being as follows:

	2006	2005
Shareholders of Fomento de Construcciones y Contratas, S.A.	208,920	176,552
Minority shareholders of the Cementos Portland Valderrivas, S.A. Group	39,454	27,552
Other minority shareholders of the other companies	1,691	2,894
	250,065	**206,998**

At the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. held on 29 June 2006, the shareholders approved the distribution of the profit for 2005 through a total dividend of EUR 1.614 gross per share, equal to a total payment of EUR 208,920 thousand to the Parent's shareholders. The shareholders of Fomento de Construcciones y Contratas, S.A. received this amount through the payment of an interim dividend in January 2006 amounting to EUR 99,179 thousand (2005: EUR 88,277 thousand), equal to 76.6% gross of the par value of the shares, i.e. EUR 0.766 per share (2005: EUR 0.68 per share), and the payment of a final dividend in July 2006 amounting to EUR 109,741 thousand (2005: EUR 88,275 thousand), equal to 84.8% gross of the par value of the shares, i.e. EUR 0.848 per share (2005: EUR 0.68 per share).

In relation to the profit attributed to the Parent in 2006, on 19 December 2006 it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of 2006 profit equal to 100% gross of the par value of the shares, i.e. EUR 1 per share. The total amount of this dividend, EUR 130,191 thousand, was paid on or after 8 January 2007 on outstanding shares carrying dividend rights.

In addition, to complete the dividend out of the 2006 profit of EUR 535,511 thousand attributable to the Parent of the FCC Group, Fomento de Construcciones y Contratas S.A., this Company will propose for the approval of the shareholders at the Annual General Meeting the distribution of a final dividend of EUR 1.05 per share which, together with the interim dividend, gives a total dividend of EUR 2.05 per share.

5. Property, plant and equipment

Accounting principles and policies

a) Property, plant and equipment are stated at cost, except in the case of certain subsidiaries operating in the cement business, which revalued their property, plant and equipment pursuant to Royal Decree-Law 7/1996, Navarra Regulation 23/1966 and Vizcaya Regulation 6/1996. The effect of these revaluations on the consolidated income statement is not material.

   Property, plant and equipment contributed by the acquired companies as detailed in Note 3 to these consolidated financial statements are recognised at fair value, which is deemed to be the cost price at the acquisition date.

b) Investment property is measured at the lower of acquisition cost or market value.

c) Group work on non-current assets is measured at production cost, except for the work performed for concession operators, which is measured at selling price (see Note 7) since the related intra-Group results are not eliminated (see Note 7).

d) Upkeep and maintenance expenses not leading to a lengthening of the useful life or to an increase in the production capacity of the related assets are recognised in the income statement for the year in which they are incurred.

e) When the construction and start-up of non-current assets require a substantial period of time, the borrowing costs accrued over that period are capitalised.

   The borrowing costs capitalised during the year amounted to EUR 3,358 thousand (2005: EUR 2,171 thousand) and the borrowing costs capitalised since inception amounted to EUR 50,309 thousand (2005: EUR 19,667 thousand). The change in 2006 in borrowing costs capitalised since inception relates mainly to the Waste Recycling Group, which was added to the scope of consolidation in the year and contributed EUR 29,171 thousand.

f) Finance charges in respect of finance leases are allocated to the consolidated profit for the year using the effective interest method over the lease payment schedule.

g) In the accompanying consolidated balance sheet, grants received are deducted in arriving at the carrying amount of the related asset. Most of these grants relate to assets included under "Plant" and they are recognised as income over the useful life of the related assets by way of a reduced depreciation charge.

h) Property, plant and equipment are depreciated by the straight-line method at annual rates based on the following years of estimated useful life:

Natural properties and buildings	25-50
Torre Picasso building	75
Plant, machinery and transport equipment	5-15
Furniture and tools	7-12
Computer hardware	4
Other items of property, plant and equipment	5-10

Property, plant and equipment assigned exclusively to a specific contract are depreciated on a straight-line basis over the shorter of the years of useful life indicated above or the contract term.

i) The residual value, useful life and depreciation method applied to the Company's assets are reviewed periodically to ensure that the depreciation method used reflects the pattern in which the economic benefits arising from operating the assets are received.

j) At least at every balance sheet date the companies determine whether there is any indication that an item or group of items of property, plant and equipment is impaired so that, as indicated in Note 2-c), an impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their value in use.

k) The companies consider that the periodic maintenance plans for their facilities, the cost of which is recognised as an expense in the year in which it is incurred, are sufficient to ensure delivery of the assets that have to be returned to the concession provider in good working order on expiry of the concession contracts and that, therefore, no significant expenses will arise as a result of their return.

Details of the consolidated balance sheet headings

The detail of the carrying amount of property, plant and equipment at 31 December 2006 and 2005 is as follows:

	Cost	Accumulated depreciation	Grants	Allowances	Carrying amount
2006					
Investment property	113,361	(45,634)	–	–	67,727
Buildings, plant and equipment	9,576,655	(3,598,709)	(107,817)	(72,934)	5,797,195
Land and natural properties	918,026	(45,293)	(59,495)	(36,837)	776,401
Buildings for own use	1,791,413	(476,193)	(5,383)	(1,125)	1,308,712
Plant	4,543,228	(1,840,164)	(42,241)	(847)	2,659,976
Machinery and transport equipment	2,323,988	(1,237,059)	(698)	(34,125)	1,052,106
Other items of property, plant and equipment	1,385,353	(530,791)	(1,328)	–	853,234
Property, plant and equipment in the course of constrution	490,783	–	–	–	490,783
Other property, plant and equipment	894,570	(530,791)	(1,328)	–	362,451
	11,075,369	**(4,175,134)**	**(109,145)**	**(72,934)**	**6,718,156**
2005					
Investment property	112,584	(44,392)	–	–	68,192
Buildings, plant and equipment	3,600,024	(1,702,184)	(50,688)	(66,267)	1,780,885
Land and natural properties	300,382	(36,109)	(334)	(35,815)	228,124
Buildings for own use	460,956	(128,479)	(5,640)	–	326,837
Plant	1,569,475	(774,163)	(44,432)	(332)	750,548
Machinery and transport equipment	1,269,211	(763,433)	(282)	(30,120)	475,376
Other items of property, plant and equipment	700,553	(367,818)	(177)	–	332,558
Property, plant and equipment in the course of constrution	98,142	–	–	–	98,142
Other property, plant and equipment	602,411	(367,818)	(177)	–	234,416
	4,413,161	**(2,114,394)**	**(50,865)**	**(66,267)**	**2,181,635**

The changes in 2006 and 2005 in property, plant and equipment accounts were as follows:

	Investment property	Land and natural properties	Buildings for own use	Plant	Machinery and transport equipment	buildings, plant and equipment	Property, plant and equipment in the course of construction	Other property, plant and equipment	Other items of P,P, & E	Accumulated depreciation	Grants	Allowances
Balance at 12-31-04	111,738	257,336	413,907	1,197,759	1,106,137	2,975,139	248,734	530,711	779,445	(1,834,322)	(51,184)	(51,640)
Additions or charge fo the year	853	10,673	7,455	27,967	136,052	182,147	154,955	55,670	210,625	(288,863)	(3,109)	(10,026)
Disposals and reductions	(7)	(1,858)	(4,777)	(23,109)	(63,969)	(93,713)	(711)	(20,747)	(21,458)	91,547	3,993	42
Changes in the scope of consolidation, translation differences and other changes	–	29,473	31,443	89,765	69,964	220,645	13,874	34,040	47,914	(82,958)	(565)	(4,643)
Transfers	–	4,758	12,928	277,093	21,027	315,806	(318,710)	2,737	(315,973)	202	–	–
Balance at 12-31-05	112,584	300,382	460,956	1,569,475	1,269,211	3,600,024	98,142	602,411	700,553	(2,114,394)	(50,865)	(66,267)
Additions or charge fo the year	1,117	19,904	27,610	66,432	149,598	263,544	237,773	72,981	310,754	(426,650)	(3,012)	(2,379)
Disposals and reductions	(340)	(4,559)	(26,540)	(17,523)	(73,849)	(122,471)	(7,295)	(25,112)	(32,407)	103,641	6,725	13
Changes in the scope of consolidation, translation differences and other changes	–	605,874	1,301,324	2,832,012	999,727	5,738,937	311,684	238,080	549,764	(1,742,975)	(61,993)	(4,301)
Transfers	–	(3,575)	28,063	92,832	(20,699)	96,621	(149,521)	6,210	(143,311)	5,244	–	–
Balance at **12-31-06**	**113,361**	**918,026**	**1,791,413**	**4,543,228**	**2,323,988**	**9,576,655**	**490,783**	**894,570**	**1,385,353**	**(4,175,134)**	**(109,145)**	**(72,934)**

The period depreciation charge for 2006 and 2005 is included under "Depreciation and Amortisation Charge" in the accompanying consolidated income statement. This account includes EUR 419,925 thousand relating to the depreciation of property, plant and equipment (2005: EUR 284,870 thousand), after deducting the grants allocated to income, which amount to EUR 6,725 thousand (2005: EUR 3,993 thousand).

The "Disposals and Reductions" under "Buildings, Plant and Equipment", which amount to EUR 122,471 thousand (31 December 2005: EUR 93,713 thousand), relate mainly to the disposal of inventories and assets which, in general, had been depreciated practically in full since they had reached the end of their useful lives.

"Changes in the Scope of Consolidation, Translation Differences and Other Changes" includes the items of property, plant and equipment included at fair value as a result of the acquisitions of companies, as detailed in Note 3 to these consolidated financial statements.

"Transfers" includes a decrease of EUR 49,741 thousand under "Machinery and Transport Equipment" relating to the transfer in 2006 of ancillary machinery for the performance of construction work to "Inventories - Raw Materials and Other Procurements" in the accompanying consolidated balance sheet.

The changes in allowances in 2006 include most notably the US dollar exchange gains of EUR 3,536 thousand on the allowances recognised by the cement company Giant Cement Holding Inc. The changes in allowances in 2005 relate mainly to the allowance of EUR 9,738 thousand recognised for the non-current assets of the Environmental Services area in Egypt, and to the US dollar exchange losses of EUR 4,540 thousand on the allowances recognised by the cement company Giant Cement Holding Inc.

The Group companies take out the insurance policies they consider necessary to cover the possible risks to which their property, plant and equipment are subject.

Fully depreciated property, plant and equipment which, being in good working order, are used in production, amount to EUR 1,534,713 thousand (31 December 2005: EUR 941,563 thousand). The changes in 2006 relate mainly to the inclusion in the scope of consolidation of the Waste Recycling group and the Corporación Uniland group, which contributed EUR 207,806 thousand and EUR 173,039 thousand, respectively.

Of the total property, plant and equipment in the accompanying consolidated balance sheet, EUR 5,105,080 thousand (2005: EUR 886,424 thousand) were located abroad, with accumulated depreciation of EUR 1,704,952 thousand (2005: EUR 332,905 thousand). The net year-on-year increase in property, plant and equipment located abroad relates mainly to the acquisitions made, including most notably the Waste Recycling group (EUR 2,054,606 thousand), the Alpine Mayreder Bau group (EUR 345,217 thousand) and the SmVak group (EUR 260,256 thousand).

Investment property

The investment property relates in full to 80% of the Torre Picasso building in which office space, commercial premises and parking spaces are leased. The investment is managed through an owners' association.

The property rental income and profit are presented below:

	2006	2005
Rental income	19,519	18,053
Transfer of costs to tenants	6,001	6,601
Profit net of taxes	9,571	9,524

The minimum future lease payments receivable by the lessors under current leases amount to EUR 80,549 thousand (31 December 2005: EUR 85,009 thousand), which fall due as follows:

	2006	2005
Within one year	21,821	20,662
Between one and five years	48,766	44,188
After five years	9,962	20,159
	80,549	**85,009**

At 31 December 2006, there were no restrictions on the realisability of investment property. Similarly, there were no firm obligations to purchase, construct or develop new investment property.

Restrictions on title to assets

Of the total property, plant and equipment in the consolidated balance sheet at 31 December 2006, there are restrictions on title to assets amounting to EUR 1,423,304 thousand (31 December 2005: EUR 750,165 thousand), the detail being as follows

	Cost	Accumulated depreciation	Carrying amount
2006			
Buildings, plant and equipment	2,509,572	(1,263,778)	1,245,794
Other items of property, plant and equipment	372,905	(195,395)	177,510
	2,882,477	**(1,459,173)**	**1,423,304**
2005			
Buildings, plant and equipment	1,225,594	(565,235)	660,359
Other items of property, plant and equipment	268,485	(178,679)	89,806
	1,494,079	**(743,914)**	**750,165**

The Group's assets subject to restrictions on title relate to non-current assets held under finance leases or financed using other financing methods, as indicated in Note 15, which discloses the various financing methods used in the acquisitions in the year, and to revertible assets assigned to the operation of concessions and other contracts.

The year-on-year increase in assets title to which is restricted is due mainly to the additions to the scope of consolidation in 2006, such as the Tacel Group, concession operator of the Central Galician motorway, which contributed to EUR 357,547 thousand, and the Waste Recycling group, which added EUR 273,155 thousand (see Notes 3 and 7).

Assets held for sale

At 31 December 2006 and 2005, the Group did not own, and had not sold in the years then ended, any non-current assets or disposal groups held for sale within the meaning defined by IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) and, accordingly, no amount was reflected in this connection in the accompanying consolidated financial statements.

Non-current asset purchase commitments

In the course of their business activities, the Group's subsidiaries and joint ventures had formalised property, plant and equipment purchase commitments amounting to EUR 522,081 thousand at 31 December 2006 (31 December 2005: EUR 482,665 thousand), the detail being as follows:

	2006	2005
Buildings for own use	4,434	78,691
Plant	324,115	78,918
Machinery and transport equipment	159,001	257,887
Property, plant and equipment in the course of construction	11,462	–
Other items of property, plant and equipment	23,069	67,169
	522,081	**482,665**

The property, plant and equipment investment commitments that will be fulfilled in future years in accordance with the contractual terms and conditions of the concessions operated by the Group companies are disclosed in Note 7.

Finance leases

The detail of the finance leases at the end of 2006 and 2005 and of the related cash flows is as follows:

	Movable property	Real estate	Total
2006			
Carrying amount	170,436	9,082	179,518
Accumulated depreciation	76,840	1,373	78,213
Original cost of the assets	247,276	10,455	257,731
Finance charges	19,839	1,393	21,232
Capitalised original cost of the assets	267,115	11,848	278,963
Lease payments paid in the year	(79,586)	(1,228)	(80,814)
Lease payments paid in prior years	(86,440)	(2,994)	(89,434)
Lease payments outstanding, including purchase option	101,089	7,626	108,715
Unaccrued finance charges	(6,272)	(473)	(6,745)
Present value of lease payments outstanding, including purchase option	94,817	7,153	101,970
Contract term (years)	2 a 5	10	
Value of purchase options	6,494	3,895	10,389
2005			
Carrying amount	128,558	1,389	129,947
Accumulated depreciation	46,661	170	46,831
Original cost of the assets	175,219	1,559	176,778
Finance charges	6,449	167	6,616
Capitalised original cost of the assets	181,668	1,726	183,394
Lease payments paid in the year	(53,244)	(94)	(53,338)
Lease payments paid in prior years	(46,232)	(831)	(47,063)
Lease payments outstanding, including purchase option	82,192	801	82,993
Unaccrued finance charges	(2,955)	(29)	(2,984)
Present value of lease payments outstanding, including purchase option	79,237	772	80,009
Contract term (years)	2 a 5	10	
Value of purchase options	1,782	90	1,872

The increase in the finance lease aggregates set forth in the foregoing table is due mainly to the acquisitions of companies in 2006, as indicated in Note 3, including most notably the Waste Recycling group and the ASA Abfall Service group, which contributed EUR 22,503 thousand and EUR 14,545 thousand, respectively.

On expiry of the leases, the Group companies generally exercise the purchase option and the lease arrangements do not impose any restrictions concerning exercise of this option. Also, the lease agreements do not contain any renewal, review or escalation clauses.

The detail, by maturity, of the reconciliation of the total amount of the lease payments to their present value at the balance-sheet dates (31 December 2006 and 2005) is as follows:

	Within one year	Between one and five years	After five years	Total
2006				
Lease payments outstanding, including purchase option	58,948	41,316	8,451	108,715
Unaccrued finance charges	(1,554)	(4,211)	(980)	(6,745)
Present value of the lease payments outstanding, including purchase option	57,394	37,105	7,471	101,970
2005				
Lease payments outstanding, including purchase option	48,436	34,343	214	82,993
Unaccrued finance charges	(1,142)	(1,824)	(18)	(2,984)
Present value of the lease payments outstanding, including purchase option	47,294	32,519	196	80,009

The finance leases arranged by the Group companies do not include lease payments the amount of which must be determined on the basis of future economic events or indices and, accordingly, in 2006 no expense was incurred in connection with contingent rent.

6. Intangible assets

The detail of the intangible assets and of the related accumulated amortisation at 31 December 2006 and 2005 is as follows:

	Cost	Accumulated amortisation	Allowances	Impairment losses	Carrying amount
2006					
Concessions	511,756	(123,186)	(1,368)	–	387,202
Goodwill	2,493,363	–	–	(23,318)	2,470,045
Other intangible assets	519,547	(118,885)	(37)	–	400,625
	3,524,666	**(242,071)**	**(1,405)**	**(23,318)**	**3,257,872**
2005					
Concessions	465,723	(109,407)	(1,207)	–	355,109
Goodwill	482,642	–	–	(21,193)	461,449
Other intangible assets	197,559	(58,312)	–	–	139,247
	1,145,924	**(167,719)**	**(1,207)**	**(21,193)**	**955,805**

Intangible assets are measured at acquisition cost less any accumulated amortisation and any accumulated impairment losses.

None of the intangible assets recognised were generated internally and, except for goodwill, all have a finite useful life and, accordingly, are amortised on a straight-line basis over their useful lives, i.e. the period over which it is estimated they will generate income.

The amortisation charge for 2006 and 2005 is included under "Depreciation and Amortisation Charge" in the accompanying consolidated income statement.

At 31 December 2006 and 2005, there were no noteworthy intangible assets title to which was restricted.

Concessions and other intangible assets

The changes in these headings in the consolidated balance sheet in 2006 and 2005 were as follows:

	Concessions	Other intangible assets	Accumulated depreciation	Allowances
Balance at 12-31-04	348,472	170,448	(131,656)	(62)
Additions or charge for the year	50,601	9,983	(33,898)	(1,137)
Disposals and reductions	(5,418)	(154)	2,759	–
Changes in the scope of consolidation, translation differences and other changes	72,001	16,658	(4,866)	(8)
Transfers	67	624	(58)	–
Balance at 12-31-05	465,723	197,559	(167,719)	(1,207)
Additions or charge for the year	99,014	13,344	(54,581)	–
Disposals and reductions	(21)	(4,098)	3,037	–
Changes in the scope of consolidation, translation differences and other changes	5,666	262,884	(24,013)	(198)
Transfers	(58,626)	49,858	1,205	–
Balance at 12.31.06	**511,756**	**519,547**	**(242,071)**	**(1,405)**

"Concessions" includes most notably the amounts paid to obtain the concessions held by the Group to carry on its business activities: water supply services, operation of landfills, etc. (see Note 7).

The most significant variations in this heading in 2006 relate to the Santander city water service concession amounting to EUR 72,200 thousand and to the transfers to other balance-sheet headings of the contracts that do not qualify for consideration as concessions, amounting to EUR 58,626 thousand (see Note 7).

In 2005 the most significant changes in "Concessions" related to the award of the Lloret de Mar water service concession for EUR 21,000 thousand and to the inclusion in the scope of consolidation of the water treatment and distribution company, Entemanser, S.A., the effect of which amounted to EUR 53,388 thousand.

Concessions are amortised on a straight-line basis over the concession term, which ranges on average from 25 to 50 years.

"Other Intangible Assets" include the investments relating to operating contracts and licences, mainly in the Environmental Services and Versia areas, and customer lists, future income from backlogs and contracts acquired through business combinations.

In 2006 "Changes in the Scope of Consolidation, Translation Differences and Other Changes" includes mainly the expected income from the contracts contributed by the companies included in the scope of consolidation in the year (see Note 3), the main amounts corresponding to the ASA Abfall Service Group (EUR 91,662 thousand), the Alpine Mayreder Bau Group (EUR 45,000 thousand) and Aeroporti di Roma, SpA (EUR 34,106 thousand). This heading also includes EUR 40,469 thousand for the allocation of a portion of the goodwill arising in 2005 on the acquisition of the Logístico Santos group (now FCC Logística, S.A., Sole-Shareholder Company), as discussed in the following section of this note relating to goodwill.

Goodwill

Goodwill is calculated as the difference between the acquisition cost of the Parent's direct or indirect investment in a subsidiary and its proportional share of the equity of the subsidiary based on the percentage of ownership at the acquisition date, after adjustment, solely for consolidation purposes, for the recognition at fair value of the subsidiary's property plant and equipment and intangible assets that qualify for recognition as assets and whose market value differs significantly from their carrying amount. This process may be carried out or modified during a period of one year from the purchase date.

Goodwill is not amortised; however, as indicated in Note 2-c), it is tested for impairment at least at each balance sheet date in order to recognise it at the lower of fair value, estimated on the basis of expected cash flows, or acquisition cost, calculated as described in the foregoing paragraph, less any accumulated impairment losses.

The changes in goodwill in the accompanying consolidated balance sheet in 2006 and 2005 were as follows:

Balance at 12-31-04		266,642
Additions		
FCC Logística Group	94,085	
Cementos Portland Valderrivas, S.A	76,843	
Marepa Group	15,308	
Papeles Hernández e Hijos Group	5,023	
Other	6,411	197,670
Allocation to assets of		
Corporación M&S Internacional C.A., S.A.		(6,299)
Translation differences		4,202
Impairment losses on assets		(766)
Balance at 12-31-05		461,449
Additions		
Waste Recycling Group	875,173	
Corporación Uniland Group	679,707	
Alpine Mayreder Bau Group	232,786	
ASA Abfall Service Group	129,251	
Cementos Lemona Group	73,646	
Aeroporti di Roma Handling, SpA	44,079	
Cementos Portland Valderrivas, S.A	6,346	
Other	8,219	2,049,207
Allocation to assets		
FCC Logística Group		(35,774)
Translation differences		(2,712)
Impairment losses on assets		(2,125)
Balance at 12-31-06		**2,470,045**

A detailed description of the main additions in 2006 is included in Note 3 ("Most Significant Additions") to these consolidated financial statements.

The breakdown of goodwill in the accompanying consolidated balance sheet at 31 December 2006 and 2005 is as follows:

	2006	2005
Waste Recycling Group	874,824	–
Corporación Uniland Group	678,964	–
Alpine Mayreder Bau Group	232,786	–
Cementos Portland Valderrivas, S.A.	215,906	209,560
ASA Abfall Service Group	127,997	–
Cementos Lemona Group	73,646	–
FCC Logística Group	60,071	95,845
Aeroporti di Roma Handling, SpA	44,079	–
Ekonor Group	35,361	35,361
Giant Cement Holding, Inc.	29,163	30,145
Marepa Group	16,432	15,308
Jaime Franquesa, S.A.	13,935	14,806
Tratamientos y Recuperaciones Industriales, S.A.	9,860	9,860
Limpiezas Industriales Alfus, S.A.	7,779	7,779
Gestiones Especializadas e Instalaciones	6,410	–
Montajes Gavisa, S.A.	5,531	5,531
Belgian Ground Services, S.A.	5,503	5,503
Papeles Hernández e Hijos Group	5,056	5,023
Canteras de Aláiz, S.A	4,332	4,332
Cementos Alfa, S.A.	3,712	3,712
Áridos y Premezclados, S.A., Sole-Shareholder Company	3,704	3,704
Elcen Obras Servicios y Proyectos, S.A.	1,587	–
Other	13,407	14,980
	2,470,045	**461,449**

In 2006 Cementos Portland Valderrivas, S.A. increased goodwill by EUR 6,346 thousand through the acquisition of treasury shares for EUR 11,303 thousand, thereby increasing the FCC Group's effective holding therein by 0.32%. Goodwill also rose in 2005 by EUR 76,843 thousand due to the purchase of an additional 8.5% holding in this company; this addition to goodwill was calculated as the difference between the acquisition cost of this additional interest and the carrying amount of the related minority interests (see Note 14, "Equity") since, in accordance with IFRS 3 "Business Combinations" because control was already exercised by the Parent over Cementos Portland Valderrivas, S.A., this difference could not be allocated to the latter company's assets. Following those transactions, the FCC Group's total effective ownership interest in this cement company now stands at 67.66%.

In relation to the goodwill of EUR 94,085 thousand generated in 2005 as a result of the acquisition of the Logístico Santos group (now the FCC Logística Group) and recognised in the balance sheet at 31 December 2005, it should be indicated that, in accordance with IFRS 3 "Business Combinations", which states that goodwill may be modified within one year from the acquisition date, EUR 45,034 thousand were allocated to "Other Intangible Assets" as a addition to contracts and a deferred tax liability amounting to EUR 9,260 thousand was recognised, resulting in a decrease of EUR 35,774 thousand in goodwill.

7. Investments in concessions

The investments in concession businesses result in the existence of certain assets which are included under the various headings in the consolidated balance sheet and, accordingly, they are discussed in other Notes. This Note presents an overview of all the Group's investments in these businesses.

These investments include the concession right, recognised as an intangible asset (see Note 6), investments made in the property, plant and equipment (see Note 5) required to operate the service provided under the concession and investments in concessions accounted for using the equity method (see Note 8).

The concession contracts consist of agreements between the concession provider (generally a public agency) and FCC Group companies to provide public services such as water distribution, wastewater filtering and treatment, the management of landfills, motorways and tunnels, etc., through the operation of the property, plant and equipment items required to provide the service.

The concession right generally means that the concession operator has an exclusive right to provide the service under the concession for a given period of time, after which, in general, the assets assigned to the concession required to provide the service are returned to the concession provider. Also, concession contracts usually provide for the obligation to purchase or construct, fully or in part, these non-current assets and to maintain them.

The income from the service provided may be received directly from the users or, sometimes, through the concession provider. The prices for providing the service are regulated by the concession provider.

Accounting principles and policies

In 2006 the International Accounting Standards Board (IASB) issued a definitive interpretation on the accounting treatment for concessions which will be applicable once it has been adopted by the European Union. In both 2006 and 2005 the FCC Group applied the most relevant aspects of the accounting principles and policies contained in this interpretation, which are indicated below, except with respect to the classification of assets as intangible or non-current financial assets.

a) When a substantial period of time is required for the construction and start-up of the assets assigned to the concession, the related borrowing costs accrued during that period are capitalised.

b) When the assets come into service, the accrued borrowing costs are allocated to the income statement.

c) Property, plant and equipment and intangible assets assigned to the concessions are depreciated and amortised, respectively, on a straight-line basis over the shorter of the concession term or the useful life of the assets concerned.

d) When the concession assets are constructed by Group companies, the results arising from the construction work are recognised by reference to the stage of completion, in accordance with the accounting policies described in Note 20, Revenue and Expense Recognition.

Detail of concessions

The following table sets forth the total investments made by the Group companies in concessions, which are included under "Property, Plant and Equipment", "Intangible Assets" and "Investments in Associates" in the accompanying consolidated balance sheet at 31 December 2006 and 2005.

	Concession	Property, plant and equipment	Concession operator associates	Total investment
2006				
Water services	490,511	410,285	11,717	912,513
Motorways and tunnels	240	477,955	116,303	594,498
Other	21,005	81,686	45,902	148,593
	511,756	969,926	173,922	1,655,604
Depreciation and amortisation	(123,186)	(255,189)	–	(378,375)
Impairment losses	(1,368)	(200)	–	(1,568)
	387,202	**714,537**	**173,922**	**1,275,661**
2005				
Quarries	25,465	231,840	–	257,305
Water services	386,361	342,775	1,194	730,330
Motorways and tunnels	–	51,029	83,291	134,320
Other	53,897	524,667	27,023	605,587
	465,723	1,150,311	111,508	1,727,542
Depreciation and amortisation	(109,407)	(311,892)	–	(421,299)
Impairment losses	(1,207)	–	–	(1,207)
	355,109	**838,419**	**111,508**	**1,305,036**

In 2006 the Group reclassified certain contracts with public-sector entities which, per the definitive interpretation of the International Accounting Standards Board (IASB) discussed in the preceding section, did not qualify for consideration as concessions. The transfers made relate mainly to quarries and operating licenses of the cement activity which in 2005 had been recognised under "Quarries" and "Other" in the foregoing table.

Also, noteworthy in 2006 were the changes in "Motorways and Tunnels", which related to the acquisition of control of the Tacel Group, the concession operator of the Central Galician motorway between Santiago de Compostela and Alto de Santo Domingo, and in "Water Services" as a result of the concessions granted in the year, including most notably the Santander city concession.

Under the concession contracts, the concession operators controlled by the Group are obliged to purchase or construct property, plant and equipment items assigned to the concessions amounting to EUR 317,140 thousand (2005: EUR 150,524 thousand).

8. Investments in associates

This heading includes the value of the investments in companies accounted for using the equity method, which includes both the equity interest and the non-current loans granted to these companies.

The investment is initially recognised at acquisition cost and is subsequently revalued to take into account the share of the results of these companies not distributed in the form of dividends. Also, the value of the investment is adjusted to reflect the proportion of the changes in these companies' equity that were not recognised in their profit or loss. These changes include most notably translation differences and the adjustments to reserves arising from changes in the fair value of the cash flow hedges arranged by the associates.

	Purchases and expenditure	Profit (loss) for the year	Dividends paid	Changes in fair value of financial instruments recognised in reserves	Sa
Balance at 12-31-04					
Realia Business Group		67,489	(33,273)	(401)	
Tacel Group	12,528	(520)		591	
Autopista de la Costa Cálida C.E.A., S.A.	14,175	39		471	
Metro de Málaga, S.A.	10,273	(121)			
Concesiones de Madrid, S.A.	10,000	1,108	(819)	(1,662)	
Torres Porta Fira, S.A.	8,332	16			
Cementos Lemona Group		6,016	(1,871)		
Autopistas del Valle, S.A.	2,670				
Ibisan, Sociedad Concesionaria, S.A.	2,613	(72)			
Domino Holdings, S.A.					
Urbs Iudex et Causidicus, S.A.	2,820	(136)		(16,172)	
Eumex Group					
Autovía del Camino, S.A.		(83)		(11,419)	
Tramvia Metropolità, S.A.		676		(1,944)	
Tramvia Metropolità del Besós, S.A.	481	(213)		(1,397)	
Other	6,153	4,165	(2,253)	(3,203)	
Total 2005	**70,045**	**78,364**	**(38,216)**	**(35,136)**	
Balance at 12-31-05					
Realia Business Group		78,739	(38,864)	57	
Gesi 9, S.A.	13,104	(92)			
Autopista de la Costa Cálida C.E.A., S.A.	11,225	(115)		1,590	
Ibisan, Sociedad Concesionaria, S.A.	7,838	(3)			
Cedinsa Concesionaria, S.A.	5,052	17		1,906	
Urbs Iudex et Causidicus, S.A.	2,820	(3,065)		6,254	
ASA Group investees	205	1,492	(1,023)		
Metro de Málaga, S.A.	5,136	27			
Concesiones Aeroportuarias, S.A.	3,409				
Madrid 407 Sociedad Concesionaria, S.A.	4,247	(2)		(887)	
Teide Gestión del Sur, S.L.	3,150				
Nova Bocana Barcelona, S.A.	2,512	(76)			
Hospital del Sureste, S.A.	1,642	(1)		340	
Tranvía de Parla, S.A.	2,280	(320)			
Autovía del Camino, S.A.		(4)		3,456	
Hormigones y Áridos del Pirineo Aragonés, S.A.		1,809	(105)		
Autopistas del Valle, S.A.	1,595				
Autopistas del Sol, S.A.	1,196				
Concesiones de Madrid, S.A.		1,483	(1,185)		
Cementos Lemona Group					
Tacel Group					
Other	6,997	9,189	(3,849)	1,497	
Total 2006	**72,408**	**89,078**	**(45,026)**	**14,213**	
Balance at **12-31-06**					

In the years ended 31 December 2006 and 2005, there were no impairment losses, since the market value was equal to or higher than the values obtained by applying the method described in the preceding paragraph.

In the case of associates which engage in the operation of infrastructure concessions, when the infrastructure is fully or partly constructed by Group companies, the results arising from the construction work are recognised by reference to the stage of completion, as indicated in Notes 7 and 20 to these consolidated financial statements.

Investments in associates engaging in the operation of infrastructure concessions will be grouped together at Global Vía Infraestructuras, as indicated in Note 26 "Events After the Balance Sheet Date".

les	Changes in consolidation method and transfers	Translation differences and other changes	Value of the investment	Loans granted	Total	
				442,734	**29,107**	**471,841**
			(51)	33,764	28	33,792
		4,051		16,650		16,650
				14,685		14,685
				10,152		10,152
				8,627		8,627
				8,348		8,348
			187	4,332		4,332
			39	2,709		2,709
				2,541		2,541
		(20,631)		(20,631)		(20,631)
				(13,488)		(13,488)
		(13,499)	1,304	(12,195)		(12,195)
				(11,502)		(11,502)
			(349)	(1,617)		(1,617)
			(194)	(1,323)		(1,323)
	(3,081)	(3,140)	(1,047)	(2,406)	1,173	(1,233)
	(3,081)	**(33,219)**	**(111)**	**38,646**	**1,201**	39,847
				481,380	30,308	511,688
				39,932	20	39,952
				13,012		13,012
				12,700		12,700
				7,835		7,835
				6,975		6,975
				6,009		6,009
			5,217	5,891		5,891
				5,163		5,163
				3,409		3,409
				3,358		3,358
				3,150		3,150
				2,436		2,436
				1,981	200	2,181
				1,960		1,960
				3,452	(1,720)	1,732
				1,704		1,704
			(307)	1,288		1,288
				1,196		1,196
				298		298
		(43,500)		(43,500)		(43,500)
		(16,650)		(16,650)		(16,650)
		(124)	(811)	12,899	(1,174)	11,725
		(60,274)	**4,099**	**74,498**	**(2,674)**	**71,824**
				555,878	**27,634**	**583,512**

In 2006 the Cementos Lemona Group and the Tacel Group were fully consolidated since control was acquired of the parents of the respective groups (see Note 3), whereas in 2005 the Eumex Group and Domino Holdings, S.A. were transferred to available-for-sale financial assets, since the Group was no longer in a position to exercise significant influence over these companies, as indicated in section a.1) of Note 10 to these consolidated financial statements.

The detail of the assets, liabilities, revenue and profit for 2006 and 2005 of the associates, in proportion to the FCC Group's ownership interest in each company, is as follows

2006	Realia Business Group		Other	
ASSETS				
Non-current assets		1,029,510		865,484
Leased buildings	925,210			
Other non-current assets	104,300		865,484	
Current assets		715,372		266,894
Inventories	624,749		55,235	
Other current assets	90,623		211,659	
Non-current assets held for sale and discontinued operations		23,615		
Total assets		**1,768,497**		**1,132,378**
EQUITY AND LIABILITIES				
Equity		436,324		224,161
Non-current liabilities		275,276		660,849
Non-current bank borrowings	84,897		568,756	
Other non-current liabilities	190,379		92,093	
Current liabilities		1,042,999		247,368
Current bank borrowings	429,051		64,778	
Other current liabilities	613,948		182,590	
Liabilities associated with non-current assets held for sale and discontinued operations		13,898		
Total equity and liabilities		**1,768,497**		**1,132,378**
Income statement				
Revenue		364,885		131,382
Profit from operations		131,063		32,180
Profit before tax		127,069		14,503
Profit attributable to the Parent		78,739		10,339

2005	Realia Business Group		Other	
ASSETS				
Non-current assets		379,882		781,197
Leased buildings	345,217			
Other non-current assets	34,665		781,197	
Current assets		621,970		204,538
Inventories	573,133		31,969	
Other current assets	48,837		172,569	
Total assets		**1,001,852**		**985,735**
EQUITY AND LIABILITIES				
Equity		353,713		193,693
Non-current liabilities		312,052		518,170
Non-current bank borrowings	291,850		353,682	
Other non-current liabilities	20,202		164,488	
Current liabilities		336,087		273,872
Current bank borrowings	51,365		128,513	
Other current liabilities	284,722		145,359	
Total equity and liabilities		**1,001,852**		**985,735**
Income statement				
Revenue		311,171		144,993
Profit from operations		115,952		26,539
Profit before tax		109,576		15,346
Profit attributable to the Parent		67,489		10,875

The Realia Business group, in which the FCC Group owns a holding of 49.17%, engages mainly in the development and operation of real estate businesses. Noteworthy in 2006 was the acquisition of 88.97% of Société d'Investissements Inmobiliers Cotée de París, parent of the property group of the same name, which engages basically in the property asset management business and owns various buildings located mainly in the business districts of Paris. This transaction gave rise to significant growth for the FCC Group's property division.

As indicated in Note 26 ("Events After the Balance Sheet Date") to these consolidated financial statements, Fomento de Construcciones y Contratas, S.A. and Caja Madrid, reference shareholders of the Realia group, have resolved to establish a structure enabling the FCC Group to take control of the Realia group in 2007.

The column "Other" refers to associates which are mostly Group companies that engage in the operation of concessions such as water services, motorways, tunnels and passenger transport. These companies are generally near the commencement of the concession term, as evidenced by the proportion of their debt with respect to their equity.

9. Joint ventures

The Group companies undertake certain of their business activities through interests in ventures in which the FCC Group exercises joint control with other non-Group venturers. These joint ventures were proportionately consolidated, as indicated in Note 2 above. Joint control over these ventures is established through interests in entities with various legal forms.

Following are the main aggregates of the joint ventures included in the various headings in the accompanying consolidated balance sheet and consolidated income statement, in proportion to the percentage of ownership therein, at 31 December 2006 and 2005:

	Unincorporated joint ventures, economic interest groupings and joint property entities	Companies	Total
2006			
Revenue	1,637,572	339,018	1,976,590
Gross profit from operations	167,592	63,863	231,455
Net profit from operations	125,164	35,644	160,808
Non-current assets	115,506	314,071	429,577
Current assets	1,393,895	200,641	1,594,536
Non-current liabilities	18,197	155,554	173,751
Current liabilities	1,213,576	190,577	1,404,153
2005			
Revenue	1,293,341	319,608	1,612,949
Gross profit from operations	108,580	61,684	170,264
Net profit from operations	80,859	33,331	114,190
Non-current assets	118,803	344,017	462,820
Current assets	1,137,345	170,068	1,307,413
Non-current liabilities	24,097	159,552	183,649
Current liabilities	1,026,061	181,080	1,207,141

At 2006 year-end, the Group companies had commitments to acquire property, plant and equipment for contribution to joint ventures amounting to EUR 33,440 thousand (2005: EUR 54,545 thousand). Also, property, plant and equipment purchase commitments made directly by the joint ventures in 2006 amounted to EUR 47,774 thousand (2005: EUR 98,107 thousand), based on the percentage interest held by the Group companies.

The businesses managed through unincorporated joint ventures, joint property entities, silent participation agreements, economic interest groupings and other entities of a similar legal nature require the venturers to share joint and several liability for the business activity carried on. Conversely, in joint ventures set up as corporations, limited liability companies or the like, the liability of the venturers is limited to their percentage interest in these companies.

Guarantees amounting to EUR 874,379 thousand (2005: EUR 789,665 thousand) were provided, mostly to government agencies and private customers, for joint ventures managed jointly with non-Group third parties, as security for the performance of construction projects and urban cleaning contracts.

10. Non-current financial assets and other current financial assets

Financial assets are initially recognised at fair value, which generally coincides with their acquisition cost, adjusted by the transaction costs directly attributable thereto, except in the case of held-for-trading financial assets, whose transactions costs are charged to profit for the year.

All acquisitions and sales of assets are recognised at the date of the transaction.

The financial assets held by the Group companies are classified as follows:

– Held-for-trading financial assets are assets acquired with the intention of generating a profit from short-term fluctuations in their prices. These assets, which are expected to mature within 12 months, are included under "Other Current Financial Assets" in the accompanying consolidated balance sheet.

– Held-for-trading financial assets which are expected to be realised or to mature within three months or less and whose realisation is not expected to give rise to significant costs are included under the heading "Cash and Cash Equivalents" in the accompanying consolidated balance sheet.

– Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity. Those maturing within no more than 12 months are classified as current assets and those maturing within more than 12 months as non-current assets.

– Loans maturing within no more than 12 months are classified as current loans and those maturing within more than 12 months as non-current loans. They are measured at the amount delivered plus the unmatured accrued interest at the balance sheet date. The appropriate valuation adjustments are made by recognising allowances for doubtful debts.

– Available-for-sale financial assets are securities acquired that are not held for trading purposes and are not classified as held-to-maturity investments. They are classified as non-current in the accompanying consolidated balance sheet since it is intended to hold them at long term.

The held-for-trading and available-for-sale financial assets were measured at their fair value at the balance sheet date. The fair value of a financial instrument is taken to be the amount for which it could be bought or sold by two knowledgeable, willing and experienced parties in an arm's length transaction, i.e. fair value is the estimated market value.

In the case of held-for-trading financial assets, the gains or losses arising from changes in fair value are recognised in profit or loss for the year. In the case of available-for-sale financial assets, the gains or losses arising from changes in fair value are recognised in equity until the asset is disposed of, at which time the cumulative gains previously recognised in equity are recognised in the net profit or loss for the year, or it is determined that it has become impaired, at which time, once the cumulative gains previously recognised in equity have been written off, the loss is recognised in the consolidated income statement.

Held-to-maturity investments and originated loans and receivables are measured at the lower of amortised cost, i.e. the initial cost minus principal repayments plus the uncollected interest accrued on the basis of the effective interest rate, or market value. The effective interest rate is the rate that exactly matches the initial cost of the investment to all its estimated cash flows of all kinds through its residual life.

The most significant balances under "Non-Current Financial Assets" and "Other Current Financial Assets" in the accompanying consolidated balance sheets are as follows:

a) Non-current financial assets

The breakdown of the non-current financial assets at 31 December 2006 and 2005 is as follows:

	2006	2005
Available-for-sale financial assets	105,848	67,410
Non-current loans	177,615	114,320
Held-to-maturity investments	19,509	2,641
Other financial assets	302,218	–
	605,190	**184,371**

a.1) Available-for-sale financial assets

Breakdown of the balance at 31 December 2006 and 2005:

	Effective percentage of ownership	Fair value
2006		
Ownership interests of 5% or more		
Domino Holdings, S.A.	15.00	20,631
Eumex Group	50.00	13,499
World Trade Center Barcelona, S.A.	16.52	11,422
Vertederos de Residuos, S.A.	16.03	4,354
Scutvias-Autoestradas Da Beira Interior, S.A.	13.33	4,098
SCL Terminal Aéreo de Santiago, S.A.	14.77	4,088
Transportes Ferroviarios de Madrid, S.A.	12.19	3,786
WTC Almeda Park, S.A.	12.50	1,875
Build2Edifica, S.A.	15.45	901
Artscapital Investment, S.A.	10.83	–
Shopnet Brokers, S.A.	15.54	–
Other		4,646
Ownership interests of less than 5%		
Xfera Móviles, S.A.	3.44	10,781
Parque Temático de Madrid, S.A.	1.75	700
Auna Operadores de Telecomunicaciones, S.A.	0.01	–
Terra Mítica Parque Temático de Benidorm, S.A.	2.00	–
Holdings of the Alpine Mayreder Bau Group		20,914
Other		4,153
		105,848
2005		
Ownership interests of 5% or more		
Domino Holdings, S.A.	15.00	20,631
Eumex Group	50.00	13,499
World Trade Center Barcelona, S.A.	16.52	9,987
Scutvias-Autoestradas Da Beira Interior, S.A.	13.33	4,098
Transportes Ferroviarios de Madrid, S.A.	12.19	3,786
Vertederos de Residuos, S.A.	16.03	3,590
SCL Terminal Aéreo de Santiago, S.A.	14.77	2,423
WTC Almeda Park, S.A.	12.50	1,283
Build2Edifica, S.A.	15.45	796
Xfera Móviles, S.A.	7.76	–
Artscapital Investment, S.A.	10.83	–
Shopnet Brokers, S.A.	15.54	–
Other		3,134
Ownership interests of less than 5%		
Parque Temático de Madrid, S.A.	1.75	1,758
Auna Operadores de Telecomunicaciones, S.A.	0.01	–
Other		2,425
		67,410

In 2005 the FCC Group´s was 8,25% . As the result of the capital increase of Xfera Móviles in which the Group didn´t participate, now the ownership interest in Xfera is 7,76%.

Most of these securities correspond to concession operators in relation to which the Group companies were awarded the contracts to perform the construction projects forming the subject matter of the related concessions. Also, mention should be made of the FCC Group's ownership interest in Xfera Móviles, S.A., which fell from 7.76% to 3.44% due to the sale to the current majority shareholder, Sonera Holding B.V., of 4.32% of this company's shares. The transaction gave rise, on the one hand, to a cash inflow and to a gain of EUR 5,394 thousand, which is recognised under "Gains Resulting from Changes in Value of Financial Instruments" in the accompanying income statement and, on the other hand, to a revaluation of EUR 4,299 thousand, which is recognised, after deduction of the related tax effect, under "Retained Earnings and Other Reserves" in the accompanying consolidated balance sheet. In turn, the FCC Group participated in the capital increase of Xfera Móviles, S.A. with a payment of EUR 3,833 thousand and granted a participating loan, in proportion to its ownership interest, amounting to EUR 2,649 thousand, thus bringing the value of this available-for-sale financial asset to EUR 10,781 thousand at year-end.

At 31 December 2006, the Parent had provided guarantees for Xfera Móviles, S.A. amounting to EUR 20,122 thousand (2005: EUR 31,607 thousand). Additionally, Fomento de Construcciones y Contratas, S.A., parent of the FCC Group, has a put option on the portfolio of Xfera Móviles, S.A. that is symmetrical to the call option held by Sonera Holding B.V. These rights can only be exercised on the maturity date in 2011, provided that certain terms and conditions are met, including most notably that Xfera Móviles, S.A. generates profit over two consecutive years prior to the aforementioned maturity date.

The changes in the available-for-sale financial assets in 2006 and 2005 were as follows:

Available-for-sale financial assets	Cost	Impairment losses	Disposals and reductionss	Transfers to/from associates	Change in scope of consolidation, translation differences and other changess	Carrying amount	Changes in fair value	Fair value
Balance at 12-31-04						62,063		N/A
Domino Holdings, S.A.				20,631				
Eumex Group				13,499				
Tacel Group				(4,051)				
Alazor Inversiones, S.A.	2,078		(32,431)					
Auna Operadores de Telecomunicaciones, S.A.		(1,909)						
World Trade Center Barcelona, S.A.							3,370	
Vertederos de Residuos, S.A.							2,483	
Other	821	(4)	(527)		690		697	
Total 2005	2,899	(1,913)	(32,958)	30,079	690	(1,203)	6,550	
Balance at 12-31-05						60,860	6,550	67,410
Terra Mítica Parque Temático de Benidorm, S.A.	3,630	(3,630)						
Xfera Móviles, S.A.	6,482						4,299	
SCL Terminal Aéreo de Santiago, S.A.							1,665	
World Trade Center Barcelona, S.A.							1,435	
Vertederos de Residuos, s.A.							764	
CGEA Colombia, S.A.	745							
Parque Temático de Madrid, S.A.		(1,058)						
Financial investments Alpine Mayreder Bau Group					20,914			
Other	3,292	(1,161)	(16)		262		815	
Total 2006	14,149	(5,849)	(16)	–	21,176	29,460	8,978	
Balance at **12-31-06**						**90,320**	**15,528**	**105,848**

The most significant changes in the foregoing table in 2006 relate mainly to the inclusion in the scope of consolidation of the Alpine Mayreder Bau Group, as indicated in Note 3, and to the change in the fair value of financial assets amounting to EUR 8,978 thousand, including most notably that mentioned above relating to Xfera Móviles, S.A.

In 2005 the FCC Group began to restructure and concentrate its investments in infrastructure concession operators. In the framework of this process, in 2005 the Group's ownership interest in Alazor Inversiones, S.A. was sold for EUR 33,862 thousand, giving rise to a gain of EUR 1,431 thousand, which is recognised under "Gains resulting from Changes in Value of Financial Instruments" in the accompanying consolidated income statement. Also, in 2005, the Tacel Group was deemed to be an associate because the Group's ownership interest in it increased to 44.64%. As indicated in Note 8, the Eumex Group and Domino Holdings, S.A. were transferred to available-for-sale financial assets, since the Group was no longer in a position to exercise significant influence over these companies.

a.2) Non-current loans

The non-current loans granted by Group companies to third parties mature as follows:

	20	2009	2010	2011	2012 and subsequent years	Total
Non-trade loans	16,808	8,746	29,669	10,423	88,809	154,455
Deposits and guarantees	1,871	96	2,292	115	21,356	25,730
Allowances	–	–	–	–	–	(2,570)
	18,679	**8,842**	**31,961**	**10,538**	**110,165**	**177,615**

The non-trade loans include mainly the amounts granted to government agencies for the financing of infrastructures and refinancing of debt in the water service and urban cleaning businesses.

The deposits and guarantees relate mainly to those required legally or contractually in the course of the Group companies' activities, such as deposits for electricity connections, construction completion bonds, property lease guarantee deposits, etc.

In 2005 there were no events that raised doubts concerning the recovery of these loans.

a.3) Other financial assets

This heading includes mainly the put option on 20.32% of the shares of Corporación Uniland, S.A., whose shareholders are entitled to exercise the option over a maximum period of five years. This transaction, which forms part of the agreement for the acquisition of this company in 2006, enabled the FCC Group to raise its ownership interest in the Corporación Uniland Group to 53.22%, as indicated Note 3 to these consolidated financial statements. In this connection, in accordance with IFRSs, the FCC Group recognised a financial asset of EUR 259,321 thousand for the difference between the cost of exercising the option predetermined in the aforementioned agreement, amounting to EUR 435,336 thousand, and the value of the minority interests of this holding, amounting to EUR 176,015 thousand. In short, this financial asset represents the goodwill that will be paid if this acquisition is performed.

b) Other current financial assets

The breakdown of the balance at 31 December 2006 and 2005 is as follows:

	2006	2005
Held-for-trading financial assets	3,333	4,012
Government debt securities	64	948
Equity mutual funds	2,710	2,402
Fixed-income mutual funds	559	561
Commercial promissory notes and other	–	101
Held-to-maturity investments	17,189	3,514
Promissory notes	7,082	624
Government debt securities	4,925	1,533
Fixed-income mutual funds	5,182	1,357
Other loans	112,287	48,410
Loans to non-Group third parties	23,034	26,477
Deposits at banks	65,957	5,284
Other	23,296	16,649
Deposits and guarantees given	26,682	14,955
Allowances	(4,216)	(3,507)
	155,275	**67,384**

This heading in the accompanying consolidated balance sheet includes current financial investments which, maturing at more than three months in order to cater for certain specific cash situations, are classified as held-for-trading financial assets, held-to-maturity investments assets or other loans based on the initial nature of the investments.

These assets are unrestricted as to their use, except for the amounts under "Deposits and Guarantees Given", which relate to amounts paid to secure certain contracts which will be recovered once the contracts expire.

The average rate of return obtained in this connection was 3.43%.

11. Inventories

Inventories are stated at average acquisition or production cost and the necessary valuation adjustments are made to reduce the carrying amount to net realisable value, if this is lower.

Assets received in payment of loans are measured at the lowest of the following three values: the amount at which the loan relating to the asset was recognised, production cost or net realisable value.

The breakdown of the inventories at 31 December 2006 and 2005 is as follows:

	2006		2005	
Properties		526,871		188,729
Raw materials and other procurements		497,151		288,518
Construction	293,399		155,552	
Cement	142,667		74,393	
Versia	34,280		29,092	
Environmental services	26,233		23,642	
Other activities	572		5,839	
Finished goods		44,422		27,552
Advances		23,451		11,251
Allowances		(12,061)		(6,965)
		1,079,834		**509,085**

"Properties" includes land intended for sale, acquired by the FCC Construcción Group mainly in exchange for completed construction work or construction work pending completion, which at 31 December 2006 included most notably:

- in the Madrid Autonomous Community: Tres Cantos distribution areas amounting to EUR 232,919 thousand, Ensanche Vallecas amounting to EUR 45,313 thousand (December 31 2005: EUR 50,262 thousand) and Las Tablas amounting to EUR 7,015 thousand (December 31 2005: EUR 11,631 thousand);
- in the province of Barcelona: land located in Sant Joan Despí amounting to EUR 46,040 thousand (December 31 2005: EUR 45,580 thousand), in Badalona amounting to EUR 49,830 thousand (December 31 2005: EUR 24,200 thousand) and in Hospitalet de Llobregat amounting to EUR 9,136 thousand, acquired in 2006;
- in the province of Toledo: land located in Vegas Bajas amounting to EUR 16,250 thousand acquired in 2006.

This heading also includes a balance of EUR 71,607 thousand (2005: EUR 29,824 thousand) relating to properties in the course of construction, on which there are sale commitments representing a final value on delivery to customers of EUR 186,017 thousand (2005: EUR 91,276 thousand).

The raw materials and other procurements include the installations required to execute construction work that have not yet been included in the construction projects, storable construction materials and items, materials for the assembly of street furniture, spare parts, fuel and other materials required to carry on the business activities.

The most significant changes under "Raw Materials and Other Procurements" arose due to the effect of the inclusion of companies in the scope of consolidation indicated in Note 3 to these consolidated financial statements, including most notably EUR 56,190 thousand relating to the Alpine Mayreder Bau Group and EUR 40,228 thousand relating to the Corporación Uniland Group.

12. Accounts receivable

This heading in the accompanying consolidated balance sheet includes the present value of the uncollected amounts of revenue, valued as indicated in Note 20 ("Revenue and Expense Recognition"), contributed by the Group's various lines of business and which form the basis of the profit from operations.

The detail of the balance of accounts receivable from non-Group debtors at 31 December 2006 and 2005 is as follows:

	2006	2005
Construction certificates receivable and trade receivables for sales	3,657,062	2,295,863
Completed production pending certification	807,145	718,464
Retentions	63,044	47,137
Production billed to associates not yet collected	240,857	104,901
Allowances for doubtful debts	(201,271)	(191,962)
Accounts receivable	4,566,837	2,974,403
Advances received on orders	(1,109,254)	(603,694)
Total net accounts receivable	3,457,583	2,370,709

The foregoing total is the net balance of trade receivables after taking into consideration the adjustments for the risk of doubtful debts and after deducting the balance of "Trade Payables - Advances Received on Orders" on the liability side of the accompanying consolidated balance sheet, which also includes the collected and uncollected certificate prebillings for various items.

"Construction Certificates Receivable and Trade Receivables for Sales" reflects the amount of the certificate billings to customers for completed work and services provided pending collection at the consolidated balance sheet date.

The difference between the amount of the production recognised from inception of each project and contract in progress, measured in accordance with the bases set forth in Note 20 ("Revenue and Expense Recognition") and the amount of the certificates issued through the date of the consolidated financial statements is included under "Accounts Receivable - Completed Production Pending Certification".

The increase in the net accounts receivable balance in 2006 relates mainly to the inclusion in the scope of consolidation of the companies acquired in the year (see Note 3), which contributed a net balance of EUR 1,073,277 thousand on the date of inclusion in the Group, including most notably the Alpine Group, which contributed EUR 689,624 thousand.

The Group companies assign trade receivables to financial institutions, without the possibility of recourse against them in the event of non-payment. The balance of accounts receivable was reduced by EUR 200,790 thousand in this connection at 31 December 2006 (31 December 2005: EUR 235,794 thousand). These transactions bear interest at normal market rates. The Group companies continue to manage collection. Also, future collection rights arising from construction project contracts awarded under the lump-sum payment method were sold for EUR 28,111 thousand (31 December 2005: EUR 73,470 thousand). This amount was deducted from the balance of "Completed Production Pending Certification".

Substantially all the risks and rewards associated with the receivables, as well as control over the receivables, were transferred through the sale and assignment of the collection rights, since no repurchase agreements have been entered into between the Group companies and the credit institutions that have acquired the assets, and the credit institutions may freely dispose of the acquired assets without the Group companies being able to limit this right in any manner. Consequently, the balances receivable relating to the receivables assigned or sold under the aforementioned conditions were derecognised from the consolidated balance sheet.

13. Cash and cash equivalents

The principal aim of the administrative management of its cash by the Group is to optimise the cash position, controlling liquidity and cash needs, endeavouring, through efficient cash management, to ensure that the balance in the Group's bank accounts is as low as possible, and, when the cash position is negative, to use financing lines at the lowest possible cost for the Group.

The cash of the subsidiaries directly or indirectly wholly-owned by Fomento de Construcciones y Contratas, S.A. is managed on a centralised basis. The liquidity positions of these investees flow towards the head of the Group, which ultimately transfers these positions to Asesoría Financiera y de Gestión, S.A., the Group company responsible for achieving a return on any cash surpluses by making investments on the best possible terms, bearing in mind liquidity and safety limits at all times.

The liquidity requirements of Group companies with cash deficits are catered for through financing lines provided by financial institutions (see Note 15).

These financial assets relate basically to very short-term, highly liquid investments with a high turnover whose immediate realisation would not give rise to significant costs.

The detail of this balance at 31 December 2006 and 2005 is as follows:

	2006	2005
Cash	730,855	381,144
Deposits and guarantees maturing within less than three months	35,087	9,502
Held-for-trading fixed-income securities	37,695	125,011
Held-to-maturity fixed-income securities	194,827	109,863
Credit facilities	372,586	338,473
Other financial assets maturing within less than three months	59,104	77,623
	1,430,154	**1,041,616**

14. Equity

The accompanying consolidated statements of changes in equity at 31 December 2006 and 2005 show the changes in equity attributable to the shareholders of the Parent and to the minority interests in those years.

I. Equity attributable to shareholders of the Parent

a) Share capital

The share capital of Fomento de Construcciones y Contratas, S.A. consists of 130,567,483 ordinary bearer shares of EUR 1 par value each.

All the shares carry the same rights and have been fully subscribed and paid.

The shares of Fomento de Construcciones y Contratas, S.A. are included in the selective Ibex 35 index and are publicly listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are traded through the Spanish stock market interconnection system.

With regard to the investments of 10% or more owned directly or indirectly (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 share capital. Also, per the data recorded at the Spanish National Securities Market Commission (CNMV), Grupo Inmocaral, S.A. had an ownership interest of 15.066% in 2006.

The aforementioned company, B-1998, S.L., in which Esther Koplowitz Romero de Juseu, Ibersuizas Holdings, S.L., Simante, S.L., Larranza XXI, S.L. and Cartera Deva, S.A. have ownership interests of 73.375%, 10.552%, 5.726%, 5.339% and 5.008%, respectively, has certain commitments to its shareholders which are recorded and published by the CNMV and in the FCC Group's Corporate Governance Report.

At the Annual General Meeting held on 21 June 2005, the shareholders of Fomento de Construcciones y Contratas, S.A. resolved to authorise the Board of Directors to increase share capital over five years, including through the issuance of shares carrying no voting rights, under Article 153.1 b) of the Spanish Companies Law. Under this authorisation, these increases may not exceed an aggregate amount of EUR 65,283 thousand, i.e. one-half of the Parent's share capital.

b) Retained earnings and other reserves

The breakdown of the balance of this heading in the accompanying consolidated balance sheets at 31 December 2006 and 2005 is as follows:

	2006	2005
Reserves of the parent	729,476	701,956
Reserves for treasury share transactions	944	(26,874)
Consolidation reserves	1,300,621	1,121,733
Revaluations in business combinations achieved in stages	53,702	–
Changes in the fair value of financial instruments	(173)	(30,607)
Translation differences	(8,902)	13,626
Other reserves	1,533	–
	2,077,201	**1,779,834**

b.1) Reserves of the Parent

This heading relates to the reserves recognised by Fomento de Construcciones y Contratas S.A., the Parent of the Group, which originate mainly from retained earnings, and which were set up in accordance, where appropriate, with the applicable legislation.

The detail at 31 December 2006 and 2005 is as follows:

	2006	2005
Share premium	242,133	242,133
Legal reserve	26,113	26,113
Reserve for treasury shares	8,156	9,422
Reserve for retired shares	2,770	2,770
Voluntary reserves	450,304	421,518
	729,476	**701,956**

Share premium
The Consolidated Spanish Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use for other purposes.

Legal reserve

Under the Consolidated Spanish Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. 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 share capital amount

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

At 31 December 2006, the Parent's legal reserve had reached the stipulated level.

Reserve for treasury shares

At 2006 year-end the Parent held 375,986 treasury shares (2005: 434,322 treasury shares) of EUR 1 par value each, representing 0.29% of its share capital (2005: 0.33%), with a carrying amount of EUR 8,156 thousand (2005: EUR 9,422 thousand).

In compliance with the obligation provided for under Article 79.3 of the Companies Law, the Company recognised, with a charge to voluntary reserves, a reserve for treasury shares amounting to EUR 8,156 thousand (2005: EUR 9,422 thousand). This reserve is restricted until the shares are disposed of or retired.

Reserve for retired shares

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

Voluntary reserves

There are no limitations or restrictions as to the use of these reserves, which are recognised on a voluntary basis using profit of the Parent following the distribution of dividends and the appropriations to the legal or other restricted reserves in accordance with current legislation.

b.2) Reserves for treasury share transactions

This heading includes the shares of the Parent owned by it or by other Group companies, at the net amount resulting from the purchases and sales made, which includes any results, net of taxes, that arise on these transactions.

On 29 June 2006, the shareholders at the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. resolved to authorise the Board of Directors to derivatively acquire treasury shares and to authorise the subsidiaries to acquire shares of the Parent, all within the limits and in accordance with the requirements of Article 75 et seq. of the Companies Law.

The changes in treasury shares in 2006 and 2005 were as follows:

Balance at 31 december 2004	(10,539)
Acquisitions	(16,345)
Sales	10
Balance at 31 december 2005	(26,874)
Acquisitions	(26,038)
Sales	43,649
Gains on sales	10,207
Balance at 31 december 2006	**944**

The detail of treasury shares at 31 December 2006 and 2005 is as follows:

	2006		2005	
	Number of shares	Carrying amount	Number of shares	Carrying amount
Fomento de Construcciones y Contratas, S.A.	375,986	(8,156)	434,322	(9,422)
Compañía Auxiliar de Agencia y Mediación, S.A.	316,098	(1,107)	316,098	(1,107)
Asesoría Financiera y de Gestión, S.A.	–	–	343,922	(16,345)
Carrying amount of treasury shares		(9,263)		(26,874)
Gains on treasury share transactions	–	10,207	–	–
Total	**692,084**	**944**	**1,094,432**	**(26,874)**

At 31 December 2006, the shares of the Parent owned by it or by its subsidiaries represented 0.53% of the share capital (December 31, 2005: 0.84%).

b.3) *Consolidation reserves*

This heading in the accompanying consolidated balance sheet includes the reserves at fully and proportionately consolidated companies and at companies accounted for using the equity method generated from the date on which the companies were acquired. The detail of the amounts included under this heading for each of the most significant companies at 31 December 2006 and 2005, including, where appropriate, their subsidiaries, is as follows:

	2006	2005
Cementos Portland Valderrivas Group	354,289	320,849
Afigesa Group	262,900	247,929
FCC Construcción Group	141,148	121,868
Corporación Financiera Hispánica, S.A.	103,147	102,633
Realia Business Group	83,565	54,672
FCC Versia, S.A.	55,980	50,036
FCC Medio Ambiente, S.A.	51,546	58,425
Alfonso Benítez, S.A.	26,489	22,053
Fedemés, S.L.	13,076	13,030
Other and consolidation adjustments	208,481	130,238
	1,300,621	**1,121,733**

The share corresponding to the Parent of the reserve arising from the revaluation made at certain subsidiaries belonging to the cement line of business pursuant to Royal Decree-Law 7/1996 (as indicated in Note 5) at 31 December 2006 amounted to EUR 23,195 thousand (December 31, 2005: EUR 23,084 thousand).

b.4) *Revaluations in business combinations achieved in stages*

This heading includes the increase in the Group's reserves due to the recognition at fair value, net of taxes, of the assets and liabilities of the companies in which control was obtained by stages, in accordance with the criteria established in IFRS 3 "Business Combinations", since their recognition at fair value entails an increase in value of the holdings owned before the date on which control was obtained.

The detail, by company, of these reserves at 31 December 2006 is as follows:

Tacel Group	27,324
Cementos Lemona Group	24,321
Dragon Alfa Cement Limited	2,057
	53,702

b.5) *Changes in the fair value of financial instruments*

This heading includes the changes, net of taxes, in the fair value of available-for-sale financial assets (see Note 10) and of cash flow hedging derivatives (see Note 23).

The detail of the reserves arising from the changes in the fair value of financial instruments at 31 December 2006 and 2005 is as follows:

	2006		2005	
Available-for-sale financial assets		11,694		5,370
World Trade Center Barcelona, S.A.	3,243		2,190	
Vertederos de Residuos, S.A.	3,247		2,483	
SCL Terminal Aéreo de Santiago, S.A.	1,124		–	
Xfera Móviles, S.A.	2,794		–	
Other	1,286		697	
Financial derivatives		(11,867)		(35,977)
Autovía del Camino, S.A.	(7,963)		(11,419)	
Urbs Iudex et Causidicus, S.A.	(9,918)		(16,172)	
Other	6,014		(8,386)	
		(173)		**(30,607)**

b.6) Translation differences

The detail of the amounts included under this heading for each of the most significant companies at 31 December 2006 and 2005 is as follows:

	2006		2005	
USA				
Giant Cement Holding, Inc.	(8,303)		4,380	
CDN-USA Inc.	–		1,045	
Cementos Lemona Group	–		783	
Other	(894)	(9,197)	227	6,435
Latin America				
Proactiva Group	(1,112)		3,005	
Cemusa Group	1,378		1,711	
Corporación M&S Internacional C.A., S.A.	368		237	
Other	(555)	79	999	5,952
Egypt				
Egypt Environmental Services, S.A.E.	804		1,052	
Giza Environmental Services, S.A.E.	670	1,474	733	1,785
European Union				
Dragon Alfa Cement Limited	(169)		(237)	
Resto	397	228	26	(211)
Other				
Corporación Uniland Group	(1,944)			
Other	458	(1,486)		(335)
		(8,902)		**13,626**

In 2006, unlike in 2005, the depreciation of the US dollar and of the main Latin American currencies gave rise to exchange losses.

Net investment abroad in currencies other than the euro represented approximately 45% of the FCC Group's equity (2005: 14%). The detail, by geographical market, of this net investment, after translation to euros as described in Note 2-c), is as follows:

	2006	2005
United Kingdom	1,129,483	28,216
USA	233,426	199,724
Latin America	141,551	121,724
Other	30,729	10,258
	1,535,189	**359,922**

Particularly noteworthy, in the UK, is the Waste Recycling Group, which was acquired in the year, with a net investment at 31 December 2006 of EUR 1,091,827 thousand and, in the US market, the Giant Cement Holding, Inc. Group, with a net investment which amounted to EUR 194,282 thousand at 31 December 2006 (31 December 2005: EUR 149,439 thousand).

c) Earnings per share

Earnings per share are calculated by dividing the profit for the year attributable to the Parent by the weighted average number of ordinary shares outstanding during the year.

At the Group, the basic earnings per share and the diluted earnings per share are the same, since there are no options, warrants or equivalent or any other type of instrument convertible into ordinary shares or contracts that might have a dilutive effect on earnings per share.

The detail of the Group's basic and diluted earnings per share for 2006 and 2005 is as follows.

	2006	2005
Earnings per share		
Basic	4.14 €	3.25 €
Diluted	4.14 €	3.25 €

d) Interim dividend

On 19 December 2006, the Parent, Fomento de Construcciones y Contratas, S.A., resolved to distribute an interim dividend out of 2006 profit equal to 100% gross of the par value of the shares (EUR 1 per share). This dividend (EUR 130,191 thousand) was paid on or after 8 January 2007.

II. Minority interests

The balance of this heading in the accompanying consolidated balance sheet reflects the proportional part of equity and the profit or loss for the year after tax of the companies in which the Group's minority shareholders have ownership interests.

The detail of the balances of the minority interests relating to the main companies at 31 December 2006 and 2005 is as follows:

	Equity		Profit/(Loss)	Total
	Share capital	Reserves		
2006				
Cementos Portland Valderrivas Group	13,638	561,200	72,063	646,901
Alpine Mayreder Bau Group	23	65,415	1,115	66,553
Tacel Group	14,629	35,163	(3,156)	46,636
Compañía Concesionaria del Túnel de Sóller, S.A.	7,238	(3,491)	(301)	3,446
Corporación M&S Internacional C.A., S.A.	5,551	(3,429)	(872)	1,250
Other	17,557	17,839	4,248	39,644
	58,636	672,697	**73,097**	**804,430**
2005				
Cementos Portland Valderrivas Group	13,828	278,042	59,085	350,955
Compañía Concesionaria del Túnel de Sóller, S.A.	7,238	(3,388)	(103)	3,747
Corporación M&S Internacional C.A., S.A.	6,197	(1,694)	(2,512)	1,991
Other	9,084	9,038	1,422	19,544
	36,347	**281,998**	**57,892**	**376,237**

The main changes under this heading presented in the accompanying statement of changes in equity are due to the additions to the scope of consolidation, detailed in Note 3 to these consolidated financial statements, such as the Corporación Uniland Group and the Cementos Lemona Group, included in the Cementos Portland Valderrivas Group, and the Alpine Mayreder Bau Group and the Tacel Group.

In 2005 the main change related to the purchase by the Group of an additional ownership interest of 8.5% in Cementos Portland Valderrivas, S.A., which reduced the minority interests relating to the Cementos Portland Valderrivas Group by EUR 81,670 thousand.

The share of the minority interests of Cementos Portland Valderrivas, S.A. in the asset revaluation reserve relating to the revaluation made by the cement companies pursuant to Royal Decree-Law 7/1996, as indicated in Note 5, amounted to EUR 11,086 thousand at 31 December 2006 (31 December 2005: EUR 11,197 thousand).

15. Bank borrowings and other non-current and current financial liabilities

The FCC Group's general policy is to provide all the Group companies with the financing that is best suited to the normal performance of their business activities. In this connection, all Group companies are furnished with the credit facilities required to cater for their budgetary plans, which are monitored on a monthly basis. Also, risk is generally spread over various financial institutions and the Group companies currently have credit facilities with more than 40 financial institutions. However, should the financial transaction so require, the Group arranges interest rate hedging transactions on the basis of the type and structure of each transaction (see Note 23).

Bank borrowings and other current and non-current financial liabilities maturing within no more than 12 months from the balance sheet date are classified as current liabilities and those maturing within more than 12 months as non-current liabilities.

These liabilities are measured at the fair value of the consideration received, i.e. at the amount of principal drawn down, plus the related unmatured accrued interest, which is taken to income on the basis of the amount of principal repayable.

a) Non-current and current bank borrowings

The detail at 31 December 2006 and 2005 is as follows:

	Non-current	Current	Total
2006			
Loans and credit facilities	2,082,831	2,401,204	4,484,035
Project financing loans without recourse	1,870,448	37,593	1,908,041
Amounts payable under finance leases	44,576	57,394	101,970
	3,997,855	**2,496,191**	**6,494,046**
2005			
Loans and credit facilities	591,107	660,558	1,251,665
Project financing loans without recourse	56,920	7,733	64,653
Amounts payable under finance leases	32,715	47,294	80,009
	680,742	**715,585**	**1,396,327**

The increase in 2006 in bank borrowings and other financial liabilities (current and non-current) is due to the financing of company acquisitions, within the framework of the FCC Group's Strategic Plan, and to the inclusion in the scope of consolidation of the borrowings of the acquired companies, as detailed in Note 3 to these consolidated financial statements.

These financing transactions include most notably the following:

The financing for the acquisition of the Waste Recycling Group amounting to EUR 1,963,019 thousand, comprising a without recourse tranche amounting to GBP 625,000 thousand (EUR 933,019 thousand), bearing interest tied to GBP Libor, and a with recourse tranche amounting to EUR 1,030,000 thousand. For the without recourse tranche, the financing was structured on the basis of the projected future cash flows generated by the assets of the Waste Recycling Group and was secured by the shares of this group. The with recourse tranche took the form of a syndicated bridge loan arranged by the FCC Group on 22 September 2006. This loan, which matures in March 2007, has been drawn down in full and bears interest tied to Euribor plus a spread of 0.275%. A hedge was arranged for this transaction amounting to GBP 200,000 thousand (EUR 297,840 thousand). This bridge loan was substituted by the definitive financing in January 2007, consisting of a loan of GBP 200,000 thousand (approximately EUR 300,000 thousand) and EUR 820,000 thousand. This transaction is subject to certain ratios being met in relation to the level of EBITDA, and there is recourse against the FCC Group.

The loans financing the acquisition of the Corporación Uniland Group amounting to EUR 1,580,000 thousand, also divided into in two tranches, the first for EUR 800,000 thousand, without recourse and tied to Euribor, against which EUR 574,846 thousand had been drawn down at year-end, with final maturity in 2013, and the second, using the credit lines and facilities at the disposal of the Cementos Portland Valderrivas Group amounting to EUR 780,000 thousand, tied to Euribor, against which EUR 551,773 thousand had been drawn down, with final maturity in 2012. The without recourse tranche is similar to that described in the preceding paragraph, with the exception that, in this case, the financing was structured on the basis of the anticipated future dividends generated by the Corporación Uniland Group. This financing is covered by interest rate hedges amounting to EUR 1,111,900 thousand, and during the term of the loans certain ratios must be met concerning coverage of financial expenses and levels of net debt in relation to EBITDA. The ratios established were being met at year-end.

The financing for the acquisition of the Alpine Mayreder Bau Group amounting to EUR 483,680 thousand was covered by the credit lines of the FCC Group, mainly by the EUR 800,000 thousand syndicated loan described in the following paragraphs.

The limit of the credit facilities and loans granted to the Group is EUR 5,993,473 thousand (2005: EUR 3,176,808 thousand), of which EUR 1,537,339 thousand had not been drawn down at 31 December 2006 (31 December 2005: EUR 1,936,940 thousand).

The credit facilities include most notably a syndicated loan arranged by Fomento de Construcciones y Contratas, S.A., Parent of the FCC Group, on 30 July 2003, totalling EUR 800,000 thousand. This loan is subdivided into two tranches: tranche "A", a closed-end credit amounting to EUR 700,000 thousand, of which EUR 300,000 thousand are repayable on 30 July 2007, and the remaining EUR 400,000 thousand is repayable on 30 July 2008, and tranche "B", a revolving line of credit amounting to EUR 100,000 thousand, with final maturity on 30 July 2008. At year-end EUR 550,000 thousand had been drawn down, and this amount was used mainly to acquire the Alpine Mayreder Bau Group as described above. The financial cost of the two tranches is tied to Euribor plus a spread established on the basis of the debt-equity ratio of each year per the FCC Group's consolidated financial statements. This spread is currently 0.275%.

The balance of "Project Financing Loans without Recourse" relates to the financing of a portion of the aforementioned company acquisitions, and to the amounts payable in relation to the financing of the investments made in the concessions.

The average interest rate on these loans is tied to Euribor plus a market spread.

The main characteristics common to these financing loans are as follows:

- Main security for the lenders: cash flows generated by the project vehicles and their assets, accounts and contractual rights. Since these cash flows constitute the main security for the repayment of the debts, the distribution of funds to the shareholders is restricted until certain conditions have been met, which is evaluated annually. In addition, reserve accounts are set up and maintained over the term of the credit facilities, generally relating to the subsequent six-month debt-servicing period, which are restricted for the company concerned and whose purpose is to meet the debt servicing obligations should the cash flows generated by the company be insufficient. These funds are included under "Other Current Financial Assets" in the accompanying consolidated balance sheet.

- Limited recourse against the shareholders: debt servicing obligations are covered by the income arising from operation of the related services and the FCC Group companies' liability is limited if the funds obtained during the term of the debt do not cover the full amount of the principal plus interest.

- Long financing period.

Following is a detail of the amounts payable at 31 December 2006 and 2005 relating to the projects financed through "Project Financing Loans without Recourse":

	2006	2005
Acquisition Waste Recycling Group	1,114,294	–
Acquisition of Corporación Uniland, S.A.	574,846	–
Central Galician motorway (Tacel group)	148,376	–
Other	70,525	64,653
	1,908,041	**64,653**

"Other" includes the financing relating to the investments made in the integral water cycle concessions of Vigo and the economic interest grouping Aguas y Servicios de la Costa Tropical de Granada, in Compañía Concesionaria del Túnel de Sóller, S.A. and in the operation of the solid waste plant in Vizcaya.

The detail, by currency, of the bank borrowings drawn down at 31 December 2006 and 2005 is as follows:

	Euros	US Dollars	Pound Sterling	Czech Koruna	Brazilian Real	Other	Total
2006							
Loans and credit facilities	4,034,087	162,146	2,573	174,641	27,598	82,990	4,484,035
Amounts payable under finance leases	94,209	–	6,367	–	198	1,196	101,970
Project financing loans without recourse	777,894	–	1,130,147	–	–	–	1,908,041
	4,906,190	**162,146**	**1,139,087**	**174,641**	**27,796**	**84,186**	**6,494,046**
2005							
Loans and credit facilities	1,010,467	128,738	6,213	–	36,209	70,038	1,251,665
Amounts payable under finance leases	78,180	–	–	–	393	1,436	80,009
Project financing loans without recourse	64,653	–	–	–	–	–	64,653
	1,153,300	**128,738**	**6,213**	**–**	**36,602**	**71,474**	**1,396,327**

The credit facilities and loans in US dollars were arranged mainly by the US cement companies, those arranged in pounds sterling relate to the above-mentioned acquisition of the Waste Recycling Group and those arranged in Czech koruna relate to the acquisition of the SmVak Group.

"Other" includes mainly the Latin American currencies, except the Brazilian real, and the North African currencies.

b) Non-current and current debt instruments and other held-for-trading liabilities

The most significant items recognised under these headings include those contributed by the cement group Portland Valderrivas (through the US company Giant Cement Holding, Inc.) relating to an issue of non-convertible bonds amounting to USD 96 million (approximately EUR 72,759 thousand) (31 December 2005: EUR 50,191 thousand). This issue, which is repayable in a single maturity in 2013, bears interest tied to Libor. The Group has arranged an interest rate hedging contract on this debt for a notional amount of USD 96 million and an interest rate of 6.093%. Also, Severomoravské Vodovody a Kanalizace Ostrava, A.S. (SmVaK) issued non-convertible debentures amounting to CSK 2,000 million (EUR 72,015 thousand). These debentures, which were traded on the Prague Stock Exchange, mature in 2015 and bear nominal interest of 5%. As security for this issue, the Czech company is obliged not to grant additional pledges on its assets to third parties, not to sell assets above a certain cumulative value, and not to become indebted in excess of a certain amount. Furthermore, this company is obliged to maintain a certain debt coverage ratio, for which purpose an interest rate hedge transaction was arranged amounting to CSK 500 million, maturing in 2015.

c) Other non-current financial liabilities

This balance-sheet heading includes, on the one hand, EUR 435,336 thousand relating to the put option on 20.32% of the shares of Corporación Uniland, S.A., whose shareholders are entitled to exercise the option over a maximum period of five years, as discussed in Note 10-a.3 to these consolidated financial statements and, on the other hand, mainly the debts earmarked for the acquisition of non-current assets amounting to EUR 123,097 thousand (31 December 2005: EUR 57,768 thousand) which, where appropriate, bear interest at market rates.

d) Other current financial liabilities

This balance sheet heading includes various non-interest-bearing debt items, including most notably that relating to the payment of the 2006 interim dividend amounting to EUR 130,191 thousand (31 December 2005: EUR 99,682 thousand).

e) Repayment schedule

The repayment schedule for the bank borrowings and other non-current financial liabilities is as follows:

	2008	2009	2010	2011	2012 and subsequent	Years Total
Non-current bank borrowings	820,034	270,664	329,776	434,789	2,142,592	3,997,855
Non-current debt instruments and other held-for-trading liabilities	2,040	453	–	–	144,774	147,267
Other non-current financial liabilities	9,714	4,460	5,303	438,837	135,024	593,338
	831,788	**275,577**	**335,079**	**873,626**	**2,422,390**	**4,738,460**

f) Other non-current and current liabilities

These headings include nontrade payables incurred by the Group in the course of its business activities. Such liabilities include mainly obligations payable to employees in relation to wage accruals and accrued salaries not yet claimable, deferred accounts payable to non-current asset suppliers, which do not bear interest, and payables in relation to royalties and other items which the concession operators, generally of water services, charge to the end user for the account of the concession providers.

The detail at 31 December 2006 and 2005 is as follows:

	2006	2005
Non-current		
Non-current asset suppliers	15,736	29,582
Other	24,972	5,297
	40,708	**34,879**
Current		
Remuneration payable	124,054	87,397
Non-current asset suppliers	74,862	78,620
Royalties and other items	79,047	49,304
	277,963	**215,321**

16. Provisions

The Group companies recognise provisions on the liability side of the accompanying consolidated balance sheet for present obligations arising from past events which the companies consider will require an outflow of resources embodying economic benefits to settle them on maturity.

These provisions are recognised when the related obligation arises and the amount recognised is the best estimate at the date of the accompanying financial statements of the present value of the future expenditure required to settle the obligation. The change in the year relating to the discount to present value is recognised as finance costs in the consolidated income statement.

A significant portion of the environmental provisions is recognised by increasing the value of the assets relating to the environmental protection obligations acquired. Profit or loss is affected when the asset concerned is depreciated on the basis of the rates indicated in Note 5 ("Property, Plant and Equipment").

Provisions are classified at short or long term in the accompanying consolidated balance sheet on the basis of the estimated maturity date of the obligation covered by them, and long-term provisions are considered to be those whose estimated maturity date exceeds the average cycle of the activity giving rise to the provision.

The detail of the provisions at 31 December 2006 and 2005 is as follows:

	2006		2005	
Non-current				
Provisions for pensions and similar obligations	84,046		20,424	
Provisions for litigation	169,972		189,627	
Environmental provisions	378,878		35,964	
Provisions for contractual and legal guarantees and obligations	106,436		46,818	
Provisions for other contingencies and expenses	225,209	964,541	121,972	414,805
Current				
Provisions for construction contract settlement and project losses	43,281		24,556	
Provisions for termination benefits to site personnel	6,197	49,478	6,132	30,688

The changes in "Provisions" in 2006 and 2005 were as follows:

	Long-Term provisions	Short-Term provisions
Balance at 12-31-2004	330,991	27,354
Environmental expenses for the withdrawal or dismantling of assets	19,044	–
Provisions recognised/(reversed)	7,915	1,875
Transfers	53,885	938
Changes in the scope of consolidation, translation differences and other changes	2,970	521
Balance at 12-31-2005	414,805	30,688
Environmental expenses for the withdrawal or dismantling of assets	16,271	–
Provisions recognised/(reversed)	35,603	7,886
Amounts used	(9,620)	–
Changes in the scope of consolidation, translation differences and other changes	507,482	10,904
Balance at **12-31-2006**	**964,541**	**49,478**

The FCC Group recognises the necessary provisions to cover third-party liability and other estimated contingencies as indicated above. Additionally, the heading "(Charge to)/Reversal of Operating Allowances" in the accompanying 2006 consolidated income statement includes a provision to cover other future contingencies and expenses arising from decisions taken in 2006 as part of the strategy to enhance and integrate processes and functions. These expenses are expected to be incurred over the next two years.

In 2005 the transfers related mainly to liabilities that in 2004 had been classified under "Trade Payables" in the consolidated balance sheet.

"Environmental Expenses for the Withdrawal or Dismantling of Assets", in accordance with IAS 16 ("Property, Plant and Equipment"), includes the balancing item for the increased asset value resulting from the revaluation of the expenses that will be incurred when operation of the asset ceases.

Following is a detail of the long-term provisions included under "Changes in the Scope of Consolidation, Translation Differences and Other Changes" at 31 December 2006, which relate mainly to the acquisitions made in 2006 (see Note 3):

	Total Group	ASA Abfall Service Group	Waste Recycling Group	Alpine Mayreder Bau Group	Other
Provisions for pensions and similar obligations	66,023	3,853	5,752	39,498	16,920
Provisions for litigation	1,404	–	–	1,457	(53)
Environmental provisions	314,411	38,024	273,664	132	2,591
Provisions for contractual and legal guarantees and obligations	34,482	–	–	34,575	(93)
Provisions for other contingencies and expenses	91,162	3,772	10,990	47,008	29,392
	507,482	**45,649**	**290,406**	**122,670**	**48,757**

The timing of the expected outflows of economic benefits at 31 December 2006 arising from the obligations covered by long-term provisions is as follows:

	Up to Five Years	Over Five Years	Total
Provisions for pensions and similar obligations	2,455	81,591	84,046
Provisions for litigation	41,835	128,137	169,972
Environmental provisions	147,522	231,356	378,878
Provisions for contractual and legal guarantees and obligations	65,121	41,315	106,436
Provisions for other contingencies and expenses	73,673	151,536	225,209
	330,606	**633,935**	**964,541**

Provisions for pensions and similar obligations

"Long-Term Provisions" in the accompanying consolidated balance sheet includes the provisions covering the Group companies' obligations in respect of pensions and similar obligations such as medical and life insurance, as indicated in Note 18.

Provisions for litigation

Provisions for litigation cover the contingencies of the FCC Group companies acting as defendants in certain proceedings in relation to the liability inherent to the business activities carried on by them. The lawsuits, although numerous, represent scantly material amounts when considered individually and none of them are particularly noteworthy.

Environmental provisions

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 preventative planning and the analysis and minimisation of the environmental impact of the activities carried on by the Group.

FCC Group management considers that the Group companies' contingencies relating to environmental protection and improvement at 31 December 2006 would not have a significant impact on the accompanying consolidated financial statements, which include provisions to cover any probable environmental risks that might arise.

Note 22 to these consolidated financial statements ("Information on the Environment") supplements the information set forth with respect to environmental provisions.

Provisions for contractual and legal guarantees and obligations

This heading includes the provisions to cover the expenses arising from the obligations relating to non-environmental contractual and legal commitments such as the withdrawals of facilities on completion of certain contracts and expenses incurred in guaranteeing service quality.

Provisions for other contingencies and expenses

This heading includes the items not classified in the foregoing accounts, comprising most notably the provisions to cover risks arising from international businesses.

Provisions for construction contract settlements

These provisions are recognised for losses budgeted on construction projects in accordance with the measurement bases set forth in Note 20, and for the expenses arising from such projects from the date of their completion through the date of their definitive settlement, which are determined systematically as a percentage of the production value over the term of the project based on experience in the construction business.

Provisions for termination benefits to site personnel

The Group companies recognise provisions for the termination of permanent site personnel in accordance with the Consolidated Workers' Statute for contracts of this type. The impact of these provisions on the consolidated income statement is not material.

17. Tax matters

This Note describes the headings in the accompanying consolidated balance sheet and income statement relating to the tax obligations of each of the Group companies, such as deferred tax assets and liabilities, tax receivables and payables and the income tax expense.

Law 35/2006, of 28 November, partially amending the corporation tax regulations for companies resident in Spain establishes, inter alia, a reduction over two years of the standard income tax rate from 35% in 2006 to 32.5% in 2007 and 30% in 2008. Accordingly, the FCC Group companies affected by this measure estimated the year in which the deferred tax assets and liabilities existing at 31 December 2006 would be taken to income or reversed in order to adjust them to the new tax rates indicated. This assessment gave rise to a net adjustment of EUR 184 thousand to "Income Tax Expense" in the accompanying consolidated income statement and an increase of EUR 450 thousand under "Retained Earnings and Other Reserves" in the accompanying consolidated balance sheet, for items previously taken directly to reserves in accordance with IFRSs, such as the tax charge in relation to the fair value of financial instruments, translation differences, etc.

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

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 authorities for the taxes applicable to them. The criteria that the tax authorities might adopt in relation to the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. In relation to the years which have been reviewed, in certain cases the criteria applied by the tax authorities gave rise to tax assessments, which are currently being appealed against by the related Group companies. However, the Parent's directors consider that the resulting liabilities, relating both to the years open for review and to the assessments issued, will not significantly affect the Group's equity.

a) Deferred tax assets and liabilities

The temporary differences between the accounting profit and the taxable profit for income tax purposes, together with the differences between the carrying amounts of assets and liabilities recognised in the consolidated balance sheet and their tax bases give rise to deferred taxes which are recognised as non-current assets and liabilities. These amounts are measured at the tax rates that are expected to apply in the years in which they will foreseeably be reversed.

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

The deferred tax assets arise mainly as a result of the differences between the depreciation and amortisation charges and impairment losses that will become tax deductible from the income tax base in future years. In general, each year the Group companies take the tax credits provided for under tax legislation and, therefore, the deferred tax assets do not include any material tax credit carryforwards.

The tax losses of the subsidiaries were generally offset by deducting from the income tax the investment valuation allowances recognised by the Group companies owning the holding, or by deducting these losses from the consolidated tax base in the case of subsidiaries that file consolidated tax returns. However, certain companies, mainly foreign cement companies, recognised deferred tax assets relating to tax losses amounting to EUR 36,350 thousand, since they considered that there are no doubts as to their recoverability (31 December 2005: EUR 36,163 thousand).

Deferred tax liabilities arose mainly as a result of:

- The differences between the tax base and the carrying amount resulting from the recognition at fair value of assets in connection with the corporate acquisitions in the FCC Group's various business segments, as indicated in Note 3. In general, these liabilities do not represent future cash outflows since they reverse at the same rate as that of the depreciation taken on the revalued assets.

- The depreciation for tax purposes of leased assets and of certain items of property, plant and equipment qualifying for accelerated depreciation for tax purposes, including most notably EUR 10,166 thousand (31 December 2005: EUR 12,051 thousand) relating to 30% (€ 9,973 thousand) and 32,5% (€ 193 thousand) of the cost depreciated on an accelerated basis of the Torre Picasso building, which qualifies for the tax benefits provided for in Royal Decree-Law 2/1985 and Royal Decree-Law 3/1993.

- The profit of joint ventures that will be included in the income tax base for the following year.

- The tax deductibility of the goodwill arising on the acquisition of non-resident companies (up to a limit of one-twentieth of the total) since, in accordance with IFRS 3 ("Business Combinations"), goodwill is not amortisable for accounting purposes.

The balancing items for the changes in the aforementioned deferred tax assets and liabilities are, on the one hand, the increase in the value of assets due to the recognition at fair value of the business combinations, amounting to EUR 778,454 thousand in 2006 (31 December 2005: EUR 32,979 thousand) (see Note 3) and, on the other, the amount directly allocated to "Retained Earnings and Other Reserves" in the accompanying consolidated balance sheet, which reduced reserves by EUR 2,314 thousand (31 December 2005: EUR 7,498 thousand), due to the adjustment of the fair value of the financial instruments.

Additionally, Note 17-c) below ("Income Tax Expense") shows the changes in the other deferred taxes which include the tax deductible portion of the goodwill that arose on the acquisition of foreign companies and which reduced the income tax payable in 2006 by EUR 10,850 thousand.

Following is a detail of the expected reversal dates of the deferred tax assets and liabilities:

	2007	2008	2009	2010	2011 and subsequent years	Total
Assets	36,339	26,114	10,527	15,611	294,478	383,069
Liabilities	93,598	41,592	38,074	34,846	906,157	1,114,267

b) Tax receivables and payables

The detail at 31 December 2006 and 2005 of the current assets and liabilities included under "Tax Receivables" and "Tax Payables", respectively, is as follows:

Current assets

	2006	2005
VAT refundable	130,481	99,684
Remaining taxes and other	37,308	30,331
	167,789	**130,015**

Current liabilities

	2006	2005
VAT payable	245,851	176,403
Income tax payable	178,323	138,569
Remaining taxes and other	263,616	140,138
	687,790	**455,110**

c) Income tax expense

The expense for income tax included in the accompanying consolidated income statement is calculated on the basis of consolidated profit before tax, increased or decreased, as appropriate, by the permanent differences between taxable profit and accounting profit. The applicable tax rate based on the legislation applicable to each company is applied to this adjusted accounting profit. The tax relief and tax credits earned in the year are deducted and 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 are added to or deducted from the resulting tax charge.

The income tax expense incurred in 2006 amounts to EUR 278,022 thousand (2005: EUR 217,159 thousand), as shown in the accompanying income statement. Following is the reconciliation of the expense to the tax charge payable:

	2006			2005		
Consolidated accounting profit for the year before tax			**886,630**			**696,449**
	Increase	Decrease		Increase	Decrease	
Consolidation adjustments and eliminations		(55,168)	(55,168)		(59,418)	(59,418)
Permanent differences	33,014	(36,147)	(3,133)	15,275	(9,286)	5,989
Adjusted consolidated accounting profit			**828,329**			**643,020**
Temporary differences						
- Arising in the year	209,052	(233,437)	(24,385)	274,265	(231,140)	43,125
- Arising in prior years	225,929	(187,544)	38,385	128,133	(67,328)	60,805
Consolidated taxable profit			**842,329**			**746,950**

	2006	2005
Adjusted consolidated accounting profit	828,329	643,020
Income tax charge	290,188	225,057
Tax credits and tax relief	(15,032)	(15,070)
Adjustments due to change in tax rate	(184)	–
Other adjustments	3,050	7,172
Income tax expense	**278,022**	**217,159**

The tax credits and tax relief include those relating to environmental protection, foreign investments, R&D and the reinvestment of gains on the sale of non-current assets.

18. Pension plans 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 Consolidated Pension Fund and Plan Law, in the specific cases in which similar obligations exist, the companies externalise their pension and other similar obligations to employees.

In addition, following the authorisation by the Executive Committee, in the past an insurance policy was arranged and the premium paid to cover the payment of benefits relating to death, permanent disability, retirement bonuses and pensions and other situations for, among other employees, executive directors and executives. In particular, the contingencies giving rise to benefits relate to employee terminations for the following reasons:

a) Unilateral decision of the Company.
b) Dissolution or disappearance of the Parent for whatever cause, including merger or spin-off.
c) Death or permanent disability.
d) Other causes of physical or legal incapacity.
e) Substantial change in professional terms and conditions.
f) Retirement of the executive on reaching 60 years of age, at the request of the executive and with the consent of the Company.
g) Retirement of the executive on reaching 65 years of age, by unilateral decision of the executive.

The accompanying consolidated income statement includes premium payments in relation to this insurance policy amounting to EUR 4,619 thousand (2005: EUR 3,810 thousand) and income from rebates on the premiums paid amounting to EUR 235 thousand (2005: EUR 1,281 thousand). At 31 December 2006, following payment of the aforementioned net amounts, the fair value of the premiums contributed covered all the actuarial obligations assumed.

In relation to the Spanish Group companies' post-employment benefit obligations to former executives, the liability side of the accompanying consolidated balance sheet for 2006 includes the present value of a liability, totalling EUR 3,225 thousand (2005: EUR 3,267 thousand). Also, in both 2006 and 2005 remuneration amounting to EUR 221 thousand was paid with a charge to this provision.

Certain of the Group's foreign subsidiaries have undertaken to supplement the retirement benefits and other similar obligations accruing to their employees. The accrued obligations and any assets assigned thereto were measured by independent actuaries using generally accepted actuarial methods and techniques. Where appropriate, the obligations were recognised, in the accompanying consolidated balance sheet under "Long-Term Provisions – Pensions and Similar Obligations" as established by IFRSs.

The most significant benefits of those referred to in the preceding paragraph are as follows:

- The cement company Giant Cement Holding Inc., resident in the USA, is obliged to supplement its employees' retirement pension benefits. The related plan assets and the accrued obligations were valued by independent actuaries using the "projected unit credit method", based on an average actuarial rate of 6%. At 31 December 2006, the fair value of the plan assets amounted to EUR 45,758 thousand (2005 year-end: EUR 48,430 thousand) and the actuarial value of the accrued obligations totalled EUR 44,810 thousand (2005 year-end: EUR 50,116 thousand).

  In addition, Giant Cement Holding, Inc. has undertaken to maintain the medical and life insurance of certain of its employees after they have left the company's employ. In this connection, in 2006 EUR 12,738 thousand (2005: EUR 14,978 thousand), were recognised under "Long-Term Provisions - Provisions for Pensions and Similar Obligations". At 31 December 2006, the actuarial deficit for the employee retirement benefit and medical insurance obligations assumed by the company amounted to EUR 9.066 thousand. This amount was not provisioned in the consolidated books of account of the Cementos Portland Valderrivas Group since, as permitted by IAS 19

("Employee Benefits"), this Group opted to defer the actuarial gains and losses, which will be recognised in the income statement systematically over the employees' remaining years of working life for pension obligations and over their remaining years of life expectancy for medical insurance obligations.

- The accompanying consolidated balance sheet at 31 December 2006 includes the employee benefit obligations of the Waste Recycling Group companies, resident in the UK and acquired in 2006. These obligations are represented by certain assets assigned to the plans funding the benefits, the fair value of which amounted to EUR 40,409 thousand, and the actuarial value of the accrued obligations amounted to EUR 45,213 thousand. The net difference, representing a liability of EUR 4,804 thousand, was recognised as a "Provision for Pensions and Similar Obligations" in the accompanying consolidated balance sheet. The heading "(Charge to)/Reversal of Operating Allowances" in the accompanying consolidated income statement includes income of EUR 944 thousand relating to the net difference between the service cost and the contributions made to the plan. The average actuarial rate applied was 5.10%.

- At 31 December 2006, the Alpine Mayreder Bau Group companies acquired during the year contributed EUR 39,498 thousand relating to the actuarial value of their accrued pension and termination benefit obligations to which no assets have been assigned. The amount of these obligations is recognised under "Provisions for Pensions and Similar Obligations" in the accompanying consolidated balance sheet. Since this Group was included in the scope of consolidation of the FCC Group in November, its impact on the accompanying consolidated income statement is not material. The average actuarial rate applied was 4.50%.

- Lastly, Aeroporti di Roma Handling SpA, acquired in 2006, also contributed EUR 17,643 thousand to "Provisions for Pensions and Similar Obligations" in the accompanying consolidated balance sheet at 31 December 2006. This amount relates to the actuarial value of the accrued obligations, to which no assets have been assigned. The heading "(Charge to)/Reversal of Operating Allowances" in the accompanying consolidated income statement includes income of EUR 962 thousand relating to the net difference between the service cost and the actuarial gains. The average actuarial rate applied was 4.37%.

19. Guarantee commitments to third parties and other contingent liabilities

At 31 December 2006, the Group had provided EUR 3,103,596 thousand (31 December 2005: EUR 2,510,746 thousand) of guarantees to third parties, mostly consisting of completion bonds provided to government agencies and private-sector customers as security for the performance of construction projects and urban cleaning contracts.

Fomento de Construcciones y Contratas, S.A. and the Group's subsidiaries are acting as defendants in certain lawsuits in relation to the liability inherent to the various business activities carried on by the Group in the performance of the contracts awarded, for which the related provisions have been recognised (see Note 16). The lawsuits, although numerous, represent scantly material amounts when considered individually and none of them are particularly noteworthy. Accordingly, on the basis of past experience, the resulting liabilities would not have a significant effect on the Group's equity and on existing provisions.

In relation to the Group companies' interests in joint ventures in the form of unincorporated joint ventures, joint property entities, silent participation agreements, economic interest groupings and other entities of a similar legal nature, the venturers share joint and several liability with respect to the activity carried on (see Note 9).

There are non-cancellable future payment obligations amounting to EUR 355,952 thousand (2005: EUR 183,138 thousand) in relation to operating leases on buildings and structures entered into mainly by the companies engaging in the logistics business, which are recognised in the income statement on an accrual basis.

20. Revenue and expense recognition

In construction activities, the Group recognises results by reference to the stage of completion, determined through the measurement of construction projects performed in the year and the contract costs which are recognised on an accrual basis, and the related income is recognised at the selling price of the construction work performed, as specified in the principal contract entered into with the owners, or in amendments thereto approved by the owners, or with respect to which there is reasonable certainty regarding its recovery, since construction contract revenue and costs are susceptible to substantial variations during the performance period which cannot be readily foreseen or objectively quantified. Budgeted losses are recognised as an expense in the income statement for the year.

The revenue and expenses of the other activities are recognised 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 performance and operating costs include the interest accrued at market rates during the customary payment period in the construction and services industries.

a) Operating income

The companies classify operating income under the heading "Revenue", except for that arising from Group work on non-current assets, grants related to income and expenses chargeable to tenants in the property business, which is recognised as "Other Income" in the consolidated income statement.

Note 21 ("Segment Reporting") shows the contribution of the business lines to consolidated revenue.

The detail of "Other Income" in 2006 and 2005 is as follows:

	2006	2005
Group work on non-current assets	34,435	40,569
Grants related to income	13,080	17,484
Chargeable expenses of the property business	6,001	6,601
	53,516	**64,654**

b) Procurements and other external expenses

The detail of the balance of "Procurements and Other External Expenses" at 31 December 2006 and 2005 is as follows:

	2006	2005
Work performed by subcontractors and other companies	2,878,400	2,080,214
Purchases and procurements	1,634,444	1,196,837
Other external expenses	1,512,614	1,069,045
	6,025,458	**4,346,096**

c) Staff costs

The detail of staff costs in 2006 and 2005 is as follows:

	2006	2005
Wages and salaries	1,649,381	1,402,833
Social security costs	457,513	393,324
Other staff costs	73,156	67,458
	2,180,050	**1,863,615**

The average number of employees at the Group, by professional category, in 2006 and 2005 was as follows:

	2006	2005
Managers and university graduates	4,574	3,443
Other qualified line personnel	5,366	3,450
Clerical and similar staff	5,681	5,471
Other salaried employees	60,435	55,052
	76,056	**67,416**

d) Finance income and costs

Both finance income and finance costs, as the case may be, are calculated using the effective interest method and are recorded in the accompanying consolidated income statement on an accrual basis.

The detail of the finance income in 2006 and 2005, based on the assets giving rise thereto, is as follows:

	2006	2005
Held-for-trading financial assets	2,095	2,882
Available-for-sale financial assets	3,983	589
Held-to-maturity investments	5,002	2,581
Current and non-current loans	29,439	17,401
"Lump-sum payment" construction projects	5,254	6,694
Cash and cash equivalents	25,762	11,057
	71,535	**41,204**

The detail of "Finance Costs" in 2006 and 2005 is as follows:

	2006	2005
Credit facilities and loans	128,103	39,203
Project financing loans without recourse	29,131	3,902
Amounts payable under finance leases	3,620	1,537
Other payables to third parties	4,448	4,597
Assignment of accounts receivable and "lump-sum payment" construction projects	23,106	14,739
Cash discount and other finance costs	20,731	16,903
	209,139	**80,881**

e) Gains on changes in value of financial instruments

The detail of the balance of "Gains on Changes in Value of Financial Instruments" is as follows:

	2006	2005
Changes in value		
Held-for-trading financial assets	(212)	6,033
Available-for-sale financial assets	5,436	1,293
Held-to-maturity investments	963	–
Receivables	(1,280)	(169)
Derivatives	55,823	2,039
Impairment losses		
Held-for-trading financial assets	159	–
Available-for-sale financial assets	(5,789)	(3,818)
Receivables	1,203	–
	56,303	**5,378**

"Derivatives" includes EUR 54,226 thousand relating to a derivative financial instrument (swap) on cash flows determined by the market price of equity securities, maturing on 30 March 2007. At year-end, the estimated value of the instrument was zero and its cancellation at maturity is not expected to have a significant effect on the Group's 2007 income statement.

f) Other gains or losses

"Other Gains or Losses" in the accompanying 2006 consolidated income statement includes mainly gains on sales of property, plant and equipment and of investments in consolidated companies, provided that such sales did not lead to discontinued operations or give rise to non-current assets held for sale.

In 2005 this heading included mainly gains on the sale of land adjacent to factories in the cement area not used in production and expenses incurred in the modernisation of production systems at the factories of Giant Cement Holding Inc.

2006	
Sales of property, plant and equipment	4,732
Sales of investments in Group companies of the services business	2,654
Other items	(634)
	6,752
2005	
Changes in the production process at Giant Cement Holding Inc.	(10,163)
Sales of property, plant and equipment of the cement business	7,580
Other items	4,634
	2,051

21. Segment reporting

a) Business segments

The business segments presented coincide with the business areas, as stated in Note 1. The segment information shown in the following tables was prepared in accordance with the management criteria established internally by Group management, which coincide with the accounting policies adopted to prepare and present the Group's consolidated financial statements.

The "Other Activities" column includes the financial activity arising from the Group's centralised cash management, the property business, which is carried on through the operation of the Torre Picasso building under a community association regime, as explained in Note 5, the investment in the Realia Business Group (see Note 8), and, lastly, the companies that do not belong to any of the Group's aforementioned business lines.

Income statement by segment

In particular, the information shown in the following tables includes as the segment result for 2006 and 2005 the following items:

- All operating income and expenses of the subsidiaries and joint ventures relating to the business carried on by the segment
- Interest income and expenses arising from segment assets and liabilities, dividends and gains and losses on sales of the financial assets of the segment.
- The share of the results of associates accounted for using the equity method.
- Impairment losses on property, plant and equipment and intangible assets and other gains and losses (see Note 20), which are included under "Other Results".
- The income tax expense relating to the transactions performed by each segment.
- The "Other Businesses" column includes, in addition to the aforementioned items, the eliminations due to financial or other transactions between Group segments.
- The contribution of each area to the equity attributable to the shareholders of Fomento de Construcciones y Contratas, S.A. is shown under "Contribution to the FCC Group's Profit".

		Services				
	Total Group	Environment	Versia	Construction	Cement	Other businesses
2006						
Revenue from non-Group customers	9,480,928	2,835,632	867,080	4,395,254	1,466,557	(83,595)
Gross profit from operations	1,387,308	501,371	104,184	268,635	485,315	27,803
Percentage of revenue	14.63%	17.68%	12.02%	6.11%	33.09%	–
Depreciation and amortisation charge	(474,506)	(218,031)	(54,079)	(51,574)	(148,290)	(2,532)
(Charge to)/Reversal of operating allowances	(31,528)	(32,428)	8,166	23,981	(2,015)	(29,232)
Net profit from operations	881,274	250,912	58,271	241,042	335,010	(3,961)
Percentage of revenue	9.30%	8.85%	6.72%	5.48%	22.84%	–
Financial profit (loss)	(85,708)	(81,430)	(20,911)	(13,007)	(53,607)	83,247
Share of results of associates	89,078	4,289	187	624	5,210	78,768
Other results	1,986	435	(636)	281	1,380	526
Profit before tax from continuing operations	886,630	174,206	36,911	228,940	287,993	158,580
Income tax expense	(278,022)	(46,175)	(12,367)	(91,384)	(97,225)	(30,871)
Minority interests	(73,097)	(4,420)	513	2,870	(14,904)	(57,156)
Profit attributable to the parent	535,511	123,611	25,057	140,426	175,864	70,553
Contribution to the FCC Group's profit	535,511	123,611	25,057	140,426	118,706	127,711
2005						
Revenue from non-Group customers	7,089,787	2,078,008	721,509	3,346,724	978,380	(34,834)
Gross profit from operations	988,903	342,761	110,690	191,397	312,309	31,746
Percentage of revenue	13.95%	16.49%	15.34%	5.72%	31.92%	–
Depreciation and amortisation charge	(318,768)	(131,189)	(51,285)	(35,184)	(96,941)	(4,169)
(Charge to)/Reversal of operating allowances	(13,957)	(10,213)	(3,149)	(48)	(265)	(282)
Net profit from operations	656,178	201,359	56,256	156,165	215,103	27,295
Percentage of revenue	9.26%	9.69%	7.80%	4.67%	21.99%	–
Financial profit (loss)	(28,259)	(30,605)	(11,689)	4,942	(13,525)	22,618
Share of results of associates	78,364	1,938	95	(396)	9,238	67,489
Other results	(9,834)	(10,892)	(1,172)	1,694	704	(168)
Profit before tax from continuing operations	696,449	161,800	43,490	162,405	211,520	117,234
Income tax expense	(217,159)	(58,502)	(15,632)	(54,960)	(68,880)	(19,185)
Minority interests	(57,892)	(1,711)	415	2,491	(5,537)	(53,550)
Profit attributable to the parent	421,398	101,587	28,273	109,936	137,103	44,499
Contribution to the FCC Group's profit	421,398	101,587	28,273	109,936	83,556	98,046

The detail of the contribution after taxes to the FCC Group's profit of the other items included under "Other Businesses" in 2006 and 2005 is as follows:

	2006	2005
Share of results of the Realia Business Group (Note 8)	78,739	67,489
Torre Picasso (Note 5)	9,571	9,524
Financial management	54,080	12,934
Other items	(14,679)	8,099
	127,711	**98,046**

Balance sheets by segment

		Servicies				
	Total Group	Environment	Versia	Construction	Cement	Other businesses
2006						
Assets						
Non-current assets	11,580,539	5,240,180	626,584	1,808,388	3,422,887	482,500
Property, plant and equipment	6,718,156	3,363,227	307,579	912,260	2,079,698	55,392
Intangible assets	3,257,872	1,633,560	245,869	357,321	975,618	45,504
Investments in associates	583,512	31,381	2,504	221,580	30,914	297,133
Non-current financial assets	605,190	170,739	23,117	121,442	276,313	13,579
Other non-current assets	415,809	41,273	47,515	195,785	60,344	70,892
Current assets	7,441,535	1,531,699	441,265	4,363,240	810,244	295,087
Inventories	1,079,834	39,217	34,895	825,188	179,962	572
Trade and other receivables	4,776,272	1,170,568	350,125	2,900,944	410,463	(55,828)
Other current financial assets	155,275	115,388	7,615	40,264	13,104	(21,096)
Cash and cash equivalents	1,430,154	206,526	48,630	596,844	206,715	371,439
Total assets	**19,022,074**	**6,771,879**	**1,067,849**	**6,171,628**	**4,233,131**	**777,587**
Equity and liabilities						
Equity	3,417,518	634,184	163,237	590,448	1,374,254	655,395
Non-current liabilities	6,857,976	2,973,495	299,880	727,796	2,446,997	409,808
Bank borrowings and other non-current financial liabilities	4,738,460	1,924,295	222,146	353,622	2,032,384	206,013
Long-term provisions	964,541	484,895	47,574	225,532	46,973	159,567
Other non-current liabilities	1,154,975	564,305	30,160	148,642	367,640	44,228
Current liabilities	8,746,580	3,164,200	604,732	4,853,384	411,880	(287,616)
Bank borrowings and other current financial liabilities	2,656,421	2,077,923	361,320	453,387	98,741	(334,950)
Trade payables and other current liabilities	6,040,681	1,081,764	242,723	4,355,722	313,139	47,333
Short-term provisions	49,478	4,513	689	44,275	–	1
Total equity and liabilities	**19,022,074**	**6,771,879**	**1,067,849**	**6,171,628**	**4,233,131**	**777,587**
2005						
Assets						
Non-current assets	4,200,860	1,489,532	495,156	698,160	1,117,225	400,787
Property, plant and equipment	2,181,635	820,554	284,096	238,489	781,119	57,377
Intangible assets	955,805	461,725	168,800	69,139	216,971	39,170
Investments in associates	511,688	23,645	1,947	160,578	68,363	257,155
Non-current financial assets	184,371	118,280	19,257	33,424	9,191	4,219
Other non-current assets	367,361	65,328	21,056	196,530	41,581	42,866
Current assets	4,738,683	1,068,454	319,626	3,051,837	370,028	(71,262)
Inventories	509,085	34,347	30,482	342,514	96,673	5,069
Trade and other receivables	3,120,598	886,391	246,386	1,785,069	204,312	(1,560)
Other current financial assets	67,384	37,127	879	27,375	3,969	(1,966)
Cash and cash equivalents	1,041,616	110,589	41,879	896,879	65,074	(72,805)
Total assets	**8,939,543**	**2,557,986**	**814,782**	**3,749,997**	**1,487,253**	**329,525**
Equity and liabilities						
Equity	2,608,354	574,773	156,162	375,808	1,001,921	499,690
Non-current liabilities	1,546,700	612,349	253,684	217,590	282,169	180,908
Bank borrowings and other non-current financial liabilities	810,978	408,840	208,233	20,266	176,258	(2,619)
Long-term provisions	414,805	109,801	32,659	124,789	18,633	128,923
Other non-current liabilities	320,917	93,708	12,792	72,535	87,278	54,604
Current liabilities	4,784,489	1,370,864	404,936	3,156,599	203,163	(351,073)
Bank borrowings and other current financial liabilities	831,575	667,790	206,214	135,040	25,936	(203,405)
Trade payables and other current liabilities	3,922,226	701,176	198,713	2,993,176	177,227	(148,066)
Short-term provisions	30,688	1,898	9	28,383	–	398
Total equity and liabilities	**8,939,543**	**2,557,986**	**814,782**	**3,749,997**	**1,487,253**	**329,525**

Cash flows by segment

		Servicies				
	Total Group	Environment	Versia	Construction	Cement	Other businesses
2006						
From operating activities	1,159,024	456,083	41,635	310,523	322,046	28,737
From investing activities	(4,502,527)	(2,450,382)	(165,179)	(546,168)	(1,384,042)	43,244
From financing activities	3,738,369	2,093,458	132,677	(64,861)	1,204,576	372,519
Total net cash flows for the year	**394,866**	**99,159**	**9,133**	**(300,506)**	**142,580**	**444,500**
2005						
From operating activities	1,018,344	274,666	56,229	428,063	205,966	53,420
From investing activities	(877,403)	(345,084)	(168,761)	(110,368)	(98,167)	(155,023)
From financing activities	142,246	107,334	111,154	(2,043)	(64,615)	(9,584)
Total net cash flows for the year	**283,187**	**36,916**	**(1,378)**	**315,652**	**43,184**	**(111,187)**

b) Activities and investments by geographical market

Approximately 18% of the Group's business is conducted abroad (2005: 10%).

The breakdown, by market, of the revenue earned abroad by the Group companies in 2006 and 2005 is as follows:

		Servicies				
	Total Group	Environment	Versia	Construction	Cement	Other businesses
2006						
European Union	1,104,562	531,103	167,802	364,342	41,315	–
USA	266,046	–	15,957	–	250,089	–
Latin America	261,797	118,850	17,804	89,078	36,065	–
Other	85,635	22,745	711	36,633	25,546	–
	1,718,040	**672,698**	**202,274**	**490,053**	**353,015**	**–**
2005						
European Union	328,475	78,583	147,284	91,591	11,017	–
USA	199,451	–	2,063	–	197,388	–
Latin America	146,914	114,190	17,608	15,116	–	–
	28,372	6,603	394	20,957	179	239
Other	**703,212**	**199,376**	**167,349**	**127,664**	**208,584**	**239**

The growth in revenue abroad was due mainly to the corporate acquisitions in 2006 under the Group's 2005-2008 Strategic Plan discussed in Note 3. The most significant acquisitions in the EU were the ASA Abfall Service Group, the Waste Recycling Group and the SmVaK Group in the Environmental Services area and the Alpine Mayreder Bau Group in the Construction area.

The detail, by geographical area, of the Group's assets and liabilities and the cost of the investments made in property, plant and equipment and intangible assets in 2006 and 2005 is as follows:

	Total Group	Spain	Other European Union	Countries USA	Latin America	Other
2006						
Assets						
Non-current assets	11,580,539	6,374,124	4,507,334	512,263	159,989	26,829
Property, plant and equipment	6,718,156	3,318,028	2,895,962	386,231	107,059	10,876
Intangible assets	3,257,872	1,717,190	1,479,108	48,604	12,970	–
Investments in associates	583,512	558,488	5,890	–	7,901	11,233
Non-current financial assets	605,190	456,427	113,215	9,060	26,486	2
Other non-current assets	415,809	323,991	13,159	68,368	5,573	4,718
Current assets	7,441,535	5,645,088	1,523,262	111,948	157,785	3,452
Inventories	1,079,834	953,730	70,040	43,892	11,436	736
Trade and other receivables	4,776,272	3,511,592	1,110,707	38,070	113,838	2,065
Other current financial assets	155,275	77,369	67,638	139	10,110	19
Cash and cash equivalents	1,430,154	1,102,397	274,877	29,847	22,401	632
Total assets	**19,022,074**	**12,019,212**	**6,030,596**	**624,211**	**317,774**	**30,281**
Equity and liabilities						
Non-current liabilities	6,857,976	3,855,015	2,583,816	338,260	75,691	5,194
Bank borrowings and other non-current financial liabilities	4,738,460	2,927,939	1,551,981	208,774	47,024	2,742
Long-term provisions	964,541	382,702	503,579	60,006	16,437	1,817
Other non-current liabilities	1,154,975	544,374	528,256	69,480	12,230	635
Current liabilities	8,746,580	7,278,976	1,313,009	52,525	100,532	1,538
Bank borrowings and other current financial liabilities	2,656,421	2,253,992	310,103	25,806	66,517	3
Trade payables and other current liabilities	6,040,681	4,991,233	988,768	26,719	32,426	1,535
Short-term provisions	49,478	33,751	14,138	–	1,589	–
Total non-current and current liabilities	15,604,556	11,133,991	3,896,825	390,785	176,223	6,732
Assets less liabilities	3,417,518	885,221	2,133,771	233,426	141,551	23,549
Total equity and liabilities	**19,022,074**	**12,019,212**	**6,030,596**	**624,211**	**317,774**	**30,281**
Investments in property, plant and equipment and intangible assets	**687,773**	**526,880**	**99,239**	**33,070**	**28,444**	**140**

	Total Group	Spain	Other European Union	Countries USA	Latin America	Other
2005						
Assets						
Non-current assets	4,200,860	3,432,000	130,080	438,097	166,169	34,514
Property, plant and equipment	2,181,635	1,628,116	79,403	340,329	110,564	23,223
Intangible assets	955,805	855,542	38,009	52,709	9,545	–
Investments in associates	511,688	487,466	–	–	16,809	7,413
Non-current financial assets	184,371	143,310	10,554	6,894	23,613	–
Other non-current assets	367,361	317,566	2,114	38,165	5,638	3,878
Current assets	4,738,683	4,343,704	215,636	64,067	111,704	3,572
Inventories	509,085	457,152	6,057	38,137	6,739	1,000
Trade and other receivables	3,120,598	2,909,958	106,072	24,779	77,621	2,168
Other current financial assets	67,384	58,792	1,571	160	6,841	20
Cash and cash equivalents	1,041,616	917,802	101,936	991	20,503	384
Total assets	**8,939,543**	**7,775,704**	**345,716**	**502,164**	**277,873**	**38,086**
Equity and liabilities						
Non-current liabilities	1,546,700	1,153,453	50,647	258,334	59,667	24,599
Bank borrowings and other non-current financial liabilities	810,978	555,511	25,163	177,427	28,305	24,572
Long-term provisions	414,805	365,274	13,701	18,340	17,490	–
Other non-current liabilities	320,917	232,668	11,783	62,567	13,872	27
Current liabilities	4,784,489	4,508,316	132,377	44,106	96,482	3,208
Bank borrowings and other current financial liabilities	831,575	711,042	31,235	16,159	72,207	932
Trade payables and other current liabilities	3,922,226	3,770,650	98,775	27,947	22,637	2,217
Short-term provisions	30,688	26,624	2,367	–	1,638	59
Total non-current and current liabilities	6,331,189	5,661,769	183,024	302,440	156,149	27,807
Assets less liabilities	2,608,354	2,113,935	162,692	199,724	121,724	10,279
Total equity and liabilities	**8,939,543**	**7,775,704**	**345,716**	**502,164**	**277,873**	**38,086**
Investments in property, plant and equipment and intangible assets	**454,209**	**375,876**	**15,714**	**43,582**	**18,618**	**419**

c) Headcount

The average number of employees in 2006 and 2005, by business area, was as follows:

	2006	2005
Servicies	59,767	53,263
Construction	12,321	10,147
Cement	3,595	2,674
Other businesses	373	1,332
	76,056	**67,416**

22. Information on the environment

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 an environmental analysis of the Group's various activities in order to minimise their impact on the environment. 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. With regard to environmental risk management, the Group has implemented environmental management systems certified under ISO 14001 standards in the various business areas, which focus on:

a) Compliance with the applicable regulations and achievement of environmental objectives that go beyond external requirements.
b) Decrease in environmental impact through adequate planning.
c) Ongoing analysis of risks and possible improvements.

The basic risk prevention tool is the environmental plan which must be prepared by each operating unit and which consists of:

a) Identification of environmental issues and of applicable legislation.
b) Impact evaluation criteria.
c) Measures to be adopted.
d) A system for measuring the objectives achieved.

The non-current assets used in environmental conservation activities are classified under "Property, Plant and Equipment" and are depreciated over their useful lives. Also, in accordance with current accounting legislation, the companies recognise the expenses and provisions arising from their environmental commitments.

By their very nature, the Environmental 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 Environmental Services area requires the use of specialised structures, plant and machinery that are efficient in terms of environmental protection and conservation. At 31 December 2006, the acquisition cost of the non-current assets assigned to production in the Services area totalled EUR 7,119,128 thousand (31 December 2005: EUR 2,151,446 thousand), and the related accumulated depreciation amounted to EUR 2,122,341 thousand (31 December 2005: EUR 869,167 thousand). The environmental provisions, mainly for landfill sealing and shutdown expenses, totalled EUR 362,212 thousand (31 December 2005: EUR 33,578 thousand).

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

At year-end, the Cementos Portland Valderrivas Group had non-current assets relating to environmental conservation and protection amounting to EUR 122,248 thousand (net of depreciation) (2005: EUR 66,681 thousand).

The Group continues to record its CO_2. emission allowances as non-amortisable intangible assets. The allowances received for no consideration under the related national allocation plans are measured at the market price prevailing when they are received, and an item of deferred income is recognised for the same amount. The Group opted to apply the method permitted under IFRSs of recognising non-refundable grants as a reduction of the subsidised assets, and the related amount was deducted from the intangible asset recognised.

In 2006, under the National Allocation Plan approved in Spain, the Cementos Portland Valderrivas Group received for no consideration emission allowances equivalent to 7,779 thousand tonnes. These allowances related to Cementos Portland Valderrivas, S.A., Cementos Alfa, S.A., Lemona Industrial, S.A. and Uniland Cementera, S.A. The aforementioned plan also provides for the allocation, for no consideration, of emission allowances equal to 7,779 thousand tonnes in 2007. The emission allowances consumed in 2006 by the Cementos Portland Valderrivas Group totalled 6,454 thousand tonnes, considering the expense recognised from the date of inclusion in the scope of consolidation of the companies composing the Cementos Lemona and Corporación Uniland Groups. The cost incurred for the emission of greenhouse-effect gases, which amounted to EUR 139,281 thousand, was recognised with a charge to "Other External Expenses" in the accompanying consolidated income statement, against which the application of the grant for allowances received for no consideration was also recognised for the same amount.

The Construction division adopts environmental practices which make it possible to respect the environment in the performance of construction projects, and minimises 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 line personnel involved in the environmental decision-making process. It has also implemented an "Environmental Behaviour Code" which establishes the environmental conservation and protection requirements for subcontractors and suppliers.

For further information on the matters discussed in this Note, please refer to the Group's Corporate Social Responsibility report, which is published annually on FCC's website, www.fcc.es, among other channels.

23. Financial risk management policies

Interest rate risk

Since, due to their nature, the FCC Group's activities are closely linked to inflation, the Group's financial policy is to tie its debt and liquid financial assets, both of which are associated with its production cycle, to floating interest rates.

As part of its Strategic Plan, the FCC Group recently acquired certain companies in order to boost its core business areas. These acquisitions, which were financed mainly by borrowed funds, have increased the Group's debt and also considerably reshaped its debt profile.

In view of the foregoing and whilst observing its policy of natural hedging, FCC has arranged interest rate hedges amounting to EUR 2,103,100 thousand, mainly in the form of swaps in which the Group companies pay fixed interest rates and receive floating interest rates.

In any case, given the volatility of the money markets, FCC adopts an active interest rate risk management policy to ensure that its position in this respect is at all times in the Group's best interest.

Foreign exchange risk

A significant outcome of the aforementioned Strategic Plan was the increase in international exposure, due to the major acquisitions made in markets with currencies other than the euro, mainly the pound sterling and the Czech koruna.

The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and purely equity-related changes.

In practice, when permitted by the local financial markets, the Group actively manages its foreign exchange risk, through hedges achieved by arranging financial transactions in the same currency as that in which the related asset is denominated.

Solvency risk

At 31 December 2006, the FCC Group's net financial debt amounted to EUR 5,203,694 thousand, as shown in the following table:

	2006	2005
Bank borrowings	6,494,046	1,396,327
Debt instruments and other held-for-trading liabilities	148,397	50,191
Other interest-bearing financial debt	146,680	65,519
Current financial assets	(155,275)	(67,384)
Cash and cash equivalents	(1,430,154)	(1,041,616)
Net financial debt	**5,203,694**	**403,037**
Debt without recourse	**1,908,041**	**64,653**
Net debt with recourse	**3,295,653**	**338,384**

Of the increase in net financial debt in 2006 due to the implementation of the Strategic Acquisition Plan, at 2006 year-end EUR 1,908,041 thousand related to transactions without recourse (36.6% of total net financial debt), whereas the net debt with recourse amounted to EUR 3,295,653 thousand (63.4% of total net financial debt), representing 96% of equity at 31 December 2006.

The Group's gearing ratio (direct debt with recourse/direct debt with recourse plus equity) is 49.1%.

The ratio of net debt with recourse to EBITDA is 2.63% (this ratio excludes the full amount of EBITDA of the companies which were fully or partially financed without recourse).

Liquidity risk

At year-end the FCC Group had arranged credit facilities that more than covered its debt position.

In view of the aforementioned gearing ratios, it is estimated that the Group will not only maintain its existing credit lines with no restrictions of any kind, but will also be able to increase them, within reasonable limits, if this is necessary.

Financial derivatives designated as hedging instruments

A financial derivative is a financial instrument or any other type of contract that has the following characteristics:

– Its value varies on the basis of changes in certain variables, such as interest rates, the price of a financial instrument, exchange rates, credit ratings or any other type of variable which may be of a non-financial nature.

– It does not require an initial net investment.

– It will be settled on a future date.

Apart from giving rise to gains or losses, financial derivatives may, under certain conditions, fully or partially offset foreign exchange or interest rate risks or risks associated with balances and transactions.

In order to be considered a hedge, a financial derivative must necessarily

– Cover one of the following three risks:

  a) changes in the fair value of assets and liabilities.

  b) changes in projected cash flows relating to financial assets and liabilities.

  c) net investments in a foreign operation.

– Effectively eliminate the risk inherent to the hedged item or position throughout the projected term of the hedge. The hedge is considered to be effective when the changes in expected cash flows or in the fair value of the item hedged are offset in a range of 80% - 125% by those of the derivative.

- Be able to be measured reliably in terms of its effectiveness; and

- be accompanied by formal documentation at the inception of the hedge and during the term of the hedge clearly identifying the items to be hedged, the hedging instrument and the nature of the hedged risk.

  At 31 December 2006, the FCC Group had arranged hedging transactions totalling EUR 2,451,830 thousand (2005 year-end: EUR 487,974 thousand), mainly in the form of IRSs in which the Group companies pay fixed interest rates and receive floating interest rates. The detail of the cash flow hedges and their fair value, in which the amounts relating to joint ventures and associates is shown in proportion to the percentage of ownership, is as follows:

	Fair value 2006	Notional amount 2006	Fair Value 2005	Notional amount 2005	Maturity
Fully consolidated companies					
WRG Group	(4,396)	180,537			2009/2027
Cementos Portland Valderrivas, S.A.	3,817	648,108			2011
Autopista Central Gallega Concesionaria Española, S.A. Sole-Shareholder Company	2,486	135,000			2013
Portland, S.L.	1,969	613,823			2012
Giant Cement Holding Inc.	994	117,232	339	59,339	2007/2008/2013
Fomento de Construcciones y Contratas, S.A.	732	296,780			2013
Cementos Lemona, S.A.	144	6,815			2009
Lemona Industrial, S.A.	16	1,210			2009
Tecami Ofitas, SA.	11	825			2009
Aqualia Gestión Integral del Agua, S.A.			208	2,780	2007
	5,773	**2,000,330**	**547**	**62,119**	
Joint ventures					
Atlántica de Graneles y Moliendas, S.A.	101	7,875			2011
Aguas y Servicios de la Costa Tropical de Granada, A.I.E.	6	2,543	132	2,931	2008
CDN-USA Group			360	1,700	
	107	**10,418**	**492**	**4,631**	
Associates					
Autopista de la Costa Cálida Concesionaria Española de Autopistas, S.A.	3,055	80,438	725	176,963	2010
Cedinsa Eix del Llobregat Concessionària de la Generalitat de Catalunya, S.A. Sole-Shareholder Company	1,279	52,728	(1,605)	52,728	2033
Hospital del Sureste, S.A.	270	21,777	(243)	10,813	2033
Ibisan, Sociedad Concesionaria, S.A.	267	58,515			2007/2027
Terminal Polivalente de Castellón, S.A.	87	8,889	(190)	9,371	2009
Túnel d'Envalira, S.A. Concessionària del Principal d'Andorra	(83)	7,254			2022
Cedinsa d'Aro Concessionària de la Generalitat de Catalunya, S.A. Sole-Shareholder Company	(235)	9,809			2033
Ruta de los Pantanos, S.A.	(500)	1,953	(839)	1,988	2018
Madrid 407 Sociedad Concesionaria, S.A.	(1,313)	39,744			2007/2033
Tramvia Metropolità del Besós, S.A.	(1,413)	15,280	(2,536)	15,695	2023
Tramvia Metropolità, S.A.	(2,295)	14,587	(3,526)	15,162	2023
Autovía del Camino, S.A.	(11,797)	100,174	(17,567)	66,295	2024/2027/2030
Urbs Iudex et Causidicus, S.A.	(14,692)	29,934	(20,474)	65,823	2033
Atlántica de Graneles y Moliendas, S.A.			25	2,693	2011
Lemona Industrial, S.A.			(2)	346	2009
Tecami Ofitas, S.A.			(3)	508	2009
Cementos Lemona, S.A.			(20)	2,839	2009
	(27,370)	**441,082**	**(46,255)**	**421,224**	

The changes in the fair value of cash flow hedges are taken, net of the tax effect, to reserves (see Note 14-b.5) and are recognised in income for the year to the extent that the hedged item has an impact on the income statement.

The financial derivatives were measured by experts on the subject using generally accepted methods and techniques. These experts were independent from the Group and the entities financing it.

The IRSs were measured by discounting all the flows envisaged in each contract on the basis of its characteristics, such as the notional amount and the collection and payment schedule. This measurement was made using the zero-coupon rate curve determined by employing a bootstrapping process for the deposits and swaps traded at any given time. This zero-coupon rate curve was used to obtain the discount factors for the measurements, which were made assuming the absence of arbitrage opportunity (AAO). When there were caps and floors or combinations thereof, on occasions conditional upon special conditions being met, the interest rates used were the same as those used for the swaps, although in order to introduce the component of randomness in the exercise of the options, the generally accepted Black model was used.

In the case of a cash flow hedging derivative tied to inflation, the method used is very similar to that applied to interest rate swaps. The projected inflation is estimated on the basis of the inflation included implicitly in the ex-tobacco European inflation-indexed swaps quoted on the market and is aligned with Spanish inflation by means of a convergence adjustment.

The detail, by maturity, of the notional amount of the hedging transactions arranged at 31 December 2006 is as follows:

			Notional maturity		
	2007	2008	2009	2010	2011 and subsequent years
Fully consolidated companies	72,452	94,905	152,449	134,598	1,545,926
Joint ventures	2,156	3,887	1,750	1,750	875
Associates	63,951	3,403	12,303	6,573	354,852

Derivatives that do not qualify for hedge accounting

This heading includes the financial derivatives arranged by the Company to serve as hedges but which do not qualify for hedge accounting under IAS 39 "Financial Instruments: Recognition and Measurement" because they do not pass the effectiveness tests under this Standard. The changes in the fair value of these derivatives are recognised under "Gains (Losses) on Changes in Value of Financial Instruments" or "Share of Results of Associates", as appropriate.

At 31 December 2006, the FCC Group had arranged the following transactions that do not qualify for hedge accounting:

	Fair value 2006	Notional amount 2006	Fair value 2005	Notional amount 2005	Maturity
Fully consolidated companies					
Recuperaciones Madrileñas del Papel, S.A.		428		572	2009
FCC Logística, S.A. Sole-Shareholder	(3)	2,500		2,500	2007
SmVaK Group	(11)	18,230			2015
Aqualia Gestión Integral del Agua, S.A.	(37)	10,007	(164)	10,314	2008
Fomento de Construcciones y Contratas, S.A.	(74)	31,323	(838)	60,284	2007/2008
	(125)	**62,488**	**(1,002)**	**73,670**	
Joint ventures					
Zabalgarbi, S.A.	(464)	29,900	(1,464)	29,900	2007/2009/2014
	(464)	**29,900**	**(1,464)**	**29,900**	
Associates					
Tirme, S.A.	(9)	1,202		1,202	2007
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra	(39)	1,396		1,396	2007
Ruta de los Pantanos, S.A.	(438)	8,321	(874)	8,511	2009
Concesiones de Madrid, S.A.	(595)	33,621	(1,850)	33,700	2008
	(1,081)	**44,540**	**(2,724)**	**44,809**	

Following is a detail, by maturity, of the notional amount hedged by derivatives that do not qualify for hedge accounting:

			Notional maturity		
	2007	2008	2009	2010	2011 and subsequent years
Fully consolidated companies	24,582	19,554	122		18,230
Joint ventures	9,100		2,600	11,700	6,500
Associates	2,819	33,872	7,849		

Sensitivity test on derivatives and net debt

In order to be able to analyse the effect that a possible fluctuation in interest rates might have on the Group's accounts, a simulation was performed which assumed a 100-basis point increase and decrease in the interest rates at 31 December 2006.

Following are the results obtained for the derivatives outstanding at year-end, distinguishing between Group companies and joint ventures and associates, together with the impact on equity and on the income statement on the basis of the related percentage of ownership.

	Group Companies and Joint Ventures		Associates	
	-100 basis points	+100 basis points	-100 basis points	+100 basis points
Impact on equity (Derivatives qualifying for hedge accounting)	(60,470)	56,220	(31,050)	26,490
Impact on the income statement (Derivatives not qualifying for hedge accounting)	(680)	320	(440)	430

It should also be noted that a 100-basis point increase and decrease in the interest rates on the net debt, after excluding any hedged debt, would give rise to a cost of EUR 35,800 thousand or income of EUR 35,800 thousand, respectively, in profit before tax in the FCC Group's income statement.

24. Information on related party transactions

a) Transactions with significant shareholders of the parent

The detail of the significant transactions involving a transfer of resources or obligations between Group companies and significant shareholders is as follows:

Shareholder	Group Company	Type of transaction	Type of relationship	Amount
B 1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Rendering of services	7
B 1998, S.L. (Dominum Desga, S.A.)	Servicios Especiales de Limpieza, S.A.	Contractual	Rendering of services	9
B 1998, S.L. (Diseño Especializado en Organización de Recursos, S.L.)	Servicios Especiales de Limpieza, S.A.	Contractual	Rendering of services	10
B 1998, S,L. (Ordenamientos Ibéricos, S.A.)	FCC Construcción, S.A.	Contractual	Rendering of services	251
B 1998, S.L. (Esther Koplowitz Romero de Juseu)	Eurman, S.A.	Contractual	Rendering of services	5

b) Transactions with the Company's directors and senior executives

The detail of the remuneration earned by the directors of Fomento de Construcciones y Contratas, S.A. in 2006 and 2005 and payable to them by the Company or by any of the Group companies, joint ventures or associates is as follows:

	2006	2005
Fixed remuneration	2,365	2,205
Variable remuneration	519	484
Bylaw-stipulated directors' emoluments	2,754	2,392
Attendance fees	6	6
	5,644	**5,087**

The senior executives listed below, who are not members of the Board of Directors, earned total remuneration of EUR 4,852 thousand in 2006 (2005: EUR 4,258 thousand):

2006		2005	
Ignacio Bayón Mariné	Chairman of Realia Business, S.A.	Ignacio Bayón Mariné	Chairman of Realia Business, S.A
José Ignacio Martínez-Ynzenga Cánovas del Castillo	Managing Director of Cementos P.V	José Ignacio Martínez-Ynzenga Cánovas del Castillo	Managing Director of Cementos P.V.
José Mayor Oreja	Chairman of FCC Construcción, S.A.	José Mayor Oreja	Chairman of FCC Construcción, S.A.
José Eugenio Trueba Gutiérrez	General Administration and Finance Manager	José Eugenio Trueba Gutiérrez	General Administration and Finance Manager
José Luís Vasco Hernando	General Administration Manager	José Luís Vasco Hernando	General Administration Manager
José Luís de la Torre Sánchez	Chairman of FCC Servicios	José Luís de la Torre Sánchez	Chairman of FCC Servicios
Antonio Gómez Ciria	Internal Audit Manager	Antonio Gómez Ciria	Internal Audit Manager

The payments made by the Group in relation to the insurance policy taken out for, among others, the executive directors and senior executives of the Company or the Group are disclosed in Note 18. The Company's directors did not receive any amount from the insurance policy in 2006 (they received EUR 3,942 thousand in 2005).

Except as indicated in Note 18, no other remuneration, advances, loans or guarantees were granted to the Board members.

Set forth below are the required disclosures in relation to the ownership interests held by the directors of Fomento de Construcciones y Contratas, S.A. in the share capital of non-FCC Group companies; the activities (if any) performed by them, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company object of the FCC Group; and the transactions (if any) conducted by them or by persons acting on their behalf, with the Company or with any company in the same Group that are not part of the Company's normal business activities or are not conducted on an arm's length basis:

The director Miguel Blesa de la Parra declared that he had engaged in activities, as an independent professional or as an employee, that are similar or complementary to the activities that constitute the company object of Fomento de Construcciones y Contratas, S.A., in his capacity as Chairman of the Boards of Directors of Caja Madrid and of Corporación Financiera Caja de Madrid, S.A., which directly or indirectly own 33.92% and 15.24%, respectively, of the share capital of Realia Business, S.A., a company directly or indirectly 49.16% owned by Fomento de Construcciones y Contratas, S.A.

The other 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 Company's object.

The other Board members of the Company do not hold any ownership interests in the share capital of any companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Fomento de Construcciones y Contratas, S.A.

In 2006 the other 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 in the same Group, any transactions that were not part of the Company's normal business activities or were not conducted on an arm's length basis.

Certain of the directors of Fomento de Construcciones y Contratas, S.A. hold positions or discharge functions and/or hold ownership interests of less than 0.01% in all cases in other FCC Group companies in which Fomento de Construcciones y Contratas, S.A. directly or indirectly holds a majority of the voting power.

Following is a detail of the significant transactions giving rise to a transfer of resources or obligations between Group companies and their executives or directors:

Name or corporate name of the directors or executives	Name or corporate name of the group company or entity	Type of transaction	Type of relationship	Amount
Larranza XXI, S.L.	FCC Versia, S.A.	Contractual	Purchases of goods	2
Larranza XXI, S.L.	FCC Construcción, S.A.	Contractual	Purchases of goods	3
Larranza XXI, S.L.	Fomento de Construcciones y Contratas, S.A.	Contractual	Purchases of goods	26
Larranza XXI, S.L.	FCC Construcción, S.A.	Contractual	Rendering of services	454
Dominum Desga, S.A.	Servicios Especiales de Limpieza, S.A.	Contractual	Rendering of services	9
B 1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Rendering of services	7
B 1998, S.L. (Dominun Desga, S.a.)	Servicios Especiales de Limpieza, S.A.	Contractual	Rendering of services	9
B 1998, S.L. (Diseño Especializado en Organización de Recursos, S.L.)	Servicios Especiales de Limpieza, S.A.	Contractual	Rendering of services	10
B 1998, S.L. (Ordenamientos Ibéricos, S.A.)	FCC Construcción, S.A.	Contractual	Rendering of services	251
B 1998, S.L. (Esther Koplowitz Romero de Juseu)	Eurman, S.A.	Contractual	Rendering of services	5

c) Transactions between Group companies or entities

Numerous transactions take place between the Group companies as part of the Group's normal business activities which, if they are significant, are eliminated in the preparation of the consolidated financial statements. In relation to construction projects performed by fully consolidated infrastructure concession operators, it should be noted that the revenue from completed work is not eliminated in consolidation since, under these contracts, the construction work is deemed to be performed for third parties because it is being executed for the concession owner, i.e. the grantor public authority. In this connection, revenue of EUR 15,310 thousand was recognised in the accompanying 2006 consolidated financial statements.

The revenue recognised in the accompanying consolidated income statement includes EUR 458,963 thousand (2005: EUR 260,310 thousand) relating to Group company billings to associates.

The Group's consolidated financial statements also include purchases from associates amounting to EUR 25,403 thousand (2005: EUR 39,420 thousand).

d) Mechanisms established to detect, determine and resolve possible conflicts of interests between the parent and/or its Group and its directors, executives or significant shareholders.

The FCC Group has established precise mechanisms to detect, determine and resolve possible conflicts of interests between the Group companies and their directors, executives and significant shareholders, as indicated in Article 25 of the Board's Regulations.

25. Fees paid to auditors

The 2006 and 2005 fees for financial audit services and for other professional services provided to the various Group companies and joint ventures 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, both in Spain and abroad, are shown in the following table:

	2006		2005	
Fees for financial audit services		4,424		3,089
Principal auditor	1,864		1,830	
Other auditors	2,560		1,259	
Fees for other services		2,042		1,626
Principal auditor	366		791	
Other auditors	1,676		835	
		6,466		**4,715**

26. Events after the balance sheet date

– ***Incorporation of Global Vía.***

On 30 January 2007, Global Vía Infrastructuras was incorporated by Caja Madrid and FCC, which each contributed 50% of the capital, in order to bring together all the infrastructure concession investments of the two firms.

This company, which was created with share capital of EUR 250,000 thousand, will group together 35 infrastructure concessions, mainly those for motorways and freeways, commercial ports and marinas, underground railway lines, trams and hospitals.

– ***Flotation of Realia.***

FCC and Caja Madrid agreed to establish a structure to enable FCC to take control of Realia. They also reiterated their willingness to commence the formal procedures for the listing of Realia on the stock markets and to maintain stable control of the company after it is floated.

At the date of issue of these consolidated financial statements, the appropriate steps are being taken to achieve these objectives.

27. Explanation added for translation to english

These consolidated financial statements are presented on the basis of IFRSs as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

Appendix I Subsidiaries (fully consolidated)

Company	Registered office	Effective Percentage of Ownership	Auditor
Environmental services			
Abastecimientos y Saneamientos del Norte, S.A. Sole-Shareholder Company	Uruguay, 11. Vigo (Pontevedra)	100.00	
Acque di Caltanissetta, S.p.A.	Italy	51.00	KPMG (Italy)
Adobs Orgànics. S.L.	Sant Benet, 21. Manresa (Barcelona)	60.00	
AEBA Ambiente y Ecología de Buenos Aires, S.A.	Argentina	52.50	Estudio Torrent Auditores
Aecosol, S.L.	Común de las Eras. Fustiñana (Navarra)	100.00	
Aguas Jaén, S.A.	Plaza de los Jardinillos, 6. Jaén	60.00	Deloitte, S.L.
Aguas Torrelavega, S.A.	La Viña, 4. Torrelavega (Cantabria)	51.00	Enrique Campos&Cia. Censores Jurados de Cuentas
Aigües de l'Alt Empordà, S.A.	Lluís Companys, 43. Roses (Girona)	51.40	
Alfonso Benítez, S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
Aqua Campiña, S.A.	Avda. Blas Infante, 6. Écija (Seville)	90.00	Mazars Auditores, S.A.
Aqualia Gestión Integral del Agua, S.A.	Federico Salmón, 13. Madrid	100.00	KPMG
Augas Municipais de Arteixo, S.A.	Plaza Alcalde Ramón Dopico. Arteixo (La Coruña)	51.00	Centium Auditores, S.L.
Azincourt Investment, S.L. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Azuser, S.L.	Camí de la Rambla, 12. Onda (Castellón)	100.00	
Baltecma Gestión de Residuos Industriales, S.L.	Conradors, parcela 34 P.I. Marratxi. Marratxi (Balearic Islands)	70.00	
Bistibieta, S.L.	Trinidad, 9. Algorta (Vizcaya)	100.00	
Castellana de Servicios, S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
Chemipur Químicos, S.L. Sole-Shareholder Company	Pincel, 25. Seville	100.00	
Colaboración, Gestión y Asistencia, S.A.	Federico Salmón, 13. Madrid	100.00	
Compañía Catalana de Servicios, S.A.	Balmes, 36. Barcelona	100.00	Price Watehouse Coopers Auditores, S.L
Compañía de Control de Residuos, S.L.	Peña Redonda, 27. P.I. Silvota. Llanera (Asturias)	64.00	
Compañía Onubense de Aguas, S.A.	Avda. Martín Alonso Pinzón, 8. Huelva	60.00	
Conservación de Infraestructuras Urbanas, S.A. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	Audinfor, S.L.
Corporación Inmobiliaria Ibérica, S.A.	Ulises, 18. Madrid	100.00	
Ecoactiva de Medio Ambiente, S.A. Sole-Shareholder Company	Ctra. Puebla Albortón a Zaragoza Km. 25. Zaragoza	60.00	Deloitte, S.L.
Ecodeal-Gestao Integral de Residuos Industriais, S.A.	Portugal	55.00	Price Waterhouse Coopers Auditores, S.L.
Ecogenesis Societe Anonime Rendering of Cleansing and Waste Management Services	Greece	51.00	Audinfor, S.L.
Egypt Environmental Services, S.A.E.	Egypt	100.00	
Ekonor, S.A.	Larras de San Juan-Iruña de Oca (Álava)	100.00	
Empresa Comarcal de Serveis Mediambientals del Baix Penedés – ECOBP, S.L.	Plaza del Centre, 3. El Vendrell (Tarragona)	80.00	
Empresa Mixta de Conservación de la Estación Depuradora de Aguas Residuales de Butarque, S.A.	Princesa, 3. Madrid	70.00	
Empresa Municipal de Desarrollo Sostenible Ambiental de Úbeda, S.L.	Plaza Vázquez de Molina, s/n. Úbeda (Jaén)	90.00	Audinfor, S.L.
Entemanser, S.A.	Castillo, 13. Adeje (Santa Cruz de Tenerife)	97.00	MACG y Auditores Asociados, S.L.
Enviropower Investments Limited	United Kingdom	100.00	
Equipos de Protección Ambiental, S.L.	Trinidad, 9. Algorta (Vizcaya)	100.00	
F.S. Colaboración y Asistencia, S.A.	Ulises, 18 Edficio H. Madrid	65.00	Audinfor, S.L.
FCC Medio Ambiente, S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
Focsa Services, U.K., Ltd.	United Kingdom	100.00	Deloitte & Touche, S.A.
Focsa Serviços de Saneamento Urbano de Portugal, S.A.	Portugal	100.00	Horwarth
Gamasur Campo de Gibraltar, S.L.	Antigua Ctra. de Jimena de la Frontera, s/n. Los Barrios (Cádiz)	85.00	Price Waterhouse Coopers Auditores, S.L.
GEMECAN, Gestora Medioambiental y de Residuos, S.L.	Josefina Mayor, 12. Telde (Las Palmas)	100.00	
Gestió i Recuperació de Terrenys, S.A.	Paratge Vacamorta. Cruïlles (Girona)	80.00	
Gestión de Aguas del Norte, S.A.	Avda. de Tirajana, 39. San Bartolomé de Tirajana (Las Palmas)	51.00	Audinfor, S.L.
Gestiones Medioambientales del Sur, S.L.	P.I. Las Quemadas, parcela 271. Córdoba	100.00	Price Waterhouse Coopers Auditores, S.L.
Giza Environmental Services, S.A.E.	Egypt	100.00	Deloitte, S.L.
Graver Española, S.A. Sole-Shareholder Company	Epalza, 8. Bilbao (Vizcaya)	100.00	
ASA Group:	Austria		Price Waterhouse Coopers Auditores, S.L.
ASA Abfall Service AG	Austria	100.00	
ASA Abfall Service Betriebs GmbH	Austria	100.00	
ASA Abfall Service Halbenrain GmbH	Austria	100.00	
ASA Abfall Service Halbenrain GmbH & Co Nfg KG	Austria	100.00	
ASA Abfall Service Industrieviertel Betriebs GmbH	Austria	100.00	
ASA Abfall Service Industrieviertel GmbH & Co Nfg KG	Austria	100.00	

Subsidiaries (fully consolidated)

Company	Registered office	Effective Percentage of Ownership	Auditor
ASA Abfall Service Neunkirchen GmbH	Austria	100.00	
ASA Abfall Service Oberösterreich GmbH	Austria	100.00	
ASA Abfall Service Wiener Neustadt GmbH	Austria	100.00	
ASA Abfall Service Zistersdorf GmbH	Austria	100.00	
ASA Abfall Sortieranlage Asten Betriebs GmbH Nfg KG	Austria	100.00	
ASA Abfallservice Halbenrain GmbH & Co Nfg KG	Austria	100.00	
ASA Areal spol. s.r.o	Czech Republic	100.00	
ASA Ceské Budêjovice s.r.o	Czech Republic	75.00	
ASA Dacice s.r.o	Czech Republic	60.00	
ASA EKO Bih d.o.o	Bosnia Herzegovina	100.00	
ASA EKO Polska sp. z.o.o.	Poland	100.00	
ASA EKO s.r.o.	Slovakia	100.00	
ASA EKO Znojmo s.r.o	Austria	50.00	
ASA Ekologické Sluzby spol. s.r.o.	Slovakia	100.00	
ASA Ekoloski Servis d.o.o.	Slovakia	100.00	
ASA Es d.o.o.	Serbia	100.00	
ASA Es Únanov s.r.o.	Czech Republic	66.00	
ASA Finanzdienstleistungen GmbH	Austria	100.00	
ASA Hódmezövásárhel y Köztisztasági Kft	Hungary	61.83	
ASA Hp spol. s.r.o.	Czech Republic	100.00	
ASA International Environmental Services GmbH	Austria	100.00	
ASA Kisalföld Szállító Környezetvédelmi És H Kft	Hungary	100.00	
ASA Kosické Olsany s.r.o.	Slovakia	95.00	
ASA Liberec s.r.o.	Czech Republic	55.00	
ASA Magyarország Környezetvédelem És H Kft	Hungary	100.00	
ASA Odpady Litovel s.r.o.	Czech Republic	49.00	
ASA Olsava spol. s.r.o.	Slovakia	100.00	
ASA Pol spol. s.r.o.	Czech Republic	65.79	
ASA Posázaví s.r.o.	Czech Republic	100.00	
ASA Slovensko spol. s.r.o.	Slovakia	100.00	
ASA Sluzby Zabovresky s.r.o.	Czech Republic	89.00	
ASA spol. s.r.o.	Czech Republic	100.00	
ASA TRNAVA spol. s.r.o.	Slovakia	50.00	
ASA Usluge Za Zastitu Okolisa d.o.o.	Croatia	100.00	
ASA V.O.D.S. Sanacie s.r.o.	Slovakia	51.00	
ASA Zabcice spol. s.r.o.	Czech Republic	80.00	
ASA Zohor spol. s.r.o.	Slovakia	85.00	
Abfallwirtschaftszentrum Mostviertel GmbH	Austria	100.00	
Bec Odpady s.r.o.	Czech Republic	100.00	
Eko Serwis sp. z.o.o.	Poland	100.00	
Entsorga Entsorgungs GmbH Nfg KG	Austria	100.00	
EnviCon G s.r.o.	Czech Republic	99.60	
Erd-Kom Érdi Kommunális Hulladékkezelö	Hungary	90.00	
Esko – ASA s.r.o.	Czech Republic	66.00	
Inerta Abfallbehandlungs GmbH	Austria	100.00	
Matra-Kom Hulladékgazdálkodási Szolgáltató Kft	Hungary	100.00	
Miejska Przedsiebiorstwo Gospodarki Komunalnej sp. z.o.o. Zabrze	Poland	80.00	
Polabska s.r.o.	Czech Republic	66.67	
Quail spol. s.r.o.	Czech Republic	100.00	
Regios AS	Czech Republic	99.00	
S C ASA Servicii Ecologice SRL	Romania	100.00	
Sárrétti Közterület-Fenntartó Kft	Hungary	17.00	
SC Valmax Impex SRL	Romania	60.00	
Siewierskie Przedsiebiorstwo Gospodarki Komunalnej sp. z.o.o.	Poland	60.00	
Technické Sluzby – ASA s.r.o.	Slovakia	100.00	
Textil Verwertung GmbH	Austria	100.00	
Tores – Technické, Obchodní a Rekreacní Sluzby AS	Czech Republic	100.00	
Waste City spol. s.r.o. -in liquidation-	Slovakia	100.00	

Appendix I

Company	Registered office	Effective Percentage of Ownership	Auditor
Waste Recycling Group:	United Kingdom		KPMG
3C Holdings Limited	United Kingdom	100.00	
3C Waste Limited	United Kingdom	100.00	
Advanced Natural Fuels Limited	United Kingdom	100.00	
Airdriehill Quarries Limited	United Kingdom	100.00	
Allington Waste Company Limited	United Kingdom	100.00	
Anti-Rubbish Limited	United Kingdom	100.00	
Anti-Waste (Restoration) Limited	United Kingdom	100.00	
Anti-Waste Limited	United Kingdom	100.00	
Arnold Waste Disposal Limited	United Kingdom	100.00	
Arpley Gas Limited	United Kingdom	99.97	
BDR Waste Disposal Limited	United Kingdom	80.00	
CLWR Management 2001 Limited	United Kingdom	100.00	
Darrington Quarries Limited	United Kingdom	100.00	
Derbyshire Waste Limited	United Kingdom	80.00	
East Waste Limited	United Kingdom	100.00	
Econowaste Limited	United Kingdom	100.00	
Finstop Limited	United Kingdom	100.00	
Green Waste Services Limited	United Kingdom	100.00	
GWS (Holdings) Limited	United Kingdom	100.00	
Herrington Limited	United Kingdom	100.00	
Humberside Wastewise Waste Management Services Limited	United Kingdom	100.00	
Integrated Waste Management Limited	United Kingdom	100.00	
Kent Energy Limited	United Kingdom	100.00	
Kent Enviropower Limited	United Kingdom	100.00	
Landfill Management Limited	United Kingdom	100.00	
Lincwaste Limited	United Kingdom	100.00	
Meadshores Limited	United Kingdom	100.00	
Norfolk Waste Limited	United Kingdom	100.00	
Oxfordshire Waste Limited	United Kingdom	100.00	
Paper Product Developments Limited	United Kingdom	90.00	
Pennine Waste Management Limited	United Kingdom	100.00	
RE3 Holding Limited	United Kingdom	100.00	
RE3 Limited	United Kingdom	100.00	
Site&Field Equipment Limited	United Kingdom	100.00	
T Shooter Limited	United Kingdom	100.00	
Tawse Ellon (Haulage) Limited	United Kingdom	100.00	
Waste Recovery Limited	United Kingdom	100.00	
Waste Recycling Group (Central) Limited	United Kingdom	100.00	
Waste Recycling Group (Scotland) Limited	United Kingdom	100.00	
Waste Recycling Group (South West) Limited	United Kingdom	100.00	
Waste Recycling Group (Yorkshire) Limited	United Kingdom	100.00	
Waste Recycling Group Limited	United Kingdom	100.00	
Waste Recycling Limited	United Kingdom	100.00	
Wastenotts (Reclamation) Limited	United Kingdom	100.00	
Wastenotts Limited	United Kingdom	100.00	
Wastewise Limited	United Kingdom	100.00	
Wastewise Power Limited	United Kingdom	100.00	
Wastewise Trustees Limited	United Kingdom	100.00	
Welbeck Waste Management Limited	United Kingdom	81.00	
Winterton Power Limited	United Kingdom	100.00	
WRG (Management) Limited	United Kingdom	100.00	
WRG (Midlands) Limited	United Kingdom	100.00	
WRG (Northerm) Limited	United Kingdom	100.00	
WRG Acquisitions 2 Limited	United Kingdom	100.00	
WRG Berkshire Limited	United Kingdom	100.00	
WRG Environmental Limited	United Kingdom	100.00	
WRG PFI Holdings Limited	United Kingdom	100.00	

Company	Registered office	Effective Percentage of Ownership	Auditor
WRG Properties Limited	United Kingdom	100.00	
WRG Waste Services Limited	United Kingdom	100.00	
WRG Wrexham Limited	United Kingdom	65.00	
WRG Wrexham PFI Holdings Limited	United Kingdom	65.00	
Hidrocen, S.L.	Camino del Valle, 12. Arganda del Rey (Madrid)	100.00	Price Waterhouse Coopers Auditores, S.L.
Hidrotec Tecnología del Agua, S.L. Sole-Shareholder Company	Pincel, 25. Seville	100.00	
Industrias Sangar, S.A.	Guadalquivir, 16. Fuenlabrada (Madrid)	100.00	
Innovación y Gestión Medioambiental, S.A.	Camí de la Rambla, 10. Onda (Castellón)	100.00	Deloitte, S.L.
Instugasa, S.L. Sole-Shareholder Company	La Presa, 14. Adeje (Santa Cruz de Tenerife)	100.00	MACG y Auditores Asociados, S.L.
Integraciones Ambientales de Cantabria, S.A.	Lealtad, 14. Santander (Cantabria)	90.00	
International Services Inc., S.A. Sole-Shareholder Company	Arquitecto Gaudí, 4. Madrid	100.00	
Inversora Riutort, S.L.	Alfonso XIII. Sabadell (Barcelona)	90.00	
Ipodec Riscop, S.A. Sole-Shareholder Company	Ctra. Sabadell a Mollet Km. 1 Molí d'en Gall. Barberà del Vallés (Barcelona)	100.00	Price Waterhouse Coopers Auditores, S.L.
Jaime Franquesa, S.A.	P.I. Zona Franca Sector B calle D49. Barcelona	100.00	
Jaume Oro, S.L.	Avda. de les Garrigues, 15. Bellpuig (Lleida)	100.00	Audinfor, S.L.
Ligete, S.L.	Trinidad, 9. Algorta (Vizcaya)	100.00	
Limpieza e Higiene de Cartagena, S.A.	Luis Pasteur, 6. Cartagena (Murcia)	90.00	Deloitte, S.L.
Limpiezas Industriales Alfus, S.A.	Barrio Ibarra, 20. Bedia (Vizcaya)	100.00	Audinfor, S.L.
Limpiezas Urbanas de Mallorca, S.A.	Ctra. San Margalida-Can Picafort. Santa Margalida (Balearic Islands)	100.00	Audinfor, S.L.
Lizarreka, S.L.	Bº Elbarrena. Aduna (Guipúzcoa)	100.00	
Manipulación y Recuperación MAREPA, S.A.	Avda. San Martín de Valdeiglesias, 22. Alcorcón (Madrid)	100.00	Price Waterhouse Coopers Auditores, S.L.
Municipal de Serveis, S.A.	Joan Torrà i Cabrosa, 7. Girona	80.00	B.L.S. Auditores, S.L.
Nilo Medioambiente, S.L. Sole-Shareholder Company	Pincel, 25. Seville	100.00	Audinfor, S.L.
Onyx Gibraltar, Ltd.	United Kingdom	100.00	
Ovod spol. s.r.o.	Czech Republic	98.67	Deloitte & Touche, spol s.r.o.
Papeles Hernández e Hijos, S.A.	Guadalquivir, 16. Fuenlabrada (Madrid)	100.00	Price Waterhouse Coopers Auditores, S.L.
Papeles Vela, S.A.	Álava, 90. Barcelona	100.00	
Recitermia, S.A. Sole-Shareholder Company	Ctra. Andalucía Km. 12 P.I. Los Olivos. Getafe (Madrid)	100.00	
Recuperació de Pedreres, S.L.	Paratge Vacamorta. Cruïlles (Girona)	80.00	Price Waterhouse Coopers Auditores, S.L.
Recuperaciones Madrileñas del Papel, S.A.	Guadalquivir, 16. Fuenlabrada (Madrid)	100.00	
Recuperados Extremeños, S.A.	Ctra. Nacional 630 Km. 543. Casar de Cáceres (Cáceres)	100.00	
Saneamiento y Servicios, S.A.	Ronda Vigilancia, s/n. Cádiz	100.00	Deloitte, S.L.
Senblen Bat, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	83.25	
Serveis d'Escombreries i Neteja, S.A.	Coure, s/n. P.I. Riu Clar. Tarragona	100.00	Deloitte, S.L.
Servicios de Levante, S.A.	Ctra. de Valencia Km. 3. Castellón de la Plana (Castellón)	100.00	Deloitte, S.L.
Servicios Especiales de Limpieza, S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
Servicios y Procesos Ambientales, S.A.	Avda. General Perón, 36. Madrid	100.00	KPMG
Severomoravské Vodovody a Kanalizace Ostrava A.S.	Czech Republic	98.67	Deloitte & Touche, spol s.r.o.
SmVaK-Inzenyring s.r.o.	Czech Republic	78.94	Deloitte & Touche, spol s.r.o.
Sociedad Ibérica del Agua S.I.A., S.A. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
T.P.A., Técnicas de Protección Ambiental, S.A.	Federico Salmón, 13. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Técnicas de Descontaminación, S.A.	P.I. Guarnizo, parcela 97. El Astillero (Cantabria)	100.00	Audinfor, S.L.
Telford & Wrekin Services, Ltd.	United Kingdom	100.00	Deloitte & Touche, S.A.
Tratamiento Industrial de Aguas, S.A.	Federico Salmón, 13. Madrid	100.00	Audinfor, S.L.
Tratamiento y Reciclado Integral de Ocaña, S.A.	Federico Salmón, 13. Madrid	100.00	
Tratamientos y Recuperaciones Industriales, S.A.	Angli, 31. Barcelona	75.00	Price Waterhouse Coopers Auditores, S.L.
Valoración y Tratamiento de Residuos, S.A.	Alameda de Mazarredo, 15-4º A. Bilbao (Vizcaya)	100.00	Audinfor, S.L.
VERSIA			
Aeroporti di Roma Handling, S.p.A.	Italy	100.00	Deloitte, S.L.
Aitena Portugal Amacenage Transporte e Distribuiçao de Mercaderias, S.A.	Portugal	100.00	Reinaldo Soares
Aparcamientos Concertados, S.A.	Arquitecto Gaudí, 4. Madrid	100.00	Deloitte, S.L.
Aragonesa de Servicios I.T.V., S.A.	Federico Salmón, 13. Madrid	100.00	C.T.A. Auditores, S.A.
Beta de Administración, S.A.	Federico Salmón, 13. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
C.G.T. Corporación General de Transportes, S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
Camusa Corporación Americana de Mobiliario Urbano, S.A.	Argentina	100.00	Price Waterhouse Coopers Auditores, S.L.

Company	Registered office	Effective Percentage of Ownership	Auditor
Casa Park Moulay Youssef, S.A.R.L.	Morocco	100.00	
Casa Park, S.A.	Morocco	97.91	
Cemusa Amazonia, S.A.	Brazil	100.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa Boston, Llc.	U.S.A.	100.00	
Cemusa Brasilia, S.A.	Brazil	100.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa Corporación Europea de Mobiliario Urbano, S.A.	Francisco Sancha, 24. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa do Brasil Ltda.	Brazil	100.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa Inc.	U.S.A.	100.00	KPMG
Cemusa Italia, S.R.L.	Italy	100.00	
Cemusa Miami Ltd.	U.S.A.	100.00	
Cemusa NY, Llc.	U.S.A.	100.00	KPMG
Cemusa Portugal Companhia de Mobiliario Urbano e Publicidade, S.A.	Portugal	100.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa Rio, S.A.	Brazil	100.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa Salvador, S.A.	Brazil	65.00	Price Waterhouse Coopers Auditores, S.L.
Cemusa San Antonio GP, Llc.	U.S.A.	100.00	
Cemusa San Antonio, Ltd.	U.S.A.	100.00	
Cemusa Texas, Llc.	U.S.A.	100.00	
Concesionaria Zona 5, S.A.	Argentina	100.00	Deloitte &Touche, S.A.
Conservación y Sistemas, S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
Empresa Mixta de Tráfico de Gijón, S.A.	P.I. Promosa nave 27. El Plano. Tremañes (Gijón)	60.00	Deloitte, S.L.
Equipos y Procesos, S.A.	Conde de Peñalver, 45. Madrid	80.73	
Estacionamientos y Servicios, S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
FCC International, B.V.	The Netherlands	100.00	
FCC Logística, S.A. Sole-Shareholder Company	Avda. Fuentemar, 19. Coslada (Madrid)	100.00	Deloitte, S.L.
FCC Versia, S.A.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
Flightcare Belgium, Naamloze Vennootschap	Belgium	100.00	Deloitte, S.L.
Flightcare, S.L.	Federico Salmón, 13. Madrid	100.00	Deloitte, S.L.
General de Servicios I.T.V., S.A.	Federico Salmón, 13. Madrid	100.00	C.T.A. Auditores, S.A.
Geral I.S.V. Brasil Ltda.	Brazil	100.00	
High Technology Vehicles Inc.	U.S.A.	100.00	
I.T.V., S.A.	Argentina	100.00	Deloitte & Touche, S.A.
Industrial de Limpiezas y Servicios, S.A. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
LNP – Logística Lda.	Portugal	100.00	Baptista da Costa & Associados
Logística Navarra, S.A. Sole-Shareholder Company	E,P.I. Arazuri Orcoyen Parcela 3.8. Pamplona (Navarra)	100.00	
Santos Renting, S.L. Sole-Shareholder Company	Francisco Medina y Mendoza. Guadalajara	100.00	
Servicios de Publicidad Urbanos, S.A.	Atenas, nave 46 P.I. San Luis. Málaga	75.00	
Sistemas y Vehículos de Alta Tecnología, S.A.	Conde de Peñalver, 45. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Verauto La Plata, S.A.	Argentina	98.45	Deloitte & Touche, S.A.
VTV Verificaciones Técnicas Vehiculares de Argentina, S.A.	Argentina	100.00	Deloitte & Touche, S.A.
Zona Verde-Promoçao e Marketing Limitada	Portugal	100.00	
Construction			
Alpetrol, S.A.	Camino Casa Sola, 1. Chiloeches (Guadalajara)	100.00	
Aremi Asociados, S.L.	Avda. de les Corts Valencianes, 50. Valencia	100.00	
Aremi Tecair, S.A.	Avda. de les Corts Valencianes, 50. Valencia	100.00	Price Waterhouse Coopers Auditores, S.L.
Áridos de Melo, S.L.	Finca la Barca y el Ballestar, s/n. Barajas de Melo (Cuenca)	100.00	
Autopista Central Galega Sociedad Concesionaria Española, S.A. Sole-Shareholder Company	Lugar el Feal, s/n. San Mamede de Rivadulla. Vedra (La Coruña)	54.64	
Auxiliar de Pipelines, S.A.	Paseo del Club Deportivo, 1. Pozuelo de Alarcón (Madrid)	100.00	Price Waterhouse Coopers Auditores, S.L.
BBR Pretensados y Técnicas Especiales, S.L.	Retama, 5. Madrid	100.00	
Binatec al Maghreb, S.A.	Morocco	100.00	
Compañía Concesionaria del Túnel de Sóller, S.A.	Puerto Pi, 8. Palma de Mallorca (Balearic Islands)	56.53	Ernst & Young
Concesiones Viales de Costa Rica, S.A.	Costa Rica	100.00	
Concesiones Viales, S. de R.L. de C.V.	Mexico	99.97	
Conservial, S.L.	Manuel Lasala, 36. Zaragoza	100.00	
Construcción y Filiales Mexicanas, S.A. de C.V.	Mexico	100.00	
Constructora Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	55.60	

Company	Registered office	Effective Percentage of Ownership	Auditor
Contratas y Ventas, S.A.	Asturias, 41. Oviedo (Asturias)	100.00	Deloitte, S.L.
Corporación M&S Internacional C.A, S.A.	Costa Rica	50.00	Deloitte & Touche, S.A.
Dezvoltare Infraestructura, S.A.	Romania	51.03	
Dizara Inversión, S.L.	Avda. General Perón, 36. Madrid	100.00	
Elcen Obras Servicios y Proyectos, S.A.	Voluntarios Catalanes, 30. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Especialidades Eléctricas, S.A.	Acanto, 22. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Espelsa – Luwat, S.A.	Acanto, 22. Madrid	60.00	
Eurman, S.A.	Valentín Beato, 24-26. Madrid	100.00	
FCC Construcción, S.A.	Balmes, 36. Barcelona	100.00	Deloitte, S.L.
FCC Constructii Romania, S.A.	Romania	100.00	
FCC Construction Inc.	U.S.A.	100.00	
FCC Construction International B.V.	The Netherlands	100.00	
Gavisa Portugal Montagens Eléctricas Lda.	Portugal	97.00	
Gestión Especializada en Instalaciones, S.A.	Valentín Beato, 24. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Ibérica de Servicios y Obras, S.A.	Federico Salmón, 13. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Ibervia Construcciones y Contratas, S.L.	Avda. General Perón, 36. Madrid	100.00	
Impulsa Infraestructura, S.A. de C.V.	Mexico	52.00	Deloitte, S.L.
Internacional Tecair, S.A.	Valentín Beato, 24-26. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Mantenimiento de Infraestructuras, S.A.	Avda. General Perón, 36. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Marcas Andaluzas, S.L.	Hilera, 10. Málaga	100.00	
Megaplás Italia, S.p.A.	Italy	100.00	
Megaplás, S.A.	Hilanderas, 4-14. La Poveda. Arganda del Rey (Madrid)	100.00	Price Waterhouse Coopers Auditores, S.L.
Metro Barajas Sociedad Concesionaria, S.A.	Pedro Texeira, 8. Madrid	70.00	
Montajes Gavisa, S.A.	La Farga, 5-7 P.I. La Cerrería. Montcada i Reixac (Barcelona)	100.00	Price Waterhouse Coopers Auditores, S.L.
Motre, S.L.	Enginyer Algarra, 65. Pals (Girona)	100.00	
Moviterra, S.A.	Enginyer Algarra, 65. Pals (Girona)	100.00	Batlle, Canovas y Cía.
Naturaleza, Urbanismo y Medio Ambiente, S.A.	Galena, 11. Entreplanta. Valladolid	100.00	Audinfor, S.L.
Nevasa Inversión, S.L.	Avda. General Perón, 36. Madrid	100.00	
Norseñal, S.L.	Juan Flórez, 64. La Coruña	100.00	
Operalia Infraestructuras, S.A.	Pedro Texeira, 8. Madrid	100.00	
Participaciones Teide, S.A.	Avda. General Perón, 36. Madrid	100.00	
Pedrera Les Gavarres, S.L.	Enginyer Algarra, 65. Pals (Girona)	100.00	
Pi Promotora de Infraestructuras, S.A.	Costa Rica	100.00	
Pinturas Jaque, S.L.	P.I. Oeste, Paraje Sangonera. El Palmar (Murcia)	100.00	Price Waterhouse Coopers Auditores, S.L.
Prefabricados Delta, S.A.	Arquitecto Gaudí, 4. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Proyectos y Servicios, S.A.	Torregalindo, 1. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Ramalho Rosa Cobetar Sociedade de Construçoes, S.A.	Portugal	100.00	Deloitte & Asociados, SROC, S.A.
Reparalia, S.A.	P.E. Cerro de los Gamos, 1. Pozuelo de Alarcón (Madrid)	100.00	Price Waterhouse Coopers Auditores, S.L.
Señalizaciones de Vías Públicas, S.L.	Avda. de Barber, 2. Toledo	100.00	
Señalizaciones Levante, S.L.	Itálica, 25. Alicante	100.00	
Serviá Cantó, S.A.	Enginyer Algarra, 65. Pals (Girona)	100.00	Batlle, Cánovas y Cía.
Sincler, S.A. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Tacel Inversiones, S.A.	Rozabella, 6 Europa Empresarial. Las Rozas de Madrid (Madrid)	54.64	
Tema Concesionaria, S.A.	Porto Pi, 8. Palma de Mallorca (Balearic Islands)	100.00	
Tulsa Inversión, S.L.	Avda. General Perón, 36. Madrid	100.00	
Viales de Andalucía, S.L.	Avda. Kansas City, 9. Seville	100.00	
Vialia, Sociedad Gestora de Concesiones de Infraestructuras, S.L.	Avda. General Perón, 36. Madrid	100.00	
Xequevia Sinalizaçao de Vias de Comunicaçao, Ltda.	Portugal	100.00	
Alpine Group:	Austria		DKB & Partner Treuhand GmbH
3 G Netzwerk Errichtungs GmbH	Austria	76.67	
3 G Netzwerk Errichtungs GmbH & Co KG	Austria	76.67	
Acoton Projektmanagement & Bauträger GmbH	Austria	79.10	
Ad Grundbesitzverwaltung GmbH	Germany	80.54	
Ajs Acoton Projektmanagement & Bautrager GmbH Co KG	Austria	79.90	
Alpine, S.A.	Romania	20.18	
Alpine Aleksandar d.o.o.	Macedonia	72.11	
Alpine Bau Deutschland AG	Germany	80.62	
Alpine Bau Trostberg GmbH	Germany	80.71	

Appendix I

Company	Registered office	Effective Percentage of Ownership	Auditor
Alpine Bau Zagreb d.o.o.	Croatia	80.71	
Alpine BH d.o.o. Travnik	Bosnia Herzegovina	56.50	
Alpine Bulgaria AD	Bulgaria	41.16	
Alpine Consulting d.o.o. Gradbeni Inzeniring	Slovenia	80.71	
Alpine d.o.o. Serbien	Serbia	80.71	
Alpine Dolomit AD	Serbia	66.48	
Alpine Energie Deutschland G m bH	Germany	76.67	
Alpine Energie Gesellschaft für Elektrische und Industrielle Unternehmungen GmbH	Austria	76.67	
Alpine Energie Holding AG	Germany	76.67	
Alpine Energie Luxembourg SARL	Luxembourg	76.67	
Alpine Energie Luxembourg SARL & CIE SECS	Luxembourg	76.67	
Alpine Energie Networks AG	Switzerland	76.66	
Alpine Granit AD	Serbia	79.00	
Alpine Holding GmbH	Austria	79.27	
Alpine Investment d.o.o.	Bosnia Herzegovina	41.16	
Alpine Ips Ostrava Polska sp z.o.o.	Poland	80.71	
Alpine Krakbau sp. z.o.o.	Poland	40.31	
Alpine Mayreder & Tabcon Ltd.	Ghana	80.71	
Alpine Mayreder Bau d.o.o. Maribor –in liquidation-	Slovenia	80.71	
Alpine Mayreder Bau GmbH	Austria	80.71	
Alpine Mayreder Construction Co Ltd. AMCC	China	60.53	
Alpine Mayreder GmbH Schweiz	Switzerland	80.71	
Alpine Mayreder Liegenschaftsverwertung GmbH	Austria	80.71	
Alpine Mayreder Romania SRL	Romania	80.71	
Alpine Mayreder Services GmbH	Switzerland	80.71	
Alpine Podgorica d.o.o.	Montenegro	75.11	
Alpine Project Finance and Consulting GmbH	Germany	80.71	
Alpine Pzpb d.o.o. Serbien	Serbia	56.50	
Alpine Rudnik Krecnjaka Lapisnica d.o.o.	Bosnia Herzegovina	41.16	
Alpine Slovakia spol s.r.o.	Slovakia	80.71	
Alpine Stavebni Spolecnost Cz s.r.o.	Czech Republic	80.71	
Altec Umwelttechnik GmbH	Austria	80.71	
Alpine Inzeniring Gradbeno Podjetje d.o.o. -in liquidation-	Slovenia	80.71	
Apt Alpine Project Technology GmbH	Austria	80.71	
Architec Bautrager GmbH	Austria	79.90	
Arn Asphalt und Recycling GmbH	Germany	64.50	
Arn Asphalt und Recycling GmbH & Co KG	Germany	64.50	
BA-ÉP Balaton Aszfalt es Épitö K.F.T.	Hungary	40.36	
Baugesellschaft Mbh Konrad Beyer & Co Spezialbau GmbH	Austria	80.71	
Bautechnische Prüf und Versuchsanstalt GmbH	Austria	80.71	
Betotrub Ostrava S.r.o.	Czech Republic	80.71	
Bruno Freibauer GmbH	Austria	80.71	
Bürozentrum U3 Projekt GmbH	Austria	80.71	
Conex Warenhandels GmbH	Austria	80.71	
Cpi Czech Property Invest AG	Austria	51.65	
E Gottschall & Co GmbH	Germany	79.27	
Emberger & Essl GmbH	Austria	69.08	
Emberger & Heuberger Bau GmbH	Austria	72.72	
Erfurth Spezialbau GmbH	Austria	80.71	
Erfurth Specialne Gradnje d.o.o.	Slovenia	80.71	
Febarest Ltd.	Cyprus	40.36	
Fels und Sprengtechnik GmbH	Austria	80.71	
Ferro-Betonit-Werke Inmobilien GmbH	Austria	80.71	
Fritz & Co Bau GmbH	Austria	72.64	
Fröhlich Bau und Zimmereiunternehmen GmbH	Austria	80.71	
G und T Bau GmbH	Germany	80.62	
Garazna Hisa d.o.o.	Slovenia	64.57	

Company	Registered office	Effective Percentage of Ownership	Auditor
Ginzkeyplatz Liegenschaftsverwertungs GmbH	Austria	80.71	
Granitul, S.A.	Romania	33.86	
Gregorich GmbH	Austria	80.71	
Grund Pfahl und Sonderbau GmbH	Austria	80.71	
Grund und Sonderbau GmbH	Austria	80.71	
Hazet Bauunternehmung GmbH	Austria	80.71	
Hoch & Tief Bau Beteiligungs GmbH	Austria	80.51	
Ing Haderer Arnulf GmbH	Austria	80.71	
Intech Installationstechnik GmbH	Austria	65.45	
Jam Asphalt GmbH	Austria	80.71	
Kai Center Errichtungs und Vermietungs GmbH	Austria	79.90	
Kapsreiter Mischanlagen GmbH	Germany	80.62	
Klöcher Bau GmbH	Austria	80.71	
Mas Bau Projekt und Handels GmbH	Austria	53.81	
Mayreder Bau GmbH Budapest	Hungary	80.71	
Mayreder Bohemia Stavebni Spolecnost spol. s.r.o.	Czech Republic	80.71	
Mayreder Hoch und Tiefbau GmbH	Austria	80.71	
Mayreder Praha Stavebni Spolec spol. s.r.o.	Czech Republic	80.71	
Mla Lieferasphalt GmbH	Austria	80.71	
MMU Gleisbaugerätevermietung GmbH	Austria	40.36	
Mortinger-Grohmann GmbH	Austria	72.64	
Mwg Wohnbau GmbH	Austria	79.90	
Netzbau Verwaltungs GmbH	Germany	76.67	
Oekotechna Entsorgungs und Umwelttechnik GmbH	Austria	80.71	
Parkgarage Makatplatz GmbH	Austria	80.71	
Project Development GmbH	Austria	80.71	
RMG d.o.o.	Bosnia Herzegovina	41.16	
S C Scaep Giurgiu Port, S.A.	Romania	30.99	
S P Co Floreasca SRL	Romania	40.36	
Salzburg Center Development AG	Poland	80.71	
Salzburger Lieferasphalt O.H.G.	Austria	45.20	
Schauer Eisenbahnbau GmbH	Austria	80.71	
Senovska Stavebni s.r.o. V Likvidaci	Czech Republic	55.85	
Silasfalt s.r.o.	Czech Republic	40.36	
Song Consulting GmbH	Austria	80.71	
Stump Funderingstechniek B.V. -in liquidation-	The Netherlands	80.71	
Stump Hydrobudowa sp. z.o.o. Warschan	Poland	68.30	
Stump Spezial Tiefbau GmbH	Czech Republic	80.71	
Stump Spezial Tiefbau spol. s.r.o. Trag	Czech Republic	80.71	
Thalia Errichtungs und Vermietungs GmbH	Austria	80.71	
Tiefbau Deutschlandsberg GmbH	Austria	48.43	
Tiefbau Deutschlandsberg GmbH & Co KG	Germany	48.43	
Too Alpine KAZ	Kazakhstan	48.43	
Universale Bau GmbH	Austria	80.71	
Uno-Center s.r.o. Konkurs	Czech Republic	51.65	
Vela Borovica Koncern d.o.o.	Croatia	80.71	
Walter Hamann Hoch Tief und Stahlbetonbau GmbH	Germany	80.62	
Weinfried Bauträger GmbH	Austria	80.71	
Abo Asphalt-Bau Oeynhausen GmbH	Germany	45.07	
AE Stadtland GmbH	Germany	39.86	
Asfaltna Cesta d.o.o.	Croatia	40.36	
Asphaltmischwerk Betriebs GmbH & Co KG	Austria	16.14	
Asphaltmischwerk Greinsfurth GmbH	Austria	20.18	
Asphaltmischwerk Greinsfurth GmbH & Co KG	Austria	20.18	
Asphaltmischwerk Leopoldau GmbH	Austria	40.36	
Asphaltmischwerk Steyregg GmbH & Co KG	Austria	16.14	
AWT Asphaltwerk GmbH	Austria	26.63	
AWW Asphaltmischwerk Wölbling GmbH	Austria	40.36	

Company	Registered office	Effective Percentage of Ownership	Auditor
Baustofee Handrick GmbH	Germany	19.93	
Dolomit-Beton Lieferbetonwerk GmbH	Austria	38.74	
Draubeton GmbH	Austria	28.25	
EVW Energieversorgung GmbH	Austria	19.37	
Hemmelmair Früstechnik GmbH	Austria	20.18	
Kieswerk-Betriebs GmbH & Co KG	Austria	18.16	
Konsorcjum Autostrada Slask AG	Poland	26.80	
RBA Recycling und Betonanlagen GmbH & Co Nfg KG	Austria	19.37	
RFM Asphaltmischwerk GmbH	Austria	26.90	
RFM Asphaltmischwerk GmbH & Co KG	Austria	26.91	
RFM Kies GmbH	Austria	26.91	
RFPB Kieswerk GmbH	Austria	13.45	
RFPB Kieswerk GmbH & Co KG	Austria	13.45	
Transportbeton und Asphalt GmbH & Co KG	Austria	36.32	
TSK Sand und Kies GmbH	Germany	26.90	
Waldviertler Lieferasphalt GmbH & Co KG	Austria	40.36	
Ziegelwerk Freital Eder GmbH	Germany	32.22	
Cement			
Agregats Uniland, SARL	France	35.93	Price Waterhouse Coopers Auditores, S.L.
Alquileres y Transportes, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	66.50	
Arenas y Hormigones Muñorrodero, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	66.50	
Áridos de Navarra, S.A.	Estella, 6. Pamplona (Navarra)	44.66	
Áridos Uniland, S.A. Sole-Shareholder Company	Torrenteres, 20 P.I. Sur. El Papiol (Barcelona)	35.93	Price Waterhouse Coopers Auditores, S.L.
Áridos y Premezclados, S.A. Sole-Shareholder Company	José Abascal, 59. Madrid	67.66	Deloitte, S.L.
Arriberri, S.L.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	49.87	Deloitte, S.L.
Atracem, S.A. Sole-Shareholder Company	José Abascal, 59. Madrid	67.66	Deloitte, S.L.
Cántabra Industrial y Minera, S.A. Sole-Shareholder Company	Josefina de la Maza, 4 P.E. Piasca. Santander (Cantabria)	59.43	Price Waterhouse Coopers Auditores, S.L.
Cantera Galdames II, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	66.50	
Canteras de Alaiz, S.A.	Estella, 6. Pamplona (Navarra)	47.38	KPMG
Canteras del Pirineo Occidental, S.A.	Estella, 6. Pamplona (Navarra)	67.19	
Canteras Villallano, S.L.	Poblado de Villallano. Villallano (Palencia)	59.43	Price Waterhouse Coopers Auditores, S.L.
Canteras y Construcciones de Vizcaya, S.A.	Barrio La Cadena, 10. Carranza (Vizcaya)	66.50	
Carbocem, S.A.	Paseo de la Castellana, 45. Madrid	52.14	KPMG
Cemensilos, S.A.	Josefina de la Maza, 4 P.E. Piasca. Santander (Cantabria)	59.43	Price Waterhouse Coopers Auditores, S.L.
Cementos Alfa, S.A.	Josefina de la Maza, 4 P.E. Piasca. Santander (Cantabria)	59.43	Price Waterhouse Coopers Auditores, S.L.
Cementos Lemona, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	66.50	Deloitte, S.L.
Cementos Portland Valderrivas, S.A.	Estella, 6. Pamplona (Navarra)	67.66	Deloitte, S.L.
Cementrade, S.A. Sole-Shareholder Company	Josefina de la Maza, 4 P.E. Piasca. Santander (Cantabria)	59.43	Price Waterhouse Coopers Auditores, S.L.
Ceminter Madrid, S.L. Sole-Shareholder Company	Almagro, 26. Madrid	67.66	Deloitte, S.L.
Cisternas Lemona, S.L. Sole-Shareholder Company	Barrio Arraibi, s/n. Lemona (Vizcaya)	66.50	
Compañía Auxiliar de Bombeo de Hormigón, S.A. Sole-Shareholder Company	José Abascal, 59. Madrid	67.66	
Corporación Uniland, S.A.	Córcega, 299. Barcelona	36.01	Price Waterhouse Coopers Auditores, S.L.
Dragon Alfa Cement Limited	United Kingdom	59.43	Bentley Jennison Co. UK
Egur Birziklatu Bi Mila, S.L.	Barrio Olazar, 2. Zeberio (Vizcaya)	39.90	
Explotaciones San Antonio, S.L. Sole-Shareholder Company	Josefina de la Maza, 4 P.E. Piasca. Santander (Cantabria)	59.43	Price Waterhouse Coopers Auditores, S.L.
Giant Cement Holding, Inc.	U.S.A.	67.49	Deloitte & Touche, S.A.
Gulfland Cement Llc.	U.S.A.	27.00	Postlethwaite & Netterville
Hormigones Arkaitza, S.A. Sole-Shareholder Company	Estella, 6. Pamplona (Navarra)	67.66	KPMG
Hormigones de la Jacetania, S.A.	Llano de la Victoria. Jaca (Huesca)	42.29	KPMG
Hormigones del Zadorra, S.A. Sole-Shareholder Company	Estella, 6. Pamplona (Navarra)	67.19	
Hormigones Galdames, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	66.50	Deloitte, S.L.
Hormigones Lemona, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	66.50	
Hormigones Premezclados del Norte, S.A.	Barrio La Cadena. Carranza (Vizcaya)	66.50	
Hormigones Reinosa, S.A. Sole-Shareholder Company	Josefina de la Maza, 4 P.E. Piasca. Santander (Cantabria)	59.43	Price Waterhouse Coopers Auditores, S.L.
Hormigones Uniland, S.L. Sole-Shareholder Company	Ctra. Vilafranca del P. a Moja Km. 1. Olérdola (Barcelona)	35.93	Price Waterhouse Coopers Auditores, S.L.
Hormigones y Morteros Preparados, S.A. Sole-Shareholder Company	José Abascal, 59. Madrid	67.66	Deloitte, S.L.
Lemona Industrial, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	66.50	Deloitte, S.L.

Company	Registered office	Effective Percentage of Ownership	Auditor
Morteros Bizkor, S.L.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	35.80	Deloitte, S.L.
Morteros Valderrivas, S.L. Sole-Shareholder Company	José Abascal, 59. Madrid	67.66	
Participaciones Estella 6, S.L. Sole-Shareholder Company	Estella, 6. Pamplona (Navarra)	67.66	
Portland, S.L.	José Abascal, 59. Madrid	67.66	Price Waterhouse Coopers Auditores, S.L.
Prebesec Mallorca, S.A.	Conradors, 48. Marratxi. Palma de Mallorca (Balearic Islands)	24.60	Price Waterhouse Coopers Auditores, S.L.
Prebesec, S.A. Sole-Shareholder Company	Torrenteres, 20 P.I. Sur. El Papiol (Barcelona)	35.93	Price Waterhouse Coopers Auditores, S.L.
Prefabricados Uniland, S.A. Sole-Shareholder Company	Córcega, 299. Barcelona	35.93	
Recisuelos, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	66.50	
RH Enterprises (1993) Limited	United Kingdom	59.43	Bentley Jennison Co. UK
Santursaba, S.L. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	66.50	
Select Béton, S.A.	Tunisia	31.64	Mourad Guellaty
Société des Ciments d'Enfida	Tunisia	31.64	Mourad Guellaty, Deloitte & Touche, S.A.
Southern Cement Limited	United Kingdom	36.00	Price Waterhouse Coopers Auditores, S.L.
Tecami Ofitas, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	66.50	Deloitte, S.L.
Telsa, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	66.50	
Telsa, S.A. y Compañía Sociedad Regular Colectiva	Alameda de Urquijo, 10. Bilbao (Vizcaya)	66.50	Deloitte, S.L.
Transportes Gorozteta, S.L. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	49.87	
Transportes Lemona, S.A.	Arraibi. Lemona (Vizcaya)	66.50	
Uniland Cementera, S.A.	Córcega, 299. Barcelona	35.93	Price Waterhouse Coopers Auditores, S.L.
Uniland International B.V.	The Netherlands	36.00	Price Waterhouse Coopers Auditores, S.L.
Uniland Marítima, S.L. Sole-Shareholder Company	Córcega, 299. Barcelona	35.93	Price Waterhouse Coopers Auditores, S.L.
Uniland Trading B.V.	The Netherlands	36.00	Price Waterhouse Coopers Auditores, S.L.
Uniland USA Llc.	U.S.A.	36.00	Price Waterhouse Coopers Auditores, S.L.
Utonka, S.A. Sole-Shareholder Company	Torrenteres, 20 P.I. Sur. El Papiol (Barcelona)	35.93	Price Waterhouse Coopers Auditores, S.L.
Other activities			
Afigesa Inversión, S.L. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Asesoría Financiera y de Gestión, S.A.	Federico Salmón, 13. Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Asiris, S.A. Correduría de Seguros	Paseo de la Castellana, 111. Madrid	100.00	Deloitte, S.L.
Compañía Auxiliar de Agencia y Mediación, S.A. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Cia General de Servicios Empresariales, S.A.Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Corporación Española de Servicios, S.A.	Federico Salmón, 13. Madrid	100.00	
Corporación Financiera Hispánica, S.A.	Federico Salmón, 13. Madrid	100.00	
Europea de Gestión, S.A. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
Eusko Lanak, S.A.	Federico Salmón, 13. Madrid	100.00	
F-C y C, S.L. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
FCC 1, S.L. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
FCC Construcciones y Contratas Internacional, S.L. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
FCC Finance, B.V.	The Netherlands	100.00	Price Waterhouse Coopers Auditores, S.L.
FCC Fomento de Obras y Construcciones, S.L. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
FCC Inmobiliaria Conycon, S.L. Sole-Shareholder Company	Federico Salmón, 13. Madrid	100.00	
FCC International B.V.	The Netherlands	100.00	Price Waterhouse Coopers Auditores, S.L.
Fedemes, S.L.	Federico Salmón, 13. Madrid	100.00	
Fir Re Societé Anonyme	Luxembourg	100.00	Price Waterhouse Coopers Auditores, S.L.
Fomento Internacional FOCSA, S.A.	Federico Salmón, 13. Madrid	100.00	
Grucycsa, S.A.	Plaza Pablo Ruiz Picasso. Madrid	100.00	Deloitte, S.L.
Per Gestora Inmobiliaria, S.L.	Plaza Pablo Ruiz Picasso. Madrid	80.00	CTA Auditores, S.A.
Puerto Cala Merced, S.A.	Arquitecto Gaudí, 4. Madrid	100.00	
T.A.C.K. Inversiones, S.L. Sole-Shareholder Company	Arquitecto Gaudí, 4. Madrid	100.00	

Appendix II Entities jointly controlled with non-Group third parties (proportionately consolidated)

Company	Registered office	Effective Percentage of Ownership	Auditor
Environmental services			
Aguas de Langreo, S.L.	Alonso del Riesgo, 3. Sama de Langreo (Asturias)	49.00	Audinfor, S.L.
Aigües de Girona Salt i Sarrià de Ter, S.A.	Ciutadans, 11. Girona	26.89	
Atlas Gestión Medioambiental, S.A.	Viriato, 47. Barcelona	50.00	B.L.S. Auditores, S.L.
Beacon Waste Limited	United Kingdom	50.00	
Compañía de Servicios Medioambientales Do Atlantico, S.A.	Ctra. de Cedeira Km. 1. Narón (La Coruña)	49.00	Deloitte & Touche, S.A.
Depurplan 11, S.A.	Madre Rafols, 2. Zaragoza	50.00	
Ecoparc del Besós, S.A.	Rambla Cataluña, 91-93. Barcelona	49.00	Audinfor, S.L.
Ecoserveis Urbans de Figueres, S.L.	Avda. de les Alegries, s/n. Lloret de Mar (Girona)	50.00	
Electrorecycling, S.A.	Ctra. BV. 1224 Km. 6,750. El Pont de Vilomara i Rocafort (Barcelona)	33.34	
Empresa Mixta d'Aigües de la Costa Brava, S.A.	Plaza Josep Pla, 4. Girona	25.00	
Empresa Mixta de Aguas y Servicios, S.A.	Alarcos, 13. Ciudad Real	41.25	Centium Auditores, S.L.
Empresa Mixta de Limpieza de la Villa de Torrox, S.A.	Plaza de la Constitución, 1. Torrox (Málaga)	50.00	Audinfor, S.L.
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A.	Avda. Zorreras, 8. Rincón de la Victoria (Málaga)	50.00	Price Waterhouse Coopers Auditores, S.L.
Empresa Municipal de Aguas de Benalmádena, Emabesa, S.A.	Avda. Juan Luis Peralta, s/n. Benalmádena (Málaga)	50.00	Mazars Auditores, S.L.
Fisersa Ecoserveis, S.A.	Germany, 5. Figueres (Girona)	36.35	Tax Consulting Auditoría, S.L.
Girona, S.A.	Travessera del Carril, 2. Girona	33.61	KPMG
Grupo Proactiva	Paseo de la Castellana, 216. Madrid	50.00	Deloitte, S.L.
Hades Soluciones Medioambientales, S.L.	Mayor, 3. Cartagena (Murcia)	50.00	
Inalia Cap Djinet, S.L.	Ulises, 18. Madrid	50.00	
Inalia Mostaganem, S.L.	Gobelas, 47-49. Madrid	50.00	
Ingeniería Urbana, S.A.	Avda. Saturno, 6. Alicante	35.00	Deloitte, S.L.
Mercia Waste Management, Ltd.	United Kingdom	50.00	Deloitte & Touche, S.A.
Pilagest, S.L.	Ctra. BV. 1224 Km. 6,750. El Pont de Vilomara i Rocafort (Barcelona)	50.00	
Reciclado de Componentes Electrónicos, S.A.	Johan G. Gutemberg, s/n. Seville	37.50	
Servicios de Limpieza Integral de Málaga III, S.A.	Camino de la Térmica, 83. Málaga	26.01	Price Waterhouse Coopers Auditores, S.L.
Servicios Urbanos de Málaga, S.A.	Ulises, 18. Madrid	51.00	
Severn Waste Services Limited	United Kingdom	50.00	Deloitte & Touche, S.A.
Sociedad de Explotación de Aguas Residuales, S.A.	Bruc, 49. Barcelna	50.00	KPMG
Sociedad Española de Aguas Filtradas, S.A.	Jacometrezo, 4. Madrid	50.00	KPMG
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91. Barcelona	33.33	
Zabalgarbi, S.A.	Camino de Artigas, 10. Bilbao (Vizcaya)	26.00	
Versia			
Almeraya, S.A.	Ulises, 18. Madrid	25.00	Ernst & Young, S.A.
Compañía Andaluza Auxiliar de Transportes, S.L.	Córdoba, 7. Málaga	50.00	
Converty Service, S.A.	Camino de los Afligidos P.I. La Esgaravita, 1 Alcalá de Henares (Madrid)	50.00	
Corgobús Transportes Urbanos de Vila Real Sociedade Unipessoal Lda.	Portugal	50.00	
Corporación Española de Transporte, S.A.	Ulises, 18. Madrid	50.00	Ernst & Young, S.A.
Corporación Jerezana de Transportes Urbanos, S.A. Sole-Shareholder Company	P.I. El Portal. Jerez de la Frontera (Cádiz)	50.00	Ernst & Young, S.A.
Detren Compañía General de Servicios Ferroviarios, S.L.	Ulises, 18. Madrid	50.00	Ernst & Young, S.A.
FCC-Connex Corporación, S.L.	Ulises, 18. Madrid	50.00	Ernst & Young, S.A.
Sociedad Operadora del Tranvía de Parla, S.L.	Ulises, 18. Madrid	33.55	

Entities jointly controlled with non-Group third parties (proportionately consolidated)

Company	Registered office	Effective Percentage of Ownership	Auditor
Transportes Urbanos de Sanlúcar, S.A.	Ctra. Jerez Km. 1. Sanlúcar de Barrameda (Cádiz)	29.84	Attest Cosulting, S.L.
Transports Municipals d'Egara, S.A.	Ctra. Nacional 150 Km. 15. Terrasa (Barcelona)	40.00	Xavier Martínez Ribas
Valenciana de Servicios I.T.V., S.A.	P.I. El Oliveral. Ribarroja de Turia (Valencia)	50.00	C.T.A. Auditores, S.A.
Construction			
Construcciones Olabarri, S.L.	Ripa, 1. Bilbao (Vizcaya)	49.00	
Dragados FCC, Canada Inc.	Canada	50.00	
Peri 3 Gestión, S.L.	General Álava, 26. Vitoria Gasteiz (Álava)	50.00	
Cement			
Atlántica de Graneles y Moliendas, S.A.	Vía Galindo, s/n. Sestao (Vizcaya)	33.25	
Cementos Artigas, S.A.	Uruguay	18.00	Echevarría Petit & Asociados
Cementos Avellaneda, S.A.	Argentina	18.00	Maria Wainstein & Asociados
Freshmarkets, S.A.	Uruguay	18.00	
Minus Inversora, S.A.	Argentina	18.00	Mario Wainstein & Asociados
Prebesec France, S.A.S.	France	18.00	

Appendix III Associates (accounted for using the equity method)

Company	Registered office	Carrying Amount of the Investment		Effective Percentage of Ownership	Auditor
		2006	2005		
Environmental services					
A.B.G. Servicios Medioambientales, S.A.	Colón de Larreátegui, 26. Bilbao (Vizcaya)	(3)	79	20.00	
Aguas de Denia, S.A.	Pare Pere, 17. Denia (Alicante)	404	300	33.00	
Aguas de Ubrique, S.A.	Avda. España, 9. Ubrique (Cádiz)	44	44	49.00	
Aigües de Blanes, S.A.	Canigó, 5. Blanes (Girona)	59	53	16.47	
Aprochim Getesarp Rymoil, S.A.	P.I. Logrenzana La Granda. Carreño (Asturias)	960	687	23.49	
Aragonesa de Recuperaciones Medioambientales XXI, S.A.	Ctra. Castellón Km. 58. Zaragoza	70	–	34.00	
Aragonesa de Tratamientos Medioambientales XXI, S.A.	Ctra. Castellón Km. 58. Zaragoza	99	–	33.00	
Clavegueram de Barcelona, S.A.	Acer, 16. Barcelona	954	973	20.33	
Conducció del Ter, S.L.	Bourg de Peage, 89. Sant Feliu de Gíxols (Girona)	39	37	48.00	
EMANAGUA Empresa Mixta Municipal de Aguas de Níjar, S.A.	Plaza de las Glorieta, 1. Níjar (Almería)	215	248	49.00	Audinfor, S.L.
Empresa Municipal de Aguas de Algeciras, S.A.	Avda. Virgen del Carmen. Algeciras (Cádiz)	232	175	49.00	Mazars Auditores, S.L.
Empresa Municipal de Aguas de Toxiria, S.A.	Pz. de la Constitución, 1. Torredonjimeno (Jaén)	97	102	49.00	Centium Auditores, S.L.
Generavila, S.A.	Plaza de la Catedral, 11. Ávila	282	–	36.00	Audinfor, S.L.
Gestión Integral de Residuos Sólidos, S.A.	Santa Amalia, 2. Valencia	1,789	1,740	49.00	
ASA Group:	Austria	5,891	–		Price Waterhouse Coopers Auditores, S.L.
ASA + AVE Környezetvédelmi H Kft	Hungary	–	–	50.00	
ASA Hlohovec s.r.o.	Slovakia	–	–	50.00	
ASA Lubliniec sp. z.o.o.	Poland	–	–	44.80	
ASA Marcelová s.r.o.	Slovakia	–	–	49.00	
ASA TS Prostejov s.r.o.	Czech Republic	–	–	49.00	
AKSD Városgazdálkodási Korlátolt FT	Hungary	–	–	51.00	
ASTV s.r.o.	Czech Republic	–	–	49.00	
Avermann-Hungária Kft	Hungary	–	–	35.00	
Bihari Hulladékgazdálkodási Kft	Hungary	–	–	12.50	
Börzsöny-Cserhát Környezetvédelmi És HKK	Hungary	–	–	35.00	
Huber Abfallservice Verwaltungs GmbH	Austria	–	–	49.00	
Huber Entsorgungs GmbH Nfg KG	Austria	–	–	49.00	
Killer GmbH	Austria	–	–	50.00	
Killer GmbH & Co KG	Austria	–	–	50.00	
Müllumladastation Ostregion GmbH & Co KG	Austria	–	–	33.33	
Recopap s.r.o.	Slovakia	–	–	50.00	
Repap Czech spol. s.r.o.	Czech Republic	–	–	50.00	
SaNo CB s.r.o.	Czech Republic	–	–	50.00	
Technické a Stavební Sluzby AS	Czech Republic	–	–	50.00	
Tirme Group	Ctra. Soller Km. 8,2 Camino de Son Reus Palma de Mallorca (Balearic Islands)	5,799	4,557	20.00	
Waste Recycling Group	United Kingdom	–	–		KPMG
Goole Renewable Energy Limited	United Kingdom	–	–	20.00	
Energylinc Limited	United Kingdom	–	–	50.00	
Shelford Composting Limited	United Kingdom	–	–	50.00	
La Unión Servicios Municipales, S.A.	Salvador Pascual, 7. La Unión (Murcia)	116	117	49.00	Centium Auditores, S.L.
Nueva Sociedad de Aguas de Ibiza, S.A.	Avda. Bartolomé de Roselló, 18. Ibiza (Balearic Islands)	86	94	40.00	
Pallars Jussà Neteja i Serveis, S.A.	Pau Casals, 14. Tremp (Lleida)	16	25	40.80	
Proveïments d'Aigua, S.A.	Asturies, 13. Girona	181	155	15.12	
Sera Q A Duitama E.S.P., S.A.	Colombia	16	29	30.60	
Shariket Miyeh Ras Djinet, S.p.A.	Algeria	533	–	25.50	
Shariket Tahlya Miyah Mostaganem, S.p.A.	Algeria	533	–	25.50	
Sogecar, S.A.	Polígono Torrelarragoiti. Zamudio (Vizcaya)	228	168	30.00	
Versia					
Bus Turístico de Málaga, S.L.	Paseo de los Tilos-Estación de Autobuses. Málaga	74	77	20.00	
ITV Córdoba, S.A.	Argentina	85	82	30.00	Price Waterhouse Coopers Auditores, S.L.
ITV Probús, S.L.	Castelló, 66. Madrid	56	61	20.00	

Associates (accounted for using the equity method)

Company	Registered office	Carrying Amount of the Investment 2006	Carrying Amount of the Investment 2005	Effective Percentage of Ownership	Auditor
Construction					
Aigües del Segarra Garrigues, S.A.	Plaza del Carmen, 15. Tárrega (Lleida)	4,058	3,330	24.00	
Autopista de la Costa Cálida Concesionaria Española de Autopistas, S.A.	Saturno, 1. Pozuelo de Alarcón (Madrid)	37,635	24,934	35.75	
Autopistas del Sol, S.A.	Costa Rica	1,196	–	35.00	Deloitte & Touche, S.A.
Autopistas del Valle, S.A.	Costa Rica	4,252	2,966	35.00	Deloitte & Touche, S.A.
Autovía del Camino, S.A.	Leyre, 11. Pamplona (Navarra)	10,521	9,649	40.00	Deloitte, S.L.
BBR VT International Ltd.	Switzerland	1,017	1,035	22.50	
Cedinsa Eix del Llobregat Concessionaria de la Generalitat de Catalunya, S.A.	Travesera de Gracia, 58. Barcelona	8,772	1,797	34.00	Deloitte, S.L.
Cleon, S.A.	Avda. General Perón, 36. Madrid	25,287	25,252	25.00	KPMG
Compañía Tecnológica de Corella Construcción, S.A.	P.I. s/n. Corella (Navarra)	(91)	57	49.00	Goldwyns, S.L.
Concesionaria Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	906	202	44.99	
Concesiones Aeroportuarias, S.A.	Avda. Hermanos Bou, 22.Castellón de la Plana (Castellón)	3,450	41	30.00	
Concesiones de Madrid, S.A.	Avda. Europa, 18 P.E. La Moraleja Alcobendas (Madrid)	15,385	15,087	33.33	Deloitte, S.L.
Constructora San José-San Ramón SJSR, S.A.	Costa Rica	65	–	33.00	
Desarrollos y Promociones Costa Cálida, S.A.	Saturno, 1. Pozuelo de Alarcón (Madrid)	265	–	35.75	
Elaboración de Cajones Pretensados, S.L.	Avda. General Perón, 36. Madrid	2	2	50.00	
Gesi-9, S.A.	Plaza del Duque, s/n. Alcalá de Guadaira (Seville)	13,012	–	74.90	
Cedinsa Concesionaria Group	Tarragona, 141. Barcelona	3,734	940	34.00	
Foment de Construccions i Consulting Group	Andorra	–	–	33.30	
Tacel Group	Rozabella, 6 Europa Empresarial. Las Rozas de Madrid (Madrid)	–	16,650	44.64	KPMG
Hospital del Sureste, S.A.	O'Donnell, 4. Madrid	2,356	374	33.33	
Ibisan Sociedad Concesionaria, S.A.	Porto Pi, 8. Palma de Mallorca (Balearic Islands)	10,377	2,541	50.00	Deloitte, S.L.
Las Palmeras de Garrucha, S.L.	Mayor, 19. Garrucha (Almería)	1,170	1,395	20.00	
Madrid 407 Sociedad Concesionaria, S.A.	Pedro Teixeira, 8 Edif. Iberia Mart. Madrid	4,736	1,378	50.00	
Marina de Laredo, S.A.	Pasaje de Puntida, 1. Santander (Cantabria)	85	106	42.50	
Marina de l'Empordà, S.A.	Avda. Diagonal, 512. Barcelona	15	15	20.00	
Marina Port Vell, S.A.	Varadero, s/n Edif. Torre de Control. Barcelona	1,648	1,517	30.66	LAES Nexia
MDM-Teide, S.A.	Panama	1,139	–	50.00	
Metro de Málaga, S.A.	Martínez, 11. Málaga	20,452	15,289	26.73	Ernst & Young
Nàutic Tarragona, S.A.	Edificio Club Náutico, Puerto Deportivo. Tarragona	444	378	25.00	
Nova Bocana Barcelona, S.A.	Avda. Josep Tarradellas, 123. Barcelona	2,684	248	25.00	
Operaciones y Servicios para la Industria de la Construcción, S.A. de C.V.	Mexico	2	–	50.00	Deloitte, S.L.
Operador Logístico Integral de Graneles, S.A.	Explanada de Aboño. Puerto del Musel. Gijón (Asturias)	1,275	1,127	20.00	Dª María Coto Milán R.O.A.C.
Port Premià, S.A. -in liquidation-	Balmes, 36. Barcelona	(555)	(555)	39.72	
Port Torredembarra, S.A.	Edificio Capitanía Puerto Deportivo y Pesquero. Torredembarra (Tarragona)	731	751	24.08	
Portsur Castellón, S.A.	Muelle Serrano Lloberas, s/. El Grao (Castellón)	146	150	30.00	LAES Nexia
Promvias XXI, S.A.	Vía Augusta, 255 Local 4. Barcelona	15	15	25.00	
Ruta de los Pantanos, S.A.	Avda. Europa, 18 P.E. La Moraleja Alcobendas (Madrid)	2,182	1,709	25.00	Deloitte, S.L.
Teide Gestión del Sur, S.L.	Avda. Luis Montoto, 107. Seville	3,150	–	45.00	
Teide-MDM Quadrat, S.A.	Panama	190	–	50.00	
Terminal Polivalente de Castellón, S.A.	Muelle del Centenario (Terminal B). El Grao (Castellón)	1,870	2,662	45.00	
Terminal Polivalente de Huelva, S.A.	La Marina, 29. Huelva	(263)	5	31.50	
Torres Porta Fira, S.A.	Mestre Nicolau, 19. Barcelona	8,672	8,648	40.00	
Tramvia Metropolità del Besós, S.A.	Córcega, 270. Barcelona	6,445	5,507	22.44	

Company	Registered office	Carrying Amount of the Investment 2006	Carrying Amount of the Investment 2005	Effective Percentage of Ownership	Auditor
Tramvia Metropolità, S.A.	Córcega, 270. Barcelona	6,018	5,240	22.44	
Tranvía de Parla, S.A.	Soledad, 1 A. Parla (Madrid)	2,993	732	37.50	Deloitte, S.L.
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra	Andorra	7,210	6,380	40.00	KPMG
Urbs Iudex et Causidicus, S.A.	Tarragona, 161. Barcelona	(4,857)	(10,866)	29.00	
Vivero del Río Razón, S.L.	Camino del Guardatillo. Valdeavellano de Tera (Soria)	2	2	48.00	
Cement					
Aplicaciones Minerales, S.A.	Camino Fuente Herrero. Cueva Cardiel (Burgos)	596	371	31.35	
Áridos Unidos, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	40	–	25.70	
Canteras y Hormigones Quintana, S.A.	Ctra. Santander-Bilbao Km. 184. Barcena de Cicero (Cantabria)	3,975	2,609	17.83	Enrique Campos
Carbocem, S.A.	Paseo de la Castellana, 45. Madrid	–	411	51.13	KPMG
Canteras y Hormigones VRE, S.A.	Arieta, 13. Estella (Navarra)	2,012	1,814	33.83	KPMG
Comercial de Prefabricados Lemona, S.A.	Barrio Inzunza, 1. Lemona (Vizcaya)	18	–	28.46	
Ecofond, S.A.	Paseo Mikeletegi, 2 Edifico Inasmet. San Sebastián (Guipúzcoa)	196	–	9.96	
Ecofuel, S.A.	Camino Arnesl, 19. Bilbao (Vizcaya)	112	–	16.62	
Exponor, S.A. -in liquidation-	Alameda de Urquijo, 10. Bilbao (Vizcaya)	1	1	15.56	
Cementos Lemona Group	Alameda de Urquijo, 10. Bilbao (Vizcaya)	–	43,500	30.79	
Hormigones Calahorra, S.A.	Brebicio, 25. Calahorra (La Rioja)	184	173	33.90	
Hormigones Castro, S.A.	Ctra. Irún-La Coruña Km. 153. Islares. (Cantabria)	453	436	23.77	
Hormigones del Baztán, S.L.	Suspeltxiki, 25. Vera de Bidasoa (Navarra)	800	764	33.83	
Hormigones Delfín, S.A.	Venta Blanca. Peralta (Navarra)	896	869	33.83	
Hormigones en Masa de Valtierra, S.A.	Ctra. Cadreita Km. 0. Valtierra (Navarra)	1,666	1,581	33.83	
Hormigones Galizano, S.A.	Ctra. Irún-La Coruña Km. 184. Gama (Cantabria)	311	299	29.72	
Hormigones Reinares, S.A.	Bretón de los Herreros, 8. Calahorra (La Rioja)	896	741	33.83	
Hormigones y Áridos del Pirineo Aragonés, S.A.	Ctra. Biescas. Sabiñanigo (Huesca)	6,291	4,470	33.83	KPMG
Lázaro Echevarría, S.A.	Isidoro Melero. Alsasua (Navarra)	9,221	8,781	18.95	KPMG
Navarra de Transportes, S.A.	Ctra. Pamplona-Vitoria Km. 52. Olazagutia (Navarra)	1,175	1,010	22.55	KPMG
Neuciclaje, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	777	–	22.12	
Novhorvi, S.A.	Portal de Gamarra, 25. Vitoria Gasteiz (Álava)	313	263	16.80	
Portcemen, S.A.	Muelle Contradique Sur-Puerto Barcelona. Barcelona	176	–	8.98	
Prefabricados Lemona, S.A.	Barrio Inzunza, 1. Lemona (Vizcaya)	(231)	–	28.46	
Prefabricados Levisa, S.A.	Capitán Velasco, 20. Málaga	412	–	27.51	
Quinsa Prefabricados de Hormigón, S.L. Sole-Shareholder Company	Ctra. S. Sebastián-Coruña Km. 184. Barcena de Cicero (Cantabria)	(2)	–	17.83	
Silos y Morteros, S.L.	Ctra. de Pamplona Km. 1. Logroño (La Rioja)	293	270	22.55	
Terminal Cimentier de Gabes-Gie	Tunisia	4	–	10.54	
Terrenos Molins, S.L.	Llobregat. Molins de Rei (Barcelona)	4	–	8.98	
Transportes Cántabros de Cemento Portland, S.L.	Ctra. S. Sebastián-Coruña Km. 184. Barcena de Cicero. (Cantabria)	181	–	17.83	
Other activities					
Realia Business Group	Paseo de la Castellana, 216. Madrid	296,455	256,524	49.17	Deloitte, S.L.
Total value of companies accounted for using the equity method		**555,878**	**481,380**		

Appendix IV Changes in the scope of consolidation

Additions	Registered office	Additions	Registered office
Fully consolidated companies		ALTEC UMWELTTECHNIK GMBH	Austria
ACQUE DI CALTANISSETTA, S.P.A.	Italy	APT ALPINE PROJECT TECHNOLOGY GMBH	Austria
AEROPORTI DI ROMA HANDLING S.P.A.	Italy	ARCHITEC BAUTRAGER GMBH	Austria
AGREGATS UNILAND, SARL	France	ARN ASPHALT UND RECYCLING GMBH	Germany
ALQUILERES Y TRANSPORTES, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	ARN ASPHALT UND RECYCLING GMBH & CO KG	Germany
ARENAS Y HORMIGONES MUÑORRODERO, S.A. -Sole-Shareholder Company-	Alameda de Urquijo, 10. Bilbao (Vizcaya)	BA-ÉP BALATON ASZFALT ES ÉPITŐ KFT	Hungary
ÁRIDOS UNILAND, S.A. Sole-Shareholder Company	Torrenteres, 20 P.I. Sur. El Papiol (Barcelona)	BAUGESELLSCHAFT MBH KONRAD BEYER & CO SPEZIALBAU GMBH	Austria
ARRIBERRI, S.L.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	BAUTECHNISCHE PRÜF UND VERSUCHSANSTALT GMBH	Austria
AZINCOURT INVESTMENT, S.L. Sole-Shareholder Company	Federico Salmón, 13. Madrid	BETOTRUB OSTRAVA SRO	Czech Republic
CANTERA GALDAMES II, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	BRUNO FREIBAUER GMBH	Austria
CANTERAS DEL PIRINEO OCCIDENTAL, S.A.	Estella, 6. Pamplona (Navarra)	BÜROZENTRUM U3 PROJEKT GMBH	Austria
CANTERAS Y CONSTRUCCIONES DE VIZCAYA, S.A.	Barrio La Cadena, 10. Carranza (Vizcaya)	CONEX WARENHANDELS GMBH	Austria
CEMENTOS LEMONA, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	CPI CZECH PROPERTY INVEST AG	Austria
CEMUSA NY, LLC.	U.S.A.	E GOTTSCHALL & CO GMBH	Germany
CISTERNAS LEMONA, S.L. Sole-Shareholder Company	Barrio Arraibi, s/n. Lemona (Vizcaya)	EMBERGER & ESSL GMBH	Austria
CONSTRUCTORA TÚNEL DE COATZACOALCOS, S.A. DE C.V.	Mexico	EMBERGER & HEUBERGER BAU GMBH	Austria
CORPORACIÓN UNILAND, S.A.	Córcega, 299. Barcelona	ERFURTH SPEZIALBAU GMBH	Austria
EGUR BIRZIKLATU BI MILA, S.L.	Barrio Olazar, 2. Zeberio (Vizcaya)	ERFURTH SPECIALNE GRADNJE D O O	Slovenia
ELCEN OBRAS SERVICIOS Y PROYECTOS, S.A.	Voluntarios Catalanes, 30. Madrid	FEBAREST LTD	Cyprus
ENVIROPOWER INVESTMENTS, LIMITED	United Kingdom	FELS UND SPRENGTECHNIK GMBH	Austria
FCC CONSTRUCTION INC.	U.S.A.	FERRO-BETONIT-WERKE INMOBILIEN GMBH	Austria
GESTIÓN ESPECIALIZADA EN INSTALACIONES, S.A.	Valentín Beato, 24. Madrid	FRITZ & CO BAU GMBH	Austria
GIANT CEMENT HOLDING, INC.	U.S.A.	FRÖHLICH BAU UND ZIMMEREIUNTERNEHMEN GMBH	Austria
GRUCYCSA, S.A.	Plaza Pablo Ruiz Picasso. Madrid	G UND T BAU GMBH	Germany
ALPINE GROUP:		GARAZNA HISA DOO	Slovenia
3 G NETZWERK ERRICHTUNGS GMBH	Austria	GINZKEYPLATZ LIEGENSCHAFTSVERWERTUNGS GMBH	Austria
3 G NETZWERK ERRICHTUNGS GMBH & CO KG	Austria	GRANITUL, S.A.	Romania
ACOTON PROJEKTMANAGEMENT & BAUTRÄGER GMBH	Austria	GREGORICH GMBH	Austria
AD GRUNDBESITZVERWALTUNG GMBH	Germany	GRUND PFAHL UND SONDERBAU GMBH	Austria
AJS ACOTON PROJEKTMANAGEMENT & BAUTRAGER GMBH & CO KG	Austria	GRUND UND SONDERBAU GMBH	Austria
ALPINE, S.A.	Romania	HAZET BAUUNTERNEHMUNG GMBH	Austria
ALPINE ALEKSANDAR DOO	Macedonia	HOCH & TIEF BAU BETEILIGUNGS GMBH	Austria
ALPINE BAU DEUTSCHLAND AG	Germany	ING HADERER ARNULF GMBH	Austria
ALPINE BAU TROSTBERG GMBH	Germany	INTECH INSTALLATIONSTECHNIK GMBH	Austria
ALPINE BAU ZAGREB DOO	Croatia	JAM ASPHALT GMBH	Austria
ALPINE BH DOO TRAVNIK	Bosnia Herzegovina	KAI CENTER ERRICHTUNGS UND VERMIETUNGS GMBH	Austria
ALPINE BULGARIA AD	Bulgaria	KAPSREITER MINSCHANLAGEN GMBH	Germany
ALPINE CONSULTING DOO GRADBENI INZENIRING	Slovenia	KLÖCHER BAU GMBH	Austria
ALPINE DOLOMIT AD	Serbia	MAS BAU PROJEKT UND HANDELS GMBH	Austria
ALPINE DOO SERBIEN	Serbia	MAYREDER BAU GMBH BUDAPEST	Hungary
ALPINE ENERGIE DEUTSCHLAND GMBH	Germany	MAYREDER BOHEMIA STAVEBNI SPOLECNOST SPOL SRO	Czech Republic
ALPINE ENERGIE GESELLSCHAFT F ELEKTRISCHE U	Austria	MAYREDER HOCH UND TIEFBAU GMBH	Austria
INDUSTRIELLE UNTERNEHMUNGEN GMBHALPINE ENERGIE HOLDING AG	Germany	MAYREDER PRAHA STAVEBNI SPOLEC SPOL SRO	Czech Republic
ALPINE ENERGIE LUXEMBOURG SARL	Luxembourg	MLA LIEFERASPHALT GMBH	Austria
ALPINE ENERGIE LUXEMBOURG SARL & CIE SECS	Luxembourg	MMU GLEISBAUGERÄTEVERMIETUNG GMBH	Austria
ALPINE ENERGIE NETWORKS AG	Switzerland	MORTINGER-GROHMANN GMBH	Austria
ALPINE GRANIT AD	Serbia	MWG WOHNBAU GMBH	Austria
ALPINE HOLDING GMBH	Austria	NETZBAU VERWALTUNGS GMBH	Germany
ALPINE INVESTMENT DOO	Bosnia Herzegovina	OEKOTECHNA ENTSORGUNGS UND UMWELTTECHNIK GMBH	Austria
ALPINE INZENIRING GRADBENO PODJETJE DOO -In liquidation-	Slovenia	PARKGARAGE MAKARTPLATZ GMBH	Austria
ALPINE IPS OSTRAVA POLSKA SP ZOO	Poland	PROJECT DEVELOPMENT GMBH	Austria
ALPINE KRAKBAU SP ZOO	Poland	RMG DOO	Bosnia Herzegovina
ALPINE MAYREDER & TABCON LTD	Ghana	S C SCAEP GIURGIU PORT, S.A.	Romania
ALPINE MAYREDER BAU DOO MARIBOR. -In liquidation-	Slovenia	S P CO FLOREASCA SRL	Romania
ALPINE MAYREDER BAU GMBH	Austria	SALZBURG CENTER DEVELOPMENT AG	Poland
ALPINE MAYREDER CONSTRUCTION CO LTD AMCC	China	SALZBURGER LIEFERASPHALT OHG	Austria
ALPINE MAYREDER GMBH SCHWEIZ	Switzerland	SCHAUER EISENBAHNBAU GMBH	Austria
ALPINE MAYREDER LIEGENSCHAFTSVERWERTUNG GMBH	Austria	SENOVSKA STAVEBNI SRO V LIKVIDACI	Czech Republic
ALPINE MAYREDER ROMANIA SRL	Romania	SILASFALT SRO	Czech Republic
ALPINE MAYREDER SERVICES GMBH SCHWEIZ	Switzerland	SONG CONSULTING GMBH	Austria
ALPINE PODGORICA DOO	Montenegro	STUMP FUNDERINGSTECHNIEK BV -In liquidation-	The Netherlands
ALPINE PROJECT FINANCE AND CONSULTING GMBH	Germany	STUMP HYDROBUDOWA SP ZOO WARSCHAU	Poland
ALPINE PZPB DOO SERBIEN	Serbia	STUMP SPEZIAL TIEFBAU GMBH	Czech Republic
ALPINE RUDNIK KRECNJAKA LAPISNICA DOO	Bosnia Herzegovina	STUMP SPEZIAL TIEFBAU SPOL SRO PRAG	Czech Republic
ALPINE SLOVAKIA SPOL SRO	Slovakia	THALIA ERRICHTUNGS UND VERMIETUNGS GMBH	Austria
ALPINE STAVEBNI SPOLECNOST CZ SRO	Czech Republic	TIEFBAU DEUTSCHLANDSBERG GMBH	Austria

Appendix IV

Additions	Registered office	Additions	Registered office
TIEFBAU DEUTSCHALNDSBERG GMBH & CO KG	Germany	ASA HP SPOL SRO	Czech Republic
TOO APLINE KAZ	Kazakhstan	ASA INTERNATIONAL ENVIRONMENTAL SERVICES GMBH	Austria
UNIVERSALE BAU GMBH	Austria	ASA KISALFÖLD SZÁLLITÓ KÖRNYEZETVÉDELMI ÉS H KFT	Hungary
UNO-CENTER SRO KONKURS	Czech Republic	ASA KOSICKÉ OLSANY SRO	Slovakia
VELA BOROVICA KONCERN DOO	Croatia	ASA LIBEREC SRO	Czech Republic
WALTER HAMANN HOCH TIEF UND STAHLBETONBAU GMBH	Germany	ASA MAGYARORSZÁG KÖRNYEZETVÉDELEM ÉS H KFT	Hungary
WEINFRIED BAUTRÄGER GMBH	Austria	ASA ODPADY LITOVEL SRO	Czech Republic
ABO ASPHALT-BAU OEYNHAUSEN GMBH	Germany	ASA OLSAVA SPOL SRO	Slovakia
AE STADTLAND GMBH	Germany	ASA POL SPOL SRO	Czech Republic
ASFALTNA CESTA DOO	Croatia	ASA POSÁZAVÍ SRO	Czech Republic
ASPHALTMISCHWERK BETRIEBS GMBH & CO KG	Austria	ASA SLOVENSKO SPOL SRO	Slovakia
ASPHALTMISCHWERK GREINSFURTH GMBH	Austria	ASA SLUZBY ZABOVRESKY SRO	Czech Republic
ASPHALTMISCHWERK GREINSFURTH GMBH & CO KG	Austria	ASA SPOL SRO	Czech Republic
ASPHALTMISCHWERK LEOPOLDAU GMBH	Austria	ASA TRANAVA SPOL SRO	Slovakia
ASPHALTMISCHWERK STEYREGG GMBH & CO KG	Austria	ASA USLUGE ZA ZASTITU OKOLISA DOO	Croatia
AWT ASPHALTWERK GMBH	Austria	ASA V.O.D.S. SANACIE SRO	Slovakia
AWW ASPHALTMISCHWERK WÖLBLING GMBH	Austria	ASA ZABCICE SPOL SRO	Czech Republic
BAUSTOFEE HANDRICK GMBH	Germany	ASA ZOHOR SPOL SRO	Slovakia
DOLOMIT-BETON LIEFERBETONWERK GMBH	Austria	ABFALLWIRTSCHAFTSZENTRUM MOSTVIERTEL GMBH	Austria
DRAUBETON GMBH	Austria	BEC ODPADY SRO	Czech Republic
EVW ENERGIEVERSORGUNG GMBH	Austria	EKO SERWIS SP ZOO	Poland
HEMMELMAIR FRÜSTECHNIK GMBH	Austria	ENTSORGA ENTSORGUNGS GMBH NFG KG	Austria
KIESWERK-BETRIEBS GMBH & CO KG	Austria	ENVICON G SRO	Czech Republic
KONSORCJUM AUTOSTRADA SLASK AG	Poland	ERD-KOM ÉRDI KOMMUNÁLIS HULLADÉKKEZELŐ	Hungary
RBA RECYCLING UND BETONANLAGEN GMBH & CO NFG KG	Austria	ESKO – ASA SRO	Czech Republic
RFM ASPHALTMISCHWERK GMBH	Austria	INERTA ABFALLBEHANDLUNGS GMBH	Austria
RFM ASPHALTMISCHWERK GMBH & CO KG	Austria	MATRA-KOM HULLADÉKGAZDÁLKODÁSI SZOLGÁLTATÓ KFT	Hungary
RFM KIES GMBH	Austria	MIEJSKA PRZEDSIEBIORSTWO GOSPODARKI KOMUNALNEJ SP ZOO ZABRZE	Poland
RFPB KIESWERK GMBH	Austria	POLABSKA SRO	Czech Republic
RFPB KIESWERK GMBH & CO KG	Austria	QUAIL SPOL SRO	Czech Republic
TRANSPORTBETON UND ASPHALT GMBH & CO KG	Austria	REGIOS AS	Czech Republic
TSK SAND UND KIES GMBH	Germany	S C ASA SERVICII ECOLOGICE SRL	Romania
WALDVIERTLER LIEFERASPHALT GMBH & CO KG	Austria	SÁRRÉTTI KÖZTERÜLET-FENNTARTÓ KFT	Hungary
ZIEGELWERK FREITAL EDER GMBH	Germany	SC VALMAX IMPEX SRL	Romania
ASA GROUP:		SIEWIERSKIE PRZEDSIEBIORSTWO GOSPODARKI KOMUNALNEJ SP ZOO	Poland
ASA ABFALL SERVICE AG	Austria	TECHNICKÉ SLUZBY – A S ASRO	Slovakia
ASA ABFALL SERVICE BETRIEBS GMBH	Austria	TEXTIL VERWERTUNG GMBH	Austria
ASA ABFALL SERVICE HALBENRAIN GMBH	Austria	TORES – TECHNICKÉ, OBCHODNÍ A REKREACNÍ SLUZBY AS	Czech Republic
ASA ABFALL SERVICE HALBENRAIN GMBH & CO NFG KG	Austria	WASTE CITY SPOL SRO –In liquidation-	Slovakia
ASA ABFALL SERVICE INDUSTRIEVIERTEL BETRIEBS GMBH	Austria	WASTE RECYCLING GROUP:	
ASA ABFALL SERVICE INDUSTRIEVIERTEL GMBH & CO NFG KG	Austria	3C HOLDINGS LIMITED	United Kingdom
ASA ABFALL SERVICE NEUNKIRCHEN GMBH	Asutria	3C WASTE LIMITED	United Kingdom
ASA ABFALL SERVICE OBERÖSTERREICH GMBH	Austria	ADVANCED NATURAL FUELS LIMITED	United Kingdom
ASA ABFALL SERVICE WIENER NEUSTADT GMBH	Austria	AIRDRIEHILL QUARRIES LIMITED	United Kingdom
ASA ABFALL SERVICE ZISTERSDORF GMBH	Austria	ALLINGTON WASTE COMPANY LIMITED	United Kingdom
ASA ABFALL SORTIERANLAGE ASTEN BETRIEBS GMBH NFG KG	Austria	ANTI-RUBBISH LIMITED	United Kingdom
ASA ABFALLSERVICE HALBENRAIN GESELLSCHAFT GMBH & CO NFG KG	Austria	ANTI-WASTE (RESTORATION) LIMITED	United Kingdom
ASA AREAL SPOL SRO	Czech Republic	ANTI-WASTE LIMITED	United Kingdom
ASA CESKÉ BUDĚJOVICE SRO	Czech Republic	ARNOLD WASTE DISPOSAL LIMITED	United Kingdom
ASA DACICE SRO	Czech Republic	ARPLEY GAS LIMITED	United Kingdom
ASA EKO BIH DOO	Bosnia Herzegovina	BDR WASTE DISPOSAL LIMITED	United Kingdom
ASA EKO POLSKA SP ZOO	Poland	CLWR MANAGEMENT 2001 LIMITED	United Kingdom
ASA EKO SRO	Slovakia	DARRINGTON QUARRIES LIMITED	United Kingdom
ASA EKO ZNOJMO SRO	Austria	DERBYSHIRE WASTE LIMITED	United Kingdom
ASA EKOLOGICKÉ SLUZBY SPOL SRO	Slovakia	EAST WASTE LIMITED	United Kingdom
ASA EKOLOSKI SERVIS DOO	Slovakia	ECONOWASTE LIMITED	United Kingdom
ASA ES DOO	Serbia	FINSTOP LIMITED	United Kingdom
ASA ES ÚNANOV SRO	Czech Republic	GREEN WASTE SERVICES LIMITED	United Kingdom
ASA FINANZDIENSTLEISTUNGEN GMBH	Austria	GWS (HOLDINGS) LIMITED	United Kingdom
ASA HÓDMEZÖVÁSÁRHEL Y KÖZTISZTASÁGI KFT	Hungary	HERRINGTON LIMITED	United Kingdom

Inclusions	Registered office	Inclusions	Registered office
HUMBERSIDE WASTEWISE WASTE MANAGEMENT SERVICES LIMITED	United Kingdom	SELECT BETON, S.A.	Tunisia
INTEGRATED WASTE MANAGEMENT LIMITED	United Kingdom	SENBLEN BAT, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)
KENT ENERGY LIMITED	United Kingdom	SEVEROMORAVSKÉ VODOVODY A KANALIZACE OSTRAVA AS	Czech Republic
KENT ENVIROPOWER LIMITED	United Kingdom	SMVAK-INZENYRING SRO	Czech Republic
LANDFILL MANAGEMENT LIMITED	United Kingdom	SOCIÉTÉ DES CIMENTS D'ENFIDA	Tunisia
LINCWASTE LIMITED	United Kingdom	SOUTHERN CEMENT LIMITED	United Kingdom
MEADSHORES LIMITED	United Kingdom	TACK INVERSIONES, S.L. Sole-Shareholder Company	Arquitecto Gaudí, 4. Madrid
NORFOLK WASTE LIMITED	United Kingdom	TECAMI OFITAS, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)
OXFORDSHIRE WASTE LIMITED	United Kingdom	TELSA, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)
PAPER PRODUCT DEVELOPMENTS LIMITED	United Kingdom	TELSA, S.A. Y COMPAÑÍA SOCIEDAD REGULAR COLECTIVA	Alameda de Urquijo, 10. Bilbao (Vizcaya)
PENNINE WASTE MANAGEMENT LIMITED	United Kingdom	TEMA CONCESIONARIA, S.A.	Porto Pi, 8. Palma de Mallorca (Balearic Islands)
RE3 HOLDING LIMITED	United Kingdom	TRANSPORTES GOROZTETA, S.L. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)
RE3 LIMITED	United Kingdom	TRANSPORTES LEMONA, S.A.	Arraibi. Lemona (Vizcaya)
SITE&FIELD EQUIPMENT LIMITED	United Kingdom	UNILAND CEMENTERA, S.A.	Córcega, 299. Barcelona
T SHOOTER LIMITED	United Kingdom	UNILAND INTERNATIONAL BV	The Netherlands
TAWSE ELLON (HAULAGE) LIMITED	United Kingdom	UNILAND MARÍTIMA, S.L. Sole-Shareholder Company	Córcega, 299. Barcelona
WASTE RECOVERY LIMITED	United Kingdom	UNILAND TRADING BV	The Netherlands
WASTE RECYCLING GROUP (CENTRAL) LIMITED	United Kingdom	UNILAND USA LLC.	U.S.A.
WASTE RECYCLING GROUP (SCOTLAND) LIMITED	United Kingdom	UTONKA, S.A. Sole-Shareholder Company	Torrenteres, 20 P.I. Sur. El Papiol (Barcelona)
WASTE RECYCLING GROUP (SOUTH WEST) LIMITED	United Kingdom		
WASTE RECYCLING GROUP (YORKSHIRE) LIMITED	United Kingdom	**Proportionately consolidated companies**	
WASTE RECYCLING GROUP LIMITED	United Kingdom	AGUAS DE LANGREO, S.L.	Alonso del Riesgo, 3. Sama de Langreo (Asturias)
WASTE RECYCLING LIMITED	United Kingdom	CEMENTOS ARTIGAS, S.A.	Uruguay
WASTENOTTS (RECLAMATION) LIMITED	United Kingdom	CEMENTOS AVELLANEDA, S.A.	Argentina
WASTENOTTS LIMITED	United Kingdom	DEPURPLAN 11, S.A.	Madre Rafols, 2. Zaragoza
WASTEWISE LIMITED	United Kingdom	EMPRESA MIXTA D'AIGÜES DE LA COSTA BRAVA, S.A.	Plaza Josep Pla, 4. Girona
WASTEWISE POWER LIMITED	United Kingdom	FRESHMARKETS, S.A.	Uruguay
WASTEWISE TRUSTEES LIMITED	United Kingdom	INALIA CAP DJINET, S.L.	Ulises, 18. Madrid
WELBECK WASTE MANAGEMENT LIMITED	United Kingdom	MINUS INVERSORA, S.A.	Argentina
WINTERTON POWER LIMITED	United Kingdom	PREBESEC FRANCE, SAS	France
WRG (MANAGEMENT) LIMITED	United Kingdom	SOCIEDAD OPERADORA DEL TRANVIA DE PARLA, S.L.	Ulises, 18. Madrid
WRG (MIDLANDS) LIMITED	United Kingdom		
WRG (NORTHERM) LIMITED	United Kingdom	**Companies accounted for using the equity method**	
WRG ACQUISITIONS 2 LIMITED	United Kingdom	ARAGONESA DE RECUPERACIONES MEDIOAMBIENTALES XXI, S.A.	Ctra. de Castellón, Km. 58. Zaragoza
WRG BERKSHIRE LIMITED	United Kingdom	ARAGONESA DE TRATAMIENTOS MEDIOAMBIENTALES XXI, S.A.	Ctra. de Castellón, Km. 58. Zaragoza
WRG ENVIRONMENTAL LIMITED	United Kingdom	ÁRIDOS UNIDOS, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)
WRG PFI HOLDINGS LIMITED	United Kingdom	AUTOPISTA DEL SOL, S.A.	Costa Rica
WRG PROPERTIES LIMITED	United Kingdom	CEDINSA TER CONCESSIONARIA DE LA GENERALIDAD, S.A.	Tarragona, 141. Barcelona
WRG WASTE SERVICES LIMITED	United Kingdom	COMERCIAL DE PREFABRICADOS LEMONA, S.A.	Barrio Inzunza, 1. Lemona (Vizcaya)
WRG WREXHAM LIMITED	United Kingdom	CONSTRUCTORA SAN JOSÉ-SAN RAMON SJSR, S.A.	Costa Rica
WRG WREXHAM PFI HOLDINGS LIMITED	United Kingdom	DESAROLLOS Y PROMOCIONES COSTA CÁLIDA, S.A.	Saturno, 1. Pozuelo de Alarcón (Madrid)
GULFLAND CEMENT LLC.	USA	ECOFOND, S.A.	Paseo Mikeletegi, 2 Ed. Inasmet-San Sebastián
HORMIGONES GALDAMES, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	ECOFUEL, S.A.	(Guipúzcoa)
HORMIGONES LEMONA, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	GESI-9, S.A.	Camino Arnesl, 19. Bilbao (Vizcaya)
HORMIGONES PREMEZCLADOS DEL NORTE, S.A.	Barrio La Cadena. Carranza (Vizcaya)	ASA GROUP:	Plaza del Duque, s/n. Alcalá de Guadaira (Seville)
HORMIGONES UNILAND, S.L. Sole-Shareholder Company	Ctra. Vilafranca del P. a Moja Km. 1. Olérdola (Barcelona)	ASA + AVE KÖRNYEZETVÉDELMI H KFT	Hungary
		ASA HLOHOVEC SRO	Slovakia
IMPULSA INFRAESTRUCTURA, S.A. DE C.V.	Mexico	ASA LUBLINIEC SP ZOO	Poland
LEMONA INDUSTRIAL, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	ASA MARCELOVÁ SRO	Slovakia
METRO BARAJAS SOCIEDAD CONCESIONARIA, S.A.	Pedro Texeira, 8. Madrid	ASA TS PROSTEJOV SRO	Czech Republic
MORTEROS BIZKOR, S.L.	Alameda de Urquijo, 10. Bilbao (Vizcaya)	AKSD VÁROSGAZDÁLKODÁSI KORLÁTOLT FT	Hungary
OPERALIA INFRAESTRUCTURAS, S.A.	Pedro Texeira, 8. Madrid	ASTV SRO	Czech Republic
OVOD SPOL SRO	Czech Republic	AVERMANN-HUNGÁRIA KFT	Hungary
PI PROMOTORA DE INFRAESTRUCTURAS, S.A.	Costa Rica	BIHARI HULLADÉKGAZDÁLKODÁSI KFT	Hungary
PORTLAND, S.L.	José Abascal, 59. Madrid	BÖRZSÖNY-CSERHÁT KÖRNYEZETVÉDELMI ÉS HKK	Hugría
PREBESEC MALLORCA, S.A.	Conradors, 48. Marratxi. Palma de Mallorca (Baleares)	HUBER ABFALLSERVICE VERWALTUNGS GMBH	Austria
PREBESEC, S.A. Sole-Shareholder Company	Torrenteres, 20 P.I. Sur. El Papiol (Barcelona)	HUBER ENTSORGUNGS GMBH NFG KG	Austria
PREFABRICADOS UNILAND, S.A. Sole-Shareholder Company	Córcega, 299. Barcelona	KILLER GMBH	Austria
RECISUELOS, S.A. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	KILLER GMBH & CO KG	Austria
SANTURSABA, S.L. Sole-Shareholder Company	Alameda de Urquijo, 10. Bilbao (Vizcaya)	MÜLLUMLADASTATION OSTREGION GMBH & CO KG	Austria

Additions	Registered office	Additions	Registered office
RECOPAP SRO	Slovakia	PORTCEMEN, S.A.	Muelle Contradique Sur-Puerto Barcelona. Barcelona
REPAP CZECH SPOL SRO	Czech Republic	PREFABRICADOS LEMONA, S.A.	Barrio Inzunza, 1. Lemona (Vizcaya)
SANO CB SRO	Czech Republic	PREFABRICADOS LEVISA, S.A.	Capitán Velasco, 20. Málaga
TECHNICKÉ A STAVEBNÍ SLUZBY AS	Czech Republic	QUINSA PREFABRICADOS DE HORMIGÓN, S.L. Sole-Shareholder Company	Ctra. S. Sebastián-La Coruña Km. 184-B. de Cicero (Cantabria)
TIRME GROUP	Ctra. Sóller Km. 8,2 Camino de Son Reus. Palma de Mallorca (Balearic Islands)	SHARIKET MIYEH RAS DJINET, S.P.A.	Algeria
WASTE RECYCLING GROUP:		SHARIKET TAHLYA MIYAH MOSTAGANEM, S.P.A.	Algeria
ENERGYLINC LIMITED	United Kingdom	TEIDE GESTIÓN DEL SUR, S.L.	Avda. Luis Montoto, 107. Seville
GOOLE RENEWABLE ENERGY LIMITED	United Kingdom	TEIDE-MDM QUADRAT, S.A.	Panama
SHELFORD COMPOSTING LIMITED	United Kingdom	TERMINAL CIMENTIER DE GABES-GIE	Tunisia
MDM-TEIDE, S.A.	Panama	TERRENOS MOLINS, S.L.	Llobregat. Molins de Rei (Barcelona)
NEUCICLAJE, S.A. OPERACIONES Y SERVICIOS PARA LA INDUSTRIA DE LA CONSTRUCCIÓN, S.A. DE C.V.	Alameda de Urquijo, 10. Bilbao (Vizcaya) Mexico	TRANSPORTES CÁNTABROS DE CEMENTO PORTLAND, S.L.	Ctra. S. Sebastián-La Coruña Km. 184-B. de Cicero (Cantabria)

Removals	Registered office
Fully consolidated companies	
ALMACENES, TRÁNSITOS Y REEXPEDICIONES, S.A. Sole-Shareholder Company	Calderón de la Barca, 4. Santander (Cantabria)
Proportionately consolidated companies	
CDN-USA GROUP (1)	USA
SENBLEN BAT, S.A. (*)	Alameda de Urquijo, 10. Bilbao (Vizcaya)
Companies accounted for using the equity method	
CEMENTOS LEMONA GROUP (*)	Alameda de Urquijo, 10. Bilbao (Vizcaya)

(1) Company absorbed by Giant Cement Holding, Inc.
(*) Change in consolidation method.

Appendix V Unincorporated joint ventures, economic interest groupings and other entities jointly controlled with non-Group third parties

	Percentage of ownership at 31 december 2006
Environmental services	
A.I.E. ITAM DELTA DE LA TORDERA	50.00
A.I.E. SEARSA CAÑELLAS	25.00
A.I.E. SOREA-SEARSA-AQUALIA	37.50
A.I.E. COSTA TROPICAL DE GRANADA	51.00
UTE A GUARDA	50.00
UTE ABASTECIMIENTO EXTREMADURA	20.00
UTE ABASTECIMIENTO ZARAGOZA	70.00
UTE ABM	52.80
UTE ACTUACIÓN 11 TERUEL	50.00
UTE AEROPUERTO I	50.00
UTE AEROPUERTO II	50.00
UTE AEROPUERTO III	50.00
UTE AGUA CIUDAD VALDELUZ	60.00
UTE AGUAS ALCALÁ	37.50
UTE AGUAS DEL DORAMÁS	50.00
UTE ALCANTARILLADO BILBAO	90.00
UTE ALMEDA	51.00
UTE AMPLIACIÓ LIXIVITATS	49.40
UTE AMPLIACIÓN IDAM SANT ANTONI	50.00
UTE AMPLIACIÓN VERTEDERO GARDELEGUI	55.00
UTE ANDRATX	25.00
UTE ANSA – ALFUS	20.00
UTE APARKISA	35.00
UTE AQUAGEST Y SEARSA	25.00
UTE AQUALIA – FCC – MYASA	94.00
UTE ARGI GUEÑES	70.00
UTE ASTONDO	40.00
UTE BILBOKO SANEAMENDU	50.00
UTE BIOCOMPOST DE ÁLAVA	50.00
UTE BOADILLA	50.00
UTE CÁDIZ	50.00
UTE CANA PUTXA	20.00
UTE CAP DJINET	50.00
UTE CASTELLANA – PO	50.00
UTE CASTELLAR DEL VALLÈS	50.00
UTE CEMENTERIOS PERIFÉRICOS II	50.00
UTE CESPA GR – GRT	30.00
UTE CHIPIONA	50.00
UTE CIUTAT VELLA	50.00
UTE COLECTOR MAGRANERS	50.00
UTE COLECTORES Y EDAR EN BARBARROJA	25.00
UTE COLEGIOS SANT QUIRZE	50.00
UTE COMPOSTATGE ALT URGELL	40.00
UTE CONSORCIO FCC – FOCSAVEN	75.50
UTE DELTA	50.00
UTE DEPURACIÓN PONIENTE ALMERIENSE	75.00
UTE DOS AGUAS	35.00
UTE ECOSERVEIS FIGUERES	50.00
UTE EDAR CIUDAD VALDELUZ	60.00
UTE EDAR DE KRISPIJANA	70.00
UTE EDAR DEPURADORA BRIANS	25.00
UTE EDAR LLANÇÀ	10.00
UTE EDAR TORREVIEJA	5.00
UTE EPTISA - ENTEMANSER	50.00
UTE ETAP ORBIGO	50.00
UTE EXPLOTACIÓN ITAM TORDERA	50.00
UTE EXPLOTACIÓN PRESAS DEL SEGURA	60.00
UTE F.L.F. LA PLANA	47.00
UTE FCC – ANPE	80.00
UTE FCC – ERS LOS PALACIOS	50.00
UTE FCC – FOCONSA	50.00
UTE FCC – HIJOS DE MORENO, S.A.	50.00
UTE FCC – HIMOSA	50.00

	Percentage of ownership at 31 december 2006
UTE FCCMA – NECA	51.00
UTE FCCMA – RUBATEC STO. MOLLET	50.00
UTE FCCPO	50.00
UTE FCC – PROMECO 2000, S.L.	50.00
UTE FCCSA – GIRSA	89.80
UTE FCCSA – SECOPSA	50.00
UTE FCC – SUFI MAJADAHONDA	50.00
UTE FCC – SUFI PESA	50.00
UTE FCC – SYF PLAYAS	40.00
UTE FCC – TEGNER	50.00
UTE FOBESA	50.00
UTE FS MUNGEST	51.00
UTE FS MUNGEST II	51.00
UTE GEMECAN GENEUS	50.00
UTE GESTIÓN BIOSÓLIDOS SEVILLA	50.00
UTE GESTIÓN INSTALACIÓN III	34.99
UTE GESTIÓN LODOS CYII	50.00
UTE GIREF	20.00
UTE GIRONA SELECTIVES	50.00
UTE HÉROES DE ESPAÑA	50.00
UTE HIDROGESTIÓN	30.00
UTE IDAM IBIZA	50.00
UTE IDAM IBIZA II	50.00
UTE IDAM SANT ANTONI	50.00
UTE INFILCO	50.00
UTE INTAGUA	50.00
UTE JARDINES CÁDIZ	50.00
UTE JARDINES SANTA COLOMA	50.00
UTE JUNDIZ	51.00
UTE KAIAGARBI	51.00
UTE KAIXARRANKA	60.00
UTE LA LLOMA DEL BIRLET	80.00
UTE LEA – ARTIBAI	60.00
UTE LEGIO VII	50.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE ALCORA	50.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE BURRIANA	50.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE CASTELLÓN	50.00
UTE LÍNEA 2 FASE 2 FMB	50.00
UTE LÍNEA 2 METRO BILBAO	50.00
UTE LOCALES JUSTICIA LOTE II	50.00
UTE LOCALES JUSTICIA LOTE V	50.00
UTE LOGROÑO LIMPIO	50.00
UTE LVR MUSKIZ II	70.00
UTE MADRID I	50.00
UTE MADRID II	50.00
UTE MADRID III	50.00
UTE MANCOMUNIDAD ALTO MIJARES	50.00
UTE MANTENIMIENTO COLEGIOS BILBAO	60.00
UTE MANTENIMIENTO DE EDIFICIOS	60.00
UTE MOLLERUSSA	60.00
UTE MONTCADA	50.00
UTE MORELLA	50.00
UTE MOSTAGANEM	50.00
UTE NAVALMORAL	50.00
UTE OBRA AMPLIACIÓN IDAM SAN ANTONIO	50.00
UTE OBRA AGUAS ALCALÁ	55.00
UTE OFICINA ATENCIÓN TRIBUTARIA	33.34
UTE ONDA EXPLOTACIÓN	33.33
UTE PARLA	99.00
UTE PARQUES SINGULARES MÓSTOLES	50.00
UTE PASAIA	70.00
UTE PINETONS	50.00
UTE PISCINA CUBIERTA MUNICIPAL ALBATERA	65.00

	Percentage of ownership at 31 december 2006
UTE PISCINA CUBIERTA MUNICIPAL L'ELIANA	85.00
UTE PISCINA CUBIERTA CLUB DEPORTIVO ALBORAYA	85.00
UTE PISCINA CUBIERTA MANISES	65.00
UTE PISCINA CUBIERTA PAIPORTA	90.00
UTE PISCINA POLIDEPORTIVO PAIPORTA	65.00
UTE PLAN RESIDUOS	47.50
UTE PLANTA COMPOSTATGE D'OLOT	21.00
UTE PLANTA TRATAMIENTO VALLADOLID	60.00
UTE PLAYAS	50.00
UTE PONIENTE ALMERIENSE	50.00
UTE PORTUGARBI	51.00
UTE PORTUGARBI – BI	51.00
UTE POSU – FCC VILLALBA	50.00
UTE PUERTO	50.00
UTE R.S. PONIENTE ALMERIENSE	50.00
UTE RBU VILLA-REAL	47.00
UTE RESIDENCIA	50.00
UTE RESIDUOS ELECTRÓNICOS	16.67
UTE RESTAURACIÓN GARRAF	27.50
UTE S.U. BILBAO	70.00
UTE SALTO DEL NEGRO	50.00
UTE SANT QUIRZE	50.00
UTE SANT QUIRZE DEL VALLÉS	50.00
UTE SANTA COLOMA DE GRAMANET	61.00
UTE SANTURTZIKO GARBIKETA	60.00
UTE SASIETA	75.00
UTE SAV – FCC TRATAMIENTOS	35.00
UTE SEAFSA – FCCSA ALCALÁ	60.00
UTE SEAFSA J.I. RODRÍGUEZ	30.00
UTE SEAFSA LANZAROTE	30.00
UTE SEAFSA – JAIME E ISAAC RODRÍGUEZ	25.00
UTE SEARSA MAN	25.00
UTE SEARSA – INGEMAXTER – FELANITX	25.00
UTE SEARSA – INGENTMA	25.00
UTE SEARSA – MAN EXPLOTACIÓN ZONA MA5	25.00
UTE SUELO MADRID	50.00
UTE T.P.A. E INICRESS	75.00
UTE TIRVA FCC – FCCMA RUBÍ	51.00
UTE TORRIBERA	50.00
UTE TORRIBERA RSU	50.00
UTE TOSSA DE MAR	20.00
UTE TREMP	51.00
UTE TXINGUDI	75.00
UTE VERTEDERO GARDELEGUI	70.00
UTE VERTRESA	10.00
UTE VIGO RECICLA	70.00
UTE VINAROZ	50.00
UTE VIVIENDAS MARGEN DERECHA	60.00
UTE ZONZAMAS FASE II	30.00
UTE ZURITA	50.00
Versia	
A.I.E. INFOSER ESTACIONAMIENTOS	33.33
UTE BYPASS SUR	50.00
UTE C-17 SERVEI	50.00
UTE CAMINO	50.00
UTE CARTAGENA	50.00
UTE CN III	45.00
UTE CONTROL TÚNELES GRAN CANARIA	50.00
UTE EIX LLOBREGAT	50.00
UTE EUROHANDLING	50.00
UTE EUROHANDLING BARCELONA	50.00
UTE EUROHANDLING MÁLAGA	50.00
UTE EXTREMADURA	25.00

	Percentage of ownership at 31 december 2006
UTE EYSSA – AUPLASA ALICANTE	65.00
UTE FCC ACISA AUDING	45.00
UTE FCC – DISEL BARCELONA	80.00
UTE FCC – DISEL N-VI	50.00
UTE METEOROLÓGICAS A-6	33.00
UTE NOROESTE	33.00
UTE OCAÑA	75.00
UTE SCC SICE	50.00
UTE SCUTMADEIRA	55.00
UTE TRAMBAIX	33.00
UTE TRAMBESÓS	33.00
UTE TÚNELES BRAÑAVIELLA – NIEVARES	50.00
UTE ZARZUELA	50.00
Construction	
ACE ACESTRADA	13.33
ACE DAS ANTAS	50.00
ACE EDIFER CONST., RAM R.C. E CONDU	33.33
ACE FCC CONSTRUCCIÓN E EDIFER	50.00
ACE INFRAESTRUCTURAS DAS ANTAS	33.33
ACE LUMIAR	50.00
ACE LUMIAR PREVIA	50.00
ACE METREXPO	44.90
ACE RAMA ROSA COBETAR, GRAV R NOV	72.25
ACE RAMALHO ROSA COBETAR E EDIFER	56.00
ACE TÚNEL ODEOLUCA	35.00
ACE TÚNEL RAMELA	13.33
ACE TÚNEL RUA CEUTA, CONSTRUÇAO E OBRAS PÚBLICAS	49.50
UTE 2ª FASE PLATAFORMA AENA	60.00
UTE 40 – NORTE	50.00
UTE 57 VIVIENDAS PC-6 CERRO DE REYES	90.00
UTE 60 VIVIENDAS ALMENDRALEJO	85.00
UTE ABOÑO MUSEL	80.00
UTE ACONDICIONAMIENTO MUELLE SANTA CATALINA	40.00
UTE AEROMÉDICA CANARIA – FCCCO	5.00
UTE AEROPUERTO DE CASTELLÓN	50.00
UTE AL – BA	50.00
UTE AL – DEL CÓRDOBA	50.00
UTE AL – DEL MÁLAGA	50.00
UTE ALARCÓN	55.00
UTE ALBUERA	50.00
UTE ALCAR	45.00
UTE ALHAMA	75.00
UTE ALHENDUR	45.00
UTE ALJUCEN	50.00
UTE ALMANZORA	40.00
UTE ALMENDRALEJO	65.00
UTE ALMENDRALEJO II	50.00
UTE ALQUERÍA	50.00
UTE AMPLIACIÓN AP-6 TRAMO 2	50.00
UTE AMPLIACIÓN CONSEJERÍA AMA	65.00
UTE AMPLIACIÓN EDAR ABRERA	90.00
UTE AMPLIACIÓN EDAR GIRONA	67.00
UTE AMPLIACIÓN FERIA VALENCIA FASE II	50.00
UTE AMPLIACIÓN FERIA VALENCIA FASE III	50.00
UTE AMPLIACIÓN PUERTO DE CASTELLÓN	50.00
UTE ANAGA	33.33
UTE AP-7 FIGUERAS	50.00
UTE APARCAMIENTO TERM. ACT. AEROPUERTO G.C.	70.00
UTE ARENAL	16.83
UTE ARINAGA III	50.00
UTE ARMILLA INSTALACIONES	50.00
UTE ARROYO DE LA ENCOMIENDA	50.00
UTE ARROYO DEL FRESNO	50.00

Unincorporated joint ventures, economic interest groupings and other entities jointly controlled whith non-Group third parties

	Percentage of ownership at 31 december 2006
UTE ASTALDI – FCC JV	50.00
UTE ATIL – TECAIR	50.00
UTE AUDITORIO DE BURGOS	65.00
UTE AUDITORIO DE LEÓN	70.00
UTE AUTOPISTA CARTAGENA – VERA	50.00
UTE AUTOVÍA CANALS AGULLENT	60.00
UTE AUTOVÍA MINERA	80.00
UTE AUTOVÍA PAMPLONA – LOGROÑO	35.00
UTE AUTOVÍA PAMPLONA – LOGROÑO T2, 3, 4	70.79
UTE AVE MASIDE	67.00
UTE AVE MONTBLANC	75.00
UTE AVE TERUEL	50.00
UTE ÁVILA 6	35.00
UTE AZOKA	45.88
UTE AZUCENAS	75.00
UTE BALLONTI ARDANZA	10.20
UTE BARBADOS	50.00
UTE BERGARA	50.00
UTE BIMENES	70.00
UTE BIMENES III	70.00
UTE BIZKAIA ENPARANTZA	25.50
UTE BOMBEO DE AGUA C.A.C.	40.00
UTE BULEVAR PINTO RESINA	50.00
UTE C 16	50.00
UTE C&F JAMAICA	50.00
UTE C.P.D.'S	50.00
UTE CABLE CTC	40.00
UTE CÁCERES	65.00
UTE CÁCERES II	50.00
UTE CADAQUÉS	50.00
UTE CÁDIZ	35.00
UTE CAMBULLONEROS	80.00
UTE CAMBULLONEROS – VIRGEN DEL PINO	40.00
UTE CAN TUNIS	70.00
UTE CANAL DE NAVARRA	60.00
UTE CANAL PUERTO VALENCIA	65.00
UTE CAPTACIÓN AGUA DE MAR S.P. PINATAR	50.00
UTE CÁRCEL MARCOS PAZ	35.00
UTE CARCHUNA – CASTELL	75.00
UTE CARDEDEU	40.00
UTE CARIÑENA	50.00
UTE CARRETERA ALCÁNTARA L.P. PORTUGAL	65.00
UTE CARRETERA HORNACHOS – LLERA	65.00
UTE CARRETERA IBIZA – SAN ANTONIO	50.00
UTE CARRETERA VALVERDE BADAJOZ	65.00
UTE CASON	50.00
UTE CASON II	50.00
UTE CASTELLÓ D'AMPÚRIES	50.00
UTE CASTELLOLÍ	50.00
UTE CATENARIA – CERRO NEGRO	50.00
UTE CECOEX	20.00
UTE CENTRAL – BEURKO	20.40
UTE CENTRAL – BEURKO FASE II	12.75
UTE CENTRE CONVENCIONS	37.00
UTE CENTRO COMERCIAL ARANJUEZ	50.00
UTE CENTRO CONTINGENCIAS GAVÀ	70.00
UTE CERRAMIENTO CONTRADIQUE	60.00
UTE CERRO GORDO	75.00
UTE CERVERA LES OLUGES	50.00
UTE CHAPÍN 2002	75.00
UTE CIBELES	50.00
UTE CIM LLEIDA	60.00
UTE CIRCUITO	70.00
UTE CIRCUNVALACIÓN III	46.25

	Percentage of ownership at 31 december 2006
UTE CIUDAD DE LAS ARTES ESCÉNICAS F. V.2	50.00
UTE CIUDAD DE LAS COMUNICACIONES	50.00
UTE CIUDAD DEPORTIVA VALDEBEBAS	50.00
UTE CIUDAD DEPORTIVA VALDEBEBAS II	50.00
UTE CIUDAD REAL	50.00
UTE CIUTAT DE LA JUSTÍCIA	30.00
UTE CLIMA "LA FE"	38.00
UTE CLIMATIZACIÓN BARAJAS	42.50
UTE CLIMATIZACIÓN CIUDAD DE TELEFÓNICA	50.00
UTE CLUB NÁUTICO CASTELLÓN	50.00
UTE COBRA CPD REPSOL	50.00
UTE COBRA – ESPELSA TRANVÍA	50.00
UTE COLECTOR MONTSERRAT	35.00
UTE COLECTOR NAVIA	80.00
UTE COLECTOR PARLA	50.00
UTE COLECTOR RÍO TRIANA	80.00
UTE CONAVILA	55.00
UTE CONAVILA II	50.00
UTE CONDUCCIÓN DEL JÚCAR TRAMO VI	70.00
UTE CONEXIÓN DISTRIBUIDOR SUR	60.00
UTE CONEXIONES EL CAÑAVERAL	33.33
UTE CONSEJERÍA AGRICULTURA	85.00
UTE CONSTRUCCIÓN HOSPITAL SURESTE	50.00
UTE CONTROL AÉREO GAVÀ	70.00
UTE CORNELLÀ WTC	36.00
UTE CORREDOR	55.00
UTE CORTE INGLÉS CASTELLÓN	70.00
UTE CARRETERA PANTANOS	33.33
UTE CARRETERA ACCESO PUERTO CASTELLÓN	50.00
UTE CUATRO CAMINOS	50.00
UTE CUÑA VERDE	93.00
UTE CYM – ESPELSA INSTALACIONES	50.00
UTE D'ARO	60.00
UTE DÁRSENA SUR DEL PUERTO DE CASTELLÓN	50.00
UTE DÁRSENA SUR II DEL PUERTO DE CASTELLÓN	50.00
UTE DE SUMINISTROS PUENTE RÍO OZAMA	50.00
UTE DENIA SALUD	65.00
UTE DEPÓSITO COMBUSTIBLE PUERTO GIJÓN	80.00
UTE DEPURADORA CALLOSA	87.00
UTE DESALADORA BAJO ALMANZORA	60.00
UTE DESDOBLAMIENTO EX-100 BADAJOZ	50.00
UTE DESVÍOS II	60.00
UTE DESVÍOS LÉRIDA-BARCELONA	50.00
UTE DIGESTIÓN EDAR TARRAGONA	50.00
UTE DIQUE ESTE	35.00
UTE DIQUE TORRES	27.00
UTE DISTRIBUCIÓN L-2 Y VARIAS	50.00
UTE DOZÓN	29.60
UTE DUEÑAS	50.00
UTE EDAR ARRUBAL Y AGONCILLO	50.00
UTE EDAR CULEBRO	50.00
UTE EDAR CULEBRO EQUIPOS	50.00
UTE EDAR CULEBRO OBRA CIVIL	50.00
UTE EDAR L.F. DEPURBAIX	40.00
UTE EDAR LOIOLA	84.90
UTE EDAR PATERNA	85.00
UTE EDAR VUELTA OSTRERA	70.00
UTE EDIFICIO 4 WTC	56.25
UTE EDIFICIO 6-7-8 WTC	36.00
UTE EDIFICIO DE LAS CORTES	65.00
UTE EDIFICIO IDI 5 TERCERA FASE CPI	75.00
UTE EDIFICIO IMETISA	70.00
UTE EDIFICIO TERMINAL	40.00
UTE EDIFICIOS I.D.I. TERCERA FASE	75.00

	Percentage of ownership at 31 december 2006
UTE EIX BERGUEDÀ	34.00
UTE EIX DEL LLOBREGAT	34.00
UTE EL CONDADO	40.00
UTE ELECTRICIDAD BY PASS SUR CALLE 30	33.33
UTE ELECTRICIDAD CIUDAD COMUNICACIONES	50.00
UTE ELECTRIFICACIÓN CUATRO VIENTOS	50.00
UTE ELECTRIFICACIÓN GRANOLLERS	20.00
UTE EMISARIO MOMPAS	89.80
UTE ENLACE R3-M50	33.33
UTE ENVALIRA	50.00
UTE ESCLUSA SEVILLA	70.00
UTE ESPELSA – BEDASA	65.00
UTE ESPELSA – CYMI INSTALACIONES NORTE	50.00
UTE ESPELSA – ENDITEL	50.00
UTE ESPELSA – OCESA	75.00
UTE ESPELSA – TMI	94.92
UTE ESTACIÓN AVE ZARAGOZA	50.00
UTE ESTACIÓN FGV MERCADO – ALICANTE	60.00
UTE ESTACIÓN METRO SERRERÍA	50.00
UTE ESTACIONES METRO LIGERO	50.00
UTE ESTACIONS LÍNEA 9	33.00
UTE ESTADIO FRANCISCO DE LA HERA	85.00
UTE ETAP LAS ERAS	50.00
UTE F.I.F. LNG TK – 3001	34.00
UTE F.I.F. TANQUE FB – 241 GNL	38.00
UTE F.I.F. TANQUES GNL	34.00
UTE FASE II HOSPITAL DE MÉRIDA	50.00
UTE FÁTIMA	13.26
UTE FÁTIMA II	16.83
UTE FCC URCO URBASA	50.00
UTE FCCCO ROVER ALCISA TRAMO 5	81.20
UTE FERIA VALENCIA PABELLÓN Nº 7	50.00
UTE FGV ALICANTE TRAMO 2	60.00
UTE FIRA P-5	65.00
UTE FÍSICA Y QUÍMICA	50.00
UTE FUENTE LUCHA	77.00
UTE GANGUREN	11.48
UTE GAS SAGUNTO, SOCOIN-APL	50.00
UTE GASODUCTO MAGREB – EUROPA	50.00
UTE GAVELEC	50.00
UTE GIJÓN – VILLAVICIOSA	50.00
UTE GIRIBAILE	50.00
UTE GIRIBAILE II	50.00
UTE GIRONA NORTE	70.00
UTE GOIERRIALDEA	55.00
UTE GRAN VÍA HOSPITALET	50.00
UTE GRAN VÍA NORTE	50.00
UTE GRAN VÍA SURESTE	33.33
UTE GRAU DE LA SABATA	90.00
UTE GUADARRAMA 3	33.33
UTE GUADARRAMA 4	33.33
UTE GUAREÑA I	50.00
UTE GUICYCSA TORDESILLAS	60.00
UTE HABILITACIÓN ED. C. COMUNICACIONES	50.00
UTE HORCHE	65.00
UTE HOSPITAL ALCÁZAR	60.00
UTE HOSPITAL CAMPUS DE LA SALUD	80.00
UTE HOSPITAL DE CARTAGENA	70.00
UTE HOSPITAL DE PALMA	50.00
UTE HOSPITAL DEL SUR	80.00
UTE HOSPITAL FCC – VVO	80.00
UTE HOSPITAL NAVALMORAL	50.00
UTE HOSPITAL NORTE TENERIFE	80.00
UTE HOSPITAL O'DONNELL	50.00

	Percentage of ownership at 31 december 2006
UTE HOSPITAL UNIVERSITARIO DE MURCIA	50.00
UTE HOTEL WTC	53.00
UTE HUELVA NORTE	55.00
UTE HUELVA NORTE II	55.00
UTE HUESNA CONSTRUCCIÓN	33.33
UTE IBAI EDER	25.50
UTE IBARRETA	25.50
UTE IFEVI	50.00
UTE INCYEL	25.00
UTE INSTALACIONES PLATAFORMA SUR	50.00
UTE INSTITUT GUTTMAN	50.00
UTE INTERCAMBIADOR	75.00
UTE IRO	80.00
UTE JAÉN – MANCHA REAL	80.00
UTE JEREZ FERROVIARIA	80.00
UTE JUAN GRANDE	50.00
UTE L9 HOSPITALET	50.00
UTE LA CARPETANIA	50.00
UTE LA LOTETA	80.00
UTE LAGUNA	35.00
UTE LALIN	50.00
UTE LAS ROSAS I-7	33.33
UTE LAUDIO	25.50
UTE LÍNEA 5	40.00
UTE LÍNEA 9	33.00
UTE LÍNEA DE COSTA	50.00
UTE LUKO	45.00
UTE M-407	50.00
UTE M-30 TÚNEL SUR	50.00
UTE M-45 NORTE	33.33
UTE MANTENIMENT RONDES	70.00
UTE MANZANAL	50.00
UTE MATERNIDAD	50.00
UTE MATERNIDAD O'DONNELL	50.00
UTE MEDICINA	50.00
UTE MEJORADA	82.00
UTE METRO LIGERO	80.00
UTE METRO MÁLAGA	36.00
UTE MONTSERRAT	35.00
UTE MONTSERRAT 2025	50.00
UTE MORA	30.00
UTE MOTRIL	75.00
UTE MUELLE BOUZAS	70.00
UTE MUELLE DE LOS MÁRMOLES	70.00
UTE MUELLE REPARACIONES	70.00
UTE MUELLE VIEJO CAUCE VALENCIA	65.00
UTE MUELLE VIEJO FASE II VALENCIA	60.00
UTE MUNGUIA	14.28
UTE MUSAC DE LEÓN	50.00
UTE MUSEO DE LAS CIENCIAS	50.00
UTE N.O.M.	63.00
UTE NACIMIENTO	54.00
UTE NATURMÁS – AZOR	60.00
UTE NATURMÁS – AZOR 2	60.00
UTE NATURMÁS – AZOR 5	60.00
UTE NOVA BOCANA	40.00
UTE NOVOA SANTOS	60.00
UTE NUEVA SEDE JUDICIAL LAS PALMAS G.C.	70.00
UTE NUEVO ACCESO AL PUENTE DE MALIANO	70.00
UTE NUEVO PUERTO DE IGOUMENITZA	50.00
UTE NUEVO TRAZADO CARRETERA TF-812	85.00
UTE OJO GUAREÑA	99.00
UTE OLABEL	13.77
UTE OLOT MONTAGUT	45.00

Unincorporated joint ventures, economic interest groupings and other entities jointly controlled whith non-Group third parties

	Percentage of ownership at 31 december 2006
UTE ORENSE – MELÓN	50.00
UTE OSEBE	50.00
UTE PADRÓN	50.00
UTE PALACIO DE LOS DEPORTES	50.00
UTE PALAU	50.00
UTE PALAU II	50.00
UTE PALAU NACIONAL	44.00
UTE PANADELLA	50.00
UTE PARADOR DE EL SALER	75.00
UTE PARANINFO ZARAGOZA	60.00
UTE PARC CIENTÍFIC	50.00
UTE PARQUE EMPRESARIAL	75.00
UTE PARQUE MÁLAGA	60.00
UTE PARQUE MAYORDOMÍA	50.00
UTE PARQUE OCEANOGRÁFICO DE VALENCIA	40.00
UTE PARQUE OCEANÓGRAFO	50.00
UTE PAS – SPA	50.00
UTE PASAIA	7.65
UTE PAU LAS TABLAS	50.00
UTE PAU MONTE CARMELO	50.00
UTE PAVONES VIVIENDAS	50.00
UTE PEOPLE MOVER	50.00
UTE PIEDRAFITA	66.67
UTE PINA	50.00
UTE PINO MONTANO P 5	50.00
UTE PLATAFORMA BARAJAS	50.00
UTE PLATAFORMA SATÉLITE	26.00
UTE PLATAFORMA TRANSPORTE UJI DE CASTELL	65.00
UTE POLIDEPORTIVO MIERES	70.00
UTE POLÍGONO DE TANOS	50.00
UTE POLÍGONO VICÁLVARO	80.00
UTE PORT BESÒS	50.00
UTE PORT TARRAGONA	50.00
UTE PRADO	50.00
UTE PREFABRICADOS M-30	50.00
UTE PRESA ENCISO	50.00
UTE PRESAS JÚCAR	53.00
UTE PRESAS SEVILLA	70.00
UTE PROLONGACIÓN DIQUE REINA SOFÍA	40.00
UTE PROLONGACIÓN L5 METRO VALENCIA	50.00
UTE PROSER – ARDANUY	70.00
UTE PROSER – GEOCONTROL	60.00
UTE PROSER – GEOCONTROL II	62.00
UTE PROSER – I.P.D.	65.00
UTE PROSER – IMACS	50.00
UTE PROSER – INPROESA II	70.00
UTE PROSER – INPROESA III	67.00
UTE PROSER – NARVAL	60.00
UTE PROSER – NORCONTROL	50.00
UTE PROSER – NORCONTROL II	50.00
UTE PROSER – OLCINA	60.00
UTE PROSER – PAYD	70.00
UTE PROSER – PAYMASA II	50.00
UTE PROSER – PAYMASA III	50.00
UTE PROSER – PAYMACOTAS IV	50.00
UTE PROSER – UG 21	70.00
UTE PROSER – LA ROCHE TF – 5 III	50.00
UTE PROSER – BATLLE I ROIG	50.00
UTE PROSIBE II	50.00
UTE PROSIBE III	50.00
UTE PROTECCIÓN DE LA LAJA	80.00
UTE PUENTE ADRIÁTICO	30.00
UTE PUENTE RÍO OZAMA (DFC-COCIMAR)	35.00
UTE PUENTE BADAJOZ	50.00

	Percentage of ownership at 31 december 2006
UTE PUENTE DE LA SERNA	65.00
UTE PUENTE DE PONFERRADA	55.00
UTE PUENTE DEL REY	33.33
UTE PUENTE MEDELLÍN	65.00
UTE PUENTE SERRERÍA	60.00
UTE PUERTO DE LAREDO	50.00
UTE PUERTO DEL ROSARIO	90.00
UTE PUIG-REIG	50.00
UTE PUIGVERD	45.00
UTE RADIALES	35.00
UTE RAMPAS DE URIBARRI	51.00
UTE RANDE	40.00
UTE RANILLA CONSTRUCCIÓN	85.00
UTE RECICLATGE	50.00
UTE RECINTOS FERIALES	50.00
UTE RECINTOS FERIALES II	50.00
UTE RECUPERACIÓN DEL GUINIGUADA	50.00
UTE REFORMA MEDICINA	50.00
UTE REG GARRIGUES	80.00
UTE REGULACIÓN RÍO BELCAIRE DE CASTELLÓN	80.00
UTE RELLENOS PETROLEROS PUERTO GIJÓN	80.00
UTE REPOSICIONES C. LAS PALMAS F3	46.25
UTE RESIDENCIA COMPLUTENSE	50.00
UTE REVLON	60.00
UTE RIALB	65.00
UTE RIALB II	65.00
UTE RIAÑO SAMA II	70.00
UTE RIBERAS DEL EBRO U-12	80.00
UTE RIBOTA – CONDADO	70.00
UTE RINCÓN DE LA VICTORIA	50.00
UTE RÍO LLOBREGAT	55.00
UTE ROCKÓDROMO	50.00
UTE ROCKÓDROMO 2	40.00
UTE ROCKÓDROMO FASE 3	40.00
UTE ROCKÓDROMO PC 3	45.00
UTE RONDA HISPANIDAD	45.00
UTE RUTA NACIONAL HAITÍ	55.00
UTE S.A.I.H. JÚCAR	50.00
UTE S.A.I.H. SUR	40.00
UTE S.A.I.H. VALENCIA	50.00
UTE SAGRA TORRIJOS	50.00
UTE SAJA	50.00
UTE SAN VICENTE	43.00
UTE SANEAMIENTO ARCO SUR	56.50
UTE SANT LLORENÇ	50.00
UTE SANTA BRÍGIDA	50.00
UTE SANTA COLOMA DE FARNERS	50.00
UTE SANTALIESTRA	20.00
UTE SANTIAGO – PADRÓN	50.00
UTE SEGUNDA FASE DELICIAS ZARAGOZA	50.00
UTE SELLA	50.00
UTE SERVEIS AFECTATS CASTELLÓ D'AMPÚRIES	50.00
UTE SEVILLA SUR	65.00
UTE SIETE AGUAS – BUÑOL	66.66
UTE SOCIALES	60.00
UTE SON REUS	50.00
UTE SOTIELLO	50.00
UTE SOTO DE HENARES	70.00
UTE SANTA MARÍA DEL CAMÍ	45.00
UTE STADIUM	70.00
UTE SUBESTACIÓN PAJARES	50.00
UTE SUBESTACIÓN SERANTES	50.00
UTE SUELOS DE RIVAS VIEJO	10.20
UTE SUPERESTRUCTURA L5 METRO VALENCIA	42.50

Appendix V

Unincorporated joint ventures, economic interest groupings and other entities jointly controlled whith non-Group third parties

	Percentage of ownership at 31 december 2006
UTE SURESTE II	80.00
UTE SÚRIA	70.00
UTE TALLERES METRO	80.00
UTE TALUDES CARRETERA LR-115	50.00
UTE TARRAGONA SUR	70.00
UTE TEATRE LLIURE	50.00
UTE TECAIR ROCKÓDROMO	50.00
UTE TEMPLO Y C. ECUM. EL SALVADOR F1	65.00
UTE TERMINAL B DEL PUERTO DE CASTELLÓN	66.60
UTE TERMINAL CEMENTOS ELITE CASTELLÓN	50.00
UTE TERMINAL DE BARAJAS	22.50
UTE TERMINAL GRANELES PUERTO CASTELLÓN	60.00
UTE TINDAYA	50.00
UTE TORNEO VILLABLINO	50.00
UTE TORO ZAMORA	70.00
UTE TORRE 1 FCC DRAGADOS	60.00
UTE TORREDEMBARRA	50.00
UTE TORRIJOS	80.00
UTE TRADE CENTER	75.00
UTE TRAGSA – FCC A.P.	50.00
UTE TRAMBESÒS	50.00
UTE TRAMMET	50.00
UTE TRAMO DE NUEVA CONSTRUCCIÓN JÚCAR-VINALOPO	70.00
UTE TRAMVIA DIAGONAL	25.00
UTE TRANVÍA DE PARLA	50.00
UTE TRANVÍA L-2 PARQUE ALICANTE	55.00
UTE TRANVÍA LUCEROS-MERCADO ALICANTE	60.00
UTE TRANVÍA T-5 ALICANTE	64.78
UTE TRES CANTOS GESTIÓN	50.00
UTE TRIANGLE LÍNEA 9	33.00
UTE TÚNEL AEROPORT	33.00
UTE TÚNEL AEROPORT II	33.00
UTE TÚNEL C.E.L.A.	50.00
UTE TÚNEL DE BRACONS	75.00
UTE TÚNEL DE PAJARES 1	50.00
UTE TÚNEL FIRA	33.00
UTE TÚNEL TERRASSA	36.00
UTE TUNELADORA METRO	33.00
UTE TÚNELES DE GUADARRAMA	33.33
UTE TÚNELES DELICIAS	65.00
UTE UE 1 ARROYO DEL FRESNO	50.00
UTE UE 2 ARROYO DEL FRESNO	50.00
UTE UE 2 VALLECAS	25.00
UTE UE 5 VALLECAS	33.33
UTE UE 6 VALLECAS	33.33
UTE ULLIBARRI	70.00
UTE UNIVERSIDAD DE MÁLAGA	65.00
UTE UNIVERSIDAD DE TUDELA	60.00
UTE UNIVERSIDAD REY JUAN CARLOS	50.00
UTE URBANITZACIÓ BANYS	50.00
UTE URBANIZACIÓN AUDITORIO	70.00
UTE URBANIZACIÓN PARC SAGUNT	50.00
UTE URBANIZACIÓN SOMOSAGUAS	50.00
UTE URBI	51.00
UTE USABEL	25.50
UTE VALDEVIVIENDAS II	33.33
UTE VALLE INFERIOR	80.00
UTE VARIANTE DE MONZÓN	70.00
UTE VARIANTE INCA	70.00
UTE VEGAS ALTAS	40.00
UTE VELA BCN	25.00
UTE VELÓDROMO	60.00
UTE VÍA BENICÀSSIM	35.00
UTE VÍA METRO LIGERO	50.00

	Percentage of ownership at 31 december 2006
UTE VÍA SANT ANDREU	50.00
UTE VÍAS COLECTORAS LA CARPETANIA	50.00
UTE VÍAS SRV. ENSANCHE VALLECAS	33.33
UTE VIC - RIPOLL	34.00
UTE VIDRERES	34.00
UTE VIES SANT BOI	50.00
UTE VIGO-DAS MACEIRAS	50.00
UTE VILLAR – PLASENCIA	70.00
UTE VILTAR	50.00
UTE YELTES	75.00
UTE YESA	33.33
UTE ZONAS VERDES ENSANCHE DE VALLECAS	33.33
UTE ZUBALBURU XXI	17.34
UTE ZUERA	65.00
Cement	
A.I.E. MAQUINARIA PARA HORMIGONES	37.04
UTE BCN SUD	15.00
UTE CONSORCIO ARCO	50.00
UTE HORMIGONES AUTOPISTA – TÚNEL AEROPUERTO	50.00
UTE NUEVA ÁREA TERMINAL	50.00
UTE OLÉRDOLA	60.00
UTE PUERTO	66.66
UTE ULLÁ	50.00
Other activities	
TORRE PICASSO JOINT PROPERTY ENTITY	80.00

Management report. Consolidated group

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Introduction

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

Services

a) The **Environmental 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 spaces and buildings, industrial waste treatment and the integral water cycle. These activities are performed through the Parent, Fomento de Construcciones y Contratas, S.A., FCC Medio Ambiente, S.A., Aqualia Gestión Integral del Agua S.A. and other subsidiaries of these companies and the Ámbito brand.

b) **Versia**, which provides various services in the areas of vehicle parking, street furniture, advertising, passenger transport, vehicle roadworthiness tests, aircraft and passenger ground handling (airport handling), and logistics services to companies in various industries. These activities are carried on mainly by FCC Versia, S.A. and subsidiaries and the Flightcare brand.

– **Construction**, this area specialises in construction and related industries: motorways, freeways and other roads, hydraulic construction works, maritime works, airports, railway infrastructures, property developments, housing units, non-residential buildings, infrastructure conservation, oil and gas pipelines, environmental restoration, etc. This activity is performed 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 motorways, tunnels, airports, marinas, tramways, etc., and the construction and operation of buildings for various uses. These businesses will shortly be brought together under the Global Vía Infraestructuras project, promoted by the FCC Group and Caja Madrid.

– **Cement**,this area engages in the operation of quarries and mineral deposits, the manufacture of cement, lime, plaster and related pre-manufactured 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 Stock Market Interconnection System.

The FCC Group is also present in the Real Estate industry, both through the operation of the Torre Picasso building, which is 80%-owned by the Parent, and its 49.17% interest in Realia Business, S.A., a firm which carries out property developments for subsequent sale and operates singular buildings and shopping centres. Realia Business S.A. is an associate and, therefore, it is accounted for using the equity method in the Group's consolidated financial statements.

The economic and financial information contained in this directors' report was prepared in accordance with International Accounting Standards as approved by European Commission Regulations, pursuant to Law 62/2003, of 30 December, for companies that have issued securities admitted to listing on a regulated market, as is the case of Fomento de Construcciones y Contratas S.A., the Parent of the FCC Group.

The figures given below are expressed in millions of euros.

Salient acquisitions in 2006

The following noteworthy acquisitions were made in 2006, in keeping with the Group's 2005-2008 strategic growth plan, which targets an increase in revenue and EBITDA, and expansion in foreign markets.

Environmental services

Waste Recycling Group.
On 17 June 2006, the FCC Group purchased from WRG Holdings (controlled by Terra Firma) its environmental division (Waste Recycling Group Ltd.), incineration area and integral waste management projects, for EUR 1,694 million (EUR 1,963 million payment). This acquisition placed FCC at the forefront of the UK waste management industry, in which it has been present for the last 15 years through its subsidiary FOCSA Services UK.

Abfall Services AG (ASA)
On 8 March 2006, the Group acquired Abfall Service AG, a leading waste management company in Central and Eastern Europe, with operations in Austria, the Czech Republic, Slovakia, Hungary, Romania and Poland. FCC's investment amounted to EUR 227 million.

Severomoravské Vodovody a Kanalizace Ostrava (SMVAK)
On 11 April 2006, the Group acquired SmVak, which is the third largest water distribution company in the Czech Republic and the main operator in Moravia and Silesia. It also supplies water in Poland and has commenced business operations in Slovakia. The Group's investment amounted to EUR 172 million.

Versia

Aeroporti di Roma Handling
On 7 August 2006, the FCC Group, through its subsidiary Flightcare, acquired Aeroporti di Roma Handling S.p.A. by means of an agreement under which the Spanish company undertook to purchase the entire airport handling service for a total of EUR 75 million. As a result of this acquisition, Flightcare now ranks as the foremost independent handling operator at the Rome airports (Leonardo Da Vinci-Fiumicino and Giovanni Battista Pastine-Ciampino) and is very well positioned to extend its operations to other parts of Italy.

Construction

Alpine Mayreder Bau
On 26 July 2006, FCC Construcción, S.A. acquired 80.7% of Alpine for EUR 484 million. Until that date, Alpine, the second largest Austrian construction and services group, had been controlled by the Pappas family. This transaction has provided the FCC Group with a unique platform for growth in Eastern Europe.

Cement

Uniland
On 5 July 2006, Cementos Portland Valderrivas concluded the purchase of 51% of Uniland for EUR 1,097 million. Uniland has a put option (vis-à-vis Cementos Portland Valderrivas) on shares representing a further 22.5% of its share capital, under the same terms and conditions and at the same price, exercisable over a five-year period. The acquisition of Uniland has secured the FCC Group a leading position in the cement industry in Catalonia and in Spain.

Cementos Lemona
In February 2006, on conclusion of the takeover bid launched in December 2005, Cementos Portland Valderrivas had raised its ownership interest in the capital of Cementos Lemona to 96.06%. An investment of EUR 243 million was made to purchase a 67.56% stake and this transaction consolidated the position of Cementos Portland Valderrivas in the cement market in Northern Spain.

Realia

Société d'Investissements Inmobiliers Cotée (SIIC) de París.
Realia acquired 87% of the French real estate company SIIC de Paris, which specialises in the property asset management business, for EUR 510 million.

Business performance

1. Total FCC Group

The Group's main aggregates are as follows:

			Change	
	2006	2005	Absolute	%
Revenue	9,480.9	7,089.8	2,391.1	33.7
EBITDA	1,387.3	988.9	398.4	40.3
% Gross margin	14.6	13.9	0.7	5.0
EBIT	881.3	656.2	225.1	34.3
% Net margin	9.3	9.3	–	–
Profit before tax	886.6	696.4	190.2	27.3
Profit attributable to the parent	535.5	421.4	114.1	27.1
Construction and services backlog	30,510.2	20,496.8	10,013.4	48.9
Investments	4,854.5	943.0	3,911.5	414.8
Operating cash flow	1,159.0	1,018.3	140.7	13.8
Net debt	5,203.7	403.0	4,800.6	1,191.1
Equity	3,417.5	2,608.4	809.2	31.0
Dividend per share (euros)	2.05	1.614	0.436	27.0
Earnings per share (euros)	4.14	3.25	0.89	27.4

The detail by business area is as follows:

	2006	2005	% Change	% Of total 2006	% Of total 2005
Revenue					
Construction	4,395.3	3,346.7	31.3	46.4	47.2
Environmental services	2,835.6	2,078.0	36.5	29.9	29.3
Versia	867.1	721.5	20.2	9.1	10.2
Cement	1,466.6	978.4	49.9	15.5	13.8
Other activities and eliminations due to intra-Group transactions	(83.6)	(34.8)	140.2	(0.9)	(0.5)
Total FCC Group	**9,480.9**	**7,089.8**	**33.7**	**100.0**	**100.0**
International revenue					
Construction	490.1	127.7	283.8	28,5	18.2
Environmental services	672.7	199.4	237.4	39,2	28.4
Versia	202.3	167.3	20.9	11,8	23.8
Cement	353.0	208.6	69.2	20,5	29.7
Total FCC Group	**1,718.0**	**703.2**	**144.3**	**100,0**	**100.0**
EBITDA					
Construction	268.6	191.4	40.4	19.4	19.4
Environmental services	501.4	342.8	46.3	36.1	34.7
Versia	104.2	110.7	(5.9)	7.5	11.2
Cement	485.3	312.3	55.4	35.0	31.6
Other activities and eliminations due to intra-Group transactions	27.8	31.7	(12.3)	2.0	3.1
Total FCC Group	**1,387.3**	**988.9**	**40.3**	**100.0**	**100.0**
EBIT					
Construction	241.0	156.2	54.4	27.4	23.8
Environmental services	250.9	201.4	24.6	28.5	30.7
Versia	58.3	56.3	3.6	6.6	8.6
Cement	335.0	215.1	55.7	38.0	32.8
Other activities and eliminations due to intra-Group transactions	(3.9)	27.2	N/A	(0.5)	4.1
Total FCC Group	**881.3**	**656.2**	**34.3**	**100.0**	**100.0**
Backlog					
Construction	7,843.0	5,155.2	52.1	25.7	25.2
Environmental services	22,343.0	15,000.2	49.0	73.2	73.2
Versia	324.2	336.2	(3.6)	1.1	1.6
Other activities	–	5.2	N/A	–	–
Total FCC Group	**30,510.2**	**20,496.8**	**48.9**	**100.0**	**100.0**
Investments					
Construction	634.4	158.4	300.7	13.0	16.8
Environmental services	2,528.6	338.8	646.3	52.1	35.9
Versia	153.9	171.7	(10.4)	3.2	18.2
Cement	1,523.1	121.7	1,151.5	31.4	12.9
Other activities	14.0	152.4	(90.8)	0.3	16.2
Total FCC Group	**4,854.5**	**943.0**	**414.8**	**100.0**	**100.0**
Cash flows from operating activities					
Construction	310.5	428.1	(27.5)	26.8	42.1
Environmental services	456.1	274.7	66.1	39.4	27.0
Versia	41.6	56.2	(26.0)	3.5	5.5
Cement	322.0	206.0	56.4	27.8	20.2
Other activities	28.8	53.3	(46.0)	2.5	5.2
Total FCC Group	**1,159.0**	**1,018.3**	**13.8**	**100.0**	**100.0**
Net financial debt					
Construction	169.2	(769.5)	N/A	3.3	(190.9)
Environmental services	3,655.7	911.8	300.9	70.3	226.3
Versia	516.8	364.4	41.8	9.9	90.4
Cement	1,474.4	133.0	1,008.8	28.3	33.0
Other activities	(612.4)	(236.7)	158.7	(11.8)	(58.7)
Total FCC Group	**5,203.7**	**403.0**	**1,191.1**	**100.0**	**100.0**

1.1 Revenue

In 2006 revenue increased substantially, rising 33.7% to EUR 9,480.9 million, due largely to the effect of the new acquisitions, which contributed 17.1%, while organic growth stood at 16.6%.

All business areas reported organic growth of over 10% and, mirroring their sound performance, stepped up the pace of their growth.

Revenue by geographical area	2006	2005	% Change
Spain	7,762.9	6,386.6	21.5
% of total	81.9	90.1	
International	1,718.0	703.2	144.3
% of total	18.1	9.9	

As regards performance by market, the companies recently acquired under the 2005-2008 Strategic Plan boosted foreign billings, which multiplied two-fold to represent 18% of total Group billings.

By geographical area, billings in Europe accounted for an impressive two-thirds of the total. Sales in Eastern and Central Europe represented 31% of the total.

1.2 EBITDA

EBITDA grew faster than revenue, resulting in a 70-basis point improvement in the margin to 14.6% of revenue.

Growth in the Environmental Services, Construction and Cement units exceeded 40%, considerably broadening their margins.

Although operating expenses rose by 32.1% as a percentage of revenue, they fell from 87% in 2005 to 85.9%, testifying to the Group's increased efficiency and productivity. Staff costs increased by only 16.9%, due mainly to the incorporation of staff from the recently acquired companies, which took the number of employees to 92,565, i.e. 37% more than at 2005 year-end.

Margins (EBITDA)	2006	2005
Construction	6.1%	5.7%
Environmental services	17.7%	16.5%
Versia	12.0%	15.3%
Cement	33.1%	31.9%
Total FCC Group	**14.6%**	**13.9%**

1.3 EBIT

EBIT also outpaced revenue and the sales margin remained unchanged, despite the substantial rise in depreciation and amortisation. The deprecation and amortisation charge increased significantly due to the inclusion of a large volume of assets from the new acquisitions.

All the areas recorded an upswing, in particular Cement and Construction, which performed excellently to end the year with growth of over 50%.

Margins (EBIT)	2006	2005
Construction	5.5%	4.7%
Environmental services	8.8%	9.7%
Versia	6.7%	7.8%
Cement	22.8%	22.0%
Total FCC Group	**9.3%**	**9.3%**

1.4 Financial loss

Financial loss increased considerably, reaching EUR 85 million, due to the higher level of debt resulting from the acquisitions made in 2006.

1.5 Share of results of associates

2006 saw strong growth in the share of results of associates, thanks to the sound performance of Realia, which contributed EUR 78.8 million for the year as a whole. It is important to note with respect to this heading that Cemento Lemona was fully consolidated in 2006 and, therefore, its results were no longer accounted for using the equity method.

1.6 Profit before tax

Profit before tax increased by 27.3% to EUR 886.6 million due to the aforementioned upward trend in profit from operations.

1.7 Profit attributable to the Parent

Net profit attributable to the Parent rose by 27.1% to stand at EUR 535.5 million, an all-time high in absolute figures.

Minority interests, which relate mainly to Cementos Portland, underwent two changes: on the one hand, a reduction due to the consolidation of the additional 8.5% investment in Cementos Portland acquired in 2005 and, on the other, an increase due to the acquisition of 53.2% of Uniland in 2006.

The tax rate of 31.4% was approximately the same as that of December 2005 (31.2%).

1.8. Investments

Investments in 2006 amounted to EUR 4,854.5 million, of which EUR 4,166.7 million related to acquisitions of ownership interests in companies as part of the 2005-2008 Strategic Growth Plan.

	2006	2005	% Change
Property, plant and equipment	575.4	393.6	46.2
Intangible assets	112.4	60.7	85.2
Equity investments and other financial assets	4,166.7	488.7	752.6
Total investments	**4,854.5**	**943.0**	**414.8**

The most noteworthy investments in 2006 in equity interests and other financial assets were those mentioned at the beginning of this directors' report, namely:

Waste Recycling Group	1,693.5
Uniland	1,144.1
Alpine Mayreder Bau	483.7
Abfall Service AG (Asa)	226.9
SmVak Group	172.3
Cementos Lemona	242.8
Aeroporti di Roma Handling	75.3
Other	128.1
	4,166.7

1.9 Cash flows

	2006	2005	% Change
+ Cash flows from operating activities	1,159.0	1,018.3	13.8
– Cash flows from net investing activities	4,810.6	883.2	446.7
= Cash flows from operating and investing activities	(3,651.6)	135.1	N/A
– Dividends paid	250.1	207.0	
– Net interest paid	106.5	21.7	
– Other adjustments to the change in debt (due to changes in the scope of consolidation and other)	792.4	39.4	
= Increase in net debt	**4,800.6**	**133.0**	**3,509.5**

For the year as a whole, the cash flow from operating activities amounted to EUR 1,159 million, showing year-on-year growth of 13.8%.

The net cash flow from investments multiplied five-fold due to the acquisitions made in 2006 as part of the Strategic Plan.

The dividends distributed in 2006, included in the cash flow from financing activities, amounted to EUR 250.1 million and interest paid totalled EUR 106.5 million.

The detail of the cash flow from operating and investing activities, by business area, is as follows:

	2006	2005	Change in absolute figures
Cash flows from operating and investing activities			
Construction	(330.1)	317.6	(647.7)
Environmental services	(2,093.5)	(75.8)	(2,017.7)
Versia	(132.7)	(112.5)	(20.2)
Cement	(1.182.6)	107.8	(1,290.4)
Other activities	87.3	(102.0)	189.3
Total FCC Group	**(3,651.6)**	**135.1**	**(3,786.7)**

The change in operating working capital was due to the surge in business activity and the improvement in collection management.

	2006	2005	% Change
Increase in inventories and receivables	(862.1)	(517.9)	66.5
Increase in payables	876.5	736.6	19.0
Decrease in operating working capital	**14.4**	**218.7**	**(93.4)**

1.10 Net debt

	2006	2005	% Change
Debt instruments and other held-for-trading liabilities	148.4	50.2	195.6
Bank borrowings	4,586.0	1,331.7	244.4
Debt without recourse	1,908.1	64.6	2,853.7
Other debts	129.8	54.6	137.7
Cash and other current financial assets	(1,568.5)	(1,098.1)	42.8
Total net debt	**5,203.7**	**403.0**	**1,191.2**
Net debt with recourse	**3.295,6**	**338,4**	**873.9**

The implementation of the Strategic Plan led to a strong increase in the debt position.

Debt without recourse (project financing) amounted to EUR 1,908.1 million and included most notably:

Acquisition of Uniland	575
Autopista Central Gallega debt	148
Waste Recycling Group debt	1,114

Net debt with recourse stood at EUR 3,295.6 million, representing a gearing ratio (net debt with recourse/net debt with recourse plus equity) of 49.1%, whereas in 2005 it was 11.5%.

The ratio of net debt with recourse to EBITDA was 2.63% (2005: 0.34%). This ratio excludes the full amount of the EBITDA of the acquired companies which were fully or partially financed without recourse.

1.11 Backlog

The total construction and services backlog amounted to EUR 30,516.2 million, representing an increase of 48.9% with respect to 2005; this amount guarantees construction operations for a period of 21.4 months and environmental services for a period of 94.6 months.

1.12 Equity

The Group's equity at 2006 year-end amounted to EUR 3,417.5 million, up 31% on 2005. The main changes in the year are shown in the following table.

Equity at 31 december 2005	2,608.4
Undistributed profit for 2006	608.6
Distribution of 2005 profit	(279.5)
Foreign currency translation differences	(30.5)
Changes in fair value of financial instruments	33.4
Treasury share transactions	27.8
Revaluations in business combinations achieved in stages	66.3
Changes in scope of consolidation	373.8
Other adjustments	9.2
Equity at 31 december 2006	**3,417.5**

The changes in the scope of consolidation relate to minority interests of the acquired companies such as Uniland, Alpine Mayreder Bau and the Tacel Group.

1.13 Dividend and earnings per share

The total dividend proposed for 2006 amounts to EUR 2.05 gross per share, representing a 27.0% increase with respect to 2005. An interim dividend of EUR 1 gross per share was distributed.

Earnings per share in 2006 amounted to EUR 4.14, approximately 27.4% higher than in 2005.

The pay out, i.e. the ratio of the profit distributed to the profit attributable to the Parent, was approximately 50%.

2. Analysis by business area

2.1 Construction

As a result of the implementation of the FCC Group's Strategic Plan, Alpine Mayreder Bau was included in the scope of consolidation on 15 November 2006.

2.1.1 Earnings

	2006	2005	% Change
Revenue	4,395.3	3,346.7	31.3
EBITDA	268.6	191.4	40.4
EBITDA margin	6.1%	5.7%	
EBIT	241.0	156.2	54.4
EBIT margin	5.5%	4.7%	

The construction business not only remained strong but also reported organic growth of 22.6%, thus improving the fast pace set in prior years.

This good performance was due mainly to the upswing in civil engineering work both in Spain and abroad, where FCC was recently awarded significant construction contracts.

Civil engineering work accounts for an increasingly higher proportion of Group revenue and currently represents 59% of the total. This increase arose to the detriment of residential building construction, whose relative contribution to total revenue continues to fall.

	2006	2005	% Change
Spain	3,905.2	3,219.0	21.3
% of total	88.8	96.2	
International	490.1	127.7	283.8
% of total	11.2	3.8	

With regard to market trends, international business quadrupled its revenue and now represents 11% of the construction business activity.

This outstanding performance was the result of the major civil engineering projects executed abroad and the consolidation of Alpine Mayreder Bau since mid-November 2006 (EUR 270 million). By geographical area, 58% of total international business was generated in the Eastern and Central European markets.

Additionally, it should be pointed out that in the last few months of the year, FCC was awarded significant contracts in this geographical area, including most notably the following:

- Construction of the Basarab viaduct in Bucharest (Romania), amounting to EUR 135 million.
- Construction of a bridge over the river Danube linking Bulgaria to Romania, amounting to EUR 100 million.
- Construction and management for a 30-year period of the A5 motorway linking Vienna (Austria) to Brno (Czechia), amounting to EUR 945 million.

2.1.2 Profitability

The ratio of profit from operations to sales improved significantly, with strong growth in both the gross margin (40 basis points) and the net margin (80 basis points).

2.1.3 Backlog and investments

	2006	2005	% Change
Backlog	7,843.0	5,155.2	52.1
Investments	634.8	158.4	300.7

Due to the high volume of contracts, the backlog continued to grow, reaching an unprecedented level of EUR 7,843 million, despite the fact that of the contracts listed above only that relating to the Basarab viaduct was included. This backlog guarantees production over a period of 21.4 months following the significant rise in production experienced in the year.

Investments amounted to EUR 634.8 million and included most notably acquisitions of companies for EUR 570.3 million.

2.1.4 Cash flow

	2006	2005	% Change
+ Cash flows from operating activities	310.5	428.1	(27.5)
– Cash flows from investing activities	640.6	110.4	480.3
= Cash flows from operating and investing activities	(330.1)	317.6	N/A
Net debt at year-end	**169.2**	**(769.5)**	**N/A**
Net debt with recourse	**11.8**	**(780.8)**	**N/A**

The strong improvement in the funds generated, up approximately 40% on 2005, mirrored the performance of profit from operations; however, the trend in operating working capital led to a reduction in operating cash flow.

The investment cash flow reflects the acquisition of 80.7% of the capital of Alpine Mayreder Bau for EUR 483.7 million and other financial investments linked mainly to concession projects, including the Autopista Central Gallega and Autopista Costa Cálida motorways, amounting to EUR 13.5 million and EUR 11.2 million, respectively.

If the net debt were considered disregarding the debt associated with concession projects (without recourse), the Construction Area would have a debt with recourse of EUR 11.8 million, which is higher than that of 2005, due mainly to the acquisition of Alpine. Net debt without recourse increased as a result of the full consolidation of Autopista Central Gallega, which contributed EUR 148 million.

2.2 Environmental services

The acquisitions made under the FCC Group's Strategic Plan led to the following changes in the scope of consolidation:

Company	Consolidation date
Entemanser	October 2005
Marepa	October 2005
ASA	January 2006
SmVAK	June 2006
Waste Recycling Group	September 2006

2.2.1 Earnings

	2006	2005	% Change
Revenue	2,835.6	2,078.0	36.5
EBITDA	501.4	342.8	46.3
EBITDA margin	17.7%	16.5%	
EBIT	250.9	201.4	24.6
EBIT margin	8.8%	9.7%	

Environmental Services ended the year with 36.5% growth in revenue, underpinned by the solid organic growth of all the business activities and the consolidation of the acquisitions made in the last few months of the year (ASA, Entemanser, Marepa, SmVAK, Waste Recycling Group, etc.).

All business sectors performed well, as shown in the following table:

	2006	2005	% Change	% Of total 2006	% Of total 2005
Urban cleaning	1,325.5	1,196.4	10.8	46.7	57.6
Water	711.9	570.4	24.8	25.1	27.4
International	635.0	199.4	218.6	22.4	9.6
Industrial waste	163.2	111.8	45.9	5.8	5.4
Total	**2,835.6**	**2,078.0**	**36.5**	**100.0**	**100.0**

Disregarding the acquisitions made, Environmental Services recorded organic growth of 12.4%, which indicates a quickening of the trend set in previous years.

Business performance in 2006 was highly satisfactory due to the incorporation of new contracts (integral water management service in Caltanisseta, water distribution in Santander, etc.).

All the business activities ended the year with double-digit increases, with a noteworthy 18.8% increase in organic growth reported by the Industrial Waste division.

	2006	2005	% Change
Spain	2,162.9	1,878.6	15.4
% of total	76.3	90.4	
International	672.7	199.4	237.4
% of total	23.7	9.6	

As regards the breakdown of sales by market, international sales soared due to the inclusion of ASA and WRG (in the International business) and SmVAK (in the Water business). The revenue generated outside Spain accounted for 24% of the total, with a strong increase in the relative contribution of the European market (Eastern Europe and the UK).

2.2.2 Profitability

EBITDA growth far exceeded that of revenue and pushed up the margin by 120 basis points. This good performance was the result of enhanced management and the inclusion of higher value added services, such as waste treatment plants (incinerators, recycling and composting units, etc.) and desalination plants.

The EBIT figure also reflected substantial growth and absorbed the effect of the additional depreciation and amortisation charge relating to the assets of the recently consolidated companies.

2.2.3 Backlog and investments

	2006	2005	% Change
Backlog	22,343.0	15,000.2	49.0
Investments	2,528.6	338.8	646.3

The burgeoning growth of the Environmental Services backlog continued as a result of the inclusion of the major contracts awarded for Water (Algeria, Italy, Portugal, Badajoz, etc.) and Urban Cleaning (Madrid, San Sebastián, Vitoria, Cartagena, Segovia, etc.), in addition to the backlogs contributed by the acquired companies, WRG, SmVAK and ASA.

2.2.4 Cash flow

	2006	2005	% Change
+ Cash flows from operating activities	456.1	274.7	66.1
– Cash flows from investing activities	2,549.6	350.5	627.4
= Cash flows from operating and investing activities	(2,093.5)	(75.8)	(2,661.9)
Net debt at year-end	**3,655.7**	**911.8**	**300.9**
Net debt with recourse	**2,479.9**	**858.4**	**188.9**

Operating cash flow improved substantially due to the excellent organic growth of the business, the new acquisitions and the upward trend in operating working capital.

Investment cash flow multiplied seven-fold following the acquisitions of, mainly, the Waste Recycling Group (EUR 1,693.5 million), ASA (EUR 226.9 million) and SmVAK (EUR 172.3 million). The significant contracts awarded in the year (Vitoria, Santander, etc.) and the development of the international business through the newly acquired companies boosted investments in property, plant and equipment and intangible assets to EUR 414 million.

The Area's net debt increased due to the major investment drive in 2006 and the substantial expansion of the business. The net debt associated with project financing related mainly to the Waste Recycling Group's Allington incinerator.

2.3 Versia

The acquisitions made under FCC's Strategic Plan led to the following changes in the scope of consolidation:

Company	Consolidation date
Logístico Santos Group (GLS)	April 2005
Sistemas y Vehículos de Alta Tecnología (SVAT)	January 2006
Aeroporti di Roma Handling	October 2006

2.3.1 Earnings

	2006	2005	% Variación
Revenue	867.1	721.5	20.2
EBITDA	104.2	110.7	(5.9)
EBITDA margin	12.0%	15.3%	
EBIT	58.3	56.3	3.6
EBIT margin	6.7%	7.8%	

Area billings increased by over 20%, due to the positive trend in all the activities and the consolidation of the Logístico Santos Group and SVAT (Sistemas y Vehículos de Alta Tecnología), which was acquired from the FCC Group company, Grucycsa, S.A.

	2006	2005	% Change	% Of total 2006	% Of total 2005
Logistics	333.7	276.1	20.9	38.5	38.3
Handling	184.6	167.7	10.1	21.3	23.3
Street furniture	118.8	93.3	27.3	13.7	12.9
Car parks	72.1	60.0	20.2	8.3	8.3
Conservation and systems	57.6	55.0	4.7	6.6	7.6
Roadworthiness tests	44.5	41.1	8.3	5.1	5.7
Urban transport	31.3	28.3	10.5	3.6	3.9
SVAT (1)	24.2	–	N/A	2.8	–
Total	**867.1**	**721.5**	**20.2**	**100.00**	**100.0**

(1) In 2005 revenue at SVAT (Sistemas y Vehículos de Alta Tecnología) amounted to EUR 15.8 million.

Organic growth at Versia (excluding GLS and SVAT) remained robust (12.3%) due to the sound performance of Street Furniture, which consolidated the New York contract, and the award of the ground-level car park management contract (SER) in Madrid for the next 25 years.

	2006	2005	% Change
Spain	664.8	554.2	20.0
% of total	76.7	76.8	
International	202.3	167.3	20.9
% of total	23.3	23.2	

As regards the geographical breakdown of sales, business in Spain accounted for three-fourths of the total due to the inclusion of GLS, which operates mainly in Spain.

The growth in foreign operations was driven mainly by the international expansion of Street Furniture (39% of international sales) and by Airport Handling (61% of international sales). The figures for Airport Handling include three months of handling activities at the Rome airports.

2.3.2 Profitability

The trend in the operating margin reflects the new business mix, which includes an increased contribution by Logistics, and the strong expansion of the Street Furniture business, with several long-term concessions (in particular the 20-year New York contract) that are at the early stages of operation.

2.3.3 Backlog and investments

	2006	2005	% Change
Backlog	324.2	336.2	(3,6)
Investments	153.9	171.7	(10,4)

The Versia backlog (Logistics and Conservation & Systems) remained stable, whereas investment decreased following the acquisition of the Logístico Santos Group in 2005.

2.3.4 Cash flow

	2006	2005	% Change
+ Cash flows from operating activities	41.6	56.2	(26.0)
– Cash flows from investing activities	174.3	168.8	3.3
= Cash flows from operating and investing activities	(132.7)	(112.5)	(18.0)
Net debt at year-end	**516.8**	**364.4**	**41.8**

The cash flows from investing activities reflect the acquisition of Aeroporti di Roma Handling (ADRH) for EUR 75 million and the substantial investment in property, plant and equipment associated with recently awarded contracts, such as the New York street furniture contract, whereas the cash flows from operating activities are the result of the aforementioned strong expansion of the Area.

2.4 *Cementos Portland Valderrivas*

The acquisitions made under FCC's Strategic Plan led to the following changes in the scope of consolidation

Company	Consolidation Date
Cementos Lemona	February 2006
Uniland	August 2006

2.4.1 Earnings

	2006	2005	% Change
Revenue	1,466.6	978.4	49.9
EBITDA	485.3	312.3	55.4
EBITDA margin	33.1%	31.9%	
EBIT	335.0	215.1	55.7
EBIT margin	22.8%	22.0%	

The upward trend of the business in the USA and the consolidation of Cementos Lemona and Uniland triggered a sharp rise in the Cement Area's revenue.

The organic growth achieved by Cementos Portland in 2006, 11.90%, was due mainly to improved sales volumes and prices in the markets in which it operates.

	2006	2005	% Change
Spain	1.113.6	769.8	44.7
% of total	75.9	78.7	
International	353.0	208.6	69.2
% of total	24.1	21.3	

As a result of the acquisitions made in the year, International business now accounts for over 24% of total Cement Area revenue. Noteworthy in this connection is the Group's strong presence on the East coast of the USA (where Cementos Portland completed the merger of Giant Cement and CDN USA) and in emerging high-potential markets such as Tunisia, Uruguay and Argentina.

2.4.2 Profitability

EBITDA grew faster than revenue and the EBITDA margin rose by 120 basis points during the period.

A noteworthy development in 2006 was the greatly improved efficiency of the US plants, thanks to the investments made at the Maine and South Carolina facilities to enable cement production using dry process kilns. The lower energy cost and reduced raw material consumption tripled the margins of the business activities in the USA. This improvement process, which began at the end of 2005, will be intensified through the installation of the dry process at the Pennsylvania plant, which will be fully operational in mid-2007.

Lastly, there was a sharp rise in EBIT and an improvement in the EBIT margin, despite the additional depreciation and amortisation charge relating to the assets obtained in the acquisitions of Cementos Lemona and Uniland.

2.4.3 Cash flow

	2006	2005	% Change
+ Cash flows from operating activities	322.0	206.0	56.4
– Cash flows from investing activities	1,504.6	98.2	1,432.2
= Cash flows from operating and investing activities	(1,182.6)	107.8	N/A
Net debt at year-end	**1,474.4**	**133.0**	**1,008.8**
Net debt with recourse	**899.5**	**133.0**	**576.3**

Operating cash flow rose sharply due to the outstanding performance of operations and the inclusion of Uniland and Cementos Lemona.

Investment cash flow increased substantially following the purchases of 69% of Cementos Lemona (Cementos Portland already had a 31% holding) for EUR 243 million, and 53.22% of Uniland for EUR 1,144 million.

Net debt reflects the acquisition of Cementos Lemona and Uniland. The purchase of Uniland was partly financed (EUR 575 million) without recourse to the Parent.

The gearing ratio stood at 39.6% and net debt was approximately 1.9 times EBITDA. However, it should be borne in mind that, although the full amount of the debt of Uniland and Lemona was included in the balance sheet, only a portion of their EBITDA (10 months of Lemona and five of Uniland) was included in the income statement.

2.5 Realia Business, S.A.

The Group operates in the real estate industry through its 49.17% ownership interest in Realia Business, S.A., and accounts for this company's results using the equity method.

On 1 June 2006, Société d'Investissements Inmobiliers Cotée (SIIC) de Paris was included in the scope of consolidation of the Realia Group. This company acquired three buildings for EUR 300 million in the last quarter of the year, which further bolstered the diversification of the Realia Group, in terms of both business (increased significance of its property asset management activity) and markets (giving it a very prominent presence in the French market.

The profit contributed to the FCC Group's consolidated financial statements amounted to EUR 78.8 million in 2006 and EUR 67.5 million in 2005, representing a 16.7% increase. The main aggregates of the Realia Business Group are shown below (based on a 100% ownership interest):

2.5.1 Earnings

	2006	2005	% Change
Revenue	741.3	632.8	17.1
EBITDA	291.1	250.8	16.1
EBITDA margin	39.3%	39.6%	
EBIT	294.7	235.8	25.0
EBIT margin	39.8%	37.3%	

Realia continued to perform well and recorded increased revenue, with a noteworthy contribution from the property asset management business (leases).

Mention must be made of the following operating data:

- In the property development business, the advance sales backlog continued to grow, despite the sharp rise in deliveries.
- In the property asset management business, the total rental area increased by 32.8% to over 478.000 m² following inclusion of the assets of SIIC de Paris. The 96.5% occupancy rate reflects the excellent quality of Realia's assets.

2.6 Torre Picasso

The Group owns 80% of Torre Picasso, the most emblematic building in Madrid, with a height of 157 metres above grade level and 45 floors and five basements that add up to a total surface area of 121,000 square metres. The main aggregates of Torre Picasso are shown below (in proportion to the 80% ownership interest).

2.6.1 Earnings

	2006	2005	% Change
Revenue	19.5	18.0	8.3
EBITDA	16.3	15.9	2.5
EBITDA margin	83.6%	88.3%	
EBIT	14.7	13.4	9.7
EBIT margin	75.4%	74.4%	

The occupancy rate was 100% with an average price of approximately EUR 26/m²/month.

Treasury share transactions

At year-end Fomento de Construcciones y Contratas, S.A. held 375,986 treasury shares, representing 0.29% of share capital, valued at EUR 8,156 thousand.

Also, in 2006 Compañía Auxiliar de Agencia y Mediación, S.A. owned 316,098 shares of Fomento de Construcciones y Contratas, S.A., representing 0.24% of its share capital, with a carrying amount of EUR 1,107 thousand. These shares are also deemed to be shares of the Parent pursuant to Article 87 of the Consolidated Spanish Companies Law.

In accordance with Article 79.4 of the Companies Law, the changes in the number of shares in the year are detailed in the table below.

	FCC, S.A.	Afigesa	Cía. Auxiliar de Agencia y Mediación	FCC Group
At 31 december 2005	**434,322**	**343,922**	**316,098**	**1,094,342**
Acquisitions or additions		431,246		431,246
Sales or disposals	58,336	775,168		833,504
At 31 december 2006	**375,986**	**–**	**316,098**	**692,084**

Research and development activities

The FCC Group is actively present in the world of research, development and technological innovation. The Group's initiatives in this field encompass the matters which, either directly or indirectly, have a bearing on the business activities carried on by it. Noteworthy in 2006 were the steps taken in the course of its activities aimed at protecting the environment in order to facilitate sustainable growth.

In the sphere of Environmental Services, throughout the year work continued on the projects launched in 2005 to analyse the life cycle of water in waste treatment processes, whose basic aim is to study the environmental indicator "water" in the widest sense of the word, within the treatment processes. Further progress was also made in the development of new prototypes of smaller-sized, highly manoeuvrable waste collection and compaction vehicles, powered by electric engines with minimum sound and gas emissions. Also, other projects were commenced, such as the integral optimisation of the composting process at an urban solid waste treatment plant, which included a study of the repercussion on its agronomic applications and the effects on crops.

As regards waste disposal, mention must be made of the studies concerning the use of automatic turners in treatment plants, rendering the presence of operators unnecessary in harsh environments, and the research carried out into the modification of reactors to enhance the safety and availability of biomethanisation processes.

The research undertaken in the water business concentrated on the design and construction of a user-friendly, compact modular household grey water treatment system and the use of membrane ultrafiltration to clarify turbid water.

In the Versia area, work continued on the EPISOL project to develop a light urban vehicle featuring hybrid propulsion with two different types of engine: in the first phase, a heat engine and, at a more advanced phase, a fuel-cell/solar powered engine. Both versions are scheduled for completion in 2007. This project is being developed jointly by the subsidiary Cemusa, Universidad Politécnica de Madrid (INSIA – University Institute for Automotive Research), and Centro Superior der Investigaciones Científicas (IAI – Industrial Automation Institute). Projects are also in progress in the Street Furniture area for the development of bus shelters and new multiformat advertising poster systems.

Of note in the Construction area is the fact that FCC Construcción S.A. is a member of the European Construction Technology Platform and leads the Spanish Construction Technology Platform. The aim of these two organizations is to pool the efforts made by research centres, industries and universities in research, development and technological innovation in the field of construction. The most notworthy projects in progress include those launched in prior years, such as: the Tunconstruc project, for the optimisation of underground construction; the Manubild project, for the industrialization of construction; the Arfrisol project, which focuses on bioclimatic architecture and solar energy use; the Hatcons project, which studies various aspects of underground construction work, such as high-performance concretes and the interaction between machines, facings and land; and, lastly, the Fibras project, which analyses the use of fibre-reinforced concrete.

Other significant projects in 2006 were the Parámetros project, which involved a comparative study of tunnel boring machine operations in various types of land, and the Futurespacio project, which focuses on the development and use of information and communications technologies applied to construction.

In the Cement area, research and development work on new cement products and applications takes place mainly at the Group's laboratories at the Olazagutía (Navarra) plant. In 2006 work was undertaken in various spheres, including the evaluation of raw materials, studies of alternative fuels in association with universities within the framework of the PROFIT program for the promotion of technical research, participation in Standardisation Committees, and joint development of research projects with customers to improve products and new applications. Also, the Group actively takes part in the research projects conducted by the IECA (Spanish Institute for Cement and its Applications).

Significant events after the balance sheet date

Incorporation of Global Vía

On 30 January 2007, Global Vía Infrastructuras was incorporated by Caja Madrid and FCC, which each contributed 50% of the capital, in order to bring together all the infrastructure concession investments of the two firms.

This company, which was created with share capital of EUR 250,000 thousand, will group together 35 infrastructure concessions, mainly those for motorways and freeways, commercial ports and marinas, underground railway lines, trams and hospitals.

Flotation of Realia

FCC and Caja Madrid agreed to establish a structure to enable FCC to take control of Realia. They also reiterate their willingness to commerce the formal procedures for the listing of Realia on the stock markets and to maintain stable control of the company after it is floated.

At the date of issue of these consolidated financial statements, the appropriate steps are being taken to achieve these objectives.

Financial risk management objectives and policies

The objective of financial risk management is to minimise the impact on the Group of fluctuations in interest and exchange rates, as well as to ensure that solvency and liquidity risks are kept within reasonable limits.

Given the nature of the FCC Group's activities, closely linked to inflation, its financial policy is to tie its debt and liquid financial assets, both of which are associated with its production cycle, to floating interest rates.

Consequently, whilst observing its policy of natural hedging, the Group manages interest rate risk by arranging hedges, mainly in the form of swaps, in which the Group companies pay fixed interest rates and receive floating interest rates.

In view of the volatility of the money markets, the FCC Group will continue to actively manage the interest rate risk to ensure that its position in this respect is at all times in the Group's best interest.

In keeping with the increased international diversification resulting from the major acquisitions made in 2006 in markets with currencies other than the euro (mainly the pound sterling and Czech koruna), the FCC Group's general policy is to mitigate,as far as possible, the adverse effect on its financial statements of exposure to the various currencies, with regard to both transactional and purely equity-related changes.

In practice, when permitted by the local financial markets, the Group actively manages its foreign exchange risk through hedges achieved by arranging financial transactions in the same currency as that in which the related asset is denominated.

The credit facilities arranged by the FCC Group more than cover its debt position. It is estimated that the Group will not only maintain its existing credit lines with no restrictions of any kind, but will also be able to increase them, within reasonable limits, if this is necessary. The FCC Group's objective is to achieve, but not exceed, a gearing ratio of 50% and to maintain a debt with recourse /EBITDA ratio of approximately 2.5 times, which would guarantee the Group's solvency.

Outlook for 2007

Set forth below are the prospects for 2007 for the various lines of business composing the FCC Group, which will foreseeably lead to substantial growth in the Group's revenue and profit.

First of all, it should be mentioned that 2007 will witness the consolidation of the contribution of the companies acquired in 2006 and described under "Salient Acquisitions in 2006" at the beginning of this directors' report. Secondly, the construction and services backlog at 2006 year-end amounted to EUR 30,510.2 million and guarantee a level of activity equivalent to approximately two years of annual production for Construction and eight years for Services.

For the **Environmental Services**, area, the growth projected in Spain is linked to contract extensions and renewals and to the start-up, on completion, of treatment plants currently under construction. In the **International** sarea, significant growth is expected due to the acquisition of the ASA Group, which specialises in integral waste management and treatment services and is firmly established in numerous Central and Eastern European countries with high growth potential, and the purchase of the Waste Recycling Group, the UK market leader in urban solid waste management.

In the **Industrial Waste** division, forecasts point to a significant increase in revenue as a result of previous investments and the coming into full operation of the new facilities built.

In the **Water Management** division, the Group will continue to diversify in order to maintain high levels of growth. This will be achieved through the contribution of the major contracts landed in various Spanish municipalities, such as Santander, whose water service will be managed by FCC for the next 25 years, and the contracts for the installation and management of desalination plants. In addition, in the international sphere, the Group has a 30-year water service contract for the province of Caltanisseta, Italy, three desalination plants in Algeria and also stands to benefit from the contribution of the SmVak Group which, acquired in 2006, is the third leading water manager in Czechia and also operates in other East European countries.

At the beginning of 2007, the backlog of environmental services amounted to EUR 22,343 million, equivalent to nearly eight years of production.

The **Versia** area forecasts significant growth for 2007 that will be driven by its various divisions. Street Furniture will increase its international activity, especially in the USA, where on 26 June 2006 work began under the 20-year contract for the installation and exploitation for advertising purposes of street furniture in the city of New York. In addition, 2007 will see the maturation of the large-format contract for the city of Milan on which work also began in 2006. In the Spanish market, the Group's strategy is aimed at strengthening its presence in the large cities and fostering the development of new business lines.

In thel **Airport Handling** division, growth of appoximately 50% is projected in both the Spanish and international markets, since Flightcare was awarded a licence in August 2006 for the Barcelona, Málaga, Alicante, Fuerteventura, Jerez, Almeria and Valencia airports. Abroad, the business in Belgium will be supplemented by the contribution of Aeroporti di Roma Handling, which was acquired at the end of 2006 and operates at the Fiumicino and Ciampino airports in Rome. The Group will seek to expand into other major airports in Italy.

The restructuring of the **Logistics** division will be completed following the acquisition of the Logístico Santos Group, which will enable it to improve its efficiency and the business it contributes to the Versia area.

The **Vehicle Roadworthiness Test** sector is undergoing sweeping changes as a result of the gradual adoption by the Autonomous Communities, as the existing concession periods expire, of the new permit system in compliance with market deregulation measures. This will shape the expansion and growth policies in the sector and, accordingly, Versia expects to increase its market share. Abroad, and especially in Argentina, the various initiatives launched in 2006 are bearing fruit, since they have heightened the local people's interest in subjecting their vehicles to compulsory roadworthiness tests.

As regards the **Parking** business, Versia will maintain its market share in the meter-regulated parking service, whereas its underground parking activity will expand through the start-up of the facilities under construction and the maturation of those which began operating in prior years. Additionally, a new business line, Eysa Net, is being developed, which will concentrate on introducing its product in both the Spanish and foreign markets.

In the **Construction** area, FCC Group expects to achieve significant international growth in 2007 due to the acquisition of an 80.71% stake in Alpine Mayreder Bau, a leading Austria-based construction group that operates mainly in Central and Eastern Europe. In the Spanish market, the current level of business will foreseeably be maintained due to the existing construction backlog, especially in relation to the Ministry of Public Works' Strategic Transport Infrastructure Plan (PEIT) which envisages road, rail, seaport and airport projects that will carry on until 2020. At the beginning of 2007, the construction backlog amounted to EUR 7,843 million, equivalent to nearly two years of production.

The performance of the **Cement** area will be determined by the inclusion of Cementos Lemona and Corporación Uniland, which were acquired in 2006 and are expected to substantially boost the 2007 aggregate sales volume in Spain of all the business sectors. The outlook for the international business will depend, in general, on the improvement of the US economy and, more specifically, on the increase in the demand for cement and the upward adjustment of prices in the areas of activity. The international business will also be bolstered by the major contribution of Corporación Uniland's operations in Argentina, Uruguay and Tunisia. Additionally, the investments planned for 2007 will optimise production processes, enhance the environment and improve occupational safety, thus strengthening the area's capacity to compete.

In relation to the **Real Estate** business, it should be noted that Realia Business, S.A. is scheduled to be floated in 2007, as resolved by its reference shareholders Fomento de Construcciones y Contratas and Caja Madrid. The resolutions adopted also envisage that the FCC Group will take control of Realia, thus enabling it to consolidate the latter's financial statements. Additionally, there are plans to reorganise the Realia Group by unbundling the property asset management business into a new company called Realia Patrimonio S.L.U., wholly-owned by Realia Business. The new company will include all the buildings operated under lease agreements and the investments in companies whose core business is the ownership of property earmarked for lease. This contribution will include all the leased buildings in Spain and those of the French company SIIC de Paris, which was acquired in 2006. 2007 will also see a far-reaching financial restructuring of the Realia Group, basically to achieve two objectives; firstly, to extend the maturity of its debt virtually from short-term to a period of approximately 10 years, and, secondly, to obtain financing sources classified as "without recourse to shareholders".

The annualised contribution of SIIC de Paris to Realia Group revenue (in 2006 approximately only half this company's revenue was included since it was acquired in June) and the acquisitions made in the second half of 2006 within the SIIC de Paris Group (four new buildings), together with the property development business, which will foreseeably continue to grow, albeit at a slower pace than in the last two years, all point to substantial growth in revenue for the Realia Group. Business profitability is also expected to remain at the highly satisfactory levels of the last few years.

The business strategies will continue to focus on implementation of the following policies: acquisition of land requiring urban development, thus ensuring the generation of value added; execution of property developments in new markets and shopping centre projects; acquisition of buildings, selected on the basis of their location and profitability for use in operations; and the rotation of leased assets deemed to be mature, in order to provide substantial income and gains for the company and to make new investments possible.

In the international market, following the acquisition of SIIC de Paris and of land in Poland for the execution and marketing of property developments, the real estate markets of other Central and Eastern European countries will continue to be explored, with a view to expanding the scope of the new company's business operations.

Auditor's report
Consolidated group

Deloitte.

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Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union (see Note 27) 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 at 31 December 2006 and the related consolidated income statement, consolidated cash flow statement, consolidated statement of changes in equity and notes to the consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Parent's directors. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards in Spain, which require examination, by means of selective tests, of the evidence 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 2006 financial statements of certain subsidiaries and associates, whose aggregated assets and net income in absolute values represent 47% and 46%, respectively, of the related consolidated totals. The financial statements of these companies were audited by other auditors (see Appendixes I, II and III to the notes to the 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. The accompanying consolidated financial statements for 2006 were prepared by the Group in accordance with International Financial Reporting Standards, as adopted by the European Union (EU-IFRSs), which require, in general, that financial statements present comparative information. In this regard, as required by corporate and commercial law, for comparison purposes the Parent's directors present, in addition to the consolidated figures for 2006 for each item in the consolidated balance sheet, consolidated income statement, consolidated cash flow statement, consolidated statement of changes in equity and notes to the consolidated financial statements, the figures for 2005. Our opinion refers only to the consolidated financial statements for 2006. On April 12, 2006, we issued our auditors' report on the 2005 consolidated financial statements, in which we expressed an unqualified opinion.

3. In our opinion, based on our audit and on the reports of the other auditors mentioned in paragraph 1 above, the accompanying consolidated financial statements for 2006 present fairly, in all material respects, the consolidated equity and consolidated financial position of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. and Subsidiaries at 31 December 2006, and the consolidated results of their operations, the changes in the consolidated equity and their consolidated cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with International Financial Reporting Standards, as adopted by the European Union, applied on a basis consistent with that used in the preparation of the financial statements for the preceding year, which were included in the consolidated financial statements for 2006 for comparison purposes.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, Tomo 13.650, folio 188, sección 8, hoja M-54414. inscripción 96, C.I.F.: B-79104469. Domicilio Social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso - 28020 Madrid

Member of
Deloitte Touche Tohmatsu

4. The accompanying consolidated directors' report for 2006 contains the explanations which the Parent's directors 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 directors' report is consistent with that contained in the consolidated financial statements for 2006. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. and Subsidiaries.

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

Miguel Laserna Niño

April 4, 2007

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Financial statements
Management report and Auditor's report

Fomento de Construcciones y Contratas, S.A.

Financial statements
Fomento de Construcciones y Contratas, S.A.

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Balance sheet

Fomento de Construcciones y Contratas, S.A.

ASSETS	12-31-2006		12-31-2005	
NON-CURRENT ASSETS		**2,015,136**		**1,682,692**
Intangible assets		99,592		73,387
Concessions, patents, licenses, trademarks and other	38,497		34,582	
Rights on leased assets	97,113		64,848	
Accumulated amortization	(36,018)		(26,043)	
Property, plant and equipment		326,728		305,934
Land and buildings	165,663		161,799	
Plant and machinery	402,741		389,231	
Other fixtures, tools and furniture	103,167		93,051	
Advances and property, plant and equipment in the course of construction	25,543		14,018	
Other items of property, plant and equipment	16,169		15,470	
Allowances	(311)		(311)	
Accumulated depreciation	(386,244)		(367,324)	
Long-term investments		1,580,660		1,293,949
Investments in Group companies	1,366,731		1,139,943	
Investments in associates	244,242		244,321	
Loans to Group companies	44,880		434	
Loans to associates	2,316		2,970	
Long-term investment securities	14,609		13,788	
Other loans	15,468		10,871	
Long-term deposits and guarantees given	5,430		4,771	
Allowances	(113,016)		(123,149)	
Treasury shares		8,156		9,422
DEFERRED CHARGES		**5,158**		**5,334**
CURRENT ASSETS		**1,908,631**		**853,171**
Inventories		6,536		6,151
Raw materials and other supplies	6,281		6,071	
Advances	255		80	
Accounts receivable		527,637		743,992
Trade receivables for sales and services	411,766		366,254	
Receivable from Group companies	34,607		299,182	
Receivable from associates	4,960		4,520	
Sundry accounts receivable	10,584		9,904	
Employee receivables	807		776	
Tax receivables	75,437		75,060	
Allowances	(10,524)		(11,704)	
Short-term investments		1,313,199		48,753
Loans to Group companies	1,282,355		30,963	
Loans to associates	15,207		15,508	
Short-term investment securities	7,419		64	
Other loans	7,990		2,064	
Short-term deposits and guarantees given	576		502	
Allowances	(348)		(348)	
Cash		51,745		50,652
Accrual accounts		9,514		3,623
TOTAL ASSETS		**3,928,925**		**2,541,197**

At 31 December 2006

In thousands of euros

SHAREHOLDERS' EQUITY AND LIABILITIES	12-31-2006		12-31-2005	
SHAREHOLDERS' EQUITY		**1,025,087**		**970,395**
Share capital		130,567		130,567
Share premium		242,133		242,133
Reserves		487,343		459,823
Legal reserve	26,113		26,113	
Reserve for treasury shares	8,156		9,422	
Reserve for retired shares	2,770		2,770	
Voluntary reserves	450,304		421,518	
Profit for the year		295,235		237,554
Interim dividend		(130,191)		(99,682)
DEFERRED INCOME		**4,322**		**4,771**
Grants related to assets	4,302		4,740	
Other deferred income	20		31	
PROVISIONS FOR CONTINGENCIES AND CHARGES		**186,578**		**159,949**
Provisions	175,173		149,273	
Reversion reserve	11,405		10,676	
NON-CURRENT LIABILITIES		**272,830**		**27,056**
Bank borrowings		252,180		2,596
Loans and other payables	250,372		196	
Long-term finance lease payments payable	1,808		2,400	
Other payables		20,650		24,460
Limited recourse project financing loans	5,555		7,733	
Long-term guarantees and deposits received	5,122		4,884	
Long-term taxes payable	9,973		11,843	
CURRENT LIABILITIES		**2,440,108**		**1,379,026**
Bank borrowings		1,370,345		22,530
Loans and other payables	1,336,884		31	
Interest payable	3,894		284	
Short-term finance lease payments payable	29,567		22,215	
Payable to Group companies and associates		442,466		833,680
Payable to Group companies	438,886		830,284	
Payable to associates	3,580		3,396	
Trade payables		191,765		178,274
Advances received on orders	20,909		26,235	
Accounts payable for purchases and services	108,256		91,645	
Notes payable	62,600		60,394	
Other non-trade payables		378,495		310,259
Tax payables	163,292		148,989	
Notes payable	9,473		5,949	
Limited recourse project financing loans	2,178		1,951	
Other payables	178,683		127,827	
Remuneration payable	24,756		25,345	
Short-term guarantees and deposits received	113		198	
Operating allowances		56,990		34,074
Accrual accounts		47		209
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,928,925**		**2,541,197**

Income statement

Fomento de Construcciones y Contratas, S.A.

DEBIT	12-31-2006		12-31-2005	
TOTAL OPERATING EXPENSES		**1,023,465**		**889,973**
Decrease in finished goods and work in process inventories		–		3,222
Cost of materials used and other external expenses		179,210		156,454
Raw materials and other consumables used	92,515		78,673	
Other external expenses	86,695		77,781	
Staff costs		607,196		537,410
Wages, salaries and similar expenses	455,944		403,261	
Employee benefit costs	151,252		134,149	
Depreciation and amortisation charge		56,341		50,669
Variation in operating allowances		13,043		2,682
Change in inventory allowances	–		(724)	
Change in allowances for and losses on uncollectible receivables	443		2,742	
Change in other operating allowances	12,600		664	
Other operating expenses		167,675		139,536
Outside services	162,169		134,567	
Taxes other than income tax	4,776		4,154	
Provision to the reversion reserve	730		815	
PROFIT FROM OPERATIONS		**104,016**		**106,539**
Finance costs		50,132		18,888
On debts to Group companies and associates	19,366		12,675	
On debts to third parties and similar costs	30,766		6,213	
Change in investment valuation allowances		(2,401)		–
Exchange losses		157		57
FINANCIAL PROFIT		**206,789**		**165,092**
PROFIT FROM ORDINARY ACTIVITIES		**310,805**		**271,631**
Change in allowances for intangible assets, property, plant and equipment and control portfolio		(4,720)		(4,220)
Losses on non-current assets		153		638
Extraordinary expenses and losses		43,000		9,873
EXTRAORDINARY PROFIT		**26,187**		–
PROFIT BEFORE TAX		**336,992**		267,546
Income tax		41,757		29,992
PROFIT FOR THE YEAR		**295,235**		**237,554**

for the year ended 31 December 2006

In thousands of euros

CREDIT	12-31-2006		12-31-2005	
TOTAL OPERATING INCOME		**1,127,481**		**996,512**
Revenue		1,034,525		917,562
Work on non-current assets		1,227		611
Other operating income		91,729		78,339
Income from equity investments		227,153		181,135
Group companies	189,241		149,096	
Associates	36,893		32,039	
Non-Group companies	1,019		–	
Income from other marketable securities and non-current loans		302		459
Associates	107		120	
Non-Group companies	195		339	
Other finance income		27,159		2,121
Group companies and associates	19,760		144	
Other interest	1,672		863	
Gains on investments	5,727		1,114	
Exchange gains		63		322
Gains on non-current assets and control portfolio		617		351
Gains on treasury share transactions		3,238		–
Asset-related grants transferred to profit or loss		422		438
Extraordinary income		60,343		1,417
EXTRAORDINARY LOSS		**–**		**4,085**

Notes

Fomento de Construcciones y Contratas, S.A. at 31 December 2006

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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 sewer systems, the maintenance of green areas and buildings, water treatment and distribution and other complementary services.

Fomento de Construcciones y Contratas, S.A. is the Parent of the FCC Group, which comprises a broad spectrum of Spanish and foreign subsidiaries and associates that engage in activities such as construction, urban cleaning and integrated water cycle services, car parks, street furniture, passenger transport, vehicle roadworthiness tests, passenger and aircraft ground handling, logistics, cement, real estate, etc.

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 the Consolidated Spanish Companies Law, Royal Decree 1564/1989, of 22 December, and subsequent amendments thereto, the Spanish National Chart of Accounts, Royal Decree 1643/1990, of 20 December, and the industry-based adaptations implementing it.

The financial statements are stated 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 its percentage share of the profit or loss, income and expenses of each joint venture.

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, income and expenses of this association, in proportion to the Company's percentage of ownership.

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

Appendix II lists the joint ventures and indicates the percentage share of their results.

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

Since, Fomento de Construcciones y Contratas, S.A. is the head of the FCC Group, it is obliged under current legislation to prepare separate consolidated financial statements. These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRSs), in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and Council, of 19 July 2002, as well as all provisions and interpretations implementing it. The consolidated financial statements of the FCC Group for 2006, prepared by the directors, will also be submitted for approval by the shareholders at the Annual General Meeting.

The effect of consolidation of Fomento de Construcciones y Contratas, S.A., based on a comparison between the individual financial statements of the Company and the consolidated financial statements, would have been to increase reserves and profit increase for the year by EUR 1,347,725 thousand and EUR 240,276 thousand, respectively, and assets by EUR 15,093,149 thousand.

3. Distribution of profit

The proposed distribution of profit of Fomento de Construcciones y Contratas, S.A. that will be submitted for approval by the shareholders at the Annual General Meeting is as follows:

	Amount
Profit for the year, before distribution	295,235
Distribution	
Interim dividend	1.00 euro per share
Final dividend	1.05 euros per share
To voluntary reserves: The amount remaining after payment of the interim and final dividends on outstanding shares carrying dividend rights at the dateof payment will be allocated to this reserve.	

On 19 December 2006, it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of 2006 profit equal to 100% gross of the par value of the shares, i.e. EUR 1 per share. The total amount of this dividend, EUR 130,191 thousand, was paid on or after 8 January 2007 on outstanding shares carrying dividend rights.

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

4. Accounting policies

The main accounting policies applied by the Company in preparing its financial statements were as follows:

a) Intangible assets

Intangible assets are recorded at cost.

Tangible items held under finance leases are amortised by the straight-line method over the years of estimated useful life, which are the same as those for property, plant and equipment. Administrative concessions are amortised over the concession period, which ranges on average from 25 to 50 years.

b) Property, plant and equipment

Property, plant and equipment are carried at acquisition cost, or at production cost if the Company has performed in-house work thereon.

Upkeep and maintenance expenses not leading to a lengthening of the useful life or to an increase in the production capacity of the related assets are recognised in the income statement for the year in which they are incurred.

Property, plant and equipment 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	8 – 12
Other items of property, plant and equipment	4 – 10

Property, plant and equipment 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 finance costs relating to the financing of non-current assets

The interest on loans used to finance non-current assets is generally charged to the income statement in the year in which it is incurred. However, for non-current assets whose construction requires a substantial period of time, cost includes the interest accrued on their financing until they come into operation. No material amounts.

Also, the Company capitalises the finance costs arising from the financing of the non-current assets required to carry on its water supply/treatment line of business, in accordance with the related industry adaptation of the Spanish National Chart of Accounts. The costs thus capitalised are deferred over the term of the service, provided that there is evidence that future income will enable the costs previously incurred to be recovered.

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

d) Investments. Marketable securities and non-trade loans

In accordance with current legislation, investments in listed and unlisted marketable securities are carried at cost, net of the required valuation allowances. Consequently, the Company records all unrealised losses existing at year-end are recorded, but does not recognise any unrealised gains, 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 appropriate value adjustments are made by recognising allowances for doubtful debts.

Securities and loans maturing within no more than 12 months from the balance sheet date are classified as short-term items (current assets) and those maturing within more than 12 months as long-term items (non-current assets). Other investments of a permanent nature are classified as non-current assets.

e) Inventories

Inventories are stated at average acquisition price or average production cost and the necessary valuation adjustments are made to reduce the carrying amount to market value, if this is lower. Allowances are also recorded for the impairment reduce of obsolete inventories.

f) Treasury shares

Treasury shares are carried at the lower of average acquisition cost and market value or, where applicable, at a value approximating underlying carrying amount in accordance with the accounting principle of prudence.

g) Grants

Non-refundable grants related to assets are recognised as to income in proportion to the depreciation charged on those assets.

h) Provisions for pensions and similar obligations

The Company has not established any pension plans to supplement the social security pension benefits. Pursuant to the consolidated Pension Fund and Plan Law, in the specific cases in which similar obligations exist, the Company externalises its commitments to its employees in this connection.

In addition, following authorisation by the Executive Committee, in the past an insurance policy was arranged and the premium paid to cover the payment of benefits relating to death, permanent occupational disability, retirement bonuses and pensions and other situations for, among other employees, executive directors and executives. In particular, the contingencies giving rise to benefits relate to employee terminations for of the following reasons:

a) Unilateral decision of the company.
b) Dissolution or disappearance of the Parent for whatever cause, including merger or spin-off.
c) Death or permanent disability.
d) Other causes of physical or legal incapacity.
e) Substantial change professional terms and conditions.
f) Retirements of the executive on reaching 60 years of age, at the request of the executive and with the consent of the Company's.
g) Retirements of the executive on reaching 65 years of age, by unilateral decision of the executive.

The accompanying income statement includes premium payments in relation to this insurance policy amounting to EUR 4,502 thousand and rebates amounting to EUR 235 thousand. At 31 December 2006, after payment of the aforementioned net amounts, the fair value of the premiums contributed covered all the actuarial commitments assumed.

i) Provisions for contingencies and charges

The Company has recorded provisions for contingencies and charges 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 fulfilment 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 term. This reserve is calculated by supplementing the depreciation of the related asset, so that at the end of the concession term the net carrying amount (after deduction of the related accumulated depreciation) is zero.

The Company considers that the periodic maintenance plans for its assets, the cost of which is recognised as an expense in the year in which it is incurred, are sufficient to ensure delivery of the assets that have to be returned to the concession provider in good working order on expiry of the concessions and that, therefore, no significant expenses will arise as a result of their return.

k) Classification of debts

Debts maturing within no more than 12 months from the balance sheet date are classified as current liabilities and those maturing within more than 12 months as non-current liabilities.

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

l) Income tax

The income tax expense of each year is calculated on the basis of accounting profit before tax, increased or decreased, as appropriate, by the permanent differences, which do not reverse in subsequent periods, between taxable profit for income tax purposes and accounting profit. To this adjusted accounting profit the Company applies the current tax rate and deducts the tax credits and tax relief earned in the year.

Additionally, the income tax expense for 2006 includes the adjustment made to the deferred tax asset and liability balances in order to adapt them to the tax rates as modified by Law 35/2006, of 28 November. The Company estimated the year in which these deferred tax assets and liabilities will be taken to income or reversed, and this assessment gave rise to a net adjustment of EUR 3,391 thousand to "Income Tax" in the accompanying income statement (see Note 14).

m) Foreign currency transactions

Balances receivable and payable in foreign currencies are translated to euros at the exchange rates prevailing at the balance sheet date. Exchange losses are charged to income, whereas exchange gains are deferred until realised and are recognised under "Deferred Income".

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 recognised in the income statement.

n) Revenue and expense recognition

Revenue and expenses are recognised 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 recognises as the period result on its contracts the difference between period production (valued at the selling price of the service provided during the period, as specified in the principal contract or in approved amendments thereto, and the selling price of other as yet unapproved services for which there is reasonable assurance of collection) and the costs incurred. Additionally, late-payment interest is recognised as income when it is approved or finally collected.

The difference between the amount of production and the amount billed until the date of the financial statements is recorded as "Completed Production Pending Billing" under "Trade Receivables for Sales and Services". Pre-billings for various items are recorded under "Advances Received on Orders" on the liability side of the balance sheet.

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

o) Information on the environment

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 upon completion of its operations. Also, the Company has non-current assets for the protection of the environment and bears any costs required for this purpose in the performance of its business activities.

The acquisition costs of these non-current assets used in environmental conservation are recognised under "Property, Plant and Equipment" or "Intangible Assets" based on the nature of the investment, and are depreciated or amortised over the useful lives of the assets. Also, in accordance with current accounting regulations, the Company recognises the expenses and provisions arising from its environmental commitments.

p) Derivatives

Pursuant to Article 200 of the Consolidated Companies Law, as amended by Law 62/2003, of 30 December, for each type of derivative financial instrument the fair value and information relating to its scope and nature must be disclosed.

Following is a description of the derivative financial instruments existing at the Company at year-end:

- An interest rate derivative maturing in 2007, that was transferred in July 2004 to Fomento de Construcciones y Contratas, S.A. from Grubarges Inversión Hotelera, S.A. as a result of the withdrawal of the FCC Group from the hotel business activity. At year-end, the estimated value of the payment obligation, for which a provision was duly recognised in the accompanying balance sheet, was EUR 38 thousand, and a gain of EUR 333 thousand was recognised in the income statement.
- An interest rate derivative maturing in 2013 that the Company had arranged in December 2006 to cover the interest rate fluctuations on the loans being negotiated in connection with the financing of Azincourt Investment, S.L. (Sole-Shareholder Company), as indicated in Note 7 below. At year-end, the estimated current value of the payment obligation was EUR 732 thousand, for which a provision was recognised in the accompanying balance sheet.
- A derivative financial instrument (Swap) on cash flows determined by the market price of equity securities, maturing on 30 March 2007, which gave rise to a gain of EUR 54,226 thousand in 2006, recognised under "Extraordinary Income" in the accompanying income statement. At year-end, the estimated value of the instrument was zero and its cancellation at maturity is not expected to have a significant effect on the Company's 2007 income statement.

5. Intangible assets

The detail of "Intangible Assets" and of the related accumulated amortisation at 31 December 2006 is as follows:

	Cost	Accumulated amortisation	Net
Concessions, patents, licenses, trademarks and other	38,497	(18,832)	19,665
Rights on leased assets	97,113	(17,186)	79,927
	135,610	**(36,018)**	**99,592**

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

The charges in 2006 in this heading in the accompanying balance sheet was as follows:

	Balance at 12-31-05	Additions or charge for the year	Disposals and reductions	Transfers	Balance at 12-31-06
Concessions, patents, licenses, trademarks and similar	34,582	3,949	(34)	–	38,497
Rights on leased assets	64,848	55,546	–	(23,281)	97,113
Accumulated amortisation	(26,043)	(15,309)	33	5,301	(36,018)
	73,387	**44,186**	**(1)**	**(17,980)**	**99,592**

The features of the finance lease contracts in force at 2006 year-end are as follows:

Original cost of the assets	97,113
Value of purchase options	981
Contract term (years)	2
Lease payments paid in the year	46,318
Lease payments paid in prior years	21,170
Lease payments outstanding, including purchase option	31,375

The detail of the assets held under finance leases at 31 December 2006 is as follows:

Plant and machinery	80,713
Other fixtures, tools and furniture	15,787
Other non current assets	613
	97,113

6. Property, plant and equipment

The detail of "Property, Plant and Equipment" and of the related accumulated depreciation at 31 December 2006 is as follows:

	Cost	Accumulated depreciation	Allowances	Net
Land and buildings	165,663	(55,818)	(311)	109,534
Plant and machinery	402,741	(254,618)	–	148,123
Other fixtures, tools and furniture	103,167	(63,437)	–	39,730
Advances and property, plant and equipment in the course of construction	25,543	–	–	25,543
Other property, plant and equipment	16,169	(12,371)	–	3,798
	713,283	**(386,244)**	**(311)**	**326,728**

EUR 73,105 thousand of the net carrying amount of property, plant and equipment relate to joint ventures.

All the property, plant and equipment were being used in production at 2006 year-end; however, EUR 174,892 thousand of property, plant and equipment had been fully depreciated.

The Company takes out the insurance policies it considers necessary to cover the possible risks to which its property, plant and equipment are subject.

The changes in property, plant and equipment, broken down to show the additions, disposals and reductions in 2006, were as follows:

	Balance at 12-31-05	Additions or charge for the year	Disposals and reductions	Transfers	Balance at 12-31-06
Land and buildings	161,799	4,077	(524)	311	165,663
Plant and machinery	389,231	11,981	(23,850)	25,379	402,741
Other fixtures, tools and furniture	93,051	8,327	(4,255)	6,044	103,167
Advances and property, plant and equipment in the course of production	14,018	20,461	(63)	(8,873)	25,543
Other property, plant and equipment	15,470	1,569	(1,290)	420	16,169
Allowances	(311)	–	–	–	(311)
Accumulated depreciation	(367,324)	(41,032)	27,413	(5,301)	(386,244)
	305,934	**5,383**	**(2,569)**	**17,980**	**326,728**

7. Investments. Marketable securities and non-trade loans

I) Long-term investments

The detail of the changes in this heading is as follows:

	Balance at 12-31-05	Additions or charge for the year	Disposals and reductions	Transfers	Balance at 31-12-06
Investments in Group companies	1,139,943	226,788	–	–	1,366,731
Investments in associates	244,321	–	(79)	–	244,242
Loans to Group companies	434	44,500	(54)	–	44,880
Loans to associates	2,970	2	(311)	(345)	2,316
Long-term investment securities	13,788	3,833	(3,012)	–	14,609
Other loans	10,871	5,647	(662)	(388)	15,468
Long-term deposits and guarantees given	4,771	773	(114)	–	5,430
Allowances	(123,149)	(252)	10,385	–	(113,016)
	1,293,949	**281,291**	**6,153**	**(733)**	**1,580,660**

The most significant events in 2006 were, on the one hand, the acquisition of all the share capital of the Austrian company ASA Abfall Service AG and its corporate group, which engage mainly in the business of urban sold waste collection and transport, for EUR 226,785 thousand, and, on the other, the grant of a participating loan of EUR 42,000 thousand to Aqualia Gestión Integral del Agua, S.A., which is recognised under "Loans to Group Companies".

The most noteworthy changes in allowances were the reversals of EUR 4,972 thousand for Proactiva Medio Ambiente, S.A. and EUR 5,412 thousand for Xfera Móviles,S.A.

The detail, by company, of investments in Group companies and associates is provided in Appendixes I and III, respectively, indicating, for each company in which the Company has a direct holding, the following data: company name, address, line of business, percentage of direct or indirect ownership, share capital and reserves, profit or loss, dividends received, listing status, and the carrying amount of the holding.

The breakdown of the balance of "Long-Term Investment Securities" is as follows:

	Carrying amount	
	Assets	Allowances
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. (3.44% shareholding)	6,234	–
Other	1,408	(72)
	14,609	**(7,039)**

In relation to the investment in Xfera Móviles, S.A., it should be mentioned that in 2006 the ownership interest held by Fomento de Construcciones y Contratas, S.A. fell from 7.76% to 3.44% due to the sale to the current majority shareholder, Sonera Holding B.V., of 4.32% of this company's shares. The transaction gave rise to a cash inflow and to a gain of EUR 5,394 thousand, in addition to the reversal of EUR 2,401 thousand of the investment valuation allowance. These amounts are recognised under "Gains on Investments" and "Change in Investment Valuation Allowances", respectively, in the accompanying income statement. In turn, Fomento de Construcciones y Contratas, S.A. participating is the capital increase of Xfera Móviles, S.A. with a payment of EUR 3,833 thousand and granted a participating loan, in proportion to its ownership interest, amounting to EUR 2,649 thousand. This loan is recognised under "Other Loans" in the accompanying balance sheet.

At 31 December 2006, the Company had provided guarantees for Xfera Móviles, S.A. amounting to EUR 20,122 thousand. Additionally, Fomento de Construcciones y Contratas, S.A. has a put option on the portfolio of Xfera Móviles, S.A. that is symmetrical to the call option held by Sonera Holding B.V. These rights can only be exercised on the maturity date in 2011, provided that certain terms and conditions are met, including most notably that Xfera Móviles, S.A. generates profit over two consecutive years prior to the aforementioned maturity date.

II) Short-term investments

This heading includes basically the loans and other non-trade credit facilities granted, inter alia, to Group companies and associates to cater for certain specific cash situations, and other short-term investments. These investments are measured at the lower of cost or market, plus the interest earned at market rates.

The most significant balances under "Loans to Group Companies" are as follows:

Azincourt Investment, S.L. Unipersonal	1,046,858
FCC Construcción, S.A.	103,057
Aqualia Gestión Integral del Agua, S.A.	49,721
Enviropower Investments Ltd.	24,875
FCC Versia, S.A.	20,655
Giza Environmental Services S.A.E.	13,674
Other (less than EUR 10,000 thousand)	23,515
	1,282,355

Particularly, noteworthy is the loan granted in 2006 to Azincourt Investment, S.L., Sole-Shareholder Company, wholly owned by Fomento de Construcciones y Contratas, S.A., which in 2006 acquired the UK company Recycling Group Ltd. and its corporate group whose core business is waste collection and treatment in the United Kingdom. This loan is related to the transaction explained in Note 13-c to these financial statements.

The loans to Group companies earn interest at market rates.

8. Deferred charges

The changes in 2006 in this heading in the accompanying balance sheet were as follows:

	Balance at 12-31-05	Additions	Amounts taken to income or transfers	Balance at 12-31-06
Financing of non-current assets (Note 4-c)	5,230	29	(138)	5,121
Finance leases	104	149	(216)	37
	5,334	**178**	**(354)**	**5,158**

9. Accounts receivable

The most significant accounts under this heading are as follows:

a) Trade receivables for sales and services

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

Receivable for billed production	342,928
Unbilled production	68,838
Trade receivables for sales and services	411,766
Advances received on orders	(20,909)
Total trade receivables, net	**390,857**

EUR 70,054 thousand of the net trade receivables balance relate to joint ventures.

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

"Receivable for Billed Production" reflects the amount of the billings issued to customers for services provided pending collection at the balance sheet date.

"Unbilled Production" reflects the difference between the production recognised by Fomento de Construcciones y Contratas, S.A. on each contract and the amount of the billings issued to the customers. The balance of this account relates basically to the price revisions under the various contracts which, although as yet unapproved, the Company considers will be duly billed since there are no doubts as to their being accepted.

The Company assigns trade receivables to financial institutions without recourse against Fomento de Construcciones y Contratas, S.A. in the event of non-payment. The amount deducted from the trade receivables balance at year-end in this connection amounted to EUR 84,979 thousand. These transactions bear interest on normal market terms and conditions. Collection management continues to be performed by Fomento de Construcciones y Contratas, S.A.

b) Receivable from Group companies

This heading includes the balances for operating transactions and current accounts with companies forming part of the Fomento de Construcciones y Contratas Group.

c) Tax receivables

The breakdown of "Tax Receivables" is detailed in Note 14 "Tax Matters".

10. Shareholders' equity

The changes in 2006 were as follows:

	Balance at 12-31-05	2005 Retained earnings	Dividends distributed	Transfers	Profit for the year	Balance at 12-31-06
Share capital	130,567	–	–	–	–	130,567
Share premium	242,133	–	–	–	–	242,133
Legal reserve	26,113	–	–	–	–	26,113
Reserve for treasury shares	9,422	–	–	(1,266)	–	8,156
Reserve for retired capital	2,770	–	–	–	–	2,770
Voluntary reserves	421,518	27,520	–	1,266	–	450,304
Profit for the year	237,554	(27,520)	(210,034)	–	295,235	295,235
Interim dividend	(99,682)	–	99,682	–	(130,191)	(130,191)
Shareholders' equity	**970,395**	**–**	**(110,352)**	**–**	**165,044**	**1,025,087**

a) Share capital

The share capital of Fomento de Construcciones y Contratas, S.A. consists of 130,567,483 ordinary bearer shares of EUR 1 par value each.

All the shares carry the same rights and have been fully subscribed and paid.

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

With regard to the investments of 10% or more owned directly or indirectly (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 share capital. Also, per the data recorded at the Spanish National Securities Market Commission (CNMV), Grupo Inmocaral, S.A. had an ownership interest of 15.066%.

The aforementioned company, B-1998, S.L., in which Esther Koplowitz Romero de Juseu, Ibersuizas Holdings, S.L., Simante, S.L., Larranza XXI, S.L. and Cartera Deva, S.A. have ownership interests of 73.375%, 10.552%, 5.726%, 5.339% and 5.008%, respectively, has certain commitments to its shareholders which are recorded and published by the CNMV and in the FCC Group's Corporate Governance Report.

b) Additional paid-in capital

The Consolidated Spanish Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use for other purposes.

c) Legal reserve

Under the Consolidated Spanish Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. 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 share capital amount.

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

At 31 December 2006, the legal reserve had reached the stipulated level.

d) Treasury shares

The Company holds 375,986 treasury shares of EUR 1 par value each, representing 0.29% of its share capital, with a carrying amount of EUR 8,156 thousand.

In compliance with the obligation provided for under Article 79.3 of the Companies Law, the Company recognised, with a charge to voluntary reserves, a reserve for treasury shares amounting to EUR 8,156 thousand. This reserve is restricted until the shares are disposed of or retired.

Change in 2006 is as follows:

	Number of shares	%	Amount
Balance at 12-31-05	434,322	0.33	9,422
Disposals	(58,336)	(0.04)	(1,266)
Balance at 12-31-06	**375,986**	**0.29**	**8,156**

e) Reserve for retired capital

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

f) Dividends distributed

On 31 March 2006, the Board of Directors authorised for issue the 2005 financial statements and approved the proposal for the distribution of 2005 profit, which included the payment of a final dividend of EUR 0.766 gross per share. Subsequently, the Board of Directors resolved to modify this proposal, increasing the distributable final dividend to EUR 0.848 per share. This agreement was ratified by the Shareholders at the Annual General Meeting held on 29 June 2006. The total payment of this final dividend amounted to EUR 110,352 thousand, as shown in the table at the beginning of this Note.

11. Grants

The accompanying balance sheet includes EUR 8,590 thousand for grants received in the past, EUR 4,288 thousand of which had been taken to income, including EUR 422 thousand in the year ended 31 December 2006. This amount relates mostly to joint ventures.

12. Provisions and allowances

The change in 2006 is as follows:

Provisions for contingencies and costs

	Balance at 12-31-05	Charge for the year	Amounts used	Reversals	Transfers	Balance at 12-31-06
Allowances						
Litigation	66,157	1,522	–	–	–	67,679
Other risks	83,116	35,110	(5,616)	(5,241)	125	107,494
	149,273	36,632	(5,616)	(5,241)	125	175,173
Reversion reserve	10,676	730	–	(1)	–	11,405
	159,949	**37,362**	**(5,616)**	**(5,242)**	**125**	**186,578**

Operating allowances

	Balance at 12-31-05	Charge for the year	Amounts used	Reversals	Transfers	Balance at 12-31-06
Allowances						
Legal and contractual guarantees and obligations	31,190	17,986	–	(6,074)	(116)	42,986
Other risks	2,884	13,537	(3)	(2,405)	(9)	14,004
	34,074	**31,523**	**(3)**	**(8,479)**	**(125)**	**56,990**

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. Additionally, a provision was charged to "Extraordinary Expenses and Losses" in the accompanying 2006 income statement to cover other future contingencies and expenses arising from decisions taken in 2006 as part of the strategy to enhance and integrate processes and functions. These expenses are expected to be incurred over the next two years.

13. Non-trade payables

a) Long-term payables

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

	2008	2009	2010	2011	2011 and subsequent years	Total
Bank borrowings	251,357	484	–	–	339	252,180
Limited recourse project financing loans	2,427	2,701	427	–	–	5,555
Long-term taxes payable	193	193	193	193	9,201	9,973
Guarantees and deposits	561	427	250	784	3,100	5,122
	254,538	**3,805**	**870**	**977**	**12,640**	**272,830**

The detail relating to bank borrowings is shown in Note 13-c) "Credit Lines" below.

The balance of "Limited Recourse Project Financing Loans" relates to the payments outstanding in connection with the investments made by the Aqualia -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 instalments ending in 2010; the repayments are made using the joint venture's income 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 bank borrowings is Euribor plus a market-based spread.

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

b) Current liabilities

Payable to Group companies and associates includes the loans from these companies which bear interest at market rates and the operating payables to these companies. The most material balances are as follows:

Grucycsa, S.A.	192,300
Corporación Financiera Hispánica, S.A.	116,593
Asesoría Financiera y de Gestión, S.A.	86,565
Other	47,008
	442,466

Also included, mainly under "Other Payables", is the interim dividend amounting to EUR 130,191 thousand payable out of 2006 profit as indicated in Note 3.

The content of the "Taxes Payable" caption is disclosed in Note 14.

c) Credit lines

The Company had long- and short-term credit facilities related to bank borrowings with a limit of EUR 2,932,423 thousand, of which EUR 1,345,167 had not been drawn down at 31 December 2006.

The most salient of the abovementioned credit lines are:

– A syndicated bridge loan arranged by the Company on 22 September 2006 for EUR 1,030,000 thousand. This loan, which matures in March 2007, was drawn down in full to finance Azincourt Investment, S.L. Sole-Shareholder Company, the wholly owned investee of Fomento de Construcciones y Contratas, S.A., for the purchase of the British company Waste Recycling Group Ltd. and its corporate group, as already mentioned in Note 7.II above. The interest rate on this loan is tied to Euribor plus a spread of 0.275%. This debt is recognised under "Current Liabilities – Bank Borrowings" in the accompanying balance sheet.

– A syndicated loan arranged by the Company on 30 July 2003 for EUR 800,000 thousand. This loan is subdivided into two tranches: tranche "A", a closed-end credit amounting to EUR 700,000 thousand, of which EUR 300,000 thousand are repayable on 30 July 2007, and EUR 400,000 thousand on 30 July 2008, and tranche "B", a revolving line of credit amounting to EUR 100,000 thousand, with final maturity on 30 July 2008. At year-end, EUR 550,000 had been drawn down, of which EUR 250,000 are recognised under "Non-current Liabilities - Bank Borrowings" in the accompanying balance sheet and the remainder under "Current Liabilities - Bank Borrowings". The financial cost of the two tranches is tied to Euribor plus a spread established on the basis of the debt-equity ratio of each year per the consolidated financial statements of the FCC Group, of which Fomento de Construcciones y Contratas, S.A. is the Parent. This spread is currently 0.275%.

14. Tax matters

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

I. Long-term

The balance of EUR 9,973 thousand under "Long-Term Taxes Payable" relates to deferred income tax for 30% 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 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 income tax	70,056
VAT refundable	3,603
Other items	1,778
	75,437

Taxes payable	
Personal and income tax withholdings (from salary income and income from movable capital)	8,121
Deferred income tax	37,640
Income tax payable	91,652
VAT and other indirect taxes payable	8,833
Levies and other taxes other than income tax	3,358
Accrued social security taxes payable	13,688
	163,292

Reconciliation of the accounting profit with the taxable profit for income tax purposes:

Accounting profit for the year before taxes			**336.992**
	Increases	**Decreases**	
Permanent differences	11,655	950	10,705
Adjusted accounting profit			347,697
Timing differences			
Arising in the reporting year	53,930	24,131	29,799
Arising in prior years	4,378	18,448	(14,070)
Taxable profit			**363,426**

Adjusted accounting profit	347,697
Income tax charge (35%)	121,694
Inter-company double taxation tax credit	(78,124)
Other tax credits and relief	(4,357)
Adjustments due to change in tax rate (note 4.l)	3,391
Other adjustments	(847)
Income tax payable	**41,757**

The main reasons for the temporary differences were as follows:

– The increases include notably the charge to provisions for accounting purposes which will be tax deductible in subsequent years.

– The decreases include the profits of joint ventures which will be included in the companies' tax base for income tax purposes of the following year and the expenses recognised in prior years which became tax deductible in 2006, since the requirements established by current legislation had been met.

The changes in 2006 in the short- and long-term deferred tax assets and liabilities were as follows:

		Deferred tax asset		**Deferred tax liability**
Balance at 12-31-05		**69,951**		**47,268**
Timing differences		12,420		6,914
Current year	18,876		8,446	
Prior years	(6,456)		(1,532)	
Adjustments due to change in tax rate (note 4.l)		(10,207)		(6,816)
Other adjustments		(2,108)		247
Balance at 12-31-06		**70,056**		**47,613**

The change due to the timing differences of the deferred tax assets and deferred tax liabilities relates to 35% of those disclosed in the foregoing reconciliation.

The adjustments due to the change in the tax rate, as mentioned in Note 4.1 above, arose due to the reduction over two years of the standard income tax rate from 35% in 2006 to 32.5% in 2007 and 30% in 2008 and subsequent years. At 31 December 2006, the Company re-estimated the amount of the deferred tax assets and liabilities, taking into account the year in which the reversal will foreseeably take place. This assessment gave rise to a net adjustment of EUR 3,391 thousand, which is recognised under "Income Tax" in the accompanying income statement.

The other adjustments arose because of positive or negative differences between the income tax estimate made at the balance sheet date and the subsequent income tax settlement expense at the time of payment.

At year-end, the Company had no tax loss carryforwards or unused tax credits.

Fomento de Construcciones y Contratas, S.A. has all the years not yet statute-barred open for review by the tax authorities for the taxes applicable to it. The criteria that the tax authorities might adopt in relation to the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. In relation to the years which have been reviewed, in certain cases the criteria applied by the tax authorities gave rise to tax assessments, which are currently being appealed against by the Company. However, the Company's directors consider that the resulting liabilities will not significantly affect the Company's equity.

Under authorisation 18/89, Fomento de Construcciones y Contratas, S.A. is taxed on a consolidated basis for 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

At 31 December 2006, Fomento de Construcciones y Contratas, S.A. had provided EUR 374,859 thousand of guarantees to government agencies and private-sector customers, mainly as security for the performance of services under urban cleaning contracts.

The Company had also provided guarantees to third parties for certain Group companies amounting to EUR 197,359 thousand.

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. Revenue and expense recognition

In 2006 Fomento de Construcciones y Contratas, S.A. performed work and provided services for Group companies and associates totalling EUR 100,767 thousand. This amount included most notably EUR 51,015 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 "Other Operating Income" in the accompanying income statement. The Company also purchased EUR 36,155 thousand of services and consumables from the aforementioned companies. The finance income earned and finance costs incurred on non-trade receivables and payables with Group companies and associates amounted to EUR 19,867 thousand and EUR 19,366 thousand, respectively.

Substantially all the revenue relates to services provided in Spain. Joint ventures accounted for EUR 160,602 thousand of this total.

Operating income includes rental income and billings for the allocation of 80% of costs to the tenants of the Torre Picasso building, amounting to EUR 19, 519 and EUR 6,001 thousand, respectively.

The average number of employees at the Company in 2006 was as follows:

Managers and university graduate employees	324
Other line personnel (further education college graduates)	223
Clerical and similar staff	736
Other salaried employees	21,244
	22,527

17. Environmental information

As indicated in Note 4-o, by their very nature, the services provided by the Company 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, in accordance with the requirements stipulated in the regulations governing this area.

The performance of the aforementioned production activities requires the use of specialised structures, plant and machinery that are efficient in terms of environmental protection and conservation. At 31 December 2006 the acquisition cost of the non-current assets assigned to these production activities totalled EUR 652,872 thousand and the related accumulated depreciation amounted to EUR 344,247 thousand.

Company management considers that the possible contingencies relating to environmental protection and improvement at 31 December 2006, would not have a significant impact on the accompanying financial statements.

Fomento de Construcciones y Contratas, S.A., as indicated in Note 1 above, is the Parent of the FCC Group which engages in a range of business activities. Due to the characteristics of these activities, the Group pays special attention to controlling the environmental impact, the aspects of which are described in detail in its Corporate Social Responsibility report, which is published annually on FCC's website, www.fcc.es; consequently, the reader should refer to this document for further information on the matters discussed in this note.

18. Fees paid to auditors

"Outside Services" in the accompanying income statement includes the fees for audit services provided to the Company, amounting to EUR 269 thousand. It also includes fees relating to other services billed by the auditor or by other entities related to the auditor, both in Spain and abroad, amounting to EUR 65 thousand.

19. Information on the board of directors

The remuneration 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):

Fixed remuneration	2,365
Variable remuneration	519
Bylaw-stipulated directors' fees	1,774
Attendance fees	6
	4,664

In the past an insurance policy was arranged and the premium paid to cover the payment of contingencies relating to death, permanent occupational disability, retirement bonuses and other benefits for certain of the directors of Fomento de Construcciones y Contratas, S.A. (see Note 4-h). In 2006, the beneficiaries were not paid anything under the insurance policy.

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

Set forth below are the required disclosures in relation to the ownership interests held by the directors of Fomento de Construcciones y Contratas, S.A. in the share capital of non-FCC Group companies; the activities (if any) performed by them, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company object of the FCC Group; and the

transactions (if any) conducted by them or by persons acting on their behalf, with the Company or with any company in the same Group that are not part of the Company's normal business activities or are not conducted on an arm's length basis:

- The director Miguel Blesa de la Parra declared that he had engaged in activities, as an independent professional or as an employee, that are similar or complementary to the activities that constitute the company object of Fomento de Construcciones y Contratas, S.A., in his capacity as Chairman of the Boards of Directors of Caja Madrid and of Corporación Financiera Caja de Madrid, S.A., which directly or indirectly own 33.92% and 15.24%, respectively, of the share capital of Realia Business, S.A., a company directly or indirectly 49.16% owned by Fomento de Construcciones y Contratas, S.A.

- The other 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 Company's object.

- The other Board members of the Company do not hold any ownership interests in the share capital of any companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Fomento de Construcciones y Contratas, S.A.

- In 2006 the other 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 in the same Group, any transactions that were not part of the Company's normal business activities or were not conducted on an arm's length basis.

The detail of the directors holding positions in companies in which Fomento de Construcciones y Contratas, S.A. has a direct or indirect ownership interest is as follows:

Director's name or company name	Company name of the Group entity	Position held
Cartera Deva, S.A.	Cementos Portland Valderrivas, S.A.	Director
EAC Inversiones Corporativas, S.L.	Realia Business, S.A. Cementos Portland Valderrivas, S.A. FCC Construcción, S.A. Cementos Alfa, S.A. Cementos Lemona, S.A. Lemona Industrial, S.A. Unipersonal	Director Director Director Director Director Director
Fernando Falcó y Fernández de Cordova	Realia Business, S.A. FCC Construcción, S.A. Cementos Portland Valderrivas, S.A. Cementos Lemona, S.A. Corporación Uniland, S.A. Lemona Industrial, S.A. Unipersonal	Director Director Director Deputy Chairman Director Deputy Chairman
Ibersuizas Alfa, S.L.	Cementos Portland Valderrivas, S.A.	Director
Rafael Montes Sánchez	FCC Construcción, S.A. Cementos Portland Valderrivas, S.A.	Director Director
Robert Peugeot	FCC Construcción, S.A.	Director
Antonio Pérez Colmenero	Per Gestora Inmobiliaria, S.L.	Director

20. Statements of changes in financial position

Source of funds	2006		2005
Funds obtained from operations	320,037		293,823
Grants related to assets	4		661
Increase in long-term debt	252,498		3,292
Disposal of property, plant and equipment	3,012		1,790
Disposal of long-term investments	5,495		111
Disposal of treasury shares	4,504		–
Repayment or transfer to short term of long-term investments	1,874		926
Transfer of provisions from short to long-term	125		10,000
Extraordinary income	41,570		–
Decrease in working capital	5,622		–
	634,741		**310,603**

Application of funds		2006		2005
Fixed asset additions		387,453		74,705
Intangible assets	59,495		40,806	
Property, plant and equipment	46,415		31,909	
Non-current investments	281,543		1,990	
Dividends		240,543		188,173
Repayment or transfer to short term of non-current borrowings		6,745		5,823
Increase in working capital		–		41,902
		634,741		**310,603**

Change in working capital

	2006		2005	
	Increase	Decrease	Increase	Decrease
Inventories	385	–	–	6,847
Receivable	–	216,355	319,016	–
Payable	–	1,061,082	–	313,569
Short-term investments	1,264,446	–	14,888	–
Cash	1,093	–	27,346	–
Accrual accounts	5,891	–	1,068	–
	1,271,815	**1,277,437**	**362,318**	**320,416**
Change in working capital	5,622	–	–	41,902
	1,277,437	**1,277,437**	**362,318**	**362,318**

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

	2006	2005
Profit for the year after taxes	295,235	237,554
Depreciation and amortisation charge	56,341	50,669
Provision to reversion reserve	730	815
Provisions for contingencies and expenses	25,775	9,045
Change in investment valuation allowances	(7,121)	(4,220)
Loss on investments	(5,416)	–
Loss on treasury shares	(3,238)	–
Extraordinary loss	(41,570)	–
Other	(699)	(40)
Profit from operations	**320,037**	**293,823**

21. Cost accounting statements of income

	12-31-2006		12-31-2005	
	Amount	%	Amount	%
Revenue	1,034,525	100.00	917,562	100.00
+ Other operating income	91,729	8.87	78,339	8.54
– Change in finished goods and work in progress inventories	–	–	3,222	0.35
+ Capitalised expenses of in-house work on non-current assets	1,227	0.12	611	0.06
Production value	**1,127,481**	**108.99**	**993,290**	**108.25**
– Net purchases	92,725	8.96	79,134	8.62
+ Change in inventories of merchandise, materials and other consumables	210	0.02	461	0.05
– External and operating costs	253,640	24.52	216,502	23.60
– Staff costs	607,196	58.70	537,410	58.57
Gross profit from operations	**174,130**	**16.83**	**160,705**	**17.51**
– Depreciation and amortisation charge	56,341	5.45	50,669	5.52
– Provision to reversion reserve	730	0.07	815	0.09
– Bad debts and change in operating allowances	13,043	1.26	2,682	0.29
NET INCOME FROM OPERATIONS	**104,016**	**10.05**	**106,539**	**11.61**
+ Finance income	254,677	24.62	184,037	20.06
– Finance costs	50,289	4.86	18,945	2.07
– Changes in investment valuation allowances	(2,401)	(0.23)	–	–
Finance income	**206,789**	**19.99**	**165,092**	**17.99**
Profit (loss) from ordinary activities	**310,805**	**30.04**	**271,631**	**29.60**
+ Gains on fixed assets and extraordinary profit	64,620	6.24	2,206	0.24
– Losses on fixed assets and extraordinary costs	43,153	4.17	10,511	1.14
– Change in property, plant and equipment and control portfolio allowances	(4,720)	(0.46)	(4,220)	(0.46)
PROFIT BEFORE TAX	**336,992**	**32.57**	**267,546**	**29.16**
– Income Tax	41,757	4.03	29,992	3.27
Profit after tax	**295,235**	**28.54**	**237,554**	**25.89**

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.

Appendix I Group companies

Company	Carrying Amount		% of Ownership	Dividends Received	Capital	Reserves	2006 Profit/Loss before Tax	
	Cost	Allowance					Ordinary	Extraordinary
AEBA Ambiente y Ecología de Buenos Aires, S.A. Tucumán, 1321. 3ª Buenos Aires. Argentina -Urban cleaning-	834	190	Direct 50.00 Indirect 2.50	276	1,000 (Arp)	1,534 (Arp)	4,074 (Arp)	–
Aqualia Gestión Integral del Agua, S.A. Federico Salmón, 13. Madrid -Water management-	254,768	–	Direct 99.99 Indirect 0.01	28,275	145,000	49,073	43,145	462
Azincourt Investment, S.L. Sole-Shareholder Company Federico Salmón, 13. Madrid -Portfolio company-	3	3	100.00	–	3	–	(19,883)	–
Asesoría Financiera y de Gestión, S.A. Federico Salmón, 13. Madrid -Financial services-	3,008	–	Direct 43.84 Indirect 56.16	–	6,843	465,832	24,475	12,466
Asiris, S.A. Correduría de Seguros Pº de la Castellana, 111. Madrid	30	–	Direct 25.00 Indirect 75.00	–	120	935	224	5
A.S.A. Abfall Service AG Hnas-Hruschka-Gasse, 9. Himberg (Austria) -Urban cleaning -	226,785	–	Direct 99.98 Indirect 0.02	–	5,000	47,401	3,944	–
Cementos Portland Valderrivas, S.A. Estella, 6. Pamplona -Cement-	175,953	–	Direct 58.76 Indirect 8.90	41,386	41,757	742,499	133,625	94,104
Compañía Auxiliar de Agencia y Mediación, S.A. Sole-Shareholder Company. Federico Salmón, 13. Madrid -Portfolio company-	1,657	–	100.00	617	61	2,319	691	–
Compañía General de Servicios Empresariales,S.A. Sole-Shareholder Company Federico Salmón, 13. Madrid -Instrumentality company-	60	–	100.00	1	60	17	–	–
Corporación Española de Servicios, S.A. Federico Salmón, 13. Madrid -Instrumentality company-	44	–	Direct 99.99 Indirect 0.01	–	60	15	2	–
Corporación Financiera Hispánica,S.A. Federico Salmón, 13. Madrid -Portfolio company-	69,818	–	Direct 99.99 Indirect 0.01	5,066	58,393	283,470	7,687	1
Egypt Environmental Services SAE Cairo-Egypt -Urban cleaning-	7,760	7,760	Direct 97.00 Indirect 3.00	–	36,400 (EGP)	(60,989) (EGP)	39,114 (EGP)	(13,194) (EGP)
Empresa Comarcal de Serveis Mediambientals del Baix Penedés, ECOBP, S.L. Plaça del Centre, 3. El Vendrell (Tarragona) -Urban cleaning-	240	–	80.00	52	301	252	147	–
Empresa Municipal de Desarrollo Sostenible Ambiental de Úbeda, S.L. Pza. Vázquez Molina, s/n. Úbeda (Jaén) -Urban cleaning-	720	–	90.00	–	800	90	165	–
Europea de Gestión, S.A. Sole-Shareholder Company Federico Salmón, 13. Madrid -Instrumentality company-	63	–	100.00	5	60	22	10	–
FCC Construcción, S.A. Balmes, 36. Barcelona -Construction-	275,551	–	Direct 99.99 Indirect 0.01	89,700	130,000	101,831	209,309	10,536
FCC Construcciones y Contratas Internacional, S.L. Sole-Shareholder Company Federico Salmón, 13. Madrid -Instrumentality company-	3	–	100.00	–	3	–	–	–
FCC Fomento de Obras y Construcciones, S.L. Sole-Shareholder Company. Federico Salmón, 13. Madrid -Instrumentality company-	3	–	100.00	–	3	–	–	–

Company	Carrying Amount		% of Ownership	Dividends Received	Capital	Reserves	2006 Profit/Loss before Tax	
	Cost	Allowance					Ordinary	Extraordinary
FCC Inmobiliaria Conycon, S.L. Sole-Shareholder Company Federico Salmón, 13. Madrid -Instrumentality company-	3	–	100.00	–	3	–	–	–
FCC International B.V. Amsteldijk 166. Amsterdam (The Netherlands) -Portfolio company-	49,910	9,081	100.00	3,263	40,840	(3,243)	3,232	–
FCC Medio Ambiente, S.A. Federico Salmón, 13. Madrid -Urban cleaning-	35,102	–	Direct 98.98 Indirect 1.02	4,889	43,272	47,491	12,597	4,914
FCC Versia, S.A. Federico Salmón, 13. Madrid -Management company-	62,625	–	Direct 99.99 Indirect 0.01	15,100	40,337	53,002	26,422	(10,424)
FCC 1, S.L. Sole-Shareholder Company Federico Salmón, 13. Madrid -Instrumentality company-	3	–	100.00	–	3	–	–	–
F-C y C, S.L. Sole-Shareholder Company Federico Salmón, 13. Madrid -Instrumentality company-	3	–	100.00	–	3	–	–	–
Fedemés, S.L. Federico Salmón, 13. Madrid -Property development-	10,764	–	Direct 92.67 Indirect 7.33	381	10,301	14,557	984	–
Fomento Internacional Focsa, S.A. Federico Salmón, 13. Madrid -Instrumentality company-	69	–	Direct 99.93 Indirect 0.07	4	90	23	3	–
Giza Environmental Services S.A.E. Cairo. Egypt -Urban cleaning-	7,566	7,566	Direct 97.00 Indirect 3.00	–	35,500 (EGP)	(74,306) (EGP)	(24,337) (EGP)	(33,872) (EGP)
Grucycsa, S.A. Pza. Pablo Ruiz Picasso, s/n. Madrid -Portfolio company-	156,786	–	100.00	–	135,600	35,421	5,934	5,647
Limpiezas Urbanas de Mallorca, S.A. Fusters, 18. Manacor (Balearic Islands) -Urban cleaning-	5,097	–	Direct 99.92 Indirect 0.08	–	308	1,304	240	(9)
Per Gestora Inmobiliaria, S.L. Pza. Pablo Ruiz Picasso, s/n. Madrid -Property management and administration-	48	–	80.00	10	60	51	(15)	–
Tratamientos y Recuperaciones Industriales, S.A. Anglí, 31. Barcelona -Waste treatment-	21,455	–	Direct 74.92 Indirect 0.08	216	72	8,060	3,117	4
Total	**1,366,731**	**24,600**		**189,241**				

Note:

- *Of the companies shown above, only Cementos Portland Valderrivas, S.A. is a listed company and its share price was EUR 99.00 at the balance sheet date. The average market price in the last quarter of 2006 was EUR 92.31.*
- *As required by Article 86 of the Consolidated Spanish Companies Law, in 2006 the Company made the related notifications to the companies in which it had acquired direct or indirect holdings of over 10%.*

Appendix II Joint ventures

	% of Ownership
ABASTECIMIENTO VILLALÓN	20.00
ACERAS Y CALZADAS	50.00
ADDENDA PUENTE DE VALLECAS 5ª FASE	50.00
AIGÜES DE LLEIDA	50.00
AGUAS TOMELLOSO	20.00
ALCANTARILLADO BILBAO	90.00
ALMEDA	51.00
AMPLIACIÓ LIXIVITATS	20.00
AMPLIACIÓN VERTEDERO GARDELEGUI	55.00
AMPLIACIÓN VERTEDERO PINTO	50.00
AQUALBAL	20.00
AQUALIA – FCC – MYASA	20.00
AQUALIA – FCC – OVIEDO	5.00
AQUALIA – FCC – SALAMANCA	5.00
AQUALIA – FCC – SAN VICENTE	20.00
AQUALIA – FCC VIGO	50.00
ARGÍ GUEÑES	70.00
ASTONDO	40.00
BAIX CAMP	30.00
BARRIO DE LA LOMA	50.00
BILBOKO SANEAMENDU	50.00
BIOCOMPOST DE ÁLAVA	50.00
BOADILLA - SERVICIOS	50.00
BOADILLA - VERSIA	50.00
BOADILLA DEL MONTE	50.00
BOCAS DE RIEGO ZONA 4	50.00
BOMBEO VALMOJADO	20.00
BONMATÍ	10.00
CAMÍ SA VORERA	20.00
CN III	45.00
CAN BOSSA	20.00
CANA PUTXA	20.00
CANDAS	20.00
CANGAS	50.00
CASTELLAR DEL VALLÈS	50.00
CEMENTERIOS PERIFÉRICOS II	50.00
CENTRO DE GESTIÓN MADRID	50.00
CHAPARRAL BAJO	20.00
CHAPARRAL BAJO FASE B	20.00
CHIPIONA	50.00
CIUTAT VELLA	50.00
COLEGIOS SANT QUIRZE	50.00
COMPLEJO DP. CABEZO DE TORRES	20.00
CONSERVACIÓN DE GALERÍAS	50.00
CONSERVACIÓN Y SISTEMAS	60.00
CONTADORES BURGOS	100.00
CUENCA	20.00
CYCSA-EYSSA VIGO	50.00
DEIXALLERIA TARRAGONA	20.00
DEPÓSITO CABECERA	80.00
DEPURADORA HUESCA	80.00
DOS AGUAS	35.00
ECOSERVEIS FIGUERES	50.00
EDAR ALMANSA	5.00
EDAR ALMENDRALEJO	20.00
EDAR CUERVA	5.00
EDAR ELCHE	20.00
EDAR RANILLA	22.50
ELISA OCHOA	50.00
ESPAI AMBIENTAL DEL VEDAT	100.00
EXTREMADURA	25.00
F.L.F. LA PLANA	47.00
FANGOS IBIZA Y FORMENTERA	20.00
FANGOS VIC	20.00
FCC – ACISA - AUDING	45.00

	% of Ownership
FCC - ANPE	80.00
FCC - DISEL BARCELONA	80.00
FCC - DISEL N-VI	50.00
FCC - ERS LOS PALACIOS	50.00
FCC – FCCMA ALCOY	20.00
FCC – FCCMA COLMENAR VIEJO	20.00
FCC – FCCMA CORNELLÀ	90.00
FCC – FIRA 2000	80.00
FCC – ICS	80.00
FCC – FCCMA JARDINES ALBACETE	20.00
FCC – FCCMA R.B.U. - L.V. JAVEA	20.00
FCC – FCCMA L.V. PAMPLONA	20.00
FCC – FCCMA OLESA	20.00
FCC – FCCMA RBU TUDELA	20.00
FCC – FCCMA S.U. DENIA	20.00
FCC – FCCMA SAN JAVIER	20.00
FCC – FCCMA SAN SEBASTIÁN	20.00
FCC – FCCMA SEGRIÀ	20.00
FCC – FOCONSA	50.00
FCC – HIJOS DE MORENO, S.A.	50.00
FCC – HIMOSA	50.00
FCC – PALAFRUGELL	20.00
FCC – PROMECO 2000, S.L.	50.00
FCC – SUFI MAJADAHONDA	50.00
FCC – SUFI PESA	50.00
FCC – SYF PLAYAS	40.00
FCC – TEGNER	50.00
FCC – TPA PILAS	80.00
FCC, S.A. LUMSA	50.00
FCCSA – GIRSA	80.00
FCCSA – SECOPSA I	50.00
FUENLABRADA	50.00
FUENTES XÀTIVA	50.00
GALERÍAS CASTELLANA	50.00
GESTIÓN INSTALACIÓN III	34.99
GIREF	20.00
GESTIÓN PISCINA DE MULA	20.00
GETAFE	50.00
GUADIANA	20.00
HÉROES DE ESPAÑA	50.00
INFRAESTRUCTURAS MÓSTOLES	50.00
JARDINES PROTECCIÓN ESPECIAL	50.00
JARDINES SANTA COLOMA	50.00
JUNDIZ	51.00
KAIXARRANKA	60.00
LA LLOMA DEL BIRLET	80.00
LA MINA	20.00
LA SELVA	100.00
LAS YUCAS	50.00
LEA-ARTIBAI	60.00
LEGIO VII	50.00
L.J. SAN SEBASTIÁN	20.00
L.V. SAN SEBASTIÁN	20.00
LOGROÑO LIMPIO	50.00
LOS LLANOS	50.00
LVR MUSKIZ II	70.00
M-110	50.00
MADRID I	50.00
MADRID II	50.00
MADRID III	50.00
MADRID PAVIMENTA MADRID	50.00
MANACOR	30.00
MANCOMUNIDAD ALTO MIJARES	50.00
MANTENIMIENTO COLEGIOS BILBAO	70.00
MANTENIMIENTO COMISARÍAS	100.00

	% of Ownership
MANTENIMIENTO DE EDIFICIOS	60.00
MARTÍNEZ DE LA RIVA	50.00
MÉNDEZ ÁLVARO	50.00
MÉRIDA	10.00
METEOROLÓGICAS A-6	33.00
MOLINA	5.00
MOLLERUSA	60.00
MONTCADA	50.00
MORALEJA	50.00
MORELLA	50.00
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
PARQUES SINGULARES MÓSTOLES	50.00
PASAIA	70.00
PASEO DEL ÁLAMO	50.00
PAVIMENTO ZONA I	50.00
PAVIMENTOS PAMPLONA	50.00
PEQUEÑAS OBRAS	50.00
PEQUEÑAS OBRAS 2006 FUENLABRADA	50.00
PINETONS	50.00
PINTO	50.00
PISCINA CUBIERTA MUN. L'ELIANA	85.00
PISCINA CUBIERTA C. DEP. ALBORAYA	42.50
PISCINA CUBIERTA MANISES	65.00
PISCINA CUBIERTA PAIPORTA	90.00
PISCINA MUNICIPAL ALBATERA	65.00
PISCINA POLIDEPORTIVO PAIPORTA	65.00
PLA D'URGELL	60.00
PLANTA BIOMETANIZACIÓN LAS DEHESAS	50.00
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
RADARES ZARAGOZA	50.00
REDONDELA	10.00
REFORMA PLAZA DEL CRISTO	20.00
REPARACIÓN VÍAS PÚBLICAS MÓSTOLES	50.00
RESIDENCIA	50.00
RESTAURACIÓN GARRAF	27.50
RUTA DE LOS PANTANOS	50.00
S.U. BILBAO	70.00
SABIÑÁNIGO	80.00
SALTO DEL NEGRO	50.00
SAN FERNANDO	20.00
SANT QUIRZE	50.00
SANT QUIRZE DEL VALLÉS	50.00
SANTA COLOMA DE GRAMANET	61.00
SANTOMERA	60.00
SANTURTZIKO GARBIKETA	60.00
SASIETA	75.00
SEAFSA – FCCSA ALCALÁ	20.00
SAV - FCC TRATAMIENTOS	35.00
SEGURIDAD VALDEBEBAS	20.00

	% of Ownership
SELECTIVES	20.00
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
TORRIBERA II	50.00
TREMP	51.00
TRIAGTGE I CLASSIFICACIÓ D'ENVASOS	60.00
TXINGUDI	75.00
URNIETA	20.00
VERTEDERO GARDELEGUI	70.00
VERTRESA	10.00
VIGO RECICLAJE	70.00
VINAROZ	50.00
VIVIENDAS MARGEN DERECHA	60.00
ZARAUTZ	20.00
ZARZUELA	50.00
ZONZAMAS FASE II	30.00
ZURITA	50.00

Appendix III Associates and jointly-controlled entities

Company	Carrying Amount		% of Ownership	Dividends Received	Capital	Reserves	2006 Profit/Loss before Tax	
	Cost	Allowance					Ordinary	Extraordinary
Clavegueram de Barcelona, S.A. Acer, 16. Barcelona -Urban cleaning-	733	–	20.33	121	3,606	3,372	1,372	167
Ecoparc del Besós, S.A. Rambla Cataluña, 91-93. Barcelona -Urban cleaning-	2,621	198	Direct 31.00 Indirect 18.00	–	7,710	104	(2,480)	1,737
Ecoserveis Urbans de Figueres, S.L. Pg. Empordà Internacional, Calle A, parcela 50 Vilamalla (Girona) -Urban cleaning-	301	–	50.00	44	601	30	166	–
Empresa Mixta de Limpieza de la Villa de Torrox, S.A. Pz. de la Constitución, 1. Torrox. (Málaga) -Urban cleaning-	300	–	50.00	48	600	210	288	–
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	97	601	248	377	–
Gestión Integral de Residuos Sólidos, S.A. Santa Amalia, 2. Valencia -Urban cleaning-	4,732	–	49.00	604	781	1,514	2,030	42
Ingeniería Urbana, S.A. Saturno, 6 – Alicante -Urban cleaning-	3,786	–	35.00	709	6,010	5,295	3,913	(67)
Pallars Jussà Neteja i Serveis, S.A. Pau Casals, 14. Tremp (Lleida) -Urban cleaning-	25	9	40.80	–	60	–	(21)	–
Proactiva Doña Juana E.S.P.S.A Calle 98 nº 9-03 of. 804. Ed. Torre Sancho Santa Fe de Bogotá (Colombia) -Urban cleaning-	284	–	Direct 23.75 Indirect 27.05	–	2,250,000 (COP)	1,166,072 (COP)	3,041,006 (COP)	166,998 (COP)
Proactiva Medio Ambiente, S.A. Paseo de la Castellana, 216. Madrid -Urban cleaning-	119,542	81,170	50.00	–	56,520	9,422	2,561	4,652
Realia Business, S.A. Paseo de la Castellana, 216. Madrid -Property development-	110,007	–	Direct 44.25 Indirect 4.92	34,977	66,570	412,985	140,420	83,756
Servicios Urbanos de Málaga, S.A. Ulises, 18. Madrid -Urban cleaning-	1,610	–	51,00	293	3,156	273	235	–
Total	**244,242**	**81,377**		**36,893**				

Note:

– *As required by Article 86 of the Consolidated Spanish Companies Law, in 2006 the Company made the related notifications to the companies in which it had acquired direct or indirect holdings of over 10%.*

Appendix IV "Report of the Board of Directors of Fomento de Construcciones y Contratas, S.A., for the distribution of an interim in 2006"

In accordance with Article 216 of the Consolidated Spanish Companies 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 profit of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. at 30 September 2006 amounted to EUR 164,454 thousand.

2. That the Company's after-tax cash flow in the first nine months of 2006 amounted to EUR 198,470 thousand.

3. That the Company's cash and cash equivalents at 30 September 2006 amounted to EUR 873,774 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 changes with respect to the foregoing data, the directors consider that there is sufficient liquidity for the distribution of an interim dividend of EUR 130,567 thousand out of 2006 profit.

The number of shares carrying the entitlement to an interim dividend is calculated by subtracting the treasury shares existing at the date of payment of the dividend from the 130,567,483 shares representing the total share capital.

Accordingly, it is proposed that the following interim dividend out of 2006 profit be approved

Gross % of each share carrying dividend rights	100%
Gross interim dividend per share	1.00 euro

The legally required personal income tax or corporate income tax withholdings, as appropriate, will be made from the gross interim dividend declared.

The members of the Board resolved unanimously:

1. To approve the directors' report transcribed above;

2. To distribute an interim dividend out of the profit for 2006 in the amount indicated in the directors' report, which will be paid on 8 January 2007, which will be duly announced on a timely basis.

Madrid, 19 December 2006

Management report
Fomento de Construcciones y Contratas, S.A.

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Introduction

The Company's core business is to provide general services, which include mainly the collection and treatment of solid waste, the cleaning of roads and sewerage systems, the maintenance of green spaces and buildings, water purification and distribution and other complementary services. It also engages in the lease of offices and premises in the emblematic Torre Picasso building, which is 80% owned by the Company.

Fomento de Construcciones y Contratas, S.A. is the Parent of the FCC Group, which is made up of a wide range of subsidiaries engaging in activities such as construction and services relating to urban cleaning, the integral water cycle, car parks, street furniture, passenger transport, vehicle roadworthiness testing, passenger and aircraft handling, logistics, cement, real estate, etc. Consequently, for a fully comprehensive representation of the economic events of 2006, the reader is referred to the information contained in the consolidated financial statements.

The economic and financial information presented in this directors' report was prepared in accordance with the Spanish Commercial Code and the Spanish Companies' Law.

The figures given below are expressed in millions of euros.

Company performance in 2006

Main aggregates	2006	2005	Change	
			Absolute	%
Revenue	1,034.5	917.6	116.9	12.7
Gross profit from operations	174.1	160.7	13.4	8.3
% gross margin	16.8	17.5	(0.7)	(4.0)
Net profit from operations	104.0	106.5	(2.5)	(2.3)
% net margin	10.1	11.6	(1.5)	(12.9)
Dividends received from subsidiaries	227.2	181.1	46.1	25.5
Financial loss	(20.4)	(16.0)	(4.4)	27.5
Profit before tax	337.0	267.5	69.5	26.0
Net profit	295.2	237.5	57.7	24.3
Dividend to be distributed per share (euros)	2.05	1.614	0.436	27.0

Net revenue increased by 12.7% in 2006 to a total of EUR 1,034.5 million. The net profit from operations amounted to EUR 104.0 million, a figure similar to the EUR 106.5 million achieved in 2005.

The dividends received from the Company's subsidiaries amounted to EUR 227.2 million, an increase of 25.5% on 2005 and there was a slight increase in the financial loss.

Consequently, the stabilisation of operating profit and an increase in the dividends received from subsidiaries, backed by the extraordinary profit generated in 2006, gave a net profit of EUR 295.2 million, a 24.3% improvement on 2005.

Dividends

The Board of Directors proposes the distribution of a final dividend of EUR 1.05 per share, representing 105% of the par value of the shares outstanding at the date of payment, and the allocation of the remaining profit to unrestricted reserves. Earlier, on 8 January 2007, an interim dividend of EUR 1.00 per share was paid pursuant to the resolution adopted by the Board of Directors on 19 December 2006.

Acquisitions of treasury shares

At 2006 year-end Fomento de Construcciones y Contratas, S.A. held 375,986 treasury shares, representing 0.29% of its share capital, valued at EUR 8,156 thousand.

Also, in 2006 Compañía Auxiliar de Agencia y Mediación S.A. owned 316,098 shares of Fomento de Construcciones y Contratas, S.A., representing 0.24% of its share capital, with a carrying amount of EUR 1,107 thousand. These shares are also deemed to be shares of the Parent pursuant to Article 87 of the Consolidated Spanish Companies Law.

In accordance with Article 79.4 of the Spanish Companies Law, the changes in the number of shares in the year are detailed in the table below.

	FCC, S.A.	Afigesa	Cía. Auxiliar de Agencia y Mediación	FCC Group
At 31 December 2005	**434,322**	**343,922**	**316,098**	**1,094,342**
Acquisitions or additions		431,246		431,246
Sales or disposals	(58,336)	(775,168)		(833,504)
At 31 December 2006	**375,986**	**–**	**316,098**	**692,084**

Research and development activities

The FCC Group is actively present in the world of research, development and technological innovation. The Group's initiatives in this field encompass the matters which, either directly or indirectly, have a bearing on the business activities carried on by it. Noteworthy in 2006 were the steps taken in the course of its activities aimed at protecting the environment in order to facilitate sustainable growth.

In the sphere of Environmental Services, throughout the year work continued on the projects launched in 2005 to analyse the life cycle of water in waste treatment processes, whose basic aim is to study the environmental indicator "water" in the widest sense of the word, within the treatment processes. Further progress was also made in the development of new prototypes of smaller-sized, highly manoeuvrable waste collection and compaction vehicles, powered by electric engines with minimum sound and gas emissions. Also, other projects were commenced, such as the integral optimisation of the composting process at an urban solid waste treatment plant, which included a study of the repercussion on its agronomic applications and the effects on crops.

As regards waste disposal, mention must be made of the studies concerning the use of automatic turners in treatment plants, rendering the presence of operators unnecessary in harsh environments, and the research carried out into the modification of reactors to enhance the safety and availability of biomethanisation processes.

The research undertaken in the water business concentrated on the design and construction of a user-friendly, compact modular household grey water treatment system and the use of membrane ultrafiltration to clarify turbid water.

In the Versia area, work continued on the EPISOL project to develop a light urban vehicle featuring hybrid propulsion with two different types of engine: in the first phase, a heat engine and, at a more advanced phase, a fuel-cell/solar powered engine. Both versions are scheduled for completion in 2007. This project is being developed jointly by the subsidiary Cemusa, Universidad Politécnica de Madrid (INSIA – University Institute for Automotive Research), and Centro Superior de Investigaciones Científicas (IAI – Industrial Automation Institute). Projects are also in progress in the Street Furniture area for the development of bus shelters and new multiformat advertising poster systems.

Of note in the Construction area is the fact that FCC Construcción S.A. is a member of the European Construction Technology Platform and leads the Spanish Construction Technology Platform. The aim of these two organizations is to pool the efforts made by research centres, industries and universities in research, development and technological innovation in the field of construction. The most noteworthy projects in progress include those launched in prior years, such as: the Tunconstruc project, for the optimisation of underground construction; the Manubild project, for the industrialization of construction; the Arfrisol project, which focuses on bioclimatic architecture and solar energy

use; the Hatcons project, which studies various aspects of underground construction work, such as high-performance concretes and the interaction between machines, facings and land; and, lastly, the Fibras project, which analyses the use of fibre-reinforced concrete. Other significant projects in 2006 were the Parámetros project, which involved a comparative study of tunnel boring machine operations in various types of land, and the Futurespacio project, which focuses on the development and use of information and communications technologies applied to construction.

In the Cement area, research and development work on new cement products and applications takes place mainly at the Group's laboratories at the Olazagutía (Navarra) plant. In 2006 work was undertaken in various spheres, including the evaluation of raw materials, studies of alternative fuels in association with universities within the framework of the PROFIT program for the promotion of technical research, participation in Standardisation Committees, and joint development of research projects with customers to improve products and new applications, etc. Also, the Group actively takes part in the research projects conducted by the IECA (Spanish Institute for Cement and its Applications).

Significant events subsequent to year-end

Fomento de Construcciones y Contratas, S.A., the Parent of the FCC Group, participated directly or indirectly in the following transactions:

Incorporation of Global Vía.

On 30 January 2007, Global Vía Infrastructuras was incorporated by Caja Madrid and FCC, which each contributed 50% of the capital, in order to bring together all the infrastructure concession investments of the two firms.

This company, which was created with share capital of EUR 250,000 thousand, will group together 35 infrastructure concessions, mainly those for motorways and other roads, commercial ports and marinas, underground railway lines, trams and hospitals.

Flotation of Realia

FCC and Caja Madrid agreed to establish a structure to enable FCC to take control of Realia. They also reiterate their willingness to commerce the formal procedures for the listing of Realia on the stock markets and to maintain stable control of the company after it is floated.

At the date of issue of these financial statements, the appropriate steps were being taken to achieve these objectives.

Financial risk management objectives and policies

The objective of financial risk management is to minimise the impact on the Group of fluctuations in interest and exchange rates, as well as to ensure that solvency and liquidity risks are kept within reasonable limits.

Given the nature of the FCC Group's activities, closely linked to inflation, the financial policy of the Company and its Group is to tie its debt and liquid financial assets, both of which are associated with its production cycle, to floating interest rates.

Consequently, whilst observing their policy of natural hedging, Fomento de Construcciones y Contratas, S.A. and its Group manage interest rate risk by arranging hedges, mainly in the form of swaps, in which the Company and its Group pay fixed interest rates and receive floating interest rates.

In view of the volatility of the money markets, Fomento de Construcciones y Contratas, S.A. and its Group will continue to actively manage interest rate risk to ensure that its position in this respect is at all times in the Group's best interest.

In keeping with the increased international diversification resulting from the major acquisitions made in 2006 in markets with currencies other than the euro (mainly the pound sterling and Czech koruna), the FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to the various currencies, with regard to both transactional and purely equity-related changes.

In practice, when permitted by the local financial markets, the Company and its Group actively manage their foreign exchange risk through hedges achieved by arranging financial transactions in the same currency as that in which the related asset is denominated.

The credit facilities arranged by Fomento de Construcciones y Contratas, S.A. and its Group more than cover their debt position. It is estimated that the Group will not only maintain its existing credit lines with no restrictions of any kind, but will also be able to increase them, within reasonable limits, if this is necessary. The objective of the Company and its Group is to achieve, but not exceed, a gearing ratio of 50% and to maintain a debt with recourse /EBITDA ratio of approximately 2.5 times, which would guarantee the Group's solvency.

Outlook for 2007

Set forth below are the prospects for 2007 for the various lines of business composing the FCC Group, which will foreseeably lead to substantial growth in the Group's revenue and profit.

First of all, it should be mentioned that 2007 will witness the consolidation of the contribution of the companies acquired in 2006 and described under "Salient Acquisitions in 2006" at the beginning of the consolidated directors' report. Secondly, the construction and services backlog at 2006 year-end amounted to EUR 30,510.2 million and guarantee a level of activity equivalent to approximately two years of annual production for Construction and eight years for Services.

For the **Environmental services**, area, the growth projected in Spain is linked to contract extensions and renewals and to the start-up, on completion, of treatment plants currently under construction. In the International area, significant growth is expected due to the acquisition of the ASA Group, which specialises in integral waste management and treatment services and is firmly established in numerous Central and Eastern European countries with high growth potential, and the purchase of the Waste Recycling Group, the UK market leader in urban solid waste management.

In the **Industrial waste** division, forecasts point to a significant increase in revenue as a result of previous investments and the coming into full operation of the new facilities built.

In the Water Management division, the Group will continue to diversify in order to maintain high levels of growth. This will be achieved through the contribution of the major contracts landed in various Spanish municipalities, such as Santander, whose water service will be managed by FCC for the next 25 years, and the contracts for the installation and management of desalination plants. In addition, in the international sphere, the Group has a 30-year water service contract for the province of Caltanisseta, Italy, three desalination plants in Algeria and also stands to benefit from the contribution of the SmVak Group which, acquired in 2006, is the third leading water manager in the Czech Republic and also operates in other East European countries.

At the beginning of 2007 the backlog of Environmental Services amounted to EUR 22,343 million, equivalent to nearly eight years of production.

The **Versia** area forecasts significant growth for 2007 that will be driven by its various divisions. **Street Furniture** will increase its international activity, especially in the USA, where on 26 June 2006 work began under the 20-year contract for the installation and exploitation for advertising purposes of street furniture in the city of New York. In addition, 2007 will see the maturation of the large-format contract for the city of Milan on which work also began in 2006. In the Spanish market, the Group's strategy is aimed at strengthening its presence in the large cities and fostering the development of new business lines.

In the **Airport Handling** division, growth of approximately 50% is projected in both the Spanish and international markets, since Flightcare was awarded a licence in August 2006 for the Barcelona, Málaga, Alicante, Fuerteventura, Jerez, Almeria and Valencia airports. Abroad, the business in Belgium will be supplemented by the contribution of Aeroporti di Roma Handling, which was acquired at the end of 2006 and operates at the Fiumicino and Ciampino airports in Rome. The Group will seek to expand into other major airports in Italy.

The restructuring of the **Logistics** division will be completed following the acquisition of the Logístico Santos Group, which will enable it to improve its efficiency and the business it contributes to the Versia area.

The **Vehicle Roadworthiness Test** sector is undergoing sweeping changes as a result of the gradual adoption by the autonomous community governments, as the existing concession periods expire, of the new permit system in compliance with market deregulation measures. This will shape the expansion and growth policies in the sector and, accordingly, the market share is expected to increase. Abroad, and especially in Argentina, the various initiatives launched in 2006 are bearing fruit, since they have heightened the local people's interest in subjecting their vehicles to compulsory roadworthiness tests.

As regards the **Parking** business, the market share will increase in the meter-regulated parking service, whereas the underground parking activity will expand through the start-up of the facilities under construction and the maturation of those which began operating in prior years. Additionally, a new business line, Eysa Net, is being developed, which will concentrate on introducing its product in both the Spanish and foreign markets.

In the **Construction** area, the FCC Group expects to achieve significant international growth in 2007 due to the acquisition of an 80.71% stake in Alpine Mayreder Bau, a leading Austrian construction group that operates mainly in Central and Eastern Europe. In the Spanish market, the current level of business will foreseeably be maintained due to the existing construction backlog, especially in relation to the Ministry of Public Works' Strategic Transport Infrastructure Plan (PEIT) which envisages road, rail, seaport and airport projects that will carry on until 2020. At the beginning of 2007 the construction backlog amounted to EUR 7,843 million, equivalent to nearly two years of production.

The performance of the **Cement** area will be determined by the inclusion of Cementos Lemona and Corporación Uniland, which were acquired in 2006 and are expected to substantially boost the 2007 aggregate sales volume in Spain in all the business sectors. The outlook for the international business will depend, in general, on the improvement of the US economy and, more specifically, on the increase in the demand for cement and the upward adjustment of prices in the areas of activity. The international business will also be bolstered by the major contribution of Corporación Uniland's operations in Argentina, Uruguay and Tunisia. Additionally, the investments planned for 2007 will optimise production processes, enhance the environment and improve occupational safety, thus strengthening the area's capacity to compete.

In relation to the **Real Estate** business, it should be noted that Realia Business, S.A. is scheduled to be floated in 2007, as resolved by its reference shareholders Fomento de Construcciones y Contratas and Caja Madrid. The resolutions adopted also envisage that the FCC Group will take control of Realia, thus enabling it to consolidate the latter's financial statements. Additionally, there are plans to reorganise the Realia Group by unbundling the property asset management business into a new company called Realia Patrimonio S.L.U., wholly-owned by Realia Business. The new company will include all the buildings operated under lease agreements and the investments in companies whose core business is the ownership of property earmarked for lease. This contribution will include all the leased buildings in Spain and those of the French company SIIC de Paris, which was acquired in 2006. 2007 will also see a far-reaching financial restructuring of the Realia Group, basically to achieve two objectives; firstly, to extend the maturity of its debt from short term to a period of approximately ten years, and, second, to obtain financing sources classified as "without recourse to shareholders".

The annualised contribution of SIIC de Paris to revenue (in 2006 approximately only one-half this company's revenue was included since it was acquired in June) and the acquisitions made in the second half of 2006 within the SIIC de Paris Group (four new buildings), together with the property development business, which will foreseeably continue to grow, albeit at a slower pace than in the last two years, all point to substantial growth in revenue for the Realia Group. Business profitability is also expected to remain at the highly satisfactory levels of the last few years.

The business strategies will continue to focus on implementation of the following policies: acquisition of land requiring urban development, thus ensuring the generation of value added; execution of property developments in new markets and shopping centre projects; acquisition of buildings, selected on the basis of their location and profitability for use in operations; and the rotation of leased assets deemed to be mature, in order to provide substantial income and gains for the company and to make new investments possible.

In the international market, following the acquisition of SIIC de Paris and of land in Poland for the execution and marketing of property developments, the real estate markets of other Central and Eastern European countries will continue to be explored, with a view to expanding the scope of the Company's business operations.

Auditor's report
Fomento de Construcciones y Contratas, S.A.

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Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 22). 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, 2006, 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 evidence 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 and commercial law, for comparison purposes the directors present, in addition to the 2006 figures for each item in the balance sheet and statements of income and of changes in financial position, the figures for 2005. Our opinion refers only to the 2006 financial statements. On April 12, 2006, we issued out auditors' report on the 2005 financial statements in which we expressed 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 accompanying financial statements. On this same date we issued our auditors' report, on the 2006 consolidated financial statements of Fomento de Construcciones y Contratas, S.A. and Subsidiaries prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (EU-IFRSs), which presented consolidated assets and consolidated revenues of €19.022 and €9.481 million and consolidated income attributable and equity attributable of €535 million, and €2.613 million, respectively, in which we expressed an unqualified opinion.

4. In our opinion, the accompanying financial statements for 2006 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, 2006, 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 directors' report for 2006 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2006. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

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

Miguel Laserna Niño

April 4, 2007

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