





Financial statements
Management reports
Auditor's reports

FINANCIAL STATEMENTS - MANAGEMENT REPORTS - AUDITOR'S REPORTS

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FINANCIAL STATEMENTS

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CONSOLIDATED GROUP



FINANCIAL STATEMENTS

CONSOLIDATED GROUP

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CONSOLIDATED BALANCE SHEETS

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP)

ASSETS	12.31.2005	12.31.2004
NON-CURRENT ASSETS	4,200,860	3,506,196
Property, plant and equipment (note 6)	2,181,635	1,929,176
Investment property	68,192	69,868
Buildings, plant and equipment	1,780,885	1,403,321
Other items of property, plant and equipment	332,558	455,987
Intangible assets (note 7)	955,805	653,844
Concessions (note 8)	355,109	255,855
Goodwill	461,449	266,642
Other intangible assets	139,247	131,347
Investments in associates (note 9)	511,688	471,841
Non-current financial assets (note 11)	184,371	154,691
Other non-current assets	367,361	296,644
Deferred tax assets (note 19)	363,538	283,176
Other non-current assets (note 12)	3,823	13,468
CURRENT ASSETS	4,738,683	3,957,627
Inventories (note 13)	509,085	372,417
Trade and other receivables	3,120,598	2,715,258
Accounts receivable (note 14)	2,974,403	2,587,786
Tax receivables (note 19)	130,015	110,098
Other receivables	16,180	17,374
	67,384	121,001
Other current financial assets (note 11)		
Cash and cash equivalents (note 15)	1,041,616	748,951
TOTAL ASSETS	8,939,543	7,463,823

The accompanying notes 1 to 29 and Appendices 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 2005.

AS OF DECEMBER 31, 2005 AND 2004

Thousands of euros

EQUITY AND LIABILITIES	12.31.2005	12.31.2004
EQUITY (note 16)	2,608,354	2,446,963
Equity attributable to shareholders of the parent	2,232,117	2,031,231
Share capital	130,567	130,567
Retained earnings and other reserves	1,779,834	1,626,676
Profit for the year	421,398	362,479
Interim dividend paid	(99,682)	(88,491)
Minority interests	376,237	415,732
NON-CURRENT LIABILITIES	1,546,700	1,017,173
Bank borrowings and other non-current financial liabilities (note 17)	810,978	493,476
Non-current bank borrowings	680,742	383,572
Debt instruments and other held-for-trading liabilities	50,077	43,274
Other non-current financial liabilities	80,159	66,630
Long-term provisions (note 18)	414,805	330,991
Other non-current liabilities	320,917	192,706
Deferred tax liabilities (note 19)	286,038	188,168
Other non-current liabilities (note 17)	34,879	4,538
CURRENT LIABILITIES	4,784,489	3,999,687
Bank borrowings and other current financial liabilities (note 17)	831,575	761,469
Current bank borrowings	715,585	640,151
Debt instruments and other held-for-trading liabilities	114	136
Other current financial liabilities	115,876	121,182
Trade and other payables	3,922,226	3,210,864
Trade payables	3,251,795	2,636,766
Tax payables (note 19)	455,110	350,461
Other current liabilities (note 17)	215,321	223,637
Short-term provisions (note 18)	30,688	27,354
TOTAL EQUITY AND LIABILITIES	8,939,543	7,463,823

The accompanying notes 1 to 29 and Appendices 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 2005.

CONSOLIDATED INCOME STATEMENTS

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP)

AS OF DECEMBER 31, 2005 AND 2004

Thousands of euros

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP)

AS OF DECEMBER 31, 2005 AND 2004

Thousands of euros

	Share capital (note 16.a)	Reserves of the Parent (note 16.b.1)	Treasury shares (note 16.b.2)	Consolidation reserves (note 16.b.3)
Equity attributable at January 1, 2004	130,567	821,162		948,113
Profit for the year				
Distribution of profit-dividends		(138,852)		338
Capital increases and reductions				
Changes in the scope of consolidation				
Other changes in equity				1,830
Equity attributable at December 31, 2004	130,567	682,310		950,281
First-time application of IASs 32 and 39 and IFRS 4			(10,539)	7,893
Profit for the year				
Distribution of profit				
- Retained earnings		196,628		165,851
- Dividends		(176,982)		720
Changes in the fair value of financial instruments				
Capital increases and reductions				
Treasury share transactions			(16,335)	
Changes in the scope of consolidation				(502)
Other changes in equity				(2,510)
Equity attributable at December 31, 2005	130,567	701,956	(26,874)	1,121,733

	12.31.2005	12.31.2004
OPERATING INCOME	7,154,441	6,411,172
Revenue (note 22 y 23)	7,089,787	6,348,763
Other income	64,654	62,409
OPERATING EXPENSES	(6,498,263)	(5,846,035)
Changes in inventories of finished goods and work in progress inventories	44,173	(21,237)
Procurements and other external expenses (note 22)	(4,346,096)	(3,832,031)
Staff costs (note 22)	(1,863,615)	(1,715,824)
Depreciation and amortisation charge (notes 6 and 7)	(318,768)	(272,093)
(Charge to)/Reversal of operating allowances	(13,957)	(4,850)
PROFIT FROM OPERATIONS	656,178	565,137
Finance income (note 22)	41,204	48,117
Finance costs (note 22)	(80,881)	(70,356)
Exchange differences	6,040	(5,152)
Income from changes in value of financial instruments	5,378	(1,624)
FINANCIAL LOSS	(28,259)	(29,015)
Share of results of associates (note 9)	78,364	71,665
Recognition (Reversal) of impairment losses on property plant and equipment and intangible assets (notes 6 and 7)	(11,885)	(21,290)
Other gains or losses (note 22)	2,051	4,028
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	696,449	590,525
Income tax (note 19)	(217,159)	(166,857)
Minority interests (note 16)	(57,892)	(61,189)
PROFIT ATTRIBUTABLE TO THE PARENT	421,398	362,479
Earnings per share (note 16)		
Basic	3.25 €	2.79 €
Diluted	3.25 €	2.79 €

The accompanying notes 1 to 29 and Appendices 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 2005.

Valuation Adjustments (note 16.b.4)	Exchange differences (nota 16.b.5)	Profit for the year	Interim dividend (note 16.d)	Equity attributable to Shareholders of the Parent	Minority interests (note 16)	Equity
			(48,049)	1,851,793	379,458	2,231,251
		362,479		362,479	61,189	423,668
			(40,442)	(178,956)	(25,873)	(204,829)
					452	452
					6,621	6,621
	(5,915)			(4,085)	(6,115)	(10,200)
	(5,915)	362,479	(88,491)	2,031,231	415,732	2,446,963
(14,063)				(16,709)		(16,709)
		421,398		421,398	57,892	479,290
		(362,479)				
			(11,191)	(187,453)	(30,668)	(218,121)
(16,544)				(16,544)	186	(16,358)
					3,428	3,428
				(16,335)		(16,335)
				(502)	(76,267)	(76,769)
	19,541			17,031	5,934	22,965
(30,607)	13,626	421,398	(99,682)	2,232,117	3760,237	2,608,354

The accompanying notes 1 to 29 and Appendices 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 2005.

CONSOLIDATED CASH FLOW STATEMENTS

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP)

AS OF DECEMBER 31, 2005 AND 2004

Thousands of euros

	12.31.2005	12.31.2004
Cash flows from operating activities (before interest and tax)	978,099	844,981
Profit from operations	656,178	565,137
Depreciation and amortisation charge	318,768	272,093
Adjustments due to other income	3,153	7,751
Income taxes paid in the year	(214,552)	(129,420)
(Increase) decrease in operating working capital	218,663	73,446
(Increase) decrease in inventories and trade and other	(517,914)	(137,892)
Increase (Decrease) in trade and other payables	736,577	211,338
Other collections (payments) in operating activities	(1,138)	4,941
TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES	981,072	793,948
Investments	(942,953)	(624,612)
Property, plant and equipment	(393,625)	(326,085)
Intangible assets	(60,584)	(120,855)
Investments and other financial assets	(488,744)	(177,672)
Dividends received	37,272	36,177
Disposals	85,008	146,764
Property, plant and equipment and intangible assets	35,426	42,822
Investments and other financial assets	49,582	103,942
Other collections (payments) in investing activities	(19,458)	(3,883)
Change in cash and cash equivalents due to changes in the scope of consolidation	5,760	8,707
Other	(25,218)	(12,590)
TOTAL NET CASH FLOWS FROM INVESTING ACTIVITIES	(840,131)	(445,554)
Collections of shareholders' contributions	3,428	—
Collections (payments) in treasury share transactions	(16,288)	—
Dividends paid	(206,998)	(163,828)
Increase (decrease) in bank borrowings and other financial liabilities	297,598	(100,710)
Non-current	276,481	(55,658)
Current	21,117	(45,052)
Net interest	(21,735)	(19,515)
Collected	23,805	22,527
Paid	(45,540)	(42,042)
Other collections (payments) in financing activities and relating to current financial assets	86,241	19,600
TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES	142,246	(264,453)
TOTAL NET CASH FLOWS FOR THE YEAR	283,187	83,941
Cash and cash equivalents at beginning of year	748,951	669,547
Exchange differences on cash and cash equivalents in foreign currency	9,478	(4,537)
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,041,616	748,951

The accompanying notes 1 to 29 and Appendices 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 2005.

NOTES

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP) AS OF DECEMBER 31, 2005 AND 2004

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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 three strategic areas:

- **Services**, this unit 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 and other roads, tunnels, bridges, waterworks, ports, airports, residential property developments, housing units, nonresidential building construction, lighting, industrial air conditioning and heating systems, environmental restoration, etc. The Construction area also encompasses the infrastructure concession-holder companies (motorways, tunnels, marinas, railways, tramways and multiuse buildings).
- **Cement**, this unit 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 Company, and its 49.17% interest in Realía Business, S.A., with a presence in housing development and in the office and commercial premises lease market.

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

2. FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Under Regulation (EC) no. 1606/2002 of the European Parliament and of the Council dated July 19, 2002, all companies governed by the laws of a European Union Member State and whose securities are listed on a regulated market of any EU Member State must present their consolidated financial statements for the years beginning on or after January 1, 2005, in accordance with International Financial Reporting Standards (IFRSs), adopted by the European Union.

In conformity with IFRS 1 (First-time Adoption of International Financial Reporting Standards) for comparison purposes it is necessary to include in the 2005 consolidated financial statements, the figures for 2004, also prepared in accordance with IFRSs, as adopted by the European Union and accordingly, the date of transition to IFRSs is January 1, 2004.

However, in 2004 the consolidated financial statements were prepared in accordance with the accounting principles and measurement basis in the Spanish National Chart of Accounts (Spanish GAAP) and the Rules for the Preparation of Consolidated Financial Statements contained in Royal Decree 1815/1991. The 2004 consolidated financial statements of the FCC Group prepared in accordance with Spanish GAAP were approved by the shareholders at the Annual General Meeting on June 21, 2005. Those consolidated financial statements were adapted to comply with International Financial Reporting Standards.

In the adaptation process, the Group opted to apply the following criteria from among the alternatives offered by IFRSs:

- a) Translation differences at January 1, 2004 were recognised net of the related tax effect as opening reserves.
- b) It was decided to maintain the cost model for both assets for own use and investment property.
- c) Business combinations that occurred before the date of transition were not re-calculated and goodwill existing at December 31, 2003, was maintained, after verifying its value through the appropriate impairment tests, except in relation to the intangible assets that were previously subsumed within goodwill, which were recognised under the corresponding headings in the accompanying consolidated balance sheet, as established by IFRS 1 (First-Time Adoption of International Financial Reporting Standards).
- d) International Accounting Standards (IASs) 32 (Financial Instruments: Disclosure and Presentation) and 39 (Financial Instruments: Recognition and Measurement) were applied from January 1, 2005. Accordingly, in 2004 the financial instruments were measured in accordance with Spanish GAAP. IFRS 4 (Insurance Contracts) was also applied from January 1, 2005.

In accordance with IFRS 1, following are a reconciliation of equity reported under Spanish GAAP to equity under IFRSs and an explanation of the adjustments made at the transition date, i.e. at January 1, 2004, and at December 31, 2004.

The reconciliation of equity reported under Spanish GAAP to equity under IFRSs at the transition date, i.e. January 1, 2004, is as follows:

	Share capital and reserves	Minority interests
Balance under Spanish GAAP at 01/01/04	1,845,506	387,774
Translation differences on goodwill (1)	(8,417)	(5,892)
Derecognition of borrowing costs capitalised at concession-holders (2)	(10,073)	(3,124)
Derecognition of start-up costs, R&D expenditure and computer software (3)	(7,901)	(11)
Coverage of pension plan shortfall (4)	(2,992)	(2,094)
Deferred taxes (5)	18,444	777
Changes in the scope of consolidation (6)	13,762	—
Revaluation of assets due to business combinations (7)	—	3,085
Other	3,464	(1,057)
Spanish GAAP-IFRS differences at 01/01/04	6,287	(8,316)
Balance under IFRSs at 01/01/04	1,851,793	379,458

The reconciliation of the equity and the profit for the year reported under Spanish GAAP to those under IFRSs at December 31, 2004, is as follows:

	Share capital and reserves	Profit for the year	Equity of the parent	Minority interests
Balance under Spanish GAAP at 12/31/04	1,651,962	388,297	2,040,259	411,763
Non-amortisation of goodwill (8)	—	10,428	10,428	5,240
Deferred tax assets and liabilities (5)	18,444	(15,230)	3,214	—
Derecognition of borrowing costs capitalised at concession-holders (2)	(10,073)	(749)	(10,822)	(3,412)
Derecognition of start-up costs, R&D expenditure and computer software (3)	(7,901)	(522)	(8,423)	(5)
Coverage of pension plan shortfall (4)	(2,992)	—	(2,992)	(2,032)
Changes in the scope of consolidation (6)	13,762	(13,961)	(199)	—
Other	5,550	(5,784)	(234)	4,178
Spanish GAAP-IFRS differences at 12/31/04	16,790	(25,818)	(9,028)	3,969
Balance under IFRSs at 12/31/04	1,668,752	362,479	2,031,231	415,732

Explanatory notes:

The adjustments presented in the foregoing tables were calculated discounting the tax effect and, accordingly, their impact on equity is after taxes. The assets and liabilities in the accompanying consolidated balance sheet include the deferred tax assets and liabilities, respectively, relating to this tax effect.

- (1) Translation differences on goodwill: goodwill relating to the US subsidiary Giant Cement Holding, Inc., which in the consolidated financial statements at December 31, 2003, prepared in accordance with Spanish GAAP, was recognised at the historical exchange rate, was translated to euros at the year-end exchange rate in the consolidated balance sheet at the transition date prepared in accordance with IFRSs. In the consolidated balance sheet at December 31, 2004, prepared in accordance with Spanish GAAP the impairment loss caused by translation differences on this goodwill was recognised and, therefore, it was not necessary to make any adjustment in this connection at December 31, 2004.

- (2) Derecognition of borrowing costs capitalised at concession-holders: the Group no longer capitalises the borrowing costs accrued subsequent to the date the water and motorway concessions come into operation.
- (3) Derecognition of start-up costs, R&D expenditure and computer software: the amounts capitalised in the consolidated balance sheet that did not qualify for recognition as assets under IFRSs were derecognised.
- (4) Coverage of pension plan shortfall: the obligations under pension plans were recognised at their actuarial value at the transition date, reduced by the amount of the plan assets.
- (5) Deferred tax assets and liabilities: tax loss and tax credit carryforwards were recognised in the consolidated balance sheet since their recovery was considered to be probable, and deferred taxes whose reversal was highly improbable were written off.
- (6) Changes in the scope of consolidation: Law 62/2003 on Tax, Administrative, Labour and Social Security Measures repealed (for the years beginning on or after January 1, 2004) Article 43.2.e) of the Commercial Code, which stipulated that the performance of activities differing significantly from those of the Group constituted grounds for the exclusion of a subsidiary from the scope of consolidation. Consequently, in the 2004 consolidated financial statements prepared in accordance with Spanish GAAP, Abies Re Anstalt and Fir Re Société Anonyme, which engage in reinsurance and had therefore been excluded from consolidation in prior years, were included as consolidable companies.

Under IFRSs, these companies were already in the scope of consolidation on the transition date and, accordingly, their retained earnings were transferred to reserves. Consequently, there was no impact on equity at December 31, 2004, of the adjustment arising from changes in the scope of consolidation, since reserves increased and profit for the year decreased by the same amount.

In 2004 the FCC Group commenced a restructuring process which included the partial liquidation of this reinsurance activity, leading, inter alia, to the distribution of dividends to the Parent.

- (7) Revaluation of assets due to business combinations: in accordance with IFRS 1, the intangible assets acquired through business combinations that occurred before the date of transition were recognised, and the related adjustments to minority interests and deferred taxes were made.
- (8) Non-amortisation of goodwill: the amortisation of goodwill was eliminated from the consolidated income statement and impairment losses were recognised.

3. REFERENCE TO LOCAL ACCOUNTING LEGISLATION

As indicated in note 2, the accompanying consolidated financial statements are expressed in accordance with IFRSs, as adopted by the European Union.

However, Spanish accounting legislation, as regards the accounting regulations applicable to the individual companies, is based on Royal Decree 1643/1990, of December 20, approving the Spanish National Chart of Accounts and on the industry charts of accounts implementing it applicable to certain business activities, such as the rules adapting the Spanish National Chart of Accounts for construction and real estate companies and companies in the water supply and treatment industry.

The corporation tax expense is determined, pursuant to current tax legislation, on the basis of the profit calculated in accordance with Spanish GAAP, adjusted by certain measurement bases applicable for the sole purpose of obtaining the taxable profit for corporation tax purposes. The FCC Group files consolidated corporation tax returns in tax group 18/89 with all the 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.

4. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS, BASIS OF CONSOLIDATION AND ACCOUNTING POLICIES

a) Basis of presentation

The 2005 and 2004 consolidated financial statements were prepared from the accounting records at December 31, 2005 and 2004, respectively, of Fomento de Construcciones y Contratas, S.A. and of its investees. These records, determined in accordance with local standards, as described in note 3 above, were adapted to IFRSs by each of the Group companies, based on the operating procedures and systems established which enable the performance and support of the consolidation process in accordance with IFRS requirements.

The 2005 consolidated financial statements of the FCC Group were prepared by the Board of Directors of Fomento de Construcciones y Contratas, S.A. in accordance with IFRSs and will be submitted for the 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.

These Notes are an integral part of the accompanying consolidated financial statements and, together with the latter, they form the 2005 annual consolidated statements.

The figures in the consolidated financial statements are expressed in thousands of euros since this is the principle currency in the area in which the Group operates.

b) Basis of consolidation

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 the heading "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 7 below.

The Group carries on jointly-managed businesses, as described in note 10 below, through investments in companies controlled jointly by one or more FCC Group company with other non-Group companies, and interests 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.

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

The companies listed in Appendix III, over which Fomento de Construcciones y Contratas, S.A. does not exercise control but does exercise significant influence, are accounted for using the equity method in the accompanying consolidated balance sheet under the heading "Investments in Associates". The 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.

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 8 below. Inter-subsiary 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.

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

Appendix IV shows the changes in 2005 in the fully and proportionately consolidated companies and 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 exclusion therefrom, where material, are shown in the related notes to the consolidated financial statements under "Changes in the Scope of Consolidation".

c) Accounting policies

The accounting policies applied in the FCC Group's consolidated financial statements are described in the related 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 2005 and 2004, 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:

- The impairment losses on certain assets (see notes 6 and 7).
- The useful life of the property, plant and equipment and intangible assets (notes 6 and 7).
- The measurement of goodwill (note 7).
- The amount of certain provisions (note 18).
- The assumptions used in the actuarial calculation of the post-employment benefit liabilities and obligations (see notes 18 and 20).

The FCC Group's consolidated financial statements were prepared so that they present fairly the Group's consolidated equity and financial position at December 31, 2005 and 2004, and the results of its operations, the changes in consolidated equity and the consolidated cash flows in those years.

Impairment testing of property, plant and equipment and intangible assets

Intangibles 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 bring their net carrying amount into line with their value in use, if 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 the heading "Recognition (Reversal) of Impairment Losses 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 operations which applied 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.

5. DISTRIBUTION OF PROFIT OF THE PARENT

On December 21, 2005, it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of the profit for the year equivalent to 76.6% gross of the par value of the shares, i.e. EUR 0.766 per share. The total amount of this dividend, which will be paid on outstanding shares carrying dividend rights on or after January 9, 2006, is EUR 99,682 thousand.

In addition, to complete the dividend out of the 2005 profit of EUR 421,398 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 0.766 per share which, together with the interim dividend, gives a total dividend of EUR 1,532 per share.

At the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. held on June 21, 2005, the shareholders approved the distribution of the profit for 2004 through the distribution of a total dividend of EUR 1.36 gross per share, which amounted to a total payment of EUR 176,982 thousand to the Parent's shareholders.

6. 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.
- 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 8).
- 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 as expenses in 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 2,171 thousand (EUR 4,726 thousand in 2004) and the accumulated capitalised borrowing costs amount to EUR 19,667 thousand (EUR 17,496 thousand in 2004).

- 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. In 2004, in which IAS 39 (Financial Instruments: Recognition and Measurement) was not applied, in accordance with the Spanish National Chart of Accounts, the unaccrued interest, which amounted to EUR 2,929 thousand, was included on the asset side of the accompanying consolidated balance sheet under the heading "Other Non-Current Assets" and on the liability side of the accompanying consolidated balance sheet under the headings "Non-Current Bank Borrowings" and "Current Bank Borrowings", which relate to the repayment value of the obligations under finance leases.
- 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 the heading "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 has suffered an impairment loss so that, as indicated in note 4 c), and 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 at the end of the concession periods 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 the property, plant and equipment at December 31, 2005 and 2004, is as follows:

	Cost	Accumulated depreciation	Grants	Impairment losses	Carrying amount
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 construction	98,142	—	—	—	98,142
Other items of property, plant and equipment	602,411	(367,818)	(177)	—	234,416
	4,413,161	(2,114,394)	(50,865)	(66,267)	2,181,635
2004					
Investment property	111,738	(41,870)	—	—	69,868
Buildings, plant and equipment	2,975,139	(1,478,739)	(41,439)	(51,640)	1,403,321
Land and natural properties	257,336	(25,469)	(218)	(30,975)	200,674
Buildings for own use	413,907	(111,643)	(5,361)	—	296,903
Plant	1,197,759	(682,024)	(35,636)	(329)	479,770
Machinery and transport equipment	1,106,137	(659,603)	(224)	(20,336)	425,974
Other items of property, plant and equipment	779,445	(313,713)	(9,745)	—	455,987
Property, plant and equipment in the course of construction	248,734	—	—	—	248,734
Other items of property, plant and equipment	530,711	(313,713)	(9,745)	—	207,253
	3,866,322	(1,834,322)	(51,184)	(51,640)	1,929,176

The changes in 2004 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 course of construction	Other Items of property plant and equipment	Other Items of property, plant and equipment	Accumulated depreciation	Grants	Impairment losses
Balance at 01.01.04	108,596	248,498	353,272	1,160,643	984,943	2,747,356	241,520	457,047	698,567	(1,641,273)	(38,762)	(57,698)
Additions or charges	3,142	8,180	9,520	21,654	89,382	128,736	201,953	43,654	245,607	(250,302)	(15,187)	(863)
Disposals, derecognitions or reversals	—	(4,594)	(3,396)	(47,801)	(32,885)	(88,676)	(3,760)	(19,566)	(23,326)	66,620	2,765	—
Translation differences, changes in the scope of consolidation and other changes	—	4,201	(8,733)	(17,935)	39,540	17,073	(3,288)	34,923	31,635	(9,367)	—	6,921
Transfers	—	1,051	63,244	81,198	25,157	170,650	(187,691)	14,653	(173,038)	—	—	—
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 charges	853	10,673	7,455	27,967	136,052	182,147	154,955	55,670	210,625	(288,863)	(3,109)	(10,026)
Disposals, derecognitions or reversals	(7)	(1,858)	(4,777)	(23,109)	(63,969)	(93,713)	(711)	(20,747)	(21,458)	91,547	3,993	42
Translation differences, changes in the scope of consolidation 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)

The period depreciation charge for 2005 and 2004 is included under the heading “Depreciation and Amortisation Charge” in the accompanying consolidated income statement. This account includes EUR 284,870 thousand relating to the depreciation of property, plant and equipment (EUR 247,537 thousand in 2004), after deducting the grants allocated to income, which amount to EUR 3,993 thousand (EUR 2,765 thousand in 2004).

The changes in impairment losses in 2005 relate mainly to the loss recognised on the non-current assets of the environmental services area in Egypt amounting to EUR 9,738 thousand, and to the exchange losses of EUR 4,540 thousand (exchanges gains of EUR 2,304 thousand in 2004) on the impairment recognised by the cement company Giant Cement Holding Inc., due to the US dollar exchange rate.

The “Disposals, Derecognitions or Reversals” relating to the heading “Buildings, Plant and Equipment” amount to EUR 93,713 thousand (EUR 88,676 thousand at December 31, 2004), relating 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.

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.

The property, plant and equipment located outside Spain amounted to EUR 886,424 thousand in 2005 (EUR 675,285 thousand in 2004) and the related accumulated depreciation amounted to EUR 332,905 thousand (EUR 204,379 thousand in 2004).

Fully depreciated property, plant and equipment which, being in good working order, are used in production, amount to EUR 941,563 thousand (EUR 827,395 thousand at December 31, 2004).

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.

This property is recognised at acquisition cost and its fair value at December 31, 2005, was estimated at EUR 340,000 thousand, based on the office property market price/m2 for the Azca area in Madrid in which the building is located, and on the present value of the estimated net cash flows, considering occupancy levels of approximately 90%, in accordance with expectations in this market. The property rental income and profit are presented below:

	2005	2004
Rental income	18,053	17,096
Transfer of costs to tenants	6,601	5,501
Profit net of taxes	9,524	7,656

The minimum future lease payments receivable by the lessors under current leases amount to EUR 85,009 thousand (EUR 60,177 thousand at December 31, 2004), which fall due as follows:

	2005	2004
Within one year	20,662	18,700
Between one and five years	44,188	41,477
After five years	20,159	—
	85,009	60,177

In 2005 the average term of the leases increased.

At December 31, 2005, there were no restrictions on the realisability of investment property. Similarly, there were no 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 December 31, 2005, there are restrictions on title to assets amounting to EUR 750,165 thousand (EUR 649,559 thousand at December 31, 2004), either because they were held under finance leases, or because they were revertible assets assigned to the operation of concessions and other contracts, mainly in the environmental service business line, the detail being as follows:

	Cost	Accumulated depreciation	Carrying amount
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
	1,94,079	(743,914)	750,165
2004			
Buildings, plant and equipment	1,062,480	(514,004)	548,476
Other items of property, plant and equipment	224,409	(123,326)	101,083
	1,286,889	(637,330)	649,559

The Group 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 the delivery of the assets that have to be returned to the concession provider in good working order at the end of the concession periods and that, therefore, no significant expenses will arise as a result of their return.

Assets held for sale

At December 31, 2005 and 2004, 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 482,665 thousand at December 31, 2005 (EUR 271,705 thousand at December 31, 2004), the detail being as follows:

	2005	2004
Buildings for own use	78,691	25,413
Plant	78,918	90,566
Machinery and transport equipment	257,887	154,989
Other items of property, plant and equipment	67,169	737
	482,665	271,705

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 8.

Finance leases

The detail of the finance leases at the end of 2005 and 2004 and of the related cash flows is as follows:

	Movable property	Real estate	Total
2005			
Original cost of the assets	175,219	1,559	176,778
Value of purchase options	1,782	90	1,872
Contract term (years)	2 to 5	10	
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	79,209	800	80,009
2004			
Original cost of the assets	173,117	1,263	174,380
Value of purchase options	1,877	11	1,888
Contract term (years)	2 to 5	10	
Lease payments paid in the year	57,998	102	58,100
Lease payments paid in prior years	51,663	729	52,392
Lease payments outstanding, including purchase option	70,961	434	71,395

On expiry of the leases the Group companies exercise the purchase option and there are no restrictions imposed by the lease arrangements concerning exercise of this option.

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 2005 no expense was incurred in connection with contingent rent.

7. INTANGIBLE ASSETS

The detail of the intangible assets and of the related accumulated amortisation at December 31, 2005 and 2004, is as follows:

	Cost	Accumulated amortisation	Allowances	Impairment Losses	Carrying amount
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
2004					
Concessions	348,472	(92,555)	(62)	—	255,855
Goodwill	287,069	—	—	(20,427)	266,642
Other intangible assets	170,448	(39,101)	—	—	131,347
	805,989	(131,656)	(62)	(20,427)	653,844

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 2005 and 2004 is recognised in the accompanying consolidated income statement under the heading "Depreciation and Amortisation Charge".

At December 31, 2005 and 2004, 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 2005 and 2004 were as follows:

	Concessions	Other intangible assets	Accumulated amortisation	Allowances
Balance at 01.01.04	328,502	144,391	(114,557)	(1,274)
Additions or charge for the year	38,867	28,299	(24,556)	—
Disposals, derecognitions or reversals	(5,387)	(807)	937	—
Translation differences, changes in the scope of consolidation and other changes	(11,884)	(1,610)	7,224	1,212
Transfers	(1,626)	175	(704)	—
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, derecognitions or reversals	(5,418)	(154)	2,759	—
Translation differences, changes in the scope of consolidation 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)

The heading "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 and quarries, etc. (see note 8).

In 2005 the most significant changes in this heading related to the acquisition 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 investment made to obtain operating contracts and licences, mainly in the environmental service and Versia areas, and customer lists, future income from backlogs and contracts acquired through business combinations.

Goodwill

Goodwill is calculated as the difference between the carrying amount of the Parent's direct or indirect investment in a subsidiary and the proportional amount of the equity of the subsidiary based on the percentage of ownership at the acquisition date, after adjustment, for the sole purposes of consolidation for the recognition at fair value of the subsidiary's property plant and equipment and intangible assets that qualify for recognition as assets the market value of which differs significantly from the 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 4-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 2005 and 2004 were as follows:

Balance at 01.01.04		274,428
Additions:		
Limpiezas Industriales Alfus, S.A.	7,779	
Corporación M&S Internacional C.A., S.A.	6,299	18,039
Other	3,961	
Translation differences		(5,398)
Impairment losses on assets		
Grupo Ekonor	(8,996)	
Grupo Azuser	(1,345)	
Grucyca, S.A.	(7,521)	
Other	(2,565)	(20,427)
Balance at 12.31.04		266,642
Additions:		
FCC Logística, S.A. Unipersonal	89,936	
Cementos Portland Valderrivas, S.A.	76,843	
Grupo Marepa	15,308	
Grupo Papeles Hernández e Hijos	5,023	
Convery Services, S.A.	4,149	
Resto	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

FCC Logística, S.A., Sole-Shareholder Company, is the post-merger company resulting from the merger in 2005 of Grupo Logístico Santos, S.A., Sole-Shareholder Company, and the logistics business companies for the purpose of restructuring the logistics business within the Group.

The addition relating to Cementos Portland Valderrivas, S.A. was due to the purchase of an additional ownership interest of 8.5% in 2005 and was calculated as the difference between the acquisition cost of this additional interest and the carrying amount of the related minority interests (see note 16) 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. This acquisition increased the FCC Group's total ownership interest in this cement company to 67.34%.

Except as indicated in the preceding paragraph, the period additions relate to the goodwill remaining after adjustments, net of taxes, had been made to the equity of the companies acquired due to the recognition at fair value of their assets in the accompanying consolidated balance sheet. It should be noted in relation to FCC Logística, S.A., Sole-Shareholder Company, that the value of the goodwill recognised as a result of the acquisition of Grupo Logístico Santos, S.A. is provisional because this company's assets are currently being measured, within the period established in IFRS 3 (Business Combinations), to determine the definitive value of the goodwill.

The detail of the calculation of the goodwill that arose in the acquisitions made in 2005 and of the portions assigned to goodwill and to asset revaluations is as follows:

Amount of acquisition	417,027
Underlying carrying amount of the equity attributable to shareholders of the Parent	(142,027)
Goodwill	275,000
Recognised as goodwill	197,670
Allocated to asset revaluations	77,330

The detail of the amount of the acquisition cost allocated to assets, of the related tax effect and of the portion attributed to minority interests, of the business combinations occurring in 2005 is as follows:

	Asset revaluation	Deferred taxes	Minority interests
Concessions	66,939	23,429	2,426
Other intangible assets	9,885	2,201	—
Buildings, plant and equipment	46,566	16,297	1,707
	123,390	41,927	4,133

The goodwill that arose in 2004 due to the acquisition of Corporación M&S Internacional C.A., S.A., considered provisionally as goodwill, was allocated in 2005 to this company's mines and quarries, which are included under the heading "Buildings, Plant and Equipment" in the accompanying consolidated balance sheet.

The breakdown of goodwill at December 31, 2005 and 2004, in the accompanying consolidated balance sheet is as follows:

	2005	2004
Cementos Portland Valderrivas, S.A.	190,351	113,508
FCC Logística, S.A. Unipersonal	91,696	1,760
Ekonor Group	35,361	35,361
Giant Cement Holding, Inc.	30,145	26,187
Marepa Group	15,308	—
Jaime Franquesa, S.A.	14,806	15,677
Tratamientos y Recuperaciones Industriales, S.A.	9,860	9,860
Limpiezas Industriales Alfus, S.A.	7,779	7,779
Corporación M&S Internacional C.A., S.A.	—	6,299
Belgian Ground Services, S.A.	5,503	5,503
Montajes Gavis, S.A.	5,531	5,415
Papeles Hernández e Hijos Group	5,023	—
Canteras de Aláiz, S.A.	4,332	4,332
Convery Service, S.A.	4,149	—
Áridos y Premezclados, S.A. Sole-Shareholder Company	3,704	3,704
Cementos Alfa, S.A.	3,712	3,712
Other	34,189	27,545
	461,449	266,642

8. 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 (see note 7), investments made in the property, plant and equipment (see note 6) required to operate the service provided under the concession and investments in concessions accounted for using the equity method (see note 9).

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 operation of landfills and quarries, 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. Under certain concessions, the prices for providing the service are regulated by the concession provider.

Accounting principles and policies

The accounting treatment of concessions is currently being discussed by the International Financial Reporting Interpretations Committee (IFRIC), which has issued draft interpretations on this subject. The FCC Group has applied the following most relevant aspects of the accounting principles and policies contained in these drafts, except with regard to the classification of assets as intangible or non-current financial assets, for which it is waiting for the final wording of the IFRIC interpretation to be adopted.

- 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 the 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 income and expenses arising from the construction work are recognised by reference to the stage of completion in accordance with the accounting policies described in note 22.

Detail of concessions

The detail of the Group companies' total investments in concessions at December 31, 2005, is as follows:

	Concession	Property, plant and equipment	Concession operator associates	Total investments
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

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 150,524 thousand.

9. 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, in 2005, in accordance with IAS 39 (Financial Instruments: Recognition and Measurement) the adjustments to reserves arising from changes in the fair value of the cash flow hedges arranged by the associates.

In the years ended December 31, 2005 and 2004, 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, in accordance with the IFRIC's draft interpretations (see note 8), the income and expenses arising from such construction work are recognised by reference to the stage of completion, as indicated in note 22.

The detail, by company, of this heading is disclosed in Appendix III, which lists the associates. The changes in 2005 and 2004 were as follows:

	Purchases and expenditure	Profit (Loss) for the year	Dividends paid	Changes in the fair value of financial instruments recognised in reserves	Sales	Changes in the consolidation method and transfers	Translation differences and other changes	Value of the investment	Loans granted	Total
Balance at 01.01.04								396,767	15,987	412,754
Realia Business Group		52,043	(27,637)					24,406	50	24,456
Cementos Leona Group		8,284	(744)				(5,534)	2,006		2,006
Autovía del Camino, S.A.	14,280	(1,092)						13,188	12,452	25,640
Autopista de la Costa Cálida C.E.A., S.A.	10,349	(100)						10,249		10,249
Metro de Málaga, S.A.	5,137							5,137		5,137
Grubar Hoteles Group					(34,093)			(34,093)		(34,093)
Eumex Group		1,712				10,921	(438)	12,195		12,195
Terminal Polivalente de Castellón, S.A.	4,005	(301)					(589)	3,115		3,115
Tramvia Metropolitana del Besós, S.A.	2,827	676					(403)	3,100		3,100
Other	2,961	10,443	(4,240)		(347)	(3,289)	1,136	6,664	618	7,282
Total 2004	39,559	71,665	(32,621)	N/A	(34,440)	7,632	(5,828)	45,967	13,120	59,087
Balance at 12.31.04								442,734	29,107	471,841
Realia Business Group		67,489	(33,273)	(401)			(51)	33,764	28	33,792
Cementos Leona Group		6,016	(1,871)				187	4,332		4,332
Tacel Group	12,528	(520)		591		4,051		16,650		16,650
Autopista de la Costa Cálida C.E.A., S.A.	14,175	39		471				14,685		14,685
Metro de Málaga, S.A.	10,273	(121)						10,152		10,152
Torres Porta Fira, S.A.	8,332	16						8,348		8,348
Urbs Iudex et Causidicus, S.A.	2,820	(136)		(16,172)				(13,488)		(13,488)
Autovía del Camino, S.A.		(83)		(11,419)				(11,502)		(11,502)
Domino Holdings, S.A.						(20,631)		(20,631)		(20,631)
Eumex Group						(13,499)	1,304	(12,195)		(12,195)
Concesiones de Madrid, S.A.	10,000	1,108	(819)	(1,662)				8,627		8,627
Tramvia Metropolitana, S.A.		676		(1,944)			(349)	(1,617)		(1,617)
Tramvia Metropolitana del Besós, S.A.	481	(213)		(1,397)			(194)	(1,323)		(1,323)
Autopistas del Valle, S.A.	2,670						39	2,709		2,709
Ibisan, Sociedad Concesionaria, S.A.	2,613	(72)						2,541		2,541
Other	6,153	4,165	(2,253)	(3,203)	(3,081)	(3,140)	(1,047)	(2,406)	1,173	(1,233)
Total 2005	70,045	78,364	(38,216)	(35,136)	(3,081)	(33,219)	(111)	38,646	1,201	39,847
Balance at 12.31.05								481,380	30,308	511,688

In 2005 the Tacel Group was accounted for using the equity method, due to the increase in the Group's ownership interest in this Group to 44.64%.

Also, the Eumex Group and Domino Holdings, S.A. were transferred to available-for-sale financial assets, since in 2005 the Group was no longer in a position to exercise significant influence over these companies.

In 2004 the 50% ownership interest in the Grubar Hoteles Group was sold at a price determined on the basis of the market values of the hotels in which this Group held ownership interests, giving rise to a loss of EUR 23,264 thousand, which is included under the heading "Other Gains or Losses" in the accompanying 2004 consolidated income statement.

The detail of the assets, liabilities, revenue and profit for 2005 and 2004 of the associates, in proportion to the ownership interest in each company, is as follows:

2005	Realia Business Group	Other
ASSETS		
Non-current assets	379,822	781,197
Leased buildings	307,755	
Other non-current assets	72,067	781,197
Current assets	621,921	204,538
Inventories	573,040	31,969
Other current assets	48,881	172,569
Total Assets	1,001,743	985,735
EQUITY AND LIABILITIES		
Equity	353,656	193,693
Non-current liabilities	378,679	518,170
Non-current bank borrowings	153,377	353,682
Other non-current liabilities	225,302	164,488
Current liabilities	269,408	273,872
Current bank borrowings	15,643	128,513
Other current liabilities	253,765	145,359
Total Liabilities	1,001,743	985,735
Income statement		
Revenue	293,575	144,993
Profit from operations	105,930	26,539
Profit before tax	109,559	15,346
Profit attributable to the parent	67,489	10,875
2004		
	Realia Business Group	Other
ASSETS		
Non-current assets	364,217	462,577
Leased buildings	310,379	
Other non-current assets	53,838	462,577
Current assets	542,132	184,245
Inventories	485,372	32,237
Other current assets	56,760	152,008
Total Assets	906,349	646,822
EQUITY AND LIABILITIES		
Equity	310,956	199,669
Non-current liabilities	319,995	278,431
Non-current bank borrowings	150,567	243,579
Other non-current liabilities	169,428	34,852
Current liabilities	275,398	168,722
Current bank borrowings	18,122	54,529
Other current liabilities	257,276	114,193
Total Liabilities	906,349	646,822
Income statement		
Revenue	277,867	157,420
Profit from operations	94,617	25,522
Profit before tax	87,536	23,781
Profit attributable to the parent	52,043	19,622

The Realia Business Group, in which the Group has an ownership interest of 49.17%, engages mainly in property development and operation, and its non-current assets include more than 40 emblematic buildings leased out with an area of over 500,000 m² in the best locations in Spain and Portugal. The market value at December 31, 2005, of the leased buildings amounted to EUR 1,450,420 thousand (EUR 1,240,500 thousand at December 31, 2004) which represented gains of EUR 824,520 thousand (EUR 609,263 thousand at December 31, 2004) with respect to the carrying amount. These values were determined on the basis of market information provided by external independent experts.

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.

10. 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 4 above. Joint control over these ventures is established through interests in entities with different legal forms.

The main aggregates of the joint ventures at December 31, 2005 and 2004, were as follows:

	Unincorporated joint ventures, economic interest groupings and joint property entities	Companies	Total
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
2004			
Revenue	1,222,757	247,351	1,470,108
Gross profit from operations	112,340	33,516	145,856
Net profit from operations	81,845	12,716	94,561
Non-current assets	74,611	292,796	367,407
Current assets	1,005,676	146,166	1,151,842
Non-current liabilities	17,610	120,786	138,396
Current liabilities	761,663	141,470	903,133

At 2005 year-end the Group companies had commitments to acquire property, plant and equipment for contribution to joint ventures amounting to EUR 54,545 thousand. Also, property, plant and equipment purchase commitments made directly by the joint ventures in 2005 amounted to 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 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.

11. NON-CURRENT FINANCIAL ASSETS AND OTHER CURRENT FINANCIAL ASSETS

Financial assets are recognised initially at acquisition cost.

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:

- 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 the heading "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 in the accompanying consolidated balance sheet under the heading "Cash and Cash Equivalents".
- Held-to-maturity financial assets are 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 unmaturing 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.

As indicated in note 2, the Group decided to apply IAS 39 from January 1, 2005. Accordingly, in 2005, after the date of their acquisition, 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 can 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 directly 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 the headings "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 is as follows:

	2005	2004
Available-for-sale financial assets	67,410	62,063
Non-current loans	114,320	92,628
Held-to-maturity investments	2,641	—
	184,371	154,691

Available-for-sale financial assets

Breakdown of the balance at December 31, 2005:

	Effective percentage of ownership	Fair value
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
Xfera Móviles, S.A.	7.76	—
Transportes Ferroviarios de Madrid, S.A.	12.19	3,786
SCL Terminal Aéreo de Santiago, S.A.	14.77	2,423
Artscapital Investment, S.A.	10.83	—
Scutvias-Autoestradas Da Beira Interior, S.A.	13.33	4,098
Vertederos de Residuos, S.A.	16.03	3,590
Shopnet Brokers, S.A.	15.54	—
Build2Edifica, S.A.	15.45	796
WTC Almeda Park, S.A.	12.50	1,283
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

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.

In 2004 the financial assets, except derivatives, were measured at the lower of historical cost or market value. As a result, all the losses existing at December 31, 2004, were recognised, whereas unrealised gains on the securities, except for those disclosed at the time of the acquisition and still existing at the 2004 balance sheet date, were not recognised.

Breakdown of the balance at December 31, 2004:

	Effective percentage of ownership	Cost	Allowances	Carrying amount
2004				
Ownership interests of over 5%:				
Alazor Inversiones, S.A.	15.75	31,344	(991)	30,353
World Trade Center Barcelona, S.A.	16.52	9,611	(2,994)	6,617
Xfera Móviles, S.A.	8.26	5,413	(5,413)	—
Transportes Ferroviarios de Madrid, S.A.	12.19	5,122	(1,336)	3,786
SCL Terminal Aéreo de Santiago, S.A.	14.77	5,048	(2,625)	2,423
Tacel Group	13.32	4,296	(245)	4,051
Artscapital Investment, S.A.	10.83	4,171	(4,171)	—
Scutvias-Autoestradas Da Beira Interior, S.A.	13.33	4,098	—	4,098
Shopnet Brokers, S.A.	15.54	2,796	(2,796)	—
Build2Edifica, S.A.	15.45	2,053	(1,257)	796
WTC Almeda Park, S.A.	12.50	1,875	(592)	1,283
Vertederos de Residuos, S.A.	16.03	1,107	—	1,107
Other		4,994	(1,227)	3,767
Ownership interests of less than 5%				
Parque Temático de Madrid, S.A.	1.75	3,516	(1,758)	1,758
Auna Operadores de Telecomunicaciones, S.A.	0.01	1,909	—	1,909
Other		1,562	(1,447)	115
		88,915	(26,852)	62,063

It should be noted that the Group has had a direct or indirect ownership interest in Xfera Móviles, S.A., the holder of a UMTS wireless telephony licence, since 2000, initially through an indirect ownership interest of 17.23% in Venditelecom España, S.L., which in turn held a 29.49% stake in Xfera Móviles, S.A., giving the FCC Group an effective ownership interest of 5.08% in Xfera Móviles, S.A. In 2003 the Vivendi Group decided

to cease to hold any ownership interest in Xfera Móviles, S.A. and, as part of this change of shareholder structure, Venditecom España, S.L. sold all its shares of Xfera Móviles, S.A. to certain of the latter's other shareholders, which included Fomento de Construcciones y Contratas, S.A. As a result, Fomento de Construcciones y Contratas, S.A. had a direct ownership interest of 7.47% in Xfera Móviles, S.A. as a result of the acquisitions made from Venditecom España, S.L. and Vivendi Telecom Internacional, S.A. for a price of EUR 0.24. Until that date, the FCC Group's investment in Xfera Móviles, S.A. through Venditecom España, S.L. amounted to EUR 26,776 thousand, which had been provisioned in full with a charge to income in 2002 and 2003.

In 2004 there were further changes in the shareholder structure and various share capital transactions at Xfera Móviles, S.A., which increased the FCC Group's direct ownership interest to 8.26% and entailed an additional investment of EUR 5,413 thousand, which was also provisioned in full. Of this investment of EUR 5,413 thousand, EUR 3,264 thousand relate to the amount FCC had to acquire, as a result of an arbitral award, when Vodafone ceased to be a shareholder of Xfera Móviles, S.A. Also, in 2004 Venditecom España, S.L. was liquidated.

In 2005 the FCC Group's direct ownership interest in Xfera Móviles, S.A. was 7.76%, since it did not subscribe the capital increase carried out at the latter in that year.

At December 31, 2005, the Parent had provided guarantees for Xfera Móviles, S.A. amounting to EUR 31,607 thousand (EUR 28,625 thousand in 2004).

In September 2005 the Board of Directors of Xfera Móviles, S.A. resolved to take all the measures required to prepare the commercial launch in 2006 and, consequently, to reactivate all the necessary investment commitments to carry out the launch.

The changes in the available-for-sale financial assets in 2005 and 2004 were as follows:

Available-for-sale financial assets	Cost	Impairment losses	Disposals and reductions	Transfers to/from associates	Translation differences, changes in the scope of consolidation and other changes	Carrying amount	Changes in fair value	Fair value
Balance at 01.01.04						65,931		N/A
Xfera Móviles, S.A.	5,413	(5,413)						
Alazor Inversiones, S.A.	1,340	(991)						
Vertederos de Residuos, S.A.	1,107							
(Safei) Group			(3,547)					
Other	985	(2,762)						
Total 2004	8,845	(9,166)	(3,547)			(3,868)	N/A	
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

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 the heading "Income from Changes in Value of Financial Instruments" in the accompanying consolidated income statement. Also, in 2005, as indicated in note 9, the Tacel Group was deemed to be an associate because the Group's ownership interest in it increased to 44.64%. Additionally, as indicated in note 28, in January 2006 a further stake of 10% was purchased for EUR 13,500 thousand, bringing the total ownership interest in this company to 54.64%.

A significant change in 2004 was the transfer of 10% of Inversiones y Estudios Financieros, S.A. (Safei) under the terms and conditions established in the put option held by the FCC Group, giving rise to a gain of EUR 21,738 thousand, which is recognised under the heading "Other Gains or Losses" in the 2004 consolidated income statement.

Non-current loans

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

	2007	2008	2009	2010	2011 and subsequent years	Total
Non-trade loans	15,106	9,136	11,992	10,390	48,417	95,041
Deposits and guarantees	3,439	138	567	208	17,756	22,108
Allowances	—	—	—	—	—	(2,829)
	18,545	9,274	12,559	10,598	66,173	114,320

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.

b) Other current financial assets

The breakdown of the balance at December 31, 2005 and 2004, is as follows:

	2005	2004
Held-for-trading financial assets	7,526	35,278
Government debt securities	2,481	1,924
Equity mutual funds	2,402	801
Fixed-income mutual funds	1,918	2,378
Commercial promissory notes and other	725	30,175
Other loans	48,410	83,274
Loans to non-Group third parties	26,477	35,075
Deposits at banks	5,284	36,750
Other	16,649	11,449
Deposits and guarantees given	14,955	5,831
Allowances	(3,507)	(3,382)
	67,384	121,001

This heading in the accompanying consolidated balance sheet includes investments in held-for-trading financial assets and other loans with a term of over three months for the placement of cash surpluses.

The average rate of return obtained in 2005 in this connection was 2.1%.

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

12. OTHER NON-CURRENT ASSETS

As indicated in note 2 above, in accordance with the options provided by IFRS 1 (First-Time Adoption of International Financial Reporting Standards), IAS 32 (Financial Instruments: Disclosure and Presentation) and IAS 39 (Financial Instruments: Recognition and Measurement) were applied from January 1, 2005, and, accordingly, in 2004 treasury shares and deferred interest on non-trade payables, which, in accordance with Spanish GAAP, had been recognised at repayment value, are recognised as assets in the accompanying consolidated balance sheet, also in accordance with Spanish GAAP. Consequently, at December 31, 2004, in addition to the capitalised deferred tax liabilities, which are discussed in note 19 (Tax Matters), the shares of Fomento de Construcciones y Contratas, S.A. held by it or by other subsidiaries and the deferred charges under finance leases relating to property, plant and equipment were included under the heading "Other Non-Current Assets" in the consolidated balance sheet.

In 2005 the treasury shares were deducted from equity (see note 16) and the deferred interest on non-trade payables were deducted from bank borrowings (see note 17).

a) Treasury shares at December 31, 2004

The shares of the Parent were measured at their average acquisition price, which approximates their underlying carrying amount at 2004 year-end.

At December 31, 2004, the Parent held 434,322 treasury shares representing 0.33% of its share capital, with a carrying amount of EUR 9,422 thousand.

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

Under the Corporations Law, of the total reserves for the year EUR 10,539 thousand are considered to be restricted until such time as the treasury shares held by Fomento de Construcciones y Contratas, S.A. and the latter's shares held by the Group companies are disposed of or retired. This amount coincides with the amount at which these shares are carried on the asset side of the accompanying consolidated balance sheet at December 31, 2004, and which, for the purpose of determining the carrying amount of the "Equity Attributable to Shareholders of the Parent", must be deducted from the balance of EUR 2,031,231 thousand under this heading on the liability side of the consolidated balance sheet.

In 2004 there were no transactions involving treasury shares.

b) Deferred charges at December 31, 2004

In 2004 under Spanish GAAP, when obligations under finance leases for property, plant and equipment represented in practice financing for the acquisition of these assets, they had to be recognised on the liability side of the balance sheet at their repayment value. The difference between the repayment value at the date the lease was arranged and the cost of the assets acquired was treated as a deferred charge in assets and was recognised in the consolidated income statement on a time proportion basis, based on the outstanding amount and repayment period of the principal.

The consolidated balance sheet at December 31, 2004, includes capitalised deferred charges in this connection amounting to EUR 2,929 thousand.

13. 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 is recognised, production cost or net realisable value.

The breakdown of the inventories at December 31, 2005 and 2004, is as follows:

	2005	2004
Properties	188,729	118,003
Raw materials and other procurements	288,518	226,209
Construction	155,552	108,468
Cement	74,393	65,065
Versia	29,092	28,617
Environmental services	23,642	20,041
Other business activities	5,839	4,018
Finished goods	27,552	20,399
Advances	11,251	14,133
Allowances	(6,965)	(6,327)
	509,085	372,417

"Properties" includes land intended for sale, acquired by the FCC Construcción Group mainly in exchange for completed construction work, which at December 31, 2005, included most notably:

- in the Madrid Autonomous Community: Ensanche Vallecas amounting to EUR 50,262 thousand acquired in 2005, Las Tablas amounting to EUR 11,631 thousand and Monte Carmelo amounting to EUR 7,155 thousand; and
- in the province of Barcelona: land located in Sant Joan Despí amounting to EUR 45,580 thousand and in Badalona amounting to EUR 24,200 thousand.

This heading includes a balance of EUR 29,824 thousand (EUR 21,028 thousand in 2004) relating to properties in the course of construction, on which there are sale commitments representing a final value on delivery to customers of EUR 91,276 thousand (EUR 94,635 thousand in 2004).

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.

14. 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 22 (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 companies at December 31, 2005 and 2004, is as follows:

	2005	2004
Construction certificates receivable and trade receivables for sales	2,295,863	1,958,343
Completed production pending certification	718,464	674,295
Retentions	47,137	38,445
Production billed to associates not yet collected	104,901	61,834
Allowances for doubtful debts	(191,962)	(145,131)
Accounts receivable	2,974,403	2,587,786
Advances received on orders	(603,694)	(417,130)
Total net account receivables	2,370,709	2,170,656

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 the heading "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.

The heading "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. Of the total balance, EUR 11,848 thousand of notes receivable had been discounted (EUR 15,194 thousand in 2004) and the related bank borrowings are shown on the liability side of the consolidated balance sheet.

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 22 (Revenue and Expense Recognition) and the amount of the certificates issued through the date of the consolidated financial statements is included under the heading "Accounts Receivable – Completed Production Pending Certification".

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 235,794 thousand in this connection at December 31, 2005 (EUR 284,887 thousand at December 31, 2004). These transactions bear interest under normal market conditions. The Group companies continue to manage collection. Also, future collection rights arising from construction project contracts awarded under the full payment of price method were sold for EUR 73,470 thousand (EUR 116,784 thousand at December 31, 2004). This amount was deducted from the balance of the heading "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 receivables, 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.

The balance of trade receivables for construction activities at December 31, 2005, was EUR 1,159,035 thousand (EUR 1,135,793 thousand at December 31, 2004), after deduction of the collection rights assigned and advances received on orders, of which EUR 110,275 thousand related to customers abroad (EUR 106,342 thousand at December 31, 2004). The detail at December 31, 2005 and 2004, of the accounts receivable from Spanish customers for construction activities, distinguishing between the public and private sectors, is as follows:

Entities	2005	2004
Central government	139,586	152,272
Autonomous Community governments	173,854	172,783
Municipal councils	44,236	62,477
Autonomous agencies and state-owned companies	241,709	243,440
Public sector	599,385	630,972
Private sector	449,375	398,479
	1,048,760	1,029,451

15. CASH AND CASH EQUIVALENTS

The principal aims 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 surpluses to Asesoría Financiera y de Gestión, S.A., the Group company responsible for achieving a return on these cash surpluses by making investments under the best possible terms, bearing in mind liquidity and safety limits at all times.

In order to cover the liquidity requirements of the Group companies with cash deficits, financing lines are provided to them by financial institutions (see note 17).

The 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 December 31, 2005 and 2004, is as follows:

	2005	2004
Cash	381,144	255,482
Deposits and guarantees maturing within no more than three months	9,502	7,590
Financial assets maturing within more than three months	650,970	485,879
	1,041,616	748,951

16. EQUITY

The consolidated statements of changes in equity at December 31, 2005 and 2004, show the changes in equity attributable to the shareholders of the Parent and to the minority interests in those years. The amounts at the transition date, January 1, 2004, relate to the equity included in the opening balance sheet prepared in accordance with IFRSs, as adopted by the European Union, and with the options and bases set forth in note 2 to these consolidated financial statements.

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 Ixex 35 index and are publicly listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are traded through the Spanish computerised trading system (Continuous Market).

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), Acciona, S.A. has an ownership interest of 15.055%.

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, recorded and published by the CNMV, including most notably that relating to the distribution of dividends, which determines that FCC'S pay-out will be a minimum of 50%.

At the Annual General Meeting held on June 21, 2005, the shareholders of Fomento de Construcciones y Contratas, S.A. resolved to authorise the Board of Directors to increase share capital, including through the issuance of shares carrying no voting rights, under Article 153.1 b) of the Corporations 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 December 31, 2005 and 2004, is as follows:

	2005	2004
Reserves of the Parent	701,956	682,310
Treasury shares	(26,874)	—
Consolidation reserves	1,121,733	950,281
Valuation adjustments	(30,607)	—
Translation differences	13,626	(5,915)
	1,779,834	1,626,676

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 December 31, 2005 and 2004, is as follows:

	2005	2004
Share premium	242,133	242,133
Legal reserve	26,113	26,113
Reserve for treasury shares	9,422	9,422
Reserve for retired shares	2,770	2,770
Voluntary reserves	421,518	401,872
	701,956	682,310

Share premium

The consolidated Corporations 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 Corporations 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 December 31, 2005, the Parent's legal reserve had reached the stipulated level.

Reserve for treasury shares

There were no changes in this heading in 2005 and 2004.

The Parent holds 434,322 treasury shares of EUR 1 par value each, representing 0.33% of its share capital, with a carrying amount of EUR 9,422 thousand.

In compliance with the obligation provided for under Article 79.3 of the Corporations Law, the Company recognised with a charge to voluntary reserves the reserve for treasury shares amounting to 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 Corporations Law. The reserve for retired capital is restricted, unless the same requirements as those stipulated for capital reductions are met.

Voluntary reserves

No limitations or restrictions exist with respect 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) Treasury shares

In accordance with IAS 32 (Financial Instruments: Disclosure and Presentation) and IAS 39 (Financial Instruments: Recognition and Measurement), at December 31, 2005, the Group's treasury shares were deducted from equity, whereas in 2004 they were classified as an asset (see note 12).

The shares of the Parent are measured at average acquisition cost.

On June 21, 2005, 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 Corporations Law.

The changes in treasury shares in 2005 were as follows:

	Number of shares	Carrying amount
Balance at December 31, 2004 (note 12)		
Fomento de Construcciones y Contratas, S.A.	434,322	9,422
Compañía Auxiliar de Agencia y Mediación, S.A.	316,008	1,107
Grucycsa, S.A.	475	10
Acquisitions in 2005		
Asesoría Financiera y de Gestión, S.A.	343,922	16,345
Compañía Auxiliar de Agencia y Mediación, S.A.	90	—
Sales in 2005		
Grucycsa, S.A.	(475)	(10)
Balance at December 31, 2005	1,094,342	26,874

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

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 amounts included under this heading for each of the most significant companies at December 31, 2005 and 2004, including, where appropriate, the Group's subsidiaries, is as follows:

	2005	2004
Cementos Portland Valderrivas Group	320,849	284,667
Afigesa Group	247,929	236,853
FCC Construcción Group	121,868	89,446
Corporación Financiera Hispánica, S.A.	102,633	102,110
FCC Medio Ambiente, S.A.	58,425	40,115
Realía Business Group	54,672	36,153
FCC Versia, S.A.	50,036	43,643
Alfonso Benítez, S.A.	22,053	20,381
Fedemés, S.L.	13,030	13,004
Other and consolidation adjustments	130,238	83,909
	1,121,733	950,281

The percentage 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 6) at December 31, 2005, amounted to EUR 23,084 thousand (EUR 20,164 thousand at December 31, 2004).

b.4) Valuation adjustments

The changes, net of taxes, in the fair value of available-for-sale financial assets (see note 11) and of the cash flow hedges (see note 25) taken to reserves in accordance with IAS 39 (Financial Instruments: Recognition and Measurement), applied since January 1, 2005, are included under the heading "Changes in the Fair Value of Financial Instruments" in the accompanying consolidated statement of changes in equity.

The detail of the changes in the fair value of the financial instruments taken to equity at December 31, 2005, is as follows:

	Financial derivatives	Available-for-sale financial assets	Total
First-time application of IAS 39 at January 1, 2005	(23,492)	9,429	(14,063)
Changes in 2005	(12,485)	(4,059)	(16,544)
Balance at December 31, 2005	(35,977)	5,370	(30,607)

b.5) Translation differences

As indicated in note 2, the translation differences at January 1, 2004, were recognised, net of the tax effect, as opening reserves and, consequently, the amount included in the Group's consolidated balance sheet at December 31, 2004, is exclusively the amount generated in that year, while the amount included at December 31, 2005, is the cumulative amount generated from the date of transition to IASs until that date.

These differences are measured as the difference between the closing exchange rate for the reporting year and that for the immediately preceding year (date of transition to the IASs for 2004) for the assets and liabilities denominated in currencies other than the euro, and at the average exchange rates for the income statements of the foreign companies operating in currencies other than the euro.

The detail of this heading for each of the most significant companies at December 31, 2005 and 2004, is as follows:

	2005		2004	
USA:				
Giant Cement Holding, Inc.	4,380		(3,858)	
CDN-USA Inc.	1,045		(819)	
Cementos Lemona Group	783		(2,590)	
Other	227	6,435	110	(7,157)
Latin America:				
Proactiva Group	3,005		168	
Cemusa Group	1,711		(102)	
Corporación M&S Internacional C.A., S.A.	237		(226)	
Other	999	5,952	(601)	(761)
Egypt:				
Egypt Environmental Services, S.A.E.	1,052		1,007	
Giza Environmental Services, S.A.E.	733	1,785	1,021	2,028
European Union:				
Dragon Alfa Cement Limited	(237)		(11)	
Other	26	(211)	(37)	(48)
Other		(335)		23
	13,626			(5,915)

In 2005 the recovery of the US dollar and of the main Latin American currencies gave rise to exchange gains, which exceeded the exchange losses that arose in 2004.

The equity of the foreign companies accounts for approximately 14% of the FCC Group's total equity (13% in 2004). The detail, by geographical market, of this equity, after translation to euros as described in note 4-c), is as follows:

	2005	2004
USA	199,724	173,768
Latin America	121,724	114,816
Other	38,474	25,323
	359,922	313,907

Noteworthy in the U.S. market is the Giant Cement Holding, Inc. Group, whose equity amounted to EUR 149,439 thousand at December 31, 2005 (EUR 148,142 thousand at December 31, 2004).

c) Earnings per share

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

The amount of the numerator does not include the results from discontinued operations or the amount of preference shares: At the FCC Group it relates to the profit attributable to the Parent. The denominator is the 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 2005 and 2004 is as follows:

	2005	2004
Earnings per share		
Basic	3.25 €	2.79 €
Diluted	3.25 €	2.79 €

d) Interim dividend

On December 21, 2005, the Parent, Fomento de Construcciones y Contratas, S.A., resolved to distribute an interim dividend out of 2005 income equal to 76.6% gross of the par value of the shares (EUR 0.766 per share); this payment (EUR 99,682 thousand) was made on or after January 9, 2005.

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 at December 31, 2005 and 2004, of the balances relating to the main companies with minority interests is as follows:

	Equity		Profit or loss	Total
	Capital	Reserves		
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
2004				
Cementos Portland Valderrivas Group	17,193	317,095	59,100	393,388
Compañía Concesionaria del Túnel de Sóller, S.A.	7,238	(3,229)	(159)	3,850
Corporación M&S Internacional C.A., S.A.	4,266	(1,190)	(163)	2,913
Other	4,499	8,671	2,411	15,581
	33,196	321,347	61,189	415,732

In 2005 the main change in this heading 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 6, amounted to EUR 11,197 thousand at December 31, 2005 (EUR 14,117 thousand at December 31, 2004).

17. 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 structure that is best suited to the normal performance of their business activities. From the quantitative standpoint, the Group provides its subsidiaries with credit facilities covering all their budgeted financial requirements plus an additional amount of up to 30%. Also, financial risk is generally spread over various entities and in the normal course of the Group companies' activities they work with more than 30 financial institutions. The bank borrowings arranged are tied to a floating rate of interest, revised at the customary market intervals for transactions of this nature of one month and three months. 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 25).

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 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 December 31, 2005 and 2004, is as follows:

	Non-current	Current	Total
2005			
Credit facilities	440,176	561,012	1,001,188
Loans	150,931	99,546	250,477
Amounts payable under finance leases	32,715	47,294	80,009
Limited recourse project financing loans	56,920	7,733	64,653
2004	680,742	715,585	1.396.327
Credit facilities	176,355	495,090	671,445
Loans	113,254	99,158	212,412
Amounts payable under finance leases	36,279	35,116	71,395
Limited recourse project financing loans	57,684	10,787	68,471
	383,572	640,151	1,023,723

The increase in non-current credit facilities and loans in 2005 was due to the financing of the acquisition of subsidiaries carried out within the framework of the Group's corporate growth policy in the strategic areas (see Appendix IV - Changes in the Scope of Consolidation).

The limit of the credit facilities and loans granted to the Group is EUR 3,176,808 thousand (EUR 2,679,609 thousand in 2004), against which EUR 1,936,940 thousand had not been drawn down at December 31, 2005 (EUR 1,803,802 thousand at December 31, 2004). The undrawn amounts include most notably a syndicated loan arranged by Fomento de Construcciones y Contratas, S.A. on July 30, 2003, amounting to 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 July 30, 2007, and the remaining EUR 400,000 thousand is repayable on July 30, 2008, and tranche "B", a revolving line of credit amounting to EUR 100,000 thousand, with final maturity on July 30, 2008. The cost of the two tranches is tied to Euribor plus a spread established on the basis of the debt-equity ratio calculated on the basis of the consolidated financial statements for each year. This spread is currently 0.275%.

The bank borrowings bear average interest basically at the rates prevailing in the various interbank markets, tied to Mibor, Euribor and Libor.

As indicated in note 14 (Accounts Receivable), certain bank loans are secured by notes receivable amounting to EUR 11,848 thousand (EUR 15,194 thousand in 2004).

The balance of the heading "Limited Recourse Project Financing Loans" relates to the amounts payable in connection with the financing of the investments made in the integral water cycle concessions of Vigo and A.I.E. Aguas y Servicios de la Costa Tropical de Granada, Compañía Concesionaria del Túnel de Sóller, S.A. and Zabalgarbi, S.A., which owns an urban solid waste recovery plant in Vizcaya.

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

The main characteristics common to this financing 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 the heading "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, provided that the contractual terms and conditions are met, the Group companies do not have any liability if the funds obtained during the term of the debt do not cover the full amount of the principal plus interest.
- Long financing period.

The detail, by currency, of the bank borrowings drawn down at December 31, 2005 and 2004, is as follows:

	Euros	U.S. Dollars	Brazilian Real	Other	Total
2005					
Credit facilities	842,217	112,161	3,737	43,073	1,001,188
Loans	168,250	16,577	32,472	33,178	250,477
Amounts payable under finance leases	78,180	—	393	1,436	80,009
Limited recourse loans	64,653	—	—	—	64,653
	1,153,300	128,738	36,602	77,687	1,396,327
2004					
Credit facilities	566,739	38,910	8,142	57,654	671,445
Loans	148,267	28,991	13,280	21,874	212,412
Amounts payable under finance leases	70,034	—	—	1,361	71,395
Limited recourse loans	68,471	—	—	—	68,471
	853,511	67,901	21,422	80,889	1,023,723

The credit facilities and loans in US dollars were mainly arranged by the US cement companies.

The heading "Other" includes the Latin American currencies, except the Brazilian real, the pound sterling and the North African currencies.

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

These liabilities relate mainly to Giant Cement Holding Inc. as a result of the convertible debenture issue in 2003 divided into two tranches of USD 25 million and USD 30 million, maturing in 2010 and 2013 and bearing fixed interest rates at 4.95% and 5.63%, respectively.

c) Other non-current financial liabilities

This balance sheet heading includes mainly the financing for the acquisition of non-current assets. Of the total balance, EUR 57,768 thousand (EUR 49,826 thousand at December 31, 2004) bear interest at market rates.

d) Other current financial liabilities

This balance sheet heading includes various debt items which do not bear interest, including most notably that relating to the payment of the 2005 interim dividend amounting to EUR 99,682 thousand (EUR 88,491 thousand at December 31, 2004).

e) Repayment schedule

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

	2007	2008	2009	2010	2011 and subsequent years	Total
Non-current bank borrowings	219,730	126,855	61,164	109,430	163,563	680,742
Non-current debt instruments and other held-for-trading liabilities	740	2,220	493	21,193	25,431	50,077
Other non-current financial liabilities	3,452	1,592	885	2,954	71,276	80,159
	223,922	130,667	62,542	133,577	260,270	810,978

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 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 December 31, 2005 and 2004, is as follows:

	2005	2004
Non-current		
Non-current asset suppliers	29,582	4,538
Other	5,297	—
	34,879	4,538
Current		
Remuneration payable	87,397	78,255
Non-current asset suppliers	78,620	91,300
Royalties and other items	49,304	54,082
	215,321	223,637

18. 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.

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 December 31, 2005 and 2004, is as follows:

	2005		2004	
Non-current:				
Provisions for pensions and similar obligations	20,424		14,631	
Provisions for litigation	189,627		118,769	
Reinsurance provisions	3,450		16,484	
Environmental provisions	35,964		14,181	
Provisions for contractual and legal guarantees and obligations	46,818		51,205	
Provisions for other contingencies and expenses	118,522	414,805	115,721	330,991
Current:				
Provisions for construction contract settlement and project losses	24,556		21,230	
Provisions for termination benefits to site personnel	6,132	30,688	6,124	27,354

The changes in the heading "Provisions" in 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	66,028	938
Effects of applying IFRS 4 (Insurance Contracts)	(12,143)	—
Translation differences and other changes	2,970	521
Balance at 12.31.2005	414,805	30,688

The transfers relate mainly to liabilities that in 2004 had been classified under the heading "Trade Payables" in the accompanying consolidated balance sheet.

The timing of the expected outflows of economic benefits at December 31, 2005, 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	9,619	10,805	20,424
Provisions for litigation	13,657	175,970	189,627
Reinsurance provisions	3,442	8	3,450
Environmental provisions	3,802	32,162	35,964
Provisions for contractual and legal guarantees and obligations	40,046	6,772	46,818
Provisions for other contingencies and expenses	60,046	58,476	118,522
	130,612	284,193	414,805

Provisions for pensions and similar obligations

The heading "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 20.

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.

Reinsurance provisions

As indicated in note 2 to these consolidated financial statements, the Group opted to apply the option established in IFRS 4 (Insurance Contracts) from January 1, 2005, which led to the reversal of equalisation provisions amounting to EUR 12,143 thousand, with a credit to reserves, net of the related tax effect.

In 2004 the reinsurance provisions were measured in accordance with Spanish GAAP, and the related equalisation provisions and the provisions for outstanding risks to cover the Group's reinsurance risk were retained in the accompanying consolidated balance sheet.

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 performed by the Group.

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

The Group's cement companies have 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.

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

FCC Group management considers that the Group companies' contingencies relating to environmental protection and improvement at December 31, 2005, 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 24 to these consolidated financial statements (Information on the Environment) supplements the information set forth with respect to environmental provisions, which relate mainly to landfill clearance and sealing expenses.

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, mainly in Latin America and North Africa.

Provisions for construction contract settlements

These provisions are recognised for budgeted losses on construction projects in accordance with the measurement bases set forth in note 22, and for expenses arising from such projects from the date of their completion through the date of their definitive settlement.

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.

19. 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.

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.

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 36,163 thousand, since they considered that there are no doubts as to their recoverability.

Deferred tax liabilities arose mainly as a result of:

- The difference between the tax base and the carrying amount of the assets acquired through business combinations, which are recognised in the balance sheet at their fair value at the acquisition date, including most notably various non-current assets, such as concessions, landfills, water distribution facilities, etc. relating to environmental services business amounting to EUR 56,361 thousand (EUR 23,687 thousand in 2004) and certain items belonging to Giant Cement Holding Inc. amounting to EUR 33,420 thousand (EUR 29,364 thousand at December 31, 2004).
- 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 12,501 thousand (EUR 12,559 thousand at December 31, 2004) relating to 35% 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.

In 2005 deferred tax assets and liabilities amounting to EUR 1,442 thousand and EUR 8,920 thousand, respectively, were recognised directly under the heading "Retained Earnings and Other Reserves" in the accompanying consolidated balance sheet, due mainly to the impact of the first-time application of IFRS 4 (Insurance Contracts) and translation differences.

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.

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.

20. 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 senior executives. In particular, the contingencies giving rise to termination 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 when he reaches 60 years of age at the request of the executive and with the consent of the company.
- g) Retirement of the executive when he reaches 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 3,810 thousand (EUR 1,109 thousand in 2004) and income from rebates on the premiums paid amounting to EUR 1,281 thousand (EUR 543 thousand in 2004). At December 31, 2005, following payment of the aforementioned net amounts, the fair value of the premiums contributed covered all the actuarial obligations assumed.

In relation to post-employment benefit obligations to former senior executives, the liability side of the accompanying consolidated balance sheet includes the present value of a liability, totalling EUR 3,267 thousand (EUR 3,308 thousand in 2004). Also, remuneration amounting to EUR 221 thousand in both 2005 and 2004, was paid with a charge to this provision.

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 obligations were valued by independent actuaries using the "projected unit credit method", based on an average actuarial rate of 6% (6.75% at December 31, 2004). At December 31, 2005, the fair value of the plan assets amounted to EUR 48,430 thousand (EUR 41,456 thousand at 2004 year-end) and the actuarial value of the accrued obligations totalled EUR 50,116 thousand (EUR 39,298 thousand at 2004 year-end). The net difference is a liability of EUR 1,686 thousand (an asset of EUR 2,158 thousand in 2004), which was not included in the accompanying consolidated balance sheet since, as permitted by IAS 19 (Employee Benefits), the Group opted to defer recognition of actuarial gains and losses.

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. The accrued obligations, which amounted to EUR 14,978 thousand in 2005 (EUR 12,238 thousand in 2004), were recognised under the heading "Long-Term Provisions – Provisions for Pensions and Similar Obligations". The heading "(Charge to)/Reversal of Operating Provisions" in the accompanying consolidated income statement includes EUR 848 thousand relating to period provisions recognised in 2005 (EUR 735 thousand in 2004) in relation to both provisions for pensions and provisions for medical and life insurance.

21. GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

At December 31, 2005, the Group had provided EUR 2,510,746 thousand (EUR 2,031,191 thousand at December 31, 2004) of guarantees to third parties, mostly completion bonds provided to government agencies and private customers as security for the performance of construction projects and urban cleaning contracts.

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 18). Accordingly, the resulting liabilities would not have a significant effect on the Group's equity.

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 10).

There are non-cancellable future payment obligations amounting to EUR 183,138 thousand (EUR 81,370 thousand in 2004) 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.

22. 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 revenue 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 contract revenue and costs are susceptible to substantial variations during the performance period which cannot be readily foreseen or objectively quantified. Budgeted losses are allocated to income.

The revenues 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.

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 23 (Segment Reporting) shows the contribution of the business lines to consolidated revenue.

The detail of "Other Income" is as follows:

	2005	2004
Group work on non-current assets	40,569	45,203
Grants related to income	17,484	11,705
Chargeable expenses of the property business	6,601	5,501
	64,654	62,409

Procurements and other external expenses

The detail of the balance of "Procurements and other External Expenses" is as follows:

	2005	2004
Work performed by subcontractors and other companies	2,080,214	1,821,779
Purchases and procurements	1,196,837	1,048,240
Other external expenses	1,069,045	962,012
	4,346,096	3,832,031

Staff costs

The detail of staff costs is as follows:

	2005	2004
Wages and salaries	1,402,833	1,295,419
Social security costs	393,324	359,389
Other staff costs	67,458	61,016
	1,863,615	1,715,824

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

	2005	2004
Managers and university graduates	3,443	2,781
Other qualified line personnel	3,450	3,115
Clerical and similar staff	5,471	5,542
Other salaried employees	55,052	51,990
	67,416	63,428

Finance income and costs

Both finance income and finance costs are recorded in the accompanying consolidated income statement on an accrual basis.

The detail of "Finance Income" is as follows:

	2005	2004
Income from financial assets	29,766	31,317
Interest on "full payment of price" construction projects	6,694	12,921
Other finance income	4,744	3,879
	41,204	48,117

The detail of "Finance Costs" is as follows:

	2005	2004
Interest on payables to third parties	49,239	40,838
Interest on the assignment of accounts receivable and on "full payment of price" construction projects	14,739	17,730
Cash discount and other finance costs	16,903	11,788
	80,881	70,356

Other gains or losses

In 2005 the heading "Other Gains or Losses" 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.

In 2004 this heading included mainly the gains and losses arising on the sale of investments of/in consolidated companies provided that such sales did not lead to discontinued activities or give rise to non-recurring income and costs.

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
2004	
Sale of Inversiones y Estudios Financieros, S.A. (Safei) (note 11)	21,738
Partial liquidation of reinsurance activity (note 2)	38,833
Period provision for risks associated with international business (note 18)	(30,000)
Sale of the Grubar Hoteles Group (note 9)	(23,264)
Other items	(3,279)
	4,028

23. SEGMENT REPORTING

a) Business segments

The business segments presented coincide with the strategic business areas, as stated in note 1. The segment reporting, reflected in the following tables, was performed 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 Torre Picasso under a community association regime, as explained in note 6, the investment in the Realia Business Group (see note 9), and, lastly, the companies that do not belong to any of the Group's strategic business lines.

Income statement by segment

In particular, the information shown in the following tables includes as the segment result for 2005 and 2004 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 in 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 22) included under the heading "Other Results".
- The income tax expense relating to the transactions performed by each segment.
- The "Other Activities" 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 as a contribution to the FCC Group's profit.

	Total Group	Services				
		Environment	Versia	Construction	Cement	Other businesses
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 in 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	(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
2004						
Revenue from non-Group customers	6,348,763	1,827,516	519,356	3,123,044	886,758	(7,911)
Gross profit from operations	842,080	285,040	91,083	177,849	267,965	20,143
Percentage of revenue	13.26%	15.60%	17.54%	5.69%	30.22%	—
Depreciation and amortisation charge	(272,093)	(111,855)	(39,405)	(31,987)	(83,580)	(5,266)
(Charge to)/Reversal of operating allowances	(4,850)	(11,305)	(132)	(2,132)	5,077	3,642
Net profit from operations	565,137	161,880	51,546	143,730	189,462	18,519
Percentage of revenue	8.90%	8.86%	9.92%	4.60%	21.37%	—
Financial profit (loss)	(29,015)	(28,516)	(8,919)	(2,691)	(9,343)	20,454
Share in results of associates	71,665	4,644	1,835	558	9,238	55,390
Other results	(17,262)	(13,376)	196	(353)	(1,842)	(1,887)
Profit before tax from continuing operations	590,525	124,632	44,658	141,244	187,515	92,476
Income tax	(166,857)	(42,757)	(14,597)	(46,486)	(55,442)	(7,575)
Minority interests	(61,189)	(1,825)	138	(129)	(5,923)	(53,450)
Profit attributable to the Parent	362,479	80,050	30,199	94,629	126,150	31,451
Contribution to the FCC Group's profit	362,479	80,050	30,199	94,629	74,259	83,342

The detail of the contribution after taxes to the FCC Group's profit of the other items included under the heading "Other Businesses" in 2005 and 2004 is as follows:

	2005	2004
Share of results of the Realia Business Group (note 9)	67,489	52,043
Torre Picasso (note 6)	9,524	7,656
Financial management	12,934	12,415
Partial liquidation of reinsurance business (note 2)	—	25,241
Disposal of investment in Inversiones y Estudios Financieros, S.A. (Safei) (note 11)	—	18,477
Disposal of investment in the Grubar Hoteles Group (note 9)	—	(15,122)
Period provision for risks associated with international business (note 18)	—	(19,500)
Other items	8,099	2,132
	98,046	83,342

Balance sheets by segment

	Total Group	Services		Construction	Cement	Other businesses
		Environment	Versia			
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
2004						
ASSETS						
Non-current assets	3,506,196	1,225,592	359,657	599,215	1,021,320	300,412
Property, plant and equipment	1,929,176	700,021	258,375	189,107	719,801	61,872
Intangible assets	653,844	348,512	69,871	74,296	198,820	(37,655)
Investments in associates	471,841	42,127	14,414	123,429	68,505	223,366
Non-current financial assets	154,691	75,032	2,398	63,734	9,400	4,127
Other non-current assets	296,644	59,900	14,599	148,649	24,794	48,702
Current assets	3,957,627	900,801	222,240	2,500,541	285,383	48,662
Inventories	372,417	26,437	31,850	225,301	82,965	5,864
Trade and other receivables	2,715,258	767,311	144,984	1,623,960	165,628	13,375
Other current financial assets	121,001	34,533	3,561	69,562	16,554	(3,209)
Cash and cash equivalents	748,951	72,520	41,845	581,718	20,236	32,632
Total assets	7,463,823	2,126,393	581,897	3,099,756	1,306,703	349,074
EQUITY AND LIABILITIES						
Equity	2,446,963	548,282	143,715	361,363	899,702	493,901
Non-current liabilities	1,017,173	357,229	137,496	116,914	223,111	182,423
Bank borrowings and other non-current financial liabilities	493,476	235,341	97,436	18,362	145,733	(3,396)
Long-term provisions	330,991	85,181	30,013	54,859	16,973	143,965
Other non-current liabilities	192,706	36,707	10,047	43,693	60,405	41,854
Current liabilities	3,999,687	1,220,882	300,686	2,621,479	183,890	(327,250)
Bank borrowings and other current financial liabilities	761,469	635,678	132,866	123,622	37,997	(168,694)
Trade payables and other current liabilities	3,210,864	581,271	167,818	2,474,754	145,893	(158,872)
Short-term provisions	27,354	3,933	2	23,103	—	316
Total equity and liabilities	7,463,823	2,126,393	581,897	3,099,756	1,306,703	349,074

Cash flows by segment

	Total Group	Services			Cement	Other businesses
		Environment	Versia	Construction		
2005						
From operating activities	981,072	273,967	59,714	426,748	202,952	17,691
From investing activities	(840,131)	(344,385)	(172,246)	(109,053)	(95,153)	(119,294)
Total cash flows from operating and investing activities	140,941	(70,418)	(112,532)	317,695	107,799	(101,603)
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)
2004						
From operating activities	793,948	242,899	91,000	187,837	206,771	65,441
From investing activities	(445,554)	(179,346)	(84,838)	(136,655)	(138,654)	93,939
Total cash flows from operating and investing activities	348,394	63,553	6,162	51,182	68,117	159,380
From financing activities	(264,453)	(69,176)	1,817	(89,350)	(69,848)	(37,896)
Total net cash flows for the year	83,941	(5,623)	7,979	(38,168)	(1,731)	121,484

b) Activities and investments by geographical market

Approximately 10% of the Group's business is conducted abroad.

The breakdown, by market, of the revenue earned abroad by the Group companies in 2005 and 2004 is as follows:

	Total	Services			Cement	Other businesses
		Environment	Versia	Construction		
2005						
European Union	328,475	78,583	147,284	91,591	11,017	—
United States	199,451	—	2,063	—	197,388	—
Latin America	146,914	114,190	17,608	15,116	—	—
Other	28,372	6,603	394	20,957	179	239
	703,212	199,376	167,349	127,664	208,584	239
2004						
European Union	315,158	73,910	133,410	100,397	7,441	—
United States	193,204	—	948	—	192,256	—
Latin America	129,714	84,348	13,940	31,426	—	—
Other	12,699	5,072	623	6,411	212	381
	650,775	163,330	148,921	138,234	199,909	381

The detail of the Group's assets and liabilities and the cost of the investments made in property, plant and equipment and intangible assets in 2005 and 2004, by geographical area, is as follows:

	Total Group	Spain	Other European Union Countries	United States	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
LIABILITIES AND EQUITY						
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	6,331,189	5,661,769	183,024	302,440	156,149	27,807
Equity	2,608,354	2,113,935	162,692	199,724	121,724	10,279
Total liabilities and equity	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
2004						
ASSETS						
Non-current assets	3,506,196	2,843,148	119,396	367,779	145,492	30,381
Property, plant and equipment	1,929,176	1,458,270	73,227	282,594	89,076	26,009
Intangible assets	653,844	560,631	32,121	46,440	14,651	1
Investments in associates	471,841	431,446	2,769	—	33,265	4,361
Non-current financial assets	154,691	125,505	10,336	17,238	1,608	4
Other non-current assets	296,644	267,296	943	21,507	6,892	6
Current assets	3,957,627	3,591,463	206,369	58,147	96,891	4,757
Inventories	372,417	332,088	7,035	27,020	5,540	734
Trade and other receivables	2,715,258	2,536,168	98,350	21,652	56,318	2,770
Other current financial assets	121,001	110,262	3,068	3,435	4,121	115
Cash and cash equivalents	748,951	612,945	97,916	6,040	30,912	1,138
Total assets	7,463,823	6,434,611	325,765	425,926	242,383	35,138
LIABILITIES AND EQUITY						
Non-current liabilities	1,017,173	697,302	49,225	221,318	28,026	21,302
Bank borrowings and other non-current financial liabilities	493,476	295,186	25,795	144,037	8,316	20,142
Long-term provisions	330,991	265,560	20,541	28,623	15,114	1,153
Other non-current liabilities	192,706	136,556	2,889	48,658	4,596	7
Current liabilities	3,999,687	3,714,504	151,062	30,840	99,541	3,740
Bank borrowings and other current financial liabilities	761,469	660,316	29,752	3,782	66,863	756
Trade payables and other current liabilities	3,210,864	3,032,149	120,360	27,036	28,681	2,638
Short-term provisions	27,354	22,039	950	22	3,997	346
Total	5,016,860	4,411,806	200,287	252,158	127,567	25,042
Equity	2,446,963	2,022,805	125,478	173,768	114,816	10,096
Total liabilities and equity	7,463,823	6,434,611	325,765	425,926	242,383	35,138
Investments in property, plant and equipment and intangible assets	446,940	345,611	9,683	78,404	11,393	1,849

c) Headcount

The average number of employees in 2005 and 2004, by business area, was as follows:

	2005	2004
Services	53,263	48,438
Construction	10,147	10,561
Cement	2,674	2,708
Other businesses	1,332	1,721
	67,416	63,428

24. INFORMATION ON THE ENVIRONMENT

The FCC Group's environmental policy is based not only on strict compliance with current legislation in the area of environmental improvement and protection, but rather goes further through the establishment of preventive planning and an environmental analysis of the various activities performed by the Group 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:

- Compliance with the applicable regulations and achievement of environmental objectives that go beyond external requirements.
- Decrease in environmental impact through adequate planning.
- 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:

- Identification of environmental issues and of applicable legislation.
- Impact evaluation criteria.
- Measures to be adopted.
- A system for measuring the objectives achieved.

The non-current assets used in environmental conservation activities are classified under the heading "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 December 31, 2005, the acquisition cost of the non-current assets assigned to production in the services area totalled EUR 2,151,446 thousand (EUR 1,776,097 thousand at December 31, 2004), and the related accumulated depreciation amounted to EUR 869,167 thousand (EUR 727,564 thousand at December 31, 2004). The environmental provisions, mainly for landfill sealing and shutdown expenses, totalled EUR 33,578 thousand (EUR 11,987 thousand at December 31, 2004).

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 66,681 thousand (net of depreciation) (EUR 46,733 thousand in 2004).

In relation to CO₂ emission allowances, the Ministry of the Environment resolved to assign for no consideration to the El Alto, Olazagutía, Hontoria and Alcalá de Guadaíra factories emission allowances for 2005-2007, and, specifically, in 2005 the Cementos Portland Valderrivas Group received allowances totalling EUR 5,543 thousand tonnes. The emission allowances consumed in 2005 totalled EUR 5,471 thousand tonnes. The cost of the emission allowances consumed amounted to EUR 42,951 thousand, which was classified under the heading "Procurements and Other External Expenses" in the accompanying consolidated income statement. This heading also includes the grant recognised for the rights received for no consideration and, accordingly, the impact on profit for the year was scanty material. Also, since these emission allowances are fully subsidised assets, they are not recognised in the consolidated balance sheet because their carrying amount is zero.

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 the techniques involved in the environmental decision-making process. It has also implemented an "Environmental Behaviour Code" which establishes the requirements for subcontractors and suppliers in the area of environmental conservation and protection.

25. FINANCIAL RISK MANAGEMENT POLICIES

Foreign exchange risk

The FCC Group's current positioning in international markets means that the concept of foreign exchange risk in the global context of the Group has only a moderate effect. However, despite its limited materiality, the Group's policy is to reduce as far as possible the adverse effect that this risk may have on its financial statements, due both to transactions and to changes in equity. In practice, the effect of the former is reduced should the volume of transactions make it advisable, through the arrangement of the appropriate hedging instruments. As regards the effect on the latter, i.e. on balance sheet operations, when the situation so requires and provided that there is liquidity in the related financial markets and there are appropriate instruments and time horizons, the Company attempts to achieve hedging by arranging financing in the same currency as that in which the asset in question is denominated.

Interest rate risk

In view of the nature of the Group's activities, in which working capital management plays an essential role, its general policy is to use as the reference for its financial debt the rate which best reflects changes in inflation. Accordingly, the Group endeavours to ensure that both the current financial assets which, to a large extent, provide natural hedging for its current financial liabilities, and the Group's debt are tied to floating interest rates.

As an exception to this general policy, in the case of long-term transactions, the Group arranges interest rate hedges provided that markets exist and that the project's financial structure so requires. Accordingly, as detailed below, the FCC Group has arranged hedges mainly in the form of IRSs, in which the Group companies pay fixed rates and receive floating rates.

Solvency risk

At December 31, 2005, the FCC Group's net financial debt amounted to EUR 403,037 thousand (EUR 270,083 thousand at 2004 year-end), as shown in the following table, which represents 15% (11% in 2004) of equity at that date:

	2005	2004
Bank borrowings	1,396,327	1,023,723
Debt instruments and other held-for-trading liabilities	50,191	43,410
Other interest-bearing financial debt	65,519	72,902
Current financial assets	(67,384)	(121,001)
Cash and cash equivalents	(1,041,616)	(748,951)
Net financial debt	403,037	270,083

FCC's current objective is to combine the development of its strategic areas with that arising from corporate transactions. This corporate growth policy will focus exclusively on acquisitions within the strategic areas.

The Group wishes to achieve this growth, both in terms of sales and profit, without exceeding a gearing ratio of 50% and maintaining a debt/EBITDA ratio of less than 2.5, thereby ensuring the Group's financial solvency.

Liquidity risk

In view of the current stable situation of the financial markets and the low percentage of debt with respect to EBITDA (41% at December 31, 2005 as compared to 32% at December 31, 2004), all the Group's borrowing transactions can foreseeably be renewed and even extended if required and, accordingly, there are no indications that the Group will experience liquidity problems at medium term.

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 hedge instrument and the nature of the hedged risk.

At December 31, 2005, the FCC Group had arranged hedging transactions totalling EUR 470,660 thousand (EUR 179,600 thousand at 2004 year-end), 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, in which the amounts relating to joint ventures and associates is shown in proportion to the percentage of ownership, is as follows:

	Notional Amount Hedged	Maturity Date
Fully consolidated companies		
Giant Cement Holding Inc.	25,400	07.01.2008
Fomento de Construcciones y Contratas, S.A.	2,780	12.31.2006
Aqualia Gestión Integral del Agua, S.A.	2,780	12.31.2006
	30,960	
Joint ventures		
CDN-USA Group	17,000	01.17.2009
Aguas y Servicios de la Costa Tropical de Granada, A.I.E.	2,900	11.04.2008
	19,900	
Associates		
Autopista de la Costa Cálida Concesionaria Española de Autopistas, S.A.	176,900	12.15.2006/2012
Autovía del Camino, S.A. (*)	66,300	12.15.2024/2027
Tacel Group	60,300	07.31.2013
Cedinsa Group	52,700	05.01.2033
Hospital del Sureste, S.A.	10,800	06.30.2034
Tramvia Metropolità del Besós, S.A.	15,700	06.30.2023
Tramvia Metropolità, S.A.	15,200	10.31.2023
Urbs Iudex et Causidicus, S.A.	10,500	12.30.2033
Terminal Polivalente de Castellón, S.A.	9,400	07.28.2009
Ruta de los Pantanos, S.A.	2,000	01.02.2018
	419,800	
	470,660	

(*) The derivatives of Autovía del Camino, S.A. include a cash flow hedge tied to inflation for a notional amount of EUR 4,096 thousand.

Since January 1, 2005, as a result of the application of IAS 39 (Financial Instruments: Recognition and Measurement), the changes in the fair value of cash flow hedges are taken, net of the tax effect, to reserves (see note 16-b.4) and are recognised in income for the year to the extent that the hedged item has an impact on the income statement.

The IRSs were measured using future market rates to estimate the floating IRS payments and the zero coupon curve in order to discount to present value the fixed and variable payments on these swaps. When there are caps and floors and combinations thereof, on occasions conditional upon special conditions being met, the interest rates used were the same as those used in the swaps, although in order to introduce a 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 French government bonds tied to inflation in the euro area.

The interest rate swaps outstanding at December 31, 2004, were practically all arranged to hedge the cost of floating rate financing. As indicated in note 2, in 2004 these financial derivatives were measured in accordance with the measurement bases in the Spanish National Chart of Accounts and with the implementing regulations issued by the Spanish Accounting and Audit Institute and, accordingly, the positive and negative differences arising from fluctuations in interest rates or from the settlements made were recognised in the consolidated income statement using the same timing of recognition method as that used for the positive or negative returns generated by the asset in question or by the principal transaction hedged.

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 because they do not pass the effectiveness tests under this Standard. The changes in the fair value of these derivatives are recognised under the headings "Income from Changes in Value of Financial Instruments" or "Share of Results of Associates", as appropriate.

At December 31, 2005, the FCC Group had arranged the following transactions that do not qualify for hedge accounting totalling EUR 140,700 thousand:

	Notional Amount Hedged	Maturity Date
Fully consolidated companies		
Fomento de Construcciones y Contratas, S.A.	55,800	11.30.2006/2007
Aqualia Gestión Integral del Agua, S.A.	10,300	01.02.2008
FCC Logística, S.A. Unipersonal	2,500	05.21.2007
	68,600	
Joint ventures		
Zabalgarbi, S.A.	29,900	01.26.2007/2014
	29,900	
Associates		
Concesiones de Madrid, S.A.	33,700	08.27.2008
Ruta de los Pantanos, S.A.	8,500	09.01.2009
	42,200	
	140,700	

In addition to the foregoing, there are two derivatives maturing in 2006 and 2007 that were transferred to Fomento de Construcciones y Contratas, S.A. in July 2004 as a result of the sale of the assets of Grubarges Inversión Hotelera, S.A., as indicated in note 9. These interest rate derivatives were arranged by Grubarges Inversión Hotelera, S.A. in US dollars to hedge its obligations in relation to its syndicated debt without recourse. As a result of the sale of its assets the latter repaid the syndicated debt, leaving the derivatives outstanding at the date of repayment and, accordingly, in 2004 they were classified as speculative. At that time, interest rates in the USA were at one of their lowest levels in history and in light of forecasts of successive increases in rates and in order to minimise the impact on the income statement, the Group opted not to cancel the derivatives until maturity and to assume the related payment obligations by recording a provision for their present estimated value. Accordingly, in 2005 income of EUR 1,114 thousand (a loss of EUR 4,696 thousand in 2004) was recognised under the heading "Income from Changes in Value of Financial Instruments" in the accompanying consolidated income statement.

Sensitivity test on derivatives

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 involved an increase and a decrease in rates of 100 basis points at December 31, 2005.

Following are the results obtained, 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 which qualify for hedge accounting)	(1,340)	1,310	(31,770)	27,170
Impact on the income statement (derivatives which do not qualify for hedge accounting)	(1,100)	850	(730)	700

26. 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.	Servicios Especiales de Limpieza, S.A.	Contractual	Rendering of services	16

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. and payable to them by the Company or by any of the Group companies, joint ventures or associates is as follows:

	2005	2004
Fixed remuneration	2,205	2,785
Variable remuneration	484	474
Bylaw-stipulated directors' emoluments	2,392	2,290
Attendance fees	6	6
	5,087	5,555

The senior executives listed below, who are not members of the Board of Directors, earned total remuneration of EUR 4,258 thousand in 2005 (EUR 4,386 thousand in 2004):

2005	
Ignacio Bayón Marín	Chairman of Realía Business, S.A.
José Ignacio Martínez-Ynzenga Cánovas del Castillo	Managing Director of Cementos P.V.
José Mayor Oreja	Chairman of FCC Construcción, S.A.
José Eugenio Trueba Gutiérrez	General Administration and Finance Manager
José Luis Vasco Hernando	General Administration Manager
José Luis de la Torre Sánchez	Chairman of FCC Servicios
Antonio Gómez Ciria	Internal Audit Manager
2004	
Ignacio Bayón Marín	Chairman of Realía Business, S.A.
José Ignacio Martínez-Ynzenga Cánovas del Castillo	Managing Director of Cementos P.V.
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Antonio Pérez Colmenero	General Human Resources Manager
José Eugenio Trueba Gutiérrez	General Administration and Finance Manager
José Luis Vasco Hernando	General Administration Manager
José Luis de la Torre Sánchez	Chairman of FCC Servicios

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 20. In 2005 the Company's directors received EUR 3,942 thousand from the insurance policy and did not receive any amount in 2004.

Except as indicated in note 20, no other remuneration, advances, loans or guarantees were granted to the Board members.

The directors of Fomento de Construcciones y Contratas, S.A. have declared that they do not hold any ownership interests in the share capital of companies not belonging to the FCC Group that engage in any activity that is identical, similar or complementary to the activity that constitutes the corporate purpose of the Group.

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

Certain of the directors of Fomento de Construcciones y Contrata, S.A. hold positions or discharge functions and hold ownership interests of less than 0.01% in all cases in the FCC Group companies, which are indicated in the notes to the financial statements of the Group's Parent, Fomento de Construcciones y Contratas, S.A.

In 2005 the directors of Fomento de Construcciones y Contratas, S.A., or persons acting on their behalf, did not perform, with the Company or with any company 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 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
B 1998, S.L.	Servicios Especiales de Limpieza, S.A.	Contractual	Rendering of services	16
Dominum Desga, S.A.	Servicios Especiales de Limpieza, S.A.	Contractual	Rendering of services	8
Dominum Desga, S.A.	Falcon Contratas y Seguridad, S.A.	Contractual	Rendering of services	390

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.

The revenue recognised in the accompanying consolidated income statement includes EUR 260,310 thousand (EUR 184,591 thousand in 2004) relating to Group company billings to associates.

The Group's consolidated financial statements also include purchases from associates amounting to EUR 39,420 thousand (EUR 39,741 thousand in 2004).

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.

27. FEES PAID TO AUDITORS

The 2005 and 2004 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 in both Spain and abroad, are shown in the following table:

	2005	2004
Fees for financial audit services	3,089	2,782
Principal auditor	1,830	1,813
Other auditors	1,259	969
Fees for other services	1,626	1,002
Principal auditor	791	538
Other auditors	835	464
	4,715	3,784

28. EVENTS AFTER THE BALANCE SHEET DATE

On November 17, 2005, an agreement was entered into with the EDF Group to acquire, for EUR 224,000 thousand, the ASA Abfall Service AG Group, a waste management company in Central and Eastern Europe. On March 8, 2006, the definitive purchase agreement was formalised.

The agreement is scheduled to be concluded in 2006 and, accordingly, on September 21, 2005, the New York City Council chose Cemusa as the preferred bidder in the concession for the installation of street furniture and related advertising in the city over the coming 20 years.

On December 2, 2005, the takeover bid for all the shares of Cementos Lemona, S.A. was submitted to the CNMV. This transaction was authorised by the CNMV on January 17, 2006, and the acceptance period ended on February 20, 2006.

The consideration offered was EUR 32 per share of Cementos Lemona, S.A., paid in full in cash with a charge to bank financing. The total amount of the transaction was EUR 234,191 thousand. As a result of this transaction, the subsidiary Cementos Portland, S.A. now controls 96.06% of Cementos Lemona, S.A.

The acquisition, for EUR 13,500 thousand, of 10% of the shares of Autopista Central Gallega Concesionaria Española, S.A. (Sole-Shareholder Company) owned by Iniciativas de Infraestructuras y Servicios, S.A. was completed on January 13, 2006, increasing the Group's ownership interest in this company to 54.64%.

29. 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	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
ENVIRONMENT				
FCC Medio Ambiente, S.A. Federico Salmón, 13. Madrid (a)	35,102 442	35,102 442	98.98 1.02	Fomento de Construcciones y Contratas, S.A. Corporación Financiera Hispánica, S.A.
Urban cleaning				
AEBA, Ambiente y Ecología de Buenos Aires, S.A. Tucumán, 1321- 3º. Buenos Aires (Argentina)	656	148	50.00 5.00	Fomento de Construcciones y Contratas, S.A. AESA, Aseo y Ecología, S.A.
Alfonso Benítez, S.A. Federico Salmón, 13. Madrid (a)	374	374	99.95 0.05	FCC Medio Ambiente, S.A. International Services Inc., S.A. Unipersonal
Castellana de Servicios, S.A. Federico Salmón, 13. Madrid (a)	6	62	99.98 0.02	FCC Medio Ambiente, S.A. International Services Inc., S.A. Unipersonal
Compañía Catalana de Servicios, S.A. Balmes, 36. Barcelona (b)	29	29	99.98 0.02	FCC Medio Ambiente, S.A. International Services Inc., S.A. Unipersonal
Corporación Inmobiliaria Ibérica, S.A. Ulises, 18. Madrid	6,442	6,442	99.99 0.01	FCC Medio Ambiente, S.A. International Services Inc., S.A. Unipersonal
Egypt Environmental Services, S.A.E. Cairo. Egypt (a)	— — — 80	1,637 17 17 80	97.00 1.00 1.00 1.00	Fomento de Construcciones y Contratas, S.A. FCC Medio Ambiente, S.A. Alfonso Benítez, S.A. International Services Inc., S.A. Unipersonal
Empresa Comarcal de Serveis Mediambientals del Baix Penedés. ECOBP, S.L. Pza. del Centre, 3. El Vendrell (Tarragona) (e)	240	204	80.00	Fomento de Construcciones y Contratas, S.A.
Empresa Municipal de Desarrollo Sostenible Ambiental de Úbeda, S.L. Pz. Vázquez de Molina, s/n. Úbeda (Jaén)	720	—	90.00	Fomento de Construcciones y Contratas, S.A.
Focsa Services, U.K. Ltd. Brook House. Oldham Road-Middleton. Manchester (United Kingdom) (a)	1,161	1,161	100	FCC Medio Ambiente, S.A.
Focsa Serviços de Saneamento Urbano de Portugal, S.A. Rua Castilho, 75-1º. Lisbon (Portugal) (e)	641	641	99.96 0.01 0.01 0.01 0.01	FCC Medio Ambiente, S.A. Alfonso Benítez, S.A. FCC International, B.V. International Services Inc., S.A. Unipersonal Servicios Especiales de Limpieza, S.A.
Giza Environmental Services, S.A.E. Cairo. Egypt (a)	— — — 78	225 2 2 78	97.00 1.00 1.00 1.00	Fomento de Construcciones y Contratas, S.A. FCC Medio Ambiente, S.A. Alfonso Benítez, S.A. International Services Inc., S.A. Unipersonal
International Services Inc., S.A. Unipersonal Arquitecto Gaudí, 4. Madrid	60	60	100	FCC Medio Ambiente, S.A.
Jaume Oro, S.L. Avda. de Les Garrigues, 15. Bellpuig (Lleida) (e)	1,014 8	840 8	99.09 0.91	Compañía Catalana de Servicios, S.A. International Services Inc., S.A. Unipersonal
Limpieza e Higiene de Cartagena, S.A. Luis Pasteur, 6. Cartagena (Murcia) (a)	270	270	90.00	FCC Medio Ambiente, S.A.
Limpiezas Urbanas de Mallorca, S.A. Fusters, 18. Polígono Industrial. Manacor (Balearic Islands) (e)	5,097	5,209	99.92 0.08	Fomento de Construcciones y Contratas, S.A. International Services Inc., S.A. Unipersonal
Municipal de Serveis, S.A. Joan Torrà i Cabrosa, 7. Girona (e)	96	96	80.00	FCC Medio Ambiente, S.A.
Onyx Gibraltar, Ltd. 2º Floor, Imossi House, 1/5 Irish Town. Gibraltar (United Kingdom)	4	4	100	FCC Medio Ambiente, S.A.
Saneamiento y Servicios, S.A. Ronda Vigilancia, s/nº. Cádiz (a)	63	63	99.98 0.02	FCC Medio Ambiente, S.A. International Services Inc., S.A. Unipersonal

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
Serveis d'Escombreries i Neteja, S.A. Pardinyes Altes, 13. Lleida (a)	21	21	99.94 0.06	FCC Medio Ambiente, S.A. International Services Inc., S.A. Unipersonal
Servicios de Levante, S.A. Ctra. de Valencia, Km. 3. Castellón de la Plana (a)	63	63	99.98 0.02	FCC Medio Ambiente, S.A. International Services Inc., S.A. Unipersonal
Servicios Especiales de Limpieza, S.A. Federico Salmón, 13. Madrid (a)	202	202	99.99 0.01	FCC Medio Ambiente, S.A. International Services Inc., S.A. Unipersonal
Telford & Wrekin Services, Ltd. Granville House, St. Georges Road. Donnington Wood (United Kingdom) (a)	121	11	100	Focsa Services, U.K. Ltd.
Valorización y Tratamiento de Residuos, S.A. Alameda de Mazarredo, 15-4º A. Bilbao (Vizcaya) (e)	6,437	6,927	99.00 1.00	FCC Medio Ambiente, S.A. International Services Inc., S.A. Unipersonal
Water treatment and distribution				
Abastecimientos y Saneamientos del Norte, S.A. Unipersonal Uruguay, 11. Vigo (Pontevedra)	601	601	100	Aqualia Gestión Integral del Agua, S.A.
Adobs Orgànics, S.L. Sant Benet, 21. Manresa (Barcelona)	22	22	60.00	Aqualia Gestión Integral del Agua, S.A.
Aguas Jaén, S.A. Plaza de los Jardinillos, 6. Jaén (a)	1,118	1,118	60.00	Aqualia Gestión Integral del Agua, S.A.
Aguas Torrelavega, S.A. La Viña, 4. Torrelavega (Cantabria) (e)	307	307	51.00	Aqualia Gestión Integral del Agua, S.A.
Aigües de l'Alt Empordà, S.A. (ADAMSA) Lluís Companys, 43. Roses (Girona)	31	31	51.40	Aqualia Gestión Integral del Agua, S.A.
Aqua Campiña, S.A. Avda. Blas Infante, 6. Écija (Seville) (e)	541	541	90.00	Aqualia Gestión Integral del Agua, S.A.
Aqualia Gestión Integral del Agua, S.A. Federico Salmón, 13. Madrid (c)	254,768	254,768	99.99 0.01	Fomento de Construcciones y Contratas, S.A. Internacional Services Inc., S.A. Unipersonal
Aguas Municipais de Arteixo, S.A. Pz. Alcalde Ramón Dopico. Arteixo (La Coruña) (e)	2,040	—	51.00	Aqualia Gestión Integral del Agua, S.A.
Chemipur Químicos, S.L. Unipersonal Píncel, 25. Seville	54	—	100.00	Aqualia Gestión Integral del Agua, S.A.
Colaboración, Gestión y Asistencia, S.A. Federico Salmón, 13. Madrid	437	326	99.99 0.01	Aqualia Gestión Integral del Agua, S.A. Sociedad Ibérica del Agua, S.I.A., S.A. Unipersonal
Compañía Onubense de Aguas, S.A. Avda. Martín Alonso Pinzón, 8. Huelva	—	—	—	—
Conservación de Infraestructuras Urbanas, S.A. Federico Salmón, 13. Madrid (e)	300	300	99.99 0.01	Aqualia Gestión Integral del Agua, S.A. Sociedad Ibérica del Agua, S.I.A., S.A. Unipersonal
Empresa Mixta de Conservación de la Estación Depuradora de Aguas Residuales de Butarque, S.A. Princesa, 3. Madrid	—	—	70.00	Aqualia Gestión Integral del Agua, S.A.
Entemanser, S.A. Castillo, 13. Adeje (Santa Cruz de Tenerife) (e)	63,953	—	97.00	Aqualia Gestión Integral del Agua, S.A.
F.S. Colaboración y Asistencia, S.A. Ulises, 18 Edificio H. Madrid (e)	378	273	65.00	Colaboración, Gestión y Asistencia, S.A.
Gestión de Aguas del Norte, S.A. Av. de Tirajana, 39. San Bartolomé de Tirajana (Las Palmas) (e)	1,000	1,000	51.00	Aqualia Gestión Integral del Agua, S.A.
Graver Española, S.A. Unipersonal Epalza, 8. Bilbao (Vizcaya)	2,073	2,073	100	Aqualia Gestión Integral del Agua, S.A.
Hidrotec Tecnología del Agua, S.L. Unipersonal Píncel, 25. Seville	32	—	100	Aqualia Gestión Integral del Agua, S.A.
Instugasa, S.L. Unipersonal La Presa, 14. Adeje (Santa Cruz de Tenerife)	8,665	—	100	Aqualia Gestión Integral del Agua, S.A.
Inversora Riutort, S.L. Alfonso XIII. Sabadell (Barcelona)	—	1	90.00	Aqualia Gestión Integral del Agua, S.A.

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
Nilo Medioambiente, S.L. Unipersonal Pincel, 25. Seville (e)	2,414	—	100	Aqualia Gestión Integral del Agua, S.A.
Servicios y Procesos Ambientales, S.A. Av. General Perón, 36. Madrid (c)	6,195	1,108	99.99 0.01	Aqualia Gestión Integral del Agua, S.A. Sociedad Ibérica del Agua, S.I.A., S.A. Unipersonal
Sociedad Ibérica del Agua, S.I.A., S.A. Unipersonal Federico Salmón, 13. Madrid	57	57	100	Aqualia Gestión Integral del Agua, S.A.
Tratamiento Industrial de Aguas, S.A. Federico Salmón, 13. Madrid (e)	652	652	99.99 0.01	Aqualia Gestión Integral del Agua, S.A. Sociedad Ibérica del Agua, S.I.A., S.A. Unipersonal
Waste treatment				
Aecosol, S.L. Común de las Eras-Fustiñana (Navarra)	156	156	99.99 0.01	Ekonor, S.A. FCC Medio Ambiente, S.A.
Azuser, S.L. Camí de la Rambla, 12. Onda (Castellón de la Plana)	796 1	2,383 —	99.95 0.05	FCC Medio Ambiente, S.A. International Services Inc., S.A. Unipersonal
Baltecma, Gestión de Residuos Industriales, S.L. Conradors, parc. 34 P.I. Marratxí. Mallorca (Balearic Islands)	76	46	70.00	Ekonor, S.A.
Bistibieta, S.L. Trinidad, 9. Algorta (Vizcaya)	1,460 77	1,460 77	95.00 5.00	Ekonor, S.A. FCC Medio Ambiente, S.A.
Compañía de Control de Residuos, S.L. Peña Redonda, 27. Pol. Silvota. Llanera (Asturias)	532	551	64.00	Ekonor, S.A.
Ecoactiva de Medio Ambiente, S.A. Unipersonal Cr. Puebla Albortón a Zaragoza Km. 25. Zaragoza	2.975	2.904	100	FCC Medio Ambiente, S.A.
Ecodeal-Gestao Integral de Residuos Industriais, S.A. Rua General Pimenta de Castro, 14. Lisbon (Portugal)	—	76	54.99 0.01	FCC Medio Ambiente, S.A. T.P.A. Técnicas de Protección Ambiental, S.A.
Ecogenesis Societe Anonime Rendering of Cleansing and Waste Management Services Municipality of Athens. Prefecture of Attica (Greece)	6	—	51.00	FCC Medio Ambiente, S.A.
Ekonor, S.A. Larras de San Juan. Iruña de Oca (Álava) (b)	48,356	53,511	99.99 0.01	FCC Medio Ambiente, S.A. International Services Inc., S.A. Unipersonal
Equipos de Protección Ambiental, S.L. Trinidad, 9. Algorta (Vizcaya)	31	31	99.98 0.02	Ekonor, S.A. FCC Medio ambiente, S.A.
Gamasur Campo de Gibraltar, S.L. Pz. de la Iglesia, 1. Los Barrios (Cádiz) (b)	3,006	1,853	85.00	Gestiones Medioambientales del Sur, S.L.
GEMECAN, Gestora Medioambiental y de Residuos, S.L. Josefina Mayor, 12. Telde (Las Palmas)	3,647 1	— —	99.97 0.03	FCC Medio Ambiente, S.A. T.P.A. Técnicas de Protección Ambiental, S.A.
Gestió i Recuperació de Terrenys, S.A. Paratge Vacamorta. Cruilles (Girona) (b)	15,611	15,97	100	Recuperació de Pedreres, S.L.
Gestiones Medioambientales del Sur, S.L. Polígono Industrial Las Quemadas, parc. 271. Córdoba (b)	1,733 2	1,688 —	99.98 0.02	Ekonor, S.A. International Services Inc., S.A. Unipersonal
Hidrocen, S.L. Camino del Valle, 12. Arganda del Rey (Madrid) (b)	2,019	2,019	99.99 0.01	Ekonor, S.A. FCC Medio Ambiente, S.A.
Industrias Sangar, S.A. Guadalquivir, 16. Fuenlabrada (Madrid)	989	—	100	Papeles Hernández e Hijos, S.A.
Ingetma, S.A. (*) Juan Bautista Zabala, 12. Guecho (Vizcaya)	—	170		
Innovación y Gestión Medioambiental, S.A. Camí de la Rambla, 10. Onda (Castellón de la Plana)	855	825	99.99 0.01	Ekonor, S.A. International Services Inc., S.A. Unipersonal
Integraciones Ambientales de Cantabria, S.A. Lealtad, 14. Santander (Cantabria)	180	—	90.00	FCC Medio Ambiente, S.A.
Ipodec Riscop, S.A. Unipersonal Ctra. Sabadell a Mollet, Km. 1 Moli d'en Gall. Barberà del Vallès (Barcelona) (b)	1,292	1,556	100	FCC Medio Ambiente, S.A.
Jaime Franquesa, S.A. Pol. Ind. Zona Franca Sector B Calle D49 (Barcelona)	18,515	18,515	99.99 0.01	FCC Medio Ambiente, S.A. International Services Inc., S.A. Unipersonal
Ligete, S.L. Trinidad, 9. Algorta (Vizcaya)	379	691	99.98 0.02	Ekonor, S.A. FCC Medio Ambiente, S.A.

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
Limpiezas Industriales Alfus, S.A. Barrio Ibarra, 20. Bedia (Vizcaya) (e)	12,081	11,271	79.19	FCC Medio Ambiente, S.A.
Lizarreka, S.L. Bº Elbarrena. Aduna (Guipúzcoa)	4	4	99.97 0.03	Ekonor, S.A. FCC Medio Ambiente, S.A.
Manipulación y Recuperación MAREPA, S.A. Av. San Martín de Valdeiglesias, 22. Alcorcón (Madrid) (b)	26,126 52	—	82.05 4.02	FCC Medio Ambiente, S.A. Papeles Hernández e Hijos, S.A.
Papeles Hernández e Hijos, S.A. Guadalquivir, 16. Fuenlabrada (Madrid)	11,953	—	100	FCC Medio Ambiente, S.A.
Papeles Vela, S.A. Álava, 90. Barcelona	789 94 19 17	—	84.00 10.00 2.00 2.00	Papeles Hernández e Hijos, S.A. Recuperaciones Madrileñas del Papel, S.A. Industrias Sangar, S.A. Recuperados Extremeños, S.A.
Recitermia, S.A. Unipersonal Cr. Andalucía Km. 12 Políg. Indus. "Los Olivos". Getafe (Madrid)	406	1,031	100	T.P.A., Técnicas de Protección Ambiental, S.A.
Recuperació de Pedreres, S.L. Paratge Vacamorta. Cruïlles (Girona) (b)	12,534	13,162	80.00	FCC Medio Ambiente, S.A.
Recuperaciones Madrileñas del Papel, S.A. Guadalquivir, 16. Fuenlabrada (Madrid)	1,791	—	100	Papeles Hernández e Hijos, S.A.
Recuperados Extremeños, S.A. Cr. Nacional 630 Km. 543. Casar de Cáceres (Cáceres)	300	—	100	Manipulación y Recuperación MAREPA, S.A.
Técnicas de Descontaminación, S.A. Polígono Guarnizo, parcela 97. El Astillero (Cantabria) (e)	1,503	1,503	99.99 0.01	Limpiezas Industriales Alfus, S.A. FCC Medio Ambiente, S.A.
Tratamiento y Reciclado Integral de Ocaña, S.A. Federico Salmón, 13. Madrid	56	57	99.90 0,10	FCC Medio Ambiente, S.A. T.P.A. Técnicas de Protección Ambiental, S.A.
Tratamientos y Recuperaciones Industriales, S.A. Angli, 31. Barcelona (b)	21,455 14	21,455 14	74.92 0.08	Fomento de Construcciones y Contratas, S.A. International Services Inc., S.A. Unipersonal
T.P.A. Fugro, S.A. (*) Federico Salmón, 13. Madrid	—	214		
T.P.A., Técnicas de Protección Ambiental, S.A. Federico Salmón, 13. Madrid (b)	4,904	4,904	99.99 0.01	FCC Medio Ambiente, S.A. International Services Inc., S.A. Unipersonal

VERZIA

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

Logistics

Aitena Portugal, Almacenage Transporte e Distribuicao de Mercaderias, S.A. Cr. Nacional 1, km. 33,4. Alenquer (Portugal) (e)	1,754	1,754	99.99	FCC Logística, S.A. Unipersonal
FCC Logística, S.A. Unipersonal (1) Avda. Fuentemar, 19. Coslada (Madrid) (a)	10,093	8,551	100	FCC Versia, S.A.
Logística Navarra, S.A. Unipersonal C/E Polígono Arazuri Orcoyen Parc 3.8. Pamplona (Navarra) (a)	7,832	4,520	100	FCC Versia, S.A.
LNP-Logística, Lda. Estrada Nacional nº 3 km. 5,7 Vila Nova da Reinha. Azambuja (Portugal) (e)	900 100	900 100	90.00 10.00	Logística Navarra, S.A. Unipersonal Aitena Portugal Almacenage Transporte e Distribuicao de Mercaderias, S.A.
Santos Renting, S.L. Unipersonal Francisco Medina y Mendoza. Guadalajara	5	—	100	FCC Logística, S.A. Unipersonal

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
Street furniture				
Beta de Administración, S.A. Federico Salmón, 13. Madrid (b)	8,729	7,302	99.99 0.01	FCC Versia, S.A. Aragonesa de Servicios I.T.V., S.A.
Camusa Corporación Americana de Mobiliario Urbano, S.A. Arenales, 1123. Buenos Aires (Argentina)	1	4	99.00 1.00	Cemusa, Corporación Europea de Mobiliario Urbano, S.A. General de Servicios, I.T.V., S.A.
Cemusa Amazonia, S.A. Rua Comendador Clementino, 566 Manaus. Estado do Amazonas (Brazil) (b)	595	853	100	Cemusa Do Brasil Ltda.
Cemusa Boston, Ll. 645 N. Michigan Ave Ste. 800 Chicago. Illinois (U.S.A.)	237	—	100	Cemusa Inc.
Cemusa Brasilia, S.A. SAA/Norte Quadra, 02,25. Brasilia (Brasilia DF. Brazil) (b)	1,820	1,734	100	Cemusa Do Brasil Ltda.
Cemusa, Corporación Europea de Mobiliario Urbano, S.A. Francisco Sancha, 24. Madrid (b)	51,502	51,502	99.99 0.01	FCC Versia, S.A. Industrial de Limpiezas y Servicios, S.A. Unipersonal
Cemusa Do Brasil Ltda. Rua Funchal, 263. Sao Paolo (Brazil) (b)	10,050 1	7,837 —	99.99 0.01	Cemusa, Corporación Europea de Mobiliario Urbano, S.A. Industrial de Limpiezas y Servicios, S.A. Unipersonal
Cemusa Inc. City of Dover. County Kent. Delaware (U.S.A.)	—	5	100	Cemusa, Corporación Europea de Mobiliario Urbano, S.A.
Cemusa Italia, S.R.L. Via Vincenzo Monti, 8. Milan (Italy)	15	10	99.95	Cemusa, Corporación Europea de Mobiliario Urbano, S.A.
Cemusa Miami, Ltd. Florida. U.S.A.	21 6	4,427 —	79.00 21.00	Cemusa, Corporación Europea de Mobiliario Urbano, S.A. Cemusa Inc.
Cemusa Portugal, Companhia de Mobiliario Urbano e Publicidade, S.A. Avda. de Pádua, 14. Lisboa (Portugal) (b)	7,569	7,569	100	Cemusa, Corporación Europea de Mobiliario Urbano, S.A.
Cemusa Rio, S.A. Avda. Atlántica, 1130. Copacabana. Rio de Janeiro (Brazil) (b)	5,066 267	6,666 345	95.00 5.00	Cemusa, Corporación Europea de Mobiliario Urbano, S.A. Cemusa Do Brasil, Ltda.
Cemusa Salvador, S.A. Rua Dr. Altino Teixeira, 302. Loteamento Porto Seco Piraja. Salvador Bahia (Brazil) (b)	—	—	60.00 5.00	Cemusa, Corporación Europea de Mobiliario Urbano, S.A. Cemusa Do Brasil, Ltda.
Cemusa San Antonio, Ltd. 645 N. Michigan Ave Ste. 800 Chicago. Illinois (U.S.A.))	(826) (8)	206 —	99.00 1.00	Cemusa Texas, Ll. Cemusa San Antonio GP, Ll.
Cemusa San Antonio GP, Ll. 645 N. Michigan Ave Ste. 800 Chicago. Illinois (U.S.A.))	(51)	65	100	Cemusa Inc.
Cemusa Texas, Ll. 645 N. Michigan Ave Ste. 800 Chicago. Illinois (U.S.A.))	(812)	215	100	Cemusa Inc.
Servicios de Publicidad Urbanos, S.A. Atenas, Nave 46 Pol. Ind. San Luís. Málaga	451	451	75.00	Cemusa, Corporación Europea de Mobiliario Urbano, S.A.
Zona Verde Promoção e Marketing Lim. R. Cândido dos Reis, 90. Vera Cruz (Portugal)	746	1,027	100	Cemusa Portugal, Companhia de Mobiliario Urbano e Publicidade, S.A.
Car parks and traffic services				
Aparcamientos Concertados, S.A. Arquitecto Gaudí, 4. Madrid (a)	1,188	1,188	99.99 0.01	Estacionamientos y Servicios, S.A. Industrial de Limpiezas y Servicios, S.A. Unipersonal
Casa Park, S.A. 27 Rue Bapaume. Casablanca (Morocco)	—	48	97.87 0.01 0.01	Estacionamientos y Servicios, S.A. Aparcamientos Concertados, S.A. FCC Versia, S.A.
Casa Park Moulay Youseff, S.A.R.L. 27 Rue Bapaume. Casablanca (Morocco)	—	—	0.01 99.90	Beta de Administración, S.A. Estacionamientos y Servicios, S.A.
Conservación y Sistemas, S.A. Federico Salmón, 13. Madrid (a)	301	301	99.99 0.01	C.G.T. Corporación General de Transportes, S.A. Industrial de Limpiezas y Servicios, S.A. Unipersonal
Empresa Mixta de Tráfico de Gijón, S.A. P. Ind. Promosa Nave 27. El Plano- Tremañes. Gijón (Asturias) (a)	387	513	60.00	Estacionamientos y Servicios, S.A.

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
Estacionamientos y Servicios, S.A. Federico Salmón, 13. Madrid (a)	35,920	34,760	99.99 0.01	FCC Versia, S.A. Industrial de Limpiezas y Servicios, S.A. Unipersonal
Passenger handling and transport				
Belgian Ground Services, S.A. Avenue Louise, 149. Ixelles (Bruxelles). Belgium (a)	14,999 1	15,000	99.99 0.01	Flightcare, S.L. Beta de Administración, S.A.
C.G.T. Corporación General de Transportes, S.A. Federico Salmón, 13. Madrid (a)	13,373	13,373	99.99 0.01	FCC Versia, S.A. Industrial de Limpiezas y Servicios, S.A. Unipersonal
Flightcare, S.L. Federico Salmón, 13. Madrid (a)	22,535	22,535	99.99 0.01	FCC Versia, S.A. Industrial de Limpiezas y Servicios, S.A. Unipersonal
Vehicle roadworthiness testing				
Aragonesa de Servicios I.T.V., S.A. Federico Salmón, 13. Madrid (e)	3,133	3,133	99.99 0.01	General de Servicios I.T.V., S.A. Beta de Administración, S.A.
Argam, S.A. (*) Galileo, 2446. Buenos Aires (Argentina)	—	121		
Concesionaria Zona 5, S.A. C/7 Número 374. La Plata. Buenos Aires (Argentina)	268	—	99.99 0.01	General de Servicios I.T.V., S.A. Beta de Administración, S.A.
C.T.V., S.A. (*) Coronel Esteban Bonorino, 277. Buenos Aires (Argentina)	—	177		
Ecovec, S.A. (*) Coronel Esteban Bonorino, 271. Buenos Aires (Argentina)	—	600		
General de Servicios I.T.V., S.A. Federico Salmón, 13. Madrid (e)	9,188	9,188	99.99 0.01	Beta de Administración, S.A. Aragonesa de Servicios I.T.V., S.A.
Geral I.S.V. Brasil Ltda. Av. Rio Branco, 131, 10º Andar Parte Centro Río de Janeiro (Brazil)	69	69	99.99 0.01	FCC International, B.V. Aragonesa de Servicios I.T.V., S.A.
I.T.V., S.A. Luzuriaga, 345. Buenos Aires (Argentina)	192	146	100	General de Servicios I.T.V., S.A.
I.T.V. Insular, S.A. (*) Federico Salmón, 13. Madrid	—	6,512		
Verauto La Plata, S.A. Avda. Belgrano, 634. Buenos Aires (Argentina)	541	—	98.44 0.01	General de Servicios I.T.V., S.A. Beta de Administración, S.A.
VTV Verificaciones Técnicas Vehiculares de Argentina, S.A. San Martín, 140. Buenos Aires (Argentina)	331	303	99.95 0.05	Aragonesa de Servicios I.T.V., S.A. Industrial de Limpieza y Servicios, S.A. Unipersonal
CONSTRUCTION				
FCC Construcción, S.A. Balmes, 36. Barcelona (a)	275,551	275,551	99.99 0.01	Fomento de Construcciones y Contratas, S.A. Europea de Gestión, S.A. Unipersonal
Alpetrol, S.A. Camino Casa Sola, 1. Chiloeches (Guadalajara)	126	126	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Aremi Asociados, S.L. Av. de les Corts Valencianes, 50. Valencia -Air conditioning-	1,663 17	—	99.99 0.01	Internacional Tecair, S.A. Sincler, S.A. Unipersonal
Aremi Tecair, S.A. Av. de les Corts Valencianes, 50. Valencia -Air conditioning-	36 24	36 —	60.00 40.00	Internacional Tecair, S.A. Aremi Asociados, S.L.
Áridos de Melo, S.L. Finca la Barca y el Ballestar, s/n. Barajas de Melo (Cuenca)	60	60	99.99 0.01	Ibervia Construcciones y Contratas, S.L. Sincler, S.A. Unipersonal
Auxiliar de Pipelines, S.A. Ps. del Club Deportivo, 1. Pozuelo de Alarcón (Madrid) (b)	601	601	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
BBR Pretensados y Técnicas Especiales, S.L. Retama, 5. Madrid	2,100	1,000	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Binatec Al Maghreb, S.A. 213, Rond-Point de L'Europe. Casablanca (Morocco)	87	88	99.40 0.10 0.10 0.10 0.10 0.10	FCC Construction International B.V. Contratas y Ventas, S.A. Ibérica de Servicios y Obras, S.A. Mantenimiento de Infraestructuras, S.A. Megaplás, S.A. Proyectos y Servicios, S.A. Servicios y Procesos Ambientales, S.A.
Compañía Concesionaria del Túnel de Sóller, S.A. Puerto Pi, 8. Palma de Mallorca (Balearic Islands) (d) -Concesión operator -	8,735	8,735	56.53	FCC Construcción, S.A.
Concesiones Viales, S. de R.L. de C.V. México City (Mexico)	—	—	99.97	Construcciones y Filiales Mexicanas, S.A. de C.V.
Concesiones Viales de Costa Rica, S.A. Av. 10 calles 33 y 35. San José (Costa Rica)	2,858	—	100	FCC Construcción, S.A.
Conservial, S.L. Manuel Lasala, 36. Zaragoza	279	276	99.99 0.01	Pinturas Jaque, S.L. Sincler, S.A. Unipersonal
Construcción y Filiales Mexicanas, S.A. de C.V. Homero, 109. Colonia Chapultepec-Morales. México City (Mexico)	180	180	99.98 0.01 0.01	FCC Construcción, S.A. Proyectos y Servicios, S.A. Sincler, S.A. Unipersonal
Contratas y Ventas, S.A. Asturias, 41. Oviedo (Asturias) (a)	1,516	1,516	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Corporación M&S Internacional C.A., S.A. Costa Rica (a)	10,729	9,601	50.00	FCC Construcción, S.A.
Dezvoltare Infrastructura, S.A. Strada Garboveni, 61. Bucharest (Romania)	5	5	51.03	Sincler, S.A. Unipersonal
Dizara Inversión, S.L. Avda. General Perón, 36. Madrid	6	6	99.98 0.02	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Especialidades Eléctricas, S.A. Acanto, 22. Madrid (b) -Electrical installations-	10,953	10,953	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Espelsa-Luwat, S.A. Acanto, 22. Madrid (b) -Electrical installations-	36	36	60.00	Especialidades Eléctricas, S.A.
Eurman, S.A. Valentín Beato, 24-26. Madrid -Air conditioning-	120	120	99.99 0.01	Internacional Tecair, S.A. Tack Inversiones, S.L. Unipersonal
FCC Constructii Romania, S.A. Str Sfintii Voievozi, 49. Bucharest (Romania)	(183)	50	96.00 1.00 1.00 1.00	FCC Construction International B.V. Dizara Inversión, S.A. Nevasa Inversión, S.L. Sincler, S.L. Unipersonal Tulsa Inversión, S.L.
FCC Construction International B.V. Amsteldijk, 166. Amsterdam (Netherlands)	4,190	4,190	99.76 0.24	FCC Construcción, S.A. Sincler, S.A. Unipersonal
FCC Construcción Puerto Rico Corp. (*) 1225 Ponce de León Avenue. Santurce San Juan de Puerto Rico (U.S.A.)	—	1		
Gavisa Portugal Montagens Eléctricas Lda. Av. General Humberto Delgado, 1 Santa Comba Dao. Portugal	10	10	9.,00	Montajes Gavisa, S.A.
Ibérica de Enclaves, S.A. (*) Arquitecto Gaudí, 4. Madrid	—	385		
Ibérica de Servicios y Obras, S.A. Federico Salmón, 13. Madrid (b)	1,504	1,504	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Ibervia Construcciones y Contratas, S.L. Avda. General Perón, 36. Madrid	20,006	20,006	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Internacional Tecair, S.A. Valentín Beato, 24-26. Madrid (b) -Air conditioning-	5,294 1	4,196	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
Mantenimiento de Infraestructuras, S.A. Avda. General Perón, 36. Madrid (b)	3,602	3,602	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Marcas Andaluzas, S.L. Hilera, 10. Málaga	246	246	99.98 0.02	Pinturas Jaque, S.L. Sincler, S.A. Unipersonal
Megaplás, S.A. Hilanderas, 4-14. La Poveda. Arganda del Rey (Madrid) (b)	2,642	2,642	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Megaplás Italia, S.P.A. Vía Piamonte, 1. Borgaro (Italy)	637	—	100	Megaplás, S.A.
Montajes Gavisa, S.A. La Farga, 5-7 Pol. Ind. La Cerrería. Montcada i Reixac (Barcelona) (b)	7,291 15	7,176 14	99.98 0.02	Contratas y Ventas, S.A. Sincler, S.A. Unipersonal
Motre, S.L. Enginyer Algarra, 65. Pals (Girona)	2,519 1,431	2,519 1,431	63.77 36.23	Servià Cantó, S.A. Moviterra, S.A.
Moviterra, S.A. Enginyer Algarra, 65. Pals (Girona) (e)	600	600	99.99 0.01	Ibervia Construcciones y Contratas, S.L. Sincler, S.A. Unipersonal
Naturaleza, Urbanismo y Medio Ambiente, S.A. Galena, 11. Entrepantalla (Valladolid) (e) -Development and maintenance of greenfield areas-	161	—	99.95 0.05	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Nevasa Inversión, S.L. Avda. General Perón, 36. Madrid	6	6	99.98 0.02	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Norseñal, S.L. Juan Flórez, 64. La Coruña	31	31	99.99 0.01	Pinturas Jaque, S.L. Sincler, S.A. Unipersonal
Participaciones Teide, S.A. Avda. General Perón, 36. Madrid -Portfolio company-	714	714	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Pedrería Les Gavarres, S.L. Enginyer Algarra, 65. Pals (Girona)	6	6	99.98 0.02	Ibervia Construcciones y Contratas, S.L. Dizara Inversión, S.L.
Pinturas Jaque, S.L. Pol. Ind. Oeste, Paraje Sangonera El Palmar (Murcia) (b)	1,148	704	99.99 0.01	Mantenimiento de Infraestructuras, S.A. Sincler, S.A. Unipersonal
Prefabricados Delta, S.A. Arquitecto Gaudí, 4. Madrid (b)	16,914	16,914	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Proyectos y Servicios, S.A. Torregalindo, 1. Madrid (b) -Engineering-	522	522	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Ramalho Rosa Cobetar Sociedade de Construções, S.A. Rua Central Park, 2. Linda a Velha (Portugal) (a)	6,645	6,645	99.98 0.01 0.01	FCC Construcción, S.A. Participaciones Teide, S.A. Sincler, S.A. Unipersonal
Reparalia, S.A. Parque Empresarial Cerro de los Gamos, 1 Pozuelo de Alarcón. Madrid (b)	868	—	99.99 0.01	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Señalizaciones de Vías Públicas, S.L. Avda. de Barber, 2. Toledo	182	182	99.98 0.02	Pinturas Jaque, S.L. Sincler, S.A. Unipersonal
Señalizaciones Levante, S.L. Itálica, 25. Alicante	228	228	99.98 0.02	Pinturas Jaque, S.L. Sincler, S.A. Unipersonal
Servià Cantó, S.A. Enginyer Algarra, 65. Pals (Girona) (e)	2,400	2,400	99.98 0.02	Ibervia Construcciones y Contratas, S.L. Sincler, S.A. Unipersonal
Sincler, S.A. Unipersonal Federico Salmón, 13. Madrid	55	53	100	FCC Construcción, S.A.
Tulsa Inversión, S.L. Avda. General Perón, 36. Madrid	6	6	99.98 0.02	FCC Construcción, S.A. Sincler, S.A. Unipersonal
Viales de Andalucía, S.L. Avda. Kansas City, 9. Seville	313	313	99.98 0.02	Pinturas Jaque, S.L. Sincler, S.A. Unipersonal
Vialia Sociedad Gestora de Concesiones de Infraestructuras, S.L. Avda. General Perón, 36. Madrid	3 3	3 3	50.00 50.00	FCC Construcción, S.A. Ibervia Construcciones y Contratas, S.L.
Xequêvia Sinalizaçao de Vias de Comunicaçao, Ltda. Quinta da Mata Sete Casa. Loures (Portugal)	6	—	99.60 0.40	Pinturas Jaque, S.L. Sincler, S.A. Unipersonal

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
CEMENT				
Cementos Portland Valderrivas, S.A.	175,953	175,953	58.70	Fomento de Construcciones y Contratas, S.A.
Estella, 6. Pamplona (Navarra) (a)	150,319	—	8.06	Asesoría Financiera y de Gestión, S.A.
	8,765	571	0.52	Compañía Auxiliar de Agencia y Mediación, S.A. Unipersonal
	3	3	0.01	Hormigones y Morteros Preparados, S.A. Unipersonal
	2	2	0.01	Compañía Gral. de Servicios Empresariales, S.A. Unipersonal
	2	2	0.01	Corporación Española de Servicios, S.A.
	2	2	0.01	Corporación Financiera Hispánica, S.A.
	2	2	0.01	Europea de Gestión, S.A. Unipersonal
Almacenes, Tránsitos y Reexpediciones, S.A. Unipersonal Calderón de la Barca, 4. Santander (Cantabria)	976	1,164	100	Cementrade, S.A. Unipersonal
Áridos de Andujar, S.L. Unipersonal (*) Cr. de los Villares Km. 7,5 Andújar (Jaén)	—	7,043	100	
Áridos de Navarra, S.A. Estella, 6. Pamplona (Navarra)	1	1	66.00	Hormigones Arkaitza, S.A. Unipersonal
Áridos y Premezclados, S.A. Unipersonal José Abascal, 59. Madrid (a)	25,437	25,437	100	Cementos Portland Valderrivas, S.A.
Atracem, S.A. Unipersonal José Abascal, 59. Madrid (a) -Goods transportation and sale of construction materials-	1,000	1,000	100	Cementos Portland Valderrivas, S.A.
Cántabra Industrial y Minera, S.A. Unipersonal Calderón de la Barca, 4. Santander (Cantabria)	554	542	100	Cementos Alfa, S.A.
Canteras de Aláiz, S.A. Estella, 6. Pamplona (Navarra) (c)	14,237	14,237	70.02	Cementos Portland Valderrivas, S.A.
Canteras del Pirineo Occidental, S.A. Estella, 6. Pamplona (Navarra)	1,345	1,159	60.00 40.00	Cementos Portland Valderrivas, S.A. Cementos Lemona, S.A.
Canteras Villallano, S.L. Poblado de Villallano. Palencia	3,481	3,481	100	Cementos Alfa, S.A.
Cemensilos, S.A. Calderón de la Barca, 4. Santander (Cantabria) (b) -Sale of construction materials	674	674	100	Cementos Alfa, S.A.
Cementos Alfa, S.A. Calderón de la Barca, 4. Santander (Cantabria) (b)	26,403	26,403	76.74 0.01 0.01	Cementos Portland Valderrivas, S.A. Compañía Auxiliar de Bombeo de Hormigón, S.A. Unipersonal Participaciones Estella 6, S.L. Unipersonal
Cementrade, S.A. Unipersonal Calderón de la Barca, 4. Santander (Cantabria) (b) -Wholesale of construction materials-	1,216	1,199	100	Cementos Alfa, S.A.
Ceminter Madrid, S.L. Unipersonal Almagro, 26. Madrid	11,096	—	100	Cementos Portland Valderrivas, S.A.
Compañía Auxiliar de Bombeo de Hormigón, S.A. Unipersonal José Abascal, 59. Madrid (a)	451	451	100	Hormigones y Morteros Preparados, S.A. Unipersonal
Dragon Alfa Cement Limited Harbour House. Deck Road, 138 Gloucestershire (United Kingdom) (e)	550 528	— —	50.00 50.00	Cementos Alfa, S.A. RH Enterprises (1993) Limited
Explotaciones San Antonio, S.L. Unipersonal Calderón de la Barca, 4. Santander (Cantabria) -Quartz mining-	1,628	1,941	100	Cementos Alfa, S.A.
Giant Cement Holding, Inc. 320-D Midland Parkway. Sumerville-South Carolina (U.S.A) (a)	163,989	157,518	100	Cementos Portland Valderrivas, S.A.
Hormigones Arkaitza, S.A. Unipersonal Estella, 6. Pamplona (Navarra) (c)	5,738	5,738	100	Cementos Portland Valderrivas, S.A.
Hormigones de la Jacetania, S.A. Llano de la Victoria, s/n. Jaca (Huesca)	445	141	50.00 25.00	Cementos Portland Valderrivas, S.A. Hormigones y Áridos del Pirineo Aragonés, S.A.
Hormigones del Zadorra, S.A. Unipersonal Estella, 6. Pamplona (Navarra)	1,294	1,294	100	Canteras del Pirineo Occidental, S.A.
Hormigones Reinosa, S.A. Unipersonal Calderón de la Barca, 4. Santander (Cantabria)	942	942	100	Cementos Alfa, S.A.

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
Hormigones Tabarca, S.L. Unipersonal José Abascal, 59. Madrid	3	—	100	Hormigones y Morteros Preparados, S.A. Unipersonal
Hormigones y Morteros Preparados, S.A. Unipersonal José Abascal, 59. Madrid (a)	5,786	5,786	100	Cementos Portland Valderrivas, S.A.
Participaciones Estella 6, S.L. Unipersonal Estella, 6. Pamplona (Navarra) -Inactive-	6	6	100	Cementos Portland Valderrivas, S.A.
RH Enterprises (1993) Limited The Cement Terminal, Sharpness Docks. Gloucestershire (United Kingdom)	2,918	—	50.00	Cementos Alfa, S.A.

OTHER ACTIVITIES

Portfolio and instrumentality companies

Afigesa Inversión, S.L. Unipersonal Federico Salmón, 13. Madrid (b)	73,607	73,607	100	Asesoría Financiera y de Gestión, S.A.
Asesoría Financiera y de Gestión, S.A. Federico Salmón, 13. Madrid (b)	220,962 3,008	220,962 3,008	56.15 43.84 0.01	Corporación Financiera Hispánica, S.A. Fomento de Construcciones y Contratas, S.A. Compañía General de Servicios Empresariales, S.A. Unipersonal
Compañía Auxiliar de Agencia y Mediación, S.A. Unipersonal Federico Salmón, 13. Madrid	1,657	1,657	100	Fomento de Construcciones y Contratas, S.A.
Compañía General de Servicios Empresariales, S.A. Unipersonal Federico Salmón, 13. Madrid	60	60	100	Fomento de Construcciones y Contratas, S.A.
Corporación Española de Servicios, S.A. Federico Salmón, 13. Madrid	44	44	99.99 0.01	Fomento de Construcciones y Contratas, S.A. Europea de Gestión, S.A. Unipersonal
Corporación Financiera Hispánica, S.A. Federico Salmón, 13. Madrid	69,818	69,818	99.98 0.01 0.01	Fomento de Construcciones y Contratas, S.A. Compañía General de Servicios Empresariales, S.A. Unipersonal Europea de Gestión, S.A. Unipersonal
Europea de Gestión, S.A. Unipersonal Federico Salmón, 13. Madrid	63	63	100	Fomento de Construcciones y Contratas, S.A.
Eusko Lanak, S.A. Federico Salmón, 13. Madrid	59	59	99.99 0.01	Corporación Financiera Hispánica, S.A. Compañía General de Servicios Empresariales, S.A. Unipersonal
FCC Construcciones y Contratas Internacional, S.L. Unipersonal Federico Salmón, 13. Madrid	3	3	100	Fomento de Construcciones y Contratas, S.A.
FCC Finance, B.V. Amsteldijk, 166. Amsterdam (Netherlands) (b)	38,246	38,246	100	FCC International, B.V.
FCC Fomento de Obras y Construcciones, S.L. Unipersonal Federico Salmón, 13. Madrid	3	3	100	Fomento de Construcciones y Contratas, S.A.
FCC Inmobiliaria Conycon, S.L. Unipersonal Federico Salmón, 13. Madrid	3	3	100	Fomento de Construcciones y Contratas, S.A.
FCC International, B.V. Amsteldijk, 166. Amsterdam (Netherlands) (b)	40,860	40,718	100	Fomento de Construcciones y Contratas, S.A.
FCC 1, S.L. Unipersonal Federico Salmón, 13. Madrid	3	3	100	Fomento de Construcciones y Contratas, S.A.
Fomento Internacional, Focsa, S.A. Federico Salmón, 13. Madrid	69	69	99.93 0.07	Fomento de Construcciones y Contratas, S.A. Europea de Gestión, S.A. Unipersonal
F-C y C, S.L. Unipersonal Federico Salmón, 13. Madrid	3	3	100	Fomento de Construcciones y Contratas, S.A.
Grucysa, S.A. Plaza Pablo Ruiz Picasso, 1. Madrid (a)	156,786 25	156,786 —	99.99 0.01	Fomento de Construcciones y Contratas, S.A. Asesoría Financiera y de Gestión, S.A.
Puerto Cala Merced, S.A. Arquitecto Gaudí, 4. Madrid	57	56	99.99 0.01	Corporación Financiera Hispánica, S.A. Compañía General de Servicios Empresariales, S.A. Unipersonal
T.A.C.K. Inversiones, S.L. Unipersonal Arquitecto Gaudí, 4. Madrid	6	6	100	Grucysa, S.A.

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
Marketing of industrial equipment				
Equipos y Procesos, S.A. Conde de Peñalver, 45. Madrid	150	150	80.73	Sistemas y Vehículos de Alta Tecnología, S.A.
High Technology Vehicles, Inc. Centre Road, 1013 Wilmington. Delaware (U.S.A.))	38	38	100	Sistemas y Vehículos de Alta Tecnología, S.A.
Sistemas y Vehículos de Alta Tecnología, S.A. Conde de Peñalver, 45. Madrid (b)	180	180	99.99 0.01	Grucyrsa, S.A. T.A.C.K. Inversiones, S.L. Unipersonal
Insurance and reinsurance brokerage				
Asiris, S.A. Correduría de Seguros Pº de la Castellana, 111. Madrid (a)	160 30	160 30	75.00 25.00	Asesoría Financiera y de Gestión, S.A. Fomento de Construcciones y Contratas, S.A.
Fir Re Société Anonyme 19 Rue de Bitbourg. Luxembourg (b)	1,382 5	1,382 5	99.67 0.33	FCC International, B.V. Asesoría Financiera y de Gestión, S.A.
Management of buildings				
Fedemes, S.L. Federico Salmón, 13. Madrid	10,764 1,018	10,764 1,018	92.67 7.33	Fomento de Construcciones y Contratas, S.A. Corporación Financiera Hispánica, S.A.
Per Gestora Inmobiliaria, S.L. Pz. Pablo Ruiz Picasso. Madrid (e)	48	48	80.00	Fomento de Construcciones y Contratas, S.A.
Security and surveillance				
Falcon Contratas y Seguridad, S.A.(*) Ronda de Poniente, 13. Locales E2 y P1. Tres Cantos (Madrid) (e)	—	311		
Falcon Contratas y Servicios Auxiliares, S.A.(*) Ronda de Poniente, 13. Local E5. Tres Cantos (Madrid)	—	60		
Formación y Contratas, S.A.(*) Ronda de Poniente, 13. Local E1. Tres Cantos (Madrid)	—	60		

Notes:

- In general the financial statements of the related companies are at December 31, 2005.
- As required by Article 86 of the consolidated Corporations Law, in 2005 the Group companies made the related notifications to the companies in which they had acquired direct or indirect investments of over 10%.
- The main Group companies were audited by Deloitte & Touche, PricewaterhouseCoopers, KPMG Peat Marwick and Ernst & Young, as indicated in the foregoing list with the letters (a), (b), (c) and (d), respectively. Other audit firms are grouped under the letter (e).

(1) Formerly Aitena, Sociedad Anónima Inmobiliaria y de Transportes Unipersonal.

(*) See Appendix IV/3 "Exclusions from the Scope of Consolidation".



**APPENDIX II. ENTITIES JOINTLY CONTROLLED WITH NON-GROUP THIRD PARTIES
(PROPORTIONATELY CONSOLIDATED)**

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005
	2005	2004	
ENVIRONMENT			
Urban cleaning			
Beacon Waste Limited 106 High Street. Evesham-Worcestershire (United Kingdom) (a)	910	910	100 Mercia Waste Management, Ltd.
Ecoparc del Besòs, S.A. Rambla Catalunya, 91-93. Barcelona	4,163 2,621	4,163 2,621	54.00 Tratamiento Industrial de Residuos Sólidos, S.A. 31.00 Fomento de Construcciones y Contratas, S.A. 10.00 Tractament i Selecció de Residus, S.A.
Ecoserveis Urbans de Figueres, S.L. Av. de les Alegries, s/n. Lloret de Mar (Girona)	301	301	50.00 Fomento de Construcciones y Contratas, S.A. 50.00 G.B.I. Serveis, S.A.
Empresa Mixta de Limpieza de la Villa de Torrox, S.A. Pz. de la Constitución, 1. Torrox (Málaga) (e)	300	300	50.00 Fomento de Construcciones y Contratas, S.A. 50.00 Ayuntamiento de Torrox
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A. Zorrera, 8. Rincón de la Victoria (Málaga) (b)	301	301	50.00 Fomento de Construcciones y Contratas, S.A. 50.00 Ayuntamiento de Rincón de la Victoria
Fisera Ecoserveis, S.A. Alemania, 5. Figueres (Girona)	532	532	72.72 Ecoserveis Urbans de Figueres, S.L. 27.28 Figueres de Serveis, S.A. Unipersonal
Proactiva Group Paseo de la Castellana, 216. Madrid (a)	33,685	26,923	50.00 Fomento de Construcciones y Contratas, S.A. 50.00 Veolia Environnement, S.A.
Ingeniería Urbana, S.A. Av. Saturno, 6. Alicante (a)	3,786	3,786	35.00 Fomento de Construcciones y Contratas, S.A. 35.00 Segema Servicios Generales del Medio Ambiente, S.A. 30.00 Enrique Ortiz e Hijos Contratistas de Obras, S.A. 50.00 Focsa Services U.K. Ltd. 50.00 Urbaser Limited
Mercia Waste Management, Ltd. Brook House. Oldham Road, Middleton. Manchester (United Kingdom) (a)	73	71	50.00 Focsa Services U.K. Ltd. 50.00 Urbaser Limited
Servicios de Limpieza Integral de Málaga III, S.A. Camino de la Térmica, 83. Málaga (b)	3,065	3,065	51.00 Servicios Urbanos de Málaga, S.A.
Servicios Urbanos de Málaga, S.A. Ulises, 18. Madrid	1,610	1,610	51.00 Fomento de Construcciones y Contratas, S.A. 49.00 Urbana de Servicios Ambientales, S.L.
Severn Waste Services Limited Brook House. Oldham Road, Middleton. Manchester (Reino Unido) (a)	182	177	50.00 Focsa Services U.K. Ltd. 50.00 Urbaser Limited
Tratamiento Industrial de Residuos Sólidos, S.A. Rambla Catalunya, 91. Barcelona	1,286	1,286	33.33 FCC Medio Ambiente, S.A. 33.33 Concesionaria Barcelonesa, S.A. 33.33 Urbaser, S.A.
Zabalgarbi, S.A. Camino de Artigas, 10. Bilbao (Vizcaya)	7,445	7,445	26.00 Valorización y Tratamiento de Residuos, S.A. 26.00 Sener Grupo de Ingeniería, S.A. 20.00 Diputación Foral de Bizkaia 10.00 Ente Vasco de la Energía 8.00 Instituto para la Diversificación y Ahorro de la Energía, S.A. 5.00 Bilbao Bizkaia Kutxa 5.00 Mancomunidad de Municipios de la Margen Izquierda del Nervión
Water treatment and distribution			
Aigües de Girona, Salt i Sarrià de Ter, S.A. Ciudadans, 11. Girona	481	481	80.00 Girona, S.A. 14.00 Ayuntamiento de Girona 4.00 Ayuntamiento de Salt 2.00 Ayuntamiento de Sarrià de Ter
Compañía de Servicios Medioambientales Do Atlántico, S.A. Cr. de Cedeira Km. 1. Narón (San Xulián). La Coruña (e)	294	—	49.00 Aqualia Gestión Integral del Agua, S.A. 51.00 Ayuntamiento de Narón
Empresa Mixta de Aguas y Servicios, S.A. Alarcos, 13. Ciudad Real (e)	75	97	55.00 Gestión de Servicios Hidráulicos de Ciudad Real, A.I.E.

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
Empresa Municipal de Aguas de Benalmádena, EMABESA Av. Juan Luis Peralta, s/n. Benalmádena (Málaga) (e)	1,310	1,310	50.00 50.00	Aqualia Gestión Integral del Agua, S.A. Ayuntamiento Benalmádena
Generavila, S.A. Pz. de la Catedral, 11. Ávila (e)	428	428	36.00 36.00 18.00 10.00	Aqualia Gestión Integral del Agua, S.A. Ayuntamiento de Ávila Caja de Ahorros de Ávila Diputación Provincial de Ávila
Girona, S.A. Travesía del Carril, 2. Girona	365	365	33.61	Aqualia Gestión Integral del Agua, S.A.
Inalia Mostaganem, S.L. Gobelas, 47-49. Madrid	2	—	50.00 50.00	Aqualia Gestión Integral del Agua, S.A. Inima Servicios Europeos de Medio Ambiente, S.A.
Sociedad de Explotación de Aguas Residuales, S.A. Bruc, 49. Barcelona (a)	1,044	1,044	50.00 50.00	Aqualia Gestión Integral del Agua, S.A. Sociedad General de Aguas de Barcelona, S.A.
Sociedad Española de Aguas Filtradas, S.A. Jacometrezo, 4. Madrid (a)	575	575	50.00 50.00	Aqualia Gestión Integral del Agua, S.A. Corporación Agbar, S.A.
Waste treatment				
Atlas Gestión Medioambiental, S.A. Viriato, 47. Barcelona	11,945	11,945	50.00	FCC Medio Ambiente, S.A.
Electrorecycling, S.A. Ctra. BV-1224 km. 6,750. El Pont de Vilomara i Rocafort (Barcelona)	800	800	66.67 33.33	Pilagest, S.L. Indumetal Recycling, S.A.
Hades Soluciones Medioambientales, S.L. Mayor, 3. Cartagena (Murcia)	60	60	50.00	FCC Medio Ambiente, S.A.
Pilagest, S.L. Ctra. BV-1224 km. 6,750. El Pont de Vilomara i Rocafort (Barcelona)	400	400	50.00 50.00	T.P.A. Técnicas de Protección Ambiental, S.A. Senda Ambiental, S.A.
Reciclado de Componentes Electrónicos, S.A. Johan G. Gutemberg, s/n. Seville	1,163	1,151	37.50 37.50 25.00	T.P.A. Técnicas de Protección Ambiental, S.A. IR Electronik, S.A. Empresa Gestión Medioambiental, S.A.
Senblen Bat, S.A. Alameda de Urquijo, 10. Bilbao (Vizcaya)	75	—	50.00 50.00	FCC Medio Ambiente, S.A. Telsa, S.A. y Compañía Sociedad Regular Colectiva
Sereco Gestión, S.L. (*) Polígono Guarnizo, parcela 97. El Astillero (Cantabria)	—	75		
VERZIA				
Logistics				
Convery Service, S.A. Cn. de los Afligidos P.I. La Esgaravita, 1 . Alcalá de Henares (Madrid)	6,407	—	50.00	FCC Logística, S.A. Unipersonal
Passenger transport				
Almeraya, S.A. Ulises, 18 . Madrid	60	60	50.00 45.00 5.00	Corporación Española de Transporte, S.A Automnibus Interurbanos, S.A García Alonso, Gabriel
Compañía Andaluza Auxiliar de Transportes, S.L. Córdoba, 7 . Málaga	—	—	100	Corporación Española de Transporte, S.A.
Corgobus Transportes Urbanos de Vila Real Sociedade Uniperssoal Lda. Praceta Cidade Pávoa de Varzim, 7 . Vila Real (Portugal)	92	16	100	Corporación Española de Transporte, S.A.
Corporación Española de Transporte, S.A. Ulises, 18 . Madrid (d)	24,160	24,43	99.99 0,01	FCC-Connex Corporación, S.L. Detren Compañía General de Servicios Ferroviarios, S.L.
Corporación Jerezana de Transportes Urbanos, S.A. Unipersonal Polígono Ind. El Portal . Jerez de la Frontera (Cádiz) (d)	3,940	3,940	100	Corporación Española de Transporte, S.A.
Detren Compañía General de Servicios Ferroviarios, S.L. Ulises, 18 . Madrid (d)	4,034	4,034	99.99 0.01	FCC-Connex Corporación, S.L. Corporación Española de Transporte, S.A.

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
FCC-Connex Corporación, S.L. Ulises, 18 . Madrid (d)	13,090	13,013	50.00 50.00	C.G.T. Corporación General de Transportes, S.A. CGEA Connex, S.A.
Transportes Urbanos de Sanlúcar, S.A. Ctra. de Jerez, Km. 1 . Sanlúcar de Barrameda (Cádiz) (e)	222	222	59.68 40.32	Corporación Española de Transporte, S.A. Ayuntamiento de Sanlúcar de Barrameda
Transports Municipals d'Egara, S.A. Ctra. Nacional 150 Km. 15 . Terrassa (Barcelona) (e)	721	721	80.00 20.00	Corporación Española de Transporte, S.A. Ayuntamiento de Terrassa
Vehicle roadworthiness testing				
Valenciana de Servicios ITV, S.A. Polígono Industrial "El Oliveral". Ribarroja de Turia (Valencia)	905 603	905 603	30.00 20.00 50.00	General de Servicios ITV, S.A. Aragonesa de Servicios ITV, S.A. Aguas de Valencia, S.A.
CONSTRUCTION				
Construcciones Olabbarri, S.L. Plaza Pío Baroja, 3. Bilbao (Vizcaya)	1,683	1,683	49.00 51.00	Ibervia Construcciones y Contratas, S.L. José Luis Olabbarri Zalbide
Constructora Aeropuerto Santiago (*) Limitada Alfredo Barros Errazuriz, 1953. Santiago (Chile)	—	15		
Dragados FCC Canadá, Inc. 200 King Street West. Toronto (Canadá)	—	—	50.00 50.00	FCC Construction International, B.V. Dragados FCC Netherlands, B.V.
Peri 3 Gestión, S.L. General Álava, 26. Vitoria (Álava)	2	—	50.00 25.00 25.00	FCC Construcción, S.A. Construcciones Urbanas Urco, S.A. Urbanizadora Bascongada, S.A.
CEMENT AREA				
CDN-USA Group Preble Street, 38. Portland. Maine (U.S.A.) (e)	35,673	28,143	50.00 50.00	Cementos Portland, Valderrivas, S.A. Cementos Lemona, S.A.

Notes:

- In general the financial statements of the related companies are at December 31, 2005.
 - The main jointly controlled entities were audited by Deloitte & Touche, PricewaterhouseCoopers, KPMG Peat Marwick and Ernst & Young, as indicated in the foregoing list with the letters (a), (b), (c) and (d), respectively. Other audit firms are grouped under the letter (e).
- (*) See Appendix IV/3 "Exclusions from the Scope of Consolidation".

APPENDIX III. ASSOCIATES (ACCOUNTED FOR USING THE EQUITY METHOD)

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
ENVIRONMENT				
Cleaning				
Clavegueram de Barcelona, S.A. Acer, 16. Barcelona	973	911	22.50	Fomento de Construcciones y Contratas, S.A.
Gestión Integral de Residuos Sólidos, S.A. Santa Amalia, 2. Valencia	1,740	1,877	49.00	Fomento de Construcciones y Contratas, S.A.
Pallars Jussà Neteja i Serveis, S.A. Pau Casals, 14. Tremp (Lleida)	25	—	40.00	Fomento de Construcciones y Contratas, S.A.
Tirme, S.A. Ctra. Sóller, km. 8 - Son Reus Camí. Balearic Islands (a)	4,557	3,763	20.00	FCC Medio Ambiente, S.A.
Water treatment and distribution				
Aguas de Denia, S.A. Pedro Esteve, 17. Denia (Alicante)	300	316	33.00	Aqualia Gestión Integral del Agua, S.A.
Aguas de Ubrique, S.A. Avda. España, 9. Ubrique (Cádiz)	44	64	49.00	Aqualia Gestión Integral del Agua, S.A.
Aigües de Blanes, S.A. Canigó, 5. Blanes (Girona)	53	47	49.00	Girona, S.A.
Conducció del Ter, S.L. Bourg de Peage, 89. Sant Feliu de Guíxols (Girona)	37	36	48.00	Aqualia Gestión Integral del Agua, S.A.
EMANAGUA Empresa Mixta Municipal de Aguas de Nijar, S.A. Pz. de la Glorieta, 1. Nijar (Almería) (e)	248	—	49.00	Aqualia Gestión Integral del Agua, S.A.
Empresa Municipal de Aguas de Algeciras, S.A. Virgen del Carmen, s/n. Algeciras (Cádiz) (e)	175	232	49.00	Aqualia Gestión Integral del Agua, S.A.
Empresa Municipal de Aguas de Toxiria, S.A. Plaza de la Constitución. Torredonjimeno (Jaén)	102	104	49.00	Aqualia Gestión Integral del Agua, S.A.
Grupo Domino Holdings (*) Avda. Candido Abreu, 651—Curitiba (Brazil)	—	20,631		
La Unión Servicios Municipales, S.A. Salvador Pascual, 7. La Unión (Murcia) (e)	117	108	49.00	Aqualia Gestión Integral del Agua, S.A.
Nueva Sociedad de Aguas de Ibiza, S.A. Avda. Bartolomé de Rosselló, 18. Ibiza (Balearic Islands)	94	70	40.00	Aqualia Gestión Integral del Agua, S.A.
Proveïments d'Aigua, S.A. Asturias, 13. Girona	155	120	45.00	Girona, S.A.
Sera Q.A. Duitama E.S.P., S.A. Duitama, Bocaya (Colombia)	29	20	30.60	Aqualia Gestión Integral del Agua, S.A.
Waste treatment				
A.B.G. Servicios Medioambientales, S.A. Colón de Larreátegui, 26. Bilbao (Vizcaya)	79	89	20.00	Limpiezas Industriales Alfus, S.A.
Aprochim Getesarp Rymoil, S.A. Polígono Industrial Logrenzana La Granda. Carreño (Asturias)	687	732	30.00	FCC Medio Ambiente, S.A.
Sogecar, S.A. Polígono Torrelarragoiti. Zamudio (Vizcaya)	168	121	23.49	Ekonor, S.A.

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005
	2005	2004	

VERZIA

Street furniture

Eumex Group (*) Blvd. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City (Mexico)	—	12,195		
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Passenger transport

Bus Turístico de Málaga, S.L. Pº de los Tilos. Estación de Autobuses. Málaga	77	44	40.00	Corporación Española de Transporte, S.A.
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Vehicle roadworthiness testing

I.T.V. Córdoba, S.A. Dean Funes 802 - Córdoba (Argentina)	82	98	30.00	General de Servicios I.T.V., S.A.
I.T.V. Probús, S.L. Castelló, 66. Madrid	61	—	20.00	General de Servicios I.T.V., S.A.

CONSTRUCTION

Concession operators

Aigües del Segarra Garrigues, S.A. Pz. Del Carmen, 15. Tàrraga (Lleida) (a)	3,330	3,952	24.00 1.00	FCC Construcción, S.A. Aqualia Gestión Integral del Agua, S.A.
Autopistas del Valle, S.A. Oficentro Palacio - San José (Costa Rica)	2,966	257	35.00	Concesiones Viales de Costa Rica, S.A.
Autopista de la Costa Cálida Concesionaria Española de Autopistas, S.A. Saturno, 1. Pozuelo de Alarcón (Madrid) (a)	24,934	10,249	35.75	FCC Construcción, S.A.
Autovía del Camino, S.A. Leyre, 11 -Pamplona (Navarra) (a)	9,649	21,151	40.00	FCC Construcción, S.A.
Concesionaria Túnel de Coatzacoalcos, S.A. de C.V. Mexico City. Mexico	202	—	44.00 1.00	Concesiones Viales S. de R.L de C.V. FCC Construcción, S.A.
Concesiones Aeroportuarias, S.A. Avda. Hermanos Bou, 22. Castellón de la Plan	41	36	40.00	FCC Construcción, S.A.
Concesiones de Madrid, S.A. Avda. de Europa, 18 Parque Empres. La Moraleja. Alcobendas (Madrid) (a)	15,087	6,460	33.33	FCC Construcción, S.A.
Concessió i Explotació d'Infraestructures, S.A. Travessera de Gràcia, 58. Barcelona	1,797	2,828	34.00	FCC Construcción, S.A.
Cedinsa Group Tarragona, 141. Barcelona (a)	940	—	34.00	FCC Construcción, S.A.
Tacel Group (Madrid) Rozabella, 6 Europa Empresarial. Las Rozas de Madrid (Madrid) (c)	16,650	—	44.64	FCC Construcción, S.A.
Ibisan, Sociedad Concesionaria, S.A. Porto Pi, 8. Palma de Mallorca (Balearic Islands) (a)	2,541	—	50.00	FCC Construcción, S.A.
Madrid 407 Sociedad Concesionaria, S.A. Pedro Teixeira, 8 Edif. Iberia Mart.. Madrid	1,378	—	50.00	FCC Construcción, S.A.
Metro de Málaga, S.A. Martínez, 11. Málaga (d)	15,289	5,137	26.73	FCC Construcción, S.A.
Portsur Castellón, S.A. Muelle Serrano Lloberes, s/n El Grao (Castellón de la Plana)	150	—	30.00	FCC Construcción, S.A.
Ruta de los Pantanos, S.A. Avda. Europa, 18. Parque Empres. La Moraleja Alcobendas (Madrid) (a)	1,709	3,300	25.00	FCC Construcción, S.A.

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
Tramvia Metropolità, S.A. Córcega, 270. Barcelona	5,240	6,857	19.03 4.82	FCC Construcción, S.A. Detren Compañía General de Servicios Ferroviarios, S.L. CGT Corporación General de Transportes, S.A.
Tramvia Metropolità del Besòs, S.A. Córcega, 270. Barcelona	5,507	6,830	19.03 4.82 1.00	FCC Construcción, S.A. Detren Compañía General de Servicios Ferroviarios, S.L. CGT Corporación General de Transportes, S.A.
Tranvía de Parla, S.A. Soledad, 1A. Parla (Madrid) (a)	732	—	32.50 10.00	FCC Construcción, S.A. Detren Compañía General de Servicios Ferroviarios, S.L.
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra Avda. Tarragona, 58-70 Edificio Les Colomnes –Andorra la Vella (Andorra)	6,380	5,274	40.00	FCC Construcción, S.A.
Other activities				
BBR VT Internacional Ltd. Bahnstrasse, 23. Schwerzenbach (Switzerland)	1,035	—	22.50	BBR Pretensados y Técnicas Especiales, S.L.
Cleon, S.A. Av. General Perón, 36– Madrid (c)	25,252	25,263	25.00	FCC Construcción, S.A.
Compañía Tecnológica de Corella Construcción, S.A. Polígono Industrial s/n. Corella (Navarra) (e)	57	293	49.00	Prefabricados Delta, S.A.
Dinfra Cofimex, S.A. de C.V. (*) Coahuila, 99. Colonia Cuajimalca Mexico City (Mexico)	—	42		
ECCE Signs for Europe B.V. (*) Essenestraat, 24. Ternat (Belgium)	—	60		
ECCE Signs for Europe B.V., S.L. (*) Polaris Ave 53, J.H. Hofddorp (Netherlands)	—	1		
Elaboración de Cajones Pretensados, S.L. Avda. General Perón, 36. Madrid	2	2	50.00	FCC Construcción, S.A.
Foment de Construccions i Consulting Group Av. Copríncep Francès 11. Encamp (Andorra)	—	(38)	33.30	FCC Construction International B.V.
Hospital del Sureste, S.A. Paseo de la Castellana, 189. Madrid (a)	374	—	33.33	FCC Construcción, S.A.
Las Palmeras de Garrucha, S.L. Mayor, 19. Garrucha (Almería)	1,395	1,695	20.00	Participaciones Teide, S.A.
Marina de l'Empordà, S.A. Avda. Diagonal, 512. Barcelona -En proceso de liquidación-	15	15	5.35	FCC Construcción, S.A.
Marina de Laredo, S.A. Pasaje de Puntida, 1. Santander (Cantabria)	106	—	42.50	FCC Construcción, S.A.
Marina Port Vell, S.A. Varadero, s/n. Ed. Torre de Control-Moll del Relotge (Barcelona) -Operation of marinas	1,517	1,751	30.66	FCC Construcción, S.A.
Nàutic Tarragona, S.A. Edificio Club Náutico, Puerto Deportivo. Tarragona -Operation of marinas-	378	273	25.00	FCC Construcción, S.A.
Nova Bocana Barcelona, S.A. Avda. Josep Tarradellas, 123. Barcelona	248	250	25.00	FCC Construcción, S.A.
Operador Logístico Integral de Graneles, S.A. Explanada de Aboño-Puerto del Musel. Gijón (Asturias)	1,127	1,031	20.00	Contratas y Ventas, S.A.
Port Premià, S.A. Balmes, 36. Barcelona -In liquidation-	(555)	(555)	39.72	FCC Construcción, S.A.
Port Torredembarra, S.A. Pza. Peig, 1. Torredembarra (Tarragona) -Operation of marinas-	751	798	24.08	FCC Construcción, S.A.
Promvias XXI, S.A. Vía Augusta, 255 Local 4. Barcelona	15	—	25.00	Participaciones Teide, S.A.
Sa Stria, Società Consortile a Responsabilità Limitata Piazza Fernando de Lucia, 60 Roma (Italy)	—	—	40.00	FCC Construcción, S.A.

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		% NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005	
	2005	2004		
Terminal Polivalente de Castellón, S.A. Muelle del Centenario (Terminal B). El Grao (Castellón de la Plana)	2,662	3,749	45.00	FCC Construcción, S.A.
Terminal Polivalente de Huelva, S.A. La Marina, 29. Huelva	5	5	31.50	FCC Construcción, S.A.
Torres Porta Fira, S.A. Mestre Nicolau, 19. Barcelona	8,648	300	40.00	FCC Construcción, S.A.
Urbs Iudex et Causidicus, S.A. Tarragona, 161, Cos Baix, 3 Derecha. Barcelona	(10,866)	2,622	29.00	FCC Construcción, S.A.
Viveros del río Razón, S.L. Camino del Guardatillo. Valdeavellano de Tera (Soria) -Tree nurseries and gardening-	2	2	48.00	Naturaleza, Urbanismo y Medio Ambiente, S.A.
CEMENT				
Aplicaciones Minerales, S.A. Camino Fuente Herrero, s/n. Cueva de Cardiel (Burgos)	371	318	24.00 12.00 12.00	Cementos Portland Valderrivas, S.A. Cementos Alfa, S.A. Cementos Lemona, S.A.
Canteras y Hormigones Quintana, S.A. Ctra. Santander-Bilbao, Km. 184. Barcena de Cicero (Cantabria) (e)	2,609	2,982	30.00	Cementos Alfa, S.A.
Canteras y Hormigones VRE, S.A. Arieta, 13. Estella (Navarra) (c)	1,814	1,842	30.00	Cementos Portland Valderrivas, S.A.
Carbocem, S.A. Pº de la Castellana, 45. Madrid -Import of coal- (c)	411	369	42.85 14.28	Cementos Portland Valderrivas, S.A. Cementos Alfa, S.A.
Dragon Alfa Cement Limited (*) Harbour House. Deck Road, 138 Gloucestershire (United Kingdom)	—	2,708		
Exponor, S.A. Alameda de Urquijo, 10. Bilbao (Vizcaya) -In liquidation-	1	1	32.00 23.00	Cementos Lemona, S.A. Cementos Portland Valderrivas, S.A.
Cementos Lemona Group Alameda de Urquijo, 10. Bilbao (Vizcaya) (a)	43,500	39,168	30.78 0.01	Cementos Portland Valderrivas, S.A. Hormigones y Morteros Preparados, S.A. Unipersonal
Hormigones Alcanadre, S.L. (*) Alcubierre, 11. Huesca	?	431		
Hormigones Calahorra, S.A. Brebicio, 25. Calahorra (La Rioja)	173	283	49.99	Cementos Portland Valderrivas, S.A.
Hormigones Castro, S.A. Ctra. Irún-La Coruña, Km. 153. Islares (Cantabria)	436	439	40.00	Cementos Alfa, S.A.
Hormigones del Baztán, S.L. Suspeltxiki, 25. Vera de Bidasoa (Navarra)	764	709	50.00	Hormigones Arkaitza, S.A. Unipersonal
Hormigones Delfín, S.A. Venta Blanca - Peralta (Navarra)	869	964	50.00	Cementos Portland Valderrivas, S.A.
Hormigones en Masa de Valtierra, S.A. Ctra. de Cadreíta, Km. 0. Valtierra (Navarra)	1,581	1,508	50.00	Cementos Portland Valderrivas, S.A.
Hormigones Galizano, S.A. Ctra. Irún-La Coruña, Km. 184. Gama (Cantabria)	299	296	50.00	Cementos Alfa, S.A.
Hormigones Giral, S.A. (*) Alcubierre, 11. Huesca	—	2,547		
Hormigones Reinales, S.A. Bretón de los Herreros, 8. Calahorra (La Rioja)	741	734	50.00	Cementos Portland Valderrivas, S.A.
Hormigones y Áridos del Pirineo Aragonés, S.A. Ctra. de Biescas, s/n. Sabiñánigo (Huesca) (c)	4,470	3,565	50.00	Cementos Portland Valderrivas, S.A.
Lázaro Echeverría, S.A. Isidoro Melero. Alsasua (Navarra) (c)	8,781	8,254	40.00	Canteras de Aláiz, S.A.
Navarra de Transportes, S.A. Ctra. Pamplona-Vitoria, km. 52. Olazagutia (Navarra) (c) -Bulk goods transport	1,010	956	33.33	Cementos Portland Valderrivas, S.A.

COMPANY	CARRYING AMOUNT OF THE INVESTMENT		%	NOMINAL PERCENTAGE OF OWNERSHIP AND OWNER AT DECEMBER 31, 2005
	2005	2004		
Novhorvi, S.A. Portal de Gamarra, 25. Vitoria (Álava)	263	206	25.00	Canteras del Pirineo Occidental, S.A.
Silos y Morteros, S.L. General Vara del Rey, 1. Logroño (La Rioja)	270	226	33.33	Hormigones y Morteros Preparados, S.A. Unipersonal
OTHER ACTIVITIES				
Property				
Realia Business Group Paseo de la Castellana, 216. Madrid (a)	256,524	222,760	44.25 4.41 0.51	Fomento de Construcciones y Contratas, S.A. Corporación Financiera Hispánica, S.A. Grucyca, S.A.
TOTAL VALUE OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	481,380	442,734		

Notes:

- In general, the financial statements of the related companies are at December 31, 2005.
- As required by Article 86 of the consolidated Corporations Law, in 2005 the Group companies made the related notifications to the companies in which they had acquired direct or indirect investments of over 10%.
- The main associates were audited by Deloitte & Touche, PricewaterhouseCoopers, KPMG Peat Marwick and Ernst & Young, as indicated in the foregoing list with the letters (a), (b), (c) and (d), respectively. Other audit firms are grouped under the letter (e).

(*) See Appendix IV/3 "Exclusions from the Scope of Consolidation".



ANEXO IV. CHANGES IN THE SCOPE OF CONSOLIDATION

INCLUSIONS	REGISTERED OFFICE
FULLY CONSOLIDATED COMPANIES	
<p>AREMI ASOCIADOS, S.L. AUGAS MUNICIPAIS DE ARTEIXO, S.A. CEMINTER MADRID, S.L. UNIPERSONAL CEMUSA BOSTON, LLC. CHEMIPUR QUÍMICOS, S.L. UNIPERSONAL CONCESIONES VIALES, S. DE R.L. DE C.V. DISTRIBUCIÓN CLIMATIZADA, S.A. UNIPERSONAL (1) DRAGON ALFA CEMENT LIMITED (*) EMPRESA MUNICIPAL DE DESARROLLO SOSTENIBLE AMBIENTAL DE ÚBEDA, S.L. ENTEMASER, S.A. GEMECAN GESTORA MEDIOAMBIENTAL Y DE RESIDUOS, S.L. LOGÍSTICO SANTOS, S.A. UNIPERSONAL GROUP (1) HIDROTEC TECNOLOGÍA DEL AGUA, S.L. UNIPERSONAL HORMIGONES DEL KAS, S.L. UNIPERSONAL HORMIGONES ISLEÑOS, S.L. UNIPERSONAL HORMIGONES TABARCA, S.L. UNIPERSONAL INDUSTRIAS SANGAR, S.A. INSTUGASA, S.L. UNIPERSONAL INTEGRACIONES AMBIENTALES DE CANTABRIA, S.A. LOGO ALMACENAJE, S.A. UNIPERSONAL (1) MANIPULACIÓN Y RECUPERACIÓN MAREPA, S.A. NILO MEDIOAMBIENTE, S.L. UNIPERSONAL PAPELES HERNÁNDEZ E HIJOS, S.A. PAPELES VELA, S.A. RECUPERACIONES MADRILEÑAS DEL PAPEL, S.A. RECUPERADOS EXTREMEÑOS, S.A. RH ENTERPRISES (1993) LIMITED SANTOS EUROPEA DE DISTRIBUCIÓN, S.L. UNIPERSONAL (1) SANTOS LOGÍSTICA ALMACENAJE Y DISTRIBUCIÓN, S.L. UNIPERSONAL (1) SANTOS LOGÍSTICA DE TELECOMUNICACIONES, S.L. UNIPERSONAL (1) SANTOS LOGÍSTICA RETAIL, S.A. UNIPERSONAL (1) SANTOS LOGÍSTICA, S.L. UNIPERSONAL (1) SANTOS RENTING, S.L. UNIPERSONAL SANTOS SERVICIOS GENERALES COMPARTIDOS, S.L. UNIPERSONAL (1) SANTOS TRANSPORTES EUROPEOS, S.L. UNIPERSONAL (1) SUÑER TRANSPORT NAVARRA, S.A. UNIPERSONAL (1) SUÑER TRANSPORT, S.A. UNIPERSONAL (1)</p>	<p>Av. de les Corts Valencianes, 50. Valencia Pz. Alcalde Ramón Dopico. Arteixo (La Coruña) Almagro, 26. Madrid 645 N. Michigan Ave Ste. 800. Chicago. Illinois (U.S.A.) Píncel, 25. Seville Mexico City (Mexico) Cr. Villaverde a Vallecas Km. 8 Par H-1. Madrid Harbour House. Deck Road, 138. Gloucestershire (United Kingdom) Pz. Vázquez de Molina, s/n. Úbeda (Jaén) Castillo, 13. Adeje (Santa Cruz de Tenerife) Josefina Mayor, 12. Telde (Las Palmas) Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid) Píncel, 25. Seville José Abascal, 59. Madrid José Abascal, 59. Madrid José Abascal, 59. Madrid Guadalquivir, 16. Fuenlabrada (Madrid) La Presa, 14. Adeje (Santa Cruz de Tenerife) Lealtad, 14. Santander (Cantabria) Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid) Av. San Martín de Valdeiglesias, 22. Alcorcón (Madrid) Píncel, 25. Seville Guadalquivir, 16. Fuenlabrada (Madrid) Álava, 90. Barcelona Guadalquivir, 16. Fuenlabrada (Madrid) Cr. Nacional 630 Km. 543. Casar de Cáceres (Cáceres) The Cement Terminal, Sharpness Docks. Gloucestershire (United Kingdom) Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid) Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid) Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid) Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid) Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid) Francisco Medina y Mendoza. Guadalajara Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid) Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid) Cr. Navarra Km. 16. Arguedas (Navarra) Cr. Tavernes, s/n. Alzira (Valencia)</p>

INCLUSIONS	REGISTERED OFFICE
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PROPORTIONATELY CONSOLIDATED COMPANIES

COMPAÑÍA ANDALUZA AUXILIAR DE TRANSPORTES, S.L.	Córdoba, 7. Málaga
CONVERTY SERVICE, S.A.	Cn. De los Afligidos P.I. La Esgaravita, 1. Alcalá de Henares (Madrid)
INALIA MOSTAGANEM, S.L.	Gobelos, 47-49 - Madrid
PERI 3 GESTIÓN, S.L.	General Álava, 26. Vitoria (Álava)
SENBLÉN BAT, S.A.	Alameda de Urquijo, 10. Bilbao (Vizcaya)

COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

BBR VT INTERNATIONAL LTD.	Bahnstrasse, 23. Schwerzenbach (Switzerland)
CONCESIONARIA TÚNEL DE COATZACOALCOS, S.A. DE C.V.	Mexico City (Mexico)
EMANAGUA EMPRESA MIXTA MUNICIPAL DE AGUAS DE NÍJAR, S.A.	Pz. De la Glorieta, 1. Níjar (Almería)
CEDINSA GROUP	Tarragona, 141. Barcelona
TACEL GROUP	Rozabella, 6 Europa Empresarial. Las Rozas de Madrid (Madrid)
HOSPITAL DEL SURESTE, S.A.	Paseo de la Castellana, 189. Madrid
I.T.V. PROBÚS, S.L.	Castelló, 66. Madrid
IBISAN SOCIEDAD CONCESIONARIA, S.A.	Porto Pi, 8. Palma de Mallorca (Balearic Islands)
MADRID 407 SOCIEDAD CONCESIONARIA, S.A.	Pedro Teixeira, 8 Edif. Iberia mart.. Madrid
MARINA DE LAREDO, S.A.	Pasaje de Puntida, 1. Santander (Cantabria)
PALLARS JUSSÀ NETEJA I SERVEIS, S.A.	Pau Casals, 14. Tremp (Lleida)
PORTSUR CASTELLÓN, S.A.	Muelle Serrano Lloberes, s/n. El Grao (Castellón de la Plana)
PROMVIAS XXI, S.A.	Vía Augusta, 255 Local 4. Barcelona
TRANVÍA DE PARLA, S.A.	Soledad, 1A. Parla (Madrid)

EXCLUSIONS**REGISTERED OFFICE****FULLY CONSOLIDATED COMPANIES**

ARGAM, S.A. (2)	Galileo, 2446. Buenos Aires (Argentina)
ÁRIDOS DE ANDÚJAR, S.L. UNIPERSONAL (3)	Cr. de los Villares Km. 7,5. Andújar (Jaén)
C.T.V., S.A. (2)	Coronel Esteban Bonorino, 277. Buenos Aires (Argentina)
DISTRIBUCIÓN CLIMATIZADA, S.A. UNIPERSONAL (1)	Cr. Villaverde a Vallecas Km. 8 Par H-1. Madrid
ECOVEC, S.A.	Coronel Esteban Bonorino, 271. Buenos Aires (Argentina)
FALCON CONTRATAS Y SEGURIDAD, S.A.	Ronda de Poniente, 13 Locales E2 y P1. Tres Cantos (Madrid)
FALCON CONTRATAS Y SERVICIOS AUXILIARES, S.A.	Ronda de Poniente, 13 Locales E5. Tres Cantos (Madrid)
FCC CONSTRUCCIÓN PUERTO RICO CORP. (4)	1225 Ponce de León Avenue. San Juan de Puerto Rico (U.S.A.)
FEPANOR, S.L.	Cr. de Andalucía, Km. 56. Ocaña (Toledo)
FORMACIÓN Y CONTRATAS, S.A.	Ronda de Poniente, 13 Locales E1. Tres Cantos (Madrid)
GRUPO LOGÍSTICO SANTOS, S.A. UNIPERSONAL (1)	Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid)
HORMIGONES DEL KAS, S.L. UNIPERSONAL	José Abascal, 59. Madrid
HORMIGONES ISLEÑOS, S.L. UNIPERSONAL	José Abascal, 59. Madrid
I.T.V. INSULAR, S.A. (5)	Federico Salmón, 13. Madrid
IBÉRICA DE ENCLAVES, S.A.	Arquitecto Gaudí, 4. Madrid
INGETMA, S.A.	Juan Bautista Zabala, 12. Guecho (Vizcaya)
LOGO ALMACENAJE, S.A. UNIPERSONAL (1)	Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid)
RECOLLIDA I NETEJA ORO-VILA, S.A. UNIPERSONAL (6)	Av. Garrigas, 15. Bellpuig (Lleida)
SANTOS EUROPEA DE DISTRIBUCIÓN, S.L. UNIPERSONAL (1)	Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid)
SANTOS LOGÍSTICA ALMACENAJE Y DISTRIBUCIÓN, S.L. UNIPERSONAL (1)	Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid)
SANTOS LOGÍSTICA DE TELECOMUNICACIONES, S.L. UNIPERSONAL (1)	Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid)
SANTOS LOGÍSTICA RETAIL, S.A. (UNIPERSONAL (1)	Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid)
SANTOS LOGÍSTICA, S.L. UNIPERSONAL (1)	Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid)
SANTOS SERVICIOS GENERALES COMPARTIDOS, S.L. UNIPERSONAL (1)	Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid)
SANTOS TRANSPORTES EUROPEOS, S.L. UNIPERSONAL (1)	Buenos Aires, s/n Polígono Camporroso. Alcalá de Henares (Madrid)
SUÑER TRANSPORT NAVARRA, S.A. UNIPERSONAL (1)	Cr. Navarra Km. 16. Arquedas (Navarra)
SUÑER TRANSPORT, S.A. UNIPERSONAL (1)	Cr. Tavernes, s/n. Alzira (Valencia)
T.P.A. FRUGO, S.A.	Federico Salmón, 13 - Madrid

PROPORTIONATELY CONSOLIDATED COMPANIES

CONSTRUCTORA AEROPUERTO SANTIAGO LIMITADA (4)	Alfredo Barros Errazuriz, 1953. Santiago (Chile)
SERECO GESTIÓN, S.L.	Polígono Guarnizo, parcela 97. El Astillero (Cantabria)

COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

DINFRA COFIMEX, S.A. DE C.V.	Coahuila, 299. Colonia de Cuajimalca. Mexico City. (Mexico)
DRAGON ALFA CEMENT LIMITED (*)	Harbour House. Deck Road, 138. Gloucestershire (United Kingdom)
ECCE SIGNS FOR EUROPE B.V.	Essenestraat, 24. Ternat (Belgium)
ECCE SIGNS FOR EUROPE B.V., S.L.	Polaris Ave 53. J.H. Hofddorp (Netherlands)
GRUPO DOMINO HOLDINGS	Av. Cândido Abreu, 651. Curitiba (Brazil)
GRUPO EUMEX	Bldv. Manuel Ávila Camacho, 76 Colonia Lomas de Chapultepec. Mexico City. (Mexico)
HORMIGONES ALCANADRE, S.L.	Alcubierre, 11. Huesca
HORMIGONES GIRAL, S.A.	Alcubierre, 11. Huesca

(1) Company merged by absorption into FCC Logística, S.A. Unipersonal.

(2) Company merged by absorption into Verauto La Plata, S.A.

(3) Company merged by absorption into Áridos y Premezclados, S.A. Unipersonal.

(4) Exclusion due to liquidation.

(5) Company merged by absorption into General de Servicios I.T.V., S.A.

(6) Company merged by absorption into Jaume Oro, S.L.

(*) Change of consolidation method.

APPENDIX V. UNINCORPORATED JOINT VENTURES, ECONOMIC INTEREST GROUPINGS AND OTHER ENTITIES JOINTLY CONTROLLED WITH NON-GROUP THIRD PARTIES

	PERCENTAGE OF OWNERSHIP		PERCENTAGE OF OWNERSHIP
ENVIRONMENT			
A.I.E. AGUAS Y SERVICIOS DE LA COSTA TROPICAL DE GRANADA	51.00	UTE FCC. HIJOS DE MORENO, S.A.	50.00
A.I.E. GESTIÓN DE SERVICIOS HIDRÁULICOS DE CIUDAD REAL	75.00	UTE FCC. HIMOSA	50.00
A.I.E. ITAM DELTA DE LA TORDERA	50.00	UTE FCC. PROMECO 2000, S.L.	50.00
A.I.E. SEARSA CAÑELLAS	25.00	UTE FCC. SUFI MAJADAHONDA	50.00
UTE A GUARDA	50.00	UTE FCC. SUFI PESA	50.00
UTE ABASTECIMIENTO EXTREMADURA	20.00	UTE FCC. SYF PLAYAS	40.00
UTE ABM	52.80	UTE FCC. TEGNER	50.00
UTE AEROPUERTO I	50.00	UTE FCCMA. NECA	51.00
UTE AEROPUERTO II	50.00	UTE FCCMA. RUBATEC STO. MOLLET	50.00
UTE AGUAS ALCALÁ	37.50	UTE FCCPO	50.00
UTE AGUAS DEL DORAMÁS	50.00	UTE FCCSA. GIRSA	89.80
UTE ALCANTARILLADO BILBAO	90.00	UTE FCCSA. SECOPSA	50.00
UTE ALMEDA	51.00	UTE FOBESA	50.00
UTE AMPLIACIÓ LIXIVITATS	40.00	UTE FS MUNGEST	51.00
UTE AMPLIACIÓN EDAR ABRERA	90.00	UTE FS MUNGEST II	51.00
UTE AMPLIACIÓN EDAR GIRONA	33.00	UTE GESTIÓN BIOSÓLIDOS SEVILLA	50.00
UTE AMPLIACIÓN ETAP BURGOS	50.00	UTE GESTIÓN INSTALACIÓN III	34.99
UTE AMPLIACIÓN IDAM SANT ANTONI	50.00	UTE GESTIÓN LODOS CYII	50.00
UTE ANDRATX	25.00	UTE GIREF	20.00
UTE ANSA. ALFUS	20.00	UTE GIRONA SELECTIVES	50.00
UTE APARKISA	35.00	UTE HÉROES DE ESPAÑA	50.00
UTE AQUAGEST Y SEARSA	25.00	UTE HIDROGESTIÓN	30.00
UTE AQUALIA. FCC. MYASA	94.00	UTE IDAM IBIZA	50.00
UTE ARGÍ GUEÑES	70.00	UTE IDAM SANT ANTONI	50.00
UTE ASTONDO	40.00	UTE INFILCO	50.00
UTE BILBOKO SANEAMENDU	50.00	UTE INTAGUA	50.00
UTE BIOCOMPOST DE ÁLAVA	50.00	UTE JARDINES CÁDIZ	50.00
UTE BOADILLA	50.00	UTE JARDINES PROTECCIÓN ESPECIAL	50.00
UTE CÁDIZ	50.00	UTE JARDINES SANTA COLOMA	50.00
UTE CANA PUTXA	20.00	UTE JUNDIZ	51.00
UTE CASTELLANA. PO	50.00	UTE LEA. ARTIBAI	60.00
UTE CASTELLAR DEL VALLÈS	50.00	UTE LEGIO VII	50.00
UTE CIUTAT VELLA	50.00	UTE LIMPIEZA COLEGIOS PÚBLICOS DE ALCORA	50.00
UTE COLECTOR MAGRANERS	50.00	UTE LIMPIEZA COLEGIOS PÚBLICOS DE BURRIANA	50.00
UTE COLECTORES Y EDAR EN BARBARROJA	25.00	UTE LIMPIEZA COLEGIOS PÚBLICOS DE CASTELLÓN	50.00
UTE COLEGIOS SANT QUIRZE	50.00	UTE LÍNEA 2 FASE 2 FMB	50.00
UTE COMPORTATGE ALT URGELL	40.00	UTE LÍNEA 2 METRO BILBAO	50.00
UTE CONSORCIO FCC. FOCSAVEN	75.50	UTE LOCALES JUSTICIA LOTE II	50.00
UTE DELTA	50.00	UTE LOCALES JUSTICIA LOTE V	50.00
UTE DEPURACIÓN PONIENTE ALMERIENSE	75.00	UTE LOGROÑO LIMPIO	50.00
UTE DIGESTIÓN EDAR TARRAGONA	50.00	UTE LVR MUSKIZ II	70.00
UTE ECOSERVEIS FIGUERES	50.00	UTE MADRID I	50.00
UTE EDAR ARRUBAL Y AGONCILLO	50.00	UTE MADRID II	50.00
UTE EDAR CULEBRO	17.50	UTE MADRID III	50.00
UTE EDAR CULEBRO EQUIPOS	50.00	UTE MANCOMUNIDAD ALTO MIJARES	50.00
UTE EDAR DE KRISPIJANA	70.00	UTE MANTENIMIENTO COLEGIOS BILBAO	60.00
UTE EDAR DEPURADORA BRIANS	25.00	UTE MONTCADA	50.00
UTE EDAR LLANÇÀ	10.00	UTE MORELLA	50.00
UTE EDAR PATERNA	42.50	UTE MUSKIZ	70.00
UTE EDAR TORREVIEJA	5.00	UTE NAVALMORAL	50.00
UTE EL ESPINAR	50.00	UTE OBRA AMPLIACIÓN IDAM SAN ANTONIO	50.00
UTE EPTISA ENTEMANSER	48.50	UTE OBRA AGUAS ALCALÁ	55.00
UTE ETAP LAS ERAS	50.00	UTE OFICINA ATENCIÓN TRIBUTARIA	33.34
UTE ETAP ORBIGO	50.00	UTE ONDA EXPLOTACIÓN	33.33
UTE EXPLOTACIÓN ITAM TORDERA	50.00	UTE PARLA	99.00
UTE F.L.F. LA PLANA	47.00	UTE PARQUE PARÍS DE LAS ROZAS	50.00
UTE FCC. ANPE	80.00	UTE PARQUES SINGULARES MÓSTOLES	50.00
UTE FCC. ERS LOS PALACIOS	50.00	UTE PAS. SPA	50.00
UTE FCC. FOCONSA	50.00	UTE PINETONS	50.00

	PERCENTAGE OF OWNERSHIP		PERCENTAGE OF OWNERSHIP
UTE PISCINA CUBIERTA MANISES	65.00	CONSTRUCTION	
UTE PISCINA CUBIERTA PAIPORTA	90.00	ACE ACESTRADA CONSTRUÇÃO DE ESTRADAS	13.33
UTE PLAN RESIDUOS	47.50	ACE ACCESSIBILIDADE DAS ANTAS CONSTRUÇÃO E OBRAS PÚBLICAS	50.00
UTE PLANTA COMPOSTATGE D'OLOT	21.00	ACE EDIFER CONSTRUÇÕES, RAMALHO ROSA COBETAR E.C.	33.33
UTE PLANTA TRATAMIENTO VALLADOLID	60.00	ACE FCC CONSTRUCCIÓN E EDIFER	50.00
UTE PLAYAS	50.00	ACE INFRAESTRUTURAS DAS ANTAS COSNTRUÇÃO E OBRAS PÚBLICAS	33.33
UTE PONIENTE ALMERIENSE	50.00	ACE LUMIAR	50.00
UTE PORTUGARBI	51.00	ACE LUMIAR PREVIA	50.00
UTE POSU. FCC VILLALBA	50.00	ACE METREXPO	44.90
UTE PUERTO	50.00	ACE RAMALHO R.C., GRAVINER E NOVOPCA	72.25
UTE R.S. PONIENTE ALMERIENSE	50.00	ACE RAMALHO ROSA COBETAR E EDIFER	56.00
UTE RANILLA CONSTRUCCIÓN	42.50	ACE TÚNEL ODEOLUCA	35.00
UTE RBU VILLA-REAL	47.00	ACE TÚNEL RAMELA	13.33
UTE RESIDENCIA	50.00	ACE TÚNEL DE CEUTA, CONSTRUÇÃO DE OBRAS PÚBLICAS	49.50
UTE RESIDUOS ELECTRÓNICOS	16.67	ACE DU PORT DE LA CONDAMINE	45.00
UTE RESTAURACIÓN GARRAF	27.50	A.I.E. AUXEL ELECTRICIDAD AUXILIAR	75.00
UTE S.U. BILBAO	70.00	A.I.E. ITAM DELTA DE LA TORDERA	0.10
UTE SALTO DEL NEGRO	50.00	UTE 2ª FASE PLATAFORMA AENA	60.00
UTE SANT LLORENÇ	50.00	UTE 40. NORTE	50.00
UTE SANT QUIRZE	50.00	UTE 57 VIVIENDAS PC-6 CERRO DE REYES	90.00
UTE SANTA COLOMA DE GRAMANET	61.00	UTE 60 VIVIENDAS ALMENDRALEJO	85.00
UTE SASIETA	75.00	UTE OBOÑO MUSEL	80.00
UTE SAV. FCC TRATAMIENTOS	35.00	UTE ACONDICIONAMIENTO MUELLE SANTA CATALINA	40.00
UTE SEAFSA. JAIME E ISAAC RODRÍGUEZ	25.00	UTE AEROMÉDICA CANARIA. FCCCO	5.00
UTE SEAFSA J.I. RODRÍGUEZ	30.00	UTE AEROPUERTO DE CASTELLÓN	50.00
UTE SEAFSA LANZAROTE	30.00	UTE AL. BA	50.00
UTE SEARSA. INGEMAXTER. FELANITX	25.00	UTE AL. DEL CALATAYUD. 2	50.00
UTE SEARSA. INGENTMA	25.00	UTE AL. DEL CÓRDOBA	50.00
UTE SEARSA. MAN EXPLOTACIÓN ZONA MAS	25.00	UTE AL. DEL MÁLAGA	50.00
UTE SOLIA	20.00	UTE AL. DEL PUIGVERD	50.00
UTE SUELO MADRID	50.00	UTE ALCAR	45.00
UTE T.P.A. E INICRESS	75.00	UTE ALHAMA	75.00
UTE TIRVA FCC. FCCMA RUBÍ	51.00	UTE ALHENDUR	45.00
UTE TORRIBERA	50.00	UTE ALJUCEN	50.00
UTE TORRIBERA II	50.00	UTE ALMANZORA	40.00
UTE TOSSA DE MAR	20.00	UTE ALMENDRALEJO	65.00
UTE TREMP	51.00	UTE ALQUERÍA	50.00
UTE TXINGUDI	75.00	UTE AMPLIACIÓN AP-6 TRAMO 2	50.00
UTE VALLE INFERIOR	5.00	UTE AMPLIACIÓN CONSEJERÍA AMA	65.00
UTE VERTEDERO GARDELEGUI	70.00	UTE AMPLIACIÓN EDAR GIRONA	34.00
UTE VERTRESA	10.00	UTE AMPLIACIÓN FERIA VALENCIA FASE II	50.00
UTE VIGO RECICLA	70.00	UTE AMPLIACIÓN FERIA VALENCIA FASE III	50.00
UTE VINARAZ	50.00	UTE AMPLIACIÓN MESTALLA	50.00
UTE ZONZAMAS FASE II	30.00	UTE AMPLIACIÓN PUERTO DE CASTELLÓN	50.00
UTE ZURITA	50.00	UTE AP-7 FIGUERES	50.00
VERSA		UTE ARENAL	16.17
A.I.E. INFOSER ESTACIONAMIENTOS	33.33	UTE ARINAGA III	50.00
UTE CAMINO	50.00	UTE ARMILLA INSTALACIONES	50.00
UTE CN III	45.00	UTE ARROYO DE LA ENCOMIENDA	50.00
UTE CONTROL TÚNELES GRAN CANARIA	50.00	UTE ATIL. TECAIR	50.00
UTE EUROHANDLING	50.00	UTE AUDITORIO DE LEÓN	70.00
UTE EUROHANDLING BARCELONA	50.00	UTE AUTOPISTA CARTAGENA. VERA	50.00
UTE EUROHANDLING MÁLAGA	50.00	UTE AUTOVÍA CANALS AGULLENT	60.00
UTE EXTREMADURA	25.00	UTE AUTOVÍA MINERA	80.00
UTE EYSSA. AUPLASA ALICANTE	65.00	UTE AUTOVÍA PAMPLONA. LOGROÑO	35.00
UTE FCC ACISA AUDING	45.00	UTE AUTOVÍA PAMPLONA. LOGROÑO T2, 3, 4	70.79
UTE FCC. DISEL BARCELONA	80.00	UTE AVE MASIDE	67.00
UTE FCC. DISEL N-VI	50.00	UTE AVE MONTBLANC	75.00
UTE METEOROLÓGICAS A-6	33.00	UTE AVE TERUEL	50.00
UTE NOROESTE	33.00	UTE ÁVILA 6	35.00
UTE OCAÑA	75.00	UTE AZOKA	45.88
UTE SANTA BRÍGIDA	25.00	UTE AZUCENAS	75.00
UTE SCC SICE	50.00	UTE BAIX LLOBREGAT	50.00
UTE SCUTMADEIRA	55.00	UTE BALLONTI ARDANZA	9.80
UTE TRAMBAIX	33.00	UTE BARBADOS	50.00
UTE TÚNELES BRAÑAVIELLA. NIEVARES	50.00	UTE BERGARA	50.00
UTE ZARZUELA	50.00	UTE BIMENES	70.00
		UTE BIMESES III	70.00

	PERCENTAGE OF OWNERSHIP		PERCENTAGE OF OWNERSHIP
UTE BIZKAIA ENPARANTZA	24.50	UTE CUATRO CAMINOS	50.00
UTE BOMBEO DE AGUA C.A.C.	40.00	UTE CUÑA VERDE	93.00
UTE BP SIERRA	60.00	UTE D'ARO	60.00
UTE BULEVAR PINTO RESINA	50.00	UTE DÁRSENA SUR DEL PUERTO DE CASTELLÓN	50.00
UTE C 16	50.00	UTE DÁRSENA SUR III DEL PUERTO DE CASTELLÓN	50.00
UTE C&F JAMAICA	50.00	UTE DE SUMINISTROS PUENTE RÍO OZAMA	50.00
UTE C.P.D.'S	50.00	UTE DENIA SALUD	65.00
UTE CABLE CTC	40.00	UTE DEPÓSITO COMBUSTIBLE PUERTO GIJÓN	80.00
UTE CÁCERES	65.00	UTE DEPURADORA CALLOSA	87.00
UTE CADAQUÉS	50.00	UTE DESVÍOS II	60.00
UTE CÁDIZ	35.00	UTE DIQUE ESTE	35.00
UTE CAMBULLONEROS	80.00	UTE DIQUE LA OSA	80.00
UTE CAMBULLONEROS. VIRGEN DEL PINO	40.00	UTE DIQUE TORRES	27.00
UTE CAMPUS MIERES	73.00	UTE DISTRIBUCIÓN L-2 Y VARIAS	50.00
UTE CAN TUNIS	70.00	UTE DOZÓN	29.60
UTE CANAL DE NAVARRA	60.00	UTE DUEÑAS	50.00
UTE CANAL PUERTO VALENCIA	65.00	UTE EDAR CULEBRO	32.50
UTE CAPTACIÓN AGUA DE MAR S.P. PINATAR	50.00	UTE EDAR CULEBRO OBRA CIVIL	50.00
UTE CÁRCEL MARCOS PAZ	35.00	UTE EDAR L.F. DEPURBAIX	40.00
UTE CARDEDEU	40.00	UTE EDAR LOIOLA	89.80
UTE CARIÑENA	50.00	UTE EDAR PATERNA	42.50
UTE CARRETERA ALCÁNTARA L.P. PORTUGAL	65.00	UTE EDAR VUELTA OSTRERA	70.00
UTE CARRETERA HORNACHOS. LLERA	65.00	UTE EDIFICIO 4 WTC	56.25
UTE CARRETERA IBIÑA. SAN ANTONIO	50.00	UTE EDIFICIO DE LAS CORTES	65.00
UTE CARRETERA VALVERDE BADAJOZ	65.00	UTE EDIFICIO IMETISA	70.00
UTE CASON	50.00	UTE EDIFICIO TERMINAL	40.00
UTE CASON II	50.00	UTE EDIFICIOS I.D.I. TERCERA FASE	75.00
UTE CASTELLOLÍ	50.00	UTE EIX BERGUEDÀ	34.00
UTE CATENARIA. CERRO NEGRO	50.00	UTE EIX DEL LLOBREGAT	34.00
UTE CECOEX	20.00	UTE EL CONDADO	40.00
UTE CENTRE CONVENCIONS	37.00	UTE ELECTRICIDAD CIUDAD COMUNICACIONES	50.00
UTE CENTRO CONTINGENCIAS GAVÀ	70.00	UTE ELECTRIFICACIÓN GRANOLLERS	20.00
UTE CERRAMIENTO CONTRADIQUE	60.00	UTE EMISARIO MOMPAS	89.80
UTE CERRO GORDO	75.00	UTE ENLACE R3-M50	33.33
UTE CERVERA LES OLUGES	50.00	UTE ENVALIRA	50.00
UTE CHAPÍN 2002	75.00	UTE ESCLUSA SEVILLA	70.00
UTE CIM LLEIDA	60.00	UTE ESPELSA. BEDASA	65.00
UTE CIRCUITO	70.00	UTE ESPELSA. ENDITEL	50.00
UTE CIRCUNVALACIÓN III	46.25	UTE ESPELSA. LUWAT	60.00
UTE CIUDAD DE LA JUSTICIA DE VALENCIA II	40.00	UTE ESPELSA. OCESA	75.00
UTE CIUDAD DE LAS ARTES ESCÉNICAS F.V.2	50.00	UTE ESPELSA. TMI	94.92
UTE CIUDAD DE LAS COMUNICACIONES	50.00	UTE ESTACIÓN AVE ZARAGOZA	50.00
UTE CIUDAD DEPORTIVA VALDEBEBAS	50.00	UTE ESTACIÓN FGV MERCADO. ALICANTE	60.00
UTE CIUDAD DEPORTIVA VALDEBEBAS II	50.00	UTE ESTACIÓN METRO SERRERÍA	50.00
UTE CIUDAD REAL	50.00	UTE ESTACIONES METRO LIGERO	50.00
UTE CIUTAT DE LA JUSTICIA	30.00	UTE ESTACIONES LÍNEA 9	33.00
UTE CLIMATIZACIÓN BARAJAS	42.50	UTE ESTADIO FRANCISCO DE LA HERA	85.00
UTE CLIMATIZACIÓN CIUDAD DE TELEFÓNICA	50.00	UTE F.I.F. LNG TK. 3001	34.00
UTE CLÍNICA PLANAS	50.00	UTE F.I.F. TANQUE FB. 241 GNL	34.00
UTE CLUB NÁUTICO CASTELLÓN	50.00	UTE F.I.F. TANQUES GNL	34.00
UTE COBRA CPD REPSOL	50.00	UTE FASE II HOSPITAL DE MÉRIDA	50.00
UTE COBRA. ESPELSA	50.00	UTE FÁTIMA	12.74
UTE COBRA. ESPELSA TRANVÍA	50.00	UTE FÁTIMA II	16.17
UTE COLECTOR MONTSERRAT	35.00	UTE FCC URCO URBASA	50.00
UTE COLECTOR NAVIA	80.00	UTE FCCCO ROVER ALCISA TRAMO 5	81.20
UTE COLECTOR RÍO TRIANA	80.00	UTE FGV ALICANTE TRAMO 2	60.00
UTE CONAVILA	55.00	UTE FIRA P-5	65.00
UTE CONAVILA II	50.00	UTE FÍSICA Y QUÍMICA	50.00
UTE CONDUCCIÓN DEL JÚCAR TRAMO VI	70.00	UTE FUENTE LUCHA	77.00
UTE CONEXIÓN DISTRIBUIDOR SUR	60.00	UTE GANGUREN	11.03
UTE CONEXIONES EL CAÑAVERAL	33.33	UTE GARRAF	50.00
UTE CONSEJERÍA AGRICULTURA	85.00	UTE GAS SAGUNTO, SOCOIN-APL	50.00
UTE CONSTRUCCIÓN HOSPITAL SURESTE	50.00	UTE GASODUCTO MAGREB. EUROPA	50.00
UTE CONTROL AÉREO GAVÀ	70.00	UTE GIJÓN. VILLAVICIOSA	50.00
UTE CORNELLÀ WTC	36.00	UTE GIRIBAILE	50.00
UTE CORREDOR	55.00	UTE GIRIBAILE II	50.00
UTE CORTE INGLÉS CASTELLÓN	70.00	UTE GIRONA NORTE	70.00
UTE CARRETERA PANTANOS	33.33	UTE GRAN VÍA HOSPITALET	50.00
UTE CARRETERA ACCESO PUERTO CASTELLÓN	50.00	UTE GRAN VÍA NORTE	50.00

	PERCENTAGE OF OWNERSHIP		PERCENTAGE OF OWNERSHIP
UTE GRAN VÍA SURESTE	33.33	UTE NUEVO ACCESO A LOS MUELLES DE LA OSA	80.00
UTE GRAU DE LA SABATA	90.00	UTE NUEVO PUERTO DE IGOUMENITZA	50.00
UTE GUADARRAMA 3	33.33	UTE NUEVO TRAZADO CARRETERA TF-812	85.00
UTE GUADARRAMA 4	33.33	UTE OJO GUAREÑA	99.00
UTE GUAREÑA I	50.00	UTE OLABEL	13.23
UTE GUICYCSA TORDESILLAS	60.00	UTE OLOT MONTAGUT	45.00
UTE HABILITACIÓN ED.C. COMUNICACIONES	50.00	UTE ORENSE. MELÓN	50.00
UTE HORCHE	65.00	UTE OSEBE	50.00
UTE HOSPITAL ALCÁZAR	60.00	UTE OVIEDO LUGONES	70.00
UTE HOSPITAL CAMPUS DE LA SALUD	80.00	UTE PABELLÓN ILGNER	74.50
UTE HOSPITAL DE PALMA	50.00	UTE PADRÓN	50.00
UTE HOSPITAL DEL SUR	80.00	UTE PALACIO DE LOS DEPORTES	50.00
UTE HOSPITAL FCC. VVO	80.00	UTE PALAU	50.00
UTE HOSPITAL NAVALMORAL	50.00	UTE PALAU II	50.00
UTE HOSPITAL NORTE TENERIFE	80.00	UTE PALAU NACIONAL	44.00
UTE HOSPITAL O'DONELL	50.00	UTE PANADELLA	50.00
UTE HOSPITAL UNIVERSITARIO DE MURCIA	50.00	UTE PARC CIENTÍFIC	50.00
UTE HOTEL WTC	53.00	UTE PARQUE EMPRESARIAL	75.00
UTE HUELVA NORTE	55.00	UTE PARQUE MÁLAGA	60.00
UTE HUESNA CONSTRUCCIÓN	33.33	UTE PARQUE OCEANOGRÁFICO DE VALENCIA	40.00
UTE IBAI EDER	24.50	UTE PARQUE OCEANOGRÁFO	50.00
UTE IFEVI	50.00	UTE PASAIA	7.35
UTE INCYEL	25.00	UTE PAU LAS TABLAS	50.00
UTE INSTITUT GUTTMAN	50.00	UTE PAU MONTE CARMELO	50.00
UTE INTERCAMBIADOR	75.00	UTE PAVONES VIVIENDAS	50.00
UTE JAÉN. MANCHA REAL	80.00	UTE PEOPLE MOVER	50.00
UTE JEREZ FERROVIARIA	80.00	UTE PIEDRAFITA	66.67
UTE JUAN GRANDE	50.00	UTE PINA	50.00
UTE JÚCAR	53.00	UTE PLATAFORMA AENA	60.00
UTE L9 HOSPITALET	50.00	UTE PLATAFORMA BARAJAS	50.00
UTE LA CARPETANIA	50.00	UTE PLATAFORMA SATÉLITE	26.00
UTE LA LOTETA	80.00	UTE POLÍGONO VICÁLVARO	80.00
UTE LAGUNA	35.00	UTE PORT BESÓS	50.00
UTE LAS ROSAS I-7	33.33	UTE PORT BESÓS. ACA	50.00
UTE LAUDIO	24.50	UTE PORT TARRAGONA	50.00
UTE LÍNEA 5	40.00	UTE PRADO	50.00
UTE LÍNEA 9	33.00	UTE PREFABRICADOS M-30	50.00
UTE LÍNEA 10	50.00	UTE PRESA ENCISO	50.00
UTE LÍNEA DE COSTA	50.00	UTE PRESAS JÚCAR	53.00
UTE LUKO	45.00	UTE PRESAS SEVILLA	70.00
UTE M-30 TÚNEL SUR	50.00	UTE PROLONGACIÓN DIQUE REINA SOFÍA	40.00
UTE M-45 NORTE	33.33	UTE PROLONGACIÓN L5 METRO VALENCIA	50.00
UTE M-407	50.00	UTE PROSER. ARDANUY	70.00
UTE MANTENIMENT RONDES	70.00	UTE PROSER. BATLLE I ROIG	50.00
UTE MANZANAL	50.00	UTE PROSER. GEOCONTROL	60.00
UTE MARCIDE	60.00	UTE PROSER. GEOCONTROL II	62.00
UTE MATERNIDAD	50.00	UTE PROSER. I.P.D.	65.00
UTE MATERNIDAD O'DONELL	50.00	UTE PROSER. IMACS	50.00
UTE MEDICINA	50.00	UTE PROSER. INPROESA	70.00
UTE MEJORADA	82.00	UTE PROSER. INPROESA II	70.00
UTE METRO LIGERO	80.00	UTE PROSER. INPROESA III	67.00
UTE METRO MÁLAGA	36.00	UTE PROSER. LA ROCHE TF-5 III	50.00
UTE MONTSERRAT	35.00	UTE PROSER. NARVAL	60.00
UTE MONTSERRAT 2025	50.00	UTE PROSER. NORCONTROL	50.00
UTE MOTRIL	75.00	UTE PROSER. NORCONTROL II	50.00
UTE MUELLE BOUZAS	70.00	UTE PROSER. OLCINA	60.00
UTE MUELLE DE LOS MÁRMOLES	70.00	UTE PROSER. PAYD	70.00
UTE MUELLE REPARACIONES	70.00	UTE PROSER. PAYMACOTAS IV	50.00
UTE MUELLE VIEJO CAUCE VALENCIA	65.00	UTE PROSER. PAYMASA	50.00
UTE MUNGUA	8.68	UTE PROSER. PAYMASA II	50.00
UTE MUSAC DE LEÓN	50.00	UTE PROSER. PAYMASA III	50.00
UTE MUSEO DE LAS CIENCIAS	50.00	UTE PROSER. PERFIL 7	70.00
UTE N.O.M.	63.00	UTE PROSER. UG 21	70.00
UTE NACIMIENTO	54.00	UTE PROSIBE	50.00
UTE NATURMÁS. AZOR	60.00	UTE PROSIBE II	50.00
UTE NATURMÁS. AZOR 2	60.00	UTE PROSIBE III	50.00
UTE NATURMÁS. AZOR 5	60.00	UTE PROTECCIÓN DE LA LAJA	80.00
UTE NOVA BOCANA	40.00	UTE PUENTE ADRIÁTICO	30.00
UTE NOVOA SANTOS	60.00	UTE PUENTE RIO OZAMA (DFC-COCIMAR)	35.00

	PERCENTAGE OF OWNERSHIP		PERCENTAGE OF OWNERSHIP
UTE PUENTE A.P.B.	60.00	UTE TERMINAL B DEL PUERTO DE CASTELLÓN	66.60
UTE PUENTE BADAJOZ	50.00	UTE TERMINAL DE BARAJAS	22.50
UTE PUENTE DE LA SERNA	65.00	UTE TINDAYA	50.00
UTE PUENTE DE PONFERRADA	55.00	UTE TORNEO VILLABLINO	50.00
UTE PUENTE DEL REY	33.33	UTE TORO ZAMORA	70.00
UTE PUENTE MEDELLÍN	65.00	UTE TORRE 1 FCC DRAGADOS	60.00
UTE PUENTE SERRERÍA	60.00	UTE TORREDEMBARRA	50.00
UTE PUERTO DE LAREDO	50.00	UTE TRADE CENTER	75.00
UTE PUERTO DEL ROSARIO	90.00	UTE TRAGSA. FCC A.P.	50.00
UTE PUIGVERD	45.00	UTE TRAMBESÓS	50.00
UTE RADIALES	35.00	UTE TRAMMET	50.00
UTE RAMPAS DE URIBARRI	29.40	UTE TRANVIA DIAGONAL	25.00
UTE RANDE	40.00	UTE TRANVIA DE PARLA	50.00
UTE RANILLA CONSTRUCCIÓN	42.50	UTE TRANVÍA LUCEROS-MERCADO ALICANTE	60.00
UTE RECICLATGE	50.00	UTE TRANVÍA T-5 ALICANTE	64.78
UTE RECINTOS FERIALES	50.00	UTE TRES CANTOS GESTIÓN	50.00
UTE RECINTOS FERIALES II	50.00	UTE TRIANGLE LÍNEA 9	33.00
UTE RECUPERACIÓN DEL GUINIGUADA	50.00	UTE TÚNEL AEROPORT	33.00
UTE REFORMA MEDICINA	50.00	UTE TÚNEL AEROPORT II	33.00
UTE REG GARRIGUES	80.00	UTE TÚNEL C.E.L.A.	50.00
UTE RELLENOS C. DE LOS MUELLES DE LA OSA	80.00	UTE TÚNEL DE BRACONS	75.00
UTE RELLENOS PETROLEROS PUERTO GIJÓN	80.00	UTE TÚNEL DE PAJARES 1	50.00
UTE REPOSICIONES C. LAS PALMAS F3	46.25	UTE TÚNEL FIRA	33.00
UTE RESIDENCIA COMPLUTENSE	50.00	UTE TUNELADORA METRO	33.00
UTE RIALB	65.00	UTE TÚNELES DE GUADARRAMA	33.33
UTE RIALB II	65.00	UTE UE 2 VALLECAS	25.00
UTE RIAÑO SAMA II	70.00	UTE UE 5 VALLECAS	33.33
UTE RIBOTA. CONDADO	70.00	UTE UE 6 VALLECAS	33.33
UTE RINCÓN DE LA VICTORIA	50.00	UTE UE1 ARROYO DEL FRESNO	50.00
UTE RÍO LLOBREGAT	55.00	UTE ULLIBARRI	70.00
UTE ROCKÓDROMO	50.00	UTE UNIVERSIDAD REY JUAN CARLOS	50.00
UTE ROCKÓDROMO 2	40.00	UTE URBANITZACIÓ BANYS	50.00
UTE ROCKÓDROMO FASE 3	40.00	UTE URBANIZACIÓN AUDITORIO	70.00
UTE ROCKÓDROMO PC 3	45.00	UTE URBANIZACIÓN CAMPUS MIERES	73.00
UTE RONDA DE CANGAS DE ONÍS	70.00	UTE URBANIZACIÓN PARC SAGUNT	50.00
UTE RONDA HISPANIDAD	45.00	UTE URBI	49.00
UTE RUTA NACIONAL HAITÍ	55.00	UTE USABEL	24.50
UTE S.A.I.H. JÚCAR	50.00	UTE VALDEVIVIENDAS II	33.33
UTE S.A.I.H. SUR	40.00	UTE VALLE INFERIOR	75.00
UTE S.A.I.H. VALENCIA	50.00	UTE VARIANTE DE MONZÓN	70.00
UTE SAGRA TORRIJOS	50.00	UTE VARIANTE INCA	70.00
UTE SAJA	50.00	UTE VEGAS ALTAS	40.00
UTE SALILLAS DOS	50.00	UTE VELA BCN	25.00
UTE SAN VICENTE	43.00	UTE VERANES	70.00
UTE SANT PAU	33.33	UTE VÍA BENICÀSSIM	35.00
UTE SANTA BRÍGIDA	25.00	UTE VÍA METRO LIGERO	50.00
UTE SANTALIESTRA	20.00	UTE VÍA SANT ANDREU	50.00
UTE SANTIAGO. PADRÓN	50.00	UTE VÍAS COLECTORAS LA CARPETANIA	50.00
UTE SEGUNDA FASE DELICIAS ZARAGOZA	50.00	UTE VÍAS SRV. ENSANCHE VALLECAS	33.33
UTE SELLA	50.00	UTE VIES SANT BOI	50.00
UTE SEVILLA SUR	65.00	UTE VILLAR. PLASENCIA	70.00
UTE SIETE AGUAS. BUÑOL	66.66	UTE VILTAR	50.00
UTE SOCIALES	60.00	UTE YELTES	75.00
UTE SON REUS	50.00	UTE YESA	33.33
UTE SOTO DE HENARES	70.00	UTE ZUBALBURU XXI	16.66
UTE SANTA MARÍA DEL CAMÍ	45.00	UTE ZUERA	65.00
UTE SUBESTACIÓN PAJARES	50.00		
UTE SUBESTACIÓN SERANTES	50.00		
UTE SUELOS DE RIVAS VIEJO	9.80		
UTE SUPERESTRUCTURA L5 METRO VALENCIA	42.50	CEMENT	
UTE SURESTE II	80.00		
UTE SÚRIA	70.00	UTE HORMIGONES AUTOPISTA. TÚNEL AEROPUERTO	50.00
UTE TALLERES METRO	80.00		
UTE TALLUDES CARRETERA LR-115	50.00		
UTE TARRAGONA SUR	70.00		
UTE TEATRE LLIURE	50.00		
UTE TECAIR ROCKÓDROMO	50.00	OTHER ACTIVITIES	
UTE TELEFÓNICA	60.00		
UTE TEMPLO Y C. ECUM. EL SALVADOR F1	65.00	TORRE PICASSO COMMUNITY ASSOCIATION	80.00



MANAGEMENT REPORT

CONSOLIDATED GROUP

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INTRODUCTION

The FCC Group's strategic 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 greenfield areas and offices, 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 parking, street furniture, advertising, passenger transport, vehicle roadworthiness tests, aircraft and passenger ground 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, such as motorways, and other roads, waterworks, maritime works, airports, railway infrastructures, property developments, housing, non-residential buildings, infrastructure conservation, oil and gas pipelines, environmental reclamation, etc. These activities are carried on by FCC Construcción, S.A. and subsidiaries.

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

– **Cement**, this unit engages in the operation of quarries and mineral deposits, the manufacture of cement, lime, plaster and related 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 computerised trading system (continuous market).

The FCC Group is also present in the **Real Estate** industry through the Torre Picasso office building in which the Parent has an ownership interest of 80% and the ownership interest of 49.17% in Realia Business, S.A., which operates in the property development product markets for subsequent sale and the operation of 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.

BUSINESS PERFORMANCE

1. Main Aggregates

Total FCC Group

	2005	2004	Change	
			Absolute	%
Revenue	7,089.8	6,348.8	741.0	11.7
Gross profit from operations	988.9	842.1	146.8	17.4
% Gross margin	13.9	13.3	0.6	4.5
Net profit from operations	656.2	565.1	91.1	16.1
% Net margin	9.3	8.9	0.4	4.5
Profit before tax	696.4	590.5	105.9	17.9
Profit attributable to the parent	421.4	362.5	58.9	16.2
Construction and services backlog	20,496.8	16,405.1	4,091.7	24.9
Investments	943.0	624.6	318.4	51.0
Cash flows from operating activities	981.1	793.9	187.2	23.6
Net debt	403.0	270.1	132.9	49.2
Equity	2,608.4	2,447.0	161.4	6.6
Dividend per share (euros)	1.532	1.36	0.172	12.6
Earnings per share (euros)	3.25	2.79	0.46	16.5
Profit after tax as a percentage of equity (ROE)	21.5	20.1	1.4	7.0

Summary by area of business activity

	2005	2004	% Var.	% s/Total 2005	% s/Total 2004
Revenue					
Construction	3,346.7	3,123.0	7.2	47.2	49.2
Environmental services	2,078.0	1,827.5	13.7	29.3	28.8
Versia	721.5	519.4	38.9	10.2	8.2
Cement	978.4	886.8	10.3	13.8	14.0
Other activities and eliminations due to intra-Group transactions	(34.8)	(7.9)	N/A	(0.5)	(0.2)
Total FCC Group	7,089.8	6,348.8	11.7	100.0	100.0
EBITDA					
Construction	191.4	177.8	7.6	19.4	21.1
Environmental services	342.8	285.0	20.3	34.7	33.8
Versia	110.7	91.1	21.5	11.2	10.8
Cement	312.3	268.0	16.5	31.6	31.8
Other activities and eliminations due to intra-Group transactions	31.7	20.2	56.9	3.1	2.5
Total FCC Group	988.9	842.1	17.4	100.0	100.0
EBIT					
Construction	156.2	143.7	8.7	23.8	25.4
Environmental services	201.4	161.9	24.4	30.7	28.6
Versia	56.3	51.5	9.3	8.6	9.1
Cement	215.1	189.5	13.5	32.8	33.5
Other activities	27.2	18.5	47.0	4.1	3.5
Total FCC Group	656.2	565.1	16.1	100.0	100.0
Backlog					
Construction	5,155.2	4,351.2	18.5	25.2	26.5
Environmental services	15,000.2	11,849.1	26.6	73.2	72.2
Versia	336.2	193.7	73.6	1.6	1.2
Other activities	5.2	11.1	(53.2)	—	0.1
Total FCC Group	20,496.8	16,405.1	24.9	100.0	100.0
Investments					
Construction	158.4	135.5	16.9	16.8	21.7
Environmental services	338.8	209.7	61.6	35.9	33.6
Versia	171.7	90.6	89.7	18.2	14.5
Cement	121.7	155.8	(21.9)	12.9	24.9
Other activities	152.4	33.0	361.8	16.2	5.3
Total FCC Group	943.0	624.6	51.0	100.0	100.0

1.1 Revenue

Revenue increased by 11.7% to reach the record figure of EUR 7,089.8 million as a result of the positive performance of all the Business Areas. Services showed growth of 19.3% and represented 39.5% of the FCC Group's consolidated revenue. Construction ended the year with a 7.2% improvement boosted by the final quarter in which business activity grew by over 15%. Cement saw significant improvement with respect to previous years, with growth of 10.3%.

Organic growth, that is to say excluding the companies acquired in the year, was 8.6%. The billings contributed by newly acquired companies (Logístico Santos Group, Entemanser and Marepa) to consolidated revenue amounted to EUR 196 million. The acquisition of a further 8.5% of Cementos Portland Valderrivas, S.A. did not influence revenue because the company was also already being fully consolidated.

The acquisition of Abfall Services AG (ASA) was completed on March 8, 2006, and the acquisition of Cementos Leona, S.A. will materialise in the first quarter of 2006 and, accordingly, it will be included in the Group's financial statements in that quarter.

Revenue by geographical area	2005	2004	% Change
Spain	6,386.6	5,697.9	12.1
% of total	90.1	89.7	
Abroad	703.2	650.9	8.1
% of total	9.9	10.3	

As regards performance by market, international sales increased by 8.1% spurred on by the international activities of Environmental Services which grew by 22% and represented 9.9% of total Group billings.

1.2 EBITDA

EBITDA grew by 17.4% to amount to EUR 988.9 million and gave rise to a substantial improvement in margins as a percentage of revenue as compared with 2004, rising from 13.3% to 13.9%.

This improvement came about as a result of the positive performance of Environmental Services and Cement. Construction held up its margins after the strong improvement registered in the last quarter of 2004. Versia's margins dropped with respect to 2004, due mainly to the greater relative importance of the logistics business, which is less capital intensive and has lower operating margins.

Margins (EBITDA)	2005	2004
Construction	5.7%	5.7%
Environmental services	16.5%	15.6%
Versia	15.3%	17.5%
Cement	31.9%	30.2%
Total FCC Group	13.9%	13.3%

1.3 EBIT

EBIT grew by 16.1% to EUR 656.2 million and pushed up margins as a percentage of revenue to 9.3%. All areas except for Versia showed improved margins in 2005, as mentioned above.

Margins (EBIT)	2005	2004
Construction	4.7%	4.6%
Environmental services	9.7%	8.9%
Versia	7.8%	9.9%
Cement	22.0%	21.4%
Total FCC Group	9.3%	8.9%

1.4 Financial loss

The financial loss fell by 2.4%. The slight increase in finance costs as a result of increased bank borrowings was offset by positive exchange differences and changes in the value of financial instruments.

1.5 Share of results of associates

The share of results of associates increased by 9.2%, due mainly to the positive performance of Realia Business, which contributed EUR 67.5 million.

1.6 Profit before tax

Profit before tax increased by 17.9% to amount to EUR 696.4 million owing to the good performance of profit from operations, the improvement in the financial loss and the share of results of associates mentioned above.

1.7 Profit attributable to the parent

Net profit attributable to the parent increased by 16.2% to stand at EUR 421.4 million, after having deducted income tax and the portion corresponding to minority interests.

Minority interests decreased by 5.4% after the acquisition of a further 8.5% of Cementos Portland Valderrivas, S.A., which was consolidated in the last quarter of the year. The tax rate was 31.2%.

1.8 Investments

Investments undertaken in 2005 amounted to EUR 943 million, of which over half were acquisitions of ownership interests in companies.

	2005	2004	% Change
Property, plant and equipment	393.6	326.1	20.7
Intangible assets	60.7	120.8	(49.9)
Equity investments and other financial assets	488.7	177.7	175.0
Total investments	943.0	624.6	51.0
Disposals	(85.0)	(146.8)	(42.1)
Other investment flows	(17.9)	(32.3)	(44.6)
Net investments	840.1	445.5	88.6

Of note are the investments made in 2005 in equity investments and other financial assets:

- The acquisition of a further 8.5% of Cementos Portland Valderrivas, S.A. for EUR 158.5 million.

The FCC Group acquired an 8.06% ownership interest in Cementos Portland Valderrivas, S.A. from Iberdrola for a price of EUR 67 per share, and the remainder from other minority shareholders. This additional acquisition of Cementos Portland Valderrivas, S.A. shares increased the Group's ownership interest in this leading Spanish cement company to 67.34%.

- The acquisition of the Logístico Santos Group for EUR 123.8 million.

The acquisition of the Logístico Santos Group (GLS) makes the FCC Group the leading Spanish logistics operator in the free market, with an annual volume of business estimated at around EUR 325 million, 4,000 employees, a storage capacity of 650,000 m² distributed among its 64 operating centres and an outstanding position in the consumer products, electrical appliances, technology, pharmaceuticals and automotive industries.

- The acquisition of Entemanser, S.A. for EUR 64 million.

Entemanser, S.A. carries on its business activities in the south of the island of Tenerife and manages the contract for the construction and operation of four desalination plants in the Galapagos Islands. In total Entemanser, S.A. supplies a population of over 230,000 inhabitants with 14 million m³ of water each year. This transaction has made the FCC Group the main private operator in the water market in the Canary Islands.

- The acquisition of Manipulación y Recuperación Marepa, S.A. and Papeles Hernández e Hijos, S.A. for EUR 38 million.

The FCC Group entered the field of paper treatment and thus completed the range of activities of the Industrial Waste Treatment Division. The Marepa Group treats over 300,000 Tm per year of material and is one of Spain's largest waste managers.

1.9 Cash flows

	2005	2004	% Change
+ Cash flows from operating activities	981.1	793.9	23.6
– Cash flows from investing activities	(840.1)	(445.6)	88.6
= Cash flows from operating and investing activities	141.0	348.3	(59.5)
– Cash flow from financing activities	(224.6)	(150.2)	49.5
+ Cash flows from translation differences, changes in the scope and other	(49.4)	(4.2)	N/A
= Increase in net debt	(133.0)	193.9	N/A

Over the year as a whole cash flow from operating activities amounted to EUR 981.1 million, showing year-on-year growth of 23.6%. The cash flows generated by operations comfortably financed the net investments undertaken in 2005, which amounted to EUR 840.1 million.

The dividend distributed in 2005, included in cash flows from financing activities, amounted to EUR 207 million.

In 2005 operating working capital requirements fell by EUR 218.7 million, due to faster execution of construction work and improved management of collections from customers, mainly in the Construction area.

	2005	2004	%Change
Increase in inventories and receivables	(517.9)	(137.9)	275.6
Increase in payables	736.6	211.3	248.6
Decrease in operating working capital	218.7	73.4	198.0

1.10 Net debt

	2005	2004	% Change
Debt instrument issues	50.2	43.4	15.7
Bank borrowings	1,331.7	955.3	39.4
Limited recourse debt	64.6	68.5	(5.7)
Other debts	54.6	62.8	(13.1)
Cash + Financial assets	(1,098.1)	(859.9)	27.7
Net position	403.0	270.1	49.2

Net debt stood at EUR 403 million, which represented a gearing ratio, defined as the ratio of net debt to net debt plus equity, of 13.4%, while in 2004 it was 9.9%.

The ratio of net debt to gross profit from operations was 40.8% in 2005, while in 2004 it stood at 32.1%.

1.11 Backlog

The total construction and services backlog amounted to EUR 20,496.8 million, representing an increase of 24.9% with respect to 2004; this amount guarantees construction operations for a period of 18.5 months and environmental services for a period of 86.6 months.

1.12 Equity

The Group's equity at 2005 year-end amounted to EUR 2,608.4 million, up 6.6% on 2004. The main changes in the year are shown in the following table.

Equity at December 31, 2004	2,447.0
Undistributed profit for 2005	479.3
Distribution of 2004 profit	(218.1)
Foreign currency translation differences	27.0
Fair value adjustments	(30.4)
Treasury share transactions	(26.9)
Acquisition of additional 8.5% of Cementos Portland Valderrivas	(81.7)
Other adjustments	12.2
Equity at December 31, 2005	2,608.4

It should be mentioned in relation to the acquisition of the additional ownership interest in Cementos Portland Valderrivas, S.A., that the change indicated in the table above was due to the decrease in minority interests owing to the acquisition of the additional 8.5%.

1.13 Dividend and earnings per Share

The total dividend proposed for 2005 amounts to EUR 1.532 gross per share, representing a 12.6% increase with respect to 2004. An interim dividend of EUR 0.766 gross per share was distributed.

Earnings per share in 2005 amounted to EUR 3.25, approximately 16.5% higher than in 2004.

The pay out, i.e. the ratio of the profit distributed to the profit attributable to the Parent, was 47.1%.

1.14 ROE. Profit after tax as a percentage of equity

The return on equity increased from 20.1% in 2004 to 21.5% in 2005, evidencing the sound performance of the Group's business activities.

2. Analysis by business area

2.1 Construction

2.1.1 Earnings

	2005	2004	% Variación
Revenue	3,346.7	3,123.0	7.2
EBITDA	191.4	177.8	7.6
EBITDA margin	5.7%	5.7%	
EBIT	156.2	143.7	8.7
EBIT margin	4.7%	4.6%	

Revenue increased by 7.2% with respect to the same period in 2004 to amount to EUR 3,346.7 million. This growth was located in the Spanish market due to the increased rate of execution of large construction projects such as Madrid calle 30, Terminal 4 of Madrid-Barajas airport, the Pajares tunnel or the Ciudad de la Justicia in Barcelona.

Revenue breaks down between civil engineering work (57%) and building construction (43%); of the latter, 16% relates to residential building construction and 27% to non-residential building construction.

	2005	2004	% Change
Spain	3,219.0	2,984.7	7.9
% of total	96.2	95.6	
International	127.7	138.3	(7.7)
% s/total	3.8	4.4	

2.1.2 Return

Profit from operations grew above revenue and led to the consolidation of the margins achieved in 2004, which had already seen major growth.

2.1.3 Backlog and investments

	2005	2004	% Change
Backlog	5,155.2	4,351.2	18.5
Investments	158.4	135.5	16.9

The construction backlog reached the new record figure of EUR 5,155.2 million after growing 18.5% in the year. This backlog guarantees production over a period of 18.5 months following the significant rise in production experienced in the year.

Investments in non-current assets amounted to EUR 85.7 million, while investments earmarked for concession projects totalled EUR 72.7 million, the most significant being the Central Gallega, Costa Cálida, Ibiza-San Antonio and the M-45 motorways.

2.1.4 Cash flows

	2005	2004	% Change
+ Cash flows from operating activities	426.7	187.9	127.1
– Cash flows from investing activities	109.1	136.6	(20.0)
= Cash flows from operating and investing activities	317.6	51.3	519.1
Net cash at year-end	769.5	509.8	50.9

The generation of cash in the Construction area was very positive and saw a six-fold rise to EUR 317.6 million. This performance was due mainly to the major improvement in the management of working capital, which fell by approximately EUR 300 million.

Cash flows from investing activities reflect the strategy to increase interests in concession projects (M-45 motorway, Central Gallega motorway, etc.) aimed at controlling their management and divesting when this is not possible (toll motorways R3 and R5 in Madrid).

2.2 Environmental Services

2.2.1 Earnings

	2005	2004	% Change
Revenue	2,078.0	1,827.5	13.7
EBITDA	342.8	285.0	20.3
EBITDA margin	16.5%	15.6%	
EBIT	201.4	161.9	24.4
EBIT margin	9.7%	8.9%	

Growth in Environmental Services quickened to 13.7% with a major improvement in operating margins.

All business sectors performed well with Water the frontrunner, showing growth of 22.8%, followed by International with 22%, as can be seen in the following table:

	2005	2004	% Change	% of Total 2005	% of Total 2004
Urban cleaning	1,196.4	1,091.9	9.6	57.6	59.8
Water	570.4	464.6	22.8	27.4	25.4
International	199.4	163.4	22.0	9.6	8.9
Industrial waste	111.8	107.6	3.9	5.4	5.9
Total	2,078.0	1,827.5	13.7	100.0	100.0

The 11% growth witnessed in Environmental Services was mainly organic, i.e. the impact of consolidating companies acquired in the year was minimal.

Organic growth in Water was 13.6%, due mainly to increased demand and rises in water rates. As regards the acquisitions made in 2005 (Entemanser, Nilo Medioambiente and Servicios y Procesos Medioambientales, among others) their total billings were EUR 42.6 million, i.e. they contributed 9.2% of growth in the sector.

Industrial Waste incorporated the billings of EUR 7.2 million arising from the acquisition Marepa, which was consolidated from November onwards.

International business activity grew by 22% to represent 9.6% of total Environmental Services billings. Of this figure 37% corresponds to the UK, where the FCC Group has been present since 1990, 57% to Latin America through Proactiva (a joint venture with Veolia Environnement) and the rest to Portugal, with 3%, and North Africa with another 3%.

	2005	2004	% Change
Spain	1,878.6	1,664.1	12.9
% of total	90.4	91.1	
International	199.4	163.4	22.0
% of total	9.6	8.9	

2.2.2 Return

EBITDA amounted to EUR 342.8 million, showing year-on-year growth of 20.3%. The sales margin stood at 15.6% in 2005 as compared to the 16.5% in 2004.

EBIT increased by 24.4% to EUR 201.4 million and the EBIT margin also improved, rising to 9.7%.

The margins referred to above improved as a result of the solid performance of the Urban Cleaning and Water sectors.

2.2.3 Backlog and investments

	2005	2004	% Change
Backlog	15,000.2	11,849.1	26.6
Investments	338.8	209.7	61.6

The Environmental Services backlog showed strong growth of 26.6% as a result of the renewal of important contracts in Spain, in both Urban Cleaning (Bilbao, Valencia, Oviedo, etc.) and Water (Almería, Langreo, etc.), and of the award of two desalination plant contracts in Algeria.

The recently awarded water management contracts in Caltanissetta (Italy) and Leziria de Tajo (Portugal) with an aggregate backlog of EUR 3,000 million were not included in the table above, since the contracts were awarded in January 2006.

In 2005 investments also grew strongly by 61.6% to amount to EUR 338.8 million. The most significant acquisitions were the Marepa Group (Industrial Waste) for an amount of EUR 38 million and Entemanser (Water) for an amount of EUR 64 million.

2.2.4 Cash flows

	2005	2004	% Change
+ Cash flows from operating activities	274.0	242.8	12.8
– Cash flows from investing activities	344.4	179.4	92.0
= Cash flows from operating and investing activities	(70.4)	63.4	(211.0)
Net debt at year-end	911.8	748.8	21.8

The rise in investments referred to above resulted in negative cash flow in this Area, whose indebtedness grew by 21.8% with respect to 2004 to stand at EUR 911.8 million at 2005 year-end.

2.3 Versia

2.3.1 Earnings

	2005	2004	% Change
Revenue	721.5	519.4	38.9
EBITDA	110.7	91.1	21.5
EBITDA margin	15.3%	17.5%	
EBIT	56.3	51.5	9.3
EBIT margin	7.8	9.9%	

Versia's volume of business increased by 38.9% to EUR 721.5 million. In February 2005 the Logístico Santos Group (GLS) was acquired and was consolidated in the Logistics sector from April onwards, when the acquisition was formally executed, with billings over the period of EUR 146 million. Disregarding the contribution of GLS, organic growth in Versia for 2005 would have been 10.9%.

After the Logistics sector, the business activity that saw most impetus was Street Furniture, with growth of 13%, thanks to the strength of the Spanish market and international expansion. Strong future growth in the activity is guaranteed as a result of the contracts awarded over the last three years for major concessions abroad, especially in the US where, in addition to the award of contracts in San Antonio,

Miami and Boston, Cemusa (a wholly-owned subsidiary of the FCC Group) was chosen as preferred bidder for the city of New York's street furniture management contract (3,300 bus shelters, 330 newsstands and 20 public toilets) and the management of the related advertising over a period of 20 years.

The Logistics sector grew notably and ended the year, disregarding the impact of the acquisition of GLS, with organic growth of 18.5%.

Billings from Parking increased slightly despite the fact that in 2004 there was a non-recurring sale of parking spaces.

	2005	2004	% Change	% of Total 2005	% of Total 2004
Logistics	276.1	110.0	151.0	38.3	21.0
Handling	167.7	153.8	9.0	23.3	29.6
Street furniture	93.3	82.6	13.0	12.9	15.9
Parking	60.0	59.2	1.4	8.3	11.6
Conservation and systems	55.0	50.8	8.3	7.6	9.8
Roadworthiness tests	41.1	37.5	9.6	5.7	7.2
Urban transport	28.3	25.5	11.0	3.9	4.9
Total	721.5	519.4	38.9	100.0	100.0

Sales in the Spanish market showed growth of near to 50% due mainly to the solid performance of all sectors and to the acquisition of the Logístico Santos Group. Spanish billings represent over three quarters of the total.

	2005	2004	% Change
Spain	554.2	370.4	49.6
% of total	76.8	71.3	
International	167.3	149.0	12.4
% of total	23.2	28.7	

Abroad, the two markets with the highest presence are Belgium, with 62%, where the airport handling subsidiary Flightcare is responsible for handling at Brussels, Liège and Bruges-Ostend airports, and Portugal, with 24%, where the FCC Group is present in Logistics and Street Furniture.

2.3.2 Return

Versia's operating margin stands at 15.3%. This margin is the result of the new distribution of activities in which the Logistics sector, less capital intensive and therefore with lower operating margins, increased its contribution.

2.3.3 Backlog and investments

	2005	2004	% Change
Backlog	336.2	193.7	73.6
Investments	171.7	90.6	89.7

The acquisition of the Logístico Santos Group represented an investment of EUR 123.8 million of the total investment in the Area, which amounted to EUR 171.7 million. The increase in the backlog is also due to the inclusion of company logistics services contracts.

2.3.4 Cash flows

	2005	2004	% Change
+ Cash flows from operating activities	59.7	90.9	(34.3)
- Cash flows from investing activities	172.2	84.8	103.1
= Cash flows from operating and investing activities	(112.5)	6.1	—
Net debt at year-end	364.4	177.6	105.2

The consolidation of the Logístico Santos Group, with higher working capital requirements, took cash flows from operating activities to EUR 59.7 million and, therefore, there is a negative cash flow position; the Area's financial debt increased with respect to 2004 owing to the investments undertaken.

2.4 Cementos Portland Valderrivas

2.4.1 Earnings

	2005	2004	% Change
Revenue	978.4	886.8	10.3
EBITDA	312.3	268.0	16.5
EBITDA margin	31.9%	30.2%	
EBIT	215.1	189.5	13.5
EBIT margin	22.0%	21.4%	

Revenue increased by 10.3% to EUR 978.4 million in 2005 with a positive performance throughout the year. This improvement was due to the strength of the domestic market, where Cementos Portland billed 12.1% more than in 2004, and the recovery in business activity in the US, with an increase of 4.3%.

The last quarter of 2005 ended with the year's greatest increase, 15.3%, as a result of the outstanding performance of the domestic market, which increased by 15.1%, and the recovery of business abroad, which rose by 16%.

The 12.1% increase in revenue derived from a higher volume of products sold and price increases of 5.4 % and 6.7%, respectively, while the slight advance in activity in the US was due to the first, and positive results of the major improvements made to the Maine and South Carolina facilities.

	2005	2004	% Change
Spain	769.8	686.9	12.1
% of total	78.7	77.5	
Internacional	208.6	199.9	4.3
% of total	21.3	22.5	

2.4.2 Return

EBITDA increased by 16.5% and the margin improved 170 basis points to reach 31.9% as a result of the major operating improvements carried out in the plants in Maine and South Carolina, which represent 60% of installed capacity in the US and which are now fully operational.

2.4.3 Investments

	2005	2004	% Change
Investments	121.7	155.8	(21.9)

The gross investment undertaken by Cementos Portland Valderrivas in 2005 fell to EUR 121.7 million after having carried out most of the improvements to the facilities in Maine and South Carolina in 2004.

2.4.4 Cash flows

	2005	2005	% Change
+ Cash flows from operating activities	203.0	206.8	(1.8)
- Cash flows from investing activities	95.2	138.7	(31.4)
= Cash flows from operating and investing activities	107.8	68.1	58.3
Net debt at year-end	133.0	146.2	(9.0)

This business activity was characterised by its capacity to generate cash, with cash flow in 2005 higher than in 2004 due to a reduction in investments.

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 earnings using the equity method. The profit included in the FCC Group's consolidated financial statements amounted to EUR 67.5 million in 2005 and to EUR 52 million in 2004, representing an increase of 29.9%. The main aggregates of the Realia Business Group taken as a whole are shown below:

2.5.1 Earnings

	2005	2004	% Change
Revenue	597.2	565.1	5.7
EBITDA	230.5	210.5	9.5
EBITDA margin	38.6%	37.3%	
EBIT	215.5	192.4	12.0
EBIT margin	36.1%	34.0%	

Realia's revenue increased by 5.7% in 2005. This lower rate of growth was due to the significant volume of deliveries in the last quarter of 2004, valued at EUR 202 million, as compared with the last quarter of 2005 when they amounted to EUR 117 million.

The billings of the residential business (property developments) rose by 6.3% to EUR 512 million, which represented 86% of total Realia billings. Advance property sales continued to rise and the backlog amounted to EUR 710.7 million, which assures sales over the next 17 months.

Annual revenue from the property business increased by 4.9%. This is a very encouraging figure in view of the fact that in 2005 the building "Los Cubos" located in Madrid and with a surface area of 31,684 square metres stood empty due to refurbishment. This explains the fall in the occupancy rate to 94.7% in December 2005, when in the same period in 2004 it was 97.3%.

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 the proportion of the ownership interest indicated above.

2.6.1 Earnings

	2005	2004	% Change
Revenue	18.0	17.1	5.3
EBITDA	15.9	14.9	6.7
EBITDA margin	88.3%	87.1%	
EBIT	13.4	11.8	13.6
EBIT margin	74.4%	69.0%	

The revenue of Torre Picasso increased by 5.3% in 2005 to EUR 18 million, while EBITDA and EBIT increased by 6.7% and 13.6% respectively, with margins improving by even more.

The occupancy rate of the building at December 31, 2005, was 100% with an average price of EUR 25 m²/month.

TREASURY SHARE TRANSACTIONS

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

Also, in 2005 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. In addition, Asesoría Financiera y de Gestión S.A. (Afigesa) owned 343,922 shares of Fomento de Construcciones y Contratas, S.A., representing 0.26% of its share capital social, with a carrying amount of EUR 16,345 thousand. These shares are also deemed to be shares of the Parent pursuant to Article 87 of the consolidated Corporations Law.

In accordance with Article 79.4 of the Corporations 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	Grucycsa	FCC Group
At December 31, 2004	434,322		316,008	475	750,805
Acquisitions or additions		414,468	90		414,558
Sales or disposals		(70,546)		(475)	(71,021)
At December 31, 2005	434,322	343,922	316,098	—	1,094,342

RESEARCH AND DEVELOPMENT ACTIVITIES

The FCC Group is actively present in the world of research, development and technological innovation. The Group's initiatives in these matters extend to those aspects concerned, either directly or indirectly, with the business activities that the Group carries on. Noteworthy developments in the year were the steps taken in each of the three strategic activities, Services, Construction and Cement, to ensure a level of environmental protection that will make sustainable growth possible.

In the sphere of Environmental Services, worthy of mention is the water-cycle analysis project in waste treatment processes, whose basic aim is to analyse the environmental indicator "water" in the widest sense of the word, within the treatment processes, defining the environmental impacts that it suffers and assessing the corrective measures necessary. This will ensure the implementation of the operations and complementary measures that are necessary, while providing an information and decision-making tool to all the players involved (companies, public authorities and citizens' movements interested in the environment). This project was very well received by the Directorate-General for Technology Policy of the Ministry of Education and Science.

As regards the elimination of waste, mention must be made of the studies concerning closed aerobic composting, designed to process small- and medium-sized organic waste, as well as the preparation of fuels to replace conventional ones (gas, coke, etc), using the refuse from organic waste treatment plants.

Water activity saw work carried out mainly in industrial water projects (reuse of industrial waste water with zero runoff, design of anaerobic reactors, design of an advanced oxidation system for difficult-to-biodegrade industrial waste water, etc.).

In Versia, mention must be made of the Street Furniture being developed by two technological innovation projects, the first corresponding to the development of a light urban vehicle, known as EPISOL, using hybrid electrical propulsion with two different types of engine; in the first phase a heat engine and at a more advanced phase a fuel-cell/solar energy electric engine. The subsidiary Cemusa has reached a co-operation agreement with INSIA (the University Institute for Automotive Research) of Universidad Politécnica de Madrid and with the IAI (Industrial Automotive Institute) of Centro Superior de Investigaciones Científicas (CSIC). The objective of the second project is to study the evolution of bus shelters, presented at the Dallas Exhibition (USA).

Of note in Construction is the fact that FCC Construcción S.A. is a member of the Management Board of the European Construction Technology Platform, an initiative involving more than 600 organisations (industries, universities, research centers, etc.) whose objective is to define the strategic research agenda for the construction industry and to endeavor to develop macroprojects using public and private-sector financing. Also, FCC Construcción S.A manages the Spanish Construction Technology Platform, an initiative involving more than 140 organisations with a similar typology and objectives to those of the European Construction Technology Platform mentioned above.

In relation to the projects undertaken in 2005, the following projects are particularly noteworthy: Tunconstruct, the optimisation of underground construction; Manubuild, the industrialisation of construction; Arfrisol, bioclimatic architecture and solar cooling; Hatcons, the use of high performance materials; and Fibras, the use of concrete reinforced with steel fibres.

Lastly, as regards Cement activity, it should be noted that the work in research and development in the field of new products and new areas of application of cement was mainly carried out in the laboratories that the Company has at its Olazagutía (Navarra) plant. In 2005 work was undertaken in different spheres: evaluation of raw materials, studies of alternative fuels in association with Universities within the framework of the PROFIT programmes, participation in Standardisation Committees, development of research projects jointly with customers to improve products and new applications, etc. Also, Cementos Portland Valderrivas actively takes part in research projects conducted by the IECA (Spanish Institute for Cement and its Applications).

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- Acquisition of Abfall Services AG (ASA) for EUR 224 million. The FCC Group assumed EUR 51 million of ASA's net debt.

On November 17, 2005, the FCC Group entered into a contract with the EDF Group to acquire Abfall Service AG, leader in waste management in Central and Eastern Europe, with operations in Austria, the Czech Republic, Slovakia, Hungary, Romania and Poland. On March 8, 2006, the final purchase agreement was executed.

- Preferred bidder for the New York City street furniture contract.

In 2006 it is expected that the contract with the New York City Transportation Department will be concluded. This Department selected Cemusa (outdoor advertising subsidiary of the FCC Group) on September 21, 2005, as the company that will supply and maintain around 3,300 new bus shelters, 330 public notice boards and some 20 automatic public toilets for a period of 20 years.

- Cementos Portland Valderrivas, S.A. launched a takeover bid for its investee Cementos Lemona, S.A.

Cementos Portland Valderrivas, which already held a 30.72% ownership interest in Cementos Lemona, S.A., launched a takeover bid on December 5, 2005, for all the company's shares at a price of EUR 32 per share. The total amount of the transaction, the period for acceptance of which ended on February 20, 2006, was EUR 234.2 million, which was fully paid in cash and financed with debt.

According to data provided by the entity managing the above-mentioned takeover bid, shareholders holding shares representing 65.3% of the share capital accepted the bid which, together with the 30.7% interest already held by Cementos Portland Valderrivas, S.A., led to a final investment of 96.06% in Cementos Lemona, S.A. This signifies that all the significant shareholders and 88% of the minority shareholders accepted the takeover bid.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The FCC Group's current positioning in international markets, in the overall context of the Group, leads to moderate foreign exchange risk. However, and independently of its materiality, the Group's policy is to reduce, to the extent possible, the adverse effect that said risk could have on the financial statements, whether this is due to transactional or purely equity-related changes. In practice, the effect of the former is mitigated, provided that the volumes of transactions so advise, by the arrangement of suitable hedging instruments in the market. As regards the effect on the latter, i.e. balance sheet transactions, the policy of the Company, when the situation so advises and provided that the financial markets offer appropriate liquidity, instruments and terms, is to endeavour to achieve hedging through the arrangement of financing transactions in the same currency as the currency in which the related asset is denominated.

Given the nature of the Group's activities and the fact that the management of working capital plays an essential role, it is a general practice of the Group to determine as a reference for its financial debt, the index that most closely mirrors inflation. Therefore, the Group's policy is to endeavour to tie both current financial assets, which to a large extent provide natural hedging for its current financial liabilities, and the Group's debt, to floating interest rates. An exception to this general policy, in the case of long-term transactions, the Group arranges interest rate hedges provided that markets exist and that the project's financial structure so requires.

The FCC Group's current objective is to combine the development of the strategic areas with corporate growth. This corporate growth policy will focus exclusively on acquisitions within the strategic areas. It is intended to achieve this growth, both in terms of sales and profit, without exceeding a gearing ratio of 50% and maintaining a debt/EBITDA ratio of below 2.5 times, which would guarantee the Group's solvency.

Taking into account the currently stable situation of the financial markets and the low percentage of debt with respect to EBITDA, which at December 31, 2005, was 41%, all credit transactions can foreseeably be renewed and, if necessary, increased. Accordingly, at medium term there are no indications that the Group could have liquidity problems.

OUTLOOK FOR 2006

Set forth below are the prospects for 2006 for the various lines of business composing the FCC Group, which will foreseeably lead to growth in the Group's revenue and profit.

First of all, it should be mentioned that the construction and services backlog at 2005 year-end amounted to EUR 20,496.8 million, equivalent to three years' annual production.

For the **Environmental Services** area, in the Environmental sector the significant market share achieved will be consolidated and growth will be linked to increases in and, where necessary, renewals of contracts, as well as the start-up of treatment plants currently in the process of being constructed.

Internationally, the growth strategy is based, on one hand, on the maintenance and expansion of activity in the markets in which the Group is already present, and on the other, on expansion into new geographical areas. This interest in expansion has found form in the acquisition of Abfall Services AG (ASA Group), a large group of companies specialising in integral waste management and treatment services, which is solidly established in numerous countries in Central and Eastern Europe and which has well-founded expectations for growth in other countries in the area.

In the **Industrial Waste** area, it is planned to acquire the remaining shareholding in the Marepa Group, which, together with the growth achieved as a consequence of the investments undertaken in 2004 and the coming into full operation of certain new facilities that have now been built, makes it reasonable to expect a significant increase in revenue.

In the **Water Management** area, the diversification strategy remains in place, which means that despite the high level of concentration in the market growth rates will continue to be considerable. Thus, in addition to the fillip received as a result of the acquisitions of companies in 2004, growth will be achieved through the major contracts recently landed in various Spanish municipalities, the renewal of several major contracts, the contracting of services in irrigation associations, the implementation and management of desalination plants, as well as growth in the international sphere, where the recent contracts in Italy and Algeria are worthy of special mention.

At the beginning of 2006, the backlog of **Services** amounted to EUR 15,000 million, equivalent to over seven years' annual production.

The **Versia** area forecasts growth for 2006 that will be mostly based on the various sectors of which it is composed, such as Logistics, where the management of the Logístico Santos Group, acquired in 2005, will be consolidated and will position this Group as one of the major logistics operators in Spain.

In **Street Furniture**, international growth is expected, where the maturation of existing contracts in Brazil, Italy and the US will combine with the initiation of the Boston contract and the recent successful bid in the call for tenders for the installation of street furniture in the city of New York and the related advertising for a period of twenty years, which will consist of the placing, maintenance and exploitation for advertising purposes of 3,300 bus shelters, 330 newsstands and other street furniture items, with which the Group will consolidate its position in the US market. The New York contract is currently being negotiated with the New York City Department of Transportation.

Of note in the **Parking** area is the increase in the scope of the contracts to raise the number of parking spaces being managed, in particular those in the V Zone of regulated on-street parking in Madrid, consisting of 26,750 spaces, for a period of 11 years (extendible to 25).

In **Transport**, it should be noted that 2006 will see the provision of a new urban road transport passenger service in Benalmádena, and in relation to rail transport, the tram system will be operated in Parla, in a similar way to the Trambaix and Trambesós lines that are already being operated in Barcelona.

As regards the **Handling**, area, it should be observed that at national level AENA initiated a tender process for the renewal of licenses at all its airports. The Group's objective in this connection is to at least maintain its market share.

The prospects for 2006 for the **Construction** area in the domestic market are bright, in line with those for 2005, in view of the existing construction backlog that at year-end 2005 amounted to EUR 5,155 million, guaranteeing revenue levels for a period of 18.5 months. In relation to the international market, localised growth is forecast, in Central and North America, through investments already made or in progress, and in Central and Eastern Europe.

The performance of the **Cement** area will be conditioned by that of the construction industry and by infrastructure planning. In Spain, estimates point to a slowdown in the consumption of cement and concrete; although consumption will continue to rise, albeit below 2004 rates. Cementos Portland Valderrivas' takeover bid for Lemona will lead to the inclusion of the latter's revenue in the Portland Valderrivas Group's consolidated financial statements, since instead of being accounted for by the equity method, Cementos Lemona and CDN USA will be fully consolidated, and an additional 11.24% of the profit of Cementos Alfa S.A., in which Cementos Portland Valderrivas currently has an interest of 80.15%, that corresponds to Lemona will also be consolidated.

As regards the cement business in the US, prospects are marked by a rise in demand, accompanied by price increases in the areas of influence of both CDN (Maine) and Giant (North and South Carolina and Virginia). In 2006 Giant's Harleyville plant, recently modernised and equipped with greater capacity, will be at full production and the project to change from wet to dry production at Giant's Keystone plant will commence. This project, scheduled for completion in mid-2008, will lead to a reduction in production costs and an increase in manufacturing capacity.

In relation to the **Property** business, it should be noted that Realia plans to lift sales based on the strength of its property development business, which will lead to a considerable number of properties delivered. Simultaneously, the rotation of rented properties will be increased and the rented area will be increased, which also leads us to expect an improvement in sales by year-end.

Investments in progress in the shopping centres in Guadalajara, Leganés, Murcia and Santiago de Compostela will continue.

The business strategies in the domestic market will focus on policies to acquire land that requires urban development, which ensure that value added can be generated, on the commencement of development activities in new markets (Valladolid, Zaragoza, etc.) on the materialisation of opportunities to acquire office buildings, based on location and returns, on the construction of the shopping centre projects that are currently being developed and on ensuring growth through the conclusion of certain corporate acquisitions.

As regards the international market, following the acquisition of land in Portugal and Poland, the developments will be constructed and marketed. In the property area, it is planned to acquire a significant package of buildings within the European Community, which will facilitate the growth of Realia and contribute major value added.



AUDITOR'S REPORT

CONSOLIDATED GROUP

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union (see Notes 2 and 29). 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 2005, 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 2005 financial statements of certain subsidiaries and associates, whose consolidated assets and consolidated profit, represent 25% and 18%, 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 2005 are the first that the Group has prepared 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 2005 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 2004, which were obtained by applying the EU-IFRSs in force at 31 December 2005. Accordingly, the figures for 2004 differ from those contained in the approved consolidated financial statements for 2004, which were prepared in accordance with the accounting principles and standards in force in that year. The differences arising from the application of EU-IFRSs to the consolidated equity at 1 January and 31 December 2004, and to the Group's consolidated profit for 2004 are detailed in Note 2 to the accompanying consolidated financial statements. Our opinion refers only to the consolidated financial statements for 2005. On 8 April 2005, we issued our auditors' report on the 2004 consolidated financial statements, prepared in accordance with the accounting principles and standards in force in that year, 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 2005 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 2005, 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 2005 for comparison purposes.

4. The accompanying consolidated directors' report for 2005 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 2005. 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

Javier Parada Pardo
12 April 2006