

Ladies and gentlemen,
guests,
fellows members of FCC,
and friends who are with us here today,

It is my pleasure to address this my seventh Shareholders' Meeting as Chairman, with the Board of Directors, to provide you with an account of the company's performance in 2005, its progress this year to date, and the prospects for the future.

Our Group had a brilliant year in all respects: financial, governance, social responsibility, and in contributing to the progress and well-being of the society in which we operate.

But I will let you judge our performance, in the confidence that, by the end of the Meeting, we will have obtained your approval and the stimulus which that entails for any manager to move forward with enthusiasm and to make our Group bigger and more profitable.

The Chief Executive Officer will describe the results obtained in 2005 and our plans for the future, while I will confine myself to describing some institutional aspects of FCC. At this point I wish to congratulate Rafael Montes for his magnificent work, supported by a superb staff and all of the Group's employees, who fully identify with the company; to them, my most sincere gratitude.

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In your hands you have documentation providing a complete, in-depth view of all aspects of our activities and the details of the motions before you today. Each year we make every effort to ensure the documentation is as comprehensive and informative as possible, and we will continue in this line in accordance with the principle of

transparency which guides our every action, of which you, the shareholders are the legitimate beneficiaries.

This year's Annual Report contains a major new feature which I would like to emphasise. I am referring to the **FCC Group Corporate Social Responsibility Report** for 2005, which was drawn up in accordance with the international standards established for this purpose under the aegis of the United Nations. I would like to congratulate all echelons of the group for the hard work involved in drafting this report.

By publishing this report, we wish to emphasise FCC's commitment to the values of social responsibility, good governance and sustainable development—values that are applied in all our activities.

This commitment is nothing new; in fact, it arises from the long-standing conviction throughout our organisation of its importance in a company that is committed socially and environmentally and which wishes to be a constant source of value creation in all areas and for all our stakeholders.

The report captures the Group's accumulated knowledge in this field, particularly the experience of the environmental reports we release every two years, the sustainability reports published by FCC Construction and Portland Valderrivas, and the sustainability progress report produced by FCC Services.

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On another note, I should mention that the Annual Report which you have in your hands contains our third **Annual Report on Corporate Governance**, for 2005, which was approved by the Board of Directors on 31 March 2006. As usual, it contains information of use to anyone interested in the company, ranging from the shareholder structure, the

governing bodies, related-party transactions, risk control systems, and the Shareholders' Meeting held on 21 June 2005, to the degree of compliance with the recommendations on corporate governance.

Within that, I would like to note the intense work by the Group's governing bodies, as evidenced by the Board's assessment of its own performance at its 2 February 2006 meeting, at which it was noted that in 2005 the Board met twelve times and the various committees (Executive, Audit and Control, Strategy, and Appointment and Remuneration) held 24 meetings.

I am sure the awards which the Group has received in recent months are not unrelated to this institutional activity and the work of all our professionals. The following are particularly noteworthy:

- Puente de Alcántara International Award.
- "Company of the Year" award to our subsidiary CTSA.
- Designation of FCC as "best company in the Madrid region", presented by the Minister of Public Administrations, Jordi Sevilla.
- Award for the best civil engineering project, for the Valencia Aquarium, built by FCC Construction.
- And finally, the Business and Environment Award 2005, granted to Cementos Portland Valderrivas by the Madrid Regional Government, the Madrid Chamber of Commerce and the Madrid Confederation of Business (CEIM-CEOE) in recognition of its long track record in preserving, monitoring and restoring the environment at the "El Alto" cement factory in Morata de Tajuña, Madrid.

I would also like to note that, among other awards, our main shareholder was recently granted the Coat of Arms of the City of Barcelona by the Mayor of that City in recognition of her work.

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I will now refer to a matter that has been in the news regularly over the last two years. You will recall that, at the 2004 Shareholders' Meeting, shareholder **Acciona, S.A.**, which owns 15.06% of FCC, appointed three directors by the system of proportional representation; those three directors were then removed by the Shareholders' Meeting on grounds of incompatibility as they represented a direct competitor of FCC.

We acted with prudence on that occasion, and the courts have issued a final decision that supports our position.

At last year's Shareholders' Meeting, I informed you that we had won the initial court case on the matter. Today I can tell you that FCC has succeeded in the various appeals, under rulings by the Barcelona Provincial Court dated 14 December 2005, which dealt with the substance of the case, and 12 May 2006, which dealt with the registration aspects of the case.

These decisions evidence that FCC's actions were impeccable throughout, and they have had a major impact in both business circles and the media. I would like to congratulate our Legal Department, which steered this matter to a superb conclusion, assisted by magnificent outside advisors.

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At the 2005 Shareholders' Meeting, I welcomed into the group the **new financial investors** in the company B-1998, S.L., alongside our core shareholder, Esther Koplowitz. I refer to Ibersuizas Holdings, S.L., chaired by Luis Chicharro, the Aguinaga family, Robert Peugeot and Bodegas Faustino.

Today, almost two years later, I can say that the stability and professional assistance which they have given us confirm the wisdom of the choice.

I publicly express my gratitude to them for placing their trust in us by joining this exciting business venture called FCC.

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Finally, I would like to briefly mention the motions in today's Agenda. In addition to the standard motions referring to the approval of the accounts and the distribution of dividends, we also ask you to amend the Articles of Incorporation and the Rules of the General Meeting of Shareholders. You have been given the full text of the amendments and I will not dwell on them. I would merely emphasise the issue of the **number of shares required to attend the General Meeting**, since it has been the subject of repeated comments at previous Meetings.

As you will recall, until last year, at least 4,000 shares were required in order to be able attend the General Meeting, although we never applied that limit strictly. In response to questions by shareholders, I promised that we would gradually remove that barrier; last year's Meeting reduced the figure to 2,000 shares.

Today, I am pleased to inform you that, if you approve the motion in question, that limitation will be removed entirely, so that any party holding at least one share of FCC will be entitled to attend and vote at our General Meeting. With this

amendment, we also comply with the corporate governance recommendation to the effect that all shareholders should be able to participate in the company.

With regard to the **Board of Directors**, we ask you to set the number of members at 19, to re-appoint Dominum Desga, S.A., represented so effectively by Esther Alcocer Koplowitz, and to appoint two new directors, Miguel Blesa and Max Mazin, both of whom are very well known in the world of business and generally.

Miguel Blesa is Executive Chairman of Caja Madrid, Vice-Chairman of the Spanish Confederation of Savings Banks and of Iberia, and a member of the Board of Directors of Endesa. Throughout his brilliant career as a financial and tax inspector for the State, he has held several positions in the Central and Regional government.

Max Mazin has been a prominent businessman for the last 30 years and was founder, in 1976, of Spain's first independent business organisation. He founded such business groups as RENTA INMOBILIARIA, HOTELES TRYP and the first World Trade Center in Europe. In 1961, Max Mazin was elected President of the Spanish Judeo-Christian Friendship Society and he is a founder of the Spain-Israel Friendship Association.

I am convinced that these two people will make an effective contribution through their acknowledged ability and skill, and we will welcome them warmly into the Board if you, the shareholders, approve.

I would also like to note that Jorge Delclaux has recently joined the Board as a representative of Ibersuizas, in place

of Pedro Agustín del Castillo. Mr. Delclaux is a prestigious business professional who has held many senior positions in the Rothschild Group.

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To conclude, I would like, on my own behalf, on that of the Board and all the workers at FCC and, I am sure, on behalf of the shareholders, to express our affection and admiration for our core shareholder, Esther Koplowitz, whose constant, intense and unceasing dedication to the problems of our Group are an example and a stimulus to us to make an extra effort every day in discharging our duties. Thank you Esther, thank you all for your trust, and for being here today.

Thank you very much.