

REPORT BY THE CHIEF EXECUTIVE OFFICER

Ladies and gentlemen,

I would like to begin by thanking you all for attending this General Meeting of Shareholders and for your continuing trust in our company and, consequently, in its governing bodies and we executives who are responsible for managing it.

Slightly over a year ago, FCC's majority shareholder, Esther Koplowitz, asked the Board to appoint me as Chief Executive Officer of the Group; to me, that appointment represents both a responsibility and debt.

A responsibility at a key time in the Company's history, but never a burden; on the contrary, I view it as a unique professional and personal opportunity; and it is a debt that I can only repay with loyalty, hard work and dedication.

Thank you, Esther, not just for your trust in me but also for your unwavering support to your management team and your constant concern to create value for the investors who rely on us, and to constantly expand FCC, which has had an immediate impact on direct employment: we now employ 73,000 people.

I would like to give a warm welcome to the directors representing the new investors in the company B-1998, S.L., namely Lourdes Martínez, Robert Peugeot, Luis Chicharro and José Aguinaga. And also to Jorge Delclaux, who recently took the place of Pedro Agustín del Castillo. They have all provided vital support for managing the Group in the last year. I would also like to give a very warm welcome to Max Mazin and Miguel Blesa.

And I must also mention our Chairman, Marcelino Oreja, whom I am proud to consider a friend and from whom I have always obtained sound advice and the necessary encouragement.

I welcome you all once again; I will now discuss details of our actions and results, starting with an overview of the economic situation in which FCC is operating.

THE SPANISH ECONOMY IN 2005

Spain attained 3.4% GDP growth in 2005, in real terms; that is 0.3 points more than in 2004 and 1.7 points more than the European Union average, according to data published by the European Union's Statistical Office. Euro area GDP increased by 1.3% in 2005, 0.8 points less than in 2004.

Conversely, inflation is still the main problem affecting the Spanish economy. In 2005, Spain's CPI increased by 3.9%, vs. 2.2% in the euro area.

Spain's good economic performance had a direct impact on employment statistics. According to the Labour Force Survey, unemployment fell by 239,000 people in 2005, bringing the unemployment rate down to 8.7% of the working population, that is

people working or seeking work. Despite these good figures, Spain's unemployment rate is still higher than in the euro area, where it is 8.4%.

Another positive consequence of Spain's strong economic performance was that the government finances ended the year with a surplus for the first time in thirty years. The surplus amounted to 9.933 billion euro, 1.1% of GDP.

The outlook for the next few years is still generally optimistic. According to the European Commission, Spain's GDP will increase by 3.1% in 2006 and 2.8% in 2007. Meanwhile, the European Union will attain 2.3% growth and the euro area 2.1% growth in 2006.

One item to watch is inflation. Spain's inflation stands at 3.6% this year but is expected to decline to 3.1% in 2007.

The projections issued last spring by the International Monetary Fund for the world economy are also optimistic: the IMF estimates 4.9% growth this year.

THE FCC GROUP IN FIGURES

In this general economic framework, FCC reported double-digit growth in the main line items of the accounts, drafted under IFRS, which we submit for your approval today. Revenues totalled 7.090 billion euro, 11.7% higher, which is the largest percentage increase in the last four years.

All strategic areas presented solid growth rates. Services expanded 19.3% to account for 39.5% of consolidated revenues; Construction expanded by 7.2% and contributed 47% of revenues. And Cement increased sales by 10.3% due to solid performance in Spain and a recovery in the US, and it now represents 14% of our total revenues. All our activities are managed to demanding standards and are subject to cost control policies.

While all business areas were working to attain these high revenue figures, they also focused on bidding for new projects and services contracts in order to assure production in future years. New contracts amounted to 8.489 billion euro, nearly 48% more than in 2004.

The immediate impact was an increase in our works and services backlog, which reached a record 20.497 billion euro at year-end, 24.9% more than at the end of 2004.

EBITDA increased by 14% to 989 million euro. Within that figure, which is practically one billion euro, I would like to highlight the EBITDA margin. That margin increased from 13.3% in 2004 to 13.9% in 2005. That 0.6 point increase is a sign that we are gaining in efficiency: not only do we produce more each year, but each year we are more profitable.

Earnings before taxes amounted to 696 million euro, an 18% increase. Deducting minority interests and

taxes gives net attributable profit, which amounted to 421 million euro, 16.3% more than in 2004.

The main contributor to that 421 million euro profit was Cement, with 30.8%, followed by Services, with 29.3%, Construction, with 24.7%, and Realia, with 15.2%.

This year we made a great leap forward in terms of capital expenditure, which I will analyse later; it amounted to 943 million euro in 2005, a 51% increase on the 624 million euro spent in 2004.

And, despite that increase, we covered capital expenditure with funds from operations, which amounted to 981 million euro.

I will now discuss the main business lines in which FCC operates:

SERVICES

The numerous activities performed by FCC's Services Division can be divided into two large groups: environmental, which includes urban sanitation,

water management and industrial waste management, and Versia, which encompasses all the rest.

This division obtained 2.800 billion euro in revenues in 2005, a 19.3% increase on 2004, and EBITDA amounted to 453 million euro, 20.5% more than in 2004.

- **URBAN SANITATION**

This business, which covers waste collection and processing, street cleaning, garden maintenance and facility cleaning, had a great year. We provide these services in approximately 4,000 municipalities in Spain and other countries in Europe, Africa and America, which have a population of around 50 million people.

We have a leading position in this business in Spain and are a benchmark in Latin America. In Latin America, we operate through Proactiva Medio Ambiente, a joint venture with Veolia Environnement.

Performance in Spain was very satisfactory. We managed to renew urban sanitation contracts in cities where FCC has been operating for many years, such as Valencia, Bilbao, Oviedo and Pamplona. Overall, we obtained contracts worth 1.980 billion euro.

And so far in 2006 we have obtained a significant number of contracts, most notably an eight-year contract for street cleaning and waste collection in Vitoria. We also acquired Austrian company ASA, a leader in environmental services, which I will discuss later.

As well as our evident competitiveness, we also strive to improve our technical services, remaining in the lead in the research and development of new equipment for cleaning and waste collection in response to the demand for sustainable development in our environmental activities.

- **WATER MANAGEMENT**

This business is conducted through subsidiary Aqualia, which obtained contracts worth 1.482 billion euro in 2005 both in Spain, where it operates in 800 municipalities, and abroad: Algeria, Italy and Portugal. This will enable this subsidiary to maintain its spectacular growth in the next few years; to date, it has attained 25% per year.

Notable new contracts include comprehensive water management in the Italian province of Caltanissetta, for 30 years, and in the Portuguese municipalities of the Lezíria do Tejo subregion, for 40 years, as well as a 25-year contract to build and operate two desalination plants in Algeria, with a capacity of 300,000 cubic metres per day.

Aqualia also paid 75 million euro for Canary Islands company Entemanser, which supplies water to 230,000 people, thus becoming the largest private water company in the Canary

Islands; and it paid 248 million euro for Czech water company SmVaK, which I will discuss later.

- **INDUSTRIAL WASTE**

FCC manages Spain's largest network of industrial waste processing plants, under the **Ámbito** brand. Those 39 strategically-located facilities processed 1,260,000 tonnes of waste in 2005.

Our biggest new contract was in Portugal, whose government gave us the first licence to install and operate an integrated centre for recovering, reusing and disposing of hazardous waste. Located in the Ribatejo region, 80 kilometres east of Lisbon, the facility will have a useful life of 25 years and will obtain revenues totalling 200 million euro.

Ámbito's biggest investment was in paper recycling, by acquiring Marepa, Spain's second-largest company in this business, to which FCC

was not previously exposed. Marepa handles 300,000 tonnes per year in a sector with considerable future potential.

VERSIA

Versia groups all our other services businesses.

- **LOGISTICS**

This activity was expanded by the acquisition of Grupo Logístico Santos, which boosted revenues from 109 million euro in 2004 to 276 million euro in 2005.

We have an extensive network in Spain and Portugal and FCC Logistics is the leading independent logistics operator in the Iberian Peninsula.

- **AIRPORT HANDLING**

We entered this business in 1995, when AENA liberalised the second handling licence at Spain's main airports. We provide passenger and cargo handling services at eleven airports

in Spain and Belgium.

Last year we won a seven-year contract to provide handling services at Ostend-Bruges airport. Added to our existing franchise in Brussels, that contract strengthened our leading position in Belgium.

- **SITE FURNITURE AND ADVERTISING**

Cemusa had a major success in 2005. It won a contract from New York City to install and manage all the city's site furniture. It succeeded in beating the world's leading outdoor advertising companies _and leading industrial groups that also operate in television and mobile telephony. The long and laborious process culminated in the signature of the contract in May, and we are now managing advertising on bus stops, news-stands and other site furniture in the city which is the symbol of the developed world, a fact which greatly enhances our reputation.

I would like to congratulate the entire CEMUSA team for their professionalism and enthusiasm in pursuing this contract, which opens the doors to other cities around the world. Many other people in the FCC Group contributed to this exciting project, from the first shareholder to the last professional: what we call impeccable integrated management, which we apply when the circumstances require it.

The New York contract runs for 20 years and will provide an estimated 2 billion dollars in revenues.

- **CAR PARKS**

The main event in this business was the contract obtained to manage 27,000 on-street parking spaces in Madrid for the next 11 years, with the possibility of an extension up to 25 years.

As a result, our subsidiary Estacionamientos y Servicios now manages over 55,000 on-street parking spaces in Madrid.

This business is growing rapidly: we now manage 140,000 on-street parking spaces and 13,000 spaces in 43 company-owned underground car parks.

- **MAINTENANCE AND SYSTEMS**

This subsidiary is specialised in the design, installation and upkeep of urban infrastructure, an area with great future potential and in which we occupy a superb position in the Spanish market. Recently we obtained several contracts for monitoring traffic on roads operating a shadow toll system.

- **VEHICLE INSPECTION**

We entered this business in 1988 and currently have 58 vehicle inspection centres in Spain and Argentina, which inspected over 2 million

vehicles in 2005; we can justly claim to be the leaders in this business.

- **MASS TRANSIT**

This business is a joint venture with Veolia Environnement. Its activities include managing tramlines in Barcelona, which carried over 13 million passengers last year and attained a high level of user satisfaction.

- **THE CONSTRUCTION INDUSTRY**

Before discussing this business in depth, I would like to mention that the Spanish construction industry expanded by 6% in 2005 to over 165 billion euro. In the last 10 years, according to data from SEOPAN, the construction industry's output has risen by 35% in real terms, compared with 17% GDP growth. As a direct consequence, construction accounts for 20% of all new jobs.

Cement usage is another useful indicator. According to Oficemen, in the first quarter of 2006, Spain used 16% more cement than in the same period of 2005.

CONSTRUCTION

This is the Group's oldest business and it has expanded rapidly in recent years, faster even than the industry average. It provides 47% of consolidated revenues and 43% of operating cash flow.

In 2005, revenues amounted to 3.346 billion euro, a 7.2% increase on 2004. Civil engineering accounted for 57% of that figure, and building for the remainder. The construction backlog was 5.155 billion euro at year-end, an 18.5% increase year-on-year. Of the total backlog, 68% is civil engineering, 21% non-residential building, and the other 11% residential building.

Three figures will serve to illustrate the intense pace of activity at our construction subsidiary: in 2005, we were building 668 kilometres of roads, 255 kilometres of railways and over 7,500 homes.

One of the missions entrusted to FCC Construction by the Strategy Committee, which is chaired by Esther Koplowitz, is to expand its presence in the infrastructure concession field; to this end, it has doubled its efforts to bid for the main projects in this area around the world, and it has also begun to concentrate its concession holdings. To this end, it acquired shares in Autopista Central Gallega, which links the cities of Orense and Santiago de Compostela; it now owns 55% of that road. The concession expires in 2073.

It also acquired 8.33% of the O'Donnell-N-IV stretch of Madrid's M-45 bypass, raising its stake from 25% to 33.3%.

As a result, we now manage the concessions which we control, which is a vital requirement in order to bid for international contracts, and can be viewed as a prerequisite for the creation of Alborada, our concession joint venture with Caja Madrid, which I will now describe:

Alborada was created with the aim of becoming one of the leading players in the infrastructure concession business. Its initial value is 900 million euro and, in terms of the number of concessions, it will rank first in the Madrid region, third in Spain and fourth in the world.

We are determined to provide this project with our financial and management capacity to ensure its success.

CEMENT

Cementos Portland Valderrivas is a source of continuing satisfaction and we rightly view it as one of our crown jewels.

In 2005, it attained 978 million euro in revenues, 10.3% more than in 2004, and EBITDA amounted to 312 million euro, 15.6% more than in 2004.

Cementos Portland Valderrivas started the year with nine cement plants, 112 concrete plants, 48 gravel quarries, eight dry mortar facilities, eight land terminals and eight port terminals.

Sales of cement and clinker reached a record 11 million tonnes, 8% more than in 2004.

Cement production in Spain totalled 8.5 million tonnes, of which 96% were used in the domestic market and 378,000 tonnes were exported. In the

United States, we sold 2.5 million tonnes, 5% more than in 2004.

Using modern technology, Cementos Portland Valderrivas's plants have beaten production and sales records without having to buy CO2 emission rights, and they also attained their energy efficiency goals while optimising the ratio of clinker per tonne of cement.

The management of CPV continues to work non-stop to perfect its industrial facilities as part of a continuous improvement programme, since they face the challenge of the second phase of the Kyoto process, from 2008 to 2012, requiring certain major investments by 2008 which have already been examined and are under way.

REALIA

Realia is a real estate company which we own jointly with Caja Madrid and which we carry by the equity method. I would like to take this opportunity to welcome Miguel Blesa, President of Caja Madrid,

once again; he will be joining our Board of Directors today if you approve. Cooperation between FCC and Caja Madrid has been very fruitful in recent years, as evidenced by the excellent results of Realia.

In 2005, revenues amounted to 597 million euro, 5.7% more than in 2004.

Nearly 87% of revenues come from property development, and the figure increased by 6.3% in absolute terms in 2005. Real estate pre-sales performed very well, and the backlog stood at 710 million euro at year-end.

An important figure: Realia has 10.5 million square metres of land, sufficient to build over 30,000 homes.

Realia also has 370,000 square metres of office space under rent in unique buildings in Madrid, Barcelona and Sevilla. This business provides 11.4% of total revenues, and occupancy stands at 94.7%.

Those are the essential figures of Realia in 2005. In 2006, FCC and Caja Madrid reached a number of

agreements that are fundamental for the company's future and can be summarised under three headings:

- **Accelerate Realia's growth, to which end one major step has already been taken. The acquisition of 73% of SIIC de Paris, a French listed property rental company. The company owns 33 properties in central Paris with a total floor area of 90,000 square metres above grade, mainly offices. In 2005, SIIC de Paris reported 95 million euro in revenues and 35 million euro in EBIT. The initial investment totalled 428 million euro and, following a takeover bid for 100%, may increase by another 159 million euro.**
- **Commencement of the process to list Realia on the stock exchange. The partners took the decision to list Realia in 2000, and now we plan to implement it as we consider the company has attained the necessary size and the time is right.**

- **Amendment of the ownership structure in place at Realia since it was founded in 2000, allowing FCC to attain a holding that enables it to fully consolidate Realia.**

FCC AND SUSTAINABLE DEVELOPMENT

I would now like to refer to one of FCC's primary concerns, as set out superbly in our Corporate Social Responsibility Report: protection of the environment. I will describe some of the initiatives that the company has taken:

- **In Services, specifically in urban sanitation, we have promoted the use of vehicles driven by liquefied natural gas, which produce much less atmospheric and noise pollution. We currently have nearly 500 gas-driven waste collection trucks and the number continues to expand.**

FCC Environment's technical units have developed a waste collection truck that uses an electric motor while collecting waste and switches to an internal combustion engine in

the transport phase, recharging the battery at the same time.

As evidence of its environmental concern, FCC is fitting photovoltaic solar panels to its facilities to produce electricity; to date it has reduced atmospheric emissions by 145 tonnes of CO₂ per year.

Aqualia has an agreement with Madrid's King Juan Carlos University to research the challenges of water in Spain. This cooperation resulted in a summer course last year on "Water and the environment in Spain: problems, modelling and management".

- Since 2000, FCC Construction has had the strategic objective in all its projects of adopting environmentally-friendly practices in excess of the legislative requirements. To this end, it has adopted a number of best practices, set out in its Environmental Communiqué, which have led to the following results, among others:**

- **Affected areas are restored in 96% of projects.**

- **Over 60% of production staff have received supplementary training in environmental matters.**

- **The volume of inert waste disposed of in landfills has been reduced by 15% with respect to initial projections.**

- **Inert waste is sorted into four or more categories for specific management at 72% of projects.**

- **The Cement division is working in several directions: improving kiln efficiency to reduce energy consumption, using materials that reduce the inevitable CO₂ emissions in the cement production process, promoting the use of alternative fuels and the use of additives in the cement production process, such as slag, so as to minimise the amount of clinker required per tonne of cement without impairing its**

quality. The clinker needs were reduced by an average of 10 kg per tonne of cement in 2005.

Also, Cementos Portland Valderrivas' plants in Spain have managed to reduce CO₂ emissions per tonne of cement produced by 4.25% in the last two years, while also notably reducing electricity consumption and the emission of nitrogen and sulphur oxides.

In recognition of this effort, the Madrid Regional Government gave its Environment Award to the CPV plant in Morata de Tajuña.

This spurs us to continue the long-standing work of caring, monitoring and restoring the environment at Cementos Portland Valderrivas, a process of which we are justly proud.

The Morata plant is one of the most technologically advanced in Spain and one of the most energy efficient in Europe.

STRATEGIC PLAN

Ladies and gentlemen: I will now discuss the immediate future. Last year, when I addressed you for the first time, I presented the broad lines of our strategic plan, which pursued the following objectives:

- To attain between 10 and 12 billion euro in revenues within three years.
- To increase the Group's international presence to account for between 35% and 40% of consolidated revenues.
- To increase EBITDA to between 1.4 and 1.6 billion euro.

Those were very ambitious goals if we consider actual results in 2004:

- Revenues 6.286 billion euro
- International exposure 9%
- EBITDA 850 million euro

This ambitious plan could only be achieved with the support of FCC's Board of Directors and the enthusiasm of all our employees, who lent their full support from the outset. For the first time, the plan combines organic growth with acquisitions.

I will now summarise some of the main investments:

In 2005, Cementos Portland Valderrivas took the major step of making a takeover bid for Cementos Leona; as a result, in 2006, it increased its stake from 30.72% to over 97%. That investment totalled 333 million euro.

The operation enables Cementos Portland Valderrivas to fully consolidate Cementos Leona and gives it a strong foothold in the cement market in northern Spain, with plants in Navarra, Vizcaya, Cantabria and Palencia.

It also now owns 100% of CDN USA, a company with a cement plant in the US and other industrial assets; previously, it shared ownership of CDN with Lemona.

The growth plan advanced further in June this year, when CPV acquired 51% of cement company Uniland for 1.092 billion euro; it has the possibility of attaining 73.5%, in which case the investment would amount to 1.574 billion euro. We view this transaction as a unique growth opportunity for Cementos Portland Valderrivas.

Once Uniland is consolidated, which we expect to occur in September, CPV's annual output of 12.6 million tonnes will make it Spain's largest cement company, and it will also be one of the biggest in the world. It will have 15 plants located in Spain, the USA, Argentina, Uruguay and Tunisia, producing nearly 19 million tonnes of cement, as well as 170 concrete plants, 18 mortar plants and 63 gravel quarries.

For CPV, this represents:

- **A major improvement in quantitative and qualitative terms on the international stage.**
- **Unique geographical complementarity in Spain with privileged access to the Catalan cement market through the market leader.**
- **Access to developing markets with considerable growth potential.**
- **The creation of a group which will attain over 1.8 billion euro in revenues in 2007 and over 600 million euro in EBITDA.**

We consider these are two magnificent investments by Cementos Portland Valderrivas, a company in which FCC has always had a particular interest, as evidenced by the acquisition last October of Iberdrola's 8.06% stake. Following that investment, which took place in the context of smooth relations with Iberdrola, FCC owns nearly 68% of Cementos Portland Valderrivas.

The Services business acquired Austrian company ASA, which is notable because of the size of the transaction (279 million euro) and its location. ASA

is a leading provider of comprehensive waste management services with operations in Austria, the Czech Republic, Slovakia, Hungary, Poland and Romania, and it has very advanced plans to expand into Slovenia, Croatia, Bulgaria and Serbia.

It attained close to 200 million euro in revenues in 2005, with an EBITDA margin of 17%, and it has 2,500 employees.

However, FCC views this operation as much more than the acquisition of a company. We see ASA as a springboard for expansion throughout Eastern Europe, a region which is experiencing rapid economic growth and which will receive EU funding starting in 2007.

After buying ASA, we located another investment opportunity: Czech water company SmVaK, in which we invested 248 million euro.

SmVaK is the third-largest water company in the Czech Republic and the largest in Moravia and Silesia. It also supplies water in Poland and has begun commercial operations in Slovakia. It supplies a population of 1.2 million people and owns the infrastructure which it manages, so its franchises will not expire.

SmVaK expects to obtain 57 million euro in revenues and 27 million euro in EBITDA in 2006; that is a 47% EBITDA margin.

These two complementary investments establish FCC as a leading player in water and waste management in Eastern Europe and enable it to accelerate development in a region with strong growth potential.

We have other operations under way which we expect to come to fruition in the near future. They will be investments in companies, like those I have just described, which are specialised in one of our core business activities. Such acquisitions will be

made with our characteristic prudence, which has given such good results in our 106 years of existence, but with the necessary business dynamism to attain the goals we set in our strategic plan a year ago.

OUTLOOK FOR 2006

In March, when we presented the 2005 results, I provided what I considered to be our best estimates for 2006 year-end.

However, good performance in the first half of this year and the impact of the acquisitions announced in the period on our year-end results mean that those earlier projections may be revised upwards.

With the information which I have about the first half of 2006 and assuming that Uniland can be consolidated in the fourth quarter, the Group's revenues will increase by approximately 15%. EBITDA will improve by about 20%. And net attributable profit will increase by more than 20%.

INTERNAL CHANGES

The sweeping transformation of FCC which I referred to earlier is not due only to the implementation of our strategic plan; we are also making a number of changes within the company to ensure that growth is accompanied by continuous improvement in management.

At this point, I would like to acknowledge a very important asset among our employees: our corporate staff. I mean those departments not directly in the production line but which are necessary, not to say vital, for the Company's operations.

I am speaking specifically of the departments in charge of Administration and Finance, Human and Material Resources, Internal Audit and General Secretariat, Legal Counsel, Information Systems, Communications, Corporate Image and Corporate Social Responsibility.

I can assure you that it is a magnificent team and, based on my lengthy track record with the company, one in which I have the utmost confidence and which will provide vital support in achieving our goals.

The entire work force is participating in the sweeping internal reform of FCC, since our Strategic Plan requires the company to adapt to new challenges and a new size, leading to the following specific initiatives:

- **CORPORATE SOCIAL RESPONSIBILITY REPORT**

As the Chairman mentioned, FCC has published its first Corporate Social Responsibility Report with the aim of publicising the main activities performed by the Group in the last year with regard to value creation, social well-being and environmental protection. The report was drafted by all areas of the company, coordinated by the Head of Corporate Social Responsibility, who reports to the General Secretary.

- **ENHANCING INTERNAL AUDITS**

The Board of Directors of FCC considers it vital to create shareholder value on a sustainable basis. To this end, it rigorously analyses all the risks deriving from its numerous activities performed through over 500 companies in 25 countries with a work force that currently numbers 73,000. It also applies appropriate risk management policies and establishes the necessary internal control systems. In this connection, the Board analyses risks that can be hedged and how to hedge them, and has asked the various business areas to take measures to prevent risks.

The Audit and Control Committee, in its work of supporting the Board of Directors and in accordance with best practices in corporate governance, has asked the Internal Audit Department to review such risks periodically

and continuously improve risk prevention systems.

It was also considered advisable to strengthen the Internal Audit Department, to which end we approved the Basic Audit Standard and expanded the department's resources and its responsibilities, which now include environmental audits.

- **INTEGRA PROJECT**

In the area of Administration and Finance, we have implemented a new management model which will involve changing to a more centralised information and control system combined with optimisation of all the processes in this area. This new model will support the Group's overall growth plan.

The changes made as part of this initiative by the Administration and Finance Department, which logically affect our current information systems, highlight the Group's concern with

strengthening the organisation internally in preparation for the future.

For a project of this scale to succeed, the FCC Group has the support of a strong team of people fulfilling specific roles: project coordination and management, process definition, solution validation and implementation, and change management.

- **NEW DATA PROCESSING CENTRE**

As part of the renovation of our entire technology infrastructure, we will shortly have a new data processing centre to house the corporate servers. Once it is operational, we will have the necessary modern facilities with which to address the growing complexity and volume of our business activities.

- **CREATION OF THE CORPORATE DEVELOPMENT DEPARTMENT**

In order to make progress with our policy of investments and acquisitions, we have created

the Corporate Development Department, comprising highly-qualified professionals whose task is to develop new projects to ensure our Group's growth.

DIVIDEND DISTRIBUTION

Among the motions submitted for your approval today there is naturally one relating to dividends. In January, the Board of Directors declared an interim dividend of 76.6 cent per share. Now we propose a supplementary dividend of 84.8 cent per share, making a total dividend of 1.614 euro per share. That is 18.6% more than last year and represents a 50% payout.

SHARE PERFORMANCE

FCC's share performance has been superb. In 2005, the share appreciated by 35.2%, 17 percentage points more than the Ibex 35 index.

The share has maintained this positive performance so far in 2006; on 28 June it closed at 59 euro, a 23% improvement, which is particularly notable if

compared with the Ibox 35's 5% appreciation in the same period.

Since the beginning of 2005, the year in which we announced our Strategic Plan, FCC's share has appreciated by over 63%, evidencing the markets' support for our performance and the progress with our acquisition policy.

PERSONNEL

On 31 December 2005, there were 67,562 people working at FCC, a net increase of 3,960 during the year.

On 31 May, that figure had increased to 73,602 people. That is to say, we added over 6,000 employees in five months. We expect to end the year with over 80,000 employees.

Those jobs represent a great responsibility for all of us in management but they are also a stimulus to continue working in the same direction. Job creation is an area which highlights our company's sensitivity

to social problems, which are of concern to all of us, starting with our principal shareholder. For reference, a query to our archives reveals that our headcount at 31 December 1995, ten years ago, was almost exactly half the current figure: 34,022 employees.

But it is not only the number of jobs that matters. We are also particularly concerned with quality, and I would like to praise FCC's Human Resources departments, under the coordination of our Human and Material Resources Division, for their constant efforts to provide courses to improve our employees' training. We wish to be in the lead in this important area.

In this context, I am pleased to announce another initiative which has the enthusiastic support of our main shareholder, namely an ambitious plan to integrate workers with disabilities into our organisation. This plan has been approved by the

Board of Directors of FCC and will be implemented immediately.

To all our employees, I express my gratitude for their enthusiasm and professionalism. The success I have discussed are due fundamentally to their efforts.

Ladies and gentlemen, from the accounts which we have presented and the content of my remarks, you may gather that 2005 was a year of hard work but it was particularly gratifying and very fruitful too. Twelve vital months in the history of a company which is engaged in a major process of expansion whose fruits are appearing and will continue to appear in the coming years, in the new FCC which we are building together.

Thank you very much for your attendance and your trust. Good day.