



**INFORMATION IN CONNECTION WITH ITEM 6 ON THE AGENDA FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (THE "COMPANY" OR "FCC") TO BE HELD ON 1 JUNE 2011 AT FIRST CALL AND ON 2 JUNE 2011 AT SECOND CALL (EXTENSION OF THE DEADLINE FOR THE CAPITAL REDUCTION)**

The Agenda for the Ordinary General Meeting of Shareholders of Fomento de Construcciones y Contratas, S.A. (the "Company"), convened for 1 and 2 June 2011 at first and second call, respectively, includes, in item 6, a proposal to extend the power granted to the Board of Directors by the Ordinary General Meeting on 10 June 2009 to execute the decision to reduce capital through amortisation of own shares that was adopted by that General Meeting.

The Ordinary General Meeting of Shareholders on 10 June 2009, in decision seven, resolved firstly to reduce capital by 3,182,582 euro through amortisation of 3,182,582 own shares and, secondly, to empower the Board of Directors so that, within a period of one year from the date of the decision, it might, if it considered it to be appropriate in the Company's interests, execute the aforementioned capital reduction. That deadline was already extended by one year at the last Ordinary General Meeting, on 27 May 2010.

In compliance with the provisions of decision 7.2 of the Ordinary General Meeting of Shareholders on 10 June 2009, the Board of Directors reports that it did not see fit, in the Company's interests, to execute the capital reduction in that period since market conditions were not suitable.

Insofar as such conditions may vary in the future, and in order to give the Board of Directors the necessary flexibility to execute the capital reduction decision adopted by the Ordinary General Meeting of Shareholders on 10 June 2009, it is proposed to extend by one year, from the date of this decision, decision 7.2 of the Ordinary General Meeting of Shareholders on 10 June 2009.

The Board of Directors considers this new extension is part of the shareholder remuneration policy established by the Company, one component of which can be a reduction of capital by an amount equivalent to the nominal value of certain own shares, by amortising them, thereby increasing the earnings per share of the remaining shares.

The capital reduction, if finally performed by the Board of Directors in the terms set out in the capital reduction decision adopted by the General Meeting on 10 June 2009, will not involve the refund of shareholders' contributions since the shares to which the capital reduction refers will be owned by the Company. Therefore, the only purpose of the reduction will be to amortise own shares.





Once the resolution to reduce capital has been adopted and implemented, article 5 of the Company's Articles of Incorporation will be amended to reflect the new figure and the new number of outstanding shares; the new text will read:

*"Article 5. Share capital*

*The share capital is ONE HUNDRED TWENTY-FOUR MILLION, ONE HUNDRED TWENTY THOUSAND, SEVEN HUNDRED FOURTEEN (124,120,714) euro, represented by one hundred twenty-four million, one hundred twenty thousand, seven hundred fourteen (124,120,714) shares with a par value of one euro each. The shares are fully subscribed and paid up."*

Madrid, 7 April 2011

