

2004 RESULTS

1st Half





RESULTS AS OF 30TH JUNE, 2004

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I – HIGHLIGHTS

| | June-04 | % Ch. |
|---------------------------------|---------|-------|
| Net Revenues | 3.035,6 | 4,2% |
| Gross Operating Profit (EBITDA) | 400,8 | 7,4% |
| Net Operating Profit (EBIT) | 253,0 | 7,2% |
| Ordinary income | 269,6 | 11,6% |
| Income before Tax | 294,9 | 18,2% |
| Net income | 186,5 | 22,1% |

| | June-04 | % Ch. |
|------------|----------|-------|
| Order Book | 15.891,6 | 0,3% |
| Capex | 253,7 | -2,8% |
| Cash Flow | 348,0 | 24,3% |

MAIN FACTS

- Net Revenues rose by 4,2%, supported by the increase of the activities in Spain (+5,4%), with a solid growth in all Group strategic areas: Versia (+14,8%), Cement (+6,8%), Services (+5,4%) and Construction (+4,4%).
- EBITDA and EBIT increased by 7,4% and 7,2% respectively, resulting in a 13,2% and 8,3% margin over sales.
- Ordinary Income reaches € 296,6 million, meaning 11,6% increase compared to the same period last year.
- Net Income grows by 22,1% attaining € 186,5 million, with a strong 6,1% increase over sales margin.
- The total Order book accounts for € 15.891,6 million.
- Capital Expenditures during the period reached € 253,7 million.
- Cash flow from operations reached € 348 million representing a 24,3% increase.
- The total gross dividend accounted for year 2003 attained € 1,067 per share, representing a 93,8% increase compared to last year.
- Mrs. Esther Koplowitz agrees to acquire 49% of B-1998, S.L. capital from the French company Veolia Environnement, S.A., controlling this company totally, which in turn controls 52,48% of FCC capital. Moreover, she has agreed to transmit 18,03% of B-1998, S.L. capital to other investors and has reached an agreement with them about the control and management of both B 1998, S.L. and FCC where Mrs. Esther Koplowitz will maintain the control of both companies.

II. PROFIT & LOSS ACCOUNT AND BALANCE SHEET

(MILLION EUROS)

| | June-04 | June-03 | % ch. | % sales | |
|---|------------------|------------------|-------------|---------------|---------------|
| | | | | June-04 | June-03 |
| Net Revenues | 3.035,6 | 2.912,4 | 4,2 | 100,0 | 100,0 |
| Other Revenues | 53,3 | 83,2 | (35,9) | 1,8 | 2,9 |
| Operating Expenses | (2.688,1) | (2.622,3) | 2,5 | (88,6) | (90,0) |
| External and Operating Expenses | (1.843,4) | (1.822,7) | 1,1 | (60,7) | (62,6) |
| Personnel Expenses | (844,8) | (799,6) | 5,6 | (27,8) | (27,5) |
| Gross Operating Profit | 400,8 | 373,3 | 7,4 | 13,2 | 12,8 |
| Depreciation-amortization | (134,3) | (121,9) | 10,2 | (4,4) | (4,2) |
| Variation Operating provisions | (10,8) | (12,9) | (16,3) | (0,4) | (0,4) |
| Reversion Fund Provision | (2,7) | (2,5) | 8,0 | (0,1) | (0,1) |
| Net Operating Profit | 253,0 | 236,0 | 7,2 | 8,3 | 8,1 |
| Net Financial Results | (9,0) | (17,8) | (49,4) | (0,3) | (0,6) |
| Goodwill Amortization | (8,5) | (11,1) | (23,4) | (0,3) | (0,4) |
| Income from Associates (Equity method) | 34,1 | 34,4 | (0,9) | 1,1 | 1,2 |
| Ordinary Income | 269,6 | 241,5 | 11,6 | 8,9 | 8,3 |
| Net Extraordinary Results | 25,3 | 8,0 | 216,3 | 0,8 | 0,3 |
| Income before Taxes | 294,9 | 249,5 | 18,2 | 9,7 | 8,6 |
| Taxes | (82,6) | (69,5) | 18,8 | (2,7) | (2,4) |
| Net Income before Minority Interests | 212,3 | 180,0 | 17,9 | 7,0 | 6,2 |
| Minority Interests | (25,8) | (27,3) | (5,5) | (0,8) | (0,9) |
| Net Income | 186,5 | 152,7 | 22,1 | 6,1 | 5,2 |

1. Net Revenues: + 4,2%

| | June-04 | June-03 | % change | %/Total |
|---------------|----------------|----------------|-------------|-------------|
| Construction | 1.458,2 | 1.413,2 | 3,2% | 47,1% |
| Services | 862,1 | 820,5 | 5,1% | 27,9% |
| Versia | 201,1 | 186,2 | 8,0% | 6,5% |
| Cement | 440,8 | 417,9 | 5,5% | 14,2% |
| Grucycsa | 124,6 | 115,4 | 8,0% | 4,0% |
| Picasso Tower | 8,6 | 7,9 | 8,9% | 0,3% |
| Intragroup | -59,8 | -48,7 | 22,8% | |
| TOTAL | 3.035,6 | 2.912,4 | 4,2% | 100% |

Net Revenues during the first half of the year **increased by 4,2%** reaching **€ 3.035,6 million**. This increase is supported by the positive trend in all the strategic Group areas: **Versia (+8%)**, **Cement (+5,5%)**, **Services (+5,1%)** and **Construction (+3,2%)**.

Regarding the geographical breakdown of sales, we have to point out the solid growth of the **domestic activity with a 5,4% increase**. Within the positive evolution of all divisions, we have to mention the excellent evolution of **Versia (+14,8%) as well as Services (+5,4%) and Construction (+4,4%)**.

International activity diminishes its contribution towards the consolidated revenues to 9%, due to the impact of dollar depreciation.

| | June-04 | June-03 | % change | % sales | |
|---------------|----------------|----------------|-------------|-------------|-------------|
| | | | | June-04 | June-03 |
| Domestic | 2.762,4 | 2.619,9 | 5,4% | 91,0% | 90,0% |
| International | 273,2 | 292,5 | -6,6% | 9,0% | 10,0% |
| TOTAL | 3.035,6 | 2.912,4 | 4,2% | 100% | 100% |

2. Operating Expenses : + 2,5%

Operating Expenses increased by 2,5%, below the sales growth in the period, improving the operational efficiency.

3. Gross Operating Profit: + 7,4%

Gross Operating Profit increases by 7,4%, attaining **€ 400,8 million**, representing a 0,4% improvement of margin over sales, climbing up to 13,2% from 12,8% during last year's first half. All strategic divisions have increased their contribution towards the consolidated EBITDA, specially **Services (+12,8%) and Versia (7,1%) divisions**.

EBITDA BY ACTIVITIES (CONSOLIDATED)

| | June-04 | June-03 | % Change | %/Total 04 | %/Total 03 |
|---------------|--------------|--------------|-------------|-------------|-------------|
| Construction | 68,8 | 65,9 | 4,4% | 17,2% | 17,7% |
| Services | 127,1 | 112,6 | 12,8% | 31,7% | 30,2% |
| Versia | 42,1 | 39,3 | 7,1% | 10,5% | 10,5% |
| Cement | 129,2 | 128,8 | 0,3% | 32,2% | 34,5% |
| Grucycsa | 6,1 | 5,9 | 3,4% | 1,5% | 1,6% |
| Picasso Tower | 7,4 | 7,0 | 5,7% | 1,8% | 1,9% |
| Other | 20,1 | 13,8 | 45,7% | 5,0% | 3,7% |
| TOTAL | 400,8 | 373,3 | 7,4% | 100% | 100% |

The strength of the Services and Versia divisions result in a 42,2% contribution towards the Gross Operating result, compared to the previous 40,7% contribution.

4. Net Operating Profit: + 7,2%

Net Operating Profit reached **€ 253 million**, representing a 7,2% increase compared to the same period last year. This positive performance results in a 0,2% improvement of margin over sales, attaining 8,3% compared to previous 8,1%.

Within the positive trend of all divisions, we must highlight the Services division which rose its contribution to the consolidated EBIT up to 21,3%, and Versia, which increased its results 8,5%, in spite of the non-consolidation of Eumex, the Mexican Urban Fixture subsidiary, which is now consolidated under the equity method. The lower major contribution of the Cement area is due to the amortization increase resulting from the strong investment rhythm of this division last year.

EBIT BY ACTIVITIES (CONSOLIDATED)

| | June-04 | June-03 | % Change | %/Total 04 | %/Total 03 |
|---------------|--------------|--------------|-------------|-------------|-------------|
| Construction | 50,4 | 49,6 | 1,6% | 19,9% | 21,0% |
| Services | 67,9 | 56,0 | 21,3% | 26,8% | 23,7% |
| Versia | 22,9 | 21,1 | 8,5% | 9,1% | 8,9% |
| Cement | 83,1 | 87,5 | -5,0% | 32,8% | 37,1% |
| Grucycsa | 3,7 | 3,5 | 5,7% | 1,5% | 1,5% |
| Picasso Tower | 5,8 | 5,5 | 5,5% | 2,3% | 2,3% |
| Other | 19,2 | 12,8 | 50,0% | 7,6% | 5,4% |
| TOTAL | 253,0 | 236,0 | 7,2% | 100% | 100% |

Regarding the activity distribution, we also have to highlight the good performance of the **Services (+21,3%)** and **Versia (+8,5%)** divisions, both increasing their contribution up to 35,9% from previous 32,6% during the same period last year.

5. Ordinary Income: + 11,6%

Ordinary Income shows an increase of 11,6%, reaching € 269,6 million, and improving the margin over sales by 0,6%, up to 8,9%. Apart from the good operating results we must add the contention of financial results due to low indebtedness and to the minor levelled interest rates. On the other hand, the results under the equity method have barely changed in spite of Realia's 2003 first half extraordinary results, due to its tremendous invoicing evolution, which rose 41,4% during the period.

6. BAI: + 18,2%

Income Before Taxes reaches € 294,9 million improved by 18,2% during the first half of the year. Extraordinary results have reached € 25,3 million.

7. Net Income before Minority Interests: + 17,9%

Net Income before Minority Interests **increased 17,9%** reaching **€ 212,3 million**. The effective tax rate has barely changed and is at 28% from previous 27,9%.

8. Net Income: + 22,1%

The consolidated Net Income of **€ 186,5 million** represents a **strong 22,1% rise** compared to the same period last year, and a 0,9% improvement on **net margin over sales which reaches 6,1% from previous 5,2%**.

CONSOLIDATED BALANCE SHEET

| | June-04 | June-03 | % ch. |
|--|----------------|----------------|---------------|
| Unpaid Capital | 0,2 | 0,2 | 0,0 |
| Fixed and Non current Assets | 3.115,4 | 2.995,7 | 4,0 |
| Start up expenses | 11,2 | 15,3 | (26,8) |
| Intangible Assets | 567,2 | 596,0 | (4,8) |
| Tangible Fixed Assets | 1.822,8 | 1.674,5 | 8,9 |
| Financial Investments | 703,7 | 699,4 | 0,6 |
| Shares of the controlling company | 10,5 | 10,5 | 0,0 |
| Goodwill in consolidation | 183,9 | 246,4 | (25,4) |
| Deferred Charges | 38,8 | 44,0 | (11,8) |
| Current Assets | 3.947,9 | 3.727,1 | 5,9 |
| Inventories | 433,3 | 446,2 | (2,9) |
| Accounts Receivable | 2.816,9 | 2.670,2 | 5,5 |
| Short Term Financial Investments | 403,3 | 329,7 | 22,3 |
| Cash | 269,2 | 257,8 | 4,4 |
| Accrual Accounts | 25,2 | 23,2 | 8,6 |
| Assets = Liabilities + Shareholder's Equity | 7.286,2 | 7.013,4 | 3,9 |
| Shareholder's Equity | 1.941,0 | 1.740,5 | 11,5 |
| I. Common Capital | 130,6 | 130,6 | 0,0 |
| II. Reserves | 682,3 | 671,3 | 1,6 |
| III. Reserves from consolidated companies | 1.005,1 | 847,6 | 18,6 |
| IV. Translation Differences | (63,5) | (61,7) | 2,9 |
| V. Income allocable to controlling company | 186,5 | 152,7 | 22,1 |
| VI. Interim Dividends | 0,0 | 0,0 | 0,0 |
| Minority Interest | 400,3 | 394,7 | 1,4 |
| Negative Difference on Consolidation | 36,1 | 37,0 | (2,4) |
| Deferred Revenues | 47,8 | 32,4 | 47,5 |
| Provisions for Risks and Expenses | 304,9 | 256,6 | 18,8 |
| Long Term Debt | 752,8 | 738,1 | 2,0 |
| Loans and Bank Debt | 444,5 | 431,7 | 3,0 |
| Other Long Term Liabilities | 308,2 | 306,4 | 0,6 |
| Current Liabilities | 3.711,5 | 3.695,6 | 0,4 |
| Loans and Bank Debt | 625,9 | 798,1 | (21,6) |
| Accounts Payable | 2.316,2 | 2.172,7 | 6,7 |
| Other Short Term Debt | 764,7 | 716,1 | 6,6 |
| Accrual Accounts | 4,8 | 8,7 | (44,8) |
| Short Term Provisions | 91,9 | 118,5 | (22,4) |

Assets

On the Assets side, we have to mention the 25,4% decrease of the consolidated goodwill mostly due to the extraordinary amortization done in year 2003 in the Cement division.

Liabilities

Regarding Liabilities, the € 63,5 million translation differences are due to the US Dollar and Latin American currency depreciation.

The Group's Net Debt is at € 581,7 million meaning that the leverage ratio, calculated as net debt between shareholder's equity plus minority interests plus net debt is at 19,9%, has decreased from previous 27,3% during the same period last year.

| | June-04 |
|------------------------------|---------------|
| Bonds and other Debt | -111,3 |
| Short Term Debt | -625,9 |
| Log term Debt | -444,5 |
| Limited Recourse Debt | -72,5 |
| Cash and STFI | 672,5 |
| Net Position | -581,7 |

CASH FLOW

| | June-04 | Jun-03 | Ch.% |
|--|--------------|--------------|--------------|
| Net Ordinary Profit | 188 | 172 | 9,3% |
| Depreciation | 142,8 | 133 | 7,4% |
| Profit from Companies (Equity method) | -18,4 | -25,8 | -28,7 |
| Other | 35,6 | 0,7 | N/A |
| TOTAL | 348,0 | 279,9 | 24,3% |

Cash Flow generated reached € 348 million representing a strong 24,3% growth compared to the same period last year.

III. BUSINESS AREAS ANALYSIS

1. CONSTRUCTION

➤ RESULTS

| | June-04 | June-03 | Ch. % |
|----------------------|---------|---------|-------|
| NET REVENUES | 1.458,2 | 1.413,2 | 3,2% |
| EBITDA | 68,8 | 65,9 | 4,4% |
| <i>EBITDA Margin</i> | 4,7% | 4,7% | |
| EBIT | 50,4 | 49,6 | 1,6% |
| <i>EBIT Margin</i> | 3,5% | 3,5% | |

Net Revenues **increased by 3,2%** reaching **€ 1.458,2 million**, supported by the domestic activity (+4,4%) and mainly due to the positive trend of civil works related to the development of the Infrastructure Plan in Spain.

| | June-04 | | June-03 | | Ch. % |
|---------------|---------|---------|---------|---------|--------|
| | | % total | | % total | |
| DOMESTIC | 1.420,1 | 97,4% | 1.360,1 | 96,2% | 4,4% |
| INTERNATIONAL | 38,1 | 2,6% | 53,1 | 3,8% | -28,2% |

The strength of Spanish activity (+4,4%) represents 97,4% of the divisions' revenues.

➤ PROFITABILITY

EBITDA increased by 4,4% reaching € 68,8 million, maintaining its 4,7% margin over sales.

EBIT is at € 50,4 million, with a 1,6% increase, representing a 3,5% margin over sales.

ORDER BOOK AND CAPEX

| | June-04 | June-03 | Ch. % |
|------------|---------|---------|-------|
| ORDER BOOK | 3.843,6 | 3.534,5 | 8,7% |
| CAPEX | 50,4 | 31,5 | 60,0% |

The Order Book has reached a new historical figure of € **3.843,6 million**, which represents 8,7% increase compared to the same period last year, and it also represents 15,4 months of activity.

CAPEX during the period has reached € 50,4 million. Amongst them, we must point those from infrastructure concessions such as: Autopista de la Costa Cálida, C.E.A., S.A. amounting € 13,8 million, Autovía del Camino. S.A., with €11,2 million and Terminal polivalente Castellón, S.A. amounting € 4 million.

2. SERVICES

➤ RESULTS

| | June-04 | June-03 | Ch. % |
|----------------------|---------|---------|-------|
| NET REVENUES | 862,1 | 820,5 | 5,1% |
| EBITDA | 127,1 | 112,6 | 12,8% |
| <i>EBITDA Margin</i> | 14,7% | 13,7% | |
| EBIT | 67,9 | 56,0 | 21,3% |
| <i>EBIT Margin</i> | 7,9% | 6,8% | |

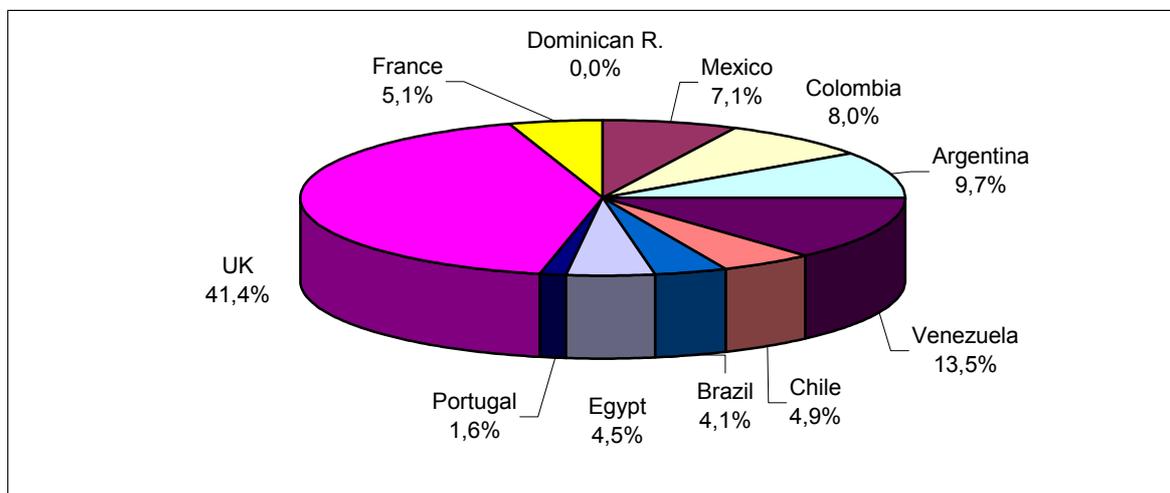
Net revenues from the Services division increased 5,1% during the period reaching € **862,1 million**.

The **Domestic activity (+5,4%)** still presents strong increase rates in all its divisions. We have to point out the important growth of the **Industrial Waste division (+27,1%)**, due to the expanding process initiated a few years ago, increasing its contribution to total revenues up to 6%.

Water division, also continues its positive trend attaining **8,7%** during the first half of the year. Sales in the **Urban Sanitation division increase by 2,3%**. The **International division (+1,8%)** is stepping up again, after having increased 4,1% during the second quarter.

| | Net revenues | June-04 % ch. | %/Total division |
|-------------------------|--------------|------------------|------------------|
| WATER | 218,4 | 8,7% | 25,3% |
| URBAN SANITATION | 525,0 | 2,3% | 60,9% |
| INTERNATIONAL | 67,6 | 1,8% | 7,8% |
| INDUSTRIAL WASTE | 51,1 | 27,1% | 5,9% |

The International Sales breakdown per countries is as follows:



Europe Sales (48,2%) represent nearly half of the total International Division, whilst Latin America's contribution to sales is 47,3%, and the 4,5% left corresponds to the north of Africa.

| | June-04 | | June-03 | | Ch. % |
|----------------------|--------------|--------------|--------------|--------------|-------------|
| | | % total | | % total | |
| DOMESTIC | 794,5 | 92,2% | 754,1 | 91,9% | 5,4% |
| INTERNATIONAL | 67,6 | 7,8% | 66,4 | 8,1% | 1,8% |

➤ **PROFITABILITY**

Gross Operating profit amounted to € 127,1 million, representing a **strong 12,8% increase** and a **14,7%** margin over sales compared to 13,7% during the same period last year.

Net Operating profit increased by 21,3% reaching € 67,9 million. Margin over sales improves 1,1% and is at 7,9% from the 6,8% during the same period last year. We have to mention that this strong improvement of margins is even in all the different divisions that constitute the area.

➤ **ORDER BOOK AND CAPEX**

| | June-04 | June-03 | Ch. % |
|------------|----------|----------|--------|
| ORDER BOOK | 11.771,9 | 12.041,6 | -2,2% |
| CAPEX | 86,5 | 130,7 | -33,8% |

Order Book reached **€ 11.771,9 million**, whilst **Capital Expenditures** during the period accounted for **€ 86,5 million**, highlighting Limpiezas Industriales Alfús, S.A. amounting € 11,2 million and Técnicas de Descontaminación, S.A. with € 1,5 million.

3. VERSIA

➤ **RESULTS**

The division's sales is at **€ 201,1 million**, representing an **8% increase** regarding the same period last year.

| | June-04 | June-03 | Ch. % |
|----------------------|---------|---------|-------|
| NET REVENUES | 201,1 | 186,2 | 8,0% |
| EBITDA | 42,1 | 39,3 | 7,1% |
| <i>EBITDA Margin</i> | 20,9% | 21,1% | |
| EBIT | 22,9 | 21,1 | 8,5% |
| <i>EBIT Margin</i> | 11,4% | 11,3% | |

Regarding the business evolution we have to point out the **Parking** divisions (+41%) due to the incorporation of the new parking in Pamplona, and the **Transport** division (+23,1%) due to the new entry of Tranvía del Besós (Barcelona).

We also have to mention the evolution of the Urban Fixture division, which is not comparable to last year's results due to the non-inclusion of the Mexican subsidiary Eumex in the consolidation that is now consolidated under the equity method. Disregarding this effect, the division would have increased 16,9%, and especially the domestic activity with a 26,5% increase. Lastly, the **MOT** division has **raised 7,9%**.

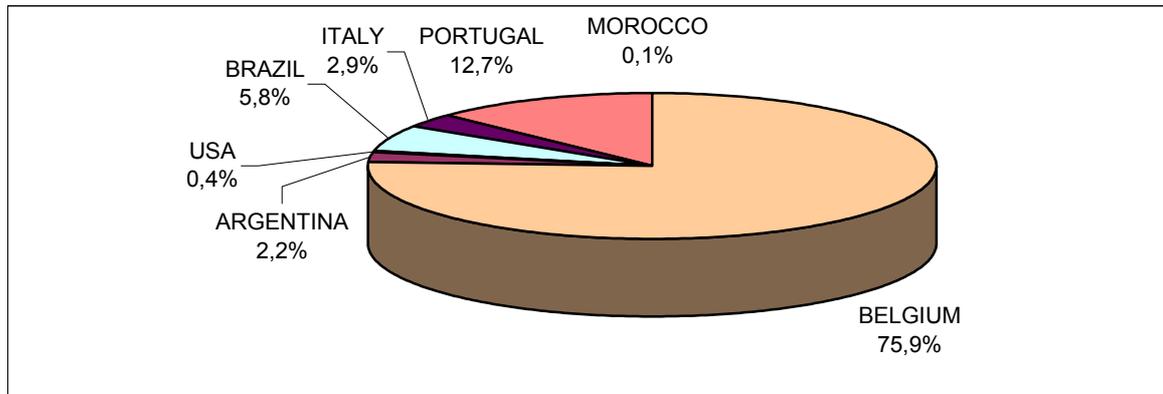
| | Net Revenues | June-04 % ch. | %/Total division |
|-------------------------|--------------|------------------|------------------|
| SEWAGE AND MAINTENANCE | 26,48 | 3,1% | 13,2% |
| URBAN FIXTURES (CEMUSA) | 40,78 | -2,4% | 20,3% |
| MOT | 18,89 | 7,9% | 9,4% |
| PARKING | 30,17 | 41,0% | 15,0% |
| HANDLING | 73,21 | 4,0% | 36,4% |
| TRANSPORT | 11,58 | 23,1% | 5,8% |

➤ **GEOGRAPHICAL AREA BREAKDOWN**

| | June-04 | | June-03 | | Ch. % |
|---------------|---------|---------|---------|---------|-------|
| | | % total | | % total | |
| DOMESTIC | 142,2 | 70,7% | 123,9 | 66,5% | 14,8% |
| INTERNATIONAL | 58,9 | 29,3% | 62,3 | 33,5% | -5,5% |

The **domestic activity** is still the thrust of the division, with a **14,8% growth**, reaching **€ 142,2 million**. Regarding the international sales, as abovementioned, they have been affected by the non-inclusion of Eumex in the consolidation. Disregarding this effect, the international activity would have increased 6,2%.

The International Sales breakdown per countries is as follows:



91,5% of the international sales are generated in Europe, 8% in south America and the rest in USA and north Africa.

➤ PROFITABILITY

EBITDA reached € 42,1 million, representing a **7,1% increase** compared to the same period last year. Disregarding the Eumex effect, EBITDA would have increased 19% mainly due to the excellent evolution of the Handling division that has improved its margin in 3% as a consequence of the profitability increase in Brussels.

EBIT grew 8,5% reaching € 22,9 million, mainly due to the operational improvement in the Handling division. Overmore, if we ignore the Eumex effect on consolidation, EBIT would have increased 28,9%.

➤ ORDER BOOK AND CAPEX

| | June-04 | June-03 | Ch. % |
|------------|---------|---------|--------|
| ORDER BOOK | 50,1 | 35,5 | 41,1% |
| CAPEX | 22,4 | 29,0 | -22,8% |

The Order book has reached € 50,1 million, which represents a **41,1% increase** whilst the **Investments** during this period were worth **€ 22,4 million**.

4. CEMENT

➤ RESULTS

| | June-04 | June-03 | Cha % |
|----------------------|---------|---------|-------|
| NET REVENUES | 440,8 | 417,9 | 5,5% |
| EBITDA | 129,2 | 128,8 | 0,3% |
| <i>EBITDA Margin</i> | 29,3% | 30,8% | |
| EBIT | 83,1 | 87,5 | -5,0% |
| <i>EBIT Margin</i> | 18,9% | 20,9% | |

Net Revenues amounted to **€ 440,8 million**, representing a **5,5% increase**.

Domestic activity still presents a **strong increase rate with 6,8%**. The **International sales** increased 0,9% despite of a 5,6% dollar depreciation. Without taking into account this effect, international sales would have increased 6,5%.

| | June-04 | | June-03 | | Ch. % |
|---------------|---------|---------|---------|---------|-------|
| | | % total | | % total | |
| DOMESTIC | 344,7 | 78,2% | 322,7 | 77,2% | 6,8% |
| INTERNATIONAL | 96,1 | 21,8% | 95,2 | 22,8% | 0,9% |

➤ PROFITABILITY

EBITDA reached € 129,2 million, which represents 0,3% increase compared to the same period last year. This behaviour is due to a growing demand in geographic areas where prices are lower, and consequently impacting on the average ton sales price.

EBIT reached € 83,1 million, absorbing the same effect upon the average ton prices along with the amortisation increase due to investments made in the USA.

➤ **CAPEX**

| | June-04 | June*03 | Ch. % |
|-------|---------|---------|-------|
| CAPEX | 85,6 | 59,4 | 44,1% |

Investments have increased 44,1% reaching € 85,6 million as a consequence of the adaptation of humid and dry technology in USA plants, which will allow improving their efficiency.

5. GRUCYCSA

➤ **RESULTS**

| | June-04 | June-03 | Ch. % |
|----------------------|---------|---------|-------|
| NET REVENUES | 124,6 | 115,4 | 8,0% |
| EBITDA | 6,1 | 5,9 | 3,4% |
| <i>EBITDA Margin</i> | 4,9% | 5,1% | |
| EBIT | 3,7 | 3,5 | 5,7% |
| <i>EBIT Margin</i> | 3,0% | 3,0% | |

The breakdown of sales is as follows:

| | June-04 | | June-03 | | Ch. % |
|---------------|---------|---------|---------|---------|--------|
| | | % total | | % total | |
| DOMESTIC | 112,0 | 89,9% | 98,6 | 85,4% | 13,6% |
| INTERNACIONAL | 12,6 | 10,1% | 16,8 | 14,6% | -25,0% |

➤ **ORDER BOOK AND CAPEX**

| | June-04 | June-03 | Ch. % |
|------------|---------|---------|-------|
| ORDER BOOK | 256,9 | 275,5 | -6,8% |
| CAPEX | 2,4 | 2,2 | 9,1% |

6. PICASSO TOWER

➤ RESULTS

| | June-04 | June-03 | Ch. % |
|----------------------|--------------|--------------|-------|
| NET REVENUES | 8,6 | 7,9 | 8,9% |
| EBITDA | 7,4 | 7,0 | 5,7% |
| <i>EBITDA Margin</i> | <i>86,0%</i> | <i>88,6%</i> | |
| EBIT | 5,8 | 5,5 | 5,5% |
| <i>EBIT Margin</i> | <i>67,4%</i> | <i>69,6%</i> | |

Net revenues of Picasso Tower only include rental income as the corresponding costs are accounted for under the heading “other revenues” in the P&L Account.

The net revenues corresponding to the proportional consolidation of Picasso Tower (80%) **increased 8,9%** reaching **€ 8,6 million**, resulting in **EBITDA and EBIT of 5,7% and 5,5%** respectively. The average occupancy rate during this first half has been 91,35%.

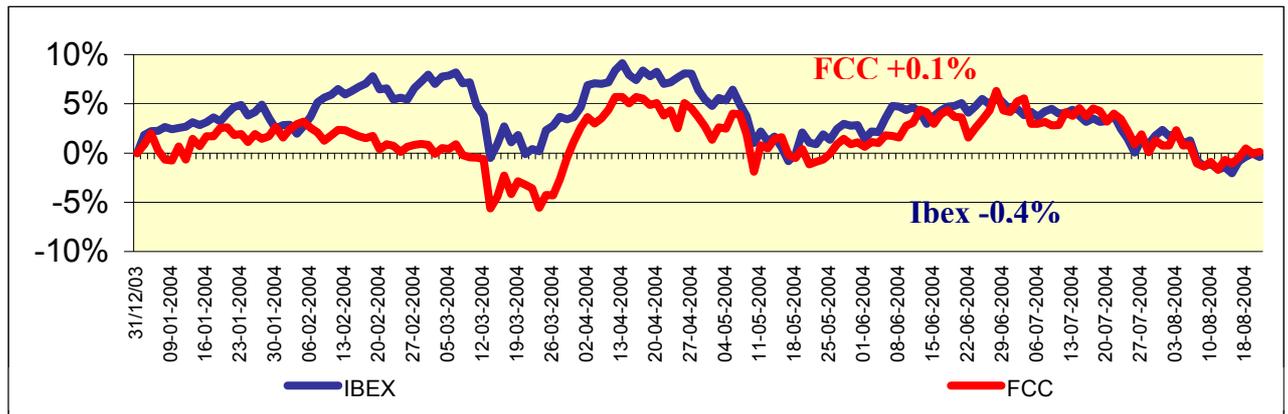
IV. STOCK MARKET DATA

SHARE PERFORMANCE

| | Last | High | Low | Volume (*) | Market cap. (Mill €) |
|-----------|-------|-------|-------|------------|----------------------|
| 1999 | 20,20 | 37,50 | 19,00 | 319.086 | 2.637 |
| 2000 | 20,20 | 24,75 | 15,05 | 294.515 | 2.637 |
| 2001 | 23,25 | 25,88 | 18,70 | 193.793 | 3.036 |
| 2002 | 21,40 | 28,97 | 18,96 | 339.924 | 2.794 |
| 2003 | 29,24 | 29,67 | 20,96 | 451.828 | 3.818 |
| 2004 (**) | 29,27 | 31,08 | 27,96 | 389.098 | |

(*) Daily average traded shares

(**) Information as of August 20th, 2003.



DIVIDEND POLICY

| | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|---------|-------|--------|------|------|------|-------|-------|
| Interim | 0,368 | 0,2970 | 0,28 | 0,25 | 0,16 | 0,09 | 0,075 |
| Final | 0,699 | 0,2536 | 0,24 | 0,22 | 0,13 | 0,075 | 0,05 |
| Total | 1,067 | 0,5506 | 0,52 | 0,47 | 0,29 | 0,165 | 0,125 |

V. RELEVANT EVENTS

May 20th, 2004:

We inform you that on the Fomento de Construcciones y Contratas, S.A. Board of Directors meeting held on May 10th, 2004, the company's "*Código de Buen Gobierno*" was approved. At the same time, all the changes were made on the web page so as to adapt its content to the recommendations stated in the mentioned document.

May 20th, 2004:

During the meeting held on May 10th, 2004, the Board of Directors approve the contents of the information given by the Company on the web page (www.fcc.es) under the heading "Shareholders information".

June 2nd, 2004:

FCC publishes the Agenda of the General Shareholders meeting to be held on June 23rd, 2004 on first call, or on June 24th, 2004 on second call.

June 2nd, 2004:

Autovía del Camino, S.A. closes the financing of the motorway that will relay Pamplona and Logroño. This project was awarded to the partnership represented by Corporación Empresarial de Caja de Ahorros de Navarra, FCC Construcción and Navarra de Empresas de Construcción, S.A.

June 22nd, 2004:

The Fomento de Construcciones y Contratas, S.A. Board of Directors has agreed, on the meeting held on June 14th, 2004, to modify the 2003 proposed results distribution, presented on March 30th, and to submit the complementary gross dividend from year 2003 amounting € 0,699 per share for the General Shareholders Meeting approval, on June 23rd. This amount represents a € 0,358 increase per share over the quantity approved on March 30th.

June 22nd, 2004:

Esther Koplowitz informs that preliminary conversations are taking place with representatives from Inversiones Ibersuizas, S.L. and with other possible investors so as to restructure B 1998, S.L. shareholders body. These conversations have not yet resulted in specific agreements and are still being studied.

June 24th, 2004:

FCC informs about the agreements taken in the General Shareholders Meeting held on June 23rd, 2004.

June 28th, 2004:

FCC informs about the payment of gross dividend corresponding to year 2003 amounting € 0,699 per share, which will be effective on July 5th, 2004.

July 8th, 2004:

Veolia Environnement informs that there are conversations taking place with Esther Koplowitz and financial representatives so as to allow these to buy our stake in B-1998. Until this date no agreement has been signed. Moreover, there has been no conversations neither with Inversiones Ibersuizas, Inversiones San Felipe nor with Cartera Deva. Veolia also states that Esther Koplowitz has informed them about the conversations that have and are taking place with Inversiones Ibersuizas and FFP, Peugeot family holding, although they declare not to know the state of these conversations.

July 29th, 2004:

Mrs. Esther Koplowitz agrees to acquire 49% of B-1998, S.L. capital from the French company Veolia Environnement, S.A., controlling this company totally, which in turn controls 52,48% of FCC capital. Moreover, she has agreed to transmit 18,03% of B-1998, S.L. capital to other investors and has reached an agreement with them about the control and management of both B 1998, S.L. and FCC where Mrs. Esther Koplowitz will maintain the control of both companies.

July 30th, 2004:

B1998,S.L. publishes a report about Veolia's stake selling operations and stake acquisition of Ibersuizas and the French group FFP.

July 30th, 2004:

Communication on the social agreements subscribed on July 28th, 2004 by Esther Koplowitz and the companies Dominum Dirección y Gestión S.A.; Simante, S.L. and Société Foncière Financière et de Participations- FFP.

July 30th, 2004:

Communication on the social agreements subscribed on July 28th, 2004 by Esther Koplowitz and the companies Dominum Dirección y Gestión S.A.; Inversiones Ibersuizas, S.A.; Ibersuizas Holdings, S.L.; Cartera Deva, S.A. and Inversiones San Felipe, S.L.

VI. HISTORIC DATA

HISTORIC DATA - GROUP FCC

CONSOLIDATED STATEMENT OF INCOME (Million Euros)

| | 31/12/2003 | 31-12-02 | 31-12-01 | 03/02 (%) | 02/01 (%) | 01/00 (%) |
|--|----------------|----------------|----------------|-------------|-------------|-------------|
| Net Revenues | 6.050,5 | 5.497,2 | 5.173,2 | 10,1 | 6,3 | 15,8 |
| Other operating revenues and in-house work on fixed assets | 144,1 | 161,2 | 110,5 | -10,6 | 45,9 | 3,8 |
| Variation in finished products and work-in process inventories | 8,0 | 6,0 | 27,4 | 33,2 | -78,1 | 132,7 |
| Total Operating Revenues | 6.202,7 | 5.664,4 | 5.311,2 | 9,5 | 6,7 | 15,8 |
| Operating and External Expenses | -3.772,7 | -3.447,9 | -3.220,5 | 9,4 | 7,1 | 19,7 |
| Personnel Expenses | -1.625,9 | -1.475,0 | -1.386,3 | 10,2 | 6,4 | 9,2 |
| Gross Operating Profit | 804,1 | 741,4 | 704,3 | 8,5 | 5,3 | 12,4 |
| Amortization and Provision Reversion | -268,7 | -234,6 | 209,9 | 14,5 | -211,8 | 11,1 |
| Variation in Operating Provision | -16,4 | -8,7 | 18,6 | 87,8 | -147,0 | 378,8 |
| Net Operating Profit | 519,0 | 498,1 | 475,8 | 4,2 | 4,7 | 9,7 |
| Financial Revenues | 64,8 | 59,2 | 50,2 | 9,5 | 17,8 | -17,4 |
| Financial Expenses | -104,8 | -106,9 | -95,1 | -2,0 | 12,4 | -7,3 |
| Variations in Financial Investments | -4,4 | -3,0 | -5,7 | 45,1 | -46,4 | 208,6 |
| Amortization of Goodwill | -19,9 | -20,1 | -27,7 | -1,2 | -27,3 | -24,9 |
| Profit from Companies (equity method) | 66,4 | 42,1 | 36,6 | 57,9 | 14,9 | -5,0 |
| Profit from Ordinary Activities | 521,1 | 469,2 | 434,1 | 11,1 | 8,1 | 10,8 |
| Net Extraordinary Results | -24,8 | -13,9 | 35,8 | 77,8 | -139,0 | -35,2 |
| Income before taxes | 496,3 | 455,3 | 469,9 | 9,0 | -3,1 | 5,1 |
| Corporate Income Taxes | -126,3 | -128,1 | -150,1 | -1,4 | -14,7 | 6,7 |
| Rate (%) | 25,4 | 28,1 | 31,9 | -9,5 | -11,9 | 1,6 |
| Net Income before Minority Interests | 370,0 | 327,2 | 319,8 | 13,1 | 2,3 | 4,4 |
| Minority Interest | -61,4 | -54,3 | -78,8 | 13,1 | -31,1 | -13,3 |
| Net Income | 308,6 | 272,9 | 241,0 | 13,1 | 13,2 | 11,8 |

REVENUES BY ACTIVITY - CONSOLIDATED (Million Euros)

| | 31/12/2003 | 31-12-02 | 31-12-01 | 03/02 (%) | 02/01 (%) | 01/00 (%) |
|---|----------------|----------------|----------------|-------------|-------------|-------------|
| CONSTRUCTION | 2.950,1 | 2.613,1 | 2.396,0 | 12,9 | 9,1 | 16,6 |
| URBAN SANITATION | 1.708,9 | 1.605,9 | 1.579,3 | 6,4 | 1,7 | 14,1 |
| WATER AND URBAN RELATED ACTIVITIES | 381,0 | 305,2 | 250,5 | 24,8 | 21,8 | 2,2 |
| CEMENT | 865,6 | 831,4 | 791,7 | 4,1 | 5,0 | 17,6 |
| REAL ESTATE | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| GRUCYCSA | 241,5 | 218,7 | 213,4 | 10,4 | 2,5 | 17,8 |
| PICASSO TOWER | 16,5 | 15,9 | 14,9 | 3,8 | 6,7 | |
| INTERGROUP | -113,1 | -93,0 | -72,5 | 21,6 | 28,3 | 2,4 |
| TOTAL | 6.050,5 | 5.497,2 | 5.173,2 | 10,1 | 6,3 | 15,8 |

REVENUES BY MARKETS - CONSOLIDATED (Million Euros)

| | 31/12/2003 | 31-12-02 | 31-12-01 | 03/02 (%) | 02/01 (%) | 01/00 (%) |
|-----------------|----------------|----------------|----------------|--------------|-------------|-------------|
| DOMESTIC | 5.413,0 | 4.738,7 | 4.334,1 | 14,2 | 9,3 | 16,5 |
| FOREIGN | 637,5 | 758,5 | 839,1 | -16,0 | -9,6 | 12,4 |
| TOTAL | 6.050,5 | 5.497,2 | 5.173,2 | 10,1 | 6,3 | 15,8 |

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