Earnings report
January-March 2006

11 May 2006

1Q06 EARNINGS

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1. HIGHLIGHTS

- **Acquisition of Severomoravské Vodovody a Kanalizace Ostrava, A.S. (SmVaK).**

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. The investment is worth 248 million euro.

- **Aqualia obtained major international contracts.**

FCC, through subsidiary Aqualia, won two contracts to provide water management in Lezíria do Tejo (Portugal) and Caltanissetta (Italy) during the next 40 and 30 years, respectively. Both contracts represent over 3 billion euro in revenues.

- **Acquisition of Abfall Service AG (ASA) for 275 million euro.**

Abfall Service AG is a leading waste management company in Central and Eastern Europe, with operations in Austria, the Czech Republic, Slovakia, Hungary, Romania and Poland. FCC acquired 100% of ASA for 224 million euro; the company's debt totalled 51 million euro in December 2005.

- **Cementos Portland Valderrivas had increased its stake in Cementos Lemona to 96% by the deadline of the tender offer.**

Cementos Portland, which already controlled 30.7% of Lemona, had acquired an additional 65.3% by the end of the bid period. The investment totalled 238 million euro.

2. KEY FIGURES

Financial			
	Mar. 06	Mar. 05	Change
Revenues	1,819.2	1,526.8	19.2%
EBITDA	248.2	196.5	26.3%
Margin	*13.6%*	*12.9%*	
EBIT	168.7	123.8	36.3%
Margin	*9.3%*	*8.1%*	
Earnings before taxes (EBT)	183.8	131.5	39.8%
Net profit	113.8	80.9	40.7%

Operating			
	Mar. 06	Mar. 05	Change
Backlog	22,080.2	17,726.3	24.6%
Capital expenditure	578.2	126.8	356.0%
Operating cash flow	234.4	170.2	37.7%
Net debt	1,236.5	344.5	258.9%

- **REVENUES** +19.2%.
- **EBITDA MARGIN:** 13.6%. **EBIT MARGIN**: 9.3 %.
- **NET PROFIT** 114 MILLION EURO (+41%).
- **RECORD** WORKS AND SERVICES **BACKLOG**: 22.08 BILLION EURO (+25%).
- **INVESTMENTS** 578 MILLION EURO ***(x 4.5)***.
- **OPERATING CASH FLOW** +38%: 234 MILLION EURO.

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SUMMARY BY BUSINESS AREA	Mar. 06	Mar. 05	Chg. (%)	% of 06 total	% of 05 total
NET REVENUES					
Construction	814.8	741.1	9.9%	44.8%	48.5%
Environmental services	554.0	454.9	21.8%	30.5%	29.8%
Versia	190.0	125.1	51.9%	10.4%	8.2%
Cement	278.2	200.2	39.0%	15.3%	13.1%
Torre Picasso	4.6	4.0	17.0%	0.3%	0.3%
Other	-22.3	1.5	N/A	-1.2%	0.1%
Total	**1,819.2**	**1,526.8**	**19.2%**	**100.0%**	**100.0%**
EBITDA					
Construction	49.8	42.0	18.6%	20.1%	21.4%
Environmental services	85.3	71.5	19.3%	34.4%	36.4%
Versia	20.8	18.6	11.8%	8.4%	9.5%
Cement	91.0	57.4	58.6%	36.7%	29.2%
Torre Picasso	4.1	3.6	13.0%	1.6%	1.8%
Other	-2.8	3.5	N/A	-1.1%	1.8%
Total	**248.2**	**196.5**	**26.3%**	**100.0%**	**100.0%**
EBIT					
Construction	47.5	35.1	35.3%	28.2%	28.4%
Environmental services	44.7	40.0	11.8%	26.5%	32.3%
Versia	7.8	7.9	-1.3%	4.6%	6.4%
Cement	64.6	36.3	77.8%	38.3%	29.3%
Torre Picasso	3.7	3.0	23.8%	2.2%	2.4%
Other	0.4	1.5	-73.3%	0.2%	1.2%
Total	**168.7**	**123.8**	**36.3%**	**100.0%**	**100.0%**
BACKLOG					
Construction	5,249.4	4,637.7	13.2%	23.8%	26.2%
Environmental services	16,518.9	12,882.7	28.2%	74.8%	72.7%
Versia	312.1	194.8	60.2%	1.4%	1.1%
Total	**22,080.2**	**17,726.3**	**24.6%**	**100.0%**	**100.0%**
INVESTMENTS					
Construction	27.7	17.7	56.5%	4.8%	14.0%
Environmental services	272.6	44.9	507.1%	47.1%	35.4%
Versia	19.7	46.3	-57.5%	3.4%	36.5%
Cement	261.9	24.0	991.3%	45.3%	18.9%
Other	-3.7	-6.1	-39.3%	-0.6%	-4.8%
Total	**578.2**	**126.8**	**356.0%**	**100.0%**	**100.0%**

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3. INCOME STATEMENT.

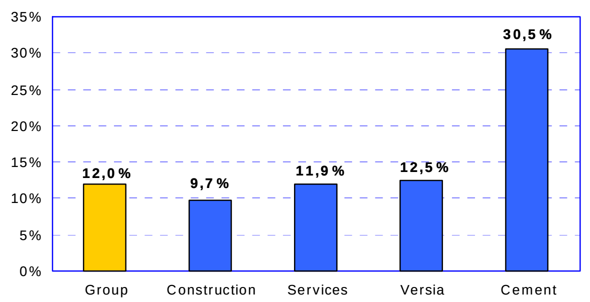
	Mar. 06	Mar. 05	Chg. (%)	as % of 06 revenues	as % of 05 revenues
Net sales	**1,819.2**	**1,526.8**	**19.2%**	**100.0%**	**100.0%**
EBITDA	**248.2**	**196.5**	**26.3%**	**13.6%**	**12.9%**
Margin	***13.6%***	***12.9%***			
Depreciation and amortisation	-83.9	-63.7	31.7%	-4.6%	-4.2%
Allocation/reversal of operating provisions	4.3	-9.0	N/A	0.2%	-0.6%
EBIT	**168.7**	**123.8**	**36.3%**	**9.3%**	**8.1%**
Margin	***9.3%***	***8.1%***			
Financial income	-8.3	-5.2	59.6%	-0.5%	-0.3%
Equity-accounted affiliates	21.0	16.8	25.0%	1.2%	1.1%
Other operating income	2.4	-3.9	N/A	0.1%	-0.3%
Earnings before taxes (EBT) from continuing activities	**183.8**	**131.5**	**39.8%**	**10.1%**	**8.6%**
Corporate income tax expense	-55.1	-40.0	37.8%	-3.0%	-2.6%
Attributable to minority interests	-14.9	-10.6	40.6%	-0.8%	-0.7%
Attributable to equity holders of parent	**113.8**	**80.9**	**40.7%**	**6.3%**	**5.3%**

3.1 REVENUES

Net revenues improved by 19.2% to over 1,819 billion euro.

Organic growth, excluding changes in the consolidated group due to acquisitions (Grupo Logístico Santos - GLS, Entemanser, Marepa, ASA, Cementos Lemona ...) was 12.0%.

ORGANIC GROWTH



All areas performed superbly: *Construction* continues to provide the largest contribution to revenues, which rose by 9.9%; *Environmental Services* increased revenues by 21.8%, with a sharp increase in international activity;

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Versia improved by 51.9% due to favourable organic performance in all activities and the consolidation of GLS; and *Cement* increased revenues by 39.0% because of strong business performance in Spain and in the U.S..

Revenues performed positively in Spain (+16.6%) and abroad (+46.2%), the latter boosted by Environmental Services and Cement. International activity accounted for nearly 11% of total Group revenues in 1Q06.

	Mar. 06	Mar. 05	Chg. (%)	% of 06 total	% of 05 total
Spain	1,625.3	1,394.1	16.6%	89.3%	91.3%
International	193.9	132.7	46.2%	10.7%	8.7%
Total	**1,819.2**	**1,526.8**	**19.2%**	**100.0%**	**100.0%**

3.2 EBITDA

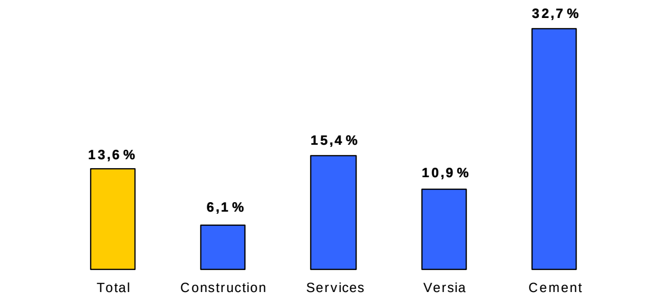
EBITDA increased by 26.3% to 248 million euro, boosting the consolidated EBITDA margin by 70 basis points to 13.6%.

Although all areas contributed to that improvement, Construction (+18.6%) and Cement (58.8%) were the areas with the best performance achieving margins of 6.1% and 32.7%, respectively in 1Q06.

Operating expenses increased by 18.3%, although they fell as a proportion of revenues from 87.5% to 86.9%, evidencing greater efficiency and productivity. Personnel expenses increased by 14.8% due to the staff at the recently-acquired companies. In 1Q06, the FCC Group's workforce averaged 68,811 (vs. 63,944 in 1Q05).

EBITDA margin by area

	Mar. 06	Mar. 05
Construction	6.1%	5.7%
Services	15.4%	15.7%
Versia	10.9%	14.9%
Cement	32.7%	28.6%
Torre Picasso	87.7%	90.8%
Total	**13.6%**	**12.9%**



3.3 EBIT

Earnings before interest and taxes (EBIT) also performed positively, rising 36.3% to over 168 million euro. The EBIT margin widened 120 basis points to 9.3% (8.1% in 1Q05).

All areas performed positively, especially Construction (+35.3%) and Cement (+78.0%).

The excellent EBIT performance is due to the operating development of all businesses and the positive performance of the operating provisions, especially in Construction.

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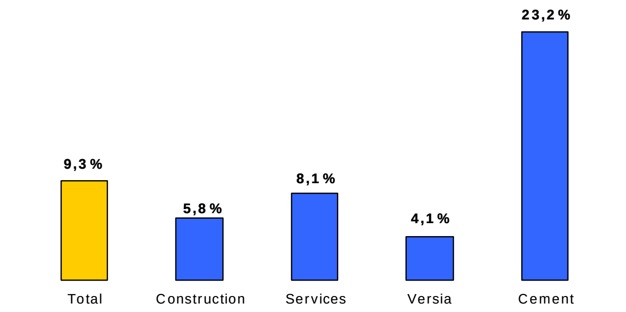
EBIT margin by area	Mar. 06	Mar. 05
Construction	5.8%	4.7%
Services	8.1%	8.8%
Versia	4.1%	6.3%
Cement	23.2%	18.1%
Torre Picasso	79.3%	74.9%
Total	**9.3%**	**8.1%**



3.4 EARNINGS BEFORE TAXES FROM CONTINUING ACTIVITIES

Earnings before taxes from continuing activities increased 39.8% year-on-year to 183.8 million euro.

3.4.1 FINANCIAL INCOME

The financial loss increased by 3 million euro due to higher net debt in the period, which rose from 344 million euro to 1,236 billion euro after the recent acquisitions.

3.4.2 EQUITY-ACCOUNTED AFFILIATES

Results at equity-accounted affiliates totalled 21 million euro after increasing by 25% due to good performance by Realia, whose net profit grew 35.4%.

3.5 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY

In 1Q06, profit attributable to equity holders of the parent company totalled a record 113.8 million euro after improving 40.7%, boosting the net margin by 100 basis points year-on-year to 6.3%.

3.5.1 MINORITY INTEREST

The minority interest account reflects the consolidation of the additional 8.06% stake in Cementos Portland acquired in September 2005. Nevertheless, considering that effect, the sharp increase in net profit at Cementos Portland Valderrivas (+89.6%) boosted this line-item by 40.6%.

3.5.2 CORPORATE INCOME TAX EXPENSE

The tax rate was 30.0%, in line with 1Q05 (30.4%).

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4. CASH FLOW

		Mar. 06	Mar. 05	Chg. (%)
+	Operating cash flow	234.4	170.2	37.7%
	Funds from operations	*252.4*	*193.8*	*30.2%*
	Decrease (Increase) in working capital	*-5.2*	*-30.8*	N/A
	Other items (taxes, etc.)	*-12.8*	*7.2*	N/A
-	Investment cash flow	-569.8	-122.3	365.9%
=	**Cash flow from business operations**	**-335.4**	**47.9**	**N/A**
-	Financing cash flow	-131.7	-121.2	8.7%
+	Other cash flow (change in consolidation scope, etc.)	-366.5	-4.0	9,062.5%
=	**Increase in net debt**	**-833.5**	**-77.3**	**N/A**
	Net debt	**-1,236.5**	**-344.5**	**258.9%**

In 1Q06, operating cash flow totalled over 234 million euro, rising 37.7% year-on-year due to a sharp increase in funds from operations (+30.2%) and better working capital management.

Investment cash flow practically quintupled, to 570 million euro, due to the acquisitions of Cementos Lemona and ASA.

The 2005 interim dividend paid on 9 January 2006 amounted to over 100 million euro, 12.6% more than the dividend distributed in January 2005.

The debt of companies consolidated in 1Q06 (in Other cash flow) totalled 372.8 million eurobecause of the integration of Cementos Lemona (102.9 million euro), ASA (54.1 million euro) and Autopista Central Gallega (217.8 million euro).

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5. BALANCE SHEET

ASSETS	Mar. 06	Dec. 05	Difference
Tangible assets	2,984	2,182	802
Intangible assets	1,292	956	336
Investment in associated companies	488	512	-24
Non-current financial assets	199	184	15
Other non-current assets	429	367	62
Non-current assets	**5,393**	**4,201**	**1,192**
Inventories	616	509	107
Accounts receivable and other assets	3,075	3,121	-46
Current financial assets	77	67	10
Cash and cash equivalents	831	1,042	-211
Current assets	**4,599**	**4,739**	**-140**
Total assets	**9,992**	**8,940**	**1,052**

LIABILITIES	Mar. 06	Dec. 05	Difference
Equity attributable to equity holders of parent company	2,417	2,232	185
Equity attributable to minority interests	474	376	98
Equity	**2,891**	**2,608**	**283**
Bank debt and other non-current financial liabilities	1,367	811	556
Non-current provisions	476	415	61
Other non-current liabilities	452	321	131
Non-current liabilities	**2,295**	**1,547**	**748**
Bank debt and other current financial liabilities	811	832	-21
Trade accounts payable and other current liabilities	3,970	3,922	48
Current provisions	25	31	-6
Current liabilities	**4,806**	**4,785**	**21**
Total liabilities	**9,992**	**8,940**	**1,052**

The strong investment process led to major changes in most of the balance sheet items as a result of the consolidation of recent acquisitions.

The main changes in the balance sheet with respect to December 2005 are due to the consolidation of Cementos Lemona, ASA and Autopista Central Gallega.

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5.1 NET DEBT

	Mar. 06	Dec. 05	Difference
Bank debt	-1,955	-1,396	-558
Debt with recourse	*-1,674*	*-1,332*	*-343*
Project finance	*-280*	*-65*	*-215*
Debt securities outstanding	-49	-50	1
Other financial assets (liabilities)	-129	-55	-74
Current financial assets and cash	896	1,098	-202
Total net debt	-1,237	-403	-834
NET DEBT WITH RECOURSE	**-956**	**-338**	**-618**

Net debt with recourse totalled 956 million euro, after increasing 618 million euro in 1Q06, figure which coincides with the investment in Cementos Lemona (341 million euro) and ASA (278 million euro). Therefore, the cash flow generated in 1Q06 financed maintenance capex, other minor investments, and a dividend of 100 million euro.

Debt without recourse (project finance) amounted to 280 million euro, increasing significantly due to the full consolidation of Autopista Central Gallega (218 million euro).

Main ratios			
	Mar. 06	Dec. 05	Mar. 05
Financial leverage*	24.9%	11.8%	9.8%
Net debt with recourse/EBITDA**	0.96	0.34	0.35

** Net debt with recourse / (Net debt with recourse + equity)*
*** Annualised EBITDA*

Financial leverage increased to 24.9% and net debt represents less than annualised EBITDA.

5.2 WORKING CAPITAL

		Mar. 06	Mar. 05
+	Decrease (Increase) in inventories and accounts receivable	37.4	20.8
-	Decrease (Increase) in accounts payable	42.5	51.6
=	**Decrease (Increase) in working capital**	**-5.2**	**-30.8**

In 1Q06, accounts receivable decreased by 37 million euro due to improved debt collection. Accounts payable decreased by 42 million euro after settling VAT in 1Q06 and adjusting advance payments as a result of strong activity in 4Q05.

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6. BUSINESS PERFORMANCE

6.1 CONSTRUCTION

➢ RESULTS

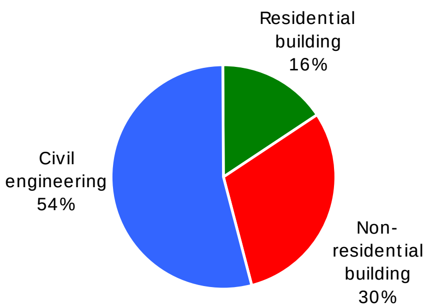
	Mar. 06	Mar. 05	Change
Revenues	814.8	741.1	9.9%
Spain	*782.0*	*712.5*	*9.8%*
International	*32.8*	*28.6*	*14.7%*
EBITDA	49.8	42.0	18.6%
EBITDA margin	*6.1%*	*5.7%*	
EBIT	47.5	35.1	35.3%
EBIT margin	*5.8%*	*4.7%*	

Revenues grew 9.9% to 814 million euro due to good performance in Spain (+9.8%), which continues to show strength as a result of major civil engineering work (Madrid Metro line 3, the M-30 ring road in Madrid and the Pajares tunnel). The international business expanded by 14.7% due to higher activity at subsidiary M&S in Latin America.

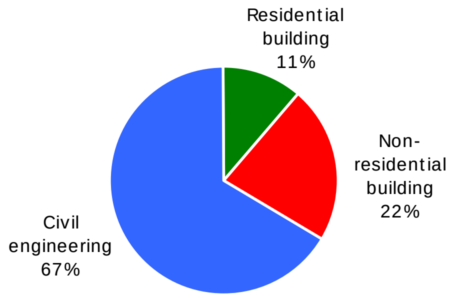
The breakdown by type of construction is as follows:

Breakdown by type of construction

Revenues



Backlog



EBITDA increased by 18.6%, boosting the margin from 5.7% to 6.1%, as a result of major civil engineering work.

EBIT grew faster (+35%) due to good performance by operations and operating provisions, raising the margin to 5.8%.

➢ BACKLOG AND CAPITAL EXPENDITURE

	Mar. 06	Mar. 05	Chg. (%)
Backlog	5,249.4	4,637.7	13.2%
Capital expenditure	27.7	17.7	56.5%

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The construction backlog rose by 13.2% to a new record high and now accounts for 18.4 months of production, considering a moving year (vs. 17.7 months in 1Q05). That sizeable increase in the backlog was attained, despite a rapid pace of construction, due to obtaining a large volume of new contracts (up 18% in the period).

Capital expenditure totalled 27.7 million euro; two-thirds were in financial assets, mainly to acquire an additional 10% of Autopista Central Gallega (13.5 million euro).

➢ CASH FLOW

	Jan. - Mar. 06	Jan. - Mar. 05	Chg. (%)
Operating cash flow	**117.1**	**55.9**	**109.5%**
Funds from operations	*49.8*	*41.7*	*19.4%*
Decrease (Increase) in working capital	*65.9*	*15.5*	*N/A*
Other items (taxes, etc.)	*1.4*	*-1.3*	*N/A*
Investment cash flow (net)	**-23.4**	**-16.1**	**45.3%**
Cash flow from business activities	**93.7**	**39.8**	**135.4%**
	Mar. 06	Dec. 05	Difference
Net cash at end of period	**614.5**	**769.5**	**-155.0**
Cash	843.6	758.2	85.4
Debt without recourse	229.1	11.3	217.8

Operating cash flow doubled due to positive operating performance and good working capital management, which reduced the average debt collection period once again.

The division's net cash, excluding debt linked to concession projects (without recourse), amounted to 843 million euro. Debt without recourse at the end of March 2006 amounted to 229 million euro and is due to the full consolidation of Autopista Central Gallega (Acega) (217.8 million euro) and to the debt of the Soller Tunnel (11.3 million euro).

6.2 ENVIRONMENTAL SERVICES

➢ RESULTS

	Mar. 06	Mar. 05	Chg. (%)
Revenues	554.0	454.9	21.8%
Spain	*489.1*	*423.3*	*15.5%*
International	*64.9*	*31.6*	*105.4%*
EBITDA	85.3	71.5	19.3%
EBITDA margin	*15.4%*	*15.7%*	
EBIT	44.7	40.0	11.8%
EBIT margin	*8.1%*	*8.8%*	

Revenues in Environmental Services grew 21.8% in 1Q06, supported by strong performance in all activities and the consolidation of the acquisitions (ASA, Entemanser, Marepa...).

Revenues					
	Mar. 06	Mar. 05	Chg. (%)	% of 06 total	% of 05 total
Urban sanitation	310.6	276.5	12.3%	56.1%	60.7%
Water	146.4	124.6	17.5%	26.4%	27.3%
International	64.9	31.6	105.4%	11.7%	6.9%
Industrial waste	32.0	23.2	37.9%	5.8%	5.1%
Total	**554.0**	**454.9**	**21.8%**	**100.0%**	**100.0%**

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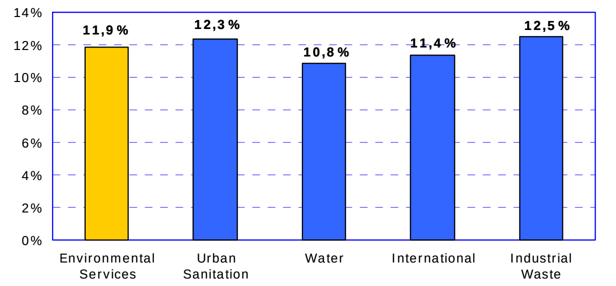
Excluding those acquisitions, organic growth in Environmental Services was 11.9%.

The International business grew faster (+105.4%) due to the two-month consolidation of ASA and doubled its revenue contribution to 11.7% of the division's total.

As a result of the consolidation of ASA, Latin America reduced its revenue contribution to one-third of the total while Europe (both Eastern and Western) increased its contribution.

ORGANIC GROWTH



INTERNATIONAL REVENUES

EBITDA grew 19.3% and the EBITDA margin was 15.4%, in line with 1Q05.

EBIT improved 11.8% and the EBIT margin was 8.1% due to an increase in depreciation and amortisation as a result of the consolidation of the recent acquisitions.

➢ BACKLOG AND CAPITAL EXPENDITURE

	Mar. 06	Mar. 05	Chg. (%)
Backlog	16.518,9	12.882,7	28.2%
Capital expenditure	272,6	44,9	507.1%

The environmental services backlog surged by 28.2% due to major contracts obtained in 1Q06 in Water (Algeria, Italy, Portugal, etc.) and Urban Sanitation (Vitoria, Cartagena, Segovia, etc.).

Despite the sharp increase in revenues, the backlog increased to over 7.6 years' assured production, compared with 6.9 years at the end of 1Q05.

Capital expenditure totalled 272 million euro following the acquisition of ASA (223.6 million euro) and **not** including the acquisition of SmVaK (248 million euro).

➢ CASH FLOW

	Jan. - Mar. 06	Jan. - Mar. 05	Chg. (%)
Operating cash flow	**7.3**	**29.8**	**-75.5%**
Funds from operations	*85.7*	*71.7*	*19.5%*
Decrease (Increase) in working capital	*-65.2*	*-35.9*	*81.6%*
Other items (taxes. etc.)	*-13.2*	*-6.0*	*120.0%*
Investment cash flow (net)	**-271.0**	**-40.6**	**567.5%**
Cash flow from business activities	**-263.7**	**-10.8**	**2.341.7%**
	Mar. 06	Dec. 05	Difference
Net debt at end of period	**-1,244.8**	**-911.8**	**-333.0**

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Although funds from operations improved by 19.5%, operating cash flow decreased due to the increase in working capital as accounts receivable rose to their usual levels following exceptional collections in 4Q05.

The division's net debt totalled 1,244 billion euro due to strong business expansion and heavy investment.

6.3 VERSIA

➤ RESULTS

	Mar. 06	Mar. 05	Change
Revenues	190.0	125.1	51.9%
Spain	*151.5*	*90.2*	*67.9%*
International	*38.5*	*34.9*	*10.4%*
EBITDA	20.8	19.0	9.7%
EBITDA margin	*10.9%*	*14.8%*	
EBIT	7.8	8.1	-4.0%
EBIT margin	*4.1%*	*6.3%*	

The division's revenues grew 51.9% as a result of good performance by all activities and the consolidation of Grupo Logístico Santos in April 2005 and SVAT (High Tech Systems and Vehicles) included in "Other" until December 2005.

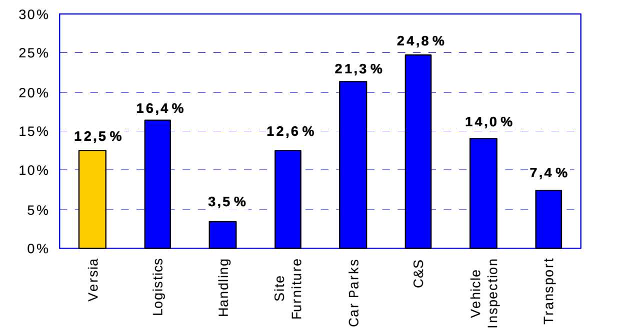
Revenues					
	Mar. 06	Mar. 05	Chg. (%)	% of 06 total	% of 05 total
Logistics	79.8	29.7	168.6%	42.0%	23.8%
Handling	38.7	37.4	3.5%	20.4%	29.9%
Site Furniture	20.3	18.0	12.6%	10.7%	14.4%
Parking	16.0	13.2	21.3%	8.4%	10.6%
Maintenance and Systems	13.0	10.4	24.8%	6.8%	8.3%
Vehicle testing	11.4	10.0	14.0%	6.0%	8.0%
Mass Transport	6.8	6.3	7.4%	3.6%	5.0%
SVAT*	4.1	0.0	N/D	2.1%	N/D
Total	**190.0**	**125.1**	**51.9%**	**100.0%**	**100.0%**

** SVAT revenues in 1Q05 were 3.1 million euro*

Excluding GLS and SVAT´s contribution, Versia's organic growth was 12.5%, with good performance by Site Furniture, Parking, and Maintenance and Systems.

The domestic market (revenues +67.9%) increased its contribution due to the consolidation of GLS, which operates mainly in Spain.

ORGANIC GROWTH



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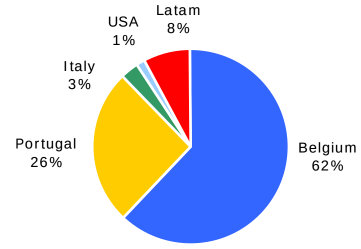
International activity increased 10.4% due to international expansion by Site Furniture, airport handling in Belgium, and logistics in Portugal.

The street furniture contract in New York City, where Cemusa is the preferred bidder, will foreseeably be signed in 2Q06.

INTERNATIONAL SALES



Versia's EBITDA increased by 9.7% and the EBITDA margin was 10.9%. This margin is the result of the new business mix, which has a greater contribution from the Logistics division (which is less capital-intensive and, therefore, has lower EBITDA margins).

➢ BACKLOG AND CAPITAL EXPENDITURE

	Mar. 06	Mar. 05	Change
Backlog	312.1	194.8	60.2%
Capital expenditure	19.7	46.3	-57.5%

Versia's backlog amounts to 312 million euro, significantly higher than in 1Q05.

➢ CASH FLOW

	Jan. - Mar. 06	Jan. - Mar. 05	Chg. (%)
Operating cash flow	**29.5**	**14.6**	**102.1%**
Funds from operations	*20.8*	*18.7*	*11.2%*
Decrease (Increase) in working capital	*7.0*	*-6.1*	*N/A*
Other items (taxes, etc.)	*1.7*	*2*	*-15.0%*
Investment cash flow (net)	**-18.6**	**-46.3**	**-59.8%**
Cash flow from business activities	**10.9**	**-31.7**	**N/A**
	Mar. 06	Dec. 05	Difference
Net debt at end of period	**-363.0**	**-364.4**	**1.4**

Operating cash flow doubled due to good operating performance and improved working capital management. Debt grew 53% due to the acquisition of Grupo Logístico Santos (123.8 million euro).

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6.4 CEMENT

FCC's operations in the cement business are conducted through subsidiary Cementos Portland Valderrivas (owned 67.36%).

RESULTS

	Mar. 06	Mar. 05	Change
Revenues	278.2	200.2	39.0%
Spain	*220.9*	*162.6*	*35.9%*
International	*57.2*	*37.6*	*52.1%*
EBITDA	91.0	57.4	58.6%
EBITDA margin	*32.7%*	*28.6%*	
EBIT	64.6	36.3	77.8%
EBIT margin	*23.2%*	*18.1%*	

Revenues increased by 39.0%, driven by positive performance in Spain (+35.9%), a recovery in other countries (+52.1%), mainly the US, and the consolidation of Cementos Lemona effective 1 March 2006.

Excluding the consolidation of Cementos Lemona, organic growth at Cementos Portland was 30.5%.

In Spain, the 35.9% increase in revenues was due to:

- A larger sales volume: +14.9%
- Higher prices: +14.9%
- Consolidation of Cementos Lemona: +6.1%

Activity improved by 5.4% in Europe and by 46.7% in the US:

- A larger sales volume: +18.0%
- Higher prices: +14.0%
- Exchange rate: +8.6%
- Consolidation of Cementos Lemona: +6.1%

EBITDA increased by 58.6% and the EBITDA margin improved over 400 basis points to 32.7%.

Production efficiency improved significantly in the US due to the installation of dry-process kilns at the Maine and South Carolina plants. As a result of lower energy costs and lower raw material consumption, margins tripled in the US operations. That improvement, which commenced at the end of 2005, will gather pace as the dry-process kiln at the South Carolina plant becomes fully operational during 2006.

EBIT grew sharply, by 77.8%, due to good operating performance and lower depreciation and amortisation.

CAPITAL EXPENDITURE

	Mar. 06	Mar. 05	Chg. (%)
Capital expenditure	261.9	24.0	991.3%

Net investments totalled 261 million euro following the acquisition of Cementos Lemona (238.1 million euro).

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➤ Cash Flow

	Jan. - Mar. 06	Jan. - Mar. 05	Chg. (%)
Operating cash flow	**74.2**	**42.9**	**73.0%**
Funds from operations	*94.3*	*54.2*	*74.0%*
Decrease (Increase) in working capital	*-9.7*	*-10.9*	*-11.0%*
Other items (taxes. etc.)	*-10.4*	*-0.4*	*2.500.0%*
Investment cash flow (net)	**-259.5**	**-19.4**	**1,237.6%**
Cash flow from business activities	**-185.3**	**23.5**	**N/A**
	Mar. 06	Dec. 05	Difference
Net debt at end of period	**-419.8**	**-133.0**	**-286.8**

Main ratios			
	Mar. 06	Dec. 05	Mar. 05
Financial leverage*	27.4%	11.7%	12.2%
Net debt/EBITDA**	1.15	0.43	0.56

** Net debt / (Net debt + net equity)*
*** Annualised EBITDA*

Operating cash flow improved 73% due to excellent operating performance.

Net debt increased to 420 million euro due to the acquisition of Cementos Lemona and leverage is now 27.4%.

6.5 Real Estate

6.5.1 Torre Picasso

FCC owns 80% of Torre Picasso, Madrid's tallest building (157 metres in height) which has 45 floors above grade and 5 basement levels, making a total of 121,000 square metres. The holding is proportionately consolidated.

➤ Results

	Mar. 06	Mar. 05	Chg. (%)
Revenues	4.6	4.0	17.0%
EBITDA	4.1	3.6	13.0%
EBITDA margin	*87.7%*	*90.8%*	
EBIT	3.7	3.0	23.8%
EBIT margin	*79.3%*	*74.9%*	

Torre Picasso's revenues increased by 17.0% due to rent increases and higher occupancy.

Occupancy is currently 100% and monthly rents average 26 euro per square metre.

EBITDA increased by 13.0% and EBIT by 23.8%, boosting the EBIT margin to 79.3%.

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6.5.2 Realia

FCC controls 49.17% of Realia. The holding is equity accounted.

Realia's contribution to the equity-accounted affiliates line-item amounted to 21.4 million euro (+35.4%).

➢ Results

	Mar. 06	Mar. 05	Chg. (%)
Revenues	204.2	76.4	167.3%
EBITDA	83.1	48.3	72.0%
EBITDA margin	*40.7%*	*63.2%*	
EBIT	79.1	44.0	79.8%
EBIT margin	*38.7%*	*57.6%*	
Net profit	43.6	32.2	35.4%

Realia's revenues practically tripled (+167.3%), driven by the property development business. Property sales increased by 233% due to the sizeable volume of homes delivered to buyers in 1Q06.

EBIT grew 79.8% and the EBIT margin was 38.7%, which was lower than in 1Q05 due to the larger exposure to property developments.

Business breakdown					
	Mar. 06	Mar. 05	Chg. (%)	% of 06 total	% of 05 total
NET REVENUES					
Housing development	182.8	54.8	233.3%	89.5%	71.8%
Rental	18.5	18.3	0.9%	9.1%	24.0%
Services	2.9	3.2	-9.7%	1.4%	4.2%
Total	**204.2**	**76.4**	**167.3%**	**100.0%**	**100.0%**

Operating performance:

- ❖ In Housing Development, the pre-sales backlog decreased slightly due to the large volume of deliveries in 1Q06.

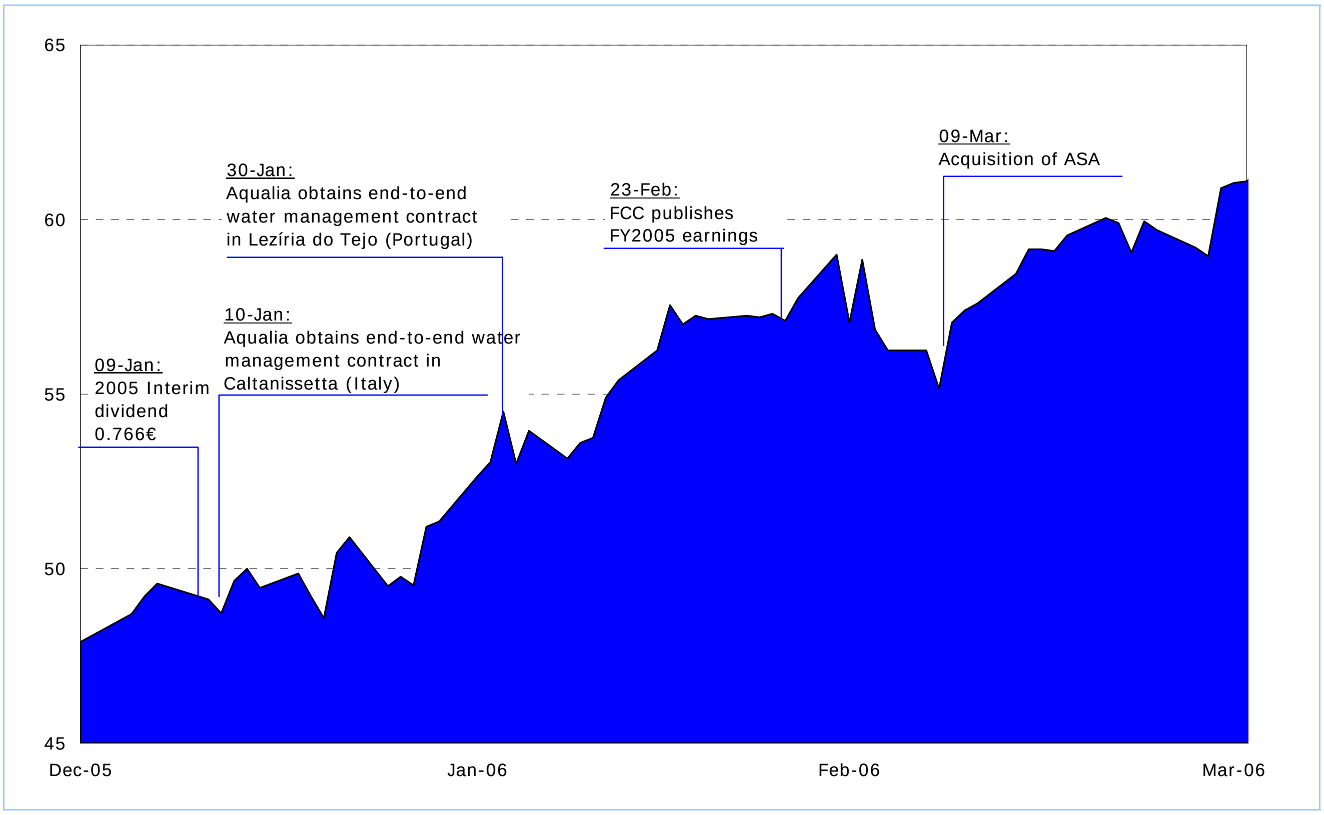
- ❖ In Rentals, leased space increased by 3.4% year-on-year to nearly 367,000 square metres.

  In the last year, Realia has acquired two buildings in Madrid (15,000 square metres combined) and sold one building (3,000 square metres). Renovation of the "Los Cubos" building, acquired at the end of 2004, is expected to be completed in mid-2006.

Operating data			
	Mar. 06	Mar. 05	Chg. (%)
Pre-sales backlog (€Mn)	628.1	641.6	-2.1%
Leased space (square metres)	366.708	354.755	3.4%
Occupancy	93.2%	96.8%	

Realia continues to diversify its business in order to increase the contribution from the rental activity. In 1Q06, Realia undertook to invest 100 million euro to develop a shopping mall in Guadalajara (with around 124 commercial premises in 50,550 square metres) and 130 million euro to acquire one of the two skyscrapers that form the "Torres Fira" project in Barcelona (with 31,315 square metres for offices, over 3,038 square metres for commercial premises, and 399 parking spaces). The work is expected to be completed by the end of 2008.

7. SHARE PERFORMANCE AND DIVIDENDS



	Jan. – Mar. 2006	Jan. – Mar. 2005
Closing price (euro)	61.10	39.43
Appreciation	*27.56%*	*11.29%*
High (euro)	61.10	40.52
Low (euro)	47.90	34.39
Average daily trading (shares)	346,452	410,366
Average daily trading (million euro)	19.0	15.3
Capitalisation at end of period (million euro)	7,978	5,148

On 9 January, an interim dividend of 0.766 euro gross per share was paid out of 2005 earnings. That amount was 12.6% more than the dividend paid a year earlier.

8. Regulatory disclosures in 1Q06

- 10 January 2006: FCC won a 30-year contract to provide end-to-end water management in the Italian province of Caltanissetta. The contract represents 1.5 billion euro in revenues.
- 19 January 2006: FCC issued a press release in response to press reports that José María Castellano would become Chairman of Grupo FCC.
- 9 March 2006: FCC acquired Austrian group ASA.
- 3 April 2006: FCC filed the 2005 corporate governance report.
- 11 April 2006: FCC acquired Czech water company Severomoravské Vodovody a Kanalizace Ostrava, A.S. (SmVaK). The investment is worth 248 million euro.

9. Main contracts obtained in the quarter

Environmental services

Urban sanitation

- Urban sanitation in Vitoria for a period of eight years, plus a possible two-year extension. Estimated revenues amount to 200 million euro.
- Ten-year extension to the contract for waste collection, street cleaning and waste elimination in Cartagena (backlog: 210 million euro).
- A twelve-year contract for waste collection and street cleaning in Segovia, with two possible five-year extensions.
- Técnicas de Protección Ambiental obtained a ten-year contract (with a possible six-year extension) to manage a plant that treats and recycles fridges and other devices that contain chlorofluorocarbons (CFCs).
- Eight-year contract for garden maintenance in Boadilla del Monte (Madrid), with a possible three-year extension.
- Eight-year contract for waste collection and transportation, street cleaning and gardening in Valdemorillo (Madrid).
- Five-year contract for municipal waste collection and transportation in Esporles (Mallorca).
- Eight-year contract for collection of household waste in Inca (Mallorca).
- Six-year contract for collection of household waste and street cleaning in Alcudia (Mallorca).
- Contract to build the municipal solid waste landfill in Valencia, operate it for 23 years and decommission it at the end of its useful life.
- Extension of the waste collection and street cleaning contract in Paterna (Valencia).
- Ten-year contract for street cleaning and waste collection in Cardona (Barcelona).
- Two-year extension to the contract for municipal waste collection and cleaning of the sewage network in Muro de Alcoy (Alicante).
- Ten-year contract for street cleaning in Fuengirola (Málaga).
- The Santa Cruz province in Argentina awarded a ten-year contract to build, install and operate a hospital waste treatment plant.
- Proactiva Medio Ambiente obtained a five-year extension to the waste collection contract in Guadalupe (Nuevo León, Mexico).

Water management

- Aqualia won a 30-year contract to provide end-to-end water management in the Italian province of Caltanissetta. The contract represents 1.5 billion euro in revenues.
- Aqualia won a 40-year contract to provide water management in Lezíria do Tejo (Portugal). The contract represents over 1.5 billion euro in revenues.

- Aqualia obtained the contract to manage the water in Santander until 2031. The contract represents 725 million euro in revenues.
- Aqualia obtained the contract to design the project for 13 wastewater plants and sewers in various municipalities of Teruel province and to build and subsequently operate them for 20 years.

FACILITY MANAGEMENT

- One-year extension of the contract for cleaning the Garellano bus terminal in Bilbao.
- Two-year contract to clean municipal buildings in Onda (Castellón de la Plana).
- Two-year contract to clean schools and nurseries in Palma de Mallorca.
- Two-year contract to clean municipal premises and buildings in Palma de Mallorca.
- Two-year contract to clean municipal buildings in Getxo (Vizcaya).
- Extension of the cleaning service contract for the Port Aventura theme park in Tarragona.
- Two-year contract to clean municipal buildings in Benicarló (Castellón de la Plana).
- Two-year contract to clean municipal buildings in San Fernando de Henares (Madrid).
- Ten-month extension to the contract to clean municipal premises in Almazora (Castellón de la Plana).
- Ten-year contract to clean the Mercagranada wholesale food market in Granada.
- Two-year contract to clean streets and buildings of the Melilla port authority.

VERSIA

- The Madrid city government awarded subsidiary Estacionamientos y Servicios, S.A. (EYSSA) an eleven-year contract to manage a new on-street parking zone with 26,750 spaces, with a possible extension to 25 years. Based on 2006 prices, revenues will total 341.3 million euro over the 25 years.

CONCESSIONS

- The contract to design the San José-Caldera toll road was awarded to a consortium owned by FCC (50%) and subsidiary M&S (50%).

CONSTRUCTION

CIVIL ENGINEERING

- Assembly of the Madrid-Miraflores de la Sierra section of the Northwest high-speed railway line in Spain.
- Contract to design the A-15 Navarra highway between Medinaceli and Radona (Soria).
- Contract to connect the desalination plants in the new Cartagena canal with Pilar de la Horadada in Vega Baja del Segura (Murcia).
- The Narros del Castillo-Peñaranda de Bracamonte and Peñaranda de Bracamonte-Villar de Gallimazo sections of the A-50 highway.
- Sections III and IV of the Barranco de Santos road in Santa Cruz de Tenerife.
- New Barcelona Metro line 5 between Collblanc and Pubilla Cases.

INTERNATIONAL

- Ramalho Rosa Cobetar won a contract to build two apartment buildings and parking spaces in Portugal.
- Contract to build the San Antonio-Goascoran road in Tegucigalpa (Honduras).

RESIDENTIAL BUILDING

- Contract to manage the over 3 million square metres of land comprising the “Nuevo Tres Cantos” subdivision.
- 745 homes in Almería, Navalcarnero, Arroyomolinos, Getafe and Albacete.
- Site development of Torresana sector no. 1 in Tarrasa (Barcelona).
- Site development of the PAU 21 subdivision in Orihuela (Alicante) in a joint venture with another company.
- Site development of the “Ciudad Aeroportuaria Parque de Valdebebas” (Madrid).

NON-RESIDENTIAL BUILDING

- Construction of the "Caja Mágica" tennis centre in Parque Lineal del Manzanares.
- An office building in block 7B of the Cross-San Jerónimo business park in Sevilla.
- The Anaga marina (with shopping and leisure facilities) in Santa Cruz de Tenerife.
- Renovation and installations of pavilion no. 7 of the Valencia Exhibition Centre.
- Expansion of the Alameda shopping mall in Málaga for Hipercor, S.A. through Ibérica de Servicios (ISO).
- Healthcare centre in Albacete for the Castilla-La Mancha regional government.
- Communications City in Las Tablas (Madrid) for Telefónica, S.A.

CONTACT DETAILS	
INVESTOR RELATIONS DEPARTMENT	
> Postal address:	Calle Federico Salmón, 13. 28016 Madrid. Spain.
> Telephone:	+34 91 359 32 63
> Fax:	+34 91 350 71 54
> E-mail:	ir@fcc.es

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