

PROPOSED RESOLUTIONS

- To approve the Annual Accounts, both individual and consolidated relating to fiscal year 2004.
- To approve the distribution of profits as proposed by the Board of Directors, and as a result, to distribute a total dividend of (0.27) euros gross per share for shares numbered from 1 to 238,900,706 both inclusive. Part of this dividend, in the amount of 0.15 euros gross per share was advanced under a resolution of the Board of Directors passed on 27 October 2004, and the remainder, up to the approved total, will be paid as from 14 March 2005.
- To approve the management of the Board of Directors during fiscal year 2004.
- To re-elect Santiago Gayarre Bermejo as a member of the Board of Directors for a further period of four years.

This proposal for re-election has the support of the Remuneration and Appointment Committee.

- To amend the first paragraph and the last insertion of the second paragraph of Article 17 of the company's by-laws, which shall have the following wording:

First paragraph

"Those Board members who do not have executive functions within the company or companies which are part of its Group (external Directors) shall receive a fixed basic remuneration which may be greater for those persons who have duties within the Board or carry out the functions of chairman of the Executive Committee or another Delegated Committee. This remuneration may be complemented by additional non-monetary compensation (life or health insurance, bonuses, etc.) generally established for company personnel. The Board Members who form part of the Executive Committee or of the Delegated Committees shall receive an additional stipend for attending the meetings of these committees."

Last insertion in the second paragraph

"They shall not receive the remuneration to which external Directors are entitled, except for those granted the members of the Executive Committee or of the Delegated Committees as long as it has been agreed upon by the Board of Directors."

- To establish 25,000 euros as the fixed allocated remuneration for non-executive directors who are members of the Board of Directors as of 1 January 2005. Said amount shall be applicable during 2005 and it shall be increased in following years by the same percentage established for salary increases for company personnel. The allocated amount shall be increased by 35% for those persons occupying the position of president or vice-president of the Board or president of an Executive Committee or Delegated Committee. Such increase shall be non-cumulative where the same person occupies more than one position.

The remuneration for members of an Executive Committee or Delegated Committee for attending such respective meetings for 2005 shall be fixed at a 2,500 euros allowance, revisable according to the terms set out in the previous paragraph. Where meetings of two or more bodies are held together, only one allowance shall be paid.

- To authorize the Board of Directors, in accordance with Company law, article 153, to increase the share capital once, or more than once, up to a maximum of 59,725,176 euros, equivalent to 50% of the present share capital during the next five years from the date of said resolution. The Board shall freely fix the terms and conditions of such capital increase under said authorization, and therefore be able to issue shares, with or with no voting rights, at a premium, and amend, in its case, article 5 of the by-laws in order to adapt it to the resulting share capital. The present authorization implies the revocation of the authorization granted on 21 April 2001 in the part which is no longer used.
- File an application with the Stock Exchange to list the shares issued by the company as a result of capital increases the Board of Directors could carry out in exercising its authority referred to in the preceding agreement, in accordance with article 27 b) of the Stock Exchange Rules, and Royal Decree 1.536/81, and according to the same terms and conditions anticipated in said article. It is expressly agreed that in the case of a subsequent application for exclusion from listing, this resolution shall be adopted with the same formalities, and in such case, the interest of shareholders who either oppose the resolution or do not vote shall be guaranteed. The resolution to officially list the shares presumes compliance with Stock Exchange regulations at any time, especially regarding trading, permanence and exclusion from official listing.
- To renew the appointment of the firm Ernst & Young, S.L. as Auditors of the company both for the Individual Annual Financial Statements and for the Consolidated Accounts, should the company be under a duty to formulate such accounts or decide to do so voluntarily, for a period of one year, that is, for fiscal year 2005, notwithstanding that the said appointment may be revoked by the Shareholders' meeting prior to the end of the said period, should there be just cause.
- To delegate the widest of powers to the Chairman of the Board of Directors, Mr. Carlos Alvarez Jiménez, the Executive Vice-Chairman, Mr. Domingo Sugranyes Bickel, and the Secretary to the Board, Mr. José Manuel González Porro so that they may, separately, execute the aforesaid resolutions and engross them in public format whenever necessary, and to adapt them, should the donees deem this to be pertinent, to conform to any observations made by the Companies Register.

- To thank all those involved in the management of the company for their loyal co-operation during this fiscal year.

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