



Citizen Services

ANNUAL REPORT
2009

EDITADO POR: Fomento de Construcciones y Contratas, S.A

DISEÑO Y MAQUETACIÓN: mmasm

Mayo de 2010



ANNUAL REPORT 2009

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LETTER FROM THE CHAIRMAN AND MANAGING DIRECTOR



LADIES AND GENTLEMEN:

In a highly adverse economic environment, with a 3.6% drop in Spain's GDP, in 2009 FCC earned a **net profit** of over 300 million euro, after subtracting taxes and the portion attributable to minority shareholders.

Thanks to the timely measures taken by the Governing Bodies, FCC has successfully weathered the worst of the crisis, which we date to the first half of 2009, and is facing 2010 and following fiscal years with moderate optimism. This optimism is based on the strength of our balance sheet and our business portfolio, which is growing increasingly large and increasingly diversified in terms of markets and activities.

FCC's **turnover** was 12,669.6 million euro, 6.7% less than in the previous fiscal year, due mainly to a 10.2% reduction in domestic market income traceable to the effect of the slowdown in infrastructure construction.

The **foreign market**, which is now responsible for 44.3% of our turnover, is steadily following a developmental line similar to that of fiscal 2008. It has come down by only 2.1%, because of the 10.3% depreciation of the pound sterling against the euro, which affects the International Environment business area. In the Construction area, international turnover is already in excess of the turnover generated in Spain and shows a trend toward continued growth in the percentage of turnover earned in international markets in the fiscal years to come.

The **work and services backlog** had reached 34,547.5 million euro as of 31 December 2009, which means a 5.6% increase over 30 December 2008.

The **gross operating income (EBITDA)** reached 1,460.6 million euro. The sales margin was therefore 11.5%, a bare 0.5 percentage points lower than the margin obtained in 2008.

The **net financial expenses** were 281.1 million euro, 23% lower than the previous fiscal year, thanks to the lower interest rates and the Group's effective financial management.

In 2009 FCC carried on with its **policy of maximum austerity, based on a strict policy of controlling all costs** not directly related with production. Such costs were successfully reduced by 114.5 million euro.

Despite the 1,601.1-million-euro investment effort made, the **net recourse debt** sank 10.3% to 4,773.4 million euro.

The Board of Directors will be proposing to the shareholders **a complementary dividend** of 0.715 euro per share. That, in addition to the interim dividend of the same size paid out in January last, yields a total dividend of 1.430 euro, representing a 59% payout, a percentage similar to that of last fiscal year.

FCC is responding to the rising complexity of the challenges facing the company and its markets by pushing onward in its commitment to a uniquely FCC brand of responsibility. After several years of implementing our **corporate responsibility** model, with strong support from our leading shareholder, we now have a very solid, certifiable, practical, up-and-running framework that is solidly enmeshed with our different business areas.

FCC's responsible management was acknowledged anew in 2009, by several organisations, including the DJSI World and Stoxx selective responsible investment indices. Sustainable Asset Management (SAM) granted us their "SAM Gold Class" and "SAM Sector Mover" distinctions; the latter recognises ours as the company that has advanced the farthest in 2009 in its sector in its pursuit of sustainability. The report by the Spanish Carbon Disclosure Project (CDP) highlights FCC for its risk and opportunity analysis system, which goes beyond the most obvious elements and centres on our business areas. These acknowledgements fill us with pride and at the same time strengthen us in our commitments to continue consolidating our position amongst the world's most advanced companies in terms of sustainability and corporate responsibility.

Fiscal year 2009 was a year of strenuous efforts to hasten the development of the factors of productivity that are linked with sustainability. Great strides were made in understanding the risks and opportunities for the company stemming from climate change. The Group has taken the decision to integrate carbon management directly into business management, starting with a reinforcement of the emissions inventory and a detailed analysis of the processes in each business area. This event is a turning point in FCC's focus on management of atmospheric carbon emissions and the associated energy bill.

To continue moving forward and sharing our model of social responsibility is a constant challenge. This means continuing to strive to create lasting relationships of trust, where FCC is the standard setter in good use of natural resources and water, in the development of cleaner energy and in efficient infrastructure construction and management –in short, the basic levers capable of generating prosperity and wellbeing for the citizens we serve.

I would like to take advantage of this occasion to thank all our employees for their cooperation and dedication and also to thank our shareholders for the trust they have placed in us.

Baldomero Falcones Jaquotot
Chairman and Managing Director



BOARD OF DIRECTORS

Baldomero Falcones Jaquotot

Chairman
Managing Director
Executive Director

B-1998, S.L.

Representative: Esther Koplowitz Romero de Juseu
First Vice Chairman
Director, representing a major shareholder

Dominum Desga, S.A.

Representative: Esther Alcocer Koplowitz
Second Vice Chairman
Director, representing a major shareholder

Dominum Dirección y Gestión, S.A.

Representative: Carmen Alcocer Koplowitz
Director, representing a major shareholder

EAC Inversiones Corporativas, S.L.

Representative: Alicia Alcocer Koplowitz
Director, representing a major shareholder

Fernando Falcó y Fernández de Córdova

Director, representing a major shareholder

Marcelino Oreja Aguirre

Director, representing a major shareholder

Rafael Montes Sánchez

Director, representing a major shareholder

Miguel Blesa de la Parra

Director, representing a major shareholder

Gonzalo Anes y Álvarez de Castrillón

Independent Director

Juan Castells Masana

Director, representing a major shareholder

Felipe Bernabé García Pérez

Secretary General
Executive Director
Vice Secretary of the Board of Directors

Robert Peugeot

Director, representing a major shareholder

Cartera Deva, S.A.

Representative: Jaime Llantada Aguinaga
Director, representing a major shareholder

Larranza XXI, S.L.

Representative: Lourdes Martínez Zabala
Director, representing a major shareholder

César Ortega Gómez

Independent Director

Nicolás Redondo Terreros

Independent Director

Antonio Pérez Colmenero

Director, representing a major shareholder

Jaime Ribas

Independent Director

Francisco Vicent Chuliá

Secretary (non-member)

STRATEGY COMMITTEE

CHAIRMAN

Esther Koplowitz Romero de Juseu,
on behalf of B 1998, S.L.

MEMBERS

Esther Alcocer Koplowitz,
on behalf of Dominum Desga, S.A.

Alicia Alcocer Koplowitz,
on behalf of EAC Inversiones Corporativas, S.L.

Carmen Alcocer Koplowitz,
on behalf of Dominum Dirección y Gestión, S.A.

Fernando Falcó y Fernández de Córdova

Javier Ribas

Juan Castells Masana

Lourdes Martínez Zabala,
on behalf of Larranza XXI, S.L.

Rafael Montes Sánchez

Robert Peugeot

Jaime Llantada Aguinaga,
on behalf of Cartera Deva, S.L.

EXECUTIVE COMMITTEE

CHAIRMAN

Baldomero Falcones Jaquotot

MEMBERS

Fernando Falcó y Fernández de Córdova

Esther Alcocer Koplowitz,
on behalf of Dominum Desga, S.A.

Alicia Alcocer Koplowitz,
on behalf of EAC Inversiones Corporativas, S.L.

Juan Castells Masana

Jaime Llantada Aguinaga,
on behalf of Cartera Deva, S.A.

Secretary (non-member)
Francisco Vicent Chuliá

Vice Secretary (non-member)
Felipe B. García Pérez

AUDIT AND CONTROL COMMITTEE

CHAIRMAN

Gonzalo Anes y Álvarez de Castrillón

MEMBERS

Esther Alcocer Koplowitz,
on behalf of Dominum Desga, S.A.

Alicia Alcocer Koplowitz,
on behalf of EAC Inversiones Corporativas, S.L.

Fernando Falcó y Fernández de Córdova

Juan Castells Masana

Secretary (non-member)
José María Verdú Ramos

APPOINTMENTS AND REMUNERATIONS COMMITTEE

CHAIRMAN

Esther Alcocer Koplowitz,
on behalf of Dominum Desga, S.A.

MEMBERS

Fernando Falcó y Fernández de Córdova

Alicia Alcocer Koplowitz,
on behalf of Cartera Deva, S.A.

Carmen Alcocer Koplowitz,
on behalf of Dominum Dirección y Gestión, S.A.

Rafael Montes Sánchez

Antonio Pérez Colmenero

Jaima Llantada Aguinaga,
on behalf of Cartera Deva, S.A.

Robert Peugeot

Gonzalo Anes y Álvarez de Castrillón

Secretary (non-member)
José María Verdú Ramos

STEERING COMMITTEE

CHAIRMAN

Baldomero Falcones Jaquotot

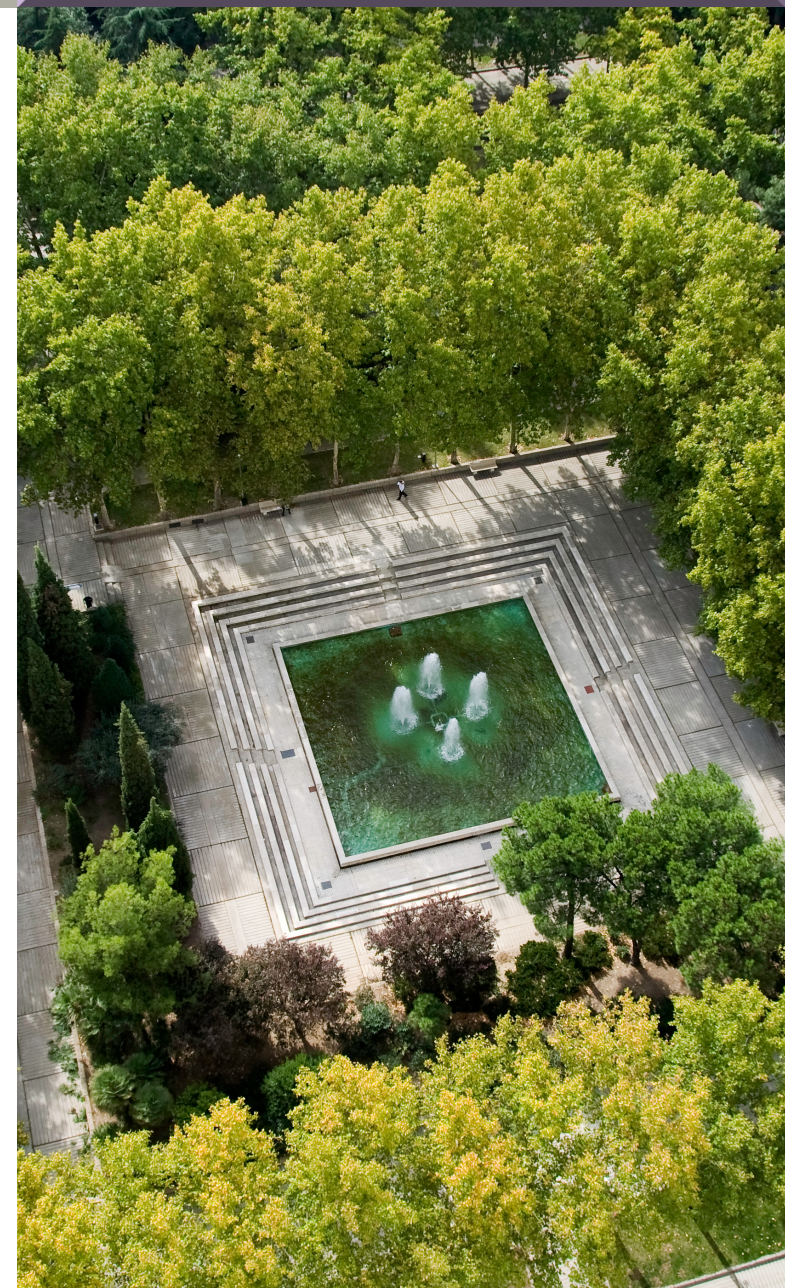
MEMBERS

Esther Alcocer Koplowitz
Alicia Alcocer Koplowitz
Fernando Falcó y Fernández de Córdova
Antonio Gómez Ciria
Dieter Kiefer
Eduardo González Gómez
Felipe B. García Pérez (Secretary)
Francisco Martín Monteagudo
Gèrard Ries
José Luis de la Torre Sánchez
José María Verdú Ramos
José Mayor Oreja
Víctor Pastor Fernández
José Manuel Velasco Guardado
Miguel Hernanz Sanjuan

STRATEGY

FCC's strategy, within the framework of Plan 10 (approved in the spring of 2008), is based on the following key points.

- ▶ **Development of areas of strong demand the world over**, such as environmental services, water management, major infrastructure construction and management and renewable energy.
- ▶ **Spurring of the internationalisation process.** In services, expansion in nearby markets, with the strategy of spreading outward or prudent growth, to furnish secure synergies; and in infrastructure, focus on a small number of financially and politically stable, solvent countries.
- ▶ **Active portfolio management to maximise value for shareholders.**
- ▶ **Boosting of the organisation's efficiency:**
 - > Purchasing management, cost optimisation and information systems.
 - > Orientation toward results, talent management and introduction of management by objectives.
 - > Increase in cooperation amongst business lines.
- ▶ **Corporate social responsibility:**
 - > Good corporate governance and integrated CSR management.
 - > Internal social/community dimension and external reputation.
 - > Responsible communication/strengthening and unification of the FCC brand.



RELEVANT EVENTS AND OTHER REPORTS SENT TO THE CNMV



09/02/09

The Board of Directors of FCC, in its meeting of 3 February 2009, resolved to accept resignations from the directorship tendered by José María Sagardoy Llonis and Manuel Fernando Menéndez.

10/02/09

FCC reported that the Stock Option Plan launched in 2008 had been completed.

20/02/09

New framework of relationships between FCC and Caja Madrid within Realia.

26/02/09

Presentation of 2009 results.

27/02/09

Announcement of the Shareholders' Meeting and resolutions by the Board of Directors.

07/05/09

Announcement of the Shareholders' Meeting and resolutions by the Board of Directors.

12/06/09

Report on the **resolutions made at the Shareholders' Meeting** in Barcelona, the foremost of which are the following:

- ▶ To re-elect EAC Inversiones Corporativas, S.L., to the Board as a director representing a major shareholder
- ▶ To re-elect Rafael Montes Sánchez to the Board as a director representing a major shareholder

The Board of Directors in turn, at its meeting of 11 June 2009, made, inter alia, the following resolutions:

- ▶ To re-elect EAC Inversiones Corporativas, S.L., as a member of the Steering Committee, the Audit and Control Committee and the Appointments and Remunerations Committee.
- ▶ To re-elect Rafael Montes Sánchez as a member of the Appointments and Remunerations Committee.
- ▶ To name shareholder Javier Ribas as an independent director by co-option, on a motion by the Appointments and Remunerations Committee.
- ▶ To name EAC Inversiones Corporativas, S.L., and Dominum Dirección y Gestión, S.A., members of the Strategy Committee.

29/07/09

It was reported that independent director Gonzalo Anes y Álvarez de Castrillón had been named chairman of the Audit and Control Committee.

07/10/09

The Steering Committee resolved to issue an initial sum of 450 million euro's worth of bonds exchangeable for shares in the Company.

08/10/09

As a continuation of the disclosure published in connection with the issue of bonds exchangeable for shares in the Company, upon completion of demand prospecting by Barclays Bank PLC and Société Générale, FCC resolved to set the following terms and conditions for the issue:





► The Company will issue five-year bonds worth a total of four hundred and fifty million euro (€450,000,000).

► The bonds will earn interest at a fixed annual rate of 6.50%, payable half-yearly.

► The initial exchange price of the bonds is €39.287 per share in the Company.

09/10/09

Cartera Deva, S.A., a director representing a major shareholder in FCC, resolved to appoint Jaime Llantada Aguinaga as its new representative on the Board of Directors, effective as of the first of October of this year.

01/12/09

Resolutions made at the Extraordinary Meeting of Shareholders of 30 November 2009, held at first adjournment in Barcelona. The convertibility of the bonds exchangeable for shares in the Company was approved. The shares in question, worth four hundred and fifty million euro, were issued under the resolution of the Annual Shareholders' Meeting of 18 June 2008 and by virtue of the Steering Committee resolution of 6 October 2009, using power delegated to the Steering Committee by the Board of Directors on 30 September 2009, to enable the Company to cover the bondholders' exchange requests by means of delivering newly issued shares.

Total overriding of shareholders' pre-emptive subscription right. Capital increase of the sum necessary to attend to the conversion of bonds, up to an initially anticipated maximum of twelve million euro, subject to modifications on the basis of the terms and conditions of the bonds.

01/12/09

Under article 75 of the Public Limited Companies Act and on a motion made by the Board of Directors in its meeting of 27 October 2009, the Extraordinary Shareholder's Meeting of 30 November 2009 approved the execution of a share buyback programme. The purpose of the programme is to fulfil obligations to deliver treasury shares stemming from the issue of four hundred and fifty million euro's worth of exchangeable bonds.

18/12/09

Resolution of the Board of Directors to proceed to pay out the interim dividend for fiscal year 2009, the sum of 0.715 euro (gross) per share.

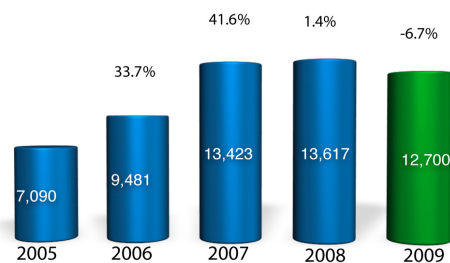
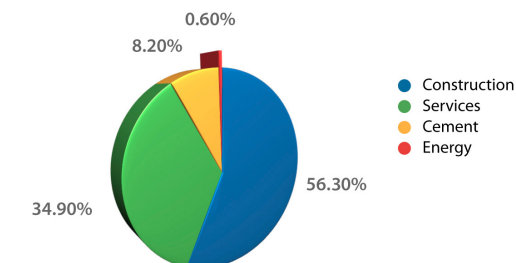
FCC IN FIGURES

CONSOLIDATED FIGURES

Millones de euros					
%	AÑO	MILLONES DE EUROS	%		
	2005	686			
40,2	2006	887	27,4		
39,1	2007	1.252	41,1		
-15,5	2008	520	-58,5		
-10,5	2009	450	-13,5		
Cash-flow de explotación				Beneficio atribuido a la sociedad dominada	
Millones de euros				Millones de euros	
%	AÑO	MILLONES DE EUROS	%	AÑO	MILLONES DE EUROS
	2005	1.018		2005	421
414,8	2006	1.159	13,8	2006	536
64,3	2007	1.252	8,0	2007	738
1,9	2008	1.136	-9,3	2008	334
-9,3	2009	1.578	38,8	2009	307
Patrimonio neto				Cartera de obras y servicios	
Millones de euros				Millones de euros	
%	AÑO	MILLONES DE EUROS	%	AÑO	MILLONES DE EUROS
	2005	2.608		2005	20.497
27,1	2006	3.418	31,0	2006	30.510
-13,3	2007	4.250	24,3	2007	30.215
-28,0	2008	3.198	-24,8	2008	32.707
-8,1	2009	3.137	-1,8	2009	34.548
Endeudamiento financiero neto y apalancamiento					
Millones de euros					
Endeudamiento financiero neto				% Apalancamiento	
Millones de euros				(Deuda neta/fondos propios+deuda neta)	
	AÑO	MILLONES DE EUROS		AÑO	MILLONES DE EUROS
	2005	403		2005	13,4%
	2006	5.204		2006	60,4%
	2007	7.776		2007	65%

Turnover

Million euro

**Breakdown by activity**

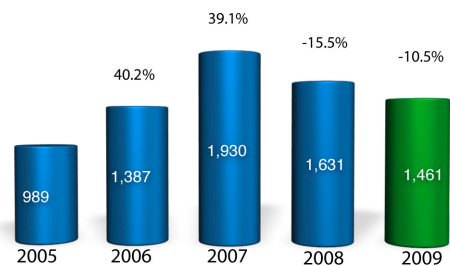
FCC's interest in Realia has been carried by the equity method since 1 January 2009.

To facilitate smooth comparison, this note presents a pro forma 2008 income statement that is the result of consolidating the holdings in Realia by the equity method.

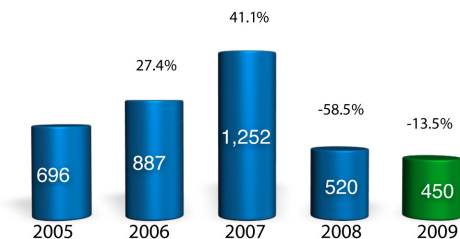
Renewable Energy activity was incorporated as an independent segment as of the first quarter of 2009, after it began operations in late 2008.

Gross operating profit (Ebitda)

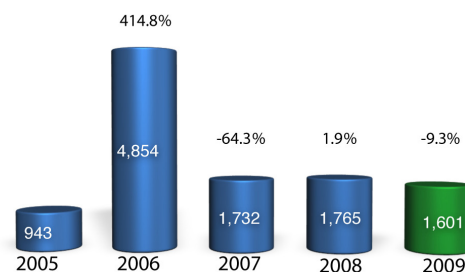
Million euro

**Pre-tax profits**

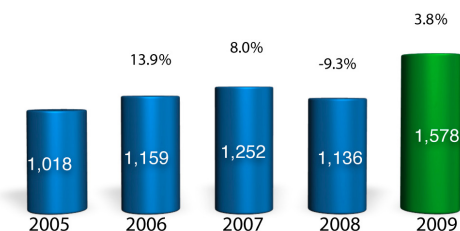
Million euro

**Investments**

Million euro

**Operating cash flow**

Million euro

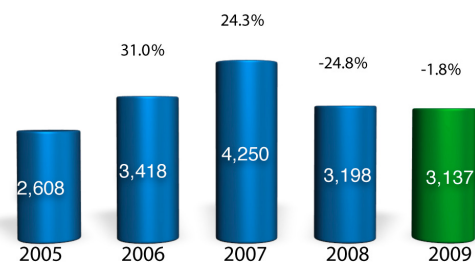


FCC in figures

consolidated figures

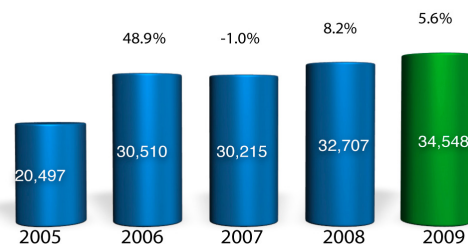
Net wealth

Million euro



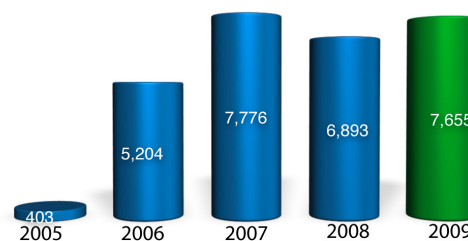
Construction work and services backlog

Million euro



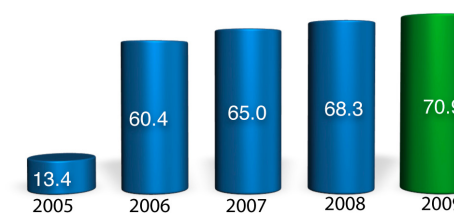
Net financial indebtedness

Million euro



Leverage %

(Net debt/equity+net debt)



EVOLUTION OF SHARES

After 2008, a year branded by the subprime crisis that had banks reeling, 2009 began with the taking of urgent measures to contain the decline of capital markets and to stabilise the contraction of the real economy.

It was not until March 2009 that a slow but steady recovery began to be seen in markets. The IBEX hit bottom on 9 March at 6,817 points, which represented a 25.8% backslide since the beginning of the year, on top of the 39.4% decline in 2008. Since that date, the recovery, albeit slow, enabled the IBEX to close 2009 at 11,940 points, a 75% revaluation from the low or a 29.8% revaluation over the course of 2009.

The index for the construction sector, which included all the firms comparable to FCC, advanced by 24.1%.

STOCK MARKET CAPITALISATION

FCC ended the year with a capitalisation of 3,749 million euro.

TRADING

The total share volume traded this fiscal year was over 118 million shares, with a daily average of 463,802 shares. In the year as a whole, 93% of the total share capital of FCC rotated. The daily average cash value traded was over 12.5 million euro.

DIVIDENDS

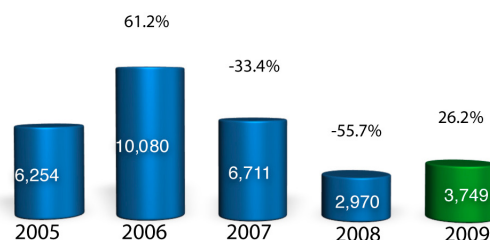
If the proposal that will be submitted to the General Meeting of Shareholders is approved, the amount that will be distributed to shareholders in the form of dividends paid on fiscal 2009 will be 1.43 euro (gross) per share, distributed in two payments: the interim dividend of 0.715 euro (gross) per share paid on 12 January 2010 and the complementary dividend of a similar amount.

The total maintains the same ratio with net imputed earnings as in 2008, 59.2%, and is 8.9% less than the amount distributed for the previous fiscal year. In addition, with respect to the year's starting quotation, it signifies a high 6.7% rate of return for shareholders.

Itemised evolution of dividends distributed in the last five years:

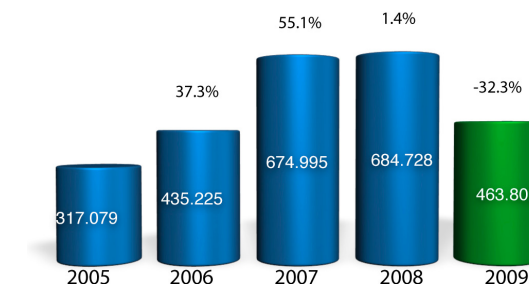
Stock Market Capitalisation

Million euro



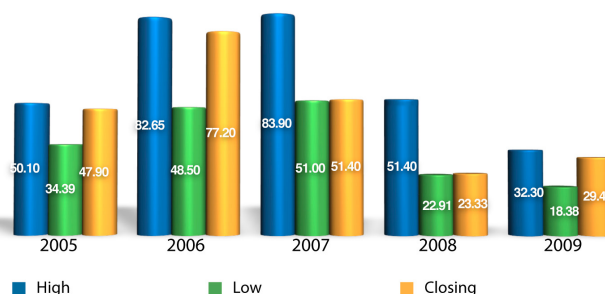
Trading volume

Average number of shares daily



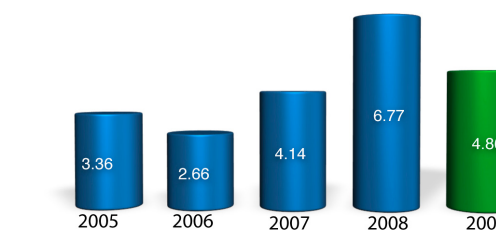
Share Quotations: high, low and closing price

In euro



Dividend returns per share

calculated with the quotation at the close of the fiscal year



TREASURY SHARES

In October 2009 FCC successfully launched an issue of 450 million euro's worth of five-year convertible bonds. On the following 30 November an Extraordinary Shareholder's meeting was held, where the bonds' convertibility into shares in the company was approved. A share buyback programme was therefore approved whose intention was to fulfil the obligations stemming from the issue of exchangeable bonds and avoid the risk of future dilution for current shareholders.

As of 31 December 2009, the treasury shares numbered 9,314,543, equivalent to 7.317% of the company's share capital.

SHAREHOLDERS

FCC, S.A., issues shares under the book entry system. Those shares are listed on the four Spanish stock exchanges (Madrid, Barcelona, Valencia and Bilbao). According to the information on file in Spanish National Securities Market Commission (CNMV) records, on the closing date of the fiscal year the main shareholders in the company were the following:

PRINCIPAL SHAREHOLDERS		
B-1998, S.L.	58,871,785	47,031 %
AZATE, S.L. (*)	8,653,815	6,798 %
THE ROYAL BANK OF SCOTLAND	4,330,938	3,402 %

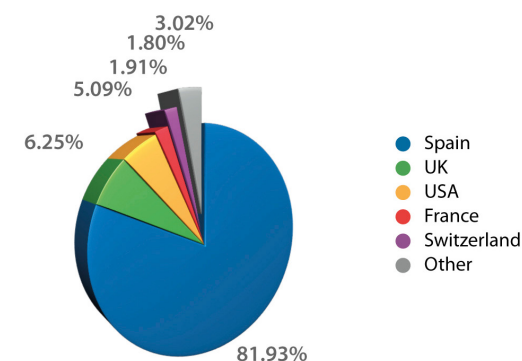
(*) Wholly owned subsidiary of B-1998, S.L.

FCC's free float is 42.5%. Its estimated distribution is 9.8% Spanish minority shareholders, 24.8% Spanish institutional investors and the remaining 7.8% foreign institutional investors.

The composition of the free float is as follows:

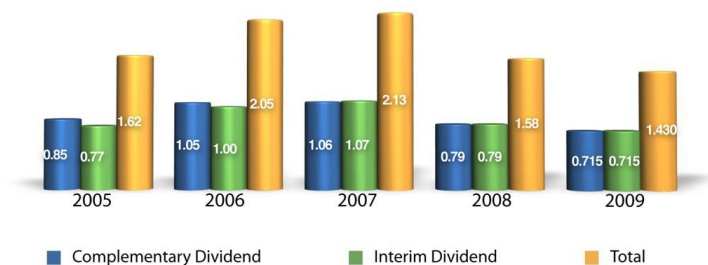
Free-float distribution by country

As of 31 december 2009



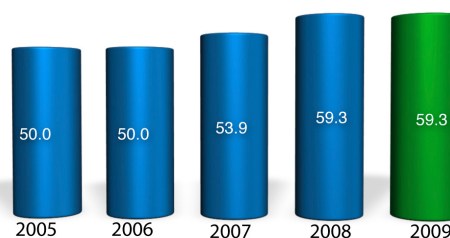
Dividend per share

In euro



% Pay-out

(Dividend w/o parent company's ordinary net profit)



EVOLUTION OF THE MAIN FINANCIAL INDICATORS

Fomento de Construcciones y Contratas, S.A., and dependent companies (Consolidated Group)

At 31 December 2009 (thousands of euros)

ASSETS	31/12/2009	31/12/2008
NON-CURRENT ASSETS	12,832,839	11,829,356
Intangible fixed assets	4,462,312	3,886,429
Property, plant and equipment	5,957,478	5,491,693
Investment properties	264,093	263,919
Investments carried using the equity method	1,145,754	1,116,605
Non-current financial assets	404,024	517,868
Deferred tax assets	599,178	552,842
CURRENT ASSETS	8,427,874	8,768,005
Non-current assets held for sale	–	7,367
Inventories	1,103,282	1,575,256
Trade and other accounts receivable	5,372,976	5,499,162
Other current financial assets	230,980	222,830
Other current assets	66,174	54,729
Cash and cash equivalents	1,654,462	1,408,661
TOTAL ASSETS	21,260,713	20,597,361

LIABILITIES	31/12/2009	31/12/2008
EQUITY	3,136,517	3,197,953
Net equity allocated to the parent	2,483,835	2,548,706
> Capital and reserves	2,809,111	2,954,403
> Value adjustments	(325,276)	(405,697)
Minority interests	652,682	649,247
NON-CURRENT LIABILITIES	10,619,979	8,758,123
Grants	85,692	63,576
Provisions -non-current	906,535	821,429
Non-current financial liabilities	8,393,590	6,872,318
Deferred tax liabilities	1,216,910	1,000,004
Other non-current liabilities	17,252	796
CURRENT LIABILITIES	7,504,217	8,641,285
Provisions -current	110,773	91,918
Current financial liabilities	1,487,563	2,224,890
Trade and other accounts payable	5,896,831	6,308,398
Other current liabilities	9,050	16,079
TOTAL LIABILITIES	21,260,713	20,597,361

INCOME STATEMENT

Fomento de Construcciones y Contratas, S.A., and dependent companies (Consolidated Group)

At 31 December 2009 (thousands of euros)

	31/12/2009	31/12/2008
--	------------	------------

NET TURNOVER	12,699,629	14,019,500
---------------------	-------------------	-------------------

Own work capitalised	50,460	85,370
Other operating revenue	357,527	375,119
Changes in inventories of finished products and work in progress	(25,397)	(61,412)
Raw materials and consumables	(6,126,122)	(6,987,241)
Staff costs	(3,296,522)	(3,260,766)
Other operating charges	(2,198,960)	(2,408,253)
Fixed asset depreciation	(737,639)	(745,674)
Grants for non-financial fixed assets and others	2,673	7,013
Impairment and profit/ loss on fixed asset disposals	11,972	(80,012)
Other profit (loss)	(6,537)	2,666

OPERATING RESULTS	731,084	946,310
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Finance income	66,196	105,856
Finance expense	(357,269)	(590,254)
Change in fair value of financial instruments	5,189	(15,573)
Exchange differences	(32,541)	1,182
Impairment and losses on disposal of financial instruments	43,329	30,167

	31/12/2009	31/12/2008
--	------------	------------

FINANCE INCOME/COSTS	(275,096)	(468,622)
-----------------------------	------------------	------------------

Profit (loss) of companies carried by the equity method	(6,093)	15,162
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BEFORE-TAX PROFIT (LOSS) FROM CONTINUOUS OPERATIONS	449,895	492,850
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Corporate income tax	(114,916)	(99,960)
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PROFIT/LOSS FOR YEAR FROM CONTINUING OPERATIONS	334,979	392,890
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PROFIT/LOSS FOR THE YEAR	334,979	392,890
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Profit/loss attributed to the parent company	307,199	334,039
Profit/loss attributable to minority shareholders	27,780	58,851

EARNING PER SHARE		
Basic	2.52 €	2.68€
Diluted	2.51 €	2.68€



SERVICES

_ Citizen services	21
_ City Sanitation	22
_ Technological Innovations	24
_ Water Management	26
_ Industrial Waste	28
_ Versia	29
Logistics	30
Airport handling	31
Urban furniture	32
Parking facilities	33
Vehicle inspection	34
Conservation and systems	35
Sales of cleaning vehicles and specialty vehicles	36





Citizen services, most especially environmental services, have been central activities for the company practically since FCC was created more than 100 years ago. Services account for 36% of the turnover and 47% of the gross operating income.

FCC divides services into two major areas.

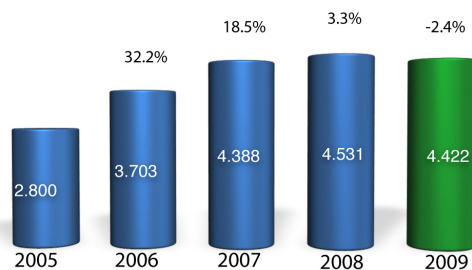
On one side, there are environmental services, which encompass all the business related with city sanitation (such as rubbish collection, street cleaning, urban waste treatment and garden maintenance), end-to-end water management and industrial waste recycling; and on the other side are the services handled by Versia: logistics, airport handling, urban furniture, parking facilities, conservation and systems, vehicle inspection, passenger transport and industrial vehicle sales.

The environmental services portfolio continues to swell. At the end of 2009 it had reached 23,691 million euro, 5.1% higher than it was one year before.

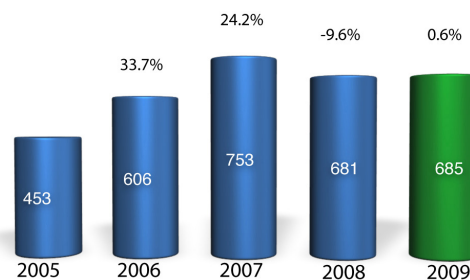


Street cleaning in Telde, Gran Canaria.

Turnover
Million euro



Gross operating profit (Ebitda)
Million euro



Maintenance of parks and gardens, Madrid



Street cleaning, Barcelona.

ANALYSIS OF THE SECTOR

In 2009 384 contracts were awarded in Spanish tenders for urban sanitation activities (solid waste collection and treatment, street cleaning and sewer system maintenance). This figure was 29% lower than that of 2008. The joint annual allocation for all these tenders added up to 1,544 million euro, as opposed to 1,586 million the year before.

The general decline in the number of contracts awarded was caused by the development of the crisis we are now experiencing. Local institutions have in many cases opted to extend their contracts, given their precarious budgetary situation.

FCC'S ACTIVITY

FCC renders city sanitation services in 3,600 cities and towns all over Spain, where each year it collects seven million tonnes of rubbish, treats close to nine million tonnes of waste and runs some 9,000 vehicles. In addition, through its subsidiary WRG, FCC is the leading urban waste treatment firm in the United Kingdom; and it is highly visible in eastern European countries, where it does business through its Austrian subsidiary ASA, and in Latin America, where it provides sanitation services through Proactiva Medio Ambiente, a company owned in equal shares with Veolia Environmental.

Some contracts secured in 2009:

- **Barcelona.** Street cleaning and rubbish collection from the Barcelona port area for a four-year period.
- **Bracknell Forest, United Kingdom.** Waste management centre on Longshot Lane, which covers the cities of Bracknell Forest, Reading and Wokingham, in cooperation with the Waste Recycling Group (WRG). The contract is good for 25 years.

► **Cáceres.** Operation of Cáceres ecopark for 10 years.

► **Córdoba.** Systematic cleaning of scuppers and other parts of the province's sanitation system, for six years.

► **Málaga.** Cleaning of the city's municipal sanitation system for a five-year period.

► **Orense.** Management of the city's street-cleaning and urban waste collection and transport services for an extendable 10-year period.

► **Reus (Girona).** Management of the comprehensive public service providing the city with solid urban waste collection and street cleaning, for an eight year period.

► **San Juan (Alicante).** Management of public street-cleaning services, urban waste collection and transport to an authorised landfill and selective waste collection, for a 10-year period.

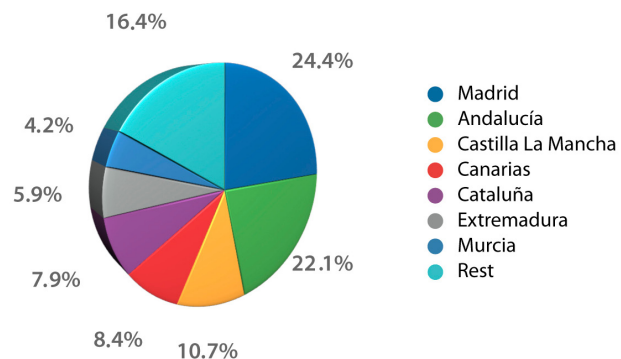
► **Telde (Gran Canaria).** Street cleaning, beaches, urban waste collection and similar services in this city, for a 15-year term.

► **Valencia.** Construction and management for 20 years of the Comprehensive Solid Urban Waste Treatment Centre for five districts of the Valencian Community (Canal de Navarrés, Valle de Ayora-Cofrentes, La Costera, Vall d'Albaida and La Safor), which include 97 cities and towns, home to 370,000 people.

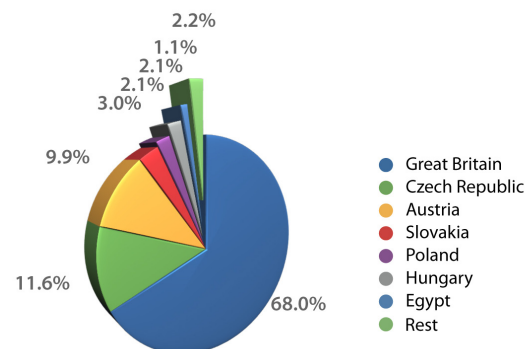
► **Zaragoza.** Cleaning, supply of hygienic/sanitary materials and disinfection of all University of Zaragoza buildings at the Zaragoza, Huesca and Jaca campuses, for two years.

Geographical area

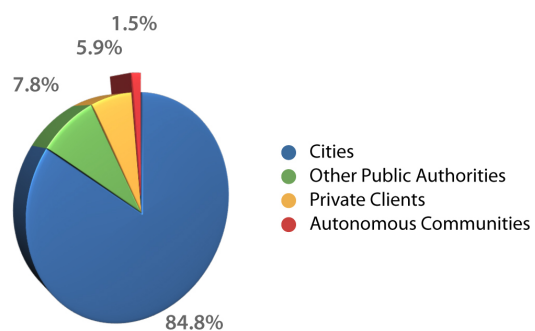
Domestic (81.5%)

**Geographical area**

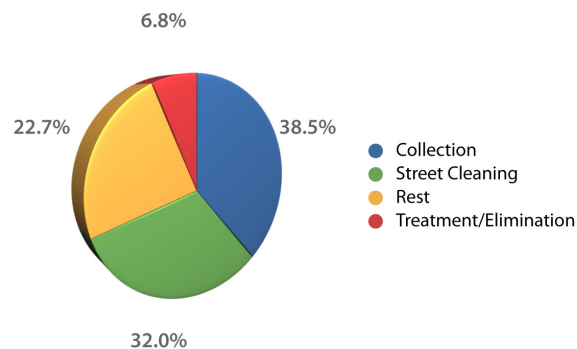
Contracts abroad

**Breakdown by client type**

Contracts in Spain

**Breakdown by service type**

Contracts in Spain



Battery collection service, Guadix, Granada.



Street cleaning, Pozuelo de Alarcón, Madrid.



Street cleaning vehicle, Corvera de Asturias.



Electric-hybrid vehicle for urban solid waste collection, Barcelona.

ELECTRICAL VEHICLES

The year 2009 witnessed major technological activity at FCC, i.e., the widespread introduction of electrical vehicles into its urban services fleet.

Up to now, electrical vehicles had been commissioned only experimentally. Since the award of the Barcelona service contract in late 2008, however, FCC may be said to have brought electrical vehicles into its fleet on a mass basis. FCC is thus consolidating its electrical vehicle technology, an asset in hot demand in other realms today.

In Barcelona alone there are 89 rocking-chassis units in street-cleaning work and 15 in waste collection, which means nearly 40% of the vehicles in service are now electrical. These lorries complement and consolidate the vehicles commissioned earlier under different contracts. Altogether, these electrical vehicles make up a fleet of more than 170 operational units.

The collection vehicle in question obeys a standard electrical/hybrid concept, using electrical traction at all times. The vehicle is of the type Europe terms a "ZEV" (zero-emissions vehicle) during its collection regimen, when it is powered exclusively by electricity, and it is a hybrid when it recharges its batteries, which is solely during the transport regimen. In other words, it moves and recharges its batteries at the same time, using a joint conventional engine and generator.

Each of these vehicles has been equipped with a seven-m3 collection bin for working in the narrowest, most vehicle-unfriendly areas of the city. The vehicles are expected to cover more than 450,000 kilometres a year, at an average collection speed of 15 to 20 kilometres per hour, and to run in full electrical mode for 60 to 70% of the time.

Because the vehicle can recharge its batteries off its conventional engine, it can provide uninterrupted round-the-clock service. However, it does periodically require slow recharges at the pool base. Accordingly, infrastructure

has been set up in the form of outside energy recharging points that optimise the cost per recharged kWh. The Central Vehicle Pool has got a fully automatic energy recharging station equipped with 12 external rechargers, which provide over 178 kW of recharging power in simultaneous operation, and electronic recharging systems, which optimise the recharging regimen to suit each battery, each vehicle and the different conditions in which batteries and vehicles arrive for recharging.

Electrical vehicles are also used in street-cleaning services. There are 89 rocking vehicles driven entirely by electricity. They draw the necessary energy from an electrical accumulator that has the special advantage of being maintenance-free. This means there are no gas emissions from things like the battery's internal chemical reactions (release of acid vapour) and electrolyte spills, so the air pollution created is zero.

Together, the vehicles of this type that FCC uses make for an annual pollution savings equivalent to driving nearly a million kilometres in one year. That is how much pollution would be created if the same services were rendered using conventional lorries.

BIOLOGICAL TREATMENT MODULE

On winning the contract for the Zone X, XI and XII, Management Area 2, Urban Waste Management Project public works concession from the Valencian Community, FCC included in its project, as part of the recovery facility a biological treatment module that uses static tunnels into which hot air is blown to pre-mature the digested matter produced by the facility's biomethane production process.

The hot air comes from the exhaust gases of the biomethane production module's motor-generator sets. The objective sought by pumping in hot air is to accelerate the pre-maturing process (thus reducing the holding time) and

obtain a final material with a lower moisture content. The gases are blown in and used to aerate the material and are then collected in the tunnels and piped to the facility's odour neutralisation system.

Including this supply of hot air in the recovery facility reduces the time material has to spend in pre-maturing and therefore reduces the size of the biological treatment tunnel module. Furthermore, the output material holds less moisture, which facilitates handling later, when the material is moved on to the maturing process.



ANALYSIS OF THE SECTOR

In Spain, the joint work that has been done so far by government institutions and concession-holding companies to improve water management quality in a framework as demanding as the one set by the European Union may be looked upon as satisfactory, but that certainly does not mean that there is not a long way yet to go.

The European Union's Framework Directive on Water (FDW) demands a very heavy investment effort in hydraulic infrastructure. The investment is to go into renewing existing infrastructure as well as building new facilities and incorporating new technologies to help us adjust to quality requirements. In view of this circumstance, it is urgent for the Spanish administration to favour, regulate and properly boost the mechanisms for public/private partnerships for the construction of new infrastructure, so as to make it worth the private sector's while to participate.

Furthermore, the FDW establishes the rule of recovering the costs of water-related services. In actual fact, it is the citizen as user who directly (through water bills) or indirectly (as a taxpayer) bears the service costs. However, it would seem more efficient and in closer harmony with the FDW's requirement to arrange for water rates to cover all costs in full: the costs of rendering the service proper, environmental costs, infrastructure costs and so on. In addition, the system of water rates in most Spanish cities and towns makes it possible for this to be done gradually, that is, at a higher price per unit depending on consumption.

Another point to consider is Spain's environmental commitment to identifying sensitive zones for wastewater dumping. This commitment is guiding the new National Purification Plan, which is going to require investments of more than 19,000 million euro for the sector in ten years.

This is the stage set for a sector that is still growing despite the general economic panorama. The indirect water management market is still displaying dynamic behaviour, and new opportunities for growth are constantly being planned; bad debt is low, since customers are charged directly; and contracts are set up so as to guarantee the economic and financial equilibrium of the companies involved.



Center for solid waste treatment, Barbanza, La Coruña.



Laboratoires La Pipa, Almería.



ACTIVITY IN THE FCC GROUP

Thanks to 114 contracts won, renewed or otherwise acquired, Aqualia entered into 1,000 million euro's worth of contracts in 2009. Its backlog was worth 12,208 million euro, 30% of which was due to international business.

Public water service management registered considerable activity, with 400 bids tendered. As a result contracts were won in the provinces of Huelva, Badajoz and Tarragona.

In Spain Aqualia consolidated a leading position, while abroad it carried on with its prudent policy of expansion.

On the international level, one of the bigger contracts was with El Realito, Mexico, where a population upwards of 850,000 inhabitants will be supplied with water.

In northern Africa and the Middle East (one of the markets with the biggest potential on the international stage), the company chalked up two major successes. First, in Egypt, it signed a contract for the financing, design, construction and operation of the New Cairo water purification plant, the first public/private partnership contract in the country. In Saudi Arabia, Aqualia signed a cooperation agreement with the National Water Company; the Saudi government thus acknowledged the experience and positioning of Aqualia in the international market and included it in the group of companies with which the government works.

In Europe, the company has continued to bolster its position. In Portugal it already manages water for nearly 100,000 inhabitants, the most recent contract award being the Cartaxo contract. Moreover, Aqualia has won its first contract in Romania, consisting in the design, construction and maintenance of a purification plant in southern Romania. But

another big achievement is an agreement reached with the European Bank for Reconstruction and Development (EBRD) enabling the creation of a joint company between the EBRD and Aqualia to undertake investments in hydraulic projects in the countries where the bank operates.

The FCC Group's determination to diversify is also embodied in the development of the athletic facility management area. In 2009 contracts were obtained to build and operate a swimming pool in Llanera, Asturias, to manage a swimming pool in Moaña, Pontevedra, to manage indoor swimming pools in Lugo and to build and operate a swimming pool in Villena, Alicante. Aqualia was managing a total of 21 athletic centres all over Spanish soil by the end of 2009.

The renewable energy sector is not unknown to the company, either. Through Aqualia's subsidiary Aqualia Industrial, the company remains a steady player in the electricity sector. It is participating in some projects in Alcázar de San Juan, Ciudad Real, specifically, the contract for the turnkey construction of water treatment plants for the Manchasol 1 and Manchasol 2 solar thermal plants, which require ultra-pure water to operate.

Lastly, the domestic public service management area closed the year with some important contract signings, renewals and expansions covering different Spanish cities and towns, the foremost of which were:

► **Alba de Tormes (Salamanca)**

Renewal of end-to-end water management service.

► **Albinyana (Tarragona)**

New contract for end-to-end water management service.

► **Bilbao**

New contract for water consortium system management.

► **Bollullos del Condado (Huelva)**

New contract for end-to-end water service.

► **La Bisbal del Penedés (Tarragona)**

New contract for end-to-end water service.

► **Lepe (Huelva)**

New contract for end-to-end water service.

► **Mancomunidad de la Serena (Badajoz)**

Renewed contract for end-to-end water management service.

► **San Antonio e Ibiza (Islas Baleares)**

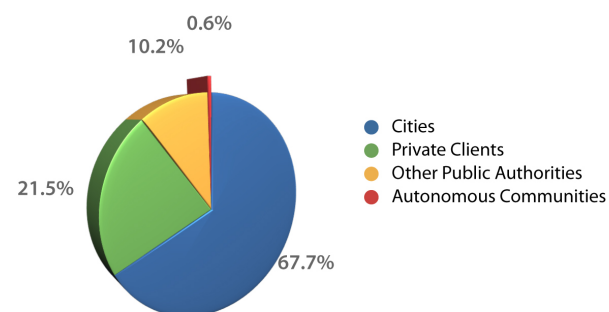
New contract to expand and operate water purification plants.

► **Sant Jaume Domenys (Tarragona)**

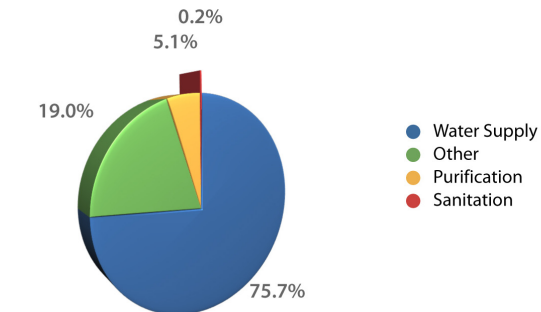
New contract for end-to-end water cycle service.

Breakdown by client type

Contract in Spain



Breakdown by service type



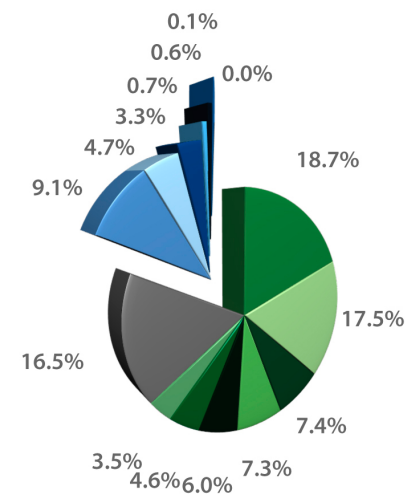
Geographical Area

Domestic (81.5%)

- Madrid
- Andalucía
- Castilla La Mancha
- Canarias
- Cataluña
- Extremadura
- Murcia
- Resto

International (18.5%)

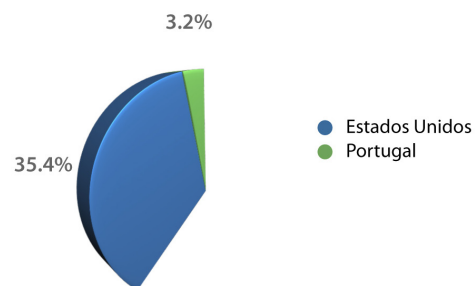
- Czech Republic
- Algeria
- Italy
- Portugal
- Mexico
- China
- Ecuador





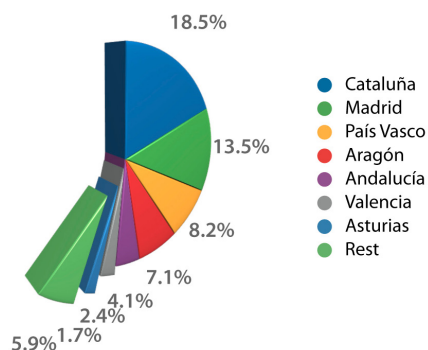
Geographical area

International (38,6%)



Geographical area

Domestic (61,4%)



ANALYSIS OF THE SECTOR

FCC Ámbito, S.A., is the specialised firm in the FCC Group in charge of full-service management of all kinds of industrial waste, including hazardous waste, non-hazardous waste, innocuous waste, recyclable waste, soil and environmental liabilities.

The severe international crisis that lashed the world economy during 2009 had a strong impact on this business, since industrial production and the price of raw materials both declined.

The number of tonnes managed by Ámbito in 2009 was 2.25 million, which meant a 12% decline from the previous fiscal year, less than the percentage for the market as a whole.

In the United States the number of tonnes went down by 11.9%, which meant better behaviour by all similar managers, while in Portugal, in the first full year of business of the new full-service treatment and recovery centre, more than 100,000 tonnes of waste were managed, 20% more than initially anticipated.

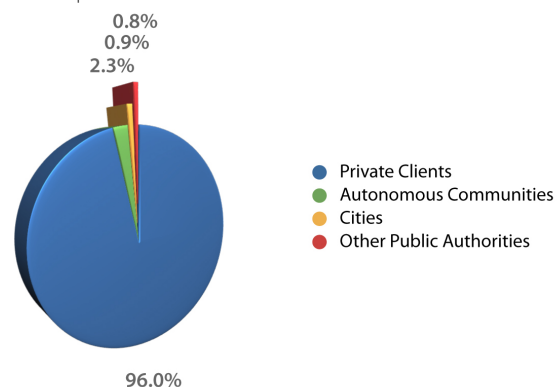
FCC Ámbito not only has withstood the effects of the crisis but has taken advantage of the situation to grow and improve its market share in all the sectors and geographical areas where it operates (Spain, the USA and Portugal).

A major effort went into international diversification in 2009 as well. During that time sales of recycled materials outside Spain went up by 42%. Flows to the now-regular international consumers of the products recycled by FCC Ámbito (China, Portugal, France and Morocco) increased. In addition, new stable sales routes to India, South Africa and Italy were opened.

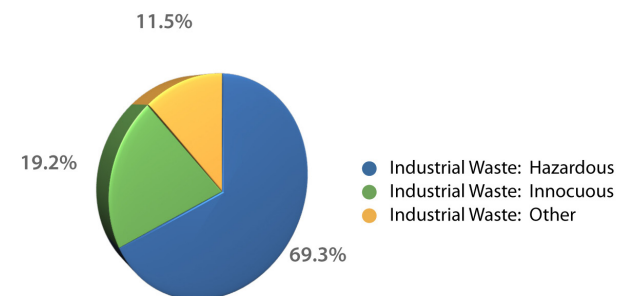
The portfolio of new contracts and business in progress was expanded, with awards from firms such as Endesa, Eroski, Arcelor-Mittal and Pascual. Other achievements included the management of the treatment and recovery of sorted paper and cardboard waste in Valladolid and the Pamplona district; the opening of the new Cantabria and Bilbao landfills; progress in the decontamination work being done in Flix, Tarragona; and the recent award by I.A.S. (Industrial Aqua Siracusana) for the decontamination and treatment of 257,000 tonnes of hazardous sludge.

Breakdown by client type

Contracts in Spain



Breakdown by service type





Versia is the firm that handles all of FCC's diversification into different non-environmental services:

- ▶ LOGISTICS
- ▶ AIRPORT HANDLING
- ▶ URBAN FURNITURE
- ▶ PARKING FACILITIES
- ▶ VEHICLE INSPECTION
- ▶ CONSERVATION AND SYSTEMS
- ▶ SALES OF CLEANING VEHICLES AND SPECIALTY (SVAT) VEHICLES
- ▶ PASSENGER TRANSPORT

The year 2009 was marked by the impact that the economic crisis continued to have on some of these activities. Turnover at Versia went down 8.6%. Parking facilities, vehicle inspection, SVAT and passenger transport improved their revenue, while the rest experienced a reduction.

Since fixed operating expenses are a major component for some of these activities, Versia focussed its efforts on optimising its production structures and applying severe cost controls, while requiring maximum rigour in improving indebtedness ratios.

By geographical area, sales abroad made up 32% of the total, centring on handling activities (where sales abroad furnished 72% of the revenue) and urban furniture (where sales abroad accounted for 54%).

SERVICES



Urban furniture, Barcelona.



Coastal Cleanup, Port Ginesta, Sitges, Barcelona.





The foremost amongst the contracts signed or renewed last year were:

Airbus	BDF Nivea
Carrefour	Clarins
Coca Cola	Cofresco
General Motors	Glaxo
Johnson & Johnson	Miele
Puig	Sara Lee
Renault	Volkswagen
Wyeth Pharma & Marketing	



FCC Logística renders services on the Iberian Peninsula through its business units specialising in specific logistics operations areas or geographical areas. It provides shipping, storage, order preparation and distribution services, rounding out its offer with added-value services for the top companies in a number of sectors, such as the automotive, food, cleaning product, perfume, cosmetic, personal care, appliance, pharmaceutical, optical, telecommunications, industry and technology sectors. It has self-managed mass distribution, customs warehouse and goods-shipping platforms. It has become consolidated as one of the leaders in its sector in Spain and Portugal.

FCC Logística is a member of LOGICA, the business organisation of logistics operators established in Spain, and it adheres to LOGICA's Good Practice Code. In 2009 it renewed its LOGICA Quality Seal, which guarantees compliance with the Good Practice Code, and it renewed its ISO 9001-2000 quality certification and 14001 environmental certification as well.

During 2009 FCC Logística forged on in its process of enlarging, renovating and improving its infrastructure. The following centres and facilities went into service:

► **Consolidated Centre in Azambuja, Portugal:** An area of 45,000 m² for the Consumer Area and 20,000 m² for the Pharmacy Area, inaugurated in June 2009.

► **Cabanillas del Campo Centre 9 and 10, Guadalajara:** Inauguration of both spaces for the consumer and pharmacy sector in October 2009, with an area of 29,000 m².

FCC Logística has made a considerable effort to adapt its production structure to the economic reality shaped by the current crisis and has thus been able to achieve some highly significant improvements in its productivity ratios.



Flightcare, S.L., is the FCC service company that provides ramp-, passenger- and cargo-handling services. It can be found at 14 airports, where last fiscal year it served more than 250 companies, a total of 321,820 movements and 34 million passengers, and handled more than 260,000 mt of cargo.



In Spain Flightcare provides ramp- and passenger-handling services at the airports in Barcelona, Málaga, Alicante, Valencia, Fuerteventura, Jerez and Almería. During 2009 it maintained its share of around 38% of the free market at the bases where it operates. In addition, it offers cargo-handling services in Madrid, Barcelona, Valencia and Alicante.

Belgium is one of the key pillars of Flightcare's business in Europe. Flightcare operates at the airports in Brussels, Ostend-Bruges, Liège and Charleroi. In Brussels, one of the main airports in its network, Flightcare holds a 67% market share in ramp handling. In the Belgian cargo market its share is over 25%.

Flightcare is the leading independent handling agent in Rome. At Leonardo da Vinci Airport (Fiumicino), its share of the free market was around 41%. Flightcare is the only independent operator at Giovanni Battista Pastine Airport (Ciampino).

In 2009 Flightcare devoted a great deal of effort to optimising its production processes, thus enabling it to hone its competitiveness.

SERVICES



CEMUSA

Cemusa specialises in the design, manufacture, installation and maintenance of urban furniture and in the marketing of advertising space on urban furniture. With a professional career over 25 years long and some 160,000 items installed all over the world, Cemusa is the number-one Spanish firm in its sector and one of the foremost outdoor advertising groups internationally speaking. Cemusa currently offers its services to more than 160 cities of Europe and America. Cities such as New York, Madrid, Rio de Janeiro, Barcelona, Boston, Lisbon, Milan and Brasilia provide the finest showcases for its designs, produced in close cooperation with architects and designers of recognised worldwide prestige.

In 2009 the investment in advertising continued to show a marked decline right up to the last quarter of the year, especially in Europe and North America. The Brazilian market, on the other hand, continued to grow, and Cemusa beat its turnover figure for the previous year by 10%. The second half of the year was a turning point, and the impact of the crisis was observed to lessen in severity. During 2009 Cemusa consolidated a resource optimisation plan begun in 2008 to adapt the firm to the general situation of the advertising sector and the economies of the countries where it does business.

Foremost amongst Cemusa's new international projects is a cooperation agreement with one of the biggest shopping-centre operators in the United States, General Growth Properties, Inc. Under the agreement Cemusa will, for a period of no less than five years, manage the advertising spaces on the kiosks set up in the city of Atlanta. Thanks to this agreement Cemusa can now list amongst its accomplishments, right next to its novel commercial offer of

kiosks in New York, the management of new kiosks located in the economic capital of the southeastern United States and corporate headquarters to such important corporations as Coca-Cola and CNN.

In Italy CEMUSA has successfully renewed its contract to manage 250 advertising panels in the city of Bologna. These panels, designed by the King & Miranda studio, constitute the only urban furniture in the city, and they form part of the furniture installed in 2005 during Cemusa's first contract with the Bologna city council.

In its determination to consolidate its presence in cities that are key for the company, Cemusa has striven to introduce improvements in the products and services it provides. In the case of Madrid, under the city council's Special Recoletos-Prado Plan, new hoardings were developed with an exclusive, innovative design and installed along the Paseo de Recoletos/Prado, one of the city's main cultural environments and citizen thoroughfares. The work was done jointly with the team of Portuguese architect Alvaro Siza, who won the international tender for this remodelling project.

In New York, where Cemusa has been managing furniture since 2006, illuminated advertising panels using LED technology have begun to be installed in hoardings. In addition to providing excellent light uniformity all over the panel's surface, LEDs spend only half the energy of the traditional system.



Urban furniture, Atlanta, USA



The parking facility business at FCC includes:

- ▶ **Management, operation, control and maintenance of regulated on-street parking.**
- ▶ **Construction, operation and management of underground parking garages.**
- ▶ **Municipal vehicle-towing and impoundment services.**
- ▶ **Development and implementation of computer applications to handle traffic violations.**

The company manages approximately 140,000 regulated on-street parking spaces and 13,000 spaces in underground parking garages, in the more than 80 cities where it provides these services. In 20 of this cities FCC also furnishes towing services to remove improperly parked vehicles.

The new contract awards of the year were:

REGULATED ON-STREET PARKING

- ▶ **Almuñecar (Granada):**
413 spaces for a two-year period.
- ▶ **Amposta (Tarragona):**
379 spaces for a 15-year period.

- ▶ **Guadix (Granada):**
350 spaces for a four-year period.
- ▶ **Logroño (La Rioja):**
1,242 spaces for an eight-year period.
- ▶ **Murcia:** 6,641 spaces for a seven-year period.
- ▶ **Salou (Tarragona):**
1,579 spaces for an eight-year period.
- ▶ **San Sebastián Centro-Amara (Guipuzcoa):**
3,522 spaces for a five-year period.
- ▶ **Talavera de la Reina (Toledo):**
1,510 spaces for a ten-year period.

CONSTRUCTION AND OPERATION OF UNDERGROUND PARKING GARAGES

- ▶ **Amposta (Tarragona):**
Construction and operation of 250 parking spaces for a 50-year period.
- ▶ **Baiona (Pontevedra):**
Operation of 484 parking spaces for a 50-year period.
- ▶ **Gandia (Valencia):**
Operation of 314 parking spaces for a two-month period.
- ▶ **Gijón (Asturias):**
Construction and operation of 300 parking spaces for a 43-year period.
- ▶ **Santander (Cantabria):**
Construction and operation of 438 parking spaces for a 50-year period.

SERVICES



VEHICLE TOWING AND IMPOUNDMENT

- ▶ **Burgos:**
For a four-year period.

SUPPLY OF HARDWARE AND SOFTWARE FOR HANDLING TRAFFIC VIOLATIONS

- ▶ **Burgos:**
Supply of software and hardware..
- ▶ **Madrid:**
Supply and maintenance for a four-year period.
- ▶ **San Sebastián (Guipuzcoa):**
Supply and maintenance for a one-year period.



Vehicle roadworthiness, Argentina.

VEHICLE INSPECTION _ Turnover: 52 million euro

These services are provided in Spain and Argentina.

In 2009 more than 2,790,000 inspections were conducted, which meant that the joint turnover of vehicle inspection activity between Spain and Argentina rose by 12% over that of 2008.

The most noteworthy increase was in Argentina, which went up by around 29% thanks to the increase in compliance with inspection requirements, as a consequence of tougher traffic safety regulations. In Spain the increase registered was 8%.



Passenger transport, Jerez de la Frontera, Cádiz.

TRANSPORT _ Turnover: 21 million euro



FCC-Connex Corporación, S.L., a company owned in equal shares by FCC Versia's CGT Corporación General de Transportes, S.A., and by Veolia Transport (a subsidiary of Veolia Environnement), operates in the passenger transport sector. It runs buses (Corporación Jerezana de Transportes Urbanos, S.A., or Cojetusa), trams and trains (Detren Compañía General de Servicios Ferroviarios, S.L.).

COJETUSA holds the concession on city buses in Jerez de la Frontera. In 2009 the number of passengers it carried broke the 5.2 million mark. Its bus fleet covered three million kilometres.

Detren is the operator of the Barcelona trams, Trambaix and Trambesos. The total number of passengers it carried came to 24 million.

In 2009 a two-way communication system dubbed "Digirail" went into operation in the tram systems. Equipped with a network of cameras and monitors, the system enables trams and stops to be supervised and recorded in real time, and it also serves as a means of communication for tram passengers.



CONTRACT AWARDS AND MOST SIGNIFICANT PROJECTS

- ▶ Barajas Airport tunnel maintenance, for AENA
- ▶ Maintenance of shadow toll and tunnel systems in Cataluña for CEDINSA
- ▶ Madrid sewer system operation service for Canal de Isabel II
- ▶ Renovation, upkeep and maintenance of service tunnels for the City of Madrid
- ▶ Action to renovate and repair the Canal de Isabel II water supply system

Conservación y Sistemas, S.A., is a technological firm specialising in the design, installation, operation and maintenance of traffic management and shadow toll projects in interurban road systems, safety facilities in road and railway tunnels and urban infrastructure maintenance and upkeep. Its areas of action are:

- ▶ **City upkeep and other services: Pavements, sewer tunnels and systems, irrigation and water distribution.**
- ▶ **Traffic management systems: Toll motorways and dual carriageways.**
- ▶ **Tunnel safety and control systems: Road and railway tunnels.**
- ▶ **Remote control and security systems: Buildings and special installations.**

Conservación y Sistemas has got permanent offices in Spain (Madrid and Barcelona) and Portugal (Madeira).

SERVICES



Remodeling of the central Alcorcón, Madrid.



Control Center service tunnels, Madrid.





Side loading collection vehicle.



Sweeper dual.



gas versions. The first diesel units were delivered to the city of Zaragoza. There was also an increase in sales of side-loading collection vehicles; units running on compressed natural gas were delivered in Pozuelo de Alarcón, Madrid.

The 68-craft fleet of floating-waste collection units continued working hard over the summer along the coasts of Cataluña and Baleares as part of the multi-year programmes of the Catalan Water Agency and the Balearic government.

Sistemas y Vehículos de Alta Tecnología (SVAT) sells high-tech equipment and vehicles for city sanitation, coastal water and beach cleaning and industrial cleaning.

In 2009 SVAT solidified its leadership in sales of compact city sweepers, which have evolved far enough technologically to achieve major reductions in their air pollution emissions, noise emissions and fuel and water consumption. SVAT's market share has grown significantly, due primarily to sales of machines with innovative technologies that incorporate cleaning systems with water-recycling and tile-scrubbing capabilities.

The main cities where street-cleaning machinery was delivered were Córdoba; La Coruña; Orihuela, Alicante; Palma de Mallorca; Pozuelo de Alarcón, Madrid; Talavera de la Reina, Toledo; Tarazona, Zaragoza; and the city of Barcelona.

A new, small (two-m³) compact sweeper model was recently launched on the market in diesel and compressed natural

CONSTRUCTION

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ANALYSIS OF THE SECTOR

Production in the Spanish construction sector came to 163,660 million euro in 2009. That was 11.0% down, in real terms, from 2008 (down 18.0% in building and up 2.0% in civil engineering works).

Government tenders, which determine the volume of activity in **public works** for the upcoming fiscal years, remained steady thanks to the Local Investment Fund, which enabled 2008 tender levels to be reached (-0.4%).

By subsectors, **residential building**, the heavyweight of the construction industry, accounted in 2009 for 27% of the total (now just four points more than in the countries around us), with a balance down 25.0% from 2008. The year 2009 closed with the lowest figure for newly started housing construction in many years, some 150,000 units.

The number of finished housing units came to 390,000, 37.0% less than in the previous fiscal year, which had fallen by only four points since 2007 due to the inertia in this subsector. The

number of residential construction permits secured in 2009 was 110,000, 58% fewer than in fiscal year 2008; such figures were hitherto unknown in the historical series.

Non-residential building accounted for 15% of business, with a reduction of 15% in connection with the previous fiscal year (nine points less than in 2008). Building permits in this subsector experienced a 36% drop.

Building refurbishment and maintenance, which made up 24% of the total, declined by 11.0% (6.5 points less than in 2008). This subsector is still presenting investment figures 13 points below its European Union counterparts and therefore has a way to go upward; not in vain did the execution budget for expansions and improvements go up 10% in nominal terms. The measures announced by the national government to reduce the general VAT rate and the introduction of tax allowances and incentives for refurbishment work will help the sector converge on the same levels as the countries around us.

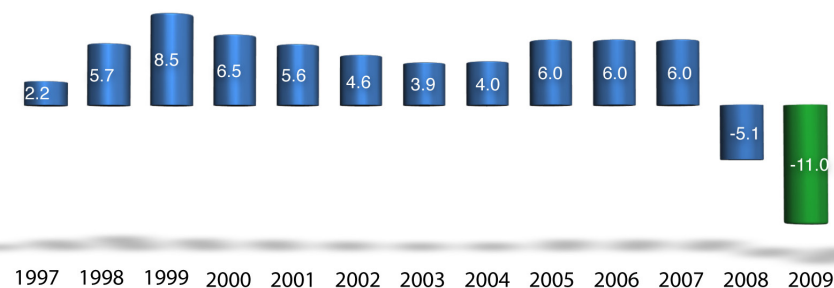
Civil engineering works were 34% of the sector's total overall production, with a year-on-year increase of 2.0%, just 2.5 points below 2008's level, due to the important impact on production of projects benefiting from the Local Investment Fund (FEIL).

Interestingly, Spain continues to be the number-four country in the European Union construction market, with 11.3% of the total, after France (with 19.4%), Germany (with 18.8%) and Italy (with 12.4%, wresting third place away from the United Kingdom, which slipped from 13.8% in 2008 to 10.6% in 2009, fifth place).

Government tenders as a whole grew in 2009 by 0.4% in current terms. Last fiscal year they reached 39,643 million euro, the national government holding a 31.4% share, almost half of which were railway projects (The Ministry of Development ran the tenders for 24% of the total, 12 points below the figure for the previous fiscal year). The autonomous communities held a 30.8% share, and local governments, 37.8%.

Annual variation rates in construction activity

In constant terms (Source: Seopan)



In 2008, out of the entire set of government tenders, the volume of tenders involving concessions came to 4,821 million euro (basically road infrastructure offered by the autonomous communities), so the ratio remained at 12.2% of the total sum at stake, 4.0% less than in 2008.

One highly revealing indicator of the stagnation of domestic construction activity is the apparent consumption of cement, which registered a 33.0% decline and accumulated a two-year backslide of 51%, posting a consumption level similar to that of 1998.

THE JOB MARKET

The working population in the construction sector, which in 2009 made up 10% of the total working population, experienced a 2.1% decline. The reduction in the number of workers –a consequence of drop after drop in production, which has been at negative levels since early 2008– showed an average of around -11.5% in the first nine months of 2009. However, in the last quarter of 2009 unemployment growth in the sector sat at a slight 1%, 10 points less than in the quarter before.

In the last two years, the construction sector has lost 810,000 jobs, and, despite the adjustment indicated above, which has attenuated the worsening features of 2009, in 2009 the construction sector employed 1,888,275 people, 23% fewer than in 2008, and 565,200 jobs, 41% of the Spanish economy's total, were destroyed.

The increase in unemployment in the sector has been going on without interruption, month after month, since May 2008, and although the historical data show that this was probably the toughest year, it is reasonable to think that the worst is over. This conclusion is backed up the number of workers in the sector who were registered under the general social security procedure last February; general social security figures show a certain positive evolution, unlike the figure for workers registered under the self-employed procedure, although the total balance is positive.

FORECASTS

The forecasts for 2010 point toward a tendency consistent with the recessive cycle, with an overall sector production decrease of between 7.5% and 10.5% in constant terms.

The allocation made available to the two main investing ministries (the Ministry of Development and the Ministry of the Natural, Rural and Marine Environment), their agencies, public entities, business enterprises and publicly owned companies, considering the effect of the Immediate Action Plan, calls for a 12.4% reduction (equivalent to 0.2% of the GDP) of the investment earmarked for infrastructure policy, with respect to 2008 in current terms.

By subsectors, and more specifically in the case of residential building, according to the Spanish Mortgage Association and other authorised stakeholders, the real estate market will begin to recover in 2010. In the meantime, a latent demand is perceptible. This latent demand will purchase housing when it can get better access to home financing and especially when it accrues more confidence in the economy.

One feature of the real estate supply is that it adjusts to changes in cycle more slowly than does the demand, due to the long time projects take to mature. For this reason, the slowdown in new residential construction initiated since the crisis began is starting to become noticeable now, in the shape of a smaller number of finished units.

Last fiscal year some 462,000 transactions were performed all in all, a figure much lower than that of previous years, when the market was registering nearly twice that number of sales. However, some 240,000 new-built homes were marketed, a not-inconsiderable figure. The sector is not at a standstill, although the adjustment has been an exceptional one.

Non-residential building will go down between 5 and 7%, the same as the investment in the sector, which will not rise until the markets' recovery has been consolidated. This will happen, as in the past, in stages: first offices and leisure, then retail



and logistics. The 2009 decline (15%) will begin to level out in 2010 (7%) and will continue to grow weaker in 2011 with a 1% decline, finally going into positive figures in 2012 with 2.5%.

Civil engineering works will continue to keep construction activity going. The investment in infrastructure in the upcoming fiscal year is expected to show a decline of no more than 7% with respect to that of 2008.



FCC CONSTRUCTION'S ACTIVITY

All of FCC's construction business is clustered around the company **FCC Construcción, S.A.**, which in 2009 had a turnover of 7,201 million euro, 11.9% less than in the preceding fiscal year.

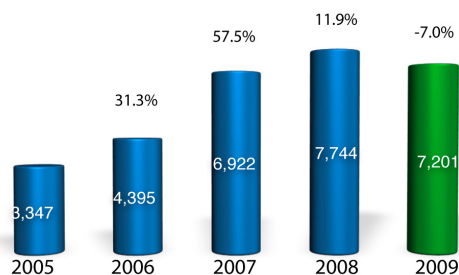
International activity is now the dominant side of the area, accounting for 53% of total revenue. This revenue is generated fundamentally in Europe, the source of 92%, through subsidiaries that work locally. FCC has a good position in Austria (42% of international sales), Germany (17%) and eastern Europe (25%), where its best results come from Romania (with 5.3% of international sales), Croatia (4.7%),

Bulgaria (4.4%), Poland (3.6%) and the Czech Republic (2.5%). Business in other non-EU regions (8%) clusters in America and Asia (Persian Gulf countries, China, India and Singapore).

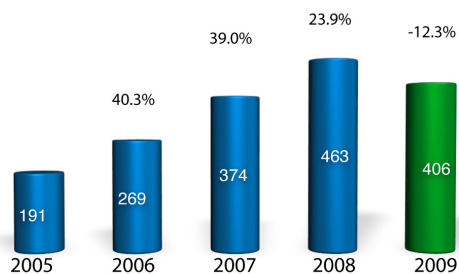
By business segments, civil engineering works, which are more complex and carry more added value, took on more weight during the fiscal year. They made up 69% of the turnover and 76% of the backlog.

Contracting was quite dynamic during the difficult fiscal year that was 2009, especially international contracting; the total backlog increased by 6.9%, thus reinforcing the visibility of contracting in future revenue, with a guaranteed 18 months' worth of production.

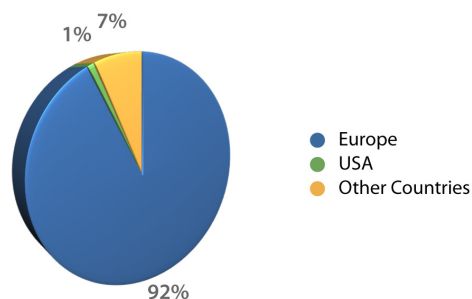
Turnover
Million euro



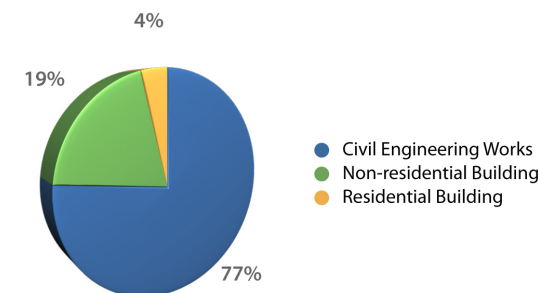
Gross operating profit (Ebitda)
Million euro



International turnover



Backlog



MOTORWAYS, DUAL CARRIAGEWAYS AND ROADS

This is the most active subsector of civil engineering works and the subsector that generates the most production and backlog.

The list below gives the most important contract awards won during the last fiscal year.

► **Duplication of road AS-17. Avilés to Puerto de Tarna, Asturias.** The existing road will be used in part, and 4.7 kilometres will be twinned to convert the road into a dual carriageway.

► **Improvement of road DN1C between Deg and Baia Mare, in the provinces of Cluj and Maramures, Romania.** This is an 86.5-kilometre-long section of road in northern Romania. Its width varies between 6.5 and 9 metres on a terrain that changes from flat to mountainous with grades of up to 7%.

► **Relief road around Arad, Romania.** This is a new 12-kilometre-long dual carriageway, with two lanes in each direction and a three-metre-wide central reserve. It will prevent traffic from having to pass through the city and will link interstate E-68 to road E-671, which FCC is currently engaged in building, to the city of Timisoara, 32 kilometres from Arad.

► **Road between La Aldea and El Risco, on Gran Canaria Island.** This is a 10.4-kilometre section of road. Seven kilometres of it are two-way road, while the rest has two separate two-lane roadways, one in each direction. One of the job's special features is the construction of diverse tunnels, a 2,339-metre-long double tunnel 76 m² in cross-section with two lanes in each direction, and another two three-lane tunnels (2,518 and 604 metres long, respectively) with a cross-section of 115 m², for two-way traffic.

► **Bridge over the Miño River. Located in the city of Lugo,** the project also envisaged the development of the surrounding area and the steeply sloping approaches to

the bridge. The central span is an arch 95 metres across that traverses the 60-metre-wide river without the aid of piers.

► **Bridge over the Pisuerga River.** This is a five-span, 204-metre-long bridge over the Pisuerga River in Valladolid. The fourth span is a compound 90-metre-long span that needs no piers.

► **Access to Zamora between roads CL-527 and N-122.** The project consists in building a 424.50-metre-long, 14.40-metre-wide six-span bridge. The three central spans are 92 metres long apiece and cross the bed of the Douro River.

► **Motorway in Slovakia.** Construction of a toll motorway in Slovakia, followed by 30 years' operation. This is one of the longest toll motorways in Slovakia, 25 kilometres long, and it will join the localities of Hricovské Podhradie and Dubná Skala, in the northern section of the country.

► **Construction of bridges over the San Juan de Turbe River and the Coclecito River, Panama.** Situated in the districts of Donoso (Colón province) and La Pintada (Coclé province), respectively, in Panama. The bridge over the San Juan de Turbe River will be 80.6 metres long, with an 10-metre-wide deck built of beams and concrete slabs. The bridge over the Coclecito River will be 73.6 metres long and will be of the exact same type.

► **Bosruck Tunnel. The contract for this 5.5-kilometre-long tunnel went to Alpine.** Bosruck Tunnel, currently a bottleneck on dual carriageway A9 Pyhrn, one of the most heavily-travelled routes in southeast Europe, will be enlarged with the construction of a second tube to the west a total of 5.5 kilometres long.

► **Longitudinal North Road. Section 5: Nuevo Edén de San Juan to the Carolina Detour, Republic of El Salvador.** The work consists in the improvement of 30.2 kilometres of the current road to convert it into secondary road with a standard bed width of 10.10 metres to accommodate two 3.25-metre-wide lanes and one-metre-wide verges.

CONSTRUCTION





AIRPORTS

► **Enlargement of the Terminal Building at Gran Canaria Airport.** The objective of the work is to increase the airport's passenger capacity, improve the quality of passenger service, increase the retail offer and give the terminal building an image makeover. The floor area is about 73,000 m². The project will consume 6,800 tonnes of structural steel and 5,400 tonnes of corrugated steel.

► **Retrofitting of the flight field of Asturias Airport.** The work consisted in levelling the safety zones and borders at the top and bottom of the runway and recomposing the main drainage facility.

► **Development of the Phase-2 reserve zone of Barcelona Airport.** This involves the construction of five on-street parking facilities, the conclusion of the roads providing connections to the west, paving of pedestrian pavements, the central reserve and green areas on the roads, for a length of 1,084 metres.

HYDRAULIC WORKS

The foremost contract awards from the last fiscal year were:

► **Expansion of the SAIH automatic hydrological information system for the Segura River Basin.** The project consists in building the infrastructure and electromechanical elements, computer and communication systems for remote measuring of water intakes and canal gates after the Tagus-Segura transfer point and remote control of the main gates and flow control along 240 kilometres of canals.

► **Contract to render piping and drinking-water treatment service for El Realito Aqueduct, Mexico.** A main pipe 132 kilometres long will be built out of steel, concrete or polyethylene pipes in diameters ranging between 1,200 and 300 mm.

► **Construction of El Zapotillo Storage Dam on the Verde River, in the state of Jalisco, Mexico.** This infrastructure will serve to provide drinking water for Los Altos de Jalisco and the city of León-Guanajuato. The project consists in the construction of a gravity dam of compacted concrete with a curved 320-metre crown. The dam will rise to a height of 132 metres above its foundations. The storage capacity of the dam will be 910 hm³.

► **Hydroelectric power in Portugal.** Ribeiradio Dam and Ermida Dam, accesses to Ribeiradio Dam and other complementary projects will be built. These facilities will be finished in four years and will generate 134 gWh (gigawatts/hour).

► **FCC subsidiary ALPINE is concluding the construction of Tsankov-Kamak Dam for NEK (Natsionalna Elektricheska Kompania), the Bulgarian national power company based in Sofia.** The site lies 250 kilometres southwest of Sofia, near Smolyan, in the Rhodopes mountain range along the border with Greece, on the Vacha River. The dam forms part of the hydroelectric complex that has been dubbed "the Dospat-Vacha Cascade".

The 130.5-metre-tall dam can store 111 hm³ of water. It is located 400 metres downstream from the point where the Gasnhya River (a left tributary) flows into the Vacha. The reservoir covers an area of 3.27 km², with a catchment area of 1,200 km².

MARINE CONSTRUCTION

The foremost contract awards were:

- ▶ **Dredging of the incoming channel and south basin of Castellón Harbour.** The job consists in dredging some 2.9 million m³, down to -16 and -17 metres, using a cutter suction dredge.
- ▶ **Improvement of Aboño Dock in Gijón Harbour.**
- ▶ **Naval Train Basin at Rota Naval Base, Rota, Cádiz.**
- ▶ **Reinforcement of the North Mouth Dock of Barcelona Harbour.**
- ▶ **Phase I of the container terminal at Tarragona Harbour.**
- ▶ **Improvement of operational capability at the commercial piers at Vigo Harbour (phase I).**
- ▶ **Increase in the depth of the Aragón Quay at Tarragona Harbour.** The work consisted in reinforcing the foundations of the caissons that comprise the quay (using super jet grouting to create columns three to four metres in diameter and eight to nine metres deep), dredging the basin and dredging out the riprap left over from the current rockfill bank.

RAIL INFRASTRUCTURE

Rail infrastructure remains one of the most dynamic sectors there is, thanks to plans to expand the high-speed railway network and projects to build new underground lines.

During the last fiscal year, the following were the foremost contract awards:

- ▶ **Two new sections of the Singapore Metro.** Together the sections measure 4,000 metres in length. In May 2009 FCC subsidiary Alpine concluded the construction of one section of the Singapore Metro system, and it has another section in progress. The two new contracts are for sections C-917 and C-918, which are on line 2. They are 1,800 and 2,200 metres long, respectively. Both sections will be built almost entirely as twin tubes, having an outer diameter of 6.6 metres, and will be lined with precast concrete segments.
- ▶ **Sorbas-Barranco de los Gafarillos Tunnel, Almería.** Construction of two parallel, 7.5-kilometre-long tunnels on the high-speed Murcia-Almería railway line. The tunnels run north/south. About 5,900 metres will be built using a combined EPB TBM with a tunnelling diameter of 10.05 metres and will then be lined with 0.50-metre-thick fibreglass-reinforced concrete segments. The 1,600 metres of the southern end are being constructed using the New Austrian Method.
- ▶ **Construction, maintenance and operation of line 1 of the Murcia Tram.** This is the biggest public works investment in the entire history of the city. With this contract, FCC has strengthened its leadership in the realm of urban rail transport concessions in Spain. The contract also includes the preparation of the construction design and the supply of rolling stock. The new tram line is nearly 18 kilometres long and will join the centre of Murcia with the Nueva Condomina shopping area and the universities, crossing the city's most important avenues. The line will have 28 stops set an average of 450 metres apart. During the 40 years the concession lasts, 513 million passengers are expected to ride the tram, which means that during the first year 5.5 million people will climb aboard.





► **Baumleite Tunnel in Germany.** The tunnel is 1,317 metres long, between the towns of Theuern, Truckenthal and Grümpen, south of Erfurt. It will have a 40-metre vertical evacuation route. It belongs to a new 107-kilometre-long train line between Ebensfeld and Erfurt, which is part of the project to improve railway connections between Nuremberg and Berlin.

► **New Kaiser Wilhelm Tunnel in Germany.** Built in 1877, the tunnel accommodates two sets of train tracks and has to be retrofitted to meet new safety standards. A new tunnel will therefore be built for a single set of tracks. The tunnel lies on line 3,100 between Koblenz and Perl. It will be 4,200 metres long. The new tunnel will be dug out with a single-shield TBM having a diameter of 10.12 metres. The existing tunnel will be improved and connected to the new one by eight cross-tunnels, each 15 metres in length.

► **Contract to build, operate and maintain line 1 of the Zaragoza Tram.** The work consists in the construction of 13.4 kilometres of railway bed, preferably at surface level, twinned for a double electrified line that crosses the city of Zaragoza from north to south, with a total of 24 stops. In addition the project calls for the construction of two areas of tram car yards and workshops, one for each phase, as well as an intermodal transfer facility and two car parks to encourage people to take the tram instead of driving.

► **Two contracts for maintenance of the infrastructure, tracks and sidetracks of the high-speed lines linking Madrid with Barcelona and Seville.** The first contract refers to the Madrid-Zaragoza section, and the second is split between the Madrid-Adamuz, Córdoba, section of the Madrid-Seville/Córdoba AVE high-speed line and the La Sagra-Toledo branch line.

► **Modernisation of the Beira Baixa Line, Castelo Branco/Vale dos Prazeres section, in Portugal.** This includes the improvement of the section for a length of 38.5 kilometres and alterations to the stations at Alcains, Lardosa and Castelo Novo.

URBAN DEVELOPMENT AND PARKING FACILITIES

Foremost contract awards:

► **Urbanización Los Almendros in Torrejón de Ardoz.** It has an area of 88 hectares and includes the improvement of the Colada de Galapagar livestock trail and the construction of service roads for national road M-206.

► **Development of Ronda de Sant Raimón de Penyafort, in the section sandwiched between Gran Vía and calle Cristófol de Moura, in Sant Adrià, Barcelona.**

► **Development under the Integrated Action Programme pertaining to the Ronda Perimetral Norte Modifying Inner Alteration Plan of Denia, Alicante.** The developable area is 274,217 m², including these jobs: paving of roads, car parks, pedestrian pavements, pedestrian network, plus treatment of remaining areas through gardening, trees, play parks and urban furniture, in addition to the water, sewer, electricity and lighting systems.

► **Development of the Torreblana II Sector of Vacarisses, Barcelona.** The main activities are the internal improvement of the sanitation, drinking-water, telephone and electricity systems, paving, gardening and urban furniture. .

► **Underground parking garage in District C “Las Tablas” in Madrid.** This garage has 852 parking spaces distributed amongst four underground floors.

► **Improvement of the spaces around the old slaughterhouse, Madrid.** The jobs consist in re-developing and landscaping the area disturbed during the burying of the M-30 ring road in the vicinity of the old slaughterhouse. Improved drainage and paving are also included.

► **Landfill for non-hazardous waste in Castañeda, Cantabria.** At issue is the construction of two basins with the capacity to hold 7,500,000 m³ and an estimated useful lifetime

of between 20 and 25 years, approximately. The project also includes waterproofing work, drainage work, the construction of access roads and the construction of a leachate collection pool.

RESIDENTIAL

The foremost contract awards were:

- ▶ **106 publicly sponsored homes in Alcorcón, Madrid.**
- ▶ **159 homes at Colinas Golf Residencial in Orihuela, Alicante.**
The complex has detached and semi-detached homes and apartment blocks.
- ▶ **350 homes under the Alamillos Oeste Partial Plan in Algeciras, Cádiz.**
- ▶ **107 single-family and semi-detached homes in Rivas Vaciamadrid, Madrid.**
- ▶ **131 homes in Móstoles-Sur.**
- ▶ **132 homes in Rivas Vaciamadrid, Madrid.**
- ▶ **Construction of 103 homes in Seville.**
- ▶ **117 homes in Alcorcón, Madrid.**
- ▶ **135 low-income homes in Seville.**
- ▶ **Building of 310 homes in Getafe, Madrid.**

▶ **Two sets of surface rights in Seville.** The first is for building 182 low-income homes, and the second, for building 160 low-income homes. Both projects are located in the Pino Montano development in Seville.

▶ **107 homes under the Móstoles Sur Development Action Programme, in Móstoles, Madrid.**

NON-RESIDENTIAL CONSTRUCTION

Included under this heading is the construction of administrative buildings, schools, health service buildings, cultural, athletic and commercial facilities, hotels and industrial buildings.

Administrative and Office Buildings

▶ **Torre Zero Zero on calle Diagonal in Barcelona, for the Barcelona Free Trade Zone.** At issue are the structure and above-ground architecture of a 24-storey office building with a floor area of 34,000 m².

▶ **Building to house the District Archive and Neighbourhood Centre for the city of San Feliu de Llobregat, Barcelona,** with a floor area of 3,241 m².

▶ **Building for the Social Security Treasury, the National Social Security Institute and the Social Institute of the Navy in San Sebastián.** The building, which has over 23,000 m² of floor area, is intended to house offices and services of the aforementioned agencies. It will stand on a lot with a three-metre setback between calle Hermanos Otamendi, calle Humboldt and calle Juan de Zaragüeta, in San Sebastián, Guipúzcoa.

▶ **Mossos d'Escuadra (Catalan police) station for the Camp de Tarragona Regional Headquarters.** At issue is a building with two basements and three above-ground levels, with a total area of 9,138 m².

Vela Hotel, Barcelona.





Hospital of Córdoba.



Caja Mágica, Madrid.

► **Norte 1 Security Facilities and Penitentiary in Álava.** This has a floor area of 87,900 m² and 872 cells. It consists of several buildings, an access control point, a socialisation building, a kitchen with facilities and storerooms, communications, the office of the service head, departures and transit, a control tower, an athletic and cultural zone with restrooms, dressing rooms, an indoor swimming pool, a gym, an auditorium and an infirmary. The residential module is laid out in the shape of a comb, with building systems on the ground floor and two storeys of cells above. Vocational and production workshops. The entire complex is surrounded by a six-metre-tall patrol wall.

Schools

► **Work to remodel and enlarge two secondary schools in Portugal.** One of them is in the city of Braga and the second is in Porto. The total area to be refurbished in the two schools is 15,530 m², and the area of enlargement is 11,800 m².

► **Laboratory animal facilities at the Biological Research Centre, for the High Council of Scientific Research (CSIC).** At issue is a building having 2,100 m² of floor area in two underground storeys and a mezzanine. Above ground there is only a small access hub.

► **Modernisation of the centre at Carlos III University belonging to the National Foundation of Cardiovascular Research, an agency of the Ministry of Science and Innovation.** The work consists in the full remodelling of the building with minor foundation underpinnings and structural reinforcement.

Health Service Centres

► **New District Hospital in La Línea de la Concepción, Cádiz.** The hospital is designed in the shape of a comb, with four hospitalisation blocks. The floor area is about 65,000 m².

► **Day care centre and home for people with spinal cord injuries in Aguilar de Campoo, Palencia.** Building with a basement, ground floor and first floor, with residential capacity for 14. The day care centre has an area of 1,000 m², and the home, 1,764 m².

Cultural, Athletic and Entertainment Complexes

Four football stadiums in Poland, where UEFA EURO 2012 games will be played:

► **Baltic Arena, Gdansk.** The new UEFA EURO stadium will be erected on a 39-hectare lot close to the city centre. It will have 44,000 seats and 6,500 parking spaces. The 15,891-m² structure echoes the design of Gdansk's traditional boats.

► **Poznan Stadium.** Two new tiers and a new roof will be built. The stadium, which will seat 47,000 when it is finished, will have a total of 1,600 parking spaces available.

► **Warsaw National Stadium.** The stadium will seat 55,000. The roof will consist of an impressive structure of steel cables, making the building quite a spectacular sight.

► **Krakow Stadium.** The new stadium, designed by the Spanish studio Arquitectos Lamela, will seat 15,500. Terraces will be replaced by modern, partially roofed, reinforced-concrete tiers. The façade will be decorated with tiles in pale colours, and the view of historic Wawel Hill will be respected. About 15,000 m³ of concrete and 1,700 tonnes of steel will be needed for the stadium's construction.

► **Second phase of the new “MASI” Athletes’ Dormitory in San Juan Despi for Fútbol Club Barcelona.** At issue is the conclusion of the dormitory, whose structure we are building.

► **Football stadium seating 50,000 and track and field stadium seating 6,500 in Wilaya de Tizi Ouzou, Algeria.**

In addition the area will be developed, parking facilities will be built, a football pitch with artificial turf will be built and outdoor improvements will be made.

► **First phase of the construction of the Reyno de Navarra Arena Multipurpose Pavilion in Pamplona.** This consists in the demolition of the existing athletic facilities and the construction (up to the structure) of the new 45,000-m² multipurpose sport facility.

► **Municipal football pitch in Cornellá de Llobregat, Barcelona.** The work includes the construction of an 11-player football pitch, a seven-player football pitch, a two-storey building with tier seating for 800 spectators and a roof that covers the entire building and all the seating tiers.

► **Carlos III University multipurpose athletic facility.** The facility features swimming pools and spa and fitness rooms. One unique aspect of the building is that the roof over the pool area is made of thermochip wood panels mounted on a wooden structure. Outside there are a solarium, a paddle court, a volleyball court and a seven-player football pitch with artificial turf.

Shopping Centres, Fairgrounds and Conference Facilities

► **Austrian pavilion at the 2010 World’s Fair in Shanghai.** The work of Arge Span-Zeytinoglu Architects and Shanghai XianDai Architectural Design (Group) Co. Ltd., the pavilion will measure about 2,112 m² in area and will be arranged into two storeys. It will be dismantled once the Fair has closed.

► **Foundations, structure and sanitation for the El Corte Inglés shopping centre in Tarragona.**

► **Foundations, structure and sanitation for the Hipercor store at Puerto Venecia Shopping Centre, Zaragoza.**

► **Floor/ceiling slabs, panoramic lift structure, metal lift shaft reinforcements and other additional work on the new Edificio Windsor in Madrid.**

Industrial

► **Two LNG storage tanks in the enlargement of El Musel-Gijón Harbour, Asturias, through ISO.**

► **Two years’ operation and maintenance of the Las Dehesas biomethane production plant at Valdemingómez Technological Park, Madrid.**

► **New central laboratories in Olivais, Portugal.** This consists of a four-storey building that will occupy an area of 1,970 m².

Refurbishment and Maintenance

► **Alterations to the basement storey of the South Pavilion of El Prado National Museum’s Edificio Villanueva, in Madrid.**

► **Expansion of and alterations to the former Bank of Spain branch office in Ciudad Real, so the building can be used for the offices of various national agencies.**

► **Work to refurbish and improve sundry spaces in the Palacio de Fuensalida, Toledo.**





ELECTRICAL INFRASTRUCTURE DEVELOPMENT (DENE0)

DENE0, Energía e Infraestructuras Energéticas, is the FCC Group firm that has 25 years' experience doing business in the realm of electrical, mechanical and railway facilities.

The company's activities are structured into the following subsections:

- ▶ Railway catenaries
- ▶ Electrical substations
- ▶ Line laying (overhead and underground)
- ▶ Energy engineering for civil engineering works

DENE0's main public clients are the Ministry of Development (ADIF and the Directorate-General of Rail Transport Infrastructure) and the different autonomous communities, fundamentally through their publicly owned companies (such as MINTRA, GISA and Metro de Madrid).

Some of the more important of DENE0's contracts with private customers cover line rerouting for ENDESA, the Rail Triangle traction substation for GISA and power and lighting distribution for the new Sol local railway station.

In 2009 the company's most important event was when it won the contract for the high-speed catenary for the train tracks between Vigo and La Coruña.



ELECTRICAL INSTALLATIONS

Especialidades Eléctricas, S.A. (Espelsa), designs and installs electrical wiring; plans, designs and manufactures electric panels; builds and maintains distribution networks and transformation substations; and engineers advanced command-control computer and simulation systems.

Foremost amongst the activities of 2009 were:

Wiring

- ▶ Telefónica's Data-Processing Centre (Madrid-Julián Camarillo).
- ▶ Son Dureta Hospital, Son Dureta, Palma de Mallorca.
- ▶ Toxicology Institute in Las Rozas, Madrid.
- ▶ Barcelona Metro line 9.
- ▶ Castellón Airport.

Distribution Networks

- ▶ Construction and maintenance of distribution networks for UNIÓN FENOSA in Madrid and Toledo.
- ▶ Construction and maintenance of distribution networks for IBERDROLA in Madrid, Toledo, Albacete and Cuenca.
- ▶ Medium- and low-voltage electricity distribution network in Nuevo Tres Cantos, Madrid.

- Maintenance of 45-kV and 132-kV substations in Ciudad Real and Guadalajara.

Maintenance

- Seville Air Navigation Centre (AENA).
- Teatro Real, Madrid.
- National Library, Madrid.
- Sogecable, Tres Cantos, Madrid.
- Instituto Cervantes, Madrid.

Renewable Energy

- Operation and maintenance of a 20-MW photovoltaic solar plant in Espejo, Córdoba, belonging to FCC Energía. Plants built entirely by Espelsa in 2008.
- Turnkey contract to build a solar thermal plant in Palma del Río, Córdoba, with a cylindrical-parabolic solar collector to produce 50 MW without energy accumulation, owned by FCC & Abantia Sun Energy.
- Turnkey contract to build a solar thermal plant in Villena, Alicante, with a cylindrical-parabolic solar collector to produce 50 MW without energy accumulation, owned by FCC & Enerstar.

Advanced Computer Systems

- Air mission-planning system for the European EF-TYPHOON combat aeroplane.
- Operations planning and force activation system for NATO's C3 agency.
- The PLACA planning, control and analysis system for law enforcement forces and agencies.
- Flight instrument trainer for the Directorate-General of Traffic's helicopter service.



- FÉNIX forest fire-fighting job management and coordination system.

HEATING AND AIR CONDITIONING

Internacional Tecair, S.A., is the subsidiary devoted to designing and installing HVAC equipment and systems, mechanical equipment and systems, fire protection equipment and systems and system management equipment for all kinds of buildings.

During the last fiscal year it won the following contracts:

System Installation

- Main office of the Repsol YPF Campus. Madrid
- Main office of the Institute of Molecular Medicine, an agency of the High Council of Scientific Research. Alcalá de Henares, Madrid
- Art Creation Centre. Alcorcón, Madrid
- Sanchinarro Cultural Centre. Madrid
- Enlargement of the Gando Airport Terminal Building. Las Palmas de Gran Canaria
- Cerro del Águila office building. Madrid.
- Isla de Chamartín residential building. Madrid
- Chamber of Commerce. Valencia
- Headquarters building of the Directorate-General of Railway Infrastructure. Madrid
- Main offices of the Official Association of Architects. Madrid



Maintenance

- Corporate offices and central storehouses, Abbott Laboratories. Spain
- ValdeASFuentes Athletic Complex and José Caballero Multipurpose Sport Facility. City of Alcobendas
- National Toxicology Institute. Las Rozas, Madrid
- Plaza Nueva Shopping Centre. Leganés, Madrid

Through its subsidiaries GEINSA, Gestión Especializada Instalaciones, S.A., and EURMAN, **Internacional Tecair, S.A.**, does business in systems maintenance, upkeep and duct installation in all kinds of buildings.



CONSERVATION AND INFRASTRUCTURE

The FCC Group operates in this sector through **Mantenimiento de Infraestructuras, S.A. (MATINSA)**, in the following areas

Dual Carriageways and Roads

Maintenance of more than 1,100 kilometres of dual carriageways and 2,600 kilometres of conventional roads owned by the Ministry of Development and other levels of government (recipients of authority transferred from the national level, such as the Andalucía Council, the Regional Government of Guipúzcoa, the District Council of El Barcelonés) and concession-holding companies (Auconsa, Aucosta, Auto Estradas XXI, etc.).

Significant work during fiscal year 2009 included:

- ▶ Upkeep contract for the Asturian "Y" (Oviedo/Gijón/Avilés) and the contract for the upkeep of streets and thoroughfares in the city of Albacete.
- ▶ Upkeep and maintenance of winter roads on the Transmontana concession, Portugal.
- ▶ Renewal of the following road upkeep contracts:

_Burgos II and Albacete

_Extensions of the contracts covering Jaén; Goierrialdea, Guipúzcoa; Ciudad Real; Zaragoza; Sort; Palencia; Santander; Cáceres; la Albuera; Huelva Norte; Almendralejo and Murcia.

Hydraulic Infrastructure Maintenance

Control systems: Operation and maintenance of SAIH, the Júcar River Hydrographic Confederation's automatic hydrographic information system, in a joint venture with another company. This system models the hydrographic behaviour of river basins to predict flooding and to provide the information needed to manage the water in each basin.

Dams: Maintenance and upkeep work continues on the dams and reservoirs at Alarcón, Amatorio, Bellús, Beniarrés, Contreras, Escalona, Forata, Gadafest and Tous in the provinces of Alicante, Cuenca and Valencia.

Canals: Contract for the maintenance and operation of the main Campo de Turia canal, the main canal of the left bank of the Magro River and the Júcar-Turia Canal, a total length of 160 kilometres.

Forestry Jobs

These jobs include repopulation and improvement of the forests of the autonomous communities of Madrid, Andalucía, Extremadura, the Valencian Community and Castilla y León, for various organisations: autonomous communities, confederations, cities, towns and ministries.

Foremost this year were the awards of projects such as:

- Silvicultural treatments in the Casa de Campo for the city of Madrid
- Restoration, forest repopulation and silvicultural treatments for assets belonging to the Ebro River Hydrographic Confederation in the Community of La Rioja, in the municipal limits of Santurde and Santo Domingo

Forest Fire Prevention and Fighting

Matinsa has been providing reserve crew service uninterruptedly since 1998 for the eastern zone of the Community of Madrid, with a total of 234 operators, eight heavy forest fire pumps, 15 lightweight pumps, two high-mobility vehicles (VAMTACs), one biturbine helicopter and 14 forestry engineers. This service has been extended to the year 2010.

The company has also managed the fire-fighting service for Madrid's Casa de Campo since 2003. It has been performing forest fire-fighting service on railway lines in northeast Spain (Aragón and Cataluña) for ADIF as well, since 2008.

Environmental Restoration

The company also engages in environmental restoration work and work to reclaim deteriorated spaces, plus work to keep up and maintain reclaimed areas afterwards.

The significant contract award this fiscal year was:

- Reclamation of the section of the Guardamar del Segura dune system that reaches from Casas de Babilonia to the mouth of the Segura River, in Alicante.

Gardening and Landscaping

This fiscal year, the following action is being performed:

- Upkeep of parks and gardens requiring special protection in Madrid, including the Templo de Debod, the Sabatini Gardens, El Capricho Park, Dehesa de la Villa Park, Oeste Park, Quinta de los Molinos and the Tres Cantos forest area.
- Upkeep of parks and gardens requiring special pr Upkeep of Bosquesur Park.
- Upkeep of parks and gardens requiring special pr Maintenance and upkeep of the Southeast Regional Park and the El Mar de Ontigola Reserve.
- Upkeep of parks and gardens requiring special pr Upkeep and maintenance service for areas of bare earth, pavements and items of civil engineering work in the Casa de Campo.

PROJECTS R&D&i

MATINSA is participating in the following R&D&i projects:

- **Project Fénix-TIC**, consisting in the development and establishment of a management system for forest fire prevention and fighting.
- **Project Puentes**, for the design of a system for the real-time auscultation of structures while in use, using wireless sensors.





PROSER

ENGINEERING

Proyectos y Servicios, S.A. (Proser), studies and designs engineering plans. The contracts awarded during the fiscal year included the following:

Dual Carriageways and Roads

- **Layout and construction plans.** Relief road around the towns of Beas and Trigueros on road N-435, from kilometre point 205.8 to kilometre point 218.8, province of Huelva.
- **Construction plans** for the west relief road around Benacazón and improvement of A-473. Section: Benacazón to Aznalcazar.

Conventional and Urban Railways

- **Construction plans for the platform** for the high-speed railway line from Madrid to País Vasco/French border, from Burgos to Vitoria. Section: La Puebla de Arganzón to Iruña de Oca.
- **Informative study on the extension** of Madrid's local railway system to Soto del Real.
- **Complementary plans** for the infrastructure of the new Ciudad Aeroportuaria Station on line 9 of the Barcelona urban railway.

Hydraulic Works

- **Design of the distribution and support network** for irrigation of the Segarra-Garrigues System. Sector 4.1. The area involved measures about 2,112 hectares.
- **Beninar Dam.** The job consists in pinpointing the current safety status of Beninar Dam, from the standpoint of the dam itself as well as from the standpoint of the status of the dam's electromechanical equipment.

Technical Assistance for Architectural Supervision Teams

- **Architectural supervision and technical assistance** for work on sewage mains and outer basin rerouting along Carretera del Copero and Calle Termas.
- **Technical assistance** in improvements to roads C-154, B-432, BV-4405 and BP-4653, which make up the Vic-Gironella Corridor, in its section between Olost and Olvan and the new Prats de Lluçanès relief road.
- **Technical assistance** for the architectural supervision team: Drainage of the Vera-Palmaret system in the municipalities of Alborai and Valencia.

R&D&i

During 2009 and 2010 the primary objective of Proser's R&D&i programme has been to execute tasks concerning the optimisation of the geometric cross-section of tunnels. These tasks fall within a project entitled, "URBAN TUNNELS: Research into New Methodologies for the Analysis, Design and Construction of Tunnels in Urban Areas". This R&D&i project has been certified by the EQA (European Quality Assurance) consultancy firm as meeting standards.

Proser's work under this project covers four tasks:

- ▶ **Data collection** on the different rules and recommendations referring to all aspects related with the geometric design of urban tunnels.
- ▶ **Creation of a database** with the data collected in preceding phases.
- ▶ **Study** of the different parameters influencing cross-section design, evaluating the weight of each parameter.
- ▶ **Development of the methodology/tool** for the geometric design of tunnels.

These tasks have now been completed, and during 2010 the project will be concluded by means of the application of the resulting methodology in real tunnel projects.



CORPORATE IMAGE

Megaplas is the company that provides corporate image services, through its two production and management centres in Madrid and Turin.

During 2009 Megaplas remained busy in operations in the electronics area, installing its electronic price displays at over 80 Shell service stations on the Iberian Peninsula. The project will continue this year until the nearly 300 stations Shell has in Spain have all been covered.

Megaplas completed development of the Disa oil company's new image. This innovative corporate image will debut in the Canary Islands, where Disa has more than 160 service stations.

In Italy Megaplas was chosen as one of the suppliers to revamp the image of the API oil company. Altogether, the project is anticipated to include changing the company image at some 1,600 stations over a three-year period.

In the automobile sector, within the framework of its cooperation with the Fiat Group, Megaplas started rolling out the new image of the New Holland dealership network in Europe by giving more than 200 dealerships in various European countries image makeovers.

Also for the Fiat Group, Megaplas began to effect a change of image for Case dealerships in Spain.



In the logo supply business, Megaplas is firm in its standing as a certified supplier for the Fiat Group, exporting not only to Europe, but to countries all over the world, such as India and Mexico.

For the Renault Group, one of the FCC Group's historical clients, Megaplas ran a campaign to introduce the new image of the Dacia automobile at more than 150 dealerships.

In the hospitality sector, in addition to supplying and installing regular image components, Megaplas ran a campaign for McDonald's to replace the McAuto lane markings at more than 100 McDonald's restaurants in Spain.





OIL AND GAS PIPELINES

Auxiliar de Pipelines, S.A., has spent over twenty years working in the construction and industrial assembly of pipelines, particularly under API (American Petroleum Institute) specifications, for the top energy operators in the Spanish market. It does turnkey projects for all kinds of fluids, from primary transport systems, oil pipelines and gas pipelines to distribution systems for heating, hot water and cooling. Last fiscal year the company worked with what are known as "sealines" (underwater oil and gas pipelines), and the company continued to be involved in Spain's major domestic pipeline infrastructure developments.

On the R&D&i front, Auxiliar de Pipelines acquired the CompeGPS program, a tool that uses satellite mapping to improve study performance.

Main contract awards:

- ▶ **16-bar APA CORRIDOR, Lesaka-Sumbilla-Santesteban Bertizarana-Baztán, in Navarra**, with 34,885 metres of carbon steel UNE-EN-10208 Grade L-245, 8"-diameter pipe.
- ▶ **Gas pipeline for partial duplication of the branch line to Campo de Gibraltar Phase III, Cádiz**, 17,770 metres of carbon steel API-5L X 60, 16"-diameter pipe.

- ▶ **Alternative to the 12"-diameter Semianillo de Madrid** gas pipeline and the 26"-diameter Semianillo de Madrid Enlargement, both situated in the municipality of San Fernando de Henares. The total length of the layout includes 719 metres of 16"-diameter and 738 metres of 26"-diameter carbon steel API-5L-X60 and API-5L-X70 pipe.

- ▶ **Cartagena-Puertollano oil pipeline, Section I**, situated in Murcia, 92,002 metres of carbon steel API-5L-X60 pipe having an outer diameter of 14".

In the course of 2009, the following projects were finished:

- ▶ **Installation, pipe shipment and landing for the Denia-Ibiza-Palma de Mallorca underwater gas pipeline.** Length 269.6 kilometres, diameter 20"; API 5L X-70 pipe sheathed externally with concentric concrete. Landfall was made at Denia and Palma de Mallorca, and the Ibiza microtunnel was completed.
- ▶ **Alterations to the HVAC system of the Madrid-2 La Vaguada shopping centre.** Replacement and revamping of the entire old system, using pre-insulated pipes (in steel as well as flexible polyethylene) of different diameters ranging from 450 mm to 20 mm, over a total of 15,000 metres of pipelines. Metering modules were also installed at all retail venues.





PRECAST COMPONENTS

Prefabricados Delta is an FCC Group firm devoted to the production of precast components, fundamentally for civil engineering work. At the present time it operates four precast component factories, two situated in Humanes, Madrid, and the other two in Puente Genil, Córdoba.

One of the two facilities in Puente Genil is devoted to manufacturing concrete pipes with metal sleeves, and the other, to the production of pre-tensioned monoblock railway sleepers. Both are highly specialised and they are, without any room for doubt, two of the finest facilities of their kind in the country.

Prefabricados Delta has a facility in Humanes that was commissioned in 2004 to manufacture fibreglass-reinforced polyester (FRP) pipes. The factory is outfitted with one of the most modern, efficient systems. At this facility, in just four and a half years, nearly 400 kilometres of pipe have been manufactured. Prefabricados Delta also has a concrete component factory where metal-sleeved concrete pipes and precast reinforced-concrete tunnel-lining segments are made.

The following are the some of the major contracts, grouped by business sectors:

Water pipe supplies

A total of 128 kilometres of pipes was supplied. Of this, 75 kilometres were fibreglass-reinforced polyester pipe and 53 kilometres were post-tensioned concrete pipe with metal sleeves and elastic joints.

The most significant works contracts included the following:

- ▶ Irrigation, road and drainage infrastructure of the Ferreira, Figuerinha and Valvom Blocks for EDIA (Empresa de Desenvolvimento e Infraestruturas do Alqueva, S.A.) in Portugal, with 18 kilometres of post-tensioned concrete pipe with metal sleeves and elastic joints supplied in diameters ranging from 700 to 1,800 mm and maximum design pressures of between 6 and 10 atmospheres.
- ▶ Irrigation, road and drainage infrastructure of Serpa-Pias, likewise in Portugal, for EDIA. In this case the supplies shipped out consisted in 12.5 kilometres of post-tensioned concrete pipe with metal sleeves and elastic joints, with maximum design pressures of between 10 and 16 atmospheres and diameters ranging between 700 and 1,200 mm.
- ▶ Lining of Sentmenat Canal for Seiasa del Noreste (Sociedad Estatal de Infraestructuras Agrarias, S.A.) in the area of Colomers, Girona, with nine kilometres of pipe, again, post-tensioned concrete with metal sleeves and elastic joints in diameters of 1,800, 1,600 and 1,400 mm and a maximum design pressure of four atmospheres.
- ▶ Modernisation of the irrigation system used by the Almazán Canal Irrigation Association of Almazán, Soria, for Seiasa del Norte. For this modernisation job, 52 kilometres of FRP pipe were supplied in nominal diameters of between 400 and 1,400 mm, rated for pressures of 10 and 16 atmospheres.

Railway sleeper supplies

▶ During 2009 192,000 pre-tensioned monoblock sleepers were supplied, fundamentally type PR-01 (multipurpose sleepers for domestic- and international-gauge rails), intended largely for ADIF Infraestructuras.

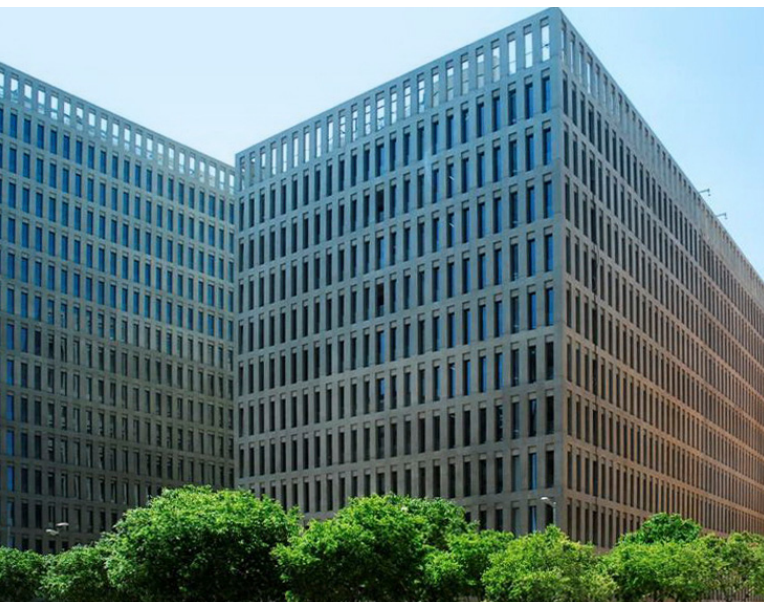
▶ Sleepers were also supplied to private builders for projects such as the Seville-Cádiz high-speed line's subsection from Las Cabezas de San Juan to Lebrija and Phase I of the project to improve marine access to Seville Harbour.

Reinforced-concrete segment supplies

▶ With Prefabricados Delta's securing of the contract to supply 4,000 linear metres (2,600 rings) of reinforced-concrete segments for the infrastructure construction project to extend line 2 of the Madrid Metro to Las Rosas, a facility in Humanes was started up, devoted to manufacturing this very product. During 2009 a total of 1,008 rings (1,512 linear metres) were made and a total of 7,056 segments was manufactured.



Murcia tram.



City of Justice, Barcelona.

INFRASTRUCTURE CONCESSIONS

During 2009 the following concession contracts for public engineering work were awarded to FCC:

In Spain:

- ▶ **Murcia Tram.** In April 2009 the Murcia City Council awarded a contract for the construction, maintenance and operation of line 1 of the Murcia Tram (17.76 kilometres and 28 stops) for 40 years. The contract was signed on 7 May 2009. FCC has a 60% interest in the concession holder. Currently the project is in the construction phase, which will end in the fourth quarter of 2010.
- ▶ **Zaragoza Tram.** The Zaragoza City Council awarded the contract to TRAZA, a consortium to which FCC belongs, after a tender to select the partner of a partially government-owned company in charge of building, commissioning, maintaining and operating line I of the Zaragoza Tram, 12.8 kilometres, for a 35-year period. Twenty percent of the capital in the company will belong to the city of Zaragoza and 80% will belong to TRAZA.

- ▶ **Torrejón de Ardoz Hospital.** The Community of Madrid awarded the contract for full management of Torrejón de Ardoz Hospital for 30 years in August 2009. This is only the second hospital in the Community whose contract calls for the concession holder not only to manage non-health services but actually to provide health services as well. The hospital will have an area of 62,000 m² and 240 beds, and it will provide coverage for more than 133,000 people. FCC represents 66.67% of the construction company and has a stake of 5% in the capital.

- ▶ **Mallorca health centres.** In late 2009 the Health Service of the Autonomous Community of Islas Baleares provisionally chose a consortium featuring FCC Construcción to receive the public works concession contract to build, keep up and operate five health centres and five basic health units. In January 2010 the award was made definitive. The contract's term is 11 years long.

Abroad:

- ▶ **D.1.3 Motorway, Slovakia.** In August 2009 the Slovak government awarded the contract for the construction and maintenance of phase three of motorway D.1 for 30 years to Žilinská Diaľnica, a consortium in which FCC holds a direct 25.5% interest (20.04% through FCC Construcción and 5.01% through Alpine) as well as a 24.95% indirect interest through Western Carpathian Motorway, a special-purpose vehicle organised to include financial investors.

Furthermore, FCC does business in the framework of infrastructure concessions through four companies:

- ▶ **FCC CONSTRUCCION** (Concession Division)
- ▶ **THE ALPINE GROUP** [79.27%]
- ▶ **GLOBAL VIA INFRAESTRUCTURAS** [50% FCC]
- ▶ **CEDINSA** [27.2%]

Below is a list of the concession holders in which FCC holds an interest:

España

- ▶ **CEDINSA EIX LLOBREGAT (34%)**

Holder of the concession for the construction and shadow toll operation of the road between Berga and Puig-Reig, Barcelona, as well as the upkeep and maintenance of the San Fruitós de Bages-Puig-Reig section, all of which are part of road C-16 (the Llobregat Artery). Two thousand and nine was the second year of operation. The average daily traffic on these sections reached 24,724 vehicles.

- ▶ **CEDINSA D'ARO (27.2%)**

In December 2005 Cedinsa won the contract for another shadow toll concession, for 33 years, for the 27.7 kilometres of the Maçanet-Platja d'Aro dual carriageway. The contract comprises the design, construction and operation of the section of road C-35 between Vidreres and Alou and the operation of the Maçanet-Vidreres section of road C-35, the

Alou-Santa Cristina d'Aro section of road C-65 and the Santa Cristina d'Aro-Platja d'Aro section of road C-31. Two thousand and nine was the first year of full operation. The average daily traffic on these sections reached 21,211 vehicles.

► **CEDINSA TER (27,2%)**

In 2006 FCC Construcción was awarded the concession for the 48.6-kilometre-long Vic-Ripoll shadow toll dual carriageway. Included are 25.2 kilometres of new route between Centelles and Ripio. The term of the concession is 33 years, including three years for construction and 30 years for operation. Construction is under way at present and the financing was closed in November.

► **CEDINSA EIX TRANSVERSAL (27.2%)**

In June 2007 the company was awarded a 33-year shadow toll concession for a 150-kilometre stretch of the Eje Transversal dual carriageway. The contract calls for the design, construction and operation of the Cervera-Caldes de Malavella section of road C-25. Most of the work involves twinning road C-25. The expropriation process is currently in progress, and negotiations with the Catalan regional government are under way concerning the cost of the final investment, which is expected to be settled in the first half of 2010.

► **URBICSA (29%)**

Company awarded a public works concession contract for the construction, maintenance and operation of the buildings and facilities of the City of Justice project in Barcelona and L'Hospitalet de Llobregat. The project comprises buildings reserved for the use of the Catalan regional government (159,878 m²), other ancillary uses, offices and commercial premises (26,628 m²) and a 45,628-m² car park for 1,750 vehicles.

► **AUTOVÍA CONQUENSE (100%)**

In 2007 the Ministry of Development awarded FCC Construcción a 19-year public works concession to keep up and operate the portion of roads A-3 and A-31 that runs through the province of Cuenca.

► **WORLD TRADE CENTER BARCELONA, S.A. (16,52%)**

This company holds the 50-year concession to manage the World Trade Center buildings at the port in Barcelona, comprising an area of 36,000 m² of offices and commercial premises, 6,000 m² of conference space and meeting rooms and a 280-bed hotel. It currently has an occupancy rate of over 95%.

► **PARC TECNOLÒGIC WORLD TRADE CENTER CORNELLÀ, S.A. (12,5 %)**

This company is building a complex consisting in seven office buildings, a shopping area and a 27-storey apartment hotel. Work has been completed on the first phase, which included three buildings having a floor area of 37,500 m², a 500-vehicle underground garage and a 10,000-m² garden.

► **LÍNEA 9 DEL METROPOLITANO DE BARCELONA (49%)**

In late 2008 IFERCAT (Infraestructures Ferroviàries de Catalunya) awarded the contract for the construction, maintenance and upkeep of 13 stations and their ventilation shafts on section I of line 9 of the Barcelona Metro for 32 years. FCC holds a 33% interest in the joint venture responsible for the construction portion of the job, and the remainder will be covered by new contracts. The concession holder's remuneration is set in the form of an annual fee.

Abroad

► **NEW ACUTE HOSPITAL FOR THE SOUTH WEST**

In May 2009 the financing and concession contracts were signed between the Sperrin Lakeland Health and Social Care Trust (Health Administration) and the winning consortium (in which FCC holds a 39% interest) for the construction, maintenance and operation (non-health services) of the New Acute Hospital for the Southwest in Eniskillen, Northern Ireland, for a 33-year period. The new hospital will have 315 beds.

CONSTRUCTION



Suburban Station Sol, Madrid.



Barcelona Subway.





Nàutic de Tarragona.



Tunnel d'Envalira, Andorra.

GLOBAL VIA INFRAESTRUCTURAS

During 2009 Global Vía Infraestructuras continued in its consolidation as the platform for major infrastructure projects in upcoming years by bringing more companies into its perimeter of consolidation.

For 2010 the following concession-holding companies are pending incorporation in GVI: Túnel Sumergido de Coatzacoalcos (Mexico), Autopista del Valle entre San José y San Ramón (Costa Rica), Marina de Laredo, Autovía Ibiza-San Antonio, Accesos de Madrid (R3 y R5), Trambaix and Trambesos.

Because the asset consolidation process begun in 2007 will be drawn out over several fiscal years, the portfolio of projects Global Vía manages has been classified, separating the assets contributed already during fiscal years 2007, 2008 and 2008 from the assets whose transfer was concluded by Global Vía in fiscal year 2010.

Concessions already brought within Global Vía's consolidation perimeter as of 31 December 2009:

► **AUTOPISTA DEL ITATA (100%)** in Chile. Itata Motorway. Global Vía Infraestructuras holds the contract to build this Chilean toll motorway between Concepción and Chillán, a total of 98 kilometres, and operate it for 13 years. The motorway is operational and in 2009 saw an average daily traffic of 3,749 vehicles.

► **AUTOPISTA DEL ACONCAGUA (100%)** in Chile. The Aconcagua Motorway. At issue is the construction of the Route 5 toll motorway between Santiago and Los Vilos, Chile, a total of 218 kilometres, and its operation for 15 years. The motorway is operational and in 2009 saw an average daily traffic of 11,975 vehicles.

► **AUTOPISTA TRASMONTANA (50%)** in Portugal. The Transmontana Motorway, in Portugal. The company holds the contract to build the mixed toll motorway between Vilareal

and Bragança, a total of 194 kilometres, and operate it for 30 years. Currently in the design and construction phase.

► **AUTOPISTA CENTRAL GALLEGA ESPAÑOLA, S.A. (61,39%)** Construction of the toll motorway between Santiago de Compostela and Alto de Santo Domingo, a total of 56.8 kilometres, and operation for 75 years. In 2008 the motorway saw an average daily traffic of 5,863 vehicles.

► **COMPAÑÍA CONCESIONARIA DEL TÚNEL DE SÓLLER, S.A. (56,53%)** Two-way toll tunnel through the Sierra de Alfàbia, part of the corridor from Palma de Mallorca to Soller. In 2009 it saw an average daily traffic of 7,869 vehicles.

► **TERMINAL POLIVALENTE DE CASTELLÓN, S.A. (45%)** The company that won the contract to build and operate a 9.5-hectare container- and general goods-handling terminal in Castellón Harbour. In operation since 2006. During 2009 130,059 tonnes of general goods and 31,391 containers were moved.

► **AUTOPISTA DE LA COSTA CÁLIDA (35,75%)** The company that won the 36-year government concession for the construction, operation and upkeep of the 98-kilometre-long toll motorway from Cartagena to Vera and the 16-kilometre-long stretch of the Cartagena toll-free dual carriageway for internal bypass traffic. In 2009 the average daily traffic was 2,157 vehicles.

► **METRO BARAJAS SOCIEDAD CONCESIONARIA S.A. (100%)** FCC Construcción won the contract for the concession to build and operate the new 2.5-kilometre-long underground line between the old Barajas terminals and the new terminal, T-4. In 2009 there were 3,224,587 passengers.

► **MADRID 404, SOCIEDAD CONCESIONARIA, S.A. (100%)** The company that won the concession to design, build, keep up and operate the 27 kilometres of dual carriageway M-404 between roads M-407 and M-506 as a shadow toll operation. Concession awarded in December 2007. The road is scheduled to be opened to traffic in 2011.

► **MARINA PORT VELL, S.A. (60,49%)**

Government concession from the Barcelona Port Authority with mooring capacity for 413 large ships and 4,800 m² of commercial premises. The marina's occupation level during fiscal year 2009 was 90%.

► **CONCESIONES AEROPORTUARIAS, S.A. (45%)**

The company that won a 50-year contract to build and operate Castellón Airport. The future airport will be situated between Benlloch and Villanueva de Alcolea at an exceptionally well-chosen site that lies within less than 50 kilometres of anywhere in the province. In 2010 the airport will become operational.

► **NÀUTIC TARRAGONA, S.A. (25%)**

The company that won the concession to build and for 30 years to operate this marina in Tarragona. The marina has the mooring capacity for 417 large ships, and in 2009 90% of this capacity had been either rented or sold. There are also 8,000 m² of retail space, which has all been sold.

► **OLIGSA (20%)**

The company that won the concession to build a 168,000-m² bulk goods terminal in the port of Gijón and operate it for 30 years. During 2009 the terminal moved 1,561,394 tonnes of goods.

► **PORTSUR CASTELLÓN, S.A. (30%)**

The company that won the concession to build and for 35 years to operate the solid bulk goods terminal in the southern enlargement of Castellón Harbour, with 300 linear metres of wharf and 60,000 m² of attached yard. Operational since 2008. The terminal moved a total of more than 290,000 tonnes during 2009.

► **HOSPITAL DEL SURESTE, S.A. (66,66%)**

The company that won the concession for the construction and comprehensive management of the new hospital at Arganda del Rey, Madrid, for 30 years. The hospital has been operational since 2007.

► **SCUTVIAS, AUTOESTRADAS DA BEIRA INTERIOR, S.A. (8,33%)**

Shadow toll motorway located in the Beira area of Portugal. The road is divided into eight sections measuring a grand total of 198 kilometres. In 2009 it saw an average daily traffic of 10,545 vehicles.

► **MADRID 407, SOCIEDAD CONCESIONARIA, S.A. (50%)**

This company holds the concession for the design, construction, upkeep and operation of the 11.6 kilometres of the M-407 dual carriageway between roads M-404 and M-506 as a shadow toll operation. The concession was awarded in August 2005 and has been in operation since 2007. In 2009 it saw an average daily traffic of 28,549 vehicles.

► **CONCESIONES DE MADRID, S.A. (100%)**

Government concession for the stretch of the M-45 dual carriageway ringing Madrid from the O'Donnell artery to the N-II, a total of 14.1 kilometres, for a period of 25 years under a shadow toll arrangement. During fiscal year 2009 it saw an average daily traffic of 81,675 vehicles.

► **TÚNEL D'ENVALIRA, S.A. (80%)**

The company that won the concession to build and for 50 years to operate the three-kilometre-long toll tunnel that links the Grau Roig winter resort to Pas de la Casa and holds traffic between Andorra and France on the Barcelona-Toulouse artery. During fiscal year 2009 the tunnel was used by an average of 1,552 vehicles daily.

► **TRANVÍA DE PARLA, S.A. (75%)**

The company that won the 40-year contract for the construction, supply of rolling stock, operation and maintenance of the 8.5 kilometres of double tram track in Parla, Madrid. This concession was awarded in 2005 and became operational in July 2007. The tram was used by an average of 4,152,000 passengers per year in 2009.



R2, highway Henares, Madrid.

► **TRANSPORTES FERROVIARIOS DE MADRID, S.A. (49,37%)**

Holder of the 32-year concession of the extension of line 9 of the Madrid Metro between Vicálvaro and Arganda, comprising a total stretch of 20 kilometres and three stations in between. During 2009 it was used by 6,435,629 passengers.

► **ruta de los pantanos, S.A. (66,66%)**

This concession is for the construction, management and upkeep for a 25-year period of the twinned 21.8-kilometre section of roadway on roads M-511 and M-501 between roads M-40 and M-522, in the Community of Madrid. In 2009 it saw an average daily traffic of 37,086 vehicles.

► **M-50 CONCESSIONS LTD (45%)**

The company that holds a concession for the construction and 35 years' operation of Dublin's M-50 ring road, the city's



Ruta de los Pantanos, Madrid.



Highway N6 Galway, Ireland.

primary bypass. The project consists in building 24 kilometres of motorway and operating and maintaining that stretch along with an additional 19.3 kilometres. The work is under way while at the same time maintenance work is being done on the motorway's full ring.

► **NUEVO NECAXA-TIHUATLÁN (50%)**

AUNETI, S.A. de C.V., in Mexico. This is the company that won the concession to build and operate for 30 years 85 kilometres of motorway starting in Nueva Necaxa and ending in Tihuatlán, in the states of Puebla and Veracruz, Mexico. Construction is in progress.

► **AUTOVÍA DEL CAMINO, S.A. (40%)**

The company that won the contract to build and operate the dual carriageway from Pamplona to Logroño using the shadow toll system. This stretch is divided into five completion phases comprising a total of 70.25 kilometres. It has been operational since late 2004. In 2009 it saw an average daily traffic of 11,844 vehicles

► **PORT TORREDEMBARRA, S.A. (24,08%)**

The company that holds the concession to build Torredembarra Marina and operate it for 30 years. The marina has 820 moorings, 87% of which were occupied in 2009. All 4,000 m² of the marina's retail space was rented.

► **METRO DE MÁLAGA (24,50%)**

Company that holds the 35-year concession to design, build, supply rolling stock and operate lines 1 and 2 of the Málaga Metro, covering a total length of 16.5 kilometres, 11.7 kilometres of which are underground. Nineteen stations will be built along the route. During 2009 it was in the construction stage.

► **S.C.L. TERMINAL AÉREO DE SANTIAGO, S.A. (14,78%)**

in Chile. Concession for the operation of Arturo Merino Benítez International Airport in Santiago de Chile for 21.5 years. During 2009 the terminal was used by 9,031,519 passengers.

► **AUTOPISTA SAN JOSÉ - CALDERA (48%)** in Costa Rica.

The company that won the contract to build the San José-Caldera motorway in Costa Rica and operate it for 25 years under a shadow toll arrangement. The road comprises three sections, a total of 76.8 kilometres, connecting the country's capital with one of Costa Rica's main Pacific ports. The motorway became operational in January 2010.

► **HOSPITAL DE SON DURETA (32%)**

The company that won the contract to build and operate the new Son Dureta University Hospital in Palma de Mallorca. The new hospital has got 987 beds, and the concession is for 30 years. Construction is currently in progress.

► **N6 GALWAY - BALLINASLOE (45%)** in Ireland.

The company that won the contract to build and operate the N6 Galway-Ballinasloe motorway along the strategic east-west corridor from Galway to Dublin, complying with the requirements of the National Development Plan. It consists of a 56-kilometre-long toll motorway between Galway and Ballinasloe, a seven-kilometre junction to the Loughrea bypass (single lane) and approximately 32 kilometres of slip roads. The concession is for 30 years. The motorway became operational in late December 2009.

► **R-2 AUTOPISTA DEL HENARES (10%)**

Henarsa is the company that won the contract to build and operate the R2 toll motorway, a 62-kilometre stretch of road that runs between road M-40 and Guadalajara. There are two sections. The inner section, which runs from road M-40 to road M-50, is an alternative route for avoiding traffic jams on road A-1 in San Sebastián de los Reyes and Alcobendas. The outer section is an alternative route to the heavy traffic on road A-2 between Guadalajara and road M-50. The term of the concession is 24 years. The average daily traffic during the last fiscal year was 9,381 vehicles.

► CIRCUNVALACIÓN DE ALICANTE (25%)

Ciralsa is the holder of the concession to build and operate the 28.5-kilometre Alicante ring road. The concession is for 36 years. The ring road has been in operation since December 2008, with an average daily traffic of 7,958 vehicles.

► METRO LIGERO DE SANCHINARRO (42,5%)

In 2006 Metro Ligerero de Madrid, S.A., was awarded the contract to operate and maintain the 5.4-kilometre-long Pinar de Chamartín-Sanchinarro-Las Tablas light metro line that connects lines 1 and 4 of the Madrid Metro system. This line has been operational since May 2007. The concession is for 30 years. In 2009 4,892,902 travellers rode on the light metro.

Concession holders that will be brought into Global Vía in 2010:

► TRAMVIA METROPOLITÀ, S.A. (19,03%)

The company that won the contract to build the transport infrastructure between southern Barcelona and the towns in the Baix Llobregat district and operate it for 25 years. The system has been in service since 2005. In 2009 it was used by 15,542,000 travellers.

► **TRAMVIA METROPOLITÀ DEL BESÒS, S.A. (19,03%)** This company was awarded a 27-year contract to build, operate and maintain the tram that links the Estación del Norte and the Villa Olímpica in Barcelona with Sant Adrià del Besòs and Badalona. It is 15 kilometres long. During 2009 it was used by 7,464,000 travellers.

► IBISAN SOCIEDAD CONCESIONARIA, S.A. (50%)

In September 2005 this consortium led by FCC Construcción was awarded the 25-year concession for the design, construction, upkeep and operation of the 14 kilometres of twinned road from Ibiza to San Antonio. The project is in the operational stage.

► MARINA DE LAREDO, S.A. (42,5%)

Government concession for the construction and operation of 540 moorings, 497 m² of retail space, a car park and a dry

storage yard at the port at Laredo, Cantabria, awarded in July 2005 for a 40-year period. It is currently under construction and is expected to be opened in the first half of 2010.

► AUTOPISTAS DEL VALLE, S.A. (48%) in Costa Rica.

In June 2004 this company was awarded the concession for the construction and shadow toll operation of the San José-San Ramón motorway in Costa Rica for 25 years. The motorway is 60 kilometres long. It is estimated that the motorway will be opened sometime in 2010.

► CONCESIONARIA TÚNEL DE COATZACOALCOS, S.A. DE C.V. (70%) in Mexico.

The company that won the contract to build the underwater tunnel in Coatzacoalcos, in the state of Veracruz, Mexico, and to operate it for 30 years under a shadow toll arrangement. This is a 2,200-metre tunnel, 1,200 metres of which are underwater, built using six segments of prestressed concrete precast in a drydock. Construction began in 2007 and the tunnel is expected to be operational in late 2010.

► ACCESOS DE MADRID, CESA (20%)

This is the company that won a contract to operate the R3 and R5 toll motorways. The R3 is a 33.9-kilometre toll motorway between road M-40 and Arganda del Rey that runs parallel to the toll-free alternative A-3 road. The R5 is a 28.3-kilometre toll motorway between road M-45 and Navalcarnero that runs parallel to road A-5. Both have been in operation since 2004, and the concession is for 50 years. The average daily traffic in 2009 was 12,777 vehicles.

Austrian subsidiary Alpine also holds an interest in this concession:

► Design, financing, construction and 30 years' operation of the first section of the A5 motorway in Austria. This is the country's first motorway concession, a 51-kilometre section of road. It includes the construction of the first part of motorway A5 from Vienna toward the Czech Republic between the towns of Eibesbrunn and Schrick and the prolongation of the northeastern ring around Vienna, which will connect to the



Highway A5, Madrid.

S1 and S2 fast lanes. Phase 1 entered operation in November 2009 and Phase 2 in February 2010.

The following table presents all the infrastructure concessions managed by GVI and FCC, including the contracts managed by Alpine as well:



Trambesós, Barcelona.



Torredembarra Port, Tarragona.

CONCESSION	COMPANY	TYPE	INVESTMENT (million €)	TERM (YEARS)
Galician Central Motorway	GVI	Toll road	303	75
Costa Cálida Motorway (Murcia)	GVI	Toll road	649	36
San José-San Ramón Motorway (Costa Rica)	GVI	Toll road	213	25
San José-Caldera Motorway (Costa Rica)	GVI	Toll road	264	25
N6 Galway-Ballinasloe (Ireland)	GVI	Toll road	340	30
R3 and R5 accesses to Madrid	GVI	Toll road	1,003	50
R-2 Henares Motorway	GVI	Toll road	563	24
Alicante ring road	GVI	Toll road	445	36
A-5 (Austria)	ALPINE	Toll road	875	30
Envalira Tunnel (Andorra)	GVI	Toll tunnel	54	50
Sóller Tunnel	GVI	Toll tunnel	51	33.5
Autovía del Camino Dual Carriageway (Navarra)	GVI	Shadow toll road	356	30
M-45 (Madrid)	GVI	Shadow toll road	214	34
M-407 (Madrid)	GVI	Shadow toll road	74	30
M-404 (Madrid)	GVI	Shadow toll road	162	30
Ibiza-San Antonio road twinning	GVI	Shadow toll road	101	25
Autoestradas da Beira Interior (Portugal)	GVI	Shadow toll road	933	30
Ruta de los Pantanos	GVI	Shadow toll road	107	25
Coatzacoalcos Tunnel (Mexico)	GVI	Toll tunnel	185	30
N. Necaxa-Tehuacán (Mexico)	GVI	Toll road	493	30
M-50 Dublin (Ireland)	GVI	Pay-as-you-go toll road	419	35
Itata Motorway (Chile)	GVI	Toll road	198	15
Aconcagua Motorway (Chile)	GVI	Toll road	457	13
Transmontana Motorway (Portugal)	GVI	Shadow and real toll road	706	30
Cedinsa Eix Llobregat	FCC	Shadow toll road	174	33
Cedinsa d'Aro	FCC	Shadow toll road	54	33
Cedinsa Vic-Ripoll	FCC	Shadow toll road	221	32
Cedinsa Eix Transversal	FCC	Shadow toll road	712	33

CONCESSION	COMPANY	TYPE	INVESTMENT (million €)	TERM (YEARS)
Cuenca Dual Carriageway	FCC	Shadow toll road	120	19
Motorway D.1.3 (Slovakia)	FCC/ALPINE	Pay-as-you-go toll road	2,800	30
Parla Tram	GVI	Rail infrastructure	104	40
Baix Llobregat Tram	GVI	Rail infrastructure	249	25
El Besòs Tram	GVI	Rail infrastructure	225	27
Murcia Tram	FCC	Rail infrastructure	183	40
Zaragoza Tram	FCC	Rail infrastructure	345	35
Madrid Metro line 9	GVI	Rail infrastructure	124	32
Barajas Metro	GVI	Rail infrastructure	47	20
Málaga Metro	GVI	Rail infrastructure	504	35
Sanchinarro light metro (Madrid)	GVI	Rail infrastructure	293	30
Barcelona Metro line 9	FCC	Rail infrastructure	1,000	32
Laredo Marina (Cantabria)	GVI	Marina	70	40
Port Vell Marina (Barcelona)	GVI	Marina	15	30
Nàutic de Tarragona	GVI	Marina	12	30
Port Torredembarra	GVI	Marina	15	30
Portsur Castellón	GVI	Logistics port	30	35
Castellón Multi-purpose Terminal	GVI	Logistics port	35	30
Gijón Harbour Bulk Goods Terminal	GVI	Logistics port	17	30
Santiago Air Terminal (Chile)	GVI	Airport	249	21.5
Castellón Airport	GVI	Airport	127	50
Southeast Hospital (Madrid)	GVI	Hospital	71	30
Son Dureta Hospital (Mallorca)	GVI	Hospital	243	31.5
Torrejón Hospital	FCC	Hospital	137	30
Enniskillen Hospital (Northern Ireland)	FCC	Hospital	372	33
Mallorca Health Centres	FCC	Health building	22	11
World Trade Center Barcelona	FCC	Service building	134	50
City of Justice, Barcelona	FCC	Service building	263	35
Tema Concesionaria (Mallorca)	FCC	Edificio servicios	33	40





TECHNOLOGICAL DEVELOPMENT

FCC Construcción upholds its active policy of technological development, applying innovation constantly to its projects, with a decided commitment to sustainability and with the company's contribution to quality of life as a competitive factor.

FCC participates in the technological facets of the most unique projects, preparing its own R&D&i designs and designs to improve construction procedures. These advantages, in combination with strong support for the company's machinery and ancillary resources, enable FCC to offer its clients a range of in-house technical solutions. That is what makes FCC stand out from the rest of the sector.

For example, FCC Construcción is a participant in the European Construction Technology Platform, the E2B (Energy Efficient Buildings) Association, ENCORD (the European Network of Construction Companies for Research and Development) and the Spanish Construction Technology Platform. These organisations all aim to combine the efforts being made by research centres, industries and universities in everything having to do with research, development and technological innovation in the area of construction.

Fiscal year 2009 also contained a number of specific R&D&i projects. Work continued on projects started in preceding fiscal years, such as Tunconstruct, ManuBuild, Arfrisol, Hatcons, Submerged Tunnels, OLIN, Urban Tunnels, Continuous Wall and CLEAM. New projects were also launched, such as Sustainable Building Refurbishment, Explosives (on research into the design and building conditions of transport terminals that are at risk of terrorist attacks), Bridge Damage Detection (with low-cost dynamic testing using wireless sensors) and GEO3D (to develop a real-time, 3D geological display system for projects using TBMs).

During 2009 BBR PTE, the FCC company specialising in pretensioning and special building techniques, made the following developments in the field of applying post-tensioning techniques and building techniques:

- ▶ Tests of grout for injection into post-tensioning cables using new cements, in order to comply with the requirements specified in the new Pr EN 445, Pr EN 446 and Pr EN 447 standards: All tests have been performed, and a thixotropic grout has been yielded that meets all the requirements indicated by the stated standards. The grout uses CEM I 42.5 N/SR cement from the Monjos factory belonging to Uniland (Cementos Portland Valderrivas).
- ▶ Development and implementation of new computer control systems for the equipment that resets precast segment decks in place: A new computer control system has been designed that includes new reaction control systems, alarm systems for deviations from expected reactions and automatic manoeuvre shutdown systems for when the admissible deviation is exceeded.
- ▶ Performance of tests of mechanical strength and fatigue behaviour of type-A stay cables for extradosed bridges, pursuant to SETRA (Service d'Etudes Techniques des Routes et Autoroutes) specifications: An accredited laboratory conducted a fatigue test of a 42-strand, 0.6" stay cable that was subjected to a cyclical load for two million cycles. After this test was concluded, a subsequent traction test was performed on the same stay cable until it reached breaking point. In both tests, the required acceptance figures were reached.

Special designs and construction

The following were the most unique and technically tricky examples of designs and construction:

Hydraulic works

► **Castrovido Dam.** In the summer of 2009 work began on this huge dam, which contains more than 800,000 m³ of vibrated concrete. The concrete was hauled to its place in the dam by two sector radial cable cranes capable of bearing a useful load of 27 tonnes. The fixed point is a cable-stayed lattice tower more than 80 metres tall. The ropeway is strung to 20-metre-tall towers that require more than 600 tonnes of weights in order to withstand the pull created by their huge load-bearing capacity.

FCC also has a high-capacity concrete plant (320 m³/hour) at the site. This facility boasts two double horizontal shaft concrete mixers having a capacity of 4.5 m³.

► **Vidin-Calafat Bridge.** All technical and experimental studies have been carried out on the undermining of the river bed because of the piers. Tests were conducted on a small scale model under a cooperation agreement with CEDEX and the University of Castilla-La Mancha. A physical model had to be built because of the unique nature of the piers standing in the navigable channel and the design flows in the Danube River, which can be as much as 19,300 m³/second.

The experience acquired through these studies made it possible to conclude the Bridge Pier R&D&i project. The project consists in the experimental definition of innovative foundations for bridge piers.

Marine construction

► Extension of the East Dock of Castellón Harbour.

The extension of the East Dock of Castellón Harbour is the first project built with the low-reflection caissons designed, studied and patented by FCC Construcción as the result of an R&D&i project implemented under an agreement with CEDEX. The special thing about these caissons is that they have a set of external openings and internal chambers that respond to a very precise geometry, causing a great deal of the incident wave energy to be dissipated by turbulence, thus reducing reflection and improving the caissons' functional conditions, essentially in terms of sliding and nearby navigational safety.

► **Mar del Enol.** FCC Construcción has acquired a multipurpose floating pontoon, the Mar del Enol. It is 60 metres long and has a beam of 40 metres. It can be used as a floating dock to cover market needs, which are calling for larger and larger caissons to be manufactured.

Viaducts and special structures

FCC has continued developing special bridges using its own proprietary systems. The latest, the Navia Viaduct, has earned a special mention from the FIB Awards for Outstanding Structures, scheduled to be given in Washington in May 2010.

► Viaduct over the Danube, Vidin-Bulgaria.

FCC Construcción has enriched its pool of equipment for building viaducts out of precast segments, with the addition of two hoisting carriages for moving segments into cantilevered position. The hoisting carriages can handle segments weighing up to 250 tonnes apiece and measuring up to 4.2 metres. These carriages will be used in the bridge over the Danube at Vidin, Bulgaria, to construct





180-metre-spans over the navigable area of the river. To load the segments onto the pontoons, there is a loader, the Jetty. It is capable of bearing a load of 250 tonnes and can run a load out to a distance of 22 metres from the edge of the dock. This loading device can be used to move in any materials and ancillary resources required during construction in the navigable vicinity of the bridge.

► **Concha de Artedo Viaduct, Asturias.** This viaduct is being built using FCC's proprietary system of precast segments. Upper falsework has been acquired for this purpose, for setting precast segments weighing up to 70 tonnes in place, with 75-metre spans, in successive cantilevers. The in-situ deck-building method may be adapted for use with spans of up to 60 metres and decks weighing 32 tonnes/metre (the standard AVE section).

► **Santander Harbour Draw Bridge.** As a continuation of FCC Construcción's vast experience in lift bridge projects, a draw bridge has been built on Maliaño Quay in Santander Harbour. The bridge won the 2009 Quality Prize in the civil engineering category. This bridge has two great movable segments, each covering a 36-metre span, and each actuated by two great hydraulic cylinders to open a navigation channel 62 metres wide between the supporting piers. The draw bridge can be reached from both sides by two compound decks with 89-metres spans.

► **New Seville lock.** The new lock at Seville Harbour actually involves several special projects, three bascule bridges and four huge movable gates, all designed by FCC Construcción's Technical Services. The three bascule bridges are single-span bridges with an external counterweight, the first bridges of their type to be built in Spain. One of them carries the railway line, while the other two are roadway bridges. They all share a 44-metre span. This span is also the distance that the four gates have to bridge. The gates are

nearly 20 metres tall and their mission is to hold back the water. The conceptual design of the mechanisms for moving the bridges and the gates was also addressed in the project design.

► **Caja Mágica in Madrid.** This is a building with a nearly square floor plan measuring 170 metres by 160 metres. The building's name, "the Magic Box", comes from its three unique movable roofs, which open and close like the lid on a box, with turning and translation capacity, so as to convert the areas they enclose into open-air or closed spaces. Inside lie three stadiums with seating capacity for 12,000, 3,500 and 2,500. The stadiums were initially prepared for tennis championships, but they can be used as multipurpose venues. When they are used for tennis events, the mobility of the roofs enable the Caja Mágica to host both indoor and outdoor championships.

► **Roof of R.C.D. Espanyol Stadium, Barcelona.** The roof covers the stadium's tiers of stands without any pillars in the way to obstruct spectators' view. The roof features four main girders in a latticework pattern, two longitudinal girders having a 195-metre span and two cross girders having a 155-metre span, all resting on eight concrete pillars two metres in diameter standing outside the stadium.

► **Roof of the Palacio de Comunicaciones, Madrid.** A very special roof has been built on the Palacio de Comunicaciones in Madrid (where the offices of the mayor of the city are now located) as part of the building-remodelling work. The roof is laminar, covering a great, L-shaped internal courtyard measuring 98 by 45 metres and of varying widths. The roof's special feature consists in its use of a single-layer, cable-stayed, laminar metal structure on which triangular glazing is set; thus, the structure holds up, yet is barely visible, and in appearance the roof becomes a great dome of glass.



► **Hotel Porta Fira, Barcelona.** This hotel is one of the most unique buildings built of late in Barcelona. It was designed by Japanese architect Toyo Ito and built by FCC. It is a 25-storey building that has a concrete core where the lifts and services are located and irregularly shaped albeit largely circular storeys arranged around the core. Each storey is slightly different, to make for an attractive outer appearance. One of the most characteristic features unique to this building is its façade, made up of thousands of red aluminium pipes. Inside each pipe is a hidden high-tech shock absorber to keep the pipes from vibrating.

Underground construction

During 2009 9.6 kilometres of tunnels were bored with earth pressure balance TBMs, all in urban zones, and 20 kilometres of tunnels were bored with double- and single-shield hard-rock TBMs. The following table summarises the different projects and the number of metres dug during the year.

EPB TBMs:

PROJECT	TUNNEL LENGTH (m)	EXCAVATED LENGTH (m)
Terrasa railway tunnels	2 x 3,138	2,664 + 2,036
Access to Barcelona Airport	4,096 + 8,326	1,578 + 2,803
Extension of Madrid Metro line 2	3,818	522

Hard-rock TBMs:

PROJECT	TUNNEL LENGTH (m)	EXCAVATED LENGTH (m)
Pajares Tunnel, Lot 5 Single shield	2 x 5,918	5,461 + 4,455
Sant Just Water Tunnel Double shield	5,716	5,461
Vigo-Das Maceiras Tunnels Double shield	2 x 8,160	2,419 + 1,808
Villalba Water Tunnel Single shield adapted for rock tunnelling	928	810



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ANALYSIS OF THE SECTOR

Spain

Cement consumption in Spain in 2009 was 28.6 million tonnes, as opposed to the figure of 42.7 million tonnes in 2008. Consumption therefore went down by 14.1 million tonnes, equivalent to a year-on-year reduction of 32.9%, according to OFICEMEN, the National Association of Cement Manufacturers. The growth trend the sector had been experiencing uninterruptedly since 1997 turned around in 2008.

As a consequence of the contraction of the domestic market, cement and clinker imports came down from 7.2 million tonnes in 2008 to 2.8 million tonnes in 2009, with a year-on-year rate of decline of 60.8%.

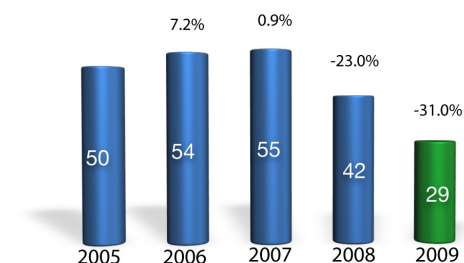
Logically, the sector made an effort to boost exports, which rose from 2.3 million tonnes in 2008 to 2.8 million tonnes in 2009. Of the latter figure, 1.5 tonnes were cement and 1.4 million tonnes were clinker. The total increase in exports was 21.8%.

According to figures furnished by the U.S. Department of the Interior Geological Survey, in the United States cement consumption experienced a decrease of 23.7% in 2009, as it fell from the 96.7 million tonnes consumed in 2008 to 73.8 million tonnes in 2009, i.e., 22.9 million less in absolute terms than in the preceding year.

The reduction in local demand obviously meant that cement and clinker imports declined in 2009. In fact, they fell by 39.3% with respect to the year before, coming to rest at 6.9 million tonnes, as opposed to 11.4 million tonnes imported in 2008, i.e., a 4.5-million-tonne decline. Exports maintained a similar level and descended by only 60,000 tonnes, with a year-on-year negative rate of 7.0%.

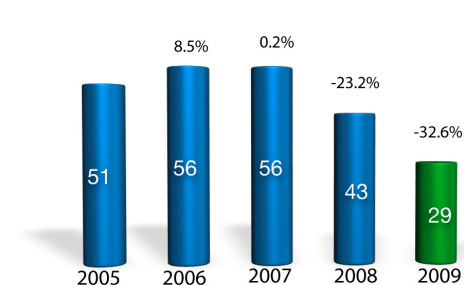
Cement Production in Spain

Million mt



Cement Consumption in Spain

Million mt





CEMENTOS PORTLAND VALDERRIBAS

FCC is the leading stockholder of **Cementos Portland Valderrivas**, with a control portfolio of 69.59% of the shares in circulation at the end of 2009. FCC's position is stronger than it was, since in December 2008 its interest in the share capital was 67.36%.

In January 2009 Cementos Portland Valderrivas exercised options to acquire 5.17% of the capital in Corporación Uniland, bringing its total interest in Uniland up from 65.48% in 2008 to 73.66%.

Cement

Cement, clinker and concrete sales in 2009 included sales made in Argentina and Uruguay up to 31 October only, because, as will be seen in the information on investments and divestments, in November Corporación Uniland sold its shares in Cementos Avellaneda and Cementos Artigas (the owners of three cement factories).

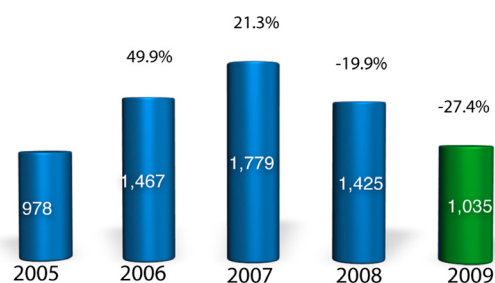
In 2009 sales were constrained by the evolution of the domestic and international economies and the building and cement sectors. As indicated before, consumption thus fell sharply, fundamentally in Spain and the United States. The aggregate sales of the Cementos Portland Valderrivas Group were 12,293,750 tonnes of cement and clinker, down 20.4% from the year before.

Taking the companies in the group one at a time, Corporación Uniland sold 5,257,927 tonnes, down 14.1% from the figure for 2008. Cementos Portland Valderrivas placed 4,052,079 tonnes on the market, 25.2% less than the year before. Giant Cement Holding sold 1,239,154 tonnes, with a decline of 33.7% from 2008.

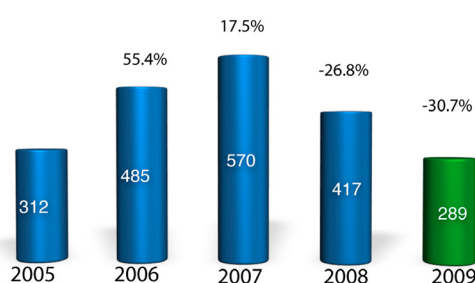
Cementos Lemona and Cementos Alfa sold 732,763 tonnes and 690,638 tonnes, with reductions of 6.6% and 24.0%, respectively, over the preceding year. In the United Kingdom, Dragon Alfa sold 186,773 tonnes and 134,416 tonnes were sold by other companies, with negative year-on-year variation rates of 11.7% and 1.6%.

In 2009, of the Cementos Portland Valderrivas Group's 12,293,750 tonnes of total sales, 1,177,526 tonnes (that is, 9.6%) were exports; in 2008 the export percentage was 6.3%. This indicates that the Group has continued with the policy it embarked on last year, aimed at boosting shipments abroad as much as possible in order to partially counteract the fall-off in domestic markets in almost all the countries where the Group does business.

Turnover
Million euro



Gross operating profit (Ebitda)
Million euro



In Spain, the group's 1,036,660 tonnes of exports accounted for 13.3% of the country's total sales in 2009. This same percentage was 7.3% the year before. In Tunisia the group's percentage was just 4.6% in 2009, although it must be stressed that sales in the domestic Tunisian market rose from 1,744,322 tonnes in 2008 to 1,785,152 tonnes in 2009, with a slight 2.3% increase. The United States and Argentina exported minimum quantities, making Uruguay next in line with 34,051 tonnes of exports, which accounted for 14.12% of that country's total sales.

Concrete

The Cementos Portland Valderrivas Group's total prepared concrete sales in 2009 were 4,916,950 cubic metres, down 19.7% from the preceding year, when the figure was 6,120,323 cubic metres.

By company groups, the Cementos Portland Valderrivas Group placed 2,873,154 cubic metres of concrete on its markets, with a 13.5% decrease from the figure reached the year before. The Corporación Uniland Group contributed 1,641,886 cubic metres, with a reduction of 26.5% from 2008. The Cementos Lemona Group was number three in terms of concrete sales, with 259,583 cubic metres, which meant a 22.5% decline from the preceding year. The Cementos Alfa and Giant Cement Holding groups supplied 86,089 cubic metres and 56,238 cubic metres to their respective zones of commercial influence, with negative year-on-year variations of 38.1% and 38.7%, respectively.

In Spain the prepared concrete division does business in eleven autonomous communities: Andalucía, Aragón, Cantabria, Castilla-La Mancha, Castilla y León, Cataluña, Extremadura, La Rioja, Madrid, Navarra and País Vasco. There are more than 1,000 concrete lorries in constant operation to sell the different products the division makes.

In 2009 action aimed at the consolidation of the environmental policy continued, in order to bump up the number of prepared concrete plants with zero liquid waste and work toward avoiding any kind of solid or liquid waste disposal. All the Group companies that make up the concrete division are certified under UNE EN ISO 9001, and several production plants already hold AENOR N product certification.

Aggregate

In 2009 the aggregate division placed on its markets a total of 15,464,665 tonnes, compared to the 19,700,385 tonnes sold in 2008, that is, 21.5% less than in the preceding year. In absolute terms, the decline was 4,235,720 tonnes.

Cementos Portland Valderrivas sold 8,545,225 tonnes, which meant a reduction of 18.9% from the figure of 10,539,689 tonnes sold the year before. Corporación Uniland sold 3,409,869 tonnes, which were equivalent to a 22.8% decline with respect to 2008. The Cementos Lemona Group and the Cementos Alfa Group delivered 2,537,067 tonnes and 629,595 tonnes, respectively, in their sales zone, with negative year-on-year variations of 13.3% and 47.0%. The Giant Cement Holding Group sold 342,909 tonnes, with a negative rate of 45.4% with respect to its historical record of 627,943 tonnes, set in 2008.

The aggregate division in Spain has a commercial impact on the autonomous communities of Andalucía, Aragón, Cantabria, Castilla-La Mancha, Castilla y León, Cataluña, Extremadura, La Rioja, Madrid, Navarra and País Vasco.





Dry Mortar

The mortar division of the Group sold 1,091,459 tonnes, with a reduction of 700,880 tonnes since 2008. The year-on-year variation was therefore a negative 39.1%.

Corporación Uniland's sales were 701,518 tonnes, with a decrease of 37.3% with respect to the preceding year. The Cementos Portland Valderrivas Group contributed 247,878 tonnes, 39.3% less than the figure for the year before. Cementos Lemona and Cementos Alfa together placed the remaining 13.0% of the total on the market, with sales figures of 86,737 tonnes and 55,326 tonnes, down from 2008 by 38.6% and 55.2%, respectively.

Investments and Divestments

The Cementos Portland Valderrivas Group sank 234.8 million euro into investments in fiscal year 2009, 24% less than it invested in the preceding year.

During the 2009 fiscal year, the work to modernise the factory in Keystone, Pennsylvania, was finished, enabling the production system to be converted from the wet process to the dry process, with the consequential increase in the factory's profitability. The rest of the investments in tangible fixed assets went into complying with environmental standards and facilitating new product manufacturing.

The Group's financial investments went up 17.1% with respect to 2008, to a total of 171.8 million euro. Of that sum, 170.6 million euro belonged to the acquisition of an additional 8.17% share in Corporación Uniland. So, Cementos Portland Valderrivas' holdings in Corporación Uniland rose from 65.48% in 2008 to 73.66% in fiscal year 2009. This acquisition accounted for practically all financial investments.

Furthermore, in order to adapt to the new market conditions, the company considered making a number of selective

divestments as part of the plan to increase cash generation. In pursuit of this objective, in November 2009 Corporación Uniland sold off its 50% interest in the share capital of Cementos Avellaneda, S.A., and Cementos Artigas, S.A., which do business in Argentina and Uruguay and own three cement factories. The sale brought in 136.7 million euro in revenue.

Industrial Development

During 2009 the Group took a very long stride forward in its cement factory energy recovery policy. There were two levels to the progress made.

First, a considerably larger amount of waste was recovered at all factories that held administrative authorisations for waste recovery. Lemona achieved 21% replacement; Vallcarca, 10%; Hontoria, 8.3%; and Mataporquera, 7.7%. Altogether more than 35,000 tonnes of coke were replaced in this one year, which made for a savings of approximately 2.7 million euro (including 0.7 from emissions rights for the more than 60,000 tonnes of CO₂ avoided through this procedure).

Second, various authorisations were secured for waste recovery at all the other factories except Olazagutía, and numerous types of waste tests were conducted.

A recovery strategy was defined, according to which, in future, in addition to biomass, there will be three families of waste on which recovery will mainly rest: fuels derived from the fraction left over from urban waste (which will be supplied mainly by FCC); wastewater treatment plant sludge; and plastic, mainly from plastic containers such as bottles (whose transformation into an appropriate fuel is being looked at).

Work also continued on the topic of incorporating decarbonised materials into the process in order to reduce greenhouse gas emissions. New administrative permits for that purpose were secured, such as the permits issued to the El Alto factory.

In the use of renewable energy, the Group looked at the feasibility of installing wind farms at Hontoria, El Alto and Mataporquera, but wind pattern studies showed that there were insufficient guarantees to justify investing in this type of facility.

Photovoltaic energy, however, may be another story. In joint action with FCC-Energía, solar radiation studies are under way, and so is the process of arranging for PREFO (photovoltaic pre-allocation) of 0.2 MW in 2010. So far the radiation studies have selected one of the infrastructures in Vicálvaro as the best candidate site for introducing this type of energy.

In 2009 Cementos Portland Valderrivas joined the CO₂ Technology Platform.

The management of the Cementos Portland Valderrivas Group has established strategies to mitigate the crisis' effects on the cement sector. One such strategy, which was launched last year, is to boost research into certain new cements that have greater added value, mean growth for current markets and look promising for exporting.

These "new cements" are cements for oil wells, microcements, natural cement, conglomerating products for soil stabilisation, cements for cooling towers and for natural water channels, and high-strength cements.

And lastly, there are concretes made with Ultraval cement, whose potential for immediate use on site has earned them the name of "express concretes". Work has been done on the design of a concrete lorry with water- and additive-temperature control, with the main objective of enabling this type of product to be supplied easily.

Work on the integration of quality management systems continued in 2009 as part of the objective of gradually integrating the different QM systems of the different business units. The eventual goal after that is to expand the objective with an R&D&i management system. In 2009 the QM model used in the cement business unit was introduced at Morvald

and Atracem. Moreover, the introduction process is highly advanced in the concrete division.

Benchmarking is a comparison-based management technique whose objective is to introduce the best business practices into an organisation. The Cementos Portland Valderrivas Group endeavours to use benchmarking to identify the best practices in all the businesses it has in different countries all over the world.

In 2009 the first comprehensive management report for all the cement factories was designed and conducted. This was the start of a continuous process aimed at analysing aspects of management and techniques within the company. As a consequence of these activities, in cooperation with technical support from the engineering department, there have been some important fuel savings. In the case of the factory in Tunisia, 93% of the fuel oil was replaced by coke.





Stock Market Analysis

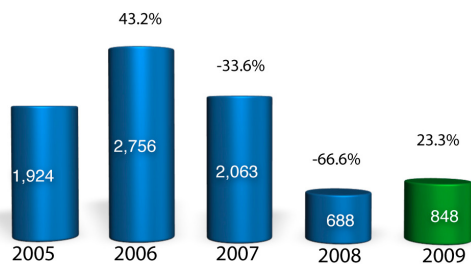
The company's shares were traded on all 254 sessions of the continuous market, with a total movement of 4,926,506 shares, 13% of the share capital as of 30 December. Of this number of shares, 1,997,914 were traded in the last month of the year. Trading prices wavered between a low of 15.10 euro on 9 and 10 March and a high of 41.98 euro on 10 June. On 30 December trading closed at 22.35 euro.

As part of the Group's plan to cope with the economic situation and improve financial ratios, the Board of Directors of Cementos Portland Valderrivas resolved in November 2009 to increase the share capital by 202 million euro. This was to be done by issuing and putting into circulation 10,092,915 shares at the price of 20 euro per share, with a par value of 1.5 euro and a premium of 18.5 euro, in the proportion of three new shares per eight old shares, with pre-emptive rights for shareholders dating to before the start of the share increase.

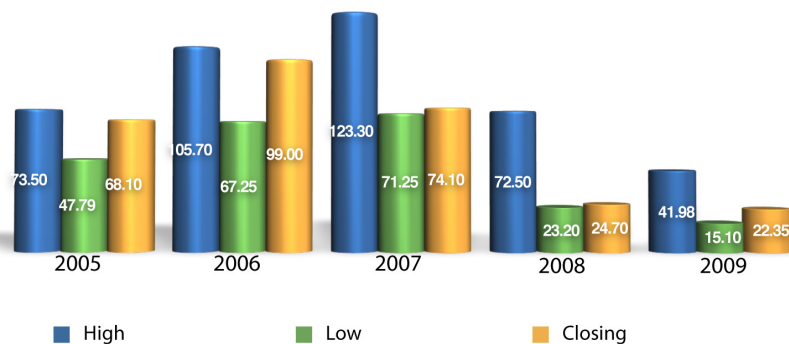
The pre-emptive purchase period began on 28 November and ended on 12 December 2009, and the rights were traded on the continuous market from 30 November to 11 December.

The capital increase was a success. All 10,092,915 shares issued were taken up. The leading shareholder, Fomento de Construcciones y Contratas, S.A., exercised all its rights, and the remainder was very favourably accepted by the market, since requests were made for 2.9 million shares more than there were rights for. The new shares were listed on 22 December. The number of shares in circulation is now 37,930,733, and therefore the share capital currently comes to 56,896,099.50 euro.

Stock market capitalisation
Million euro



Hogh, low and closing price of shares
In euro



ENERGY





ANALYSIS OF THE SECTOR

As a consequence of slower economic activity due to the crisis, demand has dropped, thereby setting off a struggle amongst the different sources and technologies seeking territory in the energy market.

The Spanish government's executive branch is not hesitating to maintain its support for renewable energy, which this year will take home some 3,500 million euro in premiums. Spain rides in the technological vanguard in wind and solar energy.

The Spanish energy sector, like that of other European countries, is facing monumental challenges that are thrusting themselves more and more frequently onto the political and business agenda: the energy sector's ability to cope with a long-term growing energy demand and to do so in a safe, cost-efficient, environmentally sustainable way.

The energy efficiency of our production sectors and our country's energy mix will be a key factor in future competitiveness. Renewable energies have proved in the last ten years that they are a valid alternative to fossil fuel technologies and an effective tool for reducing the environmental impact of energy consumption.

The carbon dioxide (CO₂) emissions of the electricity sector were reduced last year by 21% with respect to 2008, mainly by an increase in wind power and other types of renewable energy, a reduction of the demand and a decline in the use of coal (replaced by natural gas). Compared to 2000, the year 2009 ended with a 16.3% emissions reduction.

Social awareness is increasingly committed to fighting against climate change and saving energy. In addition, it must be said that the growth of wind power is still favouring this same change in trend.

After two weeks of intensive negotiations and two years of discussions, the Copenhagen Summit encouraged the taking of immediate worldwide climate-related measures. The agreement signed by the leaders of the main developed and developing countries and backed by a vast majority of countries will reinforce the need for national energy measures concerning climate change the world over. All countries have the deadline of 31 January 2010 to present their emissions reduction commitments.

FCC'S ACTIVITY

FCC maintains its interest in diversifying its business toward the energy sector. This is one of the main objectives of the FCC Group's Plan 10.

Since 4 September 2008, FCC Energía has been the company in charge of action in the energy and sustainability area. This includes activities in the field of renewable energy, energy efficiency, combined heat and power and energy recovery from waste.

During fiscal 2010, in addition to the consolidation of the wind and photovoltaic businesses and the start of solar thermal and energy efficiency activities, FCC Energía's intention is to analyse any opportunities for growth in the renewable energy sector that may appear. Opportunities may come in the form of taking an interest in new projects or bidding on new power tenders in Spain or in the eastern EU countries or the USA; these geographical areas all share the common denominator of the necessary legal certainty to enable companies to make medium-term investment commitments, and their respective governments have stated their political willingness to back the development and promotion of renewable energy sources.

During 2010 investments already made will be consolidated, and new investments will be initiated in new assets in concordance with the terms of Plan 10.



Photovoltaic Energy

In 2009 the finance project for two 20-MW photovoltaic farms in Córdoba was closed. The project was started up in September 2008 with the acquisition of full ownership of the farms. The investment came to 144 million euro.

Wind Energy

During fiscal year 2009 full ownership of the Australian group Babcock and Brown Wind Partners' 14 Spanish wind farms was acquired through the Olivento company. The 14 farms' total production capacity is 420.7 MW, with an additional 45 MW under development, which is estimated to be commissioned before 2012.

A 50% interest in the company IM Future, which takes care of maintenance at Olivento's wind farms, was also acquired.

Solar Thermal Allocations

On Friday, 13 November, the Council of Ministers approved an agreement allowing the commissioning of enough wind power facilities to produce 6,000 MW of electricity and enough solar thermal facilities to produce an additional 2,440 MW. These facilities will be opened on a staggered schedule over the next three years.

The agreement establishes the order in which the projects at issue will go into operation. Included are all the projects that have obtained registration in the Ministry of Industry's Special Procedure Pre-allocation Register (created by Royal Decree-Law 6/2009). Registration is an indispensable requirement for gaining access to current subsidies. This arrangement preserves the technical and economic stability of the electricity system.

In this context, FCC Energía has successfully had two plants, the Solúz-Guzmán solar thermal plant and the Enerstar solar thermal plant, listed in the Special Procedure Pre-allocation Register.

In July 2009 a purchase agreement was signed with Guzmán Energía (of which FCC Energía owns 75% and Abantia Empresarial, S.L., owns 25%). Guzmán Energía is a company located in Palma del Río, Córdoba, and its purpose is to build and operate a 49.9-MW solar thermal plant in Córdoba. This project is registered in the Ministry of Industry's Pre-allocation Register, and it is already under way. The estimated investment is 250 million euro.

In June 2009 Enerstar Villena was acquired. This company is headquartered in Villena, Alicante, and is owned by FCC Energía (67%) and sundry other investors (33%). Its purpose is to build and operate a 49.9-MW solar thermal plant. This project is registered in the Ministry of Industry's Pre-allocation Register. The estimated investment is 250 million euro.

Energy Efficiency

In October 2009 EFITEK Energía was organised. Its main business is energy efficiency project development and energy-related services. Right now the new company is looking at a number of combined heat and power generation projects and projects to install solar panels on building roofs. The company will begin doing business sometime in fiscal year 2010.

Wind Power Tenders

In August 2009 FCC Energía bid on a public tender for the wind power allocation for the installation of wind farms in the Autonomous Community of Cantabria. FCC applied to install wind-powered generators in five of the seven zones at issue in the tender (an aggregate power of 972 MW). FCC



Energía participated in the tender jointly with the Hergom Group and with Eólicas del Bierzo, although it maintained a majority position in the consortium. Within the framework of the tender, commitments have been made to a socio-economic plan and a plan of R&D&i investments in Cantabria in cooperation with different divisions of FCC and Cantabrian organisations. These commitments will be carried through if the FCC consortium wins the tender.

In 2010 FCC Energía plans to bid in any wind power tenders the autonomous communities of Spain happen to hold. Two such tenders that are certain to be held are the Cataluña

wind power tender and the Galicia wind power tender, which actually replaces a previous wind power tender that was called off in the last half of 2009, where FCC Energía's subsidiary Olivento had already won some projects.

New Investments

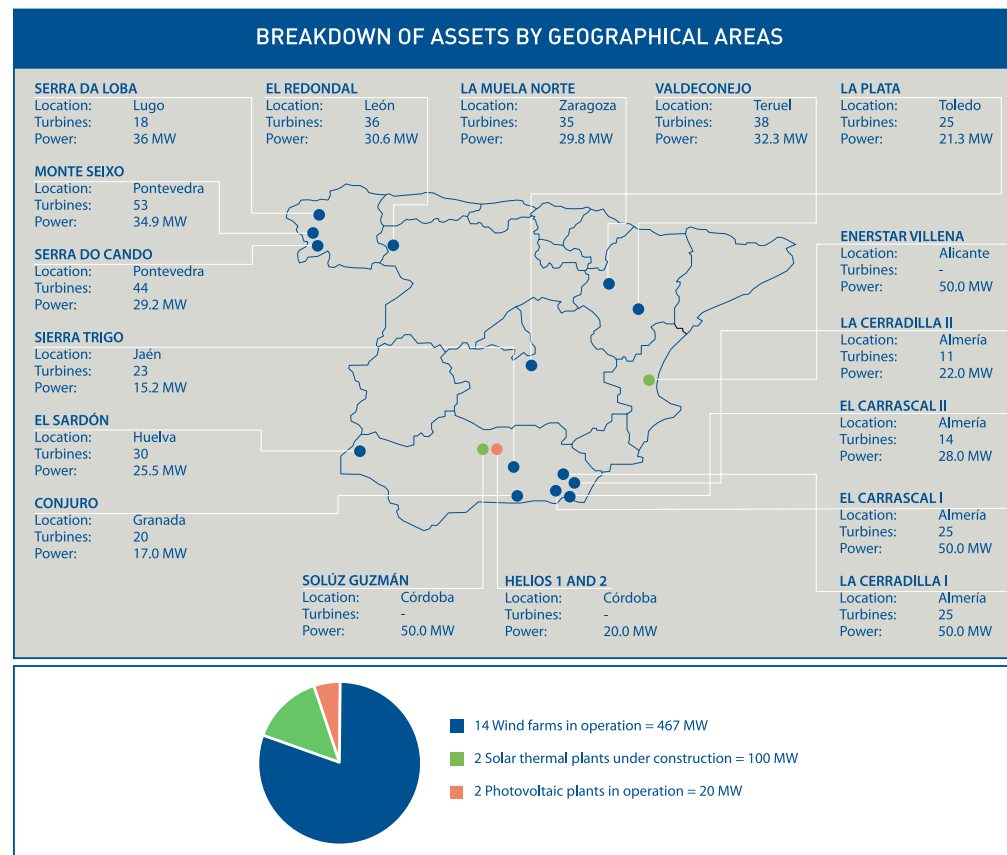
Priority in new investments will go to projects that promote assets to enable FCC to consolidate and enhance its position in the renewable energy sector and to develop, together

with other Group companies, the necessary technological capacities for building, operating and maintaining the facilities at issue.

The top-priority production technologies will remain wind power, photovoltaic power and solar thermal power. In the field of energy-related services, the latest technologies of combined heat and power generation will be applied.

In the field of energy recovery from waste, the opportunities are being actively analysed with the objective of getting the most out of FCC's waste management capacity in order to minimise the final volume of waste, while at the same time achieving renewable, autochthonous, competitive, greenhouse-gas-free electricity production.

RENEWABLE ENERGY ASSETS						
Location		Capacity (MW)	Percentage of Total	Investment (M€)	Status	FCC's Share
Zabalgarbi	Spain	29	4,2%	49	Operational	30%
Allington	United Kingdom	35	5,1%	178	Operational	100%
Eastcroft	United Kingdom	27	3,9%	-	Operational	100%
Zisterdorf	Austria	13	1,9%	78	Development	100%
Total Waste		104	15,1%	305		
14 farms	Spain	422	61,1%	760	Operational	100%
2 farms	Spain	45	6,5%	45	Development	100%
Total Wind		467	67,6%	805		
Total Photovoltaic		20	2,9%	144		
Solar thermal 1	Spain	50	7,2%	187	Development	75%
Solar thermal 2	Spain	50	7,2%	167	Development	67%
Total Solar Thermal		100	14,5%	354		
TOTAL		691	100,0%	1608		



REAL ESTATE

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REALIA

Realia was created in 2000 after the merger of the property and real estate development assets of FCC and Caja Madrid. At present FCC controls 30.023% of the shares in Realia, whose accounts are consolidated by the equity method. Since its creation, this real estate investee has had the company purpose of developing, managing and operating all kinds of immovable property, including office buildings, shopping centres, residential buildings and land management.

Property

Property makes up 64% of Realia's assets by value. These assets have a total area of 703,170 m², of which 563,153 m² are operational and 140,017 m² are under development.

Realia has office buildings in Spain and France, mostly located at strategic points of the main Spanish and Parisian business districts. It also has shopping centres in Spain, situated in areas of urban growth.

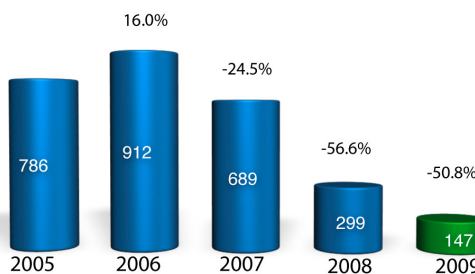
Offices in Spain

Realia owns a total leasable area of 261,217 m² in Spanish office buildings, mostly in the prime zones of business districts. The foremost of its office buildings in Spain are Torre Realia and the Los Cubos building, both of which are fine exponents of Madrid architecture.

The latest building Realia has put into operation is in Barcelona. This landmark building, Torre Realia BCN, is the work of Japanese architect Toyo Ito. The building was inaugurated in July 2009 and has a total leasable area of 31,959 square metres. It stands 117 metres tall and has 24 storeys, 22 of which are for lease, while the other two house the building's technical systems. The interior design is very special, because there are floors measuring 1,350 square metres with wide open spaces, thus making it easier for tenants to distribute areas to their own best advantage.



Residential Construction Started in Spain
Thousands of housing units



SIIC de Paris

Realia took control of SIIC de Paris, a property management company that is listed on the Paris stock market, in May 2006. Last June SIIC de Paris conducted a 132.6-million-euro capital increase in which Realia participated to its full potential by capitalising a previous 118-million-euro credit. At the close of December Realia controlled 82.28% of the capital, although the company's eventual objective is to dilute its holding to under 60% in order to adapt to the new tax system for French real estate investment companies (SIICs).

SIIC de Paris has a portfolio of 125,619 m² of office buildings situated in zones CBD and BD of Paris, the zones investors find most attractive. Some of its more significant buildings are situated at 85-89 Quai André Citroën, 61-63 rue de Belles Feuilles and 142 Boulevard Haussmann. Additionally, three office buildings are in the refurbishment and development process and are anticipated eventually to furnish 16,193 m² for lease. These buildings stand where rue François Ory and rue Louis Lejeune run together, and at 129 and 163 Boulevard Malesherbes.

Shopping Centres

Realia owns a leasable gross area of 132,584 m² in eight up-and-running shopping centres at excellent locations, with a good mix of operators, including the leading fashion, home, food and leisure firms.

In May 2009 Realia threw open the doors to the Plaza Nueva shopping centre in Leganés. This shopping centre contains medium-sized venues only, a new formula for Leganés. Plaza Nueva has a gross area of 50,000 m² for lease, enough for operators and firms to put on display the widest, most appealing offer for potential buyers, in a single, huge space containing all available ranges.

Furthermore, as part of its strategy calling for the rotation of assets that have reached a certain degree of maturity in their

development, Realia sold off its share in the Nervión Plaza shopping centre in Seville and other, smaller assets in Paris, for a total of 106 million euro. It earned 52.8 million in capital gains through these sales.

Residential

At the close of December 2009, Realia had a residential portfolio of 1,293 units (mostly homes, although there were also some retail units and offices). Out of this total, 268 residential units were sold and pending deeding and 1,025 were for sale.

During fiscal year 2009 Realia delivered a total of 634 homes to buyers and doubled its number of preliminary sales (purchase contracts with earnest money and other kinds of guarantees), up to 665 units. No land sales were concluded in 2009 due to the major constraints on credit, a factor that seriously affects this market.

Strategy

Since 2006 Realia has been following a strategy of strengthening assets and increasing assets' weight in the GAV (market value) in comparison to the weight of property development. Always, however, Realia has seen its own company development as secondary to its tenants' development and its own indebtedness control.

As part of its traditional asset rotation policy, Realia opened the Plaza Nueva shopping centre in Leganés and the new Barcelona office building Torre Realia BCN for business, while at the same time it sold off its share in Seville's Nervión Plaza shopping centre. The prices fetched guarantee that the company's intrinsic value will remain steady. Furthermore, SIIC de Paris is maintaining its own investment projects.

Realia Tower, Barcelona.





Promotion Hato Verde, Guillena. Sevilla.



Promotion Hato Verde, Guillena. Sevilla.

In property development, Realia is adjusting its supply to the market circumstances, with the objective of responding to the new needs of the demand and finding an outlet for stock at attractive prices, yet without undermining the company's solidity. Furthermore, the firm has organised a new company, Valaise. Valaise is wholly owned by Realia, and its purpose is to manage third-party assets.

Results

Despite the crisis and its effects on the residential and tertiary sectors, Realia closed fiscal year 2009 with a healthy balance sheet, controlled indebtedness, a solid operating result and growing recurring income from leases.

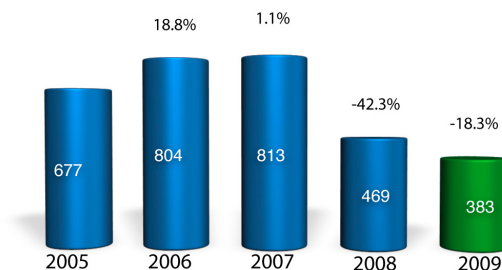
Although total income came down by 18.4% to 382.6 million euro, income from leases increased by 1.9% to 180.2 million euro. The Group's EBITDA came to 176 million euro. Realia's new valuation of assets (adjusting its assets' value to reflect new market expectations) and the investment/divestment operations the company engaged in took its market value

to 4,550 million euro. As a result, the company funded a provision of 94.3 million euro to cover this item, over a total provision of 109.2 million euro.

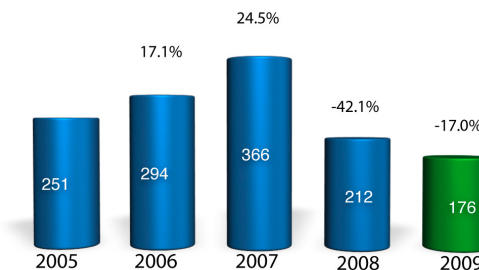
The provision was a mere accounting entry that supposed no cash outflow, but it did cause the net book result to drop to negative 54.2 million euro. Without this provision, the result would have been a positive 16.2 million.

Despite the lower valuation of its assets, Realia still holds on its balance sheet 1,136 million euro in latent gross capital gains. This is due to Realia's traditional rule of prudent accounting, which mandates listing assets on the books at their historical cost. Also because of its prudent outlook, Realia holds its net financial debt under control; at the close of 2009, net financial debt was 2,225 million euro, which makes for an indebtedness ratio, in terms of loan to value (LTV), of 48.9%. Of this debt, more than 90% matures between 2012 and 2017.

Total revenue
Million euro



Gross operating profit (Ebitda)
Million euro





Torre Picasso is wholly owned by FCC and has an area of 121,000 m². It is one of Madrid's landmark buildings. It was conceived on the basis of the most advanced technologies, making it one of the most comfortable, effective, safe intelligent buildings in Europe.

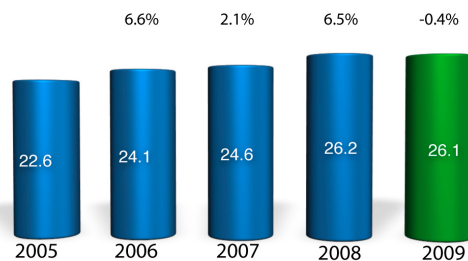
Torre Picasso is committed to sustainable development, and it upholds its environmental commitment through strict compliance with the applicable legislation in all its realms of operation. As a result, it has earned Environmental Management System Certification under UNE-EN ISO 14001.

Occupation in 2009 was practically 100%.

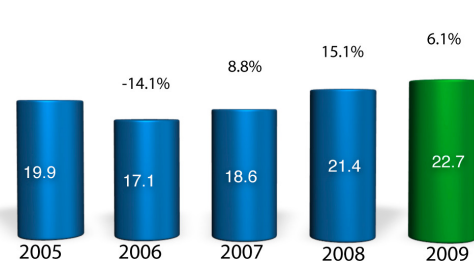
Torre Picasso remains immersed in the process of renovating and improving its existing facilities and introducing new services for its clients' comfort.



Turnover
Million euro



Gross operating profit (Ebitda)
Million euro



FINANCIAL STATEMENTS

CONSOLIDATED GROUP

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BALANCE SHEET SITUACIÓN

Fomento de Construcciones y Contratas, S.A. and subsidiaries (consolidated group)

ASSETS	31-12-2009	31-12-2008
NON-CURRENT ASSETS	12,832,839	11,829,356
Intangible assets (Note 6)	4,462,312	3,886,429
Concessions (Notes 6 and 10)	961,755	905,075
Goodwill	2,615,300	2,556,385
Total intangible assets	885,257	424,969
Property, plant and equipment (Note 7)	5,957,478	5,491,693
Land and buildings	1,640,370	1,588,241
Plant and machinery	4,317,108	3,903,452
Investment properties (Note 8)	264,093	263,919
Investments carried using the equity method (Note 11)	1,145,754	1,116,605
Non-current financial assets (Note 13)	404,024	517,868
Deferred tax assets (Note 22)	599,178	552,842
CURRENT ASSETS	8,427,874	8,768,005
Non-current assets held for sale	-	7,367
Inventories (Note 14)	1,103,282	1,575,256
Trade and other accounts receivable	5,372,976	5,499,162
Trade debtors for sales and services rendered (Note 15)	4,894,660	4,975,888
Other receivables (Note 15)	420,483	472,269
Current tax assets (Note 22)	57,833	51,005
Other current financial assets (Note 13)	230,980	222,830
Other current assets	66,174	54,729
Cash and cash equivalents (Note 16)	1,654,462	1,408,661
TOTAL ASSETS	21,260,713	20,597,361

Notes 1 to 30 and the enclosed Schedules I to V are an integral part of the consolidated financial statements, along with which they form the consolidated annual accounts for fiscal year 2009.



At 31 December 2009 (thousands of euros)

LIABILITIES	31-12-2009		31-12-2008
SHAREHOLDERS' EQUITY (NOTE 17)	3,136,517		3,197,953
Shareholders's equity of parent company	2,483,835		2,548,706
Capital and reserves	2,809,111	2,954,403	
Capital	127,303	127,303	
Accumulated earnings and other reserves	2,698,323	2,711,920	
Treasury stock	(270,882)	(118,926)	
FY profit (loss) attributable to the parent company	307,199	334,039	
Interim dividend	(88,746)	(99,933)	
Other equity instruments	35,914	-	
Value adjustments	(325,276)	(405,697)	
Minority interests	652,682		649,247
NON-CURRENT LIABILITIES	10,619,979		8,758,123
Grants	85,692		63,576
Current financial liabilities (Note 19)	906,535		821,429
Non-current financial liabilities (Note 20)	8,393,590		6,872,318
Debentures and other marketable securities	562,711	142,929	
Bank loans and overdrafts	7,299,178	6,037,627	
Other financial liabilities	531,701	691,762	
Deferred tax liabilities (Note 22)	1,216,910		1,000,004
Other non-current liabilities	17,252		796
CURRENT LIABILITIES	7,504,217		8,641,285
Current financial liabilities (Note 19)	110,773		91,918
Current financial liabilities (Note 20)	1,487,563		2,224,890
Debentures and other marketable securities	586	745	
Bank loans and overdrafts	1,218,218	1,901,426	
Other financial liabilities	268,759	322,719	
Trade and other accounts payable	5,896,831		6,308,398
Suppliers	3,562,381	4,127,628	
Other creditors	2,315,134	2,149,382	
Current tax liabilities (Note 22)	19,316	31,388	
Other current liabilities	9,050		16,079
TOTAL LIABILITIES	21,260,713		20,597,361

Notes 1 to 30 and the enclosed Schedules I to V are an integral part of the consolidated financial statements, along with which they form the consolidated annual accounts for fiscal year 2009.

INCOME STATEMENT

Fomento de Construcciones y Contratas, S.A. and subsidiaries (consolidated group)

At 31 December 2009 (thousands of euros)

	31-12-2009	31-12-2008
Turnover (Notes 25 and 26)	12,699,629	14,019,500
Own work capitalised	50,460	85,370
Other operating income (Note 25)	357,527	375,119
Changes in inventories of finished products and work in progress	(25,397)	(61,412)
Supplies (Note 25)	(6,126,122)	(6,987,241)
Staff costs (Note 25)	(3,296,522)	(3,260,766)
Other operating charges	(2,198,960)	(2,408,253)
Fixed asset depreciation (Notes 6, 7 y 8)	(737,639)	(745,674)
Allocation of non-financial grants and others	2,673	7,013
Impairment and gains (losses) on disposals of fixed assets	11,972	(80,012)
Other results	(6,537)	2,666
OPERATING RESULTS	731,084	946,310
Financial income (Note 25)	66,196	105,856
Financial expense (Note 25)	(357,269)	(590,254)
Change in fair value of financial instruments (Note 25)	5,189	(15,573)
Exchange differences	(32,541)	1,182
Impairment and gains (losses) on disposals of financial instruments (Note 25)	43,329	30,167
FINANCE INCOME/COSTS	(275,096)	(468,622)
Profit (loss) of companies carried by equity (Note 11)	(6,093)	15,162
BEFORE-TAX PROFIT (LOSS) FROM CONTINUING OPERATIONS	449,895	492,850
Income tax (Note 22)	(114,916)	(99,960)
PROFIT/LOSS FOR YEAR FROM CONTINUING OPERATIONS	334,979	392,890
CONSOLIDATED PROFIT(LOSS) FOR THE YEAR	334,979	392,890
Profit (loss) attributable to parent	307,199	334,039
Profit (loss) attributable to minority interests (Note 17)	27,780	58,851
EARNINGS PER SHARE (Note 17)		
Basic	2.52 €	2.68€
Diluted	2.51 €	2.68€

Notes 1 to 30 and the enclosed Schedules I to V are an integral part of the consolidated financial statements, along with which they form the consolidated annual accounts for fiscal year 2009.



STATEMENT OF CHANGE IN EQUITY

A) Statement income and expenses reconocidos
 Fomento de Construcciones y Contratas, S.A. and subsidiaries (consolidated group)
 At 31 December 2009 (thousands of euros)

	31-12-2009	31-12-2008
CONSOLIDATE PROFIT (LOSS) FOR THE YEAR	334,979	392,890
Income and expenses carried directly to equity	(390)	(353,476)
Measurement of financial instruments	(1,172)	1,758
Cash-flow hedges	(57,355)	(212,500)
Differences on exchange	33,250	(184,085)
Companies carried by equity	21,004	(60,595)
Tax effect	3,883	101,946
Transfers to the profit and loss account	75,207	(11,554)
Cash-flow hedges	68,726	(16,127)
Companies carried by equity	27,376	(44)
Tax effect	(20,895)	4,617
TOTAL INGRESOS/(GASTOS) RECONOCIDOS	409,796	27,860
Allocated to the parent company	385,271	25,052
Allocated to minority interests	24,525	2,808

STATEMENT OF CHANGE IN EQUITY :

B) Statement of total change in equity

Fomento de Construcciones y Contratas, S.A. and subsidiaries (consolidated group)

At 31 December 2009 (thousands of euros)

	Share capital (Note 17.a)	Issue premium and reserves (Note 17.b)	Interim dividend (Note 17.d)	Treasury stock (Note 17.c)	Profits (losses) for the year attributed to parent	Other equity instruments (Note 17.e)	Value adjustments (Note 17.f)	Equity allocated to parent company shareholders	Minority interests (Note 17.II)	Net Equity
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2007	130,567	2,373,747	(138,654)	(325,332)	737,851		(87,073)	2,691,106	1,564,337	4,255,443
Total income and expenses for the year					334,039		(308,987)	25,052	2,808	27,860
Operations with shareholders or owners										
Capital increases (decreases)	(3,264)							(3,264)	113	(3,151)
Dividend payment		469,472	38,721		(737,851)			(229,658)	(117,986)	(347,644)
Transactions with treasury stock (net)		(206,289)		206,406				117		117
Increases (decreases) due to business combinations									(704,479)	(704,479)
Other transactions with partners or shareholders									(59,775)	(59,775)
Other changes in shareholders' equity		74,990					(9,637)	65,353	(35,771)	29,582
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2008	127,303	2,711,920	(99,933)	(118,926)	334,039		(405,697)	2,548,706	649,247	3,197,953
Total income and expenses for the year					307,199		78,072	385,271	24,525	409,796
Operations with shareholders or owners										
Capital increases (decreases)									62,255	62,255
Dividend payment		142,257	11,187		(334,039)			(180,595)	(34,375)	(214,970)
Transactions with treasury stock (net)				(151,956)				(151,956)		(151,956)
Increases (decreases) due to business combinations									1,303	1,303
Other transactions with partners or shareholders										
Other changes in shareholders' equity		(155,854)				35,914	2,349	(117,591)	(50,273)	(167,864)
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2009	127,303	2,698,323	(88,746)	(270,882)	307,199	35,914	(325,276)	2,483,835	652,682	3,136,517

Notes 1 to 30 and the enclosed Schedules I to V are an integral part of the consolidated financial statements, along with which they form the consolidated annual accounts for fiscal year 2009.

CASH FLOW STATMENT

Fomento de Construcciones y Contratas, S.A. and subsidiaries (consolidated group)

At 31 December 2009 (thousands of euros)

	31-12-2009	31-12-2008
Before-tax profit (loss) from continuing operations	449,895	492,850
Adjustments to profit/loss	1,088,296	1,356,536
Fixed asset depreciation	737,639	745,674
Other adjustments (net)	350,657	610,862
Changes in working capital	138,934	(462,276)
Other working capital flows	(99,511)	(284,673)
Dividend payments	26,352	24,407
Corporate taxes (paid)/received	(94,163)	(268,816)
Other operating receipts/(payments)	(31,700)	(40,264)
TOTAL CASH FLOWS FROM OPERATIONS	1,577,614	1,102,437
Amounts paid on investments	(1,360,177)	(1,765,817)
Group companies, associates and business units	(553,561)	(578,039)
PPE, intangible assets and investment property	(736,291)	(1,084,901)
Other financial assets	(70,325)	(102,877)
Amounts collected from divestments	308,837	284,121
Group companies, associates and business units	199,419	59,900
PPE, intangible assets and investment property	89,950	170,852
Other financial assets	19,468	53,369
Other cash flows from investments	35,908	(153,154)
Collection of interest	23,070	48,092
Other receipts (payments) on investments	12,838	(201,246)
TOTAL CASH FLOWS FROM INVESTMENTS	(1,015,432)	(1,634,850)

	31-12-2009	31-12-2008
Received from shareholders	(78,688)	230
Issue/(amortisation)	99,077	113
(Acquisition)/disposal of treasury stock	(177,765)	117
Receipts and (payments) on financial liabilities instruments	358,401	1,384,807
Issue	2,630,932	2,843,692
Devolución y amortización	(2,272,531)	(1,458,885)
Dividend payments and interest on financial instruments	(228,198)	(368,960)
Other cash flows from financing activities	(358,461)	(558,752)
Payment of interest	(312,308)	(517,712)
Other receipts (payments) from financing activities	(46,153)	(41,040)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	(306,946)	457,325
EFFECT OF EXCHANGE RATE FLUCTUATIONS	(9,435)	(14,196)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	245,801	(89,284)
Cash and cash equivalent beginning of year	1,408,661	1,497,945
Cash and cash equivalent end of year	1,654,462	1,408,661

Notes 1 to 30 and the enclosed Schedules I to V are an integral part of the consolidated financial statements, along with which they form the consolidated annual accounts for fiscal year 2009



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Fomento de Construcciones y Contratas, S.A. and subsidiaries (consolidated group)

At 31 December 2009

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01 _ ABOUT THE GROUP

The FCC Group is made up of the Parent, Fomento de Construcciones y Contratas, S.A., and a number of Spanish and foreign investees which carry on various business activities that are grouped together in the following areas:

- **Services:** this area comprises the units specialising in environmental services, i.e. services related to urban cleaning, industrial waste treatment and the integral water cycle, and includes Versia: which provides various services such as logistics, street furniture, vehicle roadworthiness tests, vehicle parking, aircraft and passenger ground handling, street maintenance and traffic systems, etc.
- **Construction:** this area specialises in infrastructure construction projects, building construction and related activities, such as motorways, freeways and other roads, tunnels, bridges, hydraulic construction works, ports, airports, residential property developments, housing units, non-residential building construction, lighting, industrial air conditioning and heating systems, environmental restoration, etc.
- **Cement:** this area engages in the operation of quarries and mineral deposits, the manufacture of cement, lime, plaster and related pre-manufactured products and the production of concrete.
- **Energy:** this area focuses on cogeneration, energy efficiency, renewable energies and the application of new technologies to take advantage of the energy produced by waste.

The FCC Group is also highly active in the real estate business through the operation of the Torre Picasso building (wholly owned by the Parent) and its 30.23% minority shareholding in Realia Business, which engages mainly in housing development and office rental both in Spain and abroad.

The Group also operates infrastructure concessions (motorways, tunnels, marinas, railways, tramways and buildings for a variety of uses) mainly through its ownership interest in the Global Via Infraestructuras Group.

Foreign operations, which represent approximately 44% of the FCC Group's revenue (42% in 2008), are carried on mainly in the European, US and Latin American markets.

02 _ BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS, BASIS OF CONSOLIDATION AND ACCOUNTING POLICIES

a) Basis of presentation

The accompanying financial statements and the notes thereto, which compose these statutory consolidated financial statements, were prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union at year-end, in conformity with (EC) Regulation no. 1606/2002 of the European Parliament and of the Council, of 19 July 2002, and with all the related implementing provisions and interpretations.

The 2009 consolidated annual accounts of the FCC Group were prepared by the Board of Directors of Fomento de Construcciones y Contratas, S.A. and will be presented at the General Meeting of Shareholders for approval by the shareholders. It is not expected that any changes will be made to the annual accounts by the shareholders. The 2008 consolidated annual accounts were approved at the General Meeting of Shareholders of Fomento de Construcciones y Contratas, S.A. held on 10 June 2009.

The consolidated annual accounts reflect a true image of the equity and financial situation of the FCC Group at 31 December 2009 and 2008 as well as the result of the Group's operation and the changes in net equity and consolidated cash for those years.

The consolidated annual accounts of the FCC Group have been prepared from the accounting records of the Fomento de Construcciones y Contratas, S.A. and its subsidiaries. According to the Group's established operating systems and procedures, these records justify and support the consolidated financial statements as required by international accounting standards.

In order to standardise the presentation of the different items making up the consolidated annual accounts, standardisation criteria have been applied to the individual annual accounts of the companies included in the scope of consolidation. In 2009 and 2008, the closing date of the annual accounts of the companies included in the scope of consolidation was generally the same as that of the parent company, 31 December.

The consolidated annual accounts are expressed in thousands of euros.

Standards and interpretations applied this fiscal year

In 2009, the FCC Group adopted all of the amendments and revisions of the paragraphs and interpretations of the "International Financial Reporting Standards" including IFRIC 12 "Service concession agreements" and "IAS 3, "Business combinations", the most salient aspects of which are indicated in Note 3.a) and b) of this document.



As a consequence of the adoption of IFRIC 12 "Service concession agreements" by the European Union in 2009, the FCC Group decided to implement this standard in 2009. Prior to that, i.e., on the consolidated annual accounts from prior fiscal year, the most relevant aspects of this standard were already being applied, such as charging the financial costs incurred once the concession was operational to the income statement, recognising the profit (loss) associated with building the concession-related assets and amortising those assets based on patterns of use. Consequently, the impact of the new interpretation on the enclosed financial statements consisted basically of reclassifying the intangible fixed assets or financial assets associated with the concessions, which had a negligible effect on the fiscal year results and equity.

Due to the implementation of IFRIC 12 and in compliance with the terms of IAS 8 "Accounting policies: changes in accounting estimates and errors", the FCC Group has restated the financial statements for 2008, which are presented along with the 2009 consolidated annual accounts for comparison purposes. The restated 2008 annual accounts are therefore different than the 2008 consolidated annual accounts approved by the General Meeting of Shareholders. All of the comparative information in the enclosed notes has also been restated.

The impact of this restatement on the consolidated balance sheet is as follows:

	2008 Restated	2008	Difference
Intangible fixed assets	3,886,429	3,300,189	586,240
Property, plant and equipment	5,491,693	6,109,483	(617,790)
Investments carried under the equity method	1,116,605	1,109,140	7,465
Non-current financial assets	517,868	457,827	60,041
Other non-current assets	-	38,437	(38,437)
Other current financial assets	222,830	215,236	7,594
Other assets	9,361,936	9,361,936	-
TOTAL ASSETS	20,597,361	20,592,248	5,113
Equity attributed to parent before profit (loss)	2,214,667	2,209,723	4,944
Profit (loss) attributed to parent company	334,039	337,184	(3,145)
Grants	63,576	65,928	(2,352)
Suppliers	4,127,628	4,121,962	5,666
Other liabilities	13,857,451	13,857,451	-
TOTAL LIABILITIES	20,597,361	20,592,248	5,113

Standards and interpretations issued but not yet in force

At 31 December 2009, the most significant standards and interpretations that had been published by the International Accounting Standards Board (IASB) but had not yet come into force because they had not yet been adopted by the European Union were as follows:

STANDARDS AND AMENDMENT TO STANDARDS:			Obligatory application for FCC Group
Modification of IFRS 1	Additional exemptions for first time adoptions	1 January 2010	
Modification of IFRS 2	Share-based payments between group companies and modification of paragraphs 5 and 61	1 January 2010	
Modification of IFRS 5	Addition of paragraphs 5B and 44E	1 January 2010	
Modification of IFRS 8	Modifications of paragraphs 23 and 36 and addition of paragraph 35A	1 January 2010	
IFRS 9	Financial instruments	1 January 2013	
Modification of IAS 1	Modification of paragraph 69 and addition of paragraph 139D	1 January 2010	
Modification of IAS 7	Modification of paragraph 16 and addition of paragraph 56	1 January 2010	
Modification of IAS 17	Elimination of paragraphs 14 and 15 and addition of paragraphs 15A, 68A and 69A	1 January 2010	
Revision of IAS 24	Related party disclosures	1 January 2011	
Modification of IAS 36	Modification of paragraph 80 and addition of paragraph 140E	1 January 2010	
Modification of IAS 38	Modification of paragraphs 36,37, 40, 41 and 130C and addition of paragraph 130E	1 January 2010	
Modification of IAS 39	Modification of paragraphs 2(g), 80, 97, 100, 108C and GA30 8(g) and addition of paragraph 103K	1 January 2010	
INTERPRETATIONS AND MODIFICATIONS OF INTERPRETATIONS:			
Modification of IFRIC 9	Modification of paragraph 5 and addition of paragraph 11	1 January 2010	
Modification of IFRIC 14	Early payments of minimum funding requirements	1 January 2011	
Modification of IFRIC 16	Modification of paragraphs 14 and 18	1 January 2010	
IFRIC 19	Extinguishing financial liabilities with equity instruments	1 January 2011	

The directors have assessed the potential impact of applying these standards in the future and estimate that their entry into force will not have a material impact on the consolidated financial statements

b) Principles of consolidation

Subsidiaries

The subsidiaries listed in Appendix I, who's financial and operating policies are controlled by Fomento de Construcciones y Contratas, S.A., either directly or through other companies controlled by it, were consolidated by global integration.

The interest of minority shareholders in the equity of the consolidated companies is presented under "Minority Interests" on the liability side of the accompanying consolidated balance sheet and their interest in profit or loss is shown under "Minority Interests" in the accompanying consolidated income statement.

Goodwill is determined as indicated in Note 3.b) below.

Joint Ventures

The Group participates in joint ventures through investments in companies controlled jointly by one or more FCC Construcción Group companies with other non-Group companies (see Note 11) and interests in unincorporated joint ventures, joint property entities and economic interest groupings (see Note 12).

Through the application of the option provided for in IAS 31, "Interest in Joint Ventures", the Group chose to account for the investments in jointly controlled entities using the equity method, so the enclosed consolidated balance sheet includes a heading entitled "Investments accounted for using the equity method". The interest in the profit (loss) of these companies, net of taxes, is shown under "Profit (loss) of companies consolidated by equity" on the enclosed consolidated income statement.

Jointly operated contracts, such as unincorporated joint ventures mainly in the construction and services areas, and joint property entities are included in proportion to the Group's ownership interest in the assets, liabilities, income and expenses arising from the transactions performed by these entities, and reciprocal asset and liability balances and income and expenses not realised with third parties are eliminated.

Appendix II lists the companies which were accounted for using the equity method and Appendix V lists the businesses operated jointly through contractual arrangements with non-Group third parties, such as unincorporated joint ventures, joint property entities and other entities of similar legal characteristics.

Associated enterprises

The companies listed in Appendix III, over which Fomento de Construcciones y Contratas, S.A. does not exercise control but does have significant influence, are included under "Investments Accounted for Using the Equity Method" in the accompanying consolidated balance sheet.

The share in the after-tax profit or loss for the year of these companies is recognised under "Results of Companies Accounted for Using the Equity Method" in the accompanying consolidated income statement.

Transactions between group companies

Profits or losses on transactions between consolidated companies are eliminated on consolidation and deferred until they are realised with third parties outside the Group.

Intra-Group results on Group work on non-current assets, which is recognised at production cost, are eliminated on consolidation.

Receivables and payables relating to jointly operated contracts and to subsidiaries and intra Group income and expenses were eliminated from the consolidated financial statements.

Changes in the consolidated Group

Appendix IV shows the changes in 2009 in the fully consolidated companies and the companies accounted for using the equity method. The results of these companies are included in the consolidated income statement from the effective date of acquisition to year-end or from the beginning of the year to the effective date of disposal, as appropriate.

The effects of the inclusion of companies in the scope of consolidation or of their removal therefrom are shown in the related notes to the consolidated financial statements under "Changes in the Scope of Consolidation". In addition, Note 4 to these consolidated financial statements ("Changes in the Scope of Consolidation") sets forth the most significant inclusions therein.



03 _ MEASUREMENT STANDARDS

The measurement standards applied to the FCC Group's consolidated annual accounts are outlined below:

a) Service Concession Contracts

The concession contracts consist of agreements between the concession grantor (generally a public agency) and FCC Group companies to provide public services such as water distribution, wastewater filtering and treatment, the management of landfills, motorways and tunnels, etc., through the operation of the property, plant and equipment items required to provide the service.

Revenue from performing the service may be received directly from the users or, sometimes, through the concession grantor itself.

The concession right generally means that the concession operator has an exclusive right to provide the service under the concession for a given period of time, after which the assets assigned to the concession required to provide the service are returned to the concession grantor, usually without any consideration being paid.

One of the basic features of concession contracts is that they include the management or operation of the infrastructure. Concession contracts usually provide for the obligation to purchase or construct these non-current assets or part of them and to maintain them over the life of the concession.

The concession agreements are stated according to the terms of IFRIC 12 "Service Concession Agreements". Generally speaking, there are two clearly differentiated phases. In the first phase, the concession holder builds or enhances the concession assets which are recognised according to the degree of advancements according to IAS 11 "Construction Contracts", with a balancing entry in intangible or financial assets. In the second phase, the concession holder renders a series of services related to the operation and/or maintenance of the infrastructure which are recognised according to IAS 18 "Ordinary income".

An intangible asset is recognised when the risk is assumed by the concession holder, while a financial asset is recognised when the risk is assumed by the grantor of the concession, since the concession holder has an unconditional contractual right to be paid for the construction or enhancement services. The amounts paid in connection with the concession awards are also recognised as assets.

There may be situations in which the risk is shared by the concession holder and the concession grantor but such situations do not account for any significant part of the FCC Group's concessions.

For concessions classified as intangible assets, the provisions for dismantling, withdrawing or rehabilitating the assets are recognised at the beginning of the concession as an increase in the value of the asset as are the actions to improve or expand upon the asset's production capacity. The amortisation of those assets and the financial updating of the provisions are carried to the income statement. Provisions for the repair and replacement of infrastructures are set up systematically in profit and loss as the obligations are assumed.

The interest on infrastructure financing is recognised on the profit and loss statement. For intangible assets, only the interest accrued during the construction and until the infrastructure becomes operational is capitalised.

The amortisation of the assets assigned to concessions are calculated on the basis of the pattern of consumption, taken to be the changes in and best estimates of the production units of each activity. The most important concession business in quantitative terms is the water supply and treatment activity, whose assets are depreciated or amortised on the basis of the cubic metres of water consumed.

Concessions classified as financial assets are recognised at the fair value of the construction or enhancement services rendered. According to the amortised cost method, the income is carried to the income statement at the effective interest rate applicable to the flows of concession payments and receipts. As mentioned above, the income and expenses associated with operations and maintenance services are carried to the income statement as provided for in IAS 18 "Ordinary income".

b) Business combinations and goodwill

The Group decided to apply the revision of IFRS 3 and the modification of IAS 27 relative to "Business Combinations" and "Individual and Consolidated Financial Statements", respectively, starting on 1 January 2009. Both of these standards were adopted by the European Union in 2009 and must be applied no later than the first fiscal year starting on or after 20 June 2009. However, these standards are not retroactive and this circumstance must be taken into account when comparing fiscal years 2009 and 2008.

The date of inclusion of the acquiree in the consolidated balance sheet is the date on which effective control of this company is obtained, which normally coincides with the acquisition date.

The assets and liabilities of the acquirees are recognised in the consolidated balance sheet at their fair value and the related allocations are made in this connection, including the deferred taxes arising therefrom. However, in accordance with IFRSs, the allocations may be reviewed within the 12 months following the acquisition date, should it be necessary to consider new data.

The positive difference between the acquisition cost and the percentage share of the equity of the subsidiary, adjusted as a result of the recognition at fair value of the assets and liabilities

net of taxes, is recognised as goodwill unless the proportional parts of the minority interests are also recognised at fair value.

If control is obtained in a business combination by means of more than one transaction (e.g. through successive purchases), the goodwill arising from each transaction is treated separately and the reserves relating to the adjustment to fair value of previously held interests, at the date on which control is obtained, are recognised in equity.

The positive difference between the acquisition cost and the percentage share of the equity of the subsidiary, adjusted as a result of the recognition at fair value of the assets and liabilities net of taxes, is recognised as goodwill in equity.

Goodwill is not amortised; however, it is tested for impairment at least at each balance sheet date in order to recognise it at the lower of fair value, estimated on the basis of expected cash flows, and acquisition cost, less any accumulated impairment losses. The accounting standards used to determine impairment are explained in part e) of this note.

c) Intangible assets

Except as indicated in the two previous sections of this note relative to service concession agreements and goodwill, intangible assets are measured at acquisition cost less any accumulated amortisation and any accumulated impairment losses. Intangible fixed assets include the investments relating to operating contracts and licences as well as land rights, mainly in the Environmental Services, Versia and Cement areas.

None of the intangible assets recognised were generated internally and, except for goodwill, all have a finite useful life. The intangible assets are amortised over their useful lives, i.e. the period over which it is estimated they will generate income, on a straight-line basis.

d) Property, plant and equipment and Investment property

Property, plant and equipment and investment property are recorded at cost (updated, where applicable, according to the legal provisions prior to the transition to IFRS), less accumulated amortisation and any loss in recognised value due to impairment. Also included as part of the cost of these assets is an estimate of the current cost of dismantling or removing the elements in question. As explained in part b) of this note, in those cases where they have been provided by the acquired companies they are initially recorded at fair value on the acquisition date.

Group work on non-current assets is measured at production cost

Upkeep and maintenance expenses not leading to a lengthening of the useful life or to an increase in the production capacity of the related assets are recognised as expenses in the year in which they are incurred.

When the construction and start-up of non-current assets require a substantial period of time, the borrowing costs accrued over that period are capitalised.

Property, plant and equipment are depreciated by the straight-line method at annual rates based on the following years of estimated useful life:

Investment properties	75
Natural resources and buildings	25-50
Plant, machinery and vehicles	5-15
Furniture and tools	7-12
Data-processing equipment	4
Other fixed assets	5-10

However, there may be cases where the term of a particular contract is shorter than the useful life of the fixed assets associated therewith, in which case the assets are amortised over the term of the contract.

The residual value, useful life and depreciation method applied to the Group's assets are reviewed periodically to ensure that the depreciation method used reflects the pattern in which the economic benefits arising from operating the assets are received.

At least at every balance sheet date, the companies determine whether there is any indication that an item or group of items of property, plant and equipment is impaired so that, as indicated in part e) of this note, an impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their value in use. Under no circumstances may the reversals exceed the impairment losses previously recognised.

e) Impairment of property, plant and equipment and intangible assets

Intangible assets with finite useful lives and property, plant and equipment items are tested for impairment when there is any indication that the assets might have become impaired, in order to adjust their net carrying amount to their value in use (if this is lower).

Goodwill and intangible assets with indefinite useful lives must be tested for impairment at least once a year in order to recognise possible impairment losses.

Impairment losses recognised in prior years on assets other than goodwill may be reversed if the estimates used in the impairment tests show a recovery in the value of these assets. The carrying amount of the assets whose recoverable amount increases must in no case exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years.

The recognition or reversal of impairment losses on assets are allocated to income under "Impairment and Gains or Losses on Disposals of Non-Current Assets".

To determine the recoverable amount of the assets tested for impairment, an estimate was made of the present value of the net cash flows arising from the cash-generating units (CGUs) to which the assets belong, except for cash inflows and outflows from financing activities and income tax payments, and the cash inflows and outflows arising from scheduled future



improvements or enhancements of the assets of these cash-generating units. To discount the cash flows, a pre-tax discount rate was applied that reflects current market assessments of the time value of money and the risks specific to each cash-generating unit.

The estimated cash flows were obtained from projections prepared by management of each CGU including growth rates based on the various approved business plans (which are reviewed periodically), where growth for the years after those covered by the business plans was considered to be zero. In addition, sensitivity tests are conducted in relation to income, operating margins and discount rates in order to forecast the impact which future changes of these variables will have.

Flows from CGUs located abroad were calculated in the functional currency of these cash generating units and were discounted using discount rates that take into consideration the risk premiums relating to these currencies. The present value of the net flows thus obtained was translated to euros at the year-end exchange rate applicable to the currency concerned.

f) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

f.1) Finance leases

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when there are no reasonable doubts that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

At the end of the financial lease, the Group companies exercise the purchase option. The contracts contain no restrictions on the exercise of the purchase options and there are no clauses to extend the term of the contracts or price adjustments.

The assets recognised for transactions of this nature are depreciated on the basis of their nature and useful lives using the criteria indicated in a), c) and d) of this Note.

f.2) Operating leases

If the Company acts as the lessee, costs arising under operating leases are allocated to the income statement for the year in which they are incurred.

If the Company acts as the lessor, income and costs arising under operating leases are allocated to the income statement for the year in which they are incurred

Any collection or payment that might be made when arranging an operating lease will be treated as a prepaid lease collection or payment which will be allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received

g) Investments accounted for using the equity method

The investment is initially recognised at acquisition cost and is subsequently revalued to take into account the share of the results of these companies not distributed in the form of dividends. Also, the value of the investment is adjusted to reflect the proportion of the changes in these companies' equity that were not recognised in their profit or loss. These changes include most notably translation differences and the adjustments to reserves arising from changes in the fair value of the cash flow hedges arranged by the associates.

When there are signs of impairment, the necessary value corrections are made.

h) Financial assets

Financial assets are initially recognised at fair value, which generally coincides with their acquisition cost, adjusted by the transaction costs directly attributable thereto, except in the case of held-for-trading financial assets, whose transactions costs are charged to profit or loss for the year.

All acquisitions and sales of assets are recognised at the date of the transaction.

The financial assets held by the Group companies are classified as follows:

- **Held-for-trading financial assets** are assets acquired with the intention of generating a profit from short-term fluctuations in their prices. These assets, which are expected to mature within 12 months, are included under "Other Current Financial Assets" in the accompanying consolidated balance sheet.

Held-for-trading financial assets which mature in three months or less and whose immediate realisation would not give rise to significant costs are included on the enclosed consolidated balance sheet under "Cash and cash equivalents". These assets are considered readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. They are basically very short-term, highly liquid investments with a high turnover

- **Held-to-maturity investments** are financial assets with fixed or determinable payments and fixed maturity. Those maturing within no more than 12 months are classified as current assets and those maturing within more than 12 months as non-current assets.
- **Loans** maturing within no more than 12 months are classified as current loans and those maturing within more than 12 months as non-current loans. This category includes the collection rights originated by the application of IFRIC 12, "Service Concession Agreements" explained in section a) of this Note.
- **Available-for-sale financial assets** are securities acquired that are not held for trading purposes and are not classified as held-to-maturity investments. They are classified as non-current in the accompanying consolidated balance sheet since it is intended to hold them at long term.

The held-for-trading and available-for-sale financial assets were measured at their fair value at the balance sheet date. The fair value of a financial instrument is taken to be the amount for which it could be bought or sold by two knowledgeable, willing and experienced parties in an arm's length transaction, i.e. fair value is the estimated market value.

In the case of held-for-trading financial assets, the gains or losses arising from changes in fair value are recognised in profit or loss for the year. In the case of available-for-sale financial assets, the gains or losses arising from changes in fair value are recognised in equity until the asset is disposed of, at which time the cumulative gains previously recognised in equity are recognised in profit or loss for the year, or it is determined that it has become impaired, at which time, once the cumulative gains previously recognised in equity have been written off, the loss is recognised in the consolidated income statement.

The collection rights arising from service concession agreements are measured according to the criteria indicated in part a) of this Note.

Held-to-maturity investments, credit, loans and receivables originated by the Group are measured at the lower of amortised cost, i.e. the initial cost minus principal repayments plus the uncollected interest accrued on the basis of the effective interest rate, and market value. The effective interest rate is the rate that exactly matches the initial cost of the investment to all its estimated cash flows of all kinds through its residual life. Where appropriate, if there are signs that these financial assets have become impaired, the necessary valuation adjustments are made.

The trade receivables associated with the Group's regular business operations are recorded at face value and then corrected by amounts that the Group estimated will not be recovered.

The Group companies assign trade receivables to banks, without the possibility of recourse against them in the event of non-payment. These transactions bear interest at normal market rates. The Group companies continue to manage collection of these receivables.

Also, future collection rights arising from construction project contracts awarded under the lump-sum payment method are sold.

Through the sale and assignment of these collection rights, substantially all the risks and rewards associated with the receivables, as well as control over the receivables, were transferred, since no repurchase agreements have been entered into between the Group companies and the banks that have acquired the assets, and the banks may freely dispose of the acquired assets without the Group companies being able to limit this right in any manner. Consequently, the balances receivable relating to the receivables assigned or sold under the aforementioned conditions were derecognised.

i) Inventories

Inventories are stated at average acquisition or production cost and the necessary valuation adjustments are made to reduce the carrying amount to net realisable value, if this is lower.

Assets received in payment of loans are measured at the lowest of the following three values: the amount at which the loan relating to the asset was recognised, production cost or net realisable value.

j) Foreign currency

j.1) Translation differences

The financial statements of foreign operations expressed in currencies other than the euro were generally translated to euros at the year-end exchange rates, except for:

- Share capital and reserves, which were translated at historical exchange rates.
- The income statement items of foreign operations, which were translated at the average exchange rates for the period.

Translation differences arising at the consolidated foreign companies through application of the year-end exchange rate method are included, net of taxes, in equity in the accompanying consolidated balance sheet, as shown in the accompanying consolidated statement of changes in equity.

j.2) Exchange differences

Balances receivable and payable in foreign currencies are translated to euros at the exchange rates prevailing at the date of the consolidated balance sheet, and the differences that arise are taken to income.

The differences resulting from fluctuations in exchange rates between the date on which the collection or payment was made and the date on which the transactions took place or their value was discounted are allocated to profit or loss.

Also, the exchange differences arising in relation to the financing of investments in foreign companies (in which the investment and the financing are denominated in the same currency) are recognised directly in equity as translation differences that offset the effect of the difference arising from the translation to euros of the foreign investee.

k) Equity instruments

Equity or capital instruments are stated at the amount received, net of direct issue costs.

Treasury shares acquired by the Company and by the wholly-owned subsidiary Asesoría Financiera y de Gestión, S.A. during the year are recognised at the value of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in profit or loss.

The Group has a remuneration system linked to the value of the Company's shares for executives and Board members that discharge executive functions which is explained in Note 18 "Transactions with payments based on equity instruments".

l) Grants

The grants received are accounted for by type.

l.1) Capital grants

Capital grants are those involving the acquisition or construction of assets. They are stated at the amount received or the fair value of the asset and recorded as deferred income on the liability side of the enclosed consolidated balance sheet. As the related asset or assets are amortised, these amounts are carried to the income statement.

l.2) Operating grants

Operating grants are grants other than the ones described about which are not directly related to an asset or group of assets. The amount received is considered operating income unless the grant is used to finance specific costs, in which case the expenses are carried to the income statement as they are incurred.

m) Provisions

The Group companies recognise provisions on the liability side of the accompanying consolidated balance sheet for present obligations arising from past events which the companies consider will probably require an outflow of resources embodying economic benefits to settle them on maturity.

These provisions are recognised when the related obligation arises and the amount recognised is the best estimate at the date of the accompanying financial statements of the present value of the future expenditure required to settle the obligation. The change in the year relating to the discount to present value is recognised as finance costs in the consolidated income statement.

Provisions for dismantling, removal or rehabilitation and those of an environmental nature are recognised by increasing the value of the affected asset by the current value of the expenses incurred when the operation of the asset concludes. The income statement is affected when the asset in question is amortised as previously described in this note.

Provisions are classified as current or non-current in the accompanying consolidated balance sheet on the basis of the estimated maturity date of the obligation covered by them, and non-current provisions are considered to be those whose estimated maturity date exceeds the average cycle of the activity giving rise to the provision.

n) Financial liabilities

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

Financial costs are recognised on the income statement on an accrual basis, using the effective interest rate method and are added to the value of the instrument to the extent that they are not settled in the period in which they are incurred.

Bank borrowings and other current and non-current financial liabilities maturing within no more than 12 months from the balance sheet date are classified as current liabilities and those maturing within more than 12 months as non-current liabilities.

o) Financial derivatives and accounting hedges

A financial derivative is a financial instrument or other contract whose value varies in response to changes in certain variables, such as an interest rate, financial instrument price, foreign exchange rate, credit rating or credit index or any other variable, which may be of a non-financial nature.

Apart from giving rise to gains or losses, financial derivatives may, under certain conditions, fully or partially offset foreign currency or interest rate risks or risks associated with balances and transactions. Hedges are accounted for as described below:

- Fair value hedge: in this case, the change in value of the instrument is recognised on the income statement, compensating the change in the fair value of the hedged item.
- Cash flow hedge: in this type of hedge, the change in the value of the hedging instrument is temporarily recognised in equity and then carried to the income statement when the hedged item materialises.
- Hedge of a net investment in a foreign operation: this type of hedge is intended to cover exchange rate risks and is treated as cash flow hedge.

Taking into account the introduction of IAS 39 Financial Instruments: Recognition and Measurement, in order to be considered a hedge, a financial derivative must meet the following requirements:

- Formal designation and documentation, at inception of the hedge, of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.
- Documentation identifying the hedged item, the hedging instrument and the nature of the risk being hedged.
- Prospective (analytical) evidence of the effectiveness of the hedge.
- Objective and verifiable ex-post measurements.

The changes in the fair value of cash flow hedges are taken, net of the tax effect, to reserves and are recognised in profit or loss for the year to the extent that the hedged item affects profit or loss.

The financial derivatives were measured by experts on the subject using generally accepted methods and techniques. These experts were independent from the Group and the entities financing it.

- The IRSs were measured by discounting all the flows envisaged in each contract on the basis of its characteristics, such as the notional amount and the collection and payment schedule. This measurement was made using the zero-coupon rate curve determined by employing a bootstrapping process for the deposits and swaps traded at any given time. This zero-coupon rate curve was used to obtain the discount factors for the measurements, which were made assuming the absence of arbitrage opportunity (AAO). When there were caps and floors or combinations thereof, on occasions conditional upon special conditions being met, the interest rates used were the same as those used for the swaps, although in order to

introduce the component of randomness in the exercise of the options, the generally accepted Black model was used.

- In the case of a cash flow hedging derivative tied to inflation, the method used is very similar to that applied to interest rate swaps. The projected inflation is estimated on the basis of the inflation included implicitly in the ex-tobacco European inflation-indexed swaps quoted on the market and is aligned with Spanish inflation by means of a convergence adjustment.

For classification as a hedging instrument, the instrument must first undergo an effectiveness test. Effectiveness tests are adapted to the type of hedge and the nature of the instruments used:

- In cash flow hedges, it is firstly verified that the critical terms of the hedging instrument and the hedged item – amounts, maturities, repayments, reference indexes, review dates, etc. – are all the same.

In the case of interest rate swaps (IRS) in which the FCC Group receives a floating rate equal to that of the hedged borrowings and pays a fixed rate, since the objective is to reduce the variability of the borrowing costs, the effectiveness test estimates the variance of these annualised costs both in the original hedged borrowings and in the portfolio that combines these borrowings with the hedging instrument. A hedge is considered to be fully effective when it achieves a reduction of at least 80% in the original variance of flows, i.e. when the instrument used reduces the variability of the flows by 80% or more. If this is not the case, the derivative is classified as speculative and its changes in value are recognised in profit or loss.

For cash flow hedges in which the derivative hedging instrument is not an IRS but an option (such as an interest rate cap), the reduction in the variance of costs is estimated only if the hedge is “activated”, i.e. if the reference rates fall outside the unhedged variability range. The methodology applied once the hedge has been activated is the same as that used to test the effectiveness of IRSs.

- The effectiveness test of fair value hedges -arranged using IRSs- is based on the comparison of the changes in the fair value of the hedged position and of the hedging instrument. The assessment of the effectiveness of this type of hedge is performed by isolating the effects of the credit risk of the liability and the change in value of the variable leg of the IRS, which does not affect the ultimate objective of the hedge but may give rise to apparent ineffectiveness due to the interest accrued at each date.

Although certain hedging instruments are recognised as speculative, this is only for accounting purposes since for financial and management purposes all the hedges arranged by the FCC Group have, at inception, an underlying financial transaction and the sole purpose of hedging such transaction.

This occurs when the instrument does not pass the effectiveness test, which requires that the changes in the fair value of cash flows of the hedged item directly attributable to the hedged risk are offset by an 80%-120% change in the fair value or cash flows of the hedging instrument. If this is not the case, the value changes are carried to the income statement.

In addition, derivatives and net financial debt undergo sensitivity testing to analyse the possible effects which a change in interest rates could have on the Group's accounts, assuming a rate increase and decrease of 100 basis points at year end (Note 28).

The details of the Group's financial derivatives are discussed in Note 21 of this document, along with other related aspects.

p) Income tax

The expense for income tax included in the accompanying consolidated income statement is calculated on the basis of consolidated profit before tax, increased or decreased, as appropriate, by the permanent differences between taxable profit and accounting profit. The corresponding tax rate based on the legislation applicable to each company is applied to this adjusted accounting profit. The tax relief and tax credits earned in the year are deducted and the positive or negative differences between the estimated tax charge calculated for the prior year's accounting close and the subsequent tax settlement at the payment date are added to or deducted from the resulting tax charge.

The Fomento de Construcciones y Contratas Group has capitalised the deferred tax assets arising from temporary differences and tax loss carryforwards, except for those with respect to which there are reasonable doubts as to their future recovery.

The temporary differences between the accounting profit and the taxable profit for income tax purposes, together with the differences between the carrying amounts of assets and liabilities recognised in the consolidated balance sheet and their tax bases give rise to deferred taxes which are recognised as non-current assets and liabilities. These amounts are measured at the tax rates that are expected to apply in the years in which they will foreseeable be reversed.

q) Pension commitments

Certain Group companies have undertaken commitments relative to pension plans and similar obligations which are further developed in Note 23.

r) Operating income and expense

In construction activities, the Group recognises results by reference to the stage of completion, determined by measuring the construction work performed in the year and the construction costs, which are recognised on an accrual basis. It recognises the revenue corresponding to the selling price of the completed construction work covered by a principal contract entered into with the owners, or by amendments thereto approved by the owners, or the revenue

with respect to which there is reasonable certainty regarding its recovery, since construction project revenue and costs are susceptible to substantial variations during the performance period which cannot be readily foreseen or objectively quantified. Budgeted losses are recognised as an expense in the income statement for the year.

The revenue and expenses of the other activities are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. The performance and operating costs include the interest accrued at market rates during the customary payment period in the construction and services industries.

Also recognised as operating income are the derivatives of the accounts receivable for collection rights under service concession agreements.

s) Related party transactions

The Company performs all its transactions with related parties on an arm's length basis.

Note 29 details the most notable transactions with significant shareholders of the parent company, with officers and directors and between Group companies or entities.

t) Estimates made

In the Group's consolidated financial statements for 2009 and 2008, estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- Distribution of the cost of the business combinations (see Note 4)
- The impairment losses on certain assets (see Notes 6, 7 and 8)
- The useful life of the intangible assets and property, plant and equipment (see Notes 6, 7 and 8)
- The measurement of goodwill (see Note 6)
- The amount of certain provisions (see Note 19)
- The assumptions used in the actuarial calculation of the post-employment benefit liabilities and obligations (see Notes 19 and 23).
- The fair value of the derivatives (see Note 21).

Although these estimates were made on the basis of the best information available at the date of preparation of these consolidated financial statements on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related future financial statements.

04 _ CHANGES IN THE CONSOLIDATED GROUP

The most noteworthy changes in the scope of consolidation in 2009 and 2008 were as follows:

a) Most significant acquisitions

Following is a detail of the acquisitions in 2009 and 2008, indicating the following data for each acquiree: name, date on which control was obtained, percentage of ownership, cost of the investment, financial statements included with respect to the business combination, allocation at fair value and goodwill.

2009 Financial Statements

Financial statements including business combinations	Olivento Group
Acquisition date	January
% ownership (nominal)	100%
ASSETS	
Non-current assets	904,907
Intangible fixed assets	537,512
Property, plant and equipment	363,910
Other assets	3,485
Current assets	29,999
Trade and other accounts receivable	19,841
Other current assets	449
Cash and cash equivalents	9,709
TOTAL ASSETS	934,906
LIABILITIES	
Equity	223,212
Net equity allocated to parent company	221,519
Minority interests	1,693
Non-current liabilities	117,342
Provisions	2,947
Deferred tax liabilities	114,395
Current liabilities	594,352
Current financial liabilities	580,840
Trade and other accounts payable	13,512
TOTAL LIABILITIES	934,906

Allocations at fair value	Olivento Group
ASSETS	
Intangible fixed assets	447,520
TOTAL ALLOCATIONS TO ASSETS	447,520
LIABILITIES	
Deferred tax liabilities	114,395
TOTAL ALLOCATIONS TO LIABILITIES	114,395
TOTAL NET ALLOCATIONS	333,125
Goodwill	
Olivento Group	
Cost of acquisition	221,519
Equity attributable to the parent company	(36,129)
Goodwill of the company acquired	146,042
Difference on acquisition	331,432
Total net allocations	(333,125)
Allocations to minority interests	1,693
Allocation to goodwill on consolidation	-

2008 Financial Statements

Financial statements including business combinations	Hydrocarbon Recovery Service	International Petroleum Corp.of Delaware	SKY Sierresita Cortijo I	SKY Sierresita Cortijo II
Acquisition date	March	March	September	September
% ownership (nominal)	100%	100%	100%	100%
ASSETS				
Non-current assets	103,953	9,715	69,375	69,375
Intangible fixed assets	76,708	6,789	14,500	14,508
Property, plant and equipment	27,245	2,926	54,875	54,867
Current assets	13,366	2,704	8,795	8,793
Inventories	3,212	553	-	-
Trade and other receivables	9,304	1,428	8,780	8,781
Other current financial assets	845	723	-	-
Cash and cash equivalents	5	-	15	12
TOTAL ASSETS	117,319	12,419	78,170	78,168
LIABILITIES				
Equity	110,527	11,979	78,004	78,002
Non-current liabilities	1,826	-	-	-
Non-current financial liabilities	1,826	-	-	-
Current liabilities	4,966	440	166	166
Current financial liabilities	707	-	-	-
Trade and other payables	4,259	440	166	166
TOTAL LIABILITIES	117,319	12,419	78,170	78,168

Allocations at fair value	Hydrocarbon Recovery Service	International Petroleum Corp. of Delaware	SKY Sierresita Cortijo I	SKY Sierresita Cortijo II
ASSETS				
Intangible fixed assets	5,441	-	13,897	13,910
Property, plant and equipment	6,280	-	-	-
TOTAL ALLOCATIONS TO ASSETS	11,721	-	13,897	13,910
TOTAL NET ALLOCATIONS	11,721	-	13,897	13,910

Goodwill	Hydrocarbon Recovery Service	International Petroleum Corp. of Delaware	SKY Sierresita Cortijo I	SKY Sierresita Cortijo II	Corporación Uniland Group
Cost of acquisition	110,527	11,979	78,004	78,002	135,635
Equity attributable to the parent company	(64,389)	(8,509)	(64,107)	(64,092)	(60,564)
Goodwill of the company acquired	13,408	1,743	-	-	-
Difference on acquisition	59,546	5,213	13,897	13,910	75,071
Total net allocations	(11,721)	-	(13,897)	(13,910)	-
Allocation to goodwill on consolidation	47,825	5,213	-	-	75,071



Noteworthy with respect to the table above was the exercise of put options representing 6.29% of the capital of Corporación Uniland, S.A. under the agreement to purchase this company entered into by the Cementos Portland Valderrivas Group in 2006, which included an additional put option for the seller on 22.50% of the capital, exercisable over a five-year term. At 2008 year-end, options representing 8.18% of the capital had yet to be exercised, all of which were exercised in 2009. Until 2008, the goodwill contributed by those companies was recognised as such by the FCC Group. According to new accounting standards, however, the companies acquired in 2009 are reflected as a decrease in equity (Note 3.b).

b) Other changes in the scope of consolidation

On 10 September 2009, the company RB Business Holding, S.L. was absorbed by Realía Business S.A, resulting in the termination of the clauses of the shareholders' agreement dated 8 May 2007 and the novation of the contract on 31 December 2008, whereunder the FCC Group and Caja Madrid became the co-directors of the Realía Business Group.

In 2009, the company Asesoría Financiera y de Gestión S.A. (Afígesa, a wholly-owned subsidiary of Fomento de Construcciones y Contratas S.A.) acquired 2.3% of the share capital of Realía Business S.A. for EUR 12,681 thousand following the cancellation of the security loan agreement signed on 29 December 2008 with a financial institution.

As a consequence of this process, at the end of 2009 the FCC Group controlled 30.23% of Realía Business, S.A.

On the consolidated balance sheets included in the 2009 and 2008 annual accounts, the Realía Business Group is consolidated using the equity method. However, because the FCC Group controlled the Realía Business Group through 30 December 2008, the 2008 income statement includes Realía's income and expenses as a fully integrated subsidiary of the FCC Group. The most significant income and expense items in this regard are as follows:

Revenues	402,298
Operating expense and other revenue	(351,548)
Operating results	50,750
Profit before taxes	(40,528)
After-tax profit (loss)	(28,593)

In 2009, the company "FCC Global Insurance General Services, S.A." was removed from the scope of consolidation of the FCC Group which generated before-tax profits of EUR 44,299 thousand (Note 25.f).

Within the framework of the agreements with Caja Madrid whereunder the interest in the concessions controlled by both companies were pooled in the jointly-controlled company Global Vía Infraestructuras, S.A., in 2009 the FCC Group contributed thirteen concession operators

with a consolidated value of EUR 74,531 thousand, resulting in before-tax profits of EUR 17,283 thousand. In 2008, the Group contributed fourteen concession operators with a consolidated value of EUR 65,593 thousand which resulted in before-tax profit of EUR 14,699 thousand (Note 25).

05 _ ALLOCATION OF PROFIT (LOSS)

The FCC Group paid a total of EUR 228,198 thousand in dividends in 2009 (EUR 368,960 thousand in 2008) as broken down on the enclosed cash flow statement:

	2009	2008
Shareholders of Fomento de Construcciones y Contratas, S.A.	191,784	265,054
Minority shareholders of Cementos Portland Valderrivas Group	33,973	69,980
Minority shareholders of the Realía Business Group	-	31,995
Other minority shareholders of the rest of the companies	2,441	1,931
	228,198	368,960

At the Annual General Meeting of Fomento de Construcciones y Contratas, S.A. held on 10 June 2009, the shareholders approved the distribution of the profit for 2008 through a total dividend of EUR 1.57 gross per share. The shareholders of Fomento de Construcciones y Contratas, S.A. received this amount through the payment of an interim dividend in January 2009 amounting to equal to 78.5% gross of the par value of the shares, i.e. EUR 0.785 per share (1.065 euros per share in 2008), and the payment of a final dividend in July 2009 equal to 78.5% gross of the par value of the shares, i.e. EUR 0.785 per share (1.065 euros per share in 2008).

On 17 December 2009, it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of the profit for the year equal to 71.5% gross of the par value of the shares, i.e. EUR 0.715 per share. The total amount of this dividend, EUR 88,746 thousand, was paid on or after 12 January 2010 on outstanding shares carrying dividend rights (Note 20.d).

In addition, to complete the dividend out of the 2009 profit of EUR 307,199 thousand attributable to the Parent of the FCC Group, Fomento de Construcciones y Contratas S.A., this Company will propose for the approval of the shareholders at the Annual General Meeting the distribution of a final dividend of EUR 0.715 per share which, together with the interim dividend, gives a total dividend of EUR 1.43 per share.

06 _ INTANGIBLE FIXED ASSETS

The details of the net intangible assets at 31 December 2009 and 2008 are as follows:

	Cost	Accumulated depreciation	Impairment	Net Carrying Value
2009				
Concession (Note 10)	1,349,733	(386,841)	(1,137)	961,755
Goodwill	2,654,108	-	(38,808)	2,615,300
Other intangible assets	1,229,355	(343,861)	(237)	885,257
	5,233,196	(730,702)	(40,182)	4,462,312
2008				
Concession (Note 10)	1,249,674	(343,462)	(1,137)	905,075
Goodwill	2,594,389	-	(38,004)	2,556,385
Other intangible assets	660,709	(235,503)	(237)	424,969
	4,504,772	(578,965)	(39,378)	3,886,429

a) Concessions

This heading includes the intangible fixed assets pertaining to the service concession agreements (Note 10).

The details under this heading of the consolidated balance sheet for 2009 and 2008 are as follows:

	Concessions	Accumulated Amortisation	Impairment
BALANCE AT 31.12.07			
	1,075,614	(300,199)	(1,137)
Additions or charges for the year	169,130	(44,191)	
Disposals or reductions	(4,703)	791	
Changes in the scope of consolidation, translation differences and other changes	9,575	(57)	
Transfers	58	194	
BALANCE AT 31.12.08			
	1,249,674	(343,462)	(1,137)
Additions or charges for the year	126,940	(44,865)	
Disposals or reductions	(24,773)	1,383	
Changes in the scope of consolidation, translation differences and other changes	(326)	1,887	
Transfers	(1,782)	(1,784)	
BALANCE AT 31.12.09			
	1,349,733	(386,841)	(1,137)

The most significant "additions" in 2009 refer to the investments in the following concessions" EUR 25,138 thousand in the Murcia Tram; EUR 25,075 thousand in the Coatzacoalcos Tunnel and EUR 21,709 thousand in the Conquense motorway.

The interest capitalised in 2009 totalled EUR 1,068 thousand (EUR 3,930 thousand in 2008) and the accumulated capitalised interest totalled EUR 6,425 thousand (EUR 5,988 thousand in 2008).

b) Goodwill

The changes in goodwill in the accompanying consolidated balance sheet in 2009 and 2008 were as follows:

BALANCE AT 31.12.07		2,551,272
Additions:		
Corporación Uniland Group	75,071	
Hydrocarbon Recovery Services, Inc	47,825	
A.S.A. Group	8,450	
FCC Construcción de Centroamérica Group	6,748	
International Petroleum Corp. of Delaware	5,213	
Cementos Portland Valderrivas, S.A.	3,663	
Gestión de Aguas del Norte, S.A.	1,252	
Other	3,340	151,562
Changes in the scope of consolidation, translation differences and other changes:		
Waste Recycling Group	(192,118)	
Aqualia Gestión Integral del Agua, S.A.	80,410	
Realia Group	(11,602)	
Gonzalo Mateo S.L.	(5,000)	
Other	701	(127,609)
Impairment losses:		
Flightcare Italia, SpA	(14,963)	
Cementos Lemona Group	(3,006)	
Other	(871)	(18,840)
BALANCE AT 31.12.08		2,556,385
Additions:		
Alpine Bau Group (*)	7,468	
Other	1,351	8,819
Changes in the scope of consolidation, translation differences and other changes:		
Waste Recycling Group	48,978	
Other	1,989	50,967
Impairment losses:		
Other	(871)	(871)
BALANCE AT 31.12.09		2,615,300

(*) Acquisitions of companies included in the consolidated group of the Alpine Bau Group.

The heading "Change in the scope of consolidation, translation differences and other changes" includes the effect of the appreciation of sterling compared to the euro which gave rise to an increase of EUR 46,744 thousand (decrease of EUR 192,118 thousand in 2008) in the goodwill associated with the UK WRG group, the original balance of which was EUR 875,173 thousand.

The details of goodwill at 31 December 2009 and 2008 on the consolidated balance sheet are as follows:

	2009	2008
Corporación Uniland Group	825,857	825,857
Waste Recycling Group	693,884	644,906
Alpine Bau Group	269,571	262,103
Cementos Portland Valderrivas, S.A.	226,269	226,269
A.S.A. Group	138,089	138,036
Aqualia Gestión Integral del Agua, S.A.	80,410	80,410
Cementos Lemona Group	70,729	70,729
FCC Logística Group	58,956	58,956
Hydrocarbon Recovery Services	46,208	47,825
Grupo Ekonor Group	43,140	43,140
Giant Cement Holding, Inc.	24,792	25,639
Flightcare Italia, SpA	21,220	21,220
Marepa Group	16,432	16,432
Jaime Franquesa, S.A.	11,322	12,193
Tratamientos y Recuperaciones Industriales, S.A.	9,860	9,860
FCC Construcción de Centroamérica Group	8,460	6,748
Gestiones Especializadas e Instalaciones, S.A.	7,410	7,410
Elcen Obras Servicios y Proyectos, S.A.	7,287	4,287
Deneo Energía e Infraestructuras, S.A.	5,531	5,531
Flightcare Belgium Naamloze Vennootschap	5,503	5,503
International Petroleum Corp. of Delaware	5,037	5,213
Canteras de Aláiz, S.A.	4,332	4,332
Gonzalo Mateo Group	3,859	3,859
Papeles Hernández e Hijos Group	3,815	3,815
Cementos Alfa, S.A.	3,712	3,712
Áridos y Premezclados, S.A. Unipersonal	3,704	3,704
Flightcare, S.L.	3,116	3,116
Other	16,795	15,580
	2,615,300	2,556,385

With regard to the goodwill of Corporación Uniland and Waste Recycling shown on the table above, it should be noted that in the case of Corporación Uniland, in order to adapt the impairment test (Note 3.e) to the reality of the cement sector, a ten-year horizon was used to reflect the business cycle more accurately. Since the acquisition was financed almost

entirely with external financing, in order to calculate the current value of the estimated future cash flows a before-tax discount rate equal to the marginal cost of the debt, adjusted by the business and country risk, was used.

In the case of the Waste Recycling Group, the future growth hypotheses take into account the maturation of business decisions taken by the company which are being implemented to adapt the company's revenue mix to market changes, such as recycling, wind power, biomass and contaminated soil. Given the structural characteristics of this type of business and the long useful lives of the business assets, a ten-year horizon was used and the estimated cash flows were discounted using the weighted average cost of capital (WACC).

c) Other intangible assets

The details of this heading on the consolidated 2009 and 2008 balance sheets are as follows:

	Other intangible assets	Accumulated Amortisation	Impairment
BALANCE AT 31.12.07	573,929	(159,064)	(293)
Additions or charges for the year	19,648	(77,957)	-
Disposals or reductions	(4,830)	1,735	-
Changes in the scope of consolidation, translation differences and other changes	69,528	2,099	56
Transfers	2,434	(2,316)	-
BALANCE AT 31.12.08	660,709	(235,503)	(237)
Additions or charges for the year	15,924	(90,364)	-
Disposals or reductions	(2,484)	873	-
Changes in the scope of consolidation, translation differences and other changes	561,500	(21,279)	-
Transfers	(6,294)	2,412	-
BALANCE AT 31.12.09	1,229,355	(343,861)	(237)

The heading "Change in the scope of consolidation, translation differences and other changes" for 2009 includes the intangible assets of the Olivento Group in the amount of EUR 537,512 thousand (Note 4), primarily the rights to land on which the wind turbines are located.



07 _ PROPERTY, PLANT AND EQUIPMENT

The changes in property plant and equipment at 31 December 2009 and 2008 are as follows:

	Cost	Accumulated Amortisation	Impairment	Carrying equity
2009				
Land and buildings	2,273,986	(603,073)	(30,543)	1,640,370
Land	875,388	(82,057)	(29,490)	763,841
Buildings for own use	1,398,598	(521,016)	(1,053)	876,529
Plant and other items of property, plant and equipment PPE	8,759,636	(4,431,420)	(11,108)	4,317,108
Plant	4,860,102	(2,295,308)	(9,960)	2,554,834
Machinery and vehicles	2,661,993	(1,543,214)	(658)	1,118,121
Work in progress	344,567	-	-	344,567
Other PPE	892,974	(592,898)	(490)	299,586
	11,033,622	(5,034,493)	(41,651)	5,957,478
2008				
Land and buildings	2,165,626	(545,947)	(31,438)	1,588,241
Land	868,229	(72,745)	(30,438)	765,046
Buildings for own use	1,297,397	(473,202)	(1,000)	823,195
Plant and other items of property, plant and equipment PPE	7,844,294	(3,908,611)	(32,231)	3,903,452
Plant	4,151,840	(1,963,782)	(15,164)	2,172,894
Machinery and vehicles	2,488,357	(1,405,211)	(16,794)	1,066,352
Work in progress	355,898	-	-	355,898
Other PPE	848,199	(539,618)	(273)	308,308
	10,009,920	(4,454,558)	(63,669)	5,491,693

	Land	Buildings For own use	Land and buildings	Installations plant	Machinery and vehicles	Work in progress	Other equipment	Plant and other PPE	Accumulated amortisation	Impairment
BALANCE AT 31.12.07	859,366	1,254,579	2,113,945	4,342,562	2,300,761	301,600	784,858	7,729,781	(4,123,607)	(60,546)
Additions or charges for the year	4,750	25,707	30,457	47,496	237,616	317,913	82,584	685,609	(567,169)	(14,503)
Disposals or reductions	(891)	(9,050)	(9,941)	(23,416)	(102,642)	(10,642)	(44,849)	(181,549)	113,954	644
Changes in the scope of consolidation, translation differences and other changes	3,415	(22,149)	(18,734)	(448,067)	25,891	15,971	12,777	(393,428)	188,711	10,736
Transfers	1,589	48,310	49,899	233,265	26,731	(268,944)	12,829	3,881	(66,447)	-
BALANCE AT 31.12.08	868,229	1,297,397	2,165,626	4,151,840	2,488,357	355,898	848,199	7,844,294	(4,454,558)	(63,669)
Additions or charges for the year	9,812	25,138	34,950	56,412	214,856	217,004	72,027	560,299	(596,515)	19,997
Disposals or reductions	(1,143)	(13,674)	(14,817)	(24,419)	(112,032)	(27,345)	(32,881)	(196,677)	138,345	1,456
Changes in the scope of consolidation, translation differences and other changes	(3,320)	10,236	6,916	608,285	8,496	728	2,315	619,824	(130,011)	1,383
Transfers	1,810	79,501	81,311	67,984	62,316	(201,718)	3,314	(68,104)	8,246	(818)
BALANCE AT 31.12.09	875,388	1,398,598	2,273,986	4,860,102	2,661,993	344,567	892,974	8,759,636	(5,034,493)	(41,651)

In 2009 and 2008, the changes in the different PPE items were as follows:

The most significant additions in 2009 refer to the investments made in connection with service contracts, primarily by Fomento de Construcciones y Contratas, S.A. in the amount of EUR 155,659 thousand and investments in the construction business, primarily in the Alpine Bau group in the amount of EUR 97,369 thousand.

“Disposals or Reductions” includes asset disposals and inventory reductions relating to assets which, in general, have been depreciated substantially in full since they have reached the end of their useful lives.

Under the heading of “Changes in the scope of consolidation, translation differences and other changes” includes the sum of EUR 363,910 thousand which refers to the inclusion in 2009 of the property, plant and equipment of the Olivento Group (Note 4). It also includes the effect of the appreciation of sterling against the euro, which gave rise to an increase of EUR 100,318 thousand in the goodwill associated with the UK WRG Group, compared to a decrease of EUR 417,427 thousand in 2008.

The interest capitalised in 2009 totalled EUR 9,012 thousand (EUR 5,655 thousand in 2008) and the accumulated interest capitalised totalled EUR 46,111 thousand (EUR 39,432 thousand in 2008).

The Group companies takes out as much insurance as is considered necessary to cover the risks to which the property, plant and equipment may be exposed. At the end of the year, the parent company deemed that these risks were adequately covered.

Fully depreciated property, plant and equipment which, being in good working order, are used in production amounted to EUR 4,805 million at 31 December 2009 (31 December 2008: EUR 1,850 million).

As explained in Note 26, of the total property, plant and equipment in the accompanying consolidated balance sheet, EUR 3,309,291 thousand (2008: EUR 3,208,419 thousand) were located abroad.

Restrictions on ownership of assets

Of the total property, plant and equipment in the consolidated balance sheet at 31 December 2009, there are restrictions on title to assets amounting to EUR 1,310,347 thousand (31 December 2007: EUR 1,430,464 thousand), the detail being as follows:

	Cost	Accumulated depreciation	Net value
2009			
Buildings, plant and equipment	2,395,838	(1,246,454)	1,149,384
Other PPE	289,413	(128,450)	160,963
	2,685,251	(1,374,904)	1,310,347
2008			
Buildings, plant and equipment	2,414,599	(1,147,007)	1,267,592
Other PPE	300,746	(137,874)	162,872
	2,715,345	(1,284,881)	1,430,464

The Group's assets subject to restrictions on title relate to non-current assets held under finance leases or other financing arrangements, as indicated in Note 9 and to revertible assets assigned to the operation of concessions and other contracts.

Acquisition commitments

In the course of their business activities, the Group companies had formalised property, plant and equipment purchase commitments amounting to EUR 42,777 thousand at 31 December 2009 (31 December 2008: EUR 91,041 thousand), the detail being as follows:

	2009	2008
Buildings for own use	28,526	200
Plant	12,683	86,551
Machinery and vehicles	1,183	2,725
Other PPE	385	1,565
	42,777	91,041

08 _ INVESTMENT PROPERTIES

The heading of investment property on the consolidated balance sheet includes the net value of the land, buildings and other structures held either to earn rentals or, as the case may be, for capital appreciation when sold in the future at a higher market price. The Torre Picasso building leases office space, commercial premises and parking spaces.

The composition of the investment property heading at 31 December 2009 and 2008 is as follows:

	Cost	Accumulated depreciation	Net value
2009			
Investment properties			
Torre Picasso	294,838	(56,641)	238,197
OTHER	28,618	(2,722)	25,896
	323,456	(59,363)	264,093
2008			
Investment properties			
Torre Picasso	293,474	(52,808)	240,666
Other	25,811	(2,558)	23,253
	319,285	(55,366)	263,919

The details of the changes in "Investment Property" in 2009 and 2008 are as follows:

	Torre Picasso	Other	Realia Business Group	Total
BALANCE AT 31.12.07	242,275	22,683	2,070,544	2,335,502
Additions	1,929	17	178,460	180,406
Outflows	-	(525)	(56,452)	(56,977)
Depreciation charge and allowances	(3,538)	(210)	(78,570)	(82,318)
Changes in the scope of consolidation	-	8	(2,192,152)	(2,192,144)
Transfers	-	1,280	78,170	79,450
BALANCE AT 31.12.08	240,666	23,253	-	263,919
Additions	1,403	2,941	-	4,344
Outflows	(39)	(413)	-	(452)
Depreciation charge and allowances	(3,833)	(210)	-	(4,043)
Changes in the scope of consolidation	-	(4,319)	-	(4,319)
Transfers	-	4,644	-	4,644
BALANCE AT 31.12.09	238,197	25,896	-	264,093

The main change compared to 2008 is included under the heading of “Changes in the scope of consolidation” and refers to the effects of changing the method of consolidating Realia Business Group (Note 4).

The income from the Torre Picasso building in 2009 and 2008 is as follows:

	2009	2008
Rental income	26,127	26,173
Transfer of costs to tenants	7,185	6,948
Profit net of taxes	13,202	11,160

At 31 December 2009 and 2008, the details of the maturities of future minimum payments owed to Torre Picasso by different tenants under the leases in force, without considering future rent adjustments:

	2009	2008
Up to one year	25,812	26,196
One to five years	69,832	59,434
More than 5 years	18,112	1,402
	113,756	87,032

The market value of the Torre Picasso building is higher than the carrying value.

According to the obligations assumed under the EUR 250,000 thousand financing agreement signed on 18 December 2009 by the FCC Group as the owner of the Torre Picasso building (Note 20), the building is mortgaged and the rights to the rental payments under current and future leases are pledged for the next 15 years. The FCC Group has also assumed the commitment to many the investments which are needed to keep the building in a proper state of maintenance and conservation.

At the end of 2009 the Group did not have any firm commitments to purchase or invest in property. Also, at 31 December 2009, there were no contractual obligations relating to repairs, maintenance or improvements except as mentioned above.

09 _ LEASES

a) Financial leases

The characteristics of the finance leases at the end of 2009 and 2008 and their cash flows are shown below:

	Movable property	Real estate	Total
2009			
Net carrying value	243,902	19,985	263,887
Accumulated depreciation	91,669	3,265	94,934
Cost of the assets	335,571	23,250	358,821
Finance expense	27,846	8,935	36,781
Capitalised cost of the assets	363,417	32,185	395,602
Lease payments made during the year	(82,240)	(637)	(82,877)
Lease payments made in prior	(119,991)	(8,990)	(128,981)
Lease payments outstanding, including purchase option	161,186	22,558	183,744
Unaccrued finance charges	(7,335)	(4,822)	(12,157)
Present value of lease payments outstanding, including purchase option	153,851	17,736	171,587
Contract term (years)	2 - 5	10	
Value of purchase options	10,888	10,721	21,609

	Movable property	Real estate	Total
2008			
Net carrying value	291,090	18,829	309,919
Accumulated depreciation	99,060	3,634	102,694
Cost of the assets	390,150	22,463	412,613
Finance expense	35,468	7,085	42,553
Capitalised cost of the assets	425,618	29,548	455,166
Lease payments made during the year	(147,847)	(5,745)	(153,592)
Lease payments made in prior	(127,379)	(984)	(128,363)
Lease payments outstanding, including purchase option	150,392	22,819	173,211
Unaccrued finance charges	(11,330)	(4,661)	(15,991)
Present value of lease payments outstanding, including purchase option	139,062	18,158	157,220
Contract term (years)	2 - 5	10	
Value of purchase options	7,651	11,071	18,722

The details, by maturity, of the reconciliation of the total amount of the lease payments to their present value at the balance-sheet dates of 31 December 2009 and 2008 are as follows:

	Up to one year	One to five years	More than five years	Total
2009				
Lease payments outstanding, including purchase options	73,163	91,059	19,522	183,744
Unaccrued finance charges	(2,039)	(8,359)	(1,759)	(12,157)
Present value of lease payments outstanding, including purchase option	71,124	82,700	17,763	171,587
2008				
Lease payments outstanding, including purchase options	72,463	77,699	23,049	173,211
Unaccrued finance charges	(3,967)	(9,442)	(2,582)	(15,991)
Present value of lease payments outstanding, including purchase option	68,496	68,257	20,467	157,220

The finance leases arranged by the Group companies do not include lease payments the amount of which must be determined on the basis of future economic events or indices and, accordingly, in 2009 no expense was incurred in connection with contingent rent.



b) Operating leases

As the lessee, the operating lease payments recognised as an expense at 31 December 2009 totalled EUR 375,446 thousand (EUR 395,008 thousand at 31 December 2008). These payments refer primarily to leased construction machinery and leased constructions for the Group's business activities.

There are non-cancellable future payment obligations amounting to EUR 484,089 thousand (2008: EUR 395,344 thousand) in relation to operating leases on buildings and structures. These obligations, entered into mainly by the logistics companies, are recognised in the income statement on an accrual basis. The details of the maturity dates of the non-cancellable minimum future payments at 31 December 2009 and 2008 are as follows:

	2009	2008
Up to one year	102,073	76,423
One to five years	295,415	240,928
More than 5 years	86,601	77,993
	484,089	395,344

As the lessor, practically all of the operating lease payments recognised as income are associated with the operation of the Torre Picasso building (Note 8).

10 _ SERVICE CONCESSION AGREEMENTS

This note presents an overview of all the Group's investments in the concessions recognised under different headings on the asset side of the consolidated balance sheet.

The following table sets forth the total investments made by the Group companies in concessions, which are included under "Property, Plant and Equipment", "Intangible Assets" and "Investments in Associates" in the accompanying consolidated balance sheets at 31 December 2009 and 2008.

	Intangible fixed assets	Financial assets	JV concession operator	Associate concession operator	Total investment
2009					
Water services	1,027,304	16,608	68,918	12,562	1,125,392
Motorways and tunnels	25,375	-	481,583	20,015	526,973
Other	297,054	89,365	322	15,117	401,858
TOTAL	1,349,733	105,973	550,823	47,694	2,054,223
Amortisation	(386,841)	-	-	-	(386,841)
Impairment	(1,137)	-	-	-	(1,137)
	961,755	105,973	550,823	47,694	1,666,245
2008					
Water services	1,021,325	13,229	75,107	13,450	1,123,111
Motorways and tunnels	8,307	-	354,745	33,738	396,790
Other	220,042	58,079	2,292	38,864	319,277
TOTAL	1,249,674	71,308	432,144	86,052	1,839,178
Amortisation	(343,462)	-	-	-	(343,462)
Impairment	(1,137)	-	-	-	(1,137)
	905,075	71,308	432,144	86,052	1,494,579

Under the concession contracts and during the term thereof, the concession operators in which the Group holds ownership interests are obliged to purchase or construct property, plant and equipment items assigned to the concessions amounting to EUR 120,424 thousand (2008: EUR 254,437 thousand).

11 _ INVESTMENTS CARRIED UNDER THE EQUITY METHOD

This heading includes the value of the investments in companies accounted for using the equity method, which comprises both the equity interest and the non-current loans granted to these companies, and the jointly controlled entities that, as indicated in Note 2.b), were accounted for using the equity method.

	2009	2008
Joint ventures	855,618	776,263
Associated enterprises	290,136	340,342
	1,145,754	1,116,605

In the years ended 31 December 2009 and 2008 there were no impairment losses, since the market value was equal to or higher than the values obtained by applying the method described in the preceding paragraph.

The detail, by company, of "Investments Accounted for Using the Equity Method" is disclosed in the Appendixes II and III to these consolidated financial statements.

a) Joint ventures

The changes in 2009 and 2008 were as follows:

	Acquisitions and disbursements	P/L for the year results	Dividends paid	Changes in Fair value of financial instruments recognised in reserves	Sales	Changes in consolidation method and y transfers	Exchange difference and other movements	Value of the equity method	Loans granted	Total
BALANCE AT 31.12.07								404,025	31,876	435,901
Grupo Realía Business	-	-	-	-	-	168,894	-	168,894	-	168,894
Grupo Global Vía	-	(20,167)	-	(6,778)	-	186,815	-	159,870	-	159,870
Participadas grupo Uniland	715	10,240	(1,745)	-	-	(1,818)	(1,142)	6,250	-	6,250
Grupo Proactiva	-	3,122	(1,726)	-	-	-	(1,188)	208	-	208
Zabalgardi, S.A.	1,565	2,770	-	-	-	-	-	4,335	-	4,335
Other	60	13,356	(8,988)	(75)	-	-	(803)	3,550	(2,745)	805
Total 2008	2,340	9,321	(12,459)	(6,853)	-	353,891	(3,133)	343,107	(2,745)	340,362
BALANCE AT 31.12.08	-	-	-	-	-	-	-	747,132	29,131	776,263
Grupo Realía Business	12,681	(16,444)	-	(4,019)	-	-	(7,326)	(15,108)	50,654	35,546
Grupo Global Vía	31,864	(11,259)	-	(3,743)	-	117,217	30,076	164,155	-	164,155
Participadas grupo Uniland	-	5,578	-	-	(134,585)	-	-	(129,007)	-	(129,007)
Grupo Proactiva	-	4,351	-	-	-	-	(4,573)	(222)	-	(222)
Mercia Waste Management Ltd.	-	2,597	-	-	-	-	479	3,076	-	3,076
Valenciana de Servicios ITV, S.A.	-	1,385	(1,150)	-	-	-	-	235	-	235
Other	2,835	5,598	(4,395)	541	-	-	(1,600)	2,979	2,593	5,572
Total 2009	47,380	(8,194)	(5,545)	(7,221)	(134,585)	117,217	17,056	26,108	53,247	79,355
BALANCE AT 31.12.09	-	-	-	-	-	-	-	773,240	82,378	855,618

The most significant changes in both fiscal years relate mainly to the Global Vía Infraestructuras Group as a consequence of the investment of the concessionaire companies by the FCC Group (Note 4). Also notable in 2009 was the disposal of the Uniland Group companies Cementos Avellaneda, S.A. and Cementos Artigas, S.A. and in 2008 the change in the consolidation method used for the Realía Business Group (Note 4).

The detail of the assets, liabilities, revenue and profit or loss for 2009 and 2008 of the associates and joint ventures, in proportion to the ownership interests held therein, based on the information included in the respective financial statements, is as follows:

	2009	2008
Non-current assets	2,449,364	2,626,899
Current assets	825,460	1,100,196
Non-current liabilities	1,683,050	1,684,103
Current liabilities	631,100	1,042,946
Profit/loss		
Net turnover	656,359	711,175
Operating results	78,437	77,683
Profit before taxes	(12,888)	(5,129)
Result attributed to the parent company	(13,462)	(3,649)

The joint ventures engage mainly in the operation of concessions such as motorways, tunnels, passenger transport and real estate, which is broken down into real estate investment and sales of finished residential real estate, activities which are handled by Global Vía Infraestructura, S.A. and Realía Business, S.A., respectively.

With regard to the joint ventures with companies outside the FCC Group, guarantees have been provided in the amount of EUR 675,433 thousand (EUR 357,426 thousand in 2008), most to public entities and private clients to guarantee the successful fulfilment of the Group's contractual obligations.

b) Associates

The changes in 2009 and 2008 are as follows:

	Acquisitions and disbursements	P/L for the year results	Dividends paid	Changes in Fair value of financial instruments recognised in reserves	Sales	Changes in consolidation method and y transfers	Exchange difference and other movements	Value of the equity method	Loans granted	Total
BALANCE AT 31.12.07								412,906	43,279	456,185
Cedinsa Group	5,226	(141)	-	(561)	-	-	-	4,524	259	4,783
Nova Bocana Barcelona, S.A.	3,160	-	-	(1,026)	-	-	-	2,134	-	2,134
Desarrollo Urbanístico Sevilla Este, S.L.	-	-	-	-	-	(104,550)	-	(104,550)	-	(104,550)
Urbs Index et Causidicus, S.A.	-	1,683	-	(8,787)	-	-	-	(7,104)	-	(7,104)
M50 (Concession) Limited	-	-	-	(5,203)	-	-	(683)	(5,886)	-	(5,886)
Cedinsa Eix del Llobregat, S.A.	-	(1,498)	-	(3,992)	-	-	-	(5,490)	-	(5,490)
Concesiones de Madrid, S.A.	-	-	-	-	-	(15,358)	-	(15,358)	-	(15,358)
Autovía Necaxa-Tehuacan, S.A. de C.V.	-	439	-	(2,611)	-	-	(2,000)	(4,172)	-	(4,172)
Concesionaria Hospital Son Dureta, S.A.	4,436	-	-	(5,071)	-	-	-	(635)	-	(635)
Other	11,363	5,358	(5,906)	(10,296)	(135)	(6,299)	5,419	(496)	20,931	20,435
Total 2008	24,185	5,841	(5,906)	(37,547)	(135)	(126,207)	2,736	(137,033)	21,190	(115,843)
BALANCE AT 31.12.08	-	-	-	-	-	-	-	275,873	64,469	340,342
Shariket Miyeh Ras Djinet, SpA	2,233	-	-	-	-	-	556	2,789	-	2,789
Nova Bocana Barcelona, S.A.	4,058	(221)	-	(633)	-	-	-	3,204	-	3,204
Urbs Index et Causidicus, S.A.	-	1,042	-	(320)	-	-	-	722	-	722
Torres Porta Fira, S.A.	-	9,350	(9,710)	-	-	-	(12)	(372)	-	(372)
Gestión Integral de Residuos Sólidos, S.A.	-	26	(917)	-	-	-	-	(891)	(396)	(1,287)
Metro de Malaga, S.A.	-	-	-	-	-	(23,171)	-	(23,171)	-	(23,171)
Autovía Necaxa-Tehuacan, S.A. de C.V.	-	-	-	-	-	(11,403)	-	(11,403)	-	(11,403)
Transportes Ferroviarios de Madrid, S.A.	-	-	-	-	-	(15,923)	-	(15,923)	-	(15,923)
Other	1,865	(8,096)	(5,806)	(1,870)	-	(14,632)	5,711	(22,828)	18,063	(4,765)
Total 2009	8,156	2,101	(16,433)	(2,823)	-	(65,129)	6,255	(67,873)	17,667	(50,206)
BALANCE AT 31.12.09	-	-	-	-	-	-	-	208,000	82,136	290,136

The most significant change in 2009 relates to the transfer of the concessionaire companies to Global Vía Infraestructuras, S.A. in the amount of EUR 74,531 thousand. In 2008, the most significant change is the removal of the Group company Realía Business, Desarrollo Urbanístico de Sevilla Este, S.L. as a result of being consolidated using the equity method (Note 4).

The detail of the assets, liabilities, revenue and profit or loss for 2009 and 2008 of the associates and joint ventures, in proportion to the ownership interests held therein, is as follows:

	2009	2008
Non-current assets	1,102,497	1,457,910
Current assets	400,987	487,399
Non-current liabilities	650,330	1,179,275
Current liabilities	657,444	521,989
Net turnover	423,094	285,332
Operating results	23,502	29,709
Profit before taxes	3,574	6,351
Result attributed to the parent company	2,101	5,841

12 _ JOINTLY MANAGED CONTRACT

The Group companies undertake certain of their business activities through contracts that the FCC Group operates jointly with other non-Group companies, mainly by means of unincorporated joint ventures. These jointly managed contracts were proportionately consolidated, as indicated in Note 2.b) above, "Jointly managed business".

Following are the main aggregates of the jointly operated contracts included in the various headings in the accompanying consolidated balance sheet and consolidated income statement, in proportion to the percentage of ownership held therein, at 31 December 2009 and 2008:

	2009	2008
Non-current assets	141,342	142,796
Current assets	1,427,091	1,433,582
Non-current liabilities	20,224	23,097
Current liabilities	1,099,080	1,238,601
Profit/loss		
Net turnover	1,592,824	1,708,526
Gross operating profit	138,002	99,891
Net operating profit	116,591	77,168

At 2009 year-end, the property, plant and equipment purchase commitments made directly by the joint ventures amounted to EUR 3,516 thousand (2008: EUR 1,007 thousand), calculated on the basis of the percentage interest held by the Group companies.

The contracts managed through unincorporated joint ventures, joint property entities, silent participation agreements, economic interest groupings and other entities of a similar legal nature require the venturers to share joint and several liability for the business activity carried on.

Guarantees amounting to EUR 847,913 thousand (2008: EUR 863,960 thousand) were provided, mostly to government agencies and private customers, for contracts managed jointly with non-Group third parties, as security for the performance of construction projects and urban cleaning contracts.

13 — NON-CURRENT FINANCIAL ASSETS AND OTHER CURRENT FINANCIAL ASSETS

The most significant items under “Non-Current Financial Assets” and “Other Current Financial Assets” in the accompanying consolidated balance sheet are as follows:

a) Non-current financial assets

The breakdown of the non-current financial assets at 31 December 2009 and 2008 is as follows:

	2009	2008
Available-for-sale financial assets	59,518	75,343
Non-current loans	202,452	183,167
Held-to-maturity investments	10,917	15,786
Non-current collection rights, service concession agreements (Notes 3.a) and 10)	94,089	63,347
Other financial assets	37,048	180,225
	404,024	517,868

a.1) Available-for-sale financial assets

Breakdown of the balance at 31 December 2009 and 2008:

	Effective ownership %	Fair value
2009		
Ownership interest of 5% or more:		
Equipamientos Urbanos de México, S.A. de C.V.	50.00	12,234
World Trade Center Barcelona, S.A.	16.52	11,422
Vertederos de Residuos, S.A.	16.03	7,050
Consorcio Traza, S.A.	16.60	1,365
M. Capital, S.A.	16.76	1,214
Build2Edifica, S.A.	15.45	901
Sierra de Mías, S.A.	10.00	403
Uncona, S.A.	9.64	605
Shopnet Brokers, S.A.	15.54	-
Other		2,461
Ownership interest less than 5%:		
Xfera Móviles, S.A.	3.44	-
Participaciones del grupo Alpine Bau		17,193
Other		4,670
		59,518
2008		
Ownership interest of 5% or more:		
Equipamientos Urbanos de México, S.A. de C.V.	50.00	13,499
World Trade Center Barcelona, S.A.	16.52	11,422
Vertederos de Residuos, S.A.	16.03	7,050
SCL Terminal Aéreo de Santiago, S.A.	14.77	4,088
Transportes Ferroviarios de Madrid, S.A.	24.38	-
WTC Almeda Park, S.A.	12.50	1,078
Build2Edifica, S.A.	15.45	901
Artscapital Investment, S.A.	10.83	-
Shopnet Brokers, S.A.	15.54	-
Other		3,070
Ownership interest less than 5%:		
Xfera Móviles, S.A.	3.44	13,799
Participaciones del grupo Alpine Bau	-	17,409
Other	-	3,027
		75,343

At 31 December 2009, the Company had also provided guarantees for Xfera Moviles, S.A. totalling EUR 3.995 thousand. Fomento de Construcciones y Contratas, S.A. has a put option on the portfolio of Xfera Moviles, S.A. that is symmetrical to the call option held by Sonera Holding B.V. These rights can only be exercised on the maturity date in 2011, provided that certain terms and conditions are met, including most notably that Xfera Moviles, S.A. generates profit over two consecutive years prior to the aforementioned maturity date.

Additionally, the 50% ownership interest in the share capital of the Eumex Group is recognised as an available-for-sale financial asset since the circumstances that gave rise to the loss of significant influence over this group in 2006 have not changed.

The changes in the available-for-sale financial assets in 2009 and 2008 were as follows:

	Cost	Impairment	Disposals and reductions	Changes in Scope of Consolidation, Translation Differences and Other Changes	Net carrying value	Changes in fair value	Fair value
BALANCE AT 31.12.07	-	-	-	-	85,320	(8,862)	76,458
Xfera Móviles, S.A.	5,161	-	-	-	5,161	-	5,161
Vertederos de Residuos, S.A.	-	-	-	-	-	1,283	1,283
Inversiones financieras grupo Alpine Bau	1,686	-	-	79	1,765	-	1,765
Scutvias - Autoestradas Da Beira Interior, S.A.	-	-	(4,098)	-	(4,098)	-	(4,098)
WTC Almeda Park, S.A.	-	-	(750)	-	(750)	-	(750)
Transportes Ferroviarios de Madrid, S.A.	-	-	-	(3,786)	(3,786)	-	(3,786)
Other	647	-	(92)	(1,510)	(955)	265	(690)
Total 2008	7,494	-	(4,940)	(5,217)	(2,663)	1,548	(1,115)
BALANCE AT 31.12.08	-	-	-	-	82,657	(7,314)	75,343
Equipamientos Urbanos de México, S.A. de C.V.	-	-	-	-	-	(1,263)	(1,263)
Xfera Móviles, S.A. (Nota 25.f)	4,644	(18,443)	-	-	(13,799)	-	(13,799)
SCL Terminal Aéreo de Santiago, S.A.	-	-	(4,088)	-	(4,088)	-	(4,088)
Consorcio Traza, S.A.	1,365	-	-	-	1,365	-	1,365
Other	438	-	-	1,429	1,867	93	1,960
Total 2009	6,447	(18,443)	(4,088)	1,429	(14,655)	(1,170)	(15,825)
BALANCE AT 31.12.09	-	-	-	-	68,002	(8,484)	59,518

a.2) Non-current loans

The non-current loans granted by Group companies to third parties mature as follows:

	2011	2012	2013	2014	2015 and thereafter	Total
Non-trade debtors	14,201	6,560	4,834	4,505	142,354	172,454
Deposits and guarantees	2,870	421	271	550	25,886	29,998
	17,071	6,981	5,105	5,055	168,240	202,452

The non-trade loans include mainly the amounts granted to government agencies for the financing of infrastructures and refinancing of debt in the water service and urban cleaning businesses, at market interest rates.

The deposits and guarantees relate mainly to those required legally or contractually in the course of the Group companies' activities, such as deposits for electricity connections, construction completion bonds, property lease guarantee deposits, etc.

In 2009 there were no events that raised doubts concerning the recovery of these loans.

a.3) Other financial assets

This heading includes EUR 29,080 thousand in respect of the measurement of the call option and cash flow swap arranged by the Parent in 2008 within the framework of the share option plan agreed with executives and executive directors (see Note 18).

It also includes a trigger call on the convertible bond issued that is explained in Note 17.e).

Also noteworthy was the change compared to 2008 due, on the one hand, to the execution of the put options on the share capital of Corporación Uniland S.A. This transaction was completed with the acquisition of the remaining 8.18% which resulted in a decrease of EUR 100,977 thousand under this heading. On the other hand, the financial asset related to a call option on 17% of the stake in Alpine Holding GmbH, which is explained in Note 20 of this document, was classified as equity pursuant to the terms of IFRS 3, revised, "Business combinations".

b) Other current financial assets

The breakdown of the balance at 31 December 2009 and 2008 is as follows:

	2009	2008
Held-for-trading financial assets	1,939	1,032
Equity investment funds	1,939	115
Corporate promissory notes and others	-	917
Held-to-maturity investments	21,583	17,528
Promissory notes	5,700	781
Government debt securities	7,557	11,070
Fixed-income investment funds	8,326	5,677
Other loans	154,075	171,186
Loans to non-Group third parties	69,392	45,891
Loans to associated enterprises	74,502	58,267
Deposits at bank	10,181	67,028
Deposits and guarantees given	41,499	25,123
Current collection rights, service concession agreements	11,884	7,961
	230,980	222,830

This heading in the accompanying consolidated balance sheet includes current financial investments which, maturing at more than three months in order to cater for certain specific cash situations, are classified as held-for-trading financial assets, held-to-maturity investments assets or other loans based on the initial nature of the investments.

These assets are unrestricted as to their use, except for "Deposits and Guarantees Given", which relate to amounts paid to secure certain contracts which will be recovered once the contracts expire.

The average rate of return obtained in this connection is the market return according to the term of each investment.

14 _ STOCKS

The breakdown of the inventories at 31 December 2009 and 2008 is as follows:

	2009	2008
Property assets	468,089	831,878
Raw materials and other supplies	470,588	606,524
Construction	299,213	357,793
Cement	107,743	175,533
Versia	33,592	41,113
Environmental services	29,130	31,289
Other business	910	796
Finished products	48,658	55,765
Prepayments	115,947	81,089
	1,103,282	1,575,256

The main real estate products refer to land for sale, most of which was acquired in exchange for work completed or scheduled to be done by the subgroup FCC Construcción, which at 31 December 2009 included: land in Tres Cantos (Madrid) for EUR 74,454 thousand, plots in Sant Joan Despi (Barcelona) totalling EUR 55,351 thousand and properties in Badalona (Barcelona) amounting to EUR 46,167 thousand and properties Ensanche de Vallecas (Madrid) totalling EUR 25,206 thousand.

The sum of EUR 119,056 recorded under the heading of real estate products in progress (EUR 86,234 thousand in 2008) refers to property which will be sold to clients EUR 164,244 thousand (EUR 168,461 thousand in 2008). The advances paid by certain clients towards these "real estate products" are guaranteed by insurance contracts or bank bonds, as required by Law 57/68 of 27 July, as amended by Law 38/99 of 5 November.

There were no commitments to purchase any significant property assets at year end.

The raw materials and other procurements include the installations required to execute construction work that have not yet been included in the construction projects, storable construction materials and items, materials for the assembly of street furniture, replacement parts, fuel and other materials required to carry on the business activities.

At 31 December 2009, impairment losses on inventories totalled EUR 12,293 thousand (EUR 9,709 thousand in 2008).

At 31 December 2009, there were no material differences between the carrying amount of the assets recognised and their fair value.

15 _ TRADE AND OTHER ACCOUNTS RECEIVABLE

a) Trade debtors for sales and services rendered

This heading in the accompanying consolidated balance sheet includes the present value of the uncollected revenue, valued as indicated in Note 3.r), contributed by the Group's various lines of business and forming the basis of the profit from operations.

The detail of the balance of accounts receivable from non-Group debtors at 31 December 2009 and 2008 is as follows:

	2009	2008
Progress billings receivable and trade receivables for sales	3,743,453	3,718,404
Amounts to be billed for work performed	802,968	941,885
Retentions	108,550	128,708
Production billed to associates not yet collected	239,689	186,891
Trade debtors for sales and services rendered	4,894,660	4,975,888
Advances received on orders	(1,073,423)	(1,416,773)
TOTAL NET BALANCE OF TRADE RECEIVABLES FOR SALES AND SERVICES	3,821,237	3,559,115

The foregoing total is the net balance of trade receivables after considering the adjustments for the risk of doubtful debts amounting to EUR 179,600 thousand (31 December 2008: EUR 170,053 thousand) and after deducting the balance of "Trade Payables – Advances Received on Orders" on the liability side of the accompanying consolidated balance sheet. This item also includes the collected and uncollected prebillings and the advances received for land.

"Progress Billings Receivable and Trade Receivables for Sales" reflects the amount of the completed project and services progress billings receivable at the consolidated balance sheet date.

The difference between the amount of the production recognised from inception of each project and contract in progress, measured as explained in Note 3.r) and the amount billed up to the date of the consolidated financial statements is included under "Amounts to Be Billed for Work Performed".

The Group companies assign trade receivables to banks, without the possibility of recourse against them in the event of non-payment. The balance of accounts receivable was reduced by EUR 351,721 thousand in this connection at 31 December 2009 (31 December 2008: EUR 358,940 thousand). These transactions bear interest at normal market rates. The Group companies continue to manage collection of these receivables. Also, future collection rights arising from construction project contracts awarded under the lump-sum payment method

were sold for EUR 204,464 thousand (31 December 2008: EUR 250,885 thousand). This amount was deducted from the balance of "Amounts to Be Billed for Work Performed".

Through the sale and assignment of these collection rights, substantially all the risks and rewards associated with the receivables, as well as control over the receivables, were transferred, since no repurchase agreements have been entered into between the Group companies and the banks that have acquired the assets, and the banks may freely dispose of the acquired assets without the Group companies being able to limit this right in any manner. Consequently, the balances receivable relating to the receivables assigned or sold under the aforementioned conditions were derecognised.

b) Other debtors

The breakdown of "Other Receivables" at 31 December 2009 and 2009 is as follows:

	2009	2008
VAT refundable (Note 22)	159,300	187,900
Other tax receivables (Note 22)	59,559	49,211
Other debtors	197,789	228,409
Advances and loans to personnel	3,835	6,749
TOTAL OTHER RECEIVABLES	420,483	472,269

16 _ CASH AND CASH EQUIVALENTS

The main aim of cash management at the FCC Group is to optimise the cash position by controlling liquidity and endeavouring, through the efficient management of funds, to keep the balance of the Group's bank accounts as low as possible, and, in the event of cash shortfalls, to use financing lines in the most efficient manner for the Group's interests.

The cash of the subsidiaries directly or indirectly wholly-owned by Fomento de Construcciones y Contratas, S.A. is managed on a centralised basis. The liquidity positions of these investees flow towards the head of the Group, which ultimately transfers these positions to Asesoria Financiera y de Gestion, S.A., the Group company wholly owned by Fomento de Construcciones y Contratas, S.A. responsible for achieving a return on any cash surpluses by making investments on the best possible terms, bearing in mind liquidity and safety limits at all times.

The details, by item, of "Cash and Cash Equivalents" are as follows:

	2009	2008
Cash and banks	1,132,128	921,342
Held-for-trading fixed income securities	106,577	210,588
Held-to-maturity fixed income securities	410,694	266,083
Credit facilities	1,697	171
Other	3,366	10,477
TOTAL	1,654,462	1,408,661

The breakdown, by currency, of the cash and cash equivalent position in 2009 and 2008, including current financial assets (see Note 13), is as follows:

	2009	2008
Cash and cash equivalents	1,654,462	1,408,661
Other current financial assets	230,980	222,830
TOTAL	1,885,442	1,631,491

	2009	2008
Euro	1,547,029	1,312,183
Dollar	29,909	38,824
Pound sterling	126,248	93,938
Czech koruna	32,355	23,844
European currencies (excluding euro, sterling and koruna)	82,636	116,180
Latin America (diverse currencies)	31,846	28,996
Other	35,419	17,526
TOTAL	1,885,442	1,631,491

17 _ EQUITY

The accompanying consolidated statements of changes in equity for the years ended 31 December 2008 and 2007 show the changes in equity attributable to the shareholders of the Parent and to the minority interests in those years.

I. Equity attributable to shareholders of the parent

a) Capital

The share capital of Fomento de Construcciones y Contratas, S.A. consists of 127,303,296 ordinary bearer shares of EUR 1 par value each.

All the shares carry the same rights and have been fully subscribed and paid.

The shares of Fomento de Construcciones y Contratas, S.A. are included in the selective Ibex 35 index and are publicly listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are traded through the Spanish stock market interconnection system.

The only investment of 10% or more owned directly or indirectly (through subsidiaries) by other companies, according to the information provided pursuant to current legislation, is that held by B-1998, S.L., which has a direct and indirect ownership interest of 53.829% in the share capital.

The aforementioned company, B-1998, S.L., in which Esther Koplowitz Romero de Juseu, Simante, S.L., Larranza XXI, S.L. and Eurocis, S.A. have direct or indirect ownership interests of 83.927%, 5.726%, 5.339% and 5.008%, respectively, has certain commitments to its shareholders which are recorded and published by the Spanish National Securities Market Commission (CNMV) and in the FCC Group's Corporate Governance Report.

Esther Koplowitz Romero de Juseu also directly owns 123,313 FCC shares and indirectly holds 39,172 FCC shares through Dominum Desga, S.L. (4,132 shares) and Ejecucion y Organizacion de Recursos, S.L. (35,040 shares), companies wholly owned by Esther Koplowitz Romero de Juseu.

b) Accumulated earnings and other reserves

The breakdown of "Retained Earnings and Other Reserves" in the accompanying consolidated balance sheet at 31 December 2009 and 2008 is as follows:

	2009	2008
Parent company reserves	1,032,488	886,950
Consolidation reserves	1,665,835	1,824,970
	2,698,323	2,711,920

b.1) Parent Company Reserves

This heading relates to the reserves recognised by Fomento de Construcciones y Contratas S.A., the Parent of the Group, arising mainly from retained earnings and, where appropriate, from compliance with the applicable legislation.

The details at 31 December 2009 and 2008 are as follows:

	2009	2008
Share premium account	242,133	242,133
Legal reserve	26,113	26,113
Reserve for retired capital	6,034	6,034
Voluntary reserves	758,208	612,670
	1,032,488	886,950

Share premium account

The Consolidated Spanish Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use for other purposes.

Legal reserve

Under the Consolidated Spanish Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve cannot be distributed to shareholders except in the event of liquidation.

The legal reserve may be used to increase the capital up to the portion of said legal reserve which exceeds 10% of the capital after the increase.



Except for the aforementioned purpose, until it exceeds 20% of the share capital, this reserve may be used only to set off losses and this may only be done if other available reserves are insufficient for this purpose.

At 31 December 2008, the Parent's legal reserve had reached the stipulated level.

Retired capital reserve

This reserve includes the par value of the treasury shares retired in 2002 and 2008 with a charge to unrestricted reserves, in accordance with Article 167.3 of the Companies Law. The reserve for retired shares is restricted, unless the same requirements as those stipulated for capital reductions are met.

Voluntary reserves

This reserve includes the par value of the treasury shares retired in 2002 and 2008 with a charge to unrestricted reserves, in accordance with Article 167.3 of the Companies Law. The reserve for retired shares is restricted, unless the same requirements as those stipulated for capital reductions are met.

There are no limitations or restrictions as to the use of these reserves, which are recognised on a voluntary basis using the Parent's profit following the distribution of dividends and the appropriations to the legal or other restricted reserves in accordance with current legislation.

b.2) Consolidation reserves

Consolidation Reserves in the accompanying consolidated balance sheet includes the reserves at fully consolidated companies and at companies accounted for using the equity method generated from the date on which the companies were acquired. The details of the amounts included under Consolidation Reserves for each of the most significant companies at 31 December 2009 and 2008, including, where appropriate, their subsidiaries, is as follows:

	2009	2008
Cementos Portland Valderrivas Group	562,529	518,362
Afigesa Group	253,131	261,744
FCC Construcción Group	212,888	298,454
Corporación Financiera Hispánica, S.A.	168,351	160,020
Aqualia Gestión Integral del Agua, S.A.	162,724	137,758
FCC Medio Ambiente, S.A.	122,905	84,932
Alfonso Benítez, S.A.	38,696	33,217
FCC Versia, S.A.	38,389	43,440
Fedemés, S.L.	14,321	13,727
Flightcare, S.L.	8,732	25,654
Other and consolidation adjustments	83,169	247,662
	1,665,835	1,824,970

According to IFRS 3, revised, "Business combinations", starting in 2009 all additional purchases of shares previously controlled by the Group, as in the case of the purchase option on 8.18% of the capital of Corporación Uniland, S.A., the difference between the additional purchase price and the carrying value of the investment, known as goodwill, has been charged to equity in the amount EUR 71,595 thousand. Likewise included in equity is the balancing entry for the put option on 17% of the stake in Alpine Holding GmbH which is explained in Note 20 of this document and which amounts to EUR 68,838 thousand.

c) Treasury stock

This heading refers to the net amount of treasury stock held by the Parent or other Group companies as a result of purchases and sales of treasury stock.

The Board of Directors and the subsidiaries are authorised by the General Meeting of Shareholders of Fomento de Construcciones y Contratas, S.A. for the derivative acquisition of treasury stock within the limits and pursuant to the requirements set forth in article 75 et seq. of the Companies Act.

In 2009 and 2008, the changes that took place under this heading were as follows:

BALANCE AT 31.12.07	(325,332)
Sales under the Stock Option Plan (Note 18)	102,043
Sales	7,655
Applied to capital reduction	165,792
Acquisitions	(69,084)
BALANCE AT 31.12.08	(118,926)
Sales under the Stock Option Plan (Note 18)	50,141
Sales	40,378
Acquisitions	(242,475)
BALANCE AT 31.12.09	(270,882)

The details of the treasury stock held by the Group at 31 December 2009 and 2008 are as follows:

	2009		2008	
	Number of Shares	Carrying value	Number of Shares	Carrying value
Fomento de Construcciones y Contratas, S.A.	3,182,582	(89,130)	-	-
Asesoría Financiera y de Gestión, S.A.	6,131,961	(181,752)	2,682,260	(118,926)
TOTAL	9,314,543	(270,882)	2,682,260	(118,926)

At 31 December 2009, the treasury stock of the parent company held by the parent of by its subsidiaries accounted for 7.32% of the total share capital (2.11% at 31 December 2008).

d) Interim dividend

On 17 December 2009, it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of profit for 2009 equal to 71.5% gross of the par value of the shares, i.e. EUR 0.715 per share. The total amount of this dividend, EUR 88,746 thousand, was paid on or after 12 January 2010 on outstanding shares carrying dividend rights.

e) Other equity instruments

Pursuant to IAS 32 "Financial instruments – presentation", this section reflects the value of the equity components arising from the accounting for the convertible bonds issued by the parent company, in addition to the amounts shown under "Debentures and other negotiable securities" on the enclosed consolidated balance sheet, which together account for the total amount of the bond issue (Note 20).

The most salient features of the convertible debentures issued by Fomento de Construcciones y Contratas, S.A. in October 2009 are as follows:

- The value of the issue is EUR 450,000,000 with a maturity date of 30 October 2014.
- The bonds were issued at par with a par value of EUR 50,000.
- The bonds accrue interest at an annual rate of 6.50% payable every six months.
- The price of converting the bonds into company shares is EUR 39,287 per share which means that each bond shall be converted into 1,272.68 ordinary shares.
- The bonds may be converted or redeemed for cash at the request of the bondholder or Fomento de Construcciones y Contratas, S.A. The conditions for exercising the option are set out in the "Bond Issue Agreement" and may include newly issued as well as already existing shares in the parent company's possession.
- The issue is backed by the Company and is not guaranteed by any third party guarantor.
- The issue is insured by financial entities and the bondholders are qualified international investors.

The General Meeting of Shareholders of Fomento de Construcciones y Contratas, S.A. held on 30 November 2009 to approve the convertibility of the bonds into company shares passed the following resolutions:

- i. Pursuant to the terms of article 292 of the Revised Text of the Spanish Companies Act (TRLSA) it is agreed to increase the share company by the amount necessary to cover the conversion of the bonds requested by bondholders, up to the initially-foreseen maximum of twelve million euros but subject to modification as provided for in the "Bond Issue Agreement".
- ii. To approve a share buyback programme, the sole purpose of which is to meet the obligation of delivering the shares associated with the bond issue and the capital reduction referred to below.

To reduce the share capital by amortising the shares acquired under the buyback programme mentioned above or existing treasury stock shares, including the treasury stock delivered to the underwriters of the bond issue. At 31 December

2009, the number of shares thus loaned was 4,150,880. To approve a reduction of the Company's capital through the amortisation of own shares for a par value equivalent to the number of new shares of the Company issued to attend to requests for exchange or conversion from holders of the Bonds.

With regard to this bond issue, it is noted that the Group has a call option (trigger call) that enables it to recover the bonds under certain circumstances (Note 13).

f) Value adjustments

The breakdown of "Value Adjustments" at 31 December 2009 and 2008 is as follows:

	2009	2008
Changes in the fair value of financial instruments	(158,255)	(180,964)
Differences on exchange	(167,021)	(224,733)
	(325,276)	(405,697)

f.1) Changes in fair value of financial instruments:

This heading includes the changes, net of taxes, in the fair value of available-for-sale financial assets (see Note 13) and of cash flow hedging derivatives (see Note 21).

The details of the adjustments due to changes in the fair value of financial instruments at 31 December 2009 and 2008 are as follows:

	2009	2008
Available-for-sale financial assets	(4,499)	(2,897)
World Trade Center Barcelona, S.A.	3,363	3,363
Vertederos de Residuos, S.A.	5,943	5,943
SCL Terminal Aéreo de Santiago, S.A.	1,165	1,165
Xfera Móviles, S.A.	(14,900)	(14,900)
Other	(70)	1,532
Financial derivatives	(153,756)	(178,067)
Fomento de Construcciones y Contratas, S.A.	(27,715)	(29,129)
Azincoart Investment, S.L.	(24,019)	(24,952)
Portland, S.L.	(22,653)	(12,897)
Realia Business Group	(19,288)	(15,268)
Cementos Portland Valderrivas Group	(17,236)	(30,403)
Urbs Iudex et Causidicus, S.A.	(15,650)	(15,330)
Global Vía Group	(10,454)	(34,384)
WRG Group	(5,475)	(11,669)
Other	(11,266)	(4,035)
	(158,255)	(180,964)

f.2) Translation differences

The details of the amounts included under this heading for each of the most significant companies at 31 December 2009 and 2008 are as follows:

	2009		2008	
European Union:				
Waste Recycling Group	(139,394)		(172,825)	
Dragon Alfa Cement Limited	(2,587)		(2,979)	
Other	(4,862)	(146,843)	(4,820)	(180,624)
USA:				
Giant Cement Holding, Inc.	(19,681)		(16,088)	
Cemusa Group	(5,456)		(4,306)	
Other	(1,004)	(26,141)	148	(20,246)
Latin America:				
Global Vía Group	20,466		(15,099)	
Corporación M&S Internacional C.A., S.A.	(4,440)		(3,666)	
Proactiva Group	(4,861)		(2,341)	
Cemusa Grou	1,216		1,384	
Other	(2,132)	10,249	(882)	(20,604)
Egypt				
Egypt Environmental Services, S.A.E.	776		864	
Giza Environmental Services, S.A.E.	1,050	1,826	890	1,754
Other				
Corporación Uniland Group	(3,918)		(4,716)	
Other	(2,194)	(6,112)	(297)	(5,013)
		(167,021)	(224,733)	

In 2009, the pound sterling recovered partially from the devaluation experienced in 2008.

Net investment abroad in currencies other than the euro represented approximately 45.3% of the FCC Group's equity (2008: 43.3%).

The details, by geographical market, of this net investment, after translation to euros as described in Note 3.j) are as follows:

	2009	2008
UK	793,482	778,205
USA	324,774	338,207
Latin America	188,154	161,176
Other	114,836	105,724
	1,421,246	1,383,312

g) Earnings per share

Earnings per share are calculated by dividing the profit for the year attributable to the Parent by the weighted average number of ordinary shares outstanding during the year. In 2009 the earnings per share amounted to EUR 2.52 (EUR 2.68 in 2008).

With regard to the bond issue mentioned in part c) above, it should be noted that earnings per share could be diluted if the bondholders were to exercise the conversion option under certain conditions. According to IAS 33 "Earnings per share", diluted earnings per share must be calculated by adjusting the weighted average of the number of ordinary shares in circulation under the hypothesis that all bonds have been converted into ordinary shares. Likewise, the earnings attributed to the parent company must be adjusted by adding in the amount of interest, net of tax effects, corresponding to the bonds recognised on the enclosed consolidated income statement. The diluted earnings per share for 2009 amounted to 2.51 euros (2.68 euros per share in 2008). In 2009 there were no options, warrants or contracts that could have had a diluting effect.

II. Minority interests

"Minority Interests" in the accompanying consolidated balance sheet reflects the proportional part of the equity and the profit or loss for the year after tax of the companies in which the Group's minority shareholders have ownership interests.

The details of the balances of the minority interests relating to the main companies at 31 December 2009 and 2008 are as follows:

	Equity		Profit/loss	Total
	Capital	Reserves		
2009				
Cementos Portland Valderrivas Group	18,583	567,581	22,738	608,902
Alpine Bau Group	23	9,947	2,157	12,127
Other	27,066	1,702	2,885	31,653
	45,672	579,230	27,780	652,682
2008				
Cementos Portland Valderrivas Group	13,638	526,904	63,832	604,374
Alpine Bau Group	23	5,895	8,409	14,327
Other	11,482	16,875	2,189	30,546
	25,143	549,674	(*)74,430	649,247

(*) As indicated in Note 4.b), at 31 December 2008 the Realia Business Group was consolidated using the equity method which resulted in the disposal of a minority interest, in terms of profit (loss), of EUR 15,579 thousand.

18 _ TRANSACTIONS WITH EQUITY INSTRUMENT BASED PAYMENTS

Following the decision taken by the Board of Directors on 29 July 2008, the Group has a remuneration plan in place for its officers and directors linked to the value of the Parent company's shares whereunder the plan participants receive a cash amount equivalent to the difference between the value of share when the option is exercised and the value of reference established in the plan.

The main features of the plan, which is broken down into two tranches, are as follows:

First tranche

- Start date: 1 October 2008.
- Can be exercised between: 1 October 2011 and 1 October 2013.
- Number of shares: 1,800,000 of which 700,000 correspond to executive directors and senior executives (12 persons) and the remaining 1,100,000 to other executives (43 persons).
- The price of exercising the option is 34.22 euros per share.

Second tranche

- Start date: 6 February 2009.
- Can be exercised between: 6 February 2012 and 5 February 2014.
- Number of shares: 1,500,000 shares, of which 147,500 correspond to executive directors and senior executives (12 persons) and the remaining 1,352,500 to other executives (approximately 225 people).
- The price of exercising the option is 24.71 euros per share.

Under applicable law, the Group estimated the current liquidation value at the end of the plan, recognising the corresponding provisions that is systematically funded with a balancing entry in staff costs spread over the years of the plan. At the end of each reporting period, the current value of the obligation is re-estimated, posting any difference in the previously recognised carrying value to the income statement.

At 31 December 2009, EUR 1,824 thousand (EUR 733 thousand in 2008) (see Note 25.c) were recognised in respect of obligations to employees participating in the share option plan on the basis of the period accrued and the total initial value of the plan, which amounted to EUR 3,568 thousand. (EUR 733 thousand in 2008).

In order to hedge the risk of an increase in the Company's share price within the framework of the share option plan, the Group has arranged for each one of the tranches a call option and a put option as well as an and interest rate/dividend swap with the same exercise price, nominal

and maturity as the plan. The shares covered by the hedge were turned over the financial entities, as discussed in Note 17.c).

As far as the effectiveness of the hedge is concerned, only the call option is considered to be a cash flow hedge. Consequently, the change in fair value is carried to equity under the heading of "Adjustments due to change in value" on the consolidated balance sheet while the put option and the interest rate/dividend swap cannot be considering accounting hedges and therefore the changes in fair value are carried to the income statement (Note 21).

The resulting change in the fair value of financial derivatives that are not hedges represents a profit of EUR 8,322 thousand (loss of EUR 16,596 thousand in 2008). See Note 21 of this document for information on the fair value of financial derivatives.

19 _ CURRENT AND NON-CURRENT PROVISIONS

The composition of provisions at 31 December 2009 and 2008 was as follows:

	2009	2008
NON-CURRENT	906,535	821,429
Long-term employee benefit obligations	105,188	97,321
Dismantling, removal and rehabilitation of assets	161,245	178,496
Environmental actions	216,890	137,427
Litigation	170,987	173,741
Contractual and legal guarantees and obligations	81,323	68,040
Other provisions	170,902	166,404
CURRENT	110,773	91,918
Construction contract settlement and project losses	97,810	81,818
Termination benefits to site personnel	12,963	10,100

The changes under the heading of Provisions in 2009 and 2008 were as follows:

	Provisions -non-current	Provisions -current
BALANCE AT 31.12.07	871,107	82,371
Environmental expenses for the removal or dismantlement of assets	41,220	-
Provisions (reversals)	9,535	14,923
Used	(60,854)	(39)
Changes in the scope of consolidation, translation differences and other changes	(39,579)	(5,337)
BALANCE AT 31.12.08	821,429	91,918
Environmental expenses for the removal or dismantlement of assets	40,143	-
Provisions (reversals)	68,001	15,918
Used	(50,990)	-
Changes in the scope of consolidation, translation differences and other changes	27,952	2,937
BALANCE AT 31.12.09	906,535	110,773

The provisions recognised in 2009 include EUR 17,475 thousand (2008: EUR 14,848 thousand) relating to the adjustment for provision discounting.

"Environmental Expenses for the Removal or Dismantling of Assets" includes the balancing item for the increased asset value relating to the discounted present value of the expenses that will be incurred when operation of the asset ceases.

The provisions stated on the enclosed consolidated balance sheet are considered to cover the Group's liability for the performance of its business activities.

The timing of the expected outflows of economic benefits at 31 December 2009 arising from the obligations covered by non-current provisions is as follows:

	Within 5 years	More than 5 years	Total
Long-term employee benefit obligations	22,570	82,618	105,188
Dismantling, removal and rehabilitation of assets	106,600	54,645	161,245
Environmental actions	62,501	154,389	216,890
Litigation	60,548	110,439	170,987
Contractual and legal guarantees and obligations	76,263	5,060	81,323
Other provisions	68,722	102,180	170,902
	397,204	509,331	906,535

Long-term employee benefit obligations

"Non-Current Provisions" in the accompanying consolidated balance sheet includes the provisions covering the Group companies' obligations in respect of pensions and similar obligations such as medical and life insurance, as indicated in Note 23.

Provisions for litigation

Provisions for litigation cover the contingencies of the FCC Group companies acting as defendants in certain proceedings in relation to the liability inherent to the business activities carried on by them. The lawsuits, although numerous, represent scanty material amounts when considered individually and none of them are particularly noteworthy.

Environmental provisions

The FCC Group's environmental policy goes beyond strict compliance with current legislation in the area of environmental improvement and protection to include the establishment of preventative planning and the analysis and minimisation of the environmental impact of the activities carried on by the Group.

FCC Group management considers that the Group companies' contingencies relating to environmental protection and improvement at 31 December 2008 would not have a significant impact on the accompanying consolidated financial statements, which include provisions to cover any probable environmental risks that might arise.

Note 27 to these consolidated financial statements ("Information on the Environment") supplements the information set forth with respect to environmental provisions.

Legal and contractual guarantees and obligations

This heading includes the provisions to cover the expenses arising from contractual and legal obligations of a non-environmental nature.

Provisions for other contingencies and charges

This heading includes the items not classified in the foregoing accounts, comprising most notably the provisions to cover risks arising from international business.

Also included here are the Group's obligations with regard to share-based payments. Note 18, "Transactions with payments based on equity instruments" explains those transactions in further detail.

Provisions for construction contract settlements and project losses

These provisions are recognised for losses budgeted on construction projects in accordance with the measurement bases set forth in Note 3.r) and for the expenses arising from such projects from the date of their completion to the date of their definitive settlement, which are determined systematically as a percentage of the value of production over the term of the project based on experience in the construction business.

Provisions for termination benefits to site personnel

The Group companies recognise provisions for the termination of permanent site personnel in accordance with the Consolidated Workers' Statute for contracts of this type. The impact of these provisions on the consolidated income statement is not material.

20 — CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The FCC Group's general policy is to provide all the Group companies with the financing that is best suited to the normal conduct of their business activities. In this connection, the Group companies are furnished with the credit facilities required to cater for their budgetary plans, which are monitored on a monthly basis. Also, risk is generally spread over various banks and the Group companies currently have credit facilities with more than 160 financial institutions.

Should the financial transaction so require, the Group arranges interest-rate hedging transactions on the basis of the type and structure of each transaction (see Note 21).

In certain types of financing, particularly structured non-recourse borrowings, the arrangement of some kind of interest-rate hedge is obligatory and the Group assesses the best hedging instrument based on the project's cash flow and the term of the debt.

a) Current and non-current debt instruments and other marketable securities

One of the most significant items under this heading refers to the subordinated convertible debentures issued by the parent company on 30 October 2009 in the amount of EUR 450,000 thousand. This issue was intended for international institutional investors and the purpose of the issue was to reinforce the balance sheet equity structure thanks to the subordinated nature of the corporate loans contracted by the parent company and to diversify the Group's financing base by supplementing its bank borrowings.

According to accounting law, in addition to their financial component convertible debentures have another component in that they are recognised as equity as described in Note 17.e), which also describes the conditions for issuing convertible debentures. At 31 December 2009, the carrying balance for this item shown under the heading of "Debentures and other negotiable securities" on the enclosed consolidated balance sheet was EUR 421,213 thousand.

In addition to this transaction, this heading includes those contributed by the Cementos Portland Valderrivas Group through the US company Giant Cement Holding, Inc. relating to an issue of non-convertible bonds amounting to USD 96 million (approximately EUR 62,623 thousand), repayable in a single maturity in 2013 and bearing interest tied to Libor. The Group has arranged an interest rate hedging contract on this debt for a notional amount of USD 96 million and an interest rate of 6.093%.

Also, Severomoravske Vodovody a Kanalizace Ostrava, A.S. (SmVaK) issued non-convertible debentures amounting to CSK 2,000 million (EUR 75,461 thousand). These debentures, which were traded on the Prague Stock Exchange, mature in 2015 and bear nominal interest of 5%. As security for this issue, the Czech company is obliged not to grant additional pledges on its assets to third parties, not to sell assets above a certain cumulative value, and not to become indebted in excess of a certain amount. Furthermore, this company is obliged to maintain a certain debt coverage ratio, for which purpose an interest rate hedge transaction was arranged amounting to CSK 500 million maturing in 2015.

b) Current and non-current bank borrowings

The details at 31 December 2009 and 2008 are as follows:

	Non-current	Current	Total
2009			
Credit facilities and loans	4,998,891	971,507	5,970,398
Project financing loans with recourse	2,300,287	246,711	2,546,998
	7,299,178	1,218,218	8,517,396
2008			
Credit facilities and loans	4,586,777	1,513,654	6,100,431
Project financing loans with recourse	1,450,850	387,772	1,838,622
	6,037,627	1,901,426	7,939,053

The main change in the Group's debt was primarily owing the acquisition by the Group of the business of Babcock & Brown Wind Partners in Spain at the end of 2008 which led the Group to arrange a long-term syndicated credit facility for EUR 500,000 thousand which was completely drawn down at 8 January 2009.

The main features of the most significant credit facilities and loans held by the Group are as follows:

- On 29 April 2009, the parent company signed a syndicated loan in the amount of EUR 375,000 thousand with 12 participating financial institutions. Later, on 4 and 27 May, it was extended to EUR 451,000 thousand, in two tranches: a long-term loan in the amount of EUR 225,500 thousand and a long-term credit facility in the amount of EUR 225,500 thousand. The syndicated loan was signed for a three-year term with a single maturity date on 28 April 2012. The interest rate is Euribor plus a differential based on the debt ratio each year shown on the FCC Group's financial statements. At 31 December 2009, the loan had been drawn down in full.
- On 23 October 2009, the parent company signed a long-term loan in the amount of EUR 175,000 thousand with the European Investment Bank (EIB) with a maturity date of 6 November 2012 which may be extended to 2015. The interest rate on the loan is Euribor 3 months plus a fixed differential.

The loan was granted for the financing and development of environmental investments:

- a) Acquisition of a fleet of 1,900 vehicles equipped with the most highly advance technologies that will be used to provide city sanitation services in 130 municipalities in Spain.
 - b) Financing of related investments (acquisition of filling stations, vehicle cleaning equipment and wastewater treatment plants) and
 - c) Development of hybrid electric vehicles for intensive use which are more energy efficient and capable of using harmless fuel, thereby reducing the emissions of polluting gases.
- On 9 December 2009, the Alpine Group signed a syndicated credit facility in the amount of EUR 200,000 thousand maturing on 31 October 2014 with the participation of 7 financial institutions. The contract is divided into two tranches:
 - a) 50% of one of the tranches is guaranteed by the Republic of Austria pursuant to the Unternehmensliquitärkungsgesetz Law or ULSG passed in August 2009 to boost the liquidity of Austrian companies. Under this law, the Austrian government provides access to liquidity to foster investment and growth through a programme of government guarantees. The interest rate on this tranche is fixed.
 - b) The cost of the other tranche is based on the net debt/EBITDA ratio.



The entire limit of this credit facility was received on 5 January 2010.

- On 9 December 2009, Aqualia Gestión Integral del Agua, S.A. (wholly-owned subsidiary of the FCC Group) refinanced a corporate loan taken out in 2006 in the amount of 4,800,000 thousand Czech koruna for the acquisition of Severo-moravské Vodovody from Kanalizace Ostrava, A.S. (SmVaK). There are two tranches to the financing: a corporate loan taken by Aqualia Gestión Integral del Agua, S.A. and a limited recourse loan signed by the newly created company, Aqualia Czech, S.L., a wholly-owned subsidiary of the FCC Group, which now controls 98.68% of SmVaK. The characteristics of the tranches are as follows:

- A corporate multi-currency loan (€ and koruna) in the amount of EUR 71,750 thousand and 967,220 Czech koruna maturing in 2012 and signed with 8 financial institutions.
- A limited recourse loan in the amount of 2,000,000,000 Czech koruna maturing in 2015 and signed with 5 financial institutions.

The stipulated price includes the rate of reference (Euribor or Pribor) plus a fixed margin in the case of the corporate financing and calculated on the debt service coverage ratio (DSCR) in the case of the limited recourse financing.

Both tranches were drawn down in full at 31 December 2009.

- On 18 December 2009 the FCC Group signed a long term limited recourse credit facility in the amount of EUR 250,000 thousand maturing in 2024 with an interest rate equivalent to the Euribor plus a fixed margin. The Torre Picasso building was put up as collateral to guarantee this loan, in the terms described in Note 8 herein.

At 31 December 2009, the financing had been drawn down in full.

The details of the Group's loans and credit facilities from previous fiscal years are outlined below:

- Syndicated credit facility totalling EUR 1,225 million arranged by the Parent on 8 May 2008. The facility is divided into two tranches: a long-term loan of EUR 735,000 thousand and a long-term credit facility amounting to EUR 490,000 thousand. The term of the loan is three years (extendable for a further two years), the same period as that projected for the "2008- 2010 Strategic Plan". The loan has a single maturity, 8 May 2011, and bears interest at Euribor plus a spread established on the basis of the FCC Group's debt ratio as per the financial statements for each year. At 31 December 2008, the loan had been drawn down in full.
- On 10 July 2008, the Parent and Dedalo Patrimonial S.L. (wholly owned by Fomento de Construcciones y Contratas, S.A.) arranged a long-term credit facility for USD 186,900 thousand with three banks, maturing on 10 October 2013. The purpose of

this loan was to finance the acquisition of Hydrocarbon Recovery Services Inc. and International Petroleum Corp. The agreement consists of three tranches:

- A long-term loan of USD 40,000 thousand granted to the Parent.
- A long-term credit facility of USD 58,900 thousand granted to Dedalo Patrimonial S.L.
- A long-term loan of USD 88,000 thousand granted to Dedalo Patrimonial S.L.

The established price comprises the reference rate (Libor) plus a spread based on the variation in the consolidated net debt/consolidated EBITDA ratio. At 31 December 2008, the facility had been drawn down in full.

- On 25 November 2008, Fomento Internacional FOCSA (wholly owned by the Parent) arranged a long-term syndicated credit facility for EUR 500,000 thousand maturing in 2025. Another 12 companies participated in the transaction, the purpose of which is to finance the acquisition of the business in Spain of Babcock & Brown Wind Partners. The interest rate is Euribor plus a spread calculated on the basis of the variation in the net financial debt/EBITDA ratio. At 31 December 2009, a balance of EUR 465,640 thousand was outstanding. The agreement consists of two tranches: A senior debt tranche of EUR 455,000 thousand and a subordinated debt tranche of EUR 45,000 thousand already held by the acquiree.
- On 23 December 2008, Sky Sierresita Cortijo Viejo 1 and Sky Sierresita Cortijo Viejo 2 (wholly owned by the FCC Group) arranged a long-term syndicated loan for a combined amount of EUR 117,000 thousand, maturing in 2026. Another four companies participated in the transaction, the purpose of which is to finance the acquisition of two PV farms with a total of 20 MW in Espejo (Cordoba). The interest rate is Euribor plus a spread calculated on the basis of the variation in the net financial debt/EBITDA ratio. At 31 December 2009, a balance of EUR 111,896 thousand was outstanding.
- Syndicated loan arranged on 25 January 2007. This loan replaced the bridge loan of EUR 1,030,000 thousand arranged in 2006 as part of the structured recourse financing for the acquisition of the UK company Waste Recycling Group Ltd and its corporate group. The loan is structured in two tranches: the first for an initial amount of EUR 819,700 thousand and the second for GBP 200,000 thousand. Both tranches mature in December 2013, with half-yearly settlements of 4.615% of the total initial amount of the loan and a final maturity of 40.005%. The interest rate applicable to the tranche denominated in euros is Euribor plus a spread based on the variation in the net financial debt/EBITDA ratio, which initially stands at 0.375%. The spread established for the euro tranche is also applicable to the tranche denominated in pounds sterling. Various financial derivatives associated with the

syndicated loan have been arranged. Three banks participated in this loan. At 31 December 2008, the loan had been drawn down in full.

- Long-term syndicated financing facility of EUR 800,000 thousand arranged by the Parent with three banks in 2007 and maturing on 19 July 2012 with the possibility of an extension until 2014. At 31 December 2009, the facility had been drawn down in full. The agreement consists of two tranches: a long-term loan of EUR 280,000 thousand with a partial repayment of 50% one year prior to maturity and a long-term credit facility amounting to EUR 520,000 thousand.
- The established price comprises the reference rate (Euribor) plus a spread based on the variation in the consolidated net debt/consolidated EBITDA ratio, which initially stands at 0.325%.
- In February 2006, Cementos Portland Valderrivas signed long-term syndicated loan in the amount of EUR 150,000 thousand maturing in February 2011 to finance the public offer to purchase 100% of Cementos Lemona. At 31 December 2009 it had been drawn down in full.
- In August 2006, Cementos Portland Valderrivas signed a long-term syndicated loan for EUR 780,000 thousand to partially finance the purchase of Corporación Uniland through Grupo Portland S.L. At 31 December 2009, the outstanding balance was EUR 524,775 thousand. This loan matures every six months starting on 15 January 2007 with a final maturity date of 2012. The interest rate is tied to the Euribor plus a margin calculated on the change in ratio of net financial debt to Ebitda.

Following is a detail of the amounts associated with projects financed through “Limited Recourse Project Financing Loans”:

	2009	2008
Waste Recycling Group	800,418	761,852
Cementos Portland Valderrivas Group (Uniland Project)	726,216	658,930
Olivento Group	465,641	-
Other	554,723	417,840
	2,546,998	1,838,622

The detail of the bank borrowings, by currency and amounts drawn down at 31 December 2009 and 2008, is as follows:

	Euros	US dollar	Pound sterling	Czech Koruna	Brazilian real	Other	Total
2009							
Credit facilities and loans	5,390,247	327,876	152,869	31,610	10,994	56,802	5,970,398
Project financing loans with recourse	1,651,409	-	800,419	78,103	-	17,067	2,546,998
	7,041,656	327,876	953,288	109,713	10,994	73,869	8,517,396
2008							
Credit facilities and loans	5,254,877	323,202	219,525	199,073	20,944	82,810	6,100,431
Project financing loans with recourse	1,068,299	-	761,852	-	-	8,471	1,838,622
	6,323,176	323,202	981,377	199,073	20,944	91,281	7,939,053

The credit facilities and loans denominated in US dollars are being used mainly to finance the assets of the Cementos Portland Group, M&S Concesiones S.A. and the Versia Group in the United States; those arranged in pounds sterling relate to the financing of the assets of the WRG Group (Waste Recycling Group Ltd) in the United Kingdom; and those arranged in Czech koruna are being used to finance the operations of SmVaK (Severomoravske Vodovody a Kanalizace Ostrava, A.S.) and the assets of the Alpine Bau Group in the Czech Republic.

The credit facilities and loans denominated in Brazilian reals and other currencies are being used to finance the assets of Cemusa in Brazil, the positions of the Alpine Bau Group and A.S.A. in currencies other than the euro in Eastern Europe and the operations of the Uniland Group in Tunisia.

With regard to the Group's financing, it should be noted that certain ratios must be met concerning coverage of financial expenses and levels of net debt in relation to EBITDA. The ratios established were being met at year-end.

c) Other non-current financial liabilities

	2009	2008
NON-CURRENT		
Lease liabilities	100,463	88,724
Borrowings – non-Group third parties	174,013	351,530
Liabilities relating to financial derivatives	210,217	209,046
Deposits and bonds received	29,072	27,674
Other	17,936	14,788
	531,701	691,762

Under the heading of "Borrowings – non-Group third parties" on the table above, the sum of EUR 120,962 thousand refers to a put option executed by FCC Construcción, S.A., which on 29 October 2009 proceeded to revise the agreements initially signed with a minority shareholder, Alpine Holding GmbH:

The conditions of the agreement are as follows:

- 1) Under the initial agreement, FCC Construcción, S.A. has granted a minority shareholder of Alpine Holding GmbH a put option exercisable in 2009 on 52% of its ownership interest and in 2011 on the portion not previously exercised and on the remainder of its total ownership interest (20.73%). The exercise price is based on the performance of EBITDA, profit before tax and net financial debt in the financial statements for 2008, if the option is exercised in 2009, or in those for 2010 if it is exercised in 2011.
- 2) A supplemental agreement establishing two put options on 7% of the ownership interest which may be exercised at a rate of 3.5% in 2011 and 2012 of 7% in 2012. The price of this option is EUR 37,970 thousand plus 5% interest starting in November 2009.
- 3) An addendum to the initial agreement which stipulates the sale in 2011 of the interest not sold as of that date, from 13.5% to 17%, the price of which will be based on the gross operating profit and before-tax profits shown on the 2010 financial statements. Alternatively, if not sold in 2011, all shares in the company's possession as of that date will be sold in 2013, using the 2012 financial statements to set the price.

The minority shareholder exercised part of the put option in 2009 on 3.73% of the interest which was valued at EUR 20,230, with 17% of the option still remaining.

This heading includes the payment of EUR 171,070 thousand for the put option on 8.18% of the shares of Corporación Uniland, S.A. whose shareholders are entitled to exercise the option over a maximum period of five years (2006-2011). This option was exercised in its entirety in the months of January (5.05%) and June (3.13%). See note 17.b).

Under the heading of "Liabilities arising from financial derivatives" described in Note 21, "Derivative financial instruments", the amount of EUR 32,007 thousand (EUR 27,368 thousand in 2008) refers to the market value of the put option on the treasury stock associated with the Stock Option Plan for officers and directors, as mentioned in Note 18, as well as the financial hedging instruments composed primarily of interest rate swaps.

d) Other current financial liabilities

	2009	2008
CURRENT		
Lease liabilities	71,124	68,496
Interim dividend payable	99,017	113,096
Payable to non-current asset suppliers and notes payable	48,323	76,129
Payable to associates	17,798	21,633
Liabilities relating to financial derivatives	14,542	3,300
Deposits and bonds received	11,643	13,150
Other	6,312	26,915
	268,759	322,719

This balance sheet item includes various debt items, most notably that relating to the payment of the 2009 interim dividend, of which EUR 88,746 thousand correspond to the Parent.

e) Repayment schedule

The repayment schedule for the bank borrowings, debt instruments and other marketable securities and other non-current financial liabilities is as follows:

	2011	2012	2013	2014	2015 and thereafter	Total
2009						
Debentures and other marketable securities	-	-	66,521	421,213	74,977	562,711
Non-current bank borrowings	2,196,292	2,563,078	1,299,050	160,672	1,080,086	7,299,178
Other financial liabilities	161,652	62,123	195,800	21,916	90,210	531,701
	2,357,944	2,625,201	1,561,371	603,801	1,245,273	8,393,590

21 _ FINANCIAL DERIVATES

Generally speaking, the financial derivatives contracted by the FCC Group are treated, from an accounting perspective, as provided for in the rules governing accounting hedges, as explained in Note 3.o) herein.

The main financial risk against which the FCC Group used derivative instruments to protect itself is risk associated with the floating interest rates on financing used by Group companies. At 31 December 2009, the FCC Group had arranged interest rate hedging transactions totalling EUR 5,109,731 thousand (31 December 2008: EUR 4,422,159 thousand), mainly in the form of IRSs in which the Group companies pay fixed interest rates and receive floating interest rates. The details of the cash flow hedges and the fair value thereof is as follows:

	Type of derivative	Type of hedge	% hedged	Notional 31.12.08	Notional 31.12.09	Value at 31.12.08	Value at 31.12.09	Maturity
FULLY CONSOLIDATED COMPANIES								
Fomento de Construcciones y Contratas, S.A.	IRS	FE	100%	171,218	162,842	(13,927)	(13,102)	30/12/2013
	IRS	FE	2%	17,231	15,385	(715)	(943)	30/12/2013
	IRS	FE	20%	144,310	128,849	(6,942)	(8,629)	30/12/2013
	IRS	FE	31%	219,695	196,159	(11,230)	(13,645)	30/12/2013
	IRS	FE	17%	122,771	109,618	(5,833)	(7,285)	30/12/2013
	BASIS SWAP	FE		100,000	20,011	(584)	(13)	30/06/2010
	BASIS SWAP	FE		100,000	-	(540)	-	30/12/2009
	BASIS SWAP	FE		4,007	100,000	(22)	(65)	30/06/2010
	BASIS SWAP	FE		100,000	100,000	(776)	(62)	30/06/2010
	BASIS SWAP	FE		-	100,000	-	(63)	30/06/2010
	BASIS SWAP	FE		200,000	130,000	(1,044)	(84)	30/06/2010
Azincoourt Investment, S.L.	IRS	FE	15%	97,656	100,606	(9,192)	(8,849)	31/12/2013
	IRS	FE	15%	97,656	100,606	(9,192)	(8,849)	31/12/2013
	IRS	FE	15%	97,656	100,606	(9,192)	(8,849)	31/12/2013
	IRS	FE	14%	88,348	88,298	(8,068)	(7,766)	31/12/2013
Severomoravské Vodovody a Kanalizace Ostrava A.S. (SmVaK)	IRS	VR	25%	18,700	18,900	700	589	16/11/2015
WRG – RE3	IRS	FE		32,087	-	(451)	-	30/09/2009
	IRS	FE		6,505	-	-	-	30/09/2009
	IRS	FE	82%	34,204	36,684	(3,892)	(2,620)	30/09/2029
Kent	IRS	FE	37%	51,014	52,823	(6,870)	(5,370)	31/03/2027
	IRS	FE	16%	21,863	22,638	(2,944)	(2,302)	31/03/2027
	IRS	FE	27%	36,438	37,731	(4,907)	(3,836)	31/03/2027

	Type of derivative	Type of hedge	% hedged	Notional 31.12.08	Notional 31.12.09	Value at 31.12.08	Value at 31.12.09	Maturity
WRG – WREXHAM	IRS	FE	100%	21,683	27,239	-	-	31/03/2010
	IRS	FE		-	-	(5,115)	(3,007)	30/09/2032
	IRS	FE		3,410	-	(10)	-	10/02/2009
Depurplan 11, S.A.	IRS	FE	65%	9,099	8,735	(759)	(873)	01/12/2025
Ecodeal - Gestao Integral de Residuos Industriais, S.A.	IRS	FE	80%	13,600	12,640	542	(849)	15/12/2017
Autovía Conquense, S.A.	IRS	FE	100%	7,667	56,000	(3,473)	(4,458)	30/06/2024
	IRS	FE	100%	3,833	28,000	(1,736)	(2,229)	28/06/2024
Olivento	IRS	FE	7%	-	33,774	-	(451)	31/12/2024
	IRS	FE	9%	-	41,691	-	(556)	31/12/2024
	IRS	FE	16%	-	72,941	-	(984)	31/12/2024
	IRS	FE	6%	-	29,025	-	(392)	31/12/2024
	IRS	FE	7%	-	33,774	-	(456)	31/12/2024
	IRS	FE	9%	-	39,166	-	(528)	31/12/2024
	IRS	FE	6%	-	27,160	-	(362)	31/12/2024
	IRS	FE	7%	-	33,774	-	(456)	31/12/2024
	IRS	FE	9%	-	39,166	-	(523)	31/12/2024
ALPINE	Currency forward	FE		11,274	2,318	(1,823)	(857)	18/01/2010
	Currency forward	FE		11,218	2,014	(2,073)	(923)	13/01/2010
	Currency forward	FE		11,901	5,431	(2,740)	(1,238)	04/01/2010
	Currency forward	FE		11,849	8,473	(2,382)	(1,507)	18/01/2010
	COLLAR	FE		5,000	-	(1,335)	-	20/10/2009
	Currency forward	FE		27,201	12,083	(2,673)	(1,525)	19/01/2010
Concesionaria Túnel de Coatzacoalcos, S.A. de C.V.	IRS	FE	100%	19,014	31,634	(945)	(1,617)	10/06/2014
Cementos Portland Valderrivas, S.A.	IRS	FE	100%	150,000	150,000	(2,663)	(5,601)	22/02/2011
	IRS	FE	100%	482,182	409,855	(5,445)	(16,696)	15/07/2011
	IRS	FE	100%	-	16,667	-	(238)	15/07/2012
	IRS	FE	100%	-	16,667	-	(238)	15/07/2012
	IRS	FE	100%	-	16,667	-	(238)	15/07/2012
	BASIS SWAP	FE		-	50,000	(13,162)	(205)	15/01/2010
	BASIS SWAP	FE		-	150,000	(2,955)	(406)	25/03/2010
	BASIS SWAP	FE		-	409,855	(11,043)	(1,676)	15/01/2010

	Type of derivative	Type of hedge	% hedged	Notional 31.12.08	Notional 31.12.09	Value at 31.12.08	Value at 31.12.09	Maturity
Portland, S.L.	IRS	FE	12%	93,200	89,148	(2,111)	(5,241)	15/07/2012
	IRS	FE	7%	50,185	48,003	(1,172)	(2,849)	15/07/2012
	IRS	FE	12%	93,200	89,148	(2,111)	(5,241)	15/07/2012
	IRS	FE	7%	50,185	48,003	(1,172)	(2,849)	15/07/2012
	IRS	FE	12%	93,200	89,148	(2,111)	(5,241)	15/07/2012
	IRS	FE	7%	50,185	48,003	(1,172)	(2,849)	15/07/2012
	IRS	FE	6%	46,600	44,574	(1,055)	(2,621)	15/07/2012
	IRS	FE	3%	25,092	24,002	(586)	(1,424)	15/07/2012
	IRS	FE	6%	46,600	44,574	(1,055)	(2,621)	15/07/2012
	IRS	FE	3%	25,092	24,002	(586)	(1,424)	15/07/2012
Giant Cement Holding, Inc	IRS	FE	100%	67,150	66,609	(8,705)	(6,713)	22/05/2013
	IRS	FE	26%	42,046	36,494	(4,061)	(2,891)	27/10/2014
	IRS	FE	26%	42,046	36,494	(4,061)	(2,891)	27/10/2014
Uniland Cementera, S.A.	COLLAR	FE		3,005	-	-	-	22/07/2009
Cementos Lemona, S.A.	IRS	FE	50%	5,600	4,000	(170)	(172)	01/06/2012
	IRS	FE	50%	5,775	4,125	(199)	(184)	14/06/2012
	IRS	FE	50%	2,813	2,063	(83)	(98)	20/07/2012

TOTAL FULLY CONSOLIDATED COMPANIES

3,292,264

4,084,895

(185,821)

(186,141)

COMPANIES CARRIED USING THE EQUITY METHOD

Tramvia Metropolità, S.A.	IRS	FE	56%	9,451	9,115	(1,680)	(1,824)	31/10/2023
	IRS	FE	24%	4,050	3,906	(720)	(781)	31/10/2023
Tramvia Metropolità del Besós, S.A.	IRS	FE	64%	11,446	11,613	(1,399)	(1,580)	30/06/2023
	IRS	FE	16%	2,861	2,903	(350)	(395)	30/06/2023
Cedinsa Eix del Llobregat, S.A.	IRS	FE	70%	52,335	41,451	(1,280)	(1,135)	01/05/2023
Urbs Iudex et Causidicus, S.A.	IRS	FE	100%	80,044	78,042	(26,306)	(26,763)	30/12/2023
Cedinsa d'Aro, S.A.	CAP	FE	100%	4,080	5,440	16	-	04/01/2010
	IRS	FE	100%	8,449	8,449	(714)	(719)	03/01/2023

	Type of derivative	Type of hedge	% hedged	Notional 31.12.08	Notional 31.12.09	Value at 31.12.08	Value at 31.12.09	Maturity
Nova Bocana Barcelona, S.A.	IRS	FE	17%	3,660	5,523	(481)	(545)	30/06/2025
	IRS	FE	33%	7,320	11,047	(963)	(1,088)	30/06/2025
Suministro de Aguas de Querétano, S.A. de C.V.	CAP	FE	100%	18,570	26,337	30	18	20/01/2011
Betearte, S.A.U.	IRS	FE	33%	1,923	1,923	(165)	(242)	06/02/2018
Atlántica de Graneles y Moliendas, S.A.	IRS	FE	25%	1,094	656	6	(10)	02/06/2011
	IRS	FE	25%	1,094	656	6	(10)	02/06/2011
	IRS	FE	25%	1,094	656	6	(10)	02/06/2011
	IRS	FE	25%	1,094	656	6	(10)	02/06/2011
Realia Patrimonio, S.L.U.	IRS	FE	2%	7,369	8,096	(581)	(728)	30/06/2014
	IRS	FE	2%	7,369	8,096	(577)	(724)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,069)	(1,372)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,200)	(1,490)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,200)	(1,490)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,154)	(1,449)	30/06/2014
	IRS	FE	2%	7,369	8,096	(600)	(745)	30/06/2014
	IRS	FE	2%	7,369	8,096	(581)	(728)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,069)	(1,372)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,200)	(1,490)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,200)	(1,490)	30/06/2014
	IRS	FE	4%	14,738	16,193	(1,154)	(1,449)	30/06/2014
	IRS	FE	2%	7,369	8,096	(600)	(745)	30/06/2014
	IRS	FE	2%	7,369	8,096	(581)	(728)	30/06/2014
	IRS	FE	2%	7,369	8,096	(581)	(728)	30/06/2014
	IRS	FE	2%	7,369	8,096	(577)	(724)	30/06/2014
Societe d'Investissements Immobiliers Cotee de Paris	IRS	FE	5%	7,731	8,026	(588)	(721)	30/06/2014
	IRS	FE	5%	7,731	8,026	(569)	(705)	30/06/2014
	IRS	FE	10%	15,462	16,052	(1,175)	(1,442)	30/06/2014
	IRS	FE	10%	15,462	16,052	(1,048)	(1,329)	30/06/2014
	IRS	FE	10%	15,462	16,052	(1,048)	(1,329)	30/06/2014
	IRS	FE	10%	15,462	16,052	(1,175)	(1,442)	30/06/2014
	IRS	FE	5%	7,731	8,026	(588)	(721)	30/06/2014
	IRS	FE	5%	7,731	8,026	(569)	(705)	30/06/2014

	Type of derivative	Type of hedge	% hedged	Notional 31.12.08	Notional 31.12.09	Value at 31.12.08	Value at 31.12.09	Maturity
Hermanos Revilla, S.A.	IRS	FE	50%	3,898	1,114	(75)	(41)	16/01/2012
Ruta de los Pantanos, S.A.	IRS	FE	42%	1,860	12,163	(826)	(1,521)	02/01/2018
Autopista Central Galega Sociedad Concesionaria Española, S.A. Unipersonal	IRS	FE	44%	25,895	25,899	(1,194)	(2,176)	31/07/2013
	IRS	FE	26%	15,537	15,539	(716)	(1,306)	31/07/2013
Hospital del Sureste, S.A.	IRS	FE	52%	10,299	9,910	(184)	(181)	31/12/2032
	IRS	FE	84%	5,003	-	(217)	-	31/12/2032
Túnel d'Envalira, S.A. Concesionaria del Principat d'Andorra	COLLAR	FE	61%	7,191	7,134	103	(451)	20/07/2022
Tranvía de Parla, S.A.	IRS	FE	70%	24,713	20,654	(1,895)	(1,869)	30/12/2022
Concesiones de Madrid, S.A.	IRS	FE	46%	35,305	34,450	(1,319)	(2,109)	06/12/2027
Terminal Polivalente de Castellón, S.A.	IRS	FE	39%	-	5,196	-	(489)	15/01/2018
	IRS	FE	19%	-	2,598	-	(244)	15/01/2018
	IRS	FE		6,742	-	48	-	28/07/2009
Autovía del Camino, S.A.	SWAP INFLACIÓN	FE	18%	6,533	3,316	8,560	5,206	15/12/2027
	IRS	FE	100%	55,762	27,863	(9,147)	(4,475)	15/12/2027
	IRS	FE	62%	34,365	17,155	(4,937)	(2,604)	15/12/2024
	IRS	FE	42%	2,278	1,139	(797)	(86)	16/12/2030
Autopista de la Costa Cálida Concesionaria Española de Autopistas, S.A.	IRS	FE	25%	40,219	20,109	(827)	(992)	15/12/2012
	IRS	FE	25%	40,219	20,109	(827)	(992)	15/12/2012
Madrid 407 Sociedad Concesionaria, S.A.	IRS	FE	70%	23,184	11,592	(2,663)	(1,365)	10/07/2033
Ibisan, S.A.	IRS	FE	70%	29,257	14,302	(1,001)	(601)	30/12/2027
N6 (Concession) Limited	IRS	FE	25%	11,335	5,964	(508)	(342)	30/06/2013
	IRS	FE	19%	4,101	4,297	(569)	(326)	30/06/2034
	IRS	FE	25%	741	371	(45)	(29)	30/06/2034

	Type of derivative	Type of hedge	% hedged	Notional 31.12.08	Notional 31.12.09	Value at 31.12.08	Value at 31.12.09	Maturity
N6 (Concession) Limited (cont.)	IRS	FE	25%	3,445	1,763	(35)	(27)	04/01/2010
	IRS	FE	27%	2,585	1,323	(25)	(20)	04/01/2010
	IRS	FE	20%	8,504	4,474	(368)	(254)	28/06/2013
	IRS	FE	27%	3,077	3,223	(401)	(233)	30/06/2034
	IRS	FE	27%	556	278	(31)	(21)	30/06/2034
	IRS	FE	27%	3,368	1,764	(14)	(24)	04/01/2010
	IRS	FE	20%	11,340	5,966	(491)	(338)	28/06/2013
	IRS	FE	27%	4,103	4,298	(534)	(310)	30/06/2034
	IRS	FE	27%	756	378	(41)	(27)	30/06/2034
	IRS	FE	25%	3,447	1,764	(33)	(27)	04/01/2010
	IRS	FE	19%	11,340	5,966	(491)	(338)	28/06/2013
	IRS	FE	25%	4,103	4,298	(534)	(310)	30/06/2034
	IRS	FE	25%	742	378	(42)	(28)	30/06/2034
Portsur Castellón, S.A.	IRS	FE	100%	8,933	4,466	(824)	(461)	31/10/2031
M50 (Concession) Limited	IRS	FE	22%	6,376	5,110	(2,161)	(900)	28/03/2040
	IRS	FE	22%	6,376	5,110	(2,284)	(962)	28/03/2040
	IRS	FE	22%	6,376	5,110	(2,287)	(961)	28/03/2040
	IRS	FE	22%	6,376	5,110	(2,284)	(961)	28/03/2040
	IRS	FE	25%	2,798	1,469	(93)	(43)	27/10/2010
	IRS	FE	25%	2,798	1,469	(93)	(43)	27/10/2010
	IRS	FE	25%	2,798	1,469	(93)	(43)	27/10/2010
	IRS	FE	25%	2,798	1,469	(93)	(43)	27/10/2010
Autopistas del Sol, S.A.	IRS	FE	71%	72,729	30,778	(14,472)	(2,691)	30/11/2023
Concesionaria Hospital Son Dureta, S.A.	IRS	FE	90%	6,341	11,038	(3,663)	(2,321)	25/07/2029
	IRS	FE	90%	6,341	11,038	(3,581)	(2,304)	25/07/2029
Autovía Necaxa - Tihuatlan, S.A. de C.V.	IRS	FE	34%	15,862	14,500	(1,243)	(786)	06/12/2027
	IRS	FE	33%	15,396	14,074	(1,206)	(763)	06/12/2027
	IRS	FE	33%	15,396	14,074	(1,206)	(763)	06/12/2027
Scutvias-Autoestradas da Beira Interior, S.A.	IRS	FE	70%	8,669	13,221	(1,169)	(2,750)	04/10/2018
	IRS	FE	27%	3,334	8,264	(450)	(1,718)	04/10/2018
	IRS	FE	27%	-	8,264	-	(1,718)	04/10/2018
	IRS	FE	11%	-	3,305	-	(689)	04/10/2018

	Type of derivative	Type of hedge	% hedged	Notional 31.12.08	Notional 31.12.09	Value at 31.12.08	Value at 31.12.09	Maturity
Aeropuerto de Castellón	IRS	FE	6%	5,518	5,712	(294)	(442)	30/09/2019
Transportes Ferroviarios de Madrid, S.A.	IRS	FE	-	14,684	-	-	-	16/03/2009
Auto-Estradas XXI – Subconcessionaria Transmon- tana, S.A.	IRS	FE	1%	-	6,646	-	(693)	31/12/2029
	IRS	FE	0%	-	2,420	-	(252)	31/12/2029
	IRS	FE	0%	-	4,289	-	(447)	31/12/2029
	IRS	FE	1%	-	6,646	-	(693)	31/12/2029
	IRS	FE	1%	-	6,646	-	(693)	31/12/2029
	IRS	FE	1%	-	6,320	-	(659)	31/12/2029
	IRS	FE	1%	-	3,600	-	(375)	31/12/2029
CIRALSA Sociedad Anónima Concesionaria del Estado	IRS	FE	3%	-	7,083	-	(132)	30/12/2024
	IRS	FE	3%	-	7,083	-	(132)	30/12/2024
	IRS	FE	4%	-	7,083	-	(133)	30/12/2024
Compañía Concesionaria del Túnel de Sóller, S.A.	IRS	FE	40%	-	3,112	-	(66)	30/06/2018
	IRS	FE	40%	-	3,112	-	(67)	30/06/2018
TOTAL COMPANIES CARRIED USING THE EQUITY METHOD				1,129,895	1,024,836	(114,244)	(105,594)	

The detail, by maturity, of the notional amount of the hedging transactions arranged at 31 December 2009 is as follows:

	Notional Maturity				
	2010	2011	2012	2013	2014 and subsequent years
Fully consolidated companies	1,376,787	676,774	677,454	809,522	544,358
Companies carried using the equity method	33,207	51,716	85,831	134,221	719,861

The following table shows the financial derivatives contracted for hedging purposes by the company but which are not considered hedges for accounting purposes:

	Type of derivative	Type of hedge	% hedged	Notional 31.12.08	Notional 31.12.09	Value at 31.12.08	Value at 31.12.09
FULLY CONSOLIDATED COMPANIES							
Recuperaciones Madrileñas del Papel, S.A.	IRS	ESP	122	-	(1)	-	30/09/2009
.A.S.A. Abfall Service Zistersdorf GmbH	COLLAR	ESP	40,667	50,667	(3,280)	(5,726)	28/03/2024
Lemona Industrial, S.A. Unipersonal	IRS	ESP	225	-	1	-	27/07/2009
Tecami Ofitas, SA.	IRS	ESP	330	-	1	-	27/07/2009
TOTAL FULLY CONSOLIDATED COMPANIES			41,344	50,667	(3,279)	(5,726)	
COMPANIES CARRIED USING THE EQUITY METHOD							
Zabalgardi, S.A.	COLLAR	ESP	4,500	4,500	(46)	(58)	26/01/2010
	BARRIER SWAP	ESP	3,000	3,000	(209)	(342)	26/01/2014
			3,000	-	-	-	26/01/2009
	COLLAR	ESP	3,000	3,000	(61)	(86)	26/01/2010
	BARRIER SWAP	ESP	4,500	4,500	(416)	(562)	27/01/2014
	BARRIER SWAP	ESP	3,000	3,000	(22)	(50)	26/01/2010
	BARRIER SWAP	ESP	3,000	3,000	(15)	(48)	26/01/2010
Wilanow Realia sp. z.o.o.	Cross Currency Swap	ESP	1,192	-	98	-	06/03/2009
	Cross Currency Swap	ESP	3,688	-	285	-	14/12/2009
Ruta de los Pantanos, S.A.	IRS	ESP	7,849	-	(165)	-	27/07/2009
TOTAL EQUITY METHOD			36,729	21,000	(551)	(1,146)	

The detail, by maturity, of the notional amount covered by the derivatives that do not meet the requirements to be considered hedging instruments:

	Notional Maturity				
	2010	2011	2012	2013	2014 and thereafter
Fully consolidated companies	3,556	3,556	3,556	3,556	36,443
Companies carried using the equity method	13,500	-	-	-	7,500

The following table refers to the fair value of the PUT treasury stock sale instruments associated with the stock option plan for officers and directors mentioned in Note 18:

					Fair value 2008		Fair value 2009	
Type of derivative	Classification	Amount contracted	Maturity	Impact on 2009 profit (loss)	Assets	Liabilities	Assets	Liabilities
FIRST TRANCHE								
CALL	Hedge	61,596	30/09/2013	-	3,011	-	6,983	-
PUT	Speculative	61,596	30/09/2013	5,379	-	27,368	-	21,989
Swap	Speculative	61,596	30/09/2013	1,227	4,398	-	5,625	-
				6,606	7,409	27,368	12,608	21,989
SECOND TRANCHE								
CALL	Hedge	37,065	10/02/2014	-	-	-	9,939	-
PUT	Speculative	37,065	10/02/2014	982	-	-	-	10,018
Swap	Speculative	37,065	1002/2014	734	-	-	6,533	-
				1,716	-	-	16,472	10,018

22 TAX SITUATION

This Note describes the headings in the accompanying consolidated balance sheet and consolidated income statement relating to the tax obligations of each of the Group companies, such as deferred tax assets and liabilities, tax receivables and payables and the income tax expense.

Under authorisation 18/89, the FCC Group files consolidated income tax returns with all the other Group companies that meet the requirements established by tax legislation.

Fomento de Construcciones y Contratas, S.A., the subsidiaries composing the FCC Group and the joint ventures have all the years not yet statute-barred open for review by the tax authorities for the taxes applicable to them. The criteria that the tax authorities might adopt in relation to the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. In relation to the years which have been reviewed, in certain cases the criteria applied by the tax authorities gave rise to tax assessments, which are currently being appealed against by the related Group companies. However, the Parent's directors consider that the resulting liabilities, relating both to the years open for review and to the assessments issued, will not significantly affect the Group's equity.

a) Deferred tax assets and liabilities

The deferred tax assets arise mainly as a result of the differences between the depreciation and amortisation charges and impairment losses that will become deductible from the income tax base in future years. In general, each year the Group companies take the tax credits provided for under tax legislation and, therefore, the deferred tax assets do not include any material tax credit carryforwards.

The tax losses of the subsidiaries were generally offset by deducting from the income tax the investment valuation allowances recognised by the Group companies owning the holding, or by deducting these losses from the consolidated tax base in the case of subsidiaries that file consolidated tax returns. However, certain companies recognised deferred tax assets relating to tax losses amounting to EUR 36,628 thousand, since they considered that there are no doubts as to their recoverability (31 December 2008: EUR 31,654 thousand).

Deferred tax liabilities arose mainly as a result of:

- The differences between the tax base and the carrying amount resulting from the recognition of assets at fair value in connection with the corporate acquisitions in the FCC Group's various business segments, as indicated in Note 3.b) and 4. In general, these liabilities do not represent future cash outflows since they reverse at the same rate as that of the depreciation taken on the revalued assets.
- The depreciation for tax purposes of leased assets and of certain items of property, plant and equipment qualifying for accelerated depreciation for tax purposes,

including most notably EUR 9,795 thousand (31 December 2007: EUR 9,973 thousand) relating to 30% of the depreciation taken early on the Torre Picasso building, which qualifies for the tax benefits provided for in Royal Decree-Law 2/1985.

- The profit of joint ventures that will be included in the income tax base for the following year.
- The depreciation for tax purposes of leased assets and of certain items of property, plant and equipment qualifying for accelerated depreciation for tax purpose and the release of amortisation in 2009 which made it possible to completely amortise certain investments as long as certain requirements were met.
- The tax deductibility of the goodwill arising on the acquisition of non-resident companies (up to a limit of one-twentieth of the total) since, in accordance with IFRS 3 Business Combinations, goodwill is not amortisable for accounting purposes.

In 2008 "Retained Earnings and Other Reserves" includes a decrease of EUR 16,118 thousand (increase of EUR 108,682 thousand at 31 December 2008) arising from the tax effect of translation differences and the adjustment of the fair value of financial instruments, with a balancing entry in the related deferred taxes.

Additionally, part c) below ("Income Tax Expense") shows the changes in the other deferred taxes which include the tax deductible portion of the goodwill that arose on the acquisition of foreign companies and which reduced the income tax payable in 2009 by EUR 17,609 thousand (31 December 2008: EUR 17,136 thousand).

Following is a detail of the expected reversal dates of the deferred tax assets and liabilities:

	2010	2011	2012	2013	2014 and thereafter	Total
Assets	34,377	31,881	18,029	9,315	505,576	599,178
Liabilities	120,153	52,141	43,362	41,446	959,808	1,216,910

b) Taxes

The detail at 31 December 2009 and 2008 of the current assets and liabilities included under “Tax Receivables” and “Tax Payables”, respectively, is as follows:

Current assets

	2009	2008
VAT refundable (Note 15)	159,300	187,900
Current tax	57,833	51,005
Other tax items (Note 15)	59,559	49,211
	276,692	288,116

Current liabilities

	2009	2008
Vat payable (*)	259,482	279,152
Current tax	19,316	31,388
Other tax items (*)	314,220	277,016
	593,018	587,556

(*) Included under “Other payables”

c) Income tax expense

The income tax expense incurred in 2009 amounts to EUR 114,916 thousand (2008: EUR 99,960 thousand), as shown in the accompanying consolidated income statement. Following is the reconciliation of the expense to the tax charge payable:

	2009		2008	
CONSOLIDATED BEFORE-TAX ACCOUNTING PROFIT FOR THE YEAR	449,895		492,850	
	Increases	Decreases	Increases	Decreases
Adjustments and eliminations	28,486	-	28,486	(17,559)
Permanent differences	35,644	(45,382)	(9,738)	(41,719)
ADJUSTED CONSOLIDATED ACCOUNTING PROFIT	468,643		466,254	
Temporary differences				
Arising in the year	240,863	(485,420)	(244,557)	(390,373)
Arising in prior years carryforwards	182,480	(149,663)	32,817	(189,649)
CONSOLIDATED TAXABLE BASE)	256,903		435,311	
	2009		2008	
Adjusted consolidated accounting profit	468,643		466,254	
Income tax charge	143,565		143,984	
Tax credits and tax relief	(22,453)		(15,338)	
Adjustments due to change in tax rate	-		(25,285)	
Other adjustments	(6,196)		(3,401)	
INCOME TAX EXPENSE	114,916		99,960	

23 _ PENSION PLANS AND SIMILAR OBLIGATIONS

In general, the Spanish Group companies have not established any pension plans to supplement the Social Security pension benefits. However, pursuant to the Consolidated Pension Fund and Plan Law, in the specific cases in which similar obligations exist, the companies externalise their pension and other similar obligations to employees.

In addition, following authorisation by the Executive Committee, in the past an insurance policy was arranged and the premium paid to cover the payment of benefits relating to death, permanent occupational disability, retirement bonuses and pensions and other situations for, among other employees, certain executive directors and executives. In particular, the contingencies giving rise to benefits are those which entail the extinguishment of the employment relationship for any of the following reasons:

- a) Unilateral decision of the Company.
- b) Dissolution or disappearance of the Parent for whatever cause, including merger or spin-off.
- c) Death or permanent disability.
- d) Other causes of physical or legal incapacity.
- e) Substantial change in professional terms and conditions.
- f) Resignation of the executive on reaching 60 years of age, at the request of the executive and with the consent of the Company.
- g) Resignation of the executive on reaching 65 years of age, by unilateral decision of the executive.

The accompanying consolidated income statement does not include premium payments in relation to this insurance policy (in 2008 the sum of EUR 571,000 was paid) but does include premium rebates in the amount of EUR 6,418 thousand (EUR 3,972 thousand in 2008). At 31 December 2009, the fair value of the premiums contributed covered all the actuarial obligations assumed. In 2009, beneficiaries received EUR 5,942 thousand from the insurance company (EUR 5,952 thousand in 2008).

The liability side of the accompanying consolidated balance sheet for 2009 includes the present value, totalling EUR 3,082 thousand (2008: EUR 3,132 thousand) of the amounts payable in relation to the Spanish Group companies' post-employment benefit obligations to former executives. Also, remuneration amounting to EUR 221 thousand in both 2009 and 2008 was paid with a charge to this provision.

Certain of the Group's foreign subsidiaries have undertaken to supplement the retirement benefits and other similar obligations accruing to their employees. The accrued obligations and any assets assigned thereto were measured by independent actuaries using generally

accepted actuarial methods and techniques. Where appropriate, the obligations were recognised in the accompanying consolidated balance sheet under "Non-Current Provisions - Pensions and Similar Obligations", as established by IFRSs (see Note 19).

The benefits referred to in the preceding paragraph are as follows:

- The cement company Giant Cement Holding Inc., resident in the USA, is obliged to supplement its employees' retirement pension benefits. The valuation of the plan assets and the accrued obligations was performed by independent actuaries. The projected unit credit method was used for this purpose, with an average actuarial discount rate of 5.70% (2008: 6.75%). At 31 December 2009, the fair value of the plan assets amounted to USD 53,280 thousand (2008: USD 49,456 thousand), and the actuarial value of the accrued obligations amounted to USD 65,151 thousand (2008: USD 57,612 thousand).

Also, Giant Cement Holding, Inc. has undertaken to continue to provide healthcare and life insurance for certain employees after termination of their employment, the cost of which in 2009 was USD 41,871 thousand (USD 43,299 thousand in 2008).

The accrued obligations payable are included in the accompanying consolidated balance sheet under "Non-Current Provisions".

At 31 December 2009, the actuarial deficit for pension and healthcare insurance obligations to employees amounted to USD 10,970 thousand (2008: USD 16,708 thousand) net of taxes, which are not provided for in the consolidated financial statements of the Group since, as permitted under IAS 19 Employee Benefits, the Group opted to defer recognition of actuarial gains and losses, which are being systematically recognised in the income statement over the remaining years of the employees' working life in the case of pension benefit obligations, and over the remaining life expectancy of the employees in the case of healthcare insurance obligations.

- The accompanying consolidated balance sheet at 31 December 2008 includes the employee benefit obligations of the Waste Recycling Group companies, resident in the UK. These obligations are represented by certain assets assigned to the plans funding the benefits, the fair value of which amounted to EUR 31,661 thousand (31 December 2008: EUR 23,672 thousand), and the actuarial value of the accrued obligations amounted to EUR 36,195 thousand (31 December 2008: EUR 25,615 thousand). The net difference, representing a liability of EUR 4,534 thousand (31 December 2008: EUR 1,943 thousand), was recognised under "Provisions for Pensions and Similar Obligations" in the accompanying consolidated balance sheet. "(Charge to)/Reversal of Operating Allowances" in the accompanying consolidated income statement includes a cost of EUR 1,007 thousand (31 December 2008: EUR 381 thousand) relating to the net difference between the service cost and the

return on the plan assets. The average actuarial rate applied was 5.7%. (5.6% en 2008).

- At 31 December 2009, the Alpine Bau Group companies contributed EUR 48,599 thousand (31 December 2008: EUR 44,311 thousand) relating to the actuarial value of their accrued pension and termination benefit obligations. The amount of these obligations is recognised under “Provisions for Pensions and Similar Obligations” in the accompanying consolidated balance sheet. A cost of EUR 7,154 thousand is included in the accompanying consolidated income statement in respect of the aforementioned items (31 December 2008: EUR 4,688 thousand)
- Lastly, Flightcare Italia, SpA also contributed EUR 12,170 thousand (31 December 2008: EUR 12,440 thousand) to “Provisions for Pensions and Similar Obligations” in the accompanying consolidated balance sheet at 31 December 2009. This amount relates to the actuarial value of the accrued obligations, to which no assets have been assigned. “(Charge to)/Reversal of Operating Allowances” in the accompanying consolidated income statement includes a cost of EUR 1,370 thousand (31 December 2008: EUR 461 thousand) relating to the net difference between the service cost and the discounted present value. The average actuarial rate applied was 4.14%.

The details of the changes in the year in the obligations and assets associated with the pension plan are as follows:

2009 Financial Statements

Actual evolution of the present value of the obligation

	Giant	Waste Recycling Group	Alpine	Flightcare
OPENING BALANCE OF OBLIGATIONS	72,295	25,615	56,263	11,748
Current service cost	2,359	594	7,172	-
Borrowing costs	2,613	1,707	2,491	482
Contributions by participants	-	193	-	888
Actuarial gains/losses	3,580	5,945	424	317
Changes due to exchange rate	(2,439)	2,754	-	-
Benefits paid in 2009	(4,114)	(897)	(7,744)	(1,639)
Past service cost	-	284	2,089	-
CLOSING BALANCE OF OBLIGATIONS	74,294	36,195	60,695	11,796

Actual evolution of the fair value of plan assets

	Giant	Waste Recycling Group	Alpine	Flightcare
OPENING BALANCE OF PLAN ASSETS	35,534	23,672	11,952	-
Expected return on assets	5,639	1,577	382	-
Actuarial gains/losses	-	3,131	-	-
Changes due to exchange rate	(1,201)	2,613	350	-
Employer contributions	-	1,373	2,126	-
Participant contributions	-	192	-	-
Benefits paid	(2,985)	(897)	(1,915)	-
CLOSING BALANCE OF PLAN ASSETS	36,987	31,661	12,895	-

Reconciliation of the actual evolution of the obligation, less the plan assets with the balance effectively recognised on the balance sheet

	Giant	Waste Recycling Group	Alpine	Flightcare
NET BALANCE OF OBLIGATIONS LESS PLAN ASSETS AT YEAR-END	37,307	4,534	47,800	11,796
Actuarial gains/losses not recognised in the balance sheet (within the 10% limit)	-	-	822	374
Actuarial gains/losses not recognised in the balance sheet to be recognised in subsequent years	(17,261)	-	-	-
Past service cost not recognised on the balance sheet (paragraph 58.b, IAS 19)	-	-	(23)	-
NET BALANCE (ASSET-LIABILITY) RECOGNISED AT YEAR-END	20,046	4,534	48,599	12,170

2008 Financial Statements

Actual evolution of the present value of the obligation

	Giant	Waste Recycling Group	Alpine	Flightcare
OPENING BALANCE OF OBLIGATIONS	70,383	27,399	54,245	14,209
Current service cost	1,260	387	7,895	-
Borrowing costs	4,433	1,534	2,114	461
Contributions by participants	-	185	-	262
Actuarial gains/losses	(3,187)	(4,948)	(4,582)	(174)
Changes due to exchange rate	4,159	1,617	890	-
Benefits paid in 2009	(4,753)	(718)	(4,299)	(2,477)
Past service cost	-	159	-	-
Reductions	-	-	-	(533)
CLOSING BALANCE OF OBLIGATIONS	72,295	25,615	56,263	11,748

Actual evolution of the fair value of plan assets

	Giant	Waste Recycling Group	Alpine	Flightcare
OPENING BALANCE OF PLAN ASSETS	42,079	26,884	8,072	-
Expected return on assets	(5,358)	1,792	404	-
Actuarial gains/losses	-	(7,038)	(175)	-
Changes due to exchange rate	1,968	-	726	-
Employer contributions	1,598	1,131	4,234	-
Participant contributions	-	185	-	-
Benefits paid	(4,753)	718	(1,309)	-
CLOSING BALANCE OF PLAN ASSETS	35,534	23,672	11,952	-

Reconciliation of the actual evolution of the obligation, less the plan assets with the balance effectively recognised on the balance sheet

	Giant	Waste Recycling Group	Alpine	Flightcare
NET BALANCE OF OBLIGATIONS LESS PLAN ASSETS AT YEAR-END	36,761	1,943	44,311	11,748
Actuarial gains/losses not recognised in the balance sheet (within the 10% limit)	-	-	-	692
Actuarial gains/losses not recognised in the balance sheet to be recognised in subsequent years	(19,412)	-	-	-
NET BALANCE (ASSET-LIABILITY) RECOGNISED AT YEAR-END	17,349	1,943	44,311	12,440

24 _ GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

At 31 December 2009, the Group had provided EUR 5,927,309 thousand of guarantees to third parties, mostly consisting of completion bonds provided to government agencies and private-sector customers as security for the performance of construction projects and urban cleaning contracts (31 December 2008: EUR 4,991,968 thousand).

Fomento de Construcciones y Contratas, S.A. and the Group's subsidiaries are acting as defendants in certain lawsuits in relation to the liability inherent to the various business activities carried on by the Group in the performance of the contracts awarded, for which the related provisions have been recognised (see Note 19). The lawsuits, although numerous, represent scanty material amounts when considered individually and none of them are particularly noteworthy. Accordingly, on the basis of past experience and the existing provisions, the resulting liabilities would not have a significant effect on the Group's equity.

In relation to the Group companies' interests in businesses managed jointly through unincorporated joint ventures, joint property entities, silent participation agreements, economic interest groupings and other entities of a similar legal nature, the venturers share joint and several liability with respect to the activity carried on (see Note 12).

25 _ INCOME AND EXPENSES

a) Operating revenues

The Group classifies operating income under "Revenue", except for that arising from work on non-current assets, operating grants, income from the sale of real estate assets and the expenses chargeable to tenants are recorded as "Other Operating Income" on the enclosed consolidated income statement.

Note 26, "Segment Reporting", shows the contribution of the business lines to consolidated revenue.

The details of "Other Operating Income" in 2009 and 2008 are as follows:

	2009	2008
Income from sundry services	205,726	212,524
CO2 emission rights	35,278	16,251
Insurance indemnities	19,922	13,806
Real estate business charges	7,185	28,397
Operating grants	21,591	6,911
Other income	14,642	12,446
Excess provisions	53,183	59,440
Income from the sale of real estate assets	-	25,344
	357,527	375,119

b) Raw materials and consumables

The details of the balance under "Raw materials and consumables" at 31 December 2009 and 2008 were as follows:

	2009	2008
Work performed by subcontractors and other companies	3,941,190	4,183,987
Purchases and procurements	2,181,971	2,724,380
Other external expenses	2,961	78,874
	6,126,122	6,987,241

c) Staff costs

The details of "Staff Costs" in 2009 and 2008 is as follows:

	2009	2008
Wages and salaries	2,584,745	2,556,951
Social security	648,387	634,935
Other staff costs	63,390	68,880
	3,296,522	3,260,766

The balance under “Staff costs” at 31 December 2009 included EUR 1,824 thousand (EUR 733 thousand at 31 December 2008) relative to the Stock Option Plan (Note 18).

The average number of employees working for the Group, by professional category, in 2009 and 2008 was as follows:

	2009	2008
Managers and university graduates	4,410	4,357
Other qualified line personnel	7,367	7,154
Clerical and similar staff	10,403	11,054
Other salaried employees	71,486	71,298
	93,666	93,863

The average number of employees at the Group, by professional category, in 2009 and 2008 was as follows:

	2009	2008
Male	73,834	73,856
Female	19,832	20,007
	93,666	93,863

d) Finance income and expense

The detail of the finance income in 2009 and 2008, based on the assets giving rise thereto, is as follows:

	2009	2008
Held-for-trading financial assets	3,043	49
Available-for-sale financial assets	2,878	4,546
Held-to-maturity investments	5,808	5,380
Currant and non-current loans	17,373	43,003
“Lump sum payment” projects	8,518	5,769
Cash and cash equivalents	28,576	47,109
	66,196	105,856

The details of finance costs in 2009 and 2008 are as follows:

	2009	2008
Credit facilities and loans	208,737	424,367
Limited recourse project financing loans	94,010	100,587
Payable under finance leases	7,882	5,650
Payable to third parties	19,412	18,967
Assignment of accounts receivable under “lump sum payment” projects	9,041	27,648
Other finance costs	18,187	13,035
	357,269	590,254

e) Gains (losses) on changes in fair value of financial instruments

The detail of the balance of “Change in Fair Value of Financial Instruments” is as follows:

	2009	2008
Held-for-trading financial assets	-	52
Available-for-sale financial assets	-	3,980
Held-to-maturity investments	-	(3)
Derivatives	5,189	(19,602)
	5,189	(15,573)

The most noteworthy transaction was the settlement of the equity swap associated with the Share Option Plan for the fair value of the swap at the time of cancellation, i.e. EUR 8,322 thousand (see Note 18) (loss of EUR 16,596 thousand in 2008).

f) Impairment and gains or losses on disposals of financial instruments

The composition of the balances under "Impairment and gains or losses on disposals of financial instruments" in 2009 and 2008 was as follows:

	2009	2008
Gain on the sale of FCC Global Insurance General Services, S.A. (Note 4.b)	44,299	-
Gains on contributions to Global Vía Infraestructuras, S.A. (Note 4.b)	17,283	14,699
Sale of investment in SIIC Paris	-	15,647
Current held-for-trading securities	(3,560)	3,114
Other	13,173	(635)
Impairment	(27,866)	(2,658)
	43,329	30,167

In 2009, thirteen concessions were contributed to Global Vía Infraestructura, S.A. (see Note 4), giving rise to gains for the Group of EUR 17,283 thousand (EUR 14,699 thousand in 2008). The most noteworthy of the concessions in 2009 included Autovía del Camino, S.A., with gains of EUR 6,363 thousand and Transportes Ferroviales de Madrid, S.A., with gains of EUR 5,007 thousand.

Under the heading of impairment Xfera Móviles, S.A. lost EUR 18,443 thousand.

26 _ SEGMENT REPORTING

a) Business segments

The business segments presented coincide with the business areas, as described in Note 1. The segment information shown in the following tables was prepared in accordance with the management criteria established internally by Group management, which coincide with the accounting policies adopted to prepare and present the Group's consolidated financial statements.

The "Energy" activities which became operational in 2008 were included as a business segment in 2009.

The income and expenses contributed by the Realía Business Group in 2008 relate to the period until 30 December, when control was lost (Note 4).

The "Other Businesses" column includes the financial activity arising from the Group's centralised cash management, the operation of the Torre Picasso building and the companies that do not belong to any of the aforementioned Group activities.

Income statement by segment

In particular, the information shown in the following tables includes the following items as the segment result for 2009 and 2008:

- All operating income and expenses of the subsidiaries and joint ventures relating to the business carried on by the segment.
- Interest income and expenses arising from segment assets and liabilities, dividends and gains and losses on sales of the financial assets of the segment.
- The stake in the profits (losses) of companies carried by the equity method.
- The income tax expense relating to the transactions performed by each segment.
- The "Other Businesses" column includes, in addition to the aforementioned items, the eliminations due to financial or other transactions between Group segments.
- The contribution of each area to the equity attributable to the shareholders of Fomento de Construcciones y Contratas, S.A. is shown under "Contribution to FCC Group Profit".

	Services						
	Total	The Environment	Versia	Construction	Cement	Energy	Other Business
2009							
Net turnover	12,699,629	3,601,697	820,012	7,201,220	1,035,393	81,948	(40,641)
Gross operating profit	1,460,615	610,145	74,590	406,102	289,044	65,835	14,899
Percentage of turnover	11.50%	16.94%	9.10%	5.64%	27.92%	80.34%	(36.66%)
Fixed asset depreciation	(737,639)	(322,863)	(80,487)	(121,199)	(162,969)	(42,636)	(7,485)
Other operating profit	8,108	10,124	(658)	(3,857)	2,494	-	5
Operating profit	731,084	297,406	(6,555)	281,046	128,569	23,199	7,419
Parentage of turnover	5.76%	8.26%	(0.80%)	3.90%	12.42%	28.31%	(18.25%)
Finance income and expense	(291,073)	(155,713)	(16,983)	(37,489)	(73,036)	(29,797)	21,945
Other financial income(expense)	15,977	(10,846)	479	64,081	(8,593)	(7)	(29,137)
Results of companies carried using the equity method	(6,093)	17,335	2,178	(2,725)	6,929	513	(30,323)
Before-tax profits from continuing operations	449,895	148,182	(20,881)	304,913	53,869	(6,092)	(30,096)
Corporate income tax	(114,916)	(31,488)	5,389	(77,673)	(13,984)	2,615	225
Consolidated profit for the year	334,979	116,694	(15,492)	227,240	39,885	(3,477)	(29,871)
Minority interests	(27,780)	(2,452)	(24)	(2,414)	(15,843)	(152)	(6,895)
Profit attributable to the parent	307,199	114,242	(15,516)	224,826	24,042	(3,629)	(36,766)
Contribution to FCC Group profit	307,199	114,242	(15,516)	224,826	17,147	(3,629)	(29,871)

	Services						
	Total	The Environment	Versia	Construction	Cement	Real Estate	Other Business
2008							
Net turnover	14,019,500	3,636,473	897,416	7,744,537	1,425,060	402,298	(86,284)
Gross operating profit	1,762,317	605,779	96,451	462,824	417,312	131,050	48,901
Percentage of turnover	12.57%	16.66%	10.75%	5.98%	29.28%	32.58%	(56.67%)
Fixed asset depreciation	(745,674)	(319,439)	(79,216)	(133,858)	(172,629)	(34,049)	(6,483)
Other operating profit	(70,333)	12,081	(23,304)	(3,775)	(9,080)	(46,251)	(4)
Operating profit	946,310	298,421	(6,069)	325,191	235,603	50,750	42,414
Parentage of turnover	6.75%	8.21%	(0.68%)	4.20%	16.53%	12.62%	(49.16%)
Finance income and expense	(484,398)	(232,020)	(9,550)	(69,975)	(72,202)	(106,444)	5,793
Other financial income(expense)	15,776	2,818	(1,764)	18,464	(873)	18,620	(21,489)
Results of companies carried using the equity method	15,162	21,289	958	(16,252)	12,621	(3,454)	-
Before-tax profits from continuing operations	492,850	90,508	(16,425)	257,428	175,149	(40,528)	26,718
Corporate income tax	(99,960)	19,895	4,494	(87,036)	(41,034)	11,935	(8,214)
Consolidated profit for the year	392,890	110,403	(11,931)	170,392	134,115	(28,593)	18,504
Minority interests	(58,851)	(3,084)	42	(7,557)	(32,351)	4,643	(20,544)
Profit attributable to the parent	334,039	107,319	(11,889)	162,835	101,764	(23,950)	(2,040)
Contribution to FCC Group profit	334,039	107,319	(11,889)	162,835	70,284	(13,014)	18,504



With regard to "Other Businesses" in the table above, the following items are particularly worthy of note in 2009 and 2008:

Net turnover

	2009	2008
Torre Picasso	26,127	26,173
Elimination of inter-segment transactions	(77,446)	(122,726)
Other	10,678	10,269
	(40,641)	(86,284)

Contribution to FCC Group profit (net of tax)

	2009	2008
Results of Realia Business carried by the equity method (Note 4)	(16,445)	-
Results of Global Vía Group carried by the equity method (*)	(13,522)	-
Gain on the sale of FCC Global Insurance General Services, S.A.	36,325	-
Intra-group profit on the transfer of the portfolio of Global Vía Infraestructuras, S.A. (*)	(53,376)	-
Torre Picasso (Note 8)	13,202	11,160
Financial management and other	3,945	7,344
	(29,871)	18,504

(*) In 2008, the results of the Global Vía Group were included under "Construction". In 2009, the company FCC Construcción, S.A. transferred its shares of Global Vía Infraestructuras, S.A. to Fomento de Construcciones y Contratas, S.A.

Balance sheet by segments

	Services						
	Total Group	The Environment	Versia	Construction	Cement	Energy	Other Business
2009							
A S S E T S							
Non-current assets	12,832,839	5,368,193	637,967	1,708,916	2,998,148	1,014,423	1,105,192
Intangible fixed assets	4,462,312	1,971,672	275,836	496,442	1,105,580	545,903	66,879
Property, plant and equipment	5,957,478	2,729,658	281,703	741,526	1,752,765	463,939	(12,113)
Investment properties	264,093	7,332	-	18,563	-	-	238,198
Investments carried using the equity method	1,145,754	191,364	25,785	193,731	40,991	914	692,969
Non-current financial assets	404,024	262,582	20,745	78,397	7,299	51	34,950
Deferred tax assets	599,178	205,585	33,898	180,257	91,513	3,616	84,309
Current assets	8,427,874	1,920,778	331,924	5,282,017	869,534	56,602	(32,981)
Non-current assets held for sale	-	-	-	-	879	-	(879)
Inventories	1,103,282	38,436	35,363	887,191	141,141	146	1,005
Trade and other accounts receivable	5,372,976	1,478,758	247,486	3,395,067	255,609	20,930	(24,874)
Other current financial assets	230,980	109,426	24,095	100,382	17,183	4,013	(24,119)
Other current assets	66,174	23,317	3,321	34,668	4,311	266	291
Cash and cash equivalents	1,654,462	270,841	21,659	864,709	450,411	31,247	15,595
TOTAL ASSETS	21,260,713	7,288,971	969,891	6,990,933	3,867,682	1,071,025	1,072,211
LIABILITIES							
Equity	3,136,517	540,738	125,377	576,679	1,455,645	(6,425)	444,503
Non-current liabilities	10,619,979	2,438,120	212,118	847,187	2,014,559	677,653	4,430,342
Grants	85,692	18,236	396	63,953	3,107	-	-
Provisions -non-current	906,535	445,962	59,597	186,339	49,547	11,844	153,246
Non-current financial liabilities	8,393,590	1,432,132	109,563	469,548	1,666,832	556,287	4,159,228
Deferred tax liabilities	1,216,910	524,546	42,562	127,347	295,065	109,522	117,868
Other non-current liabilities	17,252	17,244	-	-	8	-	-
Current liabilities	7,504,217	4,310,113	632,396	5,567,067	397,478	399,797	(3,802,634)
Provisions -current	110,773	8,216	1,387	101,123	47	-	-
Current financial liabilities	1,487,563	953,865	263,233	1,039,082	238,956	384,537	(1,392,110)
Trade and other accounts payable	5,896,831	1,109,084	216,182	4,422,243	156,054	15,260	(21,992)
Other current liabilities	9,050	2,025	13	4,619	2,421	-	(28)
Intra-group transactions	-	2,236,923	151,581	-	-	-	(2,388,504)
TOTAL LIABILITIES	21,260,713	7,288,971	969,891	6,990,933	3,867,682	1,071,025	1,072,211

	Services					
	Total Group	The Environment	Versia	Construction	Cement	Other Business
2008						
ASSETS						
Non-current assets	11,829,356	5,082,440	661,704	2,046,913	3,342,333	695,966
Intangible fixed assets	3,886,429	1,974,452	301,228	406,583	1,107,433	96,733
Property, plant and equipment	5,491,693	2,520,374	288,419	726,613	1,859,848	96,439
Investment properties	263,919	-	-	23,253	-	240,666
Investments carried using the equity method	1,116,605	168,088	25,473	583,699	170,270	169,075
Non-current financial assets	517,868	227,230	21,730	129,663	113,834	25,411
Deferred tax assets	552,842	192,296	24,854	177,102	90,948	67,642
Current assets	8,768,005	1,948,095	357,360	5,636,532	832,235	(6,217)
Non-current assets held for sale	7,367	-	-	-	7,367	-
Inventories	1,575,256	49,571	44,609	1,260,675	219,606	795
Trade and other accounts receivable	5,499,162	1,467,117	263,198	3,463,130	305,533	184
Other current financial assets	222,830	191,051	26,016	57,882	13,438	(65,557)
Other current assets	54,729	18,546	2,222	29,501	3,938	522
Cash and cash equivalents	1,408,661	221,810	21,315	825,344	282,353	57,839
TOTAL ASSETS	20,597,361	7,030,535	1,019,064	7,683,445	4,174,568	689,749
LIABILITIES						
Equity	3,197,953	496,543	140,757	537,265	1,368,528	654,860
Non-current liabilities	8,758,123	2,215,697	266,389	784,325	2,340,415	3,151,297
Grants	63,576	14,534	405	44,554	4,083	-
Provisions -non-current	821,429	390,016	55,469	176,593	49,449	149,902
Non-current financial liabilities	6,872,318	1,284,572	181,110	478,094	1,985,286	2,943,256
Deferred tax liabilities	1,000,004	525,779	29,405	85,084	301,597	58,139
Other non-current liabilities	796	796	-	-	-	-
Current liabilities	8,641,285	4,318,295	611,918	6,361,855	465,625	(3,116,408)
Provisions -current	91,918	4,550	552	86,816	-	-
Current financial liabilities	2,224,890	1,119,153	242,653	1,219,263	279,109	(635,288)
Trade and other accounts payable	6,308,398	1,041,577	216,992	5,045,808	184,592	(180,571)
Other current liabilities	16,079	1,632	7	9,968	1,924	2,548
Intra-group transactions	-	2,151,383	151,714	-	-	(2,303,097)
TOTAL LIABILITIES	20,597,361	7,030,535	1,019,064	7,683,445	4,174,568	689,749

Cash flows by segment

	Services							
	Total Group	The Environment	Versia	Construction	Cement	Energy	Real Estate	Other business
2009								
From operating activities	1,577,614	682,714	113,806	146,519	360,262	71,690	-	202,623
From investing activities	(1,015,432)	(406,287)	(42,659)	243,130	(91,609)	(207,966)	-	(510,041)
From financing activities	(306,946)	(219,427)	(71,495)	(349,443)	(98,253)	159,994	-	271,678
Cash flows for the year	255,236	57,000	(348)	40,206	170,400	23,718	-	(35,740)
2008								
From operating activities	1,102,437	359,061	83,524	(20,083)	359,661	-	(42,653)	362,927
From investing activities	(1,634,850)	(625,420)	(42,925)	(163,256)	(295,704)	-	(105,415)	(402,130)
From financing activities	457,325	238,539	(91,355)	313,215	1,352	-	121,428	(125,854)
Cash flows for the year	(75,088)	(27,820)	(50,756)	129,876	65,309	-	(26,640)	(165,057)

b) Activities and investments by geographical area

Approximately 44% of the Group's business is conducted abroad (2008: 42%).

The breakdown, by market, of the revenue earned abroad by the Group companies in 2009 and 2008 is as follows:

	Services					
	Total	The Environment	Versia	Construction	Cement	Real Estate
2009						
European Union	4,509,742	1,111,079	209,700	3,132,215	56,748	-
USA North America	296,612	84,446	28,053	46,267	137,846	-
Latin America	150,456	5,440	21,936	122,461	619	-
Other	668,747	54,387	697	513,667	99,996	-
	5,625,557	1,255,352	260,386	3,814,610	295,209	-
2008						
European Union	4,618,503	1,153,745	205,079	3,132,081	58,012	69,586
USA North America	358,010	98,891	29,415	36,197	193,507	-
Latin America	137,170	1,621	19,015	116,534	-	-
Other	699,385	39,384	28,038	543,575	88,388	-
	5,813,068	1,293,641	281,547	3,828,387	339,907	69,586

The detail, by geographical area, of the Group's assets and liabilities and the cost of the investments made in property, plant and equipment and intangible assets in 2009 and 2008 is as follows:

	Balance Group	Spain	U.K.	Other EU countries	USA	Latin America	Other
2009							
ASSETS							
Non-current assets	12,832,839	7,543,135	2,391,344	1,833,094	748,903	197,821	118,542
Intangible fixed assets	4,462,312	2,954,658	697,921	593,078	135,836	80,819	-
Property, plant and equipment	5,957,478	2,648,187	1,480,482	1,128,873	549,555	46,361	104,020
Investment properties	264,093	245,530	-	18,563	-	-	-
Investments carried under the equity method	1,145,754	1,018,951	11,566	40,593	-	63,830	10,814
Non-current financial assets	404,024	305,836	55,942	31,252	6,467	3,230	1,297
Deferred tax assets	599,178	369,973	145,433	20,735	57,045	3,581	2,411
Current assets	8,427,874	5,804,538	159,710	2,119,493	107,357	180,133	56,643
Inventories	1,103,282	829,181	1,541	150,894	45,853	54,113	21,700
Trade and other accounts receivable	5,372,976	3,670,607	87,976	1,464,780	50,208	88,272	11,133
Other current financial assets	230,980	189,376	18,367	19,964	1,417	1,666	190
Other current assets	66,174	19,379	7,559	34,549	1,648	2,875	164
Cash and cash equivalents	1,654,462	1,095,995	44,267	449,306	8,231	33,207	23,456
TOTAL ASSETS	21,260,713	13,347,673	2,551,054	3,952,587	856,260	377,954	175,185
LIABILITIES							
Non-current liabilities	10,619,979	7,786,373	1,343,564	895,281	440,985	117,430	36,346
Grants	85,692	19,779	-	1,777	-	63,953	183
Provisions -non-current	906,535	435,561	258,575	184,774	25,958	1,118	549
Non-current financial liabilities	8,393,590	6,580,400	794,197	607,820	349,521	43,505	18,147
Deferred tax liabilities	1,216,910	752,033	274,787	100,910	65,498	8,854	14,828
Other non-current liabilities	17,252	(1,400)	16,005	-	8	-	2,639
Current liabilities	7,504,217	5,200,775	414,008	1,702,560	90,501	72,370	24,003
Provisions -current	110,773	61,099	148	47,584	407	1,535	-
Current financial liabilities	1,487,563	1,008,100	200,665	203,219	44,493	20,421	10,665
Trade and other payables	5,896,831	4,128,714	213,195	1,448,218	42,952	50,414	13,338
Other current liabilities	9,050	2,862	-	3,539	2,649	-	-
Difference assets – liabilities	3,136,517	360,525	793,482	1,354,746	324,774	188,154	114,836
TOTAL LIABILITIES	21,260,713	13,347,673	2,551,054	3,952,587	856,260	377,954	175,185
TANGIBLE AND INTANGIBLE ASSET INVESTMENTS AND REAL ESTATE INVESTMENTS	736,291	419,736	77,445	174,524	47,740	13,131	3,715

	Total Group	Spain	U.K.	Other EU countries	USA	Latin America	Other
2008							
ASSETS							
Non-current assets	11,829,356	6,665,877	2,263,571	1,804,321	772,953	194,582	128,052
Intangible fixed assets	3,886,429	2,413,917	647,286	601,941	169,778	53,507	-
Property, plant and equipment	5,491,693	2,283,274	1,401,094	1,089,688	549,369	55,119	113,149
Investment properties	263,919	240,666	-	23,253	-	-	-
Investments carried under the equity method	1,116,605	993,123	8,407	33,714	-	72,201	9,160
Non-current financial assets	517,868	413,858	46,825	37,363	7,479	11,321	1,022
Deferred tax assets	552,842	321,039	159,959	18,362	46,327	2,434	4,721
Current assets	8,768,005	6,253,978	147,338	2,018,348	131,511	167,795	49,035
Non-current assets held for sale	7,367	7,367	-	-	-	-	-
Inventories	1,575,256	1,293,754	1,098	154,195	62,800	38,581	24,828
Trade and other accounts receivable	5,499,162	3,771,864	93,798	1,485,900	45,457	91,444	10,699
Other current financial assets	222,830	190,290	13,907	15,350	1,489	1,785	9
Other current assets	54,729	17,432	3,125	28,967	1,333	2,799	1,073
Cash and cash equivalents	1,408,661	973,271	35,410	333,936	20,432	33,186	12,426
TOTAL ASSETS	20,597,361	12,919,855	2,410,909	3,822,669	904,464	362,377	177,087
LIABILITIES							
Non-current liabilities	8,758,123	6,091,931	1,252,919	818,447	469,113	82,529	43,184
Grants	63,576	17,242	-	1,559	-	44,553	222
Provisions -non-current	821,429	409,486	211,373	174,379	25,578	-	613
Non-current financial liabilities	6,872,318	5,105,198	788,690	539,350	382,347	30,571	26,162
Deferred tax liabilities	1,000,004	559,209	252,856	103,159	61,188	7,405	16,187
Other non-current liabilities	796	796	-	-	-	-	-
Current liabilities	8,641,285	6,104,945	379,785	1,912,560	97,144	118,672	28,179
Provisions -current	91,918	49,707	32	40,455	190	1,534	-
Current financial liabilities	2,224,890	1,412,691	221,524	496,459	44,230	36,780	13,206
Trade and other accounts payable	6,308,398	4,637,024	158,229	1,365,148	52,666	80,358	14,973
Other current liabilities	16,079	5,523	-	10,498	58	-	-
Difference assets – liabilities	3,197,953	722,979	778,205	1,091,662	338,207	161,176	105,724
TOTAL LIABILITIES	20,597,361	12,919,855	2,410,909	3,822,669	904,464	362,377	177,087
TANGIBLE AND INTANGIBLE ASSET INVESTMENTS AND REAL ESTATE INVESTMENTS	1,092,301	583,480	87,027	274,576	123,249	23,191	778

c) Personnel

The average number of employees in 2009 and 2008, by business area, was as follows:

	2009	2008
Services		
The Environment	49,558	49,034
Versia	11,251	11,712
Construction	28,637	28,254
Cement	3,832	4,244
Real estate	-	227
Other business	388	392
	93,666	93,863

27 _ ENVIRONMENTAL INFORMATION

At the meeting held on 2 June 2009, the Board of Directors of FCC approved the FCC Group's Environmental Policy which responds to the objectives of the 2009-2010 Corporate Responsibility Master Plan and reinforces the FCC Group's commitment to social responsibility as part of FCC's overall strategy in related to environmental services.

The FCC Group conducts its business in keeping with its commitment to corporate responsibility, to compliance with all applicable legal requirements, to its respect for interest groups and its desire to generate wealth and wellbeing.

Aware of just how important environmental preservation and the responsible use of available resources are to the FCC Group and in keeping with the desire to render its services in a way which is respectful of the environment, the FCC Group has established the following standards, applicable to the entire organisation, which serve as the cornerstone of its contribution to sustainable development.

Continuing improvement

Promoting environmental excellence by establishing objectives for continuously improving performance, minimising the negative impact of the processes, products and services of the FCC Group and maximising the positive impact.

Control and monitoring

Establishing systems for managing environmental indicators for the operational control of processes that provide the knowledge needed for the purposes of monitoring, evaluating, decision making and communication of the environmental performance of the FCC Group and the fulfilment of the commitments assumed.

Climate change and pollution prevention

Directing the fight against climate change by implementing processes with lower greenhouse effect gas emissions and by fostering energy efficiency and promoting renewable energies.

Preventing pollution and protecting the environment through effective management and the responsible use of natural resources and by minimising the impact of the emissions, dumping and waste generated and handled in connection with the FCC Group's business activities.

Observing the environment and innovation

Identifying the risks and opportunities inherent to the activities associated with a changing natural environment in order to promote innovation and the application of new technologies and to generate synergies among the different activities carried out by the FCC Group.

Life cycle of products and services

Intensifying environmental considerations when planning the activities, acquisition of materials and equipment and relationships with suppliers and contractors.

The necessary participation of all

Promoting an awareness and application of environmental principles among employees and other interest groups.

Sharing the experience with best practices with the different social agents to foster alternative solutions that contribute to the achievement of a sustainable environment.

The implementation of quality management and environmental management systems and follow-up audits are illustrative of the measures taken by the FCC Group in this area. With regard to environmental risk management, the Group has implemented environmental management systems certified under ISO 14001 standards in the various business areas, which focus on:

- 1) Compliance with the applicable regulations and achievement of environmental objectives that go beyond external requirements.
- 2) Decrease in environmental impact through adequate planning.
- 3) Ongoing analysis of risks and possible improvements.

The basic risk prevention tool is the environmental plan which must be prepared by each operating unit and which consists of:

- 1) Identification of environmental issues and of applicable legislation.
- 2) Impact evaluation criteria.
- 3) Measures to be adopted.
- 4) A system for measuring the objectives achieved.

By their very nature, the activities of the Environmental Services business line are geared towards environmental protection and conservation, not only through the production activity itself (waste collection, operation and control of landfills, sewer cleaning, treatment and elimination of industrial waste, wastewater treatment, etc.), but also as a result of performing these activities using production techniques and systems designed to reduce environmental impact, on occasions surpassing the requirements stipulated in the regulations governing this area.

The performance of production activities in the Environmental Services area requires the use of specialised structures, plant and machinery that are efficient in terms of environmental protection and conservation. At 31 December 2009, the acquisition cost of the non-current assets assigned to production in the Services area, net of depreciation and amortisation, totalled EUR 4,701,329 thousand (31 December 2007: EUR 4,494,825 thousand). The environmental provisions, mainly for landfill sealing and shutdown expenses, totalled EUR 348,089 thousand (31 December 2008: EUR 292,429 thousand).

The Group's cement companies have non-current assets designed to filter atmospheric gas emissions, honour their commitments relating to the environmental restoration of depleted quarries and apply technologies that contribute to environmentally-efficient process management.

At year-end the Cementos Portland Valderrivas Group had non-current assets relating to environmental conservation and protection amounting to EUR 191,314 thousand (net of depre-

ciation and amortisation) (2008: EUR 205,446 thousand), with accumulated amortisation of EUR 79,708 thousand (EUR 71,573 thousand in 2008).

The Group's cement business receive, free of charge, CO₂ emission rights under the corresponding national allocation plans. In 2009 and 2008, the emission rights received were equivalent to 7,763,000 tonnes per annum, 7,729,000 tonnes of which referred to the National Allocation Plan (NAP) for Spain for the period 2008-2012 for the companies Cementos Portland Valderrivas, S.A., Cementos Alfa, S.A., Lemona Industrial, S.A. and Uniland Cementera, S.A. and 34,000 tonnes pending final allocation to Cementos Portland Valderrivas, S.A.

On 27 November 2007, the National Allocation Plan (NAP) approved in Spain for 2008-2012 was published in the Official State Gazette. The Cementos Portland Valderrivas Group received for no consideration emission rights equivalent to 7,729 thousand tonnes per annum relating to Cementos Portland Valderrivas, S.A., Cementos Alfa, S.A., Lemona Industrial, S.A. and Uniland Cementera, S.A.

On 17 June 2008, the aforementioned companies reached an agreement with various banks to swap, during the period 2008-2012, a total of 410 thousand tonnes per year of emission rights received under the National Allocation Plan (known as EUAs) for rights acquired due to investments in projects in developing countries (known as CERs). The banks guaranteed a premium per tonne exchanged. The Group recognised the proportional part of the premium guaranteed for 2008, EUR 1,274 thousand, under "Other Operating Income" in the consolidated income statement for the year ended 31 December 2008. These agreements were cancelled in October 2008 and February 2009, which resulted in compensation of EUR 2,786 thousand in 2009 and EUR 6,631 thousand in 2008, recorded under the same caption as above.

In 2008 the Cement Group also sold EUR 3,127 thousand tonnes of emission rights at market price to various entities (982 thousand in 2008) giving rise to gain of EUR 35,278 thousand (16,251 thousand in 2008) which were recognised under "Other Operating Income" in the consolidated income statement for 2009 (see Note 25.a).

In October 2008 the Cementos Portland Valderrivas Group executed various spot forward contracts for greenhouse gas emission rights, which involved selling 3,000 thousand rights to a bank for a total price of EUR 60,805 thousand and undertaking to repurchase the rights in 2010 and 2012 for a pre-established higher price. This agreement was considered to be a financing transaction.

The Construction division adopts environmental practices which make it possible to respect the environment in the performance of construction projects, and minimises its environmental impact through the following measures: reduction of atmospheric dust emissions; noise and vibration control; control of water discharges, with special emphasis on the treatment of effluents generated by construction projects; maximum reduction of waste generation; safeguarding of the biological diversity of animals and plants; protection of urban surroundings due to the occupation, pollution or loss of land, and the development of specific training programs for line personnel involved in the environmental decision-making process. It has also

implemented an “Environmental Behaviour Code” which establishes the environmental conservation and protection requirements for subcontractors and suppliers

The Energy area strives for energy efficiency through the use of technologies which focus on the generation and use of renewable energies as vital mechanisms for the reduction of CO₂ emission and the fight against climate change.

It is not believed that there are any significant contingencies in relation to the protection and enhancement of the environment at 31 December 2009 which could have a significant impact on the enclosed financial statements.

For further information on the matters discussed in this Note, please refer to the Group's Corporate Social Responsibility report which is published annually on FCC's website, www.fcc.es, among other channels.

28 _ FINANCIAL RISK MANAGEMENT POLICIES

The concept of financial risk refers to the changes in the financial facilities and instruments arranged by the Group as a result of political, market and other factors and the repercussion thereof on the financial statements.

The FCC Group's risk management philosophy is consistent with its business strategy and seeks to achieve maximum efficiency and solvency at all times. To this end, strict financial risk management and control criteria have been established, consisting of identifying, measuring, analysing and controlling the risks incurred in the Group's operations, and the risk policy has been integrated into the Group organisation in the appropriate manner.

In line with this risk policy, the FCC Group arranges hedges initially to hedge the underlying transaction and not for speculative purposes.

In view of the Group's activities and the transactions through which it carries on its business, it is currently exposed to the following financial risks:

Capital risk management

The Group manages its capital to ensure that the Group companies will be able to continue to operate as profitable businesses while maximising the return for shareholders through an optimum debt-to-equity balance.

The strategy of the Group as a whole continues to focus on geographical diversification with the acquisition of assets in Europe, North America and Central America.

The cost of capital and the associated risks of each investment project are analysed by the Operational Areas and the Finance Division and are subsequently approved or rejected by the

corresponding committee or by the Board of Directors. Other functional areas of the Group may also provide reports if so required.

Aside from the habitual investment analysis objectives (yields, return period, risk assumed, strategic market assessment), one of the objectives of this investment analysis is to maintain the net debt/EBITDA ratio at a reasonable level and within the range negotiated with banks.

The Financial Director, responsible for the management of financial risks, periodically reviews the capital structure, as well as the debt-equity ratio and compliance with the financing covenants.

Interest rate risk

In order to ensure a position that is in the FCC Group's best interest, an interest-rate risk management policy is actively implemented. The fluctuations and volatility of the money markets give rise to interest rate changes that entail variations in the finance charges related to the Group's debt.

Given the nature of the Group's activities, closely linked to inflation, its financial policy consists of ensuring that both its current financial assets, which to a large extent provide natural hedging for its current financial liabilities, and the Group's debt are partially tied to floating interest rates.

Even so, the FCC Group performed interest rate hedging transactions in 2009, ending the year with various hedging instruments of varying maturities on 46.4% of the Group's total net debt, including project financing hedges.

Complying with the policy of classifying original instruments as hedges, the FCC Group has arranged interest rate hedges, mainly swaps (IRSs) in which the Group companies pay a fixed rate and receive a floating rate.

Exchange rate risk

Complying with the policy of classifying original instruments as hedges, the FCC Group has arranged interest rate hedges, mainly swaps (IRSs) in which the Group companies pay a fixed rate and receive a floating rate.

A noteworthy consequence of the FCC Group's positioning in international markets is the exposure resulting from net positions in foreign currencies against the euro or in one foreign currency against another when the investment and financing of an activity cannot be made in the same currency.

The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and purely equity related changes. The FCC Group therefore manages the effect that foreign currency risk can have on the balance sheet and the income statement.

The Group actively manages its foreign currency risk by arranging financial transactions in the same currency as that in which the related asset is denominated, i.e. efforts are made, at all times, to obtain in local currency the financing required for the local activity of the company in the country of origin of the investment, with a view to creating a natural hedge or a matching of the cash flows to the financing. However, there are occasions when, due to the weakness of the currency of the country of origin of the investment, this is not possible because long-term financing cannot be obtained in that currency. In this case, financing will be obtained either in the currency of the consolidated group or in the most closely correlated foreign currency.

Foreign currency risk is expressed as the portion of the Group's equity denominated in currencies other than the euro, as indicated in Note 17, part f) "Equity", the most noteworthy currency being the pound sterling.

Solvency risk

At 31 December 2009, the FCC Group's net financial debt amounted to EUR 7,655,157 as shown in the following table:

	2009	2008
Bank loans and overdrafts	8,688,982	8,096,273
Debt instruments and other marketable securities	563,297	143,674
Other interest-bearing financial debt	288,320	284,599
Current financial assets	(230,980)	(222,830)
Cash and cash equivalents	(1,654,462)	(1,408,661)
Net financial debt	7,655,157	6,893,055
Net limited recourse debt	(2,881,637)	(1,572,979)
Net recourse debt	4,773,520	5,320,076

The most relevant ratio for the purposes of measuring solvency and debt repayment capacity is net debt/EBITDA. The Group's ratios are reasonable and fulfil the conditions negotiated with banks.

Liquidity risk

The FCC Group is present in various markets in order to facilitate the obtainment of financing and to mitigate liquidity risk.

Despite the adverse situation that affected the financial markets throughout the year, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to the evolution of the factors that may help to resolve liquidity difficulties in the future and to the various sources of financing and their characteristics.

The detail of the credit lines granted at consolidated level at 31 December 2009, taking into account only current and non-current bank borrowings and excluding the items accounted for as non-recourse borrowings, amounts payable under finance leases and accrued interest payable, is as follows:

	Amount granted	Available balance	Used balance
Consolidated	8,085,986	2,135,262	5,950,724

Concentration risk

This risk arises from the concentration of financing transactions with common features such as:

- Sources of financing: the FCC Group obtains financing from over 160 Spanish and international banks.
- Markets/geographical area (Spanish, foreign): the FCC Group operates in a wide variety of Spanish and international markets and 81% of the Group's debt is concentrated in euros and 19% in various currencies in several international markets.
- Products: the FCC Group arranges a broad spectrum of financial products, including loans, credit facilities, debt instruments, syndicated transactions and discounting facilities.
- Currency: the FCC Group finances its operations in a wide variety of currencies. Although there is a significant concentration of investments in euros, US dollars and pounds sterling, investments tend to be financed in the local currency provided this is possible in the country of origin.

Sensitivity test

With regard to the sensitivity test of derivatives and net debt, the table below shows the amounts obtained, in thousands of euros, in relation to the active derivatives at the end of the year with an impact on equity and the income statement, once the percentage of interest is applied.

	Full consolidation		Equity method	
	-100 basis points	+100 basis points	-100 basis points	+100 basis points
Impact on equity (hedging derivatives)	(70,705)	64,491	(63,314)	45,992
Impact on the income statement (derivatives that do not qualify for hedge accounting)	(2,857)	2,394	(230)	213

It should also be noted that a 100-basis point increase and decrease in the interest rates on the net debt, after excluding any hedged debt, would give rise to a cost of EUR 49,200 thousand or income of EUR 49,200 thousand, respectively, in profit before tax in the FCC Group's income statement.

29 _ INFORMATION ON RELATED PARTY TRANSACTIONS

a) Transactions with significant shareholders of the Parent

The detail of the significant transactions involving a transfer of resources or obligations between Group companies and significant shareholders is as follows:

Shareholder	Group Company	Type of transaction	Type of relationship	Amount
B1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Cleaning services	5,459

b) Transactions with Company directors and officers

The bylaw-stipulated emoluments earned by the directors of Fomento de Construcciones y Contratas, S.A. payable to them by the Company or by any of the Group companies, joint ventures or associates totalled EUR 2,209 thousand in 2009 (EUR 3,041 thousand in 2008).

The detail of the fixed and variable remuneration earned by the executive directors of Fomento de Construcciones y Contratas, S.A. in 2009 and 2008 and payable to them by the Company or by any of the Group companies, joint ventures or associates is as follows:

	2009	2008
Fixed	4,075	4,189
Variable	1,866	289
	5,941	4,478

The senior executives listed below, who are not members of the Board of Directors, earned total remuneration of EUR 6.686 thousand in 2009 (2008: EUR 5,859 thousand).

2009

José Luís de la Torre Sánchez	Chairman of FCC Servicios
Miguel Hernanz Sanjuan	Director of Internal Audit
Dieter Kiefer	Chairman and CEO of Cementos Portland Valderrivas
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Víctor Pastor Fernández	Director of Finance
Antonio Gómez Ciria	Director of Administration and Information Technology
Gerard Ries	Deputy Director of Strategy and International Corporate Development
Eduardo González Gómez	Director of Energy and Sustainability
José Manuel Velasco Guardado	Director of Communications and Corporate Responsibility
Francisco Martín Monteagudo	Director of Human Resources

2008

José Luís de la Torre Sánchez	Chairman of FCC Servicios
Antonio Gómez Ciria	Director of Internal Audit
José Ignacio Martínez-Ynzenga Cánovas del Castillo	Chairman of Cementos Portland Valderrivas
Dieter Kiefer	Chairman of Cementos Portland Valderrivas
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Víctor Pastor Fernández	Director of Finance
José Luís Vasco Hernando	Director of Administration
Gerard Ries	Deputy Director of Strategy and International Corporate Development
Eduardo González Gómez	Director of Energy
José Ramón Ruiz Carrero	Deputy Director of Cost Optimisation

The payments made by the Group in relation to the insurance policy taken out for, among others, certain executive directors and executives of the Company or the Group are disclosed in Note 23.

Except as indicated in Note 23, no other remuneration, advances, loans or guarantees were granted to the Board members.

Set forth below are the required disclosures in relation to the ownership interests held by the directors of Fomento de Construcciones y Contratas, S.A. in the share capital of non-FCC Group companies; the activities (if any) performed by them, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company object of the FCC Group; and the transactions (if any) conducted by them or by persons acting on their behalf, with the Company or with any company in the same Group

that are not part of the Company's normal business activities or are not conducted on an arm's length basis:

The directors of Fomento de Construcciones y Contratas, S.A. have declared that they do not engage in any activity, as independent professionals or as employees, that is identical, similar or complementary to the activity that constitutes the Company's object.

The Board members of the Company do not hold any ownership interests in the share capital of any companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Fomento de Construcciones y Contratas, S.A.

In 2008 the other directors of Fomento de Construcciones y Contratas, S.A., or persons acting on their behalf, did not perform, with the Company or with any company in the same Group, any transactions that were not part of the Company's normal business activities or were not conducted on an arm's length basis.

The detail of the directors who hold positions at companies in which Fomento de Construcciones y Contratas, S.A. holds a direct or indirect ownership interest is as follows:

Director name or business name	Name of Group Company	Position
Cartera Deva, S.A.	Cementos Portland Valderrivas, S.A.	Director
EAC Inversiones Corporativas, S.L.	Cementos Portland Valderrivas, S.A.	Director
EAC Inversiones Corporativas, S.L.	FCC Construcción, S.A.	Director
Fernando Falcó Fernández de Córdova	FCC Construcción, S.A.	Director
Fernando Falcó Fernández de Córdova	Giant Cement Holding Inc.	Director
Fernando Falcó Fernández de Córdova	Waste Recycling Group Limited	Director
Rafael Montes Sánchez	FCC Construcción, S.A.	Director
Rafael Montes Sánchez	Cementos Portland Valderrivas, S.A.	Director
Juan Castells Masana	Waste Recycling Group Limited	Director
Juan Castells Masana	Cementos Portland Valderrivas, S.A.	Director
Robert Peugeot	FCC Construcción, S.A.	Director
Robert Peugeot	Alpine Holding GmbH	Supervisory Board
Robert Peugeot	Waste Recycling Group Limited	Director
Baldomero Falcones Jaquotot	FCC Energía, S.A.	Chairman
Felipe B. García Pérez	FCC Energía, S.A.	Secretary

These directors hold positions or discharge functions and/or hold ownership interests of less than 0.01% in all cases in other FCC Group companies in which Fomento de Construcciones y Contratas, S.A. directly or indirectly holds a majority of the voting power.

Following is a detail of the significant transactions giving rise to a transfer of resources or obligations between Group companies and their executives or directors:

Name or company name of the director or officer	Name of the Group company or entity	Type of transaction	Type of relationship	Amount
Dominum Desga, S.A.	Servicios Especiales de Limpieza, S.A.	Contractual	Rendering of services	9,744

c) Transactions between Group companies or entities

Numerous transactions take place between the Group companies as part of the Group's normal business activities which, if they are significant, are eliminated in the preparation of the consolidated financial statements

The revenue recognised in the accompanying consolidated income statement includes EUR 323,159 thousand (EUR 256,837 thousand in 2008) relating to Group company billings to associates.

The Group's consolidated financial statements also include purchases from associates amounting to EUR 18,315 thousand (EUR 13,967 thousand in 2008).

d) Mechanisms established to detect, determine and resolve possible conflicts of interests between the Parent and/or its Group and its directors, executives or significant shareholders.

The FCC Group has established precise mechanisms to detect, determine and resolve possible conflicts of interests between the Group companies and their directors, executives and significant shareholders, as indicated in Article 25 of the Board's Regulations.

30 FEES PAID TO AUDITORS

The 2009 and 2008 fees for financial audit services and for other professional services provided to the various Group companies and joint ventures composing the FCC Group by the principal auditor and by other auditors participating in the audit of the various Group companies, and by entities related to them, both in Spain and abroad, are shown in the following table:

	2009	2008
Fees for auditing services	6,508	6,781
Principal auditor	3,826	4,023
Other auditors	2,682	2,758
Fees for other services	8,035	5,489
Principal auditor	846	572
Other auditors	7,189	4,917
	14,543	12,270

APPENDIX I _ SUBSIDIARIES (CONSOLIDATED BY GLOBAL INTEGRATION)

Company	Address	% Effective ownership	Auditor
ENVIRONMENTAL SERVICES			
Abastecimientos y Saneamientos del Norte, S.A. Unipersonal	Uruguay, 11 – Vigo (Pontevedra)	100.00	
Abrantaqua-Serviço de Aguas Residuais Urbanas do Municipio de Abrantes, S.A.	Portugal	60.00	Ernst & Young, S.L.
Acque di Caltanissetta, S.p.A.	Italy	88.78	Ernst & Young, S.L.
Adobs Orgànics. S.L.	Sant Benet, 21 – Manresa (Barcelona)	60.00	
AEBA Ambiente y Ecología de Buenos Aires, S.A.	Argentina	52.50	
Aguas Torrelavega, S.A.	La Viña, 4 – Torrelavega (Cantabria)	51.00	Audinfor, S.L.
Aigües de l'Alt Empordà, S.A.	Lluís Companys, 43 – Roses (Girona)	51.40	
Aigües de Vallirana, S.A. Unipersonal	Conca de Tremp, 14 – Vallirana (Barcelona)	100.00	
Alfonso Benítez, S.A.	Federico Salmón, 13 – Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Aqua Campiña, S.A.	Avda. Blas Infante, 6 – Écija (Sevilla)	90.00	Audinfor, S.L.
Aquaervas – Aguas de Elvas, S.A.	Portugal	100.00	Ernst & Young, S.L.
Aqualia Czech, S.L.	Ulises, 18 – Madrid	100.00	
Aqualia Gestión Integral del Agua, S.A.	Federico Salmón, 13 – Madrid	100.00	Ernst & Young, S.L.
Aqualia Infraestructuras Inzenyring s.r.o.	Czech Republic	100.00	Ernst & Young, S.L.
Aqualia Infraestructuras de Mexico, S.A. de C.V.	Mexico	100.00	
Aqualia Infraestructuras, S.A.	Ulises, 18 – Madrid	100.00	Ernst & Young, S.L.
Aqualia New Europe B.V.	Holland	51.00	Ernst & Young, S.L.
Aquamaior-Aguas de Campo Maior, S.A.	Portugal	100.00	Ernst & Young, S.L.
Armigesa, S.A.	Plaza de la Constitución s/n – Armilla (Granada)	51.00	
Augas Municipais de Arteixo, S.A.	Plaza Alcalde Ramón Dopico – Arteixo (La Coruña)	51.00	Centium Auditores, S.L.
Azincourt Investment, S.L. Unipersonal	Federico Salmón, 13 – Madrid	100.00	Deloitte
Baltecma Gestión de Residuos Industriales, S.L.	Conradores, parcela 34 P.I. Marratxi – Marratxi (Balears)	70.00	
Castellana de Servicios, S.A.	Federico Salmón, 13 – Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Chemipur Químicos, S.L. Unipersonal	Pincel, 25 – Sevilla	100.00	
Colaboración, Gestión y Asistencia, S.A.	Federico Salmón, 13 – Madrid	100.00	
Compañía Catalana de Servicios, S.A.	Balmes, 36 – Barcelona	100.00	Price Waterhouse Coopers Auditores, S.L.
Compañía de Control de Residuos, S.L.	Peña Redonda, 27 – P.I. Silvota – Llanera (Asturias)	64.00	
Compañía Onubense de Aguas, S.A.	Avda. Martín Alonso Pinzón, 8 – Huelva	60.00	
Corporación Inmobiliaria Ibérica, S.A.	Ulises, 18 – Madrid	100.00	
Cristales Molidos, S.L.	Partida San Gregorio – Cadrete (Zaragoza)	100.00	
Dédalo Patrimonial, S.L. Unipersonal	Federico Salmón, 13 – Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Depurplan 11, S.A.	San Miguel, 1 – Zaragoza	100.00	Audinfor, S.L.
Depurtebo, S.A.	San Pedro, 57 – Zuera (Zaragoza)	100.00	
Ecoactiva de Medio Ambiente, S.A.	Ctra. Puebla Albortón a Zaragoza Km. 25 Zaragoza	60.00	

Company	Address	% Effective ownership	Auditor
Ecodeal-Gestao Integral de Residuos Industriais, S.A.	Portugal	53.63	Price Waterhouse Coopers Auditores, S.L.
Ecogenesis Societe Anonime Rendering of Cleansing and Waste Management Services	Greece	51.00	
Ecoparque Mancomunidad del Este, S.A.	Federico Salmón, 13 - Madrid	100.00	
Egypt Environmental Services, S.A.E.	Egypt	100.00	Price Waterhouse Coopers
Ekonor, S.A.	Larras de San Juan-Iruña de Oca (Álava)	100.00	Price Waterhouse Coopers Auditores, S.L.
Empresa Comarcal de Serveis Mediambientals del Baix Penedés – ECOBP, S.L.	Plaza del Centre, 3 – El Vendrell (Tarragona)	80.00	Audinfor, S.L.
Empresa Mixta de Conservación de la Estación Depuradora de Aguas Residuales de Butarque, S.A.	Princesa, 3 – Madrid	70.00	
Empresa Municipal de Desarrollo Sostenible Ambiental de Úbeda, S.L.	Plaza Vázquez de Molina, s/n – Úbeda (Jaén)	90.00	Audinfor, S.L.
Entemanser, S.A.	Castillo, 13 – Adeje (Santa Cruz de Tenerife)	97.00	Ernst & Young, S.L.
Enviropower Investments Limited	United Kingdom	100.00	Deloitte
F.S. Colaboración y Asistencia, S.A.	Ulises, 18 – Madrid	65.00	Audinfor, S.L.
FCC Ámbito, S.A.	Federico Salmón, 13 – Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
FCC Medio Ambiente, S.A.	Federico Salmón, 13 – Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Focsa Services, U.K., Ltd.	United Kingdom	100.00	Deloitte
Focsa Serviços de Saneamento Urbano de Portugal, S.A.	Portugal	100.00	Price Waterhouse Coopers
Gamasur Campo de Gibraltar, S.L.	Antigua Ctra. de Jimena de la Frontera, s/n – Los Barrios (Cádiz)	85.00	Price Waterhouse Coopers Auditores, S.L.
GEMECAN, Gestora Medioambiental y de Residuos, S.L.	Josefina Mayor, 12 – Telde (Las Palmas)	100.00	
Geneus Canarias, S.L.	Josefina Mayor, 20 – Telde (Las Palmas)	51.00	
Gestió i Recuperació de Terrenys, S.A.	Rambla de Catalunya, 2-4 – Barcelona	80.00	Audinfor, S.L.
Gestión de Aguas del Norte, S.A.	Cuarta del Agua, 9 – Galdar (Las Palmas)	100.00	Ernst & Young, S.L.
Giza Environmental Services, S.A.E.	Egypt	100.00	Price Waterhouse Coopers
Gonzalo Mateo, S.L.	Partida San Gregorio – Cadrete (Zaragoza)	100.00	Price Waterhouse Coopers Auditores, S.L.
Graver Española, S.A. Unipersonal	Epalza, 8 – Bilbao (Vizcaya)	100.00	Audinfor, S.L.
Grupo .A.S.A.	Austria		
1. Polabská	Czech Republic	100.00	Price Waterhouse Coopers
.A.S.A. Abfall Service AG	Austria	100.00	Price Waterhouse Coopers
.A.S.A. Abfall Service Betriebs GmbH	Austria	100.00	
.A.S.A. Abfall Service Halbenrain GmbH	Austria	100.00	
.A.S.A. Abfall Service Industrieviertel Betriebs GmbH	Austria	100.00	
.A.S.A. Abfall Service Neunkirchen GmbH	Austria	100.00	
.A.S.A. Abfall Service Zistersdorf GmbH	Austria	100.00	Price Waterhouse Coopers
.A.S.A. Abfall Sortieranlage Asten Betriebs GmbH Nfg KG	Austria	100.00	
.A.S.A. AbfallService Halbenrain GmbH & Co Nfg KG	Austria	99.80	Price Waterhouse Coopers
.A.S.A. AbfallService Industrieviertel GmbH & Co Nfg KG	Austria	100.00	
.A.S.A. AbfallService Oberösterreich GmbH	Austria	100.00	



Company	Address	% Effective ownership	Auditor
.A.S.A. AbfallService Wiener Neustadt GmbH	Austria	100.00	
.A.S.A. Areal spol. s.r.o.	Czech Republic	100.00	
.A.S.A. Bulgaria E.O.O.D. (1)	Bulgaria	100.00	
.A.S.A. České Budějovice s.r.o.	Czech Republic	75.00	Price Waterhouse Coopers
.A.S.A. Dacice s.r.o.	Czech Republic	60.00	Price Waterhouse Coopers
.A.S.A. EKO Bih d.o.o.	Bosnia Herzegovina	100.00	
.A.S.A. EKO d.o.o.	Serbia	100.00	Price Waterhouse Coopers
.A.S.A. EKO Polska sp. z o.o.	Poland	100.00	Price Waterhouse Coopers
.A.S.A. EKO s.r.o.	Slovakia	100.00	
.A.S.A. EKO Znojmo s.r.o.	Czech Republic	49.72	Price Waterhouse Coopers
.A.S.A. Ekologické Služby spol. s.r.o.	Slovakia	100.00	
.A.S.A. Ekoloski Servis d.o.o.	Slovakia	100.00	
.A.S.A. Es d.o.o.	Serbia	100.00	
.A.S.A. Es Únanov s.r.o.	Czech Republic	66.41	Price Waterhouse Coopers
.A.S.A. Finanzdienstleistungen GmbH	Austria	100.00	Price Waterhouse Coopers
.A.S.A. Hódmezővásárhelyi Köztisztasági Kft	Hungary	61.83	Price Waterhouse Coopers
.A.S.A. Hp spol. s.r.o.	Czech Republic	100.00	Price Waterhouse Coopers
.A.S.A. International Environmental Services GmbH	Austria	100.00	Price Waterhouse Coopers
.A.S.A. Kikinda d.o.o.	Serbia	80.00	Price Waterhouse Coopers
.A.S.A. Kisalföld Szállító Környezetvédelmi és H Kft	Hungary	100.00	Price Waterhouse Coopers
.A.S.A. Kosické Olsany s.r.o.	Slovakia	95.00	
.A.S.A. Liberec s.r.o.	Czech Republic	55.00	Price Waterhouse Coopers
.A.S.A. Lubliniec sp. z o.o.	Poland	61.97	
.A.S.A. Magyarország Környezetvédelem és H Kft	Hungary	100.00	Price Waterhouse Coopers
.A.S.A. Marcelová s.r.o.	Slovakia	49.00	
.A.S.A. Odpady Litovel s.r.o.	Czech Republic	49.00	
.A.S.A. Olsava spol. s.r.o.	Slovakia	100.00	
.A.S.A. Pol spol. s.r.o.	Czech Republic	100.00	
.A.S.A. Posázaví s.r.o.	Czech Republic	100.00	
.A.S.A. Slovensko spol. s.r.o.	Slovakia	100.00	Price Waterhouse Coopers
.A.S.A. Služby Zabovresky s.r.o.	Czech Republic	89.00	Price Waterhouse Coopers
.A.S.A. spol. s.r.o.	Czech Republic	100.00	Price Waterhouse Coopers
.A.S.A. Tarnobrzeg sp. z o.o.	Poland	60.00	
.A.S.A. TRNAVA spol. s.r.o.	Slovakia	50.00	Price Waterhouse Coopers
.A.S.A. Usluge Za Zastitu Okolisa d.o.o.	Croatia	100.00	
.A.S.A. V.O.D.S. Sanacie s.r.o.	Slovakia	51.00	
.A.S.A. Vilnius UAB	Lithuania	100.00	
.A.S.A. Vrbak d.o.o.	Serbia	51.02	

(1) Name change. Formerly Schecle Bulgaria E.O.O.D.

Company	Address	% Effective ownership	Auditor
.A.S.A. Zabčice spol. s.r.o.	Czech Republic	80.00	Price Waterhouse Coopers
.A.S.A. Zohor spol. s.r.o.	Slovakia	85.00	Price Waterhouse Coopers
A.S.M.J. s.r.o.	Czech Republic	51.00	
Abfallwirtschaftszentrum Mostviertel GmbH	Austria	100.00	Price Waterhouse Coopers
Avermann-Hungária Kft	Hungary	100.00	Price Waterhouse Coopers
Bec Odpady s.r.o.	Czech Republic	100.00	Price Waterhouse Coopers
Eko Serwis sp. z o.o.	Poland	100.00	
Entsorga Entsorgungs GmbH Nfg KG	Austria	100.00	Price Waterhouse Coopers
EnviCon G s.r.o.	Czech Republic	100.00	Price Waterhouse Coopers
Erd-Kom Érdi Kommunális Hulladékkezelő	Hungary	90.00	Price Waterhouse Coopers
Esko – A S A s.r.o.	Czech Republic	100.00	
Inerta Abfallbehandlungs GmbH	Austria	100.00	
Kreindl GmbH	Austria	100.00	
Matra-Kom Hulladékgazdálkodási Szolgáltató Kft	Hungary	100.00	
Miejska Przedsiębiorstwo Gospodarki Komunalnej sp. z o.o. Zabrze	Poland	80.00	Price Waterhouse Coopers
Obsed a.s.	Czech Republic	100.00	Price Waterhouse Coopers
Pergo a.s.	Czech Republic	94.67	
Przedsiębiorstwo Usług Komunalnych sp. z o.o.	Poland	60.03	
Quail spol. s.r.o.	Czech Republic	100.00	Price Waterhouse Coopers
Regios AS	Czech Republic	99.99	Price Waterhouse Coopers
Remat Jihlava s.r.o.	Czech Republic	100.00	Price Waterhouse Coopers
S C A S A Servicii Ecologice SRL	Romania	100.00	Price Waterhouse Coopers
SC Valmax Impex SRL	Romania	60.00	Price Waterhouse Coopers
Sárréti Község-Üzemeltető Kft	Hungary	25.50	
Siewierskie Przedsiębiorstwo Gospodarki Komunalnej sp. z o.o.	Poland	60.00	
Skladka Uhy spol. s.r.o.	Czech Republic	100.00	Price Waterhouse Coopers
Terobet AS	Czech Republic	100.00	
Technické Služby – A S A s.r.o.	Slovakia	100.00	Price Waterhouse Coopers
Textil Verwertung GmbH	Austria	100.00	
Tores – Technické, Obchodní a Rekreační Služby AS	Czech Republic	100.00	
Waste City spol. s.r.o. -en liquidación-	Slovakia	100.00	
Grupo Waste Recycling:	United Kingdom		
3C Holdings Limited	United Kingdom	100.00	Deloitte
3C Waste Limited	United Kingdom	100.00	Deloitte
Advanced Natural Fuels Limited	United Kingdom	100.00	
Airdrie Hill Quarries Limited	United Kingdom	100.00	
Allington Waste Company Limited	United Kingdom	100.00	Deloitte
Anti-Rubbish Limited	United Kingdom	100.00	

Company	Address	% Effective ownership	Auditor
Anti-Waste (Restoration) Limited	United Kingdom	100.00	Deloitte
Anti-Waste Limited	United Kingdom	100.00	Deloitte
Arnold Waste Disposal Limited	United Kingdom	100.00	Deloitte
Arpley Gas Limited	United Kingdom	100.00	
BDR Property Limited	United Kingdom	80.00	
BDR Waste Disposal Limited	United Kingdom	100.00	Deloitte
CLWR Management 2001 Limited	United Kingdom	100.00	
Darrington Quarries Limited	United Kingdom	100.00	Deloitte
Derbyshire Waste Limited	United Kingdom	100.00	Deloitte
East Waste Limited	United Kingdom	100.00	Deloitte
Econowaste Limited	United Kingdom	100.00	
Finstop Limited	United Kingdom	100.00	Deloitte
Green Waste Services Limited	United Kingdom	100.00	
GWS (Holdings) Limited	United Kingdom	100.00	
Herrington Limited	United Kingdom	100.00	Deloitte
Humberside Wastewise Waste Management Services Limited	United Kingdom	100.00	
Integrated Waste Management Limited	United Kingdom	100.00	Deloitte
Kent Conservation & Management Limited	United Kingdom	90.00	
Kent Energy Limited	United Kingdom	100.00	Deloitte
Kent Enviropower Limited	United Kingdom	100.00	Deloitte
Landfill Management Limited	United Kingdom	100.00	Deloitte
Lincwaste Limited	United Kingdom	100.00	Deloitte
Meadshores Limited	United Kingdom	100.00	
Norfolk Waste Limited	United Kingdom	100.00	Deloitte
Oxfordshire Waste Limited	United Kingdom	100.00	Deloitte
Paper Product Developments Limited	United Kingdom	90.00	
Pennine Waste Management Limited	United Kingdom	100.00	Deloitte
RE3 Holding Limited	United Kingdom	100.00	Deloitte
RE3 Limited	United Kingdom	100.00	Deloitte
Site&Field Equipment Limited	United Kingdom	100.00	
T Shooter Limited	United Kingdom	100.00	Deloitte
Tawse Ellon (Haulage) Limited	United Kingdom	100.00	
Waste Recovery Limited	United Kingdom	100.00	Deloitte
Waste Recycling Group (Central) Limited	United Kingdom	100.00	Deloitte
Waste Recycling Group (Scotland) Limited	United Kingdom	100.00	Deloitte
Waste Recycling Group (South West) Limited	United Kingdom	100.00	Deloitte
Waste Recycling Group (Yorkshire) Limited	United Kingdom	100.00	Deloitte
Waste Recycling Group Limited	United Kingdom	100.00	Deloitte

Company	Address	% Effective ownership	Auditor
Waste Recycling Limited	United Kingdom	100.00	Deloitte
Wastenotts (Reclamation) Limited	United Kingdom	100.00	Deloitte
Wastenotts Limited	United Kingdom	100.00	
Wastewise Limited	United Kingdom	100.00	
Wastewise Power Limited	United Kingdom	100.00	
Wastewise Trustees Limited	United Kingdom	100.00	
Welbeck Waste Management Limited	United Kingdom	100.00	Deloitte
Winterton Power Limited	United Kingdom	100.00	
WRG (Management) Limited	United Kingdom	100.00	Deloitte
WRG (Midlands) Limited	United Kingdom	100.00	Deloitte
WRG (Northerm) Limited	United Kingdom	100.00	Deloitte
WRG Acquisitions 2 Limited	United Kingdom	100.00	Deloitte
WRG Berkshire Limited	United Kingdom	100.00	Deloitte
WRG Environmental Limited	United Kingdom	100.00	Deloitte
WRG PFI Holdings Limited	United Kingdom	100.00	Deloitte
WRG Properties Limited	United Kingdom	100.00	
WRG Waste Services Limited	United Kingdom	100.00	Deloitte
WRG Wrexham PFI Holdings Limited	United Kingdom	65.00	Deloitte
WRG Wrexham PFI Limited	United Kingdom	65.00	Deloitte
Hidrotec Tecnología del Agua, S.L. Unipersonal	Pínel, 25 – Sevilla	100.00	
Hydrocarbon Recovery Services Inc.	USA	100.00	
Instugasa, S.L. Unipersonal	La Presa, 14 – Adeje (Santa Cruz de Tenerife)	100.00	Ernst & Young, S.L.
Integraciones Ambientales de Cantabria, S.A.	Barrio la Barquera, 13 – Torres - Reocín – Cartes (Cantabria)	70.00	
International Petroleum Corp. of Delaware	USA	100.00	
International Services Inc., S.A. Unipersonal	Arquitecto Gaudí, 4 – Madrid	100.00	
Inversora Riutort, S.L.	Berlín, 38-43 – Barcelona	100.00	
Jaime Franquesa, S.A.	P.I. Zona Franca Sector B calle D49 – Barcelona	100.00	Audinfo, S.L.
Jaume Oro, S.L.	Avda. de les Garrigues, 15 – Bellpuig (Lleida)	100.00	
Limpieza e Higiene de Cartagena, S.A.	Luis Pasteur, 6 – Cartagena (Murcia)	90.00	Price Waterhouse Coopers Auditores, S.L.
Limpiezas Urbanas de Mallorca, S.A.	Ctra. San Margalida-Can Picafort – Santa Margalida (Balears)	100.00	Audinfo, S.L.
Manipulación y Recuperación MAREPA, S.A.(2)	Avda. San Martín de Valdeiglesias, 22 – Alcorcón (Madrid)	100.00	Price Waterhouse Coopers Auditores, S.L.
Municipal de Serveis, S.A.	Joan Torró i Cabratosa, 7 – Girona	80.00	Cataudit Auditors
Nilo Medioambiente, S.L. Unipersonal	Pínel, 25 – Sevilla	100.00	Audinfo, S.L.
Onyx Gibraltar, Ltd.	United Kingdom	100.00	
Ovod spol. s.r.o.	Czech Republic	100.00	Ernst & Young, S.L.

(2) Papeles Hernández e Hijos, S.A. absorbed Manipulación y Recuperación MAREPA, S.A. Later, Papeles Hernández e Hijos, S.A. became known as Manipulación y Recuperación MAREPA, S.A.



Company	Address	% Effective ownership	Auditor
Recuperació de Pedreres, S.L.	Rambla de Catalunya, 2 – Barcelona	80.00	Price Waterhouse Coopers Auditores, S.L.
Saneamiento y Servicios, S.A.	Federico Salmón, 13 – Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Serveis d'Escombreries i Neteja, S.A.	Coure, s/n – P.I. Riu Clar - Tarragona	100.00	
Servicios de Levante, S.A.	Ctra. de Valencia Km. 3 – Castellón de la Plana (Castellón)	100.00	Price Waterhouse Coopers Auditores, S.L.
Servicios Especiales de Limpieza, S.A.	Federico Salmón, 13 – Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Severomoravské Vodovody a Kanalizace Ostrava A.S.	Czech Republic	98.67	Ernst & Young, S.L.
Sociedad Española de Aguas Filtradas, S.A.	Ulises, 18 – Madrid	100.00	Ernst & Young, S.L.
Sociedad Ibérica del Agua S.I.A., S.A. Unipersonal	Federico Salmón, 13 – Madrid	100.00	
Telford & Wrekin Services, Ltd.	United Kingdom	100.00	Deloitte
Tratamiento Industrial de Aguas, S.A.	Federico Salmón, 13 – Madrid	100.00	Audinfor, S.L.
Tratamiento y Reciclado Integral de Ocaña, S.A.	Federico Salmón, 13 – Madrid	100.00	
Tratamientos y Recuperaciones Industriales, S.A.	Rambla de Catalunya, 2-4, P.5 – Barcelona	75.00	Price Waterhouse Coopers Auditores, S.L.
Valoración y Tratamiento de Residuos Urbanos, S.A.	Riu Magre, 6 – P.I. Patada del Cid – Quart de Poblet (Valencia)	80.00	
Valorización y Tratamiento de Residuos, S.A.	Alameda de Mazarredo, 15-4º A – Bilbao (Vizcaya)	100.00	Audinfor, S.L.

VERSIA

Aparcamientos Concertados, S.A.	Arquitecto Gaudí, 4 – Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Aragonesa de Servicios I.T.V., S.A.	Federico Salmón, 13 – Madrid	100.00	Centium Auditores, S.L.
Beta de Administración, S.A.	Federico Salmón, 13 – Madrid	100.00	
C.G.T. Corporación General de Transportes, S.A.	Federico Salmón, 13 – Madrid	100.00	
Camusa Corporación Americana de Mobiliario Urbano, S.A.	Argentina	100.00	
Casa Park Moulay Youssef, S.A.R.L.	Morocco	100.00	
Casa Park, S.A.	Morocco	97.90	
Cemusa Amazonia, S.A.	Brazil	100.00	
Cemusa Boston, Llc.	USA	100.00	
Cemusa Brazilia, S.A.	Brazil	100.00	
Cemusa do Brazil Ltda.	Brazil	100.00	Price Waterhouse Coopers
Cemusa Corporación Europea de Mobiliario Urbano, S.A.	Francisco Sancha, 24 – Madrid	100.00	
Cemusa Inc.	USA	100.00	Price Waterhouse Coopers
Cemusa Italy, S.R.L.	Italy	100.00	
Cemusa Miami, Llc.	USA	100.00	
Cemusa Miami Ltd.	USA	100.00	
Cemusa NY, Llc.	USA	100.00	
Cemusa Portugal Companhia de Mobiliario Urbano e Publicidade, S.A.	Portugal	100.00	Price Waterhouse Coopers
Cemusa Rio, S.A.	Brazil	100.00	

Company	Address	% Effective ownership	Auditor
Cemusa Salvador, S.A.	Brazil	65.00	
Concesionaria Zona 5, S.A.	Argentina	100.00	
Conservación y Sistemas, S.A.	Federico Salmón, 13 – Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Empresa Mixta de Tráfico de Gijón, S.A.	P.I. Promosa nave 27 – El Plano – Tremañes (Gijón)	60.00	Price Waterhouse Coopers Auditores, S.L.
Equipos y Procesos, S.A.	Conde de Peñalver, 45 – Madrid	80.73	
Estacionamientos y Servicios, S.A.	Federico Salmón, 13 – Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
FCC International, B.V.	Holland	100.00	
FCC Logística Portugal, S.A.	Portugal	99.99	Price Waterhouse Coopers
FCC Logística, S.A. Unipersonal	Buenos Aires, 10 P.I. Camporoso – Alcalá de Henares (Madrid)	100.00	Price Waterhouse Coopers Auditores, S.L.
FCC Versia, S.A.	Federico Salmón, 13 – Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
Flightcare Belgium, Naamloze Vennootschap	Belgium	100.00	Price Waterhouse Coopers
Flightcare Cyprus Limited	Chipre	75.00	
Flightcare Italy, S.p.A.	Italy	100.00	Price Waterhouse Coopers
Flightcare, S.L.	Federico Salmón, 13 – Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
General de Servicios I.T.V., S.A.	Federico Salmón, 13 – Madrid	100.00	Centium Auditores, S.L.
Geral I.S.V. Brazil Ltda.	Brazil	100.00	
I.T.V., S.A.	Argentina	100.00	Price Waterhouse Coopers
Industrial de Limpiezas y Servicios, S.A. Unipersonal	Federico Salmón, 13 – Madrid	100.00	
Santos Renting, S.L. Unipersonal	Francisco Medina y Mendoza – Guadalajara	100.00	
Sistemas y Vehículos de Alta Tecnología, S.A.	Conde de Peñalver, 45 – Madrid	100.00	Price Waterhouse Coopers Auditores, S.L.
VTV Verificaciones Técnicas Vehiculares de Argentina, S.A.	Argentina	100.00	Price Waterhouse Coopers
Verauto La Plata, S.A.	Argentina	98.45	Price Waterhouse Coopers
Zona Verde-Promoção e Marketing Limitada	Portugal	100.00	Price Waterhouse Coopers

CONSTRUCTION

Alpetrol, S.A.	Avda. General Perón, 36 – Madrid	100.00	
Aremi Tecair, S.A.	Valle de Laguar, 7 - Valencia	100.00	Deloitte, S.L.
Áridos de Melo, S.L.	Finca la Barca y el Ballestar, s/n – Barajas de Melo (Cuenca)	100.00	Centium Auditores, S.L.
Autovía Conquense, S.A.	Pedro Texeira, 8 – Madrid	100.00	Deloitte, S.L.
Auxiliar de Pipelines, S.A.	Paseo del Club Deportivo, 1 – Pozuelo de Alarcón (Madrid)	100.00	Deloitte, S.L.
BBR Pretensados y Técnicas Especiales, S.L.	Retama, 5 – Madrid	100.00	Centium Auditores, S.L.
Binatex al Maghreb, S.A.	Morocco	100.00	
Concesionaria Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	85.59	Deloitte
Concesiones Viales de Costa Rica, S.A.	Costa Rica	100.00	



Company	Address	% Effective ownership	Auditor
Concesiones Viales S de RL de C.V.	Mexico	99.97	Deloitte
Conservial, S.L.	Manuel Lasala, 36 – Zaragoza	100.00	
Construcción y Filiales Mexicanas, S.A. de C.V.	Mexico	100.00	Deloitte
Constructora Durango-Mazatlan, S.A. de C.V.	Mexico	51.00	Deloitte
Constructora Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	55.60	Deloitte
Contratas y Ventas, S.A.	Asturias, 41 – Oviedo (Asturias)	100.00	Deloitte, S.L.
Deneo Energía e Infraestructuras, S.A.	José Agustín Goytisolo, 33 Nave B1 – Hospitalet de Llobregat (Barcelona)	100.00	Deloitte, S.L.
Desarrollo y Construcción DEYCO CRCA, S.A.	Costa Rica	100.00	
Dezvoltare Infrastructura, S.A.	Romania	51.03	
Dizara Inversión, S.L.	Avda. General Perón, 36 – Madrid	100.00	
Elcen Obras Servicios y Proyectos, S.A.	Acanto, 22 – Madrid	100.00	Deloitte, S.L.
Especialidades Eléctricas, S.A.	Acanto, 22 – Madrid	100.00	Deloitte, S.L.
Eurman, S.A.	Valentín Beato, 24-26 - Madrid	100.00	
European High-Speed Trains	Portugal	85.71	
FCC Construcción, S.A.	Balmes, 36 – Barcelona	100.00	Deloitte, S.L.
FCC Construcción de Centro América, S.A.(3)	Costa Rica	100.00	Deloitte
FCC Constructii Romania, S.A.	Romania	100.00	
FCC Construction Hungary Kft	Hungary	100.00	Deloitte
FCC Construction I-95 Llc.	USA	100.00	
FCC Construction Inc.	USA	100.00	Deloitte
FCC Construction International B.V.	Holland	100.00	
FCC Construction Northern Ireland Limited	Ireland	100.00	Deloitte
Fomento de Construcciones y Contratas Construction Ireland Limited	Ireland	100.00	Deloitte
Gavisa Portugal Montagens Eléctricas Lda.	Portugal	97.00	
Gestión Especializada en Instalaciones, S.A.	Valentín Beato, 24 – Madrid	100.00	Deloitte, S.L.
Grupo Alpine:			
3 G Netzwerk Errichtungs GmbH & Co KG	Austria	86.97	
Acoton Projektmanagement & Bauträger GmbH	Austria	79.10	
AD Grundbesitzverwaltung GmbH	Germany	80.54	
AJS Acoton Projektmanagement & Bauträger GmbH Co KG	Austria	86.10	
Alpine Aleksandar d.o.o.	Macedonia	83.49	
Alpine Bau Deutschland AG	Germany	86.73	
Alpine Bau GmbH	Austria	86.97	
Alpine Bau GmbH A-1 sp. j	Poland	86.88	
Alpine Bau GmbH Schweiz	Switzerland	86.97	
Alpine Bau India Private Limited	India	86.97	
Alpine Bau Trostberg GmbH	Germany	86.97	

(3) Name change. Formerly Corporación M&S Internacional C.A, S.A.

Company	Address	% Effective ownership	Auditor
Alpine BeMo Tunnelling GmbH (4)	Austria	87.10	
Alpine Building Services GmbH	Germany	86.73	
Alpine Bulgaria AD	Bulgaria	44.35	
Alpine Construction Polska sp z.o.o.	Poland	86.73	
Alpine Consulting d.o.o. (5)	Eslovenia	86.97	
Alpine d.o.o. Banja Luka	Bosnia Herzegovina	86.97	
Alpine d.o.o. Beograd	Serbia	86.97	
Alpine Dolomit AD	Serbia	71.93	
Alpine Energie Deutschland GmbH	Germany	86.97	
Alpine Energie Holding AG	Germany	86.97	
Alpine Energie Luxembourg SARL	Luxemburgo	86.97	
Alpine Energie Österreich GmbH	Austria	86.97	
Alpine Energie Schweiz AG	Switzerland	86.97	
Alpine Energie Solar Italy GmbH	Austria	86.97	
Alpine Granit d.o.o.	Serbia	85.13	
Alpine Holding GmbH	Austria	83.00	
Alpine Hungaria Bau GmbH	Hungary	86.97	
Alpine Investment d.o.o.	Bosnia Herzegovina	44.35	
Alpine Mayreder Construction Co Ltd. AMCC	China	65.23	
Alpine Podgorica d.o.o.	Montenegro	86.97	
Alpine Project Finance and Consulting GmbH	Germany	86.97	
Alpine PZPB d.o.o.	Serbia	86.97	
Alpine Rudnik Krecnjaka Lapisnica d.o.o.	Bosnia Herzegovina	44.35	
Alpine Skopje DOOEL	Macedonia	86.97	
Alpine Slovakia spol s.r.o.	Slovakia	86.97	
Alpine Stavebni Spolecnost Cz s.r.o.	Czech Republic	86.97	
Alpine Untertagebau GmbH	Germany	86.73	
Alpine, S.A.	Romania	86.97	
Altec Umwelttechnik GmbH	Austria	86.97	
Asfaltna Cesta d.o.o.	Croatia	86.97	
Bautechnische Prüf und Versuchsanstalt GmbH	Austria	86.97	
Bewehrungszentrum Linz GmbH	Austria	86.97	
Bürozentrum U3 Projekt GmbH	Austria	86.97	
City Service Solution GmbH (6)	Germany	86.97	
E Gottschall & Co GmbH	Germany	83.00	
Ecoenergetika d.o.o.	Eslovenia	86.97	
Emberger & Essl GmbH	Austria	78.27	
Emberger & Heuberger Bau GmbH	Austria	78.27	

(4) Name change. Formerly Beton und Monierbau GmbH

(5) Name change. Formerly Alpine Consulting d.o.o. Gradbeni Inzeniring

(6) Name change. Formerly Netzbau Verwaltungs GmbH



Company	Address	% Effective ownership	Auditor
Fröhlich Bau und Zimmereiunternehmen GmbH	Austria	86.97	
Geotechnik Systems GmbH	Austria	86.97	
GmbH Alpine Mayreder	Rusia	86.97	
Gregorich GmbH	Austria	86.97	
Grund Pfahl und Sonderbau GmbH	Austria	86.97	
Grund und Sonderbau GmbH	Austria	86.97	
Grund und Sonderbau GmbH ZNL Berlin	Austria	86.97	
Hazet Bauunternehmung GmbH	Austria	86.97	
Hoch & Tief Bau Beteiligungs GmbH	Austria	84.02	
Ing Arnulf Haderer GmbH	Austria	86.97	
Kai Center Errichtungs und Vermietungs GmbH	Austria	86.10	
KAPPA d.o.o.	Croatia	60.59	
Klöcher Bau GmbH	Austria	86.97	
Konrad Beyer & Co Spezialbau GmbH	Austria	86.97	
MLA Lieferasphalt GmbH	Austria	86.97	
Mortinger-Grohmann Tief Hoch und Strassenbau GmbH	Austria	86.97	
MWG Wohnbau GmbH	Austria	86.10	
Oekotechna Entsorgung und Umwelttechnik GmbH	Austria	86.97	
Osijek – Koteks d.d.	Croatia	60.59	
Osijek – Koteks d.o.o. (7)	Croatia	86.97	
PRO - PART AG	Switzerland	86.97	
PRO-PART Energie GmbH	Switzerland	86.97	
PRO - PART in Austria Handels GmbH	Austria	86.97	
Project Development GmbH	Austria	86.97	
RMG d.o.o.	Bosnia Herzegovina	44.35	
S.C. "Hodaco Servimpex" SRL	Romania	86.97	
Salzburger Lieferasphalt O.G.	Austria	34.79	
Schauer Eisenbahnbau GmbH	Austria	86.97	
Strazevisa AD	Serbia	51.94	
Stump – Geopol s.r.o. Prag (8)	Czech Republic	86.97	
Stump Hydrobudowa sp. z.o.o. Warschau	Poland	86.97	
Stump Spezial Tiefbau GmbH	Czech Republic	86.97	
Thalia Errichtungs und Vermietungs GmbH	Austria	79.10	
Tiefbau Deutschlandsberg GmbH & Co KG	Germany	52.18	
Universale Bau GmbH	Austria	86.97	
Vela Borovica Koncern d.o.o.	Croatia	86.97	
Velicki Kamen d.o.o.	Croatia	60.59	
Walter Hamann Hoch Tief und Stahlbetonbau GmbH	Germany	86.73	

(7) Name change. Formerly Alpine Bau Zagreb d.o.o.

(8) Name change. Formerly Stump Spezial Tiefbau spol. s.r.o. Prag

Company	Address	% Effective ownership	Auditor
Weinfried Bauträger GmbH	Austria	86.97	
Wellnesshotel Épito Kft	Hungary	86.97	
Ibérica de Servicios y Obras, S.A.	Federico Salmón, 13 – Madrid	100.00	Deloitte, S.L.
Ibervia Construcciones y Contratas, S.L.	Avda. General Perón, 36 – Madrid	100.00	
Impulsa Infraestructura, S.A. de C.V.	Mexico	52.00	Deloitte
Internacional Tecair, S.A.	Valentín Beato, 24-26 – Madrid	100.00	Deloitte, S.L.
Mantenimiento de Infraestructuras, S.A.	Avda. General Perón, 36 – Madrid	100.00	Deloitte, S.L.
Megaplás Italy, S.p.A.	Italy	100.00	
Megaplás, S.A.	Hilanderas, 4-14 – La Poveda – Arganda del Rey (Madrid)	100.00	Deloitte, S.L.
Motre, S.L.	Bonastruc de Porta, 20 – Girona	100.00	
Moviterra, S.A.	Bonastruc de Porta, 20 – Girona	100.00	Deloitte, S.L.
Naturaleza, Urbanismo y Medio Ambiente, S.A.	Galena, 11 – Entreplanta - Valladolid	100.00	
Nevasa Inversión, S.L.	Avda. General Perón, 36 – Madrid	100.00	
Norseñal, S.L.	Juan Flórez, 64 – La Coruña	100.00	
Participaciones Teide, S.A.	Avda. General Perón, 36 – Madrid	100.00	
Pedreira Les Gavarres, S.L.	Bonastruc de Porta, 20 – Girona	100.00	
Pinturas Jaque, S.L.	P.I. Oeste, Paraje Sangonera - El Palmar (Murcia)	100.00	
Prefabricados Delta, S.A.	Retama, 7 – Madrid	100.00	Deloitte, S.L.
Proyectos y Servicios, S.A.	Torregalindo, 1 – Madrid	100.00	Centium Auditores, S.L.
Ramalho Rosa Cobetar Sociedade de Construções, S.A.	Portugal	100.00	Deloitte
Señalizaciones de Vías Públicas, S.L.	Avda. de Barber, 2 – Toledo	100.00	
Servià Cantó, S.A.	Bonastruc de Porta, 20 – Girona	100.00	Deloitte, S.L.
Servicios Empresariales Durango-Mazatlan, S.A. de C.V.	Mexico	51.00	Deloitte
Sincler, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Sociedad Concesionaria Tranvía de Murcia, S.A.	Olof Palmer, s/n – Murcia	60.00	Deloitte, S.L.
Tema Concesionaria, S.A.	Porto Pi, 8 – Palma de Mallorca (Balears)	100.00	
Tulsa Inversión, S.L.	Avda. General Perón, 36 – Madrid	100.00	
Vialia, Sociedad Gestora de Concesiones de Infraestructuras, S.L.	Avda. General Perón, 36 – Madrid	100.00	

CEMENT

Agregats Uniland, SARL	Francia	52.42	
Áridos de Navarra, S.A.	Estella, 6 – Pamplona (Navarra)	47.07	
Áridos Uniland, S.A. Unipersonal	Torrenteres, 20 P.I. Sur-El Papiol (Barcelona)	52.42	Price Waterhouse Coopers, S.L.
Áridos y Canteras del Norte, S.A.U. (9)	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.37	Deloitte, S.L.
Áridos y Premezclados, S.A. Unipersonal	José Abascal, 59 – Madrid	71.32	Deloitte, S.L.
Arriberri, S.L.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	52.78	Deloitte, S.L.
Atracem, S.A. Unipersonal	José Abascal, 59 – Madrid	71.32	Deloitte, S.L.

(9) Name change. Formerly Canteras y Construcciones de Vizcaya, S.A.



Company	Address	% Effective ownership	Auditor
Cántabra Industrial y Minera, S.A. Unipersonal	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.72	Price Waterhouse Coopers, S.L.
Canteras de Alaiz, S.A.	Estella, 6 – Pamplona (Navarra)	49.94	KPMG Auditores, S.L.
Canteras Villallano, S.L.	Poblado de Villallano – Villallano (Palencia)	62.72	Price Waterhouse Coopers, S.L.
Carbocem, S.A.	Paseo de la Castellana, 45 – Madrid	57.07	
Cemensilos, S.A.	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.72	Price Waterhouse Coopers, S.L.
Cementos Alfa, S.A.	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.72	Price Waterhouse Coopers, S.L.
Cementos Lemona, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.37	Deloitte, S.L.
Cementos Portland Valderrivas, S.A.	Estella, 6 – Pamplona (Navarra)	71.32	Deloitte, S.L.
Cementos Villaverde, S.L. Unipersonal	Almagro, 26 – Madrid	71.32	Deloitte, S.L.
Cementrade, S.A. Unipersonal	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.72	Price Waterhouse Coopers, S.L.
Coastal Cement Corporation	USA	71.21	
Compañía Auxiliar de Bombeo de Hormigón, S.A. Unipersonal	José Abascal, 59 – Madrid	71.32	
Corporación Uniland, S.A.	Córcega, 299 – Barcelona	52.54	Price Waterhouse Coopers, S.L.
Dragon Alfa Cement Limited	United Kingdom	62.72	RSM Bentley Jennison Chartered Accountants and Registered Auditors
Dragon Energy LLC.	USA	71.21	
Dragon Products Company Inc.	USA	71.21	
Egur Birziklatu bi Mila, S.L.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	42.22	
Explotaciones San Antonio, S.L. Unipersonal	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.72	Price Waterhouse Coopers, S.L.
Giant Cement Company	USA	71.21	
Giant Cement Holding, Inc.	USA	71.21	Deloitte, S.L.
Giant Cement NC Inc.	USA	71.21	
Giant Cement Virginia Inc.	USA	71.21	
Giant Resource Recovery Inc.	USA	71.21	
Giant Resource Recovery – Arvonía Inc.	USA	71.21	
Giant Resource Recovery – Attalla Inc.	USA	71.21	
Giant Resource Recovery – Harleyville Inc.	USA	71.21	
Giant Resource Recovery – Sumter Inc.	USA	71.21	
Gulfland Cement LLC.	USA	49.91	
Hormigones de la Jacetania, S.A.	Llano de la Victoria – Jaca (Huesca)	44.58	KPMG Auditores, S.L.
Hormigones Premezclados del Norte, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.37	Deloitte, S.L.
Hormigones Reinosa, S.A. Unipersonal	Josefina de la Maza, 4 P.E. Piasca – Santander (Cantabria)	62.72	Price Waterhouse Coopers, S.L.

Company	Address	% Effective ownership	Auditor
Hormigones Uniland, S.L. Unipersonal	Ctra. Vilafranca del P. a Moja Km. 1 – Olérdola (Barcelona)	52.42	Price Waterhouse Coopers, S.L.
Hormigones y Morteros Preparados, S.A. Unipersonal	José Abascal, 59 – Madrid	71.32	Deloitte, S.L.
Horminal, S.L. Unipersonal	José Abascal, 59 – Madrid	71.32	
Keystone Cement Company	USA	71.21	
Lemona Industrial, S.A. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.37	Deloitte, S.L.
Lurtarri, S.L.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	49.96	
Maquinaria para Hormigones, AIE	Maestro García Rivero, 7 – Bilbao (Vizcaya)	39.58	
Morteros Bizkor, S.L.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	37.89	Deloitte, S.L.
Morteros Valderrivas, S.L. Unipersonal	José Abascal, 59 – Madrid	71.32	
Participaciones Estella 6, S.L. Unipersonal	Estella, 6 – Pamplona (Navarra)	71.32	
Portland, S.L. Unipersonal	José Abascal, 59 – Madrid	71.32	Price Waterhouse Coopers, S.L.
Prebesec Mallorca, S.A.	Conradors, 48 – Marratxi – Palma de Mallorca (Balears)	35.89	Price Waterhouse Coopers, S.L.
Prebesec, S.A. Unipersonal	Torreneres, 20 P.I. Sur – El Papiol (Barcelona)	52.42	Price Waterhouse Coopers, S.L.
Prefabricados Uniland, S.A. Unipersonal	Córcega, 299 – Barcelona	52.42	
Recisuelos, S.A. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.37	
Santursaba, S.L. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.37	
Sechem Inc.	USA	71.21	
Select Béton, S.A.	Tunisia	46.16	Guellaty
Société des Ciments d'Enfida	Tunisia	46.16	Guellaty y Deloitte, S.L.
Southern Cement Limited	United Kingdom	52.54	Price Waterhouse Coopers, LLP
Telsa, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.37	
Telsa, S.A. y Compañía Sociedad Regular Colectiva	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.37	Deloitte, S.L.
Transportes Gorozteta, S.L. Unipersonal	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	52.78	
Transportes Lemona, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	70.37	
Uniland Cementera, S.A.	Córcega, 299 – Barcelona	52.42	Price Waterhouse Coopers, S.L.
Uniland International B.V.	Holland	52.54	
Uniland Marítima, S.L. Unipersonal	Córcega, 299 – Barcelona	52.42	
Uniland Trading B.V.	Holland	52.54	
Uniland USA Llc.	USA	52.54	
Utonka, S.A. Unipersonal	Torreneres, 20 P.I. Sur – El Papiol (Barcelona)	52.42	
ENERGY			
Efitek Energía, S.A. Unipersonal	Federico Salmón, 13 – Madrid	100.00	
Electric Generation Investments Limited	United Kingdom	100.00	
Enerstar Villena, S.A.	San Vicente Ferrer, 16 – Gandía (Valencia)	67.00	Deloitte, S.L.
FCC Energía, S.A.	Federico Salmón, 13 – Madrid	100.00	Deloitte, S.L.
Fomento Internacional Focsa, S.A. Unipersonal	Federico Salmón, 13 – Madrid	100.00	
Generación Eléctrica Europea, S.A.R.L.(10)	Federico Salmón, 13 – Madrid	100.00	
Generación Eléctrica Hispana, S.A.R.L. (11)	Federico Salmón, 13 – Madrid	100.00	

(10) Company acquired from third parties under the name of BBWP Europe Holdings Lux S.A.R.L.

(11) Company acquired from third parties under the name of BBWP Spain Holdings Lux S.A.R.L.



Company	Address	% Effective ownership	Auditor
Grupo Olivento:			Deloitte, S.L.
Olivento, S.L. Unipersonal	Federico Salmón, 13 – Madrid	100.00	
Sistemas Energéticos Abadía, S.A.	Albareda, 1 – Zaragoza	96.57	
Sistemas Energéticos El Carrascal, S.A. Unipersonal	Avenida San Francisco Javier, 15 – Sevilla	100.00	
Sistemas Energéticos El Chaparral, S.A. Unipersonal	Avenida San Francisco Javier, 15 – Sevilla	100.00	
Sistemas Energéticos La Cerradilla, S.A. Unipersonal	Avenida San Francisco Javier, 15 – Sevilla	100.00	
Sistemas Energéticos Lamata, S.A. Unipersonal	Avenida San Francisco Javier, 15 – Sevilla	100.00	
Sistemas Energéticos Montes del Conjuero, S.A. Unipersonal	Avenida San Francisco Javier, 15 – Sevilla	100.00	
Helios Patrimonial 1, S.L. Unipersonal	Federico Salmón, 13 – Madrid	100.00	Deloitte, S.L.
Helios Patrimonial 2, S.L. Unipersonal	Federico Salmón, 13 – Madrid	100.00	Deloitte, S.L.
OTHER BUSINESS LINES			
Afigesa Inversión, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	Deloitte, S.L.
Asesoría Financiera y de Gestión, S.A.	Federico Salmón, 13 - Madrid	100.00	Deloitte, S.L.
Compañía Auxiliar de Agencia y Mediación, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Compañía General de Servicios Empresariales, S.A. Unipersonal	Federico Salmón, 13 – Madrid	100.00	
Corporación Española de Servicios, S.A.	Federico Salmón, 13 - Madrid	100.00	
Corporación Financiera Hispánica, S.A.	Federico Salmón, 13 - Madrid	100.00	
Europea de Gestión, S.A. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
Eusko Lanak, S.A.	Federico Salmón, 13 - Madrid	100.00	
F-C y C, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
FCC 1, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
FCC Construcciones y Contratas Internacional, S.L. Unipersonal	Federico Salmón, 13 - Madrid	100.00	
FCC Finance, B.V.	Holland	100.00	
FCC Fomento de Obras y Construcciones, S.L. Unipersonal	Federico Salmón, 13 – Madrid	100.00	
FCC Inmobiliaria Conycon, S.L. Unipersonal	Federico Salmón, 13 – Madrid	100.00	
FCC International B.V.	Holland	100.00	
Fedemes, S.L.	Federico Salmón, 13 – Madrid	100.00	
Per Gestora Inmobiliaria, S.L.	Plaza Pablo Ruiz Picasso – Madrid	100.00	Centium Auditores, S.L.
Puerto Cala Merced, S.A.	Arquitecto Gaudí, 4 – Madrid	100.00	

APPENDIX II _ COMPANIES CONTROLLED JOINTLY WITH NON-GROUP THIRD PARTIES (CONSOLIDATED BY THE EQUITY METHOD)

Company	Address	Net carrying value of portfolio		% effective participation	Auditor
		2009	2008		
ENVIRONMENTAL SERVICES					
Aguas de Langreo, S.L.	Alonso del Riesgo, 3 – Sama de Langreo (Asturias)	674	626	49.00	Audinfor, S.L.
Aguas y Servicios de la Costa Tropical de Granada, A.I.E.	Plaza de la Aurora – Motril (Granada)	805	432		Attest Servicios Empresariales, S.L.P.
Aigües de Girona Salt i Sarrià de Ter, S.A.	Ciutadans, 11 – Girona	292	271	26.89	BLS Auditores
Atlas Gestión Medioambiental, S.A.	Roma, 25 – Barcelona	14,700	14,459	50.00	Deloitte
Beacon Waste Limited	United Kingdom	1,502	1,413	50.00	
Compañía de Servicios Medioambientales Do Atlantico, S.A.	Ctra. de Cedeira Km. 1 – Narón (La Coruña)	362	364	49.00	Audinfor, S.L.
Ecoparc del Besós, S.A.	Rambla Cataluña, 91-93 – Barcelona	2,951	2,633	49.00	Castellà Auditors Consultors, S.L.
Ecoserveis Urbans de Figueres, S.L.	Avda. de les Alegries, s/n – Lloret de Mar (Girona)	477	212	50.00	
Electrorecycling, S.A.	Ctra. BV – 1224 Km. 6,750 – El Pont de Vilomara i Rocafort (Barcelona)	1,139	1,203	33.34	KPMG Auditores, S.L.
Empresa Mixta d'Aigües de la Costa Brava, S.A.	Plaza Josep Pla, 4 – Girona	132	296	25.00	Deloitte
Empresa Mixta de Aguas y Servicios, S.A.	Alarcos, 13 – Ciudad Real	16	57	41.25	Centium Auditores, S.L.
Empresa Mixta de Limpieza de la Villa de Torrox, S.A.	Plaza de la Constitución, 1 – Torrox (Málaga)	432	406	50.00	Audinfor, S.L.
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A.	Avda. Zorreras, 8 – Rincón de la Victoria (Málaga)	287	393	50.00	Audinfor, S.L.
Empresa Municipal de Aguas de Benalmádena, EMABESA, S.A.	Avda. Juan Luis Peralta, s/n – Benalmádena (Málaga)	1,487	571	50.00	Audinfor, S.L.
Fisera Ecoserveis, S.A.	Germany, 5 – Figueres (Girona)	(7)	220	36.35	Tax Consulting Auditores
Gestión de Servicios Hidráulicos de Ciudad Real, A.I.E.	Ramírez de Arellano – Madrid	-	(16)		
Girona, S.A.	Travessera del Carril, 2 – Girona	1,284	1,134	33.61	Cataudit Auditors
Grupo Proactiva	Paseo de la Castellana, 216 – Madrid	40,699	40,922	50.00	
Hades Soluciones Medioambientales, S.L.	Mayor, 3 – Cartagena (Murcia)	60	60	50.00	
Inalia Mostaganem, S.L.	Gobelas, 47-49 – Madrid	(2)	(1)	50.00	
Inalia Water Solutions, S.L.	Ulises, 18 – Madrid	5	(8)	50.00	
Ingeniería Urbana, S.A.	Avda. Saturno, 6 – Alicante	5,130	5,067	35.00	Deloitte, S.L.
ITAM Delta de la Tordera, A.I.E.		(1)	-		
Mediaciones Comerciales Ambientales, S.L.(1)	Roma, 25 – Barcelona	272	701	50.00	
Mercia Waste Management Ltd.	United Kingdom	9,903	6,827	50.00	
Pilagest, S.L.	Ctra. BV – 1224 Km. 6,750 – El Pont de Vilomara i Rocafort (Barcelona)	900	541	50.00	
Reciclado de Componentes Electrónicos, S.A.	E – Pol. Actividades Medioambientales – Aznalcóllar (Sevilla)	1,840	1,604	37.50	
Senblen, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	(149)	(86)	85.19	
Servicios de Limpieza Integral de Málaga III, S.A.	Camino de la Térmica, 83 – Málaga	290	1,876	26.01	Price Waterhouse Coopers
Servicios Urbanos de Málaga, S.A.	Ulises, 18 – Madrid	2,061	419	51.00	

(1) Name change. Formerly Pangea XXI, S.L.



Company	Address	Net carrying value of portfolio		% effective participation	Auditor
		2009	2008		
Severn Waste Services Limited	United Kingdom	161	166	50.00	
Sorea-Searsa Aqualia, A.I.E.	Condado de Jaruco, s/n – Lloret de Mar (Barcelona)	218	77		
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91 – Barcelona	582	357	33.33	Castella Auditors Consultors, S.L.
Zabalgardi, S.A.	Camino de Artigas, 10 – Bilbao (Vizcaya)	13,012	13,680	30.00	KPMG Auditores

VERSIA

Convery Service, S.A.	Camino de los Afligidos P.I. La Esgaravita, 1 – Alcalá de Henares (Madrid)	5,843	5,936	50.00	Pérez y Asociados Auditores, S.L.P.
Corporación Jerezana de Transportes Urbanos, S.A. Unipersonal	P.I. El Portal – Jerez de la Frontera (Cádiz)	2,051	2,002	50.00	Ernst & Young
Detren Compañía General de Servicios Ferroviarios, S.L.	Serrano, 93 – Madrid	1,614	965	50.00	Ernst & Young
FCC-CONNEX Corporación, S.L.	Serrano, 93 – Madrid	11,374	11,380	50.00	Ernst & Young
Infofer Estacionamientos, A.I.E.	Manuel Silvela, 8 – Madrid	81	75	33.33	
Versia Holding GmbH	Austria	16	11	100.00	
Tranvía de Parla, S.A.	Camino de la Cantuela, 2 – Parla (Madrid)	278	418	5.00	
Valenciana de Servicios I.T.V., S.A.	P.I. El Oliveral – Ribarroja de Turia (Valencia)	3,163	2,928	50.00	Centium Auditores, S.L.

CONSTRUCTION

ACE Acessibilidade das Antas Construção e Obras Publicas	Portugal	-	22		
ACE Acestrada Construção de Estradas	Portugal	77	25	13.33	
ACE Edifer Construções Ramalho R.C. E.C.	Portugal	(16)	1	33.33	
ACE FCC Construcción e Edifer	Portugal	26	2	50.00	
ACE Infraestructuras das Antas – Construção e Obras Publicas	Portugal	2	31	33.33	
ACE Lumiar	Portugal	-	2	50.00	
ACE Metrexpo	Portugal	(3)	135	44.90	
ACE Ramalho Rosa Cobetar a Edifer	Portugal	4	10	56.00	
ACE Ramalho Rosa Cobetar Gravier e Novocpa	Portugal	2	2	72.25	
ACE Túnel Odeolua	Portugal	-	11	35.00	
ACE Túnel Ramela	Portugal	40	65	13.33	
ACE Túnel Rua de Ceuta, Construção e Obras Publicas	Portugal	(5)	(9)	49.50	
Construcciones Olabarri, S.L.	Ripa, 1 – Bilbao (Vizcaya)	4,850	4,650	49.00	Charman Auditores
Constructora de Infraestructura de Agua de Queretaro, S.A. de CV	Mexico	1,644	1,279	49.00	Deloitte
Constructora Nuevo Necaxa Tihuatlan, S.A.C.V.	Mexico	1,648	224	40.00	Deloitte
Dragados FCC, Canada Inc.	Canadá	(1,118)	(538)	50.00	Daye Kelly & Associates
Peri 3 Gestión, S.L.	General Álava, 26 – Vitoria Gasteiz (Álava)	2	2	50.00	

Company	Address	Net carrying value of portfolio		% effective participation	Auditor
		2009	2008		
CEMENT					
Atlántica de Graneles y Moliendas, S.A.	Vía Galindo, s/n – Sestao (Vizcaya)	2,071	1,029	35.19	KPMG Auditores, S.L.
Carbocem, S.A.	Paseo de la Castellana, 45 – Madrid	73	1123	57.07	KPMG Auditores, S.L.
Cementos Artigas, S.A.	Uruguay	-	35,300		
Cementos Avellaneda, S.A.	Argentina	-	92,682		
Corporación Uniland, S.A.	Córcega, 299 – Barcelona	(7)	(7)	52.54	
Freshmarkets, S.A.	Uruguay	-	10		
Minus Inversora, S.A.	Argentina	-	6		
Pedreira de l'Ordal, S.L.	Ctra. N 340 km. 1229,5 La Creu del L'Ordal – Subirats (Barcelona)	4,355	4,209	26.21	
Portcemen, S.A.	Muelle Contradique Sur-Puerto Barcelona – Barcelona	774	814	13.11	
Terminal Cimentier de Gabes-Gie	Tunisia	50	107	15.38	Ernst & Young
Terrenos Molins	Llobregat – Molins de Rei (Barcelona)	5	4	13.12	
Vescem-LID, S.L.	Valencia, 245 – Barcelona	31	28	13.11	
OTHER BUSINESS LINES					
Grupo Global Vía	Paseo de la Castellana, 141 Edificio Cuzco IV - Madrid	478,983	317,428	50.00	
Grupo Realia Business	Paseo de la Castellana, 216 - Madrid	153,818	168,894	30.23	Deloitte, S.L.
TOTAL VALUE OF THE COMPANIES CONSOLIDATED BY THE EQUITY METHOD (JOINT VENTURES)		773,240	747,132		

APPENDIX III _ ASSOCIATES (CONSOLIDATED BY EQUITY METHOD)

Company	Address	Net carrying value of portfolio		% effective participation	Auditor
		2009	2008		
ENVIRONMENTAL SERVICES					
Aguas de Denia, S.A.	Pare Pere, 17 – Denia (Alicante)	404	403	33.00	
Aguas de Ubrique, S.A.	Avda. España, 9 – Ubrique (Cádiz)	11	19	49.00	
Aguas de Narixa, S.A.	Málaga, 11 – Nerja (Málaga)	311	-	50.00	
Aigües de Blanes, S.A.	Canigó, 5 – Blanes (Girona)	54	44	16.47	
Aigües del Tomoví, S.A.	Plaza Vella, 1 – El Vendrell (Tarragona)	520	270	49.00	GM Auditors, S.L.
Aprochim Getesarp Rymoil, S.A.	P.I. Logrenzana La Granda – Carreño (Asturias)	1,366	1,603	23.49	
Aquos El Realito, S.A. de CV	Mexico	4	-	49.00	Deloitte
Aragonesa de Gestión de Residuos, S.A.	Paseo María Agustín, 36 – Zaragoza	8	8	18.60	
Aragonesa de Recuperaciones Medioambientales XXI, S.A.	Ctra. Castellón Km. 58 – Zaragoza	6	23	34.00	
Aragonesa de Tratamientos Medioambientales XXI, S.A.	Ctra. Castellón Km. 58 – Zaragoza	708	750	33.00	
Betearte, S.A.U.	Colón de Larreátegui, 26 – Bilbao (Vizcaya)	571	802	33.33	
Clavegueram de Barcelona, S.A.	Acer, 16 – Barcelona	896	966	20.33	Bove Montero y Asociados
Concesionaria de Desalación de Ibiza, S.A.	Rotonda de Santa Eulalia, s/n - Ibiza	254	-	32.00	
Conducció del Ter, S.L.	Bourg de Peage, 89 – Sant Feliu de Gíxols (Girona)	108	57	48.00	
Ecogestión Ambiental, S.L.	Juan Ramón Jiménez, 12 – Madrid	94	72	50.00	
EMANAGUA Empresa Mixta Municipal de Aguas de Níjar, S.A.	Plaza de la Goleta, 1 – Níjar (Almería)	221	192	49.00	Audinfor, S.L.
Empresa Municipal de Aguas de Algeciras, S.A.	Avda. Virgen del Carmen – Algeciras (Cádiz)	105	159	49.00	Centium Auditores, S.L.
Empresa Municipal de Aguas de Linares, S.A.	Cid Campeador, 7 – Linares (Jaén)	158	112	49.00	Centium Auditores, S.L.
Empresa Municipal de Aguas de Toxiria, S.A.	Cristóbal Colón, 104 – Torredonjimeno (Jaén)	89	112	49.00	Centium Auditores, S.L.
Generavila, S.A.	Plaza de la Catedral, 11 – Ávila	417	420	36.00	Audinfor, S.L.
Gestión Integral de Residuos Sólidos, S.A.	Santa Amalia, 2 – Valencia	1,219	2,111	49.00	BDO Audiberia
Grupo .A.S.A.:	Austria	5,572	5,389		
.A.S.A. + AVE Környezetvédelmi H Kft	Hungary	-	-	50.00	
.A.S.A. Hlohovec s.r.o.	Slovakia	-	-	50.00	
.A.S.A. TS Prostějov s.r.o.	Czech Republic	-	-	49.00	Price Waterhouse Coopers
A.K.S.D. Városgazdálkodási Korlátolt FT	Hungary	-	-	25.50	
ASTV s.r.o.	Czech Republic	-	-	49.00	
Börzsöny-Cserhát Környezetvédelmi És HKK	Hungary	-	-	35.00	
Huber Abfallservice Verwaltungs GmbH	Austria	-	-	49.00	
Huber Entsorgungs GmbH Nfg KG	Austria	-	-	49.00	
Killer GmbH	Austria	-	-	50.00	
Killer GmbH & Co KG	Austria	-	-	50.00	
Müllumladestation Ostregion GmbH & Co KG	Austria	-	-	33.33	

Company	Address	Net carrying value of portfolio		% effective participation	Auditor
		2009	2008		
Recopap s.r.o.	Slovakia	-	-	50.00	Price Waterhouse Coopers
Repap Czech spol. s.r.o.	Czech Republic	-	-	50.00	Price Waterhouse Coopers
Technické a Stavební Služby AS	Czech Republic	-	-	50.00	
Grupo Tirme	Ctra. Soller Km. 8,2 Camino de Son Reus – Palma de Mallorca (Balears)	8,605	7,470	20.00	KPMG Auditores
Grupo Waste Recycling	United Kingdom	-	-		
Energylinc Limited	United Kingdom	-	-	50.00	
Goole Renewable Energy Limited	United Kingdom	-	-	20.00	
Shelford Composting Limited	United Kingdom	-	-	50.00	
La Unión Servicios Municipales, S.A.	Salvador Pascual, 7 – La Unión (Murcia)	71	64	49.00	Audinfor, S.L.
Nueva Sociedad de Aguas de Ibiza, S.A.	Avda. Bartolomé de Roselló, 18 – Ibiza (Balears)	91	78	40.00	
Orasqualia for the Development of the Waste Water Treatment Plant S.A.E.	Egypt	288	-	50.00	KPMG
Pallars Jussà Neteja i Serveis, S.A.	Pau Casals, 14 – Tremp (Lleida)	37	38	40.80	
Proveïments d'Aigua, S.A.	Asturies, 13 – Girona	245	223	15.12	
Sera Q A Duitama E.S.P., S.A.	Colombia	16	17	30.60	
Shariket Miyeh Ras Djinet, S.p.A.	Argelia	3,199	410	25.50	Hadj Ali
Shariket Tahlya Miyah Mostaganem, S.p.A.	Argelia	6,795	5,647	25.50	Hadj Ali
Sogecar, S.A.	Polígono Torrelarragoiti – Zamudio (Vizcaya)	457	465	30.00	
Suministro de Agua de Queretaro, S.A. de CV	Mexico	6,934	234	28.81	Deloitte
VERSIA					
I.T.V. Córdoba, S.A.	Argentina	45	48	30.00	Estévez y Asociados
CONSTRUCTION					
Ablocade, S.L.	Rafael López, 1 – Huelva	930	1,040	20.00	
Aigües del Segarra Garrigues, S.A.	Plaza del Carmen, 15 – Tárrega (Lleida)	4,510	5,007	25.00	Deloitte
Autopistas del Sol, S.A.	Costa Rica	-	8,383	24.00	Deloitte & Touche, S.A.
Autopistas del Valle, S.A.	Costa Rica	5,331	5,518	48.00	Deloitte
Autovía del Camino, S.A.	Leyre, 11 – Pamplona (Navarra)	-	8,470	20.00	Deloitte
Autovía Necaxa-Tehuacán, S.A. de C.V.	Mexico	-	11,403	25.00	Deloitte Touche Tohmatsu
Baross Ter Ingatlanprojekt-Fejlesztő Kft	Hungary	532	584	20.00	Sölch Ágostonné
BBR VT International Ltd.	Switzerland	1,254	1,179	22.50	Trewitax Zürich AG
Cleon, S.A.	Avda. General Perón, 36 – Madrid	24,961	24,963	25.00	KPMG Auditores, S.L.
Concesionaria Hospital son Dureta, S.A.	Plaza Es Fortí, 4 – Palma de Mallorca	-	3,244	16.00	Deloitte
Concessió Estacions Aeroport L9, S.A.	Córcega, 270 – Barcelona	506	505	49.00	
Constructora San José – Caldera CSJC, S.A.	Costa Rica	4,634	1,136	50.00	Deloitte

Company	Address	Net carrying value of portfolio		% effective participation	Auditor
		2009	2008		
Constructora San José-San Ramón SJSR, S.A.	Costa Rica	67	44	33.00	
Desarrollo Cuajimalpa, S.A. de C.V.	Mexico	1,770	1,648	25.00	
Desarrollos y Promociones Costa Cálida, S.A.	Saturno, 1 – Pozuelo de Alarcón (Madrid)	266	268	35.75	
Elaboración de Cajones Pretensados, S.L.	Avda. General Perón, 36 – Madrid	2	2	50.00	
FCC Construction Kipszer Ktf	Hungary	(112)	5	50.00	
FCC Elliot Construction Limited	Ireland	1,035	-	50.00	Deloitte
Gesi-9, S.A.	Sorolla, 27 – Alcalá de Guadaira (Sevilla)	13,008	13,008	74.90	Antonio Moreno Campillo
Grupo Alpine:	Austria	15,154	14,787		
ABO Asphalt-Bau Oeynhausen GmbH	Austria	-	-	26.09	
AE Stadtland GmbH	Germany	-	-	13.42	
AMW Asphaltwerk GmbH	Austria	-	-	19.13	
Asphaltnischwerk Betriebs GmbH & Co KG	Austria	-	-	17.39	
Asphaltnischwerk Greinsfurth GmbH & Co OHG	Austria	-	-	21.74	
Asphaltnischwerk Leopoldau-Teerag-Asdag- Mayreder Bau GmbH	Austria	-	-	43.48	
Asphaltnischwerk Leopoldau-Teerag-Asdag- Mayreder Bau GmbH & Co KG	Austria	-	-	17.39	
Asphaltnischwerk Steyregg GmbH & Co KG	Austria	-	-	17.39	
Asphaltwerk Sierning GmbH	Austria	-	-	34.79	
AWT Asphaltwerk GmbH	Austria	-	-	28.70	
AWW Asphaltnischwerk Wölbiling GmbH	Austria	-	-	43.48	
Bonaventura Strassenerichtungs GmbH	Austria	-	-	38.53	
Dolomit-Beton Lieferbetonwerk GmbH	Austria	-	-	41.75	
Draubeton GmbH	Austria	-	-	30.44	
FMA Asphaltwerk GmbH & Co KG	Austria	-	-	8.70	
Hemmelmair Frästechnik GmbH	Austria	-	-	21.74	
Kieswerk-Betriebs GmbH & Co Kg	Austria	-	-	19.57	
Lieferasphaltgesellschaft JAUNTAL GmbH	Austria	-	-	20.87	
MSO Mischanlagen Süd-Ost Betriebs GmbH und Co KG	Austria	-	-	9.57	
Paltentaler Beton Erzeugungs GmbH	Austria	-	-	20.87	
Porr Alpine Austriarail GmbH	Austria	-	-	43.48	
PPE Malzenice s.r.o.	Slovakia	-	-	43.48	
RBA Recycling und Betonanlagen GmbH & Co Nfg KG	Austria	-	-	22.18	
RFM Asphaltnischwerk GmbH & Co KG	Austria	-	-	28.99	
Schaberreiter GmbH	Austria	-	-	9.57	
Silasfalt s.r.o.	República Checa	-	-	43.48	
Straka Bau GmbH	Austria	-	-	44.35	
Transportbeton und Asphalt GmbH	Austria	-	-	43.48	

Company	Address	Net carrying value of portfolio		% effective participation	Auditor
		2009	2008		
Transportbeton und Asphalt GmbH & Co KG	Austria	-	-	43.48	
Waldviertler Lieferasphalt GmbH & Co KG	Austria	-	-	43.48	
Ziegelwerk Frental Eder GmbH	Germany	-	-	32.22	
Grupo Cedinsa Concesionaria	Tarragona, 141 – Barcelona	24,735	22.850	27.20	Deloitte
Grupo Foment de Construccions i Consulting	Andorra	12	12	33.30	
Ibisan Sociedad Concesionaria, S.A.	Porto Pi, 8 – Palma de Mallorca (Balears)	7,986	8.480	50.00	Deloitte
Las Palmeras de Garrucha, S.L. – en liquidación -	Mayor, 19 – Garrucha (Almería)	1,178	1.180	20.00	
M50 (Concession) Limited	Ireland	-	(6.346)	22.50	Ernst & Young
M50 (D&C) Limited	Ireland	(87)	(64)	42.50	Deloitte, S.L.
Madrid 407 Sociedad Concesionaria, S.A.	Pedro Teixeira, 8 Edif. Iberia Mart. – Madrid	-	2.498	39.69	BDO Audiberia
Marina de Laredo, S.A.	Pasaje de Puntida, 1 – Santander (Cantabria)	692	694	50.00	Price Waterhouse Coopers
Marina Port Vell, S.A.	Escar, 26 – Barcelona	-	1.927	30.25	Laes Nexia
MDM-Teide, S.A.	Panamá	1,024	1.060	50.00	P&A Palacios y Asociados
Metro de Málaga, S.A.	Martínez, 11 – Málaga	9,198	23.170	24.50	Ernst & Young
N6 (Concession) Limited	Ireland	-	(2.690)	45.00	Ernst & Young
N6 (Construction) Limited	Ireland	(8,504)	864	42.50	Deloitte
Nihg Limited	Ireland	-	-	39.00	Deloitte
Nova Bocana Barcelona, S.A.	Avda. Josep Tarradellas, 123 – Barcelona	9,323	6.119	25.00	Deloitte
Nova Bocana Business, S.A.	Avda. Josep Tarradellas, 127 – Barcelona	992	2.391	25.00	
Omszki-Tó Part Kft	Hungary	(17)	(18)	20.00	
Operaciones y Servicios para la Industria de la Construcción, S.A. de C.V.	Mexico	16	75	50.00	Deloitte
Port Premià, S.A. -en liquidación-	Balmes, 36 – Barcelona	(555)	(555)	39.72	
Port Torredembarra, S.A.	Edificio Capitanía Puerto Deportivo y Pesquero – Torredembarra (Tarragona)	-	782	12.04	Domingo Rusiños y Cía. Auditores
Promvias XXI, S.A.	Vía Augusta, 255 Local 4 – Barcelona	(175)	7	25.00	
Proyecto Front Marítim, S.L.(1)	Paseo de Gracia, 120 - Barcelona	(5,045)	5,534	50.00	
Ruta de los Pantanos, S.A.	Avda. Europa, 18 P.E. La Moraleja – Alcobendas (Madrid)	-	5,571	33.33	
Teide Gestión del Sur, S.L.	Avda. Luis Montoto, 107 – Sevilla	4,842	4,855	49.94	
Teide-MDM Quadrat, S.A.	Panamá	174	181	50.00	P&A Palacios y Asociados
Terminal Polivalente de Huelva, S.A.	La Marina, 29 – Huelva	(263)	(263)	31.50	
Torres Porta Fira, S.A.	Mestre Nicolau, 19 – Barcelona	8,632	9,004	40.00	BDO Audiberia
Tramvia Metropolità, S.A.	Córcega, 270 – Barcelona	4,108	6,711	22.44	KPMG Auditores
Tramvia Metropolità del Besós, S.A.	Córcega, 270 – Barcelona	4,358	4,976	22.53	KPGM Auditores
Transportes Ferroviarios de Madrid	Doctor Esquerdo, 136 – Madrid	-	15,992	24.69	Ernst & Young
Urbs Iudex et Causidicus, S.A.	Tarragona, 161 – Barcelona	(925)	(1,548)	29.00	Deloitte
Vivero del Río Razón, S.L.	Camino del Guardatillo – Valdeavellano de Tera (Soria)	1	1	48.00	
Western Carpathians Motorway Investors Company GmbH	Austria	12	-	48.70	
Zilinská Dialnica s.r.o.	Slovakia	10	-	48.70	

(1) Name change. Formerly Layetana Front Marítim, S.L.



Company	Address	Net carrying value of portfolio		% effective participation	Auditor
		2009	2008		
CEMENT					
Aplicaciones Minerales, S.A.	Camino Fuente Herrero – Cueva Cardiel (Burgos)	618	641	33.09	
Áridos Unidos, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	13	14	26.72	
Canteras y Hormigones Quintana, S.A.	Ctra. Santander-Bilbao Km. 184 – Barcena de Cicero (Cantabria)	4,838	5,006	18.82	Enrique Campos & Auditores, S.L.P.
Canteras y Hormigones VRE, S.A.	Arieta, 13 – Estella (Navarra)	1,634	2,131	35.66	KPMG Auditores, S.L.
Comercial de Prefabricados Lemona, S.A.	Barrio Inzunza, 1 – Lemona (Vizcaya)	19	19	66.91	
Ecofond, S.A.	Paseo Mikeletegi, 2 Edificio Inasmet – San Sebastián (Guipúzcoa)	-	293		
Ecofuel, S.A.	Camino Arsenal, 19 – Bilbao (Vizcaya)	-	186		
Exponor, S.A. -en liquidación-	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	1	1	38.92	
Hormigones Calahorra, S.A.	Brebicio, 25 – Calahorra (La Rioja)	152	150	35.65	
Hormigones Castro, S.A.	Ctra. Irún-La Coruña Km. 153 – Islares – (Cantabria)	347	478	25.09	
Hormigones del Baztán, S.L.	Suspeltxiki, 25 – Vera de Bidasoa (Navarra)	1,051	955	35.66	
Hormigones Delfín, S.A.	Venta Blanca – Peralta (Navarra)	939	971	35.66	
Hormigones en Masa de Valtierra, S.A.	Ctra. Cadreita Km. 0 – Valtierra (Navarra)	1,776	1,767	35.66	
Hormigones Galizano, S.A.	Ctra. Irún-La Coruña Km. 184 – Gama (Cantabria)	310	318	31.36	
Hormigones Reinales, S.A.	Praje Murillo de Calahorra, s/n – Calahorra (La Rioja)	1,164	1,231	35.66	KPMG Auditores, S.L.
Hormigones y Áridos del Pirineo Aragonés, S.A.	Ctra. Biescas – Sabiñanigo (Huesca)	6,683	6.612	35.66	KPMG Auditores, S.L.
Lázaro Echevarría, S.A.	Isidoro Melero – Alsasua (Navarra)	10,029	10.074	19.98	KPMG Auditores, S.L.
Navarra de Transportes, S.A.	Ctra. Pamplona-Vitoria Km. 52 – Olazagutia (Navarra)	1,126	1.308	23.77	KPMG Auditores, S.L.
Neuciclaje, S.A.	Alameda de Urquijo, 10 – Bilbao (Vizcaya)	440	372	23.00	
Novhorvi, S.A.	Portal de Gamarra, 25 – Vitoria Gasteiz (Álava)	198	231	17.83	KPMG Auditores, S.L.
Prebesec France, S.A.S.	Francia	-	(111)	21.01	
Quinsa Prefabricados de Hormigón, S.L. Unipersonal	Ctra. S. Sebastián-Coruña Km. 184 - Barcena de Cicero (Cantabria)	32	44	18.82	
Silos y Morteros, S.L.	Ctra. de Pamplona Km. 1 – Logroño (La Rioja)	190	266	23.77	Expertos Auditores, S.L.
Transportes Cántabros de Cemento Portland, S.L.	Ctra. S. Sebastián-Coruña Km. 184 – Barcena de Cicero – (Cantabria)	77	66	18.82	
ENERGY					
Grupo Olivento					
Integral Management Future Renewables, S.L.	A Condomiña, s/n – Ortoño (La Coruña)	914	-	50.00	
TOTAL VALUE OF THE COMPANIES CONSOLIDATED BY THE EQUITY METHOD (ASSOCIATES)		208,000	275,873		

APPENDIX IV _ CHANGES IN THE SCOPE OF CONSOLIDATION

ADDITIONS	Address
GLOBAL CONSOLIDATION	
ALPINE BAU INDIA PRIVATE LIMITED	India
ALPINE-ENERGIE SOLAR ITALY GMBH	Austria
ALPINE GREEN ENERGIA SP. Z.O.O.	Poland
AQUALIA CZECH, S.L.	Ulises, 18 – Madrid
AQUALIA NEW EUROPE B.V.	Holland
ARMIGESA, S.A.	Plaza de la Constitución s/n – Armilla (Granada)
ASFALTA CESTA D.O.O.	Croatia
A.S.M.J. S.R.O.	Czech Republic
BETON UND MONIERBAU GMBH	Austria
CEMUSA MIAMI LLC	USA
EFITEK ENERGÍA, S.A. UNIPERSONAL	Federico Salmón, 13 - Madrid
ELECTRIC GENERATION INVESTMENTS LIMITED	United Kingdom
ENERSTAR VILLENA, S.A.	San Vicente Ferrer, 16 – Gandía (Valencia)
EUROPEAN HIGH SPEED TRAINS	Portugal
FCC CONSTRUCCIÓN DE COSTA RICA, S.A.	Costa Rica
FCC CONSTRUCTION NORTHERN IRELAND LIMITED	Ireland
GENERACIÓN ELÉCTRICA EUROPEA, S.A.R.L.(1)	Federico Salmón, 13 – Madrid
GENERACIÓN ELÉCTRICA HISPANA, S.A.R.L. (2)	Federico Salmón, 13 – Madrid
OLIVENTO, S.L. UNIPERSONAL	Federico Salmón, 13 – Madrid
PRO - PART AG	Switzerland
PRO-PART ENERGIE GMBH	Switzerland
PRO-PART IN AUSTRIA HANDELS GMBH	Austria
S.C. “HODACO SERVIMPEX” SRL	Romania
SISTEMAS ENERGÉTICOS ABADÍA, S.A.	Albareda, 1 – Zaragoza
SISTEMAS ENERGÉTICOS EL CARRASCAL, S.A. UNIPERSONAL	Avenida San Francisco Javier, 15 – Sevilla
SISTEMAS ENERGÉTICOS EL CHAPARRAL, S.A. UNIPERSONAL	Avenida San Francisco Javier, 15 – Sevilla
SISTEMAS ENERGÉTICOS LA CERRADILLA, S.A. UNIPERSONAL	Avenida San Francisco Javier, 15 – Sevilla
SISTEMAS ENERGÉTICOS LAMATA, S.A. UNIPERSONAL	Avenida San Francisco Javier, 15 – Sevilla

SISTEMAS ENERGÉTICOS MONTES DEL CONJURO, S.A. UNIPERSONAL	Avenida San Francisco Javier, 15 – Sevilla
SOCIEDAD CONCESIONARIA TRANVÍA DE MURCIA, S.A.	Olof Palmer, s/n – Murcia
VALORACIÓN Y TRATAMIENTO DE RESIDUOS URBANOS, S.A.	Riu Magre, 6 – P.I. Patada del Cid – Quart de Poblet (Valencia)
VELICKI KAMEN D.O.O.	Croatia
WELLNESSHOTEL ÉPITO KFT	Hungary

CONSOLIDATION BY THE EQUITY METHOD

JOINT VENTURES	
AGUAS DE NARIXA, S.A.	Málaga, 11 – Nerja (Málaga)
INTEGRAL MANAGEMENT FUTURE RENEWABLES, S.L.	A Condomiña, s/n – Ortoño (La Coruña)

CONSOLIDATION BY THE EQUITY METHOD

ASSOCIATES	
ACE CAET XXI CONSTRUÇÕES	Portugal
AQUOS EL REALITO, S.A. DE CV	Mexico
CONCESIONARIA DE DESALACIÓN DE IBIZA, S.A.	Rotonda de Santa Eulalia, s/n - Ibiza
FCC ELLIOT CONSTRUCTION LIMITED	Ireland
NIHG LIMITED	Ireland
ORASQUALIA FOR THE DEVELOPMENT OF THE WASTE WATER TREATMENT PLANT S.A.E.	Egypt
PPE MALZENICE S.R.O.	Slovakia
STROJINVEST ALPINE GMBH	Bulgaria
WESTERN CARPATHIANS MOTORWAY INVESTORS COMPANY GMBH	Austria
ZÍLINSKÁ DIALNICA S.R.O.	Slovakia

(*) Change of consolidation method

(1) Company acquired from third parties under the name of BBWP Europe Holdings Lux S.A.R.L.

(2) Company acquired from third parties under the name of BBWP Spain Holdings Lux S.A.R.L.



DELETIONS	Address
GLOBAL CONSOLIDATION	
AGUAS JAÉN, S.A.(1)	Plaza de los Jardinillos, 6 - Jaén
ALPINE BAU SERVICES GMBH SCHWEIZ (2)	Switzerland
ALPINE GREEN ENERGIA SP. Z.O.O. (3)	Poland
CEMUSA SAN ANTONIO GP, LLC (1)	USA
CEMUSA SAN ANTONIO, LTD.(1)	USA
CEMUSA TEXAS, LLC. (1)	USA
DONAU INVESTMENT SRL (3)	Romania
FCC GLOBAL INSURANCE GENERAL SERVICES, S.A. (4)	Paseo de la Castellana, 111 - Madrid
GARAZNA HISA UKC D.O.O.(4)	Slovenia
GRANITUL, S.A.(3)	Romania
HORMIGONES ARKAITZA, S.A. UNIPERSONAL (9)	Estella, 6 – Pamplona (Navarra)
HORMIGONES DEL ZADORRA, S.A. UNIPERSONAL (9)	Estella, 6 – Pamplona (Navarra)
JSC ALPINE GAZ AG (3)	Rusia
M&S CONCESIONES, S.A. (8)	Costa Rica
M&S DI – M&S DESARROLLOS INTERNACIONALES, S.A. (8)	Costa Rica
OPERALIA INFRAESTRUCTURAS, S.A. (8)	Pedro Texeira, 8 - Madrid
PI PROMOTORA DE INFRAESTRUCTURAS, S.A. (8)	Costa Rica
SERVICIOS DE PUBLICIDAD URBANOS, S.A. (1)	Atenas, nave 46 P.I. San Luis - Málaga
SKY SIERRESITA – CORTIJO VIEJO 1, S.L.(5)	Federico Salmón, 13 – Madrid
SKY SIERRESITA – CORTIJO VIEJO 2, S.L (6).	Federico Salmón, 13 – Madrid

CONSOLIDATION BY THE EQUITY METHOD

JOINT VENTURES	
ACE ACCESIBILIDADE DAS ANTAS CONSTRUÇÃO E OBRAS PUBLICAS (1)	Portugal
ACE LUMIAR (1)	Portugal
CEMENTOS ARTIGAS, S.A. (4)	Uruguay
CEMENTOS AVELLANEDA, S.A. (4)	Argentina
FRESH MARKETS, S.A. (4)	Uruguay
MINUS INVERSORA, S.A. (4)	Argentina

DELETIONS	Address
ASSOCIATES	
ABO ASPHALT-BAU OEYNHAUSEN GMBH STILLE MITUNTERNEHMERGEMEINSCHAFT (3)	Austria
AHRENTAL ABBAU UND AUFBEREITUNGS GMBH (3)	Austria
ALPINE-ROSSISKAYA GMBH (4)	Austria
ASFALTNÁ CESTA D.O.O. (*)	Croatia
ASPHALTLIEFEWERK LEIBNITZ GMBH (3)	Austria
ASPHALTMISCHWERK BETRIEBS GMBH (3)	Austria
ASPHALTMISCHWERK GREINSFURTH GMBH (3)	Austria
ASPHALTMISCHWERK STEYREGG GMBH (3)	Austria
AUTOPISTAS DEL SOL, S.A. (8)	Costa Rica
AUTOVÍA DEL CAMINO, S.A. (8)	Leyre, 11 – Pamplona (Navarra)
AUTOVÍA NECAXA-TIHUATLAN, S.A. DE C.V. (8)	Mexico
BA-ÉP BALATON ASZFALT ES ÉPÍTŐ K.F.T. (3)	Hungary
BLUMAUERPLATZ BETEILIGUNGS-HOLDING GMBH (3)	Austria
BONAVENTURA STRASSENERHALTUNGS GMBH (3)	Austria
ECOFOND, S.A. (4)	Paseo Mikeletegi, 2 Edificio Inasmet-San Sebastián (Guipúzcoa)

ECOFUEL, S.A. (1)	Camino Arsenal, 19 – Bilbao (Vizcaya)
EVG ENERGIEVERSORGUNG GMBH (3)	Austria
EVW ENERGIEVERSORGUNG GMBH (3)	Austria
GASPIX BETEILIGUNGSVERWALTUNGS GMBH (3)	Austria
M50 (CONCESSION) LIMITED (8)	Ireland
MADRID 407 SOCIEDAD CONCESIONARIA, S.A. (8)	Pedro Teixeira, 8 Edif. Iberia Mart. – Madrid
MARINA PORT VELL, S.A. (8)	Escar, 26 – Barcelona
METRO DE MÁLAGA, S.A. (8)	Martínez, 11 – Málaga
N6 (CONCESSION) LIMITED (8)	Ireland
PORT TORREDEMBARRA, S.A. (8)	Pesquero-Torredembarra (Tarragona)
PREBESSEC FRANCE, S.A.S. (7)	France
RUTA DE LOS PANTANOS, S.A. (8)	Avda. Europa, 18 P.E. La Moraleja – Alcobendas (Madrid)
S P CO FLOREASCA SRL (3)	Romania
STROJINVEST ALPINE GMBH (3)	Bulgaria
TRANSPORTES FERROVIARIOS DE MADRID (8)	Doctor Esquerdo, 136 - Madrid
TSK SAND UND KIES GMBH (3)	Germany

(*) Change of consolidation method.

(1) Wound up

(2) Merged with Alpine Bau GMBH Schewitz

(3) Changed to asset available for sale

(4) Sold

(5) Absorbed by Helios Patrimonial 1, S.L.U.

(6) Absorbed by Helios Patrimonial 2, S.L.U.

(7) 40% of stake sold

(8) Companies transferred to Global Via Group

(9) Merged by absorption with Hormigones y Morteros Preparados, S.A.

APPENDIX V _ JOINT VENTURES, ECONOMIC INTEREST GROUPS AND OTHER BUSINESS MANAGED JOINTLY WITH NON-GROUP THIRD PARTIES

	Integration Percentage at 31 December 2009
ENVIRONMENTAL SERVICES	
FCCSA-SECOPSA UTE I	50.00
PASAIA UTE	70.00
PUERTO UTE	50.00
UTE A GUARDA	50.00
UTE A GUARDA SANEAMIENTO	50.00
UTE ABASTECIMIENTO EXTREMADURA	20.00
UTE ABASTECIMIENTO ZARAGOZA	70.00
UTE ABM	52.80
UTE ABSA – PERICA	60.00
UTE ACTUACIÓN 11 TERUEL	50.00
UTE AEROPUERTO I	50.00
UTE AEROPUERTO II	50.00
UTE AEROPUERTO III	50.00
UTE AEROPUERTO IV	50.00
UTE AEROPUERTO V	50.00
UTE AEROPUERTO GALERIAS	50.00
UTE AEROPUERTO GALERIAS II	50.00
UTE AGUA CIUDAD VALDELUZ	60.00
UTE AGUAS ALCALÁ	37.50
UTE AIGÜES DES MERCADAL	50.00
UTE ALCANTARILLADO BILBAO	90.00
UTE ALMEDA	51.00
UTE AMPLIACIÓ LIXIVITATS	20.00
UTE AMPLIACIÓN IDAM SANT ANTONI	50.00
UTE AMPLIACIÓN ITAM DELTA DE LA TORDERA	66.67
UTE AMPLIACIÓN VERTEDERO GARDELEGUI	55.00
UTE ANSA – ALFUS	20.00
UTE APARKISA	35.00
UTE AQUALIA – FCC – MYASA	94.00
UTE ARGÍ GUÑES	70.00

	Integration Percentage at 31 December 2009
UTE BAILIN	50.00
UTE BILBOKO SANEAMENDU	50.00
UTE BILBOKO SANEAMENDU BI	50.00
UTE BIOCOPPOST DE ÁLAVA	50.00
UTE BOADILLA	50.00
UTE CÁDIZ	50.00
UTE CANA PUTXA	20.00
UTE CAP DJINET	50.00
UTE CASTELLANA – PO	50.00
UTE CASTELLAR DEL VALLÈS	50.00
UTE CASTELLAR POLÍGONOS	50.00
UTE CEMENTERIOS PERIFÉRICOS II	50.00
UTE CENTRO DEPORTIVO VILLENA	80.00
UTE CESPA GR – GRT	30.00
UTE CHIPIONA	50.00
UTE CIUTAT VELLA	50.00
UTE COLECTOR MAGRANERS	50.00
UTE COLECTORES Y EDAR EN BARBARROJA	25.00
UTE COLEGIOS SANT QUIRZE	50.00
UTE COMPOSTATGE ALT URGELL	80.00
UTE CONDUCCIÓN A EL VISO Y DEPÓSITOS	70.00
UTE CONSORCIO FCC-FOCSAVEN	51.00
UTE CTR-VALLES	20.00
UTE CTR. DE L'ALT EMPORDÀ	45.00
UTE DELTA	50.00
UTE DEPURACIÓN PONIENTE ALMERIENSE	75.00
UTE DEPURTERUEL	50.00
UTE DOS AGUAS	35.00
UTE ECOPARQUE CACERES	50.00
UTE ECOURENSE	50.00
UTE EDAR A GUARDA	50.00
UTE EDAR BAEZA	50.00
UTE EDAR CIUDAD VALDELUZ	60.00
UTE EDAR DE KRISPIJANA	70.00
UTE EDAR LLANÇÀ	20.00
UTE EDAR TORREVIEJA	10.00
UTE EKO FERRO	85.00
UTE ENERGÍA SOLAR ONDA	25.00

	Integration Percentage at 31 December 2009
UTE EPTISA – ENTEMANSER	50.00
UTE ETAP ORBIGO	50.00
UTE EXPLOTACIÓN ITAM TORDERA	50.00
UTE EXPLOTACIÓN PRESAS DEL SEGURA	60.00
UTE F.L.F. LA PLANA	47.00
UTE FCC – ANPE	80.00
UTE FCC – ERS LOS PALACIOS	50.00
UTE FCC – FOCONSA	50.00
UTE FCC – HIJOS DE MORENO, S.A.	50.00
UTE FCC – HIMOSA	50.00
UTE FCCMA – NECA	51.00
UTE FCCMA – RUBATEC STO. MOLLET	50.00
UTE FCC – PAS SALAMANCA	70.00
UTE FCC – PERICA	60.00
UTE FCC – PROMECO 2000, S.L.	50.00
UTE FCC – SUFI MAJADAHONDA	50.00
UTE FCC – SUFI PESA	50.00
UTE FCC – SYF PLAYAS	40.00
UTE FCC – TEGNER	50.00
UTE FCCSA – GIRSA	80.00
UTE FCCSA – VIVERS CENTRE VERD, S.A.	50.00
UTE FOBESA	50.00
UTE FS MUNGEST	51.00
UTE FS MUNGEST II	51.00
UTE FS PARLA II	72.00
UTE GALERÍAS III	50.00
UTE GEMECAN GENEUS	50.00
UTE GESTIÓ INTEGRAL DE RUNES DEL PAPIOL	40.00
UTE GESTIÓN FANGOS MENORCA	55.00
UTE GESTIÓN INSTALACIÓN III	34.99
UTE GESTIÓN SERVICIOS DEPORTES CATARROJA	90.00
UTE GIREF	20.00
UTE GIRONA SELECTIVES	50.00
UTE GIRSA – FCC	20.00
UTE HÉROES DE ESPAÑA	50.00
UTE HIDRANTES	50.00
UTE HIDROGESTIÓN	60.00
UTE IBIZA – PORTMANY EPC	32.00

	Integration Percentage at 31 December 2009
UTE IDAM IBIZA	50.00
UTE IDAM IBIZA II	50.00
UTE IDAM IBIZA III	50.00
UTE IDAM SANT ANTONI	50.00
UTE IDAM SANT ANTONI II	50.00
UTE INFILCO	50.00
UTE INTAGUA	50.00
UTE JARDINES CÁDIZ	50.00
UTE JARDINES SANTA COLOMA	50.00
UTE JUNDIZ	51.00
UTE KABIEZESKO KIROLDEGIA	60.00
UTE KAIAGARBI	51.00
UTE KAIXARRANKA	60.00
UTE LA LLOMA DEL BIRLET	80.00
UTE LEA – ARTIBAI	60.00
UTE LEGIO VII	50.00
UTE LIMPIEZA BENICASSIM	35.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE ALCORA	50.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE BURRIANA	50.00
UTE LIMPIEZA COLEGIOS PÚBLICOS DE CASTELLÓN	50.00
UTE LIMPIEZA SANTA COLOMA	50.00
UTE LIMPIEZA Y RSU LEZO	55.00
UTE LÍNEA 2 FASE 2 FMB	50.00
UTE LÍNEA 2 METRO BILBAO	50.00
UTE LOCALES JUSTICIA LOTE II	50.00
UTE LOCALES JUSTICIA LOTE V	50.00
UTE LOGROÑO LIMPIO	50.00
UTE LOURO	65.00
UTE LVR MUSKIZ II	70.00
UTE MADRID I	50.00
UTE MADRID II	50.00
UTE MADRID III	50.00
UTE MANCOMUNIDAD ALTO MIJARES	50.00
UTE MANTENIMIENTO COLEGIOS BILBAO	60.00
UTE MANTENIMIENTO COLEGIOS II	60.00
UTE MANTENIMIENTO DE EDIFICIOS	60.00
UTE MEJORA ABASTECIMIENTO SESEÑA	50.00
UTE MOLLERUSSA	60.00

	Integration Percentage at 31 December 2009
UTE MONTCADA	50.00
UTE MOSTAGANEM	50.00
UTE MORELLA	50.00
UTE MUSKIZ III	70.00
UTE NAVE JUNDIZ	51.00
UTE OBRA AMPLIACIÓN IDAM SAN ANTONIO	50.00
UTE OBRAS AGUAS ALCALÁ	55.00
UTE ONDA EXPLOTACIÓN	33.33
UTE OYM CAP DJINET	50.00
UTE OYM MOSTAGANEM	50.00
UTE PAMPLONA	80.00
UTE PARLA	99.00
UTE PARQUES SINGULARES MÓSTOLES	50.00
UTE PASAIA	70.00
UTE PI VERD SEARSA HIDROCANAL	60.00
UTE PISCINA CUBIERTA BENICARLÓ	65.00
UTE PISCINA CUBIERTA MUNICIPAL ALBATERA	93.00
UTE PISCINA CUBIERTA MUNICIPAL L'ELIANA	85.00
UTE PISCINA CUBIERTA CLUB DEPORTIVO ALBORAYA	85.00
UTE PISCINA CUBIERTA MANISES	65.00
UTE PISCINA CUBIERTA PAIPORTA	90.00
UTE PISCINA POLIDEPORTIVO PAIPORTA	65.00
UTE PLAN RESIDUOS	47.50
UTE PLANTA COMPOSTATGE D'OLOT	42.00
UTE PLANTA TRATAMIENTO VALLADOLID	60.00
UTE PLAYAS	50.00
UTE PLAYAS GUIPUZKOA	55.00
UTE PONIENTE ALMERIENSE	50.00
UTE PORTUGARBI	51.00
UTE PORTUGARBI – BI	51.00
UTE POSU – FCC VILLALBA	50.00
UTE POTABILIZADORA ELS POBLETS	70.00
UTE PUERTO II	70.00
UTE QUINTO CONTENEDOR	50.00
UTE R.S. PONIENTE ALMERIENSE	50.00
UTE RBU VILLA-REAL	47.00
UTE RESIDENCIA	50.00
UTE RESTAURACIÓN GARRAF	27.50

	Integration Percentage at 31 December 2009
UTE RIERA AUBI	50.00
UTE RSU TOLOSALDEA	60.00
UTE S.U. BILBAO	70.00
UTE SALTO DEL NEGRO	50.00
UTE SANT QUIRZE	50.00
UTE SANT QUIRZE DEL VALLÉS	50.00
UTE SANTA COLOMA DE GRAMANET	61.00
UTE SANTURTZIKO GARBIKETA	60.00
UTE SASIETA	75.00
UTE SAV – FCC TRATAMIENTOS	35.00
UTE SEAFSA J.I. RODRÍGUEZ	60.00
UTE SEAFSA LANZAROTE	60.00
UTE SEAFSA – JAIME E ISAAC RODRÍGUEZ	50.00
UTE SEARSA MAN	50.00
UTE SEARSA – INGEMAXTER – FELANITX	50.00
UTE SEARSA – MAN EXPLOTACIÓN ZONA MA5	50.00
UTE SELECTIVA SAN MARCOS	65.00
UTE SELECTIVA UROLA KOSTA	60.00
UTE SELLADO VERTEDERO LOGROÑO	50.00
UTE SERVICIOS EXPO	60.00
UTE T.P.A. E INICRESS	75.00
UTE TANATORIO DE PATERNA	50.00
UTE TIRVA FCC – FCCMA RUBÍ	51.00
UTE TORRIBERA	50.00
UTE TORRIBERA III	50.00
UTE TORRIBERA IV	50.00
UTE TORRIBERA RSU	50.00
UTE TOSSA DE MAR	20.00
UTE TRANSPORTE SAN MARCOS	80.00
UTE TRANSPORTE DEBABARRENA TXINGUDI	60.00
UTE TREMP	51.00
UTE TXINGUDI	75.00
UTE UROLA ERDIA	60.00
UTE URRETXU Y ZUMARRAGA	65.00
UTE VERTEDERO ARTIGAS	50.00
UTE VERTEDERO GARDELEGUI	70.00
UTE VERTEDERO GARDALEGUI II	70.00
UTE VERTRESA	10.00

	Integration Percentage at 31 December 2009
UTE VIGO RECICLA	70.00
UTE VINARÓZ	50.00
UTE VIVIENDAS MARGEN DERECHA	60.00
UTE WTC – ZARAGOZA	51.00
UTE ZARAGOZA DELICIAS	51.00
UTE ZARAUZKO GARBIKETA	60.00
UTE ZONZAMAS FASE II	30.00
UTE ZURITA	50.00

VERSIA

CLEAR CHANNEL – CEMUSA UTE	50.00
EYSSA-AUPLASA ALICANTE UTE	65.00
UTE BYPASS SUR	50.00
UTE C-17 SERVEI	50.00
UTE CAMINO	50.00
UTE CARTAGENA	50.00
UTE CC CLOT ARAGÓ	60.00
UTE CN III	45.00
UTE CYCSA-ISOLUX INGENIERÍA	50.00
UTE EIX LLOBREGAT	50.00
UTE EUROHANDLING	50.00
UTE EUROHANDLING BARCELONA	50.00
UTE EUROHANDLING MÁLAGA	50.00
UTE FCC ACISA AUDING	45.00
UTE FCC – DIESEL BARCELONA	80.00
UTE FCC – DIESEL N-VI	50.00
UTE MENDIZULO	30.00
UTE METEOROLÓGICAS A-6	33.00
UTE NOROESTE	33.00
UTE OCAÑA	75.00
UTE SCC SICE	50.00
UTE SCUTMADEIRA	55.00
UTE S.G.V.V.	50.00
UTE TÚNELES BRAÑAVIELLA – NIEVARES	50.00
UTE TÚNELES BARAJAS	50.00

	Integration Percentage at 31 December 2009
CONSTRUCTION	
ACP DU PORT DE LA CONDAMINE	45.00
ARGE GLEISBAU BLEIBUR + BHF	50.00
ARGE GLEISBAU KNOTEN ROHR	50.00
ARGE DURCHLÄSSE ÖBB	50.00
ARGE FESTE FAHRB. LAINZETRUNNEL	15.50
ARGE FESTE FAHRBAHN TAUERNUNN	37.00
ARGE GERÄTEBEISTELLUNG 2005	50.00
ARGE GLEISBAU LT-WEST B.3	50.00
ARGE GLEISBAU MDF HALLEIN	50.00
ARGE GLEISBAU U2/13	29.00
ARGE ILF-RUM	50.00
ARGE INNOVAPARK	30.00
ARGE INNOVAPARK ABSCHNITT B	30.00
ARGE IVB 2005	50.00
ARGE KABEL ÖBB GRAZ	50.00
ARGE LFS TIROL	60.00
ARGE LINDENGASSE – HALL	50.00
ARGE OBERB. ALTHOFEN-KLAGENFURT	50.00
ARGE OBERBAU ASTEN-LINZ	33.34
ARGE OBERBAU GRAZ-PUNTIGAM	50.00
ARGE PORTALKRAN	34.00
ARGE SLB FÜR WAG	33.33
ARGE SLB GLEISBAU 2004	33.34
ARGE STADTBAU BIENERSTRASSE	40.00
ARGE STRABENBAHN KUFERZEILE	50.00
ARGE TIVOLI – BT 1	50.00
FCC ELLIOT CONSTRUCTION PARTNERSHIP	50.00
J.V. ASOCIAREA ARAD-TIMISOARA FCC-ASTALDI	50.00
J.V. EXTENSION IOF LINE 2 TO ANTOHOU POLI	50.01
J.V. FCC CO-MCM	95.00
UTE 2ª FASE EIQUE DE LA ESFINGE	35.00
UTE 57 VIVIENDAS PC-6 CERRO DE REYES	90.00
UTE ABOÑO MUSEL	80.00
UTE ABSA - PERICA I	60.00
UTE ACCESO ZAMORA	65.00

	Integration Percentage at 31 December 2009
UTE ADAMUZ	33.33
UTE AEROMÉDICA CANARIA – FCCCO	5.00
UTE AEROPUERTO DE CASTELLÓN	50.00
UTE AL – DEL MALAGA	50.00
UTE AL – DEL POLIVALENTES	50.00
UTE AL – DEL VILLARRUBIA	50.00
UTE AL – DEL XÁTIVA	50.00
UTE ALARCÓN	55.00
UTE ALBUERA	50.00
UTE ALCAR	45.00
UTE ALHAMA	75.00
UTE ALHENDUR	45.00
UTE ALMANZORA	40.00
UTE ALMENDRALEJO	65.00
UTE ALMENDRALEJO II	50.00
UTE ALQUERÍA	50.00
UTE ALUMBRADO BARRIO SAN FCO. JAVIER	80.00
UTE AMOREBIETA	66.66
UTE AMPLIACIÓN AP-6 TRAMO 2	50.00
UTE AMPLIACIÓN CONSEJERÍA AMA	65.00
UTE AMPLIACIÓN EDAR ABRERA	90.00
UTE AMPLIACIÓN EDAR GIRONA	67.00
UTE AMPLIACIÓN FERIA VALENCIA FASE II	50.00
UTE AMPLIACIÓN FERIA VALENCIA FASE III	50.00
UTE AMP. PLAT COSTERA REC. GUINIGUADA	50.00
UTE AMPLIACIÓN PUERTO DE CASTELLÓN	50.00
UTE AMPLIACIÓN SAIH	50.00
UTE AMPLIACIÓN SUPERFICIE M. LEVANTE PTO. V	60.00
UTE ANAGA	33.33
UTE AP-7 FIGUERAS	50.00
UTE APARCAMIENTO TERM. ACT. AEROPUERTO G.C.	70.00
UTE ARINAGA III	50.00
UTE ARMILLA INSTALACIONES	50.00
UTE ARROYO DE LA ENCOMIENDA	50.00
UTE ARROYO DEL FRESNO	50.00
UTE ASTALDI – FCC JV	50.00
UTE ATIL – TECAIR	50.00
UTE AUCOSTA CONSERVACIÓN	50.00

	Integration Percentage at 31 December 2009
UTE AUDITORIO DE BURGOS	65.00
UTE AUDITORIO DE LEÓN	70.00
UTE AUTOPISTA CARTAGENA – VERA	50.00
UTE AUTOVÍA CANALS AGULLENT	60.00
UTE AUTOVÍA COSTA BRAVA	65.00
UTE AUTOVÍA DE LA PLANA	50.00
UTE AUTOVÍA DE LA SAGRA	50.00
UTE AUTOVÍA EL BATAN – CORIA	50.00
UTE AUTOVÍA PAMPLONA – LOGROÑO	35.00
UTE AUTOVÍA PAMPLONA – LOGROÑO T2, 3, 4	70.79
UTE AVE GIRONA	40.00
UTE AVE MASIDE	67.00
UTE AVE MONTBLANC	75.00
UTE AVE TERUEL	50.00
UTE AVE TÚNEL DE SERRANO	42.00
UTE ÁVILA 6	35.00
UTE AZOKA	40.00
UTE AZUCENAS	75.00
UTE AZUD BAJO EMBALSE ALARCÓN	50.00
UTE AZUD DEL EBRO 2ª FASE	70.00
UTE BARBADOS	50.00
UTE BENTA AUNDI	50.00
UTE BIBLIOTECA DE NAVARRA	65.00
UTE BIMENES	70.00
UTE BIMENES III	70.00
UTE BOETTICHER	50.00
UTE BULEVAR PINTO RESINA	50.00
UTE BUÑEL – CORTES	80.00
UTE C 16	50.00
UTE C&F JAMAICA	50.00
UTE CÁCERES	65.00
UTE CÁCERES II	50.00
UTE CADAQUÉS	50.00
UTE CÁDIZ	35.00
UTE CAMBULLONEROS	80.00
UTE CAMBULLONEROS – VIRGEN DEL PINO	40.00
UTE CAMPO GIBRALTAR	80.00
UTE CAMPO DE GIBRALTAR	50.00

	Integration Percentage at 31 December 2009
UTE CAN TUNIS	70.00
UTE CANAL DE NAVARRA	60.00
UTE CANAL PUERTO VALENCIA	65.00
UTE CANALES DEL JÚCAR	60.00
UTE CAPTACIÓN AGUA DE MAR S.P. PINATAR	50.00
UTE CÁRCEL MARCOS PAZ	35.00
UTE CARCHUNA – CASTELL	75.00
UTE CARDEDEU	40.00
UTE CARIÑENA	50.00
UTE CARRETERA HORNACHOS – LLERA	65.00
UTE CARRETERA IBIZA – SAN ANTONIO	50.00
UTE CASON	50.00
UTE CASON II	50.00
UTE CASTELLÓ D'AMPÚRIES	50.00
UTE CASTELLOÍ	50.00
UTE CASTIÑEIRIÑO	65.00
UTE CATENARIA – CERRO NEGRO	50.00
UTE CATLANTICO	25.00
UTE CECOEX	20.00
UTE CENTRE CONVENCIONS	37.00
UTE CENTRO COMERCIAL ARANJUEZ	50.00
UTE CENTRO COMERCIAL ARANJUEZ PLAZA F. II	50.00
UTE CENTRO COMERCIAL LA GRELA	50.00
UTE CENTRO COMERCIAL MESOIRO	50.00
UTE CENTRO CONTINGENCIAS GAVÀ	70.00
UTE CERRO GORDO	75.00
UTE CERVERA C-25	65.00
UTE CHAPÍN 2002	75.00
UTE CIBELES	50.00
UTE CIBELES ELECTRICIDAD	50.00
UTE CIERRE SUR T. CONTENEDORES	70.00
UTE CINE AVENIDA	50.00
UTE CIRCUITO	70.00
UTE CIRCUITO F-1 VALENCIA	38.00
UTE CIRCUNVALACIÓN III	46.25
UTE CIUDAD DE LAS ARTES ESCÉNICAS F. V.2	50.00
UTE CIUDAD DE LAS COMUNICACIONES	50.00
UTE CIUDAD DEPORTIVA VALDEBEBAS	50.00

	Integration Percentage at 31 December 2009
UTE CIUDAD DEPORTIVA VALDEBEBAS II	50.00
UTE CIUDAD REAL	50.00
UTE CIUTAT DE LA JUSTÍCIA	30.00
UTE CLIMA “LA FE”	38.00
UTE CLIMA DENIA	65.00
UTE CLIMA PARQUE EMP. “FORESTA”	50.00
UTE CLIMATIZACIÓN ALCÁZAR DE SAN JUAN	60.00
UTE CLIMATIZACIÓN BARAJAS	42.50
UTE CLIMATIZACIÓN CIBELES	50.00
UTE CLIMATIZACIÓN CIUDAD DE TELEFÓNICA	50.00
UTE CLIMATIZACIÓN SON DURETA	42.00
UTE CLIMATIZACIÓN W.T.C.	50.00
UTE CLUB NÁUTICO CASTELLÓN	50.00
UTE COALVI – CONVENSA	25.00
UTE COBRA CPD REPSOL	50.00
UTE COBRA – ESPELSA TRANVÍA	50.00
UTE COLADA	63.00
UTE COLECTOR ABOÑO	80.00
UTE COLECTOR NAVIA	80.00
UTE COLECTOR PARLA	50.00
UTE COMPLEJO ACUÁTICO DEPORTIVO MUNICIPAL	50.00
UTE CONAVILA II	50.00
UTE CONDUCCIÓN DEL JÚCAR TRAMO VI	70.00
UTE CONEXIÓN DISTRIBUIDOR SUR	60.00
UTE CONEXIONES EL CAÑAVERAL	33.33
UTE CONSEJERÍA AGRICULTURA	85.00
UTE CONSTRUCCIÓN HOSPITAL SURESTE	50.00
UTE CONSTRUCCIÓN HOSPITAL TORREJÓN	66.70
UTE CONSTRUCCIÓN TRANVÍA ZARAGOZA	50.00
UTE CONTROL AÉREO GAVÀ	70.00
UTE COPERIO	70.00
UTE CORNELLÀ WTC	36.00
UTE CORREDOR	55.00
UTE CORTE INGLÉS CASTELLÓN	70.00
UTE CORTE INGLÉS EIBAR	50.00
UTE COSTERA NORTE 1 A	70.00
UTE CREEA	50.00
UTE CARRETERA PANTANOS	33.33

	Integration Percentage at 31 December 2009
UTE CARRETERA TORREBLANCA-AEROPUERTO CS	50.00
UTE CARRETERA ACCESO PUERTO CASTELLÓN	50.00
UTE CUATRO CAMINOS	50.00
UTE CUÑA VERDE	93.00
UTE CYM – ESPELSA INSTALACIONES	50.00
UTE D'ARO	60.00
UTE DÁRSENA SUR DEL PUERTO DE CASTELLÓN	50.00
UTE DÁRSENA SUR II DEL PUERTO DE CASTELLÓN	50.00
UTE DE SUMINISTROS PUENTE RÍO OZAMA	50.00
UTE DENIA SALUD	65.00
UTE DEPÓSITO COMBUSTIBLE PUERTO GIJÓN	80.00
UTE DESALADORA BAJO ALMANZORA	60.00
UTE DESARROLLO PUERTO DE AVILES FASE I	80.00
UTE DESDOBLAMIENTO DE LA AS-17 I	70.00
UTE DESDOBLAMIENTO EX-100 BADAJOZ	50.00
UTE DESVÍOS II	60.00
UTE DESVÍOS LÉRIDA-BARCELONA	50.00
UTE DIQUE DE LA ESFINGE 2ª FASE	70.00
UTE DIQUE ESTE	35.00
UTE DIQUE ESTE FASE II	50.00
UTE DIQUE ESTE DÁRSENA SUR PUERTO DE CASTELLÓN	50.00
UTE DIQUE TORRES	27.00
UTE DIQUE TORRES II	27.00
UTE DIQUE TORRES 3	27.00
UTE DISTRIBUCIÓN L-2 Y VARIAS	50.00
UTE DOZÓN	29.60
UTE DRAGADO CANAL ENTRADA Y DÁRSENA SUR	50.00
UTE DRAGADO MEJORA ACCESO DÁRSENA SUR	50.00
UTE MUELLE COMERCIAL VILAGARCÍA	50.00
UTE DRAGADO Y RELLENO CANAL E. PTO. CS	50.00
UTE EBRACONS	68.00
UTE EDAR CULEBRO	50.00
UTE EDAR CULEBRO EQUIPOS	50.00
UTE EDAR CULEBRO OBRA CIVIL	50.00
UTE EDAR L.F. DEPURBAIX	40.00
UTE EDAR LOILA	80.00
UTE EDAR NAVIA	80.00
UTE EDAR PATERNA	85.00

	Integration Percentage at 31 December 2009
UTE EDAR VUELTA OSTRERA	70.00
UTE EDIFICIO 4 WTC	56.25
UTE EDIFICIO 6-7-8 WTC	36.00
UTE EDIFICIO DE LAS CORTES	65.00
UTE EDIFICIO IDI 5 TERCERA FASE CPI	75.00
UTE EDIFICIO IMETISA	70.00
UTE EDIFICIO TERMINAL	40.00
UTE EDIFICIOS I.D.I. TERCERA FASE	75.00
UTE EIX BERGUEDA	34.00
UTE EIX DEL LLOBREGAT	34.00
UTE EL CONDADO	40.00
UTE ELECTRICIDAD BY PASS SUR CALLE 30	33.33
UTE ELECTRICIDAD CIBEK	50.00
UTE ELECTRICIDAD CIUDAD COMUNICACIONES	50.00
UTE ELECTRICIDAD SON DURETA	50.00
UTE ELECTRIFICACIÓN BURGOS	33.33
UTE ELECTRIFICACIÓN CUATRO VIENTOS	50.00
UTE ELECTRIFICACIÓN GRANOLLERS	20.00
UTE EMISARIO MOMPAS	80.00
UTE ENCAUZAMIENTO BARRANCO DE FRAGA	60.00
UTE ENLACE R3-M50	33.33
UTE ENVALIRA	50.00
UTE ESCLUSA SEVILLA	70.00
UTE ESCUELA DE ARTES Y DISEÑOS	70.00
UTE ESPELSA – BEDASA	65.00
UTE ESPELSA – CYMI INSTALACIONES NORTE	50.00
UTE ESPELSA – OCESA	75.00
UTE ESTABILIZACIÓN VIDRERES	50.00
UTE ESTABILIZADO VIC-RIPOLL	50.00
UTE ESTACIÓN AVE ZARAGOZA	50.00
UTE ESTACIÓN CORNELLÁ RIERA	50.00
UTE ESTACIÓN FGV MERCADO – ALICANTE	60.00
UTE ESTACIÓN LUCERO ALICANTE	33.33
UTE ESTACIÓN METRO SERRERÍA	50.00
UTE ESTACIONES METRO LIGERO	50.00
UTE ESTACIONES AEROPORT L9	49.00
UTE ESTACIONES LÍNEA 9	33.00
UTE ESTEPONA	25.00

	Integration Percentage at 31 December 2009
UTE ETAP LAS ERAS	50.00
UTE F.I.F. GNL FB 301/2	35.96
UTE F.I.F. GNL TK-3.002/3	39.06
UTE F.I.F. LNG TK – 3001	34.00
UTE F.I.F. TANQUE FB – 241 GNL	38.00
UTE F.I.F. TANQUES GNL	34.00
UTE FASE II HOSPITAL DE MÉRIDA	50.00
UTE FÁTIMA	26.00
UTE FÁTIMA II	33.00
UTE FCC URCO URBASA	50.00
UTE FCC – SCENIC LIGHT	80.00
UTE FCC – TECYSU	80.00
UTE FERIA VALENCIA PABELLÓN Nº 7	50.00
UTE FGV ALICANTE TRAMO 2	60.00
UTE FIRA P-5	65.00
UTE FÍSICA Y QUÍMICA	50.00
UTE FUENTE LUCHA	77.00
UTE GAS SAGUNTO, SOCOIN-APL	50.00
UTE GASODUCTO MAGREB – EUROPA	50.00
UTE GAVELEC	50.00
UTE GIJÓN – VILLAVICIOSA	50.00
UTE GIRIBAILE	50.00
UTE GIRIBAILE II	50.00
UTE GIRONA NORTE	70.00
UTE GOIAN	70.00
UTE GOIERRIALDEA	55.00
UTE GRAN VÍA HOSPITALET	50.00
UTE GRAN VÍA NORTE	50.00
UTE GRAN VÍA SURESTE	33.33
UTE GRAU DE LA SABATA	90.00
UTE GUADARRAMA 3	33.33
UTE GUADARRAMA 4	33.33
UTE GUAREÑA I	50.00
UTE GUICYCSA TORDESILLAS	60.00
UTE HABILITACIÓN ED. C. COMUNICACIONES	50.00
UTE HORCHE	65.00
UTE HOSPITAL ALCÁZAR	60.00
UTE HOSPITAL CAMPUS DE LA SALUD	80.00

	Integration Percentage at 31 December 2009
UTE HOSPITAL DE CARTAGENA	70.00
UTE HOSPITAL DE SALAMANCA	40.00
UTE HOSPITAL DEL SUR	80.00
UTE HOSPITAL FCC – VVO	80.00
UTE HOSPITAL MARQUÉS VALDECILLA FASE III	33.33
UTE HOSPITAL NAVALMORAL	50.00
UTE HOSPITAL NORTE TENERIFE	80.00
UTE HOSPITAL O'DONNELL	50.00
UTE HOSPITAL SON DURETA	33.00
UTE HOSPITAL UNIVERSITARIO DE MURCIA	50.00
UTE HOTEL WTC	53.00
UTE HUELVA NORTE	55.00
UTE HUELVA NORTE II	55.00
UTE HUELVA SUDESTE	40.00
UTE HUESNA CONSTRUCCIÓN	33.33
UTE IFEVI	50.00
UTE INSTALACIONES PLATAFORMA SUR	50.00
UTE IRO	80.00
UTE JAÉN – MANCHA REAL	80.00
UTE JEREZ – LA BARCA	80.00
UTE JEREZ FERROVIARIA	80.00
UTE JONCADELLA	34.00
UTE JUAN GRANDE	50.00
UTE L9 HOSPITALET	50.00
UTE LA ALDEA	35.00
UTE LA CARPETANIA	50.00
UTE LA LOTETA	80.00
UTE LALIN	50.00
UTE LAS ROSAS I-7	33.33
UTE LADERA ENCISO	50.00
UTE LINEA 1 TRANVÍA DE MURCIA	60.00
UTE LÍNEA 2	50.00
UTE LÍNEA 5	40.00
UTE LÍNEA 9	33.00
UTE LLAGOSTERA	50.00
UTE LUKO	45.00
UTE M-407	50.00
UTE M-30 TÚNEL SUR	50.00

	Integration Percentage at 31 December 2009
UTE M-407 GESTION	50.00
UTE MÁLAGA COCHERAS	50.00
UTE MANTENIMENT RONDES	70.00
UTE MANTENIMENT RONDES II	70.00
UTE MANTENIMIENTO VÍA ARANJUEZ	50.00
UTE MANTENIMIENTO VÍA SEVILLA	50.00
UTE MANZANAL	50.00
UTE MATADERO	57.50
UTE MATERNIDAD	50.00
UTE MATERNIDAD O'DONNELL	50.00
UTE MEDINACELI	22.40
UTE METRO LIGERO	80.00
UTE METRO MÁLAGA	36.00
UTE MONT-RAS	50.00
UTE MONTSERRAT	35.00
UTE MONTSERRAT 2025	50.00
UTE MORA	30.00
UTE MORALEDA	66.00
UTE MOTRIL	75.00
UTE MUELLE BOUZAS	70.00
UTE MUELLE COMERCIAL VILAGARCÍA	70.00
UTE MUELLE DE LOS MÁRMOLES	70.00
UTE MUELLE VIEJO CAUCE VALENCIA	65.00
UTE MUELLE VIEJO FASE II VALENCIA	60.00
UTE MUELLES COMERCIALES	60.00
UTE MUSEO DE LAS CIENCIAS	50.00
UTE N.O.M.	63.00
UTE NACIMIENTO	54.00
UTE NANCLARES	95.00
UTE NATURMÁS – AZOR	60.00
UTE NATURMÁS – AZOR 2	60.00
UTE NATURMÁS – AZOR 5	60.00
UTE NOVA BOCANA	40.00
UTE NOVOA SANTOS	60.00
UTE NUDO DE MOLLET	50.00
UTE NUEVA SEDE JUDICIAL LAS PALMAS G.C.	70.00
UTE NUEVO ATRAQUE PLANTA BIODIESEL	50.00
UTE NUEVO ESTADIO VCF	49.00

	Integration Percentage at 31 December 2009
UTE NUEVO HOSPITAL DE CÁCERES	33.33
UTE NUEVO PUERTO DE IGOUMENITZA	50.00
UTE NUEVO TRAZADO CARRETERA TF-812	85.00
UTE OBRAS RELLENO PLAN ORIONADAS	50.00
UTE OLABEL	27.00
UTE OLOT MONTAGUT	45.00
UTE OPERACIÓN TRANVÍA DE MURCIA	60.00
UTE ORDIZIA	50.00
UTE ORENSE – MELÓN	50.00
UTE OSEBE	50.00
UTE PABELLÓN REYNO DE NAVARRA	50.00
UTE PADRÓN	50.00
UTE PALACIO DE LOS DEPORTES	50.00
UTE PALAMÓS-PALAFRUGELL	50.00
UTE PALAU	50.00
UTE PALAU NACIONAL	44.00
UTE PANADELLA	50.00
UTE PARADOR DE EL SALER	75.00
UTE PARANINFO ZARAGOZA	60.00
UTE PARQUE MÁLAGA	60.00
UTE PARQUE MAYORDOMÍA	50.00
UTE PARQUE OCEANOGRÁFICO DE VALENCIA	40.00
UTE PARQUE TECNOLÓGICO	60.00
UTE PAS – SPA	50.00
UTE PAU LAS TABLAS	50.00
UTE PAU MONTE CARMELO	50.00
UTE PAVONES VIVIENDAS	50.00
UTE PEOPLE MOVER	50.00
UTE PERI AR.8 LA MADRAZA	99.00
UTE PIEDRAFITA	66.67
UTE PINO MONTANO P 5	50.00
UTE PLANTA BARAJAS MELO	50.00
UTE PLANTA DE RESIDUOS	50.00
UTE PLATAFORMA BARAJAS	50.00
UTE PLATAFORMA SATÉLITE	26.00
UTE PLATAFORMA TRANSPORTE UJI DE CASTELL	65.00
UTE PLISAN	70.00
UTE POLIDEPORTIVO MIERES	70.00

	Integration Percentage at 31 December 2009
UTE POLÍGONO BOBES	50.00
UTE POLÍGONO DE TANOS	50.00
UTE POLÍGONO LLOREDA	70.00
UTE POLÍGONO VICÁLVARO	80.00
UTE PONT DEL CANDI	75.00
UTE PORT BESÒS	50.00
UTE PORT TARRAGONA	50.00
UTE PORT DE LLANÇÀ	60.00
UTE PREFABRICADOS M-30	50.00
UTE PREFABRICADOS POLA	50.00
UTE PRESA ENCISO	50.00
UTE PRESAS JÚCAR	53.00
UTE PREVENCIÓN DE INCENDIOS NORESTE	50.00
UTE PROLONGACIÓN DIQUE REINA SOFÍA	40.00
UTE PROSER – ARDANUY	70.00
UTE PROSER – GEOCONTROL	60.00
UTE PROSER – GEOCONTROL II	62.00
UTE PROSER – I.P.D.	65.00
UTE PROSER – IMACS	50.00
UTE PROSER – NARVAL	60.00
UTE PROSER – NORCONTROL	50.00
UTE PROSER – NORCONTROL II	50.00
UTE PROSER – OLCINA	60.00
UTE PROSER – PAYMACOTAS IV	50.00
UTE PROSER – UG 21	70.00
UTE PROSER – LA ROCHE TF – 5 III	50.00
UTE PROSER – BATLLE I ROIG	50.00
UTE PROSIBE II	50.00
UTE PROSIBE III	50.00
UTE PROTECCIÓN DE LA LAJA	80.00
UTE PUENTE ADRIÁTICO	30.00
UTE PUENTE RÍO OZAMA (DFC-COCIMAR)	35.00
UTE PUENTE DE LA SERNA	65.00
UTE PUENTE DE PONFERRADA	55.00
UTE PUENTE DEL REY	33.33
UTE PUENTE MEDELLÍN	65.00
UTE PUENTE PISUERGA	50.00
UTE PUENTE SERRERÍA	60.00

	Integration Percentage at 31 December 2009
UTE PUERTO DE GRANADILLA	40.00
UTE PUERTO DE LAREDO	50.00
UTE PUERTO DEL ROSARIO	90.00
UTE PUIG-REIG	50.00
UTE PUIGVERD	45.00
UTE RADIALES	35.00
UTE RANDE	40.00
UTE RANILLA CONSTRUCCIÓN	85.00
UTE RECINTOS FERIALES	50.00
UTE RECINTOS FERIALES II	50.00
UTE RECUPERACIÓN DEL GUINIGUADA	50.00
UTE REFORMA HOSPITAL V SALUD	60.00
UTE REFORMA MEDICINA	50.00
UTE REG GARRIGUES	80.00
UTE REGULACIÓN RÍO BELCAIRE DE CASTELLÓN	80.00
UTE RELLENOS PETROLEROS PUERTO GIJÓN	80.00
UTE REPOSICIONES C. LAS PALMAS F3	46.25
UTE RESIDENCIA COMPLUTENSE	50.00
UTE REURBANIZACIÓN AV. SALER	60.00
UTE REVLON	60.00
UTE RIALB	65.00
UTE RIALB II	65.00
UTE RIAÑO SAMA II	70.00
UTE RIBERAS DEL EBRO U-12	80.00
UTE RIBOTA – CONDADO	70.00
UTE RINCÓN DE LA VICTORIA	50.00
UTE RÍO LLOBREGAT	55.00
UTE RIPOLL C-17	65.00
UTE ROCKÓDROMO	50.00
UTE ROCKÓDROMO 2	40.00
UTE ROCKÓDROMO FASE 3	40.00
UTE ROCKÓDROMO PC 3	45.00
UTE RONDA HISPANIDAD	45.00
UTE RUTA NACIONAL HAITÍ	55.00
UTE S.A.I.H. JÚCAR	50.00
UTE S.A.I.H. SUR	40.00
UTE S.A.I.H. VALENCIA	50.00
UTE SAGRA TORRIJOS	50.00

	Integration Percentage at 31 December 2009
UTE SAGUNTO	60.00
UTE SAGUNTO PARCELA M17-3	50.00
UTE SAIPEM - FCC BALEARES DOS	50.00
UTE SAIPEM - FCC BALEARES UNO	11.41
UTE SAJA	50.00
UTE SAN VICENTE	43.00
UTE SANEAMIENTO ARCO SUR	56.50
UTE SANT LLORENÇ	50.00
UTE SANTA BRÍGIDA	50.00
UTE SANTA COLOMA DE FARNERS	50.00
UTE SANTA MARÍA DEL CAMÍ	45.00
UTE SANTIAGO – PADRÓN	50.00
UTE SEGUNDA FASE DELICIAS ZARAGOZA	50.00
UTE SELLA	50.00
UTE SEMINARIO P3-2	99.00
UTE SERVEIS AFECTATS CASTELLÓ D'AMPÚRIES	50.00
UTE SEVILLA SUR	65.00
UTE SIETE AGUAS – BUÑOL	66.66
UTE SISTEMA INTEGRAL ALICANTI SUR	66.67
UTE SOCIALES	60.00
UTE SOMOSAGUAS	50.00
UTE SOTIELLO	50.00
UTE SOTO DE HENARES	70.00
UTE STADIUM	70.00
UTE SUBESTACIÓN PAJARES	50.00
UTE SUBESTACIÓN SERANTES	50.00
UTE SURESTE II	80.00
UTE TALLERES METRO	80.00
UTE TARRAGONA LITORAL	70.00
UTE TARRAGONA SUR	70.00
UTE TEATRE LLIURE	50.00
UTE TECAIR ROCKÓDROMO	50.00
UTE TELENEO	50.00
UTE TEMPLO Y C. ECUM. EL SALVADOR F1	65.00
UTE TERMINAL BARAJAS T-4	50.00
UTE TERMINAL CEMENTOS ELITE CASTELLÓN	50.00
UTE TERMINAL DE BARAJAS	22.50
UTE TERMINAL GRANELES PUERTO CASTELLÓN	60.00

	Integration Percentage at 31 December 2009
UTE TERMINAL SUR MUELLE LEÓN Y CASTILLO	35.00
UTE TF-5 2ª FASE	70.00
UTE TINDAYA	50.00
UTE TORO ZAMORA	70.00
UTE TORQUEMADA	50.00
UTE TORRE 1 FCC DRAGADOS	60.00
UTE TORRIJOS	80.00
UTE TRAGSA – FCC A.P.	50.00
UTE TRAIDA AGUAS PARC SAGUNT	50.00
UTE TRAMBESÒS	50.00
UTE TRAMMET	50.00
UTE TRAMO DE NUEVA CONSTRUCCIÓN JÚCAR-VINALOPO	70.00
UTE TRAMVIA DIAGONAL	25.00
UTE TRANVÍA DE PARLA	50.00
UTE TRANVÍA L-2 PARQUE ALICANTE	55.00
UTE TRANVÍA LUCEROS-MERCADO ALICANTE	60.00
UTE TRASVASE JÚCAR VINALOPÓ	50.00
UTE TRES CANTOS GESTIÓN	50.00
UTE TRIANGLE LÍNEA 9	33.00
UTE TÚNEL AEROPORT	33.00
UTE TÚNEL AEROPORT II	33.00
UTE TÚNEL C.E.L.A.	50.00
UTE TÚNEL DE BRACONS	75.00
UTE TÚNEL DE PAJARES 1	50.00
UTE TÚNEL FIRA	33.00
UTE TÚNEL SANT JUST	60.00
UTE TÚNEL TERRASSA	36.00
UTE TUNELADORA METRO	33.00
UTE TÚNELES DE GUADARRAMA	33.33
UTE TÚNELES DE SORBES	67.00
UTE TÚNELES DELICIAS	65.00
UTE UE 1 ARROYO DEL FRESNO	50.00
UTE UE 2 ARROYO DEL FRESNO	50.00
UTE UE 2 VALLECAS	25.00
UTE UE 5 VALLECAS	33.33
UTE UE 6 VALLECAS	33.33
UTE UNIVERSIDAD DE MÁLAGA	65.00
UTE UNIVERSIDAD DE TUDELA	60.00

	Integration Percentage at 31 December 2009
UTE UNQUERA – PENDUELES	80.00
UTE URBANIZACIÓN PARC SAGUNT	50.00
UTE URBANIZACIÓN PARQUE DEL AGUA	60.00
UTE URBANIZACIÓN SOMOSAGUAS	50.00
UTE VAGUADA MADRID – 2	50.00
UTE VALDEVIVIENDAS II	33.33
UTE VALLE INFERIOR	80.00
UTE VARIANTE DE MONZÓN	70.00
UTE VARIANTE INCA	70.00
UTE VARIANTE MACHA REAL	67.00
UTE VEGAS ADDITIONS	40.00
UTE VELA BCN	33.33
UTE VELÓDROMO	60.00
UTE VERTEDERO CASTAÑEDA	62.50
UTE VÍA BENICÀSSIM	35.00
UTE VÍA METRO LIGERO	50.00
UTE VÍAS COLECTORAS LA CARPETANIA	50.00
UTE VÍAS SRV. ENSANCHE VALLECAS	33.33
UTE VIC - RIPOLL	34.00
UTE VIDRERES	34.00
UTE VIES SANT BOI	50.00
UTE VIGO-DAS MACEIRAS	50.00
UTE VILLAR – PLASENCIA	70.00
UTE VULLPALLERES	65.00
UTE WTC ELECTRICIDAD	50.00
UTE XILE – COLLBLANC	50.00
UTE YELTES	75.00
UTE YESA	33.33
UTE ZELAI	50.00
UTE ZONAS VERDES ENSANCHE DE VALLECAS	33.33
UTE ZUERA	65.00

CEMENTS

UTE A-27 VALLS-MONTBLANC	26.18
UTE AVE GIRONA	50.00
UTE BCN SUD	7.85
UTE LAV SAGRERA	17.45

	Integration Percentage at 31 December 2009
UTE NUEVA ÁREA TERMINAL	26.18
UTE OLÉRDOLA	31.42
UTE PUERTO	66.66
UTE ULLÁ	26.18

MANAGEMENT REPORT

CONSOLIDATED GROUP

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01 _ MOST NOTEWORTHY EVENTS

FCC Medio Ambiente awarded waste treatment and recycling contracts

In 2009, the Environmental Division received numerous contract awards. Notable among them was a 20-year contract to manage the urban waste for 97 municipalities in the Valencian community along with the construction and operation of a comprehensive waste treatment facility here and another in the city of Orense. The combined value of these two contracts is EUR 536 million. In the third quarter of last year the Group saw the start-up of two waste treatment centres in the U.K (Longshot Lane and Reading) under a 25-year contract valued at EUR 700 million.

Aqualia adds contracts valued at EUR 1,400 million

Aqualia, the Group's water management division, also won some notable contracts last year. Outside of Spain, the Realito (Mexico) will earn revenues of EUR 750 million under a 25-year water supply and management contract. A consortium in which the Group holds a 50% stake was awarded a 20-year contract to build and operate a new treatment plant in Cairo valued at EUR 360 million. The Group also won contract awards in the domestic market, including a desalination plant (Ibiza), treatment plant (Lanzarote) and network management (Lepe, Salamanca, Tarragona, Huelva and municipalities in Vizcaya). These contracts will reinforce Aqualia's global presence which, in the Spanish market alone, controls 35% of the private water management market.

FCC wins infrastructure construction and management contracts valued at more than EUR 1,000 million

In 2009, FCC Construcción was the winning bidder on four large construction concessions valued at more than EUR 1,000 million. One of the contracts, awarded in March of last year, is a 40-year concession to build and operate Line 1 of the Murcia tram. The investment of EUR 264 million is the largest ever in the history of the Murcia city council. Another consortium in which FCC holds a stake will build and operate the new Zaragoza tram (Line 1) which calls for an investment of EUR 340 million. The concession agreement was signed in May by the consortium in which FCC Construcción holds a 39% majority stake for the design, construction and operation of the new Enniskillen Hospital (United Kingdom). The total investment is EUR 270 million. Finally, last May the Group was awarded a 20-year concession to build and operate a new hospital in Madrid (Torrejón de Ardoz), which will entail an investment of EUR 139 million.

FCC concludes the acquisition of 14 wind farms

In January 2009, FCC concluded the acquisition of 14 wind farms under an agreement reached in 2008, with a total production capacity of 422 MW. This acquisition will strengthen the FCC Group's position in the renewable energy sector and complement its environmental activities. The wind farm purchase was organised under a project finance arrangement.

FCC wins contracts abroad worth more than EUR 1,100 million

Alpine, the Group's leading construction company in Central Europe, was awarded a group of contracts valued at EUR 515 million to build the Gdansk, Krakow, Posen and Warsaw National stadiums, all in Poland. In addition, the Singapore Land Transport Authority has chosen FCC to build two new sections of its underground measuring 4,000 metres under a contract valued at EUR 334 million. FCC will also build a dam in Mexico (Jalisco) for EUR 128 million and two others in Portugal worth EUR 107 million. With these contract awards, FCC has reinforced its international presence and its image as a world reference in the construction of large-scale civil engineering projects.

FCC issues convertible bonds in the amount of EUR 450 million and boosts liquidity

In October of last year, FCC placed its first bond issue on the international capitals market with a EUR 450 million bond issue which was approved for conversion into FCC stock by the Extraordinary General Meeting of Shareholders held on 30 November. Also, in May of last year FCC signed a syndicated loan for EUR 451 million with a group of financial institutions. The three-year loan raised the level of financing available to FCC .



02 _ EXECUTIVE SUMMARY

- Turnover was EUR 12,699.6 million which is 6.7% lower
- International sales contributed 44.3% of the total (compared to 42.1% in 2008)
- The order book increased by 5.6% to 34,547.5 million Euros
- The EBITDA margin was reduced by 0.5 percent, to 11.5%
- Operating cash flow increased by 38.8% to EUR 1,577.6 million
- Finance costs were reduced by 23% and net debt with recourse was down by 10.3%
- Gross profit was EUR 307.2 million which represents an 8% decrease

The Group's performance in 2009 reflects the soundness of the business model and the diversity of the FCC Group's business activities and geographical markets. The moderate declines in revenues and operating margins were similar to those experienced the year before, despite the fact that the economic crisis reached its peak in 2009, with markets continuing to contract and maximum disparities in terms of consumer spending and waste generation compared to 2008.

Business was brisk for the Construction and Environmental Services areas, which saw important contract awards, particularly abroad. This led to an increase of 5.6% in the order book in December compared to 2008, for a total of EUR 35,547 million, reinforcing the Group's market share and guaranteeing future revenues.

It is also important to note the progressive improvement at both the operating level and the net profit level achieved during the year compared to the year before. Also noteworthy in relation to financing is the reduction in working capital and lower finance expenses, as well as the recovery of different service areas and the leveling off of the decline in the cement business.

PRINCIPAL ECONOMIC INDICATORS.

	Dec. 09	Dec. 08	Change (%)
Net turnover	12,699.6	13,617.2	-6.7%
Gross Operating Revenue (EBITDA)	1,460.6	1,631.3	-10.5%
EBITDA margin	11.5%	12.0%	-0.5 %
Net Operating Revenue (EBIT)	731.1	895.6	-18.4%
EBIT margin	5.8%	6.6%	-0.8 %
Profit before taxes from continuing operations	449.9	520.4	-13.5%
Profit attributed to the parent company	307.2	334.0	-8.0%
Cash flow from operations	1,577.6	1,136.3	38.8%
Cash flow from investments	(1,037.1)	(1,401.1)	-26.0%
Shareholders' equity (excluding minority interests)	2,483.8	2,548.7	-2.5%
Net financial debt with recourse	4,773.4	5,320.1	-10.3%
Order book	34,547.5	32,706.7	5.6%

The interest in Realia has been consolidated using the equity method since 1 January 2009. In order to provide a standardised comparison, this report includes a pro-forma 2008 income statement obtained by consolidating the Reality stake using the equity method.

The operation of Energías Renovables was incorporated as an independent segment starting in the first quarter of 2009 after becoming operational at the end of 2008.

03 _ SUMMARY BY BUSINESS AREA

Area	Dec. 09	Dec. 08	Change (%)	% over 09	% over 09
TURNOVER					
Construction	7,201.2	7,744.5	-7.0%	56.7%	56.9%
Environmental services	3,601.7	3,636.5	-1.0%	28.4%	26.7%
Versia	820.0	897.4	-8.6%	6.5%	6.6%
Cement	1,035.4	1,425.1	-27.3%	8.2%	10.5%
Energy	81.9	3.1	N.A.	0.6%	N.A.
Torre Picasso	26.1	26.2	-0.2%	0.2%	0.2%
Other	(66.7)	(115.6)	-42.3%	-0.5%	-0.8%
TOTAL	12,699.6	13,617.2	-6.7%	100.0%	100.0%
NATIONAL TURNOVER					
Construction	3,386.6	3,909.2	-13.4%	47.9%	49.6%
Environmental services	2,346.3	2,342.8	0.1%	33.2%	29.8%
Versia	559.6	615.9	-9.1%	7.9%	7.8%
Cement	740.2	1,085.2	-31.8%	10.5%	13.8%
Energy	81.9	3.1%	N.A.	1.2%	N.A.
Torre Picasso	26.1	26.2	-0.4%	0.4%	0.3%
Other	(66.6)	(105.6)	-37.0%	-0.9%	-1.3%
TOTAL	7,074.1	7,873.7	-10.2%	100.0%	100.0%
TURNOVER					
Construction	3,814.6	3,835.4	-0.5%	67.8%	66.8%
Environmental services	1,255.4	1,293.6	-3.0%	22.3%	22.5%
Versia	260.4	281.5	-7.5%	4.6%	4.9%
Cement	295.2	339.9	-13.2%	5.2%	5.9%
Other	0.0	(6.9)	N.S.	0.0%	-0.1%
TOTAL	5,625.6	5,743.5	-2.1%	100.0%	100.0%
EBITDA					
Construction	406.1	462.8	-12.3%	27.8%	28.4%
Environmental services	610.1	605.8	0.7%	41.8%	37.1%
Versia	74.6	96.5	-22.7%	5.1%	5.9%
Cement	289.0	417.3	-30.7%	19.8%	25.6%
Energy	65.8	2.2	N.A.	4.5%	N.A.
Torre Picasso	22.7	21.4	6.1%	1.6%	1.3%
Other	(7.7)	25.3	-130.4%	-0.5%	1.6%
TOTAL	1,460.6	1,631.3	-10.5%	100.0%	100.0%

Area	Dec. 09	Dec. 08	Change (%)	% over 09	% over 09
EBIT					
Construction	281.0	325.2	-13.6%	38.4%	36.3%
Environmental services	297.4	298.4	-0.3%	40.7%	33.3%
Versia	(6.6)	(6.1)	N.S.	-0.9%	-0.7%
Cement	128.6	235.6	-45.4%	17.6%	26.3%
Energy	23.2	0.4	N.A.	3.2%	N.A.
Torre Picasso	18.9	17.8	6.2%	2.6%	2.0%
Other	(11.4)	24.3	-146.9%	-1.6%	2.7%
TOTAL	731.1	895.6	-18.4%	100.0%	100.0%
CASH FLOW FROM OPERATIONS					
Construction	146.5	(20.1)	828.9%	9.3%	-1.8%
Environmental services	682.7	359.1	90.1%	43.3%	31.6%
Versia	113.8	83.5	36.3%	7.2%	7.3%
Cement	360.3	359.7	0.2%	22.8%	31.7%
Energy	71.7	1.4	N.A.	4.5%	N.A.
Other	202.6	352.7	N.S.	12.8%	31.0%
TOTAL	1,577.6	1,136.3	38.8%	100.0%	100.0%
NET DEBT					
Construction	413.7	667.7	-38.0%	5.4%	9.7%
Environmental services	4,192.4	4,068.8	3.0%	54.8%	59.0%
Versia	459.4	509.4	-9.8%	6.0%	7.4%
Cement	1,419.3	1,762.2	-19.5%	18.5%	25.6%
Energy	905.4	153.3	N.S.	11.8%	2.2%
Other*	265.0	(268.3)	-198.8%	3.5%	-3.9%
TOTAL	7,655.2	6,893.1	11.1%	100.0%	100.0%
ORDER BOOK					
Construction	10,856.3	10,159.4	6.9%	31.4%	31.1%
Environmental services	23,691.2	22,547.3	5.1%	68.6%	68.9%
TOTAL	34,547.5	32,706.7	5.6%	100.0%	100.0%

* For 2009, includes the financing of assets associated with infrastructure concessions, among others.

04 _ INCOME STATEMENT

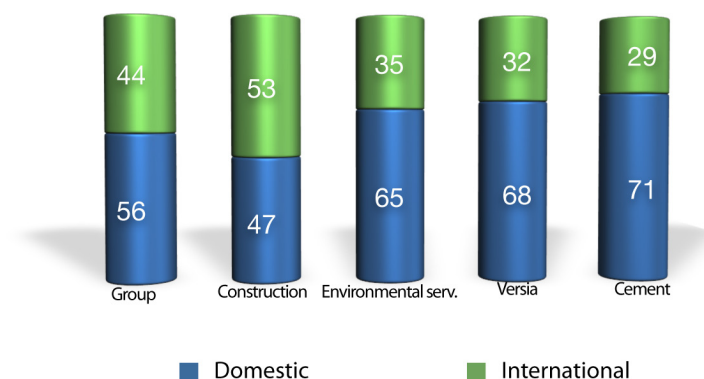
	Dec. 09	Dec. 08	Change (%)
Net turnover	12,699.6	13,617.2	-6.7%
Gross Operating Revenue (EBITDA)	1,460.6	1,631.3	-10.5%
EBITDA margin	11.5%	12.0%	-0.5 %
Fixed asset amortisation funding	(737.6)	(711.6)	3.7%
Other operating revenue	8.1	(24.1)	-133.6%
Net Operating Revenue (EBIT)	731.1	895.6	-18.4%
EBIT margin	5.8%	6.6%	-0.8 %
Finance income/ costs - net	(291.1)	(378.0)	-23.0%
Profit (loss) of companies consolidated by equity	(6.1)	5.6	-208.9%
Other financial income (losses)	16.0	(2.8)	671.4%
Profit before taxes from continuing operations	449.9	520.4	-13.5%
Income tax expense	(114.9)	(111.9)	2.7%
Minority interests	(27.8)	(74.4)	-62.6%
Profit attributed to the parent company	307.2	334.0	-8.0%

4.1 Turnover

Consolidated revenues totalled EUR 12,669.6 million, which was 6.7% less than the year before. This was due primarily to a 10.2% reduction in revenues from the domestic market brought about by a slowdown in construction activity and a reduction in the use of cement.

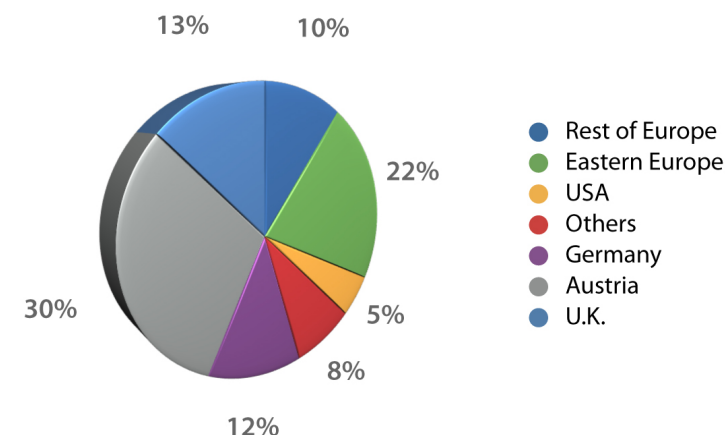
In foreign markets, which now account for 44.3% of the Group's turnover, the evolution was similar to the year before with a decrease of just 2.1% due to a 10.3% depreciation of sterling compared to the euro, which has an effect on international environmental business. Once adjusted for this change in the exchange rate, the revenues from international business would have remained practically unchanged (-0.6%).

Income by Areas (%)



By geographical area, FCC has a strong presence in Europe, which accounts for 87% of all foreign-earned income, with a particularly strong presence in infrastructures and environmental services. The heading of "Others" on the chart below includes the Group's business in emerging Asian economies (China, India and Singapore), Latin America and Tunisia.

Breakdown of International Revenue

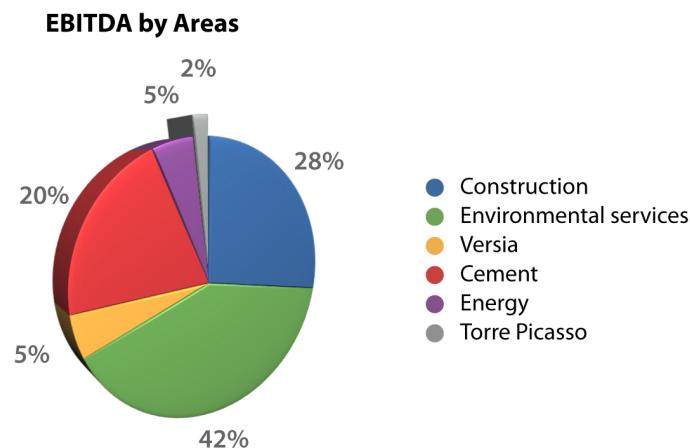


4.2 Gross Operating Revenue (EBITDA)

EBITDA was EUR 1,460.6 million for the year, which represents a sales margin of 11.5%, just 0.5 percentage points below the 2008 margin.

It should be noted that EBITDA includes EUR 23.6 million in non-recurring personnel expenses for severance packages, without which the margin would have been 11.7% in 2009.

By business area, the 0.2 percent improvement of the operating margin in environmental services and the contribution of the energy division starting in January made it possible to offset the 0.4 percent decrease in the construction margin, the 1.4 percent decrease in cement and the 1.6 percent decrease in Versia.



4.3 Net Operating Revenue (EBIT)

EBIT was EUR 731.1 million after a 3.7% increase in the amortisation allowance motivated by the incorporation of the Energy area at the beginning of the year.

In addition, the amortisation provision includes EUR 77.9 million euros relative to the higher value assigned to certain assets at the time of their inclusion in the FCC Group.

4.4 Profit before taxes from continuing operations

The before-tax profits for the year were EUR 449.9 million, after the following items were included in net operating profits:

4.4.1 Finance income(expense)

Net financial expenses of EUR 291.1 million euros were 23% lower than in 2008 despite the rise in indebtedness caused by the investments made in the Group's growth during the year. This positive evolution is the consequence of a significant reduction in average financial costs due to lower interest rates and the Group's efficient financial management.

4.4.2 Interest in the profits (losses) of associates

The companies consolidated by the equity method contributed losses of EUR 6.1 million. This was due primarily to the loss of EUR 16.4 million incurred by Realia and the derivative losses in the amount of EUR 13.5 million from the group's interests in infrastructure concessions in the earliest stages of operation. These losses were offset, to a large extent, by the profits generated by the companies operating in services.

4.4.3 Other financial income (losses)

Other financial income included EUR 16.0 million from the sale of assets and the market value adjustments made to certain financial assets, which primarily included EUR 17 million from the various concession operators that became part of Global Vía, the group that manages infrastructure concessions in which FCC holds a 50% stake.

4.5 Profit attributed to the parent company

The net allocatable profit in 2009 was EUR 307.2 million, 8% lower than the year before, due primarily to the deceleration mentioned above and the losses incurred by the companies carried by the equity methods.

4.5.1 Income tax expense

The income tax expense increased by 2.7% compared to 2008, to EUR 114.9 million.

4.5.2 Minority interests

The profits allocated to minority shareholders for the year were down by 62.6% to EUR 27.8, primarily as a consequence of a decline in cement business profits and the acquisition of minority shareholders operating in that area.

05 _ BALANCE SHEET

	Dec. 09	Dec. 08	Change (M€)
Intangible fixed assets	4,462.3	3,886.4	575.9
Property, plant and equipment	6,221.6	5,755.6	466.0
Investments consolidated by equity	1,145.8	1,116.6	29.2
Non-current financial assets	404.0	517.9	(113.9)
Deferred tax assets and other non-current assets	599.2	552.8	46.4
Non-current assets	12,832.8	11,829.4	1,003.4
Non-current assets held for sale	0.0	7.4	(7.4)
Inventories	1,103.3	1,575.3	(472.0)
Trade and other accounts receivable	5,439.2	5,553.9	(114.7)
Other current financial assets	231.0	222.8	8.2
Cash and cash equivalents	1,654.5	1,408.7	245.8
Current assets	8,427.9	8,768.0	(340.1)
TOTAL ASSETS	21,260.7	20,597.4	663.3
Equity attributable to the Parent Company	2,483.8	2,548.7	(64.9)
Minority interests	652.7	649.2	3.5
Equity	3,136.5	3,198.0	(61.5)
Grants	85.7	63.6	22.1
Provisions -non-current	906.5	821.4	85.1
Long-term financial debt	7,861.9	6,180.6	1,681.3
Other non-current liabilities	531.7	691.7	(160.0)
Deferred tax liabilities and other non-current liabilities	1,234.2	1,000.8	233.4
Non-current liabilities	10,620.0	8,758.1	1,861.9
Provisions -current	110.8	91.9	18.9
Current financial debt	1,218.8	1,902.2	(683.4)
Other current financial liabilities	268.7	322.7	(54.0)
Trade and other accounts payable	5,896.8	6,308.4	(411.6)
Other current liabilities	9.1	16.1	(7.0)
Current liabilities	7,504.2	8,641.3	(1,137.1)
TOTAL LIABILITIES	21,260.7	20,597.4	663.3

5.1 Fixed assets

PPE and intangible fixed assets increased by EUR 1,041.9 million compared to December 2008, due primarily to the effects of the acquisition of 14 wind farms last January for EUR 785 million.

5.2 Investments consolidated by equity

The balance of EUR 1,145.8 million euros in investments consolidated by equity is broken down into the following components:

- 1) EUR 481.5 million refers to the 50% stake in Global Vía (infrastructure concessions)
- 2) EUR 153.8 million refers to the 30% stake in Realía (real estate)
- 3) EUR 67.5 million refers to concession companies not included in Global Vía.
- 4) EUR 40.7 million refers to the 50% stake in Proactiva Group environmental services)

The carrying value of the interests held by FCC in infrastructure concessions at the end of December was therefore EUR 619.2 million. This amount includes the value attributable to FCC for its 50% stake in GVI (EUR 481.5 million), along with the value of the interests held in other concession companies, whether consolidated by equity (EUR 67.5 million) and fully consolidated, the latter of which are in the early stages of their operations (EUR 70.2 million).

5.3 Equity

The equity attributable to the parent company at the end of 2009 was EUR 2,483.8 million, which is EUR 64.9 million less than December 2008. The most relevant changes under this heading include the allocation of the consolidated profits for the year (EUR 307.2 million), adjusted by the payment of dividends (EUR 228.2 million) and the net investment in equity instruments (EUR 78.7 million).

5.4 Net financial debt

	Dec. 09	Dec. 08	Change (M€)
Bank loans and overdrafts	8,517.4	7,939.0	578.4
With recourse	5,970.4	6,100.4	(130.0)
Without recourse	2,547.0	1,838.6	708.4
Bonds and debentures	563.3	143.7	419.6
Lease liabilities	171.6	157.2	14.4
Derivatives and other financial liabilities	288.3	284.6	3.7
Gross financial debt	9,540.6	8,524.5	1,016.1
Cash and other financial assets	(1,885.4)	(1,631.5)	(253.9)
With recourse	(1,701.8)	(1,465.7)	(236.1)
Without recourse	(183.6)	(165.8)	(17.8)
Net financial debt	7,655.2	6,893.1	762.1
Net financial debt with recourse	4,773.4	5,320.1	(546.7)
Net financial debt without recourse	2,881.8	1,573.0	1,308.8

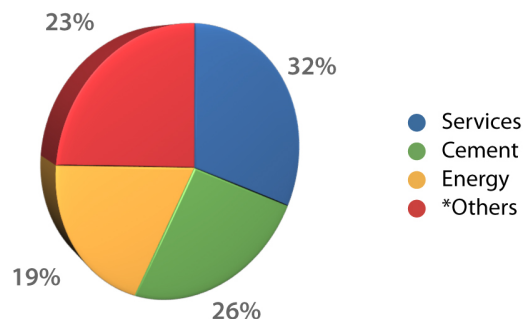
At the end of December, net financial debt was EUR 7,655.2 million, which represents an increase of EUR 762.1 million compared to December 2008. This increase is due entirely to the investment in growth in the amount of EUR 981.4 million carried out during the year in business units and group companies. These investments included the acquisition of Olivento for EUR 785 million and its inclusion in the renewable energies area, along with the conclusion of the acquisition of 8.2% of Corporación Uniland for EUR 170.9 million and its inclusion in the cement area.

By business area, Services and Energy accounted for 72.6% of the net debt which was linked to long term, stable, regulated public service contracts. The Cement area accounted for an additional 18.5% of net debt, an area which is linked to a significant portion of the fixed assets on the balance sheet and which generates much of the freely available cash.

EUR 2,881.8 million of net debt referred to financing without recourse, which represents a notable increase at 37.6% of the total last December compared to 22.8% the year before. The reason for this difference can be found in the increase in high growth and visibility business areas combined with the high quality of the Group's assets, which makes this type of financing easily accessible.

The debt without recourse is broken down below by business area.

Net debt without recourse by area



* Others include subordinated convertible bond issues.

Despite the investments totalling EUR 1,601.1 million in 2009, the net debt without recourse was reduced by 10.3% to EUR 4,773.4 million.

5.5 Other current and non-current liabilities

The balance of EUR 531.7 million under non-current financial liabilities was 23.1% lower than the year before and included, among other things, liabilities for financial derivatives in the amount of EUR 210.2 million and third party financial liabilities in the amount of EUR 174 million which do not accrue interest for the group.

The balance under other current financial liabilities was down by 16.7% or EUR 54 million compared to 2008, to EUR 268.7 million. The components of this balance include the dividend in the amount of EUR 99 million paid in January 2010 against 2009 profits. This balance also includes EUR 60 million for short term deposits and bonds received and fixed asset suppliers, which do not accrue interest for the Group and are not considered financial debt.

06 CASH FLOW

	Dec. 09	Dec. 08	Change (%)
Funds generated	1,538.2	1,622.2	-5.2%
(Increase) / decrease in working capital	138.9	(290.7)	-147.8%
Other (taxes, dividends...)	(99.5)	(195.2)	-49.0%
Cash flow from operations	1,577.6	1,136.3	38.8%
Cash flow from investments	(1,037.1)	(1,401.1)	-26.0%
Cash flow from activities	540.5	(264.8)	-304.1%
Cash flow from financing	(665.3)	(757.7)	-12.2%
Other cash flow (changes to consolidation scope...)	(637.3)	(25.0)	N.M.
(INCREASE) / DECREASE NET FINANCIAL DEBT	(762.1)	(1,047.5)	-27.2%

6.1 Cash flow from operations

The cash flow from operations totalled EUR 1,577.6 million for the year, which represents a 38.8% increase over 2008. The pronounced growth was due to a moderate 5.2% reduction in the funds generated which was fully compensated by a considerable reduction in working capital. This means that a total of EUR 138.9 million of working capital was freed up in 2009, compared to the increase of EUR 290.8 million in 2008.

The changes in working capital by business area were as follows:

	Dec. 09	Change (%)
Construction*	(22.9)	-94.2%
Environmental services	43.4	-120.8%
Versia	17.5	N.S.
Cement	96.4	800.9%
Energy and adjustments	4.5	N.S.
TOTAL (INCREASE) / DECREASE IN WORKING CAPITAL	138.9	-147.8%

*The change in operating working capital in the construction area is shown net of the accounting effect of the parent company of the FCC Group ceasing to discount the commercial portfolio in the amount of EUR 184 million.



6.2 Cash flow from investments

Net investments were down by 26% compared to 2008. Hence, the net investment in companies was EUR 354.2 million, which includes an investment of EUR 215.4 million in treasury stock for the acquisition of 14 wind farms in January 2009 and the acquisition (committed to in earlier years) of 8.2% of Corporación Uniland for EUR 170.6 million in the cement area. This heading does not include the incorporation of the Olivento wind power group in the amount of EUR 569 million which is included under other cash flow. When this adjustment is made, the net investment in 2009 totalled EUR 1,606.1 million, which is 14.6% more than the year before.

6.3 Cash flow from financing

In 2009, the cash expenditures associated with financing operations were reduced by 12.2% compared to 2008, due primarily to the savings obtained by managing financing costs, which dropped from EUR 380.8 million in 2008 to EUR 275.1 million in 2009. In addition, Group companies paid a total of EUR 228.2 million in dividends and spent EUR 78.7 million on the acquisition of treasury stock.

6.4 Other cash flows

For the most part, this item refers to the inclusion of the finance debt associated with the acquisition of the wind power assets in January 2009 in the scope of consolidation

07 _ ANALYSIS BY BUSINESS AREA

7.1 Construction

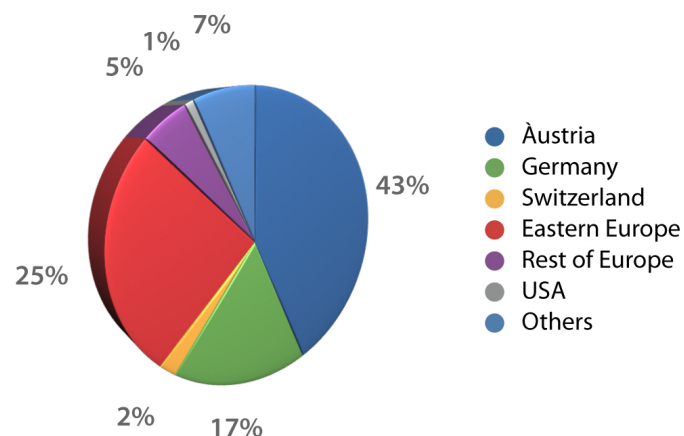
7.1.1 Profit/loss

	Dec. 09	Dec. 08	Change
Turnover	7,201.2	7,744.5	-7.0%
Domestic	3,386.6	3,909.2	-13.4%
International	3,814.6	3,835.3	-0.5%
EBITDA	406.1	462.8	-12.3%
EBITDA margin	5.6%	6.0%	-0.3 %
EBIT	281.0	325.2	-13.6%
EBIT margin	3.9%	4.2%	-0.3 %

In the Construction Area, international business was brisk enough for the turnover figure to remain practically unchanged (-0.5%) compared to the year before. This helped to further consolidate the progress made in new markets in 2008, a year in which turnover shot up by 35%.

International business thus dominates the construction area, representing 53% of total revenues, 92% of which comes from local subsidiaries located in European countries. Notable in this regard is FCC position in Austria (42% of international sales), Germany (17%) and Eastern Europe (25%), which in turn includes Romania with 5.3% of international sales, Croatia with 4.7%, Bulgaria with 4.4%, Poland with 3.6% and the Czech Republic with 2.5%. Other regions outside of the EU account for 8% and include America and Asia (Persian Gulf countries, China, India and Singapore).

Breakdown of International Revenue



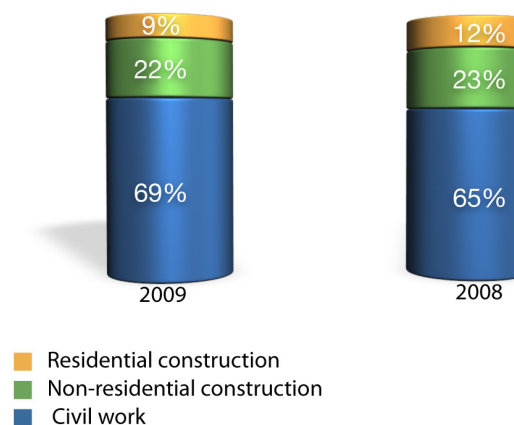
Turnover from the domestic market was down by 13.4% due primarily to the fact that the execution of the public works in the order book had to be adapted to clients' financing capabilities and to a lesser extent to a slowdown in private sector activity.

By business segments, civil engineering work, the most complex but also that of greatest added value, accounted for 69% of turnover and 76% of the order book.

Breakdown of income by type of work

	DEC. 09	DEC. 08	CHANGE
Civil work	4,936.6	5,068.8	-2.6%
Non-residential construction	1,603.2	1,759.5	-8.9%
Residential construction	661.4	916.2	-27.8%
TOTAL	7,201.2	7,744.5	-7.0%

Breakdown of income by type of work

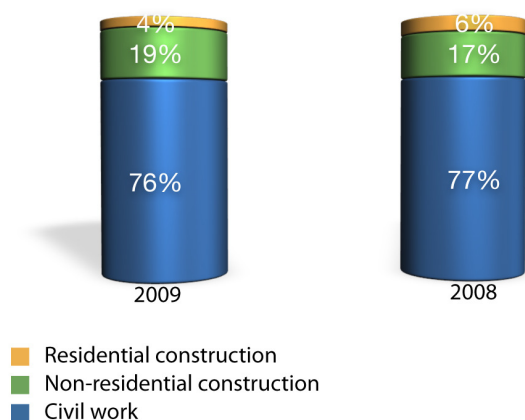


It is important to note that the number of new contracts awarded, particularly international contracts, in a fiscal year as difficult as 2009, resulted in a 6.9% increase in the accumulated order book, thus guaranteeing production for the next eighteen months.

Breakdown of order book by type of work

	DEC. 09	DEC. 08	CHANGE
Civil work	8,278.2	7,799.0	6.1%
Non-residential construction	2,114.7	1,751.6	20.7%
Residential construction	463.5	608.8	-23.9%
TOTAL	10,856.3	10,159.4	6.9%

Breakdown of order book by type of work



Gross operating profit (EBITDA) was EUR 406.1 million, which gives a gross operating margin of 5.6%, just 0.4 percentage points lower than the year before, due mostly to the Group's civil engineering work.

7.1.2 Alpine

	Dec. 09	Dec. 08	Change
Turnover	3,364.9	3,506.4	-4.0%
EBITDA	138.7	169.8	-18.4%
EBITDA margin	4.1%	4.8%	-0.8 %
EBIT	59.1	77.9	-24.1%
EBIT margin	1.8%	2.2%	-0.5 %

Alpine's turnover, which represents 88% of this area's international revenues, was down 4.0% last year, due primarily to the need to adapt the rate of completion of the work in the order book to the attainment of the operating and financial efficiency objectives set by the subsidiary. It is important to note that this helped to further consolidate the progress made in new markets in 2008, a year in which turnover shot up by 35%.

It is likewise important to note that the new contracts awarded during the year led to an 8.8% increase in the order book compared to December 2008, thereby guaranteeing Alpine's future revenues.

7.1.3 Cash flow

	Dec. 09	Dec. 08	Change (%)
Funds generated	431.4	483.1	-10.7%
(Increase) / decrease in working capital	(206.9)	(393.3)	-47.4%
Other (taxes, dividends...)	(78.0)	(109.9)	-29.0%
Cash flow from operations	146.5	(20.1)	828.9%
Cash flow from investments	228.9	(165.5)	-238.3%
Cash flow from activities	375.4	(185.6)	-302.3%
Cash flow from financing	(219.6)	(213.5)	2.9%
Other cash flow (translation difference, changes to consolidation scope...)	98.3	3.4	2791.2%
(Increase) / decrease net financial debt	254.1	(395.7)	-164.2%

	Dec. 09	Dec. 08	Change (M€)
Net financial debt	413.7	667.7	(254.0)
Net financial debt with recourse	407.6	667.7	(260.1)
Net financial debt without recourse	6.1	0.0	6.1

Operating cash flow in the construction area recovered nicely during the year, despite the weakness of domestic business, thanks to the efforts to manage working capital more effectively and to contain costs. The need to finance working capital was reduced by 47.4% compared to the year before, despite the negative accounting effect of the parent company of the FCC Group ceasing to discount the commercial portfolio in the amount of EUR 184 million€. The balancing entry of this adjustment was recorded on the consolidated cash flow statement as other cash flow and therefore has no net effect on the change in the Group's debt for the period. If this accounting adjustment were excluded, the growth in working capital in the construction area would have been just EUR 22.9 million, 94% less than in 2008.

Also worthy of note were the EUR 228.9 million generated by cash flow from investments during the year, thanks to the transfer of 14 concessions to Global Vía Infraestructuras (owned 50/50 by FCC and Caja Madrid).

The net debt in the construction area at year end was EUR 413.7 million, which was 38% less than in December 2008.

7.2 Environmental services

7.2.1 Profit/loss

	Dec. 09	Dec. 08	Change
Turnover	3,601.7	3,636.5	-1.0%
Domestic	2,346.3	2,342.8	0.1%
International	1,255.4	1,293.6	-3.0%
EBITDA	610.1	605.8	0.7%
EBITDA margin	16.9%	16.7%	-0.3 %
EBIT	297.4	298.4	-0.3%
EBIT margin	8.3%	8.2%	0.1 %

The turnover in the Environmental area was down by about 1% last year, basically due to a 5.5% contraction of the income from international environmental business, the adverse effect of the exchange rate and a 17.7% decline in the industrial waste business, which limited the positive evolution of environmental and water business in the domestic market. Despite this, after correcting the effects of a 10.3% depreciation in sterling, this area's income would have grown by 1.1% over 2008.

Turnover by business line

	DEC. 09	DEC. 08	CHANGE
Domestic Environmental Services	1,489.0	1,440.5	3.4%
International Environmental Services	1,002.1	1,060.6	-5.5%
Water	872.0	845.5	3.1%
Industrial Waste	238.5	289.9	-17.7%
TOTAL	3,601.7	3,636.5	-1.0%

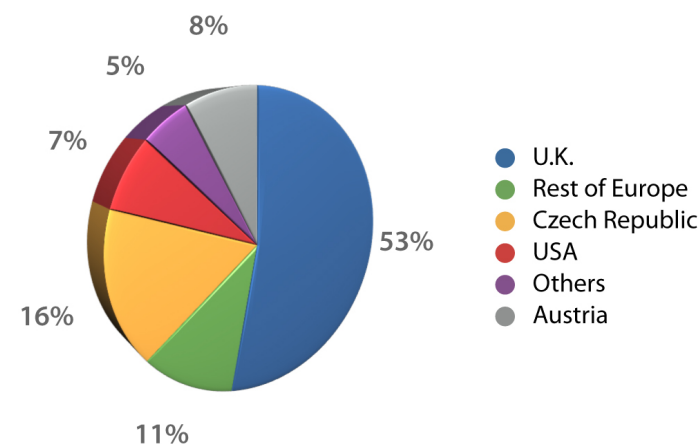
Environmental services in the domestic market, which account for 41% of this business area's revenues and are based for the most part on city sanitation and waste management services, grew by 3.4% during the year thanks to new contracts such as a waste treatment plant in Alicante or a new city sanitation service contract in Barcelona.

International environmental business, which represents 28% of this area's total revenues, came from waste treatment and urban sanitation activities in the UK and in Central and Eastern Europe. Revenues in this area were down by 5.5% last year due to the effects of the depreciation of sterling against the euro. At a constant exchange rate, revenues would have increased by 1.7%.

In Water services, which represent 24% of the area's revenues and are based on public service agreements for comprehensive water management and the development of hydraulic infrastructures, revenues were up by 3.1% last year, thanks to new contracts such as the water treatment and supply contracts in Mexico.

Finally, in the area of Industrial Waste Management which accounts for just 7% of the area's total revenues, turnover was down by 17.7% last year due to the impact of the lower volumes treated and the average prices of the raw materials of reference (oil, paper and metal).

Breakdown of International Revenue



By geographical area, in 2009 the revenue from international business represented 35% of the total. The most relevant foreign markets include: the UK which accounts for 53% of international sales in urban waste management and treatment; the Czech Republic with 16% from urban waste management and water services; Austria, with 8% from urban waste management and treatment, and the United States with 7% from industrial waste management.

In terms of EBITDA, lower revenues were offset by improved operating margins in all areas with the exception of industrial waste management, thanks to a large extent to the efforts to improve efficiency and contain costs. This resulted in a 0.3 percent increase in the area's operating margin during the year, to 16.9% and a 0.7% increase in EBITDA, which totalled EUR 610.1 million.

Finally, it is important to mention that the new contracts awarded in the environmental services area during the year increased the order book by 5.1% compared to December 2008. At EUR 23,691 million, the orders represent 6.6 times the revenues obtained in 2009.

7.2.2 Waste Recycling Group

	Dec. 09	Dec. 08	Change
Turnover	621.0	657.0	-5.5%
EBITDA	83.7	98.1	-14.7%
EBITDA margin	13.5%	14.9%	-1.5 %
EBIT	(15.4)	(5.5)	180.7%
EBIT margin	-2.5%	-0.8%	-1.6 %

The revenues of WRG were down by 5.5% last year due to the effects of the 10.3% depreciation of sterling against the euro.

In constant currency, WRG's turnover increased by 5.4% compared to the year before, driven by the commencement of waste processing and treatment activities (Allington incinerator and Re3 and Wrexham treatment plants in the second half of 2008) which more than compensated for the effects of the lower volumes processed at landfills.

In terms of EBITDA, the operating margin 1.5% lower than the year before, due primarily to the lower volume of waste processed at landfills. This, along with a EUR 13.5 million one-time provision for sealed landfills, offset the positive impact of the waste processing and treatment activities mentioned above.

7.2.3 Proactiva

Proactiva is the leader in Latin America in urban waste management and water services, with operations in numerous countries in the region (Brazil, Chile, Mexico, Colombia). The group is controlled by FCC (50%) and Veolia Environnement (50%) and is consolidated using the equity method.

In 2009, the group performed well with a 32% increase in turnover to EUR 402.6 million. EBITDA totalled EUR 83.1 million with an operating margin of 20.6%, while the net financial debt at year end was EUR 36.5 million.

7.2.4 Cash Flows

	Dec. 09	Dec. 08	Change
Funds generated	649.0	592.8	9.5%
(Increase) / decrease in working capital	43.4	(208.5)	-120.8%
Other (taxes, dividends...)	(9.7)	(25.2)	-61.5%
Cash flow from operations	682.7	359.1	90.1%
Cash flow from investments	(405.7)	(630.6)	-35.7%
Cash flow from activities	277.0	(271.5)	-202.0%
Cash flow from financing	(267.4)	(302.7)	-11.7%
Other cash flow (changes to consolidation scope...)	(133.2)	284.3	-146.9%
(INCREASE) / DECREASE NET FINANCIAL DEBT	(123.6)	(289.9)	-57.4%

	DEC. 09	DEC. 08	CHANGE (M€)
Net financial debt	4,192.4	4,068.8	123.6
Net financial debt with recourse	3,289.2	3,307.7	(18.5)
Net financial debt without recourse	903.2	761.1	142.1

In the Environmental Services area, cash flow improved considerably with a 90.1% increase over 2008. This was due to a combination of things, including a 9.5% increase in resources generated and the efforts to decrease operating working capital, which was reduced by EUR 43.4 million in 2009 compared to the EUR 208.5 million increase in 2008.

Investment cash flow was also down by 35.7%. This is due to the comparative effects, given the acquisition of Hydrocarbon Recovery Services and International Petroleum in the US in the first quarter of 2008 for EUR 122.4 million.

After deducting the cash flow from financing and other cash flow resulting primarily from interest rate fluctuations, the net financial debt at year end was EUR 4,192.4 million, which was similar to the previous year's figure.

7.3 Versia

7.3.1 Profit/loss

	Dec. 09	Dec. 08	Change
Turnover	820.0	897.4	-8.6%
Domestic	559.6	615.9	-9.1%
International	260.4	281.6	-7.5%
EBITDA	74.6	96.5	-22.7%
EBITDA margin	9.1%	10.7%	-1.6 %
EBIT	(6.6)	(6.1)	8.0%
EBIT margin	-0.8%	-0.7%	-0.1 %

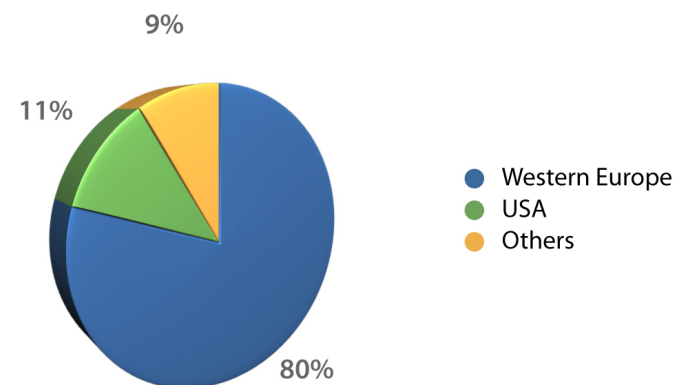
Versia's turnover(other urban services) was down by 8.6% last year due to the impact of the economic slowdown and the reduced demand for urban furniture, logistics and handling services.

Turnover by business line

	DEC. 09	DEC. 08	CHANGE
Logistics	289.6	323.0	-10.3%
Handling	228.1	252.8	-9.8%
Urban furniture	108.1	132.8	-18.6%
Parking	77.2	74.4	3.8%
Conservation and Systems	42.1	49.9	-15.6%
ITV	51.7	46.2	11.7%
SVAT	23.2	22.0	5.2%
TOTAL	820.0	897.4	-8.6%

By geographical area, foreign sales accounted for 32% of the total, with the handling business contributing 72% of revenues and urban furniture contributing 54%.

Breakdown of International Revenue



In terms of EBITDA, the operating margin was down by 1.6 percent, primarily due to a sharp decline in the profitability of the urban furniture business which was negatively affected by the New York contract (24% of total revenues) where the expenses incurred in the deployment phase combined with a sharp decline in the demand for advertising space to produce a negative effect.

In relation to the New York contract, it should be noted that there has been a change in the accounting criterion applied to the amortisation of the operating fee paid at the beginning of the contract over the term of the contract. While it was previously recognised as an expense for the year, it is currently recognised as a fixed asset depreciation provision.

7.2.3 Cash Flows

	Dec. 09	Dec. 08	Change
Funds generated	83.6	99.1	-15.6%
(Increase) / decrease in working capital	17.5	0.3	5733.3%
Other (taxes, dividends...)	12.7	(15.9)	-179.9%
Cash flow from operations	113.8	83.5	36.3%
Cash flow from investments	(42.6)	(43.1)	-1.2%
Cash flow from activities	71.2	40.4	76.2%
Cash flow from financing	(14.7)	(46.9)	-68.7%
Other cash flow (changes to consolidation scope...)	(6.4)	18.0	-135.6%
(INCREASE) / DECREASE NET FINANCIAL DEBT	50.1	11.5	335.7%

	Dec. 09	Dec. 08	Change (M€)
Net financial debt	459.4	509.4	-50.0
Net financial debt with recourse	459.4	509.4	-50.0
Net financial debt without recourse	0.0	0.0	0.0

Operating cash flow evolved positively during the year, increasing by 36.3% despite the decline in the operating resources generated, due once again to the efforts to manage working capital, which was reduced by EUR 17.5 million, along with the payment of income taxes.

The increase in operating cash flow combined with the decrease in financing cash flow allowed the area to reduce net financial debt by 9.8% compared to December 2008, which at year end stood at EUR 459.4.

7.4 Cement

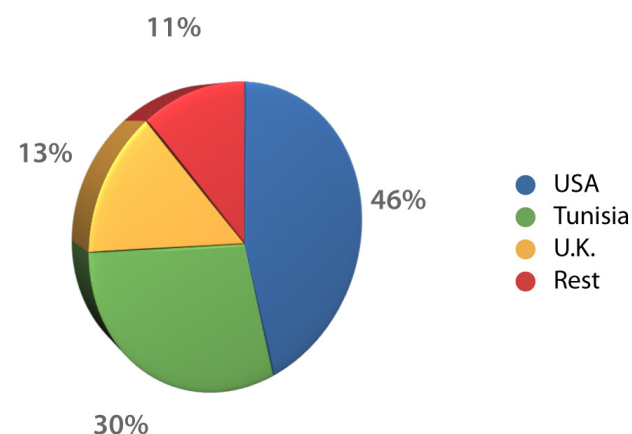
7.4.1 Profit/loss

	Dec. 09	Dec. 08	Change (%)
Turnover	1,035.4	1,425.1	-27.3%
Domestic	740.2	1,085.2	-31.8%
International	295.2	339.9	-13.2%
EBITDA	289.0	417.3	-30.7%
EBITDA margin	27.9%	29.3%	-1.4%
EBIT	128.6	235.6	-45.4%
EBIT margin	12.4%	16.5%	-4.1%

Cement turnover was 27.3% lower than the year before at EUR 1,035.4 million, mostly as a consequence of the decline in the domestic demand for cement because of the sharp decline in residential construction in Spain beginning in early 2007.

International sales, which account for 29% of turnover, were down by 13.2%, to a large extent due to the impact of a sharp decline in the demand for cement in the United States (-30% of revenues) and the depreciation of sterling in the United Kingdom. This was partially offset by a significant increase in exports to third party countries and a slight improvement in sales in Tunisia (2%).

Breakdown of International Revenue



In terms of EBITDA, at 27.9% the operating margin was only 1.4 percent less than the year before despite the economic slowdown, due to a large extent to the reduction of energy costs, cost-saving efforts and efforts to optimise production capacity in the face of new demand conditions.

In this regard, it is noteworthy that in connection with the 2009-2011 cost-saving plan the Group managed to achieve EUR 71 million in recurring cost savings compared to the annual target of EUR 65 million.

7.4.2 Cash Flows

	Dec. 09	Dec. 08	Change (%)
Funds generated	298.9	417.8	-28.5%
(Increase) / decrease in working capital	96.4	10.7	-800.9%
Other (taxes, dividends...)	(35.0)	(68.8)	-49.1%
Cash flow from operations	360.3	359.7	0.2%
Cash flow from investments	(90.7)	(295.7)	-69.3%
Cash flow from activities	269.6	64.0	321.3%
Cash flow from financing	69.7	(242.0)	-128.8%
Other cash flow (changes to consolidation scope...)	3.7	(63.7)	-105.8%
(INCREASE) / DECREASE NET FINANCIAL DEBT	343.0	(241.7)	-241.9%

	Dec. 09	Dec. 08	Change (M€)
Net financial debt	1,419.3	1,762.2	-342.9
Net financial debt with recourse	660.6	1,103.3	-442.7
Net financial debt without recourse	758.7	658.9	99.8

Interestingly, operating cash flow remained stable compared to last year (+0.2%) despite a notable decrease in the operating resources generated, thanks to stepped up efforts to manage working capital which was reduced by EUR 96.4 million during the year.

Cash flow from investments was reduced by 69.3% compared to the year before, primarily due to the fourth quarter 2009 sale of the shares of the consolidated Argentine companies, Cementos Avellaneda and Minus Inversora and the Uruguayan Cementos Artigas for EUR 137 million. In 2009, the work to make the furnaces at the factory in Pennsylvania (USA) more energy-efficient concluded in 2009. These disinvestments were offset to a large extent by the payment of EUR 170.6 million for 8.2 % of Corporación Uniland, a transaction which fulfilled the acquisition obligations assumed in 2006.

Finally, cash flow from financing showed a positive balance of EUR 69.7 million which included EUR 202 million for the capital increase last December.

All of this resulted in a 19.5% reduction of the net financial debt compared to December 2008, which at year end stood at 1,419.3 million. In this regard, it should be noted that EUR 140 million of the investment in the capital increase was provided by the parent of the FCC Group which, following the capital increase, controls 69.6% of Cementos Portland Valderrivas. That amount did not affect the consolidate net financial debt of the FCC Group.

7.5 Energy

The Energy Area is presented as an independent business segment this year following the acquisitions in the second half of 2008 which culminated with the purchase of the wind power assets in January 2009. Hence, no comparative figures for the year before are available.

7.5.1 Profit/loss

	Dec. 09
Turnover	81.9
EBITDA	65.8
EBITDA margin	80.3%
EBIT	23.2
EBIT margin	28.3%

This business area had EUR 81.9 million in turnover, EUR 67.1 million of which (82%) came from the sale of wind power, with an installed production capacity of 422 MW and a usage rate for the year of 22.3%. The rest (EUR 14.9 million) came from photovoltaic solar power, with an installed capacity of 20 MW and a usage rate for the year of 17.2%.



7.5.2 Cash Flows

	Dec. 09
Funds generated	65.8
(Increase) / decrease in working capital	11.8
Other (taxes, dividends...)	(5.9)
Cash flow from operations	71.7
Cash flow from investments	(217.7)
Cash flow from activities	(146.0)
Cash flow from financing	(29.7)
Other cash flow (changes to consolidation scope...)	(576.4)
(INCREASE) / DECREASE NET FINANCIAL DEBT	(752.1)

	Dec. 09	Dec. 08	Change (M€)
Net financial debt	905.4	153.3	752.1
Net financial debt with recourse	355.1	33.8	321.3
Net financial debt without recourse	550.3	119.5	430.8

The investments and changes under Other Cash Flows (translation differences, changes in the consolidation scope) refer to the inclusion of 14 wind farms in the balance sheet at the beginning of the year.

Finally, 60.8% of the area's financial debt is associated with project financing without recourse.

7.6 Torre Picasso

7.6.1 Profit/loss

	Dec. 09	Dec. 08	Change
Turnover	26.1	26.2	-0.2%
EBITDA	22.7	21.4	6.2%
EBITDA margin	86.9%	81.7%	5.2 %
EBIT	18.9	17.8	5.9%
EBIT margin	72.2%	68.1%	4.1%

The revenues generated by Torre Picasso remained practically unchanged compared to the year before in terms of both occupancy rates, which are close to 100%, and average rent prices.

In terms of EBITDA, the operating margin was up by 5.2 percentage points over the previous year, to 86.9%, due to the comparative effect caused by the application of a long-term provision for risks and expenses in the fourth quarter of 2008.

08 _ ACQUISITION OF TREASURY SHARES

At the end of 2009, Fomento de Construcciones y Contratas, S.A. held 3,182,582 shares of treasury stock representing 2.50% of the share capital valued at EUR 89,631 thousand.

At year-end, Asesoría Financiera y de Gestión, S.A. (Afigesa), a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A. possessed 6,131,961 shares of Fomento de Construcciones y Contratas, S.A., which represented 4.8% of the registered share capital with a net carrying value of EUR 181,251 thousand. These shares are considered shares of the parent company pursuant to the terms of article 87 of the Revised Text of the Spanish Companies Act.

According to article 79, part 4 of the Spanish Companies Act, the changes in the number of shares held during the year are detailed below.

	FCC, S.A.	Asesoría Financiera y de Gestión, S.A.	FCC Group
At 31 December 2008	—	2,682,260	2,682,260
Intragroup purchases and sales	3,182,582	(3,182,582)	—
Purchases or additions	—	9,450,350	9,450,350
Sales or disposals	—	(2,818,067)	(2,818,067)
At 31 December 2009	3,182,582	6,131,961	9,314,543

09 _ RESEARCH AND DEVELOPMENT

The FCC Group is an active participant in research, development and technological innovation activities. The Group's R&D+i activities extend to those aspects which are directly or indirectly related to the Group's business activities. The Group's activities in this regard during the fiscal year in question were intended to make environmental protection compatible with sustainable growth.

In the **Environmental Services** area, work continued on various research projects that had commenced years before. In **waste elimination**, progress was made in the following fields:

- alternative fuels obtained from waste
- optimisation of the composting process in a waste treatment plant and the implications for agronomic applications
- optimisation of treatment processes based on the anaerobic digestion of urban waste

New projects were also undertaken in different fields of research. As far as new machinery was concerned, work continued on three projects related to urban sanitation vehicles:

- Design and creation of a new 10 m3 bilateral side-loading collecting-compacting vehicle (with automatic loading on both sides) operated by compressed natural gas (CNG) with a 2.2 m wide chassis and an 18 tn capacity.
- Design and creation of a new 15 m3 cistern vehicle operated by compressed natural gas (CNG) with a 2.3 m wide chassis.
- Design and creation of a new collecting-compacting vehicle with a low forward cab for easy access which does not impact the total body length.

In the field of **waste treatment** the following projects were undertaken:

- Bio+ Project: Optimisation of the eco-efficiency of the urban waste treatment process
- Mobile unit for manufacturing fuel from waste derivatives
- Hot air tunnels to accelerate anaerobic digestion and hence the entire process.

In the industrial **waste area**, the research work concluded on the REMOVALS project intended to reduce the quantity and toxicity of the residual sludge produced by urban wastewater treatment plants.

The projects carried out in relation to the **water business** encompass a wide range of fields:

- Development of computer applications intended to simulate the impact of hypothetical rate changes and to adapt the tools currently used to manage complex commercial business systems, etc.
- The HYBACS Project which develops new technologies to adapt WWTPs to new quality requirements while reducing costs.
- Ceramic membranes for desalination pretreatment
- Development of reusable membrane bioreactors
- Sustainable elimination of nitrogen from wastewater
- Sustainable utilisation of organic waste at treatment plants



The **Urban Furniture** section of **Versia** has undertaken the development of a series of technologies for incorporation into passenger and cargo vehicles in city settings with low or no emissions and advanced conditions of accessibility and communication with clients. To this end, a multidisciplinary consortium of companies, associations and research groups has been created to work on the TEC-MUSA Project (Technologies for Sustainable and Accessible Urban Mobility). The relevant milestones achieved by the consortium in 2009 included:

- Formation of the consortium with the following businesses, associations, universities and research groups as members: UPM, Alsa-Remsa, Avia, Azkar, Boyacá, Castrosua, Cemusa, Citet, EMT, Endesa, Etra, FCC Medio Ambiente, Iveco, Saft, Seur, Siemens
- Definition of the consortium's main project and subprojects
- Definition of resources
- Application by the consortium for a grant for Unique and Strategic Projects by the National Public-Private Cooperation Programme as part of the Instrumental Line of System Organisation and Internationalisation, in turn part of the 2008-2011 National Scientific Research, Development and Technological Innovation Plan (Order CIN/1657/2009 of 15 June)
- Favourable assessment by the Ministry and proposal for the concession of grants in 2009 and 2010.
- Launching of subprojects

Work also continued on the projects undertaken in prior years, including: EPISOL (Electrical Vehicle Powered by Fuel Cell and Solar Energy) project to develop a light urban vehicle featuring hybrid electric propulsion which, in the first phase, will be equipped with a heat engine and, in a subsequent phase, will have a highly-efficient and low-cost fuel cell, using solar power in both cases. Each model of the vehicle has a system that enables it to be connected to the electricity mains in order to recharge the battery. Thus, at the start of each journey the batteries are fully charged and the demands placed on the heat engine and/or fuel cell are greatly reduced. Cemusa is working on this project in conjunction with INSIA (University Institute for Automotive Research of the Universidad Politécnica de Madrid) and IAI (the Industrial Automation Institute of the Spanish Higher Council for Scientific Research (CSIC)). The project is broken down into the following phases:

- PHASE 1. Bi-hybrid vehicles, standard configuration with MEP engine (gasoline combustion engine) + solar power: the thermal engine activates a generator that charges the batteries which supply power to the electric engine in charge of transmitting power to the drive shaft. Solar panels are included as an additional energy source and regenerative brake.

- PHASE 2. Tri-hybrid vehicle, standard configuration: in this model, the vehicle has a thermal engine (MEP) and generator plus a hydrogen fuel cell that keeps the batteries charged, meaning that the thermal engine needs to be started less frequently. This model also includes the solar panels as an additional energy source and the regenerative brake.
- PHASE 3. Tri-hybrid vehicle, standard configuration: in this model, the MEP engine is replaced with a H2 (hydrogen) combustion engine. The rest of the components and functions remain that same as in phase 2.
- PHASE 4. Bi-hybrid vehicle, standard configuration: in the final version of this vehicle, the H2 combustion engine is eliminated and the fuel cell is replaced with a more powerful one. The fuel cell provides power to the batteries and the electric traction engine. This model also includes the solar panels as an additional energy source and the regenerative brake.

In 2009, Phase 2 had been completed and tests were being conducted to improve the power control system. The vehicle was presented at the Sustainability Week held in Rivas Vaciamadrid.

C-CYCLES: Development of an unattended bicycle hire system. The system functions with smart cards and features payment by credit card. Internet connection. The project responds to the need for sustainable urban mobility promoting multi-modal transport. Work is ongoing on other features: power bikes, solar energy.

LED ILLUMINATION PROJECTS: The LED illumination projects which aim to reduce energy consumption and, therefore, greenhouse gas emissions. Parallel to the LED illumination projects, studies are being performed relating to the reduction of light pollution. Tests were concluded on different types of urban furniture: Oppi, Poste bus and systems are ready for production and consume just 28% of the energy used by fluorescent bulbs.

PHOTOVOLTAIC SOLAR ENERGY PROJECTS: Development of a photovoltaic solar power system that includes the development of a solar PV system which, together with illumination using LEDs, will allow greenhouse gas emissions to be reduced to zero and in certain cases to reduce network connection costs. The following work was completed in 2009:

- Development of a new, highly efficient electronic control mechanism to switch between network and solar power. This technology charges the cell 20% more. The system must be capable of prolonging battery life as much as possible.
- Conclusion of Poste bus
- Development of solar panels for installation in bus stop hoardings.

Research continues into flexible cells with the idea of making the system more efficient.

DIGITAL ADVERTISING PROJECTS: The aim is to implement a digital advertising system incorporating LCD screens and the technology required for them to be viewed properly outdoors. Must be equipped with an effective heat evacuation system. The rear and sides of 8 news-stands in the city of New York have been digitalised.

FCC Construcción, S.A. and its subsidiaries, aware of just how important activities of this kind are to maintaining a competitive edge in the market and to continuously improving the quality of their work, have implemented policies that actively promote research, development and technological innovation.

In keeping with this, FCC Construcción, S.A. participates in the European Construction Technology Platform, the E2B Association (Energy Efficient Buildings) and the Spanish Construction Technology Platform. The aim of these organisations is to bring research centres, universities and industry together to work side-by-side on research, development and technological innovation projects.

Noteworthy among the projects carried out in 2009 are the following:

On the one hand, the projects carried launched in previous years were continued, such as the TUNCONSTRUC project for the optimisation of underground construction: the MANUBUILD project for the industrialisation of construction; the ARFRISOL project which focuses on the development of bioclimatic architecture and solar energy; the HATCONS project which studies various aspects of underground construction work, such as high-performance concretes and the interaction between machines, facings and land; the SUBMERGED TUNNELS project for submerged tunnels in seismic zones; the OLIN project for the study, testing and justification of the extension of the soil to be used in embankments and the formation of E3 esplanades with soil treated only with lime; the URBAN TUNNELS project which aims to develop an integrated model for the design and study of tunnels in urban areas; and the CONTINUOUS WALL project for the development of continuous elements made from slipformed concrete reinforced with structural fibre.

A new project was undertaken in 2009: the SUSTAINABLE BUILDING RENOVATION project.

The **Cementos Portland Valderrivas Group** has established a series of strategies to mitigate the effects of the crisis in the cement sector that began last year. These strategies consist of fostering research into new cements with higher added value and /or new markets. In 2009, the Group's R+D+i Department developed nine different highly specialised cements. While the markets for these cements are smaller than conventional ones, they offer higher added value, new markets and export possibilities. This area also designed and prepared the first benchmarking report for all of our cement factories. This was the beginning of an ongoing process intended to analyse certain technical and administrative aspects of our company.

As a consequence of these efforts and with the technical support of the Engineering Department, significant energy savings have been obtained. One example is the factory in Tunisia, where 93% of fuel oil has been replaced by coke.

10 _ FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Financial risk refers to changes in the value of financial instruments contracted by the Group due to political, market and other factors, and the effect of such changes on the consolidated balance sheet. The FCC Group's risk management philosophy is consistent with its business strategy, as it strives for maximum solvency and efficiency at all times. In that regard, the Group has set out stringent financial risk management and control criteria for identifying, measuring, analysing and controlling the risks faced in the course of FCC's operations. This risk policy is correctly integrated into the Group's organisational structure. In keeping with the risk control policy, hedging operations contracted by the FCC Group are not speculative but rather aim to cover the risk associated with each transaction.

The fluctuations and volatility of the money markets give rise to interest rate changes that entail variations in the finance charges related to the Group's debt. In order to ensure a position that is in the FCC Group's best interest, an interest-rate risk management policy is actively implemented. Given the nature of the Group's activities, closely linked to inflation, its financial policy consists of ensuring that both its current financial assets, which to a large extent provide natural hedging for its current financial liabilities, and the Group's debt are partially tied to floating interest rates. Even so, the FCC Group performed interest rate hedging transactions, ending the year with various hedging instruments of varying maturities. Complying with the policy of classifying original instruments as hedges, the FCC Group has arranged interest rate hedges, mainly swaps (IRSs) in which the Group companies pay a fixed rate and receive a floating rate.

A noteworthy consequence of the FCC Group's positioning in international markets is the exposure resulting from net positions in foreign currencies against the euro or in one foreign currency against another when the investment and financing of an activity cannot be made in the same currency. The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and purely equity-related changes. The FCC Group therefore manages the effect that foreign currency risk can have on the balance sheet and the income statement.

The Group actively manages its foreign currency risk by arranging financial transactions in the same currency as that in which the related asset is denominated, i.e. efforts are made, at all times, to obtain in local currency the financing required for the local activity of the company in the country of origin of the investment, with a view to creating a natural hedge or a matching of the cash flows to the financing. However, there are occasions when, due to the weakness of the currency of the country of origin of the investment, this is not possible because long-term financing cannot be obtained in that currency. In this case, financing will be obtained either in the currency of the consolidated group or in the most closely correlated foreign currency.

The FCC Group is present in various markets in order to facilitate the obtainment of financing and to mitigate liquidity risk. Despite the adverse situation that affected the financial markets throughout 2009, the FCC Group has remained extremely well positioned and has anticipated



any potential adversity by paying close attention to the evolution of the factors that may help to resolve liquidity difficulties in the future and to the various sources of financing and their characteristics.

11 _ OUTLOOK FOR 2010

Set forth below are the prospects for 2010 for the various lines of business composing the FCC Group. The construction and services backlog at 2009 year-end, which amounted to EUR 34,748.4 million, guarantees the continuation of a high level of activity over the coming years.

In the **Services Area** and more specifically in the **Environmental Sector**, despite the current situation of stagnant activity, the Group expects slight growth compared to 2009 and maintenance of the margin which will allow it to retain the significant market share it now controls, with reduced investments. The goal is to continue growing in the field of solid urban waste disposal and treatment with new technological developments and more highly advanced facilities.

The priority in the **international arena** is to continue growing the business in Central and Eastern European countries through the ASA Group which specialises in comprehensive waste management and processing services. The acquisition process begun in 2008, primarily in Bulgaria, Poland and Hungary, continued in 2009. The incinerator plant in Zisterdorf, Austria, with the ability to process 130,000 tonnes/year became operational in 2009. In the UK, where the Group had already been active in the collection and cleaning industry through Focsa Services UK since 1989, the FCC Group became one of the leading operators in the industry after the acquisition of WRG in 2006. This marked the beginning of an important phase of presenting bids for PFI projects, several of which had been awarded to the Group in prior years. Further contracts of this kind are expected to be obtained in the course of 2010. The Allington incinerator has overcome the technical problems with the turbine and output is now up to the initially forecast levels. In 2009, the Group implemented a very strict cost reduction policy which had a significant effect on the income statement. This policy will continue into 2010.

In the **Industrial Waste sector**, based on the evolution of the market in recent months, all indications are that business will be improving for Hydrocarbon Recovery Services Inc. and International Petroleum Corp. in the US in the coming months. Work will begin on four important contracts in 2010: soil decontamination work at the Flix reservoir, remediation of contaminated soil in Syracuse (Italy), treatment of used tyres on the Canary Islands and reutilisation of steel and metal waste for Arcelor-Mittal in Guipúzcoa, which means that a marked increase in production is expected. The recovery of raw material prices will help, although no significant increase in the volume of materials processed is expected in the domestic market until the middle of the year.

In the **Water sector**, Aqualia continues to be the leading full-service water operator in the Spanish market. At the same time, Aqualia has continued to reinforce its international presence

through a geographical diversification strategy that was first implemented four years ago. Throughout 2009, the Company was awarded a number of lucrative international contracts, including one for the construction of an aqueduct and water supply system in San Luís de Potosí (Mexico) and another for the construction and operation of a treatment plant with a capacity of 250,000m³/day in Cairo (Egypt). Another notable international achievement was the agreement reached with the European Bank for Reconstruction and Development (EBRD) to form a joint investment vehicle with Aqualia in order to bid on projects related to the water cycle in countries falling within the catchment area of the EBRD and to jointly study potential investments in the companies that currently manage the water systems in those countries.

On the domestic front, there were new contracts as well as contract renewals and extensions, some of the most notable of which include:

- Renewal of full-service water management agreement for Serena
- Renewal of full-service water management agreement for Pinar de Alba (Alba de Tormes)
- Renewal of full-service water management agreement for Valdés (Luarca)
- Contract for the expansion and operation of a water treatment plant in San Antonio and Ibiza (Balearic Islands)
- Full-service water management agreement for Agua de Bollullos La Par del Condado (Huelva)
- Full-service water management agreement for Lepe (Huelva)
- Extension of full-service water agreement for Llanera
- Full-service water management agreement for Sant Jaume Domenys (Tarragona)
- Contract to manage water treatment plants in Bajo Nalón and Cudillero (Asturias)
- Contract to manage sewer system for Louro (Pontevedra)
- Contract to supply drinking water to Monterroso (Lugo)
- Contract to manage the water networks for the Bilbao Water Consortium (Vizcaya)
- Full-service water management contract for La Bisbal del Penedés (Tarragona)
- Full-service water management agreement for Albinyana (Tarragona)

As part of its diversification policy, Aqualia has entered into an agreement to build and operate a swimming pool in Llanera (Asturias), to manage a swimming pool in Moaña (Pontevedra), to manage indoor swimming pools in Lugo and to build and operate a swimming pool in Villena (Alicante).

At the beginning of 2010, the order book for the Service Area totalled EUR 23,691 million which is equivalent to more than six and a half years of production.

Versia expects moderate growth in 2010 sustained by the sectors that have been most seriously affected by the economic crisis and most sensitive to the decline in consumer spending (Logistics, Urban Furniture, Airport Handling). Thanks to the efforts last year to adjust operating costs to the new reality, profit margins are expected to improve this year. In addition, the containment of investments combined with more effective management of working capital will help to reduce net financial debt.

As far as the sectors included within the scope of this business area, in the **Logistics** sector the group will begin providing border patrol services at the Port of Valencia. The reorganisation efforts, particularly of the transport business, will have a positive effect on results. In **urban furniture**, the plan of action will be based on analysing opportunities in previously unexplored commercial areas to find new sources of business, developing new alternative materials and optimising operating costs in order to improve economic and financing standing. **Airport handling** will increase profit margins thanks to price revisions and the agreements reached with syndicates which call for certain salary freezing clauses in collective agreements, in addition to the use of platforms that reduce the need for human resources.

In the **Construction** area, revenues in 2010 are expected to be similar to 2009 levels. In the domestic market, residential construction is expected to remain flat due to the weakness of the real estate market which is offset by civil engineering work.

Internationally, revenues in 2010 are expected to be similar to the levels seen in 2009 thanks not only to the operations of the Alpine group of companies which is based in Austria and operates in numerous Eastern European countries, but also to operations in the American market, where the Group operates through investees with local offices in Central America and Mexico.

At the beginning of 2010, the order book for the Construction area totalled EUR 10,856 million which is equivalent to more than eighteen months of production.

The outlook for the **Cement area** for 2010 is based on the assumption that sales will evolve favourably as the recovery takes hold in the US, while in Spain the recovery will not take place until the second half of the year.

Sales in the second half of 2009 were clearly weak and the weak sales are expected to continue during the first half of 2010. The stabilisation of markets will also serve to stabilise prices. An important part of the recovery will depend on the government stimulus plans to be rolled out in 2010.

The leading economic and financial agents estimate that interest rates in the euro zone and the United States will remain stable, with inflation staying below 2% in keeping with the recommendation of the European Central Bank. Inflation rates will depend on the price of oil which could affect the energy component of the consumer price index. The world recovery

which began in the second half of 2009 will be slower in some areas of the world than in others, depending on the state of each country's economy. Forecasts call for a 4% increase in world production which may be higher in emerging countries favoured by dynamic internal demand.

In Spain, the government's macroeconomic forecasts call for the economy to stabilise with negative growth of at least 0.3%, while others believe that the economy could contract by more than half a point. Once again, recovery will depend on public investment, its composition and the percentage of work done compared to the amount of work tendered. The budget figures on public investment in infrastructures call for a 4.2% reduction, while the estimates for the US market are positive following the economic recovery which commenced in the second half of 2009. Growth in the Maghreb region will continue to be positive, albeit with less infrastructure investment due to the international financial crisis.

The Cementos Portland Valderrivas Group will maintain the cost reduction policy devised in the Plan 10 and will continue focusing its efforts on the generation of funds. With the transformation of the Keystone plant (Pennsylvania) now complete, all of the US plants have been renovated which means that not as many investment resources will be needed in 2010, although the Group will continue to invest in the development of energy recovery and power generation.

In 2010, the **recently created Energy area** expects to consolidate its wind and solar power business and to undertake new thermosolar and energy efficiency activities. This area will also be analysing opportunities for growth in the renewable energy sector as they arise, either by taking part in new projects or by presenting bids for new power contracts in Spain, Eastern European EU member countries and the United States. All of these geographical areas have two common denominators: they offer the legal safeguards necessary to commit to medium term investments and their governments have expressed a political will to promote the development of renewal energies.



AUDIT REPORT

CONSOLIDATED GROUP



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Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Fomento de Construcciones y Contratas, S.A.:

1. We have audited the consolidated financial statements of Fomento de Construcciones y Contratas, S.A. and Subsidiaries comprising the consolidated balance sheet at 31 December 2009 and the related consolidated income statement, consolidated statement of cash flows, consolidated statement of recognised income and expense, consolidated statement of changes in equity and notes to the consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Parent's directors. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made. Our work did not include an examination of the 2009 financial statements of certain subsidiaries and associates, whose aggregate assets, revenue and net profit, in absolute terms, represent 28%, 28% and 25%, respectively, of the related consolidated totals. The financial statements of these companies were audited by other auditors (see Appendices I, II and III to the notes to the consolidated financial statements). Our opinion as expressed in this report on the consolidated financial statements of Fomento de Construcciones y Contratas, S.A. and Subsidiaries is based, with respect to these companies, on the reports of the other auditors.
2. As required by Spanish corporate and commercial law, for comparison purposes the Parent's directors present, in addition to the consolidated figures for 2009 for each item in the consolidated balance sheet, consolidated income statement, consolidated statement of cash flows, consolidated statement of recognised income and expense, consolidated statement of changes in equity and notes to the consolidated financial statements, the figures for 2008. Our opinion refers only to the consolidated financial statements for 2009. On 25 February 2009, we issued our auditors' report on the 2008 consolidated financial statements, in which we expressed an unqualified opinion.
3. In our opinion, based on our audit and on the reports of the other auditors mentioned in paragraph 1 above, the accompanying consolidated financial statements for 2009 present fairly, in all material respects, the consolidated equity and financial position of Fomento de Construcciones y Contratas, S.A. and Subsidiaries at 31 December 2009 and the consolidated results of their operations, the changes in the recognised income and expense and their consolidated cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with International Financial Reporting Standards as adopted by the European Union applied on a basis consistent with that used in the preparation of the consolidated financial statements for the preceding year, which are presented for comparison purposes.
4. The accompanying consolidated directors' report for 2009 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2009. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Fomento de Construcciones y Contratas, S.A. and Subsidiaries.

DELOITTE, S.L.
Registered in ROAC under no. S0692


Miguel Laserna Niño
25 February 2010

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Member of Deloitte Touche Tohmatsu



FINANCIAL STATEMENTS

FOMENTO DE CONSTRUCCIONES Y CONTRATAS S.A.

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BALANCE SHEET

Fomento de Construcciones y Contratas S.A.

ASSETS	31-12-2009	31-12-2008
NON-CURRENT ASSETS	4,285,179	3,466,161
Intangible assets (Note 5)	26,604	27,212
Concessions	7,468	7,882
Computer software	11,358	12,000
Total intangible assets	7,778	7,330
Tangible assets (Note 6)	537,512	459,676
Land and buildings	69,656	57,026
Plant and machinery	405,950	340,325
Work in progress and advance payments	61,906	62,325
Investment properties (Note 7)	230,512	232,032
Non-current investments in group companies and associates (Note 10.a)	3,342,122	2,624,092
Equity instruments	1,993,416	1,336,054
Loans to companies	1,348,706	1,288,038
Non-current financial investments (Note 9.a)	76,250	55,467
Equity instruments	7,328	7,328
Loans to third parties	24,974	34,070
Derivatives (Note 12)	37,048	7,409
Other financial assets	6,900	6,660
Deferred tax assets (Note 18)	68,296	63,342
Deferred financial expenses for concession financing	3,883	4,340

CURRENT ASSETS	2,614,542	2,152,351
Inventories	6,146	7,135
Raw materials and other supplies	5,803	6,853
Prepayments to suppliers	343	282
Trade and other receivables	756,797	724,547
Trade debtors for sales and services rendered (Note 11)	645,416	592,244
Clients, group and associated companies (Note 21)	71,465	75,880
Sundry debtors	7,831	10,095
Personnel	1,471	4,148
Current tax assets (Note 18)	23,530	35,121
Other tax credits (Note 18)	7,084	7,059
Current investments in group companies and associates	1,772,712	1,268,459
Loans to associates (Note 10.b)	1,767,533	1,262,363
Other financial assets	5,179	6,096
Current financial investments (Note 9.a)	30,866	72,841
Loans to companies	20,510	6,159
Debt securities	5,643	4,875
Other financial assets	4,713	61,807
Current accruals and deferred income	1,827	1,800
Cash and banks	46,194	77,569
TOTAL ASSETS	6,899,721	5,618,512

Notes 1 to 23 and the enclosed Schedules I to IV are an integral part of the financial statements, along with which they form the annual accounts for fiscal year 2009.

At 31 DECEMBER 2009 (thousands of euros)

LIABILITIES	31-12-2009		31-12-2008
SHAREHOLDERS' EQUITY(NOTE 13)	1,253,585		1,233,547
Capital and reserves	1,272,707		1,257,226
Capital	127,303		127,303
Registered capital	127,303		127,303
Share premium account	242,133		242,133
Reserves	790,355		644,817
Legal and statutory reserves	26,114		26,114
Other reserves	764,241		618,703
Treasury stock	(89,130)		-
Profit and loss (profit)	254,878		342,906
Interim dividend	(88,746)		(99,933)
Other equity instruments	35,914		-
Value adjustments	(21,724)		(26,540)
Available-for-sale financial assets	5,991		5,991
Hedging transactions	(27,715)		(32,531)
Grants, donations and bequests received	2,602		2,861
NON-CURRENT LIABILITIES	4,552,262		3,134,300
Non-current provisions (Note 15)	207,927		207,546
Provisions for liabilities	119,428		119,690
Other provisions	88,499		87,856
Non-current payables (Note 16)	4,215,095		2,869,007
Debentures and other marketable securities	421,213		-
Bank loans and overdrafts	3,683,390		2,789,700
Lease liabilities	27,491		3,479
Derivatives (Note 12)	75,897		68,981
Other financial liabilities	7,104		6,847
Deferred tax liabilities (Note 18)	129,240		57,747

CURRENT LIABILITIES		1,093,874	1,250,665
Current provisions		1,316	777
Current payables (Note 16)		283,646	293,145
Bank loans and overdrafts	135,310		114,552
Lease liabilities	36,412		27,115
Other financial liabilities	111,924		151,478
Current payables to group companies and associates (Note 10.c)		464,564	651,062
Trade and other accounts payable		343,977	305,156
Suppliers	107,928		109,230
Suppliers, group and associated companies (Note 21)	15,540		20,994
Sundry payables	109,154		63,305
Accrued wages and salaries	35,398		33,756
Other taxes payable (Note 18)	45,005		44,407
Advances from clients (Note 11)	30,952		33,464
Current accruals and deferred income		371	525
TOTAL LIABILITIES		6,899,721	5,618,512

Notes 1 to 23 and the enclosed Schedules I to IV are an integral part of the financial statements, along with which they form the annual accounts for fiscal year 2009.



PROFIT AND LOSS ACCOUNT

At 31 DECEMBER 2009 (thousands of euros)

	31-12-2009	31-12-2008
CONTINUING OPERATIONS		
Net turnover (Note 20)	1,557,944	1,540,314
Sales of goods and services	1,296,802	1,241,092
Dividends from shares in group companies and associates (Notes 20 and 21)	176,448	216,127
Financial income from marketable securities and other financial instruments in group companies and associates (Note 10)	84,694	83,095
Own work capitalised	1,914	2,816
Raw materials and consumables	(197,633)	(192,541)
Consumption goods purchased for resale	(1,039)	(1,876)
Consumption of raw materials and other consumables	(100,666)	(111,015)
Subcontracted work	(95,928)	(79,650)
Other operating revenue	77,528	101,560
Ancillary and other income	75,769	101,223
Operating grants released to income during the year	1,759	337
Staff costs	(788,543)	(757,432)
Wages, salaries and similar remuneration	(600,232)	(572,512)
Staff welfare expenses	(188,311)	(184,920)
Other operating charges	(192,027)	(185,124)
External services	(167,804)	(168,521)
Taxes	(7,742)	(6,677)
Losses, impairment and changes in trade provisions	(1,924)	(428)
Other expenses	(14,557)	(9,498)
Fixed asset depreciation (Notes 5, 6 and 7)	(83,912)	(71,278)
Release of non-financial fixed asset grants and others (Note 13.h)	355	386
Excess provisions (Note 15)	23,120	32,602
Impairment and profit/ loss on fixed asset disposals	(1,616)	(236)
Losses on disposals and other	(1,616)	(236)

OPERATING RESULTS	397,130	471,067
Finance income	6,286	19,300
From marketable securities and other third party financial instruments	6,286	19,300
Finance expense	(117,040)	(183,171)
Payables to group companies and associates (Note 21)	(8,794)	(19,044)
Payable to third parties	(103,946)	(160,400)
Restatement of provisions	(4,300)	(3,727)
Change in fair value of financial instruments (Note 12)	9,421	(19,602)
Securities portfolio and other	9,421	(19,602)
Exchange differences	(7,268)	47,021
Impairment and losses on disposal of financial instruments	(8,025)	43,197
Impairment and losses (Note 9.a)	(19,282)	7,248
Profit (loss) on disposals and other (Note 10.a)	11,257	35,949
FINANCIAL INCOME AND EXPENSE	(116,626)	(93,255)
PROFIT/LOSS BEFORE INCOME TAX	280,504	377,812
CORPORATE INCOME TAX (NOTE 18)	(25,626)	(34,906)
PROFIT/LOSS FOR YEAR FROM CONTINUING OPERATIONS	254,878	342,906
PROFIT/LOSS FOR THE YEAR	254,878	342,906

Notes 1 to 23 and the enclosed Schedules I to IV are an integral part of the financial statements, along with which they form the annual accounts for fiscal year 2009.



STATEMENT OF CHANGE IN EQUITY:

A) Statement of recognised income and expenses at 31 december 2009 (thousands of euros)

	31-12-2009	31-12-2008
PROFIT/ LOSS FOR THE YEAR	254,878	342,906
Income and expense recognised directly in equity		
Available-for-sale financial assets	-	1,283
Cash-flow hedges	(13,976)	(38,264)
Grants, donations and bequests received	-	333
Tax effect	4,193	10,459
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	(9,783)	(26,189)
Transfers to the profit and loss account		
Cash-flow hedges	20,856	(2,568)
Grants, donations and bequests received	(355)	(386)
Tax effect	(6,161)	870
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT	14,340	(2,084)
TOTAL RECOGNISED INCOME AND EXPENSE	259,435	314,633

B) STATEMENT OF CHANGE IN EQUITY

at 31 december 2009 (thousands of euros)

	Share capital (Note 13.a)	Share premium account (Note 13.b)	Reserves (Note 13.c and d)	Treasury stock (Note 13.e)	Profit (loss) for the year	Interim dividend (Note 3)	Other equity instruments (Note 13.f)	Value adjustments (Note 13.g)	Grants (Note 13.h)	EquityNet
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2007	130,567	242,133	533,749	(8,156)	504,882	(138,654)		1,780	2,814	1,269,115
TOTAL INCOME/EXPENSE FOR THE YEAR					342,906			(28,320)	47	314,633
OPERATIONS WITH SHAREHOLDERS OR OWNERS	(3,264)		111,068	8,156	(504,882)	38,721				(350,201)
Capital increase (decreases)	(3,264)		(119,582)	8,156						(114,690)
Dividend payment			230,650		(504,882)	38,721				(235,511)
SHAREHOLDERS' EQUITY AT 31.12.08	127,303	242,133	644,817		342,906	(99,933)		(26,540)	2,861	1,233,547
TOTAL INCOME/EXPENSE FOR THE YEAR					254,878			4,816	(259)	259,435
OPERATIONS WITH SHAREHOLDERS OR OWNERS			145,538	(89,130)	(342,906)	11,187				(275,311)
Dividend payment			145,538		(342,906)	11,187				(186,181)
Trading in treasury shares (net)				(89,130)						(89,130)
OTHER MOVEMENTS IN EQUITY							35,914			35,914
Convertible bond issue							35,914			35,914
SHAREHOLDERS' EQUITY AT 31 DECEMBER 09	127,303	242,133	790,355	(89,130)	254,878	(88,746)	35,914	(21,724)	2,602	1,253,585

Notes 1 to 23 and the enclosed Schedules I to IV are an integral part of the financial statements, along with which they form the annual accounts for fiscal year 2009. In particular, note 13, "equity" further develops this statement.

CASH FLOW STATEMENT

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. At 31 December 2009 (thousands of euros)

	31-12-2009	31-12-2008
PROFIT/ LOSS FOR THE YEAR BEFORE TAX	280,504	377,812
Adjustments to profit (loss)	(61,959)	(155,351)
Fixed asset depreciation	83,912	71,278
Value adjustments for impairment	19,282	(7,248)
Change in provisions	(2,616)	(20,511)
Release of grants	(355)	(386)
Profit/ loss on write-offs and disposals of fixed assets	1,616	236
Profit/ loss on write-offs and disposals of financial instruments	(11,257)	(35,949)
Finance income	(267,428)	(318,523)
Finance expense	117,040	183,171
Exchange differences	7,268	(47,021)
Change in fair value of financial instruments	(9,421)	19,602
Changes in working capital	(35,115)	(108,531)
Inventories	989	(1,052)
Debtors and other receivables	(51,449)	(137,925)
Other current assets	(27)	993
Creditors and other payables	27,149	25,614
Other current liabilities	(11,777)	3,839
Other cash flows from operating activities	140,819	98,695
Payment of interest	(111,397)	(160,149)
Collection of dividends	177,506	214,051
Collection of interest	86,602	45,236
Collection (payment) income tax	(11,892)	5,035
Other collections/payments	-	(5,478)
TOTAL CASH FLOWS FROM OPERATIONS	324,249	212,625

Amounts paid on investments	(1,462,242)	(942,376)
Group companies and associates	(719,458)	(53,979)
Intangible fixed assets	(4,109)	(11,966)
Property, plant and equipment	(168,070)	(111,244)
Investment properties	(2,223)	(1,909)
Other financial assets	(568,382)	(762,858)
Other assets	-	(420)
Amounts collected from divestments	93,160	199,940
Group companies and associates	11,154	192,750
Intangible fixed assets	5	133
Property, plant and equipment	12,424	1,282
Other financial assets	69,577	5,775
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	(1,369,082)	(742,436)
Collections and payments equity instruments	(53,216)	(114,356)
Issue of equity instruments	35,914	-
Acquisition of own equity instruments	(89,130)	(114,690)
Grants, donations and bequests received	-	334
Collections and payments financial liability instruments	1,261,764	933,757
Issue:		
Debentures and other marketable securities	421,213	-
Bank loans and overdrafts	1,203,825	1,361,778
Amounts owed to Group companies and associates	192	19,239
Other creditors	-	16,205
Return and redemption of:		
Bank loans and overdrafts	(255,702)	(456,971)
Amounts owed to Group companies and associates	(102,664)	(6,025)
Other creditors	(5,100)	(469)
Dividend payments and returns on other equity instruments	(195,090)	(274,232)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	1,013,458	545,169
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS	(31,375)	15,358
Cash or cash equivalents at beginning of the year	77,569	62,211
Cash or cash equivalents at end of the year	46,194	77,569

Notes 1 to 23 and the enclosed Schedules I to V are an integral part of the financial statements, along with which they form the annual accounts for fiscal year 2009.



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01 _ COMPANY ACTIVITY

Fomento de Construcciones y Contratas, S.A. is a company founded in Spain under the Companies Act whose core business is to provide general services, which include mainly the collection and treatment of solid waste, the cleaning of public streets and sewer systems, the maintenance of green areas and buildings, water treatment and distribution and other complementary services. The Company's registered offices are at c/ Balmes, 36 in Barcelona and its business is conducted in Spain.

Fomento de Construcciones y Contratas, S.A. is the Parent of the FCC Group, which comprises a broad spectrum of Spanish and foreign subsidiaries and associates that engage in activities such as construction, urban cleaning and integrated water cycle services, car parks, street furniture, passenger transport, vehicle roadworthiness tests, passenger and aircraft ground handling, logistics, cement, real estate, etc.

02 _ BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

The financial statements were obtained from the accounting records of Fomento de Construcciones y Contratas, S.A. and the joint ventures ("UTEs") in which it holds ownership interests, in accordance with Royal Decree 1514/2007 approving the Spanish National Chart of Accounts, the Consolidated Spanish Companies Law, Royal Decree 1564/1989, of 22 December which approved the Revised Text of the Spanish Companies Act. All applicable accounting standards and principles have been observed, as have the applicable resolutions and recommendations of the Accounting and Auditing Institute so as to show a true image of the equity, financial situation, results of the Company's operations and cash flows for the year. Specifically, following the 2009 publication by the ICAC of a query on how to account for the revenues of holding companies, the headings "income from interests in group companies and associates" and "financial income from negotiable securities and other financial instruments in group companies and associates" have been classified as "net turnover" on the enclosed income statement.

The enclosed Annual Accounts, which have been formulated by the Company's directors, will be submitted to the Ordinary General Shareholders' Meeting for approval and are expected to be approved without change. The 2008 Annual Accounts were approved by the General Shareholders' Meeting held on 10 June 2009.

The balance sheets, profit and loss accounts, statements of change in equity and cash flow statements for the joint ventures in which the Company participates have been incorporated by proportional consolidated based on the percentage of ownership in each one.

Joint ventures were integrated by standardising times and values, reconciling and reclassifying balances and eliminating both active and passive balances as necessary along with

reciprocal income and expenses. Significant amounts pertaining to joint ventures are itemised in the notes to the financial statements.

On the enclosed balance sheet and income statement, the ownership percentage in joint ventures includes the equity in each one of the joint ventures as shown below:

	2009	2008
Net turnover	187,957	161,684
Operating profit	21,675	14,840
Non-current assets	104,503	108,065
Current assets	184,933	121,111
Non-current liabilities	14,973	12,727
Current liabilities	122,558	91,393

Appendix II lists the joint ventures and indicates the percentage share of their results.

The Company has a 99% ownership interest in the Torre Picasso building and the remaining 1% is held by Fedemés, S.L., wholly-owned by Fomento de Construcciones y Contratas, S.A., signifying that Torre Picasso is wholly-owned by the FCC Group. This building is being operated through a community association arrangement and, consequently, these financial statements include the assets, liabilities, income and expenses in proportion to the Company's percentage of ownership (Note 7).

The financial statements are expressed in thousands of euros.

Since Fomento de Construcciones y Contratas, S.A. is the head of the FCC Group, it is obliged under current legislation to prepare separate consolidated financial statements. These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRSs), in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of 19 July 2002, as well as all the provisions and interpretations implementing it. The consolidated financial statements of the FCC Group for 2008, prepared by the directors, will also be submitted for approval by the shareholders at the Annual General Meeting.

The consolidated financial statements of Fomento de Construcciones y Contratas, S.A. prepared in conformity with International Financial Reporting Standards (IFRS) present total assets of EUR 21,261 million (EUR 20,597 million at 31.12.08) and equity attributable to the Company's shareholders of EUR 2,484 million (EUR 2,549 million at 31.12.08). Consolidated sales and consolidated profit attributable to the Parent amount to EUR 12,700 million and EUR 307 million, respectively (EUR 14,020 and EUR 334 million at 31 December 2008).

03 _ ALLOCATION OF PROFIT (LOSS)

The proposed distribution of the profit of Fomento de Construcciones y Contratas, S.A. that will be submitted for approval by the shareholders at the Ordinary General Meeting is as follows:

	2009
Profit for the year, before distribution (EUR '000)	254,878
Distribution:	
Interim dividend (euros per share)	EUR 0.715 per share
Interim dividend (euros per share)	EUR 0.715 per share
To voluntary reserves: The corresponding amount will be appropriated after the interim and final dividends on outstanding shares carrying dividend rights at the date of payment have been paid.	

On 17 December 2009, it was resolved to distribute to the shareholders of Fomento de Construcciones y Contratas, S.A. an interim dividend out of the profit for the year equal to 71.5% gross of the par value of the shares, i.e. EUR 0.715 per share. The total amount of this dividend, EUR 88,746 thousand, was paid on or after 12 January 2010 on the outstanding shares carrying dividend rights (Note 16).

The Board of Directors' report evidencing the existence of sufficient liquidity for the distribution of the aforementioned interim dividend is included as Appendix IV hereto.

04 _ RECORDING AND VALUATION STANDARDS

The valuation principles and criteria used by the Company to prepare the 2009 Annual Accounts in accordance with the General Accounting Plan were as follows:

a) Intangible assets

Intangible assets are measured initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. At year-end, there was no indication that any of the Company's intangible assets had suffered an impairment loss. The Company does not own any assets with indefinite useful lives.

The Company recognises under "Computer Software" the costs incurred in the acquisition and development of computer programs, mainly the implementation of a new corporate ERP (SAP) system.

Computer software maintenance costs are recognised in the income statement for the year in which they are incurred.

Intangible assets are generally amortised on a straight-line basis over their useful lives, which is estimated to be five years in the case of computer software. Administrative concessions are amortised on a straight-line basis over the concession term, which ranges on average from 25 to 50 years.

b) Property, plant and equipment and investment property

Property, plant and equipment are carried at acquisition cost or at production cost if the Company has performed in-house work thereon and are subsequently reduced by the related accumulated depreciation and by any impairment losses. At year-end, there was no indication that any of the Company's property, plant and equipment items had suffered an impairment loss. The directors consider that the recoverable amount of the assets is higher than their carrying amount and, accordingly, no impairment losses were recognised in this connection.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are carried as an increase in cost.

For intangible assets that require a period of time longer than one year to be ready for use, the acquisition or production cost includes the financial expenses incurred before the asset becomes operational which have been charged by the supplier or pertain to loans or other external financing, specific or generic, and are directly attributable to the acquisition, production or construction of the asset.

The Company has entered into concession agreements that provide for dismantling and restoration obligations. On initial recognition of property, plant and equipment items, the Company estimates the present value of the future obligations for the dismantling and removal thereof, and other obligations associated with the assets, such as the cost of restoring the site on which they are located. This present value is added to the cost of the related assets and a provision is recognised which is increased in the periods following that in which it is recognised to reflect the related interest cost. The asset recognised is depreciated systematically using the same method as that applied to the asset related to the obligation.

In-house work on non-current assets is measured at accumulated cost (external costs plus in-house costs, determined on the basis of in-house materials consumption, direct labour and general manufacturing costs calculated using absorption rates similar to those used for the measurement of inventories).

The Company depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Estimated years of useful life
Investment properties	75
Buildings and other structures	25 - 50
Plant and machinery	5 - 15
Fixtures, fittings, tools and furnishings	8 - 12
Other fixed assets	4 - 10

However, there may occasionally be contracts with terms that are shorter than the useful lives of the assets regulated therein, in which case the assets are depreciated over the term of the agreement.

c) Impairment of intangible assets and property, plant and equipment

Whenever there are indications of impairment of intangible assets with a finite useful life (i.e. all the Company's intangible assets and property, plant and equipment), the Company tests the tangible and intangible assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

The recoverable amount is the fair value less the cost of the sale or the value-in-use, whichever is greater. To determine the recoverable amount of the assets tested for impairment, an estimate was made of the present value of the net cash flows arising from the cash-generating units (CGUs) to which the assets belong, except for cash inflows and outflows from financing

activities and income tax payments, and the cash inflows and outflows arising from scheduled future improvements or enhancements of the assets of these cash-generating units. To discount the cash flows, a pre-tax discount rate was applied that reflects current market assessments of the time value of money and the risks specific to each cash-generating unit.

When an impairment loss is subsequently reversed, the carrying value of the asset or the cash-generating unit is increased to the revised estimate of the recoverable amount but in such a way that the carrying value when increased does not exceed the carrying value that would have been existed had no impairment loss been recognised for the asset or cash-generating unit in prior fiscal years. The reversal of an impairment loss is recognised as income.

d) Leases

Leases are classed as financial leases if it can be deduced from the economic conditions that a substantial part of the risks and benefits inherent to the ownership of the assets to which the contract refers is transferred to the lessee. Other leases are classed as operating leases.

d.1) Financial leases

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when there are no reasonable doubts that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charge is apportioned over the lease term and taken to the income statement in the period of accrual, using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

At the end of the financial lease, the Company exercises the purchase option. The contracts do not establish any restrictions on exercising purchase options. Also, the lease agreements do not contain any renewal, review or escalation clauses.

The assets recognised for transactions of this nature are depreciated on the basis of their nature and useful lives using criteria similar to those applied to items of property, plant and equipment taken as a whole.

There are no finance leases in which the Company acts as lessor.

d.2) Operating leases

If the Company acts as the lessee, costs arising under operating leases are allocated to the income statement for the year in which they are incurred.

If the Company acts as the lessor, income and costs arising under operating leases are allocated to the income statement for the year in which they are incurred. Also, the acquisition cost of the leased asset is presented in the balance sheet according to the nature of the asset, increased by the costs directly attributable to the lease, which are recognised as an expense over the lease term, applying the same method as that used to recognise lease income.

Any collection or payment that might be made when arranging an operating lease will be treated as a prepaid lease collection or payment which will be allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received.

e) Financial instruments*e.1) Financial assets***Classification**

The financial assets held by the Company are classified in the following categories:

- Loans and receivables: Financial assets arising from the sale of goods or the provision of services in the course of the company's normal operations and non-derivative financial assets whose collection is fixed or determinable and which are not traded on an active market.
- Held-to-maturity investments: Debt securities with fixed or determinable maturities which are traded on active markets and which the company has the intention of and the ability to hold onto until maturity.
- Financial assets held for trading: The assets acquired for the purpose of being sold in the short term or those which are part of a portfolio for which there is evidence of recent activity with that objective in mind. This category also includes financial derivatives that are not financial guarantee contracts and have not been designated as hedging instruments.
- Equity investments in group and jointly-controlled companies and associates: Group enterprises are those related to the Company by a relationship of control and associates are those over which the Company has a significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other investors.

- Available-for-sale financial assets This category includes debt securities and equity instruments of other companies that are not classified in any of the above categories.

Initial recognition

Financial assets are initially stated at the fair value of the consideration paid plus the costs directly attributable to the transaction.

Subsequent measurement

- Loans and receivables and held-to-maturity investments are measured at amortised cost.
- Held-for-trading financial assets are measured at fair value and the changes in the fair value are recognised in profit or loss.
- Investments in Group companies and associates and interests in jointly controlled entities are measured at cost net, where appropriate, of any accumulated impairment losses. These corrections are calculated as the difference between the carrying value and the recoverable value, this being understood as fair value less the cost of the sale or the current value of the future cash flows derived from the investment, whichever is greater. Unless there is better evidence of the recoverable value, when estimating the impairment of these investments the net worth of the investee company corrected by the tacit surpluses existing on the valuation date is taken into account including goodwill, if any.
- Available-for-sale financial assets are measured at fair value and the net gains and losses arising from changes in fair value are recognised in equity until the asset is disposed of or it is determined that it has become permanently impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in profit or loss.

At least at each reporting date the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the income statement. In particular, the Company calculates valuation adjustments relating to trade and other receivables by taking into account the specific insolvency risk of each account receivable.

The Company derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the Company does not retain any credit or interest rate risk, provide or any kind of guarantee or assume any other kind of risk. These transactions are subject to market interest rates, with the assignor assuming the risk of insolvency and late

payment by the debtor. Fomento de Construcciones y Contratas, S.A. continues to manage collection

e.2) Financial liabilities

Financial liabilities are the debits and balances payable by the Company originating from the goods purchases and the services received in the course of the Company's normal operations or those which, while not considered trade payables cannot be considered derivative financial instruments.

Debits and other payables are originally stated at the fair value of the consideration received, adjusted by the costs that are directly attributable to the transaction. The liabilities are subsequently stated at amortised cost.

The financial costs are recorded based on an accrual criterion on the income statement using the effective interest rate method and added to the carrying value of the instrument to the extent that they are not settled in the accrual period.

Bank borrowings and other current and non-current financial liabilities maturing within no more than 12 months from the balance sheet date are classified as current liabilities and those maturing within more than 12 months as non-current liabilities.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

e.3) Equity instruments

An equity instrument represents a residual interest in the assets of the Company after deducting all of its liabilities. Capital instruments issued by the Company are recognised in equity at the proceeds received, net of issue costs.

Treasury shares acquired by the Company during the year are recognised at the value of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in profit or loss.

The Company has a share-based payment plan for officers and directors which is explained in Note 14, "Share-based payments".

e.4) Financial derivatives

The company uses financial derivatives to cover the risks to which it is exposed due to its activities, operations and future cash flows. These risks basically include the risk of changes in market interest rates and exchange rates affecting certain financial instruments. The Company contracts hedging instruments within the framework of its operations (Note 12).

In order for these financial instruments to be classified as accounting hedges, they are initially designated as such, documenting the hedging relationship. Furthermore, the Company initially and then periodically over the life of the instrument checks to ensure that the hedging relationship is effective, i.e., that it can reasonably be expected that the changes in fair value or cash flows of the hedged item (attributable to the covered risk) will be compensated almost entirely by those of the hedging instrument and that, retrospectively, the results of the hedge will have fluctuated between 80% and 125% with respect to the results of the hedged item.

The Company uses hedges of the following types, which are accounted for as described below:

- Fair value hedges in this case, changes in the fair value of the hedging instrument and the hedged item attributable to the hedged risk are recognised in profit or loss.
- Cash flow hedges: in hedges of this nature, the portion of the gain or loss on the hedging instrument that has been determined to be an effective hedge is recognised temporarily in equity and is recognised in the income statement in the same period during which the hedged item affects profit or loss, unless the hedge relates to a forecast transaction that results in the recognition of a non-financial asset or a non-financial liability, in which case the amounts recognised in equity are included in the initial cost of the asset or liability when it is acquired or assumed.
- Hedges of net investments in foreign operations: the purpose of hedges of this nature is to hedge foreign currency risk relating to investments in subsidiaries and associates, and the foreign currency component is accounted for in the same way as fair value hedges.

Hedge accounting is interrupted when the hedging instrument expires, is sold, concluded or exercised or when the conditions for hedge accounting are no longer met. At that time, any cumulative profit or loss on the hedging instrument that was recorded in equity remains in equity until the schedule transaction takes place. When the transaction that is being hedged is not expected to take place, the cumulative net profit or loss recognised in equity is transferred to the net profit (loss) for the year.

Although certain hedging instruments are recognised as speculative, this is only for accounting purposes since for financial and management purposes all the hedges arranged by the FCC Group have, at inception, an underlying financial transaction and the sole purpose of hedging such transaction.

Derivatives do not qualify for hedge accounting if the hedge fails the effectiveness test, which requires the changes in the fair value or in the cash flows of the hedged item directly attributable to the hedged risk to be offset by changes in the fair value or in the cash flows of the hedging instrument. When this does not occur, the changes in value of the instruments classified as speculative are recognised in profit or loss together with the transaction.

The financial derivatives are measured by experts on the subject using generally accepted methods and techniques. These experts were independent from the Group and the entities financing it.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. Trade discounts, rebates, other similar items and interest included in the face value of the related payables are deducted in determining the costs of purchase.

Production cost includes the costs of direct materials and, where applicable, direct labour and production overheads.

The net realizable value represents the estimated sale price less all estimated termination costs and the marketing, sales and distribution costs that will be incurred.

The Company recognises the appropriate write-downs as an expense in the income statement when the net realisable value of the inventories is lower than acquisition or production cost.

g) Foreign currency transactions

The company's operating currency is the euro. Consequently, transactions in currencies other than the euro are considered to be denominated in foreign currency and are recorded at the exchange rate on the day of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the income statement in the year in which they arise.

h) Corporate income tax

The income tax expense is calculated on the basis of consolidated profit before tax, increased or decreased, as appropriate, by the permanent differences between taxable profit and accounting profit. The corresponding tax rate based on the legislation applicable to each company is applied to this adjusted accounting profit. The tax relief and tax credits earned in the year are deducted and the positive or negative differences between the estimated tax charge calculated for the prior year's accounting close and the subsequent tax settlement at the payment date are added to or deducted from the resulting tax charge.

The Company capitalises the deferred tax assets arising from temporary differences and tax loss carryforwards, except for those with respect to which there are reasonable doubts as to their future recovery.

The temporary differences between the accounting profit and the taxable profit for income tax purposes, together with the differences between the carrying amounts of assets and liabilities

recognised in the consolidated balance sheet and their tax bases give rise to deferred taxes which are recognised as non-current assets and liabilities. These amounts are measured at the tax rates that are expected to apply in the years in which they will foreseeably be reversed.

i) Income and expense

Income and expenses are recorded based on the accrual principles, i.e., when the real movement of the goods and services they represent takes place, regardless of when the monetary or financial exchange associated with them occurs. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

The Company recognises each year as the period result on its contracts the difference between period production (measured at the selling price of the service provided during the period, as specified in the principal contract or in approved amendments thereto, and the selling price of other as yet unapproved services for which there is reasonable assurance of collection) and the costs incurred. Additionally, late-payment interest is recognised as income when it is approved or finally collected.

The difference between the amount of production and the amount billed until the date of the financial statements is recorded as "Unbilled Production" under "Trade Receivables for Sales and Services". Pre-billings for various items are recognised under "Current Liabilities – Trade and Other Payables – Customer Advances".

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. The interest and dividends on financial assets accrued after acquisition are recognised as income in the profit and loss account.

In accordance with the accounting principle of prudence, the Company only records realised income at year-end, whereas foreseeable contingencies and losses, including possible losses, are recognised as soon as they become known, by recording the appropriate provisions.

j) Provisions and Contingencies

The Company recognises provisions on the liability side of the accompanying balance sheet for present obligations arising from past events which the Company considers will probably require an outflow of resources embodying economic benefits to settle them on maturity.

These provisions are recognised when the related obligation arises and the amount recognised is the best estimate at the date of the accompanying financial statements of the present value of the future expenditure required to settle the obligation. The change in the year relating to the discount to present value is recognised as a finance cost on the income statement.

The provisions for dismantling, removing or restoring assets and those of an environmental nature are recognised as an increase in the current value of the expenses incurred when the

asset is removed from service. The effect on the income statement occurs when the asset is depreciated as indicated in previous sections of these notes and during the financial updating process discussed in the previous paragraph.

Provisions are classified as current or non-current in the accompanying balance sheet on the basis of the estimated maturity date of the obligation covered by them, and non-current provisions are considered to be those whose estimated maturity date exceeds the average cycle of the activity giving rise to the provision.

In relation to contingent liabilities, the possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control are not recognised in the annual accounts since the probability that such obligations will actually materialise is remote.

k) Environmental equity

As indicated in Note 1, the Company engages mainly in service activities which, due to their nature, involve special care in controlling environmental impact. For example, with regard to the operation under concession of landfills, the Company is generally responsible for the sealing, control and reforestation thereof upon completion of its operations. Also, the Company has non-current assets for the protection of the environment and bears any costs required for this purpose in the performance of its business activities.

The acquisition costs of these non-current assets used in environmental conservation are recognised under "Property, Plant and Equipment" or "Intangible Assets" based on the nature of the investment, and are depreciated or amortised over the useful lives of the assets. Also, in accordance with current accounting legislation, the Company recognises the expenses and provisions arising from its environmental obligations.

The Company's environmental policy goes beyond strict compliance with current legislation in the area of environmental improvement and protection to include the establishment of preventative planning and the analysis and minimisation of the environmental impact of the activities carried on by it.

Company management considers that the contingencies relating to environmental protection and improvement at 31 December 2009 would not have a significant impact on the accompanying financial statements, which include provisions to cover any probable environmental risks that might arise.

l) Pension commitments

- The Company has not established any pension plans to supplement the social security pension benefits. In accordance with the Consolidated Pension Plan and Fund Law, in specific cases where similar obligations exist, the Company externalises its obligations to its employees in this connection.

- In addition, following authorisation by the Executive Committee, in the past an insurance policy was arranged and the premium paid to cover the payment of benefits relating to death, permanent occupational disability, retirement bonuses and pensions and other situations for, among other employees, certain executive directors and executives. In particular, the contingencies giving rise to benefits are those which entail the extinguishment of the employment relationship for any of the following reasons:
- Unilateral decision of the Company.
- Dissolution or disappearance of the Parent for whatever cause, including merger or spin-off.
- Death or permanent disability.
- Other causes of physical or legal incapacity.
- Substantial change in professional terms and conditions
- Resignation of the executive on reaching 60 years of age, at the request of the executive and with the consent of the Company.
- Resignation of the executive on reaching 65 years of age, by unilateral decision of the executive.

The contributions made each year by the Company in this connection are recognised under "Staff Costs" in the income statement (Note 21).

m) Grants

The Company accounts for grants received as follows:

m.1) Non-repayable grants

Non-refundable grants are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation taken on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss, except for grants received from shareholders or owners, which are recognised directly in equity.

m.2) Operating grants

Recorded as income for the year in which they are granted, except when they are used to finance operating deficits in which case they are recorded in the year of the deficit. If grants are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

n) Estimates made

When preparing the enclosed Annual Accounts, the company used certain estimates to assess the value of some assets, liabilities, income, expenses and commitments. These estimates basically refer to:

The evaluation of possible losses due to the impairment of certain assets (Note 4.c).

The assumptions used in the calculation of the fair value of share-based payments (see Note 14).

The useful life of the property, plant and equipment and intangible assets (see Notes 4-a and 4-b).

The fair value of certain financial instruments (Note 12)

The calculation of certain provisions (Notes 4j and 15).

Whilst these estimates were made based on the best information available at 31 December 2009, it is possible that they may have to be modified in future fiscal years due to events that may take place in the future, which would be done in a prospective manner.

o) Related-party transactions

All of the Company's related party transactions are arm's length.

Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto are detailed in Note 21 "Third party transactions and balances".

05 _ INTANGIBLE FIXED ASSETS

Movements in this balance sheet heading in 2009 and 2008 were as follows:

	Concessions	Computer applications	Other intangible assets	Accumulated amortisation	Total
BALANCE AT 31.12.07	23,917	1,177	12,168	(20,068)	17,194
Additions or allocations	-	11,897	69	(1,815)	10,151
Removals, write-offs, reductions	-	-	(171)	38	(133)
BALANCE AT 31.12.08	23,917	13,074	12,066	(21,845)	27,212
Additions or allocations	353	2,026	1,730	(4,684)	(575)
Removals, write-offs, reductions	(456)	(1)	(28)	452	(33)
BALANCE AT 31.12.09	23,814	15,099	13,768	(26,077)	26,604

"Concessions" relates mainly to operations undertaken through joint ventures and includes the amounts paid to obtain concessions for, inter alia, water supply services.

"Computer Software" relates mainly to the cost of implementing the new corporate ERP (SAP) system.

The detail of the intangible assets and of the related accumulated amortisation at 31 December 2009 and 2008 is as follows:

	Cost	Accumulated amortisation	Net
2009			
Concessions	23,814	(16,346)	7,468
Computer software	15,099	(3,741)	11,358
Total intangible assets	13,768	(5,990)	7,778
	52,681	(26,077)	26,604
2008			
Concessions	23,917	(16,035)	7,882
Computer software	13,074	(1,074)	12,000
Total intangible assets	12,066	(4,736)	7,330
	49,057	(21,845)	27,212

At the end of 2009 the Company did not have any material fully amortised intangible assets still in use.

At 31 December 2008, the Company did not have any intangible assets located outside Spain. Nor were there any assets subject to guarantees.

06 _ PROPERTY, PLANT AND EQUIPMENT

Movements in this balance sheet heading in 2009 and 2008 were as follows:

	Land and Buildings	Plant and machinery	Work in progress and advance payments	Accumulated depreciation	Total
BALANCE AT 31.12.07	67,716	710,980	49,314	(412,048)	415,962
Additions or allocations	4,765	67,420	39,060	(66,012)	45,233
Removals, write-offs, reductions	-	(10,837)	-	9,318	(1,519)
Transfers	7,571	18,390	(26,049)	88	-
BALANCE AT 31.12.08	80,052	785,953	62,325	(468,654)	459,676
Additions or allocations	9,827	109,849	48,394	(75,485)	92,585
Removals, write-offs, reductions	-	(15,112)	(10,715)	11,078	(14,749)
Transfers	6,377	30,526	(38,098)	1,195	-
BALANCE AT 31.12.09	96,256	911,216	61,906	(531,866)	537,512

The main changes in "Property, Plant and Equipment" relate to assets associated with the services and water concession agreements operated by the Company.

The Company owns buildings whose value at year end, net of amortisation and value of the land, was as follows:

	2009	2008
Land	18,950	12,009
Buildings	50,706	45,017
	69,656	57,026

The detail of the intangible assets and of the related accumulated amortisation at 31 December 2009 and 2008 is as follows:

	Cost	Accumulated amortisation	Net
2009			
Land and buildings	96,256	(26,600)	69,656
Plant and other fixed assets	911,216	(505,266)	405,950
Work in progress and advance payments	61,906	-	61,906
	1,069,378	(531,866)	537,512
2008			
Land and buildings	80,052	(23,026)	57,026
Plant and other fixed assets	785,953	(445,628)	340,325
Work in progress and advance payments	62,325	-	62,325
	928,330	(468,654)	459,676

Of the net amount of property, plant and equipment, UR 95,001 (EUR 92,122 thousand at 31 December 2008) relate to assets used in joint ventures.

In 2008 the Company capitalised borrowing costs amounting to EUR 271 thousand (EUR 1,475 thousand at 31 December 2008) for "Property, Plant and Equipment".

At 2009 year-end the Company held various items of property, plant and equipment under finance leases (see Note 8).

All the property, plant and equipment were being used in production at 2009 year-end; however, EUR 245,500 thousand (EUR 197,642 thousand at 31 December 2008) of property, plant and equipment had been fully depreciated, EUR 9,392 thousand of which referred the Buildings (EUR 9,321 thousand at 31 December 2008). The amounts relating to joint ventures were negligible.

At 2009 year-end the Company did not hold any investments in property, plant and equipment outside Spain. The Company did not have any firm commitments to purchase property, plant and equipment at the end of 2009

The Group's assets subject to restrictions on title relate to non-current assets held under finance leases or other financing arrangements.

The Company's policy is to take out insurance policies to cover the risks to which the different fixed asset items are exposed. At 2009 year-end, the Parent considered that these risks were adequately covered.

07 _ INVESTMENT PROPERTIES

"Investment Property" in the accompanying consolidated balance sheet reflects the net values of the land, buildings and other structures held either to earn rentals or, as the case may be, for capital appreciation. The main investment property refers to the 99% ownership interest in the Torre Picasso building, the remaining 1% of which is held by Fedemés, S.L., wholly-owned by Fomento de Construcciones y Contratas, S.A., signifying that Torre Picasso is wholly-owned by the FCC Group. The Torre Picasso building leases office space, commercial premises and parking spaces.

Movements in this balance sheet heading in 2009 and 2008 were as follows:

	Buildings	Accumulated depreciation	Total
BALANCE AT 31.12.07	282,193	(48,619)	233,574
Additions or allocations	1,909	(3,451)	(1,542)
BALANCE AT 31.12.08	284,102	(52,070)	232,032
Additions or allocations	2,223	(3,743)	(1,520)
BALANCE AT 31.12.09	286,325	(55,813)	230,512

Torre Picasso has an average occupancy rate of 99% (same as at 31 December 2008).

Torre Picasso's income and profit in 2009 and 2008 were as follows:

	2009	2008
Lease income	26,127	26,173
Transfer of costs to tenants	7,185	6,948
Operating profit net of taxes	13,202	11,160

The minimum future lease payments receivable by Torre Picasso at 31 December 2009 and 2008 under current leases, without taking future rents adjustments into account, were as follows:

	2009	2008
Up to one year	25,812	26,196
One to five years	69,832	59,434
More than 5 years	18,112	1,402
	113,756	87,032

The fair value of the Torre Picasso buildings is higher than the carrying value.

According to the obligations assumed in the financing agreement for EUR 250,000 thousand signed by the Company on 18 December 2009 as the owner of the Torre Picasso building (Note 16), the building was mortgaged and the collection rights to the rent payments under all current and future leases on the property were pledged for the next fifteen years. Fur-

thermore, the Company assumed the obligation to make the necessary investments to keep the building in a proper state of repair.

At the end of 2009 the Company did not have any firm commitments to purchase or invest in property nor any contractual obligations relating to repairs, maintenance or improvements except as indicated in the previous paragraph.

08 _ LEASES

a) Financial lease

The Company, as lessor, has recognised assets leased under leases with a maximum term of two years with prepaid lease payments. Consequently, the present value of the payments does not differ significantly from their nominal value.

The characteristics of the finance leases in force at the end of 2009 and 2008 were as follows:

	2009	2008
Net carrying value	113,147	123,020
Accumulated depreciation	13,726	25,231
Cost of assets	126,873	148,251
Finance expense	4,588	3,337
Cost of capitalised assets	131,461	151,588
Lease payments in 2009	(43,915)	(72,342)
Lease payments in prior years	(21,791)	(47,496)
Lease payments outstanding, including purchase option	65,755	31,750
Unaccrued finance expenses	(1,852)	(1,156)
Current value of lease payments outstanding, including purchase option	63,903	30,594
Contract term (years)	2 - 3	2
Value of purchase option	1,268	1,460

The maturity dates of the accounts payable on outstanding lease instalments are explained in Note 16 of this document.

The finance leases arranged by the Group companies do not include lease payments the amount of which must be determined on the basis of future economic events or indices and, accordingly, in 2009 no expense was incurred in connection with contingent rent.

b) Operating leases

As lessee, the Company's operating leases referred primarily to the leased offices in Madrid and Barcelona and other leased property used for office space, storage, dressing rooms and garages in connection with the Company's business activities. The lease payments made in 2009 totalled EUR 29,482 thousand (EUR 29,583 thousand at 31 December 2008).

The Company acts as lessor in the operation of the Torre Picasso building as indicated in Note 7.

09 _ LONG AND SHORT TERM FINANCIAL INVESTMENTS

a) Long term financial investments

The details of “Non-current financial investments” at the end of 2009 and 2008 are as follows:

	Equity instruments	Loans to third parties	Derivatives	Other	Total
2009					
Loans and receivables	-	24,974	-	6,900	31,874
Available-for-sale financial assets	7,328	-	-	-	7,328
Derivatives (Note 12)	-	-	37,048	-	37,048
	7,328	24,974	37,048	6,900	76,250
2008					
Loans and receivables	-	20,271	-	6,660	26,931
Available-for-sale financial assets	7,328	13,799	-	-	21,127
Derivatives (Note 12)	-	-	7,409	-	7,409
	7,328	34,070	7,409	6,660	55,467

The breakdown by maturity of the loans to third parties and other receivables is follows:

	2011	2012	2013	2014	2015 and thereafter	Total
Loans and receivables	4,536	2,174	1,720	1,779	21,665	31,874

Loans and receivables

The most significant balances under this heading refer to joint ventures.

Available-for-sale financial assets

The details at 31 December 2009 and 2008 are as follows:

	Effective ownership	Fair value
2009		
Shopnet Brokers, S.A.	15.54 %	-
Vertederos de Residuos, S.A.	16.03 %	7,050
Xfera Móviles, S.A.	3.44%	-
Other		278
		7,328
2008		
Artscapital Investment, S.A.	10.83%	-
Shopnet Brokers, S.A.	15.54%	-
Vertederos de Residuos, S.A.	16.03%	7,050
Xfera Móviles, S.A.	3.44%	13,799
Other		278
		21,127

At 31 December 2009, the Company had also provided guarantees for Xfera Móviles, S.A. totalling EUR 3,995 thousand. Fomento de Construcciones y Contratas, S.A. has a put option on the portfolio of Xfera Móviles, S.A. that is symmetrical to the call option held by Sonera Holding B.V. These rights can only be exercised on the maturity date in 2011, provided that certain terms and conditions are met, including most notably that Xfera Móviles, S.A. generates profit over two consecutive years prior to the aforementioned maturity date..

In 2009, the company Artscapital Investments, S.A., in which Fomento de Construcciones y Contratas, S.A. controlled a 10.83% stake, was liquidated. Prior to that the fair value of the investment recognised on the balance sheet was zero so there was no impact on profit and loss.

Changes to fair value

The changes due to impairment losses recognised in 2009 and 2008 were as follows:

BALANCE AT 31.12.07	19,227
Recovery of value	1,900
BALANCE AT 31.12.08	21,127
Impairment for the year	(13,799)
BALANCE AT 31.12.09	7,328

The impairment for 2009 shown on the table above refers to Xfera Móviles, S.A., an available-for-sale asset which is included in profit and loss under the heading of "Impairment and profit (loss) due to the disposal of financial instruments".

b) Short term financial investments

The details of "Current financial investments" at the end of 2009 and 2008 are as follows:

	Loans to third parties	Other	Total
2009			
Held-to-maturity investments	-	5,643	5,643
Loans and receivables	20,510	4,713	25,223
	20,510	10,356	30,866
2008			
Held-to-maturity investments	-	4,875	4,875
Loans and receivables	6,159	61,807	67,966
	6,159	66,682	72,841

In 2009 the Company did not recognise any impairment losses on current financial assets.

10 _ INVESTMENTS AND DEBT WITH GROUP COMPANIES AND ASSOCIATES

a) Long-term investments in group companies and associates

The details of the investments in group companies and associates at 31 December 2009 and 2007 are as follows:

	Cost	Accumulated impairment	Total
2009			
Equity instruments of group companies	1,347,826	(10,569)	1,337,257
Equity instruments of associates	735,809	(79,650)	656,159
Loans to group companies	1,293,965	-	1,293,965
Loans to associated enterprises	54,741	-	54,741
	3,432,341	(90,219)	3,342,122
2008			
Equity instruments of group companies	1,223,560	(10,138)	1,213,422
Equity instruments of associates	201,874	(79,242)	122,632
Loans to group companies	1,282,076	-	1,282,076
Loans to associated enterprises	5,962	-	5,962
	2,713,472	(89,380)	2,624,092

The details of the changes under these headings are as follows:

	Equity instruments group companies	Equity instruments associates	Loans to group companies	Loans to associated enterprises	Impairment	Total
BALANCE AT 31.12.07	1,434,389	134,237	1,325,667	4,479	(94,729)	2,804,043
Additions or allocations	13,663	-	30,336	2,776	-	46,775
Removals or reversals	(156,855)	-	-	(1,310)	5,349	(152,816)
Transfers	(67,637)	67,637	(73,927)	17	-	(73,910)
BALANCE AT 31.12.08	1,223,560	201,874	1,282,076	5,962	(89,380)	2,624,092
Additions or allocations	124,296	529,570	11,873	53,719	(839)	718,619
Removals or reversals	(30)	-	(1)	(558)	-	(589)
Transfers	-	4,365	17	(4,382)	-	-
BALANCE AT 31.12.09	1,347,826	735,809	1,293,965	54,741	(90,219)	3,342,122

The most significant changes on the table above are as follows:

Equity instruments of group companies

- In December 2009, the investee company Cementos Portland Valderrivas, S.A. increases its capital in a proportion of 3 new shares for every 8 existing shares. Fomento de Construcciones y Contratas, S.A., as the majority shareholders, participated in the capital increase in proportion to its ownership percentage. The subscription of the new shares required an outlay of EUR 122,685 thousand.
- In 2009, Fomento de Construcciones y Contratas, S.A. sold its 25% stake in FCC Global Insurance General Services, S.A. which resulted in a gain of EUR 10,594 thousand that is reflected under the heading of "Gains on disposals and others" in the enclosed profit and loss account. Asesoría Financiera y de Gestión, S.A., a wholly-owned subsidiary, also sold its 75% stake, meaning that the FCC Group has disposed of its entire stake in the company FCC Global Insurance General Services, S.A.

Equity instruments of associates

- The Company purchased from FCC Construcción, S.A., a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A., 50% of the stake in Global Vía Infraestructuras, S.A., a jointly-controlled company with Caja de Madrid, for EUR 529,570 thousand. This company manages, promotes, develops and operates public infrastructures and most of the FCC Group's infrastructure concession business is channelled through it.
- On 10 September 2009, the company RB Business Holding, S.L. was absorbed by Realía Business S.A., which resulted in the termination of all clauses of the shareholders agreement of 8 May 2007 and the novation of that agreement signed on 31 December 2008, whereby it was agreed to return to joint management of Realía Business to the FCC Group and Caja Madrid.
- At 31 December 2009, Fomento de Construcciones y Contratas, S.A. controlled 27.2% of Realía Business, S.A. When the 3.03% controlled by other Group companies, primarily Asesoría Financiera y de Gestión, S.A. with a 2.3% stake, the FCC Group controls 30.23% of Realía Business S.A.

The detail, by company, of the investments in Group companies and associates is presented in Appendixes I and II, respectively, indicating for each company in which a direct ownership interest is held: the company name, registered office, line of business, the percentage of capital held directly or indirectly, the amount of capital and reserves, profit or loss, dividends received, whether or not it is listed and the carrying amount of the ownership interest.

Long term loans to companies

The most significant balances are as follows:

	2009	2008
Azincourt Investment, S.L.(Unipersonal)	1,081,187	1,081,187
FCC Versia, S.A.	140,000	140,000
Dédalo Patrimonial, S.L.U.	27,768	28,740
Enviropower Investments, Ltd.	18,640	17,380
ASA Abfall Services AG	14,000	14,000
WRG PFI Holdings Ltd.	11,399	390
Other	971	379
	1,293,965	1,282,076

This heading included most notably the participating loan of EUR 1,081,187 thousand granted to Azincourt Investment, S.L., Unipersonal, a wholly-owned investee of Fomento de Construcciones y Contratas, S.A., the former being the holder of all the shares of Waste Recycling Group acquired in 2006. This loan has a single maturity in December 2013, like the bank loan with which it is associated (see Notes 12 and 16). The loan earns fixed interest at 2.95% on a portion thereof and floating interest on another portion based on certain performance indicators of the borrower. At year-end interest of EUR 32,769 thousand (EUR 33,015 thousand at 31 December 2008) had been earned on the participating loan, which was recognised under "Finance Income – From Marketable Securities and Other Financial Instruments" in the accompanying income statement.

The other loans relate to amounts granted to Group companies that mature in more than one year and earn interest at market rates.

Long term loans to associates

The most significant balance refers to a participative loan granted in September 2009 to Realía Business, S.A. in the amount of EUR 50,000 thousand which accrued EUR 654 thousand in interest during the year as shown under the heading of "Finance income on negotiable securities and other financial instruments" on the enclosed profit and loss account.

b) Short-term investments in group companies and associates

"Current Investments in Group Companies and Associates" includes basically the loans and other non-trade credit facilities granted to Group companies and associates, among other things, to cater for certain specific cash situations and other short-term investments. These investments are measured at the lower of cost and market, plus the related interest at market rates.

The most significant balances are as follows:

	2009	2008
FCC Construcción, S.A.	804,003	855,323
FCC Energía, S.A.	354,624	32,793
Aqualia Gestión Integral del Agua, S.A.	258,596	175,857
FCC Medio Ambiente, S.A.	167,577	-
Azincoart Investment, S.L.(Unipersonal)	119,280	149,166
FCC Versia, S.A.	24,043	-
Giza Environmental Services S.A.E.	7,114	18,425
Other	32,296	30,799
	1,767,533	1,262,363

These loans mature annually and earn interest at market rates.

c) Payables to Group companies and associates

The most noteworthy balances of “Current Payables to Group Companies and Associates”, which includes loans bearing interest at market rates and trade accounts payable to these companies, are as follows:

	2009	2008
Corporación Financiera Hispánica, S.A.	189,790	187,794
Asesoría Financiera y de Gestión, S.A.	121,499	203,177
FCC Finance B.V.	54,888	53,650
Azincoart Investment, S.L.(Unipersonal)	9,930	104,978
Other	88,457	101,463
	464,564	651,062

11 _ TRADE RECEIVABLES FOR SALES AND SERVICES RENDERED

The composition of “Trade Receivables for Sales and Services” in the accompanying balance relates mainly to the amounts receivable for Company services.

	2009	2008
Production billed not yet collected	549,401	498,008
Unbilled production	96,015	94,236
Trade receivables for sales and services rendered	645,416	592,244
Advance payments from customers	(30,952)	(33,464)
TOTAL TRADE RECEIVABLES, NET	614,464	558,780

The foregoing total is the net balance of trade receivables after deducting the balance of “Customer Advances” on the liability side of the accompanying balance sheet which, as required by accounting legislation, includes the collected and uncollected pre-billings for various items and the advances received, normally in cash.

“Production Billed Not Yet Collected” reflects the amount of the billings issued to customers for services provided pending collection at the balance sheet date.

“Unbilled Production” reflects the difference between the production recognised by the Company on each contract and the amount of the billings issued to the customers. The balance of this account relates basically to the price revisions under the various contracts which, although as yet unapproved, the Company considers will be duly billed since there are no doubts as to their being accepted.

The Company transfers title to trade receivables to banks without recourse against Fomento de Construcciones y Contratas, S.A. in the event of non-payment. The amount deducted from the trade receivables balance at year-end in this connection amounted to EUR 107,777 thousand (EUR 120,336 thousand at 31 December 2008).

Of the net amount of property, plant and equipment, EUR 89,380 thousand (EUR 87,895 thousand at 31 December 2008) relate to the balances of contracts operated through joint ventures.

12 _ FINANCIAL DERIVATES

The derivative assets and liabilities shown on the enclosed balance sheet and their impact on equity and the income statement are as follows:

	Fair value			
	Asset (Note 9)	Liability (Note 16)	Impact on equity	Impact on income statement
2009				
Hedging derivatives	16,922	43,891	(27,715)	-
Other derivatives	20,126	32,006	-	9,421
	37,048	75,897	(27,715)	9,421
2008				
Hedging derivatives	3,011	41,613	(32,531)	-
Other derivatives	4,398	27,368	-	(19,602)
	7,409	68,981	(32,531)	(19,602)

Hedging derivatives

The hedging instruments contracted by the Company for 2009 and 2008, all cash flow hedges, are listed below, subdivided by transaction covered and with details on the type of derivative, contractual or notional amounts, maturity dates, fair value at year end and tax impact on equity.

2009

Hedged transaction	Type of derivative	Amount contracted	Maturity	Fair value		Impact on equity
				Asset	Liability	
Synidated loan (note 16.b.2)	IRS	162,842	30/12/2013	-	13,102	(9,171)
	IRS	15,385	30/12/2013	-	943	(660)
	IRS	128,849	30/12/2013	-	8,629	(6,040)
	IRS	196,159	30/12/2013	-	13,645	(9,552)
	IRS	109,618	30/12/2013	-	7,285	(5,100)
	BASIS SWAP	20,011	30/06/2010	-	13	(9)
	BASIS SWAP	100,000	30/06/2010	-	65	(46)
	BASIS SWAP	100,000	30/06/2010	-	62	(43)
	BASIS SWAP	100,000	30/06/2010	-	63	(44)
	BASIS SWAP	130,000	30/06/2010	-	84	(59)
				-	43,891	(30,724)
Stock option plan (Note 14)	CALL (1st Plan)	61,596	30/09/2013	6,983	-	300
	CALL (2nd Plan)	37,065	10/02/2014	9,939	-	2,709
				16,922	-	3,009
TOTAL				16,922	43,891	(27,715)

2008

Fai value						
Classification	Type of deivative	Amountcontacted	Matuity	Asset	Liability	Impact on equity
Synidated loan (note 16.b.2)	IRS	171,218	30/12/2013	-	13,927	(9,749)
	IRS	17,231	30/12/2013	-	715	(501)
	IRS	144,310	30/12/2013	-	6,942	(4,859)
	IRS	219,695	30/12/2013	-	11,230	(7,861)
	IRS	122,771	30/12/2013	-	5,833	(4,083)
	BASIS SWAP	100,000	30/06/2009	-	584	(409)
	BASIS SWAP	100,000	30/06/2009	-	540	(378)
	BASIS SWAP	4,007	30/06/2009	-	22	(15)
	BASIS SWAP	100,000	30/06/2009	-	776	(543)
	BASIS SWAP	200,000	30/06/2009	-	1,044	(731)
				-	41,613	(29,129)
Stock option plan (Note 14)	CALL (1st Plan)	61,596	30/09/2013	3,011	-	(3,402)
				3,011	-	(3,402)
TOTAL				3,011	41,613	(32,531)

The details, by maturity, of the notional amount of the hedging transactions arranged at 31 December 2009 are as follows.

	Notional maturity				
	2010	2011	2012	2013	2014 and subsequent years
IRS	74,781	74,781	74,781	388,510	-
BASIS SWAP	450,011	-	-	-	-
CALL	-	-	-	61,596	37,065

Other derivatives

The hedging instruments contracted by the Company for 2009 and 2008 which are not considered accounting hedges are listed below, subdivided by transaction covered and with details on the type of derivative, contractual or notional amounts, maturity dates, fair value at year end and tax impact on equity:

2009

	Type of derivative	Amount contracted	Maturity	Fair value		Impact on income statement
				Asset	Liability	
Stock option plan (Note 14)	PUT (1st Plan)	61,596	30/09/2013	-	21,989	5,379
	PUT (2nd Plan)	37,065	10/02/2014	-	10,017	982
	IFE (1st Plan)	61,596	30/09/2013	5,624	-	1,227
	IFE (2nd Plan)	37,065	10/02/2014	6,534	-	734
				12,158	32,006	8,322
Convertible bonds (Note 13. f)	Trigger Call	450,000	31/01/2014	7,968	-	1,099
				7,968	-	1,099
				20,126	32,006	9,421

2008

	Type of derivative	Amount contracted	Maturity	Fair value		Impact on income statement
				Asset	Liability	
Stock option plan (Note 14)	PUT (1st Plan)	61,596	30/09/2013	-	27,368	(6,201)
	IFE (1st Plan)	61,596	30/09/2013	4,398	-	699
	Equity Swap	61,596	08/12/2008	-	-	(14,100)
TOTAL				4,398	27,368	(19,602)

13 _ EQUITY

a) Capital

The share capital of Fomento de Construcciones y Contratas, S.A. consists of 127,303,296 ordinary bearer shares of EUR 1 par value each.

All the shares carry the same rights and have been fully subscribed and paid.

The shares of Fomento de Construcciones y Contratas, S.A. are part of the exclusive Ibex 35 index. They are publicly listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are traded through the Spanish Stock Market Interconnection System.

The only investment of 10% or more owned directly or indirectly (through subsidiaries) by other companies, according to the information provided pursuant to current legislation, is that held by B-1998, S.L., which has a direct and indirect ownership interest of 53.829% in the share capital.

The aforementioned company, B-1998, S.L., in which Esther Koplowitz Romero de Juseu, Simante, S.L., Larranza XXI, S.L. and Eurocis, S.A. have direct or indirect ownership interests of 83.927%, 5.726%, 5.339% and 5.008%, respectively, has certain obligations to its shareholders which are recorded and published by the Spanish National Securities Market Commission (CNMV) and in the FCC Group's Corporate Governance Report.

Esther Koplowitz Romero de Juseu also directly owns 123,313 FCC shares and indirectly holds 39,172 FCC shares through Dominum Desga, S.L. (4,132 shares) and Ejecución y Organización de Recursos, S.L. (35,040 shares), companies wholly owned by Esther Koplowitz Romero de Juseu..

b) Share premium account

The Consolidated Spanish Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use for other purposes.

c) Legal reserve

In accordance with the Spanish Companies Act, 10% of profits must be transferred to the legal reserve each year until it represents at least 20% of share capital. The legal reserve cannot be distributed to shareholders except in the event of liquidation.

The legal reserve may be used to increase the capital up to the portion of said legal reserve which exceeds 10% of the capital after the increase.

Except for the aforementioned purpose, until it exceeds 20% of the share capital, this reserve may be used only to set off losses and this may only be done if other available reserves are insufficient for this purpose.

At 31 December 2009, the legal reserve had reached the stipulated level.

d) Restricted reserves

The Company's reserves include an amount equal to the par value of the treasury shares retired in 2002 and 2008 with a charge to unrestricted reserves, in accordance with Article 167.3 of the Spanish Companies Law. The reserve for retired shares of EUR 6,034 thousand is restricted, unless the same requirements as those stipulated for capital reductions are met.

e) Treasury shares

At 31 December 2009, the Company held 3,182,582 shares of treasury stock which represents 2.50% of the share capital with a carrying value of EUR 89,130 thousands. These shares were acquired on 27 May 2009 from the wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A., Asesoría Financiera y de Gestión, S.A. (Afiges). At 31 December 2008, the Company did not hold any treasury shares directly.

Also at 31 December 2009, the Company, through the aforementioned investee, Afiges, held 6,131,961 shares of treasury stock (2,682,260 at 31 December 2008), which represents 4.82% of the share capital with a carrying value of EUR 181,251 thousand (EUR 60,142 thousand at 31 December 2008).

f) Other equity instruments

Pursuant to the terms of the 9th measurement standard of the General Accounting Plan, this caption contains the measurement of the equity component arising on the books associated with the convertible debentures issued by FCC which, along with the amount shown under the heading of "Debentures and other negotiable securities" on the enclosed balance sheet represents the total value of the bond issue in question.

In October 2009, Fomento de Construcciones y Contratas, S.A. issued debentures convertible into Company shares whose most salient features are as follows:

- The amount of the issue was EUR 450,000,000 with a maturity date of 30 October 2014.
- The bonds were issued at par with a par value of EUR 50,000.
- The bonds accrue a fixed annual interest of 6.5% payable every six months.
- The price of converting the bonds into company shares is EUR 39.287 per share, which means that each bond will be convertibles into 1,272.68 ordinary shares.

- The conversion or cash redemption may take place at the discretion of the bondholder or Fomento de Construcciones y Contratas, S.A. The conditions for exercising the option are contained in the “Issue Agreement” and may take the form of newly issued shares or existing shares in the Company’s possession.
- The issue is backed by the Company’s equity and there are no other special third party guarantees.
- The issue is underwritten by financial institutions and is intended for qualified international investors.

The Extraordinary General Meeting of Shareholders of Fomento de Construcciones y Contratas, S.A. held on 30 November 2009 to approve the convertibility of the bonds in company stock passed the following resolutions:

- i. In accordance with the provisions of article 292 of the Consolidated Public Corporations Act, approve an increase in the Company’s capital stock by the amount required to attend to requests from the holders of the Bonds to convert them under the Terms and Conditions up to an initially envisaged maximum of twelve million euro, but subject to any amendments as provided in the “Terms and Conditions”.
- ii. To approve a buyback programme of shares of Fomento de Construcciones y Contratas, S.A. whose purpose is to enable the Company to fulfil the obligations derived from the issuance of exchangeable bonds and to reduce the Company’s capital.
- iii. To approve a reduction of the capital of Fomento de Construcciones y Contratas, S.A., through the amortisation of own shares for a par value equivalent to the number of new shares of the Company issued to attend to requests for exchange or conversion from holders of the Bonds. At 31 December 2009, the number of shares was 4,150,880. The capital reduction is limited to a nominal amount equivalent to the number of new shares issued by the Company to accommodate the conversion requests of bondholders.

This operation includes a trigger call option which allows the Company to recover the bonds under certain circumstances (Note 12).

g) Value adjustments

The details of this heading are contained in Note 12 “Derivative financial instruments” and Note 9 “Current and non-current financial investments”.

h) Grants

The accompanying balance sheet at 31 December 2009 includes grants received in the past amounting to EUR 7,939 thousand (unchanged from 31 December 2008), after considering the related tax effect, of which EUR 5,443 thousand (EUR 5,078 thousand at 31 December 2008) were taken to income, of which EUR 355 thousand refer to fiscal year 2009 (EUR 386 thousand at 31 December 2008). The above amount relates mainly to grants received by the joint ventures through which the Company jointly performs contracts.

14 _ SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to the decision of the Board of Directors of Fomento de Construcciones y Contratas, S.A. taken on 29 July 2008, there is a stock option plan for directors and officers of the Company tied to the value of the Company’s shares. Under this plan, the participants receive an amount equal to the difference between the value of the shares when the option is exercised and the value of reference established in the plan.

The most prominent features of the plan, which is broken down into two tranches, are as follows:

First tranche

- Start date: 1 October 2008
- Option exercise period: From 1 October 2011 to 1 October 2013.
- Number of shares: 1,800,000 shares, 700,000 of which pertain to Directors and Officers (12 people) and the remaining 1,100,000 to other executives (43 people).
- The price of exercising the option is EUR 34.22 euros per share.

Second tranche

- Start date: 06.02.09
- Option exercise period: From 06.02.12 to 05.02.14.
- Number of shares: 1,500,000 shares, 147,500 of which pertain to Directors and Officers (12 people) and the remaining 1,352,500 to other executives (225 people).
- The price of exercising the option is EUR 24.71 euros per share.

Under applicable law, the Company estimates the current settlement value at the end of the plan, recognising a provision which is systematically set up with a balancing entry in staff costs over the term of the plan. At the end of each reporting term, the current value of the obligation is re-estimated and any difference between this and the previously recognised carrying value is taken to profit and loss for the year.

At 31 December 2009, the Company had accrued, net of the coverage described in the next paragraph, EUR 1,824 thousand (EUR 733 thousand in 2008) in staff costs for the obligations to employees, while the provisions recognised in the enclosed financial statements total EUR 3,568 thousand (EUR 733 thousand in 2008).

In order to hedge the risk of an increase in the Company's share price, the Company arranged with several financial institutions a call option, a put option and an interest rate/dividend swap with the same exercise price, nominal amount and maturity date for each one of the tranches. The treasury stock associated with the plan were delivered to the financial institutions in question. These shares were acquired delivered by Asesoría Financiera y de Gestión, S.A. (Afiges), a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A.

Only the call option met the requirements to be considered a cash flow hedging instrument. Consequently, the change in fair value of the option is charged to equity under the heading of "Adjustment for change in value" on the enclosed balance sheet, while changes in the fair value of the put option and the interest rate/dividend swap, which cannot be considered accounting hedges, are carried to profit and loss.

The impact of these financial derivatives on equity and on profit and loss at 31 December 2009 and 2008 is detailed in Note 12.

Provisions for litigation

Provisions for litigation cover the contingencies of the FCC Group companies acting as defendants in certain proceedings in relation to the liability inherent to the business activities carried on by them.

Provisions for liabilities and charges

This heading includes the provisions to cover the expenses arising from contractual and legal obligations of a non-environmental nature.

Other provisions

This heading includes the items not classified in the foregoing accounts, comprising most notably the provisions to cover environmental risks and those inherent to its international business, as well as the Company's obligations in relation to share-based payments (note 14).

15 _ LONG-TERM PROVISIONS AND OTHER OBLIGATIONS

Movements during the year are as follows:

	Litigation	Guarantees and surety.	Other provisions	Total
BALANCE AT 31.12.07	73,776	31,882	121,872	227,530
Transfers for the year	3,600	11,010	3,738	18,348
Application	(3,512)	(2,218)	-	(5,730)
Reversal	-	-	(32,602)	(32,602)
Transfers	173	-	(173)	-
BALANCE AT 31.12.08	74,037	40,674	92,835	207,546
Transfers for the year	3,600	10,983	9,444	24,027
Application	-	-	(526)	(526)
Reversal	-	(20,653)	(2,467)	(23,120)
Transfers	(11,674)	13,535	(1,861)	-
BALANCE AT 31.12.09	65,963	44,539	97,425	207,927

16 _ SHORT AND LONG TERM PAYABLES

The balance of "Non-Current Payables" and "Current Payables" at the end of 2009 is as follows:

	Long term	Short term
2009		
Debentures and other marketable securities	421,213	-
Bank loans and overdrafts:		
Limited recourse borrowings	240,534	427
Unlimited recourse borrowings	3,442,856	134,883
Lease liabilities	27,491	36,412
Other financial liabilities	7,104	111,924
Derivatives (Note 12)	75,897	-
	4,215,095	283,646
2008		
Bank loans and overdrafts:		
Limited recourse borrowings	427	2,701
Unlimited recourse borrowings	2,789,273	111,851
Lease liabilities	3,479	27,115
Other financial liabilities	6,847	151,478
Derivatives (Note 12)	68,981	-
	2,869,007	293,145

The detail, by maturity, of "Non-Current Payables" is as follows:

	Maturity				
	2011	2012	2013	2014	2015 and subsequent years
Debentures and other marketable securities	-	-	-	421,213	-
Limited recourse borrowings	10,271	7,418	8,154	8,933	205,758
Unlimited recourse borrowings	1,526,445	1,450,238	466,173	-	-
Lease liabilities	22,521	4,970	-	-	-
Other financial liabilities	1,614	379	389	278	4,444
Derivatives	-	-	65,879	10,018	-
	1,560,851	1,463,005	540,595	440,442	210,202

a) Debentures and other marketable securities

On 30 October 2009, the Company issued EUR 450,000 thousand worth of subordinate convertible bonds. The issue was intended for international institutional investors. The purpose of the issue was to reinforce the balance sheet equity structure by making the bond subordinate to the Company's corporate borrowings and to diversify the Company's financing base by supplementing its bank financing.

According to accounting law, in addition to their financial component convertible debentures are recognised as equity in the terms described in Note 13.f) of this document. That note also describes the conditions for issuing such convertible debentures. At 31 December 2009, the carrying balance for this item under the heading of "Debentures another negotiable securities" on the enclosed balance sheet is EUR 421,213 thousand.

b) Bank loans and overdrafts

b.1) Limited recourse borrowings

The balance shown for this item on the table above refers basically to the limited recourse financing agreement signed on 18 November 2009 by Banco Bilbao Vizcaya Argentaria (BBVA) and Fomento de Construcciones y Contratas, S.A. (99%) and the wholly-owned subsidiary Fedemés, S.L. (1%) in the amount of EUR 250,000 thousand. The Torre Picasso was mortgaged as explained in Note 7 of this document. The cost of the transaction was deducted from the initial measurement so that at year end the outstanding balance on the Company's balance sheet was EUR 240,534 thousand.

The loan matures on 18 December 2024 with quarterly amortisations of approximately 1.20% of the outstanding balance, on average, from the first to the penultimate repayment date and a final payment of 30% of the balance. The interest rate is Euribor plus 2.50% through the eighth year and 3% from then until the expiration of the loan.

b.2) Payables with limited recourse (lines of credit)

The limit on the current and non-current credit facilities extended to the Company in relation to the payables to credit institutions was EUR 4,273,445 thousand (EUR 3,817,451 thousand at 31 December 2008). At 31 December 2009, EUR 695,706 thousand of that total was available (EUR 916.327 thousand at 31 December 2008).

The financing lines include most notably:

- A syndicated credit facility of EUR 800,000 thousand arranged by the Company on 19 July 2007 divided in two tranches: Tranche "A", a long-term loan totalling EUR 280,000 thousand, with partial maturities in July 2011 and July 2012 (50% at each maturity date); and Tranche "B", a credit facility of EUR 520,000 thousand, maturing

in December 2012. The interest rate on both tranches in 2008 was Euribor plus a spread determined on the basis of the change in the net financial debt/EBITDA ratio of the FCC Group, and was initially 0.325%. This spread will be adjusted each year. At 31 December 2009, the credit facility was completely drawn down.

- A syndicated loan arranged by the Company on 25 January 2007 to finance Azincourt Investment, S.L., Sole-Shareholder Company, a wholly-owned investee of Fomento de Construcciones y Contratas, S.A., in the acquisition of the UK company Waste Recycling Group Ltd. and its group of companies. The loan is structured in two tranches, the first for an initial amount of EUR 819,700 thousand and the second for GBP 200,000 thousand. Both tranches mature in December 2013 and are being repaid in half-yearly instalments amounting to 4.615% of the initial loan principal, and the remaining 40.005% of the loan is repaid at final maturity.

At year-end EUR 592,784 thousand of the tranche in euros (EUR 517,067 thousand at long term and the remainder at short term) and GBP 144,620 thousand of the tranche in sterling, which at the year-end euro/GBP exchange rate totalled EUR 162,842 thousand, (EUR 142,057 thousand at long term and the remainder at short term) had not yet been repaid. The interest rate on the tranche in euros is Euribor plus a spread determined based on the change in the net financial debt/ EBITDA ratio of the FCC Group, which was initially 0.375%. This spread will be adjusted each year. The interest rate applicable to the tranche in sterling is Libor and the spread is the same as that detailed for the tranche in euros. This syndicated loan has associated derivative instruments (see Note 12).

Also, due to fluctuations in the euro/sterling exchange rate, the loan in sterling gave rise to exchange losses in the year of EUR 9,253 thousand, which were recognised as finance income in the accompanying income statement.

- Syndicated credit facility totalling EUR 1,225 million arranged by the Company on 8 May 2008. The facility is divided into two tranches: a long-term loan of EUR 735,000 thousand and a long-term credit facility amounting to EUR 490,000 thousand. The term of the loan is three years (extendable for a further two years). The loan has a single maturity, 8 May 2011, and bears interest at Euribor plus a spread established on the basis of the FCC Group's debt/equity ratio per its financial statements for each year. At 31 December 2009, the loan was completely drawn down.
- On 29 April 2009, the parent company signed a syndicated loan in the amount of EUR 375,000 thousand with 12 participating financial institutions. Later, on 4 and 27 May, it was extended to EUR 451,000 thousand, in two tranches: a long-term loan of EUR 225,500 thousand and a long-term credit facility amounting to EUR 225,500 thousand. The syndicated loan was signed for a three-year term with a single maturity date on 28 April 2012. The interest rate is Euribor plus a differential

based on the debt ratio each year shown on the FCC Group's financial statements. At 31 December 2009, the loan had been drawn down in full.

- On 23 October 2009, the parent company signed a long-term loan in the amount of EUR 175,000 thousand with the European Investment Bank (EIB) with a maturity date of 6 November 2012 which may be extended to 2015. The interest rate on the loan is Euribor 3 months plus a fixed differential. The loan was granted for the financing and development of environmental investments.

With regard to the Group's financing, it should be noted that certain ratios must be met concerning coverage of financial expenses and levels of net debt in relation to EBITDA. The ratios established were being met at year-end.

c) Other current financial liabilities

This balance sheet item includes various debt items, most notably that relating to the payment of the 2009 interim dividend, of which EUR 88,746 thousand correspond to the Parent (EUR 99,933 thousand at 31 December 2008), as indicated in Note 3.

17 — INFORMATION ON THE NATURE AND LEVEL OF RISK OF FINANCIAL INSTRUMENTS

The financial risk management of the Group of which Fomento de Construcciones y Contratas is the Parent is centralised in its Financial Department, which has established the mechanisms required to control exposure to interest rate and exchange rate fluctuations and credit and liquidity risk.

Financial risk refers to changes in the value of financial instruments contracted by the Company due to political, market and other factors, and the effect of such changes on the financial statements.

The FCC Group's risk management philosophy is consistent with its business strategy, as it strives for maximum solvency and efficiency at all times. In that regard, the Group has set out stringent financial risk management and control criteria for identifying, measuring, analysing and controlling the risks faced in the course of FCC's operations. This risk policy is correctly integrated into the Group's organisational structure.

In keeping with the risk control policy, hedging operations contracted by the FCC Group are not speculative but rather aim to cover the risk associated with each transaction.

The main financial risks affecting the Company are as follows:

Capital risk management

The Company manages its capital to ensure it will be able to continue to operate as a profitable business while maximising the return for shareholders.

The cost of capital and the associated risks of each investment project are analysed by the Operational Areas and the Finance Division and are subsequently approved or rejected by the corresponding committee or by the Board of Directors. Other functional areas of the Group may also provide reports if so required.

Aside from the habitual investment analysis objectives (yields, return period, risk assumed, strategic market assessment), one of the objectives of this investment analysis is to maintain the net debt/EBITDA ratio at a reasonable level and within the range negotiated with banks.

The Financial Director, responsible for the management of financial risks, periodically reviews the capital structure of subsidiaries as well as the debt-equity ratio and compliance with the financing covenants.

Interest rate risk

In order to ensure a position that is in the FCC Group's best interest, an interest-rate risk management policy is actively implemented, constantly monitoring the market and assuming different positions depending on the financed asset.

Given the nature of the Company's activities, closely linked to inflation, its financial policy consists of ensuring that both its current financial assets, which to a large extent provide natural hedging for its current financial liabilities, and the Company's debt are partially tied to floating interest rates.

Even so, the Company performed interest rate hedging transactions in 2009, ending the year with various hedging instruments of varying maturities on 19.8% of the Company's total net debt.

Complying with the policy of classifying original instruments as hedges, the Company has arranged interest rate hedges, mainly swaps (IRSs) in which the Company pays a fixed rate and receives a floating rate.

Exchange rate risk

A noteworthy consequence of the FCC Group's positioning in international markets is the exposure resulting from net positions in foreign currencies against the euro or in one foreign currency against another when the investment and financing of an activity cannot be made in the same currency.

The Company's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both transactional and

purely equity-related changes. The Company therefore manages the effect that foreign currency risk can have on the balance sheet and the income statement.

The Company and the Group actively manage the foreign currency risk by arranging financial transactions in the same currency as that in which the related asset is denominated, i.e. efforts are made, at all times, to obtain in local currency the financing required for the local activity of the company in the country of origin of the investment, with a view to creating a natural hedge or a matching of the cash flows to the financing. However, there are occasions when, due to the weakness of the currency of the country of origin of the investment, this is not possible because long-term financing cannot be obtained in that currency. In this case, financing will be obtained either in the currency of the consolidated group or in the most closely correlated foreign currency.

Solvency risk

The most relevant ratio for measuring solvency and repayment capacity is: the net debt / EBITDA ratio. The Company's ratios are reasonable and comply with the financing terms agreed with credit entities.

Liquidity risk

The Company is present in various markets in order to facilitate the obtainment of financing and to mitigate liquidity risk.

Despite the adverse situation that affected the financial markets throughout 2009, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to the evolution of the factors that may help to resolve liquidity difficulties in the future and to the various sources of financing and their characteristics.

Concentration risk

This risk arises from the concentration of financing transactions with common features such as:

- Sources of financing: The Company and the FCC Group obtain financing from over 160 Spanish and international banks.
- Markets/geographical area: The Company operates mainly in the Spanish market so most of its debt is concentrated in euros.
- Products: The Company arranges a broad spectrum of financial products, including loans, credit facilities, debt instruments, syndicated transactions and discounting facilities.

Sensitivity test

With regard to the sensitivity test of derivatives and net debt, the impact on equity of a 100 basis point increase or decrease in interest rates would be EUR 10,970 thousand and EUR 11,810 thousand, respectively. It should also be noted that a 100-basis point increase and decrease in the interest rates on the net debt, after excluding any hedged debt, would give rise to a cost of EUR 25,300 thousand or income of EUR 25,300 thousand, respectively, in profit before tax in the Company's income statement.

18 _ DEFERRED TAX AND TAX SITUATION

a) Taxes and social security

The details assets and liabilities included under "Tax Receivables" and "Tax Payables", respectively, are as follows:

a.1) Taxes receivable

	2009	2008
Non-current		
Deferred tax assets	68,296	63,342
	68,296	63,342
Current		
Current tax expense	23,530	35,121
Other credits with Public Administrations	7,084	7,059
	30,614	42,180

The deferred tax assets arise mainly as a result of the temporary differences between the depreciation and amortisation charges and impairment losses that will become deductible from the income tax base in future years, the deferment of the losses incurred by joint ventures included in the next year's taxable base and the temporary differences arising from the measurement of liabilities.

a.2) Taxes payable

	2009	2008
Non-current		
Deferred tax liabilities	129,240	57,747
	129,240	57,747
Current		
Other taxes payable		
Corporate tax withholdings	8,193	10,094
VAT and other indirect taxes	12,529	11,700
Social Security tax	18,803	18,632
Other items	5,480	3,981
	45,005	44,407

Deferred tax liabilities include mainly:

- The deferment of the amortisation of fixed assets acquired under leases.
- The accelerated depreciation of the Torre Picasso building which qualifies for the tax incentives provided for in Royal Decree-Law 2/1985 and the investments in property, plant and equipment in 2009 which qualify for the amortisation benefits included in law 4/2008.
- The deferment of the profits generated by joint ventures included in the next year's taxable base.
- The deferred tax totalling EUR 23,433 thousand arising from the transfer of the company's concession business to Global Vía Infraestructuras, S.A. under the protection of the special tax neutrality arrangement for mergers, spin-offs, asset transfers and security swaps, recognised as a consequence of the purchase of that company (Note 10.a).

b) Reconciliation of carrying results and taxable base

The reconciliation of the carrying result and the taxable base for corporate income tax purposes is as follows:

	2009		2008	
RESULTS FOR THE YEAR BEFORE TAX	280,504		377,812	
	Increases	Decreases	Increases	Decreases
Permanent differences	698	(936)	3,224	(1,798)
Adjusted carrying result	280,266		379,238	
Temporary differences				
- Arising during the year	28,056	(166,049)	7,581	(23,082)
- Arising in previous years	26,856	(14,568)	25,686	(57,065)
TAXABLE BASE (TAX RESULT)	154,561		332,358	

The changes in both current and non-current deferred tax assets and liabilities in 2009 and 2008 are as follows:

	Deferred tax assets	Deferred tax liabilities
DUE TO TEMPORARY DIFFERENCES		
Balance at 31.12.07	67,729	57,457
Arising during the year	2,274	6,924
Arising in prior years	(17,120)	(7,706)
Other adjustments	(2,023)	87
Balance at 31.12.08	50,860	56,762
Arising during the year	8,417	49,815
Arising in prior years	(4,370)	(8,057)
Other adjustments	(80)	4,805
Balance at 31.12.09	54,827	103,325
DUE TO TEMPORARY BALANCE SHEET DIFFERENCE		
Balance at 31.12.07	1,254	1,085
Arising during the year	11,228	(100)
Balance at 31.12.08	12,482	985
Arising during the year	987	24,930
Balance at 31.12.09	13,469	25,915
TOTAL BALANCE AT 31.12.09	68,296	129,240

c) Taxes recognised in equity

At 31 December 2009 the tax recognised in equity refers basically to the change in the value of the Company's hedging instruments in the amount of EUR 10,987 thousand (EUR 10,459 thousand at 31 December 2008).

d) Reconciliation of the carrying value and the corporate tax expense

The reconciliation of the carrying result and the corporate income tax is as follows:

	2009	2008
Adjusted carrying result	280,266	379,238
Corporate tax amount (30%)	84,080	113,771
Double taxation deduction	(52,589)	(76,010)
Reinvestment deductions	(1,321)	(38)
Other deductions and discounts	(2,760)	(2,519)
Other adjustments	(1,784)	(298)
CORPORATE INCOME TAX	25,626	34,906

The corporate tax expense for the year refers entirely to taxes on continuous operations.

e) Tax loss carryforwards and deductions not yet taken

At year end, the Company had no tax loss carryforwards or tax deductions that had not been taken.

f) Fiscal years open to tax inspection and verification

Fomento de Construcciones y Contratas, S.A. is open to inspection for all taxes owed for all fiscal years that have not prescribed. The criteria that the tax authorities might adopt in relation to the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. In relation to the years which have been reviewed, in certain cases the criteria applied by the tax authorities gave rise to tax assessments, which are currently being appealed against by the related Group companies. However, the Company's directors consider that the resulting liabilities will not have a significant effect on the Company's equity.

In compliance with the legal requirements, the Company has established the procedures necessary to support its transfer prices and the Directors do not believe there is any significant risk in this regard out of which considerable liabilities could arise in the future.

g) Other tax information

Under authorisation 18/89, Fomento de Construcciones y Contratas, S.A. files consolidated income tax returns as part of a tax Group that meets the requirements established by tax legislation.

19 _ THIRD PARTY GUARANTEES AND OTHER CONTINGENT LIABILITIES

At 31 December 2009, Fomento de Construcciones y Contratas, S.A. had provided EUR 416,607 thousand of guarantees to third parties, mostly consisting of completion bonds provided to government agencies and private-sector customers as security for the performance of construction projects and urban cleaning contracts (31 December 2008: EUR 379,497 thousand).

Also at year end the Company had provided guarantees to third parties for Group companies in the amount of EUR 399,176 thousand (EUR 288,711 thousand at 31 December 2008).

Fomento de Construcciones y Contratas, S.A. and the joint ventures in which it has interests are acting as defendants in lawsuits in relation to the liability inherent to the various business activities carried on by the Company in the performance of the contracts awarded, for which the related provisions have been recognised (see Notes 15 and 4-j). Accordingly, any resulting liabilities would not have a significant effect on the Company's equity.

20 _ INCOME AND EXPENSES

In addition the revenue from sales and services, the net turnover includes dividends and interest from the financing extended to investees. Practically all revenue comes from work done in Spain.

Of the total turnover, EUR 187,957 thousand came from contracts operated jointly through joint ventures.

The finance income comes from the financing extended to investee companies (Note 10), particularly EUR 32,768 thousand to Azincourt Investment, S.L. (EUR 33,015 thousand at 31 December 2008); EUR 26,298 thousand to FCC Construcción, S.A. (EUR 27,753 thousand at 31 December 2008) and EUR 11,172 thousand to FCC Energía, S.A. (no significant finance income in 2008).

Operating income includes rental income and billings for costs charged to the tenants of the Torre Picasso building which, in proportion to the Company's percentage of ownership (see Note 7), amounted to EUR 7,185 thousand (EUR 6,948 thousand at 31 December 2008) and transactions with group companies and associates involving work performed and services rendered by the Company in the amount of EUR 63,238 thousand (EUR 78,794 at 31 December

2008). This includes EUR 26,807 thousand (EUR 45,557 thousand at 31 December 2008) billed for management support services and use of the FCC brand to FCC Construcción, S.A., a wholly-owned subsidiary of the Company.

The Company also acquired services and purchased consumable materials from Group companies and associates in the amount of EUR 31,462 thousand (EUR 33,007 thousand at 31 December 2008).

21 _ RELATED PARTY TRANSACTIONS

a) Related party transactions

The details of the transactions with related parties in 2009 and 2008 are as follows:

	Group companies	Joint ventures	Associates
2009			
Services rendered:	68,203	-	2,715
Services received:	31,156	171	135
Dividends	172,883	1,025	2,540
Finance expense	8,654	140	-
Finance income	83,795	827	72
2008			
Services rendered:	98,057	1	2,742
Services received:	32,563	42	402
Dividends	206,742	6,795	2,590
Finance expense	18,725	319	-
Finance income	82,996	-	99

b) Balances with related parties

The details of the balances with related parties at year end are as follows:

	Group companies	Joint ventures	Associates
2009			
Current investments (Note 10)	1,765,718	2,646	4,348
Non-current investments (Note 10)	2,631,222	90,547	620,353
Receivables from group companies (Note 10)	447,191	17,228	145
Trade receivables	66,265	1	5,199
Trade creditors	15,146	35	359
2008			
Current investments (Note 10)	1,259,752	3,463	5,244
Non-current investments (Note 10)	2,495,498	107,937	20,657
Receivables from group companies (Note 10)	631,027	20,035	-
Trade receivables	71,311	2	4,567
Trade creditors	20,575	87	332

The details of the current debit and credit balance with Group companies and associates are as follows:

	2009		2008	
Company	Receivable	Payable	Receivable	Payable
FCC Construcción, S.A.	23,541	1,551	23,788	2,580
Conservación y Sistemas, S.A.	7,723	1,186	6,204	-
Aqualia, S.A.	12,347	1,092	14,092	-
FCC Medio Ambiente, S.A.	4,086	1,059	8,234	1,321
Limpieza e Higiene de Cartagena, S.A.	5,361	-	2,995	-
FCC Ámbito, S.A.	2,857	474	3,833	-
FCC Versia, S.A.	1,348	162	-	1,229
Sistemas y Vehículos de Alta Tecnología, S.A.	-	1,036	-	1,609
Tratamiento Industrial Aguas, S.A.	-	4,373	-	4,162
Other	14,202	4,607	16,734	10,093
	71,465	15,540	75,880	20,994

c) Remuneration of the Board of Directors and senior management

The remuneration earned by the Board of Directors of Fomento de Construcciones y Contratas, S.A. in 2009 was EUR 2,040 thousand (EUR 2,059 thousand at 31 December 2008).

The executive directors of Fomento de Construcciones y Contratas, S.A. received the following amounts in thousands of euros:

	2009	2008
Fixed	4,075	4,189
Variable	1,866	289
	5,941	4,478

In the past an insurance policy was arranged and the premium paid to cover the payment of benefits relating to death, permanent occupational disability, retirement bonuses and pensions and other situations for, among other employees, certain executive directors and executives and Fomento de Construcciones y Contratas, S.A. (Note 4.I). In 2009, beneficiaries received insurance benefits totalling EUR 5,942 thousand (EUR 5,952 thousand at 31 December 2008).

Except as indicated in the preceding paragraphs, no other other remuneration, advances, loans or guarantees were granted to the Board of Directors nor were any other obligations assumed for the payment of pensions or life insurance premiums for former or current members of the Board.

d) Detail of investments in companies engaging in similar activities and of the performance, as independent professionals or as employees, of similar activities by the directors.

Set forth below are the required disclosures in relation to the ownership interests held by the directors of Fomento de Construcciones y Contratas, S.A. in the share capital of non-FCC Group companies; the activities (if any) performed by them, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company object of the FCC Group; and the transactions (if any) conducted by them or by persons acting on their behalf with the Company or with any company in the same Group that are not part of the Company's normal business activities or are not conducted on an arm's length basis:

- The directors of Fomento de Construcciones y Contratas, S.A. have declared that they do not engage in any activity, as independent professionals or as employees that is identical, similar or complementary to the activity that constitutes the Company's object.

- The Board members of the Company do not hold any ownership interests in the share capital of any companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Fomento de Construcciones y Contratas, S.A.
- The directors of Fomento de Construcciones y Contratas, S.A., or persons acting on their behalf, did not perform, with the Company or with any company in the same Group, any transactions that were not part of the Company's normal business activities or that were not conducted on an arm's length basis..

The detail of the directors holding positions in companies in which Fomento de Construcciones y Contratas, S.A. has a direct or indirect ownership interest is as follows:

Director name or business name	Group company	Position
Cartera Deva, S.A.	Cementos Portland Valderrivas, S.A.	Director
EAC Inversiones Corporativas, S.L.	Cementos Portland Valderrivas, S.A.	Director
EAC Inversiones Corporativas, S.L.	FCC Construcción, S.A.	Director
Fernando Falcó Fernández de Córdova	FCC Construcción, S.A.	Director
Fernando Falcó Fernández de Córdova	Giant Cement Holding Inc.	Director
Fernando Falcó Fernández de Córdova	Waste Recycling Group Limited	Director
Rafael Montes Sánchez	FCC Construcción, S.A.	Director
Rafael Montes Sánchez	Cementos Portland Valderrivas, S.A.	Director
Juan Castells Masana	Waste Recycling Group Limited	Director
Juan Castells Masana	Cementos Portland Valderrivas, S.A.	Director
Robert Peugeot	FCC Construcción, S.A.	Director
Robert Peugeot	Alpine Holding GmbH	Oversight Committee
Robert Peugeot	Waste Recycling Group Limited	Director
Baldomero Falcones Jaquotot	FCC Energía, S.A.	Chairman
Felipe B. García Pérez	FCC Energía, S.A.	Secretary

These directors hold positions or discharge functions and/or hold ownership interests of less than 0.01% in all cases in other FCC Group companies in which Fomento de Construcciones y Contratas, S.A. directly or indirectly holds a majority of the voting power.

22 _ ENVIRONMENTAL INFORMATION

As indicated in Note 1, by its very nature, the Company's Services line of business is geared towards environmental protection and conservation, not only through the production activity itself: (waste collection, operation and control of landfills, sewer cleaning, treatment and elimination of industrial waste, wastewater treatment, etc.), but also as a result of performing these activities using production techniques and systems designed to reduce environmental impact in accordance with the limits established in the relevant legislation.

The performance of production activities described above requires the use of specialised structures, plant and machinery that are efficient in terms of environmental protection and conservation. At 31 December 2009, the acquisition cost of the non-current assets assigned to production totalled EUR 987,655 thousand (EUR 842,175 thousand 31 December 2008), with accumulated depreciation amounting to EUR 517,039 thousand (EUR 450,298 thousand at 31 December 2008).

Company management considers that any possible contingencies in relation to the protection and improvement of the environment at 31 December 2009 would not have a material impact on the accompanying financial statements.

As indicated in Note 1, Fomento de Construcciones y Contratas, S.A. is the parent of the FCC Group which operates various business lines and, due to the nature thereof, pays particular attention to controlling the impact on the environment. These matters are discussed in detail in the Group's Corporate Social Responsibility report, which is published annually on FCC's website, www.fcc.es, among other channels, and provides the reader with more representative information than that included in this Note.

23 _ OTHER INFORMATION

a) Personnel

The average number of employees at the Group, by professional category, in 2008 and 2009 was as follows:

	2009	2008
Managers and university graduates	363	363
Other qualified line personnel	295	285
Clerical and similar staff	856	848
Other salaried employees	25,568	24,562
	27,082	26,058

The average number of employees at the Group, by gender and professional category, in 2009 and 2008 was as follows:

	Male	Female	Total
2009			
Directors	15	5	20
Senior managers	8	-	8
Managers and university graduates	265	85	350
Other qualified line personnel	244	48	292
Clerical and similar staff	421	442	863
Other salaried employees	18,869	6,144	25,013
	19,822	6,724	26,546
2008			
Directors	16	5	21
Senior managers	7	-	7
Managers and university graduates	267	86	353
Other qualified line personnel	243	47	290
Clerical and similar staff	414	429	843
Other salaried employees	18,208	6,079	24,287
	19,155	6,646	25,801

b) Fees paid to auditors

"Outside Services" in the accompanying income statement includes the fees for financial audit services provided to the Company, amounting to EUR 212 thousand (EUR 249 thousand at 31 December 2008). This amount also includes the fees relating to other services billed by the auditor or by other entities related to the auditor, amounting to EUR 75 thousand (EUR 75 thousand at 31 December 2008).

APPENDIX I _ GROUP COMPANIES

Company	Carrying value		% Ownership	Dividends received	Capital	Reserves	Other equity items	2009 profit (loss)	
	Asset	Impairment						Operations	Continuous operations
AEBA Ambiente y Ecología de Buenos Aires, S.A. Tucumán, 1321 – 3ª - Buenos Aires - Argentina -Urban sanitation services-	834	649	dir. 50.00 indir. 2.50	-	1,000 (Pa)	1,226 (Pa)	-	(319) (Pa)	(143) (Pa)
Aqualia Gestión Integral del Agua, S.A. Federico Salmón, 13 – Madrid -Water management-	254,768	-	dir. 99.99 indir. 0.01	21,400	145,000	227,232	7,019	80,585	71,038
Armigesa, S.A. Pza. Constitución, s/n – Armilla (Granada) -Urban sanitation services-	612	-	51.00	-	1,200	-	-	-	-
A.S.A. Abfall Service AG Hans-Hruschka-Gasse, 9 - Himberg (Austria) -Urban sanitation services-	226,784	-	dir. 99.98 indir. 0.02	-	5,000	39,465	289	(1,846)	(908)
Asesoría Financiera Services y de Gestión, S.A. Federico Salmón, 13 - Madrid -Financial Services-	3,008	-	dir. 43.84 indir. 56.16	-	6,843	371,193	-	26,692	28,111
Azincourt Investment, S.L. Unipersonal Federico Salmón, 13 – Madrid -Holding company-	3	3	100.00	-	3	(248,812)	(24,019)	5,813	(37,286)
Cement Portland Valderrivas, S.A. Estella, 6 – Pamplona -Cement-	298,638	-	dir. 59.30 indir. 12.02	11,777	56,896	1,162,052	(17,448)	96,598	28,811
Compañía Auxiliar de Agencia y Mediación, S.A. Unipersonal Federico Salmón, 13 – Madrid -Holding company-	1,657	-	100.00	-	61	15,124	-	235	(2,230)
Compañía General de Servicios Empresariales, S.A. Unipersonal Federico Salmón, 13 – Madrid -Instrumental-	60	-	100.00	-	60	17	-	2	-
Corporación Española de Servicios, S.A. Federico Salmón, 13 – Madrid -Instrumental-	44	-	dir. 99.99 indir. 0.01	-	60	16	-	-	-
Corporación Financiera Services Hispánica, S.A. Federico Salmón, 13 – Madrid -Holding company-	69,818	-	dir. 99.99 indir. 0.01	-	58,393	350,706	-	3,888	2,722
Dédalo Patrimonial, S.L. Unipersonal Federico Salmón, 13 – Madrid -Holding company-	61	-	100.00	-	61	(2,259)	-	(20)	(1,600)

Company	Carrying value		% Ownership	Dividends received	Capital	Reserves	Other equity items	2009 profit (loss)	
	Asset	Impairment						Operations	Continuous operations
Ecoparque Mancomunidad del Este, S.A. Federico Salmón, 13 – Madrid -Urban sanitation services-	12,602	-	dir. 99.99 indir. 0.01	-	12,604	(134)	-	1,550	1,173
Egypt Environmental Services SAE El Cairo-Egipto -Urban sanitation services-	7,760	2,351	dir. 97.00 indir. 3.00	936	36,400 (Leg)	1,777 (Leg)	-	11,279 (Leg)	6,717 (Leg)
Empresa Comarcal de Serveis Mediambientals del Baix Penedés, ECOBP, S.L. Plaça del Centre, 3 - El Vendrell (Tarragona) -Urban sanitation services-	240	-	80.00	66	301	275	-	144	82
Empresa Municipal de Desarrollo Sostenible Ambiental de Úbeda, S.L. Pza. Vázquez Molina, s/n – Úbeda (Jaén) -Urban sanitation services-	720	-	90.00	-	800	219	-	247	144
Europea de Gestión, S.A. Unipersonal Federico Salmón, 13 – Madrid -Instrumental-	63	-	100.00	-	60	22	-	5	4
FCC Construcción, S.A. Balmes, 36 – Barcelona -Construction-	275,551	-	dir. 99.99 indir. 0.01	134,300	130,000	187,221	-	226,292	199,568
FCC Construcciones y Contratas Internacional, S.L. Unipersonal Federico Salmón, 13 – Madrid -Instrumental-	3	-	100.00	-	3	-	-	-	-
FCC Energía, S.A. Federico Salmón, 13 – Madrid -Energy -	1,000	-	dir. 99.99 indir. 0.01	-	1,000	(782)	-	7,417	(1,870)
FCC Fomento de Obras y Construcciones, S.L. Unipersonal Federico Salmón, 13 – Madrid -Instrumental-	3	-	100.00	-	3	-	-	-	-
FCC Inmobiliaria Conycon, S.L. Unipersonal Federico Salmón, 13 – Madrid -Instrumental-	3	-	100.00	-	3	-	-	-	-
FCC International B.V. Amsteldijk 166 - Amsterdam (Holland) -Holding company-	49,910	-	100.00	215	40,840	-	-	(28)	25
FCC Medio Ambiente, S.A. Federico Salmón, 13 – Madrid -Urban sanitation services-	35,102	-	dir. 98.98 indir. 1.02	-	43,272	108,450	578	32,447	20,506

Company	Carrying value		% Ownership	Dividends received	Capital	Reserves	Other equity items	2009 profit (loss)	
	Asset	Impairment						Operations	Continuous operations
FCC Versia, S.A. Federico Salmón, 13 – Madrid -Management company -	62,625	-	dir. 99.99 indir. 0.01	-	40,337	125,151	-	14,665	7,042
FCC 1, S.L. Unipersonal Federico Salmón, 13 – Madrid -Instrumental-	3	-	100.00	-	3	-	-	-	-
F-C y C, S.L. Unipersonal Federico Salmón, 13 – Madrid -Instrumental-	3	-	100.00	-	3	-	-	-	-
Fedemés, S.L. Federico Salmón, 13 – Madrid -Real Estate -	10,764	-	dir. 92.67 indir. 7.33	-	10,301	15,802	-	1,262	820
Giza Environmental Services S.A.E. El Cairo – Egipto -Urban sanitation services-	7,566	7,566	dir. 97.00 indir. 3.00	-	35,500 (Leg)	(154,630) (Leg)	-	67,466 (Leg)	62,898 (Leg)
Limpiezas Urbanas de Mallorca, S.A. Fusters, 18 – Manacor (Balears) -Urban sanitation services-	5,097	-	dir. 99.92 indir. 0.08	-	308	1,984	-	1,072	714
Per Gestora Inmobiliaria, S.L. Pza. Pablo Ruiz Picasso, s/n – Madrid -Real Estate management and administration -	69	-	dir. 99.00 indir. 1.00	-	60	(88)	-	254	178
Tratamientos y Recuperaciones Industriales, S.A. Anglí, 31 – Barcelona -Waste treatment-	21,455	-	dir. 74.92 indir. 0.08	1,438	72	8,080	-	1,560	1,115
Valoración y Tratamiento de Residuos Urbanos, S.A. Riu Magre, 6 – Pol. Ind. Patada del Cid – Quart de Poblet (Valencia) -Waste treatment	1,000	-	80.00	-	1,250	-	-	-	-
TOTAL	1,347,826	10,569		170,132					

NOTE:

- Of the listed companies, only Cement Portland Valderrivas, S.A. trades on the stock exchange. Its shares were priced at 22.35 euros as of the balance sheet date. The average price in the last quarter of the year was 29.17 euros.
- As required by Article 86 of the Revised Text of the Spanish Companies Act, during the year the Company reported on the investee companies in which the Company controls more than 10%, directly or indirectly.



APPENDIX II _ JOINT VENTURES

	% Ownership
ABASTECIMIENTO VILLALÓN	20.00
AGUAS TOMELLOSO	20.00
AIGÜES DE LLEIDA	50.00
ALMEDA	51.00
AMPLIACIÓ LIXIVITATS	20.00
AQUALBAL	20.00
AQUALIA – FCC – MYASA	20.00
AQUALIA – FCC – OVIEDO	5.00
AQUALIA – FCC SALAMANCA	5.00
AQUALIA – FCC – SAN VICENTE	20.00
AQUALIA – FCC VIGO	50.00
ARGÍ GUEÑES	70.00
AZUD VILLAGONZALO	20.00
BARRIO CARMELITAS	20.00
BILBOKO SANEAMENDU	50.00
BILBOKO SANEAMENDU B	50.00
BIOCOMPOST DE ÁLAVA	50.00
BOADILLA -	50.00
BOCAS DE RIEGO ZONA 4	50.00
BOMBEO VALMOJADO	20.00
CAMÍ SA VORERA	20.00
CAN BOSSA	20.00
CANA PUTXA	20.00
CANAL DEL ARAMO	20.00
CANDAS	20.00
CANGAS	50.00
CASTELLAR DEL VALLÈS	50.00
CASTELLAR POLÍGONOS	50.00
CEMENTERIOS PERIFÉRICOS II	50.00
CENTRO DEPORTIVO VILLENA	80.00
CHAPARRAL BAJO	20.00
CHAPARRAL BAJO FASE B	20.00
CHIPIONA	50.00
CIUTAT VELLA	50.00
CN III	45.00
COLEGIOS SANT QUIRZE	50.00
COMPLEJO DP. CABEZO DE TORRES	20.00

	% Ownership
CONSERVACIÓN ALCORCÓN	50.00
CONSERVACIÓN DE GALERÍAS	50.00
CONSERVACIÓN Y SISTEMAS	60.00
CONSORCIO FCC-FOCSA V	51.00
CONTADORES BURGOS	100.00
CONTADORES MÓSTOLES	30.00
CTR DE L'ALT EMPORDÀ	45.00
CTR-VALLES	20.00
CUENCA	20.00
CYCSA-EYSSA VIGO	50.00
DEIXALLERIES	20.00
DEPÓSITO CABECERA	80.00
DEPURADORA HUESCA	80.00
DOS AGUAS	35.00
ECOPARQUE CÁCERES	50.00
ECOURENSE	50.00
EDAR ALMANSA	5.00
EDAR CUERVA	5.00
EDAR ELCHE	20.00
EDAR RANILLA	25.00
EDAR REINOSA	5.00
ENERGÍA SOLAR ONDA	25.00
ESPAI AMBIENTAL DEL VEDAT	100.00
EXPL PL BIO LAS DEHESAS	50.00
F.L.F. LA PLANA	47.00
FANGOS IBIZA Y FORMENTERA	20.00
FANGOS VIC	20.00
FCC – ACISA - AUDING	45.00
FCC - ANPE	80.00
FCC - DIESEL BARCELONA	80.00
FCC - DIESEL N-VI	50.00
FCC - ERS LOS PALACIOS	50.00
FCC – FCCMA ALCOY	20.00
FCC – FCCMA COLMENAR VIEJO	20.00
FCC – FCCMA CORNELLÀ	90.00
FCC – FCCMA L.V. PAMPLONA	20.00
FCC – FCCMA OLESA	20.00

	% Ownership
FCC – FCCMA R.B.U. - L.V. JAVEA	20.00
FCC – FCCMA R.B.U TUDELA	20.00
FCC – FCCMA S.U. DENIA	20.00
FCC – FCCMA SAN JAVIER	20.00
FCC – FCCMA SEGRÌÀ	20.00
FCC – FIRA 2000	100.00
FCC – FOCONSA	50.00
FCC – HIJOS DE MORENO, S.A.	50.00
FCC – HIMOSA	50.00
FCC – ICS	80.00
FCC – LUMSA	50.00
FCC – PALAFRUGELL	20.00
FCC – PAS SALAMANCA	70.00
FCC – PERICA	60.00
FCC – PROMECO 2000, S.L.	50.00
FCC – SECOPSA I	50.00
FCC – SUFI MAJADAHONDA	50.00
FCC – SUFI PESA	50.00
FCC – SYF PLAYAS	40.00
FCC – TEGNER	50.00
FCC – TPA PILAS	80.00
FCCSA – GIRSA	80.00
FCCSA – VIVERS CENTRE	50.00
FUENTES XÀTIVA	50.00
GESTIÓ DE RUNES DEL PAPIOL	40.00
GESTIÓN INSTALACIÓN III	34.99
GESTIÓN PISCINA DE MULA	20.00
GESTION SERVICIOS DEPORTES CATARROJA	90.00
GIREF	20.00
GIRSA – FCC	20.00
GUADIANA	20.00
JARDINES MOGAN	51.00
JARDINES PROTECCIÓN ESPECIAL	50.00
JARDINES SANTA COLOMA	50.00
JUNDIZ	51.00
KABIEZESGO KIROLDECIA	60.00
KAIXARRANKA	60.00
LA CANDA	30.00
LA LLOMA DEL BIRLET	80.00

	% Ownership
LA MINA	20.00
LAS YUCAS	50.00
LEA-ARTIBAI	60.00
LEGIO VII	50.00
L.J. SAN SEBASTIÁN	20.00
L.V. SAN SEBASTIÁN	20.00
LIMPIEZA BENICASSIM	35.00
LIMPIEZA CARRIL BUS	30.00
LIMPIEZA Y RSU LEZO	55.00
LITORAL BALEAR	40.00
LOGROÑO LIMPIO	50.00
LVR MUSKIZ II	70.00
M-110	50.00
MADRID I	50.00
MADRID II	50.00
MADRID III	50.00
MANACOR	30.00
MANCOMUNIDAD ALTO MIJARES	50.00
MANCOMUNIDAD DE ORBIGO	20.00
MANTENIMIENTO COLEGIOS BILBAO	60.00
MANTENIMIENTO COMISARÍAS	100.00
MANTENIMIENTO DE EDIFICIOS	60.00
MÉRIDA	10.00
METEOROLÓGICAS A-6	33.00
MOLINA	5.00
MOLLERUSA	60.00
MONTCADA	50.00
MORALEJA	50.00
MORELLA	50.00
MURO	20.00
MUSKIZ III	70.00
NAVE JUNDIZ	51.00
NIGRÁN	10.00
NIJAR	20.00
NOROESTE	33.00
NOVELDA	5.00
OCAÑA	75.00
ONDA EXPLOTACIÓN	33.33
PAMPLONA	80.00

	% Ownership
PARQUES SINGULARES MÓSTOLES	50.00
PASAIA	70.00
PAVIMENTO ZONA I	50.00
PAVIMENTOS PAMPLONA	50.00
PEQUEÑAS OBRAS 2006 FUENLABRADA	50.00
PINTO	50.00
PISCINA CUBIERTA C. DEP. ALBORAYA	99.00
PISCINA CUBIERTA MANISES	65.00
PISCINA CUBIERTA MUN. L'ELIANA	85.00
PISCINA CUBIERTA PAIPORTA	90.00
PISCINA MUNICIPAL ALBATERA	93.00
PISCINA POLIDEPORTIVO PAIPORTA	65.00
PLA D'URGELL	100.00
PLANTA BIOMETANIZACIÓN LAS DEHESAS	50.00
PLANTA DE TRATAMIENTOS VALLADOLID	60.00
PLAYAS GUIPUZKOA	55.00
PONIENTE ALMERIENSE	50.00
POSU – FCC VILLALBA	50.00
POZUELO	20.00
PRISMA 2004-2005	50.00
PUENTE LADRILLO	20.00
PUERTO	50.00
PUERTO II	70.00
QUINTO CONTENEDOR	50.00
R.B.U. VILLA-REAL	47.00
R.S. PONIENTE ALMERIENSE	50.00
REDONDELA	10.00
REFORMA PLAZA DEL CRISTO	20.00
RESIDENCIA	50.00
RESTAURACIÓN GARRAF	27.50
RIVAS	30.00
S.U. BILBAO	70.00
SABIÑÁNIGO	80.00
SALTO DEL NEGRO	50.00
SAN FERNANDO	20.00
SANT QUIRZE	50.00
SANT QUIRZE DEL VALLÉS	50.00
SANTA COLOMA DE GRAMANET	61.00
SANTOMERA	60.00

	% Ownership
SANTURTZIKO GARBİKETA	60.00
SASIETA	75.00
SAV - FCC TRATAMIENTOS	35.00
SEAFSA – FCCSA ALCALÁ	20.00
SEGURIDAD VALDEBEBAS	20.00
SELECTIVA SAN MARCOS	65.00
SELECTIVA UROLA-KOSTA	60.00
SELLADO VERTEDERO LOGROÑO	50.00
SERVICIOS EXPO	60.00
SIMÓN HERNÁNDEZ	50.00
SOLANA	35.00
TABLADA	20.00
TANATORIO PATERNA	50.00
TARAZONA	80.00
TIRVA FCC – FCCMA RUBÍ	20.00
TOLOSALDEA	60.00
TOMELLOSO	50.00
TORREJÓN	25.00
TORRIBERA	50.00
TORRIBERA RSU	50.00
TORRIBERA III	50.00
TORRIBERA IV	50.00
TRANSPORTE DE BARRENA TXINGUDI	60.00
TRANSPORTE SAN MARCOS	80.00
TREMP	51.00
TRIAGTGE I CLASSIFICACIÓ D'ENVASOS	60.00
TÚNEL PUERTO ALGECIRAS	30.00
TÚNELES DE BARAJAS	25.00
TXINGUDI	75.00
URNIETA	20.00
URRETXU Y ZUMARRAGA	65.00
VALDEMORO	100.00
VALDEMORO 2	100.00
VERTEDERO ARTIGAS	50.00
VERTEDERO GARDELEGUI	70.00
VERTEDERO GARDELEGUI II	70.00
VERTEDERO PINTO FASE II	50.00
VERTEDERO PINTO FASE III	50.00
VERTRESA	10.00

	% Ownership
VIGO RECICLAJE	70.00
VINAROS	50.00
VIVIENDAS MARGEN DERECHA	60.00
WTC ZARAGOZA	51.00
ZARAGOZA DELICIAS	51.00
ZARAUZCO GARBIETA	60.00
ZARAUTZ	20.00
ZONZAMAS FASE II	30.00
ZURITA	50.00

APPENDIX III _ ASSOCIATES AND JOINTLY-CONTROLLED COMPANIES

Company	Carrying value		% Ownership	Dividends received	Capital	Reserves	Other equity items	2009 profit (loss)	
	Assets	Impairment						Operations	Continuous operations
Clavegueram de Barcelona, S.A. Hacer, 16 – Barcelona -Urban sanitation services-	733	-	20.33	201	3,606	3,792	-	1,027	800
Ecoparc del Besós, S.A. Rambla Cataluña, 91-93 – Barcelona -Urban sanitation services-	2,621	-	dir. 31.00 indir. 18.00	-	7,710	(3,123)	18,264	2,590	648
Ecoserveis Urbans de Figueres, S.L. Pg. Empordà Internacional, Calle A, parcela 50 – Vilamallà (Girona) -Urban sanitation services-	301	-	50.00	131	601	94	-	315	259
Empresa Mixta de Limpieza de la Villa de Torrox, S.A. Pz. de la Constitución, 1 – Torrox (Málaga) -Urban sanitation services-	300	-	50.00	-	600	404	-	388	264
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A. Pz. Al Andalus, 1 – Rincón de la Victoria (Málaga) -Urban sanitation services-	301	-	50.00	-	601	326	-	67	(28)
Gestión Integral de Residuos Sólidos, S.A. Santa Amalia, 2 – Valencia -Urban sanitation services-	4,732	-	49.00	917	781	1,654	61	(267)	54
Global Vía Infraestructuras, S.A. Paseo de la Castellana, 141 (Edificio Cuzco) IV – Madrid -Infrastructure management-	529,570	-	50.00	-	957,274	171,776	-	(12,858)	(29,918)
Ingeniería Urbana, S.A. Saturno, 6 – Alicante -Urban sanitation services-	3,786	-	35.00	1,106	6,010	5,309	-	5,247	3,340
Pallars Jussà Neteja i Serveis, S.A. Pau Casals, 14 – Tremp (Lleida) -Urban sanitation services-	25	-	40.80	9	60	(4)	-	11	37
Proactiva Doña Juana E.S.P.S.A Calle 98 nº 9-03 of. 804 Ed. Torre Sancho Santa Fe de Bogotá (Colombia) -Urban sanitation services-	284	-	dir. 23.75 indir. 27.05	-	2,250,000 (Pc)	1,823,885 (Pc)	-	(1,539,221) (Pc)	(889,103) (Pc)
Proactiva Medio Ambiente, S.A. Cardenal Marcelo Espínola, 8 – Madrid -Urban sanitation services-	119,542	79,650	50.00	1,011	56,000	(97,796)	113,560	4,887	6,234

Company	Carrying value		% Ownership	Dividends received	Capital	Reserves	Other equity items	2009 profit (loss)	
	Assets	Impairment						Operations	Continuous operations
Realia Business, S.A. Paseo de la Castellana, 216 – Madrid -Real estate-	67,637	-	dir. 27.20 indir. 3.03	14	66,570	535,809	-	(24,225)	(37,637)
Servicios Urbanos de Málaga, S.A. Ulises, 18 – Madrid -Urban sanitation services-	1,610	-	51.00	176	3,156	385	-	500	500
Suministros de Agua de Queretaro S.A. de C.V. Santiago de Queretaro (Mexico) -Water management-	4,367	-	dir. 24.00 indir. 2.75	-	347,214 (Pm)	23,549 (Pm)	-	165,433 (Pm)	129,623 (Pm)
TOTAL	735,809	79,650		3,565					

NOTE:

- Of the listed companies, only Realia Business, S.A., S.A. trades on the stock exchange. Its shares were priced at 1.66 euros as of the balance sheet date. The average price in the last quarter of the year was 1.83 euros.
- As required by Article 86 of the Revised Text of the Spanish Companies Act, during the year the Company reported on the investee companies in which the Company controls more than 10%, directly or indirectly.

APPENDIX IV

“REPORT OF THE BOARD OF DIRECTORS OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. ON THE PAYMENT OF AN INTERIM DIVIDEND OUT OF 2009 PROFITS”.

According to the terms of Article 216 of the Revised Text of the Spanish Companies Act whereunder the directors of the company are obligated to present an accounting statement showing the existence of sufficient liquidity to distribute an interim dividend, it is hereby noted that:

- 1) The profit generated by FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. at 31 October 2009, net of tax, was EUR 191,100 thousand.
- 2) The cash-flow net of tax generated by the Company during the first ten months of 2009 was EUR 250,700 thousand.
- 3) The liquid amount available to the Company at 31 October 2009 totals EUR 788,900 thousand which demonstrates that there are sufficient funds to pay a dividend.

Since there have been no significant changes to the data indicated above, the directors therefore believe that there is sufficient liquidity to pay an interim dividend against 2009 profits in the amount of EUR 91,022 thousand.

The number of shares entitled to receive the dividend payment is calculated by deducting the shares of treasury stock at the time of payment from 127,303,296 shares representing the company's capital.

The Directors have therefore proposed the approval of the following interim dividend against 2009 results:

Gross % of each share entitled to dividend	71.5 %
Gross interim dividend per share (€)	0.715

Income tax and/or corporate tax will be withheld from the gross dividend as stipulated by law.

The Board unanimously agrees:

- 1) To approve the report of the Directors transcribed above and
- 2) To pay an interim dividend against 2009 profits in the amount indicated in the Director's report which will be paid on 12 January 2010 and announce in advance.

Madrid, 17 December 2009

FINANCIAL STATEMENTS

FOMENTO DE CONSTRUCCIONES Y CONTRATAS S.A.

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01 _ INTRODUCTION

The Company's core business is to provide general services, which include mainly the collection and treatment of solid waste, the cleaning of public streets and sewer systems, the maintenance of green areas and buildings, water treatment and distribution and other complementary services. The Company also owns 99% of the unique Torre Picasso building and manages the rental of office and commercial space located in that building.

Fomento de Construcciones y Contratas, S.A. is the Parent of the FCC Group, which comprises a broad spectrum of Spanish and foreign subsidiaries and associates that engage in activities such as construction, urban cleaning and integrated water cycle services, car parks, street furniture, passenger transport, vehicle roadworthiness tests, passenger and aircraft ground handling, logistics, cement, real estate, etc. The reader is advised to see the Group's consolidated information for the most accurate reflection of the year's economic events.

The financial and economic information in this Directors' Report has been prepared pursuant to the terms of the Commerce Code and the Spanish Companies Act.

The figures in this report are expressed in millions of euros.

Company performance in 2009

Main aggregates	2009	2008	Change	
			Absolute	%
Turnover	1,557.9	1,540.3	17.6	1.1%
Operating results	397.1	471.1	(74.0)	-15.7%
Margin %	25.5%	30.6%		
Finance income (expense)	(116.6)	(93.3)	(23.3)	25.0%
Profit before taxes	280.5	377.8	(97.3)	-25.8%
Net profit (loss)	254.9	342.9	(88.0)	-25.7%
Dividend per share (euros)	1.43	1.57		

Revenue increased in 2009 by 1.1% to EUR 1,557.9 million. This includes the dividends received from subsidiaries which totalled EUR 176.4 million, compared to EUR 216.1 million the year before.

Operating revenues totalled EUR 397.1 million, which represents a 15.7% decrease over the previous year's figure of EUR 471.1 million.

Operating losses totalled EUR 116.6 million, which represents a 25% increase over the previous year's figure of EUR 93.3 million.

Net profit for the year was EUR 254.9 million, which is 25.7% less than the year before.

Dividends

The Board of Directors proposes the distribution of a complementary dividend of EUR 0.715 per share, representing 71.5% of the par value of the shares outstanding at the date of payment, and the allocation of the remaining profit to unrestricted reserves. Previously, on 12 January 2010, an interim dividend of EUR 0.715 per share was paid by resolution of the Board of Directors at the meeting held on 17 December 2009.

02 _ ACQUISITION OF TREASURY SHARES

At the end of 2009, Fomento de Construcciones y Contratas, S.A. held 3,182,582 shares of treasury stock representing 2.50% of the share capital valued at EUR 89,631 thousand.

At year-end, Asesoría Financiera y de Gestión, S.A. (Afígesa), a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A. possessed 6,131,961 shares of Fomento de Construcciones y Contratas, S.A., which represented 4.8% of the registered share capital with a net carrying value of EUR 181,251 thousand. These shares are considered shares of the parent company pursuant to the terms of article 87 of the Revised Text of the Spanish Companies Act.

According to article 79, part 4 of the Spanish Companies Act, the changes in the number of shares held during the year are detailed below.

	FCC, S.A.	Asesoría Financiera y de Gestión, S.A.	FCC Group
AT 31 DECEMBER 2008	-	2,682,260	2,682,260
Intragroup purchases and sales	3,182,582	(3,182,582)	-
Purchases or additions	-	9,450,350	9,450,350
Sales or disposals	-	(2,818,067)	(2,818,067)
AT 31 DECEMBER 2009	3,182,582	6,131,961	9,314,543

03 _ RESEARCH AND DEVELOPMENT

The FCC Group is an active participant in research, development and technological innovation activities. The Group's R&D+i activities extend to those aspects which are directly or indirectly related to the Group's business activities. The Group's activities in this regard during the fiscal year in question were intended to make environmental protection compatible with sustainable growth.

In the **Environmental Services** area, work continued on various research projects that had commenced years before. In **waste elimination**, progress was made in the following fields:

- alternative fuels obtained from waste
- optimisation of the composting process in a waste treatment plant and the implications for agronomic applications
- optimisation of treatment processes based on the anaerobic digestion of urban waste

New projects were also undertaken in different fields of research. As far as new machinery was concerned, work continued on three projects related to urban sanitation vehicles:

- Design and creation of a new 10 m³ bilateral side-loading collecting-compacting vehicle (with automatic loading on both sides) operated by compressed natural gas (CNG) with a 2.2 m wide chassis and an 18 tn capacity.
- Design and creation of a new 15 m³ cistern vehicle operated by compressed natural gas (CNG) with a 2.3 m wide chassis.
- Design and creation of a new collecting-compacting vehicle with a low forward cab for easy access which does not impact the total body length.

In the field of **waste treatment** the following projects were undertaken:

- Bio+ Project: Optimisation of the eco-efficiency of the urban waste treatment process
- Mobile unit for manufacturing fuel from waste derivatives
- Hot air tunnels to accelerate anaerobic digestion and hence the entire process.

In the industrial waste area, the research work concluded on the REMOVALS project intended to reduce the quantity and toxicity of the residual sludge produced by urban wastewater treatment plants.

The projects carried out in relation to the **water business** encompass a wide range of fields:

- Development of computer applications intended to simulate the impact of hypothetical rate changes and to adapt the tools currently used to manage complex commercial business systems, etc.
- The HYBACS Project which develops new technologies to adapt WWTPs to new quality requirements while reducing costs.
- Ceramic membranes for desalination pre-treatment
- Development of reusable membrane bioreactors
- Sustainable elimination of nitrogen from wastewater
- Sustainable utilisation of organic waste at treatment plants

The **Urban Furniture** section of **Versia** has undertaken the development of a series of technologies for incorporation into vehicles that carry passengers and merchandise in city settings with low or no emissions and advanced conditions of accessibility and communication with clients. To this end, a multidisciplinary consortium of companies, associations and research groups has been created to work on the TEC-MUSA Project (Technologies for Sustainable and Accessible Urban Mobility). The relevant milestones achieved by the consortium in 2009 included:

- Formation of the consortium with the following businesses, associations, universities and research groups as members: UPM, Alsa-Remsa, Avia, Azkar, Boyacá, Castrosua, Cemusa, Citet, EMT, Endesa, Etra, FCC Medio Ambiente, Iveco, Saft, Seur, Siemens
- Definition of the consortium's main project and subprojects
- Definition of resources
- Application by the consortium for a grant for Unique and Strategic Projects by the National Public-Private Cooperation Programme as part of the Instrumental Line of System Organisation and Internationalisation, in turn part of the 2008-2011 National Scientific Research, Development and Technological Innovation Plan (Order CIN/1657/2009 of 15 June)
- Favourable assessment by the Ministry and proposal for the concession of grants in 2009 and 2010.
- Launching of subprojects

Work also continued on the projects undertaken in prior years, including: EPISOL (Electrical Vehicle Powered by Fuel Cell and Solar Energy) project to develop a light urban vehicle featuring hybrid electric propulsion which, in the first phase, will be equipped with a heat engine and, in a subsequent phase, will have a highly-efficient and low-cost fuel cell, using solar

power in both cases. Each model of the vehicle has a system that enables it to be connected to the electricity mains in order to recharge the battery. Thus, at the start of each journey the batteries are fully charged and the demands placed on the heat engine and/or fuel cell are greatly reduced. Cemusa is working on this project in conjunction with INSIA (University Institute for Automotive Research of the Universidad Politécnica de Madrid) and IAI (the Industrial Automation Institute of the Spanish Higher Council for Scientific Research (CSIC)). The project is broken down into the following phases:

- PHASE 1. Bi-hybrid vehicles, standard configuration with MEP engine (gasoline combustion engine) + solar power: the thermal engine activates a generator that charges the batteries which supply power to the electric engine in charge of transmitting power to the drive shaft. Solar panels are included as an additional energy source and regenerative brake.
- PHASE 2. Tri-hybrid vehicle, standard configuration: in this model, the vehicle has a thermal engine (MEP) and generator plus a hydrogen fuel cell that keeps the batteries charged, meaning that the thermal engine needs to be started less frequently. This model also includes the solar panels as an additional energy source and the regenerative brake.
- PHASE 3. Tri-hybrid vehicle, standard configuration: in this model, the MEP engine is replaced with a H2 (hydrogen) combustion engine. The rest of the components and functions remain that same as in phase 2.
- PHASE 4. Bi-hybrid vehicle, standard configuration: in the final version of this vehicle, the H2 combustion engine is eliminated and the fuel cell is replaced with a more powerful one. The fuel cell provides power to the batteries and the electric traction engine. This model also includes the solar panels as an additional energy source and the regenerative brake.

In 2009, Phase 2 had been completed and tests were being conducted to improve the power control system. The vehicle was presented at the Sustainability Week held in Rivas Vaciamadrid.

C-CYCLES: Development of an unattended bicycle hire system. The system functions with smart cards and features payment by credit card. Internet connection. The project responds to the need for sustainable urban mobility promoting multi-modal transport. Work is ongoing on other features: power bikes, solar energy.

LED ILLUMINATION PROJECTS: The LED illumination projects which aim to reduce energy consumption and, therefore, greenhouse gas emissions. Parallel to the LED illumination projects, studies are being performed relating to the reduction of light pollution. Tests were concluded on different types of urban furniture: Oppi, Poste bus and systems are ready for production and consume just 28% of the energy used by fluorescent bulbs.

PHOTOVOLTAIC SOLAR ENERGY PROJECTS: Development of a photovoltaic solar power system that includes the development of a solar PV system which, together with illumination using LEDs, will allow greenhouse gas emissions to be reduced to zero and in certain cases to reduce network connection costs. The following work was completed in 2009:

- Development of a new, highly efficient electronic control mechanism to switch between network and solar power. This technology charges the cell 20% more. The system must be capable of prolonging battery life as much as possible.
- Conclusion of Poste bus
- Development of solar panels for installation in bus stop hoardings.

Research continues into flexible cells with the idea of making the system more efficient.

DIGITAL ADVERTISING PROJECTS: The aim is to implement a digital advertising system incorporating LCD screens and the technology required for them to be viewed properly outdoors. Must be equipped with an effective heat evacuation system. The rear and sides of 8 newsstands in the city of New York have been digitalised.

FCC Construcción, S.A. and its subsidiaries, aware of just how important activities of this kind are to maintaining a competitive edge in the market and to continuously improving the quality of their work, have implemented policies that actively promote research, development and technological innovation.

In keeping with this, FCC Construcción, S.A. participates in the European Construction Technology Platform, the E2B Association (Energy Efficient Buildings) and the Spanish Construction Technology Platform. The aim of these organisations is to bring research centres, universities and industry together to work side-by-side on research, development and technological innovation projects.

Noteworthy among the projects carried out in 2009 are the following:

On the one hand, the projects carried launched in previous years were continued, such as the TUNCONSTRUC project, for the optimisation of underground construction: the MANUBUILD project, for the industrialisation of construction; the ARFRISOL project, which focuses on the development of bioclimatic architecture and solar energy; the HATCONS project, which studies various aspects of underground construction work, such as high-performance concretes and the interaction between machines, facings and land; the SUBMERGED TUNNELS project for submerged tunnels in seismic zones; the OLIN project for the study, testing and justification of the extension of the soil to be used in embankments and the formation of E3 esplanades with soil treated only with lime; the URBAN TUNNELS project, which aims to develop an integrated model for the design and study of tunnels in urban areas; and the CONTINUOUS WALL project for the development of continuous elements made from slipformed concrete reinforced with structural fibre.

A new project was undertaken in 2009: the SUSTAINABLE BUILDING RENOVATION project.

The **Cemento Portland Valderrivas Group** has established a series of strategies to mitigate the effects of the crisis in the cement sector that began last year. These strategies consist of fostering research into new cements with higher added value and /or new markets. In 2009, the Group's R+D+i Department developed nine different highly specialised cements. While the markets for these cements are smaller than convention ones, they offer higher added value, new markets and export possibilities. They also designed and prepared the first benchmarking report for all of our cement factories. This was the beginning of an ongoing process intended to analyse certain technical and administrative aspects of our company.

As a consequence of these efforts and with the technical support of the Engineering Department, significant energy savings have been obtained. One example is the factory in Tunisia, where 93% of fuel oil has been replaced by coke.

04 _ FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Financial risk refers to changes in the value of financial instruments contracted by the Group due to political, market and other factors, and the effect of such changes on the consolidated balance sheet. The FCC Group's risk management philosophy is consistent with its business strategy, as it strives for maximum solvency and efficiency at all times. In that regard, the Group has set out stringent financial risk management and control criteria for identifying, measuring, analysing and controlling the risks faced in the course of FCC's operations. This risk policy is correctly integrated into the Group's organisational structure. In keeping with the risk control policy, hedging operations contracted by the FCC Group are not speculative but rather aim to cover the risk associated with each transaction.

The fluctuations and volatility of the money markets give rise to interest rate changes that entail variations in the finance charges related to the Group's debt. In order to ensure a position that is in the FCC Group's best interest, an interest-rate risk management policy is actively implemented. Given the nature of the Group's activities, closely linked to inflation, its financial policy consists of ensuring that both its current financial assets, which to a large extent provide natural hedging for its current financial liabilities, and the Group's debt are partially tied to floating interest rates. Even so, the FCC Group performed interest rate hedging transactions, ending the year with various hedging instruments of varying maturities. Complying with the policy of classifying original instruments as hedges, the FCC Group has arranged interest rate hedges, mainly swaps (IRSs) in which the Group companies pay a fixed rate and receive a floating rate.

A noteworthy consequence of the FCC Group's positioning in international markets is the exposure resulting from net positions in foreign currencies against the euro or in one foreign currency against another when the investment and financing of an activity cannot be made in the same currency. The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, with regard to both trans-

actional and purely equity-related changes. The FCC Group therefore manages the effect that foreign currency risk can have on the balance sheet and the income statement.

The Group actively manages its foreign currency risk by arranging financial transactions in the same currency as that in which the related asset is denominated, i.e. efforts are made, at all times, to obtain in local currency the financing required for the local activity of the company in the country of origin of the investment, with a view to creating a natural hedge or a matching of the cash flows to the financing. However, there are occasions when, due to the weakness of the currency of the country of origin of the investment, this is not possible because long-term financing cannot be obtained in that currency. In this case, financing will be obtained either in the currency of the consolidated group or in the most closely correlated foreign currency.

The FCC Group is present in various markets in order to facilitate the obtainment of financing and to mitigate liquidity risk. Despite the adverse situation that affected the financial markets throughout 2009, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to the evolution of the factors that may help to resolve liquidity difficulties in the future and to the various sources of financing and their characteristics.

05 _ OUTLOOK FOR 2010

Set forth below are the prospects for 2010 for the various lines of business composing the FCC Group. The construction and services backlog at 2009 year-end, which amounted to EUR 34,748.4 million, guarantees the continuation of a high level of activity over the coming years.

In the **Services Area** and more specifically in the Environmental Sector, despite the current situation of stagnant activity, the Group expects slight growth compared to 2009 and maintenance of the margin which will allow it to retain the significant market share it now controls, with reduced investments. The goal is to continue growing in the field of solid urban waste disposal and treatment with new technological developments and more highly advanced facilities.

The priority in the **international arena** is to continue growing the business in Central and Eastern European countries through the ASA Group which specialises in comprehensive waste management and processing services. The acquisition process begun in 2008, primarily in Bulgaria, Poland and Hungary, continued in 2009. The incinerator plant in Zisterdorf, Austria, with the ability process 130,000 tonnes/year became operational in 2009. In the UK, where the Group had already been active in the collection and cleaning industry through Focsa Services UK since 1989, the FCC Group became one of the leading operators in the industry after the acquisition of WRG in 2006. This marked the beginning of an important phase of presenting bids for PFI projects, several of which had been awarded to the Group in prior years. Further contracts of this kind are expected to be obtained in the course of 2010. The Allington incinerator has overcome the technical problems with the turbine and output is now up to the ini-

tially forecast levels. In 2009, the Group implemented a very strict cost reduction policy which had a significant effect on the income statement. This policy will continue into 2010.

In the **Industrial Waste** sector, based on the evolution of the market in recent months, all indications are that business will be improving for Hydrocarbon Recovery Services Inc. and International Petroleum Corp. in the US in the coming months. Work will begin on four important contracts in 2010: soil decontamination work at the Flix reservoir, remediation of contaminated soil in Syracuse (Italy), treatment of used tyres on the Canary Islands and reutilisation of steel and metal waste for Arcelor-Mittal in Guipúzcoa, which means that a marked increase in production is expected. The recovery of raw material prices will help, although no significant increase in the volume of materials processed is expected in the domestic market until the middle of the year.

In the **Water sector**, Aqualia continues to be the leading full-service water operator in the Spanish market. At the same time, Aqualia has continued to reinforce its international presence through a geographical diversification strategy that was first implemented four years ago. Throughout 2009, the Company was awarded a number of lucrative international contracts, including one for the construction of an aqueduct and water supply system in San Luis de Potosí (Mexico) and another for the construction and operation of a treatment plant with a capacity of 250,000m³/day in Cairo (Egypt). Another notable international achievement was the agreement reached with the European Bank for Reconstruction and Development (EBRD) to form a joint investment vehicle with Aqualia in order to bid on projects related to the water cycle in countries falling within the catchment area of the EBRD and to jointly study potential investments in the companies that currently manage the water systems in those countries.

On the domestic front, there were new contracts as well as contract renewals and extensions, some of the most notable of which include:

- Renewal of full-service water management agreement for Serena
- Renewal of full-service water management agreement for Pinar de Alba (Alba de Tormes)
- Renewal of full-service water management agreement for Valdés (Luarca)
- Contract for the expansion and operation of a water treatment plant in San Antonio and Ibiza (Balearic Islands)
- Full-service water management agreement for Agua de Bollullos La Par del Condado (Huelva)
- Full-service water management agreement for Lepe (Huelva)
- Extension of full-service water agreement for Llanera
- Full-service water management agreement for Sant Jaume Domenys (Tarragona)
- Contract to manage water treatment plants in Bajo Nalón and Cudillero (Asturias)

- Contract to manage sewer system for Louro (Pontevedra)
- Contract to supply drinking water to Monterroso (Lugo)
- Contract to manage the water networks for the Bilbao Water Consortium (Vizcaya)
- Full-service water management contract for La Bisbal del Penedés (Tarragona)
- Full-service water management agreement for Albinyana (Tarragona)

As part of its diversification policy, Aqualia has entered into an agreement to build and operate a swimming pool in Llanera (Asturias), to manage a swimming pool in Moaña (Pontevedra), to manage indoor swimming pools in Lugo and to build and operate a swimming pool in Villena (Alicante).

At the beginning of 2010, the order book for the Service Area totalled EUR 23,691 million which is equivalent to more than six and a half years of production.

Versia expects moderate growth in 2010 sustained by the sectors that have been most seriously affected by the economic crisis and most sensitive to the decline in consumer spending (Logistics, Urban Furniture, Airport Handling). Thanks to the efforts last year to adjust operating costs to the new reality, profit margins are expected to improve this year. In addition, the containment of investments combined with more effective management of working capital will help to reduce net financial debt.

As far as the sectors included within the scope of this business area, in the **Logistics** sector the group will begin providing border patrol services at the Port of Valencia. The reorganisation efforts, particularly of the transport business, will have a positive effect on results. In **urban furniture**, the plan of action will be based on analysing opportunities in previously unexplored commercial areas to find new sources of business and developing new alternative materials and optimising operating costs in order to improve the economic and financing standing. **Airport handling** will increase profit margins thanks to price revisions and the agreements reached with syndicates which call for certain salary freezing clauses in collective agreements, in addition to the use of platforms that reduce the need for human resources.

In the Construction area, revenues in 2010 are expected to be similar to 2009 levels. In the domestic market, residential construction is expected to remain flat due to the weakness of the real estate market which is offset by civil engineering work.

Internationally, revenues in 2010 are expected to be similar to the levels seen in 2009 thanks not only to the operations of the Alpine group of companies which is based in Austria and operates in numerous Eastern European countries but also to operations in the American market, where the Group operates through investees with local offices in Central America and Mexico.

At the beginning of 2010, the order book for the Construction area totalled EUR 10,856 million which is equivalent to more than eighteen months of production.

The outlook for the Cement area for 2010 is based on the assumption that sales will evolve favourably as the recovery takes hold in the US, while in Spain the recovery will not take place until the second half of the year.

Sales in the second half of 2009 were clearly weak and the weak sales are expected to continue during the first half of 2010. The stabilisation of markets will also serve to stabilise prices. An important part of the recovery will depend on the government stimulus plans to be rolled out in 2010.

The leading economic and financial agents estimate that interest rates in the euro zone and the United States will remain stable, with inflation staying below 2% in keeping with the recommendation of the European Central Bank. Inflation rates will depend on the price of oil which could affect the energy component of the consumer price index. The world recovery which began in the second half of 2009 will be slower in some areas of the world than in other depending on the state of each country's economy. Forecasts call for a 4% increase in world production which may be higher in emerging countries favoured by dynamic internal demand.

In Spain, the government's macroeconomic forecasts call for the economy to stabilise with negative growth of at least 0.3%, while others believe that the economy could contract by more than half a point. Once again, recovery will depend on public investment, its composition and the percentage of work done compared to the amount of work tendered. The budget figures on public investment in infrastructures call for a 4.2% reduction, while the estimates for the US market are positive following the economic recovery which commenced in the second half of 2009. Growth in the Maghreb region will continue to be positive, albeit with less infrastructure investment due to the international financial crisis.

The Cementos Portland Valderrivas Group will maintain the cost reduction policy devised in the Plan 10 and will continue focusing its efforts on the generation of funds. With the transformation of the Keystone plant (Pennsylvania) now complete, all of the US plants have been renovated which means that not as many investment resources will be needed in 2010, although the Group will continue to invest in the development of energy recovery and power generation.

In 2010, the recently created **Energy area** expects to consolidate its wind and solar power business and to undertake new thermosolar and energy efficiency activities. This area will also be analysing opportunities for growth in the renewable energy sector as they arise, either by taking part in new projects or by presenting bids for new power contracts in Spain, Eastern European EU member countries and the United States. All of these geographical areas have two common denominators: they offer the legal safeguards necessary to commit to medium term investments and their governments have expressed a political will to promote the development of renewal energies.

06 — ADDITIONAL INFORMATION IN COMPLIANCE WITH ARTICLE 116.BIS OF THE STOCK MARKET ACT 24/1988 OF 28 JULY ACCORDING TO THE WORDING CONTAINED IN LAW 6/2007 OF 12 APRIL

a) The capital structure, including the securities not listed on an EU regulated market, if any, of the different classes of shares and, for each class of shares, the rights and obligations conferred and the interest percentage in capital they represent

The share capital of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. is established at ONE HUNDRED AND TWENTY-SEVEN MILLION THREE HUNDRED AND THREE THOUSAND TWO HUNDRED AND NINETY-SIX (127,303,296) euros, represented by ONE HUNDRED AND TWENTY-SEVEN MILLION THREE HUNDRED AND THREE THOUSAND TWO HUNDRED AND NINETY-SIX (127,303,296) fully subscribed and paid shares of EUR 1 par value each, all of the same class and series and represented by book entries. Each share carries the right to one vote.

b) Restrictions on the transferability of securities

There are no bylaw restrictions as to the transferability of the shares other than those established in the Consolidated Spanish Companies Law.

c) Significant direct and indirect holdings in capital

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.L. is controlled by B 1998, S.L. This company owns 59,871,785 shares directly (47.031%) and 8,653,815 shares indirectly (6.798%, through its subsidiary AZATE, S.A.), representing 53.829% of the share capital.

The Royal Bank of Scotland Group PLC owns 4,330,938 shares indirectly, representing 3.402% of the share capital, through:

- The Royal Bank of Scotland PLC with 4,323,586 shares (3.396%).

d) Restrictions on voting rights

There are no restrictions on voting rights.

e) Shareholder agreements

Parties to the shareholder agreement	% of share capital affected	Brief description of agreement
Esther Koplowitz Romero de Juseu	52.483	Relevant event of 30/07/2004 www.cnmv.es (see note).
Esther Koplowitz Romero de Juseu	52.483	Relevant events of 13.01.2005 www.cnmv.es (see note).
Esther Koplowitz Romero de Juseu	52.483	Relevant events of 13.01.2005 www.cnmv.es (see note).
Esther Koplowitz Romero de Juseu	52.483	Relevant events of 19.07.07 www.cnmv.es (see note).
Esther Koplowitz Romero de Juseu	52.483	Relevant events of 26.12.07 www.cnmv.es (see note).
Esther Koplowitz Romero de Juseu	53.829	Relevant events of 04.02.08 www.cnmv.es (see note).

NOTE: On 30 July 2004, the acquisition of a portion of the ownership interest of EK in B 1998, S.L. by Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Cartera Deva, S.A. and the French Peugeot family was published on the CNMV website as a Significant Event.

On 13 January 2005, the agreement between Dominum Dirección y Gestión, S.A., Sole-Shareholder Company (wholly-owned by Esther Koplowitz Romero de Juseu) and Larranza XXI, S.L. (part of the Bodegas Faustino Group) for “the transfer to the latter of a minority interest held by the former in B 1998, S.L., which directly or indirectly holds 52.483% of the share capital of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.” was published as a Significant Event.

Also on 13 January 2005, the agreement between Dominum Dirección y Gestión, S.A., Sole-Shareholder Company (wholly-owned by Esther Koplowitz Romero de Juseu) and Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Ibersuizas Holdings, S.L., Cartera Deva, S.A., Arzubi Inversiones, S.A. and EBN Banco de Negocios, S.A. for the “transfer to the latter of a minority interest held by the former in B 1998, S.L., which directly or indirectly holds 52.483% of the share capital of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.” was published as a Significant Event.

On 19 July 2007, “the modifying novation of the shareholders agreements of B 1998, S.L., which did not modify the total direct and indirect ownership interest of Esther Koplowitz Romero de Juseu in B 1998, S.L., the agreements between the parties relating to the management of B 1998, S.L. or, indirectly, of Fomento de Construcciones y Contratas, S.A. or any provision relating to the control of the two companies” was published as a Significant Event.

On 26 December 2007, “the reorganisation of the ownership interests in B 1998, S.L. whereby Esther Koplowitz Romero de Juseu, through the wholly-owned company DOMINUM DIRECCIÓN Y GESTIÓN, S.A., executed a purchase and sale agreement with IBERSUIZAS HOLDINGS, S.L., effective 30 January 2008, for 10.55% of the share capital of B 1998, S.L., holder of 52.483% of the share capital of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.”, was published as a Significant Event.

The price of the transfer amounted to EUR 381.5 million, thereby attributing a value of EUR 55.94 per share to the underlying FCC shares. This transaction, performed at the request of Esther Koplowitz, who thus increased her ownership interest in FCC, implies the divestment by the Ibersuizas Group of its holding in B 1998, S.L. (and consequently in the FCC Group). Ibersuizas Holdings, S.L. will no longer be a party to the shareholders agreement that regulates the relationship between the shareholders of B 1998, S.L. Simultaneously, on the aforementioned effective date, Ibersuizas Holdings, S.A. will resign as a member of the Board of Directors of B 1998, S.L. and Ibersuizas Alfa, S.L. will resign as a member of the Board of Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.”

On 4 February 2008, the effective acquisition by Esther Koplowitz of the ownership interest previously held by Ibersuizas Holdings in B 1998, S.L., the majority shareholder of Fomento de Construcciones y Contratas, S.A. (FCC) with an ownership interest of 53.829%” was published as a Significant Event. This agreement was reached on 24 December 2007.”

Following this restructuring, the shareholder structure of B 1998, S.L. stands as follows:

- Esther Koplowitz (directly or indirectly): 83.92%
- Eurocis, S.A.: 5.01%
- Simante, S.L.: 5.73%
- Larranza XXI, S.L.: 5.33%

Noteworthy in the aforementioned Significant Events are the main agreements reached by Esther Koplowitz and the Investors regarding the control of the companies (FCC and B 1998, S.L.) since the respective acquisitions:

- Mrs. Esther Koplowitz will continue to control B 1998, S.L. and, therefore, Azate, S.A. and FCC.
- The Board of Directors of B 1998 S.L. shall be made up of twelve directors and the Investors taken as whole shall be entitled to appoint a maximum of four directors but under no circumstances may they appoint more than one-third of the Board of Directors of B 1998 S.L.
- Mrs. Esther Koplowitz shall in all cases be entitled to appoint the majority of the members of the Board of Directors of FCC and its subsidiaries. The Investors taken

as a whole may appoint a maximum of three directors and under no circumstances more than one-third of the members of the Board of Directors of FCC.

- Mrs. Esther Koplowitz shall be entitled to appoint the Chairman of the Board of Directors and the Chief Executive Officer of FCC and at least two thirds of the members of the Executive Committee.
- The pay-out of FCC shall be a minimum of 50%.

A series of agreements were reached between Esther Koplowitz and the Investors aimed at protecting the investments of the latter in B 1998, S.L. in their position as minority shareholders, as follows:

RELATING TO B 1998, S.L.:

In relation to B 1998, S.L., and without prejudice to the fact that, as a general rule, resolutions (of the shareholders at their Meetings or of the Board of Directors) are subject to the approval by a simple majority of the holders of the share capital, certain special situations are excepted for which the approval must be agreed:

- Amendments of the bylaws which lead to the transfer abroad of the registered office, changes in the company object or capital increases or reductions unless these transactions are imposed by operation of law or, in the case of capital reductions, they are performed through the acquisition of shares of B 1998 S.L. owned directly or indirectly by Esther Koplowitz or Dominum Dirección y Gestión, S.A., by B 1998 S.L. for the retirement thereof, or are performed through the retirement of B 1998, S.L. shares owned directly or indirectly by EK or by Dominum Dirección y Gestión, S.A. with a charge to reserves, to which according to bylaw and non-bylaw provisions only Esther Koplowitz is entitled;
- Transformations, mergers or spin-offs of any nature or the global assignment of assets and liabilities;
- The dissolution or liquidation of B 1998, S.L.;
- The disapplication of pre-emption rights in capital increases and the exclusion of shareholders;
- Any modification of the system used to manage B 1998, S.L.;
- The establishment or modification of the dividends policy agreed by the Investors with respect to the bylaw and non-bylaw rights associated with the shares owned by the Investors;
- The disposal or encumbrance in any manner of any material assets of B 1998, S.L. and specifically FCC shares or shares of any other companies that B 1998, S.L. holds or may hold in the future;

- Any increase in annual overheads exceeding the amount recognised in the company's balance sheet at 31 December 2003 plus the annual general CPI growth and plus two percentage points. This calculation excludes the remuneration received by B 1998, S.L. as a director of FCC ("FCC Board remuneration") and the remuneration earned by the members of the Board of Directors of B 1998, S.L. to the extent that they do not exceed the remuneration of the directors of FCC;
- The granting or maintenance of powers of attorney that permit the disposal by any means of FCC shares;
- The arrangement of borrowings for B 1998, S.L. and the obtainment or granting of guarantees for more than a total of EUR 500,000;
- The creation or acquisition of directly-owned subsidiaries (excluding, in all cases, FCC subsidiaries) or the acquisition of ownership interests in companies other than those currently held by B 1998, S.L.

RELATING TO FCC:

In relation to FCC and without prejudice to the fact that, as a general rule, resolutions (of the shareholders at their Meetings or of the Board of Directors) are subject to the approval by a simple majority of the holders of the share capital, certain special situations are excepted for which the approval must be agreed:

- Amendments of the bylaws which lead to the transfer abroad of the registered office or capital increases or reductions, unless these transactions are imposed by operation of law.
- The change of the company object to the extent that it implies the inclusion of activities that are not related or linked to the construction, services, cement or real estate lines of business.
- Transformations, mergers or spin-offs of any nature
- Mergers of FCC Construcción, S.A., Cementos Portland Valderrivas, S.A. and FCC Servicios, S.A. whereby B 1998, S.L. no longer indirectly holds more than 50% of the voting rights of the post-merger entity.
- The disapplication of pre-emption rights in capital increases.
- Any modification of the management system.
- The disposal, encumbrance or acquisition in any manner of any material FCC assets outside the Company's object or of any material assets included in the company object of FCC with a total or combined value of at least EUR 700,000,000 (increased annually in line with CPI growth) or any significant modification of the current

structure of the FCC Group or of assets which represent more than 10% of the Group's consolidated assets.

- Any transactions that may involve or represent a change in the equity of FCC of over 20% or over 10% of the FCC Group's consolidated assets.
- The granting of powers permitting the disposals, encumbrances or acquisitions of any manner described above. However, this does not limit in any manner the right of Esther Koplowitz to appoint and remove the Chief Executive Officer of FCC.
- The arrangement of borrowings for FCC and the obtainment or granting of guarantees by FCC (excluding, in all cases, guarantees relating to the ordinary course of business and project finance arrangements) which in total exceed 2.5 times the EBITDA per the latest consolidated income statement of FCC.

If Esther Koplowitz and the Investors were unable to reach an agreement for the adoption of resolutions relating to the aforementioned special situations, the required measures would be taken to maintain the pre-existing situation.

Further information is available in the full text of the shareholders agreements published on the website of the Spanish National Securities Market Commission as Significant Events of the Company dated 30 July 2004, 13 January 2005, 19 July 2007, 26 December 2007 and 4 February 2008.

Full information relating to the shareholders agreements is posted on the website at www.fcc.es.

f) Rules applicable to the appointment and replacement of the members of the administrative body and the amendment of the Company's bylaws.

The related provisions are the Board Regulations, which in Chapter IV Appointment and Removal of Directors establishes the articles applicable to the appointment and removal of the Board members and the amendment of the Company's bylaws:

Article 16. Appointment, confirmation and re-election of Directors:

The proposals for the appointment or re-election of directors that the Board of Directors submits to the shareholders at the General Meeting for their consideration and the resolutions regarding appointment adopted by the Board by virtue of the powers of cooptation statutorily attributed to it must concern persons of renowned integrity and solvency with the appropriate technical qualifications and experience and shall be approved by the Board following a proposal made by the Nomination and Remuneration Committee, in the case of independent directors, and based on a prior report of this Committee, in the case of the other directors.

As soon as the General Meeting call notice is published, the Board of Directors must post on its website the following information on the proposed candidates for appointment or confirmation as directors:

- i. the candidate's professional profile and biography
- ii. other Boards of Directors of which he/she is a member, irrespective of whether the company in question is listed or not
- iii. the category of director, as applicable, stating, in the case of proprietary directors, the shareholder at whose request they have been appointed, re-elected or with whom they have ties;
- iv. date of his/her first appointment as Company director and also dates of subsequent appointments;
- v. Company shares and derivative financial instruments for which the Company's shares are the underlying held by the director whose office is to be confirmed or who is to be re-elected, or who is the candidate that is to take office as director for the first time. This information shall be kept updated.

The Secretary of the Board of Directors shall provide each new director with a set of the Company's bylaws, these Regulations, the Internal Rules of Conduct, the latest consolidated and individual financial statements and directors' report approved by the shareholders at the Annual General Meeting, the auditors' reports relating thereto and the latest economic and financial information reported to the market. The Secretary shall also inform new directors of the names of the present auditors and their contact persons.

All directors must sign a receipt with respect to this documentation, agreeing to familiarise themselves with it and to faithfully fulfil their obligations as director..

The Company shall establish guidance programmes to enable directors to gain quick and adequate knowledge of the Company and its Group and also of the rules of corporate governance. It shall also offer refresher programmes on such information when the circumstances call for it.

Article 17. Appointment of independent directors

The appointment of independent non-executive directors shall be restricted to persons that satisfy the conditions indicated in Article 6.2. a) of these Regulations.

Without prejudice to remaining on the Board of Directors, a director who has had this status for an uninterrupted period of 12 years may not hold office as an independent director. However, following a favourable report from the Nomination and Remuneration Committee, the Board may propose to the shareholders at the General Meeting that the director maintains his/her classification as independent even though the aforementioned circumstance is met.

Article 18. Term of office

- 1) Directors shall hold office for the period established in the Company bylaws, which in no case may exceed six years, notwithstanding their re-election to office.
- 2) Directors appointed by co-optation shall discharge office until the date of the first General Meeting. This period shall not count for the purposes of the preceding paragraph.
- 3) Directors whose term of office has concluded or who, for any other reason, cease to discharge their position may not render services at any entity that is a competitor of FCC for a period of two years.
- 4) Should it be deemed appropriate, the Board of Directors may release an outgoing director from this obligation or shorten the term thereof.

Article 19. Re-election Directors.

Before any re-election of directors is submitted for consideration to the shareholders at the General Meeting, the Nomination and Remuneration Committee must issue a report appraising the quality of work and dedication to the position in the preceding term of office of the proposed directors.

Article 20. Removal of Directors

- 1) Directors shall vacate office when the term for which they were appointed has elapsed or when the shareholders at the General Meeting, by virtue of the powers attributed to them by law or in the bylaws, so resolve.
- 2) Directors must place their office at the disposal of the Board and, where the Board of Directors sees fit, must tender their formal resignation in the following cases:
 - a) When they vacate the positions or offices or cease to perform the functions that were associated with their appointment as executive directors.
 - b) In the case of proprietary directors, where the shareholder at whose request they were appointed transfers in full the ownership interest held in FCC or where such interest is reduced to a level that requires a reduction in the number of proprietary directors.
 - c) When they are subject to any statutorily envisaged incompatibility or prohibition.
 - d) When the Board itself requests the director's removal, with the majority vote of at least two-thirds of its members:

- when they have been seriously admonished by the Board for failing to perform their obligations, after a prior proposal or report from the Nomination and Remuneration Committee, or
 - when their continued membership of the Board could jeopardise the Company's credit and reputation. Directors must inform the Board of any criminal suits in which they are involved as the accused and also of the subsequent developments of such proceedings. In any event, should any directors be prosecuted or an order to commence trial be issued against them for any of the corporate offences specified in Article 124 of the Spanish Companies Law, the Board shall examine the case at its earliest convenience and, in view of the specific circumstances, shall decide whether or not the directors should tender their resignation, providing reasoned disclosure thereon in the Annual Corporate Governance Report.
- 3) The Board of Directors may not propose the removal of any independent directors before the period established in the bylaws for their appointment has elapsed, except where there is just cause, in the opinion of the Board, following a prior report from the Nomination and Remuneration Committee. Specifically, it shall be deemed that there is just cause where directors fails to discharge the duties inherent to their position or they are subject to any of the circumstances described in Article 6.2.a of these Regulations, whereby they are barred from appointment as independent directors.
 - 4) When as a result of their resignation or for some other reason directors vacate their position before their term of office has concluded, they shall explain the reasons in a letter submitted to all the members of the Board. Directors' vacation of office shall also be disclosed in the Annual Corporate Governance Report as a significant event, together with the reasons therefore. Particularly, where the directors' resignation is due to significant or repeated resolutions adopted by the Board, on which the directors have expressed serious reservations and as a result thereof have opted to resign, this circumstance shall be expressly stated in the letter addressed to the other members of the Board.

The rules for amending the Company's Articles of Association are set forth in Article 17 of that document:

Article 17. The General Meeting

The ordinary and extraordinary General Meetings shall be considered validly convened when: On the first meeting date announced, when the shareholders present or represented possess at least fifty percent of the share capital with voting rights. On the second meeting date called, the General Meeting shall be considered validly convened when the shareholders present or represented possess at least forty-five percent of the share capital with voting rights.



In order for the General Shareholders' Meeting to validly decide on bond issues, capital increases or decreases, transformations, mergers and spinoffs and, in general, any amendment to the Articles of Association, shareholders possessing at least fifty percent of the share capital with voting rights must be present or represented at the meeting on the first announced date. On the second announced meeting date, shareholders possessing forty-five percent of the share capital will suffice.

When the shareholders in attendance or represented on the announced meeting date account for less than fifty percent of the subscribed capital with voting rights, resolutions may only be validly passed with the favourable vote of two-thirds of the share capital present or represented at the Meeting.

g) The powers of the members of the Board of Directors and in particular, those relating to the possibility of issuing or repurchasing shares:

A) Baldomero Falcones Jaquotot, as the Chairman and Chief Executive Officer, is vested with the following powers:

To open and close accounts.- To open and close all manner of demand deposits, savings accounts or term deposits, at official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions. To acquire, alienate, cancel and pledge certificates of deposit. To hire and cancel safe deposit boxes at banks and other financial institutions.

To draw on accounts.- To sign cheques, acquire banking cheques, buy and sell foreign currencies, order transfers, money transfers and payments and, in any manner, withdraw amounts from demand deposits and other accounts in official and private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

To route payments through bank accounts.- To make standing orders for payments, bills, bills of exchange and other trade notes in any kind of accounts at official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

To arrange credit facilities and loans.- In his capacity as borrower, to arrange credit facilities, loans and financial discounts, secured or unsecured with progress billings or invoices for works and services performed, as well as any other personal guarantee, with official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions and also with any individual or legal entity, establishing the interest, terms, fees, covenants and conditions he may freely stipulate. To receive and repay in full or in part the amount of such loans or credit facilities and, in connection therewith, to postpone, divide and amend conditions subsequent. To modify, renew and repay fully or partially the aforementioned credit facilities or loans and, as a means of documentation, to sign the related policies and agreements and accept, issue or endorse, as the case may be, bills of exchange and other documentation that may be required. To request, arrange, modify and cancel the opening of any manner of simple or documentary letters of credit.

Credit facilities and loans as lender.- In his capacity as lender, to arrange credit facilities and loans, secured or unsecured with personal guarantees or security interests, establishing the interest, terms, fees, covenants and conditions he may freely stipulate and in connection therewith to postpone, divide and amend conditions subsequent. To modify, renew and repay fully or partially the aforementioned credit facilities or loans and, as a means of documentation, to sign the related policies and agreements and accept, issue or endorse, as the case may be, bills of exchange and other documentation that may be required. To request, arrange, modify and cancel the opening of any manner of simple or documentary letters of credit.

To endorse certificates.- To endorse or pledge to official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions, progress billings for construction work or services performed and that should be received by the state, autonomous community governments or bodies, provincial governments, island councils, municipal councils or joint local authority bodies or any other public or private entity.

To pay amounts into all manner of accounts.

To make collections.- To collect accounts receivable, irrespective of their amount, origin or nature, from the state, autonomous community governments, provincial governments, island councils, municipal councils, or joint local authority bodies or any other public or private individual or legal entity, signing the related receipts or letters of payment, for full amounts or amounts delivered on account, and also to receive amounts in the form of repayable advances. To make assignments of trade receivables (factoring).

To make collections by means of documents made out to the Company.- To collect accounts receivable, irrespective of their origin or nature, from the state, autonomous community governments, provincial governments, island councils, municipal councils, or joint local authority bodies or any other public or private individual or legal entity, signing the related receipts or letters of payment, for full amounts or amounts delivered on account, and also receive amounts in the form of repayable advances. This power may be exercised exclusively when the payment is made by cheque, promissory note, bill of exchange or any other trade note made out to the Company holding the account receivable or at its order.

To issue and negotiate trade notes.- To issue, draft, negotiate, endorse and collect bills of exchange, money orders and letters of instruction and to collect and endorse promissory notes, cheques and banking cheques, to prepare re-draft accounts and demand protests or the control of the aforementioned trade notes.

To request statements.- To request statements of accounts from official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

To approve statements.- To approve or contest statements of accounts of official or private banks, including the Bank of Spain, savings banks and other credit or financial institutions.

To arrange surety bonds for the principal.- To request and arrange surety bonds for the Company, as principal, with official or private banks, including the Bank of Spain, savings banks

and other credit, financial or insurance entities through the provision by the latter entities of guarantees, bonds, surety bonds, rights in rem and other guarantees.

To provide surety bonds and guarantee the Principal and its investees.- To request and arrange surety bonds for the principal and also guarantee its investees with official or private banks including the Bank of Spain, savings banks and other credit, financial or insurance entities, through the provision by the latter entities of technical bonds, i.e. guarantees relating to contracts (provisional or final bonds), guarantees in the form of certificates for the procurement of machinery in project contracts or for the provision of services or supplies, signing such documents as might be freely stipulated between them for such purpose.

To accept trade notes and sign promissory notes.- To accept bills of exchange and other trade notes and to sign promissory notes.

To make and withdraw deposits.- To provide all manner of guarantees, provisional and final deposits in cash, securities, sureties, acknowledged or any manner of receivables to secure contracts, bids or tenders at the General Deposit Agency and at any of its offices and also at any state, autonomous community government or body, provincial government, island council, municipal council or joint local authority body or other public or private entity, including individuals. To replace redeemed securities with any others. To receive the amount of the coupons relating to such securities. To request the return of provisional and final sureties, guarantees and deposits, withdrawing both the cash and the sureties, the guarantees and securities deposited, receiving the interest earned on such guarantees and deposits and to discharge them and, as appropriate, to sign receipts, payment orders and such other public and private documents as may be appropriate in each case.

To make payments.- To pay any amounts that are owed, demanding receipts, letters of payment and the appropriate slips. To assign the management of invoice payments to credit institutions (reverse factoring).

To make bids and take part in tenders.- To bid and take part in all manner of auctions, tenders, price-based invitations to tender and any other class of tender that may be called. To make the appropriate bids for such purpose, even jointly or jointly and severally with other bidding entities, whether they be individuals or legal entities, as well as economic interest groupings (EIGs) or joint ventures or any other type of association.. To sign such public or private documents as may be required, including plans, projects and any other relating to the bid or tender.

Representation at the opening of sealed envelopes at tenders – To attend acts at which bids are opened in connection with any class of tender called by public or private entities, whether they be individuals or legal entities and also to submit to the Board of the contracting body or entity such claims, reservations or observations as he sees fit and to sign the related documents that are issued.

To enter into agreements for the execution of projects, the provision of services and the sale of supplies.- To enter into agreements, assign them, amend them, terminate them and, if appro-

priate, rescind them with any public or private individual or legal entity, the state, autonomous community governments, provincial governments, island councils, municipal councils or joint local authority bodies, provided that the subject-matter of such agreements is the execution or provision, by the principal, of all manner of projects, services, supplies and also agreements of any type relating to concessions, leases and administrative arrangements. To accept all manner of awards made to the principal. To negotiate and agree to prices under dispute, changes or increases therein. To request the final settlement of such agreements.

Laying out ground plans of projects.- To be present at the verification of ground plans and at the delivery of provisional or final works, irrespective of their nature and the contracting entity, be it a public or private individual or legal entity, the state, autonomous community government, provincial government, island council, municipal council, or joint local authority or individual, signing such documents as may be necessary or advisable and making the representations and expressing the reservations that he deems fit.

To buy and enter into agreements.- To enter into agreements, to amend, terminate and, as the case may be, to rescind the acquisition and supply of materials or fixtures, the provision of services and also the execution of all manner of projects or portion thereof and the provision of services by third parties.

Water, electricity and telephone supplies.- To arrange the supply and connections for water, gas, electricity and telephone with the utilities companies..

Insurance.- To arrange, amend, surrender, pledge, terminate, rescind and settle all classes of insurance, signing the policies and contracts with the insurance companies in the conditions deemed appropriate and to receive from the insurance companies the compensation that may be applicable.

Authorisations for international trade.- To make all manner of applications to official bodies to request concessions, permits or licences on imports and exports, without any limitation, and in connection with such concessions, permits and licences, to file documents, appear at procedures and proceedings, receive notices and file appeals.

To receive correspondence.- To receive all manner of correspondence, the documents of declared-value items, money transfers and packages. To collect goods, packages, letters or any other manner of remittance from the customs and carrier and railway companies, making the relevant claims, where appropriate.

To sign correspondence.- To sign postal, telegraphic or any other manner of correspondence.

To issue certificates.- To issue appraisal reports and progress billings for projects or services performed.

Collective bargaining.- To negotiate and sign collective labour agreements, irrespective of their scope.

Industrial relations.- To open work centres, hire, amend, renew, terminate and, as the case may be, rescind employment contracts, setting with the employees the financial, working and any other manner of conditions deemed appropriate. Sign the related employment contracts. Initiate disciplinary proceedings and adopt the appropriate measures. Perform all manner of formalities, dealings and actions and procedures with the Ministry of Employment, Social Security offices, employment offices, trade unions and other bodies, filing and signing such submissions, requests and documents as may be required. Have dealings with the employment inspectors in any proceeding or review conducted by or filed with them.

Employment proceedings.- To appear before the labour courts, the higher courts of justice, the National Appellate Court, the Supreme Court or any administrative or court body in employment-related matters. Hold conciliation hearings, with or without settlement. Settle matters or differences, file requests, documents and submissions, as claimant or defendant, empowering him expressly to answer interrogatories and ratify them in such procedures and investigations as may be required in this respect and to take such other steps as he deems fit.

To develop and divide properties into lots.- To develop and divide properties into lots, request the approval for subdivision plats and newly built estates, the segregation and re-grouping of land lots and to accept them and, in general, to take part in all procedures envisaged under the Land and Urban Planning Law and supplementary legislation and in the municipal bylaws. To assign by any means real estate for development purposes. To set boundaries and mark limits, make property groupings, segregations and divisions. Request registrations, entries for property features that are greater or lesser in reality than the description thereof and modifications of boundaries, new descriptions and all manner of registry entries. To apply for construction permits, to make declarations of new construction, construct buildings under condominium property arrangements or any other type of association, to set the ownership shares thereof and to draft the bylaws and regulations, if applicable. To divide common properties and accept awards.

Rights in rem on real estate properties.- To arrange, accept, amend, redeem and discharge mortgages, usufructs, annuities, easements and all manner of rights in rem on real estate properties.

To lease properties of third parties – In his capacity as lessee, to arrange the lease of all manner of properties, even where the lease cannot be registered at the Property Registry, and also to renew, assign, amend, terminate and, as the case may be, rescind the related agreements.

To lease properties.- To lease all manner of real estate properties, even where the lease cannot be registered at the Property Registry. To execute, renew, amend, terminate and, as the case may be, rescind the related agreements. To evict tenants and lessees.

Real estate finance leasing.- To enter into agreements, assign them, amend them, terminate them, and as the case may be, rescind them with any individual or public or private legal entity, provided the subject-matter of such agreements is the performance of finance lease transactions relating to real estate.

The purchase and sale of vehicles and movable property.- To purchase, sell, exercise the retrospective right of first refusal, exchange and, by any means, to acquire or alienate, simply or subject to conditions, with deferred price, received price or in cash, all manner of movable properties (except the purchase and sale of company shares) and vehicles, without exception. Pay or receive, as the case may be, the price of acquisitions or sales. Set up or accept rights in rem as security interest and express conditions subsequent on such movable properties or vehicles and, in the event of sale, to accept any manner of guarantees as might be provided to secure the deferred price of the sale of such movable properties and vehicles.

To determine, himself, freely and without any restriction or limitation whatsoever, the conditions under which the acquisitions, alienations and exchanges in question are to be carried out and, for the purposes in question, to take all manner of steps and perform all manner of formalities and acts at the traffic authorities, tax offices, municipal councils, customs and other public and private bodies, without exception..

To lease vehicles and movable properties of third parties.- In his capacity as lessee, to arrange the lease of all manner of vehicles and movable properties and also to execute, renew, amend, terminate and, as the case may be, rescind the related agreements.

To assign vehicles and movable properties on a lease basis.- To lease all manner of vehicles and movable properties and also to execute, renew, amend, terminate and, as the case may be, rescind the related agreements.

Finance lease of movable properties.- To enter into agreements, assign them, amend them, terminate them and, as the case may be, rescind them with any public or private individual or legal entity, provided that the subject-matter of such agreements is the performance of finance lease transactions relating to movable properties.

Rights in rem on movable properties.- To set up, accept, modify, redeem and discharge security interests, pledges, usufructs and all manner of rights in rem on movable properties.

To purchase credits and other intangible rights.- To purchase and, in any other manner, to acquire in a single payment or in instalments and in the conditions he deems fit, all manner of credits and other intangible rights, provided that such credits and rights are not represented by securities or securities registered in the book entry trading system.

Sale of credits and other intangible rights.- To sell, alienate, pledge and in any manner to encumber, transfer, in a single payment or in instalments, and in the conditions he deems fit all manner of credits and other intangible rights, provided that such credits and rights are not represented by securities or securities registered in the book entry trading system.

To form companies.- To form civil law partnerships and mercantile companies. To subscribe shares, debt securities and other equity interests and to pay out amounts in cash or in any assets. To waive pre-emption rights on share issues, debt securities and other equity interests. To accept exchanges, conversions and redemptions. To approve, accept and amend bylaws and shareholders agreements relating to shareholder relationships or with respect to the

company, which supplement, replace or modify the contents of the rights and obligations of the shareholders under the bylaws. To appoint, accept, waive, remove and replace positions of representation, administration, management, direction and that of attorneys, setting the authority in each case and appointing managers and members of the managing bodies and other offices, being able, as appropriate, to designate, remove and replace third persons as representatives of the principal company in the discharge of the duties of the office for which they were appointed.

To form joint ventures and other associations.- To form, renew, amend, alter the form of, dissolve and liquidate associations, economic interest groupings, joint ventures or any kind of associations. To subscribe shares and pay out amounts in cash or in any other assets. To waive pre-emption rights on share issues. To accept exchanges, conversions and redemptions. To approve, accept and amend bylaws and members agreements relating to member relationships or with respect to the association, which supplement, replace or modify the contents of the rights and obligations of the members under the bylaws. To appoint, accept, waive, remove and replace positions of representation, administration, management, direction and that of attorneys, setting the authority in each case and appointing managers and members of the managing bodies and other offices, being able, as appropriate, to designate, remove and replace third persons as representatives of the principal company in the discharge of the duties of the office for which they were appointed.

Representation before the governing bodies of companies and other associations.- To attend and vote at Annual, Extraordinary or Universal Meetings of shareholders, exercising all the rights and fulfilling all the obligations intrinsic to the status of shareholder. To approve or contest, as the case may be, company resolutions.

To attend and vote at Boards of Directors' meetings, committees or any other managing bodies of companies, joint ventures, economic interest groupings or any other type of association, approving and contesting the resolutions adopted, as the case may be.

To discharge the positions and assignments for which he has been appointed on the governing boards of companies, joint ventures, economic interest groupings or any manner of association, exercising the rights and fulfilling the obligations intrinsic thereto.

Representation.- To represent the principal in proceedings, appeals, procedures and claims, irrespective of their nature or amounts, in dealings with the state, autonomous community governments or bodies, provincial governments, island councils, municipal councils or joint local authority bodies, courts, tribunals, the public prosecutor's office and, in general, any other jurisdiction, and thereat to institute, monitor, follow through to completion, as claimant, defendant or in any other capacity, all manner of proceedings, acts of settlement, hearings and civil, criminal, administrative, economic-administrative and judicial review proceedings, of a governmental or tax nature and at all levels and jurisdictions. To lodge petitions and bring actions and exercise exceptions in whatsoever proceedings, processes and appeals, including cassation appeals and other extraordinary appeals. Where required, to give personal confir-

mation and to respond to interrogatories and, in general, to carry out such court and out-of-court actions as may be supplementary to the proceeding in hand. To file, follow up and discontinue all manner of appeals, as appropriate, against decisions of the state, autonomous community governments or bodies, provincial governments, island councils, municipal councils or joint local authority bodies or any public or private corporations or bodies, that in any way violate or may violate the principal's rights, making such representations and executing such documents as may be required in exercising such powers. To appear before all manner of entities and before them to sign and monitor such proceedings, submissions, petitions and documents as may be necessary.

Settlement.- To settle all manner of issues and differences and to discontinue actions and appeals, under the conditions, agreements and obligations deemed fit except for transactions entailing the acquisition or alienation of real estate properties or rights in rem. To agree, settle and give commitments in respect of all credits, rights and actions, disputes and differences..

Arbitration.- To submit the resolution of all manner of disputes and differences to arbitration. To execute the deed relating to the appointment of the arbitrators, establishing the matters to be submitted for resolution in the terms and conditions he deems fit. To accept the arbitral award that is handed down or to file legal appeals and, in general, to perform and grant whatsoever is permitted in matters of arbitration under current law.

To empower lawyers and court procedural representatives.- To grant powers of attorney to litigate or any special procedural powers he deems appropriate, including the powers of delegation, and to revoke them when he sees fit.

To accept the acknowledgement of debts and dation in payment – To accept the acknowledgment of debt by third parties and the guarantees that are offered and provided, whether they be pledges or security interests, mortgages or antichresis, or the award of movable or immovable properties, establishing in all cases the agreements, clauses and conditions he deems fit. To accept as payment of debts all manner of movable and immovable properties and rights at their appraisal value or at the value freely agreed and in the conditions he sees fit.

Attendance at creditors' meetings.- As representative of the company and exercising all its rights, to attend the insolvency proceedings of its debtors, as provided for in Insolvency Law 22/2003, of 9 July, and particularly, to designate, in the event of the company itself being designated insolvency manager by a third of the creditors, a professional satisfying the legal conditions for his appointment by the insolvency judge, as provided for in Article 27 of the Law and to abide by the meeting's proposals and to attend insolvency creditors' meetings in a speaking and voting capacity, accepting or rejecting the meetings' proposal and the guarantees offered to secure claims, in accordance with Articles 103, 108, 121 et al of the same Law. To take part in the implementation of the meeting's proposal and, as the case may be, in the insolvency liquidation. In general, for all the foregoing, to exercise the actions and rights that are appropriate therefore and the powers statutorily granted to the creditors.

To request notarial documents.- To request all manner of notarial documents. To bring proceedings of title, for resuming successive train of title, of release from charges and notarial documents of verification. To issue, accept and answer notarial notifications and demands. To execute deeds of clarification or rectification.

Tax returns.- To sign returns, details or any other forms relating to taxation or levies.

To buy securities.- To buy and, in any other manner, to acquire, by means of a single payment or in instalments and in the conditions he deems fit, treasury bills, debentures, bonds, company shares and securities. To evidence their acquisition and holding and to receive them. To make and submit representations.

To sell securities- To sell, alienate, pledge and, in any other manner, to encumber and transfer, by means of a single payment or in instalments and in the conditions he deems fit, treasury bills, bonds, company shares and securities. To convert, exchange and deliver them, to make representations and to file claims.

Purchase of treasury shares.- In compliance with the requirements of Article 75 and Additional Provision One of the Consolidated Spanish Companies Law and within the limits and under the conditions established by the shareholders at the General Meeting that authorised the transaction, to buy and in any manner to acquire treasury shares of the principal, in a single payment or in instalments.

Sale of treasury shares.- To sell, alienate, pledge and, in any other manner, to encumber and transfer treasury shares of the principal, by means of a single payment or in instalments and in the conditions he deems fit.

To guarantee and provide sureties for third parties- To guarantee and provide sureties for third parties and to such end provide, on behalf of the principal, all manner of guarantees including mortgage guarantees and security interests.

Purchase of real estate properties.- To purchase, to exercise the retrospective right of first refusal and, by any other means, to acquire, purely or subject to conditions, with deferred price (be it represented or not by bills of exchange), received price or in cash, all manner of real estate properties and rights in rem. To give and discharge the collateral he deems fit to secure deferred prices, including mortgages that encumber the acquired asset and express conditions subsequent or any combination thereof or other guarantees. With respect to the guarantees provided, to establish schemes for their discharge, automatically or unilaterally on the purchaser's part, to accept, modify and exercise purchase options on immovable properties and other rights in rem.

Sale of real estate units.- To sell, exchange or, by any means, to alienate, purely or under conditions, with deferred or received price or in cash, all manner of immovable properties and rights in rem. To accept the personal guarantees and collaterals that he sees fit to secure deferred prices, including pledges, mortgages and express conditions subsequent or any combination thereof or other guarantees. To collect the deferred price, to grant letters of payment and

discharge such guarantees. With respect to the guarantees provided, to establish schemes for their discharge, automatically or unilaterally on the purchaser's part. To grant, modify and waive purchase options on immovable properties and other rights in rem.

Sale of real estate developments.- To sell residential properties, business premises, offices, storerooms, car parks and other real estate units, setting the prices, the manner of payment and the interest, as the case may be, that he deems appropriate.

Delegation of powers of attorney- To delegate the aforementioned powers of attorney fully or partially to the persons he sees fit. To limit, restrict or amend the contents of each of the powers in the cases and in the manner he deems necessary. To revoke powers that have been conferred, irrespective of the person or company body that granted them, even if they were granted by the Board of Directors, the directors or the Executive Committee, with the attorney retaining all and every one of the powers delegated to him.

In connection with the possibility of issuing or repurchasing shares, in accordance with the aforementioned description, he may with his sole signature:

- sell and purchase treasury shares

- purchase and sell securities

B) The Director Felipe Bernabé García Pérez, as the Secretary General, has been vested with the following powers (non-delegation of powers):

Powers that require just one signature:

- Representation at tender openings
- Water, electricity and telephone service
- Foreign trade licenses
- Receives correspondence
- Signs correspondence
- Leases property from third parties
- In rem rights to movable property
- Incorporates companies
- Sets up joint ventures and other associations
- Represents the company before governing bodies of businesses and other associations
- Representation
- Transaction

- Arbitration
- Empowers attorneys
- Recognised debts and payments
- Attends meetings of creditors
- Requests notarised instruments
- Files tax returns

Powers that required the signature of another person vested with the same powers:

- Purchases and contracts
- Insurance
- In rem rights to movable property
- Property leases
- Financial leasing
- Purchase and sale of vehicles and furnishings
- Leases vehicles and furnishings from third parties
- Lease vehicles and furnishings to third parties
- Financial leasing

h) Significant agreements concluded by the Company that may come into effect, may be amended or terminated in the event of a change of control in the Company as a result of a takeover bid and their effects, except when disclosure may have a serious adverse effect on the Company. This exception shall not apply when the Company is legally required to disclose this information

None.

i) Agreements between the Company and its administrative and management personnel or employees that provide for indemnities in the event of resignation or unfair dismissal or if the employer/ employee relation ends as a result of takeover bid.

The Company has not established any pension plans to supplement the social security pension benefits. In accordance with the Consolidated Pension Plan and Fund Law, in specific cases where similar obligations exist, the Company externalises its obligations to its employees in this connection.

In addition, following authorisation by the Executive Committee, in the past an insurance policy was arranged and the premium paid to cover the payment of benefits relating to death, permanent occupational disability, retirement bonuses and pensions and other situations for, among other employees, certain executive directors and executives. In particular, the contingencies giving rise to benefits are those which entail the extinguishment of the employment relationship for any of the following reasons:

- Unilateral decision of the Company.
- Dissolution or disappearance of the Parent for whatever cause, including merger or spin-off.
- Death or permanent disability.
- Other causes of physical or legal incapacity.
- Substantial change in professional terms and conditions
- Resignation of the executive on reaching 60 years of age, at the request of the executive and with the consent of the Company.
- Resignation of the executive on reaching 65 years of age, by unilateral decision of the executive.

AUDIT REPORT

FOMENTO DE CONSTRUCCIONES Y CONTRATAS S.A.



Citizen Services





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Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Shareholders of
Fomento de Construcciones y Contratas, S.A.:

1. We have audited the financial statements of Fomento de Construcciones y Contratas, S.A. comprising the balance sheet at 31 December 2009 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The preparation of these financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made.
2. As required by Spanish corporate and commercial law, for comparison purposes the Company's directors present, in addition to the figures for 2009 for each item in the balance sheet, income statement, statement of cash flows and statement of changes in equity, the figures for 2008. The presentation of the figures relating to the income statement for 2008 differs from that contained in the approved financial statements for that year since it includes the reclassification of income detailed in Note 2 to the accompanying financial statements. Our opinion refers only to the 2009 financial statements. On 25 February 2009, we issued our auditors' report on the 2008 financial statements, in which we expressed an unqualified opinion.
3. Fomento de Construcciones y Contratas, S.A. is the parent of a corporate group which presents consolidated financial statements separately from the accompanying financial statements. On this same date we issued our auditors' report on the 2009 consolidated financial statements of Fomento de Construcciones y Contratas, S.A. and Subsidiaries prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs), in which we expressed an unqualified opinion. Per the consolidated financial statements prepared in accordance with EU-IFRSs, the total consolidated assets and sales amounted to EUR 21,261 million and EUR 12,700 million, respectively, and the consolidated profit for the year and equity attributable to the Parent amounted to EUR 307 million and EUR 2,484 million, respectively.
4. In our opinion, the accompanying financial statements for 2009 present fairly, in all material respects, the equity and financial position of Fomento de Construcciones y Contratas, S.A. at 31 December 2009 and the results of its operations, the changes in equity and its cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with the generally accepted accounting principles and standards under the Spanish regulations applicable to the Company applied on a basis consistent with that used in the preparation of the figures and information for the preceding year, which were included in these financial statements for comparison purposes.
5. The accompanying directors' report for 2009 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2009. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.

Registered in ROAC under no. S0692

Miguel Laserna Niño

25 February 2010

Deloitte S.L. inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
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Member of Deloitte Touche Tohmatsu

CORPORATE GOVERNANCE

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ANNEX I

ANNUAL CORPORATE GOVERNANCE REPORT

LISTED COMPANIES

ISSUER IDENTIFICATION DATA YEAR 2009

Tax ID number A28037224

Name:

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

Business address:

BALMES, 36

BARCELONA

08007

SPAIN

NOTE

This document includes the information contained in the Spanish Securities Market Commission model Annual Corporate Governance Report for 2009 for FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A, approved by the Board of Directors meeting on 25 February 2010. The figures in this document are identical to those in the approved Report; only the format has been modified. Additional comments included under Section G ("Other information") in the official model have been incorporated into the corresponding sections of this document.



A OWNERSHIP STRUCTURE

A.1. Complete the next table about the company's ownership structure:

Date of last change	Share capital (€)	No. of shares	Number of voting rights
30-06-2008	127,303,296	127,303,296	127,303,296

Please indicate if there are different types of shares, and if so their corresponding rights:

Yes ☐ No ☒

Class	No. of shares	Unit par value	Unit par value of voting rights	Different rights
-	-	-	-	-

A.2. Indicate direct and indirect owners of significant stakes, and their stakes at year-end, excluding directors:

Name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
THE ROYAL BANK OF SCOTLAND GROUP PLC	-	4,330,938	3.402%

(*) Through:

Name of direct owner of stake	Number of direct voting rights	% of total voting rights
THE ROYAL BANK OF SCOTLAND PLC	4,323,586	3.396%

Indicate significant changes in the ownership structure in the year:

Name of shareholder	Transaction date	Description of the operation
Inmobiliaria Colonial, S.A.	17-01-09	Stake reduced to less than 3%
The Goldman Sachs Group, Inc.	05-03-09	Stake reduced to less than 3%
Credit Agricole, S.A.	08-06-09	Stake reduced to less than 3%
Commerzbank, A.G.	12-08-09	Stake reduced to less than 3%

A.3. Complete the next tables regarding the members of the company's Board of Directors who own stock with voting rights in the company:

Name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
Gonzalo Anes y Álvarez de Castrillón	11,350	0	0.009
B 1998, S.L.	59,871,785	8,653,815 (1)	53.829
Miguel Blesa de la Parra	4,950	0	0.004
Cartera Deva, S.A.	100	0	0
Juan Castells Masana	17,509	8,100 (2)	0.020
Dominum Desga, S.A.	4,132	0	0.003
Dominum Dirección y Gestión, S.A.	10	0	0
EAC Inversiones Corporativas, S.L.	32	0	0
Fernando Falcó y Fernández de Córdova	8,390	0	0.007
Balduino Falcones Jaquotot	48,473	85,150 (3)	0.105
Felipe Bernabé García Pérez	55,571	0	0.044
Larranza XXI, S.L.	10	0	0
Rafael Montes Sánchez	98,903	20,697 (4)	0.094
Marcelino Oreja Aguirre	14,000	0	0.011
Antonio Pérez Colmenero	35,323	0	0.028
Robert Peugeot	10	0	0
Javier Ribas	7,000	0	0.005

(*) Through:

Name of direct owner of stake	Number of direct voting rights	% of total voting rights
Azate, S.A (1)	8,653,815	6.798
Heather M. Randall Snell(2)	8,100	0.006
Oravla Inversiones, S.L. (3)	73,650	0.058
Amolap Inversiones Sicav, S.A. (3)	11,500	0.009
Josefa Fernández Mayo (4)	20,697	0.016
Total % of voting rights held by the board of directors		54.158

Complete the next tables regarding the members of the company's board of directors who own stock options in the company:

Name of director	Number of direct stock options	Number of indirect stock options	Number of equivalent shares	% of share capital
Baldomero Falcones Jaquotot	95,000	0	95,000	0.075
Felipe Bernabé García Pérez	72,500	0	72,500	0.057
Antonio Pérez Colmenero	72,500	0	72,500	0.057

NOTE:

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (hereafter FCC) is controlled by B 1998, S.L., which owns 53.829% of FCC shares, of which

- 59,871,785 are held directly and 8,653,815 are held indirectly through subsidiary Azate, S.A.

Fomento de Construcciones y Contratas, S.A. (FCC) is controlled by B 1998, S.L., which is controlled by Esther Koplowitz Romero de Juseu, who holds an 83.927% stake:

- 54.610% directly and
- 29.317% indirectly, through Dominum Desga, S.A. (0.0001%) and Dominum Dirección y Gestión, S.A. (29.316%), both of which are 100% owned by Esther Koplowitz Romero de Juseu.

Esther Koplowitz Romero de Juseu also holds 123,313 FCC shares directly and 39,172 FCC shares indirectly through her wholly-owned companies Dominum Desga, S.A. (4,132 shares) and Ejecución y Organización de Recursos, S.L. (35,040 shares).

Various investors (hereinafter, the Investors) hold a 16.07% stake in B 1998, S.L., as follows:

- Cartera Deva, S.A. (5.01%)
- Simante, S.L. (5.73%)
- Larranza XXI, S.L. (5.33%)

A.4. Indicate any family, commercial, contractual or business relationships among owners of significant stakes, insofar as they are known to the company, unless they are insignificant or are derived from ordinary commercial transactions:

Name of related shareholders	Type of relationship	Brief description
-	-	-

A.5. Indicate any commercial, contractual or corporate relationships between owners of significant stakes and the company, unless they are insignificant or are derived from ordinary commercial transactions:

Name of related shareholders	Type of relationship	Brief description
-	-	-

A.6. Indicate if the company has been notified of any shareholders' agreements which affect the company as set out in Article 112 of the Spanish Securities Market Law. If so, briefly describe the agreements and agreement and the shareholders involved:

<div> <div>Yes</div> <input checked="" type="checkbox"/> <div>No</div> <input type="checkbox"/> </div>		
Parties involved in shareholders' agreements	% of share capital affected	Brief description of agreement
Esther Koplowitz Romero de Juseu	52.483	Regulatory disclosure on 30/07/2004 www.cnmv.es (see note).
Esther Koplowitz Romero de Juseu	52.483	Regulatory disclosure on 13/01/2005 www.cnmv.es (see note).
Esther Koplowitz Romero de Juseu	52.483	Regulatory disclosure on 13/01/2005 www.cnmv.es (see note).
Esther Koplowitz Romero de Juseu	52.483	Regulatory disclosure on 19/07/2007 www.cnmv.es (see note).
Esther Koplowitz Romero de Juseu	52.483	Regulatory disclosure on 26/12/2007 www.cnmv.es (see note).
Esther Koplowitz Romero de Juseu	53.829	Regulatory disclosure on 04/02/2008 www.cnmv.es (see note).

NOTE:

A regulatory disclosure was published on 30 July 2004 on the National Securities Market Commission (Comisión Nacional del Mercado de Valores, CNMV) website regarding the acquisition of part of Esther Koplowitz Romero de Juseu's stake in B 1998, S.L. by Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Cartera Deva, S.A., and the French family Peugeot, through Simante, S.L.

A regulatory disclosure was filed on 13 January 2005 on the agreement between Dominum Dirección y Gestión, S.A. Sociedad Unipersonal (wholly-owned by Esther Koplowitz Romero de Juseu) and Larranza XXI, S.L. (belonging to the Bodegas Faustino group) to transfer a portion of the former's minority stake in B 1998, which directly and indirectly owns 52.483% of FCC, to the latter.

A regulatory disclosure was filed on 13 January 2005 on the agreement between Dominum Dirección y Gestión, S.A. Sociedad Unipersonal (wholly-owned by Esther Koplowitz Romero de Juseu) and Inversiones Ibersuizas, S.A., Inversiones San Felipe, S.L., Ibersuizas Holdings, S.L., Cartera Deva, S.A., Arzubi Inversiones, S.A. and EBN Banco de Negocios, S.A. to transfer a minority stake owned by the former in B 1998, S.L., which directly and indirectly owns 52.483% of FCC, to the latter.

A regulatory disclosure was filed on 19 July 2007 on the novation modifying B1998, S.L. shareholder agreements, which does not alter Esther Koplowitz Romero de Juseu's direct and indirect stakes in B 1998, S.L. or the agreements between parties with respect to the governance of B 1998, S.L. and, indirectly, of Fomento de Construcciones y Contratas, S.A., or any provision regarding control of the two companies."

A regulatory disclosure was issued on 26 December 2007 on the reorganisation of the ownership structure of B 1998, S.L., whereby Esther Koplowitz Romero de Juseu, through wholly-owned company DOMINUM DIRECCIÓN Y GESTIÓN, S.A., signed an agreement with IBER-SUIZAS HOLDINGS, S.L. to purchase from the latter 10.55% of B 1998, S.L., which owns 52.483% of FCC, effective 30 January 2008.

The transaction totalled 381.5 million euro, valuing FCC shares at €55.94 each.

This move, which was initiated by Esther Koplowitz and increased her stake in FCC, entailed the divestment of Grupo Ibersuizas in B 1998, S.L. and, thus, in FCC Group. Ibersuizas Holdings, S.L. ceased being party to the shareholders' agreement regulating the relationships between shareholders of B 1998, S.L., and on 30 January 2008, resigned from the board of directors of that company. Ibersuizas Alfa, S.L. also left FCC's board of directors.

A regulatory disclosure was issued on 4 February 2008 regarding Esther Koplowitz's acquisition of Ibersuizas Holding's stake in B 1998, S.L., FCC's main shareholder (53.829%). The agreement was reached on 24 December 2007.

Following this restructuring, the ownership structure of B 1998, S.L. is as follows:

- Esther Koplowitz (direct and indirect) 83.92%
- Eurocis, S.A. 5.01%
- Simante, S.L. 5.73%
- Larranza XXI, S.L. 5.33%
- Total 100.00%

The above-mentioned regulatory disclosures reflect the main agreements reached between Esther Koplowitz Romero de Juseu and the Investors since the respective acquisitions regarding control of FCC and B 1998, S.L.:

- Esther Koplowitz Romero de Juseu will retain control of B 1998, S.L. and, therefore, of Azate, S.A. and FCC.
- The Board of Directors of B 1998 S.L. will comprise twelve directors. As a group, the Investors are entitled to appoint up to four directors, although under no circumstances may those directors appoint more than one third of the members of the Board of B 1998, S.L.
- At all events, Esther Koplowitz Romero de Juseu may appoint the majority of the members of the boards of directors of FCC and its subsidiaries. As a group, the Investors may appoint up to three members but never more than one-third of the total Board of Directors of FCC.
- Esther Koplowitz Romero de Juseu may appoint the Chairman of the Board of Directors of FCC, the Managing Director of FCC and at least two-thirds of the members of the Executive Committee.
- FCC's pay-out will be at least 50%.

Esther Koplowitz Romero de Juseu and the Investors have entered into a series of agreements to protect the latter's minority interest in B 1998, S.L.:

IN RELATION TO B 1998, S.L.:

As regards B 1998, S.L., although the general rule is that decisions (in the Shareholders' Meeting or the Board of Directors) be adopted by simple majority of capital, there are a number of special cases where consensus is required:

- Modifications to the Articles of Incorporation that entail moving the registered offices abroad, changing the corporate purpose or increasing or reducing capital, except where such operations are required by law or, in the case of capital reductions, when they occur through the acquisition of own shares by B 1998 S.L., (owned directly and indirectly by Esther Koplowitz Romero de Juseu and Dominum Dirección y Gestión, S.A.) for amortisation, or when the capital reduction is performed through amortisation of shares of B 1998, S.L. (held directly and indirectly by Esther Koplowitz Romero de Juseu and by Dominum Dirección y Gestión, S.A.) against reserves, which may only be performed by Esther Koplowitz Romero de Juseu, according to a clause in the Articles of Incorporation and otherwise.
- Any type of transformation, merger or spin-off or the total transfer of assets and liabilities;

- Dissolution or liquidation of B 1998 S.L.;
- Overriding of pre-emptive subscription rights in capital increases and the exclusion of shareholders;
- Modification of the regime of management of B 1998, S.L.;
- Establishment or modification of the dividend policy agreed by the Investors in connection with rights attached to their shares, as set out in the Articles of Incorporation or otherwise;
- Acts of disposal or encumbrance, by any means, of any significant assets of B 1998, S.L., specifically shares of FCC or shares of any other companies in which B 1998 S.L. holds or may hold a stake in the future;
- An increase in structural expenses which, on an annual basis, exceed those reflected in the company's balance sheet as of 31 December 2003, increased in line with the general annual CPI plus two percentage points; the foregoing calculation will exclude the remuneration paid to B 1998, S.L. as a result of that company being a member of the Board of Directors of FCC (hereafter, the "FCC Board Remuneration"), and remuneration of members of the Board of Directors of B 1998, S.L., as long as it does not exceed the FCC Board Remuneration;
- Granting or maintaining powers that allow for the disposal of FCC shares, by any means;
- Encumbering B 1998, S.L. with debt and obtaining or providing guarantees which, overall, exceed 500,000 euro;
- Creating or acquiring direct subsidiaries (other than FCC subsidiaries) or acquiring shares in entities other than those in which B 1998 S.L. already holds a stake

IN RELATION TO FCC:

As regards FCC, although the general rule is that decisions (in the Shareholders' Meeting or the Board of Directors) be adopted by simple majority of capital, there are a number of special cases where consensus is required:

- Modifications to the Articles of Incorporation that entail moving the registered offices abroad and increasing or reducing capital, except where such operations are required by law.
- Changing the corporate purpose when doing so includes the incorporation of activities not related to construction, services, cement and real estate.
- Any type of transformation, merger or spin-off.

- Any merger of FCC, Cementos Portland Valderrivas, S.A. and FCC Servicios, S.A. whereby B 1998, S.L. would no longer indirectly hold more than 50% of the voting rights in the post-merger company.
- Overriding of pre-emptive subscription rights in capital increases.
- Modification of the regime of management.
- Acts of disposal or encumbrance, by any means, of any relevant FCC assets unrelated to the company's object, and, at all events, the above-mentioned acts within the scope of FCC's object when the total or combined value is 700,000,000 euro or more (adjusted in line with the annual increase in the CPI), or entail a significant modification to the current structure of the FCC Group or represent more than 10% of the FCC Group's consolidated assets.
- Any transactions that may lead to or represent a variation of more than 20% of FCC's equity or over 10% of the FCC Group's consolidated assets.
- Granting of powers that permit, by any means, the above-mentioned disposals, encumbrance and acquisitions; the foregoing does not in any way limit Esther Koplowitz Romero de Juseu's right to appoint and remove the Managing Director of FCC.
- Encumbering FCC with debt and obtaining or providing guarantees (excluding, at all events, guarantees included in the normal course of ordinary business and non-recourse project finance) which, overall, exceed 2.5 times the EBITDA shown in FCC's most recent consolidated balance sheet.

In the event that Esther Koplowitz Romero de Juseu and the Investors are unable to reach a consensus to adopt resolutions in the above-mentioned special cases, the parties will take the necessary measures to maintain the pre-existing situation.

The full content of the shareholders' agreements are available on the CNMV website as Regulatory Disclosures dated 30 July 2004, 13 January 2005, 19 July 2007, 26 December 2007 and 4 February 2008.

Indicate if the company is aware of any concerted actions among its shareholders. If so, give a brief description:

<div> <div>Yes</div> <div><input type="checkbox"/></div> <div>No</div> <div><input checked="" type="checkbox"/></div> </div>		
Parties involved in concerted actions	% of share capital affected	Brief description of agreement
-	-	-

If the shareholders' agreements or concerted actions have been amended or terminated in the year, indicate this expressly.

A.7. Indicate if there is an individual or legal entity that exercises or can exercise control over the company in accordance with Article 4 of the Securities Market Law:

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
<hr/>			
Name			
Esther Koplowitz Romero de Juseu			
<hr/>			
Comments			
<hr/>			

A.8. Complete the next tables about the company's own shares:

At year-end:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
5,182,582	4,131,961	7.317

(*) Through:

Name of direct owner of stake	Number of direct shares
ASESORÍA FINANCIERA Y DE GESTIÓN, S.A.	4,131,961
TOTAL:	4,131,961

Detail the significant changes in the year, in accordance with Royal Decree 1362/2007:

Date of disclosure	Total number of direct shares acquired	Total number of indirect shares acquired	Total % of share capital
24-01-2006	0	1,599,052	1.256
30-04-09	0	2,923,105	2.297
29-05-09	3,182,582	323,444	2.754
05-10-09	0	1,287,432	1.010
13-10-09	2,000,000	342,903	1.841
22-10-09	0	1,400,862	1.102

NOTE

With regard to the transaction performed on 6 October 2009 and notified to the CNMV on 13 October 2009, 200,000 shares were lent between Afigesa and FCC in relation to an exchangeable bond issue (Regulatory Disclosure 2009-127137).

Capital gain/ (Capital loss) on own shares disposed of during the period	(25,809,342)
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A.9. Detail the conditions and term of the current authorisation that the Shareholders' Meeting has given to the Board of Directors to buy or sell own shares.

Resolution by the Extraordinary Shareholders' Meeting of 30 November 2009 (item 2 of the agenda):

Share buyback programme

Under the provisions of Article 3 et seq. of European Commission Regulation 2273/2003, of 22 December, the meeting approved a share buyback programme whose only purpose was (i) to fulfil the obligations deriving from the issuance of exchangeable bonds (the "Bonds") for a maximum amount of four hundred fifty million euro (€450,000,000) approved by the Company under the decision by the Meeting of Shareholders on 18 June 2008 by virtue of an Executive Committee decision dated 6 October 2009, by delegation of the Board of Directors on 30 September 2009, and (ii) to reduce the Company's capital by amortising the shares acquired by virtue of the programme or those already held as treasury stock (including, for this purpose, the 5,090,000 shares loaned to the Joint Lead Managers), which shall henceforth be deemed to be subject to the terms and conditions of the programme approved by the Meeting of Shareholders.

As a result of the foregoing, decision six adopted by the Meeting of Shareholders on 10 June 2009 is annulled to the extent that it has not been executed and the Company is authorised so

that, directly or via any of its subsidiaries, within a period of at most five years from the date of this Meeting of Shareholders, it may acquire, at any time and on as many occasions as it sees fit, shares of the Company by any means allowed by law, all in conformity with Article 75 and matching Articles of the Consolidated text of the Public Limited Companies Act.

It is also decided to approve the limits or requirements of such acquisitions, as follows:

- The par value of the shares acquired, added to those already held by the Company and its subsidiaries, may not at any time exceed ten per cent of the Company's capital.
- The shares acquired must have been fully paid.
- The acquisition price may not be less than the par value nor more than 20 per cent higher than the market price.

The shares acquired under the buyback programme shall be used by the Company to fulfil its exchange or conversion obligations arising from the issuance of the Bonds and/or to reduce the Company's capital, as the case may be.

A.10. Indicate any legal or Articles of Incorporation restrictions on the exercise of voting rights or any legal restrictions on the acquisition or sale of stakes in share capital.

Indicate whether there are any legal restrictions on the exercise of voting rights:

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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Maximum percentage of voting rights that a shareholder may exercise under legal restrictions	0
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Indicate whether there are restrictions in the Articles of Incorporation on the exercise of voting rights:

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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Maximum percentage of voting rights that a shareholder may exercise under restrictions in the Articles of Incorporation	0
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Indicate whether there are any restrictions on the acquisition or sale of stakes in share capital:

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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A.11. Has the General Meeting of Shareholders adopted neutralisation measures in the event of a takeover bid as provided in Law 6/2007?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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Detail any such methods that have been approved and the terms in which the restrictions will be rendered ineffective:

B _ STRUCTURE OF THE COMPANY'S ADMINISTRATION

B.1. Board of Directors

B.1.1. Indicate the minimum and maximum number of directors envisaged in the Articles of Incorporation:

Maximum number of directors	22
Minimum number of directors	5

B.1.2. Complete the next table with the members of the board:

Name of director	Representative	Board position	Date of first appointment	Date of latest appointment	Type of appointment
Gonzalo Anes y Álvarez de Castrillón		Director	30-06-1991	18-06-2008	Shareholders' Meeting
B 1998, S.L.	Esther Koplowitz Romero de Juseu	First Vice-Chairman	17-12-1996	28-06-2007	Shareholders' Meeting
Miguel Blesa de La Parra		Director	29-06-2006	29-06-2006	Shareholders' Meeting
Cartera Deva, S.A.	Jaime Llantada Aguinaga	Director	15-09-2004	21-06-2005	Shareholders' Meeting
Juan Castells Masana		Director	21-06-2000	21-06-2005	Shareholders' Meeting
Dominum Desga, S.A.	Esther Alcocer Koplowitz	Second Vice-Chairman	27-09-2000	29-06-2006	Shareholders' Meeting
Dominum Dirección y Gestión, S.A.	Carmen Alcocer Koplowitz	Director	26-10-2004	21-06-2005	Shareholders' Meeting
EAC Inversiones Corporativas, S.L.	Alicia Alcocer Koplowitz	Director	30-03-1999	11-06-2009	Shareholders' Meeting
Fernando Falcó y Fernández de Córdova		Director	18-12-2003	21-06-2005	Shareholders' Meeting
Felipe Bernabé García Pérez		Vice-Secretary And Director	30-03-1999	21-06-2005	Shareholders' Meeting
Baldomero Falcones Jaquotot		Chairman-CEO	18-12-2007	18-06-2008	Shareholders' Meeting
Larranza XXI, S.L.	Lourdes Martínez Zabala	Director	13-01-2005	21-06-2005	Shareholders' Meeting
Max Mazin Brodovka		Director	29-06-2006	29-06-2006	Shareholders' Meeting
Rafael Montes Sánchez		Director	06-03-1992	11-06-2009	Shareholders' Meeting
Marcelino Oreja Aguirre		Director	21-12-1999	21-06-2005	Shareholders' Meeting
Cesar Ortega Gómez		Director	28-06-2007	28-06-2007	Shareholders' Meeting
Antonio Pérez Colmenero		Director	30-03-2005	21-06-2005	Shareholders' Meeting
Robert Peugeot		Director	15-09-2004	21-06-2005	Shareholders' Meeting
Nicolás Redondo Terreros		Director	19-06-2008	19-06-2008	Shareholders' Meeting
Javier Ribas		Director	11-06-2009	11-06-2009	Co-Optation

TOTAL NUMBER OF DIRECTORS

20

NOTE: Francisco Vicent Chuliá was appointed Secretary of the Board of Directors at the Board meeting held on 26 October 2004.

NOTE: Cartera Deva, S.A., a proprietary director of Fomento de Construcciones y Contratas, S.A. (FCC), resolved to appoint Jaime Llantada Aguinaga as its representative on the Board of Directors, effective 1 October 2009.

Indicate any removals from the Board of Directors in the period:

Name of director	Date removed
Manuel Menéndez López	03/02/2009
José María Sagardoy Llonis	03/02/2009

B.1.3. Complete the next tables with the members of the board and their status:

EXECUTIVE DIRECTORS

Name of director	Committee that proposed the appointment	Position in the company
Baldomero Falcones Jaquotot	Nomination and remuneration	Chairman and CEO
Felipe Bernabé García Pérez	Nomination and remuneration	General secretary
total number of executive directors		2
% of Board		10.00

NOTE

Proprietary director Antonio Pérez Colmenero was an Executive Director until 17 May 2009, when stepped down as General Manager of Human Resources and Media.

EXTERNAL PROPRIETARY DIRECTORS

Name of director	Committee that proposed the appointment	Name of the significant shareholder who is represented or who proposed the appointment
B 1998, S.L.	Nomination and remuneration	B 1998, S.L.
Dominum Desga, S.A.	Nomination and remuneration	B 1998, S.L.
Dominum Dirección y Gestión, S.A.	Nomination and remuneration	B 1998, S.L.
EAC Inversiones Corporativas, S.L.	Nomination and remuneration	B 1998, S.L.
Fernando Falcó y Fernández de Córdova	Nomination and remuneration	B 1998, S.L.
Marcelino Oreja Aguirre	Nomination and remuneration	B 1998, S.L.
Cartera Deva, S.A.	Nomination and remuneration	B 1998, S.L.
Robert Peugeot	Nomination and remuneration	B 1998, S.L.
Larranza XXI, S.L.	Nomination and remuneration	B 1998, S.L.
Juan Castells Masana	Nomination and remuneration	B 1998, S.L.
Miguel Blesa de la Parra	Nomination and remuneration	B 1998, S.L.
Rafael Montes Sánchez	Nomination and remuneration	B 1998, S.L.
Antonio Pérez Colmenero	Nomination and remuneration	B 1998, S.L.
Total number of proprietary directors		13
% of Board		65.00

EXTERNAL INDEPENDENT DIRECTORS

Name of director	Profile
César Ortega Gómez	General Manager of Banco Santander. Holds a degree in Economics and Business and a Masters in Tax Consulting from ICADE. Studied law and philosophy. Partner at Arthur Andersen Asesores Legales y Tributarios and Garrigues Law Firm for 12 years. Board Member of Grupo Santander, S.L., Bancos Latinoamericanos Santander, S.L., Santusa Holding, S.L., Santander Holding Gestión, S.L. and Santander Investment, S.A.
Gonzalo Anes y Álvarez de Castrillón	Director of FCC, S.A.; Chairman of its Audit and Control Committee and Member of its Nomination and Remuneration Committee. Holds a PhD in Economics from Madrid University. Professor of History and Economic Institutions at the Madrid Complutense University School of Economics. Full Member of the Spanish Royal Academy of History, and Director since 1998. Member of the Prado Museum Board of Trustees since 1982 and was its Chairman from 1986 to 1990. Former Director of the Bank of Spain and of Repsol-YPF.
Max Mazin Brodovka	Director of FCC, S.A. and Member of its Nomination and Remuneration Committee. Studied planning & statistics (economics). Former Chairman of the CEOE (Spanish Confederation of Employers' Organizations) International Relations Committee, Founder and National Chairman of AEI (Asociación Empresarial Independiente); Co-Founder and Vice-Chairman of the CEOE; Honourary Chairman of the CEIM (Madrid Confederation of Employers and Industries-CEOE); Chairman of the CEIM Foundation; Member of the Madrid Complutense University Social Council; Founder of Hoteles Tryp, S.A.; Founder of Spain's World Trade Centre and its Chairman for seven years.
Nicolás Redondo Terreros	Holds a Law Degree from Deusto University; Chairman of Fundación para La Libertad; Member of the Editorial Board of El Economista; Member of the Editorial Board of the "Registradores" Magazine of the Spanish Property Registrars and Economists; Member of the Advisory Board of Infomedio (Agencia de Información Sobre Oriente Medio). Recipient of the 2003 Constitutional Merit Award from the Spanish Government. Former: First Deputy President of Vizcaya; Member of the Basque Parliament; Secretary General of the Basque Socialist Party Parliamentary Group in the Basque Parliament; Spokesman for the Socialist Party Group in the Vizcaya Parliament; Member of the Spanish National Parliament for Vizcaya, and Chairman of the Basque Socialist Parliamentary Group.
Javier Ribas	Holds a PhD in Industrial Engineering, a Degree in Economics and a Diploma in Operational Research from the French Petroleum Institute (Paris). Engineer at Compañía Francesa de Petróleo; Head of Research at Esso France; Head of the Industrial Sector for Liga Financiera de Madrid; Deputy General Manager of Electronic Data Systems (EDS) Spain. Currently Executive Vice-Chairman of EDS Spain. Served on the Board of Directors of Telson, S.A. and Hidrocantábrico, S.A.; is Currently Director at Inforsistem, S.A. and Hewlett-Packard/EDS(Advisory Board).
Total number of independent directors	5
% of Board	25.00

OTHER EXTERNAL DIRECTORS

Name of director	Committee that proposed the appointment
-	-
Total number of other external directors	
% of Board	

State why these directors cannot be considered proprietary or independent, and indicate any relations between them and the company, its executives or shareholders:

Name of director	Reason	Company, executive or shareholder with which he/she is related

Indicate any changes in directors' status in the period:

Name of director	Date of change	Former status	Current status
Antonio Pérez Colmenero	17/05/2009	Executive Director	Proprietary Director

B.1.4. Indicate any reasons for which proprietary shareholders were appointed at the proposal of a shareholder owning less than 5% of capital:

Name of shareholder	Supporting documentation

Disclose any rejection of a formal request for a board seat from shareholders whose equity stake is equal to or greater than that of others which applied successfully for a proprietary directorship. Detail the reasons for any such rejection:

☐ Yes
 ☒ No

B.1.5. State whether any director has withdrawn from his/her position before the expiration of his/her term of office, whether the director has given reasons to the Board and by what means, and in the event that he/she gave reasons in writing to the full Board, describe at least the reasons given by the director:

Name of director	Reason for withdrawal
Manuel Menéndez López	Sale of significant stake
José María Sagardoy Llonis	Sale of significant stake

B.1.6. Indicate any powers delegated to the managing director(s):

Name of director	Brief description
Baldomero Falcones Jaquotot	See Note

NOTE:

Article 35.2 of the Rules of the Board of Directors establishes that: *"The Board may delegate permanently, to one or more of its members, all of the powers vested in the Board of Directors with the exception of those which, by law or under the Articles of Incorporation or these Rules, may not be delegated."*

In order to be valid, the permanent delegation of the powers of the Board of Directors and the designation of the director or directors delegated with such powers, regardless of their title, will require the favourable vote of at least two-thirds of the members of the Board of Directors.

The Managing Director is responsible for representing and directing the Company's business, always in keeping with the decisions and criteria established by the General Meeting of Shareholders and the Board of Directors, within the scope of their respective authority.

The effective representation and direction of the company's business affairs includes but is not limited to:

- *Supporting the Board of Directors in defining the Group's strategy.*
- *Drafting the Business Plan and Annual Budgets to be submitted to the Board of Directors for approval.*
- *Preparing, and submitting to the Board of Directors or the Executive Committee for approval, depending on whether the amount involved is more or less than eighteen million euro, respectively, proposals for investments, divestments, credit, loans, surety and guarantee lines and any other type of financial facility.*
- *Hiring and dismissing any company employee, with the exception of appointments which fall under the powers of the Board of Directors pursuant to the terms of these Rules.*

Once per year, at the first Board meeting of the year, the Managing Director will inform the members of the Executive Committee of the actual level of compliance with the forecasts contained in the investment proposals submitted to the Committee and to the Board of Directors for approval."

Article 7.2 of the Rules of the Board of Directors states:

"In any event, through the passage of resolutions which must be approved in each case as stipulated by law and the Articles of Incorporation, the plenary Board of Directors has exclusive powers over the following formal list of matters, which may not be delegated:

- a) Appointment and removal of the Chairman, Vice-Chairman, Managing Directors, Secretary and Vice-Secretary of the Board of Directors and, at the proposal of the Managing Director, appointment, removal and, when appropriate, indemnity clauses for the senior executives in the company's functional areas (Administration, Finance, Human Resources, and the General Secretariat), of members of the Management Committee and, in general, the Company's Senior Executives.*
- b) Propose to respective Boards of Directors, at the initiative of the Managing Director and through the Company's representatives, the appointment, removal and, when appropriate, indemnity clauses of the Chairmen and General Managers of the parent companies of FCC Group, acting in this connection in pursuit of the corporate interest of each of them.*
- c) Delegating faculties to any of the members of the Board of Directors in the terms established by law and the Articles of Incorporation, and revoking such powers.*
- d) Appointment and removal of directors as members of the various Committees envisaged in these Rules.*
- e) Supervising the Board's Delegated Committees.*
- f) Appointing Board members by co-optation to fill vacancies that arise until the next General Meeting is held.*
- g) Accepting the resignation of board members.*
- h) Authorising the financial statements and dividend policy for submission and proposal to the General Meeting, and declaring interim dividends.*
- i) Defining the structure of the Group and coordinating, within the legal limits, the Group's general strategy in the interests of the Company and its subsidiaries with the support of the Strategy Committee and the Managing Director, and disclosing in the Annual Corporate Governance Report the respective areas of activity and any business relations between the Company and its listed subsidiaries that are part of the group, and between those companies and the other Group companies, and the mechanisms established to resolve any conflicts of interest that may arise.*
- j) Approving investments and financing policy, particularly the approval of investments, divestments, credit lines, loans, surety or guarantee lines, and other financial facilities within the limits that the Board of Directors itself establishes, as well as investments and any other type of transactions whose specific circumstances make them strategic.*

- k) The general organising powers of the Board of Directors, particularly the power to amend these Rules.*
- l) The powers vested in the Board of Directors by the General Meeting, which may only be delegated with the express consent of the General Meeting."*

Article 8.1 (under "General functions - Equilibrium in the performance of functions"), states that: *"The Board of Directors is responsible for performing such acts as may be necessary to attain the corporate purpose set forth in the Articles of Incorporation, in accordance with the applicable laws."* Article 8.2 states: *"Delegation by the Board of powers to any of its members within the limits allowed by the law does not deprive the Board of those powers."*

On 18 December 2007 the Board of Directors delegated to Baldomero Falcones Jaquotot powers in the following areas, effective 1 January 2008: financial, customer and supplier relations, labour, administration and disposal, company and association relations, legal and internal. Delegation of these powers facilitates Group management and expedites performance of the company's activities.

B.1.7. Identify any board members with administration or management positions in other companies that form part of the listed company's group:

Name of director	Name of the group's subsidiary	Position
Cartera Deva, S.A.	Cementos Portland Valderrivas, S.A.	Director
EAC Inversiones Corporativas, S.L.	Cementos Portland Valderrivas, S.A.	Director
EAC Inversiones Corporativas, S.L.	FCC Construcción, S.A.	Director
Fernando Falcó y Fernández de Córdova	FCC Construcción, S.A.	Director
Fernando Falcó y Fernández de Córdova	Giant Cement Holding Inc.	Director
Fernando Falcó y Fernández de Córdova	Waste Recycling Group Limited	Director
Rafael Montes Sánchez	FCC Construcción, S.A.	Director
Rafael Montes Sánchez	Cementos Portland Valderrivas, S.A.	Director
Juan Castells Masana	Waste Recycling Group Limited	Director
Juan Castells Masana	Cementos Portland Valderrivas, S.A.	Director
Robert Peugeot	FCC Construcción, S.A.	Director
Robert Peugeot	Alpine Holding GmbH	Supervisory Board Member
Robert Peugeot	Waste Recycling Group Limited	Director
Baldomero Falcones Jaquotot	FCC Energía, S.A.	Chairman
Felipe B. García Pérez	FCC Energía, S.A.	Secretary

B.1.8. Indicate any company directors who are members of the board of directors of other companies listed on Spanish official stock markets, other than group companies, that have been notified to the company:

Name of director	Name of listed company	Position
Miguel Blesa de la Parra	Iberia L.A.E., S.A.	Vice-chairman
Miguel Blesa de la Parra	Mapfre, S.A.	Director
Marcelino Oreja Aguirre	Barclays Bank, S.A.	Director
Cartera Deva, S.A.	Realia Business, S.A.	Director
EAC Inversiones Corporativas, S.L.	Realia Business, S.A.	Director
Fernando Falcó y Fernández de Córdova	Realia Business, S.A.	Director
Rafael Montes Sánchez	Realia Business, S.A.	Director

B.1.9. Indicate whether the company has established rules about the number of directorships its board members can hold, and describe any such rules:

Yes ☒ No ☐

NOTE

Article 24.3 of the Rules of the Board of Directors states: "Before accepting any management position or directorship at another company or entity, directors must consult the Nomination and Remuneration Committee.

Article 22.3 establishes: "Directors must inform the Nomination and Remuneration Committee of their other professional obligations in case they interfere with the dedication required of a director, and the Board of Directors must establish, based on a proposal by the Nomination and Remuneration Committee, the number of boards to which directors may belong."

B.1.10. In connection with recommendation number 8 of the Unified Code, indicate the Company's general policies and strategies that must be approved by the full Board:

	Yes	No
Investment and financing policy	x	
Design of the structure of the corporate group		
Corporate governance policy	x	
Corporate social responsibility policy		
The strategic or business plan, management targets and annual budgets	x	
Remuneration and evaluation of senior officers	x	
Risk control and management policy, and the periodic monitoring of internal information and control systems	x	
Dividend policy, as well as the policies and (particularly) limits applying to treasury stock.	x	

B.1.11. Complete the next tables regarding the aggregate directors' remuneration accrued in the year:

a) In the company to which this report refers:

Remuneration item	Thousand euro
Fixed remuneration	4,075
Variable remuneration	1,866
Per diems	
Remuneration mandated by the Articles of Incorporation	2,040
Stock options and/or other financial instruments	
Other	
TOTAL	7,981

Other benefits	Thousand euro
Advances	
Loans granted	
Pension funds and plans: Contributions	
Pension funds and plans: Obligations	
Life insurance premiums	
Guarantees granted by the company to directors	

NOTE

Manuel Menéndez López and José María Sagardoy Llonis stepped down from the Board of Directors on 2 March 2009. Javier Ribas has been a member of the Board of Directors since 11 June 2009.

b) Company directors who belong to the boards of directors and/or senior management of group companies:

Remuneration item	Thousand euro
Fixed remuneration	
Variable remuneration	
Per diems	
Remuneration mandated by the Articles of Incorporation	169
Stock options and/or other financial instruments	
Other	
TOTAL	169

Other benefits	Thousand euro
Advances	
Loans granted	
Pension funds and plans: Contributions	
Pension funds and plans: Obligations	
Life insurance premiums	
Guarantees granted by the company to directors	

c) Total remuneration by type of director:

Type of director	By company	By group
Executive	5,702	
External and proprietary	1,875	169
External and independent	404	
Other external		
TOTAL	7,981	169

d) With respect to profit attributable to the parent company:

Total directors' remuneration (in thousand euro)	8,150
Total directors' remuneration/profit attributed to the parent company (%):	2.65

B.1.12. Indicate senior executives who are not executive directors and the total remuneration accrued to them in the year:

Name	Position
José Luis de la Torre Sánchez	Chairman of FCC Servicios
Antonio Gómez Ciria	General Manager of Administration And It
Dieter Kiefer	Chairman And CEO of Cementos Portland Valderrivas, S.A.
José Mayor Oreja	Chairman of FCC Construcción, S.A.
Victor Pastor Fernández	General Manager of Finance
Gérard Ries	Deputy General Manager of International Strategy And Corporate Development
Eduardo González Gómez	General Manager of Energy And Sustainability
José Manuel Velasco Guardado	General Manager of Communications And Corporate Responsibility
Miguel Hernanz Sanjuan	General Manager of Internal Auditing
Francisco Martín Monteagudo	General Manager of Human Resources

NOTE

Dates of joining Management Committee: Miguel Hernanz Sanjuan: 01/05/09, Francisco Martín Monteagudo: 18/05/09, José Manuel Velasco Guardado: 01/07/09.

José Ramón Ruiz Carrero stepped down on 01/11/09.

Total remuneration of senior management (in thousand euro)	6,686
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B.1.13. Indicate in an aggregate way any guarantee or “golden handshake” clauses in favour of senior management members, including executive directors, of the company or its group for the event of dismissal or change of control. Indicate whether these contracts have to be notified to and/or approved by the company’s or group’s bodies:

Number of beneficiaries	7		
	Board of Directors	Shareholders’ Meeting	
Body that authorises the clauses	X		
		Yes	No
Is the Shareholders’ Meeting informed of the clauses?			X

NOTE:

As indicated in the notes to the financial statements for each year, prepared by the Board of Directors and submitted for approval to the General Meeting, an insurance policy was arranged and paid in order to provide benefits in the case of death or permanent disability, as well as retirement bonuses and other benefits, to certain executive directors and members of senior management, as disclosed in sections B.1.3. and B.1.12., respectively.

In particular, the contingencies giving rise to indemnity are those that entail the extinction of the employment relationship for any of the following reasons:

- a) Unilateral decision by the Company.
- b) Winding up or disappearance of the parent company for any reason, including merger or spin-off.
- c) Death or permanent disability.
- d) Declaration of physical disability or legal incompetence for any other reason.
- e) A substantial change in professional conditions.
- f) Resignation, upon reaching the age of 60, at the executive’s request and with the company’s consent.
- g) Resignation at age 65, by unilateral decision of the executive.

FCC Group did not pay any insurance premiums in 2009 and it received a rebate amounting to 6.418 million euro. It also registered an indemnity payment of 2.296 million euro.

In 2009, the insurance company paid beneficiaries a total of 5.942 million euro for contingencies covered by the aforementioned policy.

B.1.14. Indicate the process to establish the remuneration for board members and the corresponding clauses in the Articles of Incorporation:

Process to establish the remuneration for board members and the corresponding clauses in the Articles of Incorporation.

Article 37 of the Articles of Incorporation states:

“The post of board member is remunerated. The remuneration shall consist of a share of the net profits which shall not be less than two percent (2%) of the financial year results attributed to Fomento de Construcciones y Contratas, S.A. in the Group’s consolidated annual accounts. This amount will be paid to the Board of Directors once all legal reserves have been covered and a minimum dividend of four percent (4%) has been paid to shareholders. The remuneration for each financial year will be decided by the General Meeting of Shareholders.

The Board will distribute the remuneration resolved at the General Meeting of Shareholders among its members, taking into account the functions and responsibilities of each one in the Board or its Delegate Committees and other criteria envisaged in the Rules of the Board of Directors, including, within the amount referred to in the previous paragraph of this article, fixed remuneration as well as attendance fees, variable remuneration and benefit schemes.

In accordance with the resolution adopted by the General Meeting of Shareholders in this respect, and regardless of provisions of the foregoing paragraphs, director remuneration may also consist of the delivery of shares or stock options, or may be referenced to the value of the Company shares.

The remuneration mentioned in the preceding paragraphs for board members will be compatible with the other waged, service or professional remuneration paid to the board members for the performance of their duties, whether managerial, executive, advisory or of any other nature, other than the directors’ functions of supervision and collective decision-making which they perform for the Company, under the form of hired employment, lease of services or any other form legally applicable to them based on their nature.”

Article 42.3 f) of the Rules of the Board of Directors states that the Nomination and Remuneration Committee’s functions include: “Overseeing compliance with the Company’s remuneration policy and, in particular, proposing to the Board of Directors the remuneration policy for directors and senior executives, the remuneration of the executive directors and the other conditions of their contracts, and the basic conditions for the contracts for senior executives, advising and proposing on multi-year incentive plans for the Company’s senior management, particularly those related to the value of the shares.”

State whether the Board has reserved the right to approve the following matters;

	Yes	No
On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses	x	
Directors' remuneration and, in the case of executive directors, the additional consideration for their management duties and other contract conditions	x	

B.1.15. State whether the Board of Directors approves a detailed compensation policy and specify the matters which it covers:

	Yes	No
The amount of the fixed components, itemised where necessary, of board and board committee attendance fees, with an estimate of the fixed annual payment they give rise to	x	
Variable remuneration components	x	
The main characteristics of pension systems, with an estimate of their amount or annual equivalent cost	x	
Terms and conditions that must be included in the contracts with executive directors performing senior management duties	x	

B.1.16. State whether the board submits a report on the directors' remuneration policy to the advisory vote of the Shareholders' Meeting as a separate point on the agenda. In which case, describe the points in the report dealing with remuneration policies approved by the Board for future years, the main policy changes, and a general summary of how the remuneration policies were applied throughout the year. Describe the role of the Remuneration Committee and, if external advisors were engaged, indicate their identity:

Yes ☐ No ☒

Issues covered by the report on remuneration policy

At the time the Ordinary General Meeting of Shareholders scheduled for 10 June 2009 was announced, a report on the Board of Directors remuneration policy was made available to the shareholders. The report was approved by the Board of Directors on 5 May 2009.

The report discussed the following:

- a) the procedures applied in preparing the report
- b) the objective and structure of the remuneration policy
- c) remuneration of directors for their membership of the Board
- d) the remuneration of executive directors for performance of executive and managerial duties
 - remuneration structure
 - basic conditions of executive director contracts

Role of the Remuneration Committee

The Nomination and Remuneration Committee assists and advises the Board. In accordance with Article 42.3 f) of the Rules of the Board of Directors, the committee is entrusted with the following:

- Overseeing compliance with the remuneration policy set by the company and
- proposing to the Board of Directors the remuneration policy for directors and senior executives, the remuneration of the executive directors and the other conditions of their contracts, and the basic conditions for the contracts for senior executives, advising and proposing on multi-year incentive plans for the Company's senior management, particularly those related to the value of the shares.

	Yes	No
Were external advisors used?		x
Identity of external advisors		

B.1.17. Identify any board members who are also members of the board of directors or executives or employees of companies with significant stakes in the listed company and/or in companies in its group:

Name of director	Name of significant shareholder	Position
Cartera Deva, S.A.	B 1998, S.L.	Director
Juan Castells Masana	B 1998, S.L.	Director
Dominum Desga, S.A.	B 1998, S.L.	Director
Dominum Dirección y Gestión, S.A.	B 1998, S.L.	Director
EAC Inversiones Corporativas, S.L.	B 1998, S.L.	Director
Fernando Falcó y Fernández de Córdova	B 1998, S.L.	Director
Larranza XXI, S.L.	B 1998, S.L.	Director
Rafael Montes Sánchez	B 1998, S.L.	Director
Robert Peugeot	B 1998, S.L.	Director

Identify any significant relationships, other than those stated in the preceding section, between board members and significant shareholders and/or subsidiaries in their group:

Name of related director	Name of related significant shareholder	Description of relationship
Cartera Deva, S.A.	B 1998, S.L.	Shareholders' Agreement B 1998, S.L.
Larranza XXI, S.L.	B 1998, S.L.	Shareholders' Agreement B 1998, S.L.
Robert Peugeot	B 1998, S.L.	Shareholders' Agreement B 1998, S.L. (Indirectly via Simante, S.L.)

B.1.18. Indicate whether there were any amendments to the Rules of the Board in the year:

Yes ☒ No ☐

Description of modifications:

The Board of Directors meeting of 5 May 2009 modified various articles of the Rules of the Board. The approved modifications affect Articles 7, 32 and 42 of the Rules of the Board.

In Article 7 on the Board's powers, the names of all of FCC Group's parent companies were eliminated so as to avoid the need to modify the Rules whenever the Group's structural organisation changed.

Article 32.3 on executive director remuneration was modified with a view to clarifying Article 37 of the Articles of Incorporation.

Article 42 on the Nomination and Remuneration Committee was modified, expressly including among the Committee's powers the proposal to distribute the remuneration mandated in the Articles of Incorporation among the members of the Board, as envisaged under Article 32.1 of the Rules of the Board.

B.1.19. Indicate the procedure for appointing, re-appointing, assessing and removing directors. Indicate the competent bodies, the process and the criteria for each procedure.

The Shareholders' Meeting is in charge of appointing and removing Board members. Directors may be re-appointed indefinitely one or more times, for five-year terms.

By virtue of the shareholders' agreements referred to in section A.6. of this report as regards the FCC Directors approved by B 1998, S.L., the Investors may appoint four (4) directors to FCC's Board.

Esther Koplowitz Romero de Juseu, or her designated representative, may appoint all of the members of FCC's Board of Directors to which B 1998, S.L. is entitled other than those appointed by the Investors.

Moreover, Chapter IV of the Rules of the Board of Directors, "Appointment and Removal of Directors," establishes the following:

Article 16. "Appointment, ratification or re-appointment of directors"

"Proposals for the appointment or re-election of directors submitted by the Board of Directors to the General Meeting of Shareholders for its consideration, and the appointments made by the Board using the powers of co-optation attributed to it by law must fall upon people of recognised integrity, fitness, technical competence and experience, and must be approved by the Board based on a proposal from the Nomination and Remuneration Committee, in the case of independent directors, and based on a prior report of the Nomination and Remuneration Committee, in the case of other directors."

Article 18. "Term of office"

"1. The term of office of directors will be that established in the Articles of Incorporation, which may not be more than six years, although directors may be re-appointed.

2. The directors appointed by co-optation will hold office until the next General Meeting is held. This period of time will not count toward the term established in the preceding paragraph.

3. Directors whose mandates expire or who cease to sit on the Board for any reason may not render services to FCC competitors for two years.

4. The Board of Directors, at its discretion, may waive or reduce this limitation for outgoing directors."

Article 19. "Re-appointment of Directors"

"Prior to proposing re-appointment of any director to the General Meeting of Shareholders, the Nomination and Remuneration Committee must issue a report evaluating the quality of work and dedication of the proposed directors during their previous mandate."

Evaluation:

Article 38.6. "The plenary Board will devote its first meeting each year to an assessment of its own performance during the preceding year, evaluating the quality of its work and the efficacy of its rules and correcting any aspects which have been shown to be dysfunctional. Also, based on a report drawn up by the Nomination and Remuneration Committee, that meeting will assess the performance of the Chairman of the Board and the Company's chief executive, and the performance of the Committees on the basis of the reports issued by them."

Article 20. "Removal of Directors"

"1. Directors must step down from the Board when their mandates have expired or when so decided by the General Meeting of Shareholders making use of the powers vested in it by law and by the Articles of Incorporation."

Article 21. "Nature of the Resolutions of the Board on this Subject"

"Pursuant to the provisions of Article 25 of these Rules, the directors being proposed for appointment, re-appointment or dismissal may not participate in the debates or vote on these issues."

B.1.20. Indicate the reasons for which directors may be forced to resign.

Article 20 of the Rules of the Board of Directors states:

"1. Directors must step down from the Board when their mandates have expired or when so decided by the General Meeting of Shareholders making use of the powers vested in it by law and by the Articles of Incorporation."

2. The directors must tender their resignation to the Board of Directors and officially resign at the Board's request in the following cases:

- a) In the case of executive directors, when they no longer occupy the positions or perform the functions by virtue of which they were appointed.
- b) In the case of proprietary directors, when the shareholder whose interests they represent disposes of its entire holding in FCC or reduces it to such a level that its number of proprietary directors must be reduced.
- c) When they fall under a situation of incompatibility or legal disqualification.
- d) When the Board, by a two-thirds majority, asks the director to resign:

- if he or she receives a severe reprimand from the Board due to breach of his or her duties as director, based on a proposal or report by the Nomination and Remuneration Committee, or
- when his or her permanence on the Board may jeopardise the Company's credibility and reputation, and directors must inform the Board of any criminal charges against them and any subsequent events during trials. In any event, if any director is tried for any of the corporate crimes described in Article 124 of the Public Limited Companies Act, the Board will examine the case as soon as possible and, based on the specific circumstances, will decide whether or not the director must resign, and it must give a justification in the Annual Corporate Governance Report."

B.1.21. Explain whether the functions of the company's top executive fall on the board Chairman. If so, indicate the measures taken to limit the risk of a single person accumulating power:

Yes ☒ No ☐

Measures to limit risks

The FCC, S.A. Rules of the Board of Directors controls these risks by vesting the powers set out in the following section in an independent director.

At its 3 February 2009 meeting, FCC's Board of Directors appointed Max Mazin Brodovka as the independent director to undertake the functions envisaged in the last paragraph of Article 34 of the Rules of the Board of Directors.

State whether the company has established rules to empower an independent director to request a board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation; detail any such rules:

Yes ☒ No ☐

Detail the rules

Article 34.3 of the Rules of the Board establishes the following:

"When a company's Chairman is also its Managing Director or chief executive, an independent director should be empowered by the Board to request the calling of board meetings or the inclusion of new business on the agenda, to coordinate and give voice to the concerns of external directors, and to lead the board's evaluation of the Chairman".

B.1.22. Is a supermajority, other than the legal majority, required in some decisions?

Yes ☐ No ☒

Explain how resolutions are adopted by the board of directors, stating at least the quorum and type of majority required to adopt resolutions:

Adoption of resolutions

Description of resolution	Quorum	Type of majority
Permanent delegation of delegable powers to the Executive Committee, the Chairman or the Managing Directors and the appointment of the Directors who will hold such posts. OTHER RESOLUTIONS (SEE NOTE)	Two-thirds of the Board members must be present or represented at the meeting	Two-thirds of the Board members

NOTE

All other resolutions of the Board of Directors require an absolute majority of the members.

B.1.23. Detail whether there are specific requirements, other than those relating to directors, for appointing the Board Chairman.

Yes ☐ No ☒

Description of requirements

-

B.1.24. Indicate if the chairperson has a casting vote:

Yes ☐ No ☒

Issues on which there is a casting vote

-

B.1.25. Indicate if the Articles or Rules of the Board establish an age limit for directors:

Yes ☐ No ☒

B.1.26. Indicate if the Articles of Incorporation or the Rules of the Board establish a term limit for independent directors:

Yes ☒ No ☐

Maximum term (years)

12

B.1.27. When there are few or no female directors, indicate the reasons for this situation and the measures taken to correct it:

Detail the reasons and initiatives

In particular, state whether the Nomination and Remuneration Committee has established procedures to ensure that the selection processes have no implicit bias that might hamper the selection of female candidates, and to ensure that female candidates with the right profile are actively sought:

Yes ☒ No ☐

Describe the main procedures

Article 42.3.h) of the Rules of the Board establishes that the Nomination and Remuneration Committee's functions include: "Ensuring that the procedures for filling vacancies on the Board are not subject to implicit bias against the selection of female directors, so as to ensure that the Company deliberately seeks and short-lists women with the necessary professional profile, and the Annual Corporate Governance Report must disclose the reason why there are few or no female directors and the initiatives adopted to correct this situation."

B.1.28. Indicate whether there are formal processes for delegating votes in the board of directors. If so, give a brief description.

There are no formal processes for delegating votes in the Board of Directors.

B.1.29. Indicate the number of board of directors meetings held in the year. Also, state the number of times that the chairperson did not attend the board meeting:

Number of board meetings	11
Number of board meetings without the presence of the Chairman	0

Indicate the number of meetings held by board committees in the year:

Number of executive or advisory committee meetings:	10
Number of meetings held by the Audit and Control Committee	9
Number of meetings held by the Nomination and Remuneration Committee	10
Number of meetings held by the Strategy and Investment Committee	0

B.1.30. Indicate the number of board of directors meetings held in the year which were not attended by all members. Proxies granted without specific instructions are not counted as absences:

Number of meetings missed by directors during the year	42
Absences as a % of the total number of votes during the year	19.63

B.1.31. Indicate whether the individual and consolidated financial statements that are presented for board approval have been certified:

Yes ☒ No ☐

Indicate any person that has certified the company's individual and consolidated financial statements for board authorisation:

Name	Position
Baldomero Falcones Jaquotot	Chairman and CEO
Antonio Gómez Ciria	General Manager of Administration and IT
Víctor Pastor Fernández	Corporate Finance Manager

B.1.32. Detail whether the board of directors has established any mechanisms to ensure that the individual and consolidated financial statements authorised by it are presented to the Shareholders' Meeting without audit qualifications.

One of the Audit and Control Committee's functions is revision of the financial and economic information published periodically by the FCC Group. This revision is particularly important in the case of the annual report; therefore, prior to the Board of Directors' authorisation of the 2009 financial statements, the Audit and Control Committee thoroughly examined those statements and requested that the external auditor explain the conclusions of its review so that, once the statements were approved by the Board, the external auditor's report would contain no qualifications.

B.1.33. Is the board secretary a director?

Yes ☐ No ☒

B.1.34. Describe the procedures for appointment and removal of the Secretary of the Board, stating whether the Nomination Committee was consulted and the appointment or removal was approved by the full Board:

Procedure for appointment and removal

Art. 36 of the Rules of the Board: "His appointment and removal must be approved by a full board meeting based on a proposal by the Nomination and Remuneration Committee."

NOTE

The current Secretary was appointed before the Nomination and Remuneration Committee was created.

	Yes	No
Is the Nomination Committee consulted on the appointment?	x	
Is the Nomination Committee consulted on the removal?	x	
Does the full Board approve the appointment?	x	
Does the full Board approve the removal?	x	

Is the Board Secretary entrusted in particular with ensuring compliance with corporate governance recommendations?

Yes ☒ No ☐

Comments

B.1.35. Indicate whether the company has established mechanisms to maintain the independence of auditors, financial analysts, investment banks and rating agencies.

These mechanisms are included in Article 41 of the Rules of the Board. "Audit and Control Committee":

"...

3. The basic function of the Audit and Control Committee is to support the Board of Directors in its supervisory duties by periodically reviewing the processes used to prepare the financial information, the internal controls and the independence of the external auditors.

In particular, the matters that the Board of Directors may entrust to the Audit and Control Committee include, but are not limited to, the following:

- Informing the General Meeting of Shareholders on the questions raised by shareholders which fall within its scope of authority.
- Liaising between the Board of Directors and the external auditor, evaluating the results of each audit, with the following additional duties with respect to the external auditor: (i) Making recommendations to the Board of Directors for the selection, appointment, re-appointment and removal of the external auditor, and the terms and conditions of his or her engagement; (ii) receiving regular information from the external auditor on the progress and findings of the audit programme, and checking that senior management are acting on its recommendations; (iii) ensuring the independence of the external auditor and, in particular, establishing appropriate measures to ensure that: 1) contracting consulting services with that auditor or a company of its group does not jeopardise its independence; and 2) the Company issues a regulatory disclosure to the CNMV as regards the change in auditor, with a statement about any disagreements with the outgoing auditor and their nature; where the external auditor resigns, the Committee must examine the reasons; (iv) and seeking to ensure that the Company's auditor takes responsibility for auditing the companies comprising the Group.

- c) Supervising the Company's internal audit units that oversee the good working of the information and internal control systems; the head of internal audit is obliged to present an annual work plan to the Committee and inform it directly of any incidents arising in the course of implementing the plan, as well as submitting a report on activities to the Committee at the end of each year.
- d) Analysing the risk control and management policy, identifying at least: (i) the different types of risk to which the Company is exposed, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks; (ii) the determination of the risk level the company sees as acceptable; (iii) the measures in place to mitigate the impact of risk events, should they occur; (iv) and the internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks, and submission to the Board for approval.
- e) Supervising the preparation of the financial statements and directors' report of the Company and the consolidated group, and of the information released periodically to the markets, checking for compliance with legal provisions and the correct application of generally accepted accounting principles, and informing the Board before it adopts any of the following decisions: (i) the financial information that the Company must release periodically by virtue of being listed, ensuring that the interim financial statements are drawn up in accordance with the same accounting principles as the annual financial statements and, to this end, considering the advisability of a limited review by the Company's external auditor; (ii) and the creation of, or acquisition of shares in, special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the FCC group.
- f) With respect to internal control and reporting systems: (i) monitoring the preparation and the integrity of the financial information prepared on the Company and, as the case may be, the Group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles; (ii) reviewing internal control and risk management systems on a regular basis, to ensure that the main risks are properly identified, managed and disclosed; (iii) monitoring the independence and efficacy of the internal audit function; proposing the selection, appointment, re-appointment and removal of the head of internal audit; proposing that department's budget; receiving regular reports on its activities; and verifying that senior management are acting on the findings and recommendations of its reports; (iv) receiving confidential (though not anonymous) written reports from employees about possible material irregularities, particularly of a financial or accounting nature, that they observe in any FCC Group company; (v) and ensuring that the internal codes of conduct and the

rules of corporate governance comply with the requirements of law and are appropriate for the company, and reviewing compliance, by the persons governed by those codes and governance rules, of their obligations to inform the Company.

- g) Issuing reports and proposals as requested by the Board of Directors or the Chairman of the Board and those it deems appropriate for the best performance of its functions, particularly the report on proposed amendments to these Rules, as provided in Article 4.3.
- h) Deciding on requests for information presented by directors, by virtue of Article 30.3 of these Rules, to the Committee, and requesting the inclusion of any items on the agenda of Board meetings, in the conditions and time periods established in Article 38.3 of these Rules.

...

4. The Audit and Control Committee will have access to the necessary information and documentation to perform its functions, and may seek the advice of external professionals, in which case the provisions of Articles 31.3 and 39.3 of these Rules will apply. These advisers may speak at the meetings but may not vote.

6. Any member of the FCC Group's management team or personnel, and the Company's external auditors, will be obliged to attend meetings of the Committee when requested to do so, and must collaborate and provide the information at their disposal, Article 39.3 of these Rules being applicable where appropriate.

7. The Audit and Control Committee itself will decide on any matter not expressly regulated in this article with regard to its operation, and the rules contained in the Articles of Incorporation and these Rules with respect to the Board of Directors will apply supplementarily insofar as the nature and functions of the Committee allow.

B.1.36. State whether the Company changed its external auditor during the year. If so, identify the incoming and outgoing auditor:

Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Outgoing auditor	Incoming auditor

If there was a disagreement with the outgoing order, describe it:

Yes ☐ No ☐

Explanation of the disagreement

B.1.37. Indicate whether the audit firm performs work for the company and/or its group other than auditing and, if so, state the fees received for such work and those fees as a percentage of total fees billed to the company and/or its group.

Yes ☒ No ☐

	Company	Group	Total
Fees for work other than auditing (thousand euro)	558	288	846
Fees for work other than auditing/Total fees billed by the audit firm (%)	71	7	18

B.1.38. State whether or not the auditors' report on the previous year's financial statements was qualified. If it was, state the reasons given by the Chairperson of the Audit Committee to explain the content and scope of the qualification or exception.

Yes ☐ No ☒

Description of the reasons

B.1.39. Indicate the number of consecutive years that the current audit firm has been auditing the financial statements of the company and/or its group. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Company	Group
Number of consecutive years	20	20

	Company	Group
No. of years audited by the current audit firm/No. of years that the company has been audited (%)	100	100

B.1.40. Indicate the stakes owned by members of the company's board of directors in companies whose activity is the same, analogous or complementary to the corporate purpose of the company and its group that have been notified to the company. Also, indicate the positions they hold or the functions they perform in those companies:

Name of director	Company name	Stake (%)	Position or functions

B.1.41. Indicate whether there is a procedure for directors to engage external consultants and, if so, provide details.

Yes ☒ No ☐

Detail the procedure

Article 31 "Expert assistance" of the Rules of the Board states that:

"1. In order to assist them in discharging their duties, external directors are entitled to obtain the necessary assistance from the Company to discharge their duties and, where necessary, to obtain advice, at FCC's expense, from legal, accounting and financial consultants and other experts.

2. Requests to engage external consultants or experts must be referred to the Chairman of FCC and will be approved by the Board of Directors if it considers that:

- a) it is necessary for the proper performance by independent directors of their assigned duties,
- b) the cost is reasonable, in view of the materiality of the problem and the assets and revenues of FCC, and
- c) the technical assistance cannot be properly provided by internal FCC experts or technical personnel.

3. Requests for expert assistance by any of the Board Committees may not be denied except when a majority of the Board members considers that the conditions envisaged in paragraph 2 of this article are not met."

B.1.42. Indicate whether there is a procedure for directors to have the necessary information to prepare for the meetings of the governing bodies with sufficient time and, if so, provide details.

Yes ☒ No ☐

Detail the procedure

Article 38 "Meetings of the Board of Directors" of the Rules of the Board defines the procedure as follows:

"1. The Board of Directors must meet with the necessary frequency to properly perform its functions, and whenever the interests of FCC require, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items not initially envisaged in the agenda, which proposal must be made not less than thirteen days prior to the date scheduled for the meeting. The calendar of the ordinary meetings will be set by the Board at the beginning of each year. The calendar may be modified by decision of the Board itself or of the Chairman, who will notify the directors of the change at least ten days in advance of the original meeting date, or of the modified meeting date if it is earlier.

2. The announcement of the ordinary meetings will be sent by post, fax, e-mail or telegram and will be authorised with the signature of the Chairman or the Secretary or Vice-Secretary, by order of the Chairman.

Notwithstanding the provisions of Article 30 of the Articles of Incorporation, every effort will be made to announce the meetings not less than ten days in advance. Along with the announcement

of each meeting, the directors will be provided with the meeting agenda and the pertinent documentation to enable them to form an opinion and vote on the issues submitted to them for their consideration.

In emergency situations, at the Chairman's discretion, an immediate meeting of the Board of Directors may be called, in which case the meeting agenda will be limited to the urgent matters.

3. The Chairman will decide the meeting agenda. The directors and the Board Committees may ask the Chairman to include items on the agenda in the terms envisaged in section 1 of this article, and the Chairman will be obliged to include them.

When a specific item is included on the meeting agenda at the request of the directors, then the directors who requested the inclusion of that item must forward the pertinent documentation along with their request or identify the pertinent documentation so that it can be forwarded to the rest of the Board members.

In view of the directors' duty of confidentiality, every effort will be made to ensure that the importance and confidential nature of the information is not used as a pretext for breaching this rule, except under exceptional circumstances at the Chairman's discretion.

4. Board meetings may be held via telephone multiconference, videoconference or any other analogous system so that one or more directors can attend the meeting via that system. For that purpose, in addition to stating the location where the meeting is physically held, which is where the Board Secretary must be located, the announcement must state that directors can attend via telephone multiconference, videoconference or an equivalent system, indicating and making available the technical means for this purpose, which in all cases must enable direct, simultaneous communication among attendees. The Secretary of the Board of Directors must enter, in the minutes of meetings held in this way, in addition to the names of the directors physically in attendance or represented by another director, those who attended via telephone multiconference, videoconference or an equivalent system."

B.1.43. State whether the company has rules obliging directors to inform the board of any circumstance that might harm the organisation's name or reputation, and describe any that exist:

Yes ☒ No ☐

Describe the rules:

According to Article 29 of the Rules of the Board on Directors' duty of disclosure, "Directors must disclose the following to FCC's Nomination and Remuneration Committee through the

Corporate Responsibility Department or any unit that takes its place: d. Legal, governmental, or any other type of claim which, due to its significance, could have a serious effect on the reputation of FCC.”

Article 20.2.d) on Removal of Directors states that “Directors must tender their resignation to the Board of Directors and, if the latter sees fit, resign in the following cases: when their permanence on the Board may jeopardise the Company’s credibility and reputation, and directors must inform the Board of any criminal charges against them and any subsequent events during trials. In any event, if any director is tried for any of the corporate crimes described in Article 124 of the Public Limited Companies Act, the Board will examine the case as soon as possible and, based on the specific circumstances, will decide whether or not the director must resign, and it must give a justification in the Annual Corporate Governance Report.”

B.1.44. State whether any member of the Board of Directors has informed the Company that he has been charged with, or tried for, any of the crimes covered by Article 124 of the Public Limited Companies Act:

Yes ☐ No ☒

B.2. Board of Directors’ Commissions

B.2.1. Indicate all the Board of Directors committees and their members:

EXECUTIVE OR DELEGATE COMMITTEE

Name	Position	Category
Baldomero Falcones Jaquotot	Chairman	Executive
Fernando Falcó y Fernández de Córdova	Director	Proprietary
Dominum Desga, S.A. represented by Esther Alcocer Koplowitz	Director	Proprietary
EAC Inversiones Corporativas, S.L. represented by Alicia Alcocer Koplowitz	Director	Proprietary
Juan Castells Masana	Director	Proprietary
Cartera Deva, S.A. represented by Jaime Llantada Aguinaga	Director	Proprietary
Francisco Vicent Chuliá	Secretary	Not a member
Felipe B. García Pérez	Vice-Secretary	Not a member

AUDIT AND CONTROL COMMITTEE

Name	Position	Category
Gonzalo Anes y Álvarez de Castrillón	Chairman	Independent
Esther Alcocer Koplowitz representing Dominum Desga, S.A.	Director	Proprietary
Alicia Alcocer Koplowitz representing EAC Inversiones Corporativas, S.L.	Director	Proprietary
Fernando Falcó y Fernández de Córdova	Director	Proprietary
Juan Castells Masana	Director	Proprietary
José María Verdú Ramos	Secretary (not a member)	---

On 29 July 2009, it was notified to the CNMV that the Audit and Control Committee had unanimously agreed to appoint independent director Gonzalo Anes y Álvarez de Castrillón as chair for a term of 4 years. He took the place of Fernando Falcó y Fernández de Córdova, who had reached the end of the maximum four-year term for Committee chairs established in Additional Provision Eighteen of Law 28/1988, on the Securities Market, and in the Company’s Articles of Incorporation.

NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Category
Esther Alcocer Koplowitz representing Dominum Desga, S.A.	Chairman	Proprietary
Fernando Falcó y Fernández De Córdova	Director	Proprietary
Alicia Alcocer Koplowitz representing EAC Inversiones Corporativas, S.L.	Director	Proprietary
Carmen Alcocer Koplowitz representing Dominum Dirección y Gestión, S.A.	Director	Proprietary
Rafael Montes Sánchez	Director	Proprietary
Antonio Pérez Colmenero	Director	Proprietary
Jaime Llantada Aguinaga representing Cartera Deva, S.A.	Director	Proprietary
Robert Peugeot	Director	Proprietary
Gonzalo Anes y Alvarez De Castrillón	Director	Independent
Max Mazin Brodovka	Director	Independent
José María Verdú Ramos	Secretary (not a member)	----

STRATEGY COMMITTEE

Name	Position	Category
Esther Koplowitz Romero de Juseu representing B 1998, S.L.	Chairman	Proprietary
Esther Alcocer Koplowitz representing Dominum Desga, S.A.	Director	Proprietary
Alicia Alcocer Koplowitz representing EAC Inversiones Corporativas, S.L.	Director	Proprietary
Carmen Alcocer Koplowitz representing Dominum Dirección y Gestión, S.A.	Director	Proprietary
Fernando Falcó y Fernández De Córdova	Director	Proprietary
Lourdes Martínez Zabala representing Larranza XXI, S.L.	Director	Proprietary
Robert Peugeot	Director	Proprietary
Jaime Llantada Aguinaga representing Cartera Deva, S.A.	Director	Proprietary

B.2.2. Indicate which of the following functions are attributed to the Audit Committee:

	Yes	No
Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation scope, and the correct application of accounting principles.	x	
Review internal control and risk management systems on a regular basis, so that main risks are properly identified, managed and disclosed.	x	
Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-appointment and removal of the head of internal audit; propose the department's budget; receive regular reports on its activities; and verify that senior management are acting on the findings and recommendations of its reports.	x	
Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.	x	
Make recommendations to the board for the selection, appointment, re-appointment and removal of the external auditor, and the terms and conditions of his engagement.	x	
Receive regular information from the external auditor on the progress and findings of the audit programme, and check that senior management are acting on its recommendations.	x	
Monitor the independence of the external auditor	x	
In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.	x	

B.2.3. Describe the rules that govern each board committee and their responsibilities.

EXECUTIVE COMMITTEE

This Committee is governed by Article 36 of the Articles of Incorporation of FCC, which are extracted below:

"... The Executive Committee will be convened by the Chairman himself or upon the request of two Committee members. The notice will be sent by letter, telegram, e-mail or fax to each of the Committee members at least 48 hours in advance of the meeting date. The Executive Committee may be convened immediately for reasons of urgency, in which case the meeting agenda will be limited to the issues which caused the urgency.

The meetings shall be held at the Company's registered offices or another location designated by the Chairman and indicated in the announcement.

In order for the Executive Committee to be quorate, there must be a majority of members present or represented.

Absent members may be represented by another member of the Executive Committee by notifying the Chairman in writing.

The deliberations will be directed by the Chairman. If the Chairman is absent, the meeting will be chaired by a committee member chosen by majority vote of those in attendance.

The Chairman will give the floor to those attendees who wish to speak.

Resolutions will be passed by absolute majority of the Committee members.

In the event of a tie, the matter will be forwarded to the Board of Directors. In this case, the members of the Executive Committee will request that a meeting be convened as provided for in Article 30 of the Articles of Incorporation."

Additionally, Article 40 of the Rules of the Board of Directors establishes that:

2. "...The Board of Directors will designate the directors to form part of the Executive Committee, ensuring as far as possible that its structure is similar to that of the Board itself in terms of the various categories of director. The Secretary of the Board will also be the secretary of the Executive Committee.

3. The Executive Committee will be composed of a minimum of five and a maximum of ten members.

4. The members of the Executive Committee will step down from the Committee when they cease to be directors or when decided by the Board.

5. Any vacancies arising will be filled as quickly as possible by the Board of Directors.

6. In the absence of the Chairman of the Executive Committee, a committee member will be chosen to perform his functions.

7. The Executive Committee will hold ordinary meetings in the months when a Board of Directors meeting is not scheduled, apart from the month of August, and it may meet on an extraordinary basis when required by the company's interests. Along with the announcement of each meeting, the members of the Executive Committee will be provided with the pertinent information they need to form an opinion and vote.

8. The Executive Committee will be convened as established in Article 35 of the Articles of Incorporation, although, except in the event of a justified emergency, every effort will be made to ensure at least ten days' advance notice. Along with the announcement of each meeting, the members of the Executive Committee will be provided with the pertinent information they need to form an opinion and to vote.

9. The Executive Committee will be quorate when at least one-half plus one of its members are present or represented at the meeting.

10. The Committee, through its Chairman, will inform the Board of the business transacted and the decisions made by the Committee, and a copy of the minutes of each meeting will be given to each director.

11. In all other matters, the Executive Committee will be governed by the pertinent provisions of the Articles of Incorporation and, supplementarily, by the provisions relating to the Board of Directors contained in the Articles of Incorporation and these Rules."

AUDIT AND CONTROL COMMITTEE:

This committee is governed by Article 41 of the Rules of the Board of Directors. It must comprise at least three directors designated by the Board of Directors having regard to their knowledge and experience of accounting, auditing or risk management; all of its members will be external directors, and the Committee will appoint a Chairman from among its members, who will hold office for no more than four years; it may also appoint a Vice-Chairman. The term of the members of the Committee may not exceed their terms as directors, notwithstanding the possibility that they may be re-appointed indefinitely so long as they are also re-appointed as directors.

The Secretary and Vice-Secretary, if any, shall be chosen by the Committee and need not be board members.

The members of the Committee may obtain advice from external professionals. These advisers will attend the meetings and may speak but not vote.

The basic function of the Audit and Control Committee is to support the Board of Directors in its supervisory duties by periodically reviewing the processes used to prepare the financial information, the internal controls and the independence of the external auditors.



Its main responsibilities include:

- Informing the General Meeting of Shareholders on the questions raised by shareholders which fall within its scope of authority.
- Liaising between the Board of Directors and the external auditor, evaluating the results of each audit.
- Supervising the Company's internal auditing services.
- Analysing the risk control and management policy.
- Supervising the process of drafting the separate and consolidated financial statements and directors' reports and the regular financial disclosures to the market.

NOMINATION AND REMUNERATION COMMITTEE

This Committee is governed by Article 42 of the Rules of the Board of Directors.

"1. It will be composed of a minimum of three board members appointed by the Board of Directors. The majority of its members will be external directors and the Chairman will be appointed from among the latter. The term of the members of the Nomination and Remuneration Committee may not exceed their terms as directors, notwithstanding the possibility that they may be re-appointed indefinitely so long as they are also re-appointed as directors.

2. The Nomination and Remuneration Committee will designate a Secretary, who need not be a member of the Committee, to aid the Chairman and provide for the smooth operation of the Committee, duly reflecting, in the meeting minutes, the business transacted, the deliberations and the resolutions adopted; the minutes must be signed by the members of the Committee who attended the meeting in question. The members of the Nomination and Remuneration Committee will step down from the Committee when they step down as directors or when decided by the Board of Directors."

3. The Nomination and Remuneration Committee will have the powers to inform, advise and propose within its areas of competence, and it will have the following functions in particular, in addition to those already indicated in these Rules:

- a) Evaluating the balance of skills, knowledge and experience on the board, defining the roles and capabilities required of the candidates to fill each vacancy, and deciding the time and dedication necessary for them to properly perform their duties. Any director member may suggest directorship candidates to the Nomination and Remuneration Committee for its consideration.*
- b) Examining or organising appropriately the succession of the Chairman and Chief Executive, making recommendations to the board so the handover proceeds in a planned and orderly manner.*

- c) Proposing the appointment and re-appointment of independent directors and advising on proposals for the appointment and re-appointment of the other directors.*
- d) Advising on proposals to maintain independent directors in their positions after 12 years and advising on proposals for the removal of independent directors, in accordance with Article 20.3.*
- e) Advising on the appointment and removal of senior executives proposed to the Board by the chief executive, and proposing the candidates for senior executive positions in the Company, in addition to those envisaged in Article 2.2. of these rules, and making the proposals for reprimands envisaged in Article 20.2.d) of these Rules. The Committee will also issue a report before any appointment to a position or office whose annual remuneration is equal to or greater than the figure established by the Nomination and Remuneration Committee and reported to the Board of Directors in each case.*
- f) Overseeing compliance with the Company's remuneration policy and, in particular, proposing to the Board of Directors the remuneration policy for directors and senior executives, the remuneration of the executive directors and the other conditions of their contracts, and the basic conditions for the contracts for senior executives, advising and proposing on multi-year incentive plans for the Company's senior management, particularly those related to the value of the shares.*
- g) Preparing and maintaining a record of the status of directors and senior executives of FCC.*
- h) Ensuring that the procedures for filling vacancies on the Board are not subject to implicit bias against the selection of female directors, so as to ensure that the Company deliberately seeks and short-lists women with the necessary professional profile, and the Annual Corporate Governance Report must disclose the reason why there are few or no female directors and the initiatives adopted to correct this situation.*
- i) Advising on the proposed appointment of members of the Board of Directors committees.*
- j) Advising on the appointment and removal of the Secretary of the Board.*
- k) Verifying the qualifications of the directors under Article 6.4.*
- l) Receiving the information provided by directors under Article 24.2 of these Rules.*
- m) Advising on any professional or commercial transactions referred to in Article 25.3 of these Rules.*
- n) Advising on the use, for the benefit of a director, of business opportunities or assets of FCC which have been previously studied and ruled out by the FCC Group, as referred to in Article 27.1 and 27.3 of these Rules.*

4. The Nomination and Remuneration Committee will regulate its own operations to the extent that they are not regulated in the Articles of Incorporation and these Rules, whose provisions relating to the operation of the Board of Directors will apply supplementarily inasmuch as this is possible considering the nature and functions of the Committee.

5. "The Nomination and Remuneration Committee will have access to all of the documentation and information needed to perform its functions. The members of the Nomination and Remuneration Committee may be assisted during their meetings by up to two advisers per Committee member, as required. Such advisors may attend meetings but not vote, and the provisions of Article 31 of these Rules will apply to them.

6. The Committee will meet periodically, at least once per quarter, and when convened by the Chairman or requested by two committee members. EACH year, the Committee will draft an action plan for the coming year which it will submit to the Board.

STRATEGY COMMITTEE:

This Committee is governed by Article 43 of the Rules of the Board of Directors. Its:

"1. ... members will be appointed by the Board of Directors for a period not to exceed their terms as directors, notwithstanding the possibility that they may be re-appointed indefinitely to the extent that they are also re-appointed as directors. The majority of the members of the Strategy Committee will be external directors.

2. The Strategy Committee will choose a Chairman from among its non-executive members. The Committee will also designate a Secretary, who need not be a member of the Committee, to aid the Chairman and provide for the smooth operation of the Committee, duly reflecting, in the meeting minutes, the business transacted, the deliberations and the resolutions adopted.

3. The members of the Strategy Committee will step down from the Committee when they cease to be directors or when decided by the Board."

4. It is a function of the Strategy Committee to assist the Board of Directors in determining the Group's strategy based on the guidelines set out by the Board, preparing such reports and motions as may be necessary.

"6. To perform its functions optimally, the Strategy Committee may seek the advice of external professionals, in which case the provisions of Article 31 of these Rules will apply.

7. The members of the Strategy Committee may be assisted during their meetings by up to two advisers per Committee member, as required. These advisers may speak at the meetings but may not vote.

8. The Strategy Committee will meet periodically and as convened by the Chairman or requested by two committee members. EACH year, the Committee will draft an action plan for the coming year which it will submit to the Board.

9. The minutes of each committee meeting will be drafted and signed by the Committee members in attendance.

10. Any member of the Company's management team or personnel who is asked to attend the Strategy Committee's meetings will be obliged to attend, collaborate and provide the information at his disposal.

11. The Strategy Committee will have access to all of the documentation and information needed to perform its functions.

12. The Strategy Committee will regulate its own operations to the extent that they are not regulated in these Rules and in the Articles of Incorporation, whose provisions relating to the operations of the Board of Directors will apply supplementarily inasmuch as this is possible considering the nature and functions of the Committee."

B.2.4. Indicate the advisory and consultative powers and, where applicable, any powers delegated to each committee:

The delegation of powers to the Board committees is governed by Article 40 of the Rules of the Board of Directors and Article 35 of the Articles of Incorporation.

All the duties and powers necessary to conduct the Company's business are permanently vested in the Executive Committee, except for those powers declared to be non-delegable under Article 141.1 of the Public Limited Companies Act and those reserved for the full Board of Directors, as set out in Article 7 of the Rules of the Board of Directors.

In the exercise of the powers and duties referred to above, the Executive Committee may empower others to act either individually or jointly with other representatives, setting the scope, limitations and conditions it deems pertinent. The Executive Committee may also revoke the powers thus granted.

Article 40.1 of the Rules of the Board of Directors establishes that "The Board may set up an Executive Committee in which it may permanently delegate all of the powers vested in the Board of Directors with the exception of those which, by law or under the Articles of Incorporation or these Rules, may not be delegated. Unless otherwise stipulated in the delegation of powers by the Board of Directors, the Executive Committee will have specific responsibility for deciding on investments, divestments, credits, loans, guarantee and surety lines and other financial facilities for unit amounts not exceeding the figure that is established in each case in accordance with Article 7.2.j).

In situations of emergency, the Executive Committee will exercise the following powers attributed to the Board of Directors, under Article 8 of these Rules, which must be reported to the Board of Directors for subsequent ratification: the appointment and removal of senior executives and their indemnity clauses, periodic public financial information, strategic investment and transactions, and those covered by Article 8.3.f)."

As regards the advisory and consultation powers of committees, see section B.2.3.



B.2.5. Indicate any rules governing the committees of the board of directors, where they are made available for consultation and any changes to these rules during the year. Also, indicate if an annual report on each committee's activities has been drafted voluntarily.

The Rules of the Board of Directors as amended on 5 May 2009 regulate the workings of the various Board committees: Executive Committee (Article 40), Audit and Control Committee (Article 41), Nomination and Remuneration Committee (Article 42) and Strategy Committee (Article 43).

As provided in Article 38.6 of the Rules of the Board of Directors (*"The plenary Board will devote its first meeting each year to an assessment of its own performance during the preceding year, evaluating the quality of its work, and the efficacy of its rules and correcting any aspects which have been shown to be dysfunctional. Also, based on a report drawn up by the Nomination and Remuneration Committee, that meeting will assess the performance of the Chairman of the Board and the Company's chief executive, and the performance of the Committees on the basis of the reports issued by them."*), on 27 January 2010 the Board of Directors evaluated its own performance and that of its Committees in 2009.

This evaluation covered not only the performance of the Board and all of its Committees (Executive Committee, Audit and Control Committee, Nomination and Remuneration Committee, and Strategy Committee), but also that of the Chairman and Chief Executive.

The outcome was that their performance was highly satisfactory. The Board of Directors, its Committees and the Chairman and Chief Executive discharged their duties and functions superbly, in line with all existing procedures, and they undertook to continuously improve their performance. The evaluation also highlighted that the various Committees supported the launch of various products aligned with Group strategy, which made the Board more efficient and transparent in pursuit of its primary goal: safeguarding the Company's interests, i.e. maximising the Company's economic value on a sustainable basis in accordance with Article 22.1 of the Rules of the Board of Directors and Recommendation 7 of the Unified Code of Corporate Governance for Listed Companies.

B.2.6. Indicate if the executive committee's composition reflects the composition of the board in terms of director type:

Yes ☐ No ☒

If not, detail the composition of the executive committee.

The composition of the Executive Committee is as follows: 83% external directors and 17% executive directors; the composition of the Board of Directors is: 90% external directors and 10% executive directors.

C _ RELATED-PARTY TRANSACTIONS

C.1. Has the Board of Directors, in plenary session, reserved for itself the power to approve, subject to a favourable report by the Audit Committee or any other committee entrusted with such duties, the Company's transactions with directors, significant shareholders or shareholders with Board representation or with persons related to any of them?

Yes ☒ No ☐

C.2. Detail significant transactions involving a transfer of funds or liabilities between the company or subsidiaries in its group and significant shareholders of the company:

Name of significant shareholder	Name of group company or entity	Nature of relationship	Type of transaction	Amount (thousand euro)

C.3. Detail transactions involving a significant transfer of funds or liabilities between the company or subsidiaries in its group and directors or executives of the company:

Name of director or executive	Name of group company or entity	Nature of the transaction	Type of transaction	Amount (thousand euro)
Dominum Desga, S.A.	Servicios Especiales de Limpieza, S.A.	Contractual	Cleaning services	9,744
B 1998, S.L.	FCC Medio Ambiente, S.A.	Contractual	Cleaning services	5,469

C.4. Detail the significant transactions between the company and other companies in the group, except those that are eliminated in consolidation or do not form part of the company's normal operations with regard to their purpose and conditions:

Name of group entity	Brief description of transaction	Amount (thousand euro)
-	-	-

NOTE

There are many transactions between group companies in the ordinary course of their business which are eliminated in the process of drawing up the consolidated financial statements.

C.5. Identify any conflicts of interest of company directors, in accordance with Article 127 ter of the Public Limited Companies Act.

Yes ☐ No ☒

The directors of Fomento de Construcciones y Contratas, S.A. have reported that they do not carry out, either for their own account or that of others, any activities that are identical, similar or complementary to the corporate purpose of the Company.

The other members of the Board of Directors do not hold interests in the share capital of companies whose corporate purpose is identical, similar or complementary to that of Fomento de Construcciones y Contratas, S.A.

During the year, neither the other directors of Fomento de Construcciones y Contratas, S.A. nor any duly authorised representatives thereof carried out transactions with the Company or any Group company that are outside its normal course of business or in conditions other than market conditions.

Information on members of the Board of Directors that serve on the boards of or are executives in other FCC Group companies is provided in section B.1.7. of this report.

These directors hold positions or perform duties and/or own interests of less than 0.01% in FCC Group companies in which Fomento de Construcciones y Contratas, S.A. directly or indirectly exercises a majority of voting rights.

C.6. Describe the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or the group and its directors, executives or significant shareholders.

Article 25.2, 25.3, 25.4, 25.5 and 25.6 of the Rules of the Board of Directors establishes that Directors must give due advance notice to the Board, via the Corporate Responsibility Department or any other that takes its place, of any situation that may give rise to a conflict of interest with the Company or any of the companies in the FCC group of companies or their related companies. Under Article 25.3, "In the following cases, the prior written consent of the Board of Directors of FCC, which may not be delegated, based on a favourable report from the Nomination and Remuneration Committee, will be required:

- a) Provision by a director or a related party to companies of the FCC Group of professional services other than those deriving from executive directors' employment relationship.
- b) Sale or disposal by any other means, for good and valuable consideration of any type, of supplies, materials, goods or rights in general by a director, significant shareholder or shareholder represented on the Board, or their related parties, to companies of the FCC Group. For this purpose, related party is as defined in Article 127 ter.5 of the Public Limited Companies Act.
- c) Transfer of supplies, materials, goods or rights in general outside the seller's normal course of business by a company of the FCC Group to a director, significant shareholder or shareholder represented on the Board, or their related parties
- d) Provision of works or services or the sale of materials by companies of the FCC Group to a director, significant shareholder or shareholder represented on the Board, or their related parties, in the normal course of the former's business, at lower than market prices.

4. The authorisation referred to in item 4 above will not be necessary for related-party transactions that fulfil all of the following three conditions:

- a) They are governed by standard form agreements applied on an across-the-board basis to a large number of clients.
- b) They are performed at market prices or rates generally set by the person supplying the goods or services.
- c) Their amount is no more than 1% of the company's annual revenues.

5. In any event, all material transactions of any kind between directors and FCC, its subsidiaries or associated companies must be disclosed in the Annual Corporate Governance Report. This obligation extends to material transactions between the Company and its significant shareholders (direct and indirect)."

Under Article 25.1 "An indirect interest on the part of the director is likewise considered to exist when that matter affects a related party."

C.7. Is more than one Group company listed in Spain?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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Listed subsidiaries

Cementos Portland Valderrivas, S.A.

Has a public definition been established describing precisely the respective business relationships between the parent company and the listed subsidiary, and between the listed subsidiary and other group companies?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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Define any business relationships between the parent company and the listed subsidiary, and between the listed subsidiary and other group companies.

See section F.2

Identify the mechanisms in place to resolve possible conflicts of interest between the listed subsidiary and other group companies:

Mechanisms to resolve possible conflicts of interest.

See section F.2

D _ RISK CONTROL SYSTEMS

D.1. Describe the risk policy of the company and/or its group, detailing and assessing the risks covered by the system, and justify why those systems conform to each type of risk.

Within the organisational structure of the FCC Group, the planning systems and transactions management processes are designed to control the different business risks faced by the Group. In this regard, risk management forms part of the Group's management process and, as such, involves all members of the organisation. In addition, the Group has established preventive, supervisory and control policies and corrective action policies in order to help the organisation meet its objectives.

The main risks covered by the system are described below:

- 1 Market risks
- 2 Operating risks
 - 2.1 Contracting risks
 - 2.2 Production risks
 - 2.3 Environmental risks
- 3 Organisational risks
 - 3.1 Labour risks
 - 3.2 Information system risk
- 4 Financial management risks
 - 4.1 Capital risk
 - 4.2 Interest rate risk
 - 4.3 Exchange rate risk
 - 4.4 Solvency risk
 - 4.5 Liquidity risk
 - 4.6 Concentration risk
 - 4.7 Risk-hedging inimical derivatives
 - 4.8 Property and industrial risks

1. Management of market risks

The FCC Group faces diverse regulatory and structural risks inherent to the products it sells and the environment in which it operates.

The Board of Directors, aided by the Strategy Committee, is responsible for defining the FCC Group's strategy, assigning available resources, setting the general policies to be applied and informing the different business areas of such policies.

The FCC Group's strategic planning process entails the identification of objectives to be met in each activity area, based on the improvements to be introduced, the market opportunities present and the level of risk considered acceptable. On the basis of this process, the Group designs operating plans specifying the targets to be achieved each year.

Progress toward the targets established during the planning process is reviewed periodically, analysing irregularities revealed at all levels of responsibility and taking the appropriate corrective measures.

The Group's general organisational and operational rules provide the framework applicable to all members of the organisation, the powers vested at each hierarchical level and the basic principles guiding the operating processes. These principles are the basis of the specific rules governing these processes.

To mitigate the market risks faced by each business line, the Group has also adopted a strategy of diversification in complementary business lines such as the provision of a range of services to government agencies, concessions, energy, cement, etc.

2. Management of operating risks

2.1 Management of contracting risks

The risks and opportunities arising during the contracting process constitute one of the main challenges faced by the FCC Group. To meet these challenges, the organisation has established formal policies and procedures that focus on:

a) Keeping technological capacity up to date at all times:

The FCC Group is aware that, as it operates in a highly competitive market, it must offer clients added value through technical and economic capabilities. In this regard, the FCC Group actively researches and innovates in the latest technology and places a great deal of emphasis on ongoing training for employees.

b) The technical quality, economic viability and competitiveness of its bids:

The process of preparing, presenting and monitoring bids must be authorised at various levels within the organisation. The main bid preparation tasks are entrusted to the highly qualified technical staff of the specific departments.



2.2 Management of production risks

The formal policies and procedures designed by the FCC Group to control the risks associated with its construction and service provision activities focus on:

a) Quality systems:

Formal quality control systems are firmly in place in the different activity areas of the FCC Group. These systems have been ISO 9000 certified and regularly pass the periodic evaluations performed by external professionals.

Based on general principles and basic criteria, the quality control systems assign responsibilities, define and document processes, and establish guidelines for detecting and correcting irregularities.

The quality assurance committees are the maximum executive bodies in this regard and are responsible for establishing guidelines, monitoring compliance and reviewing the Group's systems. One of the responsibilities of the quality assurance departments is to conduct quality assurance audits of the different operating units.

b) Ongoing personnel training:

The FCC Group has implemented training plans in the different activity areas, structured into both periodic basic training and refresher courses, and courses responding to specific needs as they arise. The quality assurance committees are responsible for establishing training plans, approving the implementation of training plans and ensuring that they are properly applied.

c) Ongoing support of operating units by the highly qualified staff of the technical departments.

d) The design and documentation of purchasing and subcontracting processes that guarantee the quality of the supplies and the effectiveness and efficiency of the contracting system.

e) Economic and budget control systems for each operating unit that serve as the basis for economic planning, gathering, measuring, recording and calculating costs and production, analysing and monitoring deviations, and quantifying and controlling the resources invested.

2.3 Management of environmental risks.

The FCC Group's business areas apply UNE-EN ISO 14001-certified environmental management systems based on:

- a) Compliance with the environmental regulations applicable to the activities of each area.
- b) Establishment and attainment of continuous improvement targets beyond those required by prevailing legislation or contracts.
- c) Minimising environmental impacts through proper operational control.
- d) An ongoing analysis of risks and possible improvements.

The basic tool for mitigating environmental risk is the environmental plan prepared by each operating unit, which sets out the following:

- a) The environmental aspects of each activity and any applicable legislation.
- b) Environmental impact evaluation criteria.
- c) The measures needed to minimise environmental impact.
- d) A system for tracking and measuring the specified targets.

3. Management of organisational risks.

3.1 Management of labour risks.

As one of the FCC Group's priorities is to guarantee the health and safety of its personnel and to strictly comply with all labour legislation, health and safety risk prevention systems are of the utmost importance to the Group. These systems are formally established and structured on the basis of:

- a) The assignment of duties and responsibilities.
- b) Application of comprehensive procedures to evaluate risks within the production processes in order to assess risks and establish health and safety plans.
- c) Ongoing training supported by specialists in the field.
- d) Regular reviews of the measures planned by safety specialists in the different operating units.
- e) A system of safety audits involving internal and external professionals.

3.2 Management of information system risks

Information system risks arise from the FCC Group's dependence on information systems in its decision-making and business processes.

In order to guarantee confidentiality, integrity and availability of information, the Group has implemented a proactive strategy to minimise the following risks:

3.2.1 Information processing risk

Information processing risk arises on handling information in general.

The FCC Group has established a Corporate Information Security Policy laying down common information management criteria to mitigate those risks which could affect the confidentiality, availability and integrity of information. These criteria are based on ISO standards (ISO 27000 series).

Controls have been implemented to guarantee that users can access the resources for which they are authorised on a need-to-know basis and on the basis of their assigned roles.

During 2009, the FCC Group implemented a Security Operation Centre (SOC) that operates around the clock to address the growing threat of attacks from the internet and information leaks. The SOC has the following capabilities:

- a) Vulnerability detection
- b) User account audits
- c) Forensic analysis
- d) Security event correlation
- e) Incident management
- f) Prevention information leaks
- g) Mail filtering

3.2.2 Personal data risks

The Spanish Data Protection Act regulates and restricts how personal data on customers, employees and suppliers can be used. The FCC Group has implemented a control programme to determine actions to be carried out and any procedural and technological changes that are required. The Group has established the necessary technology to manage communication between all parties involved.

4. Financial risk management policies

Financial risk refers to changes in the value of financial facilities and instruments arranged by the Group due to political, market and other factors, and the effect of such changes on the financial statements.

The FCC Group's risk management philosophy is consistent with its business strategy, as it strives for maximum solvency and efficiency at all times. To this end, the Group has set out stringent financial risk management and control criteria for identifying, measuring, analysing and controlling the risks faced in the course of FCC's operations. This risk policy is correctly integrated into the Group's organisational structure.

In keeping with the risk control policy, hedging transactions arranged by the FCC Group are not speculative but, rather, aim to cover the transaction risks.

In view of the FCC Group's businesses and the transactions through which these activities are carried out, the Group is currently exposed to the following financial risks:

4.1. Capital risk

The Group manages its capital to ensure that Group companies are able to continue as profitable businesses, while maximising shareholder returns.

The Group's overall strategy continues to focus on geographical diversification, developing and expanding activities in Europe and in North and Central America.

The Group's capital structure includes debt (loans, credit facilities and bonds), cash and cash equivalents, and equity (capital, reserves and retained earnings).

The operating areas and the Finance Department analyse the cost of capital and the associated risks in each investment project for subsequent approval or rejection by the corresponding committee or by the Board of Directors, based on any necessary reports from other operating areas of the Group.

In addition to the standard objectives of investment analysis (returns, return period, risk assumed, and strategic and market valuations), these analyses focus on keeping the net debt/EBITDA ratio at reasonable levels and within the terms of agreements with lenders.

The Company's Finance Department, which is in charge of managing financial risks, regularly reviews the leverage ratios and compliance with loan covenants, as well as subsidiaries' capital structures. In December 2009, Cementos Portland increased capital.

4.2. Interest rate risk:

In order to adopt the optimal position for the Group's interests, it implements an active risk management policy; it constantly monitors the market and adopts positions depending mainly on the asset being financed.

Given that the Group's activities are closely linked to inflation, its financing policy entails ensuring that both its current financial assets, which to a large extent provide a natural hedge for its current financial liabilities, and the Group's debt are partially tied to floating interest rates.

Nevertheless, the FCC Group has arranged interest rate hedges; at the end of 2009, it had hedged 46.4% of the Group's total net debt using a range of instruments at different terms (including hedges for structured project finance).

In compliance with the policy of classifying original instruments as hedges, the FCC Group has arranged interest rate hedges, mainly swaps (IRSs), in which the Group companies pay a fixed interest rate and receive a floating rate.

4.3. Exchange rate risk:

As a result of the FCC Group's positioning in international markets, it is exposed to exchange rate risks in its net foreign currency positions with respect to both the euro and other foreign currencies when the investment and financing of an activity cannot be arranged in the same currency.

The FCC Group's general policy is to mitigate, as far as possible, the adverse effect on its financial statements of exposure to foreign currencies, both in terms of gains and losses on foreign currency transactions and the values of foreign currency-denominated assets and liabilities recognised on the balance sheet. The FCC Group therefore manages the effect that foreign exchange risk can have on both the balance sheet and the income statement.

The Group actively manages its foreign exchange risk by arranging financial transactions in the same currency as that in which the related asset is denominated. In that regard, the Group strives always to finance its activities in the local currency as this creates a natural hedge between cash flows and financing. However, this is occasionally not possible where the currency of the country of origin of the investment is weak and long-term financing cannot be obtained in that currency. In these cases, financing is obtained either in the currency of the consolidated Group or in the most closely-related foreign currency.

Foreign exchange risk is expressed as the portion of the Group's equity denominated in currencies other than the euro, the most noteworthy currency being the pound sterling.

4.4. Solvency risk:

At 31 December 2009, the FCC Group's financial debt amounted to 7.655 million euro, as shown in the following table:

	2009	2008
Bank loans	8,689	8,096
Debt securities outstanding	563	144
Other interest-bearing debt	289	285
Current financial assets	(231)	(223)
Cash and cash equivalents	(1,654)	(1,409)
Net interest-bearing debt	7,655	6,893
Net debt with limited recourse	(2,882)	(1,573)
Net debt with recourse	4,773	5,320

The most relevant ratio for measuring solvency and repayment capacity is the net debt / EBITDA ratio. The Group's ratios are reasonable and comply with the covenants agreed with lenders.

4.5. Liquidity risk:

The FCC Group operates in various markets in order to obtain the financing it needs, thereby mitigating liquidity risk.

Despite the adverse situation reigning in the financial markets throughout 2009, the FCC Group has remained extremely well positioned and has anticipated any potential adversity by paying close attention to trends in those factors that may help to resolve liquidity shortfalls in the future and to the various sources of financing and their characteristics.

Details of the credit facilities granted at consolidated level at 31 December 2009, taking into account only short- and long-term bank debt and excluding non-recourse debt, finance lease payables and accrued interest payable, are as follows:

	Amount granted	Undrawn balance	Balance drawn down
Consolidated	8,085,986	2,135,262	5,950,724

4.6. Concentration risk:

Concentration risk arises from the concentration of financial transactions with common characteristics, such as:

- Sources of financing: The FCC Group obtains financing from over 160 Spanish and international credit institutions.
- Markets/geographical area (Spanish, foreign): The FCC Group operates in a wide variety of markets in Spain and other countries; 81% of the Group's debt is in euro and 19% in various currencies in several international markets.
- Products: The FCC Group arranges a broad spectrum of financial products, including loans, credit facilities, debt instruments, syndicated transactions and discounting facilities.
- Currency: The FCC Group finances its operations in a wide variety of currencies. Although there is significant concentration of financing in euro, US dollars and pounds sterling, investments tend to be financed in the local currency, and in the country of origin, wherever possible.

4.7. Risk-hedging financial derivatives

A financial derivative is a financial instrument or other contract whose value fluctuates in response to changes in certain variables, such as the interest rate, the price of financial instruments, foreign exchange rate, credit rating or credit index, or any other financial or non-financial variable.

Apart from giving rise to gains or losses, financial derivatives may, under certain conditions, fully or partially offset foreign exchange or interest rate risks or risks associated with balances and transactions.

The financial derivatives arranged by the FCC Group are accounted for as provided in the accounting rules for hedges in order to match recognition of the impact of the hedge on the income statement with that of the hedged position, except where reasons of materiality and/or management efficiency make it advisable not to account for the transaction as a hedge.

For the purposes of accounting classification, derivatives designated as hedges and the hedged positions constitute hedging relationships of the following types:

- Fair value hedge (FV): a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, that is attributable to a particular risk and could affect profit or loss.
- Cash flow hedge (CF): a hedge of the exposure to variability in cash flows that (i) is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and (ii) could affect profit or loss.

- Hedges of a net investment in a foreign operation: a hedge of the interest rate that may affect profit and loss for the amount of the net investment, as defined in IAS 21, of a foreign operation whose functional currency is not the euro.

In compliance with the accounting regulations (particularly IAS 39), accounting hedges are accounted for as follows:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the entity's risk management strategy for undertaking the hedge, as well as identification of the hedged item, the hedging instrument and the nature of the risk being hedged.
- The hedge is expected to be highly effective based on prospective tests performed both at inception of the hedge and at each accounting close.
- The hedge is determined actually to have been highly effective in the accounting period by means of quantitative retrospective tests.

The main financial risk hedged by the FCC Group using derivatives is the variation in floating interest rates to which group companies' finance is referenced. At 31 December 2009, the FCC Group had arranged interest rate hedging transactions totalling 5,109.731 million euro, mainly in the form of interest rate swaps in which Group companies pay fixed interest rates and receive floating rates.

Fair value changes in cash flow hedges are recognised in reserves, net of the tax effect, and they are recognised in profit or loss as the hedged item is recognised in profit or loss.

Financial derivatives are measured by experts in the field who are independent of the group and its lenders, using generally-accepted methods and techniques.

Interest rate swaps are measured by discounting all the flows projected in the contract in accordance with its characteristics, such as the notional amount and the schedule of collections and payments. The measurement uses a zero-coupon yield curve obtained from quoted deposits and swaps at any given time using a bootstrapping process; that yield curve is used to obtain the discount rates used in the measurements, on the assumption of "absence of arbitrage opportunities" (AOA). Where the derivatives include a cap, a floor or a combination of the two, occasionally linked to special conditions, the interest rates used are the same as in the swaps, although the generally-accepted Black method was used to introduce an element of randomness in the exercise of the options.

The method for cash flow hedges linked to inflation is very similar to that for interest rate swaps. Projected inflation is estimated from quoted inflation levels implicit in quoted inflation-indexed Europe swaps ex-tobacco, adapted to Spanish inflation using a convergence adjustment.

4.8. Property and industrial risks

The FCC Group applies a proactive risk management policy to mitigate risks to its property, employees and business activity, including both destruction of property and activities and generation of liabilities.

The Group’s ongoing management efforts in this regard are as follows:

- a) Identification and evaluation of the risks and their possible economic consequences.
- b) Elimination of risks, to the extent possible, through the pertinent safety and prevention measures.
- c) Transfer of those risks which cannot be eliminated or minimised to the insurance sector, through insurance policies.
- d) Financing of risks that have not been eliminated or transferred, through proactive self-insurance policies.

The Group’s risk exposure undergoes thorough analysis, consisting of the quantification of the possible losses should the risk event occur, determination of the measures needed to eliminate or reduce such losses and risks, optimising the risks in economic terms and selecting the most appropriate coverage or hedging mechanisms in order to maintain or guarantee the Company’s property and profits, as well as the corporate purpose as a mechanism for generating shareholder value.

D.2. Have operating, technological, financial, legal, reputational, tax or other risks arisen during the year with an effect on the company and/or group?

Yes ☐

No ☒

If so, indicate the circumstances giving rise to them and whether the established control systems worked.

Risk that materialised in the year	Circumstances that gave rise to it	How the control systems operated

D.3. Are any committees or governing bodies entrusted with establishing and supervising these control mechanisms?

Yes ☒

No ☐

If so, detail their functions.

Name of Committee or Body	Description of functions
Audit and Control Committee	Entrusted with establishing and supervising the Company’s control mechanisms (see B.2.3.). Risk management is part of the Group’s overall management framework and therefore all members of the organisation apply preventive, supervisory and control procedures in their tasks. Consequently, responsibility for designing processes is established at various levels of the organisation and certain committees and bodies work to ensure that the established controls function properly.

D.4. Identify and describe the compliance processes for each legislative framework to which the company and/or group is subject:

The FCC Group has procedures in place to guarantee compliance with the regulations governing each of its economic activities. Different Group departments specialise in the regulations applicable to FCC and the Group (business, labour, tax, environmental, etc.). These departments are in charge of:

- a) Staying fully abreast of and up to date on the different regulations
- b) Overseeing regulatory compliance
- c) Drafting the standards needed to unify Group criteria
- d) Advising operating units

The FCC Group’s Corporate Responsibility Department is responsible for overseeing compliance with corporate governance standards.

The Information Security and Risk Management Department is responsible for ensuring compliance with the Spanish Data Protection Act. Data protection coordinators have been appointed in each operating area and independent reviews are carried out on the control measures adopted.

E SHAREHOLDERS' MEETING

E.1. Is the minimum quorum required by the company for the general shareholders' meeting different from that set out in the Public Limited Companies Act?

Yes ☒ No ☐

	Quorum % different from that established as a general rule in Article 102 of the Public Limited Companies Act	Quorum % other than that established in Article 103 of the Public Limited Companies Act for the special cases set out in Article 103
Quorum required at first call	50	
Quorum required at second call	45	45

Description of differences

The ordinary and extraordinary General Meetings are quorate when:

The shareholders present or represented on the first meeting date possess at least fifty percent of the share capital with voting rights. On the second meeting date, the General Meeting is quorate when the shareholders present or represented possess at least forty-five percent of the share capital with voting rights.

In order for the General Meeting to validly decide on bond issues, capital increases or decreases, changes of corporate form, mergers and spinoffs, the assignment en bloc of assets and liabilities, the overriding of the pre-emptive right to acquire new shares, the transfer of the company's domicile to another country and, in general, any amendment to the Articles of Incorporation, shareholders possessing at least fifty percent of the share capital with voting rights must be present or represented at the meeting on the first announced date. On the second scheduled meeting date, it will suffice for shareholders accounting for at least forty-five percent (45%) of the subscribed voting capital to be present or represented.

When the shareholders in attendance or represented on the second announced meeting date account for less than fifty percent of the subscribed capital with voting rights, resolutions may only be validly passed with the favourable vote of two-thirds of the share capital present or represented at the Meeting.

E.2. Does the procedure used by the company for passing resolutions differ from that set out in the Public Limited Companies Act?

Yes ☐ No ☒

Describe how they differ from the provisions envisaged in the Public Limited Companies Act.

	Supermajority other than that established in Article 103.2 of the Public Limited Companies Act for the cases set out in Article 103.1	Other cases of a supermajority
% established by the company for approving resolutions		
Description of differences		

E.3. Detail shareholders' rights in relation to shareholders' meetings that differ from those established in the Public Limited Companies Act.

There are no differences with respect to the rights set out in the Public Limited Companies Act.

E.4. Indicate any measures adopted to encourage shareholders to participate in shareholders' meetings.

The Rules of the General Meeting establish a series of measures intended to encourage shareholder participation at the meetings. These measures are defined in the shareholders' information rights regulated in the following articles:

Article 6. Information available as soon as the General Meeting is announced

As from the date of the meeting announcement, the Company will make available to its shareholders, at its registered offices, at the National Securities Market Commission, on the stock exchanges where its stocks are traded and on the Company's website, the following:

- The full text of the announcement.
- The text of all of the motions to be submitted by the Board of Directors in relation to the items on the agenda.

When the proposal consists of the appointment or ratification of directors, the following information with regard to the directors will also be included: (i) professional and biographical profile; (ii) other Boards of Directors to which they belong, both listed and unlisted companies; (iii) indication of the category of director to which they belong, specifying, in the case of proprietary directors, the shareholder at whose request the appointment, ratification or re-appointment has been proposed, or with whom they have ties; (iv) date of their first appointment as a director of the Company, and date of their subsequent appointments; (v) Company shares and share options which they possess.

c) The documents or information which by law must be made available to the shareholders on the items on the meeting agenda as from the date of the announcement of the General Meeting of Shareholders.

d) Information on the channels of communication between the company and its shareholders for the purposes of obtaining information or making suggestions, in accordance with the applicable regulations.

Article 7. Right to Information prior to the General Meeting of Shareholders

1. Up to seven calendar days before the first scheduled date for the Meeting, shareholders may request any information or explanations they require and raise any questions they consider pertinent regarding the items on the agenda or the information accessible to the public reported by the Company to the National Securities Market Commission since the last General Meeting.

2. Information requests may be made by e-mail to the address provided for this purpose on the Company's website for each General Meeting of Shareholders or in writing to the Stock Market and Investor Relations Department at the Company's registered offices, delivered by hand, post or courier. The provisions of this article are understood without prejudice to the shareholders' right to obtain a printed copy of the documents and to request that the documents be sent to them, free of charge, when so stipulated by law.

3. Once the identity and status of the requesting shareholder is verified, the information requests regulated in this article will be answered up to the date of the General Meeting of Shareholders but prior to the start of the meeting.

4. The Chairperson may refuse to supply the requested information when, in his opinion, the publication of the requested information might be detrimental to the Company's interests, except when the request is backed by shareholders representing at least one-fourth of the share capital.

5. The Board of Directors may empower any of its members, its Secretary and Vice-Secretary to answer shareholders' requests for information through the Stock Market and Investor Relations Department.

Article 14. Information

1. The Directors must provide the information requested by shareholders, except under the circumstances envisaged in Article 7.4 of these rules or when the requested information is not available during the meeting. In this case, the information will be provided in writing within seven days from the meeting date, to which end the shareholders will indicate the mailing address where the information should be sent.

2. The requested information or clarifications will be provided by the Chairman or, at the Chairman's request, by the Managing Director, the Chairman of the Audit Committee, the Secretary, a Director or any employee or expert on the subject in question, in accordance with Article 9.2 of these Rules.

Article 15. Voting on Proposals

1. Upon conclusion of the shareholders' addresses and once the questions have been answered as provided for in these Rules, the proposed resolutions in the agenda and any others which by law need not be included in the agenda will be voted on.

2. The Secretary will ask the shareholders whether or not they wish to have the proposed resolutions read, the text of which was delivered to the shareholders before the meeting and is available on the Company's website. If any shareholder wishes them to be read or if the Chairman deems it appropriate, the proposed resolutions will be read aloud. In any event, the shareholders will be informed of the agenda item to which each proposed resolution refers.

3. Notwithstanding the alternative systems which may be employed by the Chairman, the procedure for voting on the proposed resolutions referred to above will be as follows:

- a) The system for voting on the proposed resolutions relating to the items on the agenda will be by a negative deduction system. This means that, for each proposal, the votes corresponding to all of the shares present and represented will be considered as votes in favour, deducting those corresponding to the shares whose owners or representatives state that they are voting against or abstaining, to which will be added the votes corresponding to proxies received by the Board of Directors, indicating whether voters are against the motion or abstentions. Votes against and abstentions will be counted separately.
- b) The system for voting on the proposed resolutions relating to items not on the agenda, when such proposals may legitimately be voted upon, will be a positive deduction system. This means that for each proposal, the votes corresponding to all of the shares present and represented will be considered votes against, deducting those corresponding to the shares whose owners or representatives state that they are voting for the proposal or abstaining.

- c) When technically possible and provided that compliance with all legal requirements can be guaranteed, the Board of Directors may establish the use of electronic vote counting systems.
- d) If, in accordance with the terms of Article 5 of these Rules, the meeting announcement makes provisions for voting electronically using one or more distance voting methods, and without detriment to the specific instructions for each particular case in order to be valid and accepted by the Company, the document containing the vote must contain the following information at the very least:
- i. Meeting date and agenda.
 - ii. The shareholder's identity.
 - iii. The number of shares owned.
 - iv. The shareholder's vote on each of the items on the agenda.
- e) Issues which are substantially independent will be voted on separately so that the shareholders can exercise separately their voting preferences; this rule will be applied when adopting resolutions on: (i) the appointment or ratification of directors, which must be voted on individually; and (ii) amendments to the Articles of Incorporation where each article or group of articles is substantially independent.
- f) Provided that it is legally possible and that the requirements provided for in this respect are met, financial intermediaries who are legitimised as shareholders, but who act on behalf of different customers, will be allowed to split the vote as per the instructions of their customers.

4. The statements containing votes submitted to the notary or the meeting officers as envisaged in paragraph 3 above may be made individually for each of the proposals or jointly for several or all of them, indicating to the notary or the officers the identity of the shareholder or representative, the number of shares in question, and whether the shareholder/representative votes in favour or against, or abstains.

E.5. Indicate if the position of chairperson of the shareholders' meeting coincides with that of the chairperson of the board of directors. Detail any measures adopted to guarantee the independence and smooth transaction of the shareholders' meeting:

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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Detail the measures

Article 10.2 of the Rules of the General Meeting of Shareholders establishes that, "2. *The General Meeting of Shareholders is presided over by the Chairman and, in his absence, by the Vice-Chairmen of the Board of Directors, in order; if there is no pre-set order, it will go in order of seniority on the Board. If there is no Vice-Chairman in attendance, the General Meeting will be chaired by the oldest director.*"

Measures to guarantee the independent and good working of the General Meeting:

The Rules of the General Meeting of Shareholders, which are available on the company's web site, contain a detailed set of measures to guarantee the independence and good working of the General Meeting.

They include, notably, Article 7 "Right to Information prior to the General Meeting of Shareholders

1. Up to seven calendar days before the first scheduled date for the Meeting, shareholders may request any information or explanations they require and raise any questions they consider pertinent regarding the items on the agenda or the information accessible to the public reported by the Company to the National Securities Market Commission since the last General Meeting.

2. Information requests may be made by e-mail to the address provided for this purpose on the Company's website for each General Meeting of Shareholders or in writing to the Stock Market and Investor Relations Department at the Company's registered offices, delivered by hand, post or courier. The provisions of this article are understood without prejudice to the shareholders' right to obtain a printed copy of the documents and to request that the documents be sent to them, free of charge, when so stipulated by law.

3. Once the identity and status of the requesting shareholder is verified, the information requests regulated in this article will be answered up to the date of the General Meeting of Shareholders but prior to the start of the meeting.

4. The Chairperson may refuse to supply the requested information when, in his opinion, the publication of the requested information might be detrimental to the Company's interests,

except when the request is backed by shareholders representing at least one-fourth of the share capital.

5. The Board of Directors may empower any of its members, its Secretary and Vice-Secretary to answer shareholders' requests for information through the Stock Market and Investor Relations Department.

Article 23 of the Articles of Incorporation establishes shareholders' right to information:

Shareholders may request, either in writing or using other electronic or distance communication media, up to seven calendar days before the date of the General Meeting on first call, any information or explanations they require or pose any questions they may have on the agenda items or about the information available to the public provided by the Company to the National Securities Market Commission since the last General Meeting was held. The information so requested will be provided by the directors in writing no later than the date of the General Meeting.

Any information or explanations requested verbally from the Chairman by the shareholders in relation to the items on the agenda during the General Meeting itself before the Meeting turns to the items contained in the agenda, or requested in writing up to the seventh day before the scheduled meeting date, will be provided verbally during the General Meeting by any one of the directors in attendance, at the Chairman's request. If the requested information or explanations refer to items falling under the jurisdiction of the Audit Committee, they shall be provided by any one of the members or advisors to the Committee in attendance at the meeting. If in the Chairman's opinion it is not possible to provide the shareholder with the requested information or explanations during the Meeting, they will be provided in writing to the requesting shareholder within seven calendar days of the Meeting date.

The Directors are obliged to provide the information referred to in the two preceding paragraphs unless, in the Chairman's opinion, the publication of the requested information could be harmful to the Company's interests.

This exception shall not apply when the request is supported by shareholders representing at least one-fourth of the share capital.

The Company has a website which contains the legally-required information and through which the Company can respond to the shareholders' requests for information, according to the legislation in force at any given time.

E.6. Indicate any amendments to the shareholders' meeting rules in the year.

The General Meeting of Shareholders on 10 June 2009 approved an amendment to Article 11 of the Rules of the General Meeting of Shareholders of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (item 5 on the agenda).

The amendment, in coordination with the amendment to Article 17 of the Articles of Incorporation, approved under item 4 of the agenda of that same General Meeting, intended to adapt the content of Article 11 of the Rules of the General Meeting to the new wording of Article 103 of the General Corporations Act as amended by Act 3/2009, of 3 April, on Structural Modifications to Mercantile Companies, which added, to the cases of special quorum for General Meetings regulated in the previous rules the case of overriding pre-emptive rights to acquire new shares, the assignment of all assets and liabilities, and the transfer of the company's domicile to another country.

E.7. Indicate the attendance of the shareholders' meetings held in the year of this report:

Attendance

Date of shareholders' meeting:	% of attendance	% by proxy:	% distance vote:		Total %:
			Electronic voting	Other	
10-06-2009	55.607%	9.258%			64.866%
30-11-2009	7.510 %	57.445 %			64.955 %

E.8. Briefly indicate the resolutions adopted by the shareholders' meetings held in the year of this report and the percentage of votes that approved each resolution.

Ordinary General Meeting on 10 June 2009:

1. Financial statements of the company and its consolidated Group and the directors' reports for 2008.

Votes against	0.00000
Abstentions	0.00000
Votes in favour	100.00000
Votes cast	100.00000

2. Distribution of 2008 income.

Votes against	0.00000
Abstentions	0.00000
Votes in favour	100.0000
Votes cast	100.00000

3. A. Re-appointment of EAC INVERSIONES CORPORATIVAS, S.L. as proprietary director.

Votes against	3.54093
Abstentions	0.00997
Votes in favour	96.44910
Votes cast	100.00000

3. B. Re-appointment of Rafael Montes Sánchez as proprietary director.

Votes against	3.80215
Abstentions	0.00997
Votes in favour	96.18788
Votes cast	100.00000

4. A. Amendment to Article 17 of the Articles of Incorporation ("Constitution of the General Meeting")

Votes against	0.00007
Abstentions	0.00090
Votes in favour	99.99903
Votes cast	100.00000

4. B. Amendment to Article 42 of the Articles of Incorporation ("Annual accounts")

Votes against	0.00007
Abstentions	0.22308
Votes in favour	99.77685
Votes cast	100.00000

5. Amendment to Article 11 ("Constitution of the General Meeting") of the Rules of the General Meeting.

Votes against	0.00007
Abstentions	0.21582
Votes in favour	99.78411
Votes cast	100.00000

6º. Authorisation to the Board of Directors to acquire own shares on the market and authorisation to the subsidiaries to acquire shares of Fomento de Construcciones y Contratas, S.A.

Votes against	0.19790
Abstentions	0.00521
Votes in favour	99.79689
Votes cast	100.00000

7. Reduction of capital through amortisation of own shares.

Votes against	0.00000
Abstentions	0.00086
Votes in favour	99.99914
Votes cast	100.00000

8. Re-appointment of auditors for the Company and its consolidated group.

Votes against	0.16901
Abstentions	0.00170
Votes in favour	99.82929
Votes cast	100.00000

9. Broad empowerment of the directors to implement, notarise, register, rectify and execute the adopted resolutions.

Votes against	0.00000
Abstentions	0.00000
Votes in favour	100.00000
Votes cast	100.00000

10. Approval of the General Meeting minutes.

This item of the Agenda was not put to the vote as the minutes were drawn up by the Notary of Barcelona, Mr José Javier Cuevas Castaño.

Extraordinary General Meeting on 30 November 2009:

1. To approve the convertibility of the Company's bonds that are exchangeable for shares, issued under the decision by the General Meeting of Shareholders on 18 June 2008 by virtue of an Executive Committee decision dated 6 October 2009, by delegation of the Board of Directors on 30 September 2009, to enable the Company to cater for exchange requests from bondholders by delivering newly-issued shares.

To totally override the shareholders' pre-emptive subscription right. To increase capital by the amount required to attend to the conversion of the bonds up to an initially envisaged maximum of twelve million euro, subject to amendments on the basis of the terms and conditions of the bonds.

Delegation of powers to the Board of Directors and the Executive Committee to execute these resolutions, including powers to sub-delegate.

Votes against	0.40817
Abstentions	0.00674
Votes in favour	99.58509
Votes cast	100.00000

2. To approve a buyback programme of shares of Fomento de Construcciones y Contratas, S.A. whose purpose is to enable the Company to fulfil the obligations derived from the issuance of exchangeable bonds and to reduce the Company's capital. To approve a reduction of the capital of Fomento de Construcciones y Contratas, S.A., through the amortisation of own shares for a par value equivalent to the number of new shares of the Company issued to attend to requests for exchange or conversion from holders of the Bonds.

Delegation of powers to the Board of Directors and the Executive Committee to execute these resolutions, including powers to sub-delegate.

Votes against	0.47560
Abstentions	0.00000
Votes in favour	99.52440
Votes cast	100.00000

3. To authorise the Board of Directors and the Executive Committee to interpret, remedy, complement, execute, register, delegate powers and adapt the decisions adopted by the Meeting of Shareholders, with express powers to sub-delegate.

Votes against	0.00000
Abstentions	0.00000
Votes in favour	100.00000
Votes cast	100.00000

4. Approval of the General Meeting minutes.

This item of the Agenda was not put to the vote as the minutes were drawn up by the Notary of Barcelona, José Javier Cuevas Castaño.

E.9 Do the Articles of Incorporation establish a minimum number of shares required to attend the general shareholders' meeting?

Yes ☐ No ☒

Number of shares required to attend the Shareholders' Meeting	1
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E.10. Indicate and explain the company's policy on delegating votes in the shareholders' meeting.

Notwithstanding the provisions of the Articles of Incorporation with respect to proxy voting, the Board of Directors does not require unnecessary formalities in the proxy voting procedure which might hinder the rights of shareholders wishing to exercise their right to attend the General Meeting. Nevertheless, pertinent procedures are in place to verify the validity of proxy authorisations.

E.11. Indicate if the company is aware of the institutional investors' policy of participation in company decisions:

Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Describe the policy:

E.12. Indicate the web site and the way in which to access corporate governance content on the company's web site.

The Fomento de Construcciones y Contratas, S.A. website home page, www.FCC.es, features links to specific sections entitled "Information for Shareholders and Investors" and "Corporate Responsibility," which include the information required by Law 26/2003 of 18 July, Ministry of Economy Order 3722/2003 of 26 December, National Securities Market Commission Circular 1/2004 of 17 March, Ministry of Economy and Finance Order 3050/2004 of 15 December, and Royal Decree 1333/2005 of 11 November.

These pages are just two clicks away from the home page. The contents are structured and prioritised under rapid access titles. All pages are printable.

The FCC website has been designed and programmed following the guidelines of the Web Accessibility Initiative (WAI), which sets the international standards for creating web content that can be accessed worldwide. Technosite accessibility consultants performed a technical analysis of the FCC Group's website accessibility and determined that the site meets all of the priority 2 and priority 1 checkpoints established in the W3C's Web Accessibility Guidelines 1.0 ("WAI Guidelines").

The site features a link to the regulatory disclosures submitted by Fomento de Construcciones y Contratas, S.A. to the National Securities Market Commission.

F DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's degree of conformance to the recommendations of the Unified Code of Corporate Governance.

In the event of not complying with some recommendations, detail the recommendations, rules, practices or criteria applied by the company.

1. The Articles of Incorporation of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

See sections: A.9, B.1.22, B.1.23 and E.1, E.2.

Compliant <input checked="" type="checkbox"/>	Explanation <input type="checkbox"/>

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:

- The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;
- The mechanisms in place to resolve possible conflicts of interest.

See sections C.4 and C.7

Compliant <input type="checkbox"/>	Partially compliant <input checked="" type="checkbox"/>	Explanation <input type="checkbox"/>	Not applicable <input type="checkbox"/>	

Article 7.2.i) of the Rules of the Board of Directors establishes that the Board of Directors is responsible for "Defining the structure of the Group and coordinating, within the legal limits, the Group's general strategy in the interests of the Company and its subsidiaries with the support of the Strategy Committee and the Managing Director, and disclosing in the Annual Corporate Governance Report the respective areas of activity and any business relations between the Company and its listed subsidiaries that are part of the group, and between those companies and the other Group companies, and the mechanisms established to resolve any conflicts of interest that may arise".

The Company intends to approve a document with regard to listed subsidiary Cementos Portland Valderrivas S.A. that clearly establishes that company's areas of activities, its business relationships and the mechanisms applied to resolve any conflicts of interest which may arise.

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification. In particular:

- a) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating to subsidiaries core activities that were previously carried out by the originating firm, even though the latter retains full control of the former;
- b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;
- c) Operations that are equivalent to the company's liquidation.

Compliant	<input type="checkbox"/>	Partially compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>
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Article 8.6 of the Rules of the Board of Directors establishes that the Board must seek the authorisation of the shareholders at the General Meeting prior to an acquisition or disposal of key operating assets that would effectively alter the corporate purpose of the Company or prior to any operations that are tantamount to the Company's liquidation.

To avoid impairing the Board of Directors' ability to operate, this does not include subsidiarisation operations, since these operations often require quick decisions and are governed by ample legal mechanisms to protect the interests of the shareholders and the Company. Nevertheless, the Board duly reports such operations at the General Meeting.

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

Compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>
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5. Separate votes should be taken at the General Shareholders' Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

- a) The appointment or ratification of directors, with separate voting on each candidate;
- b) Amendments to the Articles of Incorporation, with votes taken on all articles or groups of articles that are materially different.

See section: E.8

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

See section: E.4

Compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>
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7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximise its value over time.

It should likewise ensure that the company abides by the laws and rules in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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8. The Board should see the core components of its mission as approving the company's strategy and authorising the organisational resources to carry it forward, and ensuring that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:

a) The company's general policies and strategies, and, in particular:

- i. The strategic or business plan, management targets and annual budgets;
- ii. Investment and financing policy;
- iii. Design of the structure of the corporate group;
- iv. Corporate governance policy;
- v. Corporate social responsibility policy;
- vi. Remuneration and evaluation of senior officers;
- vii. Risk control and management, and the periodic monitoring of internal information and control systems.
- viii. Dividend policy, as well as the policies and limits applying to treasury stock.

See sections: B. 1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

- i. On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.

See section: B.1.14.

- ii. Directors' remuneration and, in the case of executive directors, the additional consideration for their management duties and other contract conditions.

See section: B. 1.14.

- iii. The financial information that all listed companies must periodically disclose.
- iv. Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;
- v. The creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto ("related-party transactions").

However, board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are governed by standard form agreements applied on an across-the-board basis to a large number of clients;
2. They are arranged at market rates, generally set by the person supplying the goods or services;
3. Their amount is no more than 1% of the company's annual revenues.

It is advisable that related-party transactions should only be approved on the basis of a favourable report from the Audit Committee or some other committee handling the same function; and that the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board debates and votes.

Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

See sections: C. 1 and C.6

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

See section: B.1.1

Compliant	<input type="checkbox"/>	Explanation	<input checked="" type="checkbox"/>
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Article 27 of the Articles of Incorporation states that the Board of Directors shall comprise a minimum of five and a maximum of 22 members. At 31 December 2009, there were 20 directors.

Given the characteristics of the Company, the size of the Board is considered to be appropriate for proper management, direction and administration of the Company's businesses. Furthermore, the size of the Board makes it possible for different types of directors to sit on the Board without jeopardising the Board's effectiveness.

10. External directors, proprietary and independent, should occupy an ample majority of board places, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

See sections: A.2, A.3, B.1.3., B.1.14

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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11. In the event that an external director can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company or its senior officers, or its shareholders.

See section: B.1.3

Compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>	Not applicable	<input checked="" type="checkbox"/>
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12. That among external directors, the relation between proprietary members and independents should match the proportion between the capital represented on the board by proprietary directors and the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of proprietary directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.
2. In companies with a plurality of shareholders represented on the board that are not otherwise related.

See sections: B.1.3, A.2 and A.3

Compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>
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13. The number of independent directors should represent at least one third of all board members.

See section: B.1.3

Compliant	<input type="checkbox"/>	Explanation	<input checked="" type="checkbox"/>
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Article 6.3 of the Rules of the Board of Directors establishes that the Board of Directors must have an appropriate number of independent directors to ensure a reasonable balance between proprietary and independent directors, and that external directors must represent an ample majority on the Board.

There are five independent directors on the Board. While they do not represent one-third of the total number of directors, as suggested in the recommendation, it is believed that in view of the current capital structure of the Company and pursuant to the OECD Principles of Corporate Governance and the Recommendation of the European Commission of 15 January 2006, there is a "sufficient number" of independent directors to guarantee that the interests of other shareholders are adequately protected.

14. The nature of each director should be explained to the General Meeting of Shareholders, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Nomination Committee. That Report should also disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

See sections: B.1.3 and B.1.4

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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15. When there are few or no women directors, the board should state the reasons for this situation and the measures taken to correct it; in particular, the Nomination Committee should take steps to ensure that:

- a) The process of filling board vacancies has no implicit bias against women candidates;
- b) The company makes a conscious effort to include women with the target profile among the candidates for board places.

See sections: B.1.2, B.1.27 and B.2.3.

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>	Not applicable	<input type="checkbox"/>
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16. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that directors are supplied with sufficient information in advance of board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive, along with the chairmen of the relevant board committees.

See section: B.1.42

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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17. When a company's Chairman is also its chief executive, an independent director should be empowered to request the calling of board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the Chairman.

See section: B.1.21

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>	Not applicable	<input type="checkbox"/>
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18. The Secretary should take care to ensure that the board's actions:

- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
- b) Comply with the company Articles of Incorporation and the Rules of the General Shareholders' Meeting, the Board of Directors and others;
- c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Nomination Committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the Rules of the Board of Directors.

See section: B.1.34

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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19. The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.

See section: B.1.29

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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20. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

See sections: B.1.28 and B.1.30

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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21. When directors or the Secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>	Not applicable	<input type="checkbox"/>
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22. The board in full should evaluate the following points on a yearly basis:

- The quality and efficiency of the board's operation;
- Starting from a report submitted by the Nomination Committee, how well the Chairman and chief executive have carried out their duties;
- The performance of its committees on the basis of the reports furnished by the same. See section: B.1.19

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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23. All directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the Articles of Incorporation or Rules of the Board of Directors indicate otherwise, such requests should be addressed to the Chairman or Secretary.

See section: B. 1.42

Compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>
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24. All directors should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.

See section: B.1.41

Compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>
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25. Companies should organise induction programmes for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise.

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

- Directors should apprise the Nomination Committee of any other professional obligations, in case they might detract from the necessary dedication;
- Companies should lay down rules about the number of directorships their board members can hold.

See sections: B.1.8, B.1.9 and B.1.17

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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27. The proposal for the appointment or re-appointment of directors which the board submits to the General Shareholders' Meeting, as well as provisional appointments by the method of co-optation, should be approved by the board:

- On the proposal of the Nomination Committee, in the case of independent directors.
- Subject to a report from the Nomination Committee in all other cases.

See section: B.1.3

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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28. Companies should post the following director particulars on their websites, and keep them permanently updated:

- a) Professional experience and background;
- b) Directorships held in other companies, listed or otherwise;
- c) An indication of the director's classification as executive, proprietary or independent; in the case of proprietary directors, stating the shareholder they represent or have links with.
- d) The date of their first and subsequent appointments as a company director, and;
- e) Shares held in the company and any options on the same.

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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29. Independent directors should not stay on as such for a continuous period of more than 12 years.

See section: B.1.2

Compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>
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30. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

See sections: A.2, A.3 and B.1.2

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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31. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the Articles of Incorporation, except where just cause is found by the board, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 of this Code.

The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>
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32. Companies should establish rules obliging directors to inform the board of any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the crimes stated in Article 124 of the Public Limited Companies Law, the board should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.

See sections: B.1.43, B.1.44

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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33. All directors should express clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The terms of this Recommendation should also apply to the Secretary of the board; director or otherwise.

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>	Not applicable	<input type="checkbox"/>
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34. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See section: B.1.5

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>	Not applicable	<input type="checkbox"/>
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35. The company's remuneration policy, as approved by its Board of Directors, should specify at least the following points:

a) the amount of the fixed components, itemised where necessary, of board and board committee attendance fees, with an estimate of the fixed annual payment to which they give rise;

b) Variable components, in particular:

- i. The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items.
- ii. Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;
- iii. The main parameters and grounds for any system of annual bonuses or other non-cash benefits; and
- iv. An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.

c) The main characteristics of providential systems (e.g. supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.

d) The conditions applicable to the contracts of executive directors performing senior management functions, including:

- i. Duration;
- ii. Notice periods; and
- iii. Any other clauses covering hiring bonuses, as well as indemnities or 'golden parachutes' in the event of early termination of the contractual relation between company and executive director.

See section: B. 1.15

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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36. Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-based instruments, payments linked to the company's performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their tenure.

See sections: A.3, B.1.3

Compliant	<input checked="" type="checkbox"/>	Explanation <input type="checkbox"/>

37. External directors' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

Compliant	<input checked="" type="checkbox"/>	Explanation <input type="checkbox"/>

38. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Compliant	<input checked="" type="checkbox"/>	Explanation <input type="checkbox"/>	Not applicable <input type="checkbox"/>

39. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

Compliant	<input checked="" type="checkbox"/>	Explanation <input type="checkbox"/>	Not applicable <input type="checkbox"/>

40. The board should submit a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year, with a global summary of how the policy was applied over the period in question.

The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisors engaged.

See section: B.1.16

Compliant	<input type="checkbox"/>	Partially compliant <input type="checkbox"/>
		Explanation <input checked="" type="checkbox"/>

At the time the Ordinary General Meeting of Shareholders scheduled for 10 June 2009 was announced, a report on the Board of Directors remuneration policy was made available to the shareholders. That report was approved by the Board of Directors on 5 May 2009, and it was not submitted to the General Meeting for approval.

The report discussed the following:

- a) the procedures applied in preparing the report
- b) the objective and structure of the remuneration policy
- c) remuneration of directors for their membership of the Board
- d) the remuneration of executive directors for performance of executive and managerial duties
 - structure of the remuneration
 - basic conditions of executive director contracts.

41. The notes to the annual accounts should list individual directors' remuneration in the year, including:

a) A breakdown of the compensation obtained by each company director, to include where appropriate:

- i. Participation and attendance fees and other fixed director payments;
- ii. Additional compensation for acting as chairman or member of a board committee;
- iii. Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;
- iv. Contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes;
- v. Any severance packages agreed or paid;
- vi. Any compensation they receive as directors of other companies in the group;
- vii. The remuneration executive directors receive in respect of their senior management posts;
- viii. Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.

b) An individual breakdown of deliveries to directors of shares, share options or other share-based instruments, itemised by:

- i. Number of shares or options awarded in the year, and the terms set for their execution;
- ii. Number of options exercised in the year, specifying the number of shares involved and the exercise price;
- iii. Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
- iv. Any change in the year in the exercise terms of previously awarded options.

c) Information on the relation in the year between the remuneration obtained by executive directors and the company's profits, or some other measure of enterprise results.

Compliant ☐ Partially compliant ☐ Explanation ☒

In section B.1.11 and subsequent sections of this Annual Corporate Governance Report, the Company provides the required information on directors' remuneration (the different types of remuneration received by the directors for membership of the Board of FCC or of Group companies, remuneration by type of director, and golden parachute clauses in favour of executive directors) and the process for establishing directors' remuneration (Board approval of a detailed report on the remuneration policies submitted by the Nomination and Remuneration Committee).

Therefore, it is believed that the Company has offered sufficiently detailed information on the various aspects of the remuneration paid to directors for the performance of their duties, both collectively and by category. However, for reasons of security and privacy, it is not considered necessary to itemise the specific amount of individual remuneration received by each director.

42. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself. The Secretary of the board should also act as secretary to the Executive Committee.

See sections: B.2.1 and B.2.6

Compliant ☐ Partially compliant ☒ Explanation ☐ Not applicable ☐

The composition of the Executive Committee is as follows: 83% external directors and 17% executive directors; the composition of the Board of Directors is: 90% external directors and 10% executive directors.

The Secretary of the Board is the Secretary of the Executive Committee.

43. The board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all board members should receive a copy of the Committee's minutes.

Compliant ☒ Explanation ☐ Not applicable ☐

44. In addition to the Audit Committee required under the Securities Market Law, the Board of Directors should form a committee, or two separate committees, of Nomination and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the committee or committees of Nomination and Remuneration should be set forth in the Rules of the Board, and include the following:

- a) The Board of Directors will designate the members of the Committees, having regard to the directors' knowledge, skills and experience and each Committee's area of competence; discuss their proposals and reports; and be apprised, at the first board meeting following each committee meeting, of the business transacted, the committees being responsible before the Board for their performance.
- b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.
- c) Committee chairs must be independent directors.
- d) These committees may engage external advisors when they feel this is necessary for the discharge of their duties.
- e) Committee meetings should be minuted and a copy sent to all board members.

See sections: B.2.1 and B.2.3

Compliant	<input type="checkbox"/>	Partially compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>
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The Board took into account the knowledge, aptitudes and experience of the directors and the mission of each committee when appointing committee members. Committees are also expressly given the power to obtain external advice and the Board has debated the proposals and reports presented by the Committees, which reported on their activities and performance at the first full Board meeting after each of their meetings.

When appointing the Committee members and chairs, the Board gave priority to the skills, experience and qualifications that will enable directors to contribute to better performance by the Committees of the duties entrusted to them (rather than to the directors' categories).

On 29 July 2009, it was notified to the CNMV that the Audit and Control Committee had unanimously agreed to appoint independent director Gonzalo Anes y Álvarez de Castrillón as chair for a term of 4 years. He took the place of Fernando Falcó y Fernández de Córdova, who had reached the end of the maximum four-year term for Committee chairs established in Addi-

tional Provision Eighteen of Law 28/1988, on the Securities Market, and in the Company's Articles of Incorporation.

45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination Committee or, as the case may be, separate Compliance or Corporate Governance committees.

Compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>
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46. All members of the Audit Committee, particularly its Chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.

Compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>
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47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.

Compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>
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48. The head of internal audit should present an annual work programme to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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49. Control and risk management policy should specify at least:

- a) The different types of risk (operational, technological, financial, legal, reputational, etc.) to which the company is exposed, with the inclusion of contingent liabilities and other off-balance-sheet risks under financial or economic risks;
- b) The determination of the risk level the company sees as acceptable;
- c) Measures in place to mitigate the impact of risk events should they occur;
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

See section: D

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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50. The Audit Committee's role should be:**1. With respect to internal control and reporting systems:**

- a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
- b) Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.
- c) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-appointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- d) Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.

2. With respect to the external auditor:

- a) Make recommendations to the board for the selection, appointment, re-appointment and removal of the external auditor, and the terms and conditions of the engagement.
- b) Receive regular information from the external auditor regarding the audit plan and the results thereof, and verify that senior executives act on the recommendations of the external auditor.
- c) Monitor the independence of the external auditor, to which end:
 - i. The company should notify any change of auditor to the CNMV as a regulatory disclosure, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
 - ii. The Committee should ensure that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;
 - iii. Investigate the issues giving rise to the resignation of any external auditor.
- d) In the case of groups, urge the group auditor to take on the audit of all component companies.

See sections: B.1.35, B.2.2, B.2.3 and D.3

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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51. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>
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52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to board decision-making:

- a) The financial information that all listed companies must disclose periodically. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.
- b) The creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.
- c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See sections: B.2.2 and B.2.3

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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53. The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See section: B.1.38

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>
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54. The majority of Nomination Committee members – or Nomination and Remuneration Committee members as the case may be – should be independent directors.

See section: B.2.1

Compliant	<input type="checkbox"/>	Explanation	<input checked="" type="checkbox"/>	Not applicable	<input type="checkbox"/>
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As indicated under Recommendation 44, when appointing committee members and chairs, the Board focuses more on the skills, experience and qualifications that will enable the different committees to best perform their duties than on the category of director.

The Nomination and Remuneration Committee comprises a majority of external directors, in compliance with Article 42.1 of the Rules of the Board of Directors.

55. The Nomination Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Evaluate the balance of skills, knowledge and experience on the board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.
- b) Examine or organise, in appropriate form, the succession of the chairman and chief executive, making recommendations to the board so the handover proceeds in a planned and orderly manner.
- c) Report on the senior officer appointments and removals which the chief executive proposes to the board.
- d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: B.2.3

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>	Not applicable	<input type="checkbox"/>
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56. The Nomination Committee should consult with the company's Chairman and Chief Executive, especially on matters relating to executive directors.

Any board member may suggest directorship candidates to the Nomination Committee for its consideration.

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>	Not applicable	<input type="checkbox"/>
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57. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Make proposals to the Board of Directors regarding:
- i. The remuneration policy for directors and senior officers;
 - ii. The individual remuneration and other contractual conditions of executive directors.
 - iii. The standard conditions for senior officer employment contracts.
- b) Oversee compliance with the remuneration policy set by the company.

See sections: B.1.14, B.2.3

Compliant	<input checked="" type="checkbox"/>	Partially compliant	<input type="checkbox"/>	Explanation	<input type="checkbox"/>	Not applicable	<input type="checkbox"/>
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58. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Compliant	<input checked="" type="checkbox"/>	Explanation	<input type="checkbox"/>	Not applicable	<input type="checkbox"/>
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EXECUTIVE PERSONNEL



Chairman and Managing Director	Baldomero Falcones Jaquotot
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ENVIRONMENT AND WATER

Chairman of FCC Servicios	José Luis de la Torre Sánchez

ENVIRONMENT

Corporate Manager	Agustín García Gila
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Zone I

Aragón-Rioja	Manuel Liébana Andrés
Barcelona City	Pablo Martín Zamora
Outer Barcelona	Martín Juanola Cárceles
Lleida-Tarragona	Jesús Padulles Caba
Levante I	Salvador Otero Caballero
Levante II	Francisco Javier del Olmo Gala
Municipal de Serveis, S.A.	Miquel Boix Moradell
Tirssa	Juan Almirall Sagué
Tirmesa	Ángel Fernández Omar

Zone II

Andalucía I	Blas Campos Gabucio
Andalucía II	Manuel Calderón Capilla
Canary Islands	Miguel Ángel Castanedo Samper
Murcia-Almería	José Alcolea Heras

Zone III

Castilla y León	Antonio Rodríguez Gómez
Centre	José María Moreno Arauz
Galicia	Guillermo de Cal Alonso
Guipúzcoa-Navarra	Ignacio Eguiguren Tellechea
Madrid	Raúl Pérez Vega
North	Ernesto Barrio Vega
Vizcaya	Eladio Orive Fernández

CENTRAL SERVICES

Technical Services	Alfonso García García
Machinery	Antonio Bravo Díaz
Supplies	Santiago Muñoz Crespo
Studies	Antonio Pousa Blasco
Quality Assurance and Environment	José María López Pérez
Waste Treatment	Sylvain Cortés
Coordination and Development	Catherine Milhau
Information Systems and Technologies	Ignacio Arespacochaga Maroto
Administration and Finance	Juan Ricote Garbajosa

INDUSTRIAL WASTE

Corporate Manager	Aurelio Blasco Lázaro
Activity Manager	Íñigo Sández Pérez
Cataluña	Felip Serrahima Viladevall
Aragón	Julián Imaz Escorihuela
Centre and Levante	Javier Fuentes Martín
North	Iñaki Díaz de Olarte Barea
South	Manuel Cuerva Sánchez
Development	M ^a Jesús Kaifer Brasero
ECODEAL	Manuel Simões
Manager, USA	Kenneth D. Cherry
Administration and Finance	Domingo Bauzá Mari
Studies	Antonio Sánchez-Trasancos Álvarez

WATER MANAGEMENT

Corporate Manager	Fernando Moreno García
Deputy Manager, Development and International	Miguel Jurado Fernández
European Zone	Roberto Pérez Muñoz
Italy	Nicolás Martínez Bautista
Sm Vak	Miroslav Kyncl
Portugal and Extremadura	Jesús Rodríguez Sevilla



Concessions	Luis de Lope Alonso
Industrial Waterw	Luis de Lope Alonso
Aqualia Infraestructuras	Javier Santiago Pacheco
Central Zone	Félix Parra Mediavilla
Levante	Manuel Calatayud Ruiz
Castilla-La Mancha	Matias Loarces Úbeda
Centre and Canary Islands	Higinio Martínez Marín
Northern Zone	Santiago Lafuente Pérez-Lucas
Galicia	José Luis García Ibañez
Castilla y León	Juan Carlos Rey Fraile
Asturias	Francisco Delgado Guerra
North	Fernando de la Torre Fernández
Southern Zone	Lucas Díaz Gázquez
Andalucía I	Lucas Díaz Gázquez
Andalucía II	Francisco Jiménez Medina
Eastern Zone	Juan Luis Castillo Castilla
Cataluña	Juan Luis Castillo Castilla
Balearic Islands	Eduardo del Castillo Fernández
Technical Manager	Pedro Rodríguez Medina
Contracting	Antonio Vassal'lo Reina
Commercial	Cecilio Sánchez Martín
Studies	Alejandro Benedé Angusto
Administration and Finance	Isidoro Marbán Fernández
Management Control	Manuel Castañedo Rodríguez
Innovation and Technology	Frank Rogalla
INTERNATIONAL	
International Manager	Tomás Núñez Vega
Assistant Manager	Felipe Urbano de Saleta
Operations	Agustín Serrano Minchán

Austria and Central Europe	
CEO	Petr Vokral
CFO	Björn Mittendorfer
Austria, Hungary	Leitner Wolfgang
Czech Rep., Slovakia, Poland	Arnost Kastner
Romania, Bulgaria, Serbia	Jakub Koznarek
Energy Recovery, RSU	Gerhard Ganster
Egypt	Manuel Ramírez Ledesma
Portugal	Eduardo Segura Delgado
United Kingdom	
CEO	Paul Taylor
CFO	Vicente Orts Llopis
Development Manager	Andy Ryan
Treatment and Recycling	Steve Jennings
Landfills	Chris Ellis
Energy Recovery, RSU	Paul Andrews
Manager, PFI	John Plant
PROACTIVA MEDIO AMBIENTE, S.A.	
Chairman	Olivier Orsini
Assistant Corporate Manager, Operations	Ramón Rebuelta Melgarejo
Assistant Corporate Manager, Finance	Marcos García García
Legal Affairs Manager	Ignacio Montes Pérez del Real
Manager, Mexico	Roberto Gómez Morodo
Manager, Venezuela	Fernando Moncaleano
Manager, Brazil	Régis Hahn
Manager, Argentina	Juan Carlos Hegouaburu
Manager, Colombia/Ecuador	José Quevedo
Manager, Chile	José Blanco Peris
Manager, Peru	Marlik Bentabet
Administration and Finance	Alberto Alcañiz Horta

VERSIA

Chairman of FCC Versia, S.A.	José Luis de la Torre Sánchez
Corporate Manager	Carlos Barón Thaidigsmann
Zone I	Vicente Beneyto Perles
Car Parks and Services	José María Paz Sánchez
Vehicle Inspection (ITV)	Jorge Antonio Soriano San Agustín
Conservation and Systems	Ángel Luis Pérez Buitrago
Sistemas y Vehículos de Alta Tecnología (SVAT)	Ignacio Cabanzón Alber
Zone II	
Handling-Flightcare	Ángel Felipe Marcos Fernández
Corporación Europea de Mobiliario Urbano (CEMUSA)	Eric Marotel Guillot
FCC Logística, S.A.	Luis Marceñido Ferrón
Administration and Finance	Juan Carlos Andradas Oveja

CONSTRUCTION

Chairman of FCC Construcción	José Mayor Oreja
Corporate Manager of FCC Construcción	Avelino Juan Acero Díaz
Assistant Corporate Manager of Construction	Jordi Piera Coll
Deputy Corporate Managers	
Area I: Zones I, IV, VII and VIII	Javier Lázaro Estarta
Area II: Zones II, IX, Europe and Alpine	Alejandro Tuya García
Area III: Zones III, V and VI	Jordi Piera Coll
Area IV: Investee Companies, Industrial Companies and Concessions	Santiago Ruiz González
Studies and Contracts	Pedro Gómez Prad
Concessions	Félix Corral Fernández
Administration and Finance	Cesar Mallo Arias
Administration and Finance, Alpine Liaison Unit	Enrique Sanz Herrero
Corporate Affairs	José Ramón Ruiz Carrero
Institutional Relations	Julio Senador-Gómez Odériz

TECHNICAL SERVICES FOR CONSTRUCTION

Deputy Corporate Manager. Manager, Technical Services	José Luis Álvarez Poyatos
Quality and Training	Antonio Burgueño Muñoz
Special Systems	Luis Viñuela Rueda
Machinery	José Manuel Illescas Villa

DOMESTIC CONSTRUCTION

Zone I	José María Torroja Ribera
	Francisco Campos García (Deputy Manager)
Andalucía West Building	Jesús Amores Martín
Andalucía West Civil Engineering Works	Jaime Freyre de Andrade Calonge
Andalucía East Building	Andrés García Sáiz
	José Manuel Garrido Reyes (Deputy Manager)
Andalucía East Civil Engineering Works	José Antonio Madrazo Salas
Technical Manager	José Luis García-Orad Carles
Zone II	Emilio Giraldo Olmedo
Madrid Building I	Alfonso García Muñoz
Madrid Building II	Francisco Mérida Hermoso
Madrid Building III	Francisco Javier Córdoba Donado
	Enrique Díaz Valdés (Deputy Manager)
Madrid Building IV	Carlos García León
Technical Manager	Fernando Arrechea Veramendi
Zone III	Francisco Vallejo Gómez
	Francisco José Diéguez Lorenzo (Deputy Manager)
Cataluña Building	Jordi Mari Escanellas
Zone IV	Juan Madrigal Martínez-Pereda
Las Palmas	Enrique Hernández Martín
Tenerife	Pablo Zosimo Nieto Sanz (Unit Deputy Manager)

Zone V	Teodoro Velázquez Rodríguez
Valencia Building	Leopoldo Marzal Sorolla
Valencia Civil Engineering Works	Rafael Catalá Reig
Balearic Islands	Miguel Ángel Rodríguez Rodríguez
Murcia	Juan Antonio López Cánovas
Aragón and Navarra	Roberto Monteagudo Fernández
	José Manuel Ojanguren Gamba (Deputy Manager)
Zone VI	Francisco Vallejo Gómez
Cataluña Civil Engineering Works I	Josep Torrens Fonts
Cataluña Civil Engineering Works II	José Luis Negro Lorenzo
Technical Manager, Zones III and VI	Javier Ainchil Lavín
Zone VII	Antonio Pérez Gil
Castilla-La Mancha and Extremadura	Aurelio Callejo Rodríguez
Madrid Civil Engineering Works	Ángel Serrano Manchado
País Vasco and Rioja	Norberto Ortega Lázaro
Portugal	Antonio Jose A.S. Tenreiro
Zone VIII	Javier Hidalgo González
Castilla y León Building	Florentino Rodríguez Palazuelos
Castilla y León Civil Engineering Works	José Manuel San Miguel Muñoz
Galicia	Juan Sanmartín Ferreiro
North	Guillermo Castaneda Elizalde
Zone IX	Alejandro Cisneros Müller
Transport	Alberto Enciso García
	Ricardo Gil Edo (Deputy Manager)
Technical Manager, Zones IV, V, VII and IX	Jesús Mateos Hernández-Briz
INTERNATIONAL CONSTRUCTION	
American Zone	Eugenio del Barrio Gómez
Central America	Julio Casla García
Mexico	Pedro Diftel Zarco Carneiro Chaves

European Zone	Alcíbiades López Cerón
Europe Construction I	Lorenzo Aníbal-Álvarez Díaz-Terán
Alpine Liaison	Ramón G. Gómez Andríó
SPECIALISED CONSTRUCTION AND INVESTEE COMPANIES	
Prefabricados Delta	Rafael Villa López
Specialised Construction	José Miguel Janices Pérez
Ibérica de Servicios y Obras (ISO)	Pablo Colio Abril
Auxiliar de Pipelines (APL)	Eduardo Yges Peña
Mantenimiento de Infraestructuras (Matinsa)	Fernando Martín Barrios
	Ignacio Sánchez Salinero (Deputy Manager)
Pinturas Jaque	Fernando Martín Barrios
Investee Companies	Ramón Fontcuberta García
Proyectos y Servicios (Proser)	Amalio Aguilar Bustillos
Megaplas	
Industrial Companies	Antonio Alfonso Avello
Espelsa	
Internacional Tecair and Eurman	
Deneo	José Ramón Romero Correcher
Technical Manager	Miguel Ángel Lobato Kropnick
Infrastructure Concessions	
Globalvía	
Chairman	Juan Béjar Ochoa
Corporate Manager	Francisco Javier Falces Valle

CEMENT

Chairman and Managing Director	Dieter Kiefer
Corporate Manager, Tunisian Market	François Cherpion (Tunisia)
Corporate Manager for Sales, Spanish and UK Market	Antonio Crous Millet
Corporate Manager for Human Resources, Information Systems and General Services	Fernando Dal-Re Compaire
Corporate Manager for Internal Auditing	José Ignacio Domínguez Hernández
Corporate Manager for Environment, Technology and Innovation	José Ignacio Elorrieta Pérez de Diego
Corporate Manager, US Market	Duncan Gage (USA)
Corporate Manager, Legal Affairs	José Luis Gómez Cruz
Corporate Manager for Planning and Control and Assistant to the Chairman	José Manuel Revuelta Lapique
Corporate Manager for Administration and Finance	Jaime Úrculo Bareño
Advisor to the Chairman	Vicente Ynzenga Martínez-Dabán
Corporate Manager for Operations, Spanish Market	Francisco Zunzunegui

ENERGY AND SUSTAINABILITY

Corporate Manager	Eduardo González Gómez
Renewable Energy Sources	Juan Cervigón Simó
Waste Recovery and Sustainability	Carlos Urcelay Gordobil
Planning and Investments	Alejandro Seco Barragán

REAL ESTATE

Realia	
Chairman of Realia Business, S.A.	Ignacio Bayón Maríné
Corporate Manager	Íñigo Aldaz Barrera
Area Managers:	
Assets	Agustín González Sánchez

Development	Tomás Marín Zarza
Administration and Finance	Juan Antonio Franco Díez
Strategy and Investor Relations	Jaime Llorens Coello
Secretary of the Board of Directors	Jesús Rodrigo Fernández
Legal Affairs Manager	José María Richi Alberti

Torre Picasso

Corporate Manager	Guillermo Alcaide García
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GENERAL SECRETARY'S OFFICE

General Secretary	Felipe B. García Pérez
Corporate Legal Affairs Manager	José María Verdú Ramos
Madrid Legal Affairs Office	Javier Gil-Casares Armada
Barcelona Legal Affairs Office	Esteban Correa Artés
Construction	Nicolás Ossorio Martín
Services	Alfonso Goncer Coca
Versia	Juan de los Ríos Jimeno
FCC Europe	Astrid Menacho Erxleben
Energy	Mar Sáez Ibeas
Corporate Expenses and General Services	José María Seoane Yarza
	Francisco J. Sánchez Pérez (Subdirector)

ADMINISTRATION AND INFORMATION TECHNOLOGIES

Corporate Manager	Antonio Gómez Ciria
Deputy Corporate Manager, Administration	Juan José Drago Masjà
Administrative Coordination	Alberto Farré Ramos
Taxes	Miguel Mata Rodríguez
International Taxes	Natalia Soto Reumkens
Administrative Organisation and Budgets	José Mª Alamañac Gil



Information Systems and Technologies	Javier López Costa
Process Re-engineering	Manuel Argüello Pastor
Infrastructure and Telecoms Use	Marcos Navarro Alcaraz
Information Security and IT Risk Management	Gianluca D'Antonio
Procurement Management	Juan Carlos Montejano Domínguez
Innovation Management	Enrique Unamunzaga Guisasola

FINANCE

Corporate Manager	Víctor Pastor Fernández
Finance Manager	Manuel Somoza Serrano
	Esther Alcocer Koplowitz (Assistant)
	Alicia Alcocer Koplowitz (Assistant)
Stock Market and Investor Relations	Miguel Coronel Granado
Financing	José Manuel Carrasco Delgado
Afigesa	José Manuel Carrasco Delgado
Asiris, S.A.	Miguel Ángel Jabal Madrid

HUMAN RESOURCES

Corporate Manager	Francisco Martín Monteagudo
Organisation Processes and Services	José María Merino
Training and Development	Alfredo Amores Gorospe
Organisation and Compensation	Ana Valderrábano González
Screening and Hiring	Germán García Caballero
Employee Services	Emilio Hermida Alberti
Personnel Administration	Juan María Egido García
Labour-Related Legal Affairs	Álvaro García-Orea Álvarez
Employee Office	Carlos Cobián Babé
Occupational Risk Prevention	Juan Carlos Sáez de Rus
Labour Relations	Luis Suárez Zarcos

Medical Services	Rafael Echevarría de Rada
Integral Reporting System and Scorecard	Miguel Jesús Rubio Ruiz
Safety	Eduardo del Rosal Vergara

INTERNAL AUDITS

Corporate Manager	Miguel Hernanz Sanjuán
Deputy Manager, Internal Audits, Domestic Area	María Jesús Fernández López
Deputy Manager, Internal Audits, International Area	Sara Megía Recio

INTERNATIONAL CORPORATE STRATEGY AND DEVELOPMENT

Assistant Corporate Manager	Gèrard Ries
International Corporate Development Manager	José Liébana Alcantarilla

COMMUNICATION AND CORPORATE RESPONSIBILITY

Corporate Manager	José Manuel Velasco Guardado
Information Relations	Julio Pastor Bayón
Corporate Responsibility	Javier López-Galiacho Perona
Corporate Marketing and Branding	Juan Pablo Merino Guerra

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