



Citizen Services

# 1Q2012 EARNINGS REPORT



Infrastructures



Environmental  
Services



Water

# أقواليا

## مياه عالية الجودة و أكثر



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*FCC obtains its first water contract in the United Arab Emirates*

## 1. HIGHLIGHTS

### City and regional governments' Supplier Payment Plans executed in Spain

Two Royal Decrees were approved in February and March to regularise the debts owed by regional and local governments to their suppliers. FCC, the leading urban services group and ranked second in terms of revenues from infrastructure in Spain, expects to monetize a very substantial part of its accounts receivable. Having completed the required paperwork, the Supplier Payment Fund is expected to pay local government debts as from the end of May, and regional government debts one month later.

### FCC, the first Spanish company to be awarded a water management contract in the United Arab Emirates

FCC subsidiary Aqualia was awarded a contract in January to manage the sewage and water treatment system in eastern Abu Dhabi (UAE). This contract includes the operation and maintenance of more than 2,400 km of sewers, 68 wastewater pumping stations and 19 wastewater treatment plants in the city of Al Ain.

Aqualia is also in charge of the EU project "ALL Gas", which aims to obtain biofuels from wastewater treatment; the project is aligned with the EU's commitment to research with a view to discovering new sources of clean energies, which has a budget of over 12 million euro.

### FCC strengthens its leading position in railway works with a new contract in Romania

Romania's National Railway Company (RFC) has awarded FCC a 246 million euro contract to refurbish and upgrade the Simeria-Braşov railway line.

Other notable contracts obtained in 2011 include several adjudications in Algeria totalling more than 2 billion euro; the construction of two tunnels and the Highway 407 station on the Toronto subway (Canada) for 304 million euro; a section of Bucharest Metro line 5 (Romania) for 267 million euro; and the Olsztyn tramway (north of Warsaw) for 62.5 million euro.

### The cement division implements its 2012-2013 New Val industrial plan

CPV, the listed company which heads the FCC Group's cement division, implemented its 2012-2013 New Val operational restructuring plan. The objective is to adapt CPV's operating structure to the market situation by executing several actions in 2012. The measures aim to increase EBITDA by 60 million euro from 2013 onwards

### FCC successfully signs a 438 million euro syndicated loan

In March, FCC signed a three-year syndicated loan with 12 banks amounting to 438 million euro. The loan has a partial amortisation of 10% in both April and October 2014 and replaces the syndicated loan that matured on 29 April 2012.

### FCC strengthens its international commitment, analysing and bidding for projects worth more than 10 billion euro

FCC has increased its project volume under analysis in new selective growth markets, excluding the markets where it already operates (mainly in the Euro area), with a view to accelerating geographic diversification and pursuing sustained medium-term growth. In the first quarter, the company participated in tenders in America, especially North America (USA, Mexico and Canada).

### FCC remains in the DJSI and FTSE4Good

FCC was confirmed in the Dow Jones Sustainability Index in the first quarter and is one of the top Spanish companies in the Heavy Construction category; this is its third consecutive year in the index. FCC's score brought it closer to the top position among global companies. The FTSE4Good index included FCC in its socially responsible investment index for the fourth consecutive year, highlighting the company's environmental, labour and environmental management aspects.

### FCC awarded for its achievements in electronic purchase management

FCC's purchase department has won the 2012 Ariba Procurement effectiveness Award, amongst important companies worldwide. It has also gathered three other recognitions from the Spanish Purchase Responsible Association (Aerce). This prize recognizes the effort in the implementation of a comprehensive technological supply platform, with a high model of efficiency, one of FCC's strategic vectors.

## 2 EXECUTIVE SUMMARY

- ◊ **Revenues from outside Spain expanded by 15.6%** and accounted for **53.1% of the total**.
- ◊ **EBITDA in Construction** increased by 10.1% year-on-year.
- ◊ **EBITDA in Environmental Services increased 4.0%**, representing **62.0% of the total**.
- ◊ **Net attributable profit** amounted to **16.6 million euro**.
- ◊ **Net interest-bearing debt declined by 5.6%** year-on-year to 6,964.0 million euro.
- ◊ **The backlog expanded by 1.6%** in the first quarter with respect to December 2011.

Earnings in 1Q11 reflect progress with internationalisation, as revenues from outside Spain expanded by 15.6%, offsetting the sharp decline in infrastructure-related demand in Spain.

EBITDA in Construction increased by 10.1%, in positive territory for the first time since the beginning of 2009, driven by the execution of major international projects. Environmental Services reported stable performance, with EBITDA up 4.0%, accounting for 62.0% of the Group total. Consolidated EBITDA fell by 13.8%; 80% of that decline was due to the sharp adjustment in the Cement area and the reduction in ad space occupancy in the Urban Furniture business (Versia). The remainder is attributable to the effect of certain divestments performed at the end of last year.

Lower depreciation and amortisation and other operating income together with lower taxes and higher income from discontinued operations offset the decline in EBITDA and the increase in financial expenses, providing a net attributable profit of 16.6 million euro in the quarter.

### ASSETS DESIGNATED AS DISCONTINUED OPERATIONS:

The assets and liabilities corresponding to certain business lines and geographic areas (FCC Energía, and Cement in the US) are designated as "discontinued operations" in the 2011 consolidated financial statements and are classified under assets and liabilities available for sale (Note 5.2). For this reason, to enable comparison, the income statement and cash flow statement for the first quarter of 2011 have been restated.

### KEY FIGURES

<i>(million euro)</i>	<b>Mar. 12</b>	<b>Mar. 11</b>	<b>Chg. (%)</b>
Net sales*	2,405.9	2,423.5	-0.7%
EBITDA*	240.9	279.6	-13.8%
<i>EBITDA margin</i>	<i>10.0%</i>	<i>11.5%</i>	<i>-1.5 p.p.</i>
EBIT	118.8	124.0	-4.2%
<i>EBIT margin</i>	<i>4.9%</i>	<i>5.1%</i>	<i>-0.2 p.p.</i>
Income attributable to equity holders of the parent company	16.6	40.5	-59.0%
Operating cash flow	(341.6)	(250.8)	36.2%
Investing cash flow	(111.7)	(109.7)	1.8%
<i>*In like-for-like terms, the change is +0.2% in revenues and -10.9% in EBITDA</i>			
<i>(million euro)</i>	<b>Mar. 12</b>	<b>Dec. 11</b>	<b>Chg. (%)</b>
Equity (excl. non-controlling interests)	2,396.5	2,378.9	0.7%
Net interest-bearing debt	(6,964.0)	(6,277.2)	10.9%
Backlog	35,802.2	35,237.6	1.6%

## 3. SUMMARY BY BUSINESS AREA

Area	Mar. 12	Mar. 11	Chg. (%)	% of 2012 total	% of 2011 total
<i>(million euro)</i>					
<b>REVENUES BY BUSINESS AREA</b>					
Environmental services	913.5	873.8	4.5%	38.0%	36.1%
Construction	1,231.7	1,218.4	1.1%	51.2%	50.3%
Cement	126.6	162.6	-22.1%	5.3%	6.7%
Versia	145.9	179.6	-18.8%	6.1%	7.4%
Parent company and adjustments	(11.8)	(10.9)	8.4%	-0.5%	-0.4%
<b>Total</b>	<b>2,405.9</b>	<b>2,423.5</b>	<b>-0.7%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>REVENUES BY GEOGRAPHIC AREA</b>					
Spain	1,127.7	1,318.1	-14.4%	46.9%	54.4%
Austria and Germany	398.5	411.5	-3.2%	16.6%	17.0%
Eastern Europe	205.8	224.5	-8.3%	8.6%	9.3%
United Kingdom	200.7	173.8	15.5%	8.3%	7.2%
Rest of Europe	140.9	129.8	8.5%	5.9%	5.4%
America and others	332.3	165.6	100.6%	13.8%	6.8%
<b>Total</b>	<b>2,405.9</b>	<b>2,423.5</b>	<b>-0.7%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>EBITDA</b>					
Environmental services	157.8	151.7	4.0%	65.5%	54.3%
Construction	68.9	62.6	10.1%	28.6%	22.4%
Cement	17.2	41.9	-58.9%	7.1%	15.0%
Versia	10.5	20.6	-49.1%	4.4%	7.4%
Parent company and adjustments	(13.5)	2.8	N.A.	-5.6%	1.0%
<b>Total</b>	<b>240.9</b>	<b>279.6</b>	<b>-13.8%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>EBIT</b>					
Environmental services	81.6	73.5	11.0%	68.7%	59.3%
Construction	48.9	37.8	29.4%	41.2%	30.5%
Cement	(16.5)	11.7	N.A.	-13.9%	9.4%
Versia	(12.2)	(5.6)	118.1%	-10.3%	-4.5%
Parent company and adjustments	17.0	6.6	N.A.	14.3%	5.3%
<b>Total</b>	<b>118.8</b>	<b>124.0</b>	<b>-4.2%</b>	<b>100.0%</b>	<b>100.0%</b>
<i>(million euro)</i>					
<b>NET DEBT</b>					
Environmental services	4,251.9	4,303.9	-1.2%	61.1%	68.6%
Construction	1,234.7	656.0	88.2%	17.7%	10.5%
Cement	960.4	942.5	1.9%	13.8%	15.0%
Versia	197.8	189.6	4.3%	2.8%	3.0%
Parent company and adjustments*	319.2	185.2	72.4%	4.6%	3.0%
<b>Total</b>	<b>6,964.0</b>	<b>6,277.2</b>	<b>10.9%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>BACKLOG</b>					
Environmental services	26,300.5	25,719.4	2.3%	73.5%	73.0%
Construction	9,501.7	9,518.2	-0.2%	26.5%	27.0%
<b>Total</b>	<b>35,802.2</b>	<b>35,237.6</b>	<b>1.6%</b>	<b>100.0%</b>	<b>100.0%</b>

\* Parent company and adjustments includes funding of the stakes in Globalvia and FCC Energy.

#### 4. INCOME STATEMENT

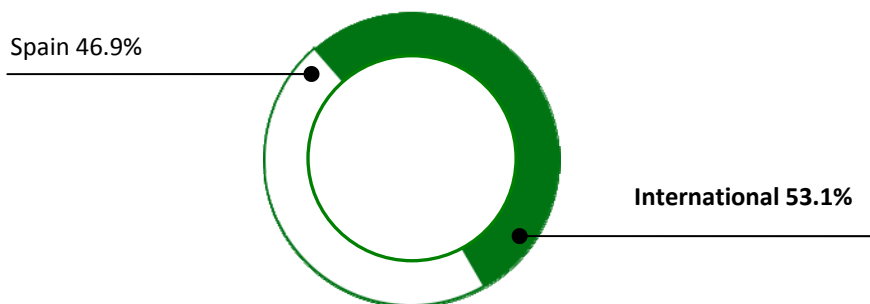
<i>(million euro)</i>	Mar. 12	Mar. 11	Chg. (%)
<b>Net sales</b>	<b>2,405.9</b>	<b>2,423.5</b>	<b>-0.7%</b>
<b>EBITDA</b>	<b>240.9</b>	<b>279.6</b>	<b>-13.8%</b>
<i>EBITDA margin</i>	<b>10.0%</b>	<b>11.5%</b>	<b>-1.5 p.p.</b>
Depreciation and amortisation	(144.8)	(158.4)	-8.6%
Other operating income	22.8	2.7	N.A.
<b>EBIT</b>	<b>118.8</b>	<b>124.0</b>	<b>-4.2%</b>
<i>EBIT margin</i>	<b>4.9%</b>	<b>5.1%</b>	<b>-0.2 p.p.</b>
Financial income	(100.6)	(88.4)	13.8%
Other financial results	(11.9)	15.6	-176.3%
Equity-accounted companies	1.0	5.9	-83.1%
<b>Earnings before taxes (EBT) from continuing activities</b>	<b>7.3</b>	<b>57.0</b>	<b>-87.2%</b>
Corporate income tax expense	(1.4)	(11.6)	-87.9%
<b>Income from continuing operations</b>	<b>5.8</b>	<b>45.4</b>	<b>-87.2%</b>
Income from discontinued operations	(1.9)	(12.2)	-84.4%
<b>Net profit</b>	<b>3.9</b>	<b>33.2</b>	<b>-88.3%</b>
Non-controlling interests	12.7	7.4	71.6%
<b>Income attributable to equity holders of the parent company</b>	<b>16.6</b>	<b>40.5</b>	<b>-59.0%</b>

#### 4.1 Revenues

Revenues amounted to 2,405.9 million euro in the first quarter of 2012, i.e. a decline of just 0.7% year-on-year, due to the effect of divestments at Versia in December 2011. Excluding that effect, revenues would have increased by 0.2%.

Revenues outside Spain increased sharply, by 15.6%, driven by the Construction and Environmental Services divisions, which offset the 14.4% decline in revenues in Spain, affected by the Construction and Cement activities.

#### % Revenues by Region



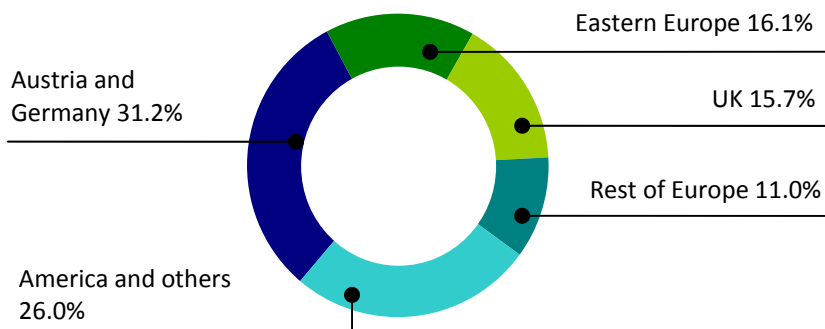
International revenues accounted for over 53% of the total. In year-on-year terms, business in other domestic markets (excluding Spain) and selected new markets expanded by over 7 percentage points, vindicating the Group's ongoing internationalisation strategy.

By geographic area, growth was notable in America and in other new markets, where revenues doubled with respect to 1Q11 due to the advancement of large infrastructure projects and to the good performance of the industrial waste management and urban furniture businesses in the US. Revenues in the UK improved by 15.5%, driven mainly by the construction of a new waste treatment plant and several other infrastructure projects. In contrast, revenues fell by 8.3% in Eastern Europe due to the completion of several infrastructure works and the fact that new contracts there have not yet commenced; this was partially offset by good performance of the waste management and treatment business.

#### International Revenue Breakdown

<i>(million euro)</i>	Mar. 12	Mar. 11	Chg. (%)
Austria and Germany	398.5	411.5	-3.2%
Eastern Europe	205.8	224.5	-8.3%
United Kingdom	200.7	173.8	15.5%
Rest of Europe	140.9	129.8	8.5%
America and others	332.3	165.6	100.6%
<b>Total</b>	<b>1,278.2</b>	<b>1,105.4</b>	<b>15.6%</b>

#### % International Revenues by Geographic Area

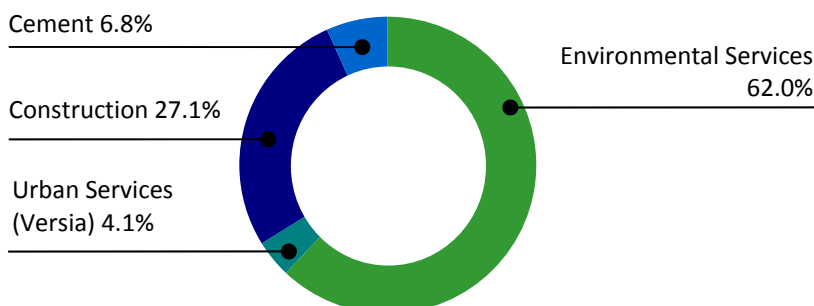


#### 4.2 EBITDA

EBITDA amounted to 240.9 million euro in the quarter, i.e. a 13.8% decline compared with 1Q11 (-10.9% in like-for-like terms), due primarily to the sharp adjustment in the Cement business and the decline in ad space occupancy in the Urban Furniture business.

EBITDA in Construction expanded by 10.1%, i.e. a return to growth for the first time since early 2009, driven by the execution of large international projects. Environmental Services reported solid underlying performance, with EBITDA up 4.0%, accounting for 62.0% of the Group total.

### EBITDA by business area



EBITDA also includes smaller components, notably restructuring costs (6 million euro).

#### 4.3 EBIT

The depreciation and amortisation charge in 1Q12 decreased by 8.6% with respect to 1Q11, to 144.8 million euro. That figure includes 19.4 million euro for the depreciation of assets that were stepped up on consolidation in the FCC Group (21.8 million euro in 2011).

"Other operating income" mainly reflects restructuring costs in the Cement area, amounting to 11 million euro, and the release of provisions for long-term contingencies and expenses, totalling 31.5 million euro.

As a result, EBIT amounted to 118.8 million euro in 1Q12, i.e. a decline of 4.2% with respect to 1Q11.

#### 4.4 Earnings before taxes (EBT) from continuing activities

EBT from continuing activities amounted to 7.3 million euro after including the following items in EBIT:

##### 4.4.1 Financial income

A net financial expense of 100.6 million euro, i.e. 13.8% more than in the same period last year.

Other financial results totalling -11.9 million euro, compared with +15.6 million euro in 1Q11. The Other financial income item primarily reflects the -29.6 million euro effect of fair value changes in financial instruments and of exchange rate fluctuations, which did not impact cash flow

##### 4.4.2 Equity-accounted affiliates

The contribution from equity-accounted affiliates amounted to 1 million euro in the quarter, compared with 5.9 million euro in the same period last year. This decline is due to the fact that the contribution from GVI and Realia declined by 4.2 million euro.

#### 4.5 Profit attributable to equity holders of the parent company

Net attributable profit amounted to 16.6 million euro in 1Q12, compared with 40.5 million euro in 1Q11, after including the following items in EBT:



#### **4.5.1 Corporate income tax expense**

The corporate income tax expense was 1.4 million euro, compared with 11.6 million euro in 1Q11.

#### **4.5.2 Non-controlling interests**

Income attributable to non-controlling interests amounted to -12.7 million euro (compared to 7.4 million euro in the first quarter of 2011), mainly in the Cement division.

## 5. BALANCE SHEET

<i>(million euro)</i>	<b>Mar. 12</b>	<b>Dec. 11</b>	<b>Chg. (M€)</b>
Intangible assets	4,320.6	4,317.0	3.6
Property, plant and equipment	4,565.4	4,636.4	(71.0)
Equity-accounted affiliates	1,088.9	1,115.7	(26.8)
Non-current financial assets	474.8	462.0	12.8
Deferred tax assets and other non-current assets	516.9	542.9	(26.0)
<b>Non-current assets</b>	<b>10,966.6</b>	<b>11,074.1</b>	<b>(107.5)</b>
Non-current assets available for sale	1,837.0	1,847.0	(10.0)
Inventories	1,340.9	1,271.4	69.5
Trade and other accounts receivable	5,497.2	5,556.7	(59.5)
Other current financial assets	461.3	395.7	65.6
Cash and cash equivalents	1,505.9	2,302.6	(796.7)
<b>Current assets</b>	<b>10,642.3</b>	<b>11,373.4</b>	<b>(731.1)</b>
<b>TOTAL ASSETS</b>	<b>21,608.9</b>	<b>22,447.5</b>	<b>(838.6)</b>
Equity attributable to equity holders of parent company	2,396.5	2,378.9	17.6
Non-controlling interests	513.8	536.1	(22.3)
<b>Equity</b>	<b>2,910.3</b>	<b>2,914.9</b>	<b>(4.6)</b>
Grants	193.0	159.7	33.3
Long-term provisions	1,038.8	1,083.1	(44.3)
Long-term interest-bearing debt	4,504.8	4,365.4	139.4
Other non-current financial liabilities	713.2	794.9	(81.7)
Deferred tax liabilities and other non-current liabilities	1,149.3	1,132.2	17.1
<b>Non-current liabilities</b>	<b>7,599.2</b>	<b>7,535.3</b>	<b>63.9</b>
Liabilities linked to non-current assets available for sale	1,326.3	1,396.7	(70.4)
Current provisions	175.1	178.9	(3.8)
Short-term interest-bearing debt	4,424.8	4,607.2	(182.4)
Other current financial liabilities	156.6	223.4	(66.8)
Trade and other accounts payable	5,016.6	5,591.0	(574.4)
<b>Current liabilities</b>	<b>11,099.4</b>	<b>11,997.2</b>	<b>(897.8)</b>
<b>TOTAL LIABILITIES</b>	<b>21,608.9</b>	<b>22,447.5</b>	<b>(838.6)</b>

### 5.1 Equity-accounted affiliates

The investment in equity-accounted companies (1,088.9 million euro) comprised mainly the following at the end of the quarter:

- 1) 421.0 million euro corresponding to the 50% stake in Globalvia Infraestructuras (GVI).
- 2) 138.9 million euro corresponding to the 30% stake in Realia.
- 3) 51.4 million euro corresponding to concession companies not contributed to GVI.
- 4) 49.5 million euro corresponding to the 50% stake in the Proactiva group (Environmental Services).
- 5) 428.1 million euro corresponding to all other equity-accounted companies.

The carrying value of FCC's holdings in infrastructure concessions amounted to 512.1 million euro at the end of March 2012. That figure includes the value attributable to FCC for its 50% stake in GVI (421.0 million euro) and the value of its holdings in other concession companies, both equity-accounted (51.4 million euro) and fully consolidated (39.7 million euro).

### 5.2 Non-current assets and liabilities available for sale

Of the 1,837.0 million euro in non-current assets available for sale at 31 March 2012, 1,167.8 million euro correspond to FCC Energía and 669.1 million euro to Giant Cement.

Those assets had associated liabilities amounting to 1,326.3 million euro, of which 865.5 million euro correspond to FCC Energía and 460.8 million euro to Giant Cement. At 31 March, net interest-bearing debt at FCC Energy and Giant Cement amounted to 660.4 million euro and 315.2 million euro, respectively.

### 5.3 Equity

Equity attributable to the parent company amounted to 2,396.5 million euro, up 17.6 million euro with respect to 2011 year-end. This is due primarily to the allocation of consolidated income for the period (16.6 million euro) and other items, including changes in the fair value of hedging instruments.

### 5.4 Net interest-bearing debt

At the end of March 2012, net interest-bearing debt amounted to 6,964.0 million euro, i.e. an increase of 686.8 million euro compared with December 2011, due primarily to the increase in working capital in the Construction area.

<i>(million euro)</i>	<b>Mar. 12</b>	<b>Dec. 11</b>	<b>Chg. (M€)</b>
Bank debt	7,986.2	8,072.1	(85.9)
Debt instruments and other loans	721.0	705.2	15.8
Accounts payable due to financial leases	88.9	96.0	(7.1)
Derivatives and other financial liabilities	133.6	99.3	34.3
<b>Gross interest-bearing debt</b>	<b>8,929.7</b>	<b>8,972.6</b>	<b>(42.9)</b>
Cash and other financial assets	(1,965.7)	(2,695.4)	729.7
<b>Net interest-bearing debt</b>	<b>6,964.0</b>	<b>6,277.2</b>	<b>686.8</b>
<i>With recourse</i>	5,573,8	4,224,9	1,348,9
<i>Without recourse</i>	1,390,2	2,052,3	(662,1)

However, net financial debt was reduced by a notable 413.9 million euro (-5.6%) in like-for-like terms (excluding the impact of classifying certain assets as available-for-sale). This comparison provides a better

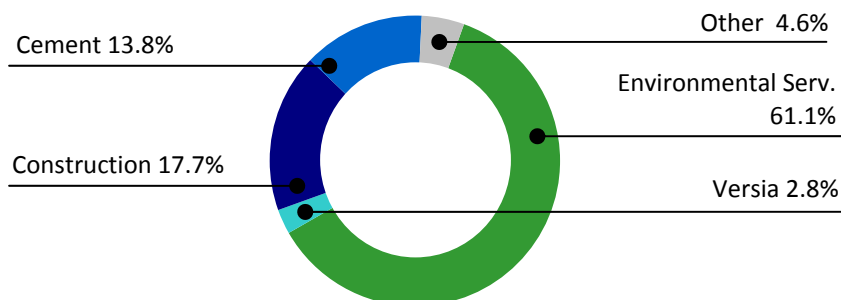
picture of the trend in annual performance, since the first part of the year includes a seasonal increase, which tends to decline in the second half of the year.

The breakdown of debt by business areas is in line with their nature, cash flow, and asset volume. Environmental Services accounted for 61.1% of net debt, connected to stable, regulated long-term public utility contracts. Cement, a business which accounts for a large proportion of fixed assets on the balance sheet, accounts for 13.8% of total net debt. Construction accounts for 17.7%, Versia for 2.8% and the Corporate area for just 4.6%.

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#### Net Debt by Area

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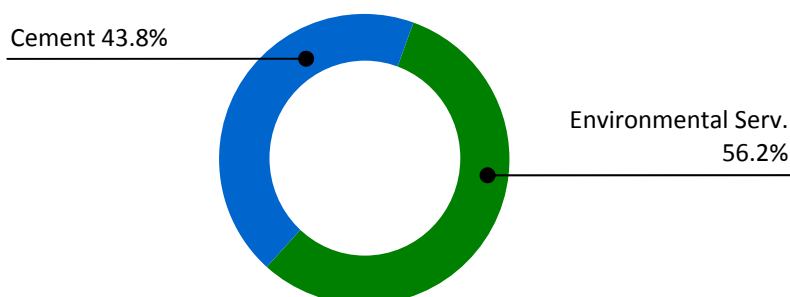


Moreover, 1,390.2 million euro of net debt, i.e. 20% of the total, is without recourse. The breakdown of debt without recourse, by activity, is as follows:

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#### Net Debt without recourse, by area

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### 5.5 Other current and non-current financial liabilities

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The balance of other current and non-current financial liabilities amounted to 869.8 million euro and includes other financial liabilities not classified as interest-bearing debt, such as those linked to suppliers of property, plant and equipment (operation permits for urban furniture at Versia), deposits and guarantees received, and stock options.

## 6. CASH FLOW

### *From continuing activities*

<i>(million euro)</i>	<b>Mar. 12</b>	<b>Mar. 11</b>	<b>Chg. (%)</b>
Funds from operations	228.1	278.6	-18.1%
(Increase)/decrease in working capital	(554.4)	(520.4)	6.5%
Other items (taxes, dividends, etc.)	(15.3)	(9.0)	70.0%
<b>Operating cash flow</b>	<b>(341.6)</b>	<b>(250.8)</b>	<b>36.2%</b>
Investing cash flow	(111.7)	(109.7)	1.8%
<b>Cash flow from business operations</b>	<b>(453.3)</b>	<b>(360.5)</b>	<b>25.7%</b>
Financing cash flow	(199.5)	(180.9)	10.3%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(34.0)	27.9	-221.9%
<b>(Increase) / decrease in net interest-bearing debt</b>	<b>(686.8)</b>	<b>(513.5)</b>	<b>33.7%</b>

### 6.1 Operating cash flow

Operating cash flow in the quarter amounted to -341.6 million euro, i.e. 36.2% more than in the same period last year. While funds from operations declined by 18.1%, in line with EBITDA, working capital increased by 6.5%, to 554.4 million euro, mainly in the Construction area and distributed uniformly among its areas of activity.

<i>(million euro)</i>	<b>Mar. 12</b>
Construction	(572.8)
Environmental services	(10.9)
Versia	6.3
Cement	(17.2)
Parent company and adjustments	40.2
<b>Total (Increase)/ decrease in working capital</b>	<b>(554.4)</b>

Working capital in the Construction area experiences seasonal fluctuations, generally increasing in the first half of the year and declining in the fourth quarter.

### 6.2 Investing cash flow

	<b>Mar. 12</b>	<b>Mar. 11</b>	<b>Chg. (%)</b>
Environmental services	(34.8)	(65.5)	-46.9%
Construction	(41.3)	(22.1)	86.9%
Cement	(10.4)	(10.0)	4.0%
Versia	10.7	(28.6)	-137.4%
Parent company and other	(35.9)	16.5	N.A.
<b>Total</b>	<b>(111.7)</b>	<b>(109.7)</b>	<b>1.8%</b>

Investing cash flow totalled 111.7 million euro, in line with 1Q11, and mainly reflects maintenance capex in the various areas of the business. Capital expenditure corresponding to the Parent company and others reflects internal adjustments and movements of cash, mainly at the Parent company and Versia.

### 6.3 Financing cash flow

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Financing cash flow in the quarter increased by 10.3% year-on-year, to 199.5 million euro. In addition to debt servicing, this item includes 73.7 million euro in dividend payments by FCC Group, the parent company, and 52.6 million euro for the acquisition of the remaining non-controlling interests (13.5%) in Alpine, in accordance with the agreement signed.

### 6.4 Other

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This item, amounting to 34 million euro, mainly reflects adjustments for the currency effect on foreign currency debt, changes in the value of financial instruments, and consolidation adjustments.

## 7. BUSINESS PERFORMANCE

### 7.1 Environmental services

#### 7.1.1 Results

<i>(million euro)</i>	Mar. 12	Mar. 11	Chg. (%)
Revenues	913.5	873.8	4.5%
<i>Spain</i>	550.8	559.0	-1.5%
<i>International</i>	362.6	314.7	15.2%
EBITDA	157.8	151.7	4.0%
<i>EBITDA margin</i>	17.3%	17.4%	-0.1 p.p.
EBIT	81.6	73.5	11.0%
<i>EBIT margin</i>	8.9%	8.4%	0.5 p.p.

The Environmental Services division continued to grow in the first quarter of 2011, with revenues expanding by 4.5% to 913.5 million euro. Revenues expanded in international markets, by 15.2%, but fell slightly in Spain, by 1.5%.

<i>(million euro)</i>	Mar. 12	Mar. 11	Chg. (%)
Revenues - Spain	550.8	559.0	-1.5%
<i>Environment</i>	369.4	367.2	0.6%
<i>Water</i>	147.3	152.9	-3.7%
<i>Industrial Waste</i>	34.1	38.9	-12.3%
Revenues - International	362.6	314.7	15.2%
<i>Environment</i>	269.6	245.3	9.9%
<i>Water</i>	47.5	36.7	29.5%
<i>Industrial Waste</i>	45.5	32.7	39.0%

Revenues from International Water expanded by 29.5% as the desalination plants in Algeria became operational and the end-to-end water management contract in Fundao (Portugal) commenced.

Revenues in the International Environment area rose by 9.9%, driven by the start of construction of a new waste treatment plant in Lincolnshire (UK), by increased use of the incineration plant in Allington (UK), and by increased activity at ASA, where a soil decontamination project in the Czech Republic made a significant contribution.

Industrial Waste revenues maintained a notable pace of growth outside Spain, rising 39.0% due to the larger volume of waste treated in the US and Portugal and to appreciation by petroleum-based products.

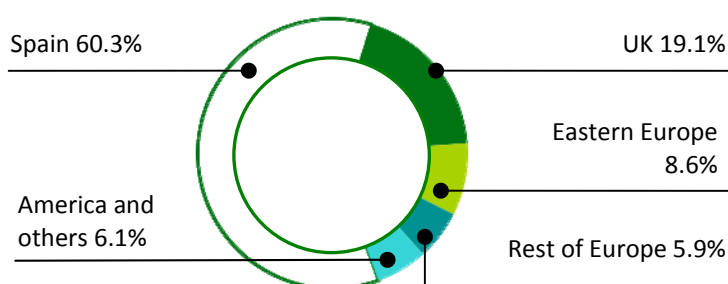
Lower revenues in the Water and Industrial divisions in Spain are due primarily to a decline in the execution of water infrastructure and to lower industrial activity, respectively.

### International Revenue Breakdown

<i>(million euro)</i>	Mar. 12	Mar. 11	Chg. (%)
United Kingdom	174.1	157.6	10.5%
Eastern Europe	78.7	72.5	8.6%
Western Europe	54.0	49.7	8.7%
America and others	55.8	35.0	59.4%
<b>Total</b>	<b>362.6</b>	<b>314.8</b>	<b>15.2%</b>

The most important international markets are the UK (accounting for 19.1% of revenues), for urban solid waste treatment and elimination; Central and Eastern Europe (14.5%), primarily the Czech Republic and Austria, for urban solid waste and end-to-end water management; and the US for industrial waste management.

### Revenue breakdown by geographic area



EBITDA increased by 4.0% in 1Q12, to 157.8 million euro, and the EBITDA margin was 17.3%, on par with the 1Q11 margin, 17.4%, including several non-recurring items (sale of material and release of provisions) which totalled 8 million euro. Positive margin performance is attributable to the greater contribution from waste and to operating efficiency in the international business.

The area's backlog expanded by 2.3% with respect to 2011 year-end, driven by 4.9% growth in the international backlog, due to the renewal of waste management contracts in the UK and Eastern Europe.

### Backlog breakdown by region

<i>(million euro)</i>	Mar. 12	Dec. 11	Chg. (%)
Spain	17,247.5	17,092.6	0.9%
International	9,052.9	8,626.8	4.9%
<b>Total</b>	<b>26,300.5</b>	<b>25,719.4</b>	<b>2.3%</b>

#### 7.1.2 Proactiva

Proactiva, the leading urban waste and end-to-end water management company in Latin America, operates in the main countries in that region (Brazil, Chile, Mexico, Colombia, etc.). The group is owned 50% by FCC and is equity-accounted, in line with FCC accounting policy.



Proactiva's revenues totalled 126.4 million euro, i.e. growth of 16.1% year-on-year. EBITDA amounted to 19.2 million euro (+15.2% year-on-year), and the EBITDA margin was 18.0%. Net interest-bearing debt amounted to 103.5 million euro at 30 March.

### 7.1.3 Cash flow

<i>(million euro)</i>	<b>Mar. 12</b>	<b>Mar. 11</b>	<b>Chg. (%)</b>
<b>Funds from operations</b>	<b>160.5</b>	<b>151.1</b>	<b>6.2%</b>
(Increase) / decrease in working capital	(10.9)	(89.1)	-87.8%
Other items (taxes, dividends, etc.)	(11.9)	(16.9)	-29.6%
<b>Operating cash flow</b>	<b>137.7</b>	<b>45.1</b>	<b>205.3%</b>
Investing cash flow	(34.8)	(65.5)	-46.9%
<b>Cash flow from business operations</b>	<b>102.9</b>	<b>(20.4)</b>	<b>-604.4%</b>
Financing cash flow	(65.9)	(44.6)	47.8%
Other cash flow (exchange differences, change in consolidation scope, etc.)	15.0	20.7	-27.5%
<b>(Increase) / decrease in net interest-bearing debt</b>	<b>52.0</b>	<b>(44.3)</b>	<b>-217.4%</b>

<i>(million euro)</i>	<b>Mar. 12</b>	<b>Dec. 11</b>	<b>Chg. (M€)</b>
<b>Net interest-bearing debt</b>	<b>4,251.9</b>	<b>4,303.9</b>	<b>(52.0)</b>
<i>With recourse</i>	<i>3,461.2</i>	<i>3,545.8</i>	<i>(84.6)</i>
<i>Without recourse</i>	<i>790.7</i>	<i>758.1</i>	<i>32.6</i>

Operating cash flow in the year totalled 137.7 million euro in 1Q12, compared with 45.1 million euro in 1Q11. While funds from operations expanded by 6.2%, working capital declined by 78.2 million euro.

Net investments declined by 46.9%, to 34.8 million euro, primarily for maintenance capex and fulfilment of operating contracts.

After financing cash flow and other changes (primarily fair value changes in hedging instruments), net debt fell by 1.2% in 1Q12, to 4,251.9 million euro.

## 7.2 Construction

### 7.2.1 Results

<i>(million euro)</i>	Mar. 12	Mar. 11	Chg. (%)
Revenues	1,231.7	1,218.4	1.1%
<i>Spain</i>	411.6	519.9	-20.8%
<i>International</i>	820.1	698.5	17.4%
EBITDA	68.9	62.6	10.1%
<i>EBITDA margin</i>	5.6%	5.1%	0.5 p.p.
EBIT	48.9	37.8	29.4%
<i>EBIT margin</i>	4.0%	3.1%	0.9 p.p.

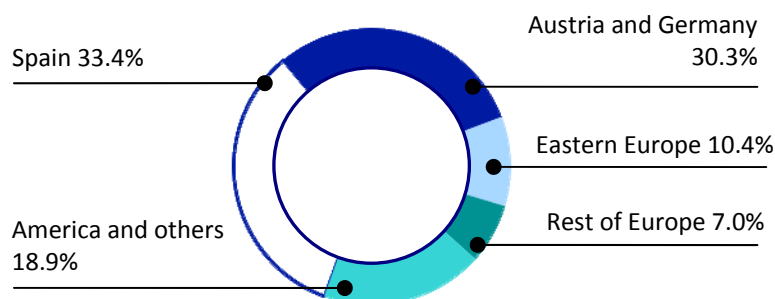
Revenues in the Construction area increased by 1.1% year-on-year to 1,231.7 million in 1Q12, due to notable growth in international revenues (17.4%), which offset the decline in activity in Spain (similar to last year's performance).

#### International Revenue Breakdown

<i>(million euro)</i>	Mar. 12	Mar. 11	Chg. (%)
Austria and Germany	372.8	386.2	-3.5%
Eastern Europe	128.0	154.2	-17.0%
Rest of Europe	86.6	63.6	36.2%
America and others	233.1	94.3	147.2%
<b>Total</b>	<b>820.1</b>	<b>698.5</b>	<b>17.4%</b>

By geographic area, revenues in America and other new markets expanded by 147.2%, due mainly to progress in major contracts, including the metro and road reorganisation in Panama, the Coatzacoalcos tunnel in Mexico, and the Toronto subway. Revenues in the rest of Europe rose by 36.2%, driven by the execution of the Enniskillen Hospital and an international broadcasting centre for the Olympic Games in the UK. Revenues in Eastern Europe fell by 17% due to the completion of certain works and to the fact that other adjudicated projects have not yet commenced, such as the Bucharest Metro and the Olsztyn tramway.

#### Revenue breakdown by region



Civil engineering projects account for 57.7% of revenues, non-residential building for 26.3%, industrial services for 10.6% and residential building for 5.5%.

Revenue breakdown by segment			
<i>(million euro)</i>	Mar. 12	Mar. 11	Chg. (%)
Civil engineering	710.5	690.6	2.9%
Non-residential building	323.4	298.6	8.3%
Industrial services	130.2	166.9	-22.0%
Residential building	67.6	62.4	8.3%
<b>Total</b>	<b>1,231.7</b>	<b>1,218.4</b>	<b>1.1%</b>

Revenues were stable in all areas of construction except industrial construction, where they declined due broadly to the completion of one of the two solar thermal plants in the backlog.

EBITDA began to recover, rising 10.1% year-on-year to 68.9 million euro, i.e. a margin of 5.6% (up from 5.1% in 2011). This increase is partly due to the international Alpine margin improvement.

The international backlog expanded by 2.9%, due to large contracts such as the road reorganisation project in Panama City, worth 284 million euro. The backlog does not yet reflect major contracts, such as a second railway line in Algeria (66 kilometres; 628 million euro attributable), a hospital complex in Panama (445 million euro), and the Transylvania rail link in Romania (246 million euro).

Backlog breakdown by region			
<i>(million euro)</i>	Mar. 12	Dec. 11	Chg. (%)
Spain	4,449.0	4,610.2	-3.5%
International	5,052.7	4,908.0	2.9%
<b>Total</b>	<b>9,501.7</b>	<b>9,518.2</b>	<b>-0.2%</b>

At the end of the quarter, civil engineering and industrial services continued to account for the bulk of the backlog, i.e. 77.9% of the total, while non-residential building accounted for 18.4% and residential building for 3.8%.

Backlog breakdown by segment			
<i>(million euro)</i>	Mar. 12	Dec. 11	Chg. (%)
Civil engineering	6,804.2	6,601.2	3.1%
Non-residential building	1,745.8	1,913.0	-8.7%
Industrial services	594.3	653.0	-9.0%
Residential building	357.4	351.0	1.8%
<b>Total</b>	<b>9,501.7</b>	<b>9,518.2</b>	<b>-0.2%</b>

### 7.2.2 Cash flow

<i>(million euro)</i>	<b>Mar. 12</b>	<b>Mar. 11</b>	<b>Chg. (%)</b>
<b>Funds from operations</b>	<b>64.6</b>	<b>72.1</b>	<b>-10.4%</b>
(Increase) / decrease in working capital	(572.8)	(381.4)	50.2%
Other items (taxes, dividends, etc.)	(1.5)	(3.7)	-59.5%
<b>Operating cash flow</b>	<b>(509.7)</b>	<b>(313.0)</b>	<b>62.8%</b>
Investing cash flow	(41.3)	(22.1)	86.9%
<b>Cash flow from business operations</b>	<b>(551.0)</b>	<b>(335.1)</b>	<b>64.4%</b>
Financing cash flow	(52.6)	(21.4)	145.8%
Other cash flow (exchange differences, change in consolidation scope, etc.)	24.8	13.5	83.7%
<b>(Increase) / decrease in net interest-bearing debt</b>	<b>(578.8)</b>	<b>(343.0)</b>	<b>68.7%</b>

<i>(million euro)</i>	<b>Mar. 12</b>	<b>Dec. 11</b>	<b>Chg. (M€)</b>
<b>Net interest-bearing debt</b>	<b>1,234.7</b>	<b>656.0</b>	<b>578.7</b>
<i>With recourse</i>	<i>1,252.5</i>	<i>670.0</i>	<i>582.5</i>
<i>Without recourse</i>	<i>(17.8)</i>	<i>(14.0)</i>	<i>(3.8)</i>

Operating cash flow was negative in the amount of -509.7 million euro in the quarter, i.e. 62.8% more than in the same period of 2011, due mainly to the 50.2% increase in working capital, to 572.8 million euro. This increase was distributed evenly on the basis of revenue generation in the various geographies; moreover, working capital is highly seasonal, rising in the first half of the year and declining in the fourth quarter.

Investing cash flow totalled 41.3 million euro, vs. 22.1 million euro in 1Q11.

After financing cash flow and other changes (mainly fair value changes in hedging instruments), net debt in this area increased by 578.7 million euro with respect to 2011 year-end, reaching 1,234.7 million euro.

### 7.3 Cement

#### 7.3.1 Results

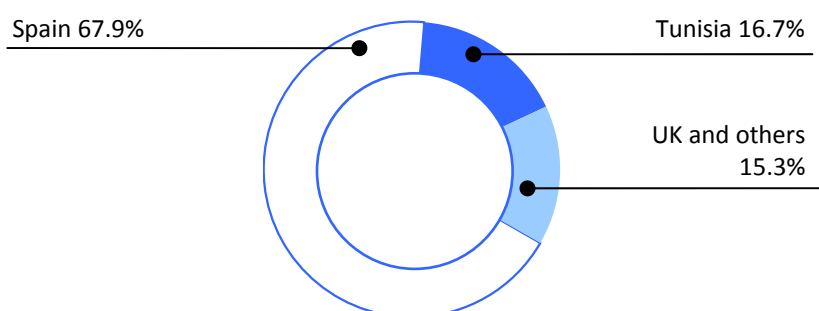
<i>(million euro)</i>	Mar. 12	Mar. 11	Chg. (%)
Revenues	126.6	162.6	-22.1%
<i>Spain</i>	86.0	128.4	-33.0%
<i>International</i>	40.5	34.3	18.1%
EBITDA	17.2	41.9	-58.9%
<i>EBITDA margin</i>	13.6%	25.8%	-12.2 p.p.
EBIT	(16.5)	11.7	N.A.
<i>EBIT margin</i>	-13.0%	7.2%	-20.2 p.p.

Revenues in the Cement area amounted to 126.6 million euro in the first quarter of 2012, down 22.1% year-on-year. The decline in revenues in Spain was in line with the overall decline in cement consumption nationwide in the period, due mainly to lower public works demand. International revenues reflect growth in exports and higher business volume in Tunisia, with the result that they now account for 32% of this division's total.

#### International Revenue Breakdown

<i>(million euro)</i>	Mar. 12	Mar. 11	Chg. (%)
Tunisia	21.1	19.9	6.0%
UK and others	19.4	14.4	34.7%
<b>Total</b>	<b>40.5</b>	<b>34.3</b>	<b>18.1%</b>

#### Revenue breakdown by region



The revenue trend in Spain is a combination of falling volumes due to the temporary cut in public works to meet the fiscal consolidation objectives (production volumes are back at 1967 levels) and sustained sale prices.

EBITDA declined by 58.9% to 17.2 million euro and the EBITDA margin fell by 12.2 percentage points, to 13.6%. This was due to a combination of falling business volume in Spain, higher energy costs and lower revenues from the sale of emission rights in the quarter.

The New Val operational restructuring plan aims to restore profitability in this area by adjusting cement capacity in Spain in the second half of 2012; consequently, the 1Q12 figures do not yet reflect its impact. The strategy seeks to increase EBITDA by 60 million euro starting in 2013.

EBIT in 1Q11 included 11.0 million euro in restructuring costs incurred in the quarter as part of the new operating plan.

### 7.3.2 Cash flow

#### From continuing activities

<i>(million euro)</i>	Mar. 12	Mar. 11	Chg. (%)
<b>Funds from operations</b>	<b>6.5</b>	<b>34.1</b>	<b>-80.9%</b>
(Increase) / decrease in working capital	(17.2)	(40.8)	-57.8%
Other items (taxes, dividends, etc.)	9.4	5.5	70.9%
<b>Operating cash flow</b>	<b>(1.3)</b>	<b>(1.2)</b>	<b>8.3%</b>
Investing cash flow	(10.4)	(10.0)	4.0%
<b>Cash flow from business operations</b>	<b>(11.7)</b>	<b>(11.2)</b>	<b>4.5%</b>
Financing cash flow	(22.6)	(29.9)	-24.4%
Other cash flow (exchange differences, change in consolidation scope, etc.)	16.4	16.2	1.2%
<b>(Increase) / decrease in net interest-bearing debt</b>	<b>(17.9)</b>	<b>(24.9)</b>	<b>-28.1%</b>

<i>(million euro)</i>	Mar. 12	Dec. 11	Chg. (M€)
<b>Net interest-bearing debt</b>	<b>960.4</b>	<b>942.5</b>	<b>17.9</b>
<i>With recourse</i>	<i>343.1</i>	<i>295.8</i>	<i>47.3</i>
<i>Without recourse</i>	<i>617.3</i>	<i>646.7</i>	<i>(29.4)</i>

Operating cash flow in the quarter was negative in the amount of -1.3 million euro, in line with the first quarter of 2011. The 80.9% decline in funds from operations was offset mainly by a 57.8% improvement in working capital.

Investing cash flow amounted to 10.4 million euro, in line with the first quarter of 2011, focused on increasing the use of alternative fuels and developing new products. At the end of the first quarter, the fossil fuel replacement rate was 21.7%, compared with 13.4% at the end of 2011.

After financing cash flow and other changes (primarily fair value changes in hedging instruments), net interest-bearing debt increased by 1.9% with respect to 2011 year-end, to 960.4 million euro.

## 7.4 Versia

### 7.4.1 Results

<i>(million euro)</i>	<b>Mar. 12</b>	<b>Mar. 11</b>	<b>Chg. (%)</b>
Revenues	145.9	179.6	-18.8%
<i>Spain</i>	90.2	121.6	-25.8%
<i>International</i>	55.7	58.0	-3.9%
EBITDA	10.5	20.6	-49.1%
<i>EBITDA margin</i>	7.2%	11.5%	-4.3 p.p.
EBIT	(12.2)	(5.6)	118.1%
<i>EBIT margin</i>	-8.4%	-3.1%	-5.3 p.p.

Revenues from urban services (Versia) amounted to 145.9 million euro, a decline of 18.8% due both to falling business in Spain and the divestment of the on-street parking business at the end of 2011. Excluding that effect, revenues would have declined by 10.7% in like-for-like terms.

<b>Breakdown of revenues by business</b>			
<i>(million euro)</i>	<b>Mar. 12</b>	<b>Mar. 11</b>	<b>Chg. (%)</b>
Logistics	62.2	68.3	-8.9%
Handling	49.5	53.4	-7.3%
Urban Furniture	25.1	27.2	-7.5%
Car Parks*	0.0	16.2	N.A.
Others**	9.1	14.5	-37.3%
<b>Total</b>	<b>145.9</b>	<b>179.6</b>	<b>-18.8%</b>

\* Divested in 2011

\*\*Others include SVAT and Maintenance-Systems

Revenues reflect the impact of the widespread decline in consumer spending, particularly in Spain, Portugal and Italy, in all areas of this division.

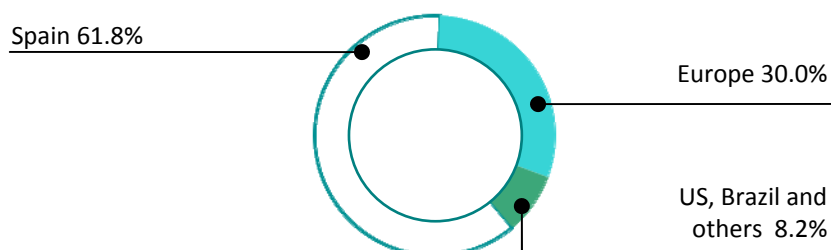
<b>International Revenue Breakdown</b>			
<i>(million euro)</i>	<b>Mar. 12</b>	<b>Mar. 11</b>	<b>Chg. (%)</b>
Europe	43.7	48.4	-9.7%
US, Brazil and others	12.0	9.5	26.0%
<b>Total</b>	<b>55.7</b>	<b>58.0</b>	<b>-3.9%</b>

Revenues in Spain accounted for 61.8% of the total. The international component is particularly important in Handling (where 68.3% of revenues come from Belgium and Italy) and Urban Furniture (where 60.9% of revenues come from the USA, Portugal and Brazil). Revenues in the USA, Brazil and other countries increased by a notable 26%, boosted by good performance in the New York urban furniture contract.

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**Revenue breakdown by region**


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EBITDA totalled 10.5 million euro in the first quarter of 2012, down 49.1%. Excluding the effect of the sale of the on-street parking business in 2011, EBITDA would have declined by 37.5% in like-for-like terms. That reduction is attributable mainly to the decline in the margin in Urban Furniture caused by a sharp decrease in ad space occupancy in Spain and Portugal.

**7.4.2 Cash flow**

<i>(million euro)</i>	<b>Mar. 12</b>	<b>Mar. 11</b>	<b>Chg. (%)</b>
<b>Funds from operations</b>	<b>6.9</b>	<b>17.8</b>	<b>-61.2%</b>
(Increase) / decrease in working capital	6.3	(0.5)	N.A.
Other items (taxes, dividends, etc.)	(4.2)	(1.3)	223.1%
<b>Operating cash flow</b>	<b>9.0</b>	<b>16.0</b>	<b>-43.8%</b>
Investing cash flow	10.7	(28.6)	-137.4%
<b>Cash flow from business operations</b>	<b>19.7</b>	<b>(12.6)</b>	<b>-256.3%</b>
Financing cash flow	(5.2)	(8.2)	-36.6%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(22.8)	22.5	-201.3%
<b>(Increase) / decrease in net interest-bearing debt</b>	<b>(8.3)</b>	<b>1.7</b>	<b>N.A.</b>

<i>(million euro)</i>	<b>Mar. 12</b>	<b>Dec. 11</b>	<b>Chg. (M€)</b>
<b>Net interest-bearing debt</b>	<b>197.8</b>	<b>189.6</b>	<b>8.2</b>
<i>With recourse</i>	<i>197.8</i>	<i>189.6</i>	<i>8.2</i>
<i>Without recourse</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>

Operating cash flow amounted to 9 million euro in the quarter, down 43.8% with respect to 1Q11, due primarily to the decrease in funds from operations.

After applying financing cash flow and other changes, net interest-bearing debt increased by 4.3% to 197.8 million euro.



## 8. SHARE DATA

### 8.1 Share performance

	Jan. – Mar. 2012	Jan. - Mar. 2011
Closing price (euro)	16.75	23.36
<i>Appreciation</i>	<i>(16.4%)</i>	<i>18.8%</i>
<i>Yield*</i>	<i>(13.2%)</i>	<i>22.5%</i>
High (euro)	20.30	23.95
Low (euro)	16.44	17.53
Average daily trading (shares)	401,845	687,111
Average daily trading (million euro)	7.4	14.8
Market capitalisation (million euro)	2,132	2,974
No. of shares outstanding	127,303,296	127,303,296
Basic EPS	0.14	0.35

\*Includes dividend payment.

### 8.2 Dividends

At a meeting on 15 December 2011, the Board of Directors declared an interim dividend of 0.650 euro gross per share charged to 2011 income; it was paid on 10 January 2012.

### 8.3 Own shares

At 31 March 2011, the FCC Group held a total of 12,699,512 own shares directly and indirectly (9.976% of the company's capital).

Almost all of the own shares are held to cover the risk of shareholder dilution arising from a 450 million euro convertible bond issued in October 2009.

On 30 November 2009, the Extraordinary Shareholders' Meeting approved a programme to buy back shares of the Company for the sole purposes of:

- Meeting obligations to deliver own shares as a result of the convertible bond issue.
- Reducing capital by amortising shares acquired under the programme or already held in treasury stock.

In view of the number of own shares held at the end of the first quarter of 2012 and the number of shares needed to cover the potential conversion of bonds (i.e. 9.22% of capital stock), the risk of shareholder dilution as a result of the convertible bond issue is practically eliminated.

## 9. DISCLAIMER

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## 10. CONTACT DETAILS

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### FINANCE DEPARTMENT

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#### DEPARTMENT OF INVESTOR RELATIONS

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