Dow Jones Sustainability Indexes

FTSE4Good

Infrastructure

Services

Energy

FCC

Services for Citizens

1H10
EARNINGS REPORT

Interstate 95 in Miami received FTBA 2010 Best in Construction award

1. HIGHLIGHTS

FCC Construction increases exposure to railway projects in Spain and other countries

FCC Group has obtained major railway project contracts amounting to more than 1,600 million euro. In May, a consortium led by FCC was awarded the contract to build a high-performance railway line in northern Algeria, valued at 935 million euro. The execution period is 54 months. Alpine, FCC's main construction company in Central Europe obtained a contract in February to build a city railway tunnel in Karlsruhe (Germany) for 310 million euro.
The group obtained a number of civil engineering projects in Spain, including the Bergara-Antzuola section of the new railway network in the Basque Country, valued at more than 106 million euro, and construction of railway station accesses in Sagrera, Barcelona, valued at 223 million euro.

Aqualia obtains new contracts worth 600 million euro.

Aqualia, the leading Spanish-owned end-to-end water management company, obtained various contracts in the first six months of the year valued at close to 600 million euro. The company clinched two end-to-end water management contracts in Portugal: in Cartaxo (35 years) and in Fundao (30 years), providing a backlog of more than 277 million euro and 190 million euro, respectively. Aqualia also obtained new contracts in Spain, notably in Castilla y León and Castilla-La Mancha, providing a backlog in excess of 127 million euro. In February, the company closed financing for its first public-private partnership in Egypt for the design, construction and management (during 20 years) of a wastewater treatment plant in Cairo, representing 360 million euro in revenues.

FCC consortium lands D1 toll road construction and management contract worth over 1,990 million euro

FCC, in a 50:50 joint venture with Alpine, obtained the contract for a section of the D1 toll road in Slovakia.The 1,990 million euro contract covers construction of the road (including 10.6 km of tunnels and 7.6 km of bridges) and subsequent management. The road is part of the Trans-European Transport Network (TEN-T) and is the country's primary transverse highway, connecting it with Austria and Eastern Europe.
FCC Construction was awarded a contract by the Panama Canal Authority to build the new access channel from the Pacific to the Panama Canal, worth 187 million euro.

FCC strengthens its foothold in end-to-end municipal solid waste treatment

FCC Services will provide municipal solid waste collection, street cleaning, a recycling centre, and beach cleaning in Castellón de la Plana for 15 years; the backlog amounts to 210 million euro.Through its UK subsidiary Waste Recycling Group (WRG), it was awarded a 7-year contract to manage municipal solid waste collection in Thurrock and subsequent treatment in Energy from Waste (EfW) plants. The waste will be compacted prior to being sent to a energy-from-waste in Allington (Kent) or to a landfill.

FCC sells underground car parks for 120 million euro

In June, the company agreed to sell 31 underground car parks (4 of which are under construction) to a financial investor for 120 million euro. This deal is part of the company's strategy to actively manage group assets, the goal being to strengthen its competitive position in areas where it is a leader: environmental services and infrastructure. Execution and accounting will be settled in the second half of the year.

2. EXECUTIVE SUMMARY

- NET ATTRIBUTABLE PROFIT increased 5.9% to 101.2 million euro
- The BACKLOG increased **by** 6.3% **to** 36,713.3 million euro; the international backlog expanded by 18.6% with respect to December 2009
- REVENUES FROM OUTSIDE SPAIN accounted for 43.8% of the total, 0.7 percentage points more than in 1H09
- EBITDA reached 666 million euro, with a margin improvement of 0.3 percentage points to 11.7%
- EBITDA in Services and Energy areas increased 7% and represents 56.8% of total

The 5.9% net attributable profit increase in the first half of the year, to 101.2 million euro, is due to better revenues and profitability in the second quarter compared with the first.

This improvement is attributable to various factors. Revenues increased by 7% in the areas of environmental services, municipal services and renewable energies, which are recurring and are experiencing an increase in demand. The increase in profitability has enabled the company to steadily improve the consolidated EBITDA margin to 11.7% (11.4% last year). Moreover, the effect of winter weather, which was especially harsh in the first quarter, diminished in the second quarter, enabling the Infrastructure and Cement divisions to gradually recover in profitability.

The international backlog expanded with respect to December 2009; the company is on its way to achieving its target of obtaining more than 60% of revenues from outside Spain (currently 44%).

KEY FIGURES

(million euro)	Jun. 10	Jun. 09	Change (%)
Net sales	5,715.8	6,011.1	-4.9%
EBITDA	666.0	685.1	-2.8%
EBITDA margin	*11.7%*	*11.4%*	*0.3 p.p.*
EBIT	313.2	328.4	-4.6%
EBIT margin	*5.5%*	*5.5%*	*0.0 p.p.*
Earnings before taxes (EBT) from continuing activities	143.8	159.5	-9.8%
Income attributable to equity holders of parent company	101.2	95.6	5.9%
Operating cash flow	(72.3)	266.1	-127.2%
Investing cash flow	(221.3)	(685.5)	-67.7%

(million euro)	Jun. 10	Dec. 09	Change (%)
Equity (excl. minority interests)	2,417.3	2,483.8	-2.7%
Net interest-bearing debt	(8,572.4)	(7,655.2)	12.0%
Backlog	36,713.3	34,547.5	6.3%

3. SUMMARY BY BUSINESS AREA *(million euro)*

Area	Jun. 10	Jun. 09	Chg. (%)	% of 2010 total	% of 2009 total
REVENUES					
Environmental services	1,789.7	1,718.5	4.1%	31.3%	28.6%
Construction	3,066.3	3,331.8	-8.0%	53.6%	55.4%
Cement	435.4	537.3	-19.0%	7.6%	8.9%
Versia	404.1	396.8	1.8%	7.1%	6.6%
Energy	45.2	39.7	13.9%	0.8%	0.7%
Torre Picasso	12.5	13.2	-5.3%	0.2%	0.2%
Other	(37.4)	(26.2)	42.7%	-0.7%	-0.4%
Total	**5,715.8**	**6,011.1**	**-4.9%**	**100.0%**	**100.0%**
REVENUES IN SPAIN					
Environmental services	1,153.1	1,123.2	2.7%	35.9%	32.9%
Construction	1,461.6	1,608.8	-9.1%	45.5%	47.1%
Cement	300.3	386.8	-22.4%	9.4%	11.3%
Versia	274.7	272.8	0.7%	8.6%	8.0%
Energy	45.2	39.7	13.9%	1.4%	1.2%
Torre Picasso	12.5	13.2	-5.3%	0.4%	0.4%
Other	(37.3)	(26.2)	42.4%	-1.2%	-0.8%
Total	**3,210.1**	**3,418.3**	**-6.1%**	**100.0%**	**100.0%**
INTERNATIONAL REVENUES					
Environmental services	636.6	595.3	6.9%	25.4%	23.0%
Construction	1,604.7	1,723.0	-6.9%	64.0%	66.5%
Cement	135.1	150.5	-10.2%	5.4%	5.8%
Versia	129.4	124.1	4.3%	5.2%	4.8%
Other	0.0	0.0	N,S,	N,S,	N,S,
Total	**2,505.8**	**2,592.9**	**-3.4%**	**100.0%**	**100.0%**
EBITDA					
Environmental services	296.3	288.9	2.6%	44.5%	42.2%
Construction	174.6	182.2	-4.2%	26.2%	26.6%
Cement	109.6	150.3	-27.1%	16.5%	21.9%
Versia	47.9	33.7	42.1%	7.2%	4.9%
Energy	34.4	31.3	9.9%	5.2%	4.6%
Torre Picasso	10.7	11.2	-4.5%	1.6%	1.6%
Other	(7.5)	(12.5)	-40.0%	-1.1%	-1.8%
Total	**666.0**	**685.1**	**-2.8%**	**100.0%**	**100.0%**

Area	Jun. 10	Jun. 09	Chg. (%)	% of 2010 total	% of 2009 total
EBIT					
Environmental services	137.7	133.5	3.1%	44.0%	40.7%
Construction	118.9	122.0	-2.5%	38.0%	37.1%
Cement	39.3	72.4	-45.7%	12.5%	22.0%
Versia	6.9	(6.4)	-207.8%	2.2%	-1.9%
Energy	11.1	11.9	-6.7%	3.5%	3.6%
Torre Picasso	8.7	9.3	-6.5%	2.8%	2.8%
Other	(9.4)	(14.3)	-34.3%	-3.0%	-4.4%
Total	313.2	328.4	-4.6%	100.0%	100.0%
OPERATING CASH FLOW					
Environmental services	129.0	279.3	-53.8%	-178.4%	105.0%
Construction	(353.4)	(409.5)	-13.7%	488.8%	-153.9%
Cement	76.7	178.6	-57.1%	-106.1%	67.1%
Versia	41.2	34.8	18.4%	-57.0%	13.1%
Energy	41.9	32.3	29.7%	-58.0%	12.1%
Other	(7.7)	150.6	-105.1%	10.7%	56.6%
Total	(72.3)	266.1	-127.2%	100.0%	100.0%

Area	Jun. 10	Dec. 09	Chg. (%)	% of 2010 total	% of 2009 total
NET DEBT					
Environmental services	4,338.4	4,192.4	3.5%	50.6%	54.8%
Construction	941.5	413.7	127.6%	11.0%	5.4%
Cement	1,455.5	1,419.3	2.6%	17.0%	18.5%
Versia	473.1	459.4	3.0%	5.5%	6.0%
Energy	914.7	905.4	1.0%	10.7%	11.8%
Others*	449.2	265.0	69.5%	5.2%	3.5%
Total	8,572.4	7,655.2	12.0%	100.0%	100.0%
BACKLOG					
Environmental services	26,163.8	23,691.2	10.4%	71.3%	68.6%
Construction	10,549.5	10,856.3	-2.8%	28.7%	31.4%
Total	36,713.3	34,547.5	6.3%	100.0%	100.0%

* THE FIGURE INCLUDES, AMONG OTHERS, FINANCING FOR ASSETS IN THE INFRASTRUCTURE CONCESSIONS.

4. INCOME STATEMENT

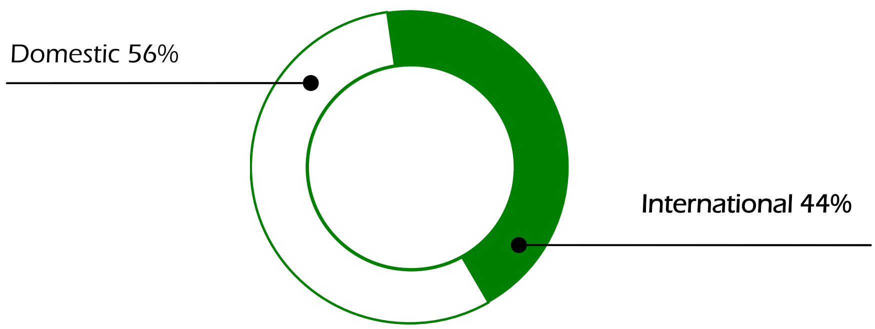
(million euro)	Jun. 10	Jun. 09	Change (%)
Net sales	**5,715.8**	**6,011.1**	**-4.9%**
EBITDA	**666.0**	**685.1**	**-2.8%**
EBITDA margin	***11.7%***	***11.4%***	***0.3 p.p.***
Depreciation and amortisation	(353.0)	(360.0)	-1.9%
Other operating income	0.1	3.3	-97.0%
EBIT	**313.2**	**328.4**	**-4.6%**
EBIT margin	***5.5%***	***5.5%***	***0.0 p.p.***
Financial income	(172.0)	(157.3)	9.3%
Equity-accounted companies	(2.4)	(27.1)	-91.1%
Other financial results	4.9	15.5	-68.4%
Earnings before taxes (EBT) from continuing activities	**143.8**	**159.5**	**-9.8%**
Corporate income tax expense	(35.9)	(49.4)	-27.3%
Minority interest	(6.6)	(14.4)	-54.2%
Income attributable to equity holders of parent company	**101.2**	**95.6**	**5.9%**

4.1 Revenues

Consolidated revenues amounted to 5,715.8 million euro in the first half of 2010, down 4.9% year-on-year. Quarterly performance reflects a gradual improvement: revenues declined by 7.2% in the first quarter and by just 2.9% in the second quarter. The Environmental, Municipal Services and Energy divisions consolidated their growth, in line with the trend in the first quarter, while Construction and Cement attenuated the decline caused by reduced activity, which includes the effects of adverse weather conditions experienced in the first quarter in the main areas where the company operates (Central Europe and Spain for Construction, plus USA for the Cement division).

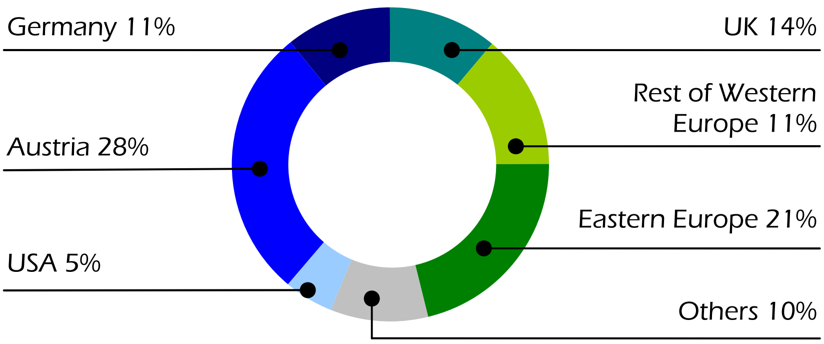
The international area continued to increase its contribution, accounting for 43.8% of group revenues, compared with 43.1% in 2009.Revenues from the international market declined by 3.4%, compared with the Spanish market, which fell 6.1%, due in part to the impact of the harsh winter weather on Construction and Cement activities.

Revenues by Region



Europe (other than Spain), where FCC has a strong presence in infrastructure and environmental services, accounts for 85% of total foreign revenues. The "Others" caption reflects the group's selective activity in the fast-growing economies of Southeast Asia (China, India and Singapore), Latin America and North Africa.

International Revenue Breakdown

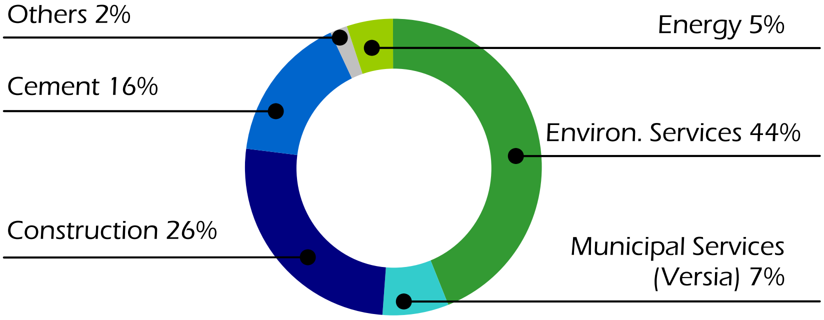


4.2 EBITDA

EBITDA totalled 666 million euro in the quarter, while the EBITDA margin improved by 0.3 percentage points to 11.7%, compared with 11.4% in the first half of 2009.

The increase in operating profit is attributable to the strict ongoing cost control and efficiency policy. In particular, margins improved in the Municipal Services and Construction divisions and were stable in Environmental Services and Energy, offsetting the decline in Cement.

EBITDA by business area



Recurring activities such as Environmental Services, Municipal Services and Renewable Energies increased their contribution to EBITDA in the first half of the year, accounting for 56.8% of the total.

4.3 EBIT

The improvement in operating profit provided the company with EBIT of 313.2 million euro, following a slight 1% reduction in the depreciation charge and other operating profit in the period, which will foreseeably exhibit negligible change in the remainder of the year.

The depreciation charge includes 44.6 million euro (43.4 million euro in 1H09) related to assets that were stepped up on inclusion in the FCC Group.

4.4 Earnings before taxes (EBT) from continuing activities

EBT amounted to 143.8 million euro, after including the following items in EBIT:

4.4.1 Financial income

Net financial expenses amounting to 172 million euro from financial debt, and 4.9 million euro in other financial results due to foreign exchange gains.

4.4.2 Equity-accounted affiliates

The negative contribution from equity-accounted companies improved, to 2.4 million euro, compared with 27.1 million euro in 2009. This section reflects the improved performance by Realia and companies in the Services divisions. Global Via (GVI) provided a negative contribution (5.4 million euro), in line with the nature and youth of the assets in its long-term infrastructure concessions.

4.5 Profit attributable to equity holders of the parent company

Net attributable profit amounted to 101.2 million euro in the first six months of 2010, a 5.9% increase. That improvement is attributable to:

4.5.1 Corporate income tax expense

The corporate income tax expense declined by 13.5 million euro with respect to the same period of 2009.

4.5.2 Minority interest

Income attributable to minority interests fell by 7.8 million euro in the year, due primarily to a decline in earnings in the Cement division.

5. BALANCE SHEET

(million euro)	Jun. 10	Dec. 09	Change (M€)
Intangible assets	4,581.6	4,462.3	119.3
Property, plant and equipment	6,256.0	6,221.6	34.4
Equity-accounted affiliates	1,131.1	1,145.8	(14.7)
Non-current financial assets	423.5	404.0	19.5
Deferred tax assets and other non-current assets	551.5	599.2	(47.7)
Non-current assets	**12,943.8**	**12,832.8**	**111.0**
Inventories	1,172.0	1,103.3	68.7
Trade and other accounts receivable	5,519.5	5,373.0	146.5
Other current financial assets	218.5	231.0	(12.5)
Other current assets	84.9	66.2	18.7
Cash and cash equivalents	1,445.4	1,654.5	(209.1)
Current assets	**8,440.3**	**8,427.9**	**12.4**
TOTAL ASSETS	**21,384.1**	**21,260.7**	**123.4**
Equity attributable to equity holders of parent company	2,417.3	2,483.8	(66.5)
Minority interest	655.7	652.7	3.0
Equity	**3,073.0**	**3,136.5**	**(63.5)**
Subsidies	103.9	85.7	18.2
Non-current provisions	925.0	906.5	18.5
Long-term financial debt	6,345.9	7,861.9	(1,516.0)
Other non-current financial liabilities	603.0	531.7	71.3
Deferred tax liabilities and other non-current liabilities	1,210.6	1,234.2	(23.6)
Non-current liabilities	**9,188.3**	**10,620.0**	**(1,431.7)**
Current provisions	109.8	110.8	(1.0)
Short-term financial debt	3,351.1	1,218.8	2,132.3
Other current financial liabilities	208.4	268.7	(60.3)
Trade and other accounts payable	5,431.3	5,896.8	(465.5)
Other current liabilities	22.3	9.1	13.2
Current liabilities	**9,122.8**	**7,504.2**	**1,618.6**
TOTAL LIABILITIES	**21,384.1**	**21,260.7**	**123.4**

5.1 Equity-accounted affiliates

The investment in equity-accounted companies (1,131.1 million euro) comprises mainly the following:

1) 474.5 million euro corresponding to the 50% stake in Global Vía (infrastructure concessions)
2) 148.5 million euro corresponding to the 30% stake in Realia (real estate)
3) 47.2 million euro corresponding to concession companies not contributed to Global Vía
4) 42.6 million euro corresponding to the 50% stake in Proactiva Group (Environmental Services)

Accordingly, the carrying value of FCC's holdings in infrastructure concessions amounted to 587.3 million euro at the end of June 2010. That figure includes the value attributable to FCC for its 50% stake in GVI (474.5 million euro) and the value of its holdings in other concession companies, both equity-accounted (47.2 million euro) and fully consolidated, the latter being in the ramp-up phase (65.6 million euro).

5.2 Equity

Equity attributable to the parent company amounted to 2,417.3 million euro, a decrease of 66.5 million euro with respect to 2009 year-end, following the allocation of consolidated income for the period (101.2 million euro) together with other items, due to the advance payment in June of the 2009 supplementary dividend, for a total of 184.5 million euro.

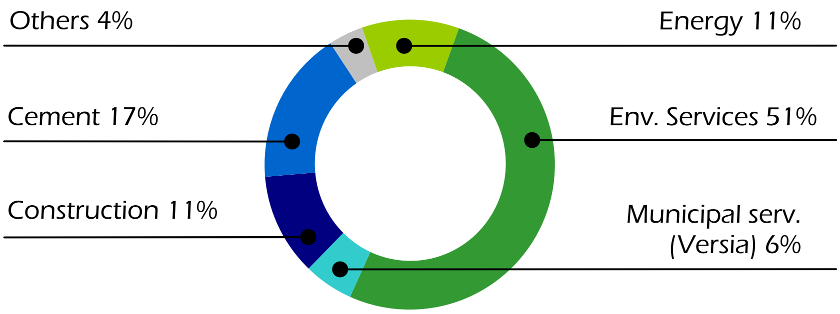
5.3 Net interest-bearing debt

(million euro)	Jun. 10	Dec. 09	Change (M€)
Bank debt	9,114.9	8,517.4	597.5
With recourse	*6,595.6*	*5,970.4*	*625.2*
Without recourse	*2,519.2*	*2,547.0*	*(27.8)*
Debt instruments and other loans	582.1	563.3	18.8
Accounts payable due to financial leases	180.7	171.6	9.1
Derivatives and other financial liabilities	358.8	288.3	70.5
Gross interest-bearing debt	**10,236.4**	**9,540.6**	**695.8**
Cash and other financial assets	(1,664.0)	(1,885.4)	221.4
Net interest-bearing debt	**8,572.4**	**7,655.2**	**917.2**
With recourse	*5,661.0*	*4,773.4*	*887.6*
Without recourse	*2,911.4*	*2,881.8*	*29.6*

At 30 June, net interest-bearing debt amounted to 8,572.4 million euro, i.e. 917.2 million euro more than at 31 December 2009, due primarily to a 740.8 million euro increase in working capital in the first six months of the year (669 million euro in the first quarter and 71.8 million euro in the second quarter). Working capital experiences seasonal fluctuations, particularly in the Construction division, rising in the first half of the year and then declining, in line with the projected faster pace of project execution.

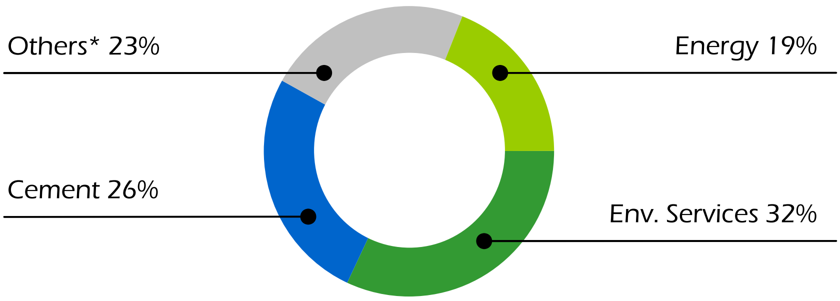
The breakdown of debt by business area reflects the earnings-generating capacity of each activity, along with their earnings visibility and asset volume. Services and Energy together account for 68% of net debt, connected to stable, regulated long-term public utility contracts. Cement, a business which accounts for a large proportion of fixed assets on the balance sheet and is strongly cash-generative, accounts for 17% of total net debt. Construction accounts for 11%.

Net debt, by area



Moreover, 2,911.4 million euro of net debt (34% of the total) are without recourse.

Net debt without recourse, by area



* Others includes the subordinated convertible bonds.

5.4 Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities amounted to 811.4 million euro and includes 180.7 million euro in accounts payable due to financial leases, 358.8 million euro in financial derivatives and other financial liabilities, and 271.9 million euro in financial liabilities that do not accrue interest for the group and are not considered interest-bearing debt.

6. CASH FLOW

(million euro)	Jun. 10	Jun. 09	Change (%)
Funds from operations	698.0	687.9	1.5%
(Increase)/decrease in working capital	(740.8)	(366.2)	102.3%
Other items (taxes, dividends, etc.)	(29.5)	(55.6)	-46.9%
Operating cash flow	**(72.3)**	**266.1**	**-127.2%**
Investment cash flow	**(221.3)**	**(685.5)**	**-67.7%**
Cash flow from business operations	(293.6)	(419.4)	-30.0%
Financing cash flow	**(381.8)**	**(341.5)**	**11.8%**
Other cash flow (change in consolidation scope, etc.)	**(241.9)**	**(740.9)**	**-67.4%**
(Increase) / decrease in net interest-bearing debt	**(917.3)**	**(1,501.8)**	**-38.9%**

6.1 Operating cash flow

Operating cash flow increased to 698 million euro, i.e. 1.5% more than in 2009; this growth was offset by the 740.8 million euro increase in working capital, primarily in the Construction and Environmental divisions, which reduced operating cash flow by 72.3 million euro.

There was a notable difference in performance between the two quarters: in 1Q10, operating cash flow totalled -370.7 million euro, whereas in the 2Q10 it was 298.4 million euro, due to the sharp increase in cash flow and a limited increase in working capital.

The variation in working capital by business area in the period is as follows:

(Million euro)	Jun.10
Construction	(524.3)
Environmental services	(169.5)
Versia	(8.7)
Cement	(29.4)
Energy and adjustments	(8.9)
Total (Increase)/ decrease in working capital	**(740.8)**

The increase in operating finance needs is due in large part to the significant reduction in trade and other accounts payable, which is expected to rise considerably (especially in the Construction division) as the year advances.

6.2 Investing cash flow

Net investments declined by 67.7% with respect to the first half of 2009, to 221.3 million euro. Investment last year included 215.4 million euro for the equity of 14 wind farms, and 170.9 million euro for the acquisition of 8.3% of Corporación Uniland by the Cement area.

6.3 Financing cash flow

In the period, cash outflow due to financing transactions was 381.8 million euro. In addition to debt servicing, this item includes 184.5 million euro in dividends and 69.0 million euro for the net acquisition of own securities. The entire 2009 dividend was distributed in the first half of 2010; in contrast, in the first half of 2009 only the interim dividend was distributed and the supplementary dividend was paid in the second half of the year.

6.4 Other cash flow

This item, amounting to 241.9 million euro, mainly reflects the effect of exchange differences in 1H10 (137 million euro). In 1H09, this item included the interest-bearing debt on the wind assets acquired in January 2009, amounting to 569 million euro.

7. BUSINESS PERFORMANCE

7.1 Environmental services

7.1.1 Earnings

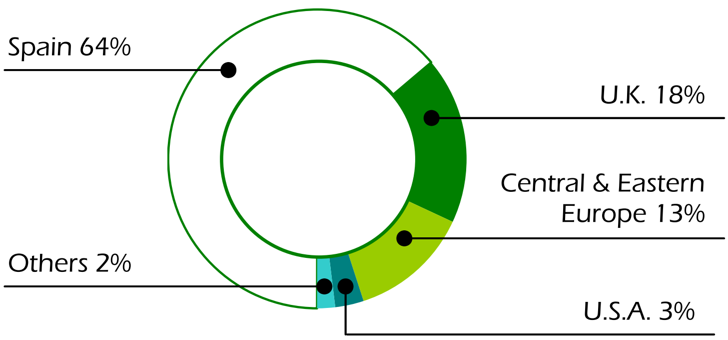
(million euro)	Jun. 10	Jun. 09	Change
Revenues	1,789.7	1,718.5	4.1%
Spain	*1,153.1*	*1,123.2*	*2.7%*
International	*636.6*	*595.3*	*6.9%*
EBITDA	296.3	288.9	2.6%
EBITDA margin	16.6%	16.8%	*-0.2 p.p.*
EBIT	137.7	133.5	3.1%
EBIT margin	7.7%	7.8%	*-0.1 p.p.*

The Environmental Services division saw solid growth in Environmental and Water activities, in addition to a recovery in Industrial Waste. Revenues in the division increased 4.1% in the first six months of 2010; all lines of the business made a positive contribution.

(million euro)	Jun. 10	Jun. 09	Change
Revenues Domestic	1.153,1	1.123,2	2,7%
Environment	*750,3*	*730,9*	*2,7%*
Water	*325,5*	*322,6*	*0,9%*
Industrial Waste	*77,4*	*69,7*	*11,0%*
Revenues International	636,6	595,3	6,9%
Environment	*498,3*	*479,6*	*3,9%*
Water	*86,2*	*72,4*	*19,1%*
Industrial Waste	*52,1*	*43,2*	*20,6%*

International markets performed positively in all activities; revenues rose 6.9% in the period and accounted for 36% of the area total.

International Revenue Breakdown



Environment Spain focuses on municipal waste management under long-term public service contracts and accounts for 42% of this area's revenues. It registered 2.7% growth in the first half of 2010 due to the expansion of some contracts (e.g. Barcelona) and the entry into service of some new contracts, such as the Alicante waste treatment plant, used tyre collection in Pamplona, and waste management and street cleaning in Telde.

International Environment area accounts for 28% of this area's revenues, obtained from municipal waste collection, recycling and abatement in the United Kingdom and Central and Eastern Europe. This area expanded by 3.9% during the period, supported by good business performance in Central and Eastern Europe, positively impacted by the entry into service of the Zistersdorf incinerator in Austria in the second quarter of 2009,and the increased activity at the Allington incinerator in United Kingdom during the second quarter.

The Water business focuses on public concession for end-to-end water management and water infrastructure concessions; it accounts for 23% of this area's revenues. This activity expanded by 4.2% during the period due to expansion in international markets (+19.1%), including major contracts such as the construction of two desalination plants in Algeria.

The Industrial Waste management business, which accounts for 7% of the division's revenues, registered 14.6% growth in the period (11.0% domestic;20.6% international) due to appreciation by the reference commodities (oil and paper).

EBITDA amounted to 296.3 million euro, and the EBITDA margin was 16.6%, i.e. similar to the same period of 2009.

This division also expanded its backlog by 10.4% with respect to the end of 2009, to an all-time high of 26,164 million euro, due to strong growth in international contracts; that figure is over seven times revenues obtained in the last 12 months.

7.1.2 Proactiva

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

During the first half, revenues amounted to 199.2 million euro, 2% more than in the same period of 2009 despite the adverse currency effect; EBITDA amounted to 33.4 million euro, and the EBITDA margin was 16.8%. Net interest-bearing debt amounted to 60.9 million euro at 30 June.

7.1.3 Cash flow

(Million euro)	Jun. 10	Jun. 09	Change
Funds from operations	326.1	281.4	15.9%
(Increase) / decrease in working capital	(169.5)	34.6	-589.9%
Other items (taxes. dividends. etc,)	(27.6)	(36.7)	-24.8%
Operating cash flow	**129.0**	**279.3**	**-53.8%**
Investment cash flow	(83.9)	(190.8)	-56.0%
Cash flow from business operations	**45.1**	**88.5**	**-49.0%**
Financing cash flow	(61.5)	(86.5)	-28.9%
Other cash flow (exchange differences. change in consolidation scope. etc,)	(129.7)	(79.9)	62.3%
(Increase) / decrease in net interest-bearing debt	**(146.0)**	**(77.9)**	**87.4%**

(Million euro)	Jun. 10	Dec. 09	Change (M€)
Net interest-bearing debt	4,338.4	4,192.4	146.0
With recourse	*3,402.2*	*3,289.2*	*113.0*
Without recourse	*936.2*	*903.2*	*33.0*

Funds from operations increased by 15.9% in the period to 326.1 million euro, offset by an increase in working capital, with the result that operating cash flow declined by 129.0 million euro.

Investing cash flow declined by 56.0% with respect to the first half of 2009, to 83.9 million euro, almost entirely for maintenance capex.

As a result, after deducting financing cash flow, net debt in the period increased by 16.4 million euro with respect to 31 December. The other 129.6 million are due primarily to exchange rate fluctuations and changes in consolidation scope.

7.2 Construction

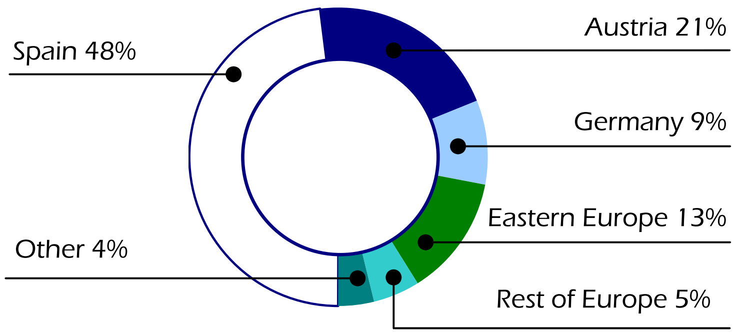
7.2.1 Earnings

(Million euro)	Jun. 10	Jun. 09	Change
Revenues	3,066.3	3,331.8	-8.0%
Spain	*1,461.5*	*1,608.8*	*-9.2%*
International	*1,604.8*	*1,723.0*	*-6.9%*
EBITDA	174.6	182.2	-4.2%
EBITDA margin	5.7%	5.5%	*0.2 p.p.*
EBIT	118.9	122.0	-2.5%
EBIT margin	3.9%	3.7%	*0.2 p.p.*

Revenue performance in the Construction area improved in the second quarter and partly offset the impact of particularly adverse weather during the winter; revenue was down 8.0% in the first half of the year, contrasting with an 11.8% decline in the first quarter.

Activities outside Spain now account for more than half (52%) of area revenue, primarily in Europe (90%) through local subsidiaries. Specifically, Austria accounted for 39% of international revenues, Germany for 18% and Eastern Europe for 24% (including notably Romania, 6%; Poland 5%; Croatia, 4% and Bulgaria 4%). The Americas and Asia (China, India and Singapore) accounted for 10%.

Revenue breakdown by region



Revenues obtained outside Spain amounted to 1,604.8 million euro in the first half, i.e. a 6.9% decline due mainly to the adverse weather in Central Europe last winter. Revenues fell by 4.8% in the second quarter after a decline of 9.8% in the first. Milder weather in the second half of the year plus the execution of major projects such as the Panama Canal, the Ribeiradio-Ermida dam in Portugal, the Vidin-Calafat bridge linking Bulgaria and Romania, and a hospital in Northern Ireland, indicate that international performance will be better in the remainder of the year.

Revenues in Spain amounted to 1,461.5 million euro. The reduction in activity is due to adapting the pace of work on projects to clients' financial capacity and, to a lesser extent, to the slowdown in private sector activity.

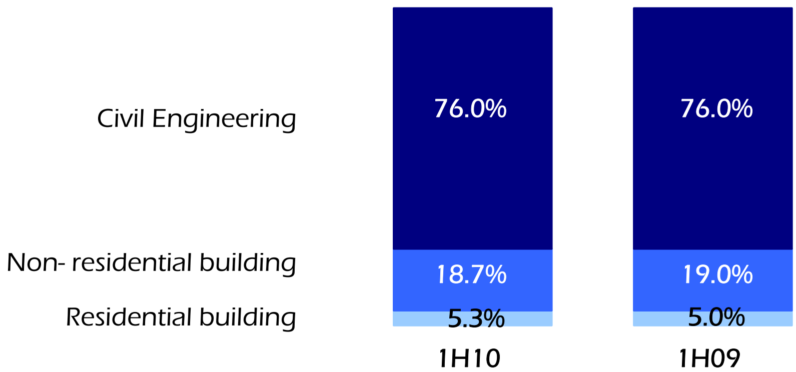
Revenue breakdown by project type			
(Million euro)	Jun. 10	Jun. 09	Change
Civil engineering	2,069.7	2,199.0	-5.9%
Non-residential building	754.1	783.0	-3.7%
Residential building	242.4	349.8	-30.7%
Total	**3,066.2**	**3,331.8**	**-8.0%**

Civil engineering, which is more complex and has greater added value, accounts for 68% of revenues and 76% of the total backlog.

Greater exposure to the construction of large infrastructure projects plus optimisation of procurement costs led to a 0.2-point increase in the EBITDA margin to 5.7% in the first half of 2010.

The international backlog is also growing steadily, having increased by 19% in the last 12 months, offsetting the deterioration in the domestic backlog.

Backlog breakdown by project type			
(Million euro)	Jun. 10	Jun. 09	Change
Civil engineering	8,019.4	8,081.7	-0.8%
Non-residential building	1,970.1	2,020.4	-2.5%
Residential building	560.0	531.7	5.3%
Total	**10,549.5**	**10,633.8**	**-0.8%**



7.2.2 Alpine

Alpine is the second-largest infrastructure construction group in Austria and one of the largest in Central and Eastern Europe; it accounts for 87% of this area's international revenues.

(Million euro)	Jun. 10	Jun. 09	Change
Revenues	1,392.1	1,542.6	-9.8%
EBITDA	39.9	62.6	-36.3%
EBITDA margin	2.9%	4.1%	*-1.2 p.p.*
EBIT	8.2	18.5	-55.8%
EBIT margin	0.6%	1.2%	*-0.6 p.p.*

Alpine's performance in the period, in terms of revenues and profits, broadly reflects the impact of particularly adverse weather conditions in the first quarter; this effect will be diluted over the full year.

The backlog also performed well, increasing by 5.7% with respect to June 2009.

7.2.3 Cash flow

(Million euro)	Jun. 10	Jun. 09	Change (%)
Funds from operations	**175.0**	**187.5**	**-6.7%**
(Increase) / decrease in working capital	(524.3)	(573.5)	-8.6%
Other items (taxes, dividends, etc.)	(4.1)	(23.5)	-82.6%
Operating cash flow	**(353.4)**	**(409.5)**	**-13.7%**
Investment cash flow	(101.0)	381.7	-126.5%
Cash flow from business operations	**(454.4)**	**(27.8)**	**N/S**
Financing cash flow	(20.5)	(35.6)	-42.4%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(53.0)	115.9	-145.7%
(Increase) / decrease in net interest-bearing debt	**(527.8)**	**52.5**	**N/S**

(Million euro)	Jun. 10	Dec. 09	Change (M€)
Net interest-bearing debt	**941.5**	**413.7**	**527.8**
With recourse	*927.1*	*407.6*	*519.5*
Without recourse	*14.4*	*6.1*	*8.3*

As regards cash flow, greater containment of working capital in the second quarter led to a reduction of 19 million euro with respect to the first quarter. As a result, the seasonal increase in working capital during the first half of the year was smaller than in the same period of 2009, contributing to a 56.1 million euro improvement in operating cash flow.

Investing cash flow amounted to 101 million euro in the period, contrasting with a positive balance of 381.7 million euro in the same period of 2009 as a result of the transfer of concessions amounting to 505.7 million euro.

As a result, the area's net debt was 527.8 million euro greater than at the end of 2009.

7.3 Cement

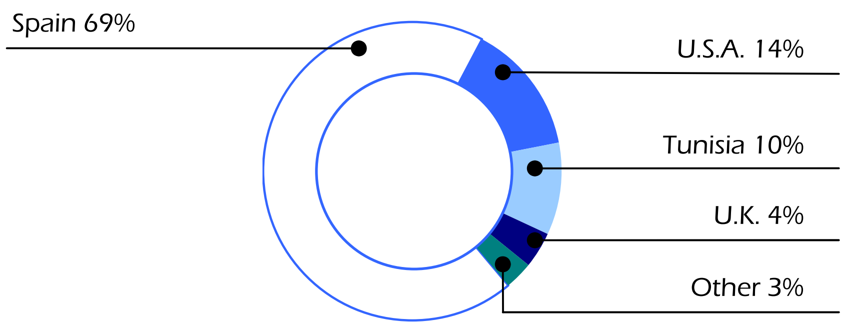
7.3.1 Earnings

(Million euro)	Jun. 10	Jun. 09	Change (%)
Revenues	435.4	537.3	-19.0%
Spain	*300.3*	*386.8*	*-22.4%*
International	*135.1*	*150.5*	*-10.2%*
EBITDA	109.6	150.3	-27.1%
EBITDA margin	*25.2%*	*28.0%*	*-2.8 p.p.*
EBIT	39.3	72.4	-45.7%
EBIT margin	*9.0%*	*13.5%*	*-4.4 p.p.*

There was a change in trend in the Cement business during the second quarter, following the adverse weather impact in the first quarter; as a result, revenues were down 19.0% year-on-year in the first half, compared with a 22.8% decline in the first quarter.

The improvement was more notable in the international markets where the group operates, such as the United States (where the projection of growth in cement consumption in line with economic recovery is being maintained) and Tunisia (where demand growth prospects remain favourable).

Revenue breakdown by region



The EBITDA margin also recovered in the second quarter, supported by growth in activity and implementation of the cost optimization plan (Plan 100+). Consequently, the EBITDA margin was 25.2% in the first half of 2010, 2.8 percentage points more than in the same period of 2009.

The area continues to expand the use of alternative fuels instead of fossil fuels in the plants in Spain. The level of substitution attained in the first half of 2010 ranged from 10% to 23% and the goal of 30% is being maintained for 2013, which will significantly reduce CO2 emissions and reduce fossil fuel consumption.

7.3.2 *Cash flow*

(Million euro)	Jun. 10	Jun. 09	Change (%)
Funds from operations	**113.4**	**154.2**	**-26.5%**
(Increase) / decrease in working capital	(29.4)	33.2	-188.6%
Other items (taxes, dividends, etc.)	(7.3)	(8.8)	-17.0%
Operating cash flow	**76.7**	**178.6**	**-57.1%**
Investment cash flow	2.2	(194.8)	-101.1%
Cash flow from business operations	**78.9**	**(16.2)**	**-587.0%**
Financing cash flow	(64.5)	(99.9)	-35.4%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(50.6)	1.4	N/S
(Increase) / decrease in net interest-bearing debt	**(36.2)**	**(114.7)**	**-68.4%**

(Million euro)	Jun. 10	Dec. 09	Change (M€)
Net interest-bearing debt	**1,455.5**	**1,419.3**	**36.2**
With recourse	*713.6*	*660.6*	*53.0*
Without recourse	*741.9*	*758.7*	*-16.8*

Operating cash flow in the Cement division declined by 101.9 million euro as a result of the combined effect of lower operating cash flow and higher working capital (due to greater fuel procurement and larger inventories of semi-finished products, which are expected to be reduced in the remainder of the year).

Additionally, capital expenditure was reduced by 192.6 million euro with respect to the figure in the first half of 2009, which included 170.9 million euro for the acquisition of 8.3% of Corporación Uniland.

This area's net debt increased by 36.2 million euro during the period as a result of the negative impact (43.9 million euro) of exchange rate fluctuations on the debt.

7.4 Versia

7.4.1 Earnings

(Million euro)	Jun. 10	Jun. 09	Change
Revenues	404.1	396.8	1.8%
Spain	*274.7*	*272.8*	0.7%
International	*129.4*	*124.1*	4.3%
EBITDA	47.9	33.7	41.8%
EBITDA margin	11.8%	8.5%	*3.3 p.p.*
EBIT	7.0	(6.4)	-208.7%
EBIT margin	1.7%	-1.6%	*3.3 p.p.*

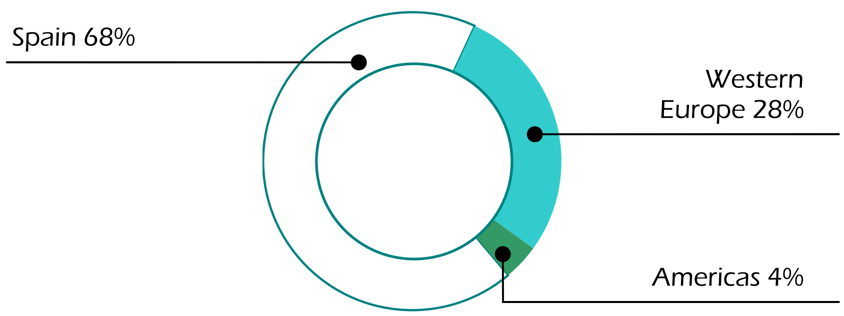
Revenues from Municipal Services (provided by Versia) improved notably, and the Logistics and Handling businesses are recovering steadily; this area consolidated the trend observed in the first quarter and registered 1.8% growth in overall revenues in the first half of 2010.

Breakdown of revenues by business

(Million euro)	Jun. 10	Jun. 09	Change
Logistics	141.7	145.2	-2.4%
Handling	111.2	110.5	0.7%
Urban Furniture	60.6	49.4	22.6%
Car Parks	37.7	37.9	-0.6%
Maintenance and Systems (M&S)	14.7	19.6	-24.9%
Vehicle Testing	28.2	25.9	8.9%
SVAT	10.0	8.4	19.1%
Total	**404.1**	**396.8**	**1.8%**

International revenues represented 32% of the total, mainly in Handling (where they accounted for 71% of revenues) and Urban Furniture (51%).

Revenue breakdown by region



EBITDA increased by 41.8% to 47.9 million euro and the EBITDA margin recovered by 3.3 percentage points to 11.8%. Urban Furniture is the activity that contributed most to the improvement in the margin because of the incipient recovery in demand for advertising space and the progressive optimisation of the operating expenses. The Handling and Maintenance businesses also saw an improvement in the EBITDA margin as a result of cost optimisation measures.

7.4.2 Cash flow

(Million euro)	Jun. 10	Jun. 09	Change
Funds from operations	**48.4**	**33.0**	**46.7%**
(Increase) / decrease in working capital	(8.7)	3.4	-355.9%
Other items (taxes, dividends, etc.)	1.5	(1.6)	-193.8%
Operating cash flow	**41.2**	**34.8**	**18.4%**
Investment cash flow	(18.9)	(19.5)	-3.1%
Cash flow from business operations	**22.3**	**15.3**	**45.8%**
Financing cash flow	(8.8)	(10.2)	-13.7%
Other cash flow (change in consolidation scope, etc.)	(27.2)	3.1	N/S
(Increase) / decrease in net interest-bearing debt	**(13.7)**	**8.2**	**-267.1%**

(Million euro)	Jun. 10	Dec. 09	Change (M€)
Net interest-bearing debt	**473.1**	**459.4**	**13.7**
With recourse	*473.1*	*459.4*	*13.7*
Without recourse	*0.0*	*0.0*	*0.0*

Operating cash flow increased by 18.4% in the period to 41.2 million euro as a result of growth in funds from operations.

Nevertheless, this improvement was offset mainly by exchange differences; as a result, net debt at mid-year had increased slightly, by 13.7 million euro.

7.5 Energy

7.5.1 Earnings

(Million euro)	Jun. 10	Jun. 09	Change
Revenues	45.2	39.7	13.9%
EBITDA	34.4	31.3	9.9%
EBITDA margin	*76.1%*	*78.8%*	*-2.7 p.p.*
EBIT	11.1	11.9	-6.7%
EBIT margin	*24.6%*	*30.0%*	*-5.4 p.p.*

The Energy area increased revenues by 14% to 45.2 million euro as a result of higher wind power production in the first half of 2010, while average sale prices remained practically stable.

Wind power accounted for 85% of this area's revenues, and attained a load factor of 26.4% (21.9% in 1H09), while solar photovoltaic accounted for the other 15%, with a load factor of 16.3% (17.0% in 1H09).

The slight decline in the margin to 76.1% is due to the lower load factor of the photovoltaic plants in the period and new project start-up costs.

7.5.2 Cash flow

(Million euro)	Jun. 10	Jun. 09	Change (%)
Funds from operations	**34.4**	**31.3**	**9.9%**
(Increase) / decrease in working capital	5.6	1.1	-409.1%
Other items (taxes, dividends, etc.)	1.9	(0.1)	N/S
Operating cash flow	**41.9**	**32.3**	**29.7%**
Investment cash flow	(17.1)	(216.0)	-92.1%
Cash flow from business operations	**24.8**	**(183.7)**	**-113.5%**
Financing cash flow	(13.7)	(20.5)	-33.2%
Other cash flow (change in consolidation scope, etc.)	(20.4)	(568.4)	-96.4%
(Increase) / decrease in net interest-bearing debt	**(9.3)**	**(772.6)**	**-98.8%**

(Million euro)	Jun. 10	Dec. 09	Change (M€)
Net interest-bearing debt	**914.7**	**905.4**	**9.3**
With recourse	*362.7*	*355.1*	*7.6*
Without recourse	*552.0*	*550.3*	*1.7*

With regard to interyear comparisons in the Energy unit, it's important to note that 784 million euro were spent to acquire 14 wind farms in the first quarter of 2009.

7.6 Torre Picasso

7.6.1 Earnings

(Million euro)	Jun. 10	Jun. 09	Change
Revenues	12.5	13.2	-5.5%
EBITDA	10.7	11.2	-5.0%
EBITDA margin	*85.6%*	*85.2%*	*0.4 p.p.*
EBIT	8.7	9.3	-7.0%
EBIT margin	*69.4%*	*70.5%*	*-1.1 p.p.*

Revenues at Torre Picasso declined by just 0.7 million euro with respect to 1H09 as a result of the rent review in the period. Occupancy was practically 100% in 1H10.

8. SHARE DATA

8.1 Share performance

	Jan. - June 2010	Jan. – June 2009
Closing price (euro)	17.635	29.210
Appreciation	*(40.1%)*	*25.2%*
*Yield**	*(35.3%)*	*28.6%*
High (euro)	31.980	29.210
Low (euro)	17.635	18.38
Average daily trading (shares)	701,620	415,557
Average daily trading (million euro)	16.8	10.0
Market capitalisation at end of period (million euro)	2,245	3,719
No. of shares outstanding	127,303,296	127,303,296
Basic EPS	0.87	0.77

*Includes dividend payment,

8.2 Dividends

At a meeting on 17 December 2009, the Board of Directors declared an interim dividend of 0.715 euro gross per share; it was paid on 12 January 2010.

Subsequently, in accordance with the decision by the General Meeting of Shareholders on 27 May 2010, the supplementary 2009 dividend, amounting to 0.715 euro per share, was paid on 7 June 2010.

8.3 Own shares

At the end of June 2010, the FCC Group held a total of 12,241,130 own shares directly and indirectly (9.616% of the company's capital).

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 four hundred fifty million euro convertible bond issue
- and 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 June and the number of shares needed to cover the potential conversion of bonds (i.e. 9.108% of capital stock), the risk of shareholder dilution as a result of the convertible bond issue is completely eliminated.

9. 2H2010 MAIN PERSPECTIVES, RISKS AND UNCERTAINTIES

The FCC Group operates in a range of industries, countries and legal environments which give rise to different levels of risk inherent to the businesses in which it operates.

The FCC Group manages these risks using tools to identify them in advance and avoid them or minimise their impact. These instruments include planning for bidding mechanisms, contracting for works and services, managing environmental impacts, and the quality of products, services and human resources. In this way, the Group controls risks that may impair earnings or jeopardise its employees, customers, suppliers or its corporate image and, ultimately, the company as a whole and the return for shareholders.

In addition to the risks inherent in the businesses in which FCC operates, the group is exposed to a range of financial risks as a result of variations in interest rates, exchange rates, liquidity and credit. The plans for monitoring these risks in the second half of the year do not differ from the control systems described in detail in the FCC Group's consolidated financial statements for 2009.

Below are detailed the prospects and risks inherent in the main business areas:

The revenue risk is managed via the backlog of projects awarded and pending execution and of services pending delivery. At the end of the first half of 2010, the backlog amounted to 36,713.3 million euro, providing visibility for the activity in the remainder of the year.

The main objective of the **Environmental Services** area is to consolidate the market share it has attained. This area's growth depends on contract renewals and expansions and on the start-up of new waste treatment plants. A moderate rate of growth is projected in Spain, on a very limited volume of investment. In the international arena, this division will continue its active policy of selective asset acquisitions and organic growth while consolidating the acquisitions made in Europe in previous years.

The **Industrial Waste** business must continue to incorporate new installations being built in Portugal and new contracts such as the soil decontamination contract for the Flix pond. The recovery by commodity prices will help maintain the growth in revenues registered in the first half of the year.

The **Water** business has enhanced its already-strong position in Spain and it is now established as the leading Spanish-owned end-to-end operator in this area. The division is expected to continue expanding internationally, supported by a growing backlog. It will continue to focus on international growth through agreements such as that reached with the EBRD to establish an investment vehicle which will bid for water projects in the EBRD's area of influence.

Versia is expected to maintain a moderate rate of growth, particularly in areas directly linked to consumer spending (Logistics), air travel (Handling) and advertising (Urban Furniture). It will continue to focus on optimising its operating structure and enhancing the profitability of new contracts, particularly in Urban Furniture and Logistics.

The **Construction** business will be supported by execution of the backlog, which amounted to 10,549.5 million euro at the end of June 2010 (i.e. 18 months' production). This performance will combine the growing international presence, where backlog increased by 19.2% at the end of the period to 4,738 million euro, with the limited impact of the announced measures to reduce public investment by Spanish Central Government and the Extraordinary Investment Plan (PEI) with the use of private financing, where the tendering of projects is expected to be launched next September.

The **Cement** division's projected performance will be shaped by the volume of construction in the countries and regions where it operates. Cement consumption for residential construction in Spain is expected to continue decelerating, in line with the trend observed in the first two quarters of the year. In the US, the launch of projects to build roads and other infrastructure should contribute to a recovery. Demand will be sustained in other international markets where the division operates, particularly in Tunisia.

One of the FCC Group's goals in its strategic plan is to strengthen activities related to environmental services and products, which includes the areas of energy efficiency and renewable energy. Accordingly, in the second half of 2010, FCC Energy plans to continue consolidating the investments in electricity generation assets and working on new development projects, particularly in solar thermal, in which the group has been pre-assigned two plants for development in the next few years.

Overall, based on information available to date, FCC does not expect to face situations of risk or uncertainty in the second half of the year that differ substantially from those faced in the first half.

10. DISCLAIMER

The interim financial information contained in this document has been reviewed in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the International Federation of Accountants (IFAC). The scope of a limited review is substantially narrower than that of an audit and, consequently, it does not provide assurance that all material issues that might be identified in an audit will come to our attention. The limited review conducted by the independent auditor did not disclose any aspect that implies that those consolidated financial statements were not prepared in accordance with the requirements of International Accounting Standard 34 (IAS 34); the auditor's report on limited review and the interim financial information is on file at the National Securities Market Commission in Madrid.

No liability whatsoever is assumed by the Company, its advisor or representatives, whether for negligence or otherwise, with respect to any loss or damage arising from any use whatsoever of this document or its contents.

This document does not constitute an offering or an invitation to acquire or subscribe shares in accordance with Act 24/1988, of 28 July, on the Securities Market, Royal Decree-Act 5/2005, of 11 March, and/or Royal Decree 1310/2005, of 4 November, and their implementing regulations.

Additionally, this document is neither an offer to buy nor a solicitation to purchase, sell or exchange shares, nor is it a request for any kind of vote or approval in any other jurisdiction.

Neither this document nor any part of it is contractually binding and may not be used or construed as constituting a contract or any other type of commitment.

11. CONTACT DETAILS

FINANCE DEPARTMENT	
DEPARTMENT OF INVESTOR RELATIONS	
> Postal address:	C/ Federico Salmón, 13. 28016 Madrid. Spain.
> Telephone:	902 109 845
> Fax:	+34 91 350 71 54
> Website:	www.fcc.es
> E-mail:	ir@fcc.es