FCC Citizen Services

Infrastructure

Services

1H2011
EARNINGS REPORT

Energy

Mock-up of the Guipuzcoa Waste Management Centre

1. HIGHLIGHTS

FCC obtained international infrastructure projects valued at over 2,200 million euro.

In the first six months of the year, FCC was awarded many large infrastructure contracts worldwide, valued at over 2,200 million euro.
Among railway contracts, FCC will build a 66-kilometre railway line in Algeria for 1,232 million euro. This is the second large railway contract awarded to FCC in Algeria, following the contract worth over 930 million euro obtained in May 2010. Other contracts include the construction of two tunnels and the Highway 407 station in the Toronto metro in Canada, for 304 million euro; construction of a section of line 5 of the Bucharest metro (Romania), for 267 million euro; and the design and construction of the tramway in Olsztyn (Poland), for 62.5 million euro.

FCC also obtained contracts for two new projects in Panama for the comprehensive refurbishment of several historic zones in Panama City, valued at 275 million euro, as well as a contract for the expansion of a chemical plant in Abu Dhabi for over 80 million euro.

FCC strengthened its environmental services backlog with new waste collection and treatment contracts

In April, FCC was awarded a 322 million euro contract to design, build, commission and operate a Waste Management Centre in Guipuzcoa for five years, extendible for additional periods of 5 years. The contract includes MBT and energy-from-waste plants together with ancillary facilities.

In January, San Sebastián city government chose FCC once again to provide municipal solid waste (MSW) collection, transport and related services in the city. The 10-year contract, which may be extended, represents total revenues of 46 million euro.

FCC signs several strategic agreements to develop electric mobility infrastructure

FCC signed a strategic agreement with Siemens to develop and implement electric mobility technology. FCC will participate in Siemens' research projects and will be responsible for implementing the necessary infrastructure in the future.

FCC also signed a partnership agreement with Citroën España and BlueMobility to promote electric vehicles in Spain. FCC will build the electrical installations for the charging points at Citroën vehicle dealerships, providing Automóviles Citröen España with battery charging equipment for its own fleet of electric and hybrid vehicles.

FCC Energy completes the financing for its first solar thermal energy plant

FCC Energy, together with its minority shareholder in one of its solar thermal plants, completed financing in March for the project via a 226 million euro project finance deal with a group of Spanish and Japanese institutions. The agreement is guaranteed by Japan's state insurance company (NEXI), which provides very advantageous long-term financial conditions.

New bond placement by Alpine, which heads the Group's international infrastructure business

In June, FCC's Austrian subsidiary, Alpine, successfully completed a 90 million euro bond issue with a 5.25% coupon. Strong demand led the company to increase the issue (originally 75 million euro). This is FCC Group's third bond issue in the last year and a half, and Alpine's second, after having successfully raised 100 million euro in June 2010.

2. EXECUTIVE SUMMARY

- **Net attributable profit increased 6.7% to** 100.9 million euro
- EBITDA reached 678.4 million euro (almost the same as in 2010) and **the EBITDA margin** improved notably by 0.5 percentage points to 12.4%
- EBITDA in the most recurring businesses, **Services and Energy, increased** 6% **and set a new 6-month record, representing 61.2% of the total**
- The **backlog expanded** 4.9% **to** 37,034.4 million euro; **projects outside Spain** increased 12.5% with respect to December 2010
- Revenues from outside Spain expanded by 8.3% and accounted for 49.5% of the total
- **Net debt declined by** 3% with respect to June 2010

Earnings in 1H11 reflect the positive performance of the more recurring businesses such as Services and Energy, where EBITDA expanded a notable 6.1%, almost completely offsetting the impact of the decline in activity in the Construction and Cement areas in Spain. This provided for 1.1% growth in the EBIT and a net attributable profit of 100.9 million euro, up 6.7% with respect to 1H10.

EBITDA improved sharply, with the result that the EBITDA margin also expanded, to 12.4%, due to gains in efficiency and to growth in the contribution from activities with greater added value, enhancing the Group's competitive position. The three strategic growth areas (Environmental Services, Energy and Construction) increased their weight in EBITDA, accounting for 75.9% of the figure in 1H11.

The group also extended its international presence through sustained growth in order intake outside Spain in the period, increasing its international backlog by 12.5% with respect to December 2010. This advances the Group's goal of increasing international revenues, which accounted for 49.5% of total revenues in June 2011.

KEY FIGURES

(million euro)	Jun.11	Jun.10	Chg. (%)
Net sales	5,480.6	5,715.8	-4.1%
EBITDA	678.4	679.2	-0.1%
EBITDA margin	*12.4%*	*11.9%*	*0.5 p.p.*
EBIT	320.1	316.6	1.1%
EBIT margin	*5.8%*	*5.5%*	*0.3 p.p.*
Earnings before taxes (EBT) from continuing activities	127.0	137.5	-7.6%
Income attributable to equity holders of the parent company	100.9	94.6	6.7%
Operating cash flow	(52.1)	(71.7)	-27.3%
Investing cash flow	(269.3)	(220.8)	22.0%

(million euro)	Jun.11	Dec.10	Chg. (%)
Equity (excl. minority interests)	2,535.7	2,562.9	-1.1%
Net interest-bearing debt	(8,313.0)	(7,748.7)	7.3%
Backlog	37,034.4	35,309.0	4.9%

3. SUMMARY BY BUSINESS AREA

Area	Jun.11	Jun.10	Chg. (%)	% of 2011 total	% of 2010 total
(million euro)					
REVENUES					
Environmental services	1,825.5	1,789.7	2.0%	33.3%	31.3%
Construction	2,883.1	3,066.3	-6.0%	52.6%	53.6%
Cement	401.0	435.4	-7.9%	7.3%	7.6%
Versia	378.2	404.1	-6.4%	6.9%	7.1%
Energy	40.5	45.2	-10.4%	0.7%	0.8%
Others*	(47.7)	(24.9)	91.8%	-0.9%	-0.4%
Total	**5,480.6**	**5,715.8**	**-4.1%**	**100.0%**	**100.0%**
DOMESTIC REVENUES					
Environmental services	1,141.3	1,153.1	-1.0%	41.2%	35.9%
Construction	1,113.8	1,461.6	-23.8%	40.2%	45.5%
Cement	266.9	300.3	-11.1%	9.6%	9.4%
Versia	253.4	274.7	-7.8%	9.2%	8.6%
Energy	39.7	45.2	-12.2%	1.4%	1.4%
Others*	(47.6)	(24.8)	92.1%	-1.7%	-0.8%
Total	**2,767.5**	**3,210.1**	**-13.8%**	**100.0%**	**100.0%**
INTERNATIONAL REVENUES					
Environmental services	684.2	636.6	7.5%	25.2%	25.4%
Construction	1,769.3	1,604.7	10.3%	65.2%	64.0%
Cement	134.1	135.1	-0.7%	4.9%	5.4%
Versia	124.8	129.4	-3.6%	4.6%	5.2%
Energy	0.8	0.0	N.S.	0.0%	0.0%
Others*	(0.1)	0.0	N.S.	0.0%	0.0%
Total	**2,713.1**	**2,505.8**	**8.3%**	**100.0%**	**100.0%**
EBITDA					
Environmental services	331.2	296.3	11.8%	48.8%	43.6%
Construction	154.7	174.6	-11.4%	22.8%	25.7%
Cement	105.4	109.6	-3.8%	15.5%	16.1%
Versia	54.7	60.5	-9.6%	8.1%	8.9%
Energy	29.0	34.4	-15.7%	4.3%	5.1%
Others*	3.4	3.8	-11.0%	0.5%	0.6%
Total	**678.4**	**679.2**	**-0.1%**	**100.0%**	**100.0%**
EBIT					
Environmental services	169.0	137.7	22.7%	52.8%	43.5%
Construction	103.6	118.9	-12.9%	32.4%	37.6%
Cement	30.1	39.3	-23.4%	9.4%	12.4%
Versia	6.2	11.1	-44.1%	1.9%	3.5%
Energy	6.0	11.1	-45.9%	1.9%	3.5%
Others*	5.2	(1.5)	N.S.	1.6%	-0.5%
Total	**320.1**	**316.6**	**1.1%**	**100.0%**	**100.0%**

** Others includes Torre Picasso and consolidation adjustments*

Area	Jun.11	Dec.10	Chg. (%)	% of 2011 total	% of 2010 total
(million euro)					
			NET DEBT		
Environmental services	4,463.4	4,352.6	2.5%	53.7%	56.2%
Construction	925.4	519.6	78.1%	11.1%	6.7%
Cement	1,263.5	1,287.5	-1.9%	15.2%	16.6%
Versia	285.7	290.8	-1.8%	3.4%	3.8%
Energy	964.3	924.0	4.4%	11.6%	11.9%
Others*	410.7	374.2	9.8%	4.9%	4.8%
Total	**8,313.0**	**7,748.7**	**7.3%**	**100.0%**	**100.0%**
			BACKLOG		
Environmental services	26,721.7	25,325.0	5.5%	72.2%	71.7%
Construction	10,312.7	9,984.0	3.3%	27.8%	28.3%
Total	**37,034.4**	**35,309.0**	**4.9%**	**100.0%**	**100.0%**

** Others includes Torre Picasso*

4. INCOME STATEMENT

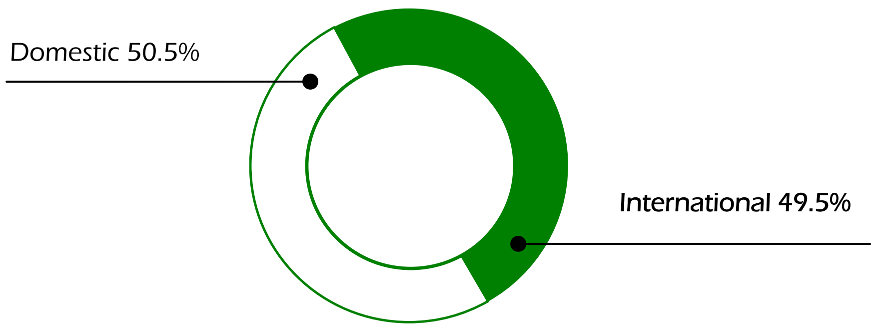
(million euro)	Jun.11	Jun.10	Chg. (%)
Net sales	5,480.6	5,715.8	-4.1%
EBITDA	678.4	679.2	-0.1%
EBITDA margin	*12.4%*	*11.9%*	*0.5 p.p.*
Depreciation and amortisation	(355.7)	(361.5)	-1.6%
Other operating income	(2.6)	(1.1)	136.4%
EBIT	320.1	316.6	1.1%
EBIT margin	*5.8%*	*5.5%*	*0.3 p.p.*
Financial income	(217.2)	(182.9)	18.8%
Equity-accounted companies	20.2	(2.5)	N.S.
Other financial results	3.8	6.3	-39.7%
Earnings before taxes (EBT) from continuing activities	127.0	137.5	-7.6%
Corporate income tax expense	(26.9)	(36.2)	-25.7%
Minority interest	0.8	(6.6)	112.1%
Income attributable to equity holders of the parent company	100.9	94.6	6.7%

4.1 Revenues

Revenues amounted to 5,480.6 million euro in the period, a decline of 4.1% with respect to 1H10. This performance reflects the combined effects of sustained growth in the Environmental Services division (+2%) and in the Construction division outside Spain (+10.3%), and the slowdown in Construction and Cement activity in Spain. Lower wind levels reduced the Energy division's revenues. The decline in revenues at Versia is attributable to the sale of some of its businesses at the end of 2010. In like-for-like terms, Versia's revenues expanded by 1.6%.

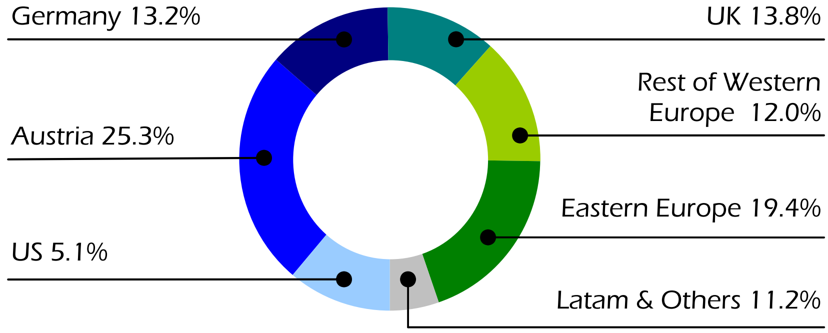
Activity outside Spain continued to grow, accounting for 49.5% of Group revenues, an increase of 8.3%; this broadly offsets the ongoing decline of construction activity in Spain.

% Revenues by Region



Foreign revenues are concentrated in European countries, which accounted for 83.7%, the bulk of which comes from the Construction and Environmental Services divisions. The remaining 16.3% comes from America (5.1% in the US and 6.1% in Latin America) and Asia together with Africa (5.1%).

International Revenue Breakdown

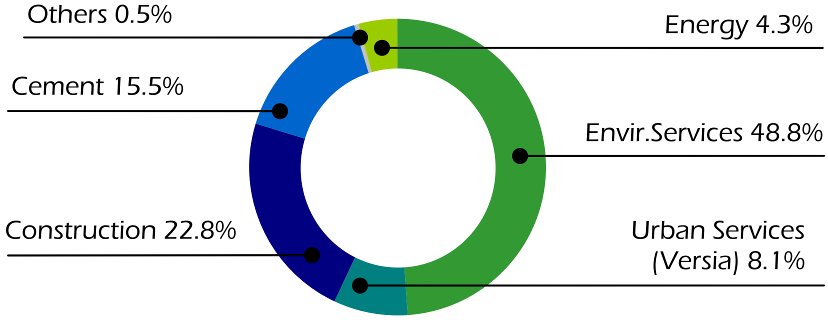


4.2 EBITDA

EBITDA amounted to 678.4 million euro in the period, i.e. very similar to the 1H10 figure, but the gross operatig margin improved by 0.5 percentage points to 12.4%.

EBITDA in the most recurring businesses, Services and Energy, expanded by 6.1% and accounts for 61.2% of the total consolidated, while the Construction and Cement divisions were affected by a decline in activity in Spain, which was broadly offset by the increased contribution from Construction activities in other countries.

EBITDA by business area



The Others section under EBITDA, which accounts for 0.5% of the total, primarily reflects the contribution from Torre Picasso, which provided 12.4 million euro of rent in the period and EBITDA of 10.6 million euro, both figures exactly the same as in 1H10. This performance is the result of maintaining occupancy at almost 100%.

4.3 EBIT

EBIT in 1H11 amounted to 320.1 million euro, a 1.1% increase over 1H10. The depreciation and amortisation charge in 1H11 decreased by 1.6% with respect to 1H10, to 355.7 million euro, due to adjusting asset usage to the volume of activity. That figure includes 42.8 million euro of depreciation taken on assets that were stepped up on consolidation in the FCC Group.

4.4 Earnings before taxes from continuing activities (EBT)

EBT amounted to 127 million euro in the period, down 7.6% compared with the previous year, after including the following items in EBIT:

4.4.1 Financial income

A net financial expense and other financial results amounting to 213.4 million euro, compared with 176.6 million euro in 1H10.

The Other financial results item primarily reflects the effect of fair value changes in financial instruments and of exchange rates.

4.4.2 Equity-accounted affiliates

Equity-accounted companies increased their contribution to 20.2 million euro, compared with -2.5 million euro in 1H10.

Companies in the Services area contributed 12.7 million euro. GVI (infrastructure concessions) and Realia together contributed a total of 1.7 million euro in the period.

4.5 Profit attributable to equity holders of the parent company

Net attributable profit amounted to 100.9 million euro in 1H11, i.e. 6.7% higher than in 1H10.

4.5.1 Corporate income tax expense

The corporate income tax expense amounted to 26.9 million euro, and the tax rate (adjusted for the contribution from equity-accounted affiliates) was 25.2%, on par with the same period in 2010.

4.5.2 Minority interest

Income attributable to minority interests amounted to slightly less (-0.8 million euro), due to the decline in the contribution from the Cement division, where minority interests are concentrated; the result was an improvement in FCC's attributable income.

5. BALANCE SHEET

(million euro)	Jun.11	Dec.10	Change (M€)
Intangible assets	4,906.2	5,063.7	(157.5)
Property, plant and equipment	5,891.5	6,092.8	(201.3)
Equity-accounted affiliates	1,229.5	1,222.9	6.6
Non-current financial assets	446.1	415.8	30.3
Deferred tax assets and other non-current assets	581.5	598.6	(17.1)
Non-current assets	**13,054.8**	**13,393.7**	**(338.9)**
Non-current assets available for sale	109.0	0.0	109.0
Inventories	1,255.4	1,138.4	117.0
Trade and other accounts receivable	5,935.1	5,542.6	392.5
Other current financial assets	242.2	225.8	16.4
Cash and cash equivalents	1,542.3	1,678.7	(136.4)
Current assets	**9,084.0**	**8,585.4**	**498.6**
TOTAL ASSETS	**22,138.8**	**21,979.1**	**159.7**
Equity attributable to equity holders of parent company	2,535.7	2,562.9	(27.2)
Minority interest	633.0	643.4	(10.4)
Equity	**3,168.7**	**3,206.3**	**(37.6)**
Subsidies	135.4	104.7	30.7
Non-current provisions	1,001.4	1,047.8	(46.4)
Long-term financial debt	7,460.0	7,877.4	(417.4)
Other non-current financial liabilities	683.6	751.6	(68.0)
Deferred tax liabilities and other non-current liabilities	1,222.5	1,181.0	41.5
Non-current liabilities	**10,503.0**	**10,962.5**	**(459.5)**
Liabilities linked to non-current assets available for sale	69.8	0.0	69.8
Current provisions	156.4	143.2	13.2
Short-term financial debt	2,654.4	1,775.8	878.6
Other current financial liabilities	146.4	212.4	(66.0)
Trade and other accounts payable	5,440.1	5,678.8	(238.7)
Current liabilities	**8,467.1**	**7,810.3**	**656.8**
TOTAL LIABILITIES	**22,138.8**	**21,979.1**	**159.7**

5.1 Equity-accounted affiliates

The investment in equity-accounted companies (1,229.5 million euro) comprises mainly the following:

1) 464.6 million euro corresponding to the 50% stake in GVI.
2) 146.9 million euro corresponding to the 30% stake in Realia.
3) 103.4 million euro corresponding to concession companies not contributed to GVI.
4) 45.6 million euro corresponding to the 50% stake in the Proactiva group (Environmental Services).
5) 469.1 million euro corresponding to all other equity-accounted companies.

The carrying value of FCC's holdings in infrastructure concessions amounted to 610.4 million euro at the end of June 2011. That figure includes the value attributable to FCC for its 50% stake in GVI (464.6 million euro) and the value of its holdings in other concession companies, both equity-accounted (103.4 million euro) and fully consolidated (42.4 million euro).

The carrying value of stakes in transport infrastructure concessions is gradually being adjusted to the earnings they generate. The ones that are in an early stage of activity (construction and ramp-up), contribute negatively, which temporarily decreases the value of the investment but which will reverse during the course of their long average lifetime (more than 23 years).

5.2 Non-current assets available for sale

The non-current assets available for sale at June 2011 mainly correspond to Versia's urban car parking activity, with related liabilities amounting to 69.8 million euro.

Of which 35.4 million euro are included in the financial debt figure within paragraph 5.4 regarding bank debt, and 16.8 million euro in cash and other financial assets.

5.3 Equity

Equity attributable to the parent company amounted to 2,535.7 million euro, down 27.2 million euro with respect to 2010 year-end. This is due primarily to the allocation of consolidated income for the period (100.9 million euro) together with the combined effect of exchange rate fluctuations, dividend distribution (86.4 million euro) and changes in the fair value of interest rate hedges.

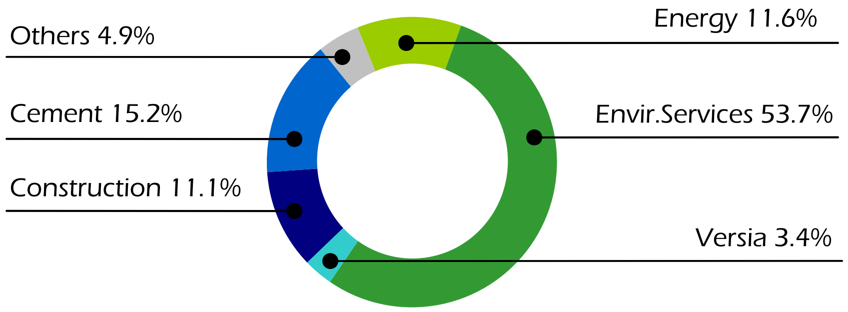
5.4 Net interest-bearing debt

(million euro)	Jun.11	Dec.10	Change (M€)
Bank debt	8,948.0	8,524.8	423.2
Debt instruments and other loans	776.9	680.6	96.3
Accounts payable due to financial leases	127.4	154.1	(26.7)
Derivatives and other financial liabilities	262.1	293.6	(31.5)
Gross interest-bearing debt	**10,114.3**	**9,653.1**	**461.2**
Cash and other financial assets	(1,801.3)	(1,904.4)	103.1
Net interest-bearing debt	**8,313.0**	**7,748.7**	**564.3**
With recourse	*5,617.8*	*4,988.2*	*629.6*
Without recourse	*2,695.2*	*2,760.5*	*(65.3)*

At 30 June 2011, net interest-bearing debt amounted to 8.313 billion euro, i.e. 3% lower than in June 2010. As in 1H10, variation compared with December 2010 is entirely due to the temporary expansion of working capital in the first half, by 704.4 million euro (less than 740.8 million euro in 1H10). Working capital experiences seasonal fluctuations, particularly in the Construction division, rising in the first half of the year and then declining, in line with previous years.

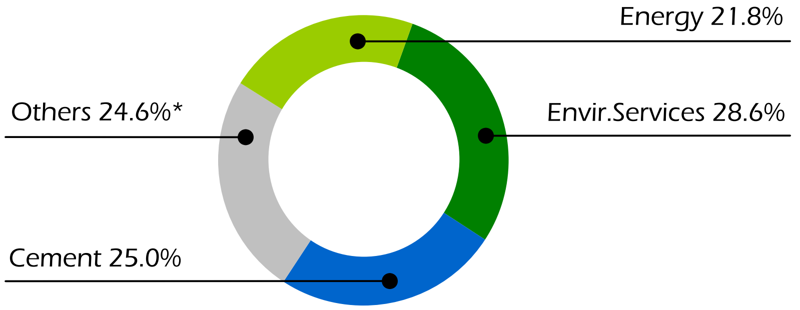
The breakdown of debts by business area reflects their nature, cash flow, and asset volume. Services and Energy together account for 68.7% of net debt, connected to stable, regulated long-term public utility contracts. Cement, a business which accounts for a large proportion of fixed assets on the balance sheet and is strongly cash-generative, accounts for 15.2% of total net debt. Construction accounts for 11.1%, and the Corporate area for 4.9%.

Net debt by Area



Moreover, 2,695.2 million euro of net debt are without recourse, i.e. 32.4% of the total, with the following breakdown by activity:

Net debt without recourse, by area



** Others includes convertible bonds of FCC, S.A.*

5.5 Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities amounted to 830 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), short-term deposits and guarantees received, and stock options.

6. CASH FLOW

(million euro)	Jun.11	Jun.10	Chg. (%)
Funds from operations	674.7	698.6	-3.4%
(Increase)/decrease in working capital	(704.4)	(740.8)	-4.9%
Other items (taxes, dividends, etc.)	(22.4)	(29.5)	-24.1%
Operating cash flow	**(52.1)**	**(71.7)**	**-27.3%**
Investing cash flow	**(269.3)**	**(220.8)**	**22.0%**
Cash flow from business operations	(321.4)	(292.5)	9.9%
Financing cash flow	**(310.1)**	**(382.4)**	**-18.9%**
Other cash flow (exchange differences, change in consolidation scope, etc.)	**67.1**	**(242.4)**	**127.7%**
(Increase) / decrease in net interest-bearing debt	**(564.4)**	**(917.3)**	**-38.5%**

6.1 Operating cash flow

Operating cash flow totalled 52.1 million euro in 1H11, a 27.3% improvement respect of 1H10, due mainly to the fact that working capital expansion declined by 4.9%.

Working capital experiences notable seasonal fluctuations, and the changes in each business area in the period are detailed below:

(million euro)	Jun.11
Construction	(497.9)
Environmental services	(219.6)
Others	13.1
Total (Increase)/ decrease in working capital	**(704.4)**

Working capital typically expands in the first half of the year, especially in the Construction division, and then shrinks considerably in the second half. This is attributable to the seasonality of customer receivables and to the decline in supplier accounts payable, which are both expected to recover notably as activity increases in this division throughout 2011.

6.2 Investing cash flow

Net capital expenditure increased by 22% to 269.3 million euro, most of which is attributable to maintenance. Growth capex includes 44.5 million euro in the Energy division, primarily for the construction of the two solar thermal energy plants in the area's pipeline. The largest divestment in the period was at Versia, which obtained 14.3 million euro from the sale of underground car parks as part of an agreement signed at the end of last year.

6.3 Financing cash flow

Financing cash flow in the period totalled 310.1 million euro, 18.9% lower than in 1H10. In addition to debt servicing, this item includes 86.4 million euro in dividend payments out of 2010 income by the Group's consolidated companies, and 19.1 million euro for the net variation of equity instruments.

6.4 Other cash flow

This item, amounting to 67.1 million euro in the first six months, mainly reflects adjustments for the currency effect on foreign currency debt and changes in the value of financial instruments (derivatives).

The combination of slower growth in working capital and financing needs reduced borrowing requirements in the period to 564.4 million euro, i.e. 38.5% lower than in 1H10.

7. BUSINESS PERFORMANCE

7.1 Environmental services

7.1.1 Earnings

(million euro)	Jun.11	Jun.10	Chg. (%)
Revenues	1,825.5	1,789.7	2.0%
Domestic	*1,141.3*	*1,153.1*	*-1.0%*
International	*684.2*	*636.6*	*7.5%*
EBITDA	331.2	296.3	11.8%
EBITDA margin	18.1%	16.6%	*1.6 p.p.*
EBIT	169.0	137.7	22.7%
EBIT margin	9.3%	7.7%	*1.6 p.p.*

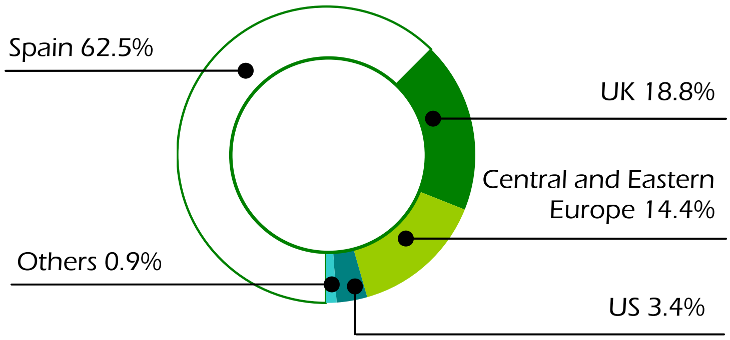
The Environmental Services division registered positive growth in the first half of 2011, with revenues expanding by 2% to 1,825.5 million euro, due to 7.5% growth in international markets, although revenues in Spain fell slightly (by 1%).

Revenues increased by 19.7% in the Industrial Waste division and by 6.8% in the International Environment Division. The latter attributable to greater activity in the UK and good business performance in Central Europe. The improvement in Industrial waste is due to the larger volume of waste treated in the US and Portugal and to appreciation by petroleum-based products. The 3.6% decline in revenues in the Water division is due to completion of construction of the two desalination plants in Algeria and the still-incipient activity related to new contracts in Portugal and Mexico.

(million euro)	Jun.11	Jun.10	Chg. (%)
Revenues - Domestic	1,141.3	1,153.2	-1.0%
Environment	*741.7*	*750.3*	*-1.1%*
Water	*319.5*	*325.5*	*-1.8%*
Industrial Waste	*80.1*	*77.4*	*3.5%*
Revenues - International	684.3	636.6	7.5%
Environment	*532.0*	*498.3*	6.8%
Water	*77.5*	*86.2*	*-10.1%*
Industrial Waste	*74.8*	*52.1*	*43.8%*

The most important international markets are the UK (accounting for 18.8% of revenues) for municipal solid waste treatment and elimination; Central and Eastern Europe (14.4%), primarily the Czech Republic and Austria, for municipal solid waste and end-to-end water management; and the US (3.4%), for industrial waste management.

Revenue breakdown by region



EBITDA in the first six months increased by 11.8% with respect to 2010, to 331.2 million euro, and the EBITDA margin was 18.1%, compared with 16.6% in the same period last year. This significant improvement in the EBITDA margin is essentially due to the commitment by all areas to improving efficiency and cutting costs, the operating improvement in the international waste treatment businesses, and the non-recurring impact of several items (release of provisions and sale of materials) for a total of 9.8 million euro.

The division's backlog performed well, expanding 5.5% with respect to 31 December 2010. In Spain, the MSW management contract in Tarragona was renewed until 2023 and FCC obtained contracts to build and manage an end-to-end treatment plant in Guipuzcoa province and a wastewater treatment plant in Cadiz. Outside Spain, FCC obtained contracts for water treatment and supply in Fundao (Portugal) and operation and maintenance of the desalination plant it built in Algeria.

Backlog breakdown by region

(million euro)	Jun.11	Dec.10	Chg. (%)
Domestic	17,829.3	17,324.7	2.9%
International	8,892.4	8,000.3	11.2%
Total	**26,721.7**	**25,325.0**	**5.5%**

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, in line with FCC accounting policy.

Proactiva revenues amounted to 221.4 million euro in the first half of 2011, up 22.2% year-on-year. EBITDA amounted to 41.1 million euro (+7.6% year-on-year), and the EBITDA margin was 18.6%. Net interest-bearing debt amounted to 94.1 million euro at 30 June.

7.1.3 Cash flow

(million euro)	Jun.11	Jun.10	Chg. (%)
Funds from operations	335.1	326.7	2.6%
(Increase) / decrease in working capital	(219.6)	(169.5)	29.6%
Other items (taxes, dividends, etc.)	(33.1)	(27.6)	19.9%
Operating cash flow	82.4	129.6	-36.4%
Investing cash flow	(127.4)	(83.6)	52.4%
Cash flow from business operations	(45.0)	46.0	-197.8%
Financing cash flow	(106.9)	(62.1)	72.1%
Other cash flow (exchange differences, change in consolidation scope, etc.)	41.1	(130.0)	131.6%
(Increase) / decrease in net interest-bearing debt	(110.8)	(146.1)	-24.2%

(million euro)	Jun.11	Dec.10	Change (M€)
Net interest-bearing debt	4,463.4	4,352.6	110.8
With recourse	*3,691.4*	*3,464.4*	*227.0*
Without recourse	*772.0*	*888.2*	*(116.2)*

Funds from operations increased by 2.6% in the period, to 335.1 million euro, in line with growth in revenues. The increase in working capital led operating cash flow to decline by 47.2 million euro with respect to the first half of 2010.

Net investments in the period, amounting to 127.4 million euro, were almost entirely for maintenance capex and fulfilment of operating contracts.

After financing cash flow and the currency effect, net debt remained stable, increasing by just 2.5% with respect to 31 December 2010, to 4,463.4 million euro.

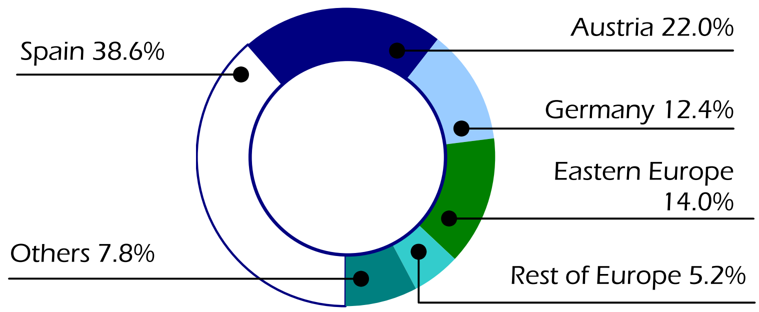
7.2 Construction

7.2.1 Earnings

(million euro)	Jun.11	Jun.10	Chg. (%)
Revenues	2,883.1	3,066.3	-6.0%
Domestic	*1,113.8*	*1,461.6*	*-23.8%*
International	*1,769.3*	*1,604.7*	*10.3%*
EBITDA	154.7	174.6	-11.4%
EBITDA margin	5.4%	5.7%	*-0.3 p.p.*
EBIT	103.6	118.9	-12.9%
EBIT margin	3.6%	3.9%	*-0.3 p.p.*

Revenues in the Construction area amounted to 2,883.1 million euro in the first half of 2011, down 6.0% year-on-year. Revenues from outside Spain increased by 10.3% as a result of the execution of major contracts awarded in previous quarters, including construction on the Panama Canal, the A1 and S5 toll roads in Poland, the Karlsruhe Tunnel in Germany and the Enniskillen Hospital in Northern Ireland, offsetting the cutback in civil engineering projects in Spain.

Revenue breakdown by region



International revenues, which account for 61.4% of the division total, were generated primarily via Alpine, which has a strong presence in Austria, Germany, Poland, Romania and Bulgaria. Revenues in Austria, Germany and Switzerland expanded by 10.0% while the rest of Europe, Poland and the UK were the top performers. FCC also increased its activity outside the European Union, notably in Panama, where it recently obtained a number of new contracts.

This year FCC has included a new business area, Industrial Services and Installations, which reflects the actions performed by Alpine Energie (100% subsidiary of Alpine) in various countries of the EU, and other subsidiaries in Spain in the area of network construction and maintenance (energy, electricity, telecommunications and railways), as well as construction and maintenance of industrial facilities and infrastructure.

Civil engineering projects, for which the majority of clients are from the public sector, account for 61.5% of revenues. Non-residential building contributed 19.3% and industrial services 12% of total revenues in the period.

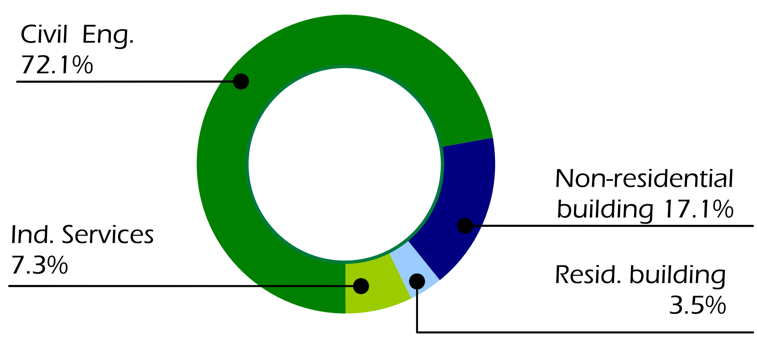
Revenue breakdown by segment			
(million euro)	Jun.11	Jun.10	Chg. (%)
Civil engineering	1,772.3	1,850.0	-4.2%
Non-residential building	556.2	684.2	-18.7%
Industrial services	347.0	289.6	19.8%
Residential building	207.6	242.4	-14.4%
Total	**2,883.1**	**3,066.2**	**-6.0%**

The considerable exposure to large civil engineering projects coupled with optimisation of procurement costs and the increase in international margins enabled the division to attain EBITDA of 154.7 million euro and an EBITDA margin of 5.4%, despite the decline in activity in Spain.

The backlog expanded by 3.3% in the first six months of the year compared with the end of 2010 due to 14.9% growth in the international backlog, resulting from large contracts such as the Panama metro (450 million euro) and the railway line in northern Algeria (407 million euro).The backlog does not yet reflect recent contracts, such as another railway line in Algeria (66 kilometers; 628 million euro), road network reorganisation in Panama City (284 million euro), and the Bucharest metro (100 million euro).

Backlog breakdown by region			
(million euro)	Jun.11	Dec.10	Chg. (%)
Spain	5,174.9	5,512.0	-6.1%
International	5,137.8	4,472.0	14.9%
Total	**10,312.7**	**9,984.0**	**3.3%**

Backlog breakdown by segment			
(million euro)	Jun.11	Dec.10	Chg. (%)
Civil engineering	7,435.8	7,149.9	4.0%
Non-residential building	1,764.5	1,727.3	2.2%
Industrial services	754.5	668.1	12.9%
Residential building	357.9	438.7	-18.4%
Total	**10,312.7**	**9,984.0**	**3.3%**



Civil engineering maintained its importance in the backlog, expanding by 4% to account for 72.1% of the total in the period. The contribution from industrial services expanded in the period by 12.9% to account for 7.3% of the total, in contrast with the ongoing reduction in residential building, down 18.4% with respect to December 2010 and accounting for just 3.5% of the total backlog at the end of June 2011.

7.2.2 Cash flow

(million euro)	Jun.11	Jun.10	Chg. (%)
Funds from operations	**181.3**	**174.9**	**3.7%**
(Increase) / decrease in working capital	(497.9)	(524.2)	-5.0%
Other items (taxes, dividends, etc.)	2.2	(4.1)	153.7%
Operating cash flow	**(314.4)**	**(353.4)**	**-11.0%**
Investing cash flow	(47.7)	(100.7)	-52.6%
Cash flow from business operations	**(362.1)**	**(454.1)**	**-20.3%**
Financing cash flow	(54.7)	(20.5)	166.8%
Other cash flow (exchange differences, change in consolidation scope, etc.)	11.0	(53.2)	120.7%
(Increase) / decrease in net interest-bearing debt	**(405.8)**	**(527.8)**	**-23.1%**

(million euro)	Jun.11	Dec.10	Change (M€)
Net interest-bearing debt	**925.4**	**519.6**	**405.8**
With recourse	*924.6*	*513.6*	*411.0*
Without recourse	*0.8*	*6.0*	*(5.2)*

The increase in funds from operations (3.7%) and the slower growth in working capital in the period boosted operating cash flow by 39 million euro with respect to the same period last year.

Investing cash flow declined by 52.6%, which improved operating cash flow by 92 million euro.

As a result, the division's net debt increased by 405.8 million euro with respect to December 2010 due to the seasonal increase in working capital in the first half of the year.

7.3 Cement

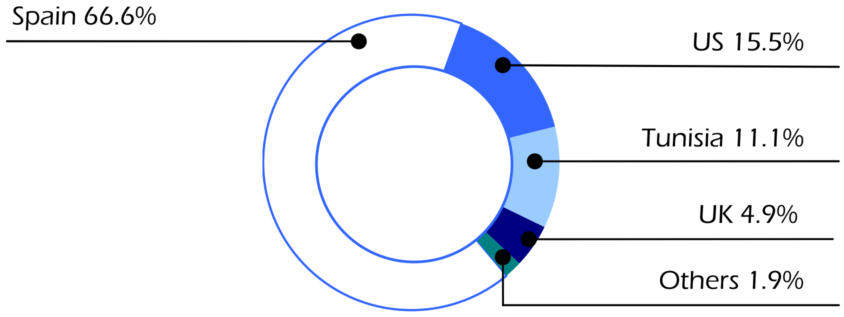
7.3.1 Earnings

(million euro)	Jun.11	Jun.10	Chg. (%)
Revenues	401.0	435.4	-7.9%
Domestic	*266.9*	*300.3*	*-11.1%*
International	*134.1*	*135.1*	*-0.7%*
EBITDA	105.4	109.6	-3.8%
EBITDA margin	*26.3%*	*25.2%*	*1.1 p.p.*
EBIT	30.1	39.3	-23.4%
EBIT margin	*7.5%*	*9.0%*	*-1.5 p.p.*

Revenues in the Cement area totalled 401 million euro in the first half of 2011, a decline of 7.9%. In Spain, revenues fell 11.1%, while international revenues (which account for 33.4% of the total) remained practically stable (-0.7%) compared with the same period of 2010.

Revenues in the US expanded by 3.3% and in Tunisia remained on par with last year (-0.8%) despite the socio-political tensions in the period. Exports, mainly to the UK, fell 8.6%.

Revenue breakdown by region



EBITDA declined by just 3.8% to 105.4 million euro due to EBITDA margin improvement by 1.1 percentage points, to 26.3%. This improvement is attributable primarily to markets outside Spain, specifically a slight recovery in the US and a reduction in exports, together with an increase in cost efficiency in Spain offset lower production.

EBIT in the period reflects the 13.1 million euro restructuring costs to align production capacity in Spain with current demand.

7.3.2 Cash flow

(million euro)	Jun.11	Jun.10	Chg. (%)
Funds from operations	77.4	113.4	-31.7%
(Increase) / decrease in working capital	(28.4)	(29.4)	-3.4%
Other items (taxes, dividends, etc.)	1.2	(7.3)	116.4%
Operating cash flow	50.2	76.7	-34.6%
Investing cash flow	(19.5)	2.2	N.S.
Cash flow from business operations	30.7	78.9	-61.1%
Financing cash flow	(39.3)	(64.5)	-39.1%
Other cash flow (exchange differences, change in consolidation scope, etc.)	32.6	(50.6)	164.4%
(Increase) / decrease in net interest-bearing debt	24.0	(36.2)	166.3%

(million euro)	Jun.11	Dec.10	Change (M€)
Net interest-bearing debt	1,263.5	1,287.5	-24.0
With recourse	*589.9*	*606.5*	*-16.6*
Without recourse	*673.6*	*681.0*	*-7.4*

The decline in funds from operations reduced operating cash flow by 26.5 million euro, which was offset by a lower financing cash flow and by exchange differences. As a result, the area's net interest-bearing debt was reduced by 24 million euro with respect to 2010 year-end.

7.4 Versia

7.4.1 Earnings

(million euro)	Jun.11	Jun.10	Chg. (%)
Revenues	378.2	404.1	-6.4%
Domestic	*253.4*	*274.7*	-7.8%
International	*124.8*	*129.4*	-3.6%
EBITDA	54.7	60.5	-9.6%
EBITDA margin	14.5%	15.0%	*-0.5 p.p.*
EBIT	6.2	11.1	-44.1%
EBIT margin	1.6%	2.7%	*-1.1 p.p.*

Revenues from urban services (Versia) declined by 6.4% to 378.2 million euro due to the divestment of the vehicle inspection business and 19 underground car parks at the end of 2010. Excluding that effect, revenues would have increased by 1.6% with respect to the first half of 2010.

The division reported sustained growth in the urban furniture business, and a recovery in airport handling and in Maintenance & Systems activities.

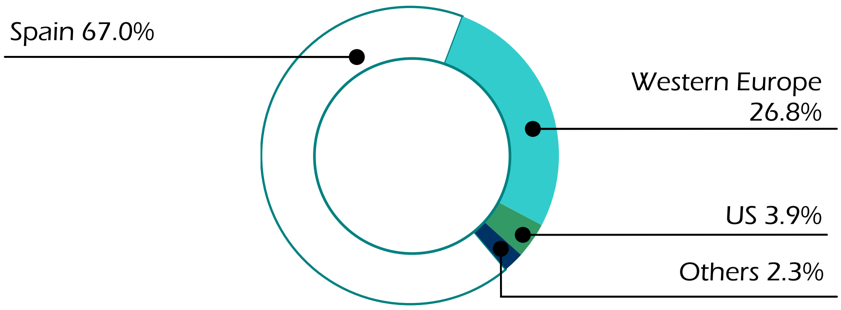
Breakdown of revenues by business

(million euro)	Jun.11	Jun.10	Chg. (%)
Logistics	138.4	141.7	-2.3%
Handling	115.8	111.2	4.1%
Urban Furniture	62.3	60.6	2.8%
Car Parks*	32.3	37.7	-14.4%
Vehicle testing	0.0	28.2	N.S.
Others**	29.4	24.7	19.3%
Total	**378.2**	**404.1**	**-6.4%**

**Partially divested in 2010.*
***Others include SVAT and Maintenance-Systems*

International revenues account for 33.0% of the total. The international component is particularly important in Handling (67.0% of revenues) and Urban Furniture (52.4%).

Revenue breakdown by region



EBITDA totalled 54.7 million euro, down 9.6%. Excluding the effect of the sale of the car inspection business and underground car parks in 2010, EBITDA would have increased by 15.9% in the period. The Urban Furniture division performed especially well.

7.4.2 Cash flow

(million euro)	Jun.11	Jun.10	Chg. (%)
Funds from operations	52.3	48.4	8.1%
(Increase) / decrease in working capital	(8.0)	(8.7)	-8.0%
Other items (taxes, dividends, etc.)	(1.9)	1.5	-226.7%
Operating cash flow	42.4	41.2	2.9%
Investing cash flow	(61.3)	(18.9)	224.3%
Cash flow from business operations	(18.9)	22.3	-184.8%
Financing cash flow	(15.7)	(8.8)	78.4%
Other cash flow (exchange differences, change in consolidation scope, etc.)	39.7	(27.2)	246.0%
(Increase) / decrease in net interest-bearing debt	5.1	(13.7)	137.2%

(million euro)	Jun.11	Dec.10	Change (M€)
Net interest-bearing debt	285.7	290.8	-5.1
With recourse	*285.7*	*290.8*	*-5.1*
Without recourse	*0.0*	*0.0*	*0.0*

Operating cash flow increased by 2.9% with respect to the first half of 2010, despite the divestments in 2010, while the increase in capital expenditure, concentrated in the urban furniture division, led to financing needs of 18.9 million euro.

Following financing cash flow and the effect of changes in other cash flows, net debt declined by 5.1 million euro with respect to 31 December 2010.

7.5 Energy

7.5.1 Earnings

(million euro)	Jun.11	Jun.10	Chg. (%)
Revenues	40.5	45.2	-10.4%
Domestic	*39.7*	*45.2*	-12.2%
International	*0.8*	*0.0*	N.S.
EBITDA	29.0	34.4	-15.7%
EBITDA margin	*71.6%*	*76.1%*	*-4.5 p.p.*
EBIT	6.0	11.1	-45.9%
EBIT margin	*14.8%*	*24.6%*	*-9.7 p.p.*

Energy division revenues declined by 10.4% to 40.5 million euro due to a lower load factor at wind farms compared with the same period of 2010.

Wind accounted for 81.7% of revenues, with a load factor of 21.9% (26.4% in 1H10). The remaining 18.3% came from solar photovoltaic, where the average load factor was 17.2%, compared with 16.3% in 1H10.

The decline in the margin to 71.6% was the result of lower winds and of wind survey and bidding costs.

7.5.2 Cash flow

(million euro)	Jun.11	Jun.10	Chg. (%)
Funds from operations	**29.1**	**34.4**	**-15.4%**
(Increase) / decrease in working capital	(7.0)	5.6	-225.0%
Other items (taxes, dividends, etc.)	(1.1)	1.9	-157.9%
Operating cash flow	**21.0**	**41.9**	**-49.9%**
Investing cash flow	(35.3)	(17.1)	106.4%
Cash flow from business operations	**(14.3)**	**24.8**	**-157.7%**
Financing cash flow	(10.7)	(13.7)	-21.9%
Other cash flow (change in consolidation scope, etc.)	(15.3)	(20.4)	-25.0%
(Increase) / decrease in net interest-bearing debt	**(40.3)**	**(9.3)**	**333.3%**

(million euro)	Jun.11	Dec.10	Change (M€)
Net interest-bearing debt	**964.3**	**924.0**	**40.3**
With recourse	*378.0*	*396.5*	*-18.5*
Without recourse	*586.3*	*527.5*	*58.8*

Funds from operations performed in line with EBITDA due to lower wind power production, while net capex increased by to 35.3 million euro due to the construction of the two solar thermal energy plants in the area's project pipeline, which led to an investment of 44.5 million euro in the period.

The financing cash flow together with debt servicing reflects the sale of a 30% stake in one of the solar thermal energy projects to a new industrial partner.

The area's net debt increased by 40.3 million euro, with respect to 2010 year-end.

8. SHARE DATA

8.1 Share performance

	Jan. - Jun. 2011	Jan. - Jun. 2010
Closing price (euro)	21.025	17.635
Change	*6.9%*	*(40.1%)*
*Yield**	*10.6%*	*(35.3%)*
High (euro)	23.95	31.980
Low (euro)	17.53	17.635
Average daily trading (shares)	576,126	701,620
Average daily trading (million €)	12.4	16.8
Market cap at end of period (million €)	2,676	2,245
No. of shares outstanding	127,303,296	127,303,296
Basic EPS	0.88	0.81

*Includes dividend payment.

8.2 Dividends

At a meeting on 16 December 2010, the Board of Directors declared an interim dividend of 0.715 euro gross per share charged to 2010 income; it was paid on 4 January 2011.

Subsequently, in accordance with the decision by the General Meeting of Shareholders on 1 June 2011, the supplementary 2010 dividend, amounting to 0.715 euro per share, was paid on 6 July 2011.

8.3 Own shares

At 30 June 2011, the FCC Group held a total of 12,727,185 own shares directly and indirectly (9.99% of the company's capital), i.e. the same as at the end of March 2011.

Almost all of the own shares are held to cover the risk of shareholder dilution arising from a 450 million euro convertible bond issue performed 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 June 2011 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 entirely eliminated.

9. PRINCIPAL OUTLOOKS, RISKS AND UNCERTAINTIES IN THE SECOND HALF OF 2011

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 is in the process of applying an integrated risk management model, following the best practices in this field and applying COSO II methodology, which allows the company to face appropriately financial risks and other activity risks. The adopted model allows the development of a high level risk map, which provides information to Management and contributes to the Group's strategy. The tool will be used in the risk committees that are held periodically to analyse and evaluate the different group area's risk maps. The different types of risks have been identified in separate types: Strategic, Operational, Compliance and Financial.

The risks and the follow-up control systems are described in detail in the 2010 consolidated annual accounts as well as in letter D of the Corporate Governance Report of the same year.

The FCC Group manages these risks using tools to identify them in advance and avoids or minimises 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:

- Capital Risk
- Interest rate Risk
- Exchange rate Risk
- Credit Risk
- Liquidity Risk
- Concentration Risk
- Financial instrument for risk coverage

The follow-up and control of these financial risks in the second half of the year are the same as the control systems broadly detailed in the FCC Group's 2010 consolidated annual accounts.

The main risks occurred in 2010 and the consequent control and follow-up during the first half of this year, are the following:

Firstly, operational risk appeared derived from an investment delay in the infrastructure construction for several domestic public clients, due to investment restrictions as a consequence of the actual economic and financial crisis. This situation is improving by incorporating new contracts and by increasing our international presence.

Secondly, there was a delay in payments on behalf of several domestic public clients from environmental services. This financial risk implies the need of temporary client financing, although due to its public nature, maintaining all the collection rights in the future.
To minimise the volume of assets generated under this risk, there are permanent follow-up and control committees, so as to reduce the financial cost assumed and avoid its expansion in the future.

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

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. Growth is expected to remain stable 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 sector will continue to gain from newly-built facilities in Portugal and new contracts in the US and Italy. Good commodities prices will help maintain the growth in revenues registered in the first half of the year.

The Water business will maintain the Company's already-strong position in Spain and it is now established as the leading Spanish-owned end-to-end operator in this area. The same tone will continue in the international arena as seen in the first half of the year, due to the gradual completion of water infrastructure contracts; however, in the medium term, international growth will gain strength, due to agreements with the EBRD and the World Bank to create investment vehicles which enable FCC to bid for water projects in the areas where the two entities operate.

Versia's areas of activity are expected to maintain moderate growth, especially sectors directly linked to consumer spending, such as advertising (urban furniture) and, to a lesser extent, airports (handling). 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 10,312.7 million euro at the end of June 2011 (i.e. 19 months' production). Accordingly, the growing importance of activity outside Spain, for which the backlog expanded by 14.9% at the end of June 2011 to 5,137.8 million euro, will offset the lower impact of the decline in public investment.

The **Cement** division's projected performance will be shaped by the volume of construction in the countries and regions where it operates. The red uction in cement consumption is expected to continue to slow in Spain, in line with the first half of the year. FCC will commence road and other infrastructure projects in the US which will help maintain the incipient recovery seen in the first two quarters. The demand for cement in other markets, especially Tunisia, will remain on par with the first half of the year.

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 2011, **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 two plants under development and scheduled for commissioning 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.

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